

PANTHERA CORPORATION

New York, New York

CONSOLIDATED FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2016 and 2015

PANTHERA CORPORATION

TABLE OF CONTENTS

As of and for the Years Ended December 31, 2016 and 2015

Independent Auditors' Report	1 - 2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statement of Functional Expenses - 2016	5
Consolidated Statement of Functional Expenses - 2015	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 17

INDEPENDENT AUDITORS' REPORT

Board of Directors
Panthera Corporation
New York, New York

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Panthera Corporation which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Panthera Corporation

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Panthera Corporation as of December 31, 2016 and 2015, 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.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the 2015 consolidated financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Baker Tilly Virchow Krause, LLP

New York, New York
June 14, 2017

CONSOLIDATED FINANCIAL STATEMENTS

PANTHERA CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION As of December 31, 2016 and 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,743,041	\$ 4,422,971
Accounts receivable	61,191	90,356
Donations and pledges receivable	6,344,620	6,156,527
Marketable securities	29,274	5,335
Other current assets	404,672	497,799
Total Current Assets	10,582,798	11,172,988
Long-Term Assets		
Long-term pledges, net	18,711,102	38,606,628
Fixed assets, net	1,879,838	1,870,231
Other long-term assets	8,122	8,122
Total Long-Term Assets	20,599,062	40,484,981
TOTAL ASSETS	\$ 31,181,860	\$ 51,657,969
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 363,865	\$ 751,641
Deferred rent liability	294	4,546
Deferred revenue	316,341	153,841
Total Current Liabilities	680,500	910,028
LONG-TERM LIABILITIES		
Deferred rent liability	31,947	3,052
Total Long-Term Liabilities	31,947	3,052
Total Liabilities	712,447	913,080
NET ASSETS		
Unrestricted	1,837,849	1,617,351
Temporarily restricted	28,631,564	49,127,538
Total Net Assets	30,469,413	50,744,889
TOTAL LIABILITIES AND NET ASSETS	\$ 31,181,860	\$ 51,657,969

See accompanying notes to consolidated financial statements.

PANTHERA CORPORATION

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS For the Years Ended December 31, 2016 and 2015

	2016	2015
CHANGES IN UNRESTRICTED NET ASSETS		
OPERATING REVENUE		
Contributions	\$ 1,373,351	\$ 2,081,673
Grant income	344,806	396,453
Other	41,206	134,674
Net realized gain (loss) on marketable securities	375	(469,495)
Net assets released from restrictions	11,212,180	12,411,454
Total Operating Revenue	12,971,918	14,554,759
EXPENSES		
Programs	9,954,395	10,728,683
Management and general	1,761,168	1,687,568
Fundraising	1,059,399	2,235,618
Total Expenses	12,774,962	14,651,869
Net Operating Income (Loss)	196,956	(97,110)
NON-OPERATING ITEM		
Accumulated unrealized foreign currency translation adjustments	23,542	(51,036)
Non-operating Increase (Decrease)	23,542	(51,036)
Increase (Decrease) in Unrestricted Net Assets	220,498	(148,146)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	5,581,212	6,643,697
Change in board's pledge acceptance conditions	(14,865,006)	-
Net assets released from restrictions	(11,212,180)	(12,411,454)
Decrease in Temporarily Restricted Net Assets	(20,495,974)	(5,767,757)
Decrease in Net Assets	(20,275,476)	(5,915,903)
NET ASSETS, Beginning of Year	50,744,889	56,660,792
NET ASSETS, END OF YEAR	\$ 30,469,413	\$ 50,744,889

See accompanying notes to consolidated financial statements.

