

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017**

CHEETAH CONSERVATION FUND

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cheetah Conservation Fund
Alexandria, Virginia

We have audited the accompanying financial statements of the Cheetah Conservation Fund, which comprise the statement of financial position as of December 31, 2018 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Cheetah Conservation Fund as of December 31, 2018 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Prior Year Comparative Statements

The financial statements of the Cheetah Conservation Fund for the year ended December 31, 2017 were audited by other auditors, whose report dated May 25, 2018, expressed an unmodified opinion on those statements.

Gelman Rosenberg & Friedman

June 28, 2019

CHEETAH CONSERVATION FUND
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 650,777	\$ 628,850
Investments	554,343	499,522
Contributions and grants receivable	226,003	283,319
Contributed assets for sale	20,703	31,703
Prepaid expenses	<u>31,578</u>	<u>29,709</u>
Total current assets	<u>1,483,404</u>	<u>1,473,103</u>
FIXED ASSETS		
Equipment	14,529	14,529
Furniture	9,666	9,666
Computer equipment	<u>25,079</u>	<u>15,079</u>
	49,274	39,274
Less: Accumulated depreciation	<u>(38,352)</u>	<u>(35,360)</u>
Net fixed assets	<u>10,922</u>	<u>3,914</u>
OTHER ASSETS		
Endowment investments	196,612	101,285
Deposits	<u>2,400</u>	<u>2,400</u>
Total other assets	<u>199,012</u>	<u>103,685</u>
TOTAL ASSETS	<u>\$ 1,693,338</u>	<u>\$ 1,580,702</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 124,251	\$ 96,199
Deferred revenue	<u>17,940</u>	<u>28,940</u>
Total liabilities	<u>142,191</u>	<u>125,139</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	799,370	1,000,451
Board designated	<u>238,224</u>	<u>165,352</u>
Total without donor restrictions	1,037,594	1,165,803
With donor restrictions	<u>513,553</u>	<u>289,760</u>
Total net assets	<u>1,551,147</u>	<u>1,455,563</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,693,338</u>	<u>\$ 1,580,702</u>

CHEETAH CONSERVATION FUND

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Grants and contributions	\$ 2,220,368	\$ 502,548	\$ 2,722,916
Other revenue	58,482	-	58,482
In-kind revenue	59,068	-	59,068
Event revenue, net	29,631	-	29,631
Investment (loss), net	2,357	(2,366)	(9)
Net assets released from donor restrictions	<u>276,389</u>	<u>(276,389)</u>	<u>-</u>
Total revenue	<u>2,646,295</u>	<u>223,793</u>	<u>2,870,088</u>
EXPENSES			
Program Services	<u>2,309,873</u>	<u>-</u>	<u>2,309,873</u>
Supporting Services:			
Management and General	260,165	-	260,165
Fundraising	<u>204,466</u>	<u>-</u>	<u>204,466</u>
Total supporting services	<u>464,631</u>	<u>-</u>	<u>464,631</u>
Total expenses	<u>2,774,504</u>	<u>-</u>	<u>2,774,504</u>
Changes in net assets	(128,209)	223,793	95,584
Net assets at beginning of year	<u>1,165,803</u>	<u>289,760</u>	<u>1,455,563</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,037,594</u>	<u>\$ 513,553</u>	<u>\$ 1,551,147</u>

	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Grants and contributions	\$ 2,118,148	\$ 384,709	\$ 2,502,857
Other revenue	65,275	-	65,275
In-kind revenue	80,275	-	80,275
Event revenue, net	52,400	-	52,400
Investment income, net	22,232	-	22,232
Net assets released from donor restrictions	<u>314,961</u>	<u>(314,961)</u>	<u>-</u>
Total revenue	<u>2,653,291</u>	<u>69,748</u>	<u>2,723,039</u>
EXPENSES			
Program Services	<u>2,015,969</u>	<u>-</u>	<u>2,015,969</u>
Supporting Services:			
Management and General	231,369	-	231,369
Fundraising	<u>210,674</u>	<u>-</u>	<u>210,674</u>
Total supporting services	<u>442,043</u>	<u>-</u>	<u>442,043</u>
Total expenses	<u>2,458,012</u>	<u>-</u>	<u>2,458,012</u>
Change in net assets	195,279	69,748	265,027
Net assets at beginning of year	<u>970,524</u>	<u>220,012</u>	<u>1,190,536</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,165,803</u>	<u>\$ 289,760</u>	<u>\$ 1,455,563</u>

