

---

Financial statements of  
The Calgary Zoological Society

December 31, 2022

---

---

Independent Auditor's Report	1-2
Statement of revenue and expenses and changes in fund balances	3
Statement of financial position	4
Statement of cash flows	5
Notes to the financial statements	6-17

---

## Independent Auditor's Report

To the Members of  
The Calgary Zoological Society

### Opinion

We have audited the financial statements of The Calgary Zoological Society (the "Society") which comprise the statement of financial position as at December 31, 2022 and the statements of revenue and expenses and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Chartered Professional Accountants  
April 20, 2023

## The Calgary Zoological Society

### Statement of revenue and expenses and changes in fund balances

Year ended December 31, 2022

(In thousands of dollars)

		Operating Fund	Capital Fund	Endowment Fund	2022 Total	2021 Total
	Notes	\$	\$	\$	\$	\$
<b>Revenue</b>						
Admissions		16,736	—	—	16,736	13,650
Grants	18	9,257	14,273	—	23,530	19,561
Food and beverage		9,637	—	—	9,637	5,928
Memberships		5,999	—	—	5,999	4,685
Donations, sponsorships and fundraising		1,372	1,399	—	2,771	4,719
Gift services		3,068	—	—	3,068	2,337
Parking		2,522	—	—	2,522	2,190
Education programs		858	—	—	858	536
Other		928	102	—	1,030	472
		<b>50,377</b>	<b>15,774</b>	<b>—</b>	<b>66,151</b>	<b>54,078</b>
<b>Expenses</b>						
Salaries, wages and benefits	14	21,204	—	—	21,204	15,624
General and administrative	14	9,624	40	—	9,664	7,298
Amortization		—	6,314	—	6,314	6,539
Wildlife conservation activities	14	1,852	—	—	1,852	3,393
Cost of goods sold		3,999	—	—	3,999	2,475
Facility operations and maintenance	14	2,831	—	—	2,831	2,337
Project expenditures		—	2,805	—	2,805	2,333
Botanical and animal care supplies	14	1,043	—	—	1,043	696
		<b>40,553</b>	<b>9,159</b>	<b>—</b>	<b>49,712</b>	<b>40,695</b>
Excess of revenue over expenses before the undernoted		9,824	6,615	—	16,439	13,383
Net loss due to write-off of capital assets	15	—	(483)	—	(483)	(99)
Investment income						
Realized gains		287	—	18	305	320
Unrealized (losses) gains		(1,895)	—	(258)	(2,153)	670
Net investment income		412	—	64	476	742
Excess (deficiency) of revenue over expenses		8,628	6,132	(176)	14,584	15,016
Fund balances, beginning of year		12,822	147,232	1,889	161,943	146,927
<b>Interfund transfers</b>						
Loan repayment support		(445)	445	—	—	—
Other		(4,855)	4,828	27	—	—
		<b>(5,300)</b>	<b>5,273</b>	<b>27</b>	<b>—</b>	<b>—</b>
<b>Fund balances, end of year</b>		<b>16,150</b>	<b>158,637</b>	<b>1,740</b>	<b>176,527</b>	<b>161,943</b>

The accompanying notes are an integral part of the financial statements.


**The Calgary Zoological Society**  
**Statement of financial position**

At at December 31, 2022  
(In thousands of dollars)

