

CIVIC PARTNER 2016 ANNUAL REPORT SNAPSHOT- THE CALGARY ZOOLOGICAL SOCIETY

CALGARY ZOOLOGICAL SOCIETY (CALGARY ZOO)

Vision: Canada's leader in wildlife conservation.

Mission: Take and inspire action to sustain wildlife and wild places.

Registered Charity

2016 City Investment

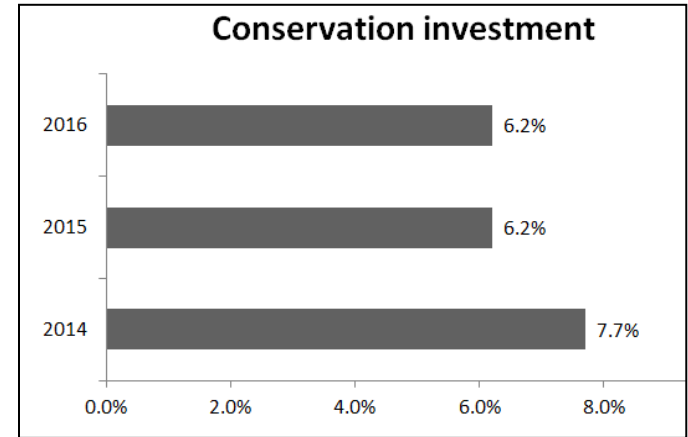
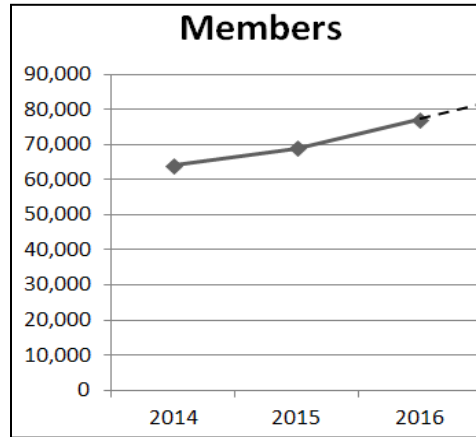
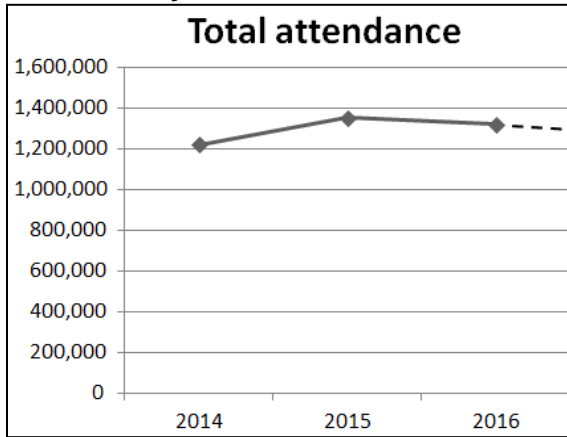
Operating Grant:\$7,711,939

Capital Grant: \$2,251,000

MSI Grants: \$1,946,157

City owned asset? Yes

How did they do in 2016?



The story behind the numbers

- Attendance dipped slightly in to 1.32 million from 1.35 million in 2015, but memberships grew by 8,000 to 77,000.
- Invested a portion of total operating expenditures in conservation to support the commitment to a biologically diverse and sustainable future.
- Awareness of the Zoo's conservation mission grew to 79.6%.
- Recognized internationally as one of the top five conservation research zoos in the world.
- \$179,000 in complimentary visits donated to Fort McMurray fire evacuees (8,000 visits), and \$52,000 in complimentary annual memberships for the Refugee Welcome Program (1,100 memberships).

Snapshot of 2017-18 priorities

- Complete installation of the flood mitigation berm, support the 12th street bridge completion and restore access to the west parking lot.
- Open two new major exhibits: Land of the Lemurs in early summer 2017 and Treasure of China Giant Pandas in spring 2018. Prepare for expected increase in attendance.
- Complete and re-open a replacement suspension bridge to connect the NW and SW quadrants of the Zoo.
- Relocate the Wildlife Conservation Centre.
- Initiate the Northern Leopard Frog Recovery Project.



