

---

Financial statements of  
The Calgary Zoological Society

December 31, 2018

---

---

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 accompanying financial statements of The Calgary Zoological Society (the "Society"), which comprise the statement of financial position as at December 31, 2018, 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, 2018 and the results of its operations, changes in fund balances 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 generally accepted auditing standards 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 generally accepted auditing standards, we exercise professional judgment 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 18, 2019

# The Calgary Zoological Society

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

Year ended December 31, 2018

(In thousands of dollars)

		2018				2017
	Notes	Operating Fund	Capital Fund	Conservation Fund	Endowment Fund	Total
		\$	\$	\$	\$	\$
<b>Revenue</b>						
Admissions		18,435	—	—	—	18,435
Grants	16	8,375	5,980	447	8	14,810
Food and beverage		10,709	—	—	—	10,709
Memberships		5,648	—	—	—	5,648
Gift services		4,608	—	—	—	4,608
Donations, sponsorships and fundraising		700	811	543	681	2,735
Parking		2,316	—	—	—	2,316
Education programs		1,252	—	—	—	1,252
Other		918	88	26	—	1,032
		<b>52,961</b>	<b>6,879</b>	<b>1,016</b>	<b>689</b>	<b>61,545</b>
<b>Expenses</b>						
Salaries, wages and benefits		19,562	115	1,947	—	21,624
General and administrative	7	10,423	238	1,215	—	11,876
Amortization		—	6,700	—	—	6,700
Cost of goods sold	2	4,881	—	—	—	4,881
Project expenditures		—	4,211	—	—	4,211
Facility operations and maintenance		2,521	51	117	—	2,689
Botanical and animal care supplies		1,481	—	159	—	1,640
Panda conservation payment		962	—	—	—	962
Donations, grants and scholarships		16	—	32	—	48
Other	3	56	91	—	—	147
		<b>39,902</b>	<b>11,406</b>	<b>3,470</b>	<b>—</b>	<b>54,778</b>
Excess (deficiency) of revenue over expenses before the undernoted		<b>13,059</b>	<b>(4,527)</b>	<b>(2,454)</b>	<b>689</b>	<b>6,767</b>
Gain (loss) on capital assets		—	8	—	—	8
Investments						
Realized gains		76	3	40	—	119
Change in unrealized (loss) gain		(768)	(35)	(130)	—	(933)
Net investment income	3	415	19	55	—	489
Excess (deficiency) of revenue over expenses		<b>12,782</b>	<b>(4,532)</b>	<b>(2,489)</b>	<b>689</b>	<b>6,450</b>
Fund balances, beginning of year		<b>4,473</b>	<b>137,594</b>	<b>7,168</b>	<b>4,153</b>	<b>153,388</b>
<b>Interfund transfers</b>						
Operating support		(12,160)	9,866	2,294	—	—
Loan repayment support		(476)	476	—	—	—
Other		(112)	(108)	(249)	469	—
		<b>(12,748)</b>	<b>10,234</b>	<b>2,045</b>	<b>469</b>	<b>—</b>
<b>Fund balances, end of year</b>		<b>4,507</b>	<b>143,296</b>	<b>6,724</b>	<b>5,311</b>	<b>159,838</b>

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

# The Calgary Zoological Society

## Statement of financial position

As at December 31, 2018

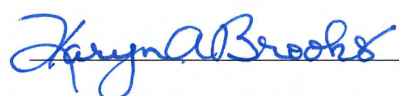
(In thousands of dollars)

