

- 1. Organization Name: The Calgary Zoological Society**
- 2. Fiscal Year: January 1 - December 31, 2014**
- 3. Latest Annual Report available and web address:**
<http://www.calgaryzoo.com/about-us/annual-reports>

GOVERNANCE

4. Current Vision, Mission & Mandate (include any proposed changes).

Vision: Canada's leader in wildlife conservation

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

- No proposed changes

5. Identify Board and senior management positions, incumbents and vacancies.

Board of Trustee Officers (to Annual General Meeting – May 28th, 2015)

- Chair – Hugh Gillard
- Vice Chair – Andrew MacNair
- Secretary/Treasurer –Michael McKerracher

Senior Management

- Chief Executive Officer – Clément Lanthier
- Vice President Development – Gary Durbeniuk
- Chief Operating Officer – vacant (under recruitment)
- Chief Financial Officer – Allan Pedden
- Senior Director - Corporate Services and Customer Experience – Lindsey Galloway

6. Discuss succession planning for Board and senior management.

In addition to the 3 Board Officers there are 15 additional Trustees to support any succession requirements. The Board of Trustees Governance Committee maintains and monitors a Board skill matrix to support effective recruitment with defined term limits supporting orderly succession

Through recruitment, training, empowerment and retention practices there is, and will continue to be, sufficient capacity in the executive team for an interim Chief Executive Officer appointment in support of any recruitment or internal promotional process requirements. The same holds true in the management team for the other executive positions.

7. Summarize 2014 accomplishments (based on established goals or objectives).

- Completed recovery of visitation and education programs to pre-flood levels after 50% reduction in 2013 from flood closure and recovery.
- Maintained quality of care and sterling reputation for welfare of critical at risk and other collection species under Zoo care as a living institution and sanctuary – maintained internationally recognized accreditation standards throughout recovery and into normal operations - active research participants in advancing animal care knowledge and continually striving for improvement of animal welfare protocols worldwide – recognized as one of top Zoos in the world for animal care.
- Met responsible sustainable environmental and financial goals.
- Completed ownership transition of the Devonian Wildlife Conservation Centre in support of endangered species reintroduction programs and other strategic conservation initiatives.
- Active participation and cooperation in City of Calgary Flood Mitigation Planning to minimize future potential impacts.
- Established improved disaster recovery and incident response capacity and programs – including health and safety measures.
- Re-engaged (post flood) in commitment to the twenty year Zoo Master Plan – initiated senior management re-organization and recruitment to support achievement of master plan goals – critical senior fund raising hire completed.
- Leveraged private partnership negotiations and subsequent service agreements to realize operational efficiency gains.
- Completed flood on-site recovery activities – final major project completion June 2014 - closing out all flood claims in early 2015.
- Initiated and maintained liaisons, collaborations, co-operations activities and other synergistic cross-partner programs with other Civic Partners (e.g. IlluminAsia, Dinosaurs Alive, etc.).

8. Provide performance measures (targets and actual) used in 2014. Include any challenges in meeting targets.

- Full recovery of operating revenues to \$39 million (2014 budget target \$ 37 million - 2012 level \$ 39 million) – challenge effective communication of complete recovery of Zoo.
- Strong net operating result \$ 9.9 million (2014 budget target \$ 4.4 million – 2012 \$8.5 million) challenge – 2014 was a transitional year – full revenue recovery ahead of plan – operational stress from stretching human and other resources to cover gaps while maintaining a responsible pace of expenditure recovery under budget plans.
- Stronger than anticipated results enable Trustee's to reserve \$ 10 million for strategic contributions to Zoo Master Planning and \$ 2 million for primary conservation initiatives – challenge ensuring short term impact of economic down-turn does not compromise capital or conservation project delivery – e.g. Panda Project fixed 2018 opening under international agreement; but especially long-run biologically sensitive recovery programs currently underway for endangered species.

2014 Civic Partner Annual Report Calgary Zoo

9. Describe how your organization's 2014 activities contributed to the economy and culture of Calgary, Calgary's environment and the well-being of Calgarians.

