

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

CHEETAH CONSERVATION FUND

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CPAs & ADVISORS

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 statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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..

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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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

June 16, 2021

CHEETAH CONSERVATION FUND
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019

ASSETS		<u>2020</u>	<u>2019</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	870,001	\$ 590,579
Investments		2,327,193	1,570,556
Contributions and grants receivable		245,739	204,732
Contributed assets for sale		4,740	16,840
Prepaid expenses		<u>27,377</u>	<u>30,412</u>
Total current assets		<u>3,475,050</u>	<u>2,413,119</u>
FIXED ASSETS			
Equipment		2,247	2,247
Computer equipment		25,079	25,079
Contributed art		<u>2,763</u>	<u>2,763</u>
		30,089	30,089
Less: Accumulated depreciation		<u>(19,327)</u>	<u>(17,326)</u>
Net fixed assets		<u>10,762</u>	<u>12,763</u>
OTHER ASSETS			
Endowment investments		285,142	249,094
Deposits		<u>2,400</u>	<u>2,400</u>
Total other assets		<u>287,542</u>	<u>251,494</u>
TOTAL ASSETS		<u>\$ 3,773,354</u>	<u>\$ 2,677,376</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	126,205	\$ 209,924
Loan payable		127,875	-
Deferred revenue		<u>4,740</u>	<u>16,840</u>
Total liabilities		<u>258,820</u>	<u>226,764</u>
NET ASSETS			
Without donor restrictions:			
Undesignated		1,823,987	1,304,940
Board designated		<u>838,224</u>	<u>238,224</u>
Total without donor restrictions		2,662,211	1,543,164
With donor restrictions		<u>852,323</u>	<u>907,448</u>
Total net assets		<u>3,514,534</u>	<u>2,450,612</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 3,773,354</u>	<u>\$ 2,677,376</u>

See accompanying notes to financial statements.

CHEETAH CONSERVATION FUND

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Grants and contributions	\$ 3,738,183	\$ 99,261	\$ 3,837,444
Investment income, net	107,291	12,897	120,188
Event revenue, net	39,291	-	39,291
In-kind revenue	31,354	-	31,354
Other revenue	21,362	-	21,362
Net assets released from donor restrictions	<u>167,283</u>	<u>(167,283)</u>	<u>-</u>
Total revenue	<u>4,104,764</u>	<u>(55,125)</u>	<u>4,049,639</u>
EXPENSES			
Program Services	<u>2,401,609</u>	<u>-</u>	<u>2,401,609</u>
Supporting Services:			
Management and General	309,578	-	309,578
Fundraising	<u>274,530</u>	<u>-</u>	<u>274,530</u>
Total supporting services	<u>584,108</u>	<u>-</u>	<u>584,108</u>
Total expenses	<u>2,985,717</u>	<u>-</u>	<u>2,985,717</u>
Changes in net assets	1,119,047	(55,125)	1,063,922
Net assets at beginning of year	<u>1,543,164</u>	<u>907,448</u>	<u>2,450,612</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,662,211</u>	<u>\$ 852,323</u>	<u>\$ 3,514,534</u>

CHEETAH CONSERVATION FUND

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Grants and contributions	\$ 2,948,146	\$ 959,976	\$ 3,908,122
Investment income, net	57,138	11,242	68,380
Event revenue, net	85,710	-	85,710
In-kind revenue	231,072	-	231,072
Other revenue	36,801	-	36,801
Net assets released from donor restrictions	<u>577,323</u>	<u>(577,323)</u>	<u>-</u>
Total revenue	<u>3,936,190</u>	<u>393,895</u>	<u>4,330,085</u>
EXPENSES			
Program Services	<u>2,885,389</u>	<u>-</u>	<u>2,885,389</u>
Supporting Services:			
Management and General	299,070	-	299,070
Fundraising	<u>246,161</u>	<u>-</u>	<u>246,161</u>
Total supporting services	<u>545,231</u>	<u>-</u>	<u>545,231</u>
Total expenses	<u>3,430,620</u>	<u>-</u>	<u>3,430,620</u>
Changes in net assets	505,570	393,895	899,465
Net assets at beginning of year	<u>1,037,594</u>	<u>513,553</u>	<u>1,551,147</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,543,164</u>	<u>\$ 907,448</u>	<u>\$ 2,450,612</u>

