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Minnesota Zoological Garden

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<http://www.mnzoo.org/>

AT A GLANCE

- A world-class conservation organization that is home to nearly 5,000 animals —many endangered
- 485-acre campus with 121 buildings and related facilities
- Nearly 1 million guests in FY22
- The state’s largest environmental educator, serving over 70,500 participants in FY22
- More than 64,000 free admissions to Minnesotans who qualify for public assistance programs through the “Free to Explore” admission program in FY22

PURPOSE

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

The Minnesota Zoo is an expansive environmental marvel with a campus including 124 buildings, 6.5 miles of roads, and 3.5 miles of pathways within nearly 500 acres of picturesque woodland and aquatic landscapes. Housing nearly 5,000 animals—including many threatened and endangered species from around the world—the Zoo is the state’s largest environmental learning center and a leader in wildlife conservation.

The Zoo provides engaging and hands-on learning and play opportunities for children to experience Minnesota’s native environment through amenities like the Hanifl Family Wild Woods and Woodland Adventure. Zoo guests can also learn about the natural world around the globe while visiting cutting-edge exhibits such as Discovery Bay, 3M Penguins of the African Coast, Medtronic Minnesota Trail, Tropics Trail, Northern Trail, Wells Fargo Family Farm, and Russia’s Grizzly Coast. These venues are designed to be intentional about building a bridge for collectively appreciating the treasures that Minnesota’s natural environment has to offer, as well as building awareness of global conservation issues.

The Zoo is ardently committed and actively engaged in saving wildlife and protecting the ecosystems upon which they rely in Minnesota and around the world. Minnesota Zoo experts use science, in partnership with other state and federal agencies, to focus on the reintroduction of the state’s most imperiled butterflies and the restoration of the prairieland they need to survive. Additional current conservation initiatives focus on threatened aquatic turtles, restoring native endangered freshwater mussels, and reintroducing wild bison herds onto Minnesota lands. Its international conservation efforts through the renowned black rhino project, reintroduction of Asian wild horses, and championing tiger conservation for decades led to the Minnesota Zoo’s recognition as a catalyst for wildlife conservation.

As a leading environmental education institution, the Minnesota Zoo has long offered a wide variety of expertly created educational and interpretive programming designed to build understanding and respect for nature and empower students to become change agents for protecting wildlife and wild places. In FY22, 78,861 students enjoyed educational programming offered through in-person and virtual community programs, school/youth group field trips, and classes. Also, over 700 in-person and virtual Summer Zoo Camp participants received age-appropriate professional education, animal encounters, special zoo experiences, active games, and tours in FY22.

Leveraging its proven environmental education model, the Minnesota Zoo continues to reimagine and offer new educational opportunities. The Zoo’s “Show Us Your Mussels” campaign inspires middle and high school students to create original digital media campaigns to educate the public about the importance of native mussels, their impact to water quality, and what actions are needed to ensure their survival. Last Fall, the Minnesota Zoo

piloted an in-person Wild Wonders Preschool to connect nearly 60 kids with nature by encouraging their innate affinity for the outdoors through dramatic play, art, stories, songs, and animal encounters.

The Minnesota Zoo continues to prioritize diversity, equity, access, and inclusion initiatives so that a zoo experience is never limited due to economic, cultural, physical, geographic, or other barriers. The “Zoo Explorers Fund” provides financial assistance to under-served schools throughout the state so that all students can experience the awe of a close encounter with a wild animal. Also, in FY22, 64,573 guests accessed the Zoo through the “Free to Explore” program, which ensures Zoo admission is free for Minnesotans who qualify for public assistance programs, such as the Supplemental Nutrition Assistance Program, MinnesotaCare, and the Special Supplemental Nutrition Program for Women, Infants, and Children.

