



**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidated Financial Statements and Schedules

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

(With Independent Auditors' Report Thereon)



KPMG LLP  
345 Park Avenue  
New York, NY 10154

## **Independent Auditors' Report**

The Board of Trustees  
Wildlife Conservation Society:

We have audited the accompanying consolidated financial statements of Wildlife Conservation Society and subsidiaries, which comprise the consolidated balance sheet as of June 30, 2013, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated 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 U.S. generally accepted accounting principles; 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 audit. We conducted our audit 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 from 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 auditors' 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 Wildlife Conservation Society and subsidiaries as of June 30, 2013, and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



### **Report on Summarized Comparative Information**

We have previously audited Wildlife Conservation Society and subsidiaries' 2012 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 17, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information included in Schedules 1 and 2 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.

*KPMG LLP*

October 21, 2013

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidated Balance Sheet

June 30, 2013

(with summarized financial information as of June 30, 2012)

<b>Assets</b>	<b>2013</b>	<b>2012</b>
Cash and cash equivalents	\$ 57,150,966	67,149,396
Accounts receivable	5,919,927	3,702,738
Receivable from the City of New York (note 14)	12,365,961	11,947,450
Receivable from the State of New York	5,290,220	5,048,136
Receivable from Federal sources	23,614,909	28,809,581
Grants and contributions receivable, net (note 7)	57,903,993	60,342,381
Inventories, at lower of cost or market	2,166,037	2,067,326
Prepaid expenses and deferred charges (note 10)	4,401,063	4,382,727
Investments (notes 3 and 4)	420,636,241	381,466,232
Amounts held in trust by others (note 3)	2,032,225	2,029,664
Funds held by bond trustee (notes 3 and 10)	21,434,711	9,992
Property and equipment (note 8)	229,686,673	231,305,069
Collections (note 13)		
Total assets	\$ 842,602,926	798,260,692
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses (notes 11 and 12)	\$ 32,888,843	33,485,508
Annuity liability	3,986,197	3,564,651
Bonds payable (note 10)	92,446,641	66,520,032
Postretirement benefit obligation (note 12)	29,989,573	35,382,663
Total liabilities	159,311,254	138,952,854
Commitments and contingencies (notes 9, 12, and 14)		
Net assets (note 5):		
Unrestricted:		
General operating	—	1,741,253
Board designated	122,817,995	114,104,364
Net investment in property and equipment	158,674,743	164,795,029
Total unrestricted	281,492,738	280,640,646
Temporarily restricted (note 6)	173,840,620	150,600,364
Permanently restricted (note 6)	227,958,314	228,066,828
Total net assets	683,291,672	659,307,838
Total liabilities and net assets	\$ 842,602,926	798,260,692

See accompanying notes to consolidated financial statements.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidated Statement of Activities

Year ended June 30, 2013

(with comparative summarized financial information for the year ended June 30, 2012)

	Unrestricted			Temporarily restricted	Permanently restricted	2013 Total	2012 Total	
	General	Board- designated	Plant					Total unrestricted
Revenues:								
Contributions	\$ 7,187,036	—	—	7,187,036	54,692,938	100,000	61,979,974	56,450,150
Bequests	—	3,628,246	—	3,628,246	910,122	—	4,538,368	27,321,329
Membership dues	14,182,350	—	—	14,182,350	—	—	14,182,350	13,886,572
Appropriation from the City of New York (note 14)	22,073,307	—	—	22,073,307	7,098,903	—	29,172,210	35,314,888
State of New York grants and contracts	—	—	—	—	3,425,360	—	3,425,360	3,200,634
Federal grants and contracts	—	—	—	—	24,813,184	—	24,813,184	27,666,400
Other grants	—	—	—	—	28,733,267	—	28,733,267	12,481,354
Gate and exhibit admissions	31,352,684	800,000	—	32,152,684	—	—	32,152,684	34,848,965
Investment return (note 4)	13,318,230	9,231,072	—	22,549,302	8,987,249	—	31,536,551	(11,638,913)
Educational program and activities	2,206,284	—	—	2,206,284	—	—	2,206,284	2,524,966
Sponsorship, licensing, and royalties	745,358	—	—	745,358	—	—	745,358	1,664,083
Insurance proceeds (note 15)	3,003,634	—	—	3,003,634	—	—	3,003,634	—
Miscellaneous	2,879,792	—	—	2,879,792	—	—	2,879,792	3,886,045
	<u>96,948,675</u>	<u>13,659,318</u>	<u>—</u>	<u>110,607,993</u>	<u>128,661,023</u>	<u>100,000</u>	<u>239,369,016</u>	<u>207,606,473</u>
Restaurant and merchandise sales and parking fees	25,430,116	—	—	25,430,116	—	—	25,430,116	26,560,081
Net assets released from restrictions and designations (note 6)	98,522,114	(2,357,732)	10,023,857	106,188,239	(105,979,725)	(208,514)	—	—
Total revenues	<u>220,900,905</u>	<u>11,301,586</u>	<u>10,023,857</u>	<u>242,226,348</u>	<u>22,681,298</u>	<u>(108,514)</u>	<u>264,799,132</u>	<u>234,166,554</u>
Expenses and losses:								
Program services:								
Bronx Zoo	51,859,499	—	9,058,660	60,918,159	—	—	60,918,159	58,742,708
New York Aquarium	13,392,831	—	2,232,362	15,625,193	—	—	15,625,193	14,062,250
City Zoos	19,612,300	—	1,891,719	21,504,019	—	—	21,504,019	21,079,234
Global Conservation Programs	86,017,518	—	1,388,500	87,406,018	—	—	87,406,018	91,534,005
Lower Bronx River Habitat Conservation	603,512	—	—	603,512	—	—	603,512	1,027,214
Total program services	<u>171,485,660</u>	<u>—</u>	<u>14,571,241</u>	<u>186,056,901</u>	<u>—</u>	<u>—</u>	<u>186,056,901</u>	<u>186,445,411</u>
Plant asset write-off (note 15)	—	—	7,612,258	7,612,258	—	—	7,612,258	—

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidated Statement of Activities

Year ended June 30, 2013

(with comparative summarized financial information for the year ended June 30, 2012)

	Unrestricted			Total unrestricted	Temporarily restricted	Permanently restricted	2013 Total	2012 Total
	General	Board- designated	Plant					
Restaurant, merchandise, and parking expenses	\$ 16,052,595	—	1,352,381	17,404,976	—	—	17,404,976	18,278,678
Supporting services:								
Management and general	23,466,464	—	2,035,545	25,502,009	—	—	25,502,009	24,512,528
Membership solicitation and fulfillment	2,706,882	—	79,758	2,786,640	—	—	2,786,640	2,539,909
Fund-raising	6,166,844	—	2,153	6,168,997	—	—	6,168,997	6,146,501
Total supporting services	32,340,190	—	2,117,456	34,457,646	—	—	34,457,646	33,198,938
Total expenses and losses	219,878,445	—	25,653,336 *	245,531,781	—	—	245,531,781	237,923,027
Plant renewal funding	(2,055,522)	2,055,522	—	—	—	—	—	—
(Deficiency) excess of revenues over expenses and plant renewal funding	(1,033,062)	13,357,108	(15,629,479)	(3,305,433)	22,681,298	(108,514)	19,267,351	(3,756,473)
Other changes:								
Postretirement-related change other than net periodic postretirement benefit cost (note 12)	5,560,300	—	—	5,560,300	—	—	5,560,300	(7,544,480)
Other	(1,402,775)	—	—	(1,402,775)	558,958	—	(843,817)	—
Other transfers	(4,865,716)	(4,643,477)	9,509,193	—	—	—	—	—
Changes in net assets	(1,741,253)	8,713,631	(6,120,286)	852,092	23,240,256	(108,514)	23,983,834	(11,300,953)
Net assets at beginning of year	1,741,253	114,104,364	164,795,029	280,640,646	150,600,364	228,066,828	659,307,838	670,608,791
Net assets at end of year	\$ —	122,817,995	158,674,743	281,492,738	173,840,620	227,958,314	683,291,672	659,307,838

\* Represents depreciation expense and write-off of plant assets.

