

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

December 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Henry Vilas Park Zoological Society, Inc.
Madison, Wisconsin

We have audited the accompanying financial statements of Henry Vilas Park Zoological Society, Inc., which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Henry Vilas Park Zoological Society, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses and Dane County allocation payment are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the

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responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
April 20, 2018

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and 2016

	2017	2016
ASSETS		
Cash	\$ 3,542,484	\$ 5,494,605
Promises to give - net	190,387	328,301
Inventories	83,620	102,511
Prepaid expenses	2,517	2,756
Investments		
Operating reserve	3,013,282	-
Endowment	1,110,673	1,000,000
Equipment - net	103,954	127,584
Total assets	\$ 8,046,917	\$ 7,055,757
LIABILITIES		
Accounts payable	\$ 346,644	\$ 454,667
Accrued payroll and related expenses	72,094	66,152
Dane County general use payment	859,532	854,180
Total liabilities	1,278,270	1,374,999
NET ASSETS		
Undesignated	2,164,720	1,130,446
Board designated - endowment	740,795	630,122
Board designated - operating reserve	3,013,282	3,000,000
Total unrestricted net assets	5,918,797	4,760,568
Temporarily restricted	479,972	550,312
Permanently restricted	369,878	369,878
Total net assets	6,768,647	5,680,758
Total liabilities and net assets	\$ 8,046,917	\$ 7,055,757

See accompanying notes.

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Sales	\$ 2,072,013	\$ -	\$ -	\$ 2,072,013
Less cost of goods sold	580,177	-	-	580,177
Sales - net	1,491,836	-	-	1,491,836
Contributions	1,700,269	496,425	-	2,196,694
Membership contributions	199,971	-	-	199,971
Investment income	123,227	-	-	123,227
Other	16,248	-	-	16,248
Total support and revenue	3,531,551	496,425	-	4,027,976
EXPENSES				
Program services				
Henry Vilas Zoo programs	1,220,535	-	-	1,220,535
Visitor Services	843,378	-	-	843,378
Educational programs	185,609	-	-	185,609
Volunteer programs	35,977	-	-	35,977
Supporting activities				
Management and general	410,690	-	-	410,690
Fundraising	243,898	-	-	243,898
Total expenses	2,940,087	-	-	2,940,087
Net assets released from restrictions	566,765	(566,765)	-	566,765
Change in net assets	1,158,229	(70,340)	-	1,087,889
Net assets - beginning of year	4,760,568	550,312	369,878	5,680,758
Net assets - end of year	\$ 5,918,797	\$ 479,972	\$ 369,878	\$ 6,768,647

See accompanying notes.

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Sales	\$ 2,027,521	\$ -	\$ -	\$ 2,027,521
Less cost of goods sold	594,197	-	-	594,197
Sales - net	1,433,324	-	-	1,433,324
Contributions	1,956,001	599,163	369,878	2,925,042
Membership contributions	167,119	-	-	167,119
Interest	13,610	-	-	13,610
Other	28,007	-	-	28,007
Total support and revenue	3,598,061	599,163	369,878	4,567,102
EXPENSES				
Program services				
Henry Vilas Zoo programs	1,841,923	-	-	1,841,923
Visitor Services	877,454	-	-	877,454
Educational programs	107,558	-	-	107,558
Volunteer programs	6,429	-	-	6,429
Supporting activities				
Management and general	332,491	-	-	332,491
Fundraising	288,750	-	-	288,750
Total expenses	3,454,605	-	-	3,454,605
Net assets released from restrictions	1,040,447	(1,040,447)	-	1,040,447
Change in net assets	1,183,903	(441,284)	369,878	1,112,497
Net assets - beginning of year	3,576,665	991,596	-	4,568,261
Net assets - end of year	<u>\$ 4,760,568</u>	<u>\$ 550,312</u>	<u>\$ 369,878</u>	<u>\$ 5,680,758</u>

See accompanying notes.