CHEETAH CONSERVATION FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Grants paid	\$ 1,457,211	\$ -	\$ -	\$ -	\$ 1,457,211
Salaries	356,576	134,589	77,490	212,079	568,655
Professional fees	241,705	-	-	-	241,705
Employee benefits	69,990	22,993	10,150	33,143	103,133
Travel and related	48,016	-	28,681	28,681	76,697
Printing and copying	13,954	5,581	36,280	41,861	55,815
Payroll taxes	28,980	10,938	6,298	17,236	46,216
Rent and related	31,716	1,982	5,947	7,929	39,645
Donor database	5,981	5,981	17,942	23,923	29,904
Book expenses	25,702	-	-	-	25,702
Postage and shipping	6,266	2,506	16,292	18,798	25,064
Credit card fees	-	21,379	-	21,379	21,379
Conferences and meetings	945	11,593	-	11,593	12,538
Dues and subscriptions	10,286	1,520	435	1,955	12,241
Accounting and auditing	-	11,605	-	11,605	11,605
Telecommunications	-	9,184	-	9,184	9,184
Merchandise	4,004	-	4,004	4,004	8,008
Bank and wire fees	-	7,687	-	7,687	7,687
Office expenses	106	5,719	50	5,769	5,875
Insurance	4,169	-	-	-	4,169
IT and website services	160	2,135	897	3,032	3,192
Depreciation	2,991	-	-	-	2,991
Miscellaneous	-	2,724	-	2,724	2,724
Equipment and maintenance	690	1,624	-	1,624	2,314
Legal	425	425	-	425	850
TOTAL	\$ 2,309,873	\$ 260,165	\$ 204,466	\$ 464,631	\$ 2,774,504

CHEETAH CONSERVATION FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Grants paid	\$ 1,264,249	\$ -	\$ -	\$ -	\$ 1,264,249
Salaries	318,079	111,428	66,857	178,285	496,364
Professional fees	205,650	-	1,942	1,942	207,592
Employee benefits	68,511	12,258	9,000	21,258	89,769
Travel and related	24,257	6,295	42,507	48,802	73,059
Printing and copying	14,477	5,791	37,640	43,431	57,908
Donor database	8,883	8,883	26,648	35,531	44,414
Payroll taxes	23,297	12,106	5,824	17,930	41,227
Rent and related	25,791	1,912	4,836	6,748	32,539
Credit card fees	-	28,571	-	28,571	28,571
Book expenses	22,402	-	-	-	22,402
Postage and shipping	2,184	5,159	14,193	19,352	21,536
Dues and subscriptions	16,088	2,713	-	2,713	18,801
Accounting and auditing	-	10,521	-	10,521	10,521
Conferences and meetings	4,709	4,709	-	4,709	9,418
Telecommunications	766	7,139	-	7,139	7,905
Bank and wire fees	2,629	3,004	29	3,033	5,662
Payroll processing fees	1,786	2,711	-	2,711	4,497
Insurance	4,135	-	-	-	4,135
Depreciation	3,687	-	-	-	3,687
Merchandise	2,869	477	-	477	3,346
IT and website services	343	2,135	283	2,418	2,761
Software supplies	99	1,496	861	2,357	2,456
Equipment and maintenance	178	1,960	-	1,960	2,138
Office expenses	60	1,796	54	1,850	1,910
Miscellaneous	840	305	-	305	1,145
TOTAL	\$ 2,015,969	\$ 231,369	\$ 210,674	\$ 442,043	\$ 2,458,012

