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Minnesota Zoological Gardens

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www.mnzoo.org

AT A GLANCE

- A world-class conservation venue that is home to over 4,700 animals—many endangered
- 485 acre campus with 121 buildings and related facilities
- 1.293 million visitors annually
- The State's largest environmental educator with more than 500,000 participants in FY16
- $146 million annual economic impact, supporting over 1,700 jobs
- The Zoo Access Program provides free admission to economically disadvantaged Minnesotans in all 87 counties
- 11,000 free student admissions through Zoo Safari

PURPOSE

The mission of the Minnesota Zoological Garden (Minnesota Zoo) is to connect people, animals and the natural world to save wildlife.

The Minnesota Zoo is one the State's foremost recreation destinations, environmental educators, and conservation leaders. It is also one of only two state-owned and operated zoos in the U.S.

Exhibits include Russia's Grizzly Coast, Discovery Bay, Medtronic Minnesota Trail, Penguins of the African Coast, Tropics Trail, Northern Trail, and Wells Fargo Family Farm. Guests engage in conservation issues, learn about ecosystems worldwide, and celebrate Minnesota's natural history. In addition, the Zoo features amenities like Hanifl Family Wild Woods, which promote nature-based play and appreciation for the natural world.

The Minnesota Zoo is engaged in conservation efforts on the Zoo site, throughout Minnesota, and around the world. Through partnerships with other state and federal agencies, the Zoo is leading efforts to save threatened prairie butterfly populations; restore endangered native, freshwater mussel species; and breed/reintroduce pure bison (free from cattle genes) to state parks throughout Minnesota. Zoo guests experience these programs directly through exhibits and interpretation while Zoo staff lead program efforts in the field. Internationally, the Zoo is involved in efforts to save the critically-endangered black rhino, true wild horses, Amur tigers, Asian wild dogs, and more.

The Minnesota Zoo is the state's largest environmental education center with more than 500,000 people participating in programs each year. The Zoomobile outreach program reached 58,200 people in 50 counties in 2015 while 92,000 students from 63 counties participated in Zoo field trips. Onsite programs led by Zoo naturalists and zookeepers provide guests with conservation-focused education programs that relate directly to the Zoo's animal collection. The Zoo also offers programs targeted to serve communities with special needs through autism camps, ASL days at the Zoo, and Dream Night (for sick and disabled children).

The Zoo further demonstrates its commitment to access by ensuring that admission is FREE for all Minnesotans who need it to be. The Zoo Access Program ensures that families who qualify for state programs like SNAP, WIC, EBT and more receive free admission to the Zoo every single day. This program is expected to serve more than 180,000 people in 2016. The Zoo also bridges access barriers by providing zoo maps in seven foreign languages, and providing ASL interpreters. The Zoo campus is ADA accessible.

Through these programs and its operations, the Minnesota Zoo contributes to the following statewide outcomes: a thriving economy that encourages business growth and employment opportunities; Minnesotans have the education and skills needed to achieve their goals; strong and stable families and communities; a clean, healthy environment with sustainable uses of natural resources; and efficient and accountable government services.

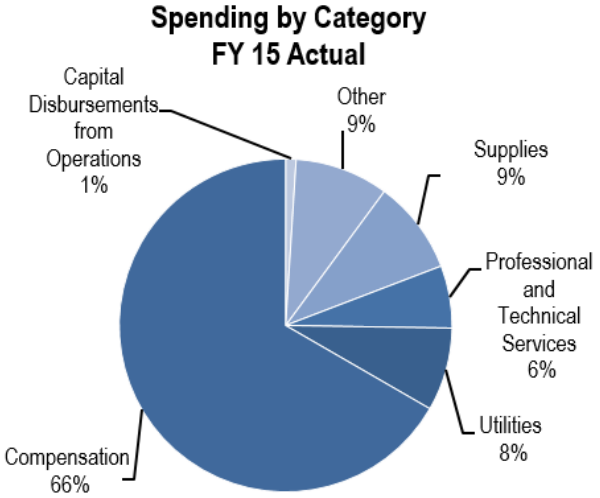
BUDGET

The Minnesota Zoo is committed to using its resources efficiently and effectively. In addition to the State's investment, the Zoo is supported by a diverse mix of earned revenue, private investment through charitable contributions, and volunteer services.