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,087,889	\$ 1,112,497
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Contributions restricted for long-term purposes	-	(369,878)
Depreciation	27,406	26,275
Donated equipment	(1,100)	-
Realized and unrealized loss on investments	19,068	-
Amortization of discount on promises to give	(6,149)	(8,550)
(Increase) decrease in assets		
Accounts receivable	(110,672)	1,075
Promises to give	144,063	184,550
Inventories	18,891	(22,577)
Prepaid expenses	239	(2,256)
Increase (decrease) in liabilities		
Accounts payable	(108,023)	418,845
Accrued payroll and related expenses	5,942	45,462
Dane County general use payment	5,352	20,357
Deferred revenue	-	(5,000)
Net cash flows from operating activities	1,082,906	1,400,800
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	575,000	-
Purchases of investments	(3,607,351)	(1,000,000)
Purchases of equipment	(2,676)	(26,374)
Net cash flows from investing activities	(3,035,027)	(1,026,374)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for investment in permanent endowment	-	369,878
Net change in cash	(1,952,121)	744,304
Cash - beginning of year	5,494,605	4,750,301
Cash - end of year	\$ 3,542,484	\$ 5,494,605

See accompanying notes.

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

Henry Vilas Park Zoological Society, Inc. (Society) is a not-for-profit organization that provides aid and support to the Henry Vilas Zoo located in Madison, Wisconsin. The Society builds community support and provides funding for zoo activities, including the acquisition, conservation, and replacement of animals; refurbishing and creating new exhibits; supporting educational programs; and improving the overall educational and recreational value of the zoo. The Society is primarily supported by contributions from the general public.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Society is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

Permanently restricted net assets—Net assets that have been restricted by donors to be maintained by the Society in perpetuity.

Promises to Give

Unconditional promises to give are recognized as support or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Uncollectible promises are written off after management has used reasonable collection efforts and determine the promises will not be collected.

Inventories

Inventories consist of merchandise held for resale valued at the lower of cost or market determined by the first-in, first-out (FIFO) method.

Investments

The Society reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Dane County General Use Payment

Dane County general use payment authorized but unpaid at year end are reported as liabilities.

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

All acquisitions of equipment in excess of \$1,000 and all expenses for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Contributions

Contributions restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Assets and Services

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation, net of expenses for disposals. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. Volunteers also provide various services throughout the year that are not recognized as contributions in the financial statements since they did not meet the criteria for recognition.

Expense Allocation

The costs of providing the Society's programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. The following program services are included in the accompanying financial statements:

Henry Vilas Zoo Programs – The Society provides funding for Henry Vilas Zoo activities. The Society's on-going programs include: annual membership program, capital campaigns, annual special events, Befriend-An-Animal (an adopt-an-animal program), sales of on-grounds zoo recognition benches, planned giving, annual giving, special campaigns, and large on-grounds corporate events. The Society also receives unsolicited donations, bequests, memorial contributions, and in-kind gifts of goods and services.

Visitor Services – The Society maintains and operates the gift shop, concession stand and Conservation Carousel in the Henry Vilas Zoo. The Conservation Carousel is a landmark structure in the Children's Zoo.

Educational Programs – The Society supports the Zoo's educational programs through fund management, program brochure printing, and volunteer support. Annually, over 30,000 children ages 4-14 take part in the Henry Vilas Zoo's educational programs including Summer Zoo School, Winter Adventure Programs, offsite presentations and Bleacher Programs for area schools. Thousands more visit the zoo for class field trips. The EdZoocation Volunteers are critical to the

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation (continued)

success of these programs, their dedication make these terrific educational opportunities possible for children.

Volunteer Programs – The Society manages a volunteer program that places volunteers in a variety of positions including Animal Ambassadors (trained volunteers who share animal information with the public at various animal exhibits), special event management and execution, zoo grounds maintenance, and assistance with Society operations.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Sales Taxes

The State of Wisconsin (5%) and the County of Dane (0.5%) imposes a sales tax on all the Society's concession and merchandise sales to customers. The Society collects the sales tax from customers and remits the entire amount to the State. The Society's accounting policy is to exclude the tax collected and remitted to the State from revenue and cost of sales.

