Grant Thornton

Consolidated Financial Statements and Report of Independent Certified Public Accountants

Cheyenne Mountain Zoological Society and Cheyenne Mountain Zoo Endowment Fund

For the Years Ended April 30, 2016 and 2015

Contents

Report of Independent Certified Public Accountants

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The Board of Directors
Cheyenne Mountain Zoological Society

We have audited the accompanying consolidated financial statements of Cheyenne Mountain Zoological Society and Cheyenne Mountain Zoo Endowment Fund (collectively, the "Organization"), which comprise the consolidated statements of financial position as of April 30, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cheyenne Mountain Zoological Society and Cheyenne Mountain Zoo Endowment Fund as of April 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information on pages 20 - 21 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Denver, Colorado
July 13, 2016

Consolidated statements of financial position

	As of April 30,	
	2016	2015
Assets		
Cash and cash equivalents	$ 9,480,479	$ 7,468,758
Cash restricted for capital expansion and other purposes	2,503,377	1,350,023
Other current assets	251,608	213,407
Promises to give, net	4,884,144	271,092
Contributions receivable from trusts	1,004,014	231,093
Investments	5,358,178	5,466,286
Property and equipment, net	31,850,864	32,642,609
Beneficial interest in perpetual trust	127,028	144,954
Animal collection	-	-
Total assets	$ 55,459,692	$ 47,788,222
Liabilities and net assets		
Liabilities		
Accounts payable	$ 184,820	$ 514,634
Accrued expenses and other liabilities	1,110,446	1,028,702
Deferred membership revenue	862,113	812,724
Notes payable and capital lease	686,228	1,601,718
Total liabilities	2,843,607	3,957,778
Net assets		
Unrestricted		
Equity in property and equipment	31,164,636	31,040,891
Operating	9,443,937	7,788,108
Endowment	2,907,900	3,040,949
Total unrestricted	43,516,473	41,869,948
Temporarily restricted	7,385,236	1,021,115
Permanently restricted	1,714,376	939,381
Total net assets	52,616,085	43,830,444
Total liabilities and net assets	$ 55,459,692	$ 47,788,222

The accompanying notes are an integral part of these consolidated financial statements.

Cheyenne Mountain Zoological Society and
Cheyenne Mountain Zoo Endowment Fund

Consolidated statements of activities

	Year ended April 30, 2016				Year ended April 30, 2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenue								
Admissions	$ 6,206,556	$ -	$ -	$ 6,206,556	$ 5,566,553	$ -	$ -	$ 5,566,553
Contributions	1,176,880	7,063,913	552,567	8,793,360	1,038,633	907,260	20,275	1,966,168
Membership	2,022,621	-	-	2,022,621	1,885,061	-	-	1,885,061
Auxiliary activities:								
Visitor services	1,852,455	-	-	1,852,455	1,543,059	-	-	1,543,059
Food and merchandise	1,184,893	-	-	1,184,893	1,035,959	-	-	1,035,959
Other auxiliary activities	888,969	-	-	888,969	750,766	-	-	750,766
Other	(36,439)	-	222,428	185,989	255,879	72,307	(150,515)	177,671
Insurance proceeds	183,709	-	-	183,709	220,128	-	-	220,128
Net assets released from restrictions:								
For operations	5,532	(5,532)	-	-	86,848	(86,848)	-	-
For capital assets	694,260	(694,260)	-	-	1,718,195	(1,718,195)	-	-
Total	14,179,436	6,364,121	774,995	21,318,552	14,101,081	(825,476)	(130,240)	13,145,365
Expenses								
Program services:								
Animal management	8,531,479	-	-	8,531,479	7,637,138	-	-	7,637,138
Education	1,479,879	-	-	1,479,879	1,389,453	-	-	1,389,453
Supporting activities:								
General and administrative	1,045,118	-	-	1,045,118	900,153	-	-	900,153
Advertising and marketing	854,213	-	-	854,213	800,715	-	-	800,715
Development and fundraising	622,222	-	-	622,222	608,025	-	-	608,025
Total	12,532,911	-	-	12,532,911	11,335,484	-	-	11,335,484
Change in net assets	1,646,525	6,364,121	774,995	8,785,641	2,765,597	(825,476)	(130,240)	1,809,881
Net assets, beginning of year	41,869,948	1,021,115	939,381	43,830,444	39,104,351	1,846,591	1,069,621	42,020,563
Net assets, end of year	$ 43,516,473	$ 7,385,236	$ 1,714,376	$ 52,616,085	$ 41,869,948	$ 1,021,115	$ 939,381	$ 43,830,444