						2018	2017
	Notes	Operating Fund	Capital Fund	Conservation Fund	Endowment Fund	Total	Total
		\$	\$	\$	\$	\$	\$
<b>Assets</b>							
Current assets							
Cash		6,248	13,028	5,180	4,461	28,917	22,520
Accounts receivable	2 and 16	5,102	944	30	—	6,076	7,636
Inventories	2	925	—	—	—	925	593
Prepays		674	—	42	—	716	200
Due from Calgary Zoo Foundation	17	225	—	—	—	225	—
		<b>13,174</b>	<b>13,972</b>	<b>5,252</b>	<b>4,461</b>	<b>36,859</b>	30,949
Investments	3	—	8,854	1,627	850	11,331	11,744
Tangible capital assets	4	—	123,622	—	—	123,622	125,333
Other assets	5	71	433	—	—	504	540
		<b>13,245</b>	<b>146,881</b>	<b>6,879</b>	<b>5,311</b>	<b>172,316</b>	168,566
<b>Liabilities</b>							
Current liabilities							
Accounts payable and accrued liabilities	2	4,131	1,108	155	—	5,394	8,783
Accrued vacation liability		923	—	—	—	923	864
Deferred revenue	8	3,582	—	—	—	3,582	2,611
Deferred contributions	9	102	—	—	—	102	97
Current portion of long-term debt	7	—	364	—	—	364	346
		<b>8,738</b>	<b>1,472</b>	<b>155</b>	<b>—</b>	<b>10,365</b>	12,701
Long-term debt	7	—	2,113	—	—	2,113	2,477
		<b>8,738</b>	<b>3,585</b>	<b>155</b>	<b>—</b>	<b>12,478</b>	15,178
Commitments	14						
<b>Fund balances</b>							
Invested in capital assets		—	104,954	—	—	104,954	110,545
Internally restricted	10	3,000	34,901	4,979	—	42,880	33,298
Externally restricted	11	—	3,441	1,745	—	5,186	3,919
Endowments	12	—	—	—	5,311	5,311	4,153
Unrestricted		1,507	—	—	—	1,507	1,473
		<b>4,507</b>	<b>143,296</b>	<b>6,724</b>	<b>5,311</b>	<b>159,838</b>	153,388
		<b>13,245</b>	<b>146,881</b>	<b>6,879</b>	<b>5,311</b>	<b>172,316</b>	168,566

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

Approved by the Board of Trustees

 \_\_\_\_\_, Chairman

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

## The Calgary Zoological Society

### Statement of cash flows

Year ended December 31, 2018

(In thousands of dollars)

	<b>2018</b>	2017
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses	<b>6,450</b>	11,543
Items not affecting cash		
Amortization	<b>6,700</b>	5,496
Change in unrealized (gain) loss on investments	<b>933</b>	(821)
(Gain) loss on capital assets	<b>(8)</b>	1,330
	<b>14,075</b>	17,548
Change in non-cash working capital items		
Accounts receivable-Trade	<b>1,560</b>	(1,119)
Accounts receivable-Due from Calgary Zoo Foundation	<b>(225)</b>	-
Prepaid expenses	<b>(516)</b>	(19)
Inventory	<b>(332)</b>	(7)
Accounts payable and accrued liabilities	<b>1,267</b>	841
Deferred revenue	<b>971</b>	203
Deferred contributions	<b>5</b>	46
	<b>16,805</b>	17,493
<b>Financing activities</b>		
Repayments on long-term debt	<b>(345)</b>	(885)
Repayments on capital lease	<b>(1)</b>	(1)
	<b>(346)</b>	(886)
<b>Investing activities</b>		
Net purchase of investments	<b>(520)</b>	(316)
Purchase of capital assets	<b>(4,953)</b>	(21,732)
Proceeds on disposal of capital assets	<b>8</b>	2
Net change in non-cash working capital items affecting investing activities	<b>(4,597)</b>	3,004
	<b>(10,062)</b>	(19,042)
Net increase (decrease) in cash	<b>6,397</b>	(2,435)
Cash, beginning of year	<b>22,520</b>	24,955
<b>Cash, end of year</b>	<b>28,917</b>	22,520

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

# The Calgary Zoological Society

## Notes to the financial statements

December 31, 2018

(In thousands of dollars)

---

### 1. Purpose of the Society

The Calgary Zoological Society (the "Society"), operating under the title "Calgary Zoo", develops, operates, and promotes an integrated zoological, botanical, prehistoric park and conservation centre for the combined purposes of conservation, education, recreation and scientific study. The Society, which was incorporated under the Societies Act of the province of Alberta on January 9, 1929, is a not-for-profit organization 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 16).

### 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*

The Society's policy is to present bank balances, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, under cash and cash equivalents.

#### *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 Conservation Fund reports internally and externally restricted resources that are to be used for Canadian and international conservation and scientific study purposes and funds designated for long-term conservation initiatives that yield tangible conservation outcomes in the wild.

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.



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

December 31, 2018  
(In thousands of dollars)

---

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

*Revenue recognition (continued)*

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 Capital and Conservation Funds is recognized as revenue of the Operating Fund and allocated to the Capital and Conservation Funds through interfund transfer when internally restricted by the Board of Trustees.

