

Financial statements of

The Calgary Zoological Society

December 31, 2016

The Calgary Zoological Society

December 31, 2016

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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, 2016, 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

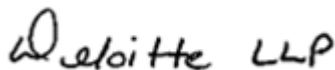
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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, 2016 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.



Chartered Professional Accountants
April 13, 2017

The Calgary Zoological Society

Statement of revenue and expenses and changes in fund balances year ended December 31, 2016

(In thousands of dollars)

					2016	2015
						Restated- Note 19
	Operating Fund	Capital Fund	Conservation Fund	Endowment Fund	Total	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Grants (Note 16)	7,850	7,724	843	-	16,417	10,068
Admissions	12,339	-	-	-	12,339	13,534
Food and beverage	8,469	-	-	-	8,469	8,842
Memberships	4,331	-	-	-	4,331	3,909
Donations, sponsorships and fundraising	789	1,434	1,010	1,068	4,301	3,026
Gift services	2,284	-	-	-	2,284	2,404
Parking	2,020	-	-	-	2,020	1,799
Education programs	1,131	-	-	-	1,131	1,287
Other	707	2	12	65	786	695
Insurance proceeds (Note 17)	-	11	-	-	11	988
	39,920	9,171	1,865	1,133	52,089	46,552
Expenses						
Salaries, wages and benefits	18,555	112	1,058	-	19,725	20,002
General and administrative (Note 7)	8,926	228	503	-	9,657	10,100
Amortization (Note 19)	-	5,300	-	-	5,300	5,316
Project expenditures	-	4,154	-	-	4,154	2,802
Cost of goods sold (Note 2)	3,422	-	-	-	3,422	3,595
Facility operations and maintenance	2,011	-	46	-	2,057	1,901
Botanical and animal care supplies	716	-	4	-	720	751
Donations, grants and scholarships	-	-	1	-	1	27
Insurance funded expenditures (Note 17)	-	13	-	-	13	222
	33,630	9,807	1,612	-	45,049	44,716
Excess (deficiency) of revenue over expenses before the undernoted	6,290	(636)	253	1,133	7,040	1,836
Write-off of capital assets (Note 17)	-	(45)	-	-	(45)	(124)
Investments						
Realized gains	207	18	46	-	271	91
Unrealized (loss) gain	194	(1)	11	-	204	(46)
Net investment income	235	11	38	-	284	377
Excess (deficiency) of revenue over expenses	6,926	(653)	348	1,133	7,754	2,134
Fund balances, beginning of year	4,430	122,333	6,279	1,049	134,091	131,957
Interfund transfers						
Operating support (Note 18)	(5,764)	5,032	(268)	1,000	-	-
Loan repayment support	(476)	476	-	-	-	-
Other	(753)	732	21	-	-	-
	(6,993)	6,240	(247)	1,000	-	-
Fund balances, end of year	4,363	127,920	6,380	3,182	141,845	134,091

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, 2016

(In thousands of dollars)