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

	For the year ended April 30,	
	2016	2015
Operating activities		
Change in net assets	$ 8,785,641	$ 1,809,881
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	2,494,355	2,301,641
Realized and unrealized investment gains	(20,893)	(244,027)
Change in charitable and perpetual trusts	(754,995)	150,514
Contributions restricted for long term purposes, net	(5,634,273)	(907,135)
Amortization of discount on promises to give	(9,448)	(32,467)
Loss on disposal of equipment	29,657	22,647
Changes in operating assets and liabilities:		
Other current assets	(38,201)	27,780
Accounts payable	(32,211)	(258,083)
Accrued expenses and other liabilities	81,744	296,598
Deferred membership revenue	49,389	69,952
Net cash provided by operating activities	4,950,765	3,237,301
Investing activities		
Purchase of property and equipment	(2,080,101)	(2,042,567)
Proceeds from disposal of property and equipment	50,231	134
Purchases of investments	(1,507,628)	(1,157,099)
Sales of investments	1,636,629	1,024,591
Change in restricted cash	(1,153,354)	77,508
Net cash used in investing activities	(3,054,223)	(2,097,433)
Financing activities		
Cash contributions restricted for long-term purposes	1,030,669	2,053,357
Payments on notes payable and capital lease	(915,490)	(1,482,985)
Net cash provided by financing activities	115,179	570,372
Net increase in cash and cash equivalents	2,011,721	1,710,240
Cash and cash equivalents, beginning of year	7,468,758	5,758,518
Cash and cash equivalents, end of year	$ 9,480,479	$ 7,468,758
Noncash investing activity		
Purchase of property and equipment included in accounts payable	$ -	$ 297,603
Supplemental cash flow information		
Cash paid for interest	$ 25,952	$ 51,704

The accompanying notes are an integral part of these consolidated financial statements.

Notes to consolidated financial statements

Note A – Summary of significant accounting policies

The Cheyenne Mountain Zoological Society (the "Society") owns and operates the Cheyenne Mountain Zoo which is located in Colorado Springs, Colorado. A leader in conservation, captive breeding and animal care, the Society connects people with wildlife and wild places through experiences that inspire action. As a leader in the community, its purpose is to educate people and provide first-class animal experiences that bring people into the awe and wonder of animals and the natural world resulting in action toward the environment.

The Society established the Cheyenne Mountain Zoo Endowment Fund (the "Foundation") as a supporting organization. It operates as a foundation and was organized solely for the benefit of the Society.

The Society's programs are described as follows:

- Animal management: To house and display an animal collection for the cultural and recreational benefit of the general public, and to provide assistance for species in peril by lost habitat.

- Education: Provide educational programs designed to foster an appreciation and respect for animals and to educate the community on the ecosystems of the world.

Principles of consolidation

The consolidated financial statements include the accounts of the Society and the Foundation (collectively referred to as the "Organization"). The Foundation is consolidated since the Society has both an economic interest in and control over the Foundation. All inter-organizational transactions have been eliminated in consolidation.

Basis of presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Note A – Summary of significant accounting policies (continued)

Contributions (continued)

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of furnishings and equipment as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire furnishings and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Cash and cash equivalents

The Organization considers all unrestricted and undesignated highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash restricted for capital expansion and improvements consists of cash received from donors with donor-imposed restrictions. Cash and cash equivalents held and managed as investments are classified as investments.

Investments

Investments are carried at fair value. Investments in mutual funds, corporate bonds and U.S. treasuries are reported at quoted market prices. Realized and unrealized gains and losses are reflected in the consolidated statements of activity. Earnings on restricted investments are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the earnings are recognized. All other earnings on donor restricted investments are recognized as an increase in temporarily restricted net assets according to the nature of the restrictions on the original gift. When a donor restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Inventory

Inventory is recorded at the lower of cost or market using the first-in, first-out method. Inventory is included in other current assets on the consolidated statements of financial position.

