

**THE NORTH CAROLINA  
ZOOLOGICAL SOCIETY, INC.  
Asheboro, North Carolina**

**Financial Statements  
and  
Accompanying Information  
for years ended  
December 31, 2006 and 2005**

THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

Contents

	<u>Page</u>
Organization and Business	2
Independent Auditors' Report	3
Statements of Financial Position	4
Statements of Activities	5
Statements of Cash Flows	6
Notes to Financial Statements	7-15
Accompanying Information	
Independent Auditors' Report on Accompanying Information	16
Schedule 1 - Schedules of Unrestricted Contributions and Special Projects	17
Schedule 2 - Schedule of Temporarily Restricted Support and Net Assets	18-22
Schedule 3 - Schedules of Revenue – Gift Shops, Net of Direct Costs	23
Schedule 4 - Schedules of Program Services – North Carolina Zoological Park	24-27
Schedule 5 - Schedules of Program Services – Membership Expenses	28
Schedule 6 - Schedules of Program Services – Education	29
Schedule 7 - Schedules of Management and General Expenses	30
Schedule 8 - Schedules of Membership Development Expenses	31
Schedule 9 - Schedules of Special Projects Expenses	32
Schedule 10 - Schedules of Fund Raising Expenses	33

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**

**Organization and Business**

**STATE OF INCORPORATION**

North Carolina

**MAIN FACILITY**

Asheboro, North Carolina

**DIRECTORS**

Charles M. Ambrose, Ed.D.  
Albert L. Butler III  
Jeffery B. Davis  
Jeff P. Files  
Mary F. Flanagan  
John L.W. Garrou  
Emerson F. Gower, Jr.  
Lynne Yates Graham  
Earl Johnson, Jr.  
Addie Luther  
George McCanless  
Molly Millis - Hedgecock

Hugh Morton III  
Mary Norris Preyer Oglesby  
Diana C. Pickering  
Nancy Proia  
Scott E. Reed  
David K. Robb  
Laura H. Virkler  
Kimberly A. Williams  
Russell H. Williams

**OFFICERS**

John L.W. Garrou  
Jeff P. Files  
George McCanless  
Diana C. Pickering

Chairman  
Vice Chairman  
Treasurer  
Secretary

**EXECUTIVE OFFICER**

Russell H. Williams



## Independent Auditors' Report

The Board of Directors  
The North Carolina Zoological Society, Inc.  
Asheboro, North Carolina

We have audited the accompanying statements of financial position of The North Carolina Zoological Society, Inc. (a nonprofit organization) as of December 31, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 14 to the financial statements, the Society changed its method of allocating costs from joint activities among the functional classifications in 2006.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The North Carolina Zoological Society, Inc. as of December 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Cherry, Bekaert & Holland, L.L.P.*

Asheboro, North Carolina  
April 12, 2007

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Statements of Financial Position

<b>ASSETS</b>	<b>December 31</b>	
	<b>2006</b>	<b>2005</b>
Cash and cash equivalents	\$ 1,853,000	\$ 1,886,476
Investments	10,053,761	10,904,218
Pledges receivable	1,676,991	1,734,306
Accounts receivable	70,828	19,830
Accrued interest	4,230	8,509
Inventories	317,665	380,400
Prepaid expenses	58,294	55,802
Cash surrender value of life insurance	4,722	4,670
Property and equipment at cost, less accumulated depreciation	237,254	266,232
	<u>\$ 14,276,745</u>	<u>\$ 15,260,443</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 636,497	\$ 584,067
Liability under unitrust agreement	811,356	512,572
Deposits	500	-
<b>Total liabilities</b>	<u>1,448,353</u>	<u>1,096,639</u>
<b>Net assets</b>		
Unrestricted	8,509,785	8,015,909
Temporarily restricted	3,906,875	5,870,982
Permanently restricted	411,732	276,913
<b>Total net assets</b>	<u>12,828,392</u>	<u>14,163,804</u>
	<u>\$ 14,276,745</u>	<u>\$ 15,260,443</u>

See notes to financial statements.

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Statements of Activities

	Year Ended 2006			Year Ended 2005				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Public support, revenues, and reclassifications</b>								
Contributions and special projects	\$ 357,409	\$ 2,475,186	\$ 125,100	\$ 2,957,695	\$ 312,199	\$ 3,209,646	\$ 67,017	\$ 3,588,862
Membership dues	1,588,372	88,493		1,676,865	1,471,080	34,612		1,505,692
Gift shop revenue, net of total direct costs of \$840,466 and \$853,016	365,784	15,333		381,117	259,067	14,802		273,869
Investment income	340,600	22,256	920	363,776	278,563	7,443	7,366	293,372
Net unrealized and realized gains	431,559	4,648	8,799	445,006	5,462	(369)	(65)	5,028
Change in value of unitrust	-	13,059		13,059	(787)	873		873
(Loss) on disposal of property and equipment				-				(787)
Net assets released from restrictions				-				
Satisfaction of purpose restrictions	4,583,082	(4,583,082)		-	2,240,487	(2,240,487)		-
<b>Total public support, revenues and reclassifications</b>	<b>7,666,806</b>	<b>(1,964,107)</b>	<b>134,819</b>	<b>5,837,518</b>	<b>4,566,071</b>	<b>1,026,520</b>	<b>74,318</b>	<b>5,666,909</b>
<b>Expenses and losses</b>								
Programs								
Transfers to the NC Zoological Park	5,430,622			5,430,622	3,106,902			3,106,902
Membership services	888,265			888,265	421,221			421,221
Education	87,573			87,573	35,741			35,741
Total program expenses	6,406,460			6,406,460	3,563,864			3,563,864
Management and general	77,060			77,060	392,082			392,082
Membership development	211,242			211,242	166,953			166,953
Special projects	301,340			301,340	344,247			344,247
Fund raising	176,828			176,828	428,706			428,706
Total expenses and losses	7,172,930			7,172,930	1,331,988			1,331,988
					4,895,852			4,895,852
<b>Change in net assets</b>	<b>493,876</b>	<b>(1,964,107)</b>	<b>134,819</b>	<b>(1,335,412)</b>	<b>(329,781)</b>	<b>1,026,520</b>	<b>74,318</b>	<b>771,057</b>
<b>Net assets at beginning of year</b>	<b>8,015,909</b>	<b>5,870,982</b>	<b>276,913</b>	<b>14,163,804</b>	<b>8,345,690</b>	<b>4,844,462</b>	<b>202,595</b>	<b>13,392,747</b>
<b>Net assets at end of year</b>	<b>\$ 8,509,785</b>	<b>\$ 3,906,875</b>	<b>\$ 411,732</b>	<b>\$12,828,392</b>	<b>\$ 8,015,909</b>	<b>\$ 5,870,982</b>	<b>\$ 276,913</b>	<b>\$14,163,804</b>

See notes to financial statements.