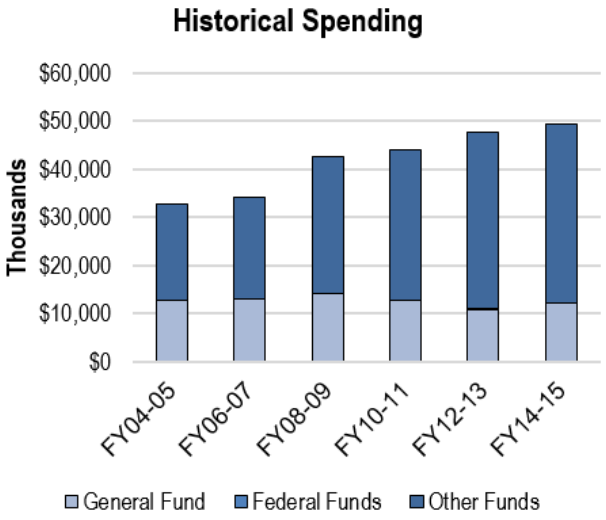
More than 1,000 volunteers collectively donate more than 117,000 hours of time each year, serving an essential role in the Zoo's daily operations.

The Zoo's primary source of revenue (54% total revenue) is earned income from admissions, memberships, etc. Charitable contributions donated through the Zoo's private partner, the Minnesota Zoo Foundation, account for approximately 7% of annual revenues. These funds represent donations by individuals, corporations and foundations to support the Zoo's mission and work. The State's general operating investment represents 31% of the Zoo's total revenue; in addition, the Zoo historically receives additional funding from other State funds, including the Arts & Cultural Heritage Fund and LCCMR funds.

The State's increase in general operating support in FY16-FY17 restored what had been a declining level of investment and now represents a key component (1/3 public investment-2/3 private investment) of the Zoo's sustainable business model. The stability of the State's investment ensures the Zoo's ability to weather unanticipated expenses, extreme or prolonged weather events, and fluctuations in the economy.



Source: SWIFT



Source: Consolidated Fund Statement

The Zoo has significant fixed operating costs critical to ensure the care and well-being of its 4,700+ animals, the safety and quality of its guest experiences, and the maintenance and security of its site. With more than 300 annual employees, 66% of the Zoo's budget is allocated to personnel compensation and related expenses. Another 8% (approximately $1.8 million) covers fixed utility costs. As state personnel costs and utility expenses continue to rise, the Zoo's fixed costs are correspondingly increasing.

STRATEGIES

The Minnesota Zoo completed a comprehensive strategic planning process in 2015; this plan explicitly acknowledges that the ultimate goal of the Zoo is to save wildlife, here in Minnesota and around the world. John Frawley joined the Minnesota Zoo as its new President and Director in 2016; under this new leadership, the plan is being re-examined to ensure that the Zoo's critical role in helping Minnesotans connect with nature and value the natural world is fully represented. Three goals guide the strategic plan:

- Position the Minnesota Zoo as a recognized conservation organization whose purpose is to save wildlife.
- Transform the Minnesota Zoo into a conservation destination that delivers extraordinary guest experiences.
- Develop and implement a sustainable business model for a conservation-focused, 21st-century zoo.

Each goal is supported by strategic objectives that are driving the organization's current operations. Under the first goal, objectives are released to partnership, conservation investment, recognition, and connecting Zoo guests to the Zoo's efforts to save wildlife. The second goal's objectives are focused on the continuous improvement of the campus' offerings and amenities.

The third goal's objectives articulate benchmarks for attendance, contributed income, new sources of earned revenue, state investment, and cost containment.

As the Zoo's first and most important partner, the State's significant and ongoing investment is crucial to the Zoo's ability to build on its strengths and continue to be one of the State's premier cultural, education, and conservation institutions.