Promises to give, net

Unconditional promises to give are recognized as support and assets in the period received. Promises to give are recorded at net realizable value if expected to be collected within one year and at the present value of estimated future cash flows if expected to be collected in more than one year. The discounts on these amounts are computed using a risk adjusted discount rate applicable to the year in which the promise is received (3.0% and 3.5% during the years ended April 30, 2016 and 2015, respectively). Amortization of the discount is included in contribution revenue. Management provides for estimated uncollectable amounts through an allowance for uncollectable promises to give based on an assessment of the current status of individual receivables. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Note A – Summary of significant accounting policies (continued)

Property and equipment, net

Property and equipment are capitalized at cost, or if donated, at their fair value on the date of the donation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets which are generally 3 to 30 years.

The Organization's general policy is to capitalize acquisitions of property and equipment in excess of $5,000 which have a useful life exceeding one year. Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred.

Asset retirement obligations

Asset retirement obligations generally apply to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction or development and the normal operation of a long-lived asset. Accounting standards require the fair value of a liability for an asset retirement obligation to be recognized in the period in which it is incurred or a change in estimate occurs if a reasonable estimate of fair value can be made. Certain of the Organization's facilities may contain asbestos that would have to be removed if such facilities were to be demolished or undergo a major renovation. The Organization cannot reasonably estimate the fair value of the liability for asbestos removal and accordingly has not recorded an asset retirement obligation for these matters.

In-kind contributions

The Organization received contributed goods and services of approximately $235,471 and $118,862 for the years ended April 30, 2016 and 2015, respectively. Contributed goods and services consisted primarily of animal related services and are included with expenses. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, which are not recorded as they did not create or enhance a non-financial asset and were not performed by volunteers with specialized skills that would typically be purchased.

Animal collection

In accordance with industry practice, no amounts have been recorded for the animal collections as there is no objective basis for establishing value. Additionally, animal collections have numerous attributes, including species, age, sex, relationship and value to other animals, endangered status, and breeding potential, whereby it is impracticable to assign value. Accordingly, acquisitions are recorded as expenditures in the period of acquisition.

Advertising

The Organization expenses advertising costs as they are incurred. Such costs amounted to $364,159 and $303,501 for the years ended April 30, 2016 and 2015, respectively.

Functional allocation of expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note A – Summary of significant accounting policies (continued)

Tax status

The Society and The Foundation are nonprofit organizations, exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and are not private foundations under Section 509(a)(2). In addition, the Organization qualifies for the charitable contribution deduction.

The Organization believes that it does not have any uncertain tax positions that are material to the financial statements. Tax years that remain subject to examination include 2011 through the current period.

Use of estimates

Preparation of the Organization's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Note B – Promises to give, net

Unconditional promises to give are as follows:

	As of April 30, 2016
Year ending April 30,	
2017	$ 822,200
2018	872,739
2019	756,039
2020	241,641
2021 - 2026	3,000,120
Total	5,692,739
Less discount on promises to give	(704,595)
Less allowance for uncollectable promises to give	(104,000)
Total	$ 4,884,144

At April 30, 2016, amounts due from related parties amounted to $1,086,290.

Note C – Contributions receivable from trusts

The Organization is a beneficiary under a charitable remainder trust, for which a local bank serves as the trustee and made annual distributions to the lead beneficiary. The distributions were to continue for the lifetime of the lead beneficiary. In November 2015, such lead beneficiary passed away and the Organization's share of the assets was not yet received as of April 30, 2016. In addition, the Organization was notified that it is the beneficiary of a portion of a second related trust with the same lead beneficiary. The total amount from both trusts to be distributed to the Organization as of April 30, 2016 is estimated to be $1,004,014. This amount is classified as permanently restricted in accordance with the donor's intent.

