WILDLIFE CONSERVATION SOCIETY AND SUBSIDIARIES

Consolidated Financial Statements and Schedules

June 30, 2015
(with comparative summarized financial information as of and for the year ended June 30, 2014)

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

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, 2015, 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, 2015, 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' 2014 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 20, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 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 19, 2015

WILDLIFE CONSERVATION SOCIETY
AND SUBSIDIARIES

Consolidated Balance Sheet

June 30, 2015
(with summarized financial information as of June 30, 2014)

Assets		**2015**	**2014**
Cash and cash equivalents	$	62,117,107	71,738,096
Accounts receivable		4,062,567	3,912,057
Receivable from the City of New York (note 14)		27,441,422	16,329,966
Receivable from the State of New York		5,410,380	6,059,074
Receivable from Federal sources		24,511,098	24,835,013
Grants and contributions receivable, net (note 7)		78,945,830	65,557,697
Inventories, at lower of cost or market		2,650,912	2,437,766
Prepaid expenses		3,291,520	3,913,676
Investments (notes 3 and 4)		488,425,353	472,641,028
Amounts held in trust by others (note 3)		1,997,677	2,109,321
Funds held by bond trustee (notes 3 and 10)		40,893,426	53,437,481
Property and equipment (note 8)		298,254,175	248,346,167
Collections (note 13)			
Total assets	$	1,038,001,467	971,317,342
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses (notes 11 and 12)	$	39,648,407	38,131,976
Annuity liability		3,170,186	3,634,626
Loans payable (note 9)		17,000,000	12,270,748
Bonds payable (note 10)		136,683,014	137,142,911
Postretirement benefit obligation (note 12)		30,658,249	31,160,698
Total liabilities		227,159,856	222,340,959
Commitments and contingencies (notes 9, 12, and 14)			
Net assets (note 5):			
Unrestricted:			
Board designated		152,359,197	159,870,382
Net investment in property and equipment		183,245,901	150,075,025
Total unrestricted		335,605,098	309,945,407
Temporarily restricted (note 6)		204,642,487	190,746,705
Permanently restricted (note 6)		270,594,026	248,284,271
Total net assets		810,841,611	748,976,383
Total liabilities and net assets	$	1,038,001,467	971,317,342

See accompanying notes to consolidated financial statements.

WILDLIFE CONSERVATION SOCIETY
AND SUBSIDIARIES

Consolidated Statement of Activities

Year ended June 30, 2015
(with comparative summarized financial information for the year ended June 30, 2014)

	Unrestricted							
	General	**Board-designated**	**Plant**	**Total unrestricted**	**Temporarily restricted**	**Permanently restricted**	**2015 Total**	**2014 Total**
Revenues:								
Contributions	$ 9,243,214	—	—	9,243,214	61,538,204	853,732	71,635,150	62,559,506
Bequests	—	2,651,787	—	2,651,787	2,646,350	21,456,023	26,754,160	23,696,999
Membership dues	14,319,954	—	—	14,319,954	—	—	14,319,954	13,929,426
Appropriation from the City of New York (note 14)	25,723,034	—	—	25,723,034	47,482,873	—	73,205,907	39,331,350
State of New York grants and contracts	—	—	—	—	4,200,757	—	4,200,757	3,735,041
Federal grants and contracts	—	—	—	—	28,118,969	—	28,118,969	36,817,242
Other grants	—	—	—	—	27,151,178	—	27,151,178	17,335,001
Gate and exhibit admissions	33,609,407	800,000	—	34,409,407	—	—	34,409,407	34,471,205
Investment return (note 4)	13,469,032	(2,714,784)	—	10,754,248	5,810,564	—	16,564,812	50,580,439
Educational program and activities	2,568,362	—	—	2,568,362	—	—	2,568,362	2,281,465
Sponsorship, licensing, and royalties	908,983	—	—	908,983	—	—	908,983	938,676
Insurance proceeds	—	—	—	—	—	—	—	802,686
Miscellaneous	3,257,294	—	—	3,257,294	—	—	3,257,294	3,134,111
	103,099,280	737,003	—	103,836,283	176,948,895	22,309,755	303,094,933	289,613,147
Restaurant and merchandise sales and parking fees	24,764,860	—	—	24,764,860	—	—	24,764,860	24,954,348
Net assets released from restrictions and designations (note 6)	118,751,927	(5,695,950)	49,997,136	163,053,113	(163,053,113)	—	—	—
Total revenues	246,616,067	(4,958,947)	49,997,136	291,654,256	13,895,782	22,309,755	327,859,793	314,567,495
Expenses:								
Program services:								
Bronx Zoo	55,945,898	—	10,575,349	66,521,247	—	—	66,521,247	62,054,950
New York Aquarium	12,517,282	—	1,736,834	14,254,116	—	—	14,254,116	12,606,328
City Zoos	23,681,868	—	1,733,579	25,415,447	—	—	25,415,447	23,613,483
Global Conservation Programs	102,685,655	—	1,265,677	103,951,332	—	—	103,951,332	95,345,460
Total program services	194,830,703	—	15,311,439	210,142,142	—	—	210,142,142	193,620,221

(Continued)

WILDLIFE CONSERVATION SOCIETY
AND SUBSIDIARIES

Consolidated Statement of Activities

Year ended June 30, 2015
(with comparative summarized financial information for the year ended June 30, 2014)