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Statements of Cash Flows

	Year Ended December 31	
	2006	2005
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ (1,335,412)	\$ 771,057
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	51,205	69,383
Net unrealized and realized (gain) on investments	(445,006)	(5,028)
Loss on disposal of property and equipment	-	787
Changes in assets and liabilities		
(Increase) decrease in pledges receivable	57,315	(410,528)
(Increase) decrease in accounts receivable	(50,998)	6,215
(Increase) decrease in accrued interest receivable	4,279	(1,693)
Decrease in inventory	62,735	16,223
(Increase) decrease in other assets	(2,544)	6,817
Increase in accounts payable and accrued expenses	52,430	418,842
Increase in liability for amounts held for others	298,784	241,127
Increase (decrease) in deposits	500	(225)
Collections of permanently restricted support	(134,819)	(74,318)
<b>Net cash provided (used) by operating activities</b>	<b>(1,441,531)</b>	<b>1,038,659</b>
<b>Cash flows from investing activities</b>		
Additions to property and equipment	(25,138)	(40,691)
Proceeds from sale of property and equipment	2,911	90
Net (increase) decrease in investments	1,295,463	(801,122)
<b>Net cash provided (used) in investing activities</b>	<b>1,273,236</b>	<b>(841,723)</b>
<b>Cash flows from financing activities</b>		
Collection of permanently restricted support	134,819	74,318
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(33,476)</b>	<b>271,254</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,886,476</b>	<b>1,615,222</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,853,000</b>	<b>\$ 1,886,476</b>

See notes to financial statements.

**Notes to Financial Statements****December 31, 2006 and 2005****Note 1 - Summary of significant accounting policies****Nature of activities**

The North Carolina Zoological Society, Inc. (the Society) encourages public support primarily for the North Carolina Zoological Park, a state operated facility, and promotes related educational, scientific and conservation activities. The Society also solicits public support for the Sylvan Heights Waterfowl Park and Eco-Center, an organization currently seeking not-for-profit status. The Society is supported primarily through memberships and donor contributions.

**Basis of accounting**

The financial statements of The North Carolina Zoological Society, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-For-Profit Organizations. Under SFAS No. 117, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**Promises to give**

Contributions are recognized when the donor makes a promise to the Society that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Society uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises to give.

The Society has funded the creation of the Sylvan Heights Waterfowl Park and Eco-Center and made a conditional promise to donate the land, building, and exhibits. The donation is dependent upon Sylvan Heights obtaining its not-for-profit status. Sylvan Heights Waterfowl Park and Eco-Center's application for 501(c)(3) status is currently pending approval by the IRS. The Society's obligations under this conditional promise are deemed to be met due to the likelihood of the Sylvan Heights Waterfowl Park and Eco-Center receiving its 501(c)(3) status.

**Temporarily restricted contributions**

Temporarily restricted contributions include a number of grants in addition to donor-restricted contributions. These grants totaled \$797,356 and \$833,372 during the years ended 2006 and 2005, respectively.

**In-kind donated materials, services and facilities**

Donated materials, specialized services and facilities received by the Society are reflected as both contributions and expenses in the accompanying statements at their estimated fair market value at the time of receipt.



**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**

**Notes to Financial Statements (continued)**

**December 31, 2006 and 2005**

**Note 1 - Summary of significant accounting policies, continued**

**In-kind donated materials, services and facilities, continued**

The North Carolina Zoological Park provides office and gift shop facilities for the Society at no charge. Due to the relationship between the two organizations, no in-kind support has been recognized in these financial statements for the use of these facilities.

**Cash and cash equivalents**

For purposes of the statement of cash flows, the Society considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Investments**

The Society carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

**Inventories**

Inventories are stated at the lower of cost or market determined by the first-in, first-out method. Inventories consist of items available for sale in the Society's gift shops.

**Property and equipment**

Property and equipment is carried at cost or, if donated, at the approximate fair market value at the date of donation. The Society capitalizes all property and equipment items costing over \$500. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	15 years
Buildings and improvements	10-40 years
Furniture and equipment	5-10 years
Automobiles	5 years
Leasehold improvements	40 years

**Income taxes**

The Society is a not-for-profit organization other than a private foundation that is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Society received a tax determination letter dated March 30, 1971. Accordingly, the accompanying financial statements do not include a provision for income taxes.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**

**Notes to Financial Statements (continued)**

**December 31, 2006 and 2005**

**Note 2 – Deposits**

The Society maintains bank deposit balances at several financial institutions located in the state. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. The Society's uninsured bank deposit balances total \$1,475,568 and \$2,514,789 at December 31, 2006 and 2005, respectively. It is the opinion of management that the solvency of the referenced institutions is not of particular concern at this time.

**Note 3 – Investments**

The Society's investments consist of the following, which are recorded at fair market value:

	December 31, 2006			December 31, 2005		
	Cost	Market Value	Unrealized Appreciation (Depreciation)	Cost	Market Value	Unrealized Appreciation (Depreciation)
<b>General</b>						
Certificates of deposit	\$ 421,716	\$ 421,716	\$ -	\$ 1,284,164	\$ 1,284,164	\$ -
U.S. Government obligations	3,128,551	3,109,339	(19,212)	3,254,536	3,252,229	( 2,307)
Foundation for the Carolinas	41,770	45,606	3,836	40,487	42,187	1,700
Marketable corporate securities	1,087,867	1,081,273	(6,594)	3,614,068	4,140,897	526,829
Stock and bond mutual funds	<u>3,274,072</u>	<u>3,993,768</u>	<u>719,696</u>	<u>1,216,957</u>	<u>1,289,547</u>	<u>72,590</u>
	<u>7,953,976</u>	<u>8,651,702</u>	<u>697,726</u>	<u>9,410,212</u>	<u>10,009,024</u>	<u>598,812</u>
<b>Investments held in Trust</b>						
Marketable corporate securities	<u>684,414</u>	<u>954,198</u>	<u>269,784</u>	<u>608,543</u>	<u>597,809</u>	<u>(10,734)</u>
	<u>684,414</u>	<u>954,198</u>	<u>269,784</u>	<u>608,543</u>	<u>597,809</u>	<u>(10,734)</u>
<b>Endowments</b>						
Foundation for the Carolinas	56,607	61,793	5,186	54,748	57,044	2,296
Stock and bond mutual funds	<u>366,993</u>	<u>386,068</u>	<u>19,075</u>	<u>229,377</u>	<u>240,341</u>	<u>10,964</u>
	<u>423,600</u>	<u>447,861</u>	<u>24,261</u>	<u>284,125</u>	<u>297,385</u>	<u>13,260</u>
	<u>\$9,061,990</u>	<u>\$10,053,761</u>	<u>\$991,771</u>	<u>\$10,302,880</u>	<u>\$10,904,218</u>	<u>\$601,338</u>