See accompanying notes to consolidated financial statements.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidated Statement of Cash Flows

Years ended June 30, 2013

(with comparative summarized financial information for the year ended June 30, 2012)

	<b>2013</b>	<b>2012</b>
Cash flows from operating activities:		
Changes in net assets	\$ 23,983,834	(11,300,953)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	18,041,078	19,204,029
Plant asset write-off	7,612,258	—
Effect of bond refunding	1,402,775	—
Amortization of bond issuance costs	50,843	22,627
Amortization of bond premium	(459,838)	(34,316)
Net (appreciation) depreciation in fair value of investments	(32,435,543)	11,736,810
Postretirement-related change other than net periodic postretirement benefit cost	(5,560,300)	7,544,480
Increase in value of amounts held in trust by others	(2,561)	(345,492)
Endowment contributions	(100,000)	(20,315,919)
Contributions and grants restricted for capital	(699,735)	(7,785,741)
(Increase) decrease in accounts receivable	(2,217,189)	333,876
(Increase) decrease in receivable from the City of New York	(1,722,498)	1,728,140
(Increase) decrease in receivable from the State of New York	(26,084)	106,533
Decrease in receivable from Federal sources	5,192,223	2,385,544
Increase in grants and contributions receivable	(17,558,154)	(1,232,086)
(Increase) decrease in inventories	(98,711)	22,552
Decrease in prepaid expenses and deferred charges	813,719	1,359,811
(Decrease) increase in accounts payable and accrued expenses	(573,184)	3,470,947
Increase (decrease) in postretirement benefit obligation	167,210	(512,998)
Total adjustments	(28,173,691)	17,688,797
Net cash (used in) provided by operating activities	(4,189,857)	6,387,844
Cash flows from investing activities:		
Proceeds from sales of investments	112,151,993	99,406,940
Purchases of investments	(118,886,459)	(84,304,747)
Acquisition of property and equipment	(24,034,940)	(25,140,336)
Increase in accounts payable and accrued expenses for construction projects	1,265,363	2,258,858
Net cash used in investing activities	(29,504,043)	(7,779,285)
Cash flows from financing activities:		
Contributions and grants restricted for capital	699,735	7,785,741
Endowment contributions	100,000	20,315,919
Decrease in receivable from government sources for capital expenditure	1,090,436	312,363
Increase in contributions and grants receivable for capital	(3,458)	(7,318,092)
Decrease (increase) in contributions receivable restricted for endowment	20,000,000	(19,700,000)
(Increase) decrease in funds held by bond trustee	(21,424,719)	241
Bond issuance costs	(1,536,211)	—
Proceeds from issuance of bonds payable	92,906,479	—
Repayment of bonds payable	(68,558,338)	—
Increase in annuity liability, net	421,546	220,933
Net cash provided by financing activities	23,695,470	1,617,105
Net (decrease) increase in cash and cash equivalents	(9,998,430)	225,664
Cash and cash equivalents at beginning of year	67,149,396	66,923,732
Cash and cash equivalents at end of year	\$ 57,150,966	67,149,396
Supplemental disclosure:		
Interest paid	\$ 3,112,775	3,112,775

See accompanying notes to consolidated financial statements.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

**(1) The Organization**

The accompanying consolidated financial statements present the financial position, changes in net assets, and cash flows of the Wildlife Conservation Society (WCS) and its affiliates and wholly owned subsidiaries.

WCS is a New York not-for-profit corporation founded and incorporated in 1895 as the *New York Zoological Society*. The Internal Revenue Service (the Service) has determined that WCS is an organization described in Sections 501(c)(3), 170(b)(1)(A)(vi), and 509(a)(1) of the Internal Revenue Code (the Code) and is exempt from Federal income tax under Section 501(a) of the Code. WCS is dedicated to saving wildlife and preserving wild lands. That mission is achieved through careful science, global conservation, education, and the management of the world's largest system of urban wildlife parks – the Bronx Zoo; the New York Aquarium; and the Central Park, Queens, and Prospect Park Zoos (the City Zoos). WCS has formed various corporate entities from time to time to enable it to carry out its mission more effectively and efficiently.

The following are descriptions of the affiliates and wholly owned subsidiaries of WCS reflected in the accompanying consolidated financial statements:

Conservation Livelihoods International LLC (CLI) is a Delaware limited liability company whose sole member is WCS. CLI is a nonprofit entity formed to support, assist, and/or undertake programs, projects, and activities in communities around the world, including through participation in the ownership and management of economic development enterprises that foster and promote wildlife conservation and sustainable natural resource uses and management, through the promotion of human livelihoods that are compatible with the conservation and protection of the natural environment, and to carry on any lawful purpose or activity, that is in furtherance of the charitable, scientific, literary, and educational purposes of its sole member (WCS), within the meaning of Section 501(c)(3) of the Code and that a limited liability company may carry on under Delaware law. CLI is one of three guarantors of Community Markets for Conservation Limited (COMACO Ltd), a Zambian company limited by guarantee. The purpose of COMACO Ltd is to operate on a nonprofit basis to promote food security, rural income, and sustainable land use practices and development in areas affected by the need for wildlife and habitat conservation and protection of the natural environment.

Makira Carbon Company LLC (MCC) is a Delaware limited liability company whose sole member is WCS. MCC is to act as a nonprofit agent for the Government of Madagascar in transactions by the Government involving offsets of carbon dioxide emissions from the Makira Forest in Madagascar, to reduce carbon dioxide emission and support conservation of the Makira Forest.

Professional Housing Corporation (PHC) is a nonprofit, nonstock corporation incorporated in the State of Delaware whose sole member is WCS. PHC was exempt from Federal income tax as a title holding company under Section 501(c)(2) of the Code through November 15, 2010. The purpose of PHC is to own, maintain, and operate residential real estate for the benefit of WCS.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

Tierras LLC is a Delaware single-member limited liability company whose sole member is WCS. The purpose of Tierras LLC is to carry on wildlife and land conservation on certain lands in Chile held indirectly through wholly owned subsidiaries.

Tierra De Guanacos LLC is a Delaware limited liability company whose sole member is Tierras LLC. It was formed to carry on wildlife and land conservation in Chile, including through Tierra de Guanacos LLC Uno Limitada and Tierra de Guanacos LLC Dos Limitada.

Tierra De Truchas LLC is a Delaware limited liability company whose sole member is Tierras LLC. It was formed to carry on wildlife and land conservation in Chile, including through Tierra de Guanacos LLC Uno Limitada and Tierra de Guanacos LLC Dos Limitada.

Tierra de Guanacos LLC Uno Limitada is a Chilean limited liability company that holds real property for wildlife conservation purposes in Chile, and has as its members Tierra de Guanacos LLC and Tierras de Truchas LLC.

Tierra de Guanacos LLC Dos Limitada is a Chilean limited liability company that holds real property for wildlife conservation purposes in Chile, and has as its members Tierra de Guanacos LLC and Tierras de Truchas LLC.

WCS-Associação Conservação da Vida Silvestre (WCS do Brazil) is a not-for-profit civil association organized and tax-exempt under the law of the State of Rio de Janeiro, Brazil. The members of WCS do Brazil are WCS and representatives of WCS. WCS do Brazil operates principally in Brazil to promote animal wildlife conservation and education.

WCS Wildlife Conservation Society Canada (WCSC) is a corporation without share capital incorporated under the Canada Corporations Act whose sole member is WCS. WCSC is a tax-exempt registered charity under paragraph 149(1)(f) of the Income Tax Act (Canada). The purpose of WCSC, which operates principally in Canada, is the protection and conservation of wildlife and wild lands and the promotion of understanding thereof.

WCS Europe is a charitable company limited by guarantee formed under the law of England and Wales whose sole member is WCS. The objectives of WCS Europe are, for the public benefit and in any part of the world, to promote: (a) the protection and conservation of the natural environment, its flora and fauna and in particular the preservation of wild places and wildlife; (b) education and instruction of the public regarding the protection and conservation of the natural environment and related subjects; and (c) all other objectives, which are exclusively charitable under the law of England and Wales.

Wildlife Conservation Society Singapore Limited (WCS Singapore) is a public company limited by guarantee formed under Singapore law, whose members are WCS Singapore and two WCS employees. WCS Singapore has been established for charitable, educational, and conservation purposes and has as its objectives the protection and conservation of the natural environment, its flora and fauna, and, in particular, the preservation of wildlife and wild places in Singapore and anywhere in the world.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

Wildlife Conservation and Science (Malaysia) Bhd (WCS Malaysia) is a company limited by guarantee incorporated under Malaysian law. Currently five out of the six members of WCS Malaysia are WCS employees. WCS Malaysia was formed as Baram Wildlife Conservation Bhd in 2004. WCS Malaysia changed its name to its current name in May 2009 and became active in February 2010. The objectives of WCS Malaysia are charitable, educational, and scientific and conservation nonprofit objectives and purposes within the meaning of Malaysian law and, without limitation, include, anywhere in the world, the support and promotion of, and participation in, the protection and conservation of wildlife and wild places.

Wild Lands Conservation Society (WLCS) is a nonprofit, nonstock corporation incorporated in the State of Delaware whose sole member is WCS. The Service has determined that WLCS is exempt from Federal income tax as an organization described in Section 501(c)(3) of the Code. WLCS is not operational.

Zoological Kingdom, Inc. (ZK) is a New York not-for-profit corporation. The Service has determined that ZK is exempt from Federal income tax as an organization described in Sections 501(c)(3) and 509(a)(3) of the Code. ZK is not operational.

