
Cheetah Conservation Fund

Financial Statements
And
Independent Auditor's Report

Year Ended December 31, 2016

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Independent Auditor's Report

To the Board of Directors
Cheetah Conservation Fund
Alexandria, VA

We have audited the accompanying financial statements of the Cheetah Conservation Fund (a non-profit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and change 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 of 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, 2016, and the change 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.

Abercrombie & Associates, LLC
September 15, 2017
Silver Spring, MD

Cheetah Conservation Fund
Statement of Financial Position
December 31, 2016

Cash and Cash Equivalents	\$ 855,105
Grants/Accounts Receivable	219,405
Prepaid Expenses	2,680
Investments	183,230
Equipment (net)	10,286
Deposits	<u>2,400</u>
Total Assets	<u><u>\$ 1,273,106</u></u>

Liabilities and Net Assets

Accounts Payable	\$ 17,664
Accrued Expenses	<u>64,906</u>
Total Liabilities	<u><u>82,570</u></u>

Net Assets

Board designated net assets	174,657
Unrestricted net assets	<u>794,913</u>
Total unrestricted net assets	<u><u>969,570</u></u>
Temporarily Restricted	119,681
Permanently Restricted	<u>101,285</u>
Total Net Assets	<u><u>1,190,536</u></u>

Total Liabilities and Net Assets	<u><u>\$ 1,273,106</u></u>
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The accompanying notes are an integral part of the financial statements

Cheetah Conservation Fund
Statement of Activities
For the Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2016 Total</u>
Revenues				
Contributions	\$ 1,868,370	\$ -	\$ 50,000	\$1,918,370
Grants	-	137,971		137,971
Special events, net	272,494			272,494
In-kind donations	74,346	-		74,346
Book and merchandise income	36,538			36,538
Investment income	12,550			12,550
Net Assets Released from Restrictions	182,262	(182,262)		-
Total Revenues	<u>2,446,560</u>	<u>(44,291)</u>	<u>50,000</u>	<u>2,452,269</u>
Expenses				
Program Services	1,846,550			1,846,550
Fundraising	230,590	-	-	230,590
Management and General	260,419	-	-	260,419
Total Expenses	<u>2,337,559</u>	<u>-</u>	<u>-</u>	<u>2,337,559</u>
Changes in Net Assets	109,001	(44,291)	50,000	114,710
Net Assets, Beginning of Year	<u>860,569</u>	<u>163,972</u>	<u>51,285</u>	<u>1,075,826</u>
Net Assets, End of Year	<u>\$ 969,570</u>	<u>\$ 119,681</u>	<u>\$ 101,285</u>	<u>\$1,190,536</u>

The accompanying notes are an integral part of the financial statements

Cheetah Conservation Fund
Statement of Cash Flows
For the Year Ended December 31, 2016

	2016
Net Cash from Operating Activities	
Change in Net Assets	\$ 114,710
Adjustment to Reconcile Change in Net Assets to Cash Provided by Operating Activities	
Depreciation	3,964
Investment Return	-
Dividend and Interest Income	-
(Increase) Decrease in Assets	
Accounts Receivable	(46,144)
Increase (Decrease) in Liabilities	
Accounts Payable	(7,445)
Accrued Expenses	(13,501)
Net Cash Provided by Operating Activities	<u>51,584</u>
 Net Cash from (Used in) Investing Activities	
Net Purchase of Investments	<u>(3,778)</u>
Net Cash Provided by (Used In) Investing Activities	<u>(3,778)</u>
Increase in Cash and Cash Equivalents	47,806
Cash and Cash Equivalents, Beginning of Year	<u>807,299</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 855,105</u></u>

The accompanying notes are an integral part of the financial statements

Cheetah Conservation Fund
Statement of Functional Expenses
For the Year Ended December 31, 2016