RESULTS

The Zoo will measure its success in meeting its mission and implementing its goals in part through the following:

Type of Measure	*Name of Measure*	*Previous*	*Current*	*Dates*	*Zoo Strategy Alignment*
Quantitative	Zoo Attendance	1.293 million	1.347 million	FY16 and FY17	Conservation Destination and Sustainable Business Model
Qualitative	Guest Satisfaction - % of Excellent Rating	69%	72%	2015 and 2016	Conservation Destination
Quantitative	Educational Impact	484,000 Participants	502,000 participants	FY14 and FY15	Conservation Destination
Quantitative	Economic Impact	$113 million	$146 million	2010 and 2012	Sustainable Business Model
Qualitative	AZA Accreditation	Accredited	2007 and 2012	Recognized Conservation Organization	Conservation Impact
Results	Conservation Impact	Edward A. Bean Award for Significant Achievement in Conservation (Tigers)	LCCMR funding for butterfly conservation and mussel research	2015 and 2016	Recognized Conservation Organization

Performance Measure Notes:

Attendance: The number of guests visiting the Zoo each year is key to the Zoo's success. Attendance is directly related to the Zoo's long-term financial sustainability and its ability to deliver its conservation message. The Zoo's current strategies focus on new guest acquisition and membership retention. Guests' satisfaction with their Zoo experience is directly related to future attendance. In turn, attendance has a demonstrable impact on the economy of the region.

Zoo attendance is affected by many factors including weather, marketing, price and general economic conditions—many of which are outside of the Zoo's control. Recent analysis of attendance trends indicates that, perhaps most importantly, attendance is driven by new exhibits opening at the Zoo along with guests perceptions of their experience at the Zoo. Analysis also indicates that the Zoo has reached the ceiling with its current admission price.

Therefore, the Zoo must continually invest in the development of new exhibits and the maintenance of existing exhibits and related facilities to attract new visitors and encourage return visits.

Attendance numbers are captured daily. Guest surveys measuring satisfaction are conducted periodically.

Economic Impact: The University of Minnesota completed studies of the Zoo's economic impact in the 7-county metropolitan area in 2007, 2010 and 2012. Each study has shown an increase in the Zoo's impact in the area. These studies do not reflect any impact from construction projects at the Zoo, which would further increase the impact of the Zoo on the local economy.

Educational Impact: Educational impact is currently measured by the number of participants in a wide variety of Zoo educational programs including the following: Zoomobile visits, distance learning programs delivered through interactive video conferencing, school group visits, summer Zoo Camp and a variety of other community programs offered at the Zoo. In addition, the Zoo offers three primary onsite education programs as part of the guest experience: Wings Financial World of Birds Show, Hawaiian Monk Seal Demonstrations, and Close Encounters (up close animal engagement activities).

Conservation Impact: The conservation impacts include increased numbers and healthy populations of endangered species in our care, increased engagement with partners in the field (in situ initiatives), and recognition for the Zoo's work by professional partners, peers, and other stakeholders.

See Minnesota Statutes Chapter 85A (https://www.revisor.mn.gov/statutes/?id=85A) for an overview of the Minnesota Zoo's purpose, organization and authority.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base FY18	Forecasted Base FY19
1000 - General	5,425	6,775	8,250	8,250	8,250	8,250
2000 - Restrict Misc Special Revenue	15,949	13,138	12,699	15,263	15,416	16,107
2050 - Environment & Natural Resource	0	164	100	687	0	0
2110 - Zoos Lottery In Lieu	160	160	160	160	160	160
2301 - Arts & Cultural Heritage Fund	2,199	1,840	1,731	1,985	53	0
2403 - Gift	2,448	4,197	2,758	1,997	1,828	1,812
3000 - Federal	0	8	56	22	0	0
Total	**26,181**	**26,282**	**25,754**	**28,364**	**25,707**	**26,329**
Biennial Change				1,656		(2,082)
Biennial % Change				3		(4)

Expenditures by Program

Program: Minnesota Zoo	26,181	26,282	25,754	28,364	25,707	26,329
Total	**26,181**	**26,282**	**25,754**	**28,364**	**25,707**	**26,329**

Expenditures by Category

Compensation	16,212	16,064	16,248	17,777	16,629	17,123
Operating Expenses	8,883	9,660	9,197	10,481	8,972	9,044
Other Financial Transactions	394	275	157	106	106	162
Grants, Aids and Subsidies	15	13	2			
Capital Outlay-Real Property	678	269	149			
Total	**26,181**	**26,282**	**25,754**	**28,364**	**25,707**	**26,329**
Total Agency Expenditures	26,181	26,282	25,754	28,364	25,707	26,329
Internal Billing Expenditures	399	397	370	450	450	450
Expenditures Less Internal Billing	**25,782**	**25,885**	**25,384**	**27,914**	**25,257**	**25,879**
Full-Time Equivalents	**234.8**	**222.6**	**221.0**	**235.1**	**210.7**	**210.7**