182 Flight Corp. (182 FC) is a Delaware nonprofit, nonstock corporation, whose sole member is WCS. The purpose of 182 FC is to own, maintain, and operate aircraft and to assist in the operation of environmental education and conservation programs. 182 FC is not tax-exempt.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. All intercompany transactions have been eliminated in consolidation.

**(b) Use of Estimates**

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include net realizable value of receivables, the fair value of alternative investments, postretirement benefit obligations and related costs, and functional allocation of expenses. Actual results could differ from those estimates.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

**(c) Basis of Presentation**

WCS's net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of WCS and changes therein are classified and reported as follows:

*Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations. WCS delineates unrestricted net assets into the following categories:

General operating – Represents operating activity exclusive of depreciation expense, inclusive of the investment return allocated for spending based on WCS's spending rate, and transfers between general operating and board-designated;

Board-designated – Represents amounts designated by the board of trustees, principally for long-term investment, and transfers to and from general operating and net investment in property and equipment (Plant); and

Net investment in property and equipment (Plant) – Represents property (land, buildings, and exhibits) and equipment and associated activities.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of WCS and/or the passage of time.

*Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by WCS. Generally, the donors of these assets permit WCS to use all or part of the return on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated pledge period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**(d) Fair Value**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

The three levels in the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that WCS has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities. Alternative investments, which can be redeemed at net asset value at or near the balance sheet date (within 90 days), are included in Level 2.

Level 3 inputs are unobservable inputs for the assets or liabilities, as well as these alternative investments that are not redeemable at net asset value at or near the balance sheet date.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement.

At June 30, 2013, the carrying value of WCS's cash equivalents, receivables, prepaid expenses and deferred charges, and accounts payable and accrued expenses approximates their fair values because of the terms and relatively short maturities of these financial instruments. The estimated fair values, however, involve unobservable inputs considered to be Level 3 in the fair value hierarchy.

**(e) Contributions**

Contributions, including unconditional promises to give, are recognized initially at fair value as revenues in the period received. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions). Contributions to be received after one year are discounted using a risk-adjusted rate, which is considered to be a Level 3 input in the fair value hierarchy. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted, if necessary. Amortization of the discount is recorded as additional contribution revenue.

**(f) Grants and Contracts**

WCS accounts for its grants and contracts, including those from Federal and other governmental sources, as contributions. As such, awards which are obligated by the funding source are recorded as temporarily restricted revenue, and sub grants to other organizations are recognized as expense and a liability when awarded by WCS. All Federal receivables are due within one year.

**(g) Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based upon quoted market values. As a practical expedient, investments without a readily determinable fair value, such as the multi-asset class and alternative investments, are reflected at net asset value as reported by the fund managers or general partners, and may differ significantly from the values that would have been reported had a ready market for these investments existed. WCS reviewed and evaluated the values provided by the investment

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

managers and agrees with the valuation methods and assumptions used in determining the fair value of the multi-asset class and alternative investments.

**(h) *Property and Equipment***

Expenditures for property and equipment, including buildings and improvements constructed on land owned by The City of New York, are capitalized and depreciated on a straight-line basis over estimated useful lives, which range from 5 to 20 years. Major projects and exhibits initiated but not yet completed are classified as construction in progress and are reclassified to the respective asset category and depreciated when completed and placed in service.

**(i) *Cash Equivalents***

Cash equivalents include highly liquid debt instruments with original maturities of three months or less at time of purchase, except those included as part of WCS investments.

**(j) *Split-Interest Agreements***

WCS's split-interest agreements consist primarily of charitable gift annuities and life income funds. Contribution revenue is recognized at the date the assets are received after recording liabilities for either (i) the present value of estimated future payments to be made to the donors and/or other beneficiaries, or (ii) the discount to present value for a term equal to the life expectancy of the donor for pooled life income funds gifts. These liabilities are adjusted annually for changes in the value of the assets, accretion of the discount, currently 3%, and other changes in the estimates of future benefits. Assets related to such agreements amounted to \$3,698,500 and \$3,978,300 at June 30, 2013 and 2012, respectively. The carrying amount of split-interest agreement obligations approximates fair value because these instruments are recorded at the estimated net present value of future cash flows. The estimated fair value, however, involves unobservable inputs considered to be Level 3 in the fair value hierarchy.

**(k) *Foreign Currency Translation***

The U.S. dollar (dollars) is the functional currency for WCS's operations worldwide. Transactions in currencies other than dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in foreign currencies are translated into dollars using the exchange rates in effect at the consolidated balance sheet date. Revenue and expenses are translated into dollars using the exchange rate in effect on the transaction date. The resulting translation gain or loss is reflected in the consolidated statements of activities.

**(l) *Accounting for Uncertainty in Income Taxes***

WCS recognizes the benefit of tax positions when it is more-likely than-not that the position will be sustainable based on the merits of the position.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

**(m) Collections**

Expenditures for collections are not capitalized. See note 13 for information about the collections.

**(n) Presentation of Certain Prior Year Information**

The consolidated financial statements include certain prior year summarized information for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with WCS's consolidated financial statements for the year ended June 30, 2012 from which the summarized information was derived.

**(o) Subsequent Events**

In conjunction with the preparation of the consolidated financial statements, WCS evaluated subsequent events from June 30, 2013 and through October 21, 2013, the date on which the consolidated financial statements were issued, and has concluded that there are no subsequent events to be disclosed.

**(p) Contingencies**

In the usual course of carrying out its mission, WCS may be a party to litigation and other claims. WCS carries insurance that, generally, covers costs of defending and settling such litigation and claims. While it is not feasible to predict the ultimate outcomes of such matters, WCS's management is not aware of any pending litigation or claims that would have a material adverse effect on WCS's financial position.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

**(3) Fair Value**

WCS assets at June 30, 2013 that are reported at fair value on an annual basis are summarized in the following table by their fair value hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Days notice for liquidation</u>
Assets:					
Investments:					
Daily liquidity:					
Short-term investments	\$ 15,988,899	—	—	15,988,899	1
Fixed income:					
Mutual Funds –					
U.S. government	3,670,048	—	—	3,670,048	1
U.S. Corporate	17,632,642	—	—	17,632,642	1
Equity:					
Mutual Funds –					
United States	6,895,448	—	—	6,895,448	1
Direct Ownership – United States	39,508,785	—	—	39,508,785	1
Monthly liquidity:					
Fixed income:					
Commingled Funds:					
Emerging Markets	—	2,607,274	—	2,607,274	60
Equity:					
Commingled Funds:					
United States	—	5,649,759	—	5,649,759	15
International emerging markets	—	29,703,282	—	29,703,282	30
Natural Resources					
Commingled Funds:					
United States	—	8,107,538	—	8,107,538	5
Alternatives					
Absolute Return	—	4,721,952	—	4,721,952	15
Quarterly liquidity:					
Fixed income:					
Commingled Funds:					
United States	—	6,536,075	—	6,536,075	90
Equity:					
Commingled Funds:					
Emerging Markets	—	2,066,457	—	2,066,457	60
Alternatives					
Absolute Return	—	14,705,526	—	14,705,526	60
Natural Resources	—	1,986,936	—	1,986,936	60

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Days notice for liquidation</u>
Annual liquidity:					
Alternatives:					
Absolute Return	\$ —	—	9,387,690	9,387,690	45 – 90
Multi-asset Class	—	—	243,610,274	243,610,274	1 year, at 12/31
Illiquid Investments:					
Alternatives:					
Multi-strategy	—	—	1,397,597	1,397,597	Not applicable
Directional equity	—	—	1,545,345	1,545,345	Not applicable
Distressed securities	—	—	1,219,981	1,219,981	Not applicable
Real estate	—	—	3,541,153	3,541,153	Not applicable
Other	—	—	153,580	153,580	Not applicable
	<u>83,695,822</u>	<u>76,084,799</u>	<u>260,855,620</u>	<u>420,636,241</u>	
Other assets:					
Funds held by bond trustee	21,434,711	—	—	21,434,711	Not applicable
Amounts held in trust by others	—	—	2,032,225	2,032,225	Not applicable
	<u>21,434,711</u>	<u>—</u>	<u>2,032,225</u>	<u>23,466,936</u>	
<b>Total</b>	<u>\$ <u>105,130,533</u></u>	<u><u>76,084,799</u></u>	<u><u>262,887,845</u></u>	<u><u>444,103,177</u></u>	

WCS assets at June 30, 2012 that are reported at fair value on an annual basis are summarized in the following table by their fair value hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Days notice for liquidation</u>
Assets:					
Investments:					
Daily liquidity:					
Short-term investments	\$ 9,286,617	—	—	9,286,617	1
Fixed income:					
Mutual Funds –					
U.S. government	9,513,135	—	—	9,513,135	1
Mutual Funds –					
U.S. Corporate	11,881,803	—	—	11,881,803	1
Equity:					
Mutual Funds –					
United States	4,653,155	—	—	4,653,155	1
Direct Ownership –					
United States	35,878,611	—	—	35,878,611	1