*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. The estimated selling price takes into account management's best estimate of the most probable set of economic conditions.

The cost of inventories recognized as an operating expense amounted to \$4,881 (\$3,254 in 2017).

*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, as follows:

Buildings	40 years
Exhibits	20 years
Other assets	18 years
Major software application	10 years
Short term exhibit	5 Years
Equipment	4 years
Vehicles	4 years
Computer hardware and software	2 years

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

*Other assets*

Other assets include the development costs of a long-range master plan for the Society. Amortization is provided on a straight-line basis over the plan's estimated implementation period of 18 years and commenced in 2012 upon formal approval of the master plan by the Board of Trustees.

*Impairment of long-lived assets*

When a tangible capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value will be recognized as an expense in the statement of operations. A write-down will not be reversed.

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

December 31, 2018

(In thousands of dollars)

---

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

*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.

*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 accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities, 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 is exposed to interest rate fluctuations on the revolving demand operating facility, which is 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 receivables 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 the investments denominated in currencies other than the Canadian dollar. This risk is mitigated through the use of an investment manager for the long-term portfolio investments and by investing other funds in short-term fixed rate products with high credit ratings.

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

December 31, 2018

(In thousands of dollars)

---

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

*Financial instruments (continued)*

*(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 balances and cash flows generated from operations to meet its requirements. 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.

*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. Actual results could differ from those estimates. 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 \$90 (\$71 in 2017) is included in accounts payable and accrued liabilities and \$91 (\$335 in 2017) of Goods and Services Tax recoverable is included in accounts receivable.

*Presentation of prior year balances*

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

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

December 31, 2018  
(In thousands of dollars)

**3. Investments**

	<b>2018</b>	2017
	\$	\$
Capital Fund		
Short-term	<b>289</b>	241
Fixed income funds	<b>2,946</b>	2,834
Equity funds	<b>5,619</b>	6,034
	<b>8,854</b>	9,109
Conservation Fund		
Short-term	<b>52</b>	48
Fixed income funds	<b>542</b>	549
Equity funds	<b>1,033</b>	1,168
	<b>1,627</b>	1,765
Endowment Fund		
Short-term	<b>27</b>	22
Fixed income funds	<b>285</b>	271
Equity funds	<b>538</b>	577
	<b>850</b>	870

During the year, the Society recorded interest income of \$975 (\$660 in 2017). Interest from investments of \$535 (\$388 in 2017) was recorded as a component of net investment income. Interest from other financial assets of \$440 (\$272 in 2017) was recorded as a component of other revenue.

**4. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2018 Net book value</b>
	\$	\$	\$
Land	<b>2,242</b>	—	<b>2,242</b>
Buildings	<b>131,336</b>	<b>36,060</b>	<b>95,276</b>
Exhibits	<b>47,613</b>	<b>30,403</b>	<b>17,210</b>
Major software application	<b>819</b>	<b>109</b>	<b>710</b>
Short term exhibits	<b>2,794</b>	<b>326</b>	<b>2,468</b>
Computer hardware and software	<b>2,704</b>	<b>2,197</b>	<b>507</b>
Equipment	<b>11,611</b>	<b>7,676</b>	<b>3,935</b>
Vehicles	<b>537</b>	<b>437</b>	<b>100</b>
Artifacts	<b>364</b>	—	<b>364</b>
Assets under construction	<b>810</b>	—	<b>810</b>
	<b>200,830</b>	<b>77,208</b>	<b>123,622</b>

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

December 31, 2018  
(In thousands of dollars)

**4. Capital assets (continued)**

	Cost	Accumulated amortization	2017 Net book value
	\$	\$	\$
Land	2,242	—	2,242
Buildings	122,109	32,871	89,238
Exhibits	42,964	29,079	13,885
Major software application	641	37	604
Computer hardware and software	2,086	1,829	257
Equipment	8,693	6,362	2,331
Vehicles	518	460	58
Artifacts	364	—	364
Assets under construction	16,354	—	16,354
	<b>195,971</b>	<b>70,638</b>	<b>125,333</b>

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 its capital assets without express authorization from the City.

In addition, the Society solely owns the land and other capital assets reported above which relate to the existing Devonian Wildlife Conservation Centre and the new Wildlife Conservation Centre, which are both unencumbered by the City to the use of these assets.

