
Financial statements of
The Calgary Zoological Society

December 31, 2021

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Independent Auditor's Report

To the Members of
The Calgary Zoological Society

Opinion

We have audited the financial statements of The Calgary Zoological Society (the "Society"), which comprise the statement of financial position as at December 31, 2021, and the statements of revenue and expenses and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Deloitte LLP

Chartered Professional Accountants
April 21, 2022

The Calgary Zoological Society

Statement of revenue and expenses and changes in fund balances

Year ended December 31, 2021

(In thousands of dollars)

		Operating Fund	Capital Fund	Endowment Fund	2021 Total	2020 Total
	Notes	\$	\$	\$	\$	\$
Revenue						
Admissions		13,650	—	—	13,650	7,986
Grants	18	10,681	8,880	—	19,561	13,408
Food and beverage		5,928	—	—	5,928	2,928
Memberships		4,685	—	—	4,685	3,934
Donations, sponsorships and fundraising		3,676	1,043	—	4,719	2,895
Gift services		2,337	—	—	2,337	1,266
Parking		2,190	—	—	2,190	1,485
Education programs		536	—	—	536	107
Other		461	11	—	472	478
		44,144	9,934	—	54,078	34,487
Expenses						
Salaries, wages and benefits	14	15,624	—	—	15,624	13,159
General and administrative	14	7,265	33	—	7,298	6,674
Amortization		—	6,539	—	6,539	6,544
Wildlife conservation activities	14	3,393	—	—	3,393	2,242
Cost of goods sold		2,475	—	—	2,475	1,506
Facility operations and maintenance	14	2,337	—	—	2,337	2,210
Project expenditures		—	2,333	—	2,333	2,769
Botanical and animal care supplies		696	—	—	696	1,326
Donations, grants and scholarships		—	—	—	—	21
Panda conservation payment		—	—	—	—	753
		31,790	8,905	—	40,695	37,204
Excess (deficiency) of revenue over expenses before the undernoted		12,354	1,029	—	13,383	(2,717)
Net loss due to write-off of capital assets	15	—	(99)	—	(99)	(748)
Investment income						
Realized gains		152	137	31	320	181
Unrealized gains (losses)		727	(122)	65	670	632
Net investment income		651	—	91	742	329
Excess (deficiency) of revenue over expenses		13,884	945	187	15,016	(2,323)
Fund balances, beginning of year		12,720	132,427	1,780	146,927	149,250
Interfund transfers						
Loan repayment support		(445)	445	—	—	—
Other		(13,337)	13,415	(78)	—	—
		(13,782)	13,860	(78)	—	—
Fund balances, end of year		12,822	147,232	1,889	161,943	146,927

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

The Calgary Zoological Society

Statement of financial position

At at December 31, 2021

(In thousands of dollars)

	Notes				2021	2020
		Operating Fund	Capital Fund	Endowment Fund	Total	Total
		\$	\$	\$	\$	\$
Assets						
Current assets						
Cash		12,648	23,567	—	36,215	23,514
Accounts receivable	3	1,652	1,109	—	2,761	4,328
Inventories		603	—	—	603	865
Prepaid expenses		133	—	—	133	178
Due from (to) other funds		78	—	(78)	—	—
Loan receivable from Wilder Institute	4, 14	7,500	—	—	7,500	500
		<u>22,614</u>	<u>24,676</u>	<u>(78)</u>	<u>47,212</u>	<u>29,385</u>
Investments	5	245	12,848	1,967	15,060	13,328
Capital assets	6	—	112,998	—	112,998	113,070
Other assets		5	—	—	5	5
		<u>22,864</u>	<u>150,522</u>	<u>1,889</u>	<u>175,275</u>	<u>155,788</u>
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities		2,991	1,935	—	4,926	2,504
Accrued vacation liability		389	—	—	389	520
Deferred revenue	8	4,603	—	—	4,603	3,174
Deferred contributions	9	526	—	—	526	414
Current portion of long-term debt	10	—	446	—	446	437
Due to (from) Wilder Institute	14	1,533	(3)	—	1,530	455
		<u>10,042</u>	<u>2,378</u>	<u>—</u>	<u>12,420</u>	<u>7,504</u>
Long-term debt	10	—	912	—	912	1,357
		<u>10,042</u>	<u>3,290</u>	<u>—</u>	<u>13,332</u>	<u>8,861</u>
Commitments	16					
Fund balances						
Invested in capital assets		—	111,640	—	111,640	111,276
Internally restricted	11	3,000	30,221	—	33,221	22,633
Externally restricted	12	—	5,371	—	5,371	1,518
Endowments	13	—	—	1,889	1,889	1,780
Unrestricted		9,822	—	—	9,822	9,720
		<u>12,822</u>	<u>147,232</u>	<u>1,889</u>	<u>161,943</u>	<u>146,927</u>
		<u>22,864</u>	<u>150,522</u>	<u>1,889</u>	<u>175,275</u>	<u>155,788</u>