The Society's endowments are held in several accounts with two financial institutions. The endowments have different requirements regarding the appreciation of long-term investments, depending on donor stipulations or state law. A summary of the endowment assets by type at December 31, 2006 and 2005 is shown below:

	December 31, 2006			December 31, 2005		
	Cash and Equivalents	Investments	Total Endowments	Cash and Equivalents	Investments	Total Endowments
Unrestricted net assets	\$ -	\$ 15,355	\$ 15,355	\$ -	\$ 9,630	\$ 9,630
Temporarily restricted net assets	-	20,774	20,774	-	15,821	15,821
Permanently restricted net assets	<u>5,537</u>	<u>411,732</u>	<u>417,269</u>	<u>3,326</u>	<u>271,934</u>	<u>275,260</u>
	<u>\$ 5,537</u>	<u>\$447,861</u>	<u>\$453,398</u>	<u>\$ 3,326</u>	<u>\$297,385</u>	<u>\$300,711</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31:

	2006				2005			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment income	\$340,600	\$22,256	\$ 920	\$363,776	\$278,563	\$7,443	\$ 7,366	\$293,372
Realized and unrealized gains	<u>431,559</u>	<u>4,648</u>	<u>8,799</u>	<u>445,006</u>	<u>5,462</u>	<u>( 369)</u>	<u>( 65)</u>	<u>5,028</u>
	<u>\$772,159</u>	<u>\$26,904</u>	<u>\$ 9,719</u>	<u>\$808,782</u>	<u>\$284,025</u>	<u>\$7,074</u>	<u>\$ 7,301</u>	<u>\$298,400</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**

**Notes to Financial Statements (continued)**

**December 31, 2006 and 2005**

**Note 3 – Investments, continued**

Investment income from regular investments and endowments for 2006 is net of \$37,589 and \$2,271 in administrative fees, respectively. Investment income from regular investments and endowments for 2005 is net of \$37,646 and \$1,643 in administrative fees, respectively.

**Note 4 – Pledges receivable**

Pledges receivable consist of the following:

	December 31	
	2006	2005
Membership pledges	\$ 60,780	\$ 55,023
Other pledges	<u>1,684,863</u>	<u>1,785,263</u>
Gross pledges receivable	1,745,643	1,840,286
Less: Discount to net present value	( 50,652)	( 87,980)
Less: Allowance for uncollectible contributions	<u>( 18,000)</u>	<u>( 18,000)</u>
Net pledges receivable	<u>\$1,676,991</u>	<u>\$1,734,306</u>
Amounts due in		
Less than one year	\$ 910,634	\$ 647,192
One to five years	<u>835,009</u>	<u>1,193,094</u>
	<u>\$1,745,643</u>	<u>\$1,840,286</u>

Pledges receivable that are due beyond one year are discounted to their estimated net present value. The discount rate is based on a rate of return for risk-free investments covering a similar period of time. The discount rates vary depending on when the pledge originates and are as follows:

<u>Year Pledge Originated</u>	<u>Discount Rate</u>
2000	6%
2002	3%
2003	3%
2004	3%
2005	4%
2006	5%

**Note 5 – Charitable remainder trust**

During 1997, a donor established a trust naming the Society as the sole beneficiary of a charitable remainder trust. A charitable remainder trust provides for the payment of distributions to the grantor over the trust's term. At the end of the trust's term, the remaining assets will be distributed for the Society's use. This trust has a term of twenty years and the donor serves as trustee. A portion of the trust attributed to the present value of the future benefits to be received by the Society is recorded in the statement of activities as a temporarily restricted contribution and in the statement of financial position as a contribution receivable from the charitable remainder trust. The present value of the estimated future payment in twenty years was calculated using a discount rate of seven percent. The Society has recognized \$20,974 as its interest in the unitrust through December 31, 2006.

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Notes to Financial Statements (continued)

December 31, 2006 and 2005

**Note 5 – Charitable remainder trust, continued**

The Society administers, as trustee, a charitable remainder trust established during 2004. The charitable remainder trust provides for the payment of distributions to the grantor over the donor's life expectancy, which is the trust's term. At the end of the trust's term, the remaining assets are available for the Society's use. The portion of the trust attributable to the present value of the future benefits to be received by the Society is recorded in the Statement of Activities as a temporarily restricted contribution in the period that the trust is established. Such contributions totaled \$44,546 and \$42,324 in 2006 and 2005. Assets held in the charitable remainder trust totaled \$954,198 and \$597,809 at December 31, 2006 and 2005 and are reported at fair market value in the Society's Statement of Financial Position. On an annual basis, the Society revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The agreement provides for distributions to the grantors of an amount equal to 8% of the net fair market value of the Trust assets valued at the beginning of each taxable year. The present value of the estimated future payments (\$811,356 and \$512,572 at December 31, 2006 and 2005) is calculated using a discount rate of 5% and applicable mortality tables.

The Society was notified in 2006 that during 1992, a donor established a trust naming the Society as a partial beneficiary of a charitable remainder trust. A charitable remainder trust provides for the payment of distributions to the grantor over the donor's life expectancy, which is the trust's term. At the end of the trust's term, the remaining assets will be distributed for the Society's use. A portion of the trust attributed to the present value of the future benefits to be received by the Society is recorded in the statement of activities as a temporarily restricted contribution and in the statement of financial position as a contribution receivable from the charitable remainder trust. The present value of the estimated future payment was calculated using a discount rate of 5%. The Society has recognized \$21,409 as its interest in the unitrust through December 31, 2006.

