

Financial statements of

The Calgary Zoological Society

December 31, 2015

The Calgary Zoological Society

December 31, 2015

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Independent Auditor's Report

To the Members of
The Calgary Zoological Society

We have audited the accompanying financial statements of The Calgary Zoological Society, which comprise the statement of financial position as at December 31, 2015, the statements of revenue and expenses and changes in fund balances and cash flows for the year then ended, and the related notes including a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Calgary Zoological Society as at December 31, 2015 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.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
April 21, 2016

The Calgary Zoological Society

Statement of revenue and expenses and changes in fund balances year ended December 31, 2015

(In thousands of dollars)

					2015	2014
	Operating Fund	Capital Fund	Conservation Fund	Endowment Fund	Total	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Admissions	13,534	-	-	-	13,534	11,586
Grants (Note 16)	7,661	1,824	583	-	10,068	10,078
Food and beverage	8,842	-	-	-	8,842	8,468
Memberships	3,909	-	-	-	3,909	3,091
Donations, sponsorships and fundraising	1,226	927	873	-	3,026	4,635
Gift services	2,404	-	-	-	2,404	2,230
Parking	1,799	-	-	-	1,799	1,457
Education programs	1,287	-	-	-	1,287	1,304
Other	589	16	24	66	695	661
Insurance proceeds (Note 18)	6	982	-	-	988	11,939
	41,257	3,749	1,480	66	46,552	55,449
Expenses						
Salaries, wages and benefits	18,770	112	1,120	-	20,002	18,510
General and administrative (Note 7 and 17)	9,243	318	539	-	10,100	6,531
Amortization	-	5,648	-	-	5,648	5,335
Cost of goods sold (Note 2)	3,595	-	-	-	3,595	3,205
Project expenditures	-	2,802	-	-	2,802	2,044
Facility operations and maintenance	1,837	-	64	-	1,901	2,534
Botanical and animal care supplies	744	-	7	-	751	695
Donations, grants and scholarships	-	-	27	-	27	81
Insurance funded expenditures (Note 18)	7	215	-	-	222	9,481
	34,196	9,095	1,757	-	45,048	48,416
Excess (deficiency) of revenue over expenses before the undernoted	7,061	(5,346)	(277)	66	1,504	7,033
Write-off of capital assets (Note 18)	-	(124)	-	-	(124)	(46)
Investments						
Realized gains	69	-	22	-	91	337
Unrealized (loss) gain	(34)	2	(14)	-	(46)	149
Net investment income	312	17	48	-	377	402
Excess (deficiency) of revenue over expenses	7,408	(5,451)	(221)	66	1,802	7,875
Fund balances, beginning of year	4,501	123,680	5,134	983	134,298	126,423
Interfund transfers						
Operating support	(5,137)	4,000	1,137	-	-	-
Loan repayment support	(530)	530	-	-	-	-
Other	(1,812)	1,583	229	-	-	-
	(7,479)	6,113	1,366	-	-	-
Fund balances, end of year	4,430	124,342	6,279	1,049	136,100	134,298

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

The Calgary Zoological Society

Statement of financial position

as at December 31, 2015

(In thousands of dollars)