	Notes	Operating Fund	Capital Fund	Endowment Fund	2022 Total	2021 Total
		\$	\$	\$	\$	\$
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents		9,761	30,156	—	39,917	36,215
Accounts receivable	3	2,707	619	—	3,326	2,761
Inventories		731	—	—	731	603
Prepaid expenses		357	358	—	715	133
Due from (to) other funds		13	—	(13)	—	—
Loan receivable from Wilder Institute	4, 14	13,500	—	—	13,500	7,500
		<b>27,069</b>	<b>31,133</b>	<b>(13)</b>	<b>58,189</b>	47,212
Investments	5	256	11,678	1,753	13,687	15,060
Capital assets	6	—	119,486	—	119,486	112,998
Other assets		5	—	—	5	5
		<b>27,330</b>	<b>162,297</b>	<b>1,740</b>	<b>191,367</b>	175,275
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable and accrued liabilities		3,681	2,759	—	6,440	4,926
Accrued vacation liability		402	—	—	402	389
Deferred revenue	8	5,014	—	—	5,014	4,603
Deferred contributions	9	321	—	—	321	526
Current portion of long-term debt	10	—	454	—	454	446
Due to (from) Wilder Institute	14	1,762	(19)	—	1,743	1,530
		<b>11,180</b>	<b>3,194</b>	<b>—</b>	<b>14,374</b>	12,420
Long-term debt	10	—	466	—	466	912
		<b>11,180</b>	<b>3,660</b>	<b>—</b>	<b>14,840</b>	13,332
Commitments	16					
<b>Fund balances</b>						
Invested in capital assets		—	118,566	—	118,566	111,640
Internally restricted	11	3,000	31,544	—	34,544	33,221
Externally restricted	12	—	8,527	—	8,527	5,371
Endowments	13	—	—	1,740	1,740	1,889
Unrestricted		13,150	—	—	13,150	9,822
		<b>16,150</b>	<b>158,637</b>	<b>1,740</b>	<b>176,527</b>	161,943
		<b>27,330</b>	<b>162,297</b>	<b>1,740</b>	<b>191,367</b>	175,275

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Directors

 \_\_\_\_\_, Chair

 \_\_\_\_\_, Treasurer

## The Calgary Zoological Society

### Statement of cash flows

Year ended December 31, 2022

(In thousands of dollars)

	Notes	2022 \$	2021 \$
<b>Operating activities</b>			
Excess of revenue over expenses		14,584	15,016
Items not affecting cash and cash equivalents			
Amortization		6,314	6,539
Non-cash impact of investment loss (income)		1,372	(1,732)
Loss due to write-off of capital assets	15	483	104
		<b>22,753</b>	19,927
Change in non-cash working capital items			
Accounts receivable		(565)	1,567
Prepaid expenses		(582)	45
Inventories		(128)	262
Accounts payable, accrued vacation liability and other accrued liabilities		703	1,249
Deferred revenue		411	1,429
Deferred contributions		(205)	112
Due to Wilder Institute, net		213	1,075
		<b>22,600</b>	25,666
<b>Financing activities</b>			
Repayments on long-term debt		(424)	(416)
Repayments on capital lease		(22)	(21)
Capital lease additions		8	—
		<b>(438)</b>	(437)
<b>Investing activities</b>			
Purchase of capital assets		(13,290)	(6,573)
Proceeds on disposal	15	6	2
Loan to Wilder Institute	4	(6,000)	(7,000)
Change in accounts payable affecting investing activities		824	1,043
		<b>(18,460)</b>	(12,528)
Net increase in cash and cash equivalents		3,702	12,701
Cash and cash equivalents, beginning of year		36,215	23,514
<b>Cash and cash equivalents, end of year</b>		<b>39,917</b>	36,215
<b>Represented by</b>			
Internally restricted		22,866	20,374
Externally restricted		8,527	5,371
Unrestricted		8,524	10,470
<b>Cash and cash equivalents, end of year</b>		<b>39,917</b>	36,215

The accompanying notes are an integral part of the financial statements.

# The Calgary Zoological Society

## Notes to the financial statements

December 31, 2022

(In thousands of dollars)

---

### 1. Purpose of the Society

The Calgary Zoological Society (the "Society" or "CZS"), operating under the title "Calgary Zoo", develops, operates, and promotes an integrated zoological, botanical and prehistoric park for the combined purposes of conservation, education, recreation and scientific study. The Society is a not-for-profit organization incorporated under the Societies Act of the province of Alberta on January 9, 1929, and is a registered charity under the Income Tax Act of Canada.

The Society operates under an agreement with The City of Calgary (the "City"), which expires December 31, 2027. As part of the agreement, the City annually provides a grant to support the operating expenses of the Society (Note 18).