Note D – Investments and fair value measurements

Generally accepted accounting principles require the Organization to use a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical investments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1
Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2
Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3
Prices determined using significant unobservable inputs.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note D – Investments and fair value measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's financial instruments at fair value:

	As of April 30, 2016			
	Fair value	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets				
Investments:				
Domestic equity mutual funds	$ 2,049,820	$ 2,049,820	$ -	$ -
International equity mutual funds	431,668	431,668	-	-
Fixed income mutual funds	1,199,456	1,199,456	-	-
Money market accounts	529,967	529,967	-	-
Corporate bonds	571,921	571,921	-	-
U.S. treasuries	575,346	575,346	-	-
Total investments	5,358,178	5,358,178	-	-
Contribution receivable from trusts	1,004,014	-	1,004,014	-
Beneficial interest in perpetual trust	127,028	-	127,028	-
Total	$ 6,489,220	$ 5,358,178	$ 1,131,042	$ -

	As of April 30, 2015			
	Fair value	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets				
Investments:				
Domestic equity mutual funds	$ 2,093,699	$ 2,093,699	$ -	$ -
International equity mutual funds	494,672	494,672	-	-
Fixed income mutual funds	2,730,414	2,730,414	-	-
Money market accounts	147,501	147,501	-	-
Total investments	5,466,286	5,466,286	-	-
Contribution receivable from charitable remainder trust	231,093	-	-	231,093
Beneficial interest in perpetual trust	144,954	-	144,954	-
Total	$ 5,842,333	$ 5,466,286	$ 144,954	$ 231,093

The Organization did not have any Level 3 investments as of April 30, 2016. The contribution receivable from charitable remainder trust transferred from Level 3 to Level 2 as a result of the death of the beneficiary in November 2015.

Note D – Investments and fair value measurements (continued)

Investment income consists of the following for the years ended April 30, 2016 and 2015:

	During the year ending April 30,	
	2016	2015
Interest and dividends	$ 137,253	$ 111,283
Realized and unrealized gains on investments	20,893	244,027
Total	$ 158,146	$ 355,310

Note E – Property and equipment

Property and equipment consist of the following:

	As of April 30,	
	2016	2015
Buildings and exhibits	$ 51,754,101	$ 48,274,316
Land improvements	3,350,672	3,350,672
Furniture and equipment	1,450,521	1,442,544
Vehicles	328,292	329,331
Land	61,849	61,849
Construction in progress	258,653	2,102,491
	$ 57,204,088	$ 55,561,203
Less accumulated depreciation	(25,353,224)	(22,918,594)
Total	$ 31,850,864	$ 32,642,609

Note F – Beneficial interest in perpetual trust

The Organization is a beneficiary of a charitable trust whose principal is to be held in perpetuity. The Organization's share of the fair value of this trust totaled $127,028 and $144,954 at April 30, 2016 and 2015, respectively. Fair value in the trust is determined primarily based on the Organization's proportionate share of the fair value of the underlying assets of the trust. Fair value of the underlying assets is determined using quoted market prices and pricing services.

Note G – Line of credit

The Organization has a $750,000 revolving credit agreement with a bank which expires on October 1, 2016. The line of credit bears interest at the bank's prime lending rate less one percent and is unsecured. The Organization had no borrowings on the revolving credit agreement at April 30, 2016 or 2015.

Note H – Notes payable and capital lease

Notes payable and capital lease consist of the following:

	As of April 30, 2016	As of April 30, 2015
Note payable to a financial institution bearing interest at 2.14%, with monthly interest payments through December 31, 2015 at which time the principal was due in full. The note was secured by property and equipment.	$ -	$ 600,000
Note payable to a financial institution bearing interest at 2.43%, due in monthly principal and interest payments of $27,341 through May 2018. The note is secured by property and equipment.	665,612	973,136
Capital lease to a company for equipment, due in monthly principal and interest payments of $747 through October 2018 at an effective interest rate of 3.94%	20,616	28,582
Total	$ 686,228	$ 1,601,718

Required annual minimum principal payments on the above notes and lease are as follows:

	Year ended April 30, 2016
2017	$ 323,498
2018	331,689
2019	31,041
	$ 686,228

Note I – Restricted net assets

Temporarily restricted net assets are available for the following purposes:

	As of April 30, 2016	As of April 30, 2015
Capital expansion and improvement	$ 7,380,063	$ 1,002,319
Other	5,173	18,796
Total	$ 7,385,236	$ 1,021,115

Permanently restricted net assets consist of the Organization's beneficial share of the fair value of the perpetual trust totaling $127,028 and $144,954, the Foundation's beneficial share of the fair value of the contributions receivable from trusts totaling $1,004,014 and $231,093, and the Foundation's endowment funds totaling $583,334 and $563,334 at April 30, 2016 and 2015, respectively.