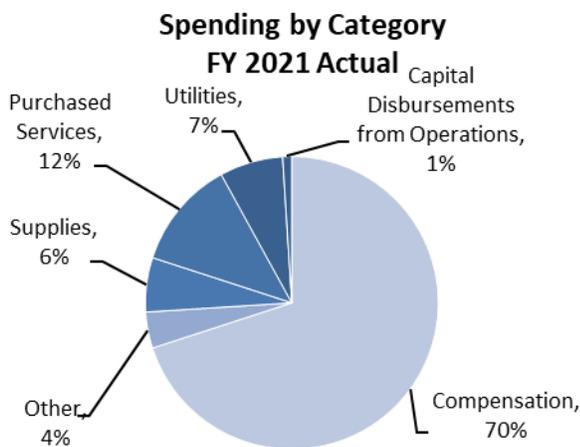
Furthermore, the Zoo offers a variety of programs which serve communities with special and differing needs. Recent examples include: American Sign Language (ASL) days at the Zoo, Dream Night for children with chronic healthcare needs, early access to special events for those requiring a less crowded and stimulating environment, autism camps, as well as a 2018 launch of MNZoo4All, an app to help people with autism and sensory-processing disorders navigate the Zoo in ways that best meet their needs. The Zoo bridges additional access barriers by providing maps of the campus in ten languages, ASL interpreters, sighted guides, tactile and virtual tours.

BUDGET

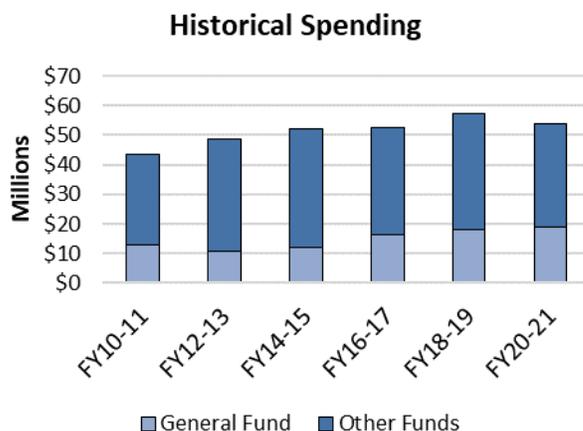
We are committed to using our resources efficiently and effectively. In addition to the State’s investment, we have a diverse mix of earned revenue, private investment and corporate support through charitable contributions and volunteer services. In a typical year, more than 1,100 volunteers collectively donate more than 105,053 hours of time each year, serving an essential role in the Zoo’s daily operations.

The Zoo’s primary source of revenue is earned from admissions, memberships, food and gift concessions, programs, events and facility rentals. In a typical year, the State’s investment in our operating budget through the General Fund and the Natural Resources Fund represents about one-third of the Zoo’s operating revenue. The Zoo also receives funding from the Arts & Cultural Heritage Fund, federal grants, and the Environment and Natural Resources Trust Fund dedicated to specific projects and programs. Charitable contributions to our nonprofit partner, the Minnesota Zoo Foundation, also support the Zoo’s mission. During FY21-23, the Zoo received additional state appropriations and federal grants to support the Zoo’s recovery from the impact of the COVID-19 pandemic.

The State’s investment is key to maintaining the sustainability of our business. Investment from the General Fund ensures our ability to withstand the unanticipated expenses inherent in running a large campus with many outdoor areas, such as extreme weather events or fluctuations in the economy that can negatively affect our attendance.



Source: Statewide Integrated Financial Tools System (SWIFT)



Source: Consolidated Fund Statement

Because the Zoo cares for nearly 5,000 animals and a 485-acre campus regardless of whether the Zoo is open for admission, it has significant fixed operating costs. In a typical year, 68 percent of the Zoo’s budget is allocated to personnel compensation and related expenses. Another five percent (approximately \$1.85 million) covers fixed utility costs. As state personnel costs and utility expenses continue to rise, the Zoo’s fixed costs increase correspondingly.

STRATEGIES

In response to the COVID-19 pandemic, the Minnesota Zoo team pivoted quickly to develop strategic priorities that have guided the Zoo as it navigated the global pandemic. These strategies have served the Zoo well as we rebuild and recover. We have accomplished an incredible amount despite pandemic-related challenges.