CHEETAH CONSERVATION FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising		
Grants	\$ 1,493,256	\$ -	\$ -	\$ -	\$ 1,493,256
Salaries	412,397	141,204	137,465	278,669	691,066
Professional fees	290,542	-	-	-	290,542
Employee benefits	63,000	34,386	21,000	55,386	118,386
Payroll taxes	24,371	20,123	8,794	28,917	53,288
Printing and copying	12,557	5,018	34,556	39,574	52,131
Event expenses	24,342	-	24,344	24,344	48,686
Travel and related	29,334	-	17,573	17,573	46,907
Postage and shipping	16,488	3,661	24,225	27,886	44,374
Rent	20,267	4,416	9,898	14,314	34,581
Credit card fees	150	26,846	-	26,846	26,996
Donor database	4,925	4,925	14,774	19,699	24,624
Accounting and auditing	-	22,214	-	22,214	22,214
Dues and subscriptions	17,970	3,085	-	3,085	21,055
IT and website services	5,416	7,293	795	8,088	13,504
Bank and wire fees	4,479	8,581	-	8,581	13,060
Telecommunications	678	9,872	-	9,872	10,550
Insurance	750	7,582	-	7,582	8,332
Merchandise	-	-	5,419	5,419	5,419
Office expenses	503	3,090	31	3,121	3,624
Equipment and maintenance	143	2,875	-	2,875	3,018
Miscellaneous	-	2,406	-	2,406	2,406
Depreciation	-	2,001	-	2,001	2,001
Conferences and meetings	1,665	-	-	-	1,665
Book expenses	1,428	-	-	-	1,428
Legal	1,290	-	-	-	1,290
Subtotal	2,425,951	309,578	298,874	608,452	3,034,403
Less: Event expenses netted with revenue	(24,342)	-	(24,344)	(24,344)	(48,686)
TOTAL EXPENSES PER STATEMENT OF ACTIVITIES	\$ 2,401,609	\$ 309,578	\$ 274,530	\$ 584,108	\$ 2,985,717

CHEETAH CONSERVATION FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising		
Grants	\$ 1,758,959	\$ -	\$ -	\$ -	\$ 1,758,959
Salaries	419,412	117,151	83,748	200,899	620,311
Professional fees	302,916	-	-	-	302,916
Employee benefits	81,579	37,939	13,000	50,939	132,518
Payroll taxes	28,432	16,312	7,108	23,420	51,852
Printing and copying	14,946	5,978	38,859	44,837	59,783
Event expenses	27,919	-	107,992	107,992	135,911
Travel and related	44,581	7,906	44,581	52,487	97,068
Postage and shipping	5,639	2,256	14,661	16,917	22,556
Rent	26,851	1,678	5,035	6,713	33,564
Credit card fees	-	28,858	-	28,858	28,858
Donor database	6,627	6,627	19,880	26,507	33,134
Accounting and auditing	-	17,799	-	17,799	17,799
Dues and subscriptions	19,695	9,008	-	9,008	28,703
IT and website services	510	2,711	644	3,355	3,865
Bank and wire fees	2,825	4,381	226	4,607	7,432
Telecommunications	-	9,260	-	9,260	9,260
Insurance	4,558	-	-	-	4,558
Merchandise	-	-	17,881	17,881	17,881
Office expenses	1,279	21,121	538	21,659	22,938
Equipment and maintenance	-	1,741	-	1,741	1,741
Miscellaneous	179	2,876	-	2,876	3,055
Depreciation	922	-	-	-	922
Conferences and meetings	5,829	5,468	-	5,468	11,297
Book expenses	8,650	-	-	-	8,650
Legal	151,000	-	-	-	151,000
Subtotal	2,913,308	299,070	354,153	653,223	3,566,531
Less: Event expenses netted with revenue	(27,919)	-	(107,992)	(107,992)	(135,911)
TOTAL EXPENSES PER STATEMENT OF ACTIVITIES	\$ 2,885,389	\$ 299,070	\$ 246,161	\$ 545,231	\$ 3,430,620