Income Tax Status

The Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Society qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Date of Management's Review

Management has evaluated subsequent events through April 20, 2018, the date which the financial statements were available to be issued.

NOTE 2 – CASH

Cash at December 31, 2017 and 2016 includes \$37,561 and \$59,858 for the Animal Welfare Fund and \$179,328 and \$187,598 for the Education Fund that is required to be maintained in a separate bank account by Dane County.

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

The Society maintains its cash balances at one financial institution located in Madison, Wisconsin. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Society's uninsured cash balances total at December 31, 2017 and 2016 was \$4,798,602 and \$4,017,918.

NOTE 4 – PROMISES TO GIVE

Promises to give at December 31, 2017 and 2016 consisted of the following:

	2017	2016
Amounts receivable in		
Less than one year	\$ 175,780	\$ 137,300
One to five years	15,963	198,380
More than five years	-	125
	191,743	335,805
Promises to give	191,743	335,805
Less discount to net present value	1,356	7,504
	\$ 190,387	\$ 328,301
Promises to give - net		

Promises receivable in more than one year are discounted at 5%.

NOTE 5 – EQUIPMENT

Equipment at December 31, 2017 and 2016 consisted of the following:

	2017	2016
Office equipment	\$ 74,474	\$ 74,474
Concession equipment	113,208	110,532
Gift shop	91,137	91,137
Other equipment	55,200	54,101
	334,019	330,244
Equipment	334,019	330,244
Less accumulated depreciation	230,065	202,660
	\$ 103,954	\$ 127,584
Equipment - net		

Depreciation expense for 2017 and 2016 was \$27,406 and \$26,275.

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 7 – INVESTMENTS

Investments at December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Money market funds	\$ 59,214	\$ 1,000,000
Equities	432,983	-
Mutual funds	221,764	-
Bonds	2,501,464	-
US Treasury Notes	908,530	-
	<u> </u>	<u> </u>
Investments	<u>\$ 4,123,955</u>	<u>\$ 1,000,000</u>

Investment return for 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 73,984	\$ 13,610
Realized gains	299	-
Unrealized gains	75,150	-
Investment fees	(15,400)	-
Amortization of bond premiums	(10,806)	-
	<u> </u>	<u> </u>
Investment return	<u>\$ 123,227</u>	<u>\$ 13,610</u>

The investments are uninsured and are subject to changes in economic market conditions. The Society's investment policy attempts to minimize market risk through portfolio diversification.

NOTE 8 – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2017 are:

	<u>Fair Value</u>	<u>Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market funds	\$ 59,214	\$ 59,214	\$ -	\$ -
Equities	432,983	432,983	-	-
Mutual funds	221,764	221,764	-	-
Bonds	2,501,464	-	2,501,464	-
US Treasury Notes	908,530	-	908,530	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Investments	<u>\$ 4,123,955</u>	<u>\$ 713,961</u>	<u>\$ 3,409,994</u>	<u>\$ -</u>

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 9 – DONATED SERVICES

The Society received donated services during 2017 and 2016 that were recorded in the financial statements are as follows:

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Computer consulting	\$ 21,750	\$ 1,100	\$ -	\$ 22,850
Advertising	-	5,000	-	5,000
Total - 2017	<u>\$ 21,750</u>	<u>\$ 6,100</u>	<u>\$ -</u>	<u>\$ 27,850</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Computer consulting	\$ 2,767	\$ 25,382	\$ -	\$ 28,149
Contract services	154,578	-	-	154,578
Total - 2016	<u>\$ 157,345</u>	<u>\$ 25,382</u>	<u>\$ -</u>	<u>\$ 182,727</u>

NOTE 10 – NET ASSETS

Temporarily restricted net assets at December 31, 2017 and 2016 are available for the following purposes or periods:

	<u>2017</u>	<u>2016</u>
Time restricted	\$ 178,387	\$ 297,801
Purpose restrictions		
Badger Exhibit	12,000	30,500
Education position and fund	257,461	163,015
Conservation fund	30,597	26,801
Animal welfare	1,527	32,195
Temporarily restricted net assets	<u>\$ 479,972</u>	<u>\$ 550,312</u>

NOTE 11 – RELATIONSHIP BETWEEN THE SOCIETY AND HENRY VILAS ZOO

The Society works to aid the Henry Vilas Zoo, an agency of Dane County. All assets acquired or constructed for the zoo by the Society are donated to Dane County. Total costs for assets purchased and donated to the zoo during 2017 and 2016 were \$300,689 and \$70,214. The County provides free use of space in the Henry Vilas Zoo for the offices, gift shops, and concession stands maintained by the Society. Since the purpose and operations of the Society are inseparable with that of the Henry Vilas Zoo, it is not possible to determine the value of the donated space. Therefore, no amounts have been recorded in the financial statements for the use of these facilities.

In June 2013, the Society entered into an agreement with the County, with an expiration date of December 31, 2018, which requires the Society to remit to the County \$688,000 for 2014. For 2015, the Society shall remit to the County the greater amount of 80% of the net income from the concession operations and donor tubes or \$692,000, plus the increased costs of utilities incurred

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
Years ended December 31, 2017 and 2016

NOTE 11 – RELATIONSHIP BETWEEN THE SOCIETY AND HENRY VILAS ZOO (continued)

during 2015 as a result of the addition of the Arctic Passage Exhibit and the concession facility. For 2016, the Society shall remit to the County the greater of 80% of the net income from the concession operations and donor tubes or \$756,000. For 2017, the Society shall remit to the County the greater of 85% of the net income from the concession operations and donor tubes or \$760,000. For 2018, the Society shall remit to the County the greater of 90% of the net income from the concession operations and donor tubes or \$765,000. The Society is disputing the appropriateness of certain billings of the Arctic Passage utility expenses with the Henry Vilas Zoo.

A portion of the annual amount is expressly provided to support 3 FTE staff positions: the Deputy Director, Animal Life Support Technician and a Zookeeper. To the extent that the County experiences vacancies in these three positions, the Society will receive a credit to reduce the annual payment by the amount of personal costs saved by the County as a result of the vacancy.

Beginning in calendar year 2015, the Society agrees to appropriate \$40,000 each year to the Animal Welfare Fund to be available for the specialized care, acquisition, transportation and other specialized animal welfare expenses. Any amount not expended within each fiscal year will be carried forward and be available in the following year. However, if the balance of the current year appropriation combined with any carryforward of previous appropriations exceeds \$120,000, the Society may reduce the appropriation such that the combined total does not exceed \$120,000.

NOTE 12 – ENDOWMENT FUND

The Society's endowment fund consists of one individual fund. The endowment fund includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including board-designated funds to function as endowments, are classified and reported based on existence or absence of donor-imposed restrictions.

To make and sustain meaningful annual distributions the Society has adopted an endowment fund policy that requires the endowment fund to reinvest all interest, dividends and investment returns until it reaches a \$5 million threshold. Once the threshold is reached, the plan is to make annual distributions of 2 – 4 percent of the investment balance.

The Society has adopted an investment policy for the endowment fund endowment to achieve a reasonable total return with an appropriate level of risk. Endowment funds include those assets of donor-restricted that the Society must hold in perpetuity or for donor specified periods. The Society has adopted an investment policy so that the endowment funds over time provide an average rate of return that results in a consistent inflation-protected rate of return. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund. Investment assets and allocation between asset classes and strategies are managed by an investment manager as prescribed in the investment policy.