### 2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

#### *Cash and cash equivalents*

Cash and cash equivalents include cash held with Canadian chartered banks in highly liquid investments.

#### *Fund accounting*

The Operating Fund accounts for the Society's program delivery and administrative activities related to the operation of the Calgary Zoo. This fund reports unrestricted resources and restricted operating grants.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society's capital assets, projects under development and funds designated for long-term capital development initiatives.

The Endowment Fund reports resources contributed that are subject to restrictions stipulating that the principal amount of the resources be maintained permanently.

#### *Revenue recognition*

The Society follows the restricted fund method of accounting for contributions.

Contributions externally restricted by third parties and related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other externally restricted contributions and endowments are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues for admissions, food and beverage, gift services, education programs and parking are recognized as services are provided. Membership revenue is recorded as deferred revenue when received and recognized in revenue over the period of membership.

Restricted investment income is recorded as revenue of the appropriate restricted fund when earned. Unrestricted investment income earned on the Capital Fund is recognized as revenue of the Operating Fund and allocated to the Capital Fund through interfund transfer when internally restricted by the Board of Directors.

Pledges are recognized only if amounts are received during the year, due to uncertainty surrounding collectability.



**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022  
(In thousands of dollars)

---

**2. Significant accounting policies (continued)**

*Inventories*

Inventories consisting primarily of goods purchased and held for resale are valued at the lower of cost, using the first-in, first-out method, and net realizable value. Net realizable value is determined using the current estimated selling price less the selling cost.

*Controlled related party*

The Society has a controlled related party, The Calgary Zoo Foundation, operating as Wilder Institute ("Wilder"), which is a not-for-profit organization that has the same mission as that of the Society, to take and promote action to sustain wildlife and wild places. Wilder is not consolidated.

*Capital assets*

Purchased capital assets are recorded at cost. Donated capital assets are recorded at their fair values at the date of donation. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which generally fall within ranges as follows:

Buildings	10-40 years
Habitats and infrastructure	10-40 years
Major software applications	3-10 years
Short term habitats	1-5 Years
Computer hardware and software	2-5 years
Equipment	4-10 years
Vehicles	4-6 years

No amortization is provided on land, on assets under construction until the assets are put in use, or on artifacts that are held for public exhibition.

Leased assets that are treated as capital leases are amortized over the term of the lease agreement.

*Impairment of long-lived assets*

When a capital asset no longer contributes to the Society's ability to provide goods and services, or the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. A write-down will not be reversed.

*Animal and botanical purchases*

Animal and botanical purchases are expensed at the time of purchase.

*Donated materials and services*

Donated materials and services, including volunteer services, are not recognized in the financial statements.

**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022

(In thousands of dollars)

---

**2. Significant accounting policies (continued)**

*Financial instruments*

The Society initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost, other than investments which are reported at fair value. The financial assets subsequently measured at amortized cost include cash and cash equivalents, accounts receivable and the loan receivable from Wilder. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities, amounts due to Wilder, accrued vacation liability and long-term debt.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of revenue and expenses and changes in fund balances.

With respect to financial assets measured at cost or amortized cost, the Society recognizes in the statement of revenue and expenses and changes in fund balances an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of revenue and expenses and changes in fund balances in the period in which the reversal occurs.

*(a) Interest rate risk*

The Society would be exposed to interest rate fluctuations on the revolving demand operating facility if this facility were drawn upon, as the facility is provided at prime rate.

*(b) Credit risk*

The Society does not have a concentration of credit exposure with any one donor or member. The majority of the Society's accounts receivable balances are related to government grant funding and the collectability of these balances is reasonably assured. Thus, the Society does not consider that it is exposed to undue credit risk.

*(c) Price risk*

The investments of the Society are subject to price risk because changing interest rates impact the market value of the fixed rate investments, general economic conditions affect the market value of equity investments and currency exchange rate changes impact the market value of investments denominated in currencies other than the Canadian dollar. The Society's Investment Policy applies to all investments held by the Society and it includes restrictions regarding the minimum and maximum amount of various asset classes. The diversification across various asset classes is expected to decrease the volatility of portfolio returns due to the lack of correlation between returns.