					2016	2015
						Restated-
						Note 19
	Operating	Capital	Conservation	Endowment	Total	Total
	Fund	Fund	Fund	Fund		
	\$	\$	\$	\$	\$	\$
Assets						
Current assets						
Cash	6,472	11,239	4,932	2,312	24,955	22,875
Accounts receivable (Note 2)	2,507	4,009	1	-	6,517	3,878
Inventories (Note 2)	586	-	-	-	586	609
Prepays	181	-	-	-	181	491
Due from (to) funds	60	-	(60)	-	-	-
	9,806	15,248	4,873	2,312	32,239	27,853
Investments (Note 3)	-	8,184	1,553	870	10,607	9,836
Tangible capital assets						
(Notes 4 and 19)	-	110,384	-	-	110,384	107,163
Other assets (Note 5)	71	506	-	-	577	613
	9,877	134,322	6,426	3,182	153,807	145,465
Liabilities						
Current liabilities						
Accounts payable and						
accrued liabilities (Note 2)	2,308	2,701	46	-	5,055	3,607
Accrued vacation liability	747	-	-	-	747	627
Deferred revenue (Note 8)	2,408	-	-	-	2,408	2,330
Deferred contributions (Note 9)	51	-	-	-	51	161
Current portion of long-term						
debt (Note 7)	-	886	-	-	886	951
	5,514	3,587	46	-	9,147	7,676
Long-term debt (Note 7)	-	2,815	-	-	2,815	3,698
	5,514	6,402	46	-	11,962	11,374
Commitments (Note 14)						
Fund balances						
Invested in capital assets (Note 19)	-	101,619	-	-	101,619	100,631
Internally restricted (Note 10)	3,000	22,066	4,659	-	29,725	26,598
Externally restricted (Note 11)	-	4,235	1,721	-	5,956	4,383
Endowments (Note 12)	-	-	-	3,182	3,182	1,049
Unrestricted	1,363	-	-	-	1,363	1,430
	4,363	127,920	6,380	3,182	141,845	134,091
	9,877	134,322	6,426	3,182	153,807	145,465

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, 2016

(In thousands of dollars)

	2016	2015
		Restated- Note 19
	\$	\$
Operating activities		
Excess of revenue over expenses	7,754	2,134
Items not affecting cash		
Amortization	5,300	5,316
Unrealized (gain) loss on investments	(204)	46
Loss due to write-off of capital assets	45	124
	12,895	7,620
Change in non-cash working capital items		
Accounts receivable	(2,639)	(1,020)
Prepaid expenses	310	(160)
Inventory	23	(167)
Accounts payable and accrued liabilities	381	479
Deferred revenue	78	102
Deferred contributions	(110)	(189)
	10,938	6,665
Financing activities		
Repayments on long-term debt	(948)	(872)
Repayments on capital lease	(1)	(6)
	(949)	(878)
Investing activities		
Net purchase of investments	(567)	(526)
Purchase of capital assets	(8,545)	(3,348)
Proceeds on disposal of capital assets	16	15
Net change in non-cash working capital items affecting investing activities	1,187	(769)
	(7,909)	(4,628)
Net increase in cash	2,080	1,159
Cash, beginning of year	22,875	21,716
Cash, end of year	24,955	22,875

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, 2016

(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 ("ASNPO") and include the following significant accounting policies:

Cash and cash equivalents

The company'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.

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, 2016

(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 \$3,422 (2015 - \$3,595).

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

When a tangible capital asset no longer has any long-term service potential to the organization, 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.

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, 2016

(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 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.

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.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2016

(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 \$82 (2015 - \$84) is included in accounts payable and accrued liabilities and \$226 (2015 - \$51) of Goods and Services Tax recoverable is included in accounts receivable.

3. Investments

	2016	2015
	\$	\$
Capital Fund		
Short-term	251	185
Fixed income funds	2,364	2,113
Equity funds	5,569	5,249
	8,184	7,547
Conservation Fund		
Short-term	51	55
Fixed income funds	448	381
Equity funds	1,054	983
	1,553	1,419
Endowment Fund		
Short-term	29	33
Fixed income funds	251	247
Equity funds	590	590
	870	870

During the year, the Society recorded interest income of \$555 (2015 - \$654). Interest from investments of \$325 (2015 - \$420) was recorded as a component of net investment income. Interest from other financial assets of \$230 (2015 - \$234) was recorded as a component of other revenue.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2016

(In thousands of dollars)

4. Capital assets

	2016		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land*	50	-	50
Buildings	119,379	29,965	89,414
Exhibits	39,161	28,029	11,132
Computer hardware and software	2,662	2,532	130
Equipment**	7,894	5,485	2,409
Vehicles	507	458	49
Artifacts	360	-	360
Assets under construction	6,840	-	6,840
	176,853	66,469	110,384

	2015		
	Restated - Note 19		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land*	50	-	50
Buildings	119,379	26,981	92,398
Exhibits	37,674	27,037	10,637
Computer hardware and software	2,590	2,431	159
Equipment**	6,950	4,527	2,423
Vehicles	484	436	48
Artifacts	360	-	360
Assets under construction	1,088	-	1,088
	168,575	61,412	107,163

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.

