

# **Panthera Corporation**

Consolidated Financial Statements

December 31, 2021 and 2020

# Panthera Corporation

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## Independent Auditors' Report

To the Board of Directors of  
Panthera Corporation

### Opinion

We have audited the accompanying consolidated financial statements of Panthera Corporation (the Corporation), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2021 and 2020, and the change in their net assets and their 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation 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.

### Responsibilities of Management 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.

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

### Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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 audits, significant audit findings and certain internal control-related matters that we identified during the audits.

*Baker Tilly US, LLP*

New York, New York  
August 4, 2022

# Panthera Corporation

Consolidated Statements of Financial Position  
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 7,422,209	\$ 4,017,127
Accounts receivable	95,749	56,382
Exchange service contract receivable	151,773	514,787
Contributions and grants receivable	1,387,649	1,158,727
Pledges receivable	2,000,000	3,884,982
Marketable securities	38,931	1,926
Other current assets	915,400	818,777
	<u>12,011,711</u>	<u>10,452,708</u>
<b>Long-Term Assets</b>		
Long-term pledges receivable, net	1,922,474	3,922,474
Fixed assets, net	2,530,311	2,313,324
	<u>4,452,785</u>	<u>6,235,798</u>
Total long-term assets	<u>4,452,785</u>	<u>6,235,798</u>
Total assets	<u>\$ 16,464,496</u>	<u>\$ 16,688,506</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,374,396	\$ 1,931,892
Deferred rent liability	16,668	16,668
Deferred revenue	1,009,731	210,124
	<u>2,400,795</u>	<u>2,158,684</u>
Total current liabilities	<u>2,400,795</u>	<u>2,158,684</u>
<b>Long-Term Liabilities</b>		
Deferred rent liability	34,724	51,392
	<u>34,724</u>	<u>51,392</u>
Total long-term liabilities	<u>34,724</u>	<u>51,392</u>
Total liabilities	<u>2,435,519</u>	<u>2,210,076</u>
<b>Net Assets</b>		
Net deficiencies without donor restrictions	(98,680)	(563,291)
Net assets with donor restrictions	14,127,657	15,041,721
	<u>14,028,977</u>	<u>14,478,430</u>
Total net assets	<u>14,028,977</u>	<u>14,478,430</u>
Total liabilities and net assets	<u>\$ 16,464,496</u>	<u>\$ 16,688,506</u>

See notes to consolidated financial statements

## Panthera Corporation

Consolidated Statements of Activities and Changes in Net Assets  
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
<b>Operating Revenue</b>		
Contributions and grants	\$ 6,355,937	\$ 3,487,547
In-kind contributions	94,168	105,250
Exchange service contract revenue	2,706,747	1,244,040
Other	225,469	276,773
Net assets released from restrictions:		
Satisfaction of purpose restrictions	6,628,176	6,367,609
Satisfaction of time restrictions	4,412,676	3,500,000
	<u>20,423,173</u>	<u>14,981,219</u>
Total operating revenue		
<b>Expenses</b>		
Program services	14,342,637	10,800,331
Management and general	4,751,232	2,279,897
Fundraising	1,032,067	1,676,373
	<u>20,125,936</u>	<u>14,756,601</u>
Total expenses		
Net operating income	<u>297,237</u>	<u>224,618</u>
<b>Nonoperating Item</b>		
Other comprehensive gain on foreign exchange	<u>167,374</u>	<u>124,107</u>
Total nonoperating gain	<u>167,374</u>	<u>124,107</u>
Changes in net assets without donor restrictions	<u>464,611</u>	<u>348,725</u>
<b>Changes in Net Assets With Donor Restrictions</b>		
Contributions	10,126,788	10,076,917
Net assets released from restrictions:		
Satisfaction of purpose restrictions	(6,628,176)	(6,367,609)
Satisfaction of time restrictions	(4,412,676)	(3,500,000)
	<u>(914,064)</u>	<u>209,308</u>
Changes in net assets with donor restrictions		
Changes in net assets	(449,453)	558,033
<b>Net Assets, Beginning</b>	<u>14,478,430</u>	<u>13,920,397</u>
<b>Net Assets, Ending</b>	<u>\$ 14,028,977</u>	<u>\$ 14,478,430</u>