	Unrestricted							
	General	Board-designated	Plant	Total unrestricted	Temporarily restricted	Permanently restricted	2015 Total	2014 Total
Restaurant, merchandise, and parking expenses	$ 15,849,719	—	1,296,379	17,146,098	—	—	17,146,098	16,915,742
Supporting services:								
Management and general	27,388,308	—	1,541,124	28,929,432	—	—	28,929,432	27,668,416
Membership solicitation and fulfillment	2,140,441	—	39,417	2,179,858	—	—	2,179,858	2,683,496
Fund-raising	7,857,929	—	2,153	7,860,082	—	—	7,860,082	6,893,907
Total supporting services	37,386,678	—	1,582,694	38,969,372	—	—	38,969,372	37,245,819
Total expenses	248,067,100	—	18,190,512 *	266,257,612	—	—	266,257,612	247,781,782
Plant renewal funding	(2,436,000)	2,436,000	—	—	—	—	—	—
(Deficiency) excess of revenues over expenses and plant renewal funding	(3,887,033)	(2,522,947)	31,806,624	25,396,644	13,895,782	22,309,755	61,602,181	66,785,713
Other changes:								
Postretirement-related change other than net periodic postretirement benefit cost (note 12)	263,047	—	—	263,047	—	—	263,047	(1,101,002)
Other transfers	3,623,986	(4,988,238)	1,364,252	—	—	—	—	—
Changes in net assets	—	(7,511,185)	33,170,876	25,659,691	13,895,782	22,309,755	61,865,228	65,684,711
Net assets at beginning of year	—	159,870,382	150,075,025	309,945,407	190,746,705	248,284,271	748,976,383	683,291,672
Net assets at end of year	$ —	152,359,197	183,245,901	335,605,098	204,642,487	270,594,026	810,841,611	748,976,383

* Represents depreciation expense

See accompanying notes to consolidated financial statements.

WILDLIFE CONSERVATION SOCIETY
AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Years ended June 30, 2015
(with comparative summarized financial information for the year ended June 30, 2014)

		2015	2014
Cash flows from operating activities:			
Changes in net assets	$	61,865,228	65,684,711
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
Depreciation		18,190,512	17,318,042
Amortization of bond issuance costs		76,278	78,922
Amortization of bond premium		(536,175)	(548,612)
Net appreciation in fair value of investments		(18,236,209)	(51,623,515)
Postretirement-related change other than net periodic postretirement benefit cost		(263,047)	1,101,002
Decrease (increase) in value of amounts held in trust by others		111,644	(77,096)
Endowment contributions		(22,309,755)	(20,325,957)
Contributions and grants restricted for capital		(1,809,946)	(2,556,166)
Changes in assets and liabilities:			
Accounts receivable		(150,510)	2,007,870
Receivable from the City of New York		(1,196,936)	246,013
Receivable from the State of New York		(101,306)	(469,882)
Receivable from Federal sources		236,850	(1,269,586)
Grants and contributions receivable		(15,359,908)	(9,088,801)
Inventories		(213,146)	(271,729)
Prepaid expenses and deferred charges		622,156	(997,480)
Accounts payable and accrued expenses		(517,445)	2,643,765
Postretirement benefit obligation		(239,402)	70,123
Total adjustments		(41,696,345)	(63,763,087)
Net cash provided by operating activities		20,168,883	1,921,624
Cash flows from investing activities:			
Proceeds from sales of investments		145,723,665	135,570,321
Purchases of investments		(143,271,781)	(135,951,593)
Acquisition of property and equipment		(68,098,520)	(35,977,536)
Increase in accounts payable and accrued expenses for construction projects		2,033,876	2,599,368
Net cash used in investing activities		(63,612,760)	(33,759,440)
Cash flows from financing activities:			
Contributions and grants restricted for capital		1,809,946	2,556,166
Endowment contributions		22,309,755	20,325,957
Increase in receivable from government sources for capital expenditure		(9,077,455)	(4,459,508)
Decrease in contributions and grants receivable for capital		1,971,775	1,435,097
Decrease (increase) in funds held by bond trustee		12,544,055	(32,002,770)
Proceeds from loans payable		4,729,252	12,270,748
Bond issuance costs		—	(889,019)
Proceeds from issuance of bonds payable		—	47,539,846
Decrease in annuity liability, net		(464,440)	(351,571)
Net cash provided by financing activities		33,822,888	46,424,946
Net (decrease) increase in cash and cash equivalents		(9,620,989)	14,587,130
Cash and cash equivalents at beginning of year		71,738,096	57,150,966
Cash and cash equivalents at end of year	$	62,117,107	71,738,096
Supplemental disclosure:			
Interest paid	$	6,034,175	3,444,070

See accompanying notes to consolidated financial statements.

(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 saves wildlife and wild places worldwide through science, conservation action, education, and inspiring people to value nature. That mission is achieved through our global conservation programs and through 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 other activities, that is in furtherance of the charitable, scientific, literary, and educational purposes.

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 is exempt from Federal income tax as a title holding company under Section 501(c)(2) of the Code. The purpose of PHC is to own, maintain, and operate residential real estate for the benefit of WCS.

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 Janiero, 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 nonprofit corporation under the Canada Not-for-profit Corporations Act whose sole member is WCS. WCSC is a tax-exempt Canadian registered charity. 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: the protection and conservation of the natural environment, its flora and fauna and in particular the preservation of wild places and wildlife; education and instruction of the public regarding the protection and conservation of the natural environment and related subjects; and other charitable objectives.

Wildlife Conservation Society Singapore Limited (WCS Singapore) is a public company limited by guarantee formed under Singapore law, whose members are WCS 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 and Science (Malaysia) Bhd (WCS Malaysia) is a company limited by guarantee incorporated under Malaysian law. Currently most of the members of WCS Malaysia are WCS employees. The objectives of WCS Malaysia are charitable, educational, and scientific and conservation nonprofit objectives and purposes within the meaning of Malaysian law and include the support and promotion of, and participation in, the protection and conservation of wildlife and wild places anywhere around the world.

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.

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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.

(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; 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).

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.
>
> Level 3 inputs are unobservable inputs for the assets or liabilities.