- In 2014 we had 1.22 million visitors – approximately 50% from outside Calgary – returning to 2012 levels the Zoo generated \$ 79 million of annual economic impact per a 2014 Grant Thornton Economic Impact Study.
- Local Engagement Highlights include:
 - 70,000 Calgarians are Zoo Members
 - 28,000 economically disadvantaged Calgarians visited under our subsidized ZooShare admissions program
 - 1,500 Calgarians donated 30,000 hours of volunteer time
 - 54,000 students and 110,000 visitors participated in our conservation focused educational and interpretive programs
 - 510 private events hosted attended by 58,000 participants
 - Extensive outreach activities in a variety of venues - taking our conservation message to Calgarians city wide (e.g. providing four public library displays)
- Significant value and pride points for Calgarians in their Zoo:
 - Venture Magazine – Calgary Zoo one of the top three of Alberta's Most Respected Organizations – highest rated civic partner and charity
 - Ipsos Reid Alberta-Based Brands Survey – Alberta's 8th Most Loved Brand - only tourist attraction in the top ten
 - Trip Advisor's Traveler's Choice Award – top Zoo in Canada – most visited Canadian Zoo
 - Favorite Attraction Awards – Calgary Herald Readers Choice and Calgary Child Magazine
 - One of only five Zoos to hold dual accreditation for best practice standards – in Canadian and International Zoo Associations
 - For 2014 929 Facebook Posts reached 14 million people worldwide – with 60,000 Facebook Ambassadors and 10,000 Twitter Champions sharing our messages
- Primary Conservation Efforts:
 - \$1.6 million spent directly on primary in-the-wild conservation initiatives with over \$5 million spent directly on the welfare of species in our collection
 - 31% of Zoo animal species are part of international Species Survival Plans (SSP) - safeguarding against extinction and ensuring genetic diversity
 - First in Canada Greater Sage Grouse anti-extinction reintroduction program - one of eight collaborative commitments to highly endangered species – recognized as North American Leader in Wildlife Reintroduction
 - A twenty-year commitment to Swift Fox continues as most successful nationally extinct carnivore reintroduction programs in the world. Currently working with numerous stakeholders on a species recovery

10. Indicate what resources were leveraged to support operational activities, providing examples.

- Attendance through memberships and gate admission generated \$ 14.7 million with guest services generated an additional \$ 12.6 million for a total of \$ 27.3 million in revenue (71 % of normal operating revenue).
- Educational programs generated \$ 1.3 million in revenues (4% of normal operating revenue).
- Private fund raising and other private revenues provided \$ 2.1 million in operating contributions (6 % of normal operating revenue) – of a total \$ 6.2 million cash and pledges (\$ 4.6 million currently recognized) from 2,100 donors and 35 corporate sponsors.
- Leverage maintained city operating grant revenues at 19 % of normal operating revenues - \$ 8 of every \$ 10 is generated by Zoo operations.
- An additional \$ 1.5 million of funds were raised to support mission critical primary conservation activities.

11. Provide an overview of your organization's capital development for 2014, including specific lifecycle/maintenance projects.

- In 2014 the final major projects amounting to \$ 9.5 million were completed by June 2014 from flood recovery claims.
- Between the operating and capital funds \$ 2.3 million of lifecycle/maintenance projects were completed in 2014.
- At December 31st 2014 an additional \$.7 million of projects in progress at fiscal year-end.
- For 2014 \$ 5.0 million of projects were completed and capitalized during the fiscal year.
- In demonstration of commitment to conservation – 2 buildings received LEED gold certification.
- Specific significant projects completed in 2014 included (Total of 121 Projects Completed):
 - Completion of final flood related demolitions
 - Animal Care Maintenance and Improvements – e.g. Veterinary Clinic, Shade and Storm Structures – Exhibit Shade Tree Replacement – Animal Waste Management Systems
 - Administration Building – Flood Repair Completion
 - Multiple Animal Exhibits – Flood Repair Completion
 - Multiple Food Service Locations – Flood Repair Completion
 - Completion of new exhibit enclosures – including Rhino and Komodo Dragons
 - Upgrades and repairs in Prehistoric Park – preparation for Dinosaurs Alive Exhibit
 - Power Upgrades – preparation for Illuminiasia Lantern & Garden Festival
 - Repurpose Building – new guest services space – Grazers
 - Detailed Exhibit Design - Land of Lemurs Project
 - Winter Season entertainment venue – Covered Ice Rink

12. Indicate what funding was leveraged to support capital activities in 2014.

- In 2014 an operating fund transfer of \$ 2.9 million was made to the capital fund to support capital activity.
- An additional \$ 1.6 million was raised from private contributors specifically in support of capital fund projects in 2014.
- Final flood claim insurance proceeds of \$ 10.3 million were received in 2014 with the final major projects completed in June.