See notes to consolidated financial statements

## Panthera Corporation

### Consolidated Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services			Supporting Services			Total Expenses
	Conservation Science	Conservation Action	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and contracted staff	\$ 2,556,228	\$ 3,480,741	\$ 6,036,969	\$ 1,301,988	\$ 565,474	\$ 1,867,462	\$ 7,904,431
Benefits	402,735	917,654	1,320,389	339,410	113,819	453,229	1,773,618
Contracted services	100,109	342,483	442,592	-	-	-	442,592
Grants and scholarships	905,044	657,330	1,562,374	-	-	-	1,562,374
Awards	287,979	-	287,979	-	-	-	287,979
Donated services	-	-	-	-	94,168	94,168	94,168
Field supplies and equipment	509,962	1,486,237	1,996,199	-	-	-	1,996,199
Travel/lodging/meals	244,593	385,538	630,131	36,825	1,127	37,952	668,083
Occupancy	74,943	207,169	282,112	516,407	12,271	528,678	810,790
Technology/telephone	39,365	83,295	122,660	281,586	42,623	324,209	446,869
Office supplies	7,869	40,790	48,659	22,049	38	22,087	70,746
Professional services	335,804	606,283	942,087	1,733,968	184,979	1,918,947	2,861,034
Depreciation/amortization	-	198,505	198,505	55,983	-	55,983	254,488
Conference/meetings	13,684	30,604	44,288	7,181	-	7,181	51,469
Other	170,624	257,069	427,693	455,835	17,568	473,403	901,096
<b>Total</b>	<b>\$ 5,648,939</b>	<b>\$ 8,693,698</b>	<b>\$ 14,342,637</b>	<b>\$ 4,751,232</b>	<b>\$ 1,032,067</b>	<b>\$ 5,783,299</b>	<b>\$ 20,125,936</b>

See notes to consolidated financial statements

## Panthera Corporation

### Consolidated Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services			Supporting Services			Total Expenses
	Conservation Science	Conservation Action	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and contracted staff	\$ 1,645,740	\$ 3,003,597	\$ 4,649,337	\$ 664,626	\$ 918,156	\$ 1,582,782	\$ 6,232,119
Benefits	323,833	655,799	979,632	153,892	220,983	374,875	1,354,507
Contracted services	422,109	244,025	666,134	549	38,724	39,273	705,407
Grants and scholarships	921,649	463,807	1,385,456	-	-	-	1,385,456
Awards	231,899	-	231,899	-	-	-	231,899
Donated services	-	-	-	12,001	93,249	105,250	105,250
Field supplies and equipment	424,929	319,127	744,056	203	2,575	2,778	746,834
Travel/lodging/meals	109,622	359,720	469,342	24,526	18,357	42,883	512,225
Occupancy	50,469	170,390	220,859	208,546	121,864	330,410	551,269
Technology/telephone	48,227	72,768	120,995	193,731	68,614	262,345	383,340
Office supplies	6,314	24,335	30,649	7,087	2,215	9,302	39,951
Professional services	138,158	498,262	636,420	753,907	148,643	902,550	1,538,970
Depreciation/amortization	2,842	249,389	252,231	-	14,048	14,048	266,279
Conference/meetings	3,312	12,964	16,276	7,179	407	7,586	23,862
Other	56,887	340,158	397,045	253,650	28,538	282,188	679,233
<b>Total</b>	<b>\$ 4,385,990</b>	<b>\$ 6,414,341</b>	<b>\$ 10,800,331</b>	<b>\$ 2,279,897</b>	<b>\$ 1,676,373</b>	<b>\$ 3,956,270</b>	<b>\$ 14,756,601</b>