CHEETAH CONSERVATION FUND
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 95,584	\$ 265,027
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	2,991	3,687
Net realized loss (gain) and change in unrealized gains	20,144	(9,305)
Contributions invested in perpetuity	(128,933)	-
Gain on disposal of asset	-	(78)
Decrease (increase) in:		
Contributions and grants receivable	57,316	(63,914)
Contributed assets for sale	11,000	(27,029)
Prepaid expenses	(1,869)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	28,052	(6,675)
Deferred revenue	(11,000)	-
Net cash provided by operating activities	<u>73,285</u>	<u>161,713</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(10,000)	-
Purchase of investments	(726,742)	(11,582)
Proceeds from sale of investments, net of fees	<u>556,451</u>	<u>-</u>
Net cash used by investing activities	<u>(180,291)</u>	<u>(11,582)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions invested in perpetuity	<u>128,933</u>	<u>-</u>
Net cash provided by financing activities	<u>128,933</u>	<u>-</u>
Net increase in cash and cash equivalents	21,927	150,131
Cash and cash equivalents at beginning of year	<u>628,850</u>	<u>478,719</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 650,777</u></u>	<u><u>\$ 628,850</u></u>

CHEETAH CONSERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

In recognition of the threat of possible extinction of the wild cheetah, the Cheetah Conservation Fund was established in 2000 as a California nonprofit public benefit corporation in the United States after operating for 11 years prior to that as a project within the International Wilderness Leadership Foundation. The Cheetah Conservation Fund's mission is to ensure the long-term survival of the cheetah and its ecosystem through a multi-disciplined and integrated program of research and education. The wild cheetah is a "keystone species", the health and viability of which is a specific indicator for the general condition of the earth's biological resources and quality of natural environment. The majority of funding received by the Cheetah Conservation Fund comes from foundations and individuals that support the survival of the cheetah. The Cheetah Conservation Fund supports program activities and operations of the Cheetah Conservation Fund Namibia (CCF Namibia), a fund organized in 1990 as an Incorporated Association Not for Gain under Section 21 of the Namibian Companies Act in the Republic of Namibia. The Cheetah Conservation Fund also provides program and logistical support for CCF Namibia and its program of scientific research, conservation biology, public awareness and environmental education and professional training. However, the Cheetah Conservation Fund does not have control of CCF Namibia, and therefore, consolidation or combination is not required.

The Cheetah Conservation Fund promotes public awareness and education through lecture tours, publications, regional volunteer "chapters" and fundraising activities, which bring the plight of the wild cheetah to the public's attention. These activities occur largely in the United States, but also occasionally in other countries.

In addition, the Cheetah Conservation Fund promotes support and cooperation with other organizations and their activities to raise public awareness, disseminate information and provide educational activities about the plight of the cheetah in the wild, associated threatened wildlife, and their habitats.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14 *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU was adopted for the year ended December 31, 2018 and applied retrospectively.

Cash and cash equivalents -

The Cheetah Conservation Fund considers all cash and other highly liquid investments, with maturities of three months or less to be cash equivalents, and excluding money market funds held by investment managers in the amounts of \$552,307 and \$397,791 for the years ended December 31, 2018 and 2017, respectively. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Cheetah Conservation Fund maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment (loss) income, net of investment expenses provided by external investment advisors, in the Statements of Activities and Changes in Net Assets.

CHEETAH CONSERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Investments (continued) -

Investments acquired by gift are recorded at their fair value at the date of the gift. The Cheetah Conservation Fund's policy is to liquidate all gifts of investments as soon as possible after the gift.

Contributions and grants receivable -

Contributions and grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$500 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the years ended December 31, 2018 and 2017 totaled \$2,991 and \$3,687, respectively.

Assets held for sale -

Assets held for sale represent a contribution of artwork and other donated items, which are recorded at fair market value at the time of donation. The Cheetah Conservation Fund is holding such items for future sale. All gains or losses will be recognized at the time of sale.

Income taxes -

The Cheetah Conservation Fund is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Cheetah Conservation Fund is not a private foundation.