					2015	2014
	Operating Fund	Capital Fund	Conservation Fund	Endowment Fund	Total	Total
	\$	\$	\$	\$	\$	\$
Assets						
Current assets						
Cash	7,371	10,768	4,557	179	22,875	21,716
Accounts receivable (Notes 2 and 18)	1,809	1,719	350	-	3,878	2,858
Inventories (Note 2)	609	-	-	-	609	442
Prepays	491	-	-	-	491	331
Due from (to) funds	40	-	(40)	-	-	-
	10,320	12,487	4,867	179	27,853	25,347
Investments (Note 3)	-	7,547	1,419	870	9,836	9,356
Tangible capital assets (Note 4)	-	109,172	-	-	109,172	111,575
Other assets (Note 5)	71	542	-	-	613	649
	10,391	129,748	6,286	1,049	147,474	146,927
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities (Note 2)	2,843	757	7	-	3,607	3,958
Accrued vacation liability	627	-	-	-	627	566
Deferred revenue (Note 8)	2,330	-	-	-	2,330	2,228
Deferred contributions (Note 9)	161	-	-	-	161	350
Current portion of long-term debt (Note 7)	-	951	-	-	951	932
	5,961	1,708	7	-	7,676	8,034
Long-term debt (Note 7)	-	3,698	-	-	3,698	4,595
	5,961	5,406	7	-	11,374	12,629
Commitments (Note 14)						
Fund balances						
Invested in capital assets	-	102,640	-	-	102,640	107,485
Internally restricted (Note 10)	3,000	20,136	3,462	-	26,598	21,211
Externally restricted (Note 11)	-	1,566	2,817	-	4,383	3,118
Endowments (Note 12)	-	-	-	1,049	1,049	983
Unrestricted	1,430	-	-	-	1,430	1,501
	4,430	124,342	6,279	1,049	136,100	134,298
	10,391	129,748	6,286	1,049	147,474	146,927

Approved by the Board of Trustees


Chairman


Treasurer

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

The Calgary Zoological Society

Statement of cash flows

year ended December 31, 2015

(In thousands of dollars)

	2015	2014
	\$	\$
Operating activities		
Excess of revenue over expenses	1,802	7,875
Items not affecting cash		
Amortization	5,648	5,335
Unrealized loss (gain) on investments	46	(149)
Loss due to write-off of capital assets (Note 18)	124	46
	7,620	13,107
Change in non-cash working capital items		
Accounts receivable	(1,020)	2,357
Prepaid expenses	(160)	(223)
Inventory	(167)	62
Accounts payable and accrued liabilities	479	996
Deferred revenue	102	460
Deferred contributions	(189)	256
	6,665	17,015
Financing activities		
Repayments on long-term debt	(872)	(916)
Repayments on capital lease	(6)	(10)
	(878)	(926)
Investing activities		
Net purchase of investments	(526)	(791)
Purchase of capital assets	(3,348)	(4,975)
Proceeds on disposal	15	-
Net change in non-cash working capital items affecting investing activities	(769)	(861)
	(4,628)	(6,627)
Net increase in cash	1,159	9,462
Cash, beginning of year	21,716	12,254
Cash, end of year	22,875	21,716

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

The Calgary Zoological Society

Notes to the financial statements

December 31, 2015

(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 expired December 31, 2015. A new agreement is being negotiated and as provided for under the expired agreement, the Society will operate the Zoo on a month to month basis until a new agreement is signed. 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 ("ASNFP") and include the following significant accounting policies:

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.

Amounts due from (to) funds are non-interest bearing and have no fixed terms of repayment.

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 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.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2015

(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. 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 \$3,595 (2014 - \$3,205).

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
Computer hardware and software	2 years
Equipment	4 years
Vehicles	4 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

Capital and other assets are tested for impairment whenever events or changes in circumstances indicate that an asset can no longer be used as originally expected and its carrying amount may not be fully recoverable. An impairment loss is recognized when and to the extent that management assesses the future useful life of an asset to be less than originally estimated.

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.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2015

(In thousands of dollars)

2. Significant accounting policies (continued)

Financial instruments (continued)

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 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.

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 ASNFPO 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.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2015

(In thousands of dollars)

2. Significant accounting policies (continued)

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 \$84 (2014 - \$83) is included in accounts payable and accrued liabilities and \$51 (2014 - \$87) of Goods and Services Tax recoverable is included in accounts receivable.

Presentation or prior year balances

Certain of the prior year's balances, specifically Animal care and Botanical on the statement of financial position, have been reclassified to conform to the current year's financial statement presentation. The net balances of these accounts remain unchanged.

