

**LOUISVILLE ZOO
FOUNDATION, INC.**

FINANCIAL REPORT

June 30, 2019

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Jones, Nale & Mattingly PLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Louisville Zoo Foundation, Inc.
Louisville, Kentucky

We have audited the accompanying financial statements of the Louisville Zoo Foundation, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, 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 the Louisville Zoo Foundation, Inc. as of June 30, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note 1, the Louisville Zoo Foundation, Inc. has adopted Financial Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Jones, Nale & Mattingly PC

Louisville, Kentucky
October 14, 2019

LOUISVILLE ZOO FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 1,448,037	\$ 4,794,953
Pledges receivable, net	309,212	1,391,784
Other receivables	55,065	61,320
Investments	<u>2,250,000</u>	<u>4,000,000</u>
Total assets	<u>\$ 4,062,314</u>	<u>\$ 10,248,057</u>
LIABILITIES		
Accounts payable	\$ 24,105	\$ 17,455
Due to affiliates	<u>81,712</u>	<u>135,285</u>
Total liabilities	<u>105,817</u>	<u>152,740</u>
NET ASSETS		
Without donor restrictions:		
Available for operations	124,402	69,264
Board-designated	<u>689,252</u>	<u>633,740</u>
	813,654	703,004
With donor restrictions	<u>3,142,843</u>	<u>9,392,313</u>
Total net assets	<u>3,956,497</u>	<u>10,095,317</u>
Total liabilities and net assets	<u>\$ 4,062,314</u>	<u>\$ 10,248,057</u>

The Notes to Financial Statements are an integral part of these statements.

LOUISVILLE ZOO FOUNDATION, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 181,659	\$ 993,716	\$ 1,175,375
Interest income	69,390	18,271	87,661
Total support and revenue	251,049	1,011,987	1,263,036
Net assets released from restrictions	7,261,457	(7,261,457)	--
	7,512,506	(6,249,470)	1,263,036
Expenses:			
Program services	7,259,229	--	7,259,229
Management and general	43,289	--	43,289
Fundraising	99,338	--	99,338
Total expenses	7,401,856	--	7,401,856
Increase (decrease) in net assets	110,650	(6,249,470)	(6,138,820)
Net assets, beginning of year	703,004	9,392,313	10,095,317
Net assets, end of year	\$ 813,654	\$ 3,142,843	\$ 3,956,497

The Notes to Financial Statements are an integral part of this statement.

LOUISVILLE ZOO FOUNDATION, INC.

STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 140,392	\$ 2,635,126	\$ 2,775,518
Interest income	42,953	7,074	50,027
Total support and revenue	183,345	2,642,200	2,825,545
Net assets released from restrictions	471,311	(471,311)	--
	654,656	2,170,889	2,825,545
Expenses:			
Program services	509,288	--	509,288
Management and general	40,918	--	40,918
Fundraising	42,799	--	42,799
Total expenses	593,005	--	593,005
Increase in net assets	61,651	2,170,889	2,232,540
Net assets, beginning of year	641,353	7,221,424	7,862,777
Net assets, end of year	\$ 703,004	\$ 9,392,313	\$ 10,095,317

The Notes to Financial Statements are an integral part of this statement.

LOUISVILLE ZOO FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	Program Services	Management and General	Fundraising	Total
Animal care supplies	\$ 88,854	\$ --	\$ --	\$ 88,854
Audio visual materials	7,496	--	218	7,714
Bad debt expense	7,500	--	--	7,500
Bank charges	--	2,636	--	2,636
Clothing	9,601	--	--	9,601
Equipment rental	--	--	7,044	7,044
Grants	7,100,640	--	--	7,100,640
Horticulture supplies	150	--	--	150
Miscellaneous	745	191	50	986
Photographs and blueprints	--	--	474	474
Postage and shipping	--	50	8,856	8,906
Printing and reproduction	1,930	--	19,963	21,893
Professional services	8,884	13,775	38,425	61,084
Public relations and meetings	19,458	7,658	18,665	45,781
Salaries, taxes, and benefits	--	18,979	--	18,979
Signs and decorations	355	--	3,845	4,200
Training and education	8,501	--	--	8,501
Travel	5,115	--	1,798	6,913
	<u>\$ 7,259,229</u>	<u>\$ 43,289</u>	<u>\$ 99,338</u>	<u>\$ 7,401,856</u>

The Notes to Financial Statements are an integral part of this statement.