**Note 6 – Property and equipment**

A summary of property and equipment follows:

	December 31	
	<u>2006</u>	<u>2005</u>
Land improvements	\$ 3,251	\$ 3,251
Buildings and improvements	286,782	286,782
Fixtures and equipment – gift shops	235,237	236,118
Furniture and equipment – office	370,448	348,226
Automobiles	29,705	29,705
Leasehold improvements	<u>9,188</u>	<u>9,188</u>
	934,611	913,270
Less accumulated depreciation	<u>697,357</u>	<u>647,038</u>
	<u>\$237,254</u>	<u>\$266,232</u>

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Notes to Financial Statements (continued)

December 31, 2006 and 2005

**Note 7 – Temporarily restricted net assets**

Temporarily restricted support consists of contributions and proceeds of special projects, which are specified by donors for particular purposes. Certain temporarily restricted support consists of contributions to be received in the future from trust arrangements which carry an implied time restriction. Amounts which have not been expended at year end remain classified as temporarily restricted net assets. The following amounts are available for restricted purposes:

<u>Purpose restrictions</u>	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
Adopt an animal	\$ 49,884	\$ 37,656
Animals	111,064	100,560
Veterinary	811,227	767,155
Horticulture	25,351	19,871
Art master plan	849	31,617
Conservation	51,375	161,320
Design	40,375	56,423
Education	74,081	30,849
Planning/facilities	2,312,196	4,329,184
Other	222,131	164,161
Marketing	2,352	52,325
Undistributed endowment gains	<u>20,773</u>	<u>15,821</u>
Total purpose restrictions	<u>3,721,658</u>	<u>5,766,942</u>
<u>Time restrictions</u>		
Johnston charitable remainder trust	20,974	18,803
Graham charitable remainder trust	142,842	85,237
Peters charitable remainder trust	<u>21,401</u>	<u>-</u>
Total time restrictions	<u>185,217</u>	<u>104,040</u>
Total temporarily restricted net assets	<u>\$3,906,875</u>	<u>\$5,870,982</u>

**Note 8 – Permanently restricted net assets**

Permanently restricted net assets consist of endowment fund investments to be held indefinitely, the income from which is expendable to support conservation and zoological programs. The following is a summary of the five endowments:

	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
Bryan Family Foundation Endowment – Gains and losses on investments remain with principal; investment income is restricted for conservation projects. Invested with a bank trust department.	\$ 67,204	\$ 63,828
Conservation Endowment – Gains and losses on investments remain with principal; investment income is restricted for conservation projects. Invested with a bank trust department.	109,786	103,443

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Notes to Financial Statements (continued)

December 31, 2006 and 2005

**Note 8 – Permanently restricted net assets, continued**

	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
Jason Zwerin Endowment – All income including gains and losses on long-term investments are restricted for animal related projects. Invested with the Foundation for the Carolinas.	\$ 18,075	\$ 17,975
Nina Belle Redditt Endowment – All income including gains and losses on long-term investments are unrestricted. Invested with a bank trust department.	191,667	66,667
Warner Atkins Endowment – All income including gains and losses on long-term investments are unrestricted. Invested with the Foundation for Carolinas.	<u>25,000</u>	<u>25,000</u>
	<u>\$411,732</u>	<u>\$276,913</u>

**Note 9 – Board-designated unrestricted net assets**

The Board of Directors has designated unrestricted net assets for the following purposes as of December 31:

	<u>2006</u>	<u>2005</u>
Animal	\$ 61,958	\$ 86,122
Veterinary	46,286	49,434
Horticulture	71,378	53,423
Design	42,923	28,647
Directors' supplements	19,810	32,805
Education	-	51,359
Marketing	303,058	110,683
Personnel (park)	118,873	146,668
Planning/facilities	341,446	103,137
Studies	1,617	7,780
Zoo - miscellaneous	66,106	27,322
Emergency reserve	689,058	611,036
Lion's Pride	<u>5,865,774</u>	<u>6,252,496</u>
	<u>\$7,628,287</u>	<u>\$7,560,912</u>

The Society has committed to funding up to \$7.5 million for the Elephant/Rhino project. As of December 31, 2006, the expenditures total \$4,424,150. Potentially, \$1 million of Society's funds currently designated Lion's Pride may eventually be used to help fund the Elephant/Rhino project.

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Notes to Financial Statements (continued)

December 31, 2006 and 2005

**Note 10 – In-kind donated materials and services**

The value of donated materials and services included in the financial statements is as follows:

	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
By type		
Marketing and promotion	\$ -	\$ 10,000
Park supplies	119,019	49,873
Catering	-	2,500
Computer support	10,000	10,000
Sylvan Heights	-	23,062
Adopt Supplies	675	-
GIK Society uses	21,998	29,015
Zoo To Do	138,904	148,607
Zoo open	8,133	2,009
Other	<u>2,004</u>	<u>1,180</u>
	<u>\$300,733</u>	<u>\$276,246</u>
By use		
Transfers to North Carolina Zoological Park Utilized by the Society	\$122,019	\$ 52,873
Management and general	44,992	46,015
Special projects	<u>133,722</u>	<u>177,358</u>
	<u>\$300,733</u>	<u>\$276,246</u>

**Note 11 – Operating leases**

The Society has four noncancelable operating leases for office equipment. Rental expense for leases consisted of \$18,834 for the years ended December 31, 2006 and 2005, respectively.

Future minimum lease payments under the operating lease as of December 31, 2006 are as follows:

<u>Year</u>	<u>Amount</u>
2007	\$ 17,711
2008	5,352
2009	<u>4,014</u>
	<u>\$ 27,077</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.****Notes to Financial Statements (continued)****December 31, 2006 and 2005****Note 12 – Retirement plan**

The Society participates in a defined contribution plan administered by Mutual of America. All employees are eligible to participate after one year of service, after which the Society contributes 9% of participating employees' annual salary. Vesting of employees' benefits under the plan occurs after three years. The cost of the plan for 2006 and 2005 was \$93,987 and \$74,591, respectively.

**Note 13 – Related party transactions**

In October 2002, the Society's board of directors agreed to fund \$250,000 to the NC Zoological Park for marketing and promotion expenses. The Board thought of this supplement as a 0% interest-revolving fund controlled by the Park. In October 2003, the Society's board of directors agreed to grant an additional \$250,000 marketing supplement to the Park. As of December 31, 2006, \$411,269 had been transferred to the Park for the supplemental marketing fund.

**Note 14 – Change in application method of accounting principle**

During 2006, the Society changed its method of allocating costs from joint activities between management and general, membership development, special projects, membership services, and fundraising to better reflect the costs associated with each functional classification. In accordance with Statement of Financial Accounting Standards No. 154, "Accounting Changes and Error Corrections," voluntary changes in accounting principles require retrospective application to the earliest year presented unless it is impracticable to determine the effects of the change. Comparative financial statements of prior years have not been adjusted to apply the change in allocation method retrospectively because it was impracticable to do so. As a result of the accounting change, there has been no effect on net assets, revenue, or expenses in total; however, the change did have an effect on the allocation of expenses among the functional classifications during 2006 and 2005.