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Days notice for liquidation</u>
Monthly liquidity:					
Fixed income:					
Commingled Funds:					
Emerging Markets \$	—	2,543,552	—	2,543,552	60
Equity:					
Commingled Funds:					
United States	—	4,156,815	—	4,156,815	15
International					
emerging markets	—	27,812,416	—	27,812,416	30
Natural Resources					
Commingled Funds:					
United States	—	3,380,665	—	3,380,665	5
Alternatives					
Absolute Return	—	3,597,571	—	3,597,571	15
Quarterly liquidity:					
Fixed income:					
Commingled Funds:					
United States	—	5,196,519	—	5,196,519	90
Equity:					
Commingled Funds:					
Emerging Markets	—	1,597,371	—	1,597,371	60
Alternatives					
Absolute Return	—	10,662,735	—	10,662,735	60
Natural Resources	—	1,986,243	—	1,986,243	60
Annual liquidity:					
Alternatives:					
Absolute Return	—	—	6,637,592	6,637,592	45 – 90
Multi-asset Class	—	—	226,632,029	226,632,029	1 year, at 12/31
Illiquid Investments:					
Alternatives:					
Multi-strategy	—	—	2,810,203	2,810,203	Not applicable
Directional equity	—	—	2,399,048	2,399,048	Not applicable
Distressed securities	—	—	2,226,604	2,226,604	Not applicable
Real estate	—	—	8,480,444	8,480,444	Not applicable
Other	—	—	133,104	133,104	Not applicable
	<u>71,213,321</u>	<u>60,933,887</u>	<u>249,319,024</u>	<u>381,466,232</u>	
Other assets:					
Funds held by bond trustee	9,992	—	—	9,992	Not applicable
Amounts held in trust by others	—	—	2,029,664	2,029,664	Not applicable
	<u>9,992</u>	<u>—</u>	<u>2,029,664</u>	<u>2,039,656</u>	
<b>Total</b>	<u>\$ 71,223,313</u>	<u>60,933,887</u>	<u>251,348,688</u>	<u>383,505,888</u>	

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

Most investments classified in Levels 2 and 3 consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Because the net asset value reported by each fund is used as a practical expedient to estimate the fair value of WCS's interest therein, its classification in Level 2 or 3 is based on WCS's ability to redeem its interest at or near the date of the consolidated balance sheet. If the interest can be redeemed in the near term at net asset value, the investment is classified in Level 2. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

The following tables present WCS's activity for the fiscal years ended June 30, 2013 and 2012 for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<b>Multi-asset class</b>	<b>Other Alternatives</b>	<b>Amounts held in trust by others</b>	<b>Total</b>
Fair value at June 30, 2012	\$ 226,632,029	22,686,995	2,029,664	251,348,688
Purchases	10,000,000	4,037,073	—	14,037,073
Sales/distributions	(11,762,148)	(7,571,198)	(69,269)	(19,402,615)
Net appreciation (depreciation) in fair value of investments	18,740,393	(1,907,524)	71,830	16,904,699
Fair value at June 30, 2013	<u>\$ 243,610,274</u>	<u>17,245,346</u>	<u>2,032,225</u>	<u>262,887,845</u>

	<b>Multi-asset class</b>	<b>Other Alternatives</b>	<b>Amounts held in trust by others</b>	<b>Total</b>
Fair value at June 30, 2011	\$ 235,702,598	33,687,841	1,684,172	271,074,611
Purchases	—	2,000,000	440,611	2,440,611
Sales/distributions	(11,524,159)	(2,248,602)	(69,269)	(13,842,030)
Net appreciation (depreciation) in fair value of investments	2,453,590	(10,752,244)	(25,850)	(8,324,504)
Fair value at June 30, 2012	<u>\$ 226,632,029</u>	<u>22,686,995</u>	<u>2,029,664</u>	<u>251,348,688</u>

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

The unrealized net appreciation (depreciation) on Level 3 assets held at June 30, 2013 and 2012 is as follows:

	<u>Multi-asset class</u>	<u>Alternative investments</u>	<u>Other assets</u>	<u>Total</u>
Unrealized appreciation (depreciation) at June 30, 2013	\$ 44,618,192	(6,708,306)	176,570	38,086,456
Unrealized appreciation (depreciation) at June 30, 2012	\$ 23,636,164	(9,382,180)	105,952	14,359,936

WCS does not have any unfunded investment commitments outstanding as of June 30, 2013.

**(4) Investments**

The fair value of investments at June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Multi-asset class, including other alternative assets	\$ 243,610,274	226,632,029
Equity/equity funds	83,823,731	74,098,368
Alternative investments	38,659,760	38,933,544
Fixed income funds	30,446,039	29,135,009
Natural resources	8,107,538	3,380,665
Short-term investments	15,988,899	9,286,617
	<u>\$ 420,636,241</u>	<u>381,466,232</u>

WCS invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur and that such changes could materially affect the amounts reported in the consolidated balance sheet.

Alternative investments held by the WCS follow six basic strategies, as follows:

Absolute return hedge funds – investments through individual managers who invest in strategies that have a low level of correlation with fixed-income and equity markets, and therefore a measurable degree of independence from systematic market risk factors.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

Natural resource funds – investments through individual managers who invest in companies that operate in commodity related fields or commodity linked derivative instruments. WCS monitors its investments in natural resources annually and estimates that roughly 4.5% of its portfolio is directly or indirectly invested in fossil fuel-related industries. The remaining natural resource investments are primarily in commodity futures, timber, agriculture, metals, and other energy-related infrastructure and services.

Multi-strategy hedge funds – investments through individual managers who employ a broad range of investment strategies to seek benefit from opportunities as they occur in the markets due to temporary dislocations or structural inefficiencies and include event-driven strategies, distressed debt, merger and other arbitrage and value investing. WCS has one investment fund in the multi-strategy category which does not provide for redemption due to side pocket investments. However, distributions are made when underlying investments are realized and full liquidation of the investment fund is anticipated by 2013.

Directional equity hedge funds – investments through individual managers who invest in companies believed to be undervalued via marketable securities or private transactions. WCS investments in directional equity funds are comprised of illiquid equity positions and side pocket investments. Distributions are made when underlying investments are realized. These investments do not provide for redemption at this time.

Distressed securities hedge funds – investments through individual managers who invest in financial instruments that have suffered a substantial reduction in value. Distressed securities can include common and preferred shares, bank debt, trade claims (goods owed) and corporate bonds. WCS investments in directional equity funds are comprised of liquidating trust and side pocket investments. Distributions are made when underlying investments are realized. These investments do not provide for redemption at this time.

Real estate – investments through limited liability company interests that focus on the purchase and development, improvement, and management of residential, commercial, and industrial real estate with value attempted to be realized through both rental income and gains in eventual property sale through publicly traded Real Estate Investment Trusts and privately held properties. WCS has one investment fund in the real estate category, which does not provide for redemption, but is contractually obligated to close by 2013.

In January 2008, WCS streamlined investment management and allocated a significant portion of the investment portfolio to one manager, Makena Capital Management, LLC (Makena). Makena offers a pooled investment vehicle, the Makena Endowment Portfolio, utilizing a multi-asset manager structure. The fair value of WCS investments in Makena as of June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Investments in Makena	\$ 243,610,274	226,632,029

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

The Makena Endowment Portfolio is a highly diversified multi-asset class investment portfolio. The asset allocations for the Makena Endowment Portfolio as of June 30, 2013 are as follows:

Asset class	Percentage of portfolio
U.S. equity	4%
International equity	4
Emerging markets equity	4
Tactical hedged equity	10
Real estate	11
Private equity	21
Natural resources	10
Absolute return	25
Fixed income	10
Short-term investments	1
	100%

The components of investment return for the years ended June 30, 2013 and 2012 are as follows:

	2013	2012
Interest and dividend income, net of investment expenses of \$2,829,399 and \$2,541,786 in 2013 and 2012, respectively	\$ (898,992)	97,897
Net appreciation (depreciation) in fair value of investments	32,435,543	(11,736,810)
Total investment return	31,536,551	(11,638,913)
Less investment return available under spending policy, including temporarily restricted amounts of \$4,487,910 in 2013 and \$4,307,558 in 2012	(17,806,140)	(18,649,790)
Investment return in excess of (less than) amount available under spending policy, including temporarily restricted amounts of \$4,499,339 in 2013 and \$(6,500,272) in 2012	\$ 13,730,411	(30,288,703)

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

**(5) Endowment Funds**

The WCS long-term investment portfolio includes donor-restricted endowment funds as well as unrestricted funds designated for long-term investment by the board of trustees, which are funds functioning as endowment. The primary management objective of the long-term investment portfolio is to preserve the real (inflation-adjusted) purchasing power of invested funds while providing a relatively predictable, stable, and constant (in real terms) payout for current use. The primary investment objective is to earn an average annual real (inflation-adjusted) return of at least 5% per year, net of management fees, over the long term (rolling five-year periods). The risk objective of the long-term investment portfolio is to achieve this return goal with minimal levels of risk and volatility through diversification. The primary objective of WCS's asset allocation policy is to provide a strategic mix of asset classes that produce the highest expected investment return while controlling risk.

