

Cheetah Conservation Fund

Financial Statements
and Independent Auditor's Report

December 31, 2022 and 2021

Cheetah Conservation Fund

Financial Statements
December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Cheetah Conservation Fund

Opinion

We have audited the accompanying financial statements of Cheetah Conservation Fund (“the Fund”), which comprise the statements of financial position as of December 31, 2022 and 2021; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As disclosed in Note 2 to the financial statements, the Fund adopted Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842) as of January 1, 2022, and ASU 2020-07 *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control. Accordingly, no such opinion is expressed.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
June 1, 2023

Cheetah Conservation Fund

Statements of Financial Position December 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 493,350	\$ 1,212,016
Investments	1,994,139	2,961,663
Grants and contributions receivable, net	340,783	203,653
Prepaid expenses and other assets	43,611	3,392
Property and equipment, net	6,762	8,762
Right-of-use asset – operating lease	104,803	-
Security deposits	2,400	2,400
	\$ 2,985,848	\$ 4,391,886
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 88,850	\$ 134,691
Lease liability – operating lease	102,838	-
	191,688	134,691
Net Assets		
Without donor restrictions:		
Undesignated	733,248	1,544,920
Board-designated	1,008,224	1,658,224
With donor restrictions	1,052,688	1,054,051
	2,794,160	4,257,195
Total net assets	2,794,160	4,257,195
Total liabilities and net assets	\$ 2,985,848	\$ 4,391,886

See accompanying notes.

Cheetah Conservation Fund

Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	\$ 2,924,635	\$ 1,242,096	\$ 4,166,731
Event income, net	18,341	-	18,341
In-kind contributions	65,871	-	65,871
Investment return, net	(393,335)	(34,550)	(427,885)
Other income	25,135	-	25,135
Net assets released from restrictions	1,208,909	(1,208,909)	-
Total revenue and support	3,849,556	(1,363)	3,848,193
Expenses			
Program services	4,595,021	-	4,595,021
Total program services	4,595,021	-	4,595,021
Supporting services:			
Management and general	267,170	-	267,170
Fundraising	449,037	-	449,037
Total supporting services	716,207	-	716,207
Total expenses	5,311,228	-	5,311,228
Change in Net Assets	(1,461,672)	(1,363)	(1,463,035)
Net Assets, beginning of year	3,203,144	1,054,051	4,257,195
Net Assets, end of year	\$ 1,741,472	\$ 1,052,688	\$ 2,794,160

See accompanying notes.

Cheetah Conservation Fund

Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support			
Grants and contributions	\$ 3,412,156	\$ 524,413	\$ 3,936,569
Event income, net	9,831	-	9,831
In-kind contributions	40,579	-	40,579
Investment return, net	256,251	45,938	302,189
Other income	18,516	-	18,516
Net assets released from restrictions	368,623	(368,623)	-
Total operating revenue and support	4,105,956	201,728	4,307,684
Expenses			
Program services	3,113,397	-	3,113,397
Total program services	3,113,397	-	3,113,397
Supporting services:			
Management and general	312,933	-	312,933
Fundraising	266,568	-	266,568
Total supporting services	579,501	-	579,501
Total expenses	3,692,898	-	3,692,898
Change in Net Assets from Operations	413,058	201,728	614,786
Non-Operating Activity			
Gain on debt extinguishment	127,875	-	127,875
Total non-operating activity	127,875	-	127,875
Change in Net Assets	540,933	201,728	742,661
Net Assets, beginning of year	2,662,211	852,323	3,514,534
Net Assets, end of year	\$ 3,203,144	\$ 1,054,051	\$ 4,257,195

See accompanying notes.