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, 2015, 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 limited partnerships 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 managers and agrees with the valuation methods and assumptions used in determining the fair value of the limited partnerships 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, and other changes in the estimates of future benefits. Assets related to such agreements amounted to $3,373,000 and $3,607,000 at June 30, 2015 and 2014, respectively.

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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.

(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. Translation losses were approximately $1,254,000 and $368,000 as of June 30, 2015 and 2014, respectively.

(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. There are certain transactions which could be deemed "Unrelated Business Income" and would result in a tax liability. Management reviews transactions to estimate the potential tax liabilities using a threshold of more likely than not of being sustained. It is management's estimation that there are no material tax liabilities that need to be recorded.

(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, 2014 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, 2015 and through October 19, 2015, 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

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is not aware of any pending litigation or claims that would have a material adverse effect on WCS's financial position.

(q) Recent Accounting Pronouncements

In 2015, WCS early adopted Accounting Standards Update (ASU) No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*, which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient and removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. WCS applied the provision of the update retrospectively to 2014.

In 2015, WCS early adopted ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which requires debt issuance costs related to that recognized debt liability to be presented on the balance sheet as a direct deduction from the debt liability. WCS applied the provision of the update retrospectively to 2014.

(r) Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

(3) Fair Value

WCS assets at June 30, 2015 are summarized in the following table:

	Fair Value	Level 1	Level 2	Level 3
Assets:				
Directly managed investments:				
Cash and Short-term Investments	$ 6,262,258	6,262,258	—	—
Common Stocks – Domestic	22,823,695	22,823,695	—	—
Mutual Funds – Equity				
Domestic	8,982,342	8,982,342	—	—
Mutual Funds – Fixed Income:				
U.S. Government	3,765,054	3,765,054	—	—
U.S. Corporate	29,612,582	29,612,582	—	—
Mutual Funds – Multi-Strategy	19,742,261	19,742,261	—	—
	91,188,192	91,188,192	—	—

	Fair Value	Level 1	Level 2	Level 3
Investments reported at net asset value (or its equivalent):				
Limited Partnerships:				
Multi-Asset Class	$ 264,282,046			
Equity – Domestic	27,342,864			
Equity – International/ Emerging Mkts	51,990,075			
Fixed Income – Domestic	6,912,048			
Natural Resources	4,539,632			
Other	176,344			
Alternative Investments:				
Distressed Securities	763,766			
Equity – Directional	740,990			
Equity – Long/Short	13,304,922			
Event-Driven	8,554,638			
Global Macro	3,619,368			
Multi-Strategy	12,107,602			
Natural Resources	1,943,757			
Real Estate	959,109			
Total investments reported at net asset value (or its equivalent)	397,237,161			
Total investments	$ 488,425,353			
Other assets:				
Funds held by bond trustee	$ 40,893,426	31,974,108	8,919,318	—
Amounts held in trust by others	1,997,677	—	—	1,997,677
Total other assets	$ 42,891,103	31,974,108	8,919,318	1,997,677

Information with respect to the redemption provisions of investments reported at net asset value (or its equivalent) is as follows as of June 30, 2015:

Liquidity	Days' notice	Amount
Monthly	15	54,755,048
	30	21,699,406
	60	6,799,037
Quarterly	30	2,815,812
	60	17,704,341
	90	6,912,048
Annual	45, at 6/30	3,986,117
	90, pays 25% quarterly	9,782,297
	1 Year, at 12/31	264,282,046
Biennial	65	5,381,012
Illiquid	Not applicable	3,119,997
		397,237,161

WCS assets at June 30, 2014 are summarized in the following table:

	Fair Value	Level 1	Level 2	Level 3
Assets:				
Directly managed investments:				
Cash and Short-term Investments	$ 29,234,732	29,234,732	—	—
Common Stocks – Domestic	22,174,737	22,174,737	—	—
Mutual Funds – Equity Domestic	7,283,408	7,283,408	—	—
Mutual Funds – Fixed Income:				
U.S. Government	3,834,261	3,834,261	—	—
U.S. Corporate	21,470,819	21,470,819	—	—
	83,997,957	83,997,957	—	—
Investments reported at net asset value (or its equivalent):				
Limited Partnerships:				
Multi-Asset Class	260,513,416			
Equity – Domestic	23,407,840			
Equity – International/ Emerging Markets	42,469,140			
Fixed Income – Domestic	6,800,797			
Fixed Income - International/ Emerging Markets	2,609,628			
Natural Resources	9,193,492			
Other	165,637			

 (Continued)

	Fair Value	Level 1	Level 2	Level 3
Alternative Investments:				
Distressed Securities	$ 902,174			
Equity – Directional	811,486			
Equity – Long/Short	12,456,766			
Event-Driven	9,851,378			
Global Macro	4,005,389			
Multi-Strategy	12,248,398			
Natural Resources	2,394,732			
Real Estate	812,798			
Total investments reported at net asset value (or its equivalent)	388,643,071			
Total investments	$ 472,641,028			
Other assets:				
Funds held by bond trustee	$ 53,437,481	41,413,451	12,024,030	—
Amounts held in trust by others	2,109,321	—	—	2,109,321
Total other assets	$ 55,546,802	41,413,451	12,024,030	2,109,321

The following tables present WCS's activity for the fiscal years ended June 30, 2015 and 2014 for Level 3 assets:

	Amounts held in trust by others
Fair value at June 30, 2014	$ 2,109,321
Sales/distributions	(69,269)
Net depreciation in fair value of investments	(42,375)
Fair value at June 30, 2015	$ 1,997,677

		Amounts held in trust by others
Fair value at June 30, 2013	$	2,032,225
Sales/distributions		(69,269)
Net appreciation in fair value of investments		146,365
Fair value at June 30, 2014	$	2,109,321

WCS does not have any unfunded investment commitments outstanding as of June 30, 2015.

