

# **Panthera Corporation**

Consolidated Financial Statements

December 31, 2023 and 2022

# 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, 2023 and 2022, 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, 2023 and 2022, and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit 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 Audit 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.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 audit, significant audit findings and certain internal control-related matters that we identified during the audit.

*Baker Tilly US, LLP*

New York, New York  
July 1, 2024

# Panthera Corporation

Consolidated Statements of Financial Position  
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 8,446,140	\$ 8,109,527
Accounts receivable	38,743	13,189
Exchange service contract receivable	1,663,364	217,044
Contributions and grants receivable	1,098,859	1,065,492
Pledges receivable	1,908,579	2,000,000
Marketable securities	-	36,603
Other current assets	1,181,950	1,585,200
	<u>14,337,635</u>	<u>13,027,055</u>
<b>Long-Term Assets</b>		
Long-term pledges receivable, net	6,989,547	-
Fixed assets, net	2,795,566	2,797,678
Right-of-use assets	426,659	826,680
	<u>10,211,772</u>	<u>3,624,358</u>
Total assets	<u>\$ 24,549,407</u>	<u>\$ 16,651,413</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,935,820	\$ 1,779,164
Current portion of operating lease liabilities	403,314	429,607
Deferred revenue	2,802,169	3,739,086
	<u>5,141,303</u>	<u>5,947,857</u>
<b>Long-Term Liabilities</b>		
Operating lease liabilities	42,981	431,148
	<u>42,981</u>	<u>431,148</u>
Total liabilities	<u>5,184,284</u>	<u>6,379,005</u>
<b>Net Assets</b>		
Net assets without donor restrictions	724,782	74,829
Net assets with donor restrictions	18,640,341	10,197,579
	<u>19,365,123</u>	<u>10,272,408</u>
Total liabilities and net assets	<u>\$ 24,549,407</u>	<u>\$ 16,651,413</u>

See notes to consolidated financial statements

# Panthera Corporation

Consolidated Statements of Activities and Changes in Net Assets  
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
<b>Operating Revenue</b>		
Contributions and grants	\$ 7,888,279	\$ 7,494,323
Contributed nonfinancial assets	-	7,119
Exchange service contract revenue	5,064,075	1,907,131
Other	290,882	60,325
Net assets released from restrictions:		
Satisfaction of purpose restrictions	12,302,699	11,401,640
Satisfaction of time restrictions	4,388,127	3,312,231
	<u>29,934,062</u>	<u>24,182,769</u>
Total operating revenue		
<b>Expenses</b>		
Program services	24,110,026	20,004,582
Management and general	3,842,853	2,991,375
Fundraising	1,301,809	1,018,869
	<u>29,254,688</u>	<u>24,014,826</u>
Total expenses		
Net operating income	<u>679,374</u>	<u>167,943</u>
<b>Nonoperating Item</b>		
(Loss) gain on foreign exchange	<u>(29,421)</u>	<u>60,235</u>
Total nonoperating (loss) gain	<u>(29,421)</u>	<u>60,235</u>
Changes in net assets without donor restrictions	<u>649,953</u>	<u>228,178</u>
<b>Changes in Net Assets With Donor Restrictions</b>		
Contributions and grants	25,133,588	10,783,793
Net assets released from restrictions:		
Satisfaction of purpose restrictions	(12,302,699)	(11,401,640)
Satisfaction of time restrictions	(4,388,127)	(3,312,231)
	<u>8,442,762</u>	<u>(3,930,078)</u>
Changes in net assets with donor restrictions		
Changes in net assets	9,092,715	(3,701,900)
Net Assets, Beginning	<u>10,272,408</u>	<u>13,974,308</u>
Net Assets, Ending	<u>\$ 19,365,123</u>	<u>\$ 10,272,408</u>

See notes to consolidated financial statements

## Panthera Corporation

### Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services			Supporting Services			Total Expenses
	Conservation Science	Conservation Action	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and contracted staff	\$ 2,569,447	\$ 5,733,822	\$ 8,303,269	\$ 1,534,581	\$ 722,026	\$ 2,256,607	\$ 10,559,876
Benefits	490,431	1,376,033	1,866,464	314,713	156,505	471,218	2,337,682
Contracted services	346,778	2,038,999	2,385,777	26,991	26,242	53,233	2,439,010
Grants and scholarships	542,564	1,374,444	1,917,008	-	-	-	1,917,008
Field supplies and equipment	330,131	2,450,746	2,780,877	-	-	-	2,780,877
Travel/lodging/meals	381,658	1,430,060	1,811,718	114,393	89,490	203,883	2,015,601
Occupancy	165,509	660,655	826,164	43,633	6,713	50,346	876,510
Technology/telephone	137,816	536,285	674,101	47,933	7,374	55,307	729,408
Office supplies	13,635	49,613	63,248	6,616	506	7,122	70,370
Professional services	356,683	1,800,047	2,156,730	1,476,361	262,129	1,738,490	3,895,220
Depreciation/amortization	3,560	359,645	363,205	89,004	5,934	94,938	458,143
Conference/meetings	8,366	163,541	171,907	8,037	738	8,775	180,682
Other	120,966	668,592	789,558	180,591	24,152	204,743	994,301
<b>Total</b>	<b>\$ 5,467,544</b>	<b>\$ 18,642,482</b>	<b>\$ 24,110,026</b>	<b>\$ 3,842,853</b>	<b>\$ 1,301,809</b>	<b>\$ 5,144,662</b>	<b>\$ 29,254,688</b>