3. Investments

	2015	2014
	\$	\$
Capital Fund		
Short-term	185	170
Fixed income funds	2,113	1,931
Equity funds	5,249	4,988
	7,547	7,089
Conservation Fund		
Short-term	55	2
Fixed income funds	381	381
Equity funds	983	1,014
	1,419	1,397
Endowment Fund		
Short-term	33	1
Fixed income funds	247	263
Equity funds	590	606
	870	870

During the year, the Society recorded interest income of \$654 (2014 - \$617). Interest from investments of \$420 (2014 - \$451) was recorded as a component of net investment income. Interest from other financial assets of \$234 (2014 - \$166) was recorded as a component of other revenue.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2015

(In thousands of dollars)

4. Capital assets

	2015		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land*	50	-	50
Buildings	122,976	29,079	93,897
Exhibits	45,184	34,037	11,147
Computer hardware and software	3,204	3,045	159
Equipment	10,920	8,497	2,423
Vehicles	484	436	48
Artifacts	360	-	360
Assets under construction	1,088	-	1,088
	184,266	75,094	109,172

	2014		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land*	50	-	50
Buildings	121,937	25,987	95,950
Exhibits	43,192	32,846	10,346
Computer hardware and software	3,048	2,764	284
Equipment	9,286	7,566	1,720
Vehicles	610	601	9
Artifacts	360	-	360
Assets under construction	2,856	-	2,856
	181,339	69,764	111,575

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 buildings of the Devonian Wildlife Conservation Centre which are unencumbered by the City to the use of this asset.

5. Other assets

	2015			2014
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Operating Fund				
Long term trust receivable	71	-	71	71
Capital fund				
Master plan	659	117	542	578
Total	730	117	613	649

During the year, amortization of \$36 (2014 - \$36) was recorded.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2015

(In thousands of dollars)

6. Operating line

The Society has a \$2,000 (2014 - \$2,000) 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, 2015 or 2014.

7. Long-term debt

	2015	2014
	\$	\$
Fixed rate term loan #1 bearing interest at 5.23% per annum with annual principal and interest payments of \$700, maturing February 1, 2017	1,190	1,750
Fixed rate term loan #2 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	3,456	3,766
Fixed rate term loan #3 bearing interest at Nil% per annum with monthly principal and interest payments of \$5, maturing April 15, 2015	-	2
Obligations under capital lease bearing interest at rates varying from 7.25% to 8.10% per annum, expiring in 2014-2017	3	9
	4,649	5,527
Less: current portion	951	932
	3,698	4,595

The term loans are collateralized by a general security agreement covering all personal property of the Society. Fixed rate term loan #1 has an additional collateral assignment of the proceeds of a sponsorship agreement with a net present value of \$1,033 (2014 - \$1,690) and these future proceeds will be sufficient to pay down the future debt obligations related to this term loan. Fixed rate term loan #2 has additional collateral guarantees from the City for \$5,040 (2014 - \$5,040).

The capital leases are collateralized by the underlying assets. Assets with a net book value of \$3 (2014 - \$9) are held under capital lease.

During the year, interest expense on long-term debt of \$301 (2014 - \$274) 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:

	\$
2016	951
2017	881
2018	345
2019	363
2020	381
Thereafter	1,728
	4,649

The Calgary Zoological Society

Notes to the financial statements

December 31, 2015

(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:

	2015	2014
	\$	\$
Memberships	1,597	1,470
Customer deposits	176	222
Gift certificates	107	170
Gift cards	328	252
Education programs	101	114
Exclusivity fees	21	-
	2,330	2,228

9. Deferred contributions

	2015	2014
	\$	\$
Balance, beginning of year	350	94
Additions	161	350
Amortized	(350)	(94)
Balance, end of year	161	350

The balance in deferred contributions of \$161 (2014 - \$350) 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

	2015	2014
	\$	\$
Operating reserve	3,000	3,000

Capital Fund

	2015	2014
	\$	\$
Zoo master planning reserve	19,717	15,423
Funds restricted for use in specific projects	419	84
	20,136	15,507

The Calgary Zoological Society

Notes to the financial statements

December 31, 2015

(In thousands of dollars)