Note J – Concentrations

Certain financial instruments potentially subject the Organization to concentrations of credit risk. These financial instruments consist primarily of cash and deposits with financial institutions in excess of insurance coverage. Management does not believe that the Organization is exposed to any significant interest rate or other financial risk as a result of these deposits.

For promises to give, the total of all individual donors with more than 10% of the total outstanding balance represented 78% and 67% of the Organization's total balances at April 30, 2016 and 2015, respectively.

Note K – Endowment funds

The Organization's endowment consists of three individual funds established for a variety of purposes. The endowment includes both donor-related endowment funds and funds designated by the Board of Directors to function as endowments. As required by auditing standards generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Colorado adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Note K – Endowment funds (continued)

Endowment net asset composition by type of fund is as follows:

	As of April 30, 2016			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$ -	$ -	$ 1,714,376	$ 1,714,376
Board-designated endowment funds	2,907,900	-	-	2,907,900
Total funds	$ 2,907,900	$ -	$ 1,714,376	$ 4,622,276

	As of April 30, 2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$ -	$ -	$ 939,381	$ 939,381
Board-designated endowment funds	3,040,949	-	-	3,040,949
Total funds	$ 3,040,949	$ -	$ 939,381	$ 3,980,330

Changes to endowment net assets by type of fund were as follows:

	Year ended April 30, 2016			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, Beginning of year	$ 3,040,949	$ -	$ 939,381	$ 3,980,330
Investment return				
Investment loss	(95,733)	-	(17,926)	(113,659)
Net appreciation realized and unrealized and change in discount rate	-	-	240,354	240,354
Total investment return	(95,733)	-	222,428	126,695
Contributions	130,856	-	552,567	683,423
Appropriation of endowment assets for expenditures	(168,172)	-	-	(168,172)
Endowment net assets, end of year	$ 2,907,900	$ -	$ 1,714,376	$ 4,622,276

Note K – Endowment funds (continued)

	Year ended April 30, 2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, Beginning of year	$ 2,720,229	$ -	$ 1,069,621	$ 3,789,850
Investment return				
Investment income	189,391	72,307	-	261,698
Net appreciation realized and unrealized and change in discount rate	-	-	(150,515)	(150,515)
Total investment return	189,391	72,307	(150,515)	111,183
Contributions	200,000	-	20,275	220,275
Appropriation of endowment assets for expenditures	(68,671)	(72,307)	-	(140,978)
Endowment net assets, end of year	$ 3,040,949	$ -	$ 939,381	$ 3,980,330

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of 5% over the inflation rate annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Subject to UPMIFA, the Organization currently has a policy of appropriating for distribution each year 5% of a twelve quarter trailing average of the market value of the Foundation investments calculated on March 31 of each year.

Note L – Commitments and contingencies

The Organization is involved in legal actions in the ordinary course of its business. Management believes that there is no pending legal proceeding against or involving the Organization for which the outcome is likely to have a material adverse effect upon the Organization's consolidated financial position or results.

Note M - Subsequent events

The Organization has evaluated subsequent events for recognition or disclosure through July 13, 2016, the date the financial statements were available for issuance. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