Cheetah Conservation Fund

Statement of Functional Expenses For the Year Ended December 31, 2022

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Grants	\$ 3,097,349	\$ -	\$ -	\$ -	\$ 3,097,349
Salaries, taxes, and benefits	617,765	167,214	197,295	364,509	982,274
Professional fees	515,916	2,180	2,607	4,787	520,703
Travel and related	180,866	824	35,289	36,113	216,979
In-kind expenses	5,170	4,517	56,184	60,701	65,871
Postage and shipping	8,847	7,454	2,470	9,924	18,771
Printing and copying	-	9,770	57,356	67,126	67,126
Rent	23,915	6,943	7,714	14,657	38,572
Donor database	-	-	30,477	30,477	30,477
Bank and wire fees	15,449	11,447	30,329	41,776	57,225
Accounting and auditing	-	36,463	-	36,463	36,463
IT and website services	19,592	5,637	6,307	11,944	31,536
Insurance	11,215	3,227	3,611	6,838	18,053
Dues and subscriptions	16,010	940	5,364	6,304	22,314
Telecommunications	6,269	1,804	2,018	3,822	10,091
Legal	743	5,748	-	5,748	6,491
Miscellaneous	11,131	1,214	1,330	2,544	13,675
Equipment and maintenance	32,907	504	507	1,011	33,918
Book expenses	27,530	-	102	102	27,632
Office expenses	1,875	926	7,205	8,131	10,006
Depreciation and amortization	1,242	358	400	758	2,000
Conference and meetings	1,230	-	-	-	1,230
Merchandise	-	-	2,472	2,472	2,472
Total Expenses	\$ 4,595,021	\$ 267,170	\$ 449,037	\$ 716,207	\$ 5,311,228

See accompanying notes.

Cheetah Conservation Fund

Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Grants	\$ 1,902,759	\$ -	\$ -	\$ -	\$ 1,902,759
Salaries, taxes, and benefits	608,095	202,698	202,698	405,396	1,013,491
Professional fees	378,669	238	-	238	378,907
Travel and related	92,506	-	946	946	93,452
Postage and shipping	24,351	8,117	8,117	16,234	40,585
Printing and copying	22,567	7,522	7,522	15,044	37,611
Rent	20,221	6,740	6,740	13,480	33,701
Donor database	-	-	29,269	29,269	29,269
Bank and wire fees	19,673	7,834	1,467	9,301	28,974
Accounting and auditing	-	27,033	-	27,033	27,033
IT and website services	11,921	4,091	3,766	7,857	19,778
Credit card fees	-	19,676	-	19,676	19,676
Insurance	9,636	3,212	3,212	6,424	16,060
Dues and subscriptions	11,276	2,217	1,775	3,992	15,268
Telecommunications	1,344	10,683	-	10,683	12,027
Legal	3,588	2,500	-	2,500	6,088
Miscellaneous	169	5,757	89	5,846	6,015
Equipment and maintenance	1,389	3,762	114	3,876	5,265
Book expenses	2,489	-	-	-	2,489
Office expenses	1,484	453	453	906	2,390
Depreciation and amortization	1,200	400	400	800	2,000
Merchandise	60	-	-	-	60
Total Expenses	\$ 3,113,397	\$ 312,933	\$ 266,568	\$ 579,501	\$ 3,692,898

See accompanying notes.

Cheetah Conservation Fund

Statements of Cash Flows For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ (1,463,035)	\$ 742,661
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Realized and unrealized loss (gain) on investments	462,353	(227,160)
Contributions of donor-restricted endowments	(20,000)	-
Donated stocks	(90,369)	(56,902)
Gain on debt extinguishment	-	(127,875)
Depreciation and amortization	2,000	2,000
Change in operating assets and liabilities:		
Decrease (increase) in:		
Grants and contributions receivable	(137,130)	42,086
Prepaid expenses and other assets	(40,219)	28,725
Right-of-use asset – operating lease	(104,803)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(45,841)	8,486
Deferred revenue	-	(4,740)
Lease liability – operating lease	102,838	-
Net cash (used in) provided by operating activities	(1,334,206)	407,281
Cash Flows from Investing Activities		
Purchases of investments and reinvested interest	(117,474)	(276,135)
Proceeds from sale of investments	713,014	210,869
Net cash provided by (used in) investing activities	595,540	(65,266)
Cash Flows from Financing Activity		
Contributions of donor-restricted endowments	20,000	-
Net cash provided by financing activity	20,000	-
Net (Decrease) Increase in Cash and Cash Equivalents	(718,666)	342,015
Cash and Cash Equivalents, beginning of year	1,212,016	870,001
Cash and Cash Equivalents, end of year	\$ 493,350	\$ 1,212,016

See accompanying notes.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

1. Nature of Operations

In recognition of the threat of possible extinction of the wild cheetah, Cheetah Conservation Fund (“the 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 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 Fund comes from foundations and individuals that support the survival of the cheetah. The 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 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. The Fund does not have control of CCF Namibia, and therefore, consolidation or combination is not required.