*(d) Liquidity risk*

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to liquidity risk arising primarily from the accounts payable and accrued liabilities and current portion of long-term debt. The Society's objective is to have sufficient liquidity to meet its liabilities when due. The Society monitors its cash and cash equivalents balances and cash flows generated from operations to meet its requirements and has access to a revolving demand operating facility. The Society's investments are subject to liquidity risk if the Society is required to sell at a time when the market value of the investments is unfavorable.

**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022  
(In thousands of dollars)

---

**2. Significant accounting policies (continued)**

*Use of estimates*

The preparation of the financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. The most significant of these estimates are related to the recoverable amount of the Society's accounts receivable, the amortization period for and potential impairment of capital and other assets, accrued liabilities and potential contingencies. Actual results could differ from those estimates. Management reviews these estimates on a periodic basis and, if required, makes adjustments prospectively.

*Government remittances*

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts are due. In respect of government remittances, payroll withholding tax of \$123 (\$116 in 2021) is included in accounts payable and accrued liabilities and amounts netting to \$172 (\$82 in 2021) related to Goods and Services Tax recoverable/payable are included in accounts receivable and accounts payable, respectively.

*Government assistance*

Government assistance is not recognized until there is reasonable assurance the Society will comply with the conditions attached to it and that the assistance will be received.

**3. Accounts receivable**

Accounts receivable is comprised of:

	<b>2022</b>	2021
	\$	\$
City of Calgary – Operating Grant	<b>1,620</b>	879
Trade Accounts Receivable	<b>1,095</b>	619
City of Calgary – Capital Grant	<b>417</b>	998
Accrued Accounts Receivable	<b>194</b>	234
Canada Emergency Wage Subsidy Receivable (Note 18)	—	31
	<b>3,326</b>	2,761

**4. Loan facility to Wilder Institute (“Wilder”)**

The Society has extended a \$15 million non-interest bearing demand loan facility to Wilder (\$10 million in 2021). The facility is secured by a mortgage on the land owned by Wilder, and a general security agreement including a first charge on all property of Wilder. As of December 31, 2022, \$13,500 has been drawn on this facility (\$7,500 in 2021). The Society does not expect to demand repayment of this loan within the next twelve months.

**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022  
(In thousands of dollars)

**5. Investments**

	<b>2022</b>	2021
	<b>\$</b>	\$
Operating Fund		
Short-term funds	<b>1</b>	10
Fixed income funds	<b>128</b>	105
Equity funds	<b>127</b>	130
	<b>256</b>	245
Capital Fund		
Short-term funds	<b>236</b>	930
Fixed income funds	<b>3,015</b>	3,683
Equity funds	<b>8,427</b>	8,235
	<b>11,678</b>	12,848
Endowment Fund		
Short-term funds	<b>18</b>	79
Fixed income funds	<b>864</b>	845
Equity funds	<b>871</b>	1,043
	<b>1,753</b>	1,967
Total	<b>13,687</b>	15,060

During the year, the Society recorded interest income of \$1,153 (\$975 in 2021). Interest from investments of \$539 (\$793 in 2021) was recorded as a component of net investment income. Interest from other financial assets of \$614 (\$182 in 2021) was recorded as a component of other revenue.