**Independent Auditors' Report  
on Accompanying Information**

The Board of Directors  
The North Carolina Zoological Society, Inc.  
Asheboro, North Carolina

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information on pages 17-33 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Cherry, Bebaert & Holland, L.L.P.*

Asheboro, North Carolina  
April 12, 2007

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**

**Schedules of Unrestricted Contributions and Special Projects**

	Year Ended December 31	
	2006	2005
<b>Contributions</b>	\$ 163,122	\$ 116,103
<b>Membership projects</b>		
Travel program	22,443	23,223
Membership discount tickets	42,000	55,730
<b>Education projects</b>		
Contributions and receipts	56,007	42,418
<b>Other projects</b>		
President's Club and Conservator Circle	65,000	37,950
Promotions		5,100
Zoo Open	-	20,093
Volunteer tours	250	-
Wild tile	1,000	600
<b>Miscellaneous</b>	7,587	10,982
<b>Total unrestricted contributions and special projects</b>	<u>\$ 357,409</u>	<u>\$ 312,199</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**  
**Schedule of Temporarily Restricted Support and Net Assets**  
**Year ended December 31, 2006**

Description	Temporarily Restricted Net Assets 12/31/2005	Donor Restricted Support	Expenses	Transfers To Park	Other Releases	Total Net Assets Released	Temporarily Restricted Net Assets 12/31/2006
<b>Purpose restrictions</b>							
Adopt an animal							
Animals	\$ 3,018			\$ 3,018		\$ 3,018	\$ -
Conservation/research	3,481					-	3,481
Education	358					-	358
Enrichment & Training	28,015	\$ 22,602	\$ 4,896	11,155		16,051	34,566
General operations	2,699					-	2,699
Lion Enrichment	5,490	80				-	5,570
Plants	85	3,989	864			864	3,210
	<u>43,146</u>	<u>26,671</u>	<u>5,760</u>	<u>14,173</u>	<u>-</u>	<u>19,933</u>	<u>49,884</u>
<b>Animals</b>							
Animals and Animal Care	3,300					-	3,300
Animal Enrichment Endowment	9,449	178				-	9,627
Animal Enrichment	551	1,694		454		454	1,791
Aviary Collection	1,878			1,794		1,794	84
Baboon Enrichment	200			200		200	-
Box Turtle Project	245	2,681		1,713		1,713	1,213
Cape Fear Shiner Project	-	6,100				-	6,100
Chimpanzee SSP	120					-	120
Chimpanzee Enrichment		18,913	4,632			4,632	14,281
Chimpanzee Pennington Memorial	230			230		230	-
Elephant Enrichment	1,000	1,025		50		50	1,975
Elephant Collection	51,967			2,217		2,217	49,750
Elephant Scales and Equipment	460					-	460
Marianas Project	1,484					-	1,484
Polar Bear Welfare	13,422	430	69	900		969	12,883
Red River Hogs	-	3,000				-	3,000
Red Wolf	2,072			920		920	1,152
Tag - Old World Monkey	3,497	1,004		862		862	3,639
TLC Programming	340			340		340	-
Tropical Bird Research - Costa Rica	86					-	86
Video Equipment	4,650	(4,650)				-	-
Wattled Crane	119					-	119
	<u>95,070</u>	<u>30,375</u>	<u>4,701</u>	<u>9,680</u>	<u>-</u>	<u>14,381</u>	<u>111,064</u>
<b>Horticulture</b>							
AZH Conservation Grant	538	2,000		538		538	2,000
Butterfly Garden	218			170		170	48
Endangered Plant	25					-	25
Horticulture Fund	7,752	8,673		91		91	16,334
Ice Damage	100					-	100
Limbe Botanical Garden	9,152	(7,352)		1,800		1,800	-
Plant Conservation Field Programs	-	8,214		3,456		3,456	4,758
Ridges Mountain	430					-	430
TLC - Horticulture	281					-	281
Toxic Study	486					-	486
Tree Survey	889					-	889
	<u>19,871</u>	<u>11,535</u>	<u>-</u>	<u>6,055</u>	<u>-</u>	<u>6,055</u>	<u>25,351</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**  
**Schedule of Temporarily Restricted Support and Net Assets**  
**Year ended December 31, 2006**

Description	Temporarily Restricted Net Assets 12/31/2005	Donor Restricted Support	Expenses	Transfers To Park	Other Releases	Total Net Assets Released	Temporarily Restricted Net Assets 12/31/2006
<b>Veterinary</b>							
Animal and Bird Care	\$ 601			\$ 7		\$ 7	\$ 594
Black Rhino / Elephants Cameroon	10,572	\$ 2,042		12,381		12,381	233
Costa Rican Toad		944					944
Diagnostic Vet Equipment	4,502	50				-	4,552
Elephant Reproduction	24,596	38		18,927		18,927	5,707
Elephant Tracking Program	24,164	(5,531)		18,634		18,634	(1)
Fox Veterinary Fund	3,264			2,563		2,563	701
Loomis Flexible Fund	13,053	10,000		6,386		6,386	16,667
Mary Frances Key Fund Rabies	5,323	2,840		250		250	7,913
Miscellaneous Vet Tech	849					-	849
Red Wolf Tracking Program	9,930			632		632	9,298
Season Nutritional Effects on Elephants	-	15,260				-	15,260
Veterinary - Daldorf Fund	93,100	12,632		7,334		7,334	98,398
WAZA Anti-Poaching Program	50					-	50
Wildlife Learning Center	530,298	26,925				-	557,223
Wildlife Learning Center Computers	5,568					-	5,568
Wildlife Rehabilitation Caging	1,419					-	1,419
Wildlife Rehabilitation Equipment	276					-	276
Wildlife Rehabilitation Facility	6,882	31,564	\$ 1,511	(2,924)		(1,413)	39,859
Wildlife Rehabilitation Operating	32,128	43				-	32,171
Wildlife Rehabilitation Scholarship	580	26,138	13,172			13,172	13,546
	<u>767,155</u>	<u>122,945</u>	<u>14,683</u>	<u>64,190</u>	<u>-</u>	<u>78,873</u>	<u>811,227</u>
<b>Art master plan</b>							
Art and Energy Sculpture	16,049			16,000		16,000	49
Blue Heron Sculpture	300					-	300
Cougar Sculpture	500					-	500
Hippo Sculpture	14,768			14,768		14,768	-
	<u>31,617</u>	<u>-</u>	<u>-</u>	<u>30,768</u>	<u>-</u>	<u>30,768</u>	<u>849</u>
<b>Design</b>							
Artwork Maintenance (anonymous couple)	33,006			1,237		1,237	31,769
Carlisle Sculpture	75					-	75
Design Fund	-	50				-	50
Interpretive Graphics and Educational	7,180					-	7,180
Island of Transformation (Moser)	601					-	601
Park Map Ads	14,861	9		14,870		14,870	-
Visiting Artists	700					-	700
	<u>56,423</u>	<u>59</u>	<u>-</u>	<u>16,107</u>	<u>-</u>	<u>16,107</u>	<u>40,375</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**  
**Schedule of Temporarily Restricted Support and Net Assets**  
**Year ended December 31, 2006**