See notes to consolidated financial statements

## Panthera Corporation

Consolidated Statements of Cash Flows  
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
Changes in net assets	\$ (449,453)	\$ 558,033
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Effect of foreign currency translation adjustment	167,374	124,107
Depreciation/amortization expense	254,488	266,279
Amortization of discount included in long-term pledges	(115,019)	183,374
Change in foreign currency exchange adjustment	(167,374)	(124,107)
Provision for deferred rent	(16,668)	(13,789)
Realized gain on sale of marketable securities	(97,974)	(14,754)
Changes in operating assets and liabilities:		
Accounts receivable	(39,367)	6,280
Exchange contract receivable	363,014	52,514
Contributions and grants receivable	(228,922)	(995,185)
Pledges receivable	1,884,982	(414,125)
Other current assets	(96,623)	10,469
Long-term pledges receivable	2,115,019	3,547,376
Accounts payable and accrued expenses	(557,496)	627,306
Deferred revenue	799,607	(482,918)
Total adjustments	<u>4,265,041</u>	<u>2,772,827</u>
Net cash flows from operating activities	<u>3,815,588</u>	<u>3,330,860</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of fixed assets	(471,475)	(796,804)
Proceeds from sale of marketable securities	60,969	18,647
Net cash flows from investing activities	<u>(410,506)</u>	<u>(778,157)</u>
Increase in cash and cash equivalents	3,405,082	2,552,703
<b>Cash and Cash Equivalents, Beginning</b>	<u>4,017,127</u>	<u>1,464,424</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 7,422,209</u>	<u>\$ 4,017,127</u>

See notes to consolidated financial statements

# Panthera Corporation

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

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## 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 40 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 nongovernmental 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. These operations are administered out of regional hubs in Costa Rica, Colombia, South Africa, the United Arab Emirates and Thailand.

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 percent 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 NP (Zambia), Limpopo NP (Mozambique) and Niokolo-Koba NP (Senegal).

**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 of species influences and dynamics, including prey, key populations, threat mitigation, 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, just as they work with engineers and developers to design roads that allow for easier passage of jaguars and other wildlife.

**Puma** - Panthera is working to better understand and protect pumas in the Western U.S. (northwest Wyoming, the San Francisco Bay Area and Olympic Peninsula) and in the Torres del Paine National Park region in the Chilean Patagonia. 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, characterizing dispersal dynamics and impediments, and mitigating human-puma conflict. A range-wide assessment of the status of pumas, from Patagonia to British Columbia is also underway.

## **Panthera Corporation**

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Notes to Consolidated Financial Statements

December 31, 2021 and 2020

**Leopard** - Panthera seeks to reduce the widespread traditional use of leopard skins by the Shembe Nazareth Baptist Church in southern Africa, along with other cultures that do that same. In addition, Panthera has established a network of monitoring sites across southern Africa, western Africa and a newly established site in Southeast Asia. In Saudi Arabia, Panthera is actively surveying potential areas for the assessment of the extant populations of Arabian leopards, and also preparing for the re-introduction of the subspecies to their former range.

**Cheetah** - Panthera seeks 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 focuses on developing an integrated transboundary program based in Zambia, but operating over the 5-country KAZA landscape, which is the landscape in the Kavango and Zambezi river basins, and eventually expanding across the cheetah's African range.

**Small Cats** - Panthera also works to understand and conserve the 33 species of small wild cats. Priorities for this program are to focus on the least understood cats, to enhance current data collection on big cat study sites to gather small cat data, and to strategically establish new sites of high conservation value for small cats.

**Tech** - Panthera's Technology Program developed devices and software supporting species programs, including camera traps and Poachercams. Panthera integrates third party private GSM (global system for mobile) wireless equipment, as well as systems to monitor Poachercam deployments.

**Scholarships and Awards** - Panthera provides scholarships and awards to post-graduate students in advanced degree programs to work on research and projects in the conservation efforts of large cat species and their environments. 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, and now works through the National Genomics Center for Wildlife and Fish Conservation in Missoula, Montana, for most of its genetic analysis needs.

The individual programs are established and overseen by two divisions: Conservation Science and Conservation Action. Conservation Science is the group that evaluates, from a scientific basis, the science research outcomes and how they will be used to develop activities that integrate into Conservation Action. The Conservation Action division contains Panthera's global and regional field programs, associated personnel and infrastructure to implement the conservation action plans developed by the Conservation Science division.

### **Management's Plan**

During the years ended December 31, 2021 and 2020, Panthera had net operating income of approximately \$297,000 and \$225,000, respectively. Panthera also had changes in net assets of approximately \$(449,000) and \$558,000 for the years ended December 31, 2021 and 2020, respectively, and net deficiencies in net assets without donor restrictions of approximately \$99,000 and \$563,000 as of December 31, 2021 and 2020, respectively. Management plans to receive an infusion of an unrestricted contribution to offset its net deficiencies without donor restrictions with a \$2,000,000 unrestricted donation that was received from a board member in early 2022.