1. **Organization Name:** The Calgary Zoological Society (Calgary Zoo)
2. **Fiscal Year:** December 31, 2016
3. **Latest Annual Report available and web address:** 2016/17 Fiscal Year
4. **Current Vision, Mission and Mandate:**

Vision: Canada's leader in wildlife conservation

Mission: Take and inspire action to sustain wildlife and wild places.

YEAR IN REVIEW

5. **What key results of your organization in 2016 contributed to Council Priorities in The City's 2015-2018 Action Plan including A prosperous city, A city of inspiring neighbourhoods, or A healthy and green city?**

[The City of Calgary - Council Priorities](#)

The year was overshadowed by construction activities – installation of the flood mitigation measures, replacement of the 12 St. Bridge and onsite new exhibits for Lemur (summer 2017) and Giant Panda (spring 2018). Despite substantial disruption from this activity the Zoo maintained a visitation of 1.32M visits

Quality standards for animal welfare were maintained, a sterling reputation for care of critical, at-risk and other species required to maintain community support for the Zoo as a living institution and sanctuary, international maintained as recognized by accreditation, the Calgary Zoo is an active participant in the constant improvement of industry welfare standards nationally and internationally – specific welfare protocols and contingency plans were put in place to monitor animal welfare under the additional stress of major construction activity.

Recognized internationally as one of the top five conservation research Zoos in the world The Calgary Zoo continued to create new scientific knowledge and insights in the successful reintroduction of species and sustainable community based conservation programs. Results are broadly shared through publication and Zoo staff are sought for their expertise, currently Calgary Zoo conservation staff chair the reintroduction section of the International Union of Conservationists of Nature (IUCN) the premier worldwide conservation organization - locally, nationally and internationally directly and indirectly creating a greener and healthier world.

Met sustainable environmental and financial goals – including partnering with other local green initiatives to raise their profile, introducing an innovative new program to incorporate visitors into waste reduction with an achievement of reducing waste to landfill by 53% and participating in the green Living Building Challenge on the retrofit of the building to house the new Panda exhibit – Alberta Plaza lighting was replaced with LED – upgrades to water fountains to include water bottle refill stations.

Continued discussions with City of Calgary parks on a Northern Leopard Frog reintroduction project into city wetlands.

Secured MSI grants and separate Provincial funding and commenced construction on the Land of Lemur, Giant Panda and Swinging Bridge capital projects.

Maintained support for Shea Butter micro business supporting local communities and the last remaining wild hippo sanctuary in Wechiau Ghana. Began formal explorations for additional community based conservation projects related to preserving Lemur habitat in Madagascar.

6. Using your organization’s existing performance measurement data, please provide selected 2016 performance measures that describe how much you did, how well you did it, and how Calgarians are better off.

	Performance Measure	2014 results	2015 results	2016 results	What story does this measure tell about your work? Why is it meaningful?
How much did you do?	Attendance	1.22M	1.35M	1.32M	Overall utilization including approximately 50% visitation outside Calgary – attendance maintained thru challenges 2016 flood mitigation project Ongoing support predominantly from Calgarians The Calgary Zoo education and experiential learning programs continue to attract strong participation from the Calgary school system teachers and students despite system budget challenges
	Memberships	64K	69K	77K	
	Education Participants	56K	75K	64K	
How well did you do it?	Total Revenue	\$43.5M	\$45.6M	\$52.1M	Total revenues excluding insurance proceeds – includes capital funding shovel ready projects in 2016 External survey of guests overall satisfaction. Survey indicates sharp reduction in 2016 due to flood mitigation berm noise and debris. Additional support for numerous tourism and reputational awards. Factor measurement started in 2015 Measures awareness of Visitors of the Zoo Conservation mission. Measurement began in 2016 – rose from 66% in first month of measure to 87% thru a Zoo awareness
	Visitor Satisfaction Rating	n/a	77.0%	64.2%	
	Conservation Awareness	n/a	n/a	79.6%	