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

In addition, the 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.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Fund’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation (continued)

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a 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.

Cash Equivalents

The Fund considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. Cash and cash equivalents held in the investment portfolios are reported in investments in the accompanying statements of financial position.

Investments

Investments are recorded at fair value based on quoted market prices. All realized and unrealized gains and losses, net of investment management fees, are reported as a component of net investment return in the accompanying statements of activities. Money market funds, held as a portion of the Fund's investment portfolio, are not considered to be cash equivalents for purposes of cash flows.

Grants and Contributions Receivable

Grants and contributions receivable represent unconditional promises to be paid in future periods and are recorded at net present value. Contributions due in more than one year are discounted to present value based on management's estimate of the risk adjusted rate of return. The Fund periodically reviews an aging of its receivables for collection purposes on a case-by-case basis and writes off uncollectable items. At December 31, 2022, management calculated and recorded a discount on a multi-year contribution receivable in the amount of \$4,021. No allowance for doubtful accounts is recorded at December 31, 2022 and 2021, as management believes that all amounts are fully collectible within one year.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment acquisitions with a cost in excess of \$500 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the individual assets, which range from three to seven years. Expenditures for repairs and maintenance are expensed as incurred.

Operating Lease

The Fund determines if an arrangement is a lease at inception. Operating lease is included in right-of-use (“ROU”) assets, which represent the Fund’s right to use an underlying asset for the lease term, and lease liabilities represent the Fund’s obligation to make lease payments arising from the lease. Operating ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The associated lease liability represents the net present value of the future amounts due under the lease, calculated using a risk-free rate of return selected based on the term of the lease. The Fund’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Fund will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Fund does not apply the recognition requirements under Accounting Standards Codification (ASC) Topic 842, *Leases*, to short-term leases.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Contributions are reported as restricted support if received with donor or grantor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

Grants that are nonreciprocal are recognized as contributions. For contributions, revenue is recognized when a contribution becomes unconditional. Typically, grant agreements contain a right of return or right of release from obligation if conditions are not met. As such, the Fund recognizes revenue for these conditional contributions when the related conditions are substantially met. Amounts received in advance are reported as refundable advances upon receipt, in the accompanying statements of financial position, and recognized as revenue as conditions are met and qualified expenses are incurred.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when the Fund satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Fund expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Fund combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Specifically, for the various types of contracts, the Fund recognizes revenue as follows:

Event income in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Revenue is recognized on the date of the event, which is the date the Fund expects to be entitled to consideration in exchange for attending the event.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying statements of activities as in-kind contributions. In-kind contributions consist of donated goods and contributed services, principally legal and other professional services. In-kind contributions are recognized as revenue and expense in the accompanying statements of activities at their estimated fair value, as provided by the donor, at the date of receipt, or calculated fair value of use of property in the period the property is used.

The Fund also receives a substantial amount of services donated by volunteers in carrying out its program services. These donated services are not reflected in the accompanying financial statements since they do not meet the criteria for recognition under Financial Accounting Standards Board (FASB) ASC 958-605-25-16, *Contributed Services*.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

Advertising costs are expensed as incurred. The Fund did not have any advertising costs for the years ended December 31, 2022 and 2021.

Measure of Operations

The Fund includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities, and excludes gain on debt extinguishment.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Foreign Currency Translation

The U.S. dollar is the functional currency for the 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, 2022 and 2021, the Fund held no assets or liabilities in other currencies than U.S. dollars.

Adopted Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). From a lessee perspective, the new guidance is intended to increase transparency and comparability by recognizing lease assets and lease liabilities in the statements of financial position and disclosing key information about leasing arrangements. ASU 2016-02 requires lessees to report a ROU asset along with a lease liability for both operating and finance leases. FASB has issued ASUs subsequent to ASU 2016-02 to further clarify and improve Topic 842.

