

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

**Financial Statements  
and  
Accompanying Information  
for years ended  
December 31, 2007 and 2006**

THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

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**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  
Mary F. Flanagan  
Emerson F. Gower, Jr.  
Lynne Yates Graham  
Earl Johnson, Jr.  
Addie Luther  
George McCanless  
Mark K. Metz  
Molly Millis - Hedgecock  
Hugh Morton III

Mary Norris Preyer Oglesby  
Diana C. Pickering  
Nancy Proia  
Scott E. Reed  
David K. Robb  
R. Sean Trauschke  
Laura H. Virkler  
Russell H. Williams

**OFFICERS**

David K. Robb  
Mary F. Flanagan  
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, 2007 and 2006, 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.

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, 2007 and 2006, 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 16, 2008

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Statements of Financial Position

	December 31	
	2007	2006
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,140,569	\$ 1,853,000
Investments	9,114,367	10,053,761
Pledges receivable	1,212,569	1,676,991
Accounts receivable	117,259	70,828
Accrued interest	4,270	4,230
Inventory	315,642	317,665
Prepaid expenses	66,987	58,294
Cash surrender value of life insurance	4,682	4,722
Property and equipment, net of accumulated depreciation	592,971	237,254
	<u>\$ 12,569,316</u>	<u>\$ 14,276,745</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 564,453	\$ 636,497
Liability under unitrust agreement	802,132	811,356
Deposits	5,000	500
<b>Total liabilities</b>	<u>1,371,585</u>	<u>1,448,353</u>
<b>Net assets</b>		
Unrestricted	8,622,471	8,509,785
Temporarily restricted	2,130,689	3,906,875
Permanently restricted	444,571	411,732
<b>Total net assets</b>	<u>11,197,731</u>	<u>12,828,392</u>
	<u>\$ 12,569,316</u>	<u>\$ 14,276,745</u>

See notes to financial statements.

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Statements of Activities

	Year Ended 2007			Year Ended 2006				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Public support, revenues, and reclassifications</b>								
Contributions and special projects	\$ 411,072	\$ 2,208,304	\$ 20,180	\$ 2,639,556	\$ 357,409	\$ 2,475,186	\$ 125,100	\$ 2,957,695
Membership due	1,593,018	88,547		1,681,565	1,588,372	88,493		1,676,865
Gift shop revenue, net of total direct costs of \$873,844 and \$840,466	367,785	13,807		381,592	365,784	15,333		381,117
Investment income	360,751	21,965	670	383,386	340,600	22,256	920	363,776
Net unrealized and realized gains	226,481	1,718	6,532	234,731	431,559	4,648	8,799	445,006
Change in value of unitrust		7,092		7,092		13,059		13,059
(Loss) on disposal of property and equipment	(653)			(653)				-
Net assets released from restrictions			5,457	-	4,583,082	(4,583,082)		-
Satisfaction of purpose requirements	4,112,162	(4,117,619)		-				-
<b>Total public support, revenues and reclassifications</b>	<b>7,070,586</b>	<b>(1,776,186)</b>	<b>32,639</b>	<b>5,327,239</b>	<b>7,666,806</b>	<b>(1,964,107)</b>	<b>134,819</b>	<b>5,837,518</b>
<b>Expenses</b>								
Program								
Transfers to the NC Zoological Park	5,068,100			5,068,100	5,430,622			5,430,622
Membership services	899,952			899,952	888,265			888,265
Education	63,474			63,474	87,573			87,573
Total program expenses	6,031,526			6,031,526	6,406,460			6,406,460
Management and general	96,139			96,139	77,060			77,060
Membership development	222,970			222,970	211,242			211,242
Special projects	402,360			402,360	301,340			301,340
Fund raising	204,885			204,885	176,828			176,828
<b>Total expenses</b>	<b>6,957,900</b>			<b>6,957,900</b>	<b>7,172,930</b>			<b>7,172,930</b>
<b>Change in net assets</b>	<b>112,686</b>	<b>(1,776,186)</b>	<b>32,839</b>	<b>(1,630,661)</b>	<b>493,876</b>	<b>(1,964,107)</b>	<b>134,819</b>	<b>(1,335,412)</b>
<b>Net assets at beginning 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>
<b>Net assets at end of year</b>	<b>\$ 8,622,471</b>	<b>\$ 2,130,689</b>	<b>\$ 444,571</b>	<b>\$ 11,197,731</b>	<b>\$ 8,509,785</b>	<b>\$ 3,906,875</b>	<b>\$ 411,732</b>	<b>\$ 12,828,392</b>

See notes to financial statements.

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Statements of Cash Flows

	Year Ended December 31	
	2007	2006
<b>Cash flows from operating activities</b>		
(Decrease) in net assets	\$ (1,630,661)	\$ (1,335,412)
Adjustments to reconcile changes in net assets to net cash used for operating activities		
Depreciation expense	47,209	51,205
Net unrealized and realized (gain) on investments	(234,731)	(445,006)
Loss on disposal of equipment	683	-
Changes in operating assets and liabilities		
(Increase) in accounts receivable	(46,431)	(50,998)
Decrease in pledges receivable	464,422	57,315
(Increase) decrease in accrued interest receivable	(40)	4,279
Decrease in inventory	2,023	62,735
(Increase) in other assets	(8,653)	(2,544)
Increase (decrease) in accounts payable and accrued expenses	(72,044)	52,430
Increase (decrease) in liability for amounts held for others	(9,224)	298,784
Increase in deposits	4,500	500
Collections of permanently restricted support	(32,839)	(134,819)
<b>Net cash used by operating activities</b>	<u>(1,515,786)</u>	<u>(1,441,531)</u>
<b>Cash flows from investing activities</b>		
Cash paid for purchases of fixed assets	(404,109)	(25,138)
Proceeds from sale of property and equipment	500	2,911
Net decrease in investments	1,174,125	1,295,463
<b>Net cash provided by financing activities</b>	<u>770,516</u>	<u>1,273,236</u>
<b>Cash flows from financing activities</b>		
Collections of permanently restricted support	32,839	134,819
<b>Net decrease in cash and cash equivalents</b>	<u>(712,431)</u>	<u>(33,476)</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>1,853,000</u>	<u>1,886,476</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 1,140,569</u>	<u>\$ 1,853,000</u>

See notes to financial statements.