(4) Investments

The fair value of investments at June 30, 2015 and 2014 is as follows:

		2015	2014
Multi-asset class, including other alternative assets	$	284,024,307	260,513,416
Equity/equity funds		111,138,976	95,335,125
Alternative investments		42,170,496	43,648,758
Fixed income funds		40,289,684	34,715,505
Natural resources		4,539,632	9,193,492
Short-term investments		6,262,258	29,234,732
	$	488,425,353	472,641,028

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 fall into the following basic strategies:

Distressed securities hedge funds – investments through individual managers that 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. The one fund held in this strategy does not provide redemption at this time.

Directional equity hedge funds – investments through individual managers that invest in companies believed to be undervalued via marketable securities or private transactions. The one fund held in this strategy does not provide redemption at this time.

(Continued)

Long/short equity hedge funds – investments through individual managers that take long positions in stocks that are expected to appreciate and short positions in stocks that are expected to decline.

Event-driven hedge funds - investments through individual managers that attempt to take advantage of events such as mergers and restructurings that can result in the short-term mispricing of a company's stock.

Global macro hedge funds - investments through individual managers that base their holdings – which can included long and short positions in various equity, fixed income, currency, and futures markets - primarily on overall economic and political views of various countries.

Multi-strategy hedge funds – investments through individual managers that 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. WCS has one investment fund in the multi-strategy category which does not provide redemption due to side pocket investments.

Natural resources hedge funds – investments through individual managers that invest in companies related to energy production, commodity futures, timber, agriculture, metals, and other energy-related infrastructure and services. WCS monitors its investments in natural resources annually and estimates that roughly 4.2% of its portfolio is invested in fossil fuel production, with 0.09% in coal.

Real estate – investments through individual managers 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 held properties. The one fund held in this strategy does not provide redemption at this time.

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, 2015 and 2014 is as follows:

	2015	2014
Multi-asset class, including other alternative assets	$ 264,282,046	260,513,416

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, 2015 are as follows:

Asset class	**Percentage of portfolio**
U.S. equity	5%
International equity	6
Emerging markets equity	7
Tactical hedged equity	11
Real estate	10
Private equity	20
Natural resources	9
Absolute return	23
Fixed income	9
	100%

The components of investment return for the years ended June 30, 2015 and 2014 are as follows:

		2015	**2014**
Interest and dividend income, net of investment expenses of $3,165,549 and $3,448,988 in 2015 and 2014, respectively	$	(1,671,397)	(1,043,076)
Net appreciation in fair value of investments		18,236,209	51,623,515
Total investment return		16,564,812	50,580,439
Less investment return available under spending policy, including temporarily restricted amounts of $6,277,900 in 2015 and $5,426,106 in 2014		(19,746,932)	(18,967,509)
Investment return (less than) in excess of amount available under spending policy, including temporarily restricted amounts of ($467,336) in 2015 and $9,404,881 in 2014	$	(3,182,120)	31,612,930

(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 101 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, 2015, the fair values of 4 donor-restricted endowment accounts were less than their original fair value (i.e., were underwater) by a total of approximately $100,000. At June 30, 2014, the fair values of 3 donor-restricted endowment accounts were less than their original fair value (i.e., were underwater) by a total of approximately $60,000.

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.

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, 2015 and 2014 consisted of the following:

	2015			
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Donor-restricted	$ (100,416)	54,922,816	270,594,026	325,416,426
Board-designated	158,342,341	—	—	158,342,341
Total	$ 158,241,925	54,922,816	270,594,026	483,758,767

	2014			
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Donor-restricted	$ (60,164)	55,224,630	248,284,271	303,448,737
Board-designated	164,296,101	—	—	164,296,101
Total	$ 164,235,937	55,224,630	248,284,271	467,744,838

Changes in endowment net assets for the fiscal years ended June 30, 2015 and 2014 were as follows:

	2015			
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Endowment net assets, June 30, 2014 as reported	$ 164,235,937	55,224,630	248,284,271	467,744,838
Net appreciation (realized and unrealized)	11,626,432	5,976,086	—	17,602,518
Contributions	—	—	22,309,755	22,309,755
Appropriation of endowment assets for expenditure	(13,469,032)	(6,277,900)	—	(19,746,932)
Transfer from board-designated endowment	(4,151,412)	—	—	(4,151,412)
Endowment net assets, June 30, 2015	$ 158,241,925	54,922,816	270,594,026	483,758,767

	2014			
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**
Endowment net assets, June 30, 2013 as reported	$ 140,727,906	46,904,383	227,958,314	415,590,603
Net appreciation (realized and unrealized)	36,571,318	13,746,353	—	50,317,671
Contributions	—	—	20,325,957	20,325,957
Appropriation of endowment assets for expenditure	(13,541,403)	(5,426,106)	—	(18,967,509)
Transfer to board-designated endowment	478,116	—	—	478,116
Endowment net assets, June 30, 2014	$ 164,235,937	55,224,630	248,284,271	467,744,838

(6) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 and 2014 consist of the following:

	2015	2014
Amounts restricted for the following purposes:		
Domestic programs	$ 105,655,018	97,454,417
Building and exhibit improvements	10,024,195	10,778,512
Global conservation programs	88,406,096	80,345,789
Future periods	557,178	557,178
Other	—	1,610,809
	$ 204,642,487	190,746,705

Temporarily restricted net assets by revenue source and changes therein as of and for the years ended June 30, 2015 and 2014 were as follows:

	Balance at beginning of year	Revenues pending release	Released from restrictions and reclassifications				Balance at end of year
			Operations	Board-designated	Capital	Total released	
2015:							
Contributions and bequests	$ 73,104,535	64,184,554	52,270,970	(4,895,950)	2,528,270	49,903,290	87,385,799
Appropriation from the City of New York	275,201	47,482,873	—	—	47,468,866	47,468,866	289,208
State of New York grants and contracts	406,429	4,200,757	4,006,400	—	—	4,006,400	600,786
Federal grants and contracts	19,993,915	28,118,969	29,240,035	—	—	29,240,035	18,872,849
Other grants	34,878,993	27,151,178	26,808,540	—	—	26,808,540	35,221,631
Gate and exhibit admissions	—	—	800,000	(800,000)	—	—	—
Investment return	61,528,674	5,810,564	5,625,982	—	—	5,625,982	61,713,256
Other	558,958	—	—	—	—	—	558,958
	$ 190,746,705	176,948,895	118,751,927	(5,695,950)	49,997,136	163,053,113	204,642,487

	Balance at beginning of year	Revenues pending release	Released from restrictions and reclassifications: Operations	Board-designated	Capital	Total released	Balance at end of year
2014:							
Contributions and bequests	$ 72,050,783	55,868,108	52,940,470	(1,362,389)	3,236,275	54,814,356	73,104,535
Appropriation from the City of New York	146,089	16,585,806	1,106	—	16,455,588	16,456,694	275,201
State of New York grants and contracts	474,582	3,735,041	3,483,108	—	320,086	3,803,194	406,429
Federal grants and contracts	16,426,083	36,817,242	33,183,557	—	65,853	33,249,410	19,993,915
Other grants	31,981,324	17,335,001	14,437,332	—	—	14,437,332	34,878,993
Gate and exhibit admissions	—	—	800,000	(800,000)	—	—	—
Investment return	52,202,801	14,830,987	5,505,114	—	—	5,505,114	61,528,674
Other	558,958	—	—	—	—	—	558,958
	$ 173,840,620	145,172,185	110,350,687	(2,162,389)	20,077,802	128,266,100	190,746,705

Permanently restricted net assets at June 30, 2015 and 2014 represent endowment gifts as follows:

	2015	2014
Lila Acheson Wallace Endowment Fund	$ 151,363,015	151,363,015
Income unrestricted	21,169,943	21,169,943
Income restricted (principally for global conservation programs)	98,061,068	75,751,313
	$ 270,594,026	248,284,271

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.

(Continued)

(7) Grants and Contributions Receivable

Grants and contributions receivable as of June 30, 2015 and 2014 are due to be collected as follows:

		2015	2014
Within one year	$	69,109,856	56,461,327
One to five years		10,052,833	9,269,181
Thereafter		225,000	250,000
		79,387,689	65,980,508
Less present value discount (2.35% in 2015 and 2.53% in 2014)		(441,859)	(422,811)
	$	78,945,830	65,557,697

During 2010, WCS received a grant not to exceed $25,000,000, which is to support activities within the Global Conservation Programs. The grant ended on December 31, 2014. As the receipt of future amounts was conditional, revenue was recognized as requirements were met. Approximately $2,500,000 and $5,000,000 was recognized as revenue in fiscal 2015 and fiscal 2014, respectively. WCS has recognized cumulative revenue of $25,000,000 through June 30, 2015.

(8) Property and Equipment

At June 30, 2015 and 2014, the cost and accumulated depreciation of property and equipment are as follows:

		2015	2014
Land	$	651,268	651,268
Buildings and exhibits		417,266,526	389,147,451
Furniture, fixtures, and equipment		35,125,349	26,085,470
Construction in progress		93,100,175	62,160,609
		546,143,318	478,044,798
Less accumulated depreciation		247,889,143	229,698,631
	$	298,254,175	248,346,167

(9) Line of Credit and Loan Agreements

On March 31, 2014, WCS obtained a $15,000,000 3 year unsecured line of credit facility with Bank of America to support working capital needs, which bears interest at the 1 month London Interbank Offered Rate (LIBOR) plus 0.60%. Interest is paid monthly and an unused credit facility is paid quarterly. There were no borrowings in fiscal 2015 or fiscal 2014.

(Continued)

On March 24, 2014, WCS obtained a $7,000,000 10 year term unsecured loan from TD Bank which expires February 28, 2024. The full balance of the loan was outstanding as of June 30, 2015 and 2014. The purpose of the loan is to finance the capital costs of the implementation of a new suite of financial and administrative systems. The loan bears interest at the 1-Month LIBOR plus 1%. Interest expense on the loan for the years ended June 30, 2015 and 2014 was $82,659 and $20,614, respectively.

On March 7, 2014, WCS obtained a $10,000,000 program related investment in the form of a 3 year term loan from the David and Lucile Packard Foundation which expires March 7, 2017. WCS had an outstanding balance of $10,000,000 and $5,270,748 as of June 30, 2015 and 2014, respectively. The purpose of the loan is to provide bridge funding for construction of new facilities at the New York Aquarium pending contractual reimbursement of those costs by the City of New York. The loan bears an interest rate of 1%. Interest expense on the loan for the years ended June 30, 2015 and 2014 was $96,716 and $14,641, respectively.

(10) Bonds Payable

On March 12, 2013, WCS entered into a Loan Agreement with the Trust for Cultural Resources of the City of New York (the Trust) to finance the costs of capital improvements at the Bronx Zoo and to refund the $65,530,000 Series 2004 Revenue Bonds. The Trust issued $79,180,000 in Revenue Bonds and including an original issue premium of $13,726,479, proceeds totaled $92,906,479. Upon issuance of the Series 2013A Bonds, the Series 2004 Bonds were refunded and legally defeased.

On February 13, 2014, WCS entered into a Loan Agreement with the Trust to finance improvements at the New York Aquarium as well as other improvements. In connection with the Agreement, the Trust issued $44,430,000 of Revenue Bonds, Series 2014A. Including an original issue premium of $3,109,846, proceeds totaled $47,539,846.