Upon the adoption of Topic 842 on January 1, 2022, the Fund recorded an initial ROU asset and initial lease liability in the amount of \$135,326 (see Note 12). The adoption of Topic 842 had no impact on previously reported net assets. The Fund elected to apply practical expedients allowing it to 1) not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases; 2) not reassess the lease classification for any expired or existing leases; and 3) not reassess initial direct costs for any existing leases.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Adopted Accounting Pronouncements (continued)

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofit entities through enhancements in presentation and disclosure requirements. Nonprofit entities will be required to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash and other financial contributions. Nonprofit entities will also be required to disclose various information related to contributed nonfinancial assets. The Fund has implemented ASU 2020-07 in 2022. There were no changes as a result of the implementation. The implementation had no impact on previously reported net assets.

Subsequent Events

In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure through June 1, 2023, the date the financial statements were available to be issued.

3. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 493,350	\$ 1,212,016
Investments	1,994,139	2,961,663
Grants and contributions receivable, net	<u>340,783</u>	<u>203,653</u>
Total financial assets	2,828,272	4,377,332
Less: Board-designated	(1,008,224)	(1,658,224)
Less: restricted by donors	<u>(1,052,688)</u>	<u>(1,054,051)</u>
Total available for general expenditures	<u>\$ 767,360</u>	<u>\$ 1,665,057</u>

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

3. Liquidity and Availability (continued)

The Fund strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of this liquidity management, the Fund invests cash and cash equivalents in excess of daily requirements in various short-term investments.

4. Concentration of Credit Risk

Financial instruments that potentially subject the Fund to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Fund maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Fund has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

5. Investments and Fair Value Measurements

The Fund follows FASB ASC 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

5. Investments and Fair Value Measurements (continued)

In general, and where applicable, the Fund uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents the Fund's fair value hierarchy for those investments measured on a recurring basis as of December 31, 2022:

	Level 1	Level 2	Level 3	Total fair value
Equities	\$ 942,079	\$ -	\$ -	\$ 942,079
Money market funds	782,108	-	-	782,108
Fixed income	239,816	-	-	239,816
Mutual funds	30,136	-	-	30,136
Total investments	\$ 1,994,139	\$ -	\$ -	\$ 1,994,139

The following table presents the Fund's fair value hierarchy for those investments measured on a recurring basis as of December 31, 2021:

	Level 1	Level 2	Level 3	Total fair value
Equities	\$ 1,728,016	\$ -	\$ -	\$ 1,728,016
Money market funds	770,178	-	-	770,178
Fixed income	429,808	-	-	429,808
Mutual funds	33,661	-	-	33,661
Total investments	\$ 2,961,663	\$ -	\$ -	\$ 2,961,663

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

5. Investments and Fair Value Measurements (continued)

Net investment return consists of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 52,113	\$ 88,948
Realized (loss) gain	(147,504)	74,651
Unrealized (loss) gain	(314,849)	152,509
Less: investment management fees	<u>(17,645)</u>	<u>(13,919)</u>
Total investment return, net	<u>\$ (427,885)</u>	<u>\$ 302,189</u>

6. Grants and Contributions Receivable

Grants and contributions receivable are due as follows at December 31:

	<u>2022</u>	<u>2021</u>
Due in less than one year	\$ 284,804	\$ 203,653
Due in one to five years	<u>60,000</u>	<u>-</u>
Total contributions receivable	344,804	203,653
Unamortized discount on receivables	<u>(4,021)</u>	<u>-</u>
Total grants and contributions receivable, net	<u>\$ 340,783</u>	<u>\$ 203,653</u>

Grants and contributions receivable due in more than one year are discounted with a rate that considers market and credit risk. The discount rate used for new contributions receivable at December 31, 2022 was 3.55%.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

7. Property and Equipment

The Fund held the following property and equipment at December 31:

	<u>2022</u>	<u>2021</u>
Website	\$ 23,580	\$ 23,580
Equipment and software	3,746	3,746
Artwork	<u>2,763</u>	<u>2,763</u>
Total property and equipment	30,089	30,089
Less: accumulated depreciation and amortization	<u>(23,327)</u>	<u>(21,327)</u>
Property and equipment, net	<u><u>\$ 6,762</u></u>	<u><u>\$ 8,762</u></u>

8. Loan Payable – Paycheck Protection Program

The Fund applied for a loan under the Paycheck Protection Program (“the PPP loan”) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The PPP loan is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 coronavirus, for which the Fund qualified. The PPP loan is subject to full forgiveness upon use of the funds for payroll and other eligible costs, and compliance with certain limitations on payroll and staffing reductions over a 24-week period.