**Notes to Financial Statements****December 31, 2007 and 2006****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 Society 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 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 originally was dependent upon Sylvan Heights obtaining its not-for-profit status. Sylvan Heights Waterfowl Park and Eco-Center's application for 501(c)(3) status has been approved by the IRS and the applicable items have been donated.

**Temporarily restricted contributions**

Temporarily restricted contributions include a number of grants in addition to donor-restricted contributions. These grants totaled \$578,486 and \$797,356 during the years ended 2007 and 2006, 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, 2007 and 2006**

**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, and the insignificance of the amount, 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. Significant estimates and assumptions are used for, but not limited to the allowance for uncollectible contributions, discount to net present value for pledges receivable, depreciable lives of fixed assets, and value for in-kind donated materials and services. The value for in-kind donated materials and services is considered a significant revenue that require management estimates and is summarized in Note 10. The other estimates did not have a significant impact on the current year financial statements.

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

**Notes to Financial Statements (continued)**

**December 31, 2007 and 2006**

**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 \$935,509 and \$1,475,568 at December 31, 2007 and 2006, 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, 2007			December 31, 2006		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
General						
Certificates of deposit	\$ 362,455	\$ 362,455	\$ -	\$ 421,716	\$ 421,716	\$ -
U.S. Government obligations	946,319	965,704	19,385	3,128,551	3,109,339	(19,212)
Foundation for the Carolinas	45,135	47,485	2,350	41,770	45,606	3,836
Marketable corporate securities	2,051,296	2,688,789	637,493	1,087,867	1,081,273	(6,594)
Stock and bond mutual funds	<u>3,543,656</u>	<u>3,611,428</u>	<u>67,772</u>	<u>3,274,072</u>	<u>3,993,768</u>	<u>719,696</u>
	<u>6,948,861</u>	<u>7,675,861</u>	<u>727,000</u>	<u>7,953,976</u>	<u>8,651,702</u>	<u>697,726</u>
Investments held in Trust						
Marketable corporate securities	<u>665,032</u>	<u>952,066</u>	<u>287,034</u>	<u>684,414</u>	<u>954,198</u>	<u>269,784</u>
	<u>665,032</u>	<u>952,066</u>	<u>287,034</u>	<u>684,414</u>	<u>954,198</u>	<u>269,784</u>
Endowments						
Foundation for the Carolinas	61,170	64,353	3,183	56,607	61,793	5,186
Stock and bond mutual funds	<u>414,756</u>	<u>422,087</u>	<u>7,331</u>	<u>366,993</u>	<u>386,068</u>	<u>19,075</u>
	<u>475,926</u>	<u>486,440</u>	<u>10,514</u>	<u>423,600</u>	<u>447,861</u>	<u>24,261</u>
	<u>\$8,089,819</u>	<u>\$9,114,367</u>	<u>\$1,024,548</u>	<u>\$9,061,990</u>	<u>\$10,053,761</u>	<u>\$991,771</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, 2007 and 2006 is shown below:

	December 31, 2007			December 31, 2006		
	<u>Cash and Equivalents</u>	<u>Investments</u>	<u>Total Endowments</u>	<u>Cash and Equivalents</u>	<u>Investments</u>	<u>Total Endowments</u>
Unrestricted net assets	\$ 7,018	\$ 20,456	\$ 27,474	\$ -	\$ 15,355	\$ 15,355
Temporarily restricted net assets	-	21,413	21,413	-	20,774	20,774
Permanently restricted net assets	-	<u>444,571</u>	<u>444,571</u>	<u>5,537</u>	<u>411,732</u>	<u>417,269</u>
	<u>\$ 7,018</u>	<u>\$486,440</u>	<u>\$493,458</u>	<u>\$ 5,537</u>	<u>\$447,861</u>	<u>\$453,398</u>

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

	2007				2006			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investment income	\$360,751	\$21,965	\$ 670	\$383,386	\$340,600	\$22,256	\$ 920	\$363,776
Realized and unrealized gains	<u>226,481</u>	<u>1,718</u>	<u>6,532</u>	<u>234,731</u>	<u>431,559</u>	<u>4,648</u>	<u>8,799</u>	<u>445,006</u>
	<u>\$587,232</u>	<u>\$23,683</u>	<u>\$ 7,202</u>	<u>\$618,117</u>	<u>\$772,159</u>	<u>\$26,904</u>	<u>\$ 9,719</u>	<u>\$808,782</u>

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Notes to Financial Statements (continued)

December 31, 2007 and 2006

**Note 3 – Investments, continued**

Investment income from regular investments and endowments for 2007 is net of \$37,787 and \$2,782 in administrative fees, respectively. Investment income from regular investments and endowments for 2006 is net of \$37,589 and \$2,271 in administrative fees, respectively.