CHEETAH CONSERVATION FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 1,063,922	\$ 899,465
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	2,001	922
Net realized gain and change in unrealized gains	(79,556)	(34,773)
Contributions invested in perpetuity	(23,151)	(10,000)
Proceed from sales of donated stock	71,319	-
Receipt of donated stock	(71,297)	(709,006)
(Increase) decrease in:		
Contributions and grants receivable	(41,007)	21,271
Contributed assets for sale	12,100	1,100
Prepaid expenses	3,035	1,166
(Decrease) increase in:		
Accounts payable and accrued liabilities	(83,719)	85,673
Deferred revenue	(12,100)	(1,100)
Net cash provided by operating activities	<u>841,547</u>	<u>254,718</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,349,921)	(603,381)
Proceeds from sales of investments, net of fees	<u>636,770</u>	<u>278,465</u>
Net cash used by investing activities	<u>(713,151)</u>	<u>(324,916)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions invested in perpetuity	23,151	10,000
Proceeds from loan payable	<u>127,875</u>	<u>-</u>
Net cash provided by financing activities	<u>151,026</u>	<u>10,000</u>
Net increase (decrease) in cash and cash equivalents	279,422	(60,198)
Cash and cash equivalents at beginning of year	<u>590,579</u>	<u>650,777</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 870,001</u>	<u>\$ 590,579</u>

CHEETAH CONSERVATION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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 of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor 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.
- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are more restrictive than the Cheetah Conservation Fund mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

CHEETAH CONSERVATION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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

Basis of presentation (continued) -

- **Net Assets With Donor Restrictions (continued)** - Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

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 \$1,535,570 and \$1,130,576 for the years ended December 31, 2020 and 2019, 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 income, net of investment expenses provided by external investment advisors, in the Statements of Activities and Changes in Net Assets. 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 within one year. 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, 2020 and 2019 totaled \$2,001 and \$922, 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 are 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 and is only subject to tax on unrelated business income. The Cheetah Conservation Fund is not a private foundation.

CHEETAH CONSERVATION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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

Uncertain tax positions -

For the years ended December 31, 2020 and 2019, 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.

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 are recognized in the appropriate category of net assets in the period received. The Cheetah Conservation Fund performs an analysis of the individual grant and contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants and contributions qualifying as contributions that are unconditional and have 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 restrictions in the accompanying financial statements.

Grant agreements qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grants and contract awards from other entities are for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are recognized as contributions when the revenue becomes unconditional. Typically, these agreements also contain a right of return or right of release from obligation provision and the entity has limited discretion over how funds transferred should be spent. As such, the Cheetah Conservation Fund recognizes revenue for these conditional contributions when the related barrier has been overcome. Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For grants and contributions treated as conditional contributions, the Cheetah Conservation Fund had approximately \$55,135 in unrecognized conditional awards as of December 31, 2020.

In-kind revenue -

In-kind revenue consist of donations of items for events. In-kind revenue are recorded at their fair value as of the date of the gift. In addition, volunteers have donated significant amounts of their time to the Cheetah Conservation Fund; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Event revenue -

Event revenue consists of various fundraising and educational events. Registration fees and ticket sales for these events are bifurcated amongst the different benefits received by the donor and are recorded as revenue when the performance obligation is met which is when the related event has occurred.

CHEETAH CONSERVATION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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

Event revenue (continued) -

The transaction price is determined based on cost price. Any amounts considered as a contribution are recognized upon receipt.

Foreign currency translation -

The U.S. Dollar is the functional currency for the Cheetah Conservation Fund's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into Dollars at the rate of exchange on the day of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into Dollars at the exchange rate in effect at the date of the Statements of Financial Position. As of December 31, 2020 and 2019, the Cheetah Conservation Fund held no assets or liabilities in other currencies than U.S. Dollars.

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 directly attributed to a specific functional area of the Cheetah Conservation Fund are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

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. 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.

CHEETAH CONSERVATION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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

Fair value measurement (continued) -

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, 2020 and 2019. 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.
- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact the Cheetah Conservation Fund's operations. The overall potential impact is unknown at this time.