<b>Description</b>	<b>Temporarily Restricted Net Assets 12/31/2005</b>	<b>Donor Restricted Support</b>	<b>Expenses</b>	<b>Transfers To Park</b>	<b>Other Releases</b>	<b>Total Net Assets Released</b>	<b>Temporarily Restricted Net Assets 12/31/2006</b>
<b>Education</b>							
Connect to Kids Program	\$ -	\$ 30,000		\$ 470		\$ 470	\$ 29,530
Keepers in the Classroom	14,556	10,000		5,752		5,752	18,804
Kid's Zone	-	4,000				-	4,000
Latino Visitor Studies	943					-	943
Library	-	200		200		200	-
On-site Educators	1,857					-	1,857
Uganda School Program	9,904	33,341		29,411		29,411	13,834
Volunteer Programs	3,469	1,901		377		377	4,993
Zoolinc/travel and materials	120					-	120
	<u>30,849</u>	<u>79,442</u>	<u>-</u>	<u>36,210</u>	<u>-</u>	<u>36,210</u>	<u>74,081</u>
<b>Marketing</b>							
General Marketing	<u>52,325</u>			<u>49,973</u>		<u>49,973</u>	<u>2,352</u>
	<u>52,325</u>	<u>-</u>	<u>-</u>	<u>49,973</u>	<u>-</u>	<u>49,973</u>	<u>2,352</u>
<b>Other</b>							
Afghan Animal Fund	28,330	816				-	29,146
Baghdad	26,215	592				-	26,807
Baghdad Animals	1,500					-	1,500
Barbara Hobson Memorial	5,128	105				-	5,233
Collaboration of Museum Programming	-	28,246		1,939		1,939	26,307
Electric Wheelchairs	2,229					-	2,229
Field Trip Earth	3,559	19,794		5,803		5,803	17,550
GIK Society used		28,998	\$ 28,998			28,998	-
GIK transferred to the Park		18,403		18,403		18,403	-
Honey Bee Exhibit	48,896	37,871	526	12,000		12,526	74,241
Jayna Pack Travel	1,050					-	1,050
Kabul Zoo Fund	37,603	5,731		18,817		18,817	24,517
Katrina Zoo Relief	100			100		100	-
Organize Zoo Visuals	75					-	75
Pisgah Covered Bridge	6,815					-	6,815
Recycle Bins	120					-	120
Strollers	135					-	135
Welfare of Animals	-	4,000				-	4,000
Zoo Carts	2,406					-	2,406
	<u>164,161</u>	<u>144,556</u>	<u>29,524</u>	<u>57,062</u>	<u>-</u>	<u>86,586</u>	<u>222,131</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**  
**Schedule of Temporarily Restricted Support and Net Assets**  
**Year ended December 31, 2006**

Description	Temporarily	Donor	Expenses	Transfers	Other	Total	Temporarily
	Restricted	Restricted					Net Assets
	Net Assets	Support		To Park	Releases	Released	Net Assets
	12/31/2005						12/31/2006
<b>Conservation</b>							
Adopt - Wildplaces	\$ 1,214					\$ -	\$ 1,214
AZA - Conservation Endowment Program	1,210	\$ 1,511	\$ 1,210			1,210	1,511
Native Wildlife	50	2,626				-	2,676
Chimp - Conservation	4,580	1,650		\$ 4,349		4,349	1,881
Conservation Projects	2,699	185				-	2,884
Field Programs	4,018	10,000		6,000		6,000	8,018
Sylvan Heights Rare & Endangered Species	1,445	35				-	1,480
Sylvan Heights Capital Campaign	48,926	832,674		881,600	\$ (5,260)	876,340	5,260
Sylvan Heights Marketing Position	48,082	1,918		33,233		33,233	16,767
Sylvan Heights Planning Manager	12,275	225		12,500		12,500	-
Sylvan Heights Waterfowl Park	-	46,733	1,578	37,873		39,451	7,282
Sylvan Heights Water Fowl Project	36,711	24,072	9,984	48,507		58,491	2,292
Sylvan Heights Wood Duck Project	110					-	110
	<u>161,320</u>	<u>921,629</u>	<u>12,772</u>	<u>1,024,062</u>	<u>(5,260)</u>	<u>1,031,574</u>	<u>51,375</u>
<b>Planning/Facilities</b>							
Africa Gift Shop	2,249					-	2,249
Animal Welfare	15,033	1,331		(1,000)		(1,000)	17,364
Australia Temp Exhibit	80,040	(79,968)		72		72	-
Avian Holding/Breeding		15				-	15
Baboon Island Signage	439					-	439
Benches	6,796	1,820				-	8,616
Chimp Exhibit Renovations	195					-	195
Chimp Interpretives	53,318			2,125		2,125	51,193
Earth Resource Center	200					-	200
Elephant/Rhino Exhibits	4,139,188	1,196,426	211,920	2,980,425	(1,121)	3,191,224	2,144,390
Endowment for Zoo Needs	9,623	(69)				-	9,554
Gorilla Climbing Structures	50			50		50	-
Lost in the Woods Program	-	150		164		164	(14)
Misting Station	20					-	20
New African Exhibit	686					-	686
Picnic Shelters	3,000					-	3,000
Play Equipment	1,199			1,200		1,200	(1)
Recycling	250					-	250
RFOZ Grants	9,498	7,498		7,937		7,937	9,059

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**  
**Schedule of Temporarily Restricted Support and Net Assets**  
**Year ended December 31, 2006**

<u>Description</u>	<u>Temporarily Restricted Net Assets 12/31/2005</u>	<u>Donor Restricted Support</u>	<u>Expenses</u>	<u>Transfers To Park</u>	<u>Other Releases</u>	<u>Total Net Assets Released</u>	<u>Temporarily Restricted Net Assets 12/31/2006</u>
Planning/Facilities, continued							
Shade Structures	\$ 5,158					\$ -	\$ 5,158
Signage - Conservation/Education	117					-	117
Solar Picnic Shelters	-	\$ 50,000				-	50,000
Sonora Desert	500			\$ 194		194	306
Steve Thompson Tract renovation	-	50				-	50
Tortoise Pool	-	12,000		4,275		4,275	7,725
Touch and Learn Center	425					-	425
Tram Shade Stop	1,200					-	1,200
	<u>4,329,184</u>	<u>1,189,253</u>	<u>\$211,920</u>	<u>2,995,442</u>	<u>\$ (1,121)</u>	<u>3,206,241</u>	<u>2,312,196</u>
Undistributed endowment gains							
Conservation	10,055	8,282			5,260	5,260	13,077
Animal related	5,766	3,051			1,121	1,121	7,696
	<u>15,821</u>	<u>11,333</u>	<u>-</u>	<u>-</u>	<u>6,381</u>	<u>6,381</u>	<u>20,773</u>
<b>Total purpose restrictions</b>	<u>5,766,942</u>	<u>2,537,798</u>	<u>279,360</u>	<u>4,303,722</u>	<u>-</u>	<u>4,583,082</u>	<u>3,721,658</u>
<b>Time restrictions</b>							
Graham charitable remainder trust	85,237	57,605				-	142,842
Johnston charitable remainder trust	18,803	2,171				-	20,974
Peters charitable remainder trust	-	21,401				-	21,401
<b>Total time restrictions</b>	<u>104,040</u>	<u>81,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,217</u>
<b>Total temporarily restricted net assets</b>	<u>\$ 5,870,982</u>	<u>\$2,618,975</u>	<u>\$279,360</u>	<u>\$4,303,722</u>	<u>\$ -</u>	<u>\$4,583,082</u>	<u>\$3,906,875</u>