**Note 4 – Pledges receivable**

Pledges receivable consist of the following:

	<u>December 31</u>	
	<u>2007</u>	<u>2006</u>
Membership pledges	\$ 65,664	\$ 60,780
Other pledges	<u>1,182,906</u>	<u>1,684,863</u>
Gross pledges receivable	1,248,570	1,745,643
Less: Discount to net present value	( 18,001)	( 50,652)
Less: Allowance for uncollectible contributions	<u>( 18,000)</u>	<u>( 18,000)</u>
Net pledges receivable	<u>\$1,212,569</u>	<u>\$1,676,991</u>
Amounts due in		
Less than one year	\$ 873,776	\$ 910,634
One to five years	<u>374,794</u>	<u>835,009</u>
	<u>\$1,248,570</u>	<u>\$1,745,643</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</u> <u>Originated</u>	<u>Discount</u> <u>Rate</u>
2000	6%
2005	4%
2006	5%
2007	3%

**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 \$23,403 as its interest in the unitrust through December 31, 2007.

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Notes to Financial Statements (continued)

December 31, 2007 and 2006

**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 \$0 and \$44,546 in 2007 and 2006. Assets held in the charitable remainder trust totaled \$952,066 and \$954,198 at December 31, 2007 and 2006 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 (\$802,132 and \$811,356 at December 31, 2007 and 2006) 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 \$21,410 as its interest in the unitrust through December 31, 2007.

**Note 6 – Property and equipment**

A summary of property and equipment follows:

	<u>December 31</u>	
	<u>2007</u>	<u>2006</u>
Land improvements	\$ 3,251	\$ 3,251
Land	42,400	-
Buildings and improvements	352,885	286,782
Fixtures and equipment – gift shops	226,589	219,816
Furniture and equipment – office	397,451	370,448
Automobiles	43,126	45,126
Construction in progress	261,830	-
Leasehold improvements	<u>9,188</u>	<u>9,188</u>
	1,336,720	934,611
Less accumulated depreciation	<u>743,749</u>	<u>697,357</u>
	<u>\$ 592,971</u>	<u>\$237,254</u>

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Notes to Financial Statements (continued)

December 31, 2007 and 2006

**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>2007</u>	<u>2006</u>
Adopt an animal	\$ 47,762	\$ 49,884
Animals	71,209	111,064
Veterinary	526,979	811,227
Horticulture	9,710	25,351
Art master plan	2,349	849
Conservation	256,012	51,375
Design	238,865	40,375
Education	63,613	74,081
Planning/facilities	389,629	2,312,196
Other	306,225	222,131
Marketing	2,185	2,352
Undistributed endowment gains	<u>21,413</u>	<u>20,773</u>
Total purpose restrictions	<u>1,935,951</u>	<u>3,721,658</u>
<u>Time restrictions</u>		
Johnston charitable remainder trust	23,403	20,974
Graham charitable remainder trust	149,934	142,842
Peters charitable remainder trust	<u>21,401</u>	<u>21,401</u>
Total time restrictions	<u>194,738</u>	<u>185,217</u>
Total temporarily restricted net assets	<u>\$2,130,689</u>	<u>\$3,906,875</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>2007</u>	<u>2006</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.	\$ 69,729	\$ 67,204
Cato-Goodyear Endowment – All income including gains and losses on long-term investments are restricted for animal environmental and behavioral projects. Invested with a bank trust department.	5,457	-
Conservation Endowment – Gains and losses on investments remain with principal; investment income is restricted for conservation projects. Invested with a bank trust department.	114,464	109,786

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Notes to Financial Statements (continued)

December 31, 2007 and 2006

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

	<u>December 31</u>	
	<u>2007</u>	<u>2006</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	\$ 18,075
Layne Endowment – All income including gains and losses on long-term investments are unrestricted. Invested with a bank trust department.	1,000	-
Nina Belle Redditt Endowment – All income including gains and losses on long-term investments are unrestricted. Invested with a bank trust department.	210,846	191,667
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>\$444,571</u>	<u>\$411,732</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>2007</u>	<u>2006</u>
Animal	\$ 47,241	\$ 61,958
Veterinary	31,286	46,286
Horticulture	60,379	71,378
Design	31,271	42,923
Directors' supplements	30,832	19,810
Marketing	184,997	303,058
Personnel (park)	69,339	118,873
Planning/facilities	431,354	341,446
Studies	1,516	1,617
Zoo - miscellaneous	118,355	66,106
Emergency reserve	727,309	689,058
Lion's Pride	<u>5,955,464</u>	<u>5,865,774</u>
	<u>\$7,689,343</u>	<u>\$7,628,287</u>

The Society has committed to funding up to \$7.5 million for the Elephant/Rhino project. As of December 31, 2007, the expenditures total \$7,004,071. 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, 2007 and 2006

**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>2007</u>	<u>2006</u>
By type		
Park supplies	\$ 46,035	\$119,019
Computer support	3,000	10,000
Adopt Supplies	375	675
GIK Society uses	92,064	21,998
Zoo To Do	139,196	138,904
Zoo open	3,032	8,133
Other	<u>9,200</u>	<u>2,004</u>
	<u>\$292,902</u>	<u>\$300,733</u>
By use		
Transfers to North Carolina Zoological Park	\$ 49,035	\$122,019
Utilized by the Society		
Management and general	101,639	44,992
Special projects	<u>142,228</u>	<u>133,722</u>
	<u>\$292,902</u>	<u>\$300,733</u>

**Note 11 – Operating leases**

The Society has three noncancelable operating leases for office equipment. Rental expense for leases consisted of \$16,795 and \$18,834 for the years ended December 31, 2007 and 2006, respectively.