LOUISVILLE ZOO FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
Year Ended June 30, 2018

	Program Services	Management and General	Fundraising	Total
Animal care supplies	\$ 805	\$ --	\$ --	\$ 805
Bad debt expense	500	--	--	500
Bank charges	--	1,060	--	1,060
Clothing	895	--	--	895
Grants	420,897	--	--	420,897
Horticulture supplies	3,659	--	--	3,659
Miscellaneous	1,211	144	879	2,234
Photographs and blueprints	100	--	--	100
Postage and shipping	62	50	7,601	7,713
Printing and reproduction	--	75	23,773	23,848
Professional services	41,171	8,127	850	50,148
Public relations and meetings	18,511	9,601	6,305	34,417
Salaries, taxes, and benefits	--	21,653	--	21,653
Signs and decorations	500	208	3,391	4,099
Supplies and equipment	14,847	--	--	14,847
Training and education	1,220	--	--	1,220
Travel	4,910	--	--	4,910
	<u>\$ 509,288</u>	<u>\$ 40,918</u>	<u>\$ 42,799</u>	<u>\$ 593,005</u>

The Notes to Financial Statements are an integral part of this statement.

LOUISVILLE ZOO FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (6,138,820)	\$ 2,232,540
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Change in assets and liabilities, net of the effects of investing activities:		
Pledges receivable	1,082,572	268,984
Other receivables	6,255	(12,349)
Accounts payable	6,650	(32,714)
Due to affiliates	(53,573)	(415,817)
Net cash provided by (used in) operating activities	<u>(5,096,916)</u>	<u>2,040,644</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	<u>1,750,000</u>	<u>500,000</u>
Net cash provided by investing activities	<u>1,750,000</u>	<u>500,000</u>
Net increase (decrease) in cash and cash equivalents	(3,346,916)	2,540,644
Cash and cash equivalents:		
Beginning of year	<u>4,794,953</u>	<u>2,254,309</u>
End of year	<u>\$ 1,448,037</u>	<u>\$ 4,794,953</u>

The Notes to Financial Statements are an integral part of these statements.

LOUISVILLE ZOO FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

Nature of operations

Louisville Zoo Foundation, Inc. (the Foundation) is a not-for-profit organization whose mission is to develop and benefit the Louisville Zoological Gardens (the Zoo), an agency of Louisville Metro Government. Development includes financial support for teaching, research and service programs and the purchase of animals and equipment, construction of buildings and displays for such programs.

The Foundation's only program is to provide financial support to the Zoo through fundraising, primarily by conducting capital campaigns. Expenses reflected as program services in the statements of activities and the statements of functional expenses include both financial support provided to the Zoo as well as expenses directly associated with raising those funds.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statement of cash flows, the Foundation considers all investments purchased with an original maturity of three months or less to be cash equivalents.

The Foundation maintains its cash balances in bank deposit accounts which, at times, may exceed coverage provided by the Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses in such accounts. Management believes the Foundation is not exposed to any significant risk on bank deposits.

Pledges receivable

Pledges receivable consist of unconditional promises to give made by donors. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at the present value of their estimated cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support and revenue until the conditions are substantially met.

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

Allowance for doubtful accounts

An allowance for doubtful accounts is recorded to the extent it is probable that a portion or all of a particular amount will not be collected. In evaluating the collectability of pledges receivable, the Foundation considers a number of factors, including historical loss rates and payment history of individual donors. Management has evaluated the collectability of pledges receivable as of June 30, 2019 and 2018 and determined that no allowance for doubtful accounts is necessary.

Due to affiliates

Due to affiliates consists of contributions collected by the Foundation on behalf of the Zoo, amounts due to the Zoo for fundraising services provided, and various reimbursements due to the Zoo.

Investments

Certificates of deposit with an original maturity in excess of one year from the original issue date are classified as investments, and carried at cost, which approximates fair value. Fair value is determined by quoted prices for similar certificates of deposit in active markets. As defined by U.S. GAAP, the methodology for determining fair value of the Foundation's certificates of deposit is considered Level 2.

Net assets

The Foundation classifies resources for accounting and reporting purposes into two net asset categories according to donor-imposed restrictions as follows:

Net Assets without Donor Restrictions – net assets available for use in general operations and not subject to donor restrictions. The Foundation's Board of Directors has designated, from net assets without donor restrictions, net assets designated for future projects and improvements at the Zoo.

Net Assets with Donor Restrictions – net assets available for use subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

Contributions

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donated goods and services

Contributions of donated goods and services are recorded at fair value in the year received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at fair value in the year received.

Functional allocation of expenses

The costs of providing program, fundraising, and management and general services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program, fundraising, and management and general services benefited.

Income taxes

The Foundation qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, accordingly, no provision for federal and state income taxes has been made in these statements.

The Foundation's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits. Management believes the Foundation has no uncertain tax positions resulting in an accrual of tax expense or benefit.