The board of trustees has authorized a spending policy for endowments and funds functioning as endowment at a rate (spending rate) of up to 5% of the average fair value of its donor-restricted endowment funds and funds designated for long-term investment for the most recent 12-calendar-year quarters prior to the beginning of the current fiscal year. The average market value used for calculating endowment payout may be reduced to account for liquidity restrictions due to side pockets or other special restrictions to liquidity imposed by fund managers. The board of trustees may authorize additional spending, as needed, to finance special purposes, including capital expenditures, and operating deficits, if any, subject to donor restrictions.

WCS's endowment consists of 100 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by WCS to function as endowments (funds functioning as endowment). At June 30, 2013, the fair values of 13 donor-restricted endowment accounts were less than their original fair value (i.e., were underwater) by a total of approximately \$926,000. At June 30, 2012, the fair values of 22 donor-restricted endowment accounts were less than their original fair value (i.e., were underwater) by a total of approximately \$1,536,000.

WCS follows the provisions of the New York Uniform Prudent Management of Institutional Funds Act (NYPMIFA), a version of the Uniform Prudent Management of Institutional Funds Act. WCS has interpreted NYPMIFA as allowing WCS to appropriate for expenditure or accumulate so much of an endowment fund as WCS determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment net assets at June 30, 2013 and 2012 (excluding contribution receivables of \$20,000,000 at June 30, 2012) consisted of the following:

		<b>2013</b>			
		<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted	\$	(926,187)	46,904,383	227,958,314	273,936,510
Board-designated		141,654,093	—	—	141,654,093
Total	\$	<u>140,727,906</u>	<u>46,904,383</u>	<u>227,958,314</u>	<u>415,590,603</u>
		<b>2012</b>			
		<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted	\$	(1,535,971)	43,042,554	208,066,828	249,573,411
Board-designated		127,329,883	—	—	127,329,883
Total	\$	<u>125,793,912</u>	<u>43,042,554</u>	<u>208,066,828</u>	<u>376,903,294</u>

Changes in endowment net assets for the fiscal years ended June 30, 2013 and 2012 were as follows:

		<b>2013</b>			
		<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2012	\$	125,793,912	43,042,554	208,066,828	376,903,294
as reported					
Net appreciation (realized and unrealized)		23,345,949	8,349,739	—	31,695,688
Contributions		—	—	20,100,000	20,100,000
Appropriation of endowment assets for expenditure		(13,318,230)	(4,487,910)	—	(17,806,140)
Transfer to board-designated endowment		4,906,275	—	(208,514)	4,697,761
Endowment net assets, June 30, 2013	\$	<u>140,727,906</u>	<u>46,904,383</u>	<u>227,958,314</u>	<u>415,590,603</u>

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

	2012			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Endowment net assets, June 30, 2011 as reported	\$ 145,230,901	49,501,598	207,450,909	402,183,408
Net depreciation (realized and unrealized)	(9,746,907)	(2,151,486)	—	(11,898,393)
Contributions	—	—	615,919	615,919
Appropriation of endowment assets for expenditure	(14,342,232)	(4,307,558)	—	(18,649,790)
Transfer to board-designated endowment	4,652,150	—	—	4,652,150
Endowment net assets, June 30, 2012	\$ 125,793,912	43,042,554	208,066,828	376,903,294

**(6) Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets at June 30, 2013 and 2012 consist of the following:

	2013	2012
Amounts restricted for the following purposes:		
Domestic programs	\$ 87,062,991	79,626,483
Building and exhibit improvements	11,415,370	13,295,953
Global conservation programs	73,194,272	55,732,553
Future periods	557,178	406,396
Other	1,610,809	1,538,979
	\$ 173,840,620	150,600,364

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

Temporarily restricted net assets by revenue source and changes therein as of and for the years ended June 30, 2013 and 2012 were as follows:

	Balance at beginning of year	Revenues pending release	Released from restrictions and reclassifications			Total released	Balance at end of year
			Operations	Board- designated	Capital		
2013:							
Contributions and bequests	\$ 69,027,762	55,603,060	51,538,980	(1,557,732)	2,598,791	52,580,039	72,050,783
Appropriation from the City of New York	91,841	7,098,903	—	—	7,044,655	7,044,655	146,089
State of New York grants and contracts	539,947	3,425,360	3,274,725	—	216,000	3,490,725	474,582
Federal grants and contracts	20,073,976	24,813,184	28,296,666	—	164,411	28,461,077	16,426,083
Other grants	14,344,129	28,733,267	11,096,072	—	—	11,096,072	31,981,324
Gate and exhibit admissions	—	—	800,000	(800,000)	—	—	—
Investment return	19,285,343	8,987,249	3,307,157	—	—	3,307,157	24,965,435
Other	—	—	(558,958)	—	—	(558,958)	558,958
Net asset reclassification based on adoption of ASC 958-205	27,237,366	—	—	—	—	—	27,237,366
	<u>\$ 150,600,364</u>	<u>128,661,023</u>	<u>97,754,642</u>	<u>(2,357,732)</u>	<u>10,023,857</u>	<u>105,420,767</u>	<u>173,840,620</u>

	Balance at beginning of year	Revenues pending release	Released from restrictions and reclassifications			Total released	Balance at end of year
			Operations	Board- designated	Capital		
2012:							
Contributions and bequests	\$ 59,407,910	52,027,784	42,940,990	(1,932,121)	1,399,063	42,407,932	69,027,762
Appropriation from the City of New York	70,716	13,434,715	250,574	—	13,163,016	13,413,590	91,841
State of New York grants and contracts	736,133	3,200,634	3,103,505	—	293,315	3,396,820	539,947
Federal grants and contracts	24,119,757	27,666,400	31,623,640	—	88,541	31,712,181	20,073,976
Other grants	15,254,157	12,481,354	13,391,382	—	—	13,391,382	14,344,129
Gate and exhibit admissions	—	—	800,000	(800,000)	—	—	—
Investment return	26,407,352	(2,192,714)	4,929,295	—	—	4,929,295	19,285,343
Net asset reclassification based on adoption of ASC 958-205	27,237,366	—	—	—	—	—	27,237,366
	<u>\$ 153,233,391</u>	<u>106,618,173</u>	<u>97,039,386</u>	<u>(2,732,121)</u>	<u>14,943,935</u>	<u>109,251,200</u>	<u>150,600,364</u>

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

WCS is now a minority in the guarantorship of COMACO and COMACO is no longer considered an affiliate. COMACO's net assets have been removed from the consolidated financial statements at June 30, 2013.

Permanently restricted net assets at June 30, 2013 and 2012 represent endowment gifts as follows:

	<b>2013</b>	<b>2012</b>
Lila Acheson Wallace Endowment Fund	\$ 151,363,015	151,363,015
Income unrestricted	21,169,943	21,169,943
Income restricted (principally for international programs)	55,425,356	55,533,870
	\$ 227,958,314	228,066,828

The Lila Acheson Wallace Endowment Fund was established when WCS agreed to accept the assets transferred to it upon the dissolution of the Lila Acheson Wallace Fund for WCS and to maintain those assets in perpetuity in accordance with the terms of an Endowment Agreement. That Agreement provides that WCS may make expenditures from the endowment based on the annual spending policy applied to WCS's other endowment funds and the Agreement provides that spending from the Lila Acheson Wallace Endowment Fund may reduce the value of the endowment to an amount less than its original fair value and WCS need not restore the Endowment to its original fair value. The Endowment Agreement also provides that WCS may expend a portion of the Endowment as a special contribution in addition to the annual spending for special priority needs provided that certain conditions are satisfied and the fair value of the endowment fund is not reduced below 80% of the original value. The dissolution grant totaled \$189,203,769, of which \$151,363,015 was recorded as permanently restricted.

**(7) Grants and Contributions Receivable**

Grants and contributions receivable as of June 30, 2013 and 2012 are due to be collected as follows:

	<b>2013</b>	<b>2012</b>
Within one year	\$ 50,136,186	50,300,175
One to five years	8,109,682	10,297,204
Six to ten years	—	100,000
	58,245,868	60,697,379
Less present value discount (2.55% in 2013 and 1.67% in 2012)	(341,875)	(354,998)
	\$ 57,903,993	60,342,381

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

During 2010, WCS received a grant not to exceed \$25,000,000, which is to support activities within the Global Conservation Programs. The grant is expected to be received through December 31, 2014. As the receipt of future amounts is conditional, revenue is recognized as requirements are met. Approximately \$5,000,000 was recognized as revenue in both fiscal 2013 and fiscal 2012. WCS has recognized cumulative revenue of \$17,500,000 through June 30, 2013.