PANTHERA CORPORATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2016

	Programs									Support Services			Total Expenses	
	Tiger	Lion	Snow		Puma	Leopard	Cheetah	Tech	Special Projects/ Scholarships and Awards	Total Program Services	Management and			Total Support Services
			Leopard	Jaguar							General	Fundraising		
Salaries and Contracted Staff	\$ 902,645	\$ 493,502	\$ 473,537	\$ 1,141,308	\$ 194,188	\$ 292,474	\$ 163,013	\$ 113,815	\$ 32,141	\$ 3,806,623	\$ 1,020,669	\$ 683,015	\$ 1,703,684	\$ 5,510,307
Benefits	183,888	60,284	90,292	361,949	64,537	87,950	21,368	24,873	6,952	902,093	238,052	157,626	395,678	1,297,771
Contracted Services	806,420	181,104	385,572	82,245	338	48,214	100,147	-	-	1,604,040	-	300	300	1,604,340
Awards	-	-	-	-	-	-	-	-	1,139,068	1,139,068	-	-	-	1,139,068
Field Supplies and Equipment	146,317	86,268	37,691	171,738	28,115	129,888	26,601	25,869	6,444	658,931	1,085	206	1,291	660,222
Travel/Lodging/Meals	159,977	87,947	82,798	214,740	24,818	54,267	26,649	7,604	5,624	664,424	62,613	68,409	131,022	795,446
Occupancy	67,032	21,790	33,672	69,251	22,171	12,894	8,995	-	5,850	241,655	160,468	76,058	236,526	478,181
Technology/Telephone	43,881	30,889	32,770	77,520	11,340	17,802	10,524	2,849	877	228,452	15,352	12,988	28,340	256,792
Office Supplies	5,035	2,442	3,572	13,306	1,470	2,892	1,380	446	48	30,591	22,297	2,271	24,568	55,159
Professional Services	61,771	33,466	46,004	96,055	21,036	55,893	22,624	-	1,369	338,218	164,328	28,432	192,760	530,978
Depreciation/Amortization	5,908	3,071	9,573	111,686	7,853	1,926	1,015	-	448	141,480	10,272	6,375	16,647	158,127
Conference/Meetings	-	-	4,783	-	-	1,801	5,000	-	-	11,584	1,289	390	1,679	13,263
Other	35,349	22,136	12,290	84,815	3,619	21,304	4,626	1,172	1,925	187,236	64,743	23,329	88,072	275,308
TOTAL	\$ 2,418,223	\$ 1,022,899	\$ 1,212,554	\$ 2,424,613	\$ 379,485	\$ 727,305	\$ 391,942	\$ 176,628	\$ 1,200,746	\$ 9,954,395	\$ 1,761,168	\$ 1,059,399	\$ 2,820,567	\$ 12,774,962

See accompanying notes to consolidated financial statements.

PANTHERA CORPORATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015

	Programs									Support Services				Total Expenses
	Tiger	Lion	Snow		Puma	Leopard	Cheetah	Tech	Special Projects/ Scholarships and Awards	Total Program Services	Management and		Total Support Services	
			Leopard	Jaguar							General	Fundraising		
Salaries and Contracted Staff	\$ 898,432	\$ 460,909	\$ 498,709	\$ 1,036,244	\$ 185,318	\$ 392,962	\$ 127,793	\$ 86,500	\$ 7,813	\$ 3,694,680	\$ 859,362	\$ 1,123,945	\$ 1,983,307	\$ 5,677,987
Benefits	146,060	47,187	99,040	328,440	51,348	32,178	18,121	21,051	1,521	744,946	180,500	210,042	390,542	1,135,488
Contracted Services	526,881	317,864	351,158	123,071	-	84,331	26,667	-	350,000	1,779,972	-	-	-	1,779,972
Awards	-	-	-	-	-	-	-	-	1,240,660	1,240,660	-	-	-	1,240,660
Field Supplies and Equipment	97,084	28,545	61,435	368,161	43,869	166,385	53,903	43,253	4,090	866,725	34,906	141	35,047	901,772
Travel/Lodging/Meals	184,987	79,482	104,255	346,873	31,516	72,015	43,877	1,718	566	865,289	41,707	188,214	229,921	1,095,210
Occupancy	84,975	36,128	30,465	86,228	24,784	17,712	4,198	-	3,583	288,073	132,588	75,253	207,841	495,914
Technology/Telephone	75,317	97,031	36,077	97,122	35,040	92,298	30,891	744	503	465,023	18,614	38,015	56,629	521,652
Office Supplies	4,954	7,637	2,260	25,009	3,648	4,365	1,568	-	15	49,456	13,391	3,150	16,541	65,997
Professional Services	43,140	23,986	16,645	220,516	34,766	87,677	6,782	865	-	434,377	277,358	544,452	821,810	1,256,187
Depreciation/Amortization	6,634	4,077	3,463	74,756	5,014	2,487	1,207	-	263	97,901	10,392	6,784	17,176	115,077
Conference/Meetings	7,233	144	43	3,253	1,741	597	561	-	-	13,572	14	75	89	13,661
Other	25,428	19,114	8,377	93,295	5,817	27,252	5,389	3,172	165	188,009	118,736	45,547	164,283	352,292
TOTAL	\$ 2,101,124	\$ 1,122,104	\$ 1,211,927	\$ 2,802,968	\$ 422,861	\$ 980,259	\$ 320,957	\$ 157,304	\$ 1,609,179	\$ 10,728,683	\$ 1,687,568	\$ 2,235,618	\$ 3,923,186	\$ 14,651,869

See accompanying notes to consolidated financial statements.