Obligations under Series 2013A Revenue Bonds and 2014A Revenue Bonds (collectively, the Bonds) consist of the following:

Description	Maturity date	Interest rate	Amount outstanding at June 30 2015	2014
Revenue Bonds Series A 2013:				
2032 Term Bond	2032	3.25%	$ 4,130,000	4,130,000
2042 Term Bond	2042	5.00	11,475,000	11,475,000
Serial Bond	2023	5.00	645,000	645,000
Serial Bond	2024	5.00	680,000	680,000
Serial Bond	2025	5.00	715,000	715,000
Serial Bond	2026	5.00	750,000	750,000
Serial Bond	2027	5.00	790,000	790,000
Serial Bond	2028	5.00	295,000	295,000
Serial Bond	2033	5.00	59,700,000	59,700,000

Description	Maturity date	Interest rate	Amount outstanding at June 30 2015	Amount outstanding at June 30 2014
Revenue Bonds Series A 2014:				
2038 Term Bond	2038	5.00	$ 12,110,000	12,110,000
2043 Term Bond	2043	5.00	15,545,000	15,545,000
Serial Bond	2024	5.00	1,325,000	1,325,000
Serial Bond	2025	5.00	1,395,000	1,395,000
Serial Bond	2026	5.00	1,465,000	1,465,000
Serial Bond	2027	5.00	1,540,000	1,540,000
Serial Bond	2028	5.00	1,620,000	1,620,000
Serial Bond	2029	5.00	1,700,000	1,700,000
Serial Bond	2030	5.00	1,790,000	1,790,000
Serial Bond	2031	5.00	1,880,000	1,880,000
Serial Bond	2032	5.00	1,980,000	1,980,000
Serial Bond	2033	5.00	2,080,000	2,080,000
			123,610,000	123,610,000
Less unamortized bond issuance cost			(2,218,686)	(2,294,964)
Net unamortized premium			15,291,700	15,827,875
Bonds payable			$ 136,683,014	137,142,911

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

Interest expense on the Bonds amounted to $6,034,175 and $3,444,070 in fiscal years June 30, 2015 and 2014, respectively. Interest expense, net of interest income of $2,812,991 and $802,417 has been capitalized in construction in progress at June 30, 2015 and 2014, respectively.

Projected interest and principal payments are as follows:

	Interest	Principal
Fiscal year:		
2016	$ 6,108,225	—
2017	6,108,225	—
2018	6,108,225	—
2019	6,108,225	—
2020	6,108,225	—
Thereafter	88,402,287	123,610,000
Total	$ 118,943,412	123,610,000

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.

The aggregate fair value of long-term debt was estimated to be approximately $135,518,000 and $136,226,000 at June 30, 2015 and 2014, 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 $669,097 in 2015 and $535,898 in 2014 related to the plans. A liability of $1,657,228 and $1,760,574 is reported in accounts payable and accrued expenses in the accompanying consolidated balance sheets as of June 30, 2015 and 2014, respectively.

(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 $6,234,000 and $5,903,000 for the years ended June 30, 2015 and 2014, respectively. There have been no significant changes that affect the comparability of fiscal years 2015 and 2014 contributions. WCS's contributions to the Plan represent more than 5% of the total contributions to this plan for the years ended June 30, 2015 and 2014. 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, 2015. The most recent Pension Protection Act (PPA) zone status is green at June 30, 2015 and 2014 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, 2015.

In fiscal year 2013, WCS contributed up to 3% of salary as determined by the level of employee contributions to the 401(k) Savings Plan. The employer match component of the 401(k) Savings Plan was suspended for a two year period, commencing July 1, 2013; therefore no contribution was required for fiscal years 2015 and 2014. 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, 2015 and 2014 was as follows:

		2015	2014
401(k) Savings	$	(9,400)	9,000
Group Life and Welfare Benefits		202,000	189,000
Administration (all three plans)		733,000	689,000
	$	925,600	887,000

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 2015 and 2014, WCS recognized expense of $346,490 and $133,222 related to the terminal leave, respectively. The present value of the terminal leave obligation amounted to $1,945,641 and $2,292,131 at June 30, 2015 and 2014, 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 nonunion post-retirement benefits was reduced to new fixed amounts that coincide with a change in plan design.

The following table provides a summary of this unfunded plan as of June 30, 2015 and 2014:

		2015	2014
Change in benefit obligation:			
Benefit obligation at beginning of year	$	31,160,698	29,989,573
Service cost		1,019,984	925,652
Interest cost		1,255,590	1,337,337
Plan participants' contribution		214,977	359,306
Amendments		—	(605,568)
Actuarial (gain) loss		(1,399,352)	646,553
Benefits paid		(1,593,648)	(1,548,914)
Retiree drug subsidy received		—	56,759
Benefit obligation at end of year		30,658,249	31,160,698
Change in plan assets:			
Fair value of plan assets at beginning of year		—	—
Employer contribution		1,593,648	1,548,914
Benefits paid		(1,593,648)	(1,548,914)
Fair value of plan assets at end of year		—	—
Accumulated postretirement health and life insurance benefit obligation recognized in the consolidated balance sheet	$	(30,658,249)	(31,160,698)

		2015	2014
Components of net periodic benefit expense:			
Service cost	$	1,019,984	925,652
Interest cost		1,255,590	1,337,337
Amortization of prior service credit		(1,200,543)	(1,162,410)
Amortization of net gain		64,238	102,393
Net periodic benefit expense	$	1,139,269	1,202,972

(Continued)

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

	2015	2014
Benefit obligation weighted average assumptions as of June 30, 2015 and 2014:		
Discount rate	4.53%	4.31%
Benefit cost weighted average assumptions for the years ended June 30, 2015 and 2014:		
Discount rate	4.31	4.77

For measurement purposes, an annual rate of increase in the per capita cost of covered health care benefits of 7.0% in 2015 grading down to 4.75% in 2020 and thereafter was assumed.

As of June 30, 2015, a total gain of $3,011,491, consisting of $3,088,977 net actuarial loss and $6,100,468 prior service credit, has not yet been recognized as a component of net periodic benefit costs.