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Expenses				
Grants	1,226,318	-	-	1,226,318
Payroll and related	344,950	72,155	124,552	541,657
US Contractors	66,680	13,866	-	80,546
Event In Kind Donations	-	36,121	36,121	72,242
Retirement plan contribution	50,584	7,083	2,333	60,000
Travel and related expenses	45,597	5,700	5,700	56,997
Printing and copying	11,831	30,762	4,733	47,325
Event Services	-	18,718	18,719	37,436
Rent and related	25,799	4,837	1,612	32,248
Credit card fees	-	-	29,288	29,288
Donor database	5,162	15,486	5,162	25,810
Postage and shipping	5,844	15,194	2,338	23,375
Dues and subscriptions	16,577	150	150	16,877
Insurance	3,704	-	9,146	12,850
Conferences and meetings	2,900	-	9,357	12,257
Accounting and auditing	9,619	-	2,405	12,024
Merchandise	3,405	7,946	-	11,351
Telecommunications	5,626	703	703	7,032
Bank and wire fees	6,816	-	-	6,816
Software supplies	3,000	1,771	146	4,917
Other expenses	-	-	4,600	4,600
Insurance - General	4,421	-	-	4,421
Depreciation	3,964	-	-	3,964
Online services	555	99	871	1,525
Website maintenance	750	-	749	1,499
Book expenses	1,127	-	-	1,127
Office supplies	-	-	928	928
Legal	600	-	-	600
Advertising	258	-	263	521
Equipment and maintenance	464	-	-	464
Graphic Design	-	-	280	280
Staff development	-	-	264	264
Total Expenses	1,846,550	230,590	260,419	2,337,559

The accompanying notes are an integral part of the financial statements

Cheetah Conservation Fund
Notes to Financial Statements
December 31, 2016

Note 1-Summary of Significant Accounting Policies

Organization

In recognition of the threat of possible extinction of the wild cheetah, the 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 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 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 accounting

The financial statements of the Fund have been prepared on the accrual basis of accounting in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Tax status

The Fund has been granted exemption by the Internal Revenue Service (IRS) from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined that the Fund is not a private foundation. The Fund is required to report unrelated business income to the Internal Revenue Service and the state of Virginia.

Uncertain tax positions

The Financial Accounting Standards Board (FASB) has released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended December 31, 2016, the Fund has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements. The Federal Form 990, Return of Organization Exempt from Income Tax, is subject to examination by the Internal Revenue Service generally for three years after it is filed. Tax years ending December 31, 2015, 2014 and 2013 remain open with both Federal and state taxing authorities.

Cheetah Conservation Fund
Notes to Financial Statements
December 31, 2016

Cash and Cash equivalents

For financial statement purposes, cash and cash equivalents include operating cash accounts, petty cash and highly liquid, short-term instruments with original maturities of three months or less.

Investments

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income in the accompanying statement of activities.

Net Assets

The Fund has established the following net asset categories:

Unrestricted net assets include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Fund.

Temporarily restricted net assets include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Fund and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently restricted net assets are subject to donor-imposed stipulations that they be permanently maintained by the organization. Generally, the donors of these assets permit the organization to use all or part of the income earned on these assets.

Revenue recognition

The Fund recognizes revenue when it is earned. Revenues are recorded at the time pledges are made, corporate support is pledged, products are shipped, services are performed, or obligations are fulfilled. Contributions are reported in accordance with the provisions of FASB ASC 958-605, *Revenue Recognition* (SFAS No. 116).

Property and equipment

Property and equipment consist of furniture, office equipment, computer equipment and intangible assets recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. The Fund's capitalization policy currently records property and equipment acquisitions over \$500 with an expected life of more than a year.

Donated services, goods and facilities

Donated professional services are reflected in the statement of activities at their fair value. Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

Advertising Costs

Advertising costs are expensed as incurred.

Use of estimates

Preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from estimates.

Cheetah Conservation Fund
Notes to Financial Statements
December 31, 2016

Fair value measurement

The 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 measurement. The Fund accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Functional allocation of expenses

The cost of providing the various programs and other activities has been summarized on the functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Note 2 - Grants and Accounts Receivable

At December 31, 2016 included in Grants and Accounts Receivable are the following:

Grants/accounts receivable due in less than one year	<u>\$ 219,405</u>
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The Fund uses the allowance method to account for uncollectible receivables. Management deems all receivables to be collectible.

Note 3 - Property and Equipment

Furniture, equipment and intangible assets are recorded at cost. Depreciation and amortization are provided over the estimated useful lives of the respective assets, which range from three to seven years on a straight line basis. The Fund capitalizes property and equipment in excess of \$500.