PANTHERA CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (20,275,476)	\$ (5,915,903)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Effect of foreign currency translation adjustments	23,542	(51,036)
Depreciation/amortization expense	158,127	115,077
Amortization of discount included in long-term pledges	(943,761)	(743,019)
Change in accumulated unrealized foreign currency exchange	(23,542)	51,036
Provision for deferred rent	24,643	6,251
Donated marketable securities	(75,968)	(2,296,613)
Realized (gain) loss on sale of fixed assets	(10,820)	5,875
Realized (gain) loss on sale of marketable securities	(375)	469,495
Changes in operating assets and liabilities:		
Accounts receivable	29,165	20,295
Donations and pledges receivable	(188,093)	691,936
Other current assets	93,127	230,742
Long-term pledges	20,839,287	5,991,387
Accounts payable and accrued expenses	(387,776)	40,582
Deferred revenue	162,500	(37,765)
Total Adjustments	19,700,056	4,494,243
Net Cash Used In Operating Activities	(575,420)	(1,421,660)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(173,283)	(322,239)
Proceeds from sales of fixed assets	16,369	19,657
Proceeds from sales of marketable securities	52,404	1,853,156
Net Cash (Used In) Provided by Investing Activities	(104,510)	1,550,574
(Decrease) Increase in Cash and Cash Equivalents	(679,930)	128,914
CASH AND CASH EQUIVALENTS, Beginning of Year	4,422,971	4,294,057
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,743,041	\$ 4,422,971

See accompanying notes to consolidated financial statements.

PANTHERA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2016 and 2015

NOTE 1 - Description of Organization and Summary of Significant Accounting Policies

Organization

Panthera Corporation is a not-for-profit wildlife conservation organization incorporated in the State of Delaware. Panthera Corporation has a controlling and economic interest in a number of foreign not-for-profit entities, together known as "Panthera." Panthera's mission is the conservation of the world's 38 wild cat species, many of which are endangered or threatened. Panthera develops, implements, and oversees wild cat conservation strategies on a global scale. Panthera's large scale initiatives with tigers, lions, snow leopards, jaguars, pumas, leopards, cheetahs and other species currently span four continents. Panthera conducts critical research, enacts effective conservation measures, works closely with the world's top cat biologists, various governments and related agencies, local and international non-governmental organizations, assists and trains felid biologists and educates the local and international populations as to felid conservation. Field work is performed in North America, South America, Africa and Asia in numerous individual countries.

A brief summary of Panthera's major programs follows:

Tiger - Panthera, through various individual programs, seeks to increase wild tiger populations by at least 50% across key sites over the next decade. In addition, Panthera identifies and creates safe corridors for the species to move between core populations.

Lion - Panthera combines an understanding of lion ecology in human dominated landscapes with techniques that provide local communities with the ability and incentive to avoid conflict with lions. In addition, Panthera also works to curtail widespread wire-snare poaching which is pervasive in many key lion landscapes, including Kafue (Zambia), Niassa (Mozambique) and Hwange (Zimbabwe).

Snow Leopard - Panthera developed a state-of-the-art global range map and database of snow leopard habitats and helps delineate critical conservation units and identify prevailing threats. Using the database to target populations that require conservation, Panthera's efforts are geared towards a range-wide approach in conserving the snow leopards.

Jaguar - Panthera utilizes a range-wide approach focusing on the entire spectrum including prey, key populations, mitigating threats, education and building genetic corridors in which jaguars can move safely.

Panthera works closely with ranchers to develop methods and models to demonstrate that cattle ranching and jaguar conservation can co-exist.