As of June 30, 2014, a total gain of $2,748,444, consisting of $4,552,566 net actuarial loss and $7,301,010 prior service credit, has not yet been recognized as a component of net periodic benefit costs.

During the years ended June 30, 2015 and 2014, $263,047 and ($1,101,002) were reported, respectively, as postretirement-related change other than net periodic postretirement benefit costs. The components of the amounts are as follows:

	2015	2014
Net actuarial (gain) loss	$ (1,463,590)	544,160
Prior service cost	1,200,543	556,842
	$ (263,047)	1,101,002

It is estimated that $1,124,762 of the prior service credit will be recognized as components of net periodic benefit costs in fiscal year 2016.

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 2015:

	One-percentage-point increase	One-percentage-point decrease
Impact of one-percentage-point change in health care cost trend rates:		
Effect on total service and interest cost components	$ 316,040	(248,122)
Effect on the postretirement benefit obligation	3,801,170	(3,039,456)

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

2016	$ 1,384,000
2017	1,480,000
2018	1,504,000
2019	1,580,000
2020	1,597,000
2021 through 2025	9,004,000
	$ 16,549,000

(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, 2015, follows:

Facility/location	Species and subspecies	Specimens owned	Births/ hatchings
Bronx Zoo	801	68,984	2,781
New York Aquarium	330	3,115	699
City Zoos	452	3,460	4,215
	1,583	75,559	7,695

During the years ended June 30, 2015 and 2014, animal collection accessions aggregated approximately $498,000 and $345,000, respectively, while proceeds from deaccessions aggregated approximately $29,000 and $19,000, respectively. In addition, WCS disposition policy prohibits the sale of collection animals.

(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 $15,720,704 and $15,063,652 in operating support during 2015 and 2014, 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 $10,002,330 and $7,681,892 in support during 2015 and 2014, 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 2015 and 2014, this funding amounted to $47,432,873 and $16,585,806, respectively.

In fiscal year 2015, WCS also received, through the Department of Cultural Affairs, a temporarily restricted grant in the amount of $50,000.

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

WILDLIFE CONSERVATION SOCIETY
AND SUBSIDIARIES

Schedule of Functional Expenses

Year ended June 30, 2015
(with comparative summarized financial information for the year ended June 30, 2014)

		Bronx Zoo	New York Aquarium	City Zoos	Global Conservation Programs	Total program services
Salaries and wages	$	25,111,575	4,376,173	12,540,574	17,246,121	59,274,443
Employee benefits and payroll taxes		10,672,675	1,847,466	5,801,167	8,106,447	26,427,755
Employment costs		30,726	5,827	9,989	1,823,913	1,870,455
Stipends		202,902	15,561	28,105	20,709,996	20,956,564
Purchased services		2,557,458	1,038,560	465,596	9,239,204	13,300,818
Grants		137,215	—	—	14,523,615	14,660,830
Professional fees		583,218	76,736	102,459	881,510	1,643,923
Property and casualty insurance		1,787,125	394,017	188,279	1,055,947	3,425,368
Advertising		—	—	—	—	—
Repairs and maintenance		3,626,301	1,294,752	786,053	1,900,640	7,607,746
Supplies and materials		3,301,558	941,151	1,408,293	8,946,413	14,597,415
Animal food and forage		1,492,670	242,824	510,260	—	2,245,754
Telephone		154,291	111,986	111,043	936,512	1,313,832
Heat, light, and power		4,049,993	1,177,820	155,393	624,375	6,007,581
Travel		499,340	97,697	77,118	12,333,304	13,007,459
Dues and fees		54,686	42,735	91,909	62,443	251,773
Postage and shipping		42,436	21,377	6,646	281,126	351,585
Cost of product sold		4,648	34	131	—	4,813
Collection accessions		303,113	175,706	19,600	—	498,419
Bond interest expense						—
Other		1,333,968	656,860	1,379,253	4,014,089	7,384,170
Subtotal		55,945,898	12,517,282	23,681,868	102,685,655	194,830,703
Depreciation		10,575,349	1,736,834	1,733,579	1,265,677	15,311,439
Total 2015 expenses	$	66,521,247	14,254,116	25,415,447	103,951,332	210,142,142
Total 2014 expenses	$	62,054,950	12,606,328	23,613,483	95,345,460	193,620,221

See accompanying independent auditors' report.

Schedule 1

Restaurant, merchandise, and parking expenses	Management and general	Membership solicitation and fulfillment	Fund-raising	Total supporting services	Total 2015	Total 2014
5,491,207	13,105,197	454,926	4,812,782	18,372,905	83,138,555	78,253,628
1,585,827	3,612,925	132,148	1,335,068	5,080,141	33,093,723	29,780,351
8,150	335,663	—	12,261	347,924	2,226,529	2,237,373
14,600	408,870	26,831	21,840	457,541	21,428,705	19,983,480
268,994	832,356	900,326	468,884	2,201,566	15,771,378	14,729,715
—		—	—	—	14,660,830	10,841,942
15,648	1,549,686	9,785	138,644	1,698,115	3,357,686	4,513,246
1,141	132,428	298	2,434	135,160	3,561,669	3,604,496
—	1,521,022	—	—	1,521,022	1,521,022	1,281,122
344,985	883,372	748	62,729	946,849	8,899,580	8,626,982
594,898	392,375	108,248	147,229	647,852	15,840,165	15,156,474
26,691	22	—	330	352	2,272,797	2,191,412
31,957	216,622	7,926	18,753	243,301	1,589,090	1,546,789
12,655	472	—	—	472	6,020,708	6,150,055
30,953	569,634	19,424	264,780	853,838	13,892,250	12,852,118
733	187,767	154	190,188	378,109	630,615	624,477
3,549	25,321	282,141	38,190	345,652	700,786	955,864
6,294,454	—	—	—	—	6,299,267	6,162,244
—	—	—		—	498,419	345,047
—	2,685,008	—	—	2,685,008	2,685,008	2,641,653
1,123,277	929,568	197,486	343,817	1,470,871	9,978,318	7,985,272
15,849,719	27,388,308	2,140,441	7,857,929	37,386,678	248,067,100	230,463,740
1,296,379	1,541,124	39,417	2,153	1,582,694	18,190,512	17,318,042
17,146,098	28,929,432	2,179,858	7,860,082	38,969,372	266,257,612	
16,915,742	27,668,416	2,683,496	6,893,907	37,245,819		$ 247,781,782