Uncertain tax positions -

For the years ended December 31, 2018 and 2017, the Cheetah Conservation Fund has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions are recorded as net assets without donor restrictions. Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

CHEETAH CONSERVATION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Net asset classification (continued) -

Net Assets With Donor Restrictions - Contributions and grants restricted by donors (or certain grantors) are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Grants and contributions -

Grants and contributions received without donor restrictions and with donor restrictions are recorded as revenue in the year notification is received from the donor. Grants and contributions with donor restrictions are recognized as without donor restrictions only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restriction in the accompanying financial statements.

In-kind revenue -

The Cheetah Conservation Fund recognizes in-kind services, at their fair value, if they create or enhance non-financial assets or requires specialized skills and would typically be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition in the financial statement. However, a substantial number of volunteers have donated significant amounts of their time in the Cheetah Conservation Fund's operations and fund-raising campaigns.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a basis of estimated time and effort.

Risks and uncertainties -

The Cheetah Conservation Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

CHEETAH CONSERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Risks and uncertainties (continued) -

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 in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair value measurement -

The Cheetah Conservation Fund adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Cheetah Conservation Fund accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

In accordance with FASB ASC 820, *Fair Value Measurement*, the Cheetah Conservation Fund has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Cheetah Conservation Fund has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There were no transfers between levels in the fair value hierarchy during the years ended December 31, 2018 and 2017. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money market funds* - The money market fund is an open-end funds that are registered with the Securities and Exchange Commission (SEC) and is deemed to be actively traded.
- *Mutual funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Cheetah Conservation Fund are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Cheetah Conservation Fund are deemed to be actively traded.

CHEETAH CONSERVATION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fair value measurement (continued) -

- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications are primarily due to the adoption of Accounting Standards Update 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes. Net assets previously classified as of December 31, 2017 as "unrestricted" in the amount of \$1,165,803 are now classified as "without donor restrictions". Net assets previously classified as "temporarily restricted" in the amount of \$188,475 are now classified as "with donor restrictions". Net assets previously classified as "permanently restricted" in the amount of \$101,285 are now classified as "with donor restrictions".

New accounting pronouncements (not yet adopted) -

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. The Cheetah Conservation Fund has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. The Cheetah Conservation Fund has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the statement of financial position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

The Cheetah Conservation Fund plans to adopt the new ASUs at the respective required implementation dates.

CHEETAH CONSERVATION FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

2. INVESTMENTS

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2018.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total December 31, 2018</u>
Asset Class:				
Money market funds	\$ 552,307	\$ -	\$ -	\$ 552,307
Mutual funds	196,612	-	-	196,612
Equities	<u>2,036</u>	<u>-</u>	<u>-</u>	<u>2,036</u>
TOTAL	<u>\$ 750,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,955</u>

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total December 31, 2017</u>
Asset Class:				
Money market funds	\$ 397,791	\$ -	\$ -	\$ 397,791
Mutual funds	<u>203,016</u>	<u>-</u>	<u>-</u>	<u>203,016</u>
TOTAL	<u>\$ 600,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600,807</u>

Included in investment (loss) income are the following:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 23,357	\$ 15,736
Unrealized (loss) gain	(20,144)	9,305
Management fees	<u>(3,222)</u>	<u>(2,809)</u>
TOTAL INVESTMENT (LOSS) INCOME, NET OF INVESTMENT EXPENSES	<u>\$ (9)</u>	<u>\$ 22,232</u>

3. BOARD DESIGNATED NET ASSETS

As of December 31, 2018 and 2017, net assets without donor restrictions have been designated by the Board of Directors for the following purposes:

	<u>2018</u>	<u>2017</u>
Research	\$ 13,224	\$ 40,352
Operating Reserve	125,000	125,000
Land Fund	<u>100,000</u>	<u>-</u>
BOARD DESIGNATED NET ASSETS	<u>\$ 238,224</u>	<u>\$ 165,352</u>