The Foundation's Federal Return of Organization Exempt from Income Tax, Form 990, is subject to examination by the taxing authorities until the expiration of the related statutes of limitations on the return, which is generally three years.

Reclassifications

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation.

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

Adoption of accounting pronouncement

Effective July 1, 2018, the Foundation adopted Accounting Standards Update (“ASU”) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This ASU changed the presentation and disclosure requirements for the Foundation in order to provide more relevant information about its resources (and the changes in those resources) to donors, grantors, creditors and other users. This guidance includes qualitative and quantitative requirements in the following areas: 1) net asset classes; 2) investment return; 3) expenses; and 4) liquidity and availability of resources. The ASU has been applied retrospectively to the financial statements as of July 1, 2017.

Recent accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The standard’s core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods and services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the Foundation’s contracts with customers. This standard will be effective for the year ending June 30, 2020.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statements of activities. This standard will be effective for the year ending June 30, 2021.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. This clarification will be relevant because contributions are a significant source of revenue for not-for-profit entities. This standard will be effective for the year ending June 30, 2020.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The amendment in this update modifies the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, including the consideration of costs and benefits. This standard includes amendments for removed or modified disclosures and adoption of additional disclosures. This standard will be effective for the year ending June 30, 2020.

Management is currently in the process of evaluating the impact of the adoption of these ASUs on the financial statements.

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies (Continued)

Subsequent events

Management has evaluated subsequent events through October 14, 2019, the date the financial statements were available to be issued.

Note 2. Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,448,037	\$ 4,794,953
Pledges receivable	309,212	1,391,784
Other receivables	55,065	61,320
Investments	<u>2,250,000</u>	<u>4,000,000</u>
Total financial assets	<u>4,062,314</u>	<u>10,248,057</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	3,142,843	9,392,313
Less net assets with purpose or time restrictions to be met in less than a year	<u>(295,118)</u>	<u>(1,165,281)</u>
	<u>2,847,725</u>	<u>8,227,032</u>
	<u>\$ 1,214,589</u>	<u>\$ 2,021,025</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

Board-designated funds totaled \$689,252 and \$633,740 as of June 30, 2019 and 2018, respectively. These funds are available for use in general operations at the sole discretion of the Foundation and not subject to donor restrictions.

NOTES TO FINANCIAL STATEMENTS

Note 3. Pledges Receivable

Pledges receivable as of June 30, 2019 and 2018 are as follows:

	2019	2018
Amounts due in:		
Less than one year	\$ 297,117	\$ 1,167,281
One to five years	16,375	254,375
Total pledges receivable	313,492	1,421,656
Less discount to net present value	4,280	29,872
Net pledges receivable	<u>\$ 309,212</u>	<u>\$ 1,391,784</u>

Pledges receivable due after one year are reflected at the present value of estimated future cash flows using a discount rate of 1.76% and 2.73% for the years ended June 30, 2019 and 2018, respectively.

Note 4. Investments

Investments consist of the following certificates of deposit as of June 30, 2019 and 2018:

	2019		
	Amount	Interest Rate	Maturity Date
Stockyards Bank	\$ 250,000	2.45%	9/27/2019
Stockyards Bank	250,000	2.55%	10/23/2019
Stockyards Bank	250,000	2.50%	10/24/2019
Stockyards Bank	250,000	2.60%	10/25/2019
Fifth Third Bank	250,000	2.40%	2/24/2020
Fifth Third Bank	250,000	2.40%	2/24/2020
PNC	500,000	2.45%	7/19/2020
Stockyards Bank	250,000	2.79%	10/29/2020
	<u>\$ 2,250,000</u>		

NOTES TO FINANCIAL STATEMENTS

Note 4. Investments (Continued)

		2018	
	Amount	Interest Rate	Maturity Date
Stockyards Bank	\$ 250,000	1.55%	9/18/2018
Stockyards Bank	250,000	1.45%	10/12/2018
Stockyards Bank	250,000	1.50%	10/17/2018
Stockyards Bank	250,000	1.45%	10/18/2018
Stockyards Bank	250,000	1.45%	10/18/2018
Stockyards Bank	250,000	1.50%	10/25/2018
Eclipse Bank	250,000	1.40%	11/1/2018
River City Bank	250,000	1.15%	11/9/2018
Park Credit Union	250,000	1.05%	12/8/2018
US Bancorp	250,000	2.00%	4/12/2019
US Bancorp	250,000	2.20%	5/16/2019
PNC	250,000	1.41%	6/19/2019
Fifth Third Bank	500,000	2.40%	2/24/2020
Fifth Third Bank	250,000	2.40%	2/24/2020
Stockyards Bank	250,000	1.49%	11/23/2020
	<u>\$ 4,000,000</u>		