Of the total amounts expected to be collected in less than one year at June 30, 2012, \$20,000,000 represents bequests receivable from one estate of which the amount was received in August 2012.

**(8) Property and Equipment**

At June 30, 2013 and 2012, the cost and accumulated depreciation of property and equipment are as follows:

	<b>2013</b>	<b>2012</b>
Land	\$ 651,268	651,268
Buildings and exhibits	365,494,370	381,552,292
Furniture, fixtures, and equipment	24,427,430	23,101,131
Construction in progress	51,494,194	54,095,897
	442,067,262	459,400,588
Less accumulated depreciation	212,380,589	228,095,519
	<b>\$ 229,686,673</b>	<b>231,305,069</b>

**(9) Line of Credit**

WCS has a \$15,000,000 364-day revolving credit facility with JPMorgan Chase Bank to support working capital needs, which bears interest at (i) the London Interbank Offered Rate (LIBOR) plus 0.55%, (ii) the Commercial Bank Floating Rate, or (iii) the Money Market Rate, as elected by WCS. This credit facility is an uncollateralized committed facility, which expires on March 21, 2014. There were no borrowings in both fiscal 2013 and 2012.

**(10) Bonds Payable**

On February 1, 2004, WCS entered into a Loan Agreement with The Trust for Cultural Resources of the City of New York (the Trust) to finance a portion of the costs of capital improvements at the Bronx Zoo and the New York Aquarium. In connection with the Loan Agreement, on March 11, 2004, the Trust issued \$65,530,000 of Revenue Bonds, Series 2004 (the Bonds) with a net original issue premium of \$1,313,867, loaning the proceeds of the issuance to WCS.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

On March 12, 2013, WCS entered into a Loan Agreement with the Trust to finance a portion of the costs of capital improvements at the Bronx Zoo and the refunding of the 2004 Series Revenue Bonds. In connection with the Loan Agreement, the Trust issued Revenue Bonds Series 2013A.

Obligations under bonds payable consist of the following:

<u>Description</u>	<u>Maturity date</u>	<u>Interest rate</u>	<u>Amount outstanding at June 30</u>	
			<u>2013</u>	<u>2012</u>
Revenue Bonds Series 2013A:				
2032 Term Bond	2032	3.25%	\$ 4,130,000	—
2042 Term Bond	2042	5.00%	11,475,000	—
Serial Bond	2023	5.00%	645,000	—
Serial Bond	2024	5.00%	680,000	—
Serial Bond	2025	5.00%	715,000	—
Serial Bond	2026	5.00%	750,000	—
Serial Bond	2027	5.00%	790,000	—
Serial Bond	2028	5.00%	295,000	—
Serial Bond	2033	5.00%	59,700,000	—
Revenue Bonds Series 2004	2034	4.50% – 5.00%	—	65,530,000
			79,180,000	65,530,000
		Net unamortized premium	13,266,641	990,032
		Bonds payable \$	<u>92,446,641</u>	<u>66,520,032</u>

While the Bonds are not the debt of WCS, the Loan Agreement obligates WCS to make payments equal to the debt service on the Bonds. The loan can be prepaid, without penalty, at any time.

Bond issuance and underwriters costs are being amortized over the term of the Bonds. The unamortized balance of \$1,466,867 and \$652,812 in fiscal years June 30, 2013 and 2012, respectively, is included in prepaid expenses and deferred charges in the accompanying consolidated balance sheet.

Interest expense amounted to \$3,112,775 in both fiscal years 2013 and 2012.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

Projected interest and principal payments are as follows:

	<b>Interest</b>	<b>Principal</b>
Fiscal year:		
2014	\$ 3,444,070	—
2015	3,886,725	—
2016	3,886,725	—
2017	3,886,725	—
2018	3,886,725	—
Thereafter	61,441,987	79,180,000
Total	\$ 80,432,957	79,180,000

WCS is required to establish and deposit with bond trustees certain funds for the benefit of bondholders, and to fulfill capital commitments. The funds are invested, principally in money market funds, by the trustees until withdrawn to effect the purposes for which they were generated and are considered Level 1 in the fair value hierarchy.

The aggregate fair value of long-term debt was estimated to be approximately \$81,713,000 and \$67,076,000 at June 30, 2013 and 2012, respectively. Fair value measurements of bonds payable are based on observable interest rates and maturity schedules that fall within Level 2 in the fair value hierarchy.

**(11) Deferred Compensation**

WCS has established two deferred compensation plans which provide for certain benefits currently payable through June 30, 2017. WCS accrues the present value of the estimated future benefit payments over the period from the date of the plans' inception through the dates payable. WCS recognized expense of \$92,564 in 2013 and \$354,930 in 2012 related to the plans. A liability of \$1,224,676 and \$1,132,112 is reported in accounts payable and accrued expenses in the accompanying consolidated balance sheets as of June 30, 2013 and 2012, respectively.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

**(12) Retirement Benefits**

All eligible WCS employees are members of the Cultural Institutions Retirement System's (CIRS) Pension, 401(k) Savings, and Group Life and Welfare Benefits Plans (the Plans). The CIRS Pension Plan (the Plan) is a cost sharing multiemployer plan that offers benefits related to years of service and final average salary. All participants become 100% vested after five years of service. There are no partial vesting provisions. WCS's pension expense related to this Plan was approximately \$4,528,000 and \$4,412,000 for the years ended June 30, 2013 and 2012, respectively. There have been no significant changes that affect the comparability of fiscal years 2013 and 2012 contributions. WCS's contributions to the Plan represent more than 5% of the total contributions to this plan for the years ended June 30, 2013 and 2012. The Employer Identification Number of the plan is 11-2001170. The three digit plan number is 001. The expiration date of the collective bargaining agreement requiring contributions to the plan expired on June 30, 2013. The most recent Pension Protection Act (PPA) zone status is green at June 30, 2013 and 2012 and, as required by the PPA, is certified by the Plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. As of the date the financial statements were issued, Form 5500 was not available for the plan year ended June 30, 2013.

WCS contributes up to 3% of salary as determined by the level of employee contributions to the 401(k) Savings Plan. The expenses for the 401(k) Savings Plan, Group Life and Welfare Benefit Plans, and the administrative costs for the Plans for the years ended June 30, 2013 and 2012 was as follows:

	<b>2013</b>	<b>2012</b>
401(k) Savings	\$ 1,187,000	1,130,000
Group Life and Welfare Benefits	204,000	176,000
Administration (all three plans)	639,000	647,000
	\$ 2,030,000	1,953,000

In addition, WCS has the practice of converting a portion of accrued sick leave into a lump-sum terminal leave payout upon the retirement of certain nonunion employees retiring from active service meeting certain age and service criteria. Terminal leave payout is a contractual obligation for WCS's unionized staff. WCS accrues for this accumulated terminal leave payment obligation. During 2013 and 2012, WCS recognized a reduction of expense of \$202,702 and expense of \$34,929 related to the terminal leave, respectively. The present value of the terminal leave obligation amounted to \$2,158,909 and \$2,361,611 at June 30, 2013 and 2012, respectively, which is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

Furthermore, WCS also provides certain health care benefits for retired employees. Substantially all of WCS's employees may become eligible for those benefits if they reach normal retirement age while working for WCS. Effective January 1, 2013, WCS's contribution towards Medicare eligible non-union post-retirement benefits was reduced to new fixed amounts that coincide with a change in plan design. WCS changed plans to a single offering of a Medicare Advantage Plan.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

The following table provides a summary of this unfunded plan as of June 30, 2013 and 2012:

	<b>2013</b>	<b>2012</b>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 35,382,663	28,351,181
Service cost	1,126,086	771,726
Interest cost	1,305,404	1,517,377
Plan participants' contribution	378,539	361,269
Amendments	(1,769,475)	—
Actuarial (gain) loss	(4,534,803)	6,498,510
Benefits paid	(1,928,125)	(2,117,400)
Retiree drug subsidy received	29,284	—
Benefit obligation at end of year	<u>29,989,573</u>	<u>35,382,663</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	—	—
Employer contribution	1,928,125	2,117,400
Benefits paid	(1,928,125)	(2,117,400)
Fair value of plan assets at end of year	<u>—</u>	<u>—</u>
Accumulated postretirement health and life insurance benefit obligation recognized in the consolidated balance sheet	<u>\$ (29,989,573)</u>	<u>(35,382,663)</u>
	<b>2013</b>	<b>2012</b>
Components of net periodic benefit expense:		
Service cost	\$ 1,126,086	771,726
Interest cost	1,305,404	1,517,377
Amortization of prior service credit	(1,074,080)	(1,045,970)
Amortization of net gain	330,103	—
Net periodic benefit expense	<u>\$ 1,687,513</u>	<u>1,243,133</u>

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

Information with respect to plan assumptions and estimated future benefit payments is as follows:

	<b>2013</b>	<b>2012</b>
Benefit obligation weighted average assumptions as of June 30, 2013 and 2012:		
Discount rate	4.77%	4.06%
Benefit cost weighted average assumptions for the years ended June 30, 2013 and 2012:		
Discount rate	4.06%	5.56%

For measurement purposes, an annual rate of increase in the per capita cost of covered health care benefits of 8% in 2013 grading down to 4.75% in 2020 and thereafter was assumed.