CHEETAH CONSERVATION FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Subject to expenditure for specified purpose:		
Publication of Book on CCF and Founder	\$ 71,150	\$ 71,150
Camping Vehicle	50,000	-
Action for Cheetah Kenya	44,637	-
Rabies Education	37,200	-
Land Purchase	22,500	12,500
Other	16,000	22,737
Website	15,000	-
Langston Partner Program	11,715	-
Scholarships	9,720	-
Cheetah Collars	3,000	-
Wild Dogs	2,500	1,000
IWT Kits	2,279	15,000
Guesthouse Naming	-	25,000
Future Conservationists	-	20,000
Pathways	-	18,498
FFA	-	2,590
	<u>285,701</u>	<u>188,475</u>
Total subject to expenditure for specified purpose		
Endowments to be invested in perpetuity	230,218	101,285
Accumulated investment deficiency	<u>(2,366)</u>	<u>-</u>
Net endowments to be invested in perpetuity	<u>227,852</u>	<u>101,285</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 513,553</u>	<u>\$ 289,760</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	<u>2018</u>	<u>2017</u>
Purpose restrictions accomplished:		
Pathways	\$ 60,698	\$ -
FFA	52,590	-
Other	51,237	-
Guesthouse Naming	25,000	92,000
Langston Partner Program	20,285	-
Cheetah Collars	20,000	10,577
Future Conservationists	20,000	-
Wild Dogs	13,858	-
IWT Kits	12,721	-
Solar Power	-	95,000
Action for Cheetah Kenya	-	45,571
Bushblok	-	26,500
Founder awards	-	15,000
Illegal Wildlife Trade	-	12,313
Rewilding	-	7,500
Rabies Prevention	-	7,000
Vet Supplies	-	3,500
	<u>276,389</u>	<u>314,961</u>
	<u>\$ 276,389</u>	<u>\$ 314,961</u>

CHEETAH CONSERVATION FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

5. LIQUIDITY

Financial assets available for use within one year of the statement of financial position, comprise the following:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 650,777	\$ 628,850
Investments	554,343	499,522
Contributions and grants receivable	226,003	283,319
Less: Board designated	(238,224)	(165,352)
Less: With donor restrictions	<u>(285,701)</u>	<u>(188,475)</u>
	<u>\$ 907,198</u>	<u>\$ 1,057,864</u>

The Cheetah Conservation Fund has a policy to structure its financial assets to be available and liquid as its obligations become due. Additionally, the board has designated a portion of operating surplus as a general reserve, which was \$125,000 as of December 31, 2018 and 2017. The reserve fund established by the governing board may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

6. LEASE COMMITMENTS

Beginning April 1, 2015, the Cheetah Conservation Fund entered into an agreement to lease office space in Alexandria, Virginia under a three-year-non-cancelable operating lease, which expired March 31, 2018. Effective March 14, 2018, the lease has been extended for an additional five years, expiring on March 31, 2023. Base rent is \$30,055 per year, plus a proportionate share of expenses, increasing by a factor of 3% per year.

The following is a schedule of the future minimum lease payments:

<u>Year Ending December 31,</u>	
2019	\$ 31,243
2020	32,180
2021	33,145
2022	34,140
2023	<u>8,597</u>
	<u>\$ 139,305</u>

Rent expense for the years ended December 31, 2018 and 2017 was \$39,645 and \$32,539, respectively.

7. RETIREMENT PLAN

The Cheetah Conservation Fund established a 401(k) Retirement Plan covering all employees who meet certain eligibility test. The Fund is not required to contribute to the Plan, however the Fund may contribute at the discretion of the Board. Participants can contribute a portion of their wages to the Plan, free of state and federal income taxes. The Cheetah Conservation Fund contributed \$80,000 and \$75,000 to the plan for the years ended December 31, 2018 and 2017, respectively.

CHEETAH CONSERVATION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

8. RELATED PARTY

CCF Namibia receives support from the Cheetah Conservation Fund in the form of grants. The amount of support each year is dependent on the amount of contributions received by the Cheetah Conservation Fund. During the years ended December 31, 2018 and 2017 CCF Namibia was granted \$1,367,347 and \$1,264,249, respectively, for operations and special projects. In addition to the grants made to CCF Namibia, the Cheetah Conservation Fund also paid staff services and health care benefits to certain related party employees and contractors of CCF Namibia. Total staff services and health care expenses paid for related parties were \$191,519 and \$189,511 for the years ended December 31, 2018 and 2017, respectively.