The PPP loan was granted to the Fund on May 29, 2020 in the amount of \$127,875, which was recorded as loan payable at December 31, 2020. During the covered period, the Fund had incurred qualifying expenditures and had submitted a PPP loan forgiveness application. On January 4, 2021, the PPP loan forgiveness was approved for the full amount of the loan. For the year ended December 31, 2021, the Fund recognized a \$127,875 gain from forgiveness of the PPP loan, which was included in non-operating activity in the accompanying statement of activities.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

9. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following purposes at December 31:

	2022	2021
Purpose restricted:		
Illegal Wildlife Trade	\$ 125,238	\$ 152,072
Horn of Africa Survey	100,000	-
Communal Conservancies	85,864	-
Research and Development	70,318	225,318
National Park Assessment	63,397	-
Rabies Education	59,000	39,000
Publication of Book on CCF and Founder	43,620	71,150
GPS Tracking Collars	40,000	-
Somaliland	19,500	139,255
Veterinarian	21,000	15,000
Scholarships	19,720	14,720
Other	8,501	10,956
Land Purchase	-	22,500
Langston Partner Program	-	21,000
Genetics Testing	-	12,000
	656,158	722,971
Total purpose restricted		
Time restricted:		
Endowment funds receivable	80,000	-
	80,000	-
Total time restricted		
Endowments:		
Unappropriated earnings	33,161	67,711
Perpetual funds	283,369	263,369
	316,530	331,080
Total endowments		
Total net assets with donor restrictions	\$ 1,052,688	\$ 1,054,051

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

10. Board-Designated Funds

Board-designated funds consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Operating Reserve	\$ 400,000	\$ 600,000
Illegal Wildlife Trade	300,000	300,000
Director's Discretionary	240,000	540,000
Security	50,000	50,000
Research	13,224	13,224
International Program	5,000	5,000
Land Fund	-	100,000
Software	-	50,000
	<u> </u>	<u> </u>
Total Board-designated net assets	<u>\$ 1,008,224</u>	<u>\$ 1,658,224</u>

11. Endowment

The Fund's endowment has been funded by donor-restricted contributions and is used to fund general operations. Under accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

During 2003, the Fund entered an agreement whereby The Ralph and Rose C. Valpiani Endowment Fund would contribute donor-restricted funds to the 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 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 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 Fund designates and was classified as funds without donor restrictions.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

11. Endowment (continued)

The 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 Fund received \$128,933 and an additional \$19,151 during the year ended December 31, 2020.

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

During the year ended December 31, 2022, the Fund received \$100,000 of restricted funds to be maintained in perpetuity for the scholarships. Out of that amount, during the year ended December 31, 2022, the Fund received cash of \$20,000 and recorded it as an endowment contribution. The remaining \$80,000 is expected to be received over the next four years and is included in grants and contributions receivable in the accompanying statements of financial position and donor-restricted contributions in the accompanying statements of activities. At December 31, 2022, endowment funds receivable are included in the time-restricted net assets.

Interpretation of Relevant Law

The Board of Directors has interpreted the Commonwealth of California's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the Fund to appropriate for expenditure or accumulate so much of an endowment fund as the Fund 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. As a result of this interpretation, the Fund classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

11. Endowment (continued)

Return Objectives and Risk Parameters

Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Directors. In accordance with UPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) duration and preservation of the fund; (2) purposes of the Fund and the donor-restricted endowment fund; (3) general economic conditions; (4) possible effect of inflation and deflation; (5) expected total return from income and the appreciation or depreciation of investments; (6) other resources of the Fund; and (7) investment policies of the Fund.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the 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 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.

Investment and Spending Policies

The Fund has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding for the payment of obligations and mission-related expenses, administrative expenses, and the growth of financial surplus while seeking to maintain the purchasing power of the endowment assets.