Further, assets recorded as capital lease have been recorded in the balance of Equipment.

**5. Other assets**

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
	\$	\$	\$	\$
Operating Fund				
Long term trust receivable	<b>71</b>	—	<b>71</b>	71
Capital fund				
Master plan	<b>659</b>	<b>226</b>	<b>433</b>	469
	<b>730</b>	<b>226</b>	<b>504</b>	540

During the year, amortization of \$36 (\$36 in 2017) was recorded on the master plan.

**6. Operating line**

The Society has a \$2,000 (\$2,000 in 2017) 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, 2018 or 2017.

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

December 31, 2018  
(In thousands of dollars)

**7. Long-term debt**

	<b>2018</b>	2017
	<b>\$</b>	\$
Fixed rate term loan bearing interest at 4.94% per annum with monthly principal and interest payments of \$39, maturing December 18, 2019 with a renewal provision for a further 5 year term to December 18, 2024	<b>2,471</b>	2,815
Obligations under capital lease bearing interest at a rate of 9.50% per annum, expiring in 2022	<b>6</b>	8
	<b>2,477</b>	2,823
Less: current portion	<b>364</b>	346
	<b>2,113</b>	2,477

The term loan is collateralized by a general security agreement covering all personal property of the Society. Fixed rate term loan has additional collateral guarantees from the City for \$5,040 (\$5,040 in 2017).

The capital lease is collateralized by the underlying assets. Assets with a net book value of \$6 (\$8 in 2017) are held under capital lease.

During the year, interest expense on long-term debt of \$131 (\$150 in 2017) was reported as part of general and administrative expense.

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

	<u>\$</u>
2020	382
2021	402
2022	422
2023	442
2024	465
	<u>2,113</u>

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

December 31, 2018  
(In thousands of dollars)

**8. Deferred revenue**

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

	<b>2018</b>	2017
	\$	\$
Memberships	<b>2,687</b>	1,862
Customer deposits	<b>150</b>	147
Gift cards	<b>615</b>	503
Bulk Ticket Sales	<b>4</b>	—
Education programs	<b>37</b>	26
Exclusivity fees	<b>8</b>	17
Miscellaneous	<b>81</b>	56
	<b>3,582</b>	2,611

**9. Deferred contributions**

	<b>2018</b>	2017
	\$	\$
Balance, beginning of year	<b>97</b>	51
Additions	<b>102</b>	97
Amortized	<b>(97)</b>	(51)
Balance, end of year	<b>102</b>	97

The balance in deferred contributions of \$102 (\$97 in 2017) contains donations and sponsorships directed to support programs to be delivered in the following fiscal year.

**10. Internally restricted fund balances**

The Board of Trustees has internally restricted the following balances, which are not available for other purposes without approval of the Board of Trustees. Reserve funds are to be used to fund the Society's master plan, conservation and other extraordinary expenses:

*Operating Fund*

	<b>2018</b>	2017
	\$	\$
Operating reserve	<b>3,000</b>	3,000

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

December 31, 2018  
(In thousands of dollars)

**10. Internally restricted fund balances (continued)**

*Capital Fund*

	<b>2018</b>	2017
	\$	\$
Zoo master planning reserve	<b>34,482</b>	24,865
Funds restricted for use in specific projects	<b>419</b>	419
	<b>34,901</b>	25,284

*Conservation Fund*

	<b>2018</b>	2017
	\$	\$
Conservation program reserve	<b>3,763</b>	3,763
Conservation Fund	<b>1,216</b>	1,251
	<b>4,979</b>	5,014

**11. Externally restricted fund balances**

Externally restricted balances represent contributions received for the following purposes, which had not been spent at year-end:

*Capital Fund*

	<b>2018</b>	2017
	\$	\$
Zoo master planning reserve	<b>444</b>	457
Funds restricted for use in specific projects	<b>2,997</b>	1,308
	<b>3,441</b>	1,765

*Conservation Fund*

	<b>2018</b>	2017
	\$	\$
Reintroduction fund	<b>988</b>	1,257
Community conservation fund	<b>757</b>	897
	<b>1,745</b>	2,154



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

December 31, 2018  
(In thousands of dollars)

**12. Endowment fund balances**

	<b>2018</b>	2017
	\$	\$
Endangered Species Conservation Endowment Fund	<b>25</b>	25
Canadian Wilds Endowment Fund	<b>25</b>	25
Conservation Endowment Fund	<b>4,561</b>	3,383
Zooshare Fund	<b>700</b>	720
	<b>5,311</b>	4,153

**13. Related parties**

*The Calgary Zoo Foundation*

The Calgary Zoo Foundation (the "Foundation"), which was incorporated 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. It was established to carry out the fundraising activities to support the long-term operational needs of the Society. The Society controls the Foundation through a common Board of Trustees.