LOOKING FORWARD**13. Based on your business plans for 2015-2018, what are your priorities and deliverables for 2015-2016?**

- Replace lost flood capacity by beginning construction of Land of Lemurs Project in 2015 for completion and opening in late season 2016 – this is a critical decision unlocking the community investment potential of \$ 5.3 for a \$ 7.9 million City building project - charismatic animals – powerful conservation impact – engaging walk through exhibit design – room for in exhibit animal growth of up to 50% to support a new (SSP) program - critical capacity development project in support of an anticipated attendance of 1.5 – 1.7 million visitors for the arrival of the Giant Pandas in 2018.
- Complete detailed design in 2015-16 for commencing construction phase in late 2016 to complete the Giant Pandas exhibit for the arrival of the animals in 2018 under international agreement.
- Return of Dinosaurs Alive to Prehistoric Park in spring 2015 – popular animatronic dinosaur exhibit.
- ILLUMINASIA Lantern and Garden Festival - Sponsored by Sinopec Canada (a division of the largest oil and gas company in the world) - opening of a new iconic attraction to expanding attendance into a traditional shoulder for the Zoo – themed attraction to forge new community connections in support of the 2018 Giant Panda opening.
- New exhibit openings to support approximately one hundred thousand additional visits to 1.3 million visitors in 2015 (an additional 8%) with potential to generate up to an additional \$ 6 million in additional annual economic impact.
- Identify and fund a 2016 a guest experience enhancement project to sustain gains in visitation from 2015 by keeping satisfaction high as evidenced by our Leger Visitor Research Studies.
- Study and evaluate the impact of development encroachment on animal welfare of the highly endangered species conservation programs at the Devonian Wildlife Conservation Centre – examine potential options – generate action recommendations as required and begin planning for implementation.
- Complete negotiations and sign off on a new multi-year operating lease agreement with the City of Calgary.
- Continue to develop imaginative partnerships with other civic partners, tourism authorities and other world leading conservation organizations.
- Continue to fully participate in City of Calgary planning and potential remediation activities related to flood mitigation.

14. Identify any changes to plans and/or budget projections for 2015-2018.

- For 2015 we anticipate no major changes to previous budget projections.
- Informed by 2014 results (our first year of normal operations post flood) we plan to complete a review and update of long-run business and capital plans under our twenty year Zoo Master Plan. Potential impact, if any, on our plans and projections for 2016-18 will be promptly communicated per the terms of our operating lease agreement.

15. What would be the operational impact should there be a reduction in your grant(s) from The City?

- The City Operating Grant (\$ 7.2 million – 19 % of normal operating revenue) supports the full spectrum of Zoo operations.
- As a primary part of our Mission the Zoo is committed to sensitive legacy projects in endangered species conservation that are currently underway.
- Exhibit preparations for the arrival of the Giant Panda under the terms of an prominent international agreement must be sustained.
- Therefore operating grant reductions would have to impact operations in one or all of the following ways:
 - Reductions in Zoo promotional plans – reduced awareness resulting in reduced visitation with possible disproportionate impact on tourism draw
 - Reduction in guest experience projects and plans – reduction in guest satisfaction levels resulting in reduced visitation and memberships
 - Reduction of planned 2015 \$ 4.3 million in operating support for capital asset lifecycle/maintenance/improvement
 - Deferral of significant capital projects
- Per the Grant Thornton study each \$ 1 invested in operating the Zoo produces an estimated \$2.16 in local economic returns – visitation supports 80% of the budgeted investment.
- Reducing the 2 to 1 match of the \$ 2.2 City of Calgary capital lifecycle grant request (per 2015-18 business plans) - deferring maintenance coupled with increased visitations could have significant negative consequences to City owned assets and Zoo quality reputation.

16. Identify any specific opportunities/projects that would directly stimulate the Calgary economy if supported by a strategic investment by The City.

- **Land of Lemurs Project** – detailed design phase complete the project is 100% shovel ready for immediate start – based on a City investment of \$ 2.6 million in the \$ 7.9 million project Zoo Trustees have endorsed conditional on the City funding one third of the project – a 66% leverage for a City owned asset – if the City approved funding prior to the end of June 2016 full construction benefits would accrue to the local economy for a possible exhibit opening in the late summer of 2016 – conservatively the exhibit operation has the potential to generate up to 40 thousand additional visits during the first full season of operations (2016-17) for an annual economic impact of \$2.6 million.
- **Pathway to Pandas Projects** – in addition to the exhibit a number critical guest service and infrastructure projects (cost estimates projects total \$ 37.6 million) are planned to upgrade Zoo capacity to accommodate an additional 300 thousand visits for a planned total of 1.6 million visits in 2018 - this represents a 23% increase in attendance with a corresponding potential incremental annual economic impact of \$ 18 million from exhibit operation – the Giant Panda agreement covers five years until 2022 – exhibit plans for include consideration for repurposing the exhibit for a new species (orang-utang) at minimal reinvestment to sustain additional visitation beyond 2022.