10. Internally restricted fund balances (continued)

Conservation Fund

	2015	2014
	\$	\$
Conservation program reserve	3,000	2,000
Conservation Fund	462	704
	3,462	2,704

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

	2015	2014
	\$	\$
Zoo master planning reserve	383	364
Funds restricted for use in specific projects	1,183	324
	1,566	688

Conservation Fund

	2015	2014
	\$	\$
Reintroduction fund	1,993	1,547
Community conservation fund	824	883
	2,817	2,430

12. Endowment fund balances

	2015	2014
	\$	\$
Endangered Species Conservation Endowment Fund	25	25
Canadian Wilds Endowment Fund	25	25
Conservation Endowment Fund	279	213
Zooshare Fund	720	720
	1,049	983

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.

However, the Foundation has been inactive since January 1, 2010.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2015

(In thousands of dollars)

14. Commitments

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

	\$
2016	606
2017	551
<u>Total</u>	<u>1,157</u>

15. Fundraising expenses

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

	2015	2014
	\$	\$
Amounts paid as remuneration to employees whose principal duties involve fundraising	902	561
Direct expenses incurred for the purpose of soliciting contributions including grants, donations and sponsorships	263	227

In 2015, the Society committed additional resources relating to fundraising priorities for future capital developments

16. Grants

Included in grants are the following municipal funds received:

a) *The City of Calgary 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 \$7,431 (2014 - \$7,158), and capital support was \$1,745 (2014 - \$2,132) per below.

b) *Culture, Parks and Recreation Infrastructure Investment Plan (CPRiPs)*

During the year, the Society received \$1,745 (2014 - \$2,132) from the City for CPRiPs funding. Further, \$3,489 (2014 - \$4,263) in expenditures related to this program were recorded in the capital fund.

c) *Community Initiatives Program (CIP)*

During the year, the Society received and expended \$48 (2014 - \$Nil) in CIP funding for its IlluminAsia event.

d) *Private Grants for Zoo Rebuild*

During the year, the Society received \$Nil (2014 - \$152) in private grants to fund rebuild efforts at the Calgary Zoo.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2015

(In thousands of dollars)

17. General and administrative

The Society's general and administrative expense for fiscal 2015 was \$10,100, an increase over the prior year of \$3,569. This significant increase resulted, in part, from the addition of two new events and the outsourcing of landscaping and waste removal services, the following amounts are disclosed:

	2015	2014
	\$	\$
Events		
Illuminasia	1,709	-
Dinomatronics	669	-
Outsourcing activities	875	-

18. Insurance proceeds - flooding

On June 20, 2013, the City experienced unprecedented flooding and, as a result, the Society was impacted through significant property damage and the loss of certain operating revenues. The Calgary Zoo was officially closed from June 20, 2013 through July 31, 2013. Commencing August 1, 2013, the Calgary Zoo was partially open to the public and was back to normal operations as of November 28, 2013. Recovery and restoration efforts have been ongoing and continued into fiscal 2015.

Costs incurred for clean-up, remediation and demolition efforts are capitalized or expensed in accordance with the nature of the expenditure. If the amount pertains to the betterment or enhancement of a capital asset, the amount has been capitalized in the statement of financial position. This resulted in expenses in fiscal 2015 of \$Nil (2014 - \$8,801) and a loss due to the write-off of capital assets, namely buildings, in the amount of \$137 (2014 - \$Nil) being recognized in the statement of revenue and expenses and changes in fund balances.

Insurance proceeds received during fiscal 2015 related to the 2013 flood claim, aggregating \$900 (2014 - \$10,891), have been recorded in insurance proceeds in the statement of revenue and expenses and changes in fund balances comprising business interruption coverage of \$Nil (2014 - \$1,630) reported in the Operating Fund and \$127 (2014 - \$9,261) of property damage claims reported in the Capital Fund. As at December 31, 2015, \$Nil (2014 - \$71) remains outstanding as accounts receivable.