Future minimum lease payments under the operating lease as of December 31, 2007 are as follows:

<u>Year</u>	<u>Amount</u>
2008	\$ 12,718
2009	11,380
2010	7,366
2011	<u>4,911</u>
	<u>\$ 36,375</u>

**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 2007 and 2006 was \$99,576 and \$93,987, respectively.

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.****Notes to Financial Statements (continued)****December 31, 2007 and 2006****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, 2007, \$466,638 had been transferred to the Park for the supplemental marketing fund.





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

Asheboro, North Carolina  
April 16, 2008

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

**Schedules of Unrestricted Contributions and Special Projects**

	Year Ended December 31	
	2007	2006
<b>Contributions</b>	\$ 209,590	\$ 163,122
<b>Membership projects</b>		
Travel program	13,553	22,443
Membership discount tickets	52,382	42,000
<b>Education projects</b>		
Contributions and receipts	69,458	56,007
<b>Other projects</b>		
President's Club and Conservator Circle	60,500	65,000
Promotions	100	-
Volunteer tours	-	250
Wild tile	-	1,000
<b>Miscellaneous</b>	5,489	7,587
<b>Total unrestricted contributions and special projects</b>	<u>\$ 411,072</u>	<u>\$ 357,409</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**  
**Schedule of Temporarily Restricted Support and Net Assets**  
**Year ended December 31, 2007**

<u>Description</u>	<u>Temporarily Restricted Net Assets 12/31/2006</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 12/31/2007</u>
<b><u>Purpose Restrictions</u></b>							
Adopt an Animal							
Conservation/Research	\$ 3,481	\$ (3,481)				\$ -	\$ -
Education	358					-	358
Enrichment & Training	34,566	30,609	\$ 8,135	\$ 20,097		28,232	36,943
General Operations	2,699					-	2,699
Lion Enrichment	5,570	50		5,000		5,000	620
Horticulture	3,210	5,402	1,436	34		1,470	7,142
	<u>49,884</u>	<u>32,580</u>	<u>9,571</u>	<u>25,131</u>	<u>-</u>	<u>34,702</u>	<u>47,762</u>
Animals							
Animals and Animal Care	3,300					-	3,300
Animal Enrichment Endowment	9,627	150			\$ 5,457	5,457	4,320
Animal Enrichment	1,791	2,843		3,711		3,711	923
Aviary Collection	84	3,000				-	3,084
Box Turtle Project	1,213					-	1,213
Cape Fear Shiner Project	6,100					-	6,100
Chimpanzee SSP	120			71		71	49
Chimpanzee Enrichment	14,281	1,175	130	2,572		2,702	12,754
Elephant Enrichment	1,975	746		2,042		2,042	679
Elephant Collection	49,750	50		37,215		37,215	12,585
Elephant Scales and Equipment	460					-	460
Gorilla	-				(454)	(454)	454
Marianas Project	1,484					-	1,484
Migratory Bird Day	-	425		425		425	-
Polar Bear Welfare	12,883	6,538	6,493	5,718		12,211	7,210
Red River Hogs	3,000			384		384	2,616
Red Wolf	1,152					-	1,152
Rhino	-	9,000				-	9,000
Tag - Old World Monkey	3,639	2,335		2,517		2,517	3,457
Tropical Bird Research - Costa Rica	86	283				-	369
Wattled Crane	119	(119)				-	-
	<u>111,064</u>	<u>26,426</u>	<u>6,623</u>	<u>54,655</u>	<u>5,003</u>	<u>66,281</u>	<u>71,209</u>
Horticulture							
AZH Conservation Grant	2,000			2,000		2,000	-
Butterfly Garden	48			25		25	23
Endangered Plant	25					-	25
Horticulture Fund	16,334	173		12,463		12,463	4,044
Ice Damage	100					-	100
Plant Conservation Field Programs	4,758	3,345		4,771		4,771	3,332
Ridges Mountain	430	100				-	530
TLC - Horticulture	281					-	281
Toxic Study	486					-	486
Tree Survey	889					-	889
	<u>25,351</u>	<u>3,618</u>	<u>-</u>	<u>19,259</u>	<u>-</u>	<u>19,259</u>	<u>9,710</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**  
**Schedule of Temporarily Restricted Support and Net Assets**  
**Year ended December 31, 2007**