** Assets recorded as capital lease have been recorded in this balance.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2016

(In thousands of dollars)

5. Other assets

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Operating Fund				
Long term trust receivable	71	-	71	71
Capital fund				
Master plan	659	153	506	542
Total	730	153	577	613

During the year, amortization of \$36 (2015 - \$36) was recorded.

6. Operating line

The Society has a \$2,000 (2015 - \$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, 2016 or 2015.

7. Long-term debt

	2016	2015
	\$	\$
Fixed rate term loan #1 bearing interest at 5.23% per annum with annual principal and interest payments of \$700, maturing February 1, 2017	556	1,190
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	3,144	3,456
Obligations under capital lease bearing interest at rates varying from 7.25% to 8.10% per annum, expiring in 2014-2017	1	3
	3,701	4,649
Less: current portion	886	951
	2,815	3,698

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 \$349 (2015 - \$1,033) and these future proceeds plus approximately \$207 of unrestricted funds 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 (2015 - \$5,040).

The capital leases are collateralized by the underlying assets. Assets with a net book value of \$1 (2015 - \$3) are held under capital lease.

During the year, interest expense on long-term debt of \$207 (2015 - \$301) was reported as part of general and administrative expense.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2016

(In thousands of dollars)

7. Long-term debt (continued)

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

	\$
2017	886
2018	345
2019	363
2020	381
2021	400
Thereafter	1,326
	<hr/> 3,701 <hr/>

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:

	2016	2015
	\$	\$
Memberships	1,708	1,597
Customer deposits	176	176
Gift certificates	47	107
Gift cards	378	328
Education programs	35	101
Exclusivity fees	27	21
Miscellaneous	37	-
	<hr/> 2,408 <hr/>	<hr/> 2,330 <hr/>

9. Deferred contributions

	2016	2015
	\$	\$
Balance, beginning of year	161	350
Additions	51	161
Amortized	(161)	(350)
Balance, end of year	<hr/> 51 <hr/>	<hr/> 161 <hr/>

The balance in deferred contributions of \$51 (2015 - \$161) contains donations and sponsorships directed to support programs to be delivered in the following fiscal year.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2016

(In thousands of dollars)

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

	2016	2015
	\$	\$
Operating reserve	3,000	3,000

Capital Fund

	2016	2015
	\$	\$
Zoo master planning reserve	21,647	19,717
Funds restricted for use in specific projects	419	419
	22,066	20,136

Conservation Fund

	2016	2015
	\$	\$
Conservation program reserve	3,535	3,000
Conservation Fund	1,124	462
	4,659	3,462

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

	2016	2015
	\$	\$
Zoo master planning reserve	411	383
Funds restricted for use in specific projects	3,824	1,183
	4,235	1,566

Conservation Fund

	2016	2015
	\$	\$
Reintroduction fund	1,121	1,993
Community conservation fund	600	824
	1,721	2,817

The Calgary Zoological Society

Notes to the financial statements

December 31, 2016

(In thousands of dollars)

12. Endowment fund balances

	2016	2015
	\$	\$
Endangered Species Conservation Endowment Fund	25	25
Canadian Wilds Endowment Fund	25	25
Conservation Endowment Fund	2,412	279
Zooshare Fund	720	720
	3,182	1,049

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.

14. Commitments

The Society is committed under energy agreements for minimum consumption of \$551 throughout 2017.