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 Fund to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, the Fund had no deficiencies of this nature at December 31, 2022 and 2021.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

11. Endowment (continued)

Composition of Endowment Funds

The composition of endowment net assets with donor restrictions by type of fund was as follows at December 31:

	<u>2022</u>	<u>2021</u>
Donor-restricted endowment:		
Accumulated investment earnings	\$ 33,161	\$ 67,711
Original donor-restricted gift	<u>283,369</u>	<u>263,369</u>
Total endowment net assets	<u>\$ 316,530</u>	<u>\$ 331,080</u>

Changes in Endowment Net Assets

Changes in endowment net assets with donor restrictions were as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Endowment funds, beginning	\$ 331,080	\$ 285,142
Investment return, net	(34,550)	45,938
Contributions	<u>20,000</u>	<u>-</u>
Endowment funds, ending	<u>\$ 316,530</u>	<u>\$ 331,080</u>

12. Operating Lease

The Fund is leasing office space in Alexandria, Virginia, which commenced on April 1, 2015 and was extended several times, with the most recent extension through April 30, 2026. The lease calls for monthly rent payments and includes an annual escalation clause of 3%. The unamortized portion of the cumulative difference between the actual rent paid and the straight-line rent was not reflected as deferred rent in the accompanying statements of financial position as of December 31, 2021 due to immateriality.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

12. Operating Lease (continued)

The Fund had no short-term leases for the years ended December 31, 2022 and 2021.

Rent expense for the years ended December 31, 2022 and 2021 was \$38,572 and \$33,701, respectively, which is included in the accompanying statements of functional expenses.

Operating lease cost at December 31, 2022 was \$32,175.

Other supplemental qualitative information related to the operating lease is as follows:

Cash paid for amounts included in the measurement of lease liability	\$	34,140
Right-of-use asset obtained in exchange for lease obligations	\$	135,326
Weighted-average remaining lease term (in years)		3.3
Weighted-average discount rate		1.37%

The following is a maturity analysis of the annual undiscounted cash flows of all operating leases liabilities, and a reconciliation to present value of lease liability as of December 31:

2023	\$	31,151
2024		30,974
2025		32,209
2026		10,950
		<hr/>
Total minimum lease payments		105,284
Less: discount to present value at 1.37%		(2,446)
		<hr/>
Present value of operating lease liability	\$	<u>102,838</u>

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

13. In-Kind Contributions

During the years ended December 31, 2022 and 2021, the Fund received the following donated goods and services, which have been reflected as in-kind contributions and expenses in the accompanying statements of activities.

In-kind contributions are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Donated goods	\$ 61,371	\$ 38,079
Legal and other professional services	<u>4,500</u>	<u>2,500</u>
Total in-kind contributions	<u>\$ 65,871</u>	<u>\$ 40,579</u>

14. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries, taxes, and benefits, professional fees, travel, postage and shipping, printing, rent, bank and wire fees, IT and website services, insurance, dues and subscriptions, office expenses, and other, which are allocated on the basis of estimates of time and effort.

15. Related Party Transactions

CCF Namibia receives support from the Fund in the form of grants. The amount of support each year is dependent on the amount of contributions received by the Fund. During the years ended December 31, 2022 and 2021, CCF Namibia was granted \$1,667,029 and \$1,262,272, respectively, for operations and special projects. In addition to the grants made to CCF Namibia, the 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 for both years ended December 31, 2022 and 2021.

The founder of CCF Namibia serves as the Executive Director of both the Fund and CCF Namibia, and is a member of the Board of Directors of the Fund.

Cheetah Conservation Fund

Notes to Financial Statements
December 31, 2022 and 2021

16. Retirement Plan

The Fund established a 401(k) retirement plan effective on January 1, 2011, in which all employees who are 21 or older and who completed one year of service are eligible to participate. Eligible participants may elect to contribute a portion of their compensation to the plan. The Fund contributed \$50,000 and \$100,000 to the plan for the years ended December 31, 2022 and 2021, respectively.

17. Income Taxes

The Fund is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC). For the years ended December 31, 2022 and 2021, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. Contributions to the Fund are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated the Fund's tax positions and concluded that the Fund's financial statements do not include any uncertain tax positions.