<u>Description</u>	<u>Temporarily Restricted Net Assets 12/31/2006</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 12/31/2007</u>
<b>Veterinary</b>							
Animal and Bird Care	\$ 594					\$ -	\$ 594
Black Rhino / Elephants Cameroon	233					-	233
Costa Rican Toad	944			\$ 944		944	-
Diagnostic Vet Equipment	4,552	\$ 2,000		3,500		3,500	3,052
Elephant Reproduction	5,707			777		777	4,930
Elephant Tracking Program	(1)	40,242	\$ 3,103	17,128		20,231	20,010
Fox Veterinary Fund	701					-	701
Loomis Flexible Fund	16,667			(1,278)		(1,278)	17,945
Mary Frances Key Fund Rabies	7,913	1,417		7,423		7,423	1,907
Miscellaneous Vet Tech	849					-	849
Necropsy Table	-	31,000				-	31,000
Red Wolf Tracking Program	9,298	401		7,808		7,808	1,891
Reduce Human/Elephant Conflicts	-	13,500		1,883		1,883	11,617
Season Nutritional Effects on Elephants	15,260	26,890		3,600		3,600	38,550
Veterinary - Daldorf Fund	98,398	12,175		7,791		7,791	102,782
WAZA Anti-Poaching Program	50					-	50
Wildlife Learning Center	557,223	20,690		6,149	\$ 370,333	376,482	201,431
Wildlife Learning Center Computers	5,568					-	5,568
Wildlife Rehabilitation Caging	1,419					-	1,419
Wildlife Rehabilitation Equipment	276					-	276
Wildlife Rehabilitation Facility	39,859	22,420	1,799	34,267		36,066	26,213
Wildlife Rehabilitation Operating	32,171			1,948		1,948	30,223
Wildlife Rehabilitation Scholarship	13,546	20,394	8,202			8,202	25,738
	<u>811,227</u>	<u>191,129</u>	<u>13,104</u>	<u>91,940</u>	<u>370,333</u>	<u>475,377</u>	<u>526,979</u>
<b>Art Master Plan</b>							
Art and Energy Sculpture	49					-	49
Baby Elephant Sculpture	-	15,000		13,500		13,500	1,500
Blue Heron Sculpture	300					-	300
Cougar Sculpture	500					-	500
Hippo Sculpture	-					-	-
	<u>849</u>	<u>15,000</u>	<u>-</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>	<u>2,349</u>
<b>Design</b>							
Artwork Maintenance (anonymous couple)	31,769			5,225		5,225	26,544
Carlisle Sculpture	75					-	75
Design Fund	50			50		50	-
Geyser Fountain & Visitor Rest Area	-	200,000		2,835		2,835	197,165
Interpretive Graphics and Educational	7,180					-	7,180
Island of Transformation (Moser)	601					-	601
Visiting Artists	700	6,600				-	7,300
	<u>40,375</u>	<u>206,600</u>	<u>-</u>	<u>8,110</u>	<u>-</u>	<u>8,110</u>	<u>238,865</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**  
**Schedule of Temporarily Restricted Support and Net Assets**  
**Year ended December 31, 2007**

<u>Description</u>	<u>Temporarily Restricted Net Assets 12/31/2006</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 12/31/2007</u>
<b>Education</b>							
Connect to Kids Program	\$ 29,530	\$ 25,000		\$ 18,303		\$ 18,303	\$ 36,227
Education	-	290		290		290	-
Keepers in the Classroom	18,804	11,198		22,263		22,263	7,739
KidZone	4,000	520		1,034		1,034	3,486
Latino Visitor Studies	943					-	943
On-site Educators	1,857	100		114		114	1,843
Smart Cart Bio-Facts	-	2,400				-	2,400
Uganda School Program	13,834	21,724		30,711		30,711	4,847
Volunteer Programs	4,993	1,015				-	6,008
Zoolinc/Travel and Materials	120					-	120
	<u>74,081</u>	<u>62,247</u>	<u>-</u>	<u>72,715</u>	<u>-</u>	<u>72,715</u>	<u>63,613</u>
<b>Marketing</b>							
Animal Programs in the Park	-	4,009		1,824		1,824	2,185
General Marketing	2,352			2,352		2,352	-
Marketing Sponsorships	-	17,000		17,000		17,000	-
	<u>2,352</u>	<u>21,009</u>	<u>-</u>	<u>21,176</u>	<u>-</u>	<u>21,176</u>	<u>2,185</u>
<b>Other</b>							
Afghan Animal Fund	29,146	80				-	29,226
Baghdad	26,807	(24,354)		2,453		2,453	-
Baghdad Animals	1,500					-	1,500
Barbara Hobson Memorial	5,233	(5,233)				-	-
Cairo Zoo	-	26,029				-	26,029
Collaboration of Museum Programming	26,307	7,284		17,805		17,805	15,786
David M. Holt Memorial	-	1,000				-	1,000
Electric Wheelchairs	2,229					-	2,229
Field Trip Earth	17,550	15,130		13,191		13,191	19,489
GIK Society Used	-	92,064	\$ 92,064			92,064	-
GIK Transferred to the Park	-	32,712		32,712		32,712	-
Honey Bee Exhibit	74,241	89,332		(10,200)		(10,200)	173,773
Jayna Pack Travel	1,050					-	1,050
Kabul Zoo Fund	24,517	475		3,000		3,000	21,992
Organize Zoo Visuals	75					-	75
Pisgah Covered Bridge	6,815					-	6,815
Recycle Bins	120					-	120
Strollers	135					-	135
Welfare of Animals	4,000	3,000				-	7,000
Zoo Carts	2,406	(2,400)				-	6
	<u>222,131</u>	<u>235,119</u>	<u>92,064</u>	<u>58,961</u>	<u>-</u>	<u>151,025</u>	<u>306,225</u>

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**  
**Schedule of Temporarily Restricted Support and Net Assets**  
**Year ended December 31, 2007**