15. Fundraising expenses

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

	2016	2015
	\$	\$
Amounts paid as remuneration to employees whose principal duties involve fundraising	939	902
Direct expenses incurred for the purpose of soliciting contributions including grants, donations and sponsorships	185	263

16. Grants

Included in grants are the following municipal and provincial 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 \$7,712 (2015 - \$7,431), and capital support was \$4,194 (2015 - \$1,745) per sections b), c) and d) below.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2016

(In thousands of dollars)

16. Grants (continued)

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

During the year, the Society received \$2,247 (2015 - \$1,745) from the City for CPRiPs funding. Further, \$4,493 (2015 - \$3,489) 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 \$1,476 (2015 - \$Nil) 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 \$471 (2015 - \$Nil) from the City of Calgary as financial support of the new Panda exhibit being constructed at the Calgary Zoo.

e) *The Province of Alberta Community Initiatives Program (CIP)*

During the year, the Society received and expended \$Nil (2015 - \$48) in CIP funding for its Illuminasia event.

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

During the year, the Society received \$125 (2015 - \$Nil) 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 \$3,400 (2015 - \$Nil) to be used as funding towards the Calgary Zoo's Panda exhibit and other projects described as Pathway to Pandas. Of these funds \$2,410 has been recorded in the externally restricted fund balances within the Capital Fund (see Note 11).

17. 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 2016 of \$Nil (2015 - \$Nil) and a loss due to the write-off of capital assets, namely buildings, in the amount of \$Nil (2015 - \$137) being recognized in the statement of revenue and expenses and changes in fund balances.

Insurance proceeds received during fiscal 2016 related to the 2013 flood claim, aggregating \$Nil (2015 - \$900), have been recorded in insurance proceeds in the statement of revenue and expenses and changes in fund balances comprising business interruption coverage of \$Nil (2015 - \$Nil) reported in the Operating Fund and \$Nil (2015 - \$127) of property damage claims reported in the Capital Fund. As at December 31, 2016, \$Nil (2015 - \$Nil) remains outstanding as accounts receivable.

18. Conservation support

During the year \$268 was drawn from the conservation fund to support conservation activity. The draw consisted of a transfer of \$1,500 from the operating fund, a transfer of \$768 to the capital fund to support conservation related capital development and a permanent transfer of \$1,000 to the endowment fund for conservation purposes.

The Calgary Zoological Society

Notes to the financial statements

December 31, 2016

(In thousands of dollars)

19. Restatement - tangible capital asset adjustment to prior period

The financial statements as at and for the year ended December 31, 2015 were adjusted to write off tangible capital assets as at January 1, 2015 that either did not exist or had no long-term service potential to the Society. The related amortization for the year ended December 31, 2015 was also adjusted. The impact of the prior period adjustments on the statement of revenue and expenses and changes in fund balances and the statement of financial position are as follows:

	2015 as previously reported	Adjustment	2015 Adjusted
	\$	\$	\$
Impact on statement of revenue and expenses and changes in fund balances			
Amortization	5,648	(332)	5,316
Excess of revenue over expenses	1,802	332	2,134
Fund balances, Beginning of year	134,298	(2,341)	131,957
Fund balances, End of year	136,100	(2,009)	134,091
Impact on statement of financial position			
Tangible capital assets	109,172	(2,009)	107,163
Invested in capital assets	102,640	(2,009)	100,631

The balances as at December 31, 2015 presented in Note 4 were adjusted as follows:

Cost			
	2015 as previously reported	Adjustment	2015 Adjusted
	\$	\$	\$
Buildings	122,976	3,597	119,379
Exhibits	45,184	7,510	37,674
Computer hardware and software	3,204	614	2,590
Equipment	10,920	3,970	6,950
	182,284	15,691	166,593
Accumulated Amortization			
	2015 as previously reported	Adjustment	2015 Adjusted
	\$	\$	\$
Buildings	29,079	2,098	26,981
Exhibits	34,037	7,000	27,037
Computer hardware and software	3,045	614	2,431
Equipment	8,497	3,970	4,527
	74,658	13,682	60,976