**6. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2022 Net book value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Buildings	<b>132,627</b>	<b>49,209</b>	<b>83,418</b>
Habitats and infrastructure	<b>53,606</b>	<b>34,733</b>	<b>18,873</b>
Major software applications	<b>1,436</b>	<b>768</b>	<b>668</b>
Short-term habitats	<b>2,398</b>	<b>2,199</b>	<b>199</b>
Computer hardware and software	<b>2,946</b>	<b>2,764</b>	<b>182</b>
Equipment	<b>12,009</b>	<b>11,221</b>	<b>788</b>
Vehicles	<b>640</b>	<b>361</b>	<b>279</b>
Artifacts	<b>22</b>	<b>—</b>	<b>22</b>
Assets under construction	<b>15,057</b>	<b>—</b>	<b>15,057</b>
	<b>220,741</b>	<b>101,255</b>	<b>119,486</b>

**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022  
(In thousands of dollars)

**6. Capital assets (continued)**

	Cost	Accumulated amortization	2021 Net book value
	\$	\$	\$
Buildings	132,403	45,904	86,499
Habitats and infrastructure	54,235	33,552	20,683
Major software applications	1,398	531	867
Short-term habitats	2,398	1,719	679
Computer hardware and software	2,928	2,719	209
Equipment	11,664	10,688	976
Vehicles	475	387	88
Artifacts	22	—	22
Assets under construction	2,975	—	2,975
	<u>208,498</u>	<u>95,500</u>	<u>112,998</u>

Under the terms of the agreement with the City, title to lands acquired, buildings constructed and other capital projects is vested with the City. As the Society has the beneficial risks and rewards of ownership for the assets, the financial statements account for these expenditures as capital assets of the Society; however, the Society is restricted from encumbering these capital assets without express authorization from the City.

Assets under capital lease are recorded in Equipment.

Please refer to note 15 for details of capital assets impaired or written off in the year.

**7. Operating line**

The Society has a \$2,000 (\$2,000 in 2021) revolving demand operating facility, which bears interest at the Bank's prime interest rate per annum. The line is secured by a general security agreement including a first charge on all property of the Society. No amounts were outstanding at December 31, 2022 or 2021.

**8. Deferred revenue**

Deferred revenue consists of revenue that the Society has received but not yet earned for the purpose provided. It comprises the following:

	<b>2022</b>	2021
	\$	\$
Memberships	<b>2,466</b>	2,533
Gift cards	<b>1,044</b>	922
Canada Emergency Wage Subsidy	<b>762</b>	736
Customer deposits	<b>401</b>	329
Ticket Sales	<b>126</b>	73
Proceeds for sold assets not yet transferred	<b>123</b>	—
Exclusivity fees	<b>76</b>	8
Education programs	<b>16</b>	2
	<u><b>5,014</b></u>	<u>4,603</u>

**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022  
(In thousands of dollars)

**9. Deferred contributions**

Deferred contributions includes donations and sponsorships directed to support programs to be delivered in the following fiscal year.

	<b>2022</b>	2021
	\$	\$
Balance, beginning of year	<b>526</b>	414
Additions	<b>521</b>	610
Recognized as revenue	<b>(726)</b>	(498)
Balance, end of year	<b>321</b>	526

**10. Long-term debt**

	<b>2022</b>	2021
	\$	\$
Fixed rate term loan bearing interest at 1.95% per annum with monthly principal and interest payments of \$37, maturing December 18, 2024	<b>873</b>	1,297
Obligations under capital leases bearing interest at rates varying from 3.95% - 15.94% per annum	<b>47</b>	61
	<b>920</b>	1,358
Less: current portion	<b>454</b>	446
	<b>466</b>	912

The term loan is collateralized by a general security agreement covering all personal property of the Society, and has additional collateral guarantees from the City for \$873 (\$1,297 in 2021).

The capital leases are collateralized by the underlying assets. Assets with a net book value of \$45 (\$57 in 2021) are held under capital lease.

During the year, interest expense on long-term debt of \$23 (\$33 in 2021) was reported as part of general and administrative expense.

Contractual principal repayments for all long-term debt over the next three years and thereafter are as follows:

	\$
2023	454
2024	460
2025	1
Thereafter	5
	<u>920</u>

**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022  
(In thousands of dollars)

**11. Internally restricted fund balances**

The Board of Directors has internally restricted the following balances, which are not available for other purposes without approval of the Board of Directors:

*Operating Fund*

The Board of Directors has designated amounts for an emergency operating reserve, in order to provide for necessary expenditures when other sources of funds are not available.