<u>Description</u>	<u>Temporarily Restricted Net Assets 12/31/2006</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 12/31/2007</u>
<b>Conservation</b>							
Adopt - Wildplaces	\$ 1,214	\$ (1,214)				\$ -	\$ -
Amphibian Crisis Fund	-	2,102			\$ (1,542)	(1,542)	3,644
AZA - Conservation Endowment Program	1,511	1,435	\$ 1,511			1,511	1,435
Chimp - Conservation	1,881	2,978		\$ 3,000		3,000	1,859
Conservation of Hellbenders	-	14,190				-	14,190
Conservation Projects	2,884	1,621				-	4,505
Cross River Gorillas	-	12,884	3,523	172		3,695	9,189
Field Conservation & Research	-	12,394		229		229	12,165
Field Programs	8,018	8,000		6,000		6,000	10,018
Lucille Stickle Fund	-	1,494				-	1,494
Native Animal Welfare	-	908				-	908
Native Wildlife	2,676	4,958	553	1,063		1,616	6,018
Nigerian Forest Biodiversity	-	20,672		17,400		17,400	3,272
Sylvan Heights Avian Conservation	-	2,104				-	2,104
Sylvan Heights Capital Campaign	5,260	146,772		152,032		152,032	-
Sylvan Heights General Operating	-	171,578	6,939	160,880	(1,938)	165,881	5,697
Sylvan Heights Marketing Position	16,767			16,767		16,767	-
Sylvan Heights Phase II	-	178,967		19,752		19,752	159,215
Sylvan Heights Rare & Endangered Species	1,480	1,480				-	2,960
Sylvan Heights Water Fowl Project	2,292	5,449				-	7,741
Sylvan Heights Waterfowl Park	7,282	2,600		394		394	9,488
Sylvan Heights Wood Duck Project	110					-	110
	<u>51,375</u>	<u>591,372</u>	<u>12,526</u>	<u>377,689</u>	<u>(3,480)</u>	<u>386,735</u>	<u>256,012</u>
<b>Planning/Facilities</b>							
Africa Gift Shop	2,249					-	2,249
Animal Welfare	17,364	53				-	17,417
Avian Holding/Breeding	15	(15)				-	-
Baboon Island Signage	439					-	439
Benches	8,616	4,300				-	12,916
Chimp Exhibit Renovations	195					-	195
Chimp Interpretives	51,193			6,326		6,326	44,867
Earth Resource Center	200					-	200
Elephant/Rhino Exhibits	2,144,390	864,646	205,536	2,579,921	(1,938)	2,783,519	225,517
Endowment for Zoo Needs	9,554	69				-	9,623
Lost in the Woods Program	(14)					-	(14)
Misting Station	20					-	20
New African Exhibit	686					-	686
Picnic Shelters	3,000					-	3,000
Play Equipment	(1)					-	(1)
Polar Bear Capital	-	52,236			(1,938)	(1,938)	54,174
Recycling	250					-	250
RFOZ Grants	9,059	17,497		15,302		15,302	11,254

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.**  
**Schedule of Temporarily Restricted Support and Net Assets**  
**Year ended December 31, 2007**

<u>Description</u>	<u>Temporarily Restricted Net Assets 12/31/2006</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 12/31/2007</u>
Planning/Facilities, continued							
Shade Structures	\$ 5,158					\$ -	\$ 5,158
Signage - Conservation/Education	117					-	117
Solar Picnic Shelters	50,000			\$ 50,000		50,000	-
Sonora Desert	306			295		295	11
Steve Thompson Tract Renovation	50					-	50
Tortoise Pool	7,725			7,424		7,424	301
Touch and Learn Center	425	\$ (425)				-	-
Tram Shade Stop	1,200					-	1,200
	<u>2,312,196</u>	<u>938,361</u>	<u>\$ 205,536</u>	<u>2,659,268</u>	<u>\$ (3,876)</u>	<u>2,860,928</u>	<u>389,629</u>
Undistributed Endowment Gains							
Conservation	13,077	6,030			6,167	6,167	12,940
Animal Related	7,696	2,421			1,644	1,644	8,473
	<u>20,773</u>	<u>8,451</u>	<u>-</u>	<u>-</u>	<u>7,811</u>	<u>7,811</u>	<u>21,413</u>
<b>Total Purpose Restrictions</b>	<u>3,721,658</u>	<u>2,331,912</u>	<u>339,424</u>	<u>3,402,404</u>	<u>375,791</u>	<u>4,117,619</u>	<u>1,935,951</u>
<b>Time Restrictions</b>							
Graham Charitable Remainder Trust	142,842	7,092				-	149,934
Johnston Charitable Remainder Trust	20,974	2,429				-	23,403
Peters Charitable Remainder Trust	21,401					-	21,401
<b>Total Time Restrictions</b>	<u>185,217</u>	<u>9,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,738</u>
<b>Total Temporarily Restricted Net Assets</b>	<u>\$ 3,906,875</u>	<u>\$ 2,341,433</u>	<u>\$ 339,424</u>	<u>\$ 3,402,404</u>	<u>\$ 375,791</u>	<u>\$ 4,117,619</u>	<u>\$ 2,130,689</u>

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

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

	Year Ended	
	December 31	
	2007	2006
<b>Sales</b>		
Gift shop sales	\$ 1,291,290	\$ 1,255,945
Less sales discounts	(35,854)	(34,362)
<b>Net sales</b>	<u>1,255,436</u>	<u>1,221,583</u>
<b>Cost of sales</b>		
Inventories at beginning of year	317,665	380,400
Purchases	500,672	425,632
	<u>818,337</u>	<u>806,032</u>
Less inventories at end of year	315,642	317,665
<b>Total cost of sales</b>	<u>502,695</u>	<u>488,367</u>
<b>Gross profit from gift shops</b>	<u>752,741</u>	<u>733,216</u>
<b>Operating expenses</b>		
Bank charges	17,401	15,617
Computer support	1,732	3,027
Depreciation	18,310	17,116
Dues and subscriptions	155	17
Freight-in	842	1,156
General insurance	1,951	1,439
Group benefits	63,712	54,917
Loss on damaged goods	6,204	5,083
Mail order	167	426
Miscellaneous	1,128	1,245
Payroll taxes	17,039	16,446
Promotions	-	2,000
Repairs and maintenance	1,082	2,032
Salaries	224,019	209,641
Supplies	(876)	6,644
Telephone	7,507	7,189
Training/Conferences/Mileage	5,375	3,252
Utilities	5,401	4,852
<b>Total operating expenses</b>	<u>371,149</u>	<u>352,099</u>
<b>Net revenue from gift shops</b>	<u>\$ 381,592</u>	<u>\$ 381,117</u>



