

GLOBAL WILDLIFE CONSERVATION
(A Nonprofit Corporation)
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2019 AND 2018

GLOBAL WILDLIFE CONSERVATION
(A Nonprofit Corporation)

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Independent Auditors' Report

Board of Directors
Global Wildlife Conservation
Austin, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Global Wildlife Conservation (GWC), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GWC as of June 30, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ackley & Associates, LLP

Austin, Texas

February 12, 2020

GLOBAL WILDLIFE CONSERVATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 512,087	\$ 8,994,891
Short term investments	18,949,805	5,808,163
Assets held for sale	225,000	1,154,500
Contributions and grants receivable	13,420,129	12,742,713
Prepaid expenses	50,898	49,898
Total current assets	<u>33,157,919</u>	<u>28,750,165</u>
Long term investments	<u>10,161,644</u>	<u>4,459,312</u>
Total assets	<u><u>\$ 43,319,563</u></u>	<u><u>\$ 33,209,477</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued liabilities	<u>\$ 167,001</u>	<u>\$ 242,802</u>
Total current liabilities	167,001	242,802
Total liabilities	<u>167,001</u>	<u>242,802</u>
Net assets		
Without donor restrictions:		
Undesignated	12,018,523	4,652,259
Board designated	4,493,824	6,059,253
With donor restrictions:		
For time or purpose	23,613,585	19,229,443
In perpetuity	<u>3,026,630</u>	<u>3,025,720</u>
Total net assets	<u>43,152,562</u>	<u>32,966,675</u>
Total liabilities and net assets	<u><u>\$ 43,319,563</u></u>	<u><u>\$ 33,209,477</u></u>

The accompanying notes are an integral part of these financial statements.

GLOBAL WILDLIFE CONSERVATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions		Total
		For Time or Purpose	In Perpetuity	
Revenues				
Contributions and grants	\$ 11,808,538	\$ 10,425,353	\$ 910	\$ 22,234,801
In-kind contributions	1,008,700	-	-	1,008,700
Investment return, net	716,089	278,792	-	994,881
Total revenues	13,533,327	10,704,145	910	24,238,382
Net assets released from restrictions	6,320,003	(6,320,003)	-	-
Total revenues and net assets released from restrictions	19,853,330	4,384,142	910	24,238,382
Expenses				
Program services	10,625,399	-	-	10,625,399
General and administrative	1,897,657	-	-	1,897,657
Fundraising	1,529,439	-	-	1,529,439
Total expenses	14,052,495	-	-	14,052,495
Change in net assets	5,800,835	4,384,142	910	10,185,887
Net assets at beginning of year	10,711,512	19,229,443	3,025,720	32,966,675
Net assets at end of year	\$ 16,512,347	\$ 23,613,585	\$ 3,026,630	\$ 43,152,562

The accompanying notes are an integral part of these financial statements.

GLOBAL WILDLIFE CONSERVATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	
		For Time or Purpose	In Perpetuity
			Total
Revenues			
Contributions and grants	\$ 11,302,073	\$ 8,889,483	\$ 1,688,052
In-kind contributions	261,274	1,154,500	-
Investment return, net	82,643	111,110	-
Total revenues	11,645,990	10,155,093	1,688,052
Net assets released from restrictions	5,789,642	(5,789,642)	-
Total revenues and net assets released from restrictions	17,435,632	4,365,451	1,688,052
Expenses			
Program services	6,934,356	-	-
General and administrative	1,261,407	-	-
Fundraising	957,166	-	-
Total expenses	9,152,929	-	-
Change in net assets	8,282,703	4,365,451	1,688,052
Net assets at beginning of year	2,428,809	14,863,992	1,337,668
Net assets at end of year	\$ 10,711,512	\$ 19,229,443	\$ 3,025,720
			\$ 32,966,675

The accompanying notes are an integral part of these financial statements.

GLOBAL WILDLIFE CONSERVATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services	General and Administrative	Fundraising	Total
Corporate Services	\$ 706,971	\$ 419,409	\$ 369,629	\$ 1,496,009
Contract Services	1,722,948	81,253	395,991	2,200,192
Grants and Awards	5,535,349	4,986	-	5,540,335
Facilities and Equipment	174,013	73,347	4,155	251,515
Communications	26,352	122,419	51,368	200,139
Supplies	54,071	17,602	10,809	82,482
Operations	64,828	59,604	339,111	463,542
Payroll Expenses	1,873,870	961,690	278,318	3,113,878
Travel, Meetings and Equipment	466,997	157,347	80,059	704,403
Miscellaneous	-	-	-	-
Total expenses	<u>\$ 10,625,399</u>	<u>\$ 1,897,657</u>	<u>\$ 1,529,439</u>	<u>\$ 14,052,495</u>

The accompanying notes are an integral part of these financial statements.