SUPPLEMENTAL CONSOLIDATING SCHEDULES

Cheyenne Mountain Zoological Society and
Cheyenne Mountain Zoo Endowment Fund

Supplemental consolidating schedule of activities

	For the year ended April 30, 2016										
	Cheyenne Mountain Zoological Society			Cheyenne Mountain Zoo Endowment				Consolidated			
	Unrestricted	Temporarily restricted	Permanently restricted	Unrestricted	Temporarily restricted	Permanently restricted	Eliminations (unrestricted)	Unrestricted	Temporarily restricted	Permanently restricted	Total
Admissions	$ 6,206,556	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,206,556	$ -	$ -	$ 6,206,556
Contributions	1,046,024	7,063,913	-	130,856	-	552,567	-	1,176,880	7,063,913	552,567	8,793,360
Membership	2,022,621	-	-	-	-	-	-	2,022,621	-	-	2,022,621
Auxiliary activities:											
Visitor services	1,852,455	-	-	-	-	-	-	1,852,455	-	-	1,852,455
Food and merchandise	1,184,893	-	-	-	-	-	-	1,184,893	-	-	1,184,893
Other auxiliary activities	888,969	-	-	-	-	-	-	888,969	-	-	888,969
Other	59,294	-	(17,926)	(95,733)	-	240,354	-	(36,439)	-	222,428	185,989
Insurance proceeds	183,709	-	-	-	-	-	-	183,709	-	-	183,709
Distributions to society from endowment	168,172	-	-	-	-	-	(168,172)	-	-	-	-
Net assets released from restrictions:											
For operations	5,532	(5,532)	-	-	-	-	-	5,532	(5,532)	-	-
For capital assets	694,260	(694,260)	-	-	-	-	-	694,260	(694,260)	-	-
Total	14,312,485	6,364,121	(17,926)	35,123	-	792,921	(168,172)	14,179,436	6,364,121	774,995	21,318,552
Animal management	8,531,479	-	-	-	-	-	-	8,531,479	-	-	8,531,479
Education	1,479,879	-	-	-	-	-	-	1,479,879	-	-	1,479,879
General and administrative	1,045,118	-	-	-	-	-	-	1,045,118	-	-	1,045,118
Advertising and marketing	854,213	-	-	-	-	-	-	854,213	-	-	854,213
Development and fundraising	622,222	-	-	-	-	-	-	622,222	-	-	622,222
Distributions to Society from endowment	-	-	-	168,172	-	-	(168,172)	-	-	-	-
Total	12,532,911	-	-	168,172	-	-	(168,172)	12,532,911	-	-	12,532,911
Change in net assets	$ 1,779,574	$ 6,364,121	$ (17,926)	$ (133,049)	$ -	$ 792,921	$ -	$ 1,646,525	$ 6,364,121	$ 774,995	$ 8,785,641

Cheyenne Mountain Zoological Society and
Cheyenne Mountain Zoo Endowment Fund

Supplemental consolidating schedule of activities

	For the year ended April 30, 2015										
	Cheyenne Mountain Zoological Society			Cheyenne Mountain Zoo Endowment				Consolidated			
	Unrestricted	Temporarily restricted	Permanently restricted	Unrestricted	Temporarily restricted	Permanently restricted	Eliminations (unrestricted)	Unrestricted	Temporarily restricted	Permanently restricted	Total
Admissions	$ 5,566,553	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,566,553	$ -	$ -	$ 5,566,553
Contributions	838,633	907,260	-	200,000	-	20,275	-	1,038,633	907,260	20,275	1,966,168
Membership	1,885,061	-	-	-	-	-	-	1,885,061	-	-	1,885,061
Auxiliary activities:											
Visitor services	1,543,059	-	-	-	-	-	-	1,543,059	-	-	1,543,059
Food and merchandise	1,035,959	-	-	-	-	-	-	1,035,959	-	-	1,035,959
Other auxiliary activities	750,766	-	-	-	-	-	-	750,766	-	-	750,766
Other	66,488	-	1,894	189,391	72,307	(152,409)	-	255,879	72,307	(150,515)	177,671
Insurance proceeds	220,128	-	-	-	-	-	-	220,128	-	-	220,128
Distributions to society from endowment	140,978	-	-	-	-	-	(140,978)	-	-	-	-
Net assets released from restrictions:											
For operations	14,541	(14,541)	-	72,307	(72,307)	-	-	86,848	(86,848)	-	-
For capital assets	1,718,195	(1,718,195)	-	-	-	-	-	1,718,195	(1,718,195)	-	-
Total	13,780,361	(825,476)	1,894	461,698	-	(132,134)	(140,978)	14,101,081	(825,476)	(130,240)	13,145,365
Animal management	7,637,138	-	-	-	-	-	-	7,637,138	-	-	7,637,138
Education	1,389,453	-	-	-	-	-	-	1,389,453	-	-	1,389,453
General and administrative	900,153	-	-	-	-	-	-	900,153	-	-	900,153
Advertising and marketing	800,715	-	-	-	-	-	-	800,715	-	-	800,715
Development and fundraising	608,025	-	-	-	-	-	-	608,025	-	-	608,025
Distributions to Society from endowment	-	-	-	140,978	-	-	(140,978)	-	-	-	-
Total	11,335,484	-	-	140,978	-	-	(140,978)	11,335,484	-	-	11,335,484
Change in net assets	$ 2,444,877	$ (825,476)	$ 1,894	$ 320,720	$ -	$ (132,134)	$ -	$ 2,765,597	$ (825,476)	$ (130,240)	$ 1,809,881