Based in the above management's plan, Panthera's management concludes that substantial doubt about the ability to continue as a going concern has been alleviated.

# Panthera Corporation

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

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## Summary of Significant Accounting Policies

### Basis of Consolidated 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 Panthera Wild Cat Conservation Belize, Panthera Brasil, Panthera Canada, Fundación Pantera Colombia (Panthera Colombia), Panthera France, Panthera Wild Cat Conservation Malaysia (Panthera Malaysia), Conservacion Panthera Mexico AC (Panthera Mexico), Stichting Panthera (Panthera Netherlands), Panthera Wild Cat Conservation Senegal (Panthera Senegal), Panthera Wild Cat Conservation SA (Panthera South Africa), Panthera Wildlife Trust Limited and Panthera Wild Cat Conservation Zambia Limited (Panthera Zambia). Panthera also has operating branch offices in Costa Rica, Honduras, Tajikistan and Panama.

In 2021, Panthera expanded its entities including Panthera Thailand and Panthera Gabon. 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, as well as grant income.

### Contributions and Grants

Panthera receives various federal government grants that are nonreciprocal transactions and records revenue when expenditures have been incurred in compliance with the grantor's restrictions or when deliverable results specified in the agreements have been achieved. Advance payments received for grants and contracts which have not yet been earned are reflected as Deferred Revenue. Amounts earned but not yet paid under the grants and contracts are included in contributions and grants receivable.

### Exchange Service Contracts

Panthera receives revenue under contracts based on fees for services rendered as defined by the agreements. Revenues from contracts are recognized only after services have been rendered and/or performance milestones deliverables are completed and delivered to the customer. Performance obligations are satisfied as services are rendered. Payments received in advance of services being rendered will be recorded as deferred revenue on the consolidated statements of financial position.

### Deferred Revenue

Primarily consists of cash received in advance for program expenses to be incurred in the future when earned.

# Panthera Corporation

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Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

## Operating Indicator

Panthera considers all operating revenue and expenses without donor restrictions to be part of its normal operations and considers net operating income as its operating indicator.

## Nonoperating Item

Nonoperating item represents other comprehensive amounts relating to foreign currency translation adjustments. 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.

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, 2021 and 2020.

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## Marketable Securities

Panthera's marketable securities are valued as Level 1 investments 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 net assets without donor restrictions as nonoperating items until realized. Realized gains and losses from the sale of securities are determined on a first-in, first-out basis and recognized as other income within the operating income section of the consolidated statements of activities and changes in net assets. A decline in the fair 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.

## 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 contributions with donor restrictions are reported in the first instance as an increase in net assets with donor restrictions. 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 revenue section of the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Panthera reports gifts of land, buildings, and equipment as without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as additions to net assets with donor restrictions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

## Unconditional Promises to Give (Pledges 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, if any, applicable to the year in which the promises are received. Amortization of the discounts is included in contributions and grant revenue or as contributions with donor restrictions, 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

Conditional contributions, including conditional promises to give, are not recognized until they become unconditional, that is, when the conditions, such as a barrier and right of return or release, are substantially met.

# **Panthera Corporation**

Notes to Consolidated Financial Statements  
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## **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, contributions and grant receivables and 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.

## **Other Current Assets**

Other current assets consist of primarily camera inventories, which are valued at the lower of cost or market utilizing the weighted average cost method and cash advances for field work.

## **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, 2021 and 2020 and, accordingly, Panthera has not recognized any asset impairment.

## **Vacation Liability**

Unless required by state or country specific laws, unused vacation days are not carried over to the next year nor are they paid out upon departure from Panthera. The estimated vacation liability, where required by law, is accrued as earned and aggregated approximately \$16,000 and \$30,000 as of December 31, 2021 and 2020, respectively, and is included in the consolidated statements of financial position caption accounts payable and accrued expenses.

# Panthera Corporation

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

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## 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 subject to legal limitations. Panthera's foreign entities are 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 or other income tax.