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Schedules of Revenue - Gift Shops, Net of Direct Costs

	Year Ended December 31	
	2006	2005
<b>Sales</b>		
Gift shop sales	\$ 1,255,945	\$ 1,153,894
Less sales discounts	(34,362)	(27,009)
<b>Net sales</b>	<u>1,221,583</u>	<u>1,126,885</u>
<b>Cost of sales</b>		
Inventories at beginning of year	380,400	396,623
Purchases	425,632	466,763
	<u>806,032</u>	<u>863,386</u>
Less inventories at end of year	317,665	380,400
<b>Total cost of sales</b>	<u>488,367</u>	<u>482,986</u>
<b>Gross profit from gift shops</b>	<u>733,216</u>	<u>643,899</u>
<b>Operating expenses</b>		
Bank charges	15,617	13,318
Computer support	3,027	1,881
Depreciation	17,116	19,124
Dues and subscriptions	17	430
Freight-in	1,156	1,150
General insurance	1,439	3,487
Group benefits	54,917	50,721
Loss on damaged goods	5,083	5,306
Mail order	426	166
Miscellaneous	1,245	1,390
Payroll taxes	16,446	17,301
Promotions	2,000	-
Repairs and maintenance	2,032	2,577
Salaries	209,641	225,397
Supplies	6,644	10,980
Telephone	7,189	5,999
Training/Conferences/Mileage	3,252	5,288
Utilities	4,852	5,515
<b>Total operating expenses</b>	<u>352,099</u>	<u>370,030</u>
<b>Net revenue from gift shops</b>	<u>\$ 381,117</u>	<u>\$ 273,869</u>



## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Schedules of Program Services - North Carolina Zoological Park

	Year Ended	
	December 31	
	2006	2005
Adopt an animal	\$ 3,018	\$ 1,682
Advertising campaign	64,204	122,336
Afghan animals	-	13,614
African Pavillion	-	275
Animal enrichment & training	4,444	5,462
Animal maintenance	10,031	4,208
Animal records	20,000	20,000
Art and Energy Sculpture	16,000	48,370
Art maintenance	1,700	15,373
Artist illustrator	40,880	37,165
Australia temp exhibit	72	1,782
Aviary collection	1,794	2,075
Aviary Interpretive	-	100
AZA professional dues	1,930	1,195
AZH Conservation Grant	538	3,605
Baghdad	-	15,303
Black rhino/elephants cameroon	12,381	27,649
Blue Heron Sculpture	-	9,700
Box Turtle project	1,713	-
Butterfly garden	170	612
Cape Fear shiner	-	185
Chimp interpretives	2,125	404
Chimpanzee conservation	4,349	-
Chimpanzee Pennington memorial	230	-
Collaboration on Museum programming	1,939	-
Connect to Kids program	470	-
Contracts	39,781	53,597
Development and management of web sites	47,614	-
Elephant Collaring Program	-	3,240
Elephant Collection	2,267	-
Elephant Reproduction	18,927	20,908
Elephant/rhino exhibits	2,980,425	817,727

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Schedules of Program Services - North Carolina Zoological Park

	Year Ended	
	December 31	
	2006	2005
E.M.S. Priorities	\$ -	\$ 200
Elephant tracking	24,782	(2,148)
Employee advisory committee	4,356	6,622
Endangered plant research	1,595	1,966
Evaluation and assessment	4,305	350
Feed the Giraffes	-	93
Field programs	37,294	36,350
Field Trip Earth	5,803	3,398
Fox veterinary fund	2,563	1,345
General Marketing	49,973	19,599
General operating support	27,659	19,635
Gifts in kind	18,403	28,733
Giraffe Diet Study	-	6,375
Gorilla climbing structure	50	-
Grant writer	20,222	16,859
Group sales - marketing	9,275	3,005
Hippo sculpture	14,768	30,232
Hispanic marketing	-	13,537
Holiday of Lights	-	5,250
Honey Bee exhibit	12,000	-
Horticulture fund	91	349
Horticulture Maintenance	30,006	47,044
Horticulture programming	116	3,118
Intern stipends	2,500	-
IT Project	-	97,061
IUDZG Conference	-	10,412
Kabul Zoo Fund	18,817	77,598
Katrina Zoo relief	100	-
Keepers in the classroom	5,752	11,482
Library collection	200	-
Limbe botanical	1,800	2,322
Lion Habitat	-	2,478
Loomis flex fund	6,386	11,838
Lost in the Woods program	164	-
Mammal Prop	2,613	-
Marine Conservation	-	241
Marketing director's supplement	650	12,505
Marketing funds	1,401	2,334

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Schedules of Program Services - North Carolina Zoological Park

	Year Ended	
	December 31	
	2006	2005
Mary Frances Key Fund rabies	\$ 250	\$ 750
Member and corporate discount tickets	90,452	102,024
Migratory bird	-	224
Natural resource site assessment	6,163	180
Nature Discovery center study	12,890	18,093
Operant Conditioning	12,433	16,067
Park director's supplement	35,035	33,500
Park map ads	14,870	7,965
Park program services	418,825	228,941
Plant conservation field programs	3,456	-
Play equipment	1,200	-
Polar Bear Welfare	900	3,636
Printing for marketing	1,399	-
Public/media relations	19,528	10,169
Red wolf tracking	1,552	4,151
RFOZ grants	7,937	8,350
Ridges Mountain management	328	2,907
School Marketing Program	-	1,000
Serengeti Renovation	6,301	-
Simex revolving fund	5,000	-
Solar Center Study	-	2,700
Sonora Desert	194	-
Special park events	28,050	130,325
Staff incentives	878	664
Staff training and development	3,520	4,722
Staff travel	14,451	11,396
Sylvan Heights - Wood Duck Eggs	-	10,000
Sylvan Heights Capital Campaign	881,600	451,265
Sylvan Heights Marketing Position	33,233	-
Sylvan Heights Planning Manager	12,500	37,500
Sylvan Heights Rare & Endangered Species	-	1,730
Sylvan Heights Waterfowl Park	37,873	-
Sylvan Heights Waterfowl Project	48,507	80,557
TAG - Old World Monkey	862	-