1. People First
 - a. Work to rebuild the Zoo’s staffing teams to pre-pandemic levels
 - b. Prioritize diversity, equity, access and inclusion initiatives
2. Advance Animal Care, Health and Conservation
 - a. Maintain accreditation by the Association of Zoos and Aquariums
 - b. Grow state-wide conservation efforts to help at-risk wildlife species throughout Minnesota
3. Serve Minnesota
 - a. Open our doors to millions of guests and visitors from across the state and offer a safe and educational world-class experience
 - b. Work to ensure that the Zoo remains accessible and free for those who need it to be, through our Free to Explore program
4. Connect People to Nature
 - a. Begin construction on the innovative and groundbreaking Treetop Trail which will bring people in close connection with Minnesota’s natural resources throughout all its seasons
 - b. Pilot the Zoo’s new Wild Wonders nature preschool which will serve youth and their families through environmental education and immersive experiences with nature
5. Reimagine the Zoo Experience
 - a. Evolve and expand our special events offerings in order to reach new audiences and serve the needs of our community
 - b. Ensure year-round offerings to our guests in order to maintain the Zoo as a world-class destination and portal into nature throughout all seasons
6. Stabilize Finances
 - a. Diversify revenue streams by creating new events and special experiences to ensure year-round offerings and revenue
 - b. Demonstrate continued diligence on expense management and risk mitigation

RESULTS

| <i>Type of Measure</i> | <i>Name of Measure</i> | <i>Previous</i> | <i>Current</i> | <i>Dates</i> | <i>Zoo Strategy Alignment</i> |
|------------------------|------------------------|-------------------------|------------------------|--------------|-------------------------------|
| Quantitative | Zoo Staff | 259 Zoo staff members | 325 Zoo staff members | FY21/22 | 1 |
| Quantitative | Zoo Attendance | 563,789* guests | 989,007 guests | FY21/22 | 2,3 |
| Quantitative | Free to Explore | 23,853* free admissions | 64,573 free admissions | FY21/22 | 3 |

| Type of Measure | Name of Measure | Previous | Current | Dates | Zoo Strategy Alignment |
|------------------------------|---|--|--|--------------|-------------------------------|
| Qualitative | Association of Zoos and Aquariums accreditation | Accredited | Accredited | FY21/22 | 2 |
| Qualitative | Wild Wonders Nature Preschool | NA | Pilot new Wild Wonders nature preschool | FY22 | 4 |
| Qualitative and Quantitative | Conservation Impact | Dakota skipper and Poweshiek skipperling butterflies reintroduced; endangered freshwater mussels reintroduced; threatened freshwater turtles reared and released into the wild | Reared and released record numbers of endangered Dakota skipper and Poweshiek skipperling; reared and released thousands of freshwater mussels into Minnesota waterways; dozens of state-threatened wood turtles released back into the wild | FY21/22 | 2 |
| Qualitative and Quantitative | Conservation Impact | Show Us Your Mussels campaign did not run during FY21 due to global pandemic* | 330 students participated in the educational Show Us Your Mussels campaign | FY21/22 | 2 |
| Qualitative | Treetop Trail | NA | Began construction on the Zoo's Treetop Trail- the world's longest elevated pedestrian loop | FY21/22 | 4 |
| Qualitative and Quantitative | Special Events | Event did not run in FY21 due to global pandemic* | Connected over 100,000 guests with seasonal event Jack-O-Lantern Spectacular, generating over \$2.2 million in ticket revenue | FY21/22 | 5,6 |
| Qualitative | Special Events | NA | Created new Wild Nights festival series, bringing music, food, and art to thousands of guests and connecting them with Zoo's conservation mission | FY21/22 | 5,6 |

*NOTE: *Due to the COVID-19 pandemic, the Zoo was closed to all guests periodically beginning in March 2020 and throughout portions of FY21.*

Performance Measure Notes:

Attendance: Attendance is directly related to our long-term financial sustainability and ability to deliver our conservation message. Attendance numbers are captured daily. Many factors affect our attendance, including weather, marketing, price and general economic conditions. And, most recently, COVID-19. While we cannot control many of these elements, we remain responsible for creating the best experience for our guests. Guest satisfaction with their Zoo experience is directly related to future attendance. In turn, attendance has a demonstrable impact on the economy of the region.