	<b>2022</b>	2021
	\$	\$
Operating reserve	<b>3,000</b>	3,000

*Capital Fund*

The Board of Directors has designated amounts for strategic long-term capital reserves, which are to provide for future capital needs.

	<b>2022</b>	2021
	\$	\$
Long-term capital reserve	<b>31,125</b>	29,802
Funds restricted for use in specific projects	<b>419</b>	419
	<b>31,544</b>	30,221

**12. Externally restricted fund balances**

Externally restricted balances represent contributions received for use in specific capital projects, which had not been spent at year-end.

	<b>2022</b>	2021
	\$	\$
Funds restricted for use in the Canadian Wilds Re-Development	<b>8,407</b>	5,288
Funds restricted for use in other specific projects	<b>120</b>	83
	<b>8,527</b>	5,371

**13. Endowment fund balances**

Endowments consist of externally restricted donations received by the Society and contributions internally restricted by the Society, in exercising its discretion. The Society ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose and investment income thereon, are expended for the purpose for which they were provided.

	<b>2022</b>	2021
	\$	\$
Ruth Barker Endowment Fund	<b>1,020</b>	1,169
Zooshare Endowment Fund	<b>720</b>	720
	<b>1,740</b>	1,889

**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022  
(In thousands of dollars)

**13. Endowment fund balances (continued)**

The Society has adopted investment and spending policies for the Ruth Barker Endowment Fund that are meant to ensure that the endowment's purchasing power is maintained over time. The Zooshare Endowment Fund is not inflation-protected, but is required to be maintained at a balance of \$720 (\$720 in 2021).

**14. Related party**

*Wilder Institute ("Wilder")*

Wilder, which was incorporated as The Calgary Zoo Foundation under the Societies Act of the Province of Alberta on April 29, 1988, is a not-for-profit organization, and is a registered charity under the Income Tax Act of Canada. Its purpose is to take and promote action to sustain wildlife and wild places through activities directed toward saving, supporting or protecting endangered animals and the environment. Its action plans are coordinated with those of the Society. The Society controls Wilder through its membership in Wilder and through common Board members.

Wilder's financial accounts are not consolidated with the Society's financial statements. There are no differences in accounting policies between the Society and Wilder.

Financial summaries of Wilder as at December 31, 2022 and 2021, and for the years then ended are as follows:

*Statement of financial position*

	<b>2022</b>	2021
	\$	\$
Total assets (a)	<b>31,066</b>	26,131
Total liabilities (b)	<b>15,135</b>	9,450
Total net assets	<b>15,931</b>	16,681

(a) In accordance with donor imposed restrictions, \$36 (\$980 in 2021) of Wilder's total assets must be used for various conservation-related purposes. A further \$6,191 (\$6,814 in 2021) of Wilder's total assets is subject to donor imposed restrictions that they be maintained permanently with the investment revenue earned to be used for various conservation-related purposes.

Total Assets includes amounts of \$1,743 (\$1,530 in 2021) due from the Society to Wilder, representing the net of funding to be provided from the Society to support Wilder's operations.

(b) Total Liabilities includes \$13,500 (\$7,500 in 2021) drawn on a non-interest-bearing demand loan facility from the Society. Refer to Note 4 for further details.



**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022  
(In thousands of dollars)

**14. Related party (continued)**

*Statement of operations*

	<b>2022</b>	2021
	\$	\$
CZS - Endowment gift (a)	—	673
CZS - Conservation Contributions (b)	<b>4,457</b>	2,720
Other Grant and Donation revenues	<b>2,835</b>	2,794
Total revenue	<b>7,292</b>	6,187
Total expenses (c)	<b>(7,292)</b>	(5,514)
Loss due to write off of capital assets	<b>(5)</b>	(85)
Investment (loss) / income	<b>(745)</b>	907
Excess of revenue over expenses	<b>(750)</b>	1,495