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 12 – ENDOWMENT FUND (continued)

Endowment net asset composition by type of fund as of December 31, 2017 and 2016 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ -	\$ -	\$ 369,878	\$ 369,878
Board-designated funds	740,795	-	-	740,795
Total - 2017	\$ 740,795	\$ -	\$ 369,878	\$ 1,110,673

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ -	\$ -	\$ 369,878	\$ 369,878
Board-designated funds	630,122	-	-	630,122
Total - 2016	\$ 630,122	\$ -	\$ 369,878	\$ 1,000,000

Changes in endowment net assets as of December 31, 2017 and 2016 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Endowment Net Assets
Endowment net assets, beginning of year	\$ 630,122	\$ -	\$ 369,878	\$ 1,000,000
Contributions	-	-	-	-
Transfers	-	-	-	-
Investment income	110,673	-	-	110,673
Endowment net assets, end of year	\$ 740,795	\$ -	\$ 369,878	\$ 1,110,673

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
Endowment net assets, beginning of year	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	369,878	369,878
Transfers	630,122	-	-	630,122
Endowment net assets, end of year	\$ 630,122	\$ -	\$ 369,878	\$ 1,000,000

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 13 – COMMUNITY TRUST FUND (continued)

The Henry Vilas Park Zoological Endowment Fund (Fund) has been established as a component fund of the Madison Community Foundation (Foundation). The Foundation, as a community Society, serves the mutual interests of Dane County and those individuals who wish to enhance the quality of life in the community through charitable giving. Component funds of the Foundation are established by donors for the benefit of the community, and, when these funds are established, donors may indicate what organizations or causes should benefit from distributions from the fund. However, donors also grant the Foundation variance power that allows the Foundation to modify the donors' stipulations under certain circumstances as the Foundation monitors the changing needs of the community. Therefore, the Fund is not included in the Society's financial statements.

The amount available for annual distribution represents 4.75% of a rolling twelve-quarter average. All other interest and appreciation is added to the Fund. Principal may not be drawn from the Fund except with approval of the Foundation's Board of Governors.

The fair value of the Fund at December 31, 2017 and 2016 was \$535,426 and \$459,806.

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year ended December 31, 2017

	Program Services				Supporting Activities			
	Henry Vilas Zoo Programs	Visitor Services	Educational Programs	Volunteer Programs	Total	Management and General	Fundraising	Total
Contract fees	\$ -	\$ 60,616	\$ -	\$ 693	\$ 61,309	\$ 91,069	\$ 110,806	\$ 263,184
Wages and benefits	78,876	564,673	-	26,400	669,949	151,510	75,339	896,798
Payroll tax	6,936	60,040	-	2,623	69,599	7,097	6,439	83,135
Office and program supplies	-	609,923	354	1,642	611,919	10,802	13,116	635,837
Equipment and maintenance	935	15,759	-	-	16,694	3,962	477	21,133
Utilities	-	38,941	-	-	38,941	9,661	-	48,602
Postage	2,521	-	-	-	2,521	8,631	1,470	12,622
Printing	12,689	460	-	-	13,149	5,057	14,048	32,254
Volunteer, donor, and staff recognition	1,470	76	-	1,260	2,806	9,088	97	11,991
Promotion	-	1,350	-	90	1,440	10,953	10,382	22,775
Other zoo support	381,157	47	184,622	-	565,826	-	-	565,826
County general use agreement	719,518	-	-	-	719,518	-	-	719,518
Telephone	-	1,998	-	-	1,998	6,851	-	8,849
Accounting and audit fees	-	-	-	-	-	35,611	-	35,611
Dues and membership fees	890	100	-	1,090	2,080	10,834	-	12,914
Miscellaneous	229	41,018	633	712	42,592	21,304	8,759	72,655
Continuing education	-	225	-	481	706	2,667	-	3,373
Insurance	-	3,665	-	-	3,665	13,940	-	17,605
Licenses	-	1,025	-	605	1,630	713	-	2,343
Travel	15,314	747	-	381	16,442	6,426	2,965	25,833
Depreciation	-	22,892	-	-	22,892	4,514	-	27,406
Total expenses	1,220,535	1,423,555	185,609	35,977	2,865,676	410,690	243,898	3,520,264
Less expenses included in support and revenue on the statement of activities	-	(580,177)	-	-	(580,177)	-	-	(580,177)
Total expenses included in the expenses section of the statement of activities	\$ 1,220,535	\$ 843,378	\$ 185,609	\$ 35,977	\$ 2,285,499	\$ 410,690	\$ 243,898	\$ 2,940,087