## In-Kind Contributions

For the years ended December 31, 2021 and 2020, Panthera received in-kind contributions of services amounting to approximately \$94,000 and \$105,000, respectively, at fair value. In-kind contributions relate mainly to website advertising and legal services and are reflected in the consolidated statements of functional expenses in the caption donated 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 services and depreciation and amortization, have been allocated based on estimated usage, based upon each program's direct expenses as a percentage of total program costs. Salaries and benefits expenses are allocated based upon estimated time spent by the respective individuals on each program area.

## Reclassification

For comparability, certain 2020 amounts have been reclassified to conform with classifications adopted in 2021. The reclassifications have no effect on reported amounts of net assets or changes in net assets.

## Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for Panthera for fiscal years beginning after December 15, 2021, with early adoption permitted. Management is currently evaluating the impact of ASU 2016-02 on Panthera's consolidated financial statements.

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*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021. Management is currently evaluating the impact of ASU 2020-07 on Panthera's consolidated financial statements.

## Panthera Corporation

Notes to Consolidated Financial Statements  
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### 2. Contributions and Grants and Pledges Receivable

Included in contributions and grants and pledges receivable as of December 31, 2021 and 2020 are the following unconditional promises:

	<u>2021</u>	<u>2020</u>
Without donor restrictions	\$ 590,793	\$ 288,496
With donor restrictions, purpose	796,856	1,023,915
With donor restrictions, time	<u>4,000,000</u>	<u>8,000,000</u>
Total	5,387,649	9,312,411
Less unamortized discount	<u>(77,526)</u>	<u>(192,545)</u>
Net unconditional promises	<u>\$ 5,310,123</u>	<u>\$ 9,119,866</u>
Amounts due in:		
Less than one year	\$ 3,387,649	\$ 5,197,392
One to five years	<u>1,922,474</u>	<u>3,922,474</u>
Total	<u>\$ 5,310,123</u>	<u>\$ 9,119,866</u>

The risk adjusted discount rate utilized for determining the amount of unamortized discount was 1.56 percent as of both December 31, 2021 and 2020.

### 3. Liquidity and Availability of Resources

The following table reflects Panthera's financial assets as of December 31, 2021 and 2020 reduced by net assets with donor restrictions which are not available for general expenditures within one year of the balance sheet date.

	<u>2021</u>	<u>2020</u>
Current assets, excluding nonfinancial assets	\$ 11,096,312	\$ 9,633,931
Less net assets with donor restrictions	<u>(12,205,183)</u>	<u>(11,119,247)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ (1,108,871)</u>	<u>\$ (1,485,316)</u>

The above table depicts a negative liquidity of (\$1,108,871) and (\$1,485,316) as of December 31, 2021 and 2020, respectively, which was due to donor restricted assets utilized for expenditures not related to donor restrictions, partially due to timing issues related to restricted cash receipts. As part of Panthera's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To improve the negative liquidity in the fiscal year ending December 31, 2022, management continues to follow the management plan that was put in place in 2020 to reduce spending and closely monitor cash flows. In addition, Panthera has a \$750,000 line of credit with a bank that is fully available.

## Panthera Corporation

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 4. Fixed Assets, Net

Fixed assets consist of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,267,648	\$ 1,267,648
Buildings	312,888	271,446
Leasehold improvements	1,004,828	1,004,828
Furniture and fixtures	251,253	239,787
Equipment	<u>2,270,200</u>	<u>1,851,633</u>
Total	5,106,817	4,635,342
Less accumulated depreciation and amortization	<u>2,576,506</u>	<u>2,322,018</u>
Net fixed assets	<u>\$ 2,530,311</u>	<u>\$ 2,313,324</u>

### 5. Line of Credit

In December 2019, Panthera entered into a secured line of credit with a financial institution in the amount of \$750,000. Outstanding borrowings are secured by all real and personal property of Panthera. The line bears interest at the prime rate minus one-half percent per annum and expires on December 3, 2022. There was no amount outstanding as of December 31, 2021 or 2020.

### 6. Paycheck Protection Program

In April 2020, Panthera received loan proceeds of approximately \$803,000 under the Paycheck Protection Program (PPP), which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25 percent during the covered period. Any unforgiven portion is payable over two years at an interest rate of one percent with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, ten months after the end of the covered period.