Schedule 2

WILDLIFE CONSERVATION SOCIETY
AND SUBSIDIARIES

Consolidating Schedule of Activities

Year ended June 30, 2015

	WCS do Brazil	WCS Canada	WCS Europe	WCS Singapore	WCS Malaysia	MCC	182 Flight Corp.	WCS USA	Elimination	WCS Consolidated
Revenues:										
Contributions	$ 2,102,802	2,032,512	128,938	—	301,192	—	—	67,069,706	—	71,635,150
Bequests	—	—	—	—	—	—	—	26,754,160	—	26,754,160
Membership dues	—	—	—	—	—	—	—	14,319,954	—	14,319,954
Appropriation from The City of New York	—	—	—	—	—	—	—	73,205,907	—	73,205,907
State of New York grants and contracts	—	—	—	—	—	—	—	4,200,757	—	4,200,757
U.S. Federal grants and contracts	22,838	152,151	—	86,439	49,024	—	—	27,960,668	(152,151)	28,118,969
Other grants	253,814	239,811	477,140	—	—	—	568,200	26,564,413	(952,200)	27,151,178
Gate and exhibit admissions	—	—	—	—	—	—	—	34,409,407	—	34,409,407
Investment return	—	—	—	—	—	—	—	16,564,812	—	16,564,812
Educational program and activities	—	—	—	—	—	—	—	2,568,362	—	2,568,362
Sponsorship, licensing, and royalties	—	—	—	—	—	—	—	908,983	—	908,983
Miscellaneous	3,954	67,537	185	—	4,993	449,631	—	2,730,994	—	3,257,294
	2,383,408	2,492,011	606,263	86,439	355,209	449,631	568,200	297,258,123	(1,104,351)	303,094,933
Restaurant and merchandise sales and parking fees	—	—	—	—	—	—	—	24,764,860	—	24,764,860
Total revenues	2,383,408	2,492,011	606,263	86,439	355,209	449,631	568,200	322,022,983	(1,104,351)	327,859,793
Expenses and losses:										
Salaries and wages	68,488	1,089,044	209,616	177,936	47,075	—	—	81,546,396	—	83,138,555
Employee benefits and payroll taxes	191,969	—	150,021	44,836	7,114	—	—	32,699,783	—	33,093,723
Employment costs	40	—	—	96,954	18,821	—	—	2,110,714	—	2,226,529
Stipends	211,824	—	—	35,500	63,584	—	—	21,117,797	—	21,428,705
Purchased services	177,056	264,181	—	15,250	3,769	—	—	15,311,122	—	15,771,378
Grants	168,460	485,986	49,126	—	518,826	295,972	—	13,948,562	(806,102)	14,660,830
Professional fees	11,358	3,760	34,472	44,403	1,013	—	—	3,262,680	—	3,357,686
Property and casualty insurance	7,342	15,792	9,427	—	1,410	—	—	3,527,698	—	3,561,669
Advertising	—	—	—	—	—	—	—	1,521,022	—	1,521,022
Repairs and maintenance	12,007	218	—	974	1,452	—	—	8,884,929	—	8,899,580
Supplies and materials	52,545	138,821	4,388	989	6,642	—	298,249	15,636,780	(298,249)	15,840,165
Animal food and forage	—	—	—	—	—	—	—	2,272,797	—	2,272,797
Telephone	4,327	16,603	2,597	1,191	1,131	—	—	1,563,241	—	1,589,090
Heat, light, and power	83	73,480	38,860	307	662	—	—	5,907,316	—	6,020,708
Travel	227,013	100,649	33,559	21,587	11,258	—	—	13,498,184	—	13,892,250
Dues and fees	—	1,672	—	1,295	—	—	—	627,648	—	630,615
Postage and shipping	1,117	—	45	253	1,614	—	—	697,757	—	700,786
Cost of product sold	—	—	—	—	—	—	—	6,299,267	—	6,299,267
Collection accessions	—	—	—	—	—	—	—	498,419	—	498,419
Bond interest expense	—	—	—	—	—	—	—	2,685,008	—	2,685,008
Other	16,577	314,674	54,219	12,117	745	157,119	—	9,422,867	—	9,978,318
Depreciation	—	—	—	—	—	—	—	18,190,512	—	18,190,512
Total expenses	1,150,206	2,504,880	586,330	453,592	685,116	453,091	298,249	261,230,499	(1,104,351)	266,257,612
Excess (deficiency) of revenues over expenses	1,233,202	(12,869)	19,933	(367,153)	(329,907)	(3,460)	269,951	60,792,484	—	61,602,181
Other changes:										
Postretirement-related change other than net periodic postretirement benefit cost	—	—	—	—	—	—	—	263,047	—	263,047
Changes in net assets	1,233,202	(12,869)	19,933	(367,153)	(329,907)	(3,460)	269,951	61,055,531	—	61,865,228
Net assets at beginning of year	78,663	1,767,183	133,949	(270,843)	237,099	13,393	—	747,016,939	—	748,976,383
Net assets at end of year	$ 1,311,865	1,754,314	153,882	(637,996)	(92,808)	9,933	269,951	808,072,470	—	810,841,611

See accompanying independent auditors' report.