GLOBAL WILDLIFE CONSERVATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	Program Services	General and Administrative	Fundraising	Total
Corporate Services	\$ 76,722	\$ 151,528	\$ 10,291	\$ 238,540
Contract Services	1,326,561	167,534	806,566	2,300,661
Grants and Awards	2,934,028	2,496	-	2,936,524
Facilities and Equipment	241,083	113,019	-	354,102
Communications	23,749	41,959	1,757	67,466
Supplies	113,577	19,832	9,511	142,920
Operations	29,964	94,142	10,982	135,088
Payroll Expenses	1,673,411	588,618	58,929	2,320,958
Travel, Meetings and Equipment	517,077	82,180	59,130	658,387
Miscellaneous	(1,817)	100	-	(1,717)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 6,934,356</u>	<u>\$ 1,261,407</u>	<u>\$ 957,166</u>	<u>\$ 9,152,929</u>

The accompanying notes are an integral part of these financial statements.

GLOBAL WILDLIFE CONSERVATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 10,185,887	\$ 14,336,206
Adjustments to reconcile change in net assets to net cash from operating activities:		
(Gains)/losses on investments	(369,052)	(34,595)
Change in assets and liabilities:		
Contributions and grants receivable	(677,416)	(3,948,221)
Prepaid expenses	(1,000)	(10,221)
Donated artwork	929,500	(1,154,500)
Accrued liabilities	(75,801)	177,691
Net cash flows from operating activities	<u>9,992,118</u>	<u>9,366,360</u>
Cash flows from investing activities:		
Purchases of investments	(37,965,727)	(4,569,991)
Proceeds from sale of investments	<u>19,490,805</u>	<u>2,428,223</u>
Net cash flows from investing activities	<u>(18,474,922)</u>	<u>(2,141,768)</u>
Net change in cash and cash equivalents	(8,482,804)	7,224,592
Cash and cash equivalents, beginning of year	<u>8,994,891</u>	<u>1,770,299</u>
Cash and cash equivalents, end of year	<u><u>\$ 512,087</u></u>	<u><u>\$ 8,994,891</u></u>

The accompanying notes are an integral part of these financial statements.

GLOBAL WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. ORGANIZATION

The mission of Global Wildlife Conservation is to conserve the diversity of life on Earth. We organize our body of work in three focal areas: safeguarding wildlands, protecting wildlife, and supporting guardians. We mobilize to quickly engage anywhere global biodiversity is most threatened. Since GWC's founding 11 years ago, we have worked to conserve wildlife and habitat in more than 50 countries and have helped establish over 30 protected areas, home to more than thousands of endangered species, and over tens of thousands of species overall.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Net assets and revenues, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of GWC and changes therein are classified and reported as follows:

Net assets without donor restrictions - These types of net assets are not subject to donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Net assets with donor restrictions - These types of net assets are subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of GWC or by the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Basis of Accounting - GWC's financial statements have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with GAAP.

Accounting Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents - GWC considers all highly liquid investments with an original maturity of three months or less to be cash equivalents, unless designated for investment purposes.

Investments - Certificates of deposit and investments, which consist of U.S. Agency securities and bonds, corporate bonds, mutual funds, equity securities, and asset-backed securities, are stated at fair market value.

GLOBAL WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions and Grants Receivable - Contributions and grants receivable are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Contributions and grants receivable are recorded at net realizable value if expected to be collected in one year and at the present value of their estimated future cash flows if expected to be collected in more than one year, unless otherwise noted. Conditional promises to give are recognized when the condition on which they depend is substantially met.

Contributions and grants receivable are recorded at the amount GWC expects to collect on outstanding balances. GWC has not set up an allowance for uncollectible receivables at June 30, 2019 and 2018, because management estimates all balances to be collectible. Management closely monitors outstanding balances and write offs.