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Schedules of Program Services - North Carolina Zoological Park

	Year Ended December 31	
	2006	2005
Television video series	\$ 47,580	\$ 49,400
Temporary Aviary Graphics	-	112
TLC programming	340	122
Tortoise Pool	4,276	-
Training & Enrichment	11,155	-
Uganda field programs	-	434
Uganda school program	29,411	14,317
Veterinary Daldorf fund	7,334	6,722
Veterinary diagnostic equipment	-	4,850
Veterinary residency	35,000	45,000
Visiting artist (residency program)	5,261	-
Volunteer recruitment and training	377	5,318
WAZA Anti-Poaching Program	-	10,000
WebMaster	-	24,545
Wildlife Learning Center	-	27,879
Wildlife rehabilitation facility	(2,924)	44,495
Wildlife rehabilitation fencing	-	2,828
WZO/CBSG/UCN	11,979	-
Zoo Repairs/Renovations	-	5,000
Zoolinc	-	314
Total transfers to the North Carolina Zoological Park	<u>\$ 5,430,622</u>	<u>\$ 3,106,902</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**

**Schedules of Program Services - Membership Expenses**

	<b>Year Ended December 31</b>	
	<b>2006</b>	<b>2005</b>
Annual Report	\$ 4,347	\$ -
Auto Expense	1,788	-
Bad debt	7,056	9,676
Bank card charges	18,957	17,252
Computer support	15,021	8,492
Depreciation	18,308	13,899
Dues and subscriptions	6,982	299
General insurance	7,904	2,633
Group benefits	128,902	47,218
Magazine	55,314	54,908
Mailing services	1,530	6,286
Meetings	1,967	-
Membership incentives	8,530	9,546
Miscellaneous	3,197	1,679
Office supplies	8,587	3,762
Onsite Sales	1,766	-
Payroll taxes	36,743	14,376
Postage	16,707	20,048
Printing	16,097	11,766
Professional Services	9,603	-
Promotion	33	1,422
Repairs and maintenance	13,225	5,401
Returns/redeposits	-	285
Salaries	482,311	186,738
Telephone	13,981	3,937
Training/conferences/travel	8,333	1,227
Utilities	1,076	371
<b>Total membership expenses</b>	<b>\$ 888,265</b>	<b>\$ 421,221</b>

See Note 14 to financial statements.

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Schedules of Program Services - Education

	Year Ended December 31	
	2006	2005
Supplies	\$ 87,573	\$ 35,741

See Note 14 to financial statements.

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**

**Schedules of Management and General Expenses**

	Year Ended December 31	
	2006	2005
Auto	\$ 1,097	\$ 2,568
Computer support	1,376	7,250
Depreciation	1,537	14,219
Dues and subscriptions	2,052	5,773
General insurance	703	10,454
Group benefits	13,478	58,311
Meetings	582	5,118
Miscellaneous	707	2,648
Office supplies	2,549	5,323
Payroll taxes	4,088	14,963
Postage	613	2,444
Professional services	5,837	22,588
Repairs and maintenance	1,240	5,523
Salaries	37,837	223,735
Telephone	1,226	3,801
Training/conferences and mileage	1,990	6,993
Utilities	148	371
<b>Total management and general expenses</b>	<b>\$ 77,060</b>	<b>\$ 392,082</b>

See Note 14 to financial statements.

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Schedules of Membership Development Expenses

	Year Ended December 31	
	2006	2005
Auto Expense	\$ 73	\$ -
Bank card charges	4,668	-
Computer support	3,048	-
Depreciation	4,484	-
Donor Cultivation	1,561	-
Dues and subscriptions	1,214	-
General insurance	1,581	-
Group benefits	16,934	-
Mailing services	5,426	-
Miscellaneous	419	-
New member solicitation	52,699	43,716
Office supplies	2,299	-
On site sales	2,219	123,237
Payroll taxes	5,500	-
Postage	6,303	-
Printing	7,235	-
Professional Services	1,695	-
Promotion	564	-
Repairs and maintenance	2,651	-
Salaries	85,145	-
Telephone	1,333	-
Training/conferences/travel	4,124	-
Utilities	67	-
Total membership development expenses	<u>\$ 211,242</u>	<u>\$ 166,953</u>

See Note 14 to financial statements.



**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**

**Schedules of Special Projects Expenses**

	Year Ended December 31	
	2006	2005
Adopt an animal	\$ 10,987	\$ 11,400
Annual giving	16,427	9,959
Conservation endowment program	1,209	1,363
Corporate membership	3,601	9,027
Gifts in kind	28,998	45,898
Membership Special Programs	3,707	-
President's Club and Conservative Circle	29	1,298
Promotions	9,984	10,240
Randolph Friends of the Zoo	2,619	2,345
Special events expense	-	33,750
Sylvan Heights	1,578	515
Travel program	2,457	6,861
Wild tiles	258	817
Wildlife Rehab Center	1,511	3,398
Zoo Open	13,171	7,504
Zoo to Do	204,804	199,808
Zoo tours	-	64
	<hr/>	<hr/>
Total special projects expenses	<u>\$ 301,340</u>	<u>\$ 344,247</u>

See Note 14 to financial statements.

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Schedules of Fund Raising Expenses

	Year Ended	
	December 31	
	2006	2005
Annual report	\$ 483	\$ 4,914
Bad debt	1,660	4,560
Bank charges	722	5,975
Capital campaign materials	341	6,111
Computer support	3,100	9,068
Depreciation	4,484	15,689
Donor cultivation	7,786	13,693
Dues and subscriptions	2,186	3,701
General insurance	1,581	1,965
Group benefits	31,178	66,240
Meetings	222	363
Miscellaneous	587	1,525
Office supplies	2,468	3,670
Payroll taxes	7,934	19,028
Planned giving	5,889	7,268
Postage	2,518	3,350
Printing	439	2,663
Professional Services	1,695	-
Prospect research	399	457
Repairs and maintenance	2,216	5,401
Salaries	93,573	241,792
Telephone	2,885	5,168
Training/conferences and mileage	2,428	5,734
Utilities	54	371
Total fund raising expenses	\$ 176,828	\$ 428,706

See Note 14 to financial statements.