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

Approved by the Board of Directors

 _____, Chairman

 _____, Treasurer

The Calgary Zoological Society

Statement of cash flows

Year ended December 31, 2021

(In thousands of dollars)

	Notes	2021 \$	2020 \$
Operating activities			
Excess (deficiency) of revenue over expenses		15,016	(2,323)
Items not affecting cash			
Amortization		6,539	6,544
Non-cash impact of investment income		(1,732)	(1,142)
Loss due to write-off of capital assets	15	104	748
		<u>19,927</u>	<u>3,827</u>
Change in non-cash working capital items			
Accounts receivable		1,567	1,802
Prepaid expenses		45	445
Inventories		262	40
Accounts payable, accrued vacation liability and other accrued liabilities		1,249	(1,656)
Deferred revenue		1,429	(122)
Deferred contributions		112	264
Due to Wilder Institute, net		1,075	339
		<u>25,666</u>	<u>4,939</u>
Financing activities			
Repayments on long-term debt		(416)	(396)
Repayments on capital lease		(21)	(20)
		<u>(437)</u>	<u>(416)</u>
Investing activities			
Deposits into externally managed investments, net		—	(106)
Purchase of capital assets		(6,573)	(1,446)
Proceeds on disposal	15	2	19
Loan to Wilder Institute	4	(7,000)	—
Change in accounts payable affecting investing activities		1,043	(946)
		<u>(12,528)</u>	<u>(2,479)</u>
Net increase in cash		12,701	2,044
Cash, beginning of year		23,514	21,470
Cash, end of year		<u>36,215</u>	<u>23,514</u>
Represented by			
Internally restricted		20,374	11,310
Externally restricted		5,371	1,518
Unrestricted		10,470	10,686
Cash, end of year		<u>36,215</u>	<u>23,514</u>

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

The Calgary Zoological Society

Notes to the financial statements

December 31, 2021

(In thousands of dollars)

1. Purpose of the Society

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

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

2. Significant accounting policies

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

Cash

Cash includes bank balances.

Fund accounting

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

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

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

Revenue recognition

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

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

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

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

The Calgary Zoological Society
Notes to the financial statements

December 31, 2021
(In thousands of dollars)

2. Significant accounting policies (continued)

Revenue recognition (continued)

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

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

Inventories

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

Controlled related party

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

Capital assets

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

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

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

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

Impairment of long-lived assets

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

Animal and botanical purchases

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

The Calgary Zoological Society
Notes to the financial statements

December 31, 2021

(In thousands of dollars)

2. Significant accounting policies (continued)

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, accounts receivable and the loan receivable from Wilder. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities, amounts due to Wilder, accrued vacation liability and long-term debt.

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

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

(a) Interest rate risk

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

(b) Credit risk

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

(c) Price risk

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

The Calgary Zoological Society
Notes to the financial statements

December 31, 2021
(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 and has access to a revolving demand operating facility. The Society's investments are subject to liquidity risk if the Society is required to sell at a time when the market value of the investments is unfavorable.

Use of estimates

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

Management continues to assess the impact of the novel coronavirus ("COVID-19") and governments' response to it on the Society. The amounts recorded in these financial statements are based on the latest reliable information available to management at the time the financial statements were prepared where that information reflects conditions as at the date of the financial statements. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of the pandemic will have on the financial results and conditions of the Society in future periods.

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 \$116 (\$9 in 2020) is included in accounts payable and accrued liabilities and amounts netting to \$82 (\$22 in 2020) related to Goods and Services Tax recoverable/payable are included in accounts receivable and accounts payable, respectively.

Government assistance

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

The Calgary Zoological Society
Notes to the financial statements

December 31, 2021
(In thousands of dollars)

2. Significant accounting policies (continued)

Accounting standard amendments effective on or after January 1, 2022

ASNPO Section 3032 – Inventories held by not-for-profit organizations. This standard has been amended to clarify that a not-for-profit organization accounts for agricultural inventories in accordance with Section 3041, Agriculture. The Society has assessed the impact of the amended standard and has deemed that the amendment is not applicable.

ASPNO Section 4433 – Tangible capital assets held by not-for-profit organizations. This standard has been amended to clarify that a not-for-profit organization accounts for biological assets in accordance with Section 3041, Agriculture. The Society has assessed the impact of the amended standard and has deemed that the amendment is not applicable.