Puma - Panthera is working to better understand and protect pumas in three key parts of their range: the Western US (northwest Wyoming and the San Francisco Bay Area), the region of Torres del Paine National Park in the Chilean Patagonia and in northern Mexico. Panthera's work includes studying the effects of wolf reintroduction and human hunting on puma populations, utilizing innovative camera technology to observe the secret social lives of pumas, and mitigating human-puma conflict.

Leopard - Panthera seeks to reduce the widespread traditional use of leopard skins by the Shembe Nazareth Baptist Church in southern Africa. In addition, Panthera has established a network of surveillance sites across South Africa and neighboring countries to monitor changes in key leopard populations.

PANTHERA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2016 and 2015

NOTE 1 - Description of Organization and Summary of Significant Accounting Policies

Cheetah - Panthera aims to protect cheetahs by addressing direct threats to them, their prey base, and their habitats. To do this, Panthera gathers critical ecological data by surveying and monitoring populations and their prey, collaborating with local law enforcement officials and partners, and working with local communities to mitigate conflict and create cheetah-positive landscapes within communities. Panthera's approach to protecting cheetahs has a dual focus: developing a program in Africa that can eventually be expanded across the cheetah's African range and focusing on the small remaining population of Asiatic cheetahs in Iran.

Tech - Panthera uses technology to reduce poaching, monitor progress and increase overall efficiency. Remote cameras monitor wildlife populations, detect threats in real-time and permit continuous patrolling and surveillance of conservation sites.

Special Project, Scholarships and Awards - Panthera provides scholarship, research and project funding awards to post-graduate students in advanced degree programs, and research and conservation awards to individuals and organizations implementing conservation projects on wild cats.

Panthera, in conjunction with the American Museum of Natural History, developed a global felid genetic database to understand the impact of large scale genetic issues impacting felids.

Summary of Significant Accounting Policies

Basis of Financial Statement Presentation

Panthera's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and include the accounts of Panthera and the not-for-profit entities in which Panthera has a controlling and economic interest. These entities consist of: Fundación Pantera Colombia ("Panthera Colombia"); Panthera Wildlife Trust Ltd. ("Panthera UK"); Corporacion Panthera ("Panthera Costa Rica"); Panthera Brasil ("Panthera Brazil"); Panthera Wild Cat Conservation SA ("Panthera South Africa"); Panthera Wild Cat Conservation Zambia Ltd. ("Panthera Zambia"), Conservación Panthera Mexico AC ("Panthera Mexico") and PF Panthera Foundation in Kyrgyz Republic ("Panthera Kyrgyzstan"). All significant intercompany balances and transactions have been eliminated in consolidation.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue

Panthera's primary source of financial support consists of donations from the general public.

Operating Indicator

Panthera considers all unrestricted major central operations revenue and expenses to be part of its normal operations and considers net operating income (loss) as its operating indicator.

PANTHERA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2016 and 2015

NOTE 1 - Description of Organization and Summary of Significant Accounting Policies (cont.)

Non-Operating Items

Non-operating items include accumulated unrealized foreign currency exchange amounts. This item is not included as part of the operating indicator and is reported separately in the consolidated statements of activities and changes in net assets.

Consolidated Statements of Cash Flows

For purposes of the consolidated statements of cash flows, Panthera considers all highly liquid debt instruments with an original maturity of three months or less, at the date of purchase, to be cash equivalents.

Fair Value Measurements

Panthera establishes a framework for measuring the fair value of financial assets and liabilities and nonfinancial assets and liabilities which are measured at fair value on a recurring (annual) basis in the form of a fair value hierarchy that prioritizes the inputs into valuation techniques used to measure fair value into three broad levels. This hierarchy gives the highest priority to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs. Further, financial assets and liabilities are classified by level in their entirety based upon the lowest level of input that was significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2: Quoted prices in inactive markets for identical assets or liabilities, quoted prices for similar assets or liabilities in active or inactive markets, or other observable inputs either directly related to the asset or liability or derived principally from corroborated observable market data.
- Level 3: Unobservable inputs due to the fact that there is little or no market activity and/or data. This entails using assumptions in models which estimate what market participants would use in pricing the asset or liability.