Conservation: The conservation impacts include increased numbers and healthy populations of endangered species in the Zoo’s care; increased rearing and reintroductions of endangered butterflies; a growing rearing and release program for state-threatened freshwater turtles; increased engagement with partners in the field (in situ initiatives) and recognition of the Zoo’s work by professional partners, peers and other stakeholders. Outreach programs like *Show Us Your Mussels* get local students involved in the Zoo’s conservation work and generate new educational materials.

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)

| | Actual FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base | |
|---|----------------|----------------|----------------|------------------|---------------|---------------|
| | | | | | FY24 | FY25 |
| <u>Expenditures by Fund</u> | | | | | | |
| 1000 - General | 9,665 | 9,809 | 9,809 | 9,809 | 10,267 | 10,267 |
| 1251 - COVID-19 Minnesota | | 6,000 | | | | |
| 2000 - Restrict Misc Special Revenue | 14,056 | 2,879 | 9,782 | 33,149 | 18,602 | 19,425 |
| 2050 - Environment & Natural Resources | 476 | 412 | 390 | 461 | 375 | 227 |
| 2110 - Zoos Lottery In Lieu | 190 | 190 | 330 | 190 | 190 | 190 |
| 2301 - Arts & Cultural Heritage | 2,490 | 1,726 | 2,033 | 2,000 | | |
| 2403 - Gift | 3,971 | 2,403 | 3,986 | 11,738 | 1,800 | 1,800 |
| 3000 - Federal | 101 | 51 | 7,329 | 151 | 124 | |
| 3015 - ARP-State Fiscal Recovery | | | 5,877 | 5,618 | | |
| Total | 30,950 | 23,470 | 39,536 | 63,116 | 31,358 | 31,909 |
| Biennial Change | | | | 48,232 | | (39,385) |
| Biennial % Change | | | | 89 | | (38) |
| <u>Expenditures by Program</u> | | | | | | |
| Minnesota Zoo | 30,950 | 23,470 | 39,536 | 63,116 | 31,358 | 31,909 |
| Total | 30,950 | 23,470 | 39,536 | 63,116 | 31,358 | 31,909 |
| <u>Expenditures by Category</u> | | | | | | |
| Compensation | 19,402 | 17,098 | 20,984 | 23,022 | 20,528 | 20,750 |
| Operating Expenses | 11,278 | 6,192 | 17,917 | 20,324 | 10,830 | 11,159 |
| Grants, Aids and Subsidies | 131 | 50 | 49 | | | |
| Capital Outlay-Real Property | 76 | | | 19,770 | | |
| Other Financial Transaction | 62 | 131 | 586 | | | |
| Total | 30,950 | 23,470 | 39,536 | 63,116 | 31,358 | 31,909 |
| Total Agency Expenditures | 30,950 | 23,470 | 39,536 | 63,116 | 31,358 | 31,909 |
| Internal Billing Expenditures | 322 | 68 | 106 | | | |
| Expenditures Less Internal Billing | 30,627 | 23,402 | 39,430 | 63,116 | 31,358 | 31,909 |
| <u>Full-Time Equivalent</u> | 235.31 | 193.92 | 214.26 | 253.21 | 220.63 | 218.58 |

Minnesota Zoological Garden

Agency Financing by Fund

(Dollars in Thousands)

| | Actual FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base | |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------|---------------|
| | | | | | FY24 | FY25 |
| 1000 - General | | | | | | |
| Direct Appropriation | 9,665 | 9,809 | 9,809 | 9,809 | 10,267 | 10,267 |
| Expenditures | 9,665 | 9,809 | 9,809 | 9,809 | 10,267 | 10,267 |
| Biennial Change in Expenditures | | | | 144 | | 916 |
| Biennial % Change in Expenditures | | | | 1 | | 5 |
| Full-Time Equivalents | 109.07 | 104.59 | 124.49 | 110.20 | 113.08 | 110.87 |