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

**Schedules of Program Services - North Carolina Zoological Park**

	<b>Year Ended</b>	
	<b>December 31</b>	
	<b>2007</b>	<b>2006</b>
Adopt an Animal	\$ -	\$ 3,018
Advertising Campaign	31,244	64,204
Amphibian Exhibit	64,000	
Animal Enrichment & Training	8,325	4,444
Animal Food	45,430	
Animal Maintenance	46,310	10,031
Animal Programs in the Park	1,824	
Animal Records	20,000	20,000
Art and Energy Sculpture		16,000
Art Maintenance	8,147	1,700
Artist Illustrator	43,204	40,880
Australia Temp Exhibit		72
Aviary Collection		1,794
AZA Professional Dues	1,575	1,930
AZH Conservation Grant	490	538
Baby Elephant Sculpture	13,500	
Baghdad	2,453	-
Black Rhino/Elephants Cameroon		12,381
Box Turtle Project		1,713
Butterfly Garden	25	170
Chimp Interpretives	6,326	2,125
Chimpanzee Conservation	3,071	4,349
Chimpanzee Pennington Memorial		230
Collaboration on Museum Programming	17,805	1,939
Connect to Kids	18,303	470
Conservation Programs	2,975	
Contracts	17,250	39,781
Costa Rican Toad	944	
Development and Management of Web Site	62,528	47,614
Design Fund	50	
Education	290	
Elephant Collection	37,215	2,267
Elephant Reproduction	777	18,927
Elephant/Rhino Exhibits	2,579,921	2,980,425

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

**Schedules of Program Services - North Carolina Zoological Park**

	Year Ended December 31	
	2007	2006
Elephant Tracking	\$ 19,128	\$ 24,782
Employee Social Fund	4,005	4,356
Endangered Plant Research		1,595
Evaluation and Assessment		4,305
Field Programs	44,875	37,294
Field Trip Earth	13,191	5,803
Fox Veterinary Fund		2,563
General Marketing	9,590	49,973
General Operating Support	14,326	27,659
Geyser Fountain & Visitor Rest Area	2,835	
Gifts-in-Kind	32,712	18,403
Gorilla Climbing Structure		50
Grant Writer	3,319	20,222
Group Sales - Marketing	10,927	9,275
Hippo Sculpture		14,768
Honey Bee Exhibit	(10,200)	12,000
Horticulture	12,497	91
Horticulture Maintenance	50,999	30,006
Horticulture Programming		116
Intern Stipends		2,500
Kabul Zoo Fund	3,000	18,817
Katrina Zoo Relief		100
Keepers in the Classroom	22,263	5,752
KidZone	1,034	
Library Collection		200
Limbe Botanical		1,800
Lion Enrichment	5,000	
Lobbyist	12,408	
Loomis Flex Fund	(1,278)	6,386
Lost in the Woods Program		164
Mammal Prop		2,613
Marketing Director's Supplement		650
Marketing Funds	19,351	1,401

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Schedules of Program Services - North Carolina Zoological Park

	Year Ended December 31	
	2007	2006
Mary Frances Key Fund Rabies	\$ 7,423	\$ 250
Member and Corporate Discount Tickets	95,401	90,452
Migratory Bird	436	-
Natural Resource Site Assessment	101	6,163
Nature Discovery Center Study	155,815	12,890
Nigerian Forest Biodiversity	17,400	
Nutrition Consultation	1,791	
On-site Educators	114	
Operant Conditioning	10,025	12,433
Park Director's Supplement	37,110	35,035
Park Map Ads		14,870
Park Program Services	499,656	418,825
Plant Conservation Field Programs	4,771	3,456
Play Equipment		1,200
Polar Bear Welfare	5,718	900
Printing for Marketing	5,507	1,399
Public/Media Relations	5,687	19,528
Red River Hogs	384	
Red Wolf Tracking	7,808	1,552
Reduce Human/Elephant Conflicts	1,883	
RFOZ Grants	15,302	7,937
Ridges Mountain Management		328
Seasonal Nutritional Effects on Elephants	3,600	
Serengeti Renovation	277	6,301
Simex Revolving Fund	100,000	5,000
Solar Picnic Shelters	100,000	
Sonora Desert	295	194
Special Park Events	13,399	28,050
Staff Incentives	1,408	878
Staff Training and Development	401	3,520
Staff Travel	27,194	14,451
Sylvan Heights Capital Campaign	152,032	881,600
Sylvan Heights General Operating	160,880	
Sylvan Heights Marketing Position	16,767	33,233
Sylvan Heights Phase II	19,752	
Sylvan Heights Planning Manager		12,500
Sylvan Heights Waterfowl Park		37,873
Sylvan Heights Waterfowl Project	394	48,507
TAG - Old World Monkey	2,517	862

**THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.****Schedules of Program Services - North Carolina Zoological Park**

	<b>Year Ended December 31</b>	
	<b>2007</b>	<b>2006</b>
Television Video Series	\$ 52,500	\$ 47,580
TLC Programming		340
Tortoise Pool	7,424	4,276
Training & Enrichment	20,097	11,155
Uganda School Program	30,711	29,411
Veterinary Daldorf Fund	7,791	7,334
Veterinary Diagnostic Equipment	3,500	-
Veterinary Residency	35,000	35,000
Visiting Artist (Residency Program)	26,730	5,261
Visitor Information Software	2,195	
Vocus Software	9,244	
Volunteer Recruitment and Training		377
Wildlife Learning Center	6,149	-
Wildlife Rehabilitation Facility	36,215	(2,924)
WZO/CBSG/UCN	13,647	11,979
Zoo Visitor Growth & Awareness	41,685	-
<b>Total Transfers to the North Carolina Zoological Park</b>	<b>\$ 5,068,100</b>	<b>\$ 5,430,622</b>