Marketable Securities

Panthera classifies its marketable securities that have readily determinable fair values as components of Level 1 and are recorded at fair value. Unrealized holding gains and losses on marketable securities are excluded from the operating indicator and are reported as a separate component of unrestricted net assets as non-operating items until realized. Realized gains and losses from the sale of securities are determined on a first-in, first-out basis and recognized in operating income. A decline in the market value of any securities below cost deemed to be other than temporary results in an impairment to reduce the carrying amount to fair value and is treated as a realized loss at time of other than temporary impairment. To determine if an impairment is other than temporary, Panthera considers all available information relevant to the collectability of the security, including past events, current conditions, and reasonable and supportable forecasts when developing estimates of cash flows expected to be collected.

PANTHERA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2016 and 2015

NOTE 1 - Description of Organization and Summary of Significant Accounting Policies (cont.)

Donor-Imposed Restrictions

Panthera reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. All donor-restricted contributions are reported in the first instance as an increase in temporarily restricted net assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the revenue section of the consolidated statements of activities and changes in net assets, as net assets released from restrictions.

Unconditional Promises to Give (Donations Receivable)

When Panthera receives unconditional promises to give that are expected to be collected by Panthera within one year, they are recorded as contributions at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using average risk-free interest rates adjusted by risk premium, applicable to the year in which the promises are received. Amortization of the discounts is included in contribution revenue or as temporarily restricted contributions, as appropriate.

Unconditional Promises to Give to Others

When Panthera makes unconditional promises to give to others, a liability and expense is recorded at the time of such promise.

Conditional Promises to Give by Others

When Panthera receives conditional promises to give, they are not included as contributions by Panthera until the conditions have been substantially met.

Conditional Promises to Give to Others

When Panthera makes conditional promises to give to others, no liability or expense is recorded by Panthera until the conditions have been substantially met.

Allowance for Doubtful Accounts

Periodically, the individual accounts, donations receivable and long-term pledge balances are reviewed and evaluated as to their collectability, and a provision for doubtful accounts is estimated based on the amounts Panthera expects to collect on the receivable balance. Receivables are charged against the allowance for doubtful accounts when management has determined that further collection efforts are not warranted.

PANTHERA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2016 and 2015

NOTE 1 - Description of Organization and Summary of Significant Accounting Policies (cont.)

Inventories

Inventories, which are not significant and consist mainly of field cameras, are included in the consolidated statements of financial position caption "other current assets," and are valued at the lower of cost or market utilizing the weighted average cost method.

Fixed Assets

Fixed assets are carried at cost or, if donated, at fair value on date of donation. Leasehold improvements, furniture and fixtures and equipment in excess of \$5,000 or lower amounts in certain foreign countries as required by regulation, that are under the direct control of Panthera are capitalized and amortized/depreciated over their estimated useful lives using the straight-line method starting the month in which they are put into service. Leasehold improvements are amortized over the lesser of the estimated useful life of the improvement or remaining life of the lease; furniture and fixtures are depreciated over five (5) years; and, equipment is depreciated over three (3) to five (5) years. Equipment purchased for use in the field by non-Panthera employees for the various programs and projects is expensed when acquired. The carrying amounts of assets and the related accumulated depreciation or amortization are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations in the year of disposal.

Impairment of Long-Lived Assets

Panthera assesses the recoverability of its long-lived assets, such as property and equipment, whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. No such events or circumstances occurred during the years ended December 31, 2016 and 2015 and, accordingly, Panthera has not recognized any asset impairment.

Vacation Liability

Panthera's policy is to pay for unused accrued vacation time in the event of employee termination. The estimated vacation liability is accrued as earned and aggregated approximately \$61,900 and \$49,600 at December 31, 2016 and 2015, respectively, and is included in the consolidated statements of financial position caption "Accounts payable and accrued expenses."

Income Taxes

Panthera Corporation qualifies as a U.S. tax-exempt organization under the existing provisions of Internal Revenue Code Section 501(c)(3) and donations to Panthera Corporation are tax deductible to the donor. Panthera's foreign entities are all incorporated as not-for-profit organizations and are generally exempt from income taxes. Panthera recognizes the effect of income tax positions only when the tax positions are more likely than not of being sustained. Management is not aware of any violations of Panthera Corporation's or related entities' not-for-profit status, nor of any exposure to unrelated business income tax.

PANTHERA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2016 and 2015

NOTE 1 - Description of Organization and Summary of Significant Accounting Policies (cont.)