See notes to consolidated financial statements

## Panthera Corporation

### Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services			Supporting Services			Total Expenses
	Conservation Science	Conservation Action	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and contracted staff	\$ 2,422,933	\$ 5,186,383	\$ 7,609,316	\$ 790,745	\$ 484,946	\$ 1,275,691	\$ 8,885,007
Benefits	452,034	1,095,713	1,547,747	185,625	109,247	294,872	1,842,619
Contracted services	99,971	910,348	1,010,319	-	5,973	5,973	1,016,292
Grants and scholarships	1,031,158	823,640	1,854,798	-	-	-	1,854,798
Contributed services	-	7,119	7,119	-	-	-	7,119
Field supplies and equipment	561,217	2,212,108	2,773,325	-	-	-	2,773,325
Travel/lodging/meals	313,304	975,198	1,288,502	107,557	59,251	166,808	1,455,310
Occupancy	139,762	484,472	624,234	19,828	7,931	27,759	651,993
Technology/telephone	96,159	268,353	364,512	11,321	4,528	15,849	380,361
Office supplies	12,712	43,926	56,638	5,785	473	6,258	62,896
Professional services	491,601	1,507,357	1,998,958	1,587,353	308,270	1,895,623	3,894,581
Depreciation/amortization	2,573	286,526	289,099	60,302	4,020	64,322	353,421
Conference/meetings	13,385	62,731	76,116	15,476	3,657	19,133	95,249
Other	59,220	444,679	503,899	207,383	30,573	237,956	741,855
<b>Total</b>	<b>\$ 5,696,029</b>	<b>\$ 14,308,553</b>	<b>\$ 20,004,582</b>	<b>\$ 2,991,375</b>	<b>\$ 1,018,869</b>	<b>\$ 4,010,244</b>	<b>\$ 24,014,826</b>

See notes to consolidated financial statements



## Panthera Corporation

Consolidated Statements of Cash Flows  
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
Changes in net assets	\$ 9,092,715	\$ (3,701,900)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Effect of foreign currency translation adjustment	(29,421)	60,235
Depreciation/amortization expense	458,143	353,421
Amortization of discount included in long-term pledges	1,101,874	(77,526)
Change in foreign currency exchange adjustment	29,421	(60,235)
Provision for deferred rent	-	(51,392)
Net accretion of operating leases	(14,439)	(20,594)
Realized loss (gain) on sale of marketable securities	1,900	(29,771)
Changes in operating assets and liabilities:		
Accounts receivable	(25,554)	82,560
Exchange service contract receivable	(1,446,320)	(65,271)
Contributions and grants receivable	(33,367)	322,157
Pledges receivable	91,421	-
Other current assets	403,250	(669,800)
Long-term pledges receivable	(8,091,421)	2,000,000
Accounts payable and accrued expenses	156,656	404,768
Deferred revenue	(936,917)	2,729,355
 Total adjustments	 (8,334,774)	 4,977,907
 Net cash flows from operating activities	 <u>757,941</u>	 <u>1,276,007</u>
 <b>Cash Flows From Investing Activities</b>		
Purchase of fixed assets	(456,031)	(620,788)
Proceeds from sale of marketable securities	34,703	32,099
 Net cash flows from investing activities	 (421,328)	 (588,689)
 Increase in cash and cash equivalents	 336,613	 687,318
 <b>Cash and Cash Equivalents, Beginning</b>	 <u>8,109,527</u>	 <u>7,422,209</u>
 <b>Cash and Cash Equivalents, Ending</b>	 <u>\$ 8,446,140</u>	 <u>\$ 8,109,527</u>

See notes to consolidated financial statements

# Panthera Corporation

Notes to Consolidated Financial Statements  
December 31, 2023 and 2022

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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% 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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**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, while 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.