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

**Schedules of Program Services - Membership Expenses**

	<b>Year Ended</b>	
	<b>December 31</b>	
	<b>2007</b>	<b>2006</b>
Annual Report	\$ 4,200	\$ 4,347
Auto Expense	1,018	1,788
Bad debt	3,865	7,056
Bank card charges	19,849	18,957
Computer support	15,325	15,021
Depreciation	13,582	18,308
Donor Cultivation	5,621	-
Dues and subscriptions	6,345	6,982
General insurance	10,975	7,904
Group benefits	125,715	128,902
Magazine	62,077	55,314
Mailing services	1,586	1,530
Meetings	1,504	1,967
Membership incentives	7,874	8,530
Miscellaneous	3,483	3,197
New Member Solicitation	75	
Office supplies	6,654	8,587
On-Site Sales	712	1,766
Payroll taxes	39,039	36,743
Postage	17,509	16,707
Printing	1,663	16,097
Professional Services	9,574	9,603
Promotion	-	33
Repairs and maintenance	11,573	13,225
Research & Education	270	-
Returns/redeposits	666	-
Salaries	510,683	482,311
Telephone	12,464	13,981
Training/conferences/travel	5,904	8,333
Utilities	147	1,076
<b>Total membership expenses</b>	<b>\$ 899,952</b>	<b>\$ 888,265</b>

## THE NORTH CAROLINA ZOOLOGICAL SOCIETY, INC.

## Schedules of Program Services - Education

	Year Ended December 31	
	2007	2006
Supplies	\$ 63,474	\$ 87,573

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

**Schedules of Management and General Expenses**

	<b>Year Ended December 31</b>	
	<b>2007</b>	<b>2006</b>
Auto	\$ 524	\$ 1,097
Computer support	1,364	1,376
Depreciation	1,156	1,537
Dues and subscriptions	2,207	2,052
General insurance	976	703
Group benefits	14,180	13,478
Meetings	735	582
Miscellaneous	1,382	707
Office supplies	1,233	2,549
Payroll taxes	3,729	4,088
Photography	25	-
Postage	661	613
Professional services	5,975	5,837
Repairs and maintenance	1,138	1,240
Salaries	57,445	37,837
Telephone	1,513	1,226
Training/conferences and mileage	1,696	1,990
Utilities	200	148
<b>Total management and general expenses</b>	<b>\$ 96,139</b>	<b>\$ 77,060</b>

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

**Schedules of Membership Development Expenses**

	<b>Year Ended December 31</b>	
	<b>2007</b>	<b>2006</b>
Auto Expense	\$ 94	\$ 73
Bank card charges	4,840	4,668
Computer support	3,577	3,048
Depreciation	3,179	4,484
Donor Cultivation	900	1,561
Dues and subscriptions	795	1,214
General insurance	2,195	1,581
Group benefits	16,752	16,934
Mailing services	5,740	5,426
Meetings	45	-
Miscellaneous	479	419
New member solicitation	67,188	52,699
Office supplies	718	2,299
On-Site sales	1,251	2,219
Payroll taxes	7,348	5,500
Postage	6,270	6,303
Printing	4,497	7,235
Professional Services	1,690	1,695
Promotion	-	564
Repairs and maintenance	2,832	2,651
Salaries	89,929	85,145
Telephone	1,559	1,333
Training/conferences/travel	954	4,124
Utilities	138	67
<b>Total membership development expenses</b>	<b>\$ 222,970</b>	<b>\$ 211,242</b>



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

**Schedules of Special Projects Expenses**

	<b>Year Ended December 31</b>	
	<b>2007</b>	<b>2006</b>
Adopt an animal	\$ 16,079	\$ 10,987
Annual giving	6,429	16,427
Conservation endowment program	1,511	1,209
Corporate membership	5,925	3,601
Gifts-in-kind	92,064	28,998
Membership Special Programs	3,212	3,707
President's Club and Conservative Circle	87	29
Promotions	10,462	9,984
Randolph Friends of the Zoo	2,962	2,619
Sylvan Heights	48,093	1,578
Travel program	6,199	2,457
Wild tiles	128	258
Wildlife Rehab Center	1,799	1,511
Zoo Open	8,202	13,171
Zoo To Do	199,228	204,804
<b>Total special projects expenses</b>	<b>\$ 402,380</b>	<b>\$ 301,340</b>

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

**Schedules of Fund Raising Expenses**

	<b>Year Ended December 31</b>	
	<b>2007</b>	<b>2006</b>
Annual report	\$ 467	\$ 483
Bad debt	7,132	1,660
Bank charges	703	722
Capital campaign materials	75	341
Computer support	3,582	3,100
Depreciation	3,179	4,484
Donor cultivation	10,752	7,786
Dues and subscriptions	722	2,186
General insurance	2,195	1,581
Group benefits	27,589	31,178
Meetings	531	222
Miscellaneous	2,928	587
Office supplies	1,300	2,468
Payroll taxes	8,802	7,934
Planned giving	3,872	5,889
Postage	2,421	2,518
Printing	1,316	439
Professional Services	2,155	1,695
Prospect research	540	399
Repairs and maintenance	2,832	2,216
Salaries	112,964	93,573
Telephone	3,912	2,885
Training/conferences and mileage	4,833	2,428
Utilities	83	54
<b>Total fund raising expenses</b>	<b>\$ 204,885</b>	<b>\$ 176,828</b>