Panthera met the PPP's eligibility criteria and received full forgiveness of the loan on January 22, 2021. Panthera elected to account for the loan as a contribution. As of December 31, 2020, the full amount of PPP funds received was recorded as contributions and grants revenue in the consolidated statements of activities and changes in net assets.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan or repaid in full and to provide that documentation to the SBA upon request. Panthera does not believe the results of any audits or reviews by the SBA would have a material impact on the consolidated financial statements.

## Panthera Corporation

Notes to Consolidated Financial Statements  
December 31, 2021 and 2020

### 7. Net Assets With Donor Restrictions

Net assets with donor restrictions as of December 31, 2021 and 2020 are comprised of contributions restricted by the donors for the following:

	<u>2021</u>	<u>2020</u>
Conservation Science	\$ 2,875,064	\$ 1,938,246
Conservation Action	4,273,622	2,939,492
Time Restricted	<u>6,978,971</u>	<u>10,163,983</u>
Total net assets with donor restrictions	<u>\$ 14,127,657</u>	<u>\$ 15,041,721</u>

Net assets released from donor restrictions for the years ended December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Conservation Science	\$ 2,401,816	\$ 2,728,469
Conservation Action	4,226,360	3,639,140
Time Restricted	<u>4,412,676</u>	<u>3,500,000</u>
Total	<u>\$ 11,040,852</u>	<u>\$ 9,867,609</u>

### 8. Related-Party Transactions

During the years ended December 31, 2021 and 2020, approximately 61 percent and 40 percent, respectively, of the total contributions were received from members of Panthera's Board of Directors or their related associations. Contributions and grants receivable and long-term pledges receivable (undiscounted) from Directors or their related associations as of December 31, 2021 and 2020 amounted to approximately \$4,000,000 and \$8,000,000, respectively.

### 9. Retirement Plans

Panthera sponsors the Panthera Corporation 401(k) Retirement Plan under which Plan provisions all U.S. based employees may participate and make elective contributions up to the Federal limitations. Panthera makes matching contributions to the Plan of employee elective contributions, at a minimum, on an annual Plan year basis. The Plan contains "safe harbor provisions" whereby Panthera's matching of employee elective contributions subject to Federal limitations is 100 percent of salary deferrals up to three percent of the employee's gross salary plus 50 percent of salary deferrals in excess of three percent but none for salary deferrals in excess of five percent of compensation. Panthera's matching employee elective contributions vest immediately. In addition, Panthera is the sponsor of a salary reduction plan (457(b) Plan). The funding of the 457(b) Plan is solely the responsibility of the participant.

Panthera UK sponsors a defined contribution plan in which employees are eligible to participate. The employee contribution rate is five percent of basic salary and the Panthera UK contribution rate is four percent of basic salary.

Total pension expense under the above retirement plans for the years ended December 31, 2021 and 2020 aggregated approximately \$194,000 and \$117,000, respectively.

# Panthera Corporation

Notes to Consolidated Financial Statements  
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## 10. Commitments and Contingencies

### Office Leases

Panthera entered into a noncancelable operating lease for New York office space, effective February 1, 2015, that expires on January 31, 2025. In addition, during 2019 Panthera entered into a noncancelable lease for office space in Colombia for a term of five (5) years, Costa Rica for two (2) years, and Belize for two (2) years.

As of December 31, 2021, minimum future lease payments under these leases are approximately as follows:

2022	\$	362,000
2023		362,000
2024		362,000
2025		<u>32,000</u>
Total	\$	<u>1,118,000</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, 2021 and 2020 aggregated approximately \$599,000 and \$476,000, respectively.

### Letter of Credit

In conjunction with an office lease, Panthera obtained a \$213,344 irrevocable renewable standby letter of credit from a bank for the benefit of the landlord. The letter of credit is collateralized by Panthera's deposit accounts with the bank. The letter of credit is valid through October 31, 2022.

### 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. As of December 31, 2021 and 2020, included within long-term pledges receivable (undiscounted) are approximately \$4,000,000 and \$8,000,000, respectively, of pledges.

### Subsequent Events

Transactions and events subsequent to December 31, 2021 through August 4, 2022, were reviewed by management and no items were noted that require additional consideration or disclosure in the accompanying consolidated financial statements.