All contributions and grants are recorded at their fair value and are considered to be available for operations of GWC unless specifically restricted by the donor. Unconditional pledges to give cash and other assets are reported as either net assets with donor restrictions for time or purpose or net assets with donor restrictions in perpetuity, if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related net assets with donor restrictions for time or purpose are reclassified to net assets without donor restrictions. This is reported in the statements of activities and change in net assets as net assets released from restrictions. Conditional pledges to give are recognized only when the conditions on which they depend are substantially met and pledges become unconditional.

Functional Allocation of Expenses - The costs of providing the various program services and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses that are directly related to a program or supporting service are allocated accordingly. Rent is allocated based on square footage. The remaining expenses are based on time and effort.

Federal Income Taxes - GWC is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). No provision for income taxes has been made in the accompanying financial statements.

GLOBAL WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Federal Income Taxes (Continued) - GWC has adopted the recognition requirements for uncertain income tax positions as required by GAAP, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. GWC has analyzed the tax positions taken in its filings with the Internal Revenue Service and state jurisdictions where it operates. GWC believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on GWC's financial position, changes in net assets or cash flows. Accordingly, GWC has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2019 and 2018. GWC is subject to income tax audits for the previous three years which are open. There are currently no income tax audits for any tax periods in progress.

Fair Value Measurement and Disclosures - The requirements of FASB ASC 820, *Fair Value Measurements and Disclosures*, apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement is the same in both cases – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price). *Fair Value Measurements and Disclosures* also establish a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included with Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

Recently Issued Accounting Pronouncements - On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. GWC has adjusted the presentation of these statements accordingly.

Subsequent Events - Management of GWC has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

GLOBAL WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

3. INVESTMENTS

The following table represents assets and liabilities reported on the statements of financial position at their fair value and cost as of June 30, 2019 and 2018, by level within the fair value measurement hierarchy.

2019	Cost	(Level 1) Fair Value	Unrealized Appreciation (Depreciation)
Cash and cash equivalents	\$ 409,612	\$ 409,612	\$ -
Certificates of deposit	10,282,749	10,418,714	135,965
Asset-backed securities	-	-	-
Equities	1,669,716	2,012,540	342,824
Municipal bonds	80,876	80,800	(76)
Mutual funds	13,878,740	14,439,754	561,014
Corporate bonds	926,727	929,846	3,119
US government-related agency securities and bonds	816,221	820,183	3,962
Total investments	<u>\$ 28,064,641</u>	<u>\$ 29,111,449</u>	<u>\$ 1,046,808</u>
2018	Cost	(Level 1) Fair Value	Unrealized Appreciation (Depreciation)
Cash and cash equivalents	\$ 680,646	\$ 680,646	\$ -
Certificates of deposit	3,189,643	3,171,514	(18,129)
Asset-backed securities	1,124,764	1,090,538	(34,226)
Equities	1,669,716	1,659,479	(10,237)
Municipal bonds	-	-	-
Mutual funds	1,343,562	1,738,176	394,614
Corporate bonds	1,486,005	1,461,622	(24,383)
US government-related agency securities and bonds	389,644	465,500	75,856
Total investments	<u>\$ 9,883,980</u>	<u>\$ 10,267,475</u>	<u>\$ 383,495</u>

GLOBAL WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

3. INVESTMENTS - CONTINUED

The following schedule summarizes the investment earnings and its classification in the statements of activities for the years ended June 30, 2019 and 2018:

	2019	2018
Interest and dividends	\$ 625,829	\$ 159,158
Unrealized and realized gains (losses)	369,052	34,595
Total investment earnings	<u>\$ 994,881</u>	<u>\$ 193,753</u>

4. CONCENTRATIONS

Financial instruments which potentially subject GWC to credit risk consist of cash and cash equivalents, investments and contributions receivable. GWC places its cash and cash equivalents and investments with quality financial institutions and may exceed the amount of insurance provided on such deposits. At June 30, 2019, the cash deposits exceeded Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurances by \$191,246 and \$0, respectively. GWC's investments are exposed to various risks such as interest rate, market and credit risk. GWC does not maintain collateral for its contributions receivable and does not believe significant risk exists.