New accounting pronouncements (not yet adopted) -

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

CHEETAH CONSERVATION FUND

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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

New accounting pronouncements (not yet adopted) (continued) -

The Cheetah Conservation Fund plans to adopt the new ASUs at the required implementation dates and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

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, 2020.

Asset Class:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 1,535,570	\$ -	\$ -	\$ 1,535,570
Mutual funds	<u>1,076,765</u>	<u>-</u>	<u>-</u>	<u>1,076,765</u>
TOTAL	<u>\$ 2,612,335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,612,335</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, 2019:

Asset Class:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 1,130,576	\$ -	\$ -	\$ 1,130,576
Mutual funds	686,437	-	-	686,437
Equities	<u>2,637</u>	<u>-</u>	<u>-</u>	<u>2,637</u>
TOTAL	<u>\$ 1,819,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,819,650</u>

Included in investment income, net are the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 49,304	\$ 36,829
Unrealized gain	79,534	35,422
Realized gain (loss)	22	(649)
Management fees	<u>(8,672)</u>	<u>(3,222)</u>
TOTAL INVESTMENT INCOME, NET OF INVESTMENT EXPENSES	<u>\$ 120,188</u>	<u>\$ 68,380</u>

3. LOAN PAYABLE

On May 29, 2020, the Cheetah Conservation Fund received loan proceeds in the amount of \$127,875 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. The Cheetah Conservation Fund has used the proceeds for purposes consistent with the Paycheck Protection Program. Subsequent to year-end, the loan was forgiven, and accordingly, the Cheetah Conservation Fund will record revenue from debt extinguishment during the year ending December 31, 2021.

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4. BOARD DESIGNATED NET ASSETS

As of December 31, 2020 and 2019, net assets without donor restrictions have been designated by the Board of Directors for the following purposes:

	2020	2019
Illegal Wildlife Trade	\$ 300,000	\$ -
Operating Reserve	250,000	125,000
Land Fund	100,000	100,000
International Programs	75,000	-
Security	50,000	-
Software	50,000	-
Research	13,224	13,224
BOARD DESIGNATED NET ASSETS	\$ 838,224	\$ 238,224

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2020 and 2019:

	2020	2019
Subject to expenditure for specified purpose:		
Research and Development	\$ 224,318	\$ 302,468
Land Purchase	72,500	72,500
Publication of Book on CCF and Founder	71,150	71,150
Illegal Wildlife Trade	36,595	52,695
Langston Partner Program	28,449	28,449
Somaliland	24,407	8,500
Other	17,842	15,500
Rabies Education	15,000	15,000
Veterinarian	15,000	10,000
Software	15,000	-
Scholarships	14,720	9,720
Genetics Testing	12,000	12,000
Camping Vehicle	8,200	18,200
Internship program	8,000	-
Caravan	4,000	-
Cheetah Collars	-	5,000
Action for Cheetah Kenya	-	37,172
Total subject to expenditure for specified purpose	567,181	658,354
Endowments to be invested in perpetuity	272,245	237,852
Accumulated investment earnings not yet appropriated for spending	12,897	11,242
Net endowments to be invested	285,142	249,094
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 852,323	\$ 907,448

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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:

	2020	2019
Purpose restrictions accomplished:		
Research and Development	\$ 80,399	\$ 68,000
Action for Cheetah Kenya	37,172	56,800
Illegal Wildlife Trade	16,100	201,989
Camping Vehicle	10,000	31,800
Somaliland	8,500	23,000
Other	5,112	5,000
BTDC	5,000	50,000
Cheetah Collars	5,000	13,000
Website	-	15,000
Housing Pod	-	55,268
Rabies Education	-	47,200
Langston Partner Program	-	4,266
Wild Dogs	-	2,500
Mera Meru	-	2,000
Clinic Supplies	-	1,000
Cement Mixer	-	500
	\$ 167,283	\$ 577,323
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ <u>167,283</u>	\$ <u>577,323</u>

6. LIQUIDITY

Financial assets available for use within one year of the Statements of Financial Position comprise the following:

	2020	2019
Cash and cash equivalents	\$ 870,001	\$ 590,579
Investments, non-endowment	2,327,193	1,570,556
Contributions and grants receivable	245,739	204,732
Less: With donor restrictions, non-endowment	(567,181)	(658,354)
Less: Board designated	(838,224)	(238,224)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR USE WITHIN ONE YEAR	\$ <u>2,037,528</u>	\$ <u>1,469,289</u>

The Cheetah Conservation Fund has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2020 and 2019, the Cheetah Conservation Fund has financial assets equal to approximately seven months and five months of operating expenses, respectively. Additionally, the Board has designated a portion of operating surplus as a general reserve, which has a total accumulated surplus balance of \$250,000 and \$125,000, respectively as of December 31, 2020 and 2019. 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.

CHEETAH CONSERVATION FUND

**NOTES TO FINANCIAL STATEMENTS
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7. 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:

Year Ending December 31,

2021	\$	33,145
2022		34,140
2023		<u>8,597</u>
	\$	<u>75,882</u>

Rent expense for the years ended December 31, 2020 and 2019 was \$34,581 and \$33,564, respectively.

8. 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 \$105,000 and \$100,000 to the Plan for the years ended December 31, 2020 and 2019, respectively, and is included in employee benefits on the accompanying Statements of Functional Expenses.

9. 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, 2020 and 2019, CCF Namibia was granted \$901,137 and \$1,335,065, 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 \$240,000 and \$232,583 for the years ended December 31, 2020 and 2019, 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.

10. ENDOWMENT

The Cheetah Conservation Fund's endowment consists of donor-restricted endowment funds and funds designated by the governing Board to function as endowments.

CHEETAH CONSERVATION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

10. ENDOWMENT (Continued)

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. Interest was earned and the Board approved resolutions to maintain an additional \$1,816 of interest earned in perpetuity in the Endowment.

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 was to receive an additional \$150,000 of restricted funds to be maintained in perpetuity, from the Trust over the next several years. Of that amount, during the year ended December 31, 2018, the Cheetah Conservation Fund received \$128,933 and an additional \$19,151 during the year ended December 31, 2020.

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**NOTES TO FINANCIAL STATEMENTS
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10. ENDOWMENT (Continued)

During the year ended December 31, 2019, the endowment received \$10,000 from The Bryant Crane Charitable Fund and an additional \$4,000 during the year ended December 31, 2020.

Endowment net asset composition by type of fund as of December 31, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 272,245	\$ 272,245
Accumulated investment earnings not yet appropriated for spending	<u>-</u>	<u>12,897</u>	<u>12,897</u>
TOTAL ENDOWMENT FUNDS	<u>\$ -</u>	<u>\$ 285,142</u>	<u>\$ 285,142</u>

Changes in endowment net assets for the year ended December 31, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 249,094	\$ 249,094
Investment income, net	-	12,897	12,897
Contributions	<u>-</u>	<u>23,151</u>	<u>23,151</u>
ENDOWMENT NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$ 285,142</u>	<u>\$ 285,142</u>

Endowment net asset composition by type of fund as of December 31, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 237,852	\$ 237,852
Accumulated investment earnings not yet appropriated for spending	<u>-</u>	<u>11,242</u>	<u>11,242</u>
TOTAL ENDOWMENT FUNDS	<u>\$ -</u>	<u>\$ 249,094</u>	<u>\$ 249,094</u>

Changes in endowment net assets for the year ended December 31, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 227,852	227,852
Investment income, net	-	11,242	11,242
Contributions	<u>-</u>	<u>10,000</u>	<u>10,000</u>
ENDOWMENT NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$ 249,094</u>	<u>\$ 249,094</u>

CHEETAH CONSERVATION FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

10. ENDOWMENT (Continued)

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 UPMIFA requires the organization to retain as a fund of perpetual duration. There were no deficiencies of this nature as of December 31, 2020 and 2019.

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.

11. SUBSEQUENT EVENTS

In preparing these financial statements, the Cheetah Conservation Fund has evaluated events and transactions for potential recognition or disclosure through June 16, 2021, the date the financial statements were issued.