- (a) CZS - Endowment gift relates to gifts from the Society to the Brian Keating Conservation Endowment Fund.
- (b) CZS - Conservation Contributions relate to an agreement between the entities whereby the Society provides operating and administrative expense support to Wilder as required.
- (c) Total expenses include reimbursement of \$2,605 (\$1,585 in 2021) to the Society for allocated costs. The Society incurs a number of general support expenses that are common to the administration of both the Society and Wilder. The Society allocates these expenses by identifying the appropriate basis for allocating each component expense, and applies that basis consistently each year. Expenses have been allocated to Wilder based on an approximation of time spent, per capita or space, depending on the type of expense. The amounts allocated to Wilder from each expense category in the Society were:

*Reimbursement of expenses*

	<b>2022</b>	2021
	\$	\$
Salaries, wages and benefits	<b>1,672</b>	1,232
General and administrative	<b>651</b>	332
Botanical and animal care supplies	<b>249</b>	—
Facility operations and maintenance	<b>33</b>	21
	<b>2,605</b>	1,585

*Statement of cash flows*

	<b>2022</b>	2021
	\$	\$
Cash flow provided by/(used) in operating activities	<b>219</b>	(93)
Cash flow provided by financing activities	<b>6,000</b>	7,000
Cash flow used in investing activities	<b>(6,366)</b>	(6,295)
(Decrease)/increase in cash	<b>(147)</b>	612

**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022  
(In thousands of dollars)

**15. Net loss due to write-off of capital assets**

Certain capital assets, largely consisting of assets whose value of future economic benefits associated with the capital asset is less than its net carrying amount due to redevelopment work in the Canadian Wilds and assets which were assessed to have significantly shorter useful lives than originally estimated, were written off during the year for \$489 (\$106 in 2021). The impact of this was partially offset by gains on disposal of other small assets for \$6 (\$2 in 2021) and write-off of small liabilities for \$0 (\$5 in 2021).

**16. Commitments**

The Society is committed under various agreements for minimum consumption of energy and services, subject to fixed fees and break fees as follows:

	\$
2023	1,932
2024	111
2025	111
2026	56
Thereafter	—
	<u>2,210</u>

Subsequent to December 31, 2022, the Society's energy contract was renewed with a total commitment of \$1,714.

**17. Fundraising expenses**

As required under Section 7(2) of the Charitable Fund-raising Regulation in Alberta, the following amounts are disclosed:

	2022 \$	2021 \$
Amounts paid as remuneration to employees whose principal duties involve fundraising	<b>1,130</b>	844
Direct expenses incurred for the purpose of soliciting contributions including grants, donations and sponsorships	<b>1,059</b>	378

**The Calgary Zoological Society**  
**Notes to the financial statements**

December 31, 2022  
(In thousands of dollars)

**18. Grants**

Included in grants are the following municipal, provincial and federal funds received:

	<b>2022</b>	2021
	<b>\$</b>	\$
<b>Municipal Grants-Operating</b>		
The City of Calgary grant to support the operating expenses of Society	<b>8,455</b>	8,239
<b>Municipal Grants-Capital</b>		
The City of Calgary Civic Partner Infrastructure Grant	<b>551</b>	1,919
<b>Federal Grants - Capital</b>		
Federal funding for facility upgrades	<b>2,427</b>	—
<b>Federal Grants - Operating</b>		
Funding towards employment	<b>404</b>	363
Funding towards education	<b>10</b>	—
Canada Emergency Wage Subsidy	<b>—</b>	1,634
<b>Provincial Grants-Operating</b>		
Travel Alberta grant to enhance the on park experience and COVID-19 health and safety requirements	<b>25</b>	28
Government of Alberta grant for COVID-19 restriction exemption program	<b>—</b>	2
<b>Provincial Grants-Capital</b>		
Government of Alberta funding for facility upgrades	<b>8,450</b>	4,450

**19. Comparative figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.

**20. Subsequent Events**

On March 13, 2023, the Society signed amendments to existing agreements with Prairies Economic Development Canada to add funding of \$1,500 for the Canadian Wilds river otter habitat and \$750 for the Canadian Wilds caribou habitat.