5. IN-KIND CONTRIBUTIONS

Contributed services are recognized as contributions if the services (1) create or enhance non-financial assets, or (2) require special skills, are performed by people with those skills, and would otherwise be purchased by GWC. Under those criteria, donated professional services and materials are reflected as contribution revenue at their estimated fair value at the date of receipt and are expensed or capitalized as appropriate. GWC received the following in-kind contributions included in the statements of activities for program services and general and administrative during the years ended June 30, 2019 and 2018:

	2019	2018
Donated services including professional fees for legal and accounting	\$ 783,700	\$ 261,274
Donated artwork	225,000	1,154,500
Total in-kind contributions	<u>\$ 1,008,700</u>	<u>\$ 1,415,774</u>

Donated artwork is recorded at fair value based on third-party appraisals, which are considered to be level 3 in the fair value hierarchy.

**GLOBAL WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

6. ENDOWMENTS

GWC has the Walter Steven Sechrest Endowment for Wildlife Protection, the Habitat for Biodiversity Endowment, and the Small Wild Cat Endowment (Endowments). The mission of the Walter Steven Sechrest Endowment for Wildlife Protection is to protect endangered wildlife through anti-poaching efforts, including support to wildlife rangers at nature reserves around the world. The Habitat for Biodiversity Endowment is to protect endangered wildlife through establishing nature reserves around the world, either through private, community, indigenous, or government protection. The Small Wild Cat Endowment is to ensure the survival of small wild cats and their natural habitats worldwide.

The Board of Directors of GWC interpret the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The original value of gifts donated to the permanent endowment, plus the original value of subsequent gifts to the endowment are classified as net assets with donor restrictions into perpetuity. Also included are accumulations to the permanent endowment if directed by the donor gift instrument. The remaining portion of the donor restricted endowment fund is classified as purpose restricted net assets until those funds are appropriated for expenditure by GWC in a manner consistent with the standard of prudence prescribed by UPMIFA.

GWC has investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under the investment policy approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results as stated in GWC’s policy while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, GWC relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). GWC targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

GWC has a policy spending rate of 5%. The withdrawals can be lump sum or spread out over the fiscal year. In determining the total amount to withdraw from the Endowments in any given year, the Investment Committee incorporates a document hybrid method. The Investment Committee must approve any special appropriation or decision not to spend the amount indicated by the spending formula in advance.

Endowment balances were as follows as of June 30, 2019 and 2018:

	2019	2018
Walter Steven Sechrest Endowment for Wildlife Protection	\$ 2,573,027	\$ 2,416,498
Habitat for Biodiversity Endowment	36,699	34,465
Small Wild Cat Endowment	2,193,288	2,008,349
	<u>\$ 4,803,014</u>	<u>\$ 4,459,312</u>

GLOBAL WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

6. ENDOWMENTS - CONTINUED

Changes in endowment net assets were as follows for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions		
	Board Designated	For Time or Purpose	In Perpetuity	Total
Beginning balance	\$ 1,179,824	\$ 253,768	\$ 3,025,720	\$ 4,459,312
Contributions	-	-	910	910
Investment return, net	64,000	278,792	-	342,792
Appropriated	-	-	-	-
Ending balance	<u>\$ 1,243,824</u>	<u>\$ 532,560</u>	<u>\$ 3,026,630</u>	<u>\$ 4,803,014</u>

Changes in endowment net assets were as follows for the year ended June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions		
	Board Designated	For Time or Purpose	In Perpetuity	Total
Beginning balance	\$ 796,465	\$ 142,658	\$ 1,337,668	\$ 2,276,791
Contributions	330,100	-	1,688,052	2,018,152
Investment return, net	53,259	111,110	-	164,369
Appropriated	-	-	-	-
Ending balance	<u>\$ 1,179,824</u>	<u>\$ 253,768</u>	<u>\$ 3,025,720</u>	<u>\$ 4,459,312</u>

7. NET ASSETS

Net assets with donor restrictions were restricted for the following purposes:

	2019	2018
Center for global conservation	\$ 5,000,000	\$ 5,000,000
Office of the chief conservation officer	3,643,260	4,561,218
Habitat conservation	9,194,775	3,784,741
Species survival commission	2,511,426	3,014,632
Wildlife protection:		
Sumatran rhino partnership	747,008	986,480
Amphibians	529,914	-
Primates	403,705	-
Antipoaching	384,679	353,187
Other species	998,246	1,318,333
Other	200,572	210,852
	<u>\$ 23,613,585</u>	<u>\$ 19,229,443</u>

GLOBAL WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

7. NET ASSETS - CONTINUED

Net assets with donor restrictions into perpetuity were restricted for the following purposes:

	2019	2018
Walter Steven Sechrest Endowment for Wildlife Protection	\$ 1,309,258	\$ 1,308,348
Habitat for Biodiversity Endowment	30,705	30,705
Small Wild Cat Endowment	1,686,667	1,686,667
	<u>\$ 3,026,630</u>	<u>\$ 3,025,720</u>

In addition to the designated net assets included in the Endowments (See Note 6), the Board has designated other net assets without donor restriction for other projects or purposes. Board designated net assets as of June 30, 2019 and 2018, and their stipulated purposes were as follows:

	2019	2018
Endowments	\$ 1,243,824	\$ 1,179,824
Wildlands Fund	2,000,000	2,000,000
Sumatran rhino	1,000,000	1,000,000
Zambezi Elephant Conservation	150,000	150,000
Conservation diet	100,000	100,000
Cerro Amay	-	1,000,000
Aussie Ark	-	329,429
Saola Conservation	-	250,000
Jamaican crocodile	-	50,000
	<u>\$ 4,493,824</u>	<u>\$ 6,059,253</u>

8. CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable at June 30, 2019 and 2018, were as follows:

	2019	2018
Contributions	\$ 11,566,135	\$ 8,959,438
Grants	1,853,994	3,783,275
Total contributions and grants receivable	<u>\$ 13,420,129</u>	<u>\$ 12,742,713</u>

During the year ended June 30, 2017, GWC received a commitment in the form of a matching contribution up to \$10 million from a foundation for the purpose of protecting endangered species and habitats. The commitment matched all contributions to GWC, excluding those given from the foundation, received from January 1, 2017, through June 30, 2018. The matched commitment was \$8,438,698 as of June 30, 2018. A new commitment was made for the period from July 1, 2018, to June 30, 2019, matching contributions to GWC that meet certain criteria. The matched commitment was \$6,638,126 as of June 30, 2019.

**GLOBAL WILDLIFE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

9. CONCENTRATION OF REVENUE

GWC solicits contributions from a diverse range of constituents including private individuals, nonprofit organizations, foundations, corporations, government agencies and international organizations. GWC is highly dependent upon these contributions to support its conservation programs. During the years ended June 30, 2019 and 2018, contributions from one donor were 40% and 27%, respectively, of total contributions revenue. June 30, 2019 and 2018, contributions receivable from one donor were 49% and 66%, respectively, of total contributions receivable.

10. 403(b) RETIREMENT PLAN

During the year ended June 30, 2017, GWC began the Global Wildlife 403(b) Retirement Plan (the Plan). A 403(b) plan is a retirement plan for employees to invest in either annuities or mutual funds by making salary contributions. Under the Plan, employees may make salary contributions as tax deferred or as a Roth 403(b) contribution. The contributions are elective deferrals set up by the employee and withheld from the employee's salary with a limit of \$18,000. No employer contributions have been made.

11. RELATED PARTY TRANSACTIONS

Certain members of the Board contributed \$9,907,426 and \$9,060,699 to GWC during the years ended June 30, 2019 and 2018, respectively. At June 30, 2019 and 2018, there were pledges receivable from board members in the amount of \$6,688,126 and \$8,438,698, respectively.

12. AVAILABILITY AND LIQUIDITY

The following represents GWC's financial assets at June 30, 2019 and 2018:

	2019	2018
Financial assets at year end:		
Cash and cash equivalents	\$ 512,087	\$ 8,994,891
Short term investments	18,949,805	5,808,163
Contributions and grants receivable	13,420,129	12,742,713
Long term investments	10,161,644	4,459,312
	<u>43,043,665</u>	<u>32,005,079</u>
Less amounts not available to be used within one year:		
Net assets restricted into perpetuity	3,026,630	3,025,720
Board designated net assets	4,493,824	6,059,253
Net assets with restrictions	23,613,585	19,229,443
Less net assets with purpose restrictions to be met in less than twelve months	<u>(6,300,000)</u>	<u>(6,300,000)</u>
	<u>24,834,039</u>	<u>22,014,416</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 18,209,626</u></u>	<u><u>\$ 9,990,663</u></u>

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12. AVAILABILITY AND LIQUIDITY - CONTINUED

GWC's goal is generally to maintain financial assets to meet 90 days of operating expenses. To achieve these target, the entity creates a yearly budget with periodic reviews, forecasts future cash flows, monitors its liquidity quarterly, and monitors its reserves annually.

GWC receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.