1251 - COVID-19 Minnesota

| | | | | | | |
|-----------------------------------|--|--------------|--|---------|--|---|
| Direct Appropriation | | 6,000 | | | | |
| Expenditures | | 6,000 | | | | |
| Biennial Change in Expenditures | | | | (6,000) | | 0 |
| Biennial % Change in Expenditures | | | | | | |
| Full-Time Equivalents | | 64.10 | | | | |

2000 - Restrict Misc Special Revenue

| | | | | | | |
|-----------------------------------|---------------|--------------|--------------|---------------|---------------|---------------|
| Balance Forward In | 4,035 | 1,457 | 11,462 | 16,725 | 102 | |
| Receipts | 11,172 | 9,210 | 15,046 | 16,526 | 18,500 | 19,425 |
| Internal Billing Receipts | 322 | 76 | 92 | | | |
| Transfers In | 35 | 0 | | | | |
| Transfers Out | 35 | | | | | |
| Balance Forward Out | 1,151 | 7,789 | 16,725 | 102 | | |
| Expenditures | 14,056 | 2,879 | 9,782 | 33,149 | 18,602 | 19,425 |
| Biennial Change in Expenditures | | | | 25,996 | | (4,904) |
| Biennial % Change in Expenditures | | | | 154 | | (11) |
| Full-Time Equivalents | 93.55 | 6.74 | 3.52 | 43.17 | 85.40 | 88.13 |

2050 - Environment & Natural Resources

| | | | | | | |
|-----------------------------------|------------|------------|------------|------------|------------|------------|
| Balance Forward In | 368 | 813 | 1,081 | 1,063 | 602 | 227 |
| Direct Appropriation | 829 | 680 | 391 | | | |
| Cancellations | | 0 | 20 | | | |
| Balance Forward Out | 721 | 1,081 | 1,062 | 602 | 227 | |
| Expenditures | 476 | 412 | 390 | 461 | 375 | 227 |
| Biennial Change in Expenditures | | | | (37) | | (249) |
| Biennial % Change in Expenditures | | | | (4) | | (29) |

(Dollars in Thousands)

| | Actual FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base | |
|-----------------------|----------------|----------------|----------------|------------------|---------------|------|
| | | | | | FY24 | FY25 |
| Full-Time Equivalents | 3.22 | 2.71 | 2.90 | 2.96 | 2.98 | 1.99 |

2110 - Zoos Lottery In Lieu

| | | | | | | |
|-----------------------------------|------------|------------|------------|------------|------------|------------|
| Direct Appropriation | 190 | 190 | 330 | 190 | 190 | 190 |
| Expenditures | 190 | 190 | 330 | 190 | 190 | 190 |
| Biennial Change in Expenditures | | | | 140 | | (140) |
| Biennial % Change in Expenditures | | | | 37 | | (27) |
| Full-Time Equivalents | 1.99 | 1.88 | 1.39 | 1.39 | 1.39 | 1.39 |

2301 - Arts & Cultural Heritage

| | | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|---|---------|
| Balance Forward In | 845 | 108 | 133 | | | |
| Direct Appropriation | 1,750 | 1,750 | 1,900 | 2,000 | 0 | 0 |
| Cancellations | 0 | | | | | |
| Balance Forward Out | 105 | 132 | | | | |
| Expenditures | 2,490 | 1,726 | 2,033 | 2,000 | | |
| Biennial Change in Expenditures | | | | (184) | | (4,033) |
| Biennial % Change in Expenditures | | | | (4) | | (100) |
| Full-Time Equivalents | 15.61 | 10.58 | 8.71 | 14.14 | | |

2403 - Gift

| | | | | | | |
|-----------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|
| Balance Forward In | 1,519 | 3,512 | 5,721 | 9,766 | | |
| Receipts | 4,158 | 3,442 | 8,031 | 1,972 | 1,800 | 1,800 |
| Balance Forward Out | 1,707 | 4,550 | 9,766 | | | |
| Expenditures | 3,971 | 2,403 | 3,986 | 11,738 | 1,800 | 1,800 |
| Biennial Change in Expenditures | | | | 9,350 | | (12,124) |
| Biennial % Change in Expenditures | | | | 147 | | (77) |
| Full-Time Equivalents | 11.13 | 2.84 | 13.07 | 16.85 | 16.52 | 16.20 |