The founder of CCF Namibia serves as the executive director of both the Cheetah Conservation Fund and CCF Namibia and is a member of the Board of Directors of the Cheetah Conservation Fund.

9. ENDOWMENT

The Cheetah Conservation Fund's endowment consists of donor-restricted endowment funds and funds designated by the governing Board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. Most of those net asset also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The governing Board has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Cheetah Conservation Fund considers a fund to be underwater if the fair value of the fund is less than the sum the (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Cheetah Conservation Fund has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with SPMIFA, the Cheetah Conservation Fund considers the following factors in making a determination to appropriated or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

During 2003, the Cheetah Conservation Fund entered an agreement whereby The Ralph and Rose C. Valpiani Endowment Fund would contribute donor-restricted funds to the Cheetah Conservation Fund over a specified period and all funds contributed under this agreement were to be maintained in perpetuity. Only the income of the endowment may be used by the Cheetah Conservation Fund, as it may deem prudent. Over a period of three years (2003-2005), the Ralph and Rose C. Valpiani Endowment Fund contributed \$49,469.

CHEETAH CONSERVATION FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

9. ENDOWMENT (Continued)

During 2016, the Cheetah Conservation Fund received \$57,689 from the Estate of Marjorie Merriweather Post Dye. Based on the trust document, \$50,000 of the contribution was to be maintained in perpetuity and the remaining balance of \$7,689, which were earnings on the restricted funds, were for use as the Cheetah Conservation Fund designates and was classified as funds without donor restrictions. The Cheetah Conservation Fund expects to receive an additional \$150,000 of restricted funds to be maintained in perpetuity, from the Trust over the next several years.

During the year ended December 31, 2018 the December 31, 2018 received an additional \$128,933.

Endowment net asset composition by type of fund as of December 31, 2018:

	Without Donor Restriction	With Donor Restrictions	Total
Donor-Restricted Endowment Funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 230,218	\$ 230,218
Accumulated investment deficiency	-	(2,366)	(2,366)
TOTAL ENDOWMENT FUNDS	\$ -	\$ 227,852	\$ 227,852

Changes in endowment net assets for the year ended December 31, 2018:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ -	\$ 101,285	\$ 101,285
Investment loss, net	-	(2,366)	(2,366)
Contributions	-	128,933	128,933
ENDOWMENT NET ASSETS, END OF YEAR	\$ -	\$ 227,852	\$ 227,852

Endowment net asset composition by type of fund as of of December 31, 2017:

	Without Donor Restriction	With Donor Restrictions	Total
Donor Restricted Endowment Funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 101,285	\$ 101,285
TOTAL ENDOWMENT FUNDS	\$ -	\$ 101,285	\$ 101,285

CHEETAH CONSERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. ENDOWMENT (Continued)

Changes in endowment net assets for the year ended of December 31, 2017:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 101,285	101,285
Investment return, net	-	3,780	3,780
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(3,780)</u>	<u>(3,780)</u>
ENDOWMENT NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$ 101,285</u>	<u>\$ 101,285</u>

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the organization to retain as a fund of perpetual duration. There was accumulated investment deficiencies totaling \$2,366 as of December 31, 2018. There were no such deficiencies as of December 31, 2017. Subsequent to year end, as of the date of this report, there were no further deficiencies.

Return Objectives and Risk Parameters -

The Cheetah Conservation Fund has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a prudent manner that is intended to stress safety and strive for growth. The endowment is to be held in one or more accounts in the name of the Cheetah Conservation Fund but segregated from those accounts used to support its operations.

Strategies Employed for Achieving Objectives -

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

Spending Policy and How the Investment Objectives Relate to Spending Policy -

All earnings from the endowment may be utilized to support operations at the Cheetah Conservation Fund's discretion.

10. SUBSEQUENT EVENTS

In preparing these financial statements, the Cheetah Conservation Fund has evaluated events and transactions for potential recognition or disclosure through June 28, 2019, the date the financial statements were issued.