**Calgary Zoological Society
Civic Partner Annual Report 2016**

					campaign
How Calgarians are better off?	Economic Impact	\$89M	\$94M	\$107M	Contribution to local economy – operations and capital development – 2016 includes Lemur shovel ready project impact Operating grant as a % of operating revenue excluding insurance proceeds Maintain and expand available high quality City Facilities – on an accrued historical cost basis - % of total – operating expenditures excluding insurance claims Number of participants in conservation based interpretive programs – focused on inspiring action Commitment to the Society Mission and Vision - a biologically diverse - sustainable future – acts to sustain future relevance for the operation of any Zoo by fostering public support - % of total operating expenditures
	Operating Grant	18.7%	18.0%	19.3%	
	Capital Facility Investment	42.5%	33.1%	37.3%	
	Interpretive Participants	167K	185K	179K	
	Conservation Investment	7.7%	6.2%	6.2%	

FINANCES

7. What resources were leveraged to support operational activities in 2016?

Attendance through gate revenues and memberships was \$16.7M with guest services generating an additional \$12.8M for a total of \$29.5M (or 73.9% of operating revenue).

Education programs generated \$1.2M (or 3.0% of operating revenue).

Private fund raising for operations dipped to \$.8M with emphasis shifting to capital and conservation fund raising under the current circumstances – in addition the Zoo secured \$2.1M in endowment funding.

The City of Calgary operating grant funding was \$7.7M (or 19.3% of operating revenue) - \$8 or every \$10 of operating revenue is otherwise generated by Zoo operations.



8. Do you anticipate any changes to plans and/or budget projections for 2017-2018?

In December 2016, late in the Zoo 2017 planning cycle the Zoo was advised of a one-time 50% cut in City of Calgary live cycle maintenance funding a total of \$1.2M. Zoo management struggled to curtail a number of planned capital upkeep projects. As shown through customer surveys satisfaction and ultimate attendance will decline if facilities are not maintained in good operating condition. The Zoo is expecting life cycle maintenance funding to return to normal levels in 2018.

9. Please describe the impact, if any, of the economic downturn on your organization's operations or revenues including any adjustments you have made to your operations.

To a degree losses in business of international visitation coming to Calgary were offset by local "staycations" as Calgarians reduced their own travel expenses. Generally speaking however staycationers do not spend nearly as much per capita in Zoo concessions or gift shops.

Per capita rate of paid visitation declined with some complimentary ticketing in response to customer complaints on days when berm construction was particularly noisy as well as a 20% discount over a 3 week period when the construction was nearest major visitor facilities – also 8K complimentary visits were provided to Fort McMurray fire victims as well as 1K one year complimentary memberships as part of the Refugee Welcome Program.

Corporate event sales remain depressed over annual averages as well as corporate donations and sponsorships. Relationships are being maintained with the local corporate community through the Zoo providing corporate volunteer opportunities.

LOOKING FORWARD

10. What are your priorities and deliverables for 2017-2018?

Complete flood mitigation berm installation – reconnect south thru new 12 Street bridge completion – return our west parking lot and access gate to service.

Complete and open two new major exhibits – Lemur early summer 2017 and Giant Panda spring 2018. Attendance expected to peak for Panda at 1.6 million visitors.

Complete and re-open a replacement suspension pedestrian bridge – reconnecting the NW and the SW quadrants of the Zoo.

Relocate Wildlife Conservation Centre thru 2018 – ensure operational sustainability and support expanded conservation programs – initiate Northern Leopard Frog Recovery Project – connect to City of Calgary wetlands recovery – explore integrated conservation



educational school system initiative.

UPDATE ON RISK MANAGEMENT AND GOVERNANCE

11. What are your organization's top 3-5 strategic risks? Describe briefly how you are managing these risks.

Endangered species care – care for a significant portion of a number of critically endangered animals – active incident management, world class care standards and protocol maintenance program, independent animal welfare and incident review panel, proactive welfare based exhibit design, expert veterinary services, maintain Canadian and international industry certification including site inspections and Board of Trustee oversight.