## 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, Panthera Gabon, Fundación Pantera Colombia (Panthera Colombia), Panthera France, Panthera Wild Cat Conservation Malaysia (Panthera Malaysia), Conservation Panthera Mexico AC (Panthera Mexico), Panthera Wild Cat Conservation Senegal (Panthera Senegal), Panthera Wild Cat Conservation SA (Panthera South Africa), Panthera Wildlife Trust Limited-United Kingdom (Panthera UK), Panthera Environmental Services (Panthera Saudi Arabia) and Panthera Wild Cat Conservation Zambia Limited (Panthera Zambia). Panthera also has operating branch offices in Costa Rica and Honduras.

All significant intercompany balances and transactions have been eliminated in consolidation.

# Panthera Corporation

Notes to Consolidated Financial Statements  
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## 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.

## 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 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.

# Panthera Corporation

Notes to Consolidated Financial Statements  
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## 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, 2023 and 2022.

## 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 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 in 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 Corporation**

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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.

### **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, accounts receivable, exchange service contract receivable, 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 balances. Receivables are charged against the allowance for doubtful accounts when management has determined that further collection efforts are not warranted. There was no allowance for doubtful accounts as of December 31, 2022.

### **Allowance for Credit Losses**

Panthera evaluates its accounts and exchange service contract receivables to determine if an allowance for credit losses is required. The evaluation considers any credit losses expected to arise over the life of the financial instrument and includes consideration of past events and historical loss experience, current events and also future events. Panthera utilizes the loss rate method in determining its lifetime expected credit losses. In determining its loss rates, Panthera evaluates information related to historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following as applicable: past due amounts, payor type, creditworthiness of obligor and the effect of other external forces, such as economic conditions and legal and regulatory requirements. There was no allowance for credit losses as of December 31, 2023.

# Panthera Corporation

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## Other Current Assets

Other current assets consist of primarily camera inventories, which are valued at the lower of cost and net realizable value 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 years; and equipment is depreciated over three to five 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.

Panthera owns a property in Brazil called the Jofre Velho Ranch, which is located on a protected 25,000 acres of the Pantanal where less than 1% of the land is modified by humans. The ranch provides education and supports the eco-tourism industry in the local community of Porto Jofre, and experiments undertaken on the ranch will help ranchers across Latin America save their livelihoods while sustaining the environment and wildlife that make jaguar range unique.

## 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, 2023 and 2022 and, accordingly, Panthera has not recognized any asset impairment.

## 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.

# Panthera Corporation

Notes to Consolidated Financial Statements  
December 31, 2023 and 2022

## Contributed Nonfinancial Assets

For the years ended December 31, 2023 and 2022, Panthera received contributed nonfinancial assets of approximately \$0 and \$7,000, respectively, at fair value. Contributed nonfinancial assets relate mainly to website advertising and legal services and are reflected in the consolidated statements of functional expenses in the caption contributed services and are recorded at fair value at the date of donation based on purchase price of similar 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 and/or supporting services.

## Recent Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. The adoption of ASU No. 2016-13 did not have any impact on the consolidated financial statements.

## 2. Contributions and Grants and Pledges Receivable

Included in contributions and grants and pledges receivable as of December 31, 2023 and 2022 are the following unconditional promises:

	<u>2023</u>	<u>2022</u>
Without donor restrictions	\$ 1,098,859	\$ 872,020
With donor restrictions, purpose	-	193,472
With donor restrictions, time	10,000,000	2,000,000
Total	11,098,859	3,065,492
Less unamortized discount	(1,101,874)	-
Net unconditional promises	<u>\$ 9,996,985</u>	<u>\$ 3,065,492</u>
Amounts due in:		
Less than one year	\$ 3,007,438	\$ 3,065,492
One to five years	6,989,547	-
Total	<u>\$ 9,996,985</u>	<u>\$ 3,065,492</u>

The risk adjusted discount rate for determining the amount of unamortized discount ranged from 3.84% to 4.79% as of December 31, 2023. There was no discount rate for the year ended December 31, 2022.



## Panthera Corporation

Notes to Consolidated Financial Statements  
December 31, 2023 and 2022

### 3. Liquidity and Availability of Resources

The following table reflects Panthera's financial assets as of December 31, 2023 and 2022 reduced by net assets with donor restrictions which are not available for general expenditures within one year of the consolidated statements of financial position dates.

	<u>2023</u>	<u>2022</u>
Current assets, excluding nonfinancial assets	\$ 13,155,685	\$ 11,441,855
Less net assets with donor restrictions	<u>(11,650,794)</u>	<u>(10,197,579)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,504,891</u>	<u>\$ 1,244,276</u>

The above table depicts positive liquidity of \$1,504,891 and \$1,244,276 as of December 31, 2023 and 2022, respectively. Panthera also has a \$750,000 line of credit with a bank that is fully available.