The Foundation has been inactive since January 1, 2010.

Refer to Note 17.

**14. Commitments**

The Society is committed under energy agreements for minimum consumption as follows:

	\$
2019	384
2020	160

**15. Fundraising expenses**

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

	<b>2018</b>	2017
	\$	\$
Amounts paid as remuneration to employees whose principal duties involve fundraising	<b>934</b>	917
Direct expenses incurred for the purpose of soliciting contributions including grants, donations and sponsorships	<b>188</b>	143

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

December 31, 2018

(In thousands of dollars)

---

**16. Grants**

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

*(a) The City of Calgary Operating Grant*

The City annually provides a grant to support the operating expenses of the Society. The agreement also allows the Society to make application for capital support. Operating support for the year was \$8,296 (\$7,999 in 2017), and capital support was \$1,475 (\$9,570 in 2017) per sections b), c) and d) below. The amount of the grant for operating support reported in the Operating Fund as receivable from the City as at December 31, 2018 was \$4,074 (\$2,864 in 2017). The amount of the grant for capital support reported in the Capital Fund as receivable from the City as at December 31, 2018 was \$753 (\$3,787 in 2017).

*(b) The City of Calgary Culture, Parks and Recreation Infrastructure Investment Plan (CPRiIPs)*

During the year, the Society received \$1,145 (\$1,148 in 2017) from the City for CPRiIPs funding. Further, \$2,290 (\$2,295 in 2017) in expenditures related to this program were recorded in the capital fund.

*(c) The City of Calgary Municipal Sustainability Initiative for Lemur Exhibit*

During the year, the Society received \$14 (\$1,092 in 2017) from the City of Calgary as financial support of the new Lemur exhibit being constructed at the Calgary Zoo.

*(d) The City of Calgary Municipal Sustainability Initiative for Panda Exhibit*

During the year, the Society received \$268 (\$7,331 in 2017) from the City of Calgary as financial support of the new Panda exhibit being constructed at the Calgary Zoo.

*(e) The City of Calgary Public Art Funding*

During the year, the Society received \$48 (nil in 2017) from the City of Calgary as part of the City of Calgary's Corporate Public Art Program.

*(f) The Province of Alberta Community Facility Enhancement Program (CFEP)*

During the year, the Society received \$103 (nil in 2017) in CFEP funding to upgrade various exhibits in the Canadian Wilds section of the Calgary Zoo.

*(g) The Province of Alberta Capital Grant Funding*

During the year, the Society received \$3,300 (\$3,300 in 2017) to be used as funding towards the Calgary Zoo's Panda exhibit and other projects described as Pathway to Pandas. Of these funds \$1,561 (nil in 2017) has been recorded in the externally restricted fund balances within the Capital Fund (see Note 11).

*(h) The Province of Alberta Minister of Environment and Sustainable Resource Development Grant*

During the year, the Society received \$172 (\$165 in 2017) to be used as funding towards its Recovering Greater Sage Grouse captive breeding and reintroduction program.

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

December 31, 2018

(In thousands of dollars)

---

**16. Grants (continued)**

*(i) The Federal Government Minister of Environment Grant*

During the year, the Society received \$152 (\$356 in 2017) to be used as funding towards its Recovering Greater Sage Grouse captive breeding and reintroduction program.

*(j) The Federal Government Parks Canada Grant*

During the year, the Society received \$84 (nil in 2017) for the restoration of the prairie dog ecosystem in Grasslands National Park.

**17. Subsequent Event**

The Board of Trustees authorized the re-activation of the Foundation effective January 1, 2019.

The Foundation will enhance the conservation activities of the Society.

Amounts of \$225 (nil in 2017) due from the Foundation to the Society represent startup costs the Society incurred on behalf of the Foundation in fiscal 2018.

The Society controls the Foundation through common Board members.