Reputational risk associated with activist initiatives – addressed through world class conservation activities, standard setting and maintenance, full disclosure principles and transparency.

Financial Risks associated with economic and other conditions – conservative budget setting practices including contingencies, proactive budget management including formal quarterly re-forecasting, scalable staff and expenditures based on attendance experience.

Effective Oversight/Management Control – strong Board identification, recruitment and training program, compliance and risk management reporting, annual independent external audit review and annual general meeting reporting, established whistleblowing program and independent investigative capacity of Trustee Finance and Legal Committee.

12. Summarize any activities in 2016 that increased your Board's knowledge and awareness about industry trends, impact of changing economic conditions, risks faced by the organization, or other information needed to make informed decisions.

Quarterly meetings of the full Board of Trustees and four standing Committees plus one Ad Hoc Committee – Wild Life Conservation Centre – Written Board and Committee Charters including specific enterprise risk management responsibilities.

Annual New Trustee Orientation Program – Robust Board Portal for access to current and historical key documents and reports.

Annual Full Day Board of Trustees Retreat With Topical Agenda – Industry Trends.

Trustee Participation Key Reporting – e.g. Annual Civic Partners Report to the City of Calgary.

Trustee Liaison on Animal Welfare and Ethics Committee – with expert external



membership.

13. Will any Board or senior management positions be vacant in 2017? If yes, please describe succession plans that are in place.

No vacancies are anticipated. Senior Management and Board Officer succession plans are in place.

14. (a) Mark an “X” by all statements that apply to your organization:

Our organization uses:

- Defined term limits for Board members
- A skills and experience matrix to identify gaps on the Board and recruit new board members.
- A structured process for identifying, monitoring and managing risk.
- A Board policy for risk management.
- A risk map, matrix, register or similar tracking tool to assess the risks we face.
- A risk management plan or other tool that is updated at least annually.
- Tools to communicate key risks to the Board at least annually.
- A Board committee delegated with the responsibility for oversight of our organization’s risk management practices.
- A formal crisis management, business continuity, or similar plan to be ready for an emergency situation.

(b) Add any additional comments about your organization’s risk management practices:

The Zoo is utilizing a combination of ISO 31000 for SMEs and well established Association of Zoos and Aquarium guidance for the design of its risk management practices.

CAPITAL AND ASSET MANAGEMENT

15. Provide a summary of your organization’s 2016 capital development, including specific lifecycle/maintenance projects.

Between the operating and capital funds \$6.2M of life cycle/maintenance projects (over 80 individual projects) were completed in 2016 up from \$4.6M in 2015. An additional \$8.5M of projects were capitalized including \$6.8M of assets that were under construction at the year end.

These assets included construction in progress of major exhibits for the Lemur and Panda exhibits. Other minor projects included:

Animal welfare improvements – e.g. veterinary care, animal training, holding, transfer



and management systems, waterer, feeders, heaters, humidification, aerator and filtration systems.

Multiple Existing Exhibit Upgrades – shade and climbing structures, barns, wind breaks and other enclosure structures including standoff barriers and fencing, viewing areas and lighting.

Guest Services Areas – food preparation and service areas, concessions, gift shop, asphalt, curbs, rest areas, retaining walls, concrete, tile and flooring.

Enmax Conservatory Repairs and Retrofits and other Projects under the City Building Condition Assessment (BCA) Programs – irrigation systems, IT server room A/C, roofing, worker and visitor safety and other projects.

16. What funding was leveraged to support capital activities in 2016?

In 2016 transfers from the operating fund included internally restricted reserve transfers of \$4.5M for future capital development and \$1.5M for future conservation projects.

City of Calgary MIS funding for Lemur (\$2.7M) was leveraged 2:1 and Panda/Bridge (\$8.2M) was leveraged 1:1. Provincial funding of \$10M leveraged at 2:1 was secured for multiple capital project for three years until 2019.

Leverage included private donations of \$2.4M for capital and conservation projects.

City of Calgary lifecycle maintenance grant of \$2.2M was leveraged at ~ 1.8:1