### 4. Fixed Assets, Net

Fixed assets consist of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,267,647	\$ 1,267,647
Buildings	451,439	384,078
Leasehold improvements	1,004,828	1,004,828
Furniture and fixtures	254,155	246,256
Equipment	<u>3,156,780</u>	<u>2,668,329</u>
Total	6,134,849	5,571,138
Less accumulated depreciation and amortization	<u>3,339,283</u>	<u>2,773,460</u>
Net fixed assets	<u>\$ 2,795,566</u>	<u>\$ 2,797,678</u>

### 5. Operating Leases

Panthera has operating leases for its real property and personal property. Panthera recognizes right-of-use assets and lease liabilities for operating leases based on the net present value of future minimum lease payments. Lease expense for Panthera's operating leases is recognized on a straight-line basis over the lease term, including renewal periods that are considered reasonably certain.

Panthera has elected the policy to not separate lease and non-lease components in lease arrangements for all asset classes. Panthera has also elected to exclude short-term leases (with original lease terms of twelve months or less) from the consolidated statements of financial position. Panthera has elected to use a risk-free discount rate for the leases which was determined using a period comparable with that of the applicable lease terms.

## Panthera Corporation

Notes to Consolidated Financial Statements  
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The components of operating lease costs included in the accompanying consolidated statements of functional expenses for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Operating lease expense	\$ 429,606	\$ 405,146
Short-term lease expense	-	-
Total lease expense	<u>\$ 429,606</u>	<u>\$ 405,146</u>

The following table summarizes the operating lease liabilities as of December 31:

	<u>2023</u>	<u>2022</u>
Operating lease liabilities:		
Current	\$ 403,314	\$ 429,607
Long-term	42,981	431,148
Total operating lease liabilities	<u>\$ 446,295</u>	<u>\$ 860,755</u>

The right-of-use assets and lease liabilities were calculated using a weighted average discount rates of 1.80% and 1.70% as of December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the weighted average remaining lease term was 1.13 years and 2.14 years.

The table below summarizes Panthera's scheduled future minimum lease payments for years ending after December 31, 2023:

Years ending December 31:	
2024	\$ 403,314
2025	45,973
2026	1,306
2027	217
Total lease payments	450,810
Less present value discount	4,515
Total lease liabilities	<u>\$ 446,295</u>

The table below summarizes Panthera's scheduled future minimum lease payments for years ending after December 31, 2022:

Years ending December 31:	
2023	\$ 429,607
2024	399,990
2025	43,039
Thereafter	1,589
Total lease payments	874,225
Less present value discount	13,470
Total lease liabilities	<u>\$ 860,755</u>

## Panthera Corporation

Notes to Consolidated Financial Statements  
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The following table includes supplemental cash flow and noncash information related to the leases for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 445,538	\$ 425,730
Operating lease right-of-use assets obtained in exchange for lease liabilities	-	40,507

### 6. 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 0.50% per annum and expires on December 3, 2024. There were no amounts outstanding as of December 31, 2023 and 2022, respectively.

### 7. Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2023 and 2022 are comprised of contributions restricted by the donors for the following:

	<u>2023</u>	<u>2022</u>
Conservation Science	\$ 1,183,482	\$ 3,285,738
Conservation Action	3,838,128	2,112,007
Time Restricted	13,618,731	4,799,834
Total net assets with donor restrictions	<u>\$ 18,640,341</u>	<u>\$ 10,197,579</u>

Net assets released from donor restrictions for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Conservation Science	\$ 4,726,838	\$ 5,202,440
Conservation Action	7,575,861	6,199,200
Time Restricted	4,388,127	3,312,231
Total	<u>\$ 16,690,826</u>	<u>\$ 14,713,871</u>

### 8. Related-Party Transactions

For the years ended December 31, 2023 and 2022, approximately 65% and 59%, respectively, of the total contributions were received from members of Panthera's Board of Directors or their related associations. Pledges receivable from Directors or their related associations as of December 31, 2023 and 2022 amounted to approximately \$8,898,000 and \$2,000,000, respectively.

# Panthera Corporation

Notes to Consolidated Financial Statements  
December 31, 2023 and 2022

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## 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% of salary deferrals up to 3% of the employee's gross salary 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. 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 5% of basic salary and the Panthera UK contribution rate is 4% of basic salary.

Total pension expense under the above retirement plans for the years ended December 31, 2023 and 2022 aggregated approximately \$350,000 and \$243,000, respectively.

## 10. Commitments and Contingencies

### 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, 2024.

### 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.

### Subsequent Events

Transactions and events subsequent to December 31, 2023 through July 1, 2024, were reviewed by management and no items were noted that require additional consideration or disclosure in the accompanying consolidated financial statements.