3. Accounts receivable

Accounts receivable is comprised of:

	2021	2020
	\$	\$
City of Calgary – Capital Grant	998	785
City of Calgary – Operating Grant	879	865
Trade Accounts Receivable	619	138
Accrued Accounts Receivable	234	212
Canada Emergency Wage Subsidy Receivable (Note 18)	31	2,328
	2,761	4,328

4. Loan Facility to Wilder Institute (“Wilder”)

The Society has extended a \$10 million non-interest bearing demand loan facility to Wilder. The facility is secured by a mortgage on the land owned by Wilder, and a general security agreement including a first charge on all property of Wilder. As of December 31, 2021, \$7,500 has been drawn on this facility (\$500 in 2020). The Society does not expect to demand repayment of this loan within the next twelve months.

The Calgary Zoological Society
Notes to the financial statements

December 31, 2021
(In thousands of dollars)

5. Investments

	2021	2020
	\$	\$
Operating Fund		
Short-term funds	10	1
Fixed income funds	105	103
Equity funds	130	121
	245	225
Capital Fund		
Short-term funds	930	24
Fixed income funds	3,683	3,493
Equity funds	8,235	7,806
	12,848	11,323
Endowment Fund		
Short-term funds	79	4
Fixed income funds	845	815
Equity funds	1,043	961
	1,967	1,780
Total	15,060	13,328

During the year, the Society recorded interest income of \$975 (\$615 in 2020). Interest from investments of \$793 (\$372 in 2020) was recorded as a component of net investment income. Interest from other financial assets of \$182 (\$243 in 2020) was recorded as a component of other revenue.

6. Capital assets

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

The Calgary Zoological Society
Notes to the financial statements

December 31, 2021
(In thousands of dollars)

6. Capital assets (continued)

	Cost	Accumulated amortization	2020 Net book value
	\$	\$	\$
Buildings	131,557	42,614	88,943
Habitats and infrastructure	51,467	32,130	19,337
Major software applications	1,429	296	1,133
Short-term habitats	2,398	1,239	1,159
Computer hardware and software	2,744	2,705	39
Equipment	11,503	9,711	1,792
Vehicles	462	340	122
Artifacts	22	—	22
Assets under construction	523	—	523
	202,105	89,035	113,070

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

Assets under capital lease are recorded in Equipment.

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

7. Operating line

The Society has a \$2,000 (\$2,000 in 2020) 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, 2021 or 2020.

8. Deferred revenue

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

	2021	2020
	\$	\$
Memberships	2,533	1,833
Gift cards	922	751
Canada Emergency Wage Subsidy (Note 18)	736	—
Customer deposits	329	310
Ticket Sales	73	190
Exclusivity fees	8	28
Education programs	2	19
Bulk Ticket Sales	—	43
	4,603	3,174

The Calgary Zoological Society
Notes to the financial statements

December 31, 2021
(In thousands of dollars)

9. Deferred contributions

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

	2021	2020
	\$	\$
Balance, beginning of year	414	150
Additions	610	546
Recognized as revenue	(498)	(282)
Balance, end of year	526	414

10. Long-term debt

	2021	2020
	\$	\$
Fixed rate term loan bearing interest at 1.95% per annum with monthly principal and interest payments of \$37, maturing December 18, 2024	1,297	1,712
Obligations under capital leases bearing interest at rates varying from 3.95% - 9.50% per annum	61	82
	1,358	1,794
Less: current portion	446	437
	912	1,357

The term loan is collateralized by a general security agreement covering all personal property of the Society, and has additional collateral guarantees from the City for \$5,040 (\$5,040 in 2020).

The capital leases are collateralized by the underlying assets. Assets with a net book value of \$57 (\$78 in 2020) are held under capital lease.

During the year, interest expense on long-term debt of \$33 (\$64 in 2020) was reported as part of general and administrative expense.

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

	\$
2022	446
2023	453
2024	459
Thereafter	—
	1,358

The Calgary Zoological Society
Notes to the financial statements

December 31, 2021
(In thousands of dollars)

11. Internally restricted fund balances

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

Operating Fund

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

	2021	2020
	\$	\$
Operating reserve	3,000	3,000

Capital Fund

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

	2021	2020
	\$	\$
Long-term capital reserve	29,802	19,214
Funds restricted for use in specific projects	419	419
	30,221	19,633

12. Externally restricted fund balances

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

	2021	2020
	\$	\$
Funds restricted for use in the Canadian Wilds Re-Development	5,288	1,008
Funds restricted for use in other specific projects	83	510
	5,371	1,518

13. Endowment fund balances

	2021	2020
	\$	\$
Ruth Barker Endowment Fund	1,169	1,060
Zooshare Endowment Fund	720	720
	1,889	1,780

The Society has adopted investment and spending policies for the Ruth Barker Endowment Fund that are meant to ensure that the endowment's purchasing power is maintained over time. The Zooshare Endowment Fund is not inflation-protected, but is required to be maintained at a balance of \$720 (2020 - \$720).