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year ended December 31, 2016

	Henry Vilas Zoo Programs	Visitor Services	Educational Programs	Volunteer Programs	Total	Management and General	Fundraising	Total
Contract fees	\$ 5,701	\$ 74,516	\$ 176	\$ 2,206	\$ 82,599	\$ 17,955	\$ 70,681	\$ 171,235
Wages and benefits	73,082	581,430	-	-	654,512	181,212	141,578	977,302
Payroll tax	6,545	55,379	-	-	61,924	7,137	10,789	79,850
Office and program supplies	-	623,353	241	1,378	624,972	9,337	14,178	648,487
Equipment and maintenance	-	15,679	-	222	15,901	1,628	-	17,529
Utilities	2,714	41,610	275	25	44,624	5,070	4,110	53,804
Postage	2,467	-	-	-	2,467	9,701	2,806	14,974
Printing	12,958	582	-	-	13,540	8,933	18,614	41,087
Volunteer, donor, and staff recognition	931	100	-	1,453	2,484	6,698	-	9,182
Promotion	11,899	3,580	-	50	15,529	2,572	18,049	36,150
Other zoo support	1,003,645	-	106,286	-	1,109,931	-	-	1,109,931
County general use agreement	720,070	-	-	-	720,070	-	-	720,070
Telephone	720	4,160	365	92	5,337	2,091	1,720	9,148
Accounting and audit fees	-	-	-	-	-	27,363	-	27,363
Dues and membership fees	-	-	-	80	80	8,181	-	8,261
Miscellaneous	5	35,578	-	336	35,919	22,473	3,863	62,255
Continuing education	-	174	-	563	737	3,168	-	3,905
Insurance	1,186	8,634	215	18	10,053	2,683	2,100	14,836
Licenses	-	2,504	-	-	2,504	150	100	2,754
Travel	-	2,612	-	6	2,618	11,624	162	14,404
Depreciation	-	21,760	-	-	21,760	4,515	-	26,275
Total expenses	1,841,923	1,471,651	107,558	6,429	3,427,561	332,491	288,750	4,048,802
Less expenses included in support and revenue on the statement of activities	-	(594,197)	-	-	(594,197)	-	-	(594,197)
Total expenses included in the expenses section of the statement of activities	\$ 1,841,923	\$ 877,454	\$ 107,558	\$ 6,429	\$ 2,833,364	\$ 332,491	\$ 288,750	\$ 3,454,605

HENRY VILAS PARK ZOOLOGICAL SOCIETY, INC.
SCHEDULE OF DANE COUNTY GENERAL USE PAYMENT
Years ended December 31, 2017 and 2016

	2017	2016
Revenue		
Donor Tube income	\$ 42,885	\$ 60,997
Train income	181,536	141,189
Carousel income	230,018	215,488
Concession sales	1,660,459	1,670,844
Less cost of goods sold	(580,177)	(594,197)
Concession sales - net	1,080,282	1,076,647
Total net revenue	1,534,721	1,494,321
Expenses		
Contract services	60,616	74,516
Wages and benefits	549,750	581,430
Payroll taxes	57,694	55,379
Office and program supplies	29,745	29,156
Equipment and maintenance	15,758	15,679
Utilities	40,434	41,610
Printing	460	582
Staff recognition	76	100
Promotion	1,175	3,580
Telephone	505	4,160
Miscellaneous	40,021	35,578
Continuing education	225	174
Insurance	1,163	8,634
Licenses	2,119	2,504
Travel	747	2,618
Depreciation	22,892	21,760
Total expenses	823,380	877,460
Income subject to county allocation	711,341	616,861
Contract percentage	85%	80%
Calculation based on contract	604,640	493,489
Minimum to be paid per contract	760,000	756,000
Base payment made in December	(719,518)	(720,070)
Payment made in subsequent year	-	-
Vacancy credit	(40,482)	(35,930)
Remaining amount due	\$ -	\$ -