Note 5. Endowment Funds

The Foundation's endowment funds consist of donor restricted funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Commonwealth of Kentucky enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective July 15, 2010. The Board of Directors has determined that the Foundation's net assets with donor restrictions meet the definition of endowment funds under UPMIFA. The Foundation classifies as net assets with donor restrictions to be held in perpetuity, the original value of gifts donated to the endowment, original value of subsequent gifts to the endowment, and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA and subject to the intention of the donor expressed in the gift instrument, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation from investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

NOTES TO FINANCIAL STATEMENTS

Note 5. Endowment Funds (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Foundation relies on a strategy in which endowment investments return current yield (interest and dividends). The Foundation currently targets a conservative asset allocation of certificates of deposit to achieve its long-term return objectives with a low level of risk, but the Foundation is considering alternatives that observe prudent risk constraints but may accommodate greater long-term return objectives.

Investment Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies approved by the Board of Directors for its endowment assets that, subject to the intention of the donor expressed in the gift instrument, attempt to provide a predictable stream of funding to programs supported by its endowment while also maintaining the purchasing power of the endowment assets over the long-term. Under this policy, the endowment assets are invested in certificates of deposit to achieve a low level of investment risk. As noted above, the Foundation is considering alternatives that observe prudent risk constraints but may accommodate greater long-term return objectives.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Over the long-term, the Foundation expects the current spending policy to allow its endowment to maintain the fair market value of the original gift. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity.

The changes in endowment net asset composition for the years ended June 30, 2019 and 2018 are as follows:

	2019	2018
Endowment net assets,		
beginning of year	\$ 804,284	\$ 804,103
Interest income	474	181
Endowment net assets,		
end of year	<u>\$ 804,758</u>	<u>\$ 804,284</u>

NOTES TO FINANCIAL STATEMENTS

Note 6. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or time periods as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for a specific purpose:		
Leadership Campaign Fund	\$ 1,347,744	\$ 7,661,135
Miscellaneous Restricted Funds	459,461	412,837
Glacier Run Fund	371,612	362,162
Herp Aquarium Fund	107,231	106,535
Education Fund	28,044	28,044
Zoo Kids Inc.	22,399	12,084
Employee Honoraria Fund	1,594	5,232
	<u>2,338,085</u>	<u>8,588,029</u>
Endowments:		
Subject to appropriation and expenditure		
when a specified event occurs:		
Glacier Run Fund	700,000	700,000
Botanical Fund	104,758	104,284
	<u>804,758</u>	<u>804,284</u>
Total	<u>\$ 3,142,843</u>	<u>\$ 9,392,313</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Board-Designated Net Assets

The Board of Directors has designated net assets for the following purposes as of June 30, 2019 and 2018:

	2019	2018
Board designated net assets without donor restriction		
Admission & membership conservation	\$ 591,099	\$ 314,377
Animal	6,379	3,272
Conservation	--	159,124
Conservation animal	--	39,159
Docent association	7,631	3,067
Donations designation to be determined	54,500	90,052
Gorilla Forest	14,989	14,989
Orangutan	1,243	417
Youth board	13,026	8,898
Zoo Green Team	385	385
	<u>\$ 689,252</u>	<u>\$ 633,740</u>

These funds are available for use in general operations at the sole discretion of the Foundation and not subject to donor restrictions.

Note 8. Transactions with Affiliates

During the years ended June 30, 2019 and 2018 the Foundation remitted \$7,111,500 and \$761,253, respectively, to the Zoo for financial support for various construction projects, sponsorships and service programs. The major projects, sponsorships and programs supported by the Foundation for the year ended June 30, 2019 include: Leadership Capital Campaign reimbursement (Colobus Crossing and Snow Leopard Passage), Lakeside Bridge replacement, Cats of America renovation, School at the Zoo, Zoo Kids Inc., 50th Anniversary Celebration, sensory initiative projects, miscellaneous facility improvements, animal care and enrichment, and other various projects, sponsorships and programs at the Zoo. The major projects, sponsorships and programs supported by the Foundation for the year ended June 30, 2018 include: Leadership Capital Campaign reimbursement (Colobus Crossing and Snow Leopard Passage), School at the Zoo, miscellaneous facility improvements, grants reimbursement, and other various projects, sponsorships and programs at the Zoo.

The Foundation's office is located in the offices of the Zoo. Louisville Metro Government donates the use of staff, facilities and office equipment. The value of this donation is not readily determinable; therefore, it has not been included in the statements of activities.