1000 - General

	Actual FY14	Actual FY 15	Actual FY 16	Estimate FY17	Forecast Base FY18	Forecast Base FY19
Direct Appropriation	5,425	6,775	8,250	8,250	8,250	8,250
Expenditures	**5,425**	**6,775**	**8,250**	**8,250**	**8,250**	**8,250**
Biennial Change in Expenditures				4,300		0
Biennial % Change in Expenditures				35		0
Full-Time Equivalents	67.8	62.8	86.1	86.1	81.0	81.0

2000 - Restrict Misc Special Revenue

	Actual FY14	Actual FY 15	Actual FY 16	Estimate FY17	Forecast Base FY18	Forecast Base FY19
Balance Forward In	1,803	223	1,256	3,110	2,943	2,573
Receipts	14,372	14,025	14,552	15,097	15,046	16,269
Internal Billing Receipts	399	397	370	450	450	450
Net Transfers	0	(95)	0	0	0	0
Expenditures	**15,949**	**13,138**	**12,699**	**15,263**	**15,416**	**16,107**
Balance Forward Out	226	1,015	3,110	2,943	2,573	2,735
Biennial Change in Expenditures				(1,125)		3,562
Biennial % Change in Expenditures				(4)		13
Full-Time Equivalents	138.8	109.3	90.9	101.0	101.0	101.0

2050 - Environment & Natural Resource

	Actual FY14	Actual FY 15	Actual FY 16	Estimate FY17	Forecast Base FY18	Forecast Base FY19
Balance Forward In	0	0	219	119	0	0
Direct Appropriation	0	380	0	568	0	0
Expenditures	0	**164**	**100**	**687**	0	0
Balance Forward Out	0	216	119	0	0	0
Biennial Change in Expenditures				624		(787)
Biennial % Change in Expenditures				381		(100)
Full-Time Equivalents		1.2	1.3	1.3	0	0

2110 - Zoos Lottery In Lieu

	Actual FY14	Actual FY 15	Actual FY 16	Estimate FY17	Forecast Base FY18	Forecast Base FY19
Direct Appropriation	160	160	160	160	160	160

2110 - Zoos Lottery In Lieu

Expenditures	**160**	**160**	**160**	**160**	**160**	**160**

2301 - Arts & Cultural Heritage Fund

	Actual		Actual	Estimate	Forecast Base	
	FY14	FY 15	FY 16	FY17	FY18	FY19
Balance Forward In	780	336	269	288	53	0
Direct Appropriation	1,750	1,750	1,750	1,750	0	0
Net Transfers	0	0	0	0	0	0
Expenditures	**2,199**	**1,840**	**1,731**	**1,985**	**53**	**0**
Balance Forward Out	331	245	288	53	0	0
Biennial Change in Expenditures				(323)		(3,663)
Biennial % Change in Expenditures				(8)		(99)
Full-Time Equivalents	17.5	16.7	15.7	18.0	0	0

2403 - Gift

	Actual		Actual	Estimate	Forecast Base	
	FY14	FY 15	FY 16	FY17	FY18	FY19
Balance Forward In	2,092	2,542	1,889	746	394	339
Receipts	2,885	3,522	1,615	1,644	1,773	1,815
Expenditures	**2,448**	**4,197**	**2,758**	**1,997**	**1,828**	**1,812**
Balance Forward Out	2,529	1,868	746	394	339	343
Biennial Change in Expenditures				(1,890)		(1,115)
Biennial % Change in Expenditures				(28)		(23)
Full-Time Equivalents	10.7	32.7	26.9	28.7	28.7	28.7

3000 - Federal

	Actual		Actual	Estimate	Forecast Base	
	FY14	FY 15	FY 16	FY17	FY18	FY19
Balance Forward In	0	0	0	8	0	0
Receipts	0	8	64	14	0	0
Expenditures	0	**8**	**56**	**22**	0	0
Balance Forward Out	0	0	8	0	0	0
Biennial Change in Expenditures				70		(78)
Biennial % Change in Expenditures				880		(100)
Full-Time Equivalents			0.1	0.1	0	0