The Calgary Zoological Society
Notes to the financial statements

December 31, 2021
(In thousands of dollars)

14. Related party

Wilder Institute ("Wilder")

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

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

Financial summaries of Wilder as at December 31, 2021 and 2020, and for the years then ended are as follows:

Statement of financial position

	2021	2020
	\$	\$
Total assets (a)	26,131	15,908
Total liabilities (b)	9,450	722
Total net assets	16,681	15,186

- (a) In accordance with donor imposed restrictions, \$980 (\$4,075 in 2020) of Wilder's total assets must be used for various conservation-related purposes. A further \$6,814 (\$5,032 in 2020) of Wilder's total assets is subject to donor imposed restrictions that they be maintained permanently with the investment revenue earned to be used for various conservation-related purposes.

Total Assets includes amounts of \$1,530 (\$455 in 2020) due from the Society to Wilder, representing the net of funding to be provided from the Society to support Wilder's operations.

- (b) Total Liabilities includes \$7,500 (\$500 in 2020) drawn on a non-interest-bearing demand loan facility from the Society. Refer to note 4 for further details.

Statement of operations

	2021	2020
	\$	\$
CZS - Endowment gift (a)	673	—
CZS - Conservation Contributions (b)	2,720	2,242
Other Grant and Donation revenues	2,794	2,374
Total revenue	6,187	4,616
Total expenses (c)	(5,514)	(4,616)
Loss due to write off of capital assets	(85)	—
Investment income	907	571
Excess of revenue over expenses	1,495	571

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14. Related party (continued)

Statement of operations (continued)

- (a) CZS – Endowment gift relates to gifts from the Society to the Brian Keating Conservation Endowment Fund.
- (b) CZS – Conservation Contributions relate to an agreement between the entities whereby the Society provides operating and administrative expense support to Wilder as required.
- (c) Total expenses include reimbursement of \$1,585 (\$1,220 in 2020) to the Society for allocated costs. The Society incurs a number of general support expenses that are common to the administration of both the Society and Wilder. The Society allocates these expenses by identifying the appropriate basis for allocating each component expense, and applies that basis consistently each year. Expenses have been allocated to Wilder based on an approximation of time spent, per capita or space, depending on the type of expense. The amounts allocated to Wilder from each expense category in the Society were:

Reimbursement of expenses

	2021	2020
	\$	\$
Salaries, wages and benefits	1,232	980
General and administrative	332	214
Facility operations and maintenance	21	26
	1,585	1,220

Statement of cash flows

	2021	2020
	\$	\$
Cash flow used in operating activities	(93)	(521)
Cash flow provided by financing activities	7,000	—
Cash flow used in investing activities	(6,295)	(1,204)
Increase/(decrease) in cash	612	(1,725)

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

Certain capital assets, largely consisting of assets whose value of future economic benefits associated with the capital asset is less than its net carrying amount due to redevelopment work in the Canadian Wilds, were written off during the year for \$106. The impact of this was partially offset by gains on disposal of other small assets for \$2 and write-off of small liabilities for \$5.

In 2020, certain capital assets, largely consisting of artifacts and improvements to certain buildings and habitats, were deemed to have nil value as they had insufficient evidence to support their value or they were no longer in use. As a result, the remaining net book value of these assets \$767 was written off, partially offset by gains on disposal of other small assets for \$19.

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16. Commitments

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

	\$
2022	862
2023	336
2024	111
2025	111
2026	56
Thereafter	—
	<u>1,476</u>

17. Fundraising expenses

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

	2021 \$	2020 \$
Amounts paid as remuneration to employees whose principal duties involve fundraising	844	623
Direct expenses incurred for the purpose of soliciting contributions including grants, donations and sponsorships	378	136

18. Grants

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

	2021 \$	2020 \$
<u>Municipal Grants-Operating</u>		
The City of Calgary grant to support the operating expenses of Society	8,239	8,238
<u>Municipal Grants-Capital</u>		
The City of Calgary Civic Partner Infrastructure Grant	1,919	1,391
<u>Federal Grants</u>		
Canada Emergency Wage Subsidy	1,634	3,493
Funding towards employment	363	—
<u>Provincial Grants-Operating</u>		
Travel Alberta grant to enhance the on park experience and COVID-19 health and safety requirements	28	3
Government of Alberta grant for COVID-19 restriction exemption program	2	—
<u>Provincial Grants-Capital</u>		
Government of Alberta funding for facility upgrades	4,450	45

19. Subsequent Events

On March 31, 2022, the Society signed an agreement with the Department of Canadian Heritage to provide \$3,000 of funding for the Canadian Wilds Re-Development project.