3000 - Federal

| | | | | | | |
|-----------------------------------|------------|-----------|--------------|------------|------------|---------|
| Receipts | 101 | 51 | 7,329 | 151 | 124 | |
| Expenditures | 101 | 51 | 7,329 | 151 | 124 | |
| Biennial Change in Expenditures | | | | 7,327 | | (7,356) |
| Biennial % Change in Expenditures | | | | 4,803 | | (98) |

(Dollars in Thousands)

| | Actual FY20 | Actual FY21 | Actual FY22 | Estimate FY23 | Forecast Base FY24 | FY25 |
|-----------------------|----------------|----------------|----------------|------------------|-----------------------|------|
| Full-Time Equivalents | 0.74 | 0.48 | 0.46 | 1.38 | 1.26 | |

3015 - ARP-State Fiscal Recovery

| | | | | | | |
|-----------------------------------|--|--|--------------|--------------|--|----------|
| Balance Forward In | | | | 5,618 | | |
| Direct Appropriation | | | 11,495 | | | |
| Balance Forward Out | | | 5,618 | | | |
| Expenditures | | | 5,877 | 5,618 | | |
| Biennial Change in Expenditures | | | | 11,495 | | (11,495) |
| Biennial % Change in Expenditures | | | | | | (100) |
| Full-Time Equivalents | | | 59.72 | 63.12 | | |

(Dollars in Thousands)

| | FY23 | FY24 | FY25 | Biennium 2024-25 |
|---|--------|---------|---------|---------------------|
| Direct | | | | |
| Fund: 1000 - General | | | | |
| FY2023 Appropriations | 9,809 | 9,809 | 9,809 | 19,618 |
| Base Adjustments | | | | |
| Current Law Base Change | | 458 | 458 | 916 |
| Forecast Base | 9,809 | 10,267 | 10,267 | 20,534 |
| Fund: 2110 - Zoos Lottery In Lieu | | | | |
| FY2023 Appropriations | 190 | 190 | 190 | 380 |
| Forecast Base | 190 | 190 | 190 | 380 |
| Fund: 2301 - Arts & Cultural Heritage | | | | |
| FY2023 Appropriations | 2,000 | 2,000 | 2,000 | 4,000 |
| Base Adjustments | | | | |
| One-Time Legacy Fund Appropriations | | (2,000) | (2,000) | (4,000) |
| Forecast Base | 2,000 | 0 | 0 | 0 |
| Dedicated | | | | |
| Fund: 2000 - Restrict Misc Special Revenue | | | | |
| Planned Spending | 33,149 | 18,602 | 19,425 | 38,027 |
| Forecast Base | 33,149 | 18,602 | 19,425 | 38,027 |
| Fund: 2403 - Gift | | | | |
| Planned Spending | 11,738 | 1,800 | 1,800 | 3,600 |
| Forecast Base | 11,738 | 1,800 | 1,800 | 3,600 |
| Fund: 3000 - Federal | | | | |
| Planned Spending | 151 | 124 | | 124 |
| Forecast Base | 151 | 124 | | 124 |
| Revenue Change Summary | | | | |
| Dedicated | | | | |
| Fund: 2000 - Restrict Misc Special Revenue | | | | |
| Forecast Revenues | 16,526 | 18,500 | 19,425 | 37,925 |
| Fund: 2403 - Gift | | | | |
| Forecast Revenues | 1,972 | 1,800 | 1,800 | 3,600 |

(Dollars in Thousands)

| | FY23 | FY24 | FY25 | Biennium 2024-25 |
|-----------------------------|------|------|------|---------------------|
| Fund: 3000 - Federal | | | | |
| Forecast Revenues | 151 | 124 | | 124 |