As of June 30, 2013, a total gain of \$3,849,446, consisting of \$4,008,406 net actuarial loss and \$7,857,852 prior service credit, has not yet been recognized as a component of net periodic benefit costs.

As of June 30, 2012, a total loss of \$1,710,854, consisting of \$8,873,312 net actuarial loss and \$7,162,458 prior service credit, has not yet been recognized as a component of net periodic benefit costs.

During the years ended June 30, 2013 and 2012, \$5,560,300 and (\$7,544,480) were reported, respectively, as postretirement-related change other than net periodic postretirement benefit costs. The components of the amounts are as follows:

	<b>2013</b>	<b>2012</b>
Net actuarial (gain) loss	\$ (4,864,906)	6,498,510
Prior service (credit) cost	(695,394)	1,045,970
	\$ (5,560,300)	7,544,480

It is estimated that \$1,057,000 of the prior service credit will be recognized as components of net periodic benefit costs in fiscal year 2014.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects on the amounts reported for fiscal year 2013:

	<u>One- percentage- point increase</u>	<u>One- percentage- point decrease</u>
Impact of one-percentage-point change in health care cost trend rates:		
Effect on total service and interest cost components	\$ 324,305	(253,225)
Effect on the postretirement benefit obligation	3,088,305	(2,506,405)

Projected contributions and benefit payments for each of the next five fiscal years and thereafter are as follows:

2014	\$ 1,446,000
2015	1,522,000
2016	1,549,000
2017	1,617,000
2018	1,651,000
2019 through 2023	<u>9,168,000</u>
	<u>\$ 16,953,000</u>

**(13) Collections (Unaudited)**

WCS-operated facilities care for and exhibit an extensive collection of animals, including rare and endangered species. Annual censuses are prepared for each of WCS's facilities. The most recent census, as of June 30, 2013, follows:

<u>Facility/location</u>	<u>Species and subspecies</u>	<u>Specimens owned</u>	<u>Births/ hatchings</u>
Bronx Zoo	795	70,324	4,634
New York Aquarium	491	7,403	277
City Zoos	474	4,822	1,244
	<u>1,760</u>	<u>82,549</u>	<u>6,155</u>

During the years ended June 30, 2013 and 2012, animal collection accessions aggregated approximately \$363,000 and \$325,000, respectively, while proceeds from deaccessions aggregated approximately \$54,000 and \$91,000, respectively. In addition, WCS disposition policy prohibits the sale of collection animals.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

**(14) The City of New York Support (the City)**

Funds from the City support the Bronx Zoo, the New York Aquarium, and the City Zoos, in part, for operations and capital improvement purposes.

WCS operates the Bronx Zoo pursuant to a city grant made in 1897 and the New York Aquarium pursuant to an agreement with the City made in 1950. The Bronx Zoo and the New York Aquarium are under WCS's management and control. The City, through the Department of Cultural Affairs, appropriates funds to support certain operating costs. WCS received \$14,899,027 and \$15,267,396 in operating support during 2013 and 2012, respectively.

WCS and the City have entered into renewable agreements with respect to the City Zoos in Central Park, Prospect Park, and Queens providing for WCS's operation and management of these facilities. The City, through the Department of Parks and Recreation, reimburses for the excess of eligible expenses over revenues at these facilities and pays WCS a management fee. WCS received \$7,174,280 and \$6,612,777 in support during 2013 and 2012, respectively, under these agreements.

The City, through its capital improvement budget, makes expenditures benefiting the Bronx Zoo, the New York Aquarium, and the City Zoos. In addition, the City provides capital appropriations directly to WCS for certain capital improvements. In fiscal years 2013 and 2012, this funding amounted to \$7,098,903 and \$13,193,016, respectively.

In fiscal year 2012, WCS also received, through the Department of Parks and Recreation, a temporarily restricted grant in the amount of \$241,699.

The amounts above are included in appropriation from the City in the accompanying consolidated statement of activities.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2013

(with comparative summarized financial information as of and for the  
year ended June 30, 2012)

**(15) Significant Event**

On October 29, 2012, Hurricane Sandy struck the Northeast United States causing significant and widespread property damage throughout the area. Although the Bronx Zoo and the City Zoos experienced no significant permanent damage, the New York Aquarium (the Aquarium) located in Brooklyn, New York sustained extensive damage. Surge waters flooded most buildings on the Aquarium's campus and significantly damaged the heating, air conditioning and electrical power and distribution systems and animal life support equipment. There was minimal structural damage. Losses in the collection were minimal. As a result of the hurricane, the Aquarium was closed to the public and remained closed until May 25, 2013 when it was partially reopened. During the immediate post-storm period, WCS incurred \$2,337,302 for debris removal and emergency protective measures to stabilize the facility, temporarily restore essential building and animal life support systems and secure the animal collection. These costs were charged to operations. WCS recorded a loss in the plant fund totaling \$7,612,258 as a write-off of plant assets destroyed by the storm, but added \$5,024,293 to Aquarium plant assets for partial restoration of required systems and other restoration work to enable the partial reopening of the Aquarium.

WCS received \$2,500,000 in insurance proceeds for business interruption due to flood damage. In addition, \$1,039,403 in private contributions was raised to support the Aquarium restoration. Receipt of insurance proceeds and contributed support was recorded during the year ended June 30, 2013 and partially offset the loss of income from the closure of the facility and the cost of debris removal, emergency stabilization and restoration not yet reimbursed from federal sources.

WCS is applying directly for federal public assistance through the Federal Emergency Management Agency (FEMA) for costs incurred for debris removal and emergency protective measures, as well as for related direct administrative costs and expects to receive assistance to cover up to 90% of the expenditures incurred for those purposes. However, for all other public assistance for the permanent work required to restore the Aquarium, application for assistance will be made by the City of New York. The Aquarium is operated by WCS pursuant to a 1950 agreement with the City of New York, regarding the terms of use and responsibilities of the parties. In a determination dated February 27, 2013, FEMA's Federal Coordinating Officer concluded that "the legal responsibility for disaster-related repairs to the Aquarium resides with the City of New York." WCS management is working with the City of New York, New York State and FEMA to quantify in detail the complete scope of permanent work required to fully restore the Aquarium, including practical mitigation measures to prevent damage from similar storms. As the City of New York will be the recipient of such public assistance, it is expected that WCS and the City will enter into a contract through which WCS will be responsible for the restoration work and be reimbursed directly by the City, which will then apply for reimbursement through FEMA or other sources of public assistance. Through this contract, WCS expects to be reimbursed for substantially all of the costs of restoration. However, the ultimate cost of restoration and associated reimbursement cannot be determined at this time.

Before the storm event, WCS planned an expansion of the Aquarium to be financed by appropriations from the City of New York, gifts and the issuance of long-term debt. That project was temporarily postponed in the aftermath of the storm.

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Schedule of Functional Expenses

Year ended June 30, 2013

(with comparative summarized financial information for the year ended June 30, 2012)

	<u>Bronx Zoo</u>	<u>New York Aquarium</u>	<u>City Zoos</u>	<u>Global Conservation Programs</u>	<u>Lower Bronx River Habitat Conservation</u>	<u>Total program services</u>
Salaries and wages	\$ 24,273,547	5,166,820	10,170,971	16,268,193	63,160	55,942,691
Employee benefits and payroll taxes	9,808,673	2,067,051	4,716,710	5,773,186	17,510	22,383,130
Employment costs	29,593	4,385	3,234	2,039,339	—	2,076,551
Stipends	1,394	—	—	17,667,510	—	17,668,904
Purchased services	2,286,665	590,126	339,541	7,377,468	10,757	10,604,557
Grants	—	5,000	5,701	10,851,351	508,389	11,370,441
Professional fees	804,543	62,688	118,514	1,169,541	2,200	2,157,486
Property and casualty insurance	1,543,544	161,252	144,152	755,110	—	2,604,058
Advertising	—	—	—	—	—	—
Repairs and maintenance	2,863,336	902,672	510,358	1,923,534	—	6,199,900
Supplies and materials	2,091,979	2,446,786	1,144,310	6,332,393	1,339	12,016,807
Animal food and forage	1,419,505	280,564	546,382	8,156	—	2,254,607
Telephone	152,560	111,038	89,827	892,309	—	1,245,734
Heat, light, and power	4,526,988	1,224,880	202,799	391,804	—	6,346,471
Travel	338,858	74,700	70,821	11,420,686	157	11,905,222
Dues and fees	44,304	20,597	83,768	68,330	—	216,999
Postage and shipping	61,027	39,295	11,436	366,489	—	478,247
Cost of product sold	3,972	—	—	—	—	3,972
Collection accessions	275,571	16,638	71,241	—	—	363,450
Bond interest expense	—	—	—	—	—	—
Other	1,333,440	218,339	1,382,535	2,712,119	—	5,646,433
Subtotal	51,859,499	13,392,831	19,612,300	86,017,518	603,512	171,485,660
Depreciation	9,058,660	2,232,362	1,891,719	1,388,500	—	14,571,241
Total 2013 expenses	\$ 60,918,159	15,625,193	21,504,019	87,406,018	603,512	186,056,901
Total 2012 expenses	\$ 58,742,708	14,062,250	21,079,234	91,534,005	1,027,214	186,445,411

See accompanying independent auditors' report.