In-kind Contributions

During the years ended December 31, 2016 and 2015, Panthera received in-kind contributions of services amounting to approximately \$550,000 and \$503,100, respectively, at fair value that are included in contributions and expense in the consolidated statements of activities and changes in net assets. In-kind contributions relate mainly to website advertising and legal services.

Allocated Expenses

Panthera's expenses have been summarized on a functional basis in accordance with U.S. GAAP. Most expenses may be identified to their related program or supporting service and are recorded accordingly. Certain other expenses, consisting mainly of occupancy, technology, professional fees and depreciation and amortization, have been allocated based on estimated usage, the percentage of each program's direct expenses over total program costs or other bases considered appropriate given the nature of the expense.

Reclassifications

Certain reclassifications were made to the 2015 consolidated statement of functional expenses to conform to the 2016 presentation. These reclassifications had no impact on the changes in net assets previously reported.

NOTE 2 - Fair Value Measurements

Panthera had marketable securities at December 31, 2016 and 2015, which cost approximated fair value. Panthera's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1, Level 2, or Level 3 for the years ended December 31, 2016 or 2015.

Fair Value of Other Financial Instruments

At December 31, 2016 and 2015, Panthera's other financial instruments consist of cash and cash equivalents, receivables, accounts payable, and other current liabilities. The carrying amounts of these financial instruments approximate fair value due to their short-term maturities.

PANTHERA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2016 and 2015

NOTE 3 - Donations and Pledges Receivable

Included in donations and pledges receivable at December 31, 2016 and 2015 are the following unconditional promises:

	2016	2015
Unrestricted	\$ 142,970	\$ 168,137
Restricted as to Purpose	238,979	-
Restricted as to Time	26,000,000	48,000,000
Total	26,381,949	48,168,137
Less Unamortized Discount	(1,326,227)	(3,404,982)
Net Unconditional Promises	\$ 25,055,722	\$ 44,763,155
Amounts Due in		
Less than one year	\$ 6,381,949	\$ 6,168,137
One to five years	16,000,000	30,000,000
More than five years	4,000,000	12,000,000
Total	\$ 26,381,949	\$ 48,168,137

During the year ended December 31, 2014, Panthera received an unconditional pledge in the amount of \$20,000,000 payable over ten (10) years. In 2016, certain matters arose that resulted in Panthera's decision not to accept any payments of the remaining undiscounted balance of \$16,000,000 (\$14,865,006 discounted). Accordingly, the previously recorded pledge receivable has been adjusted in the consolidated statements of activities and changes in net assets, with corresponding reductions to pledges receivable (both current and long-term) and temporarily restricted net assets, in the accompanying consolidated statements of financial position.

The risk adjusted discount rate utilized for determining the amount of unamortized discount was 1.42%.

NOTE 4 - Fixed Assets, Net

Fixed assets consist of the following as of December 31, 2016 and 2015:

	2016	2015
Land	\$ 1,267,648	\$ 1,267,648
Construction in Progress	186,011	117,260
Leasehold Improvements	1,004,828	1,006,181
Furniture and Fixtures	243,564	230,283
Equipment	726,390	637,659
	3,428,440	3,259,031
Less Accumulated Depreciation and Amortization	(1,548,603)	(1,388,800)
Net Fixed Assets	\$ 1,879,838	\$ 1,870,231

PANTHERA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2016 and 2015

NOTE 5 - Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2016 and 2015 are comprised of contributions restricted by the donors for the following:

	<u>2016</u>	<u>2015</u>
Future New Programs	\$ 1,946,191	\$ 2,071,807
Tiger Program	612,287	877,467
Lion Program	223,039	120,231
Jaguar Program	404,560	393,171
Snow Leopard Program	90,729	98,420
Other Programs	680,985	970,424
Time Restriction	<u>24,673,773</u>	<u>44,595,018</u>
 Total Temporarily Restricted Net Assets	 <u>\$ 28,631,564</u>	 <u>\$ 49,127,538</u>

NOTE 6 - Related Party Transactions

During the years ended December 31, 2016 and 2015, a significant portion of the unrestricted and temporarily restricted contributions were received from members of Panthera's Board of Directors or their related associations. Donations receivable and long-term pledges from Directors or their related associations at December 31, 2016 and 2015 amounted to approximately \$26,000,000 and \$48,000,000, respectively.