Property and equipment consists of the following at December 31, 2016:

Furniture and equipment	\$ 24,195
Intangible assets: Website and software	14,978
Contributed Art	2,763
Accumulated depreciation & amortization	<u>(31,650)</u>
Book value	<u>\$ 10,286</u>

Depreciation and amortization expense were \$3,964 for the period ended December 31, 2016.

Cheetah Conservation Fund
Notes to Financial Statements
December 31, 2016

Note 4 - Investments

Investments, including investments in endowment funds, consist of the following as of December 31, 2016:

Mutual funds	<u>Market Value</u> <u>\$ 183,230</u>
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Included in investment income are the following:

Unrealized gain	\$ 4,584
Dividends and interest	<u>7,966</u>
Total investment income	<u>\$12,550</u>

Note 5 - Fair Value Measurement

In accordance with FASB ASC 820, *Fair Value Measurement*, the 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 Statement 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 markets the 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.

The table below summarizes, by level within the fair value hierarchy, the Fund's investments as of December 31, 2016.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Mutual Funds	\$ <u>183,230</u>	-	-	\$ <u>183,230</u>

Cheetah Conservation Fund
Notes to Financial Statements
December 31, 2016

Note 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31, 2016:

Publication of Book on CCF and Founder	\$ 81,150
Cheetah Collars	10,577
Cheetah Rewilding	7,500
Board Pledges	15,454
Rainer Arnold Fellowship	<u>5,000</u>
Total	<u>\$119,681</u>

Note 7 – Endowment

The Fund's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Fund classifies as permanently restricted net assets: (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to endowment. In accordance with UPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Fund;
- The investment policies of the Fund.

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 permanently restricted. 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.

In addition, the Board has designated certain funds for specific use. Designated assets are unrestricted net assets subject to self-imposed limits by action of the Fund's Board of Directors based upon the understanding of the intentions of the donors to the following projects. Although the donor has suggested how the Fund should use the donations, there are no restrictions attached to the donation that would require them to be classified as a restricted net asset.

Cheetah Conservation Fund
Notes to Financial Statements
December 31, 2016

From time to time, the fair value of assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires the Fund to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets.

Changes in Endowment Net Assets for the Year Ended December 31, 2016 are as follows:

	<u>Board Designated</u>	<u>Donor Restricted</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Endowment net assets, December 31, 2015	174,657		51,285	225,942
Contributions			50,000	50,000
Investment return:				
Investment income	7,966	-	-	7,966
Net appreciation (depreciation) (realized and unrealized)	4,584	-	-	4,584
Total investment return	12,550			12,550
Transfer to unrestricted net assets	(12,550)	-	-	(12,550)
Endowment net assets, December 31, 2016	<u>174,657</u>	<u>-</u>	<u>101,285</u>	<u>275,942</u>

Note 8 - Employee Benefit Plan

The Fund established a 401 (k) Retirement Plan covering all employees who meet certain eligibility tests. 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 Fund reserved \$60,000 to contribute to the Plan during the year ended December 31, 2016.

Note 9-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 year ended December 31, 2016 CCF Namibia was granted \$1,226,318 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 \$196,444 for the year ended December 31, 2016.

The founder of CCF Namibia who serves as the executive director of both the Fund and CCF Namibia and is a member of the Board of Directors of the Fund, received compensation as an employee of the Fund in the amount of \$84,040 for the year ended December 31, 2016.

Cheetah Conservation Fund
Notes to Financial Statements
December 31, 2016

Note 10 – Commitments

Beginning April 1, 2015, The Fund entered into an agreement to lease office space in Alexandria, Virginia under a three-year non-cancelable operating lease, which expires March 31, 2018. Rent expense for 2016 was \$32,248 which includes common area maintenance charges. Approximate minimum lease payments required under the aforementioned lease are as follows:

Year ending December 31,

2017	\$30,330
2018	7,638
Thereafter	<u> -</u>
Total	<u>37,968</u>

Note 11-Subsequent Events

Subsequent events were considered through September 15, 2017, which is the date the financial statements were available to be issued.