## Schedule 1

<b>Restaurant, merchandise, and parking expenses</b>	<b>Management and general</b>	<b>Membership solicitation and fulfillment</b>	<b>Fund-raising</b>	<b>Total supporting services</b>	<b>Total 2013</b>	<b>Total 2012</b>
5,448,482	11,129,773	473,104	3,709,837	15,312,714	76,703,887	75,367,794
1,595,391	2,813,716	121,195	1,089,361	4,024,272	28,002,793	25,774,626
13,395	273,657	—	10,283	283,940	2,373,886	2,021,026
—	220,274	—	—	220,274	17,889,178	19,136,302
121,786	835,760	1,302,089	247,987	2,385,836	13,112,179	13,306,117
—	—	—	1,758	1,758	11,372,199	11,687,367
2,560	1,285,272	2,050	470,930	1,758,252	3,918,298	3,553,747
32	120,272	—	69	120,341	2,724,431	3,088,974
—	1,438,602	—	—	1,438,602	1,438,602	1,533,767
322,134	916,472	1,748	67,496	985,716	7,507,750	7,128,152
660,489	498,114	227,279	60,673	786,066	13,463,362	13,431,605
—	—	—	—	—	2,254,607	1,953,670
35,661	168,718	9,527	17,091	195,336	1,476,731	1,485,288
13,597	—	—	—	—	6,360,068	5,889,131
29,594	402,640	5,974	256,942	665,556	12,600,372	11,985,637
780	143,931	—	177,568	321,499	539,278	679,715
4,547	43,199	433,012	39,077	515,288	998,082	961,043
6,452,612	799	3,312	—	4,111	6,460,695	8,095,572
—	—	—	—	—	363,450	493,822
—	3,112,775	—	—	3,112,775	3,112,775	3,078,440
1,351,535	62,490	127,592	17,772	207,854	7,205,822	8,067,203
16,052,595	23,466,464	2,706,882	6,166,844	32,340,190	219,878,445	218,718,998
1,352,381	2,035,545	79,758	2,153	2,117,456	18,041,078	19,204,029
17,404,976	25,502,009	2,786,640	6,168,997	34,457,646	237,919,523	
18,278,678	24,512,528	2,539,909	6,146,501	33,198,938	\$ 237,923,027	

**WILDLIFE CONSERVATION SOCIETY  
AND SUBSIDIARIES**

Consolidating Schedule of Activities

Year ended June 30, 2013

	<b>WCS do Brazil</b>	<b>WCS Canada</b>	<b>WCS Europe</b>	<b>WCS Singapore</b>	<b>WCS Malaysia</b>	<b>COMACO</b>	<b>WCS USA</b>	<b>Elimination</b>	<b>WCS Consolidated</b>
Revenues:									
Contributions	\$ 987,255	1,988,500	220,988	24,146	392,861	—	58,712,147	(345,923)	61,979,974
Bequests	—	—	119,242	—	—	—	4,538,368	(119,242)	4,538,368
Membership dues	—	—	—	—	—	—	14,182,350	—	14,182,350
Appropriation from The City of New York	—	—	—	—	—	—	29,172,210	—	29,172,210
State of New York grants and contracts	—	—	—	—	—	—	3,425,360	—	3,425,360
U.S. Federal grants and contracts	161,979	487,516	—	—	197,161	—	24,580,357	(613,829)	24,813,184
Other grants	137,954	442,304	—	39,311	28,471	—	28,085,227	—	28,733,267
Gate and exhibit admissions	—	—	—	—	—	—	32,152,684	—	32,152,684
Investment return	—	—	—	—	—	—	31,536,551	—	31,536,551
Educational program and activities	—	—	—	—	—	—	2,206,284	—	2,206,284
Sponsorship, licensing, and royalties	—	—	—	—	—	—	745,358	—	745,358
Insurance proceeds	—	—	—	—	—	—	3,003,634	—	3,003,634
Miscellaneous	25,822	—	15,028	—	109,951	—	2,728,991	—	2,879,792
	<u>1,313,010</u>	<u>2,918,320</u>	<u>355,258</u>	<u>63,457</u>	<u>728,444</u>	<u>—</u>	<u>235,069,521</u>	<u>(1,078,994)</u>	<u>239,369,016</u>
Restaurant and merchandise sales and parking fees	—	—	—	—	—	—	25,430,116	—	25,430,116
Total revenues	<u>1,313,010</u>	<u>2,918,320</u>	<u>355,258</u>	<u>63,457</u>	<u>728,444</u>	<u>—</u>	<u>260,499,637</u>	<u>(1,078,994)</u>	<u>264,799,132</u>
Expenses and losses:									
Salaries and wages	235,393	1,395,640	210,882	200,164	567,776	—	74,094,032	—	76,703,887
Employee benefits and payroll taxes	182,329	—	59,663	54,875	10,128	—	27,695,798	—	28,002,793
Employment costs	—	—	10,140	141,707	25,714	—	2,196,325	—	2,373,886
Stipends	4,726	—	—	—	—	—	17,884,452	—	17,889,178
Purchased services	86,112	297,466	—	10,008	13,546	—	12,705,047	—	13,112,179
Grants	132,394	365,259	69,485	—	19,704	—	11,864,351	(1,078,994)	11,372,199
Professional fees	111,883	—	11,408	19,852	8,158	—	3,766,997	—	3,918,298
Property and casualty insurance	—	—	—	—	—	—	2,724,431	—	2,724,431
Advertising	5,449	—	—	—	12,719	—	1,420,434	—	1,438,602
Repairs and maintenance	6,508	107,927	—	—	44,921	—	7,348,394	—	7,507,750
Supplies and materials	87,859	127,013	17,440	1,727	95,809	—	13,133,514	—	13,463,362
Animal food and forage	—	—	—	—	—	—	2,254,607	—	2,254,607
Telephone	4,479	—	—	768	3,359	—	1,468,125	—	1,476,731
Heat, light, and power	491	—	—	139	4,679	—	6,354,759	—	6,360,068
Travel	54,268	206,127	15,851	27,919	99,471	—	12,196,736	—	12,600,372
Dues and fees	496	—	—	124	2,475	—	536,183	—	539,278
Postage and shipping	1,439	—	—	3,015	772	—	992,856	—	998,082
Cost of product sold	—	—	—	—	—	—	6,460,695	—	6,460,695
Collection accessions	—	—	—	—	—	—	363,450	—	363,450
Bond interest expense	—	—	—	—	—	—	3,112,775	—	3,112,775
Other	46,058	(16,517)	—	13,780	25,656	—	7,136,845	—	7,205,822
Depreciation and plant asset write-off	—	—	—	—	—	—	25,653,336	—	25,653,336
Total expenses and losses	<u>959,884</u>	<u>2,482,915</u>	<u>394,869</u>	<u>474,078</u>	<u>934,887</u>	<u>—</u>	<u>241,364,142</u>	<u>(1,078,994)</u>	<u>245,531,781</u>
Excess (deficiency) of revenues over expenses	353,126	435,405	(39,611)	(410,621)	(206,443)	—	19,135,495	—	19,267,351
Other changes:									
Other	—	—	—	—	—	558,958	(1,402,775)	—	(843,817)
Postretirement-related change other than net periodic postretirement benefit cost	—	—	—	—	—	—	5,560,300	—	5,560,300
Changes in net assets	353,126	435,405	(39,611)	(410,621)	(206,443)	558,958	23,293,020	—	23,983,834
Net assets at beginning of year	311,414	1,160,443	157,779	345,700	279,649	(558,958)	657,611,811	—	659,307,838
Net assets at end of year	<u>\$ 664,540</u>	<u>1,595,848</u>	<u>118,168</u>	<u>(64,921)</u>	<u>73,206</u>	<u>—</u>	<u>680,904,831</u>	<u>—</u>	<u>683,291,672</u>

See accompanying independent auditors' report.