NOTE 7 - Retirement Plans

Under the Panthera Corporation 401(k) Retirement Plan (the "Plan") provisions, all employees may make elective contributions of amounts up to the federal limitations. Panthera makes employee elective contribution matching contributions to the Plan on, at a minimum, an annual plan year basis. Panthera's Plan contains "safe harbor provisions," whereby Panthera's matching employee elective contribution is 100% of salary deferrals up to 3% of the employee's gross pay plus 50% of salary deferrals in excess of 3% but none for salary deferrals in excess of 5% of compensation. Panthera's matching employee elective contributions vest immediately.

Panthera is the sponsor of a nonqualified deferred compensation plan ("457(f)") and a related salary reduction contributions plan ("457(b)"). Under the "457" plan agreements, Panthera is required to only fund the nonqualified 457(f) deferred compensation plan annually, based on a specified funding schedule. The funding of the 457(b) salary reduction contributions plan is solely the responsibility of the participant. Pension expense under the 457(f) plan for the years ended December 31, 2016 and 2015 aggregated approximately \$22,000 and \$24,500, respectively. At December 31, 2016, Panthera's future contingent obligation under the 457(f) plan approximates \$25,000 through 2018.

In 2015, Panthera UK instituted a defined contribution plan whereby the employer contributions aggregate 2% of gross pre-tax salaries.

PANTHERA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2016 and 2015

NOTE 7 - Retirement Plans (cont.)

Total pension expense under all retirement plans for the years ended December 31, 2016 and 2015 aggregated approximately \$146,400 and \$162,800, respectively.

NOTE 8 - Commitments and Contingencies

Office Leases

Panthera entered into a non-cancelable operating lease for New York office space, effective February 1, 2015, that expires on January 31, 2025. In addition, Panthera entered into a non-cancelable lease for office space in London, effective January 23, 2014 for a term of three (3) years, a non-cancelable renewable lease for office space in Colombia for a term of one (1) year and a non-cancelable lease for office space in Costa Rica for three (3) years on November 1, 2015.

At December 31, 2016, minimum future lease payments under these leases consist of the following:

2017	\$ 360,400
2018	346,200
2019	336,700
2020	336,700
2021	336,700
Thereafter	<u>1,038,100</u>
Total	<u>\$ 2,754,800</u>

Rent expense, including month-to-month cancelable leases, real estate taxes and other specified operating expenses required by lease provisions, for the years ended December 31, 2016 and 2015 aggregated approximately \$372,500 and \$403,500, respectively.

Letter of Credit

In conjunction with an office lease, Panthera obtained a \$213,350 irrevocable renewable standby letter of credit from a bank for the benefit of the landlord. The letter of credit, which was renewed for a period of one year on October 31, 2016, is collateralized by Panthera's deposit accounts with the bank.

Conditional Promises to Give to Panthera

At December 31, 2016, conditional pledges aggregated \$2,284,618 for unrestricted purposes, tiger, leopard and snow leopard programs and will be due and payable as follows:

Less than One Year	\$ 1,334,618
One to Five Years	<u>950,000</u>
Total	<u>\$ 2,284,618</u>

Each annual payment from the donors is conditional upon, among other things, the donor's approval of the annual goals and priorities and submission of milestone reports by Panthera.

PANTHERA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2016 and 2015

NOTE 8 - Commitments and Contingencies (cont.)

Concentration of Credit Risk

Financial instruments which potentially subject Panthera to concentrations of credit risk consist principally of temporary cash investments and receivables. Panthera places its temporary cash investments with high credit quality financial institutions; however, in the event of the financial institution's insolvency, recovery of Panthera's amounts on deposit may be limited to account insurance by the Federal Deposit Insurance Corporation or other protection afforded such deposits. At December 31, 2016, included within donations receivable and long-term pledges are approximately \$26,000,000 of pledges from two donors.

Other

Panthera has a long-term employment contract with an employee which expires March 31, 2018. Under the terms of the contract, certain payments are required to be paid if, as defined in the contract, premature termination of employment without cause occurs. Payments resulting from premature termination could amount to the remaining compensation under the term of the contract and additional amounts for benefits and other items which total approximately \$500,000 at December 31, 2016.

Subsequent Events

Transactions and events subsequent to December 31, 2016 through June 14, 2017 were reviewed by management and no items were noted that require additional consideration or disclosure in the accompanying consolidated financial statements.