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

JUNE 30, 2020 AND 2019
GLOBAL WILDLIFE CONSERVATION  
(A Nonprofit Corporation)

Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditors' Report</td>
<td>1</td>
</tr>
<tr>
<td>Statements of Financial Position</td>
<td>3</td>
</tr>
<tr>
<td>Statement of Activities</td>
<td></td>
</tr>
<tr>
<td>Year Ended June 30, 2020</td>
<td>4</td>
</tr>
<tr>
<td>Year Ended June 30, 2019</td>
<td>5</td>
</tr>
<tr>
<td>Statement of Functional Expenses</td>
<td></td>
</tr>
<tr>
<td>Year Ended June 30, 2020</td>
<td>6</td>
</tr>
<tr>
<td>Year Ended June 30, 2019</td>
<td>7</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>8</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>9</td>
</tr>
</tbody>
</table>
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, 2020 and 2019, 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, 2020 and 2019, 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.

Austin, Texas
December 1, 2020
GLOBAL WILDLIFE CONSERVATION  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,578,170</td>
<td>$512,087</td>
</tr>
<tr>
<td>Short term investments</td>
<td>44,328,768</td>
<td>18,949,805</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>945,000</td>
<td>225,000</td>
</tr>
<tr>
<td>Contributions and grants receivable</td>
<td>1,138,910</td>
<td>13,420,129</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>57,398</td>
<td>50,898</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$50,048,246</td>
<td>33,157,919</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Program related investment</td>
<td>10,130,456</td>
<td>10,161,644</td>
</tr>
<tr>
<td>Long term investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>$61,178,702</td>
<td>$43,319,563</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>$208,860</td>
<td>$167,001</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>219,669</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>428,529</td>
<td>167,001</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>352,331</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>780,860</td>
<td>167,001</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without donor restrictions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated</td>
<td>8,017,819</td>
<td>12,018,523</td>
</tr>
<tr>
<td>Board designated</td>
<td>4,283,213</td>
<td>4,493,824</td>
</tr>
<tr>
<td>Total without donor restrictions:</td>
<td>12,301,032</td>
<td>16,512,347</td>
</tr>
<tr>
<td>With donor restrictions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For time or purpose</td>
<td>45,069,930</td>
<td>23,613,585</td>
</tr>
<tr>
<td>In perpetuity</td>
<td>3,026,880</td>
<td>3,026,630</td>
</tr>
<tr>
<td>Total with donor restrictions:</td>
<td>48,096,810</td>
<td>26,640,215</td>
</tr>
<tr>
<td>Total net assets</td>
<td>60,397,842</td>
<td>43,152,562</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$61,178,702</td>
<td>$43,319,563</td>
</tr>
</tbody>
</table>

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

- 3 -
GLOBAL WILDLIFE CONSERVATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For Time or Purpose</td>
<td>In Perpetuity</td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>$ 996,992</td>
<td>$ 45,524,215</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>484,449</td>
<td>720,000</td>
</tr>
<tr>
<td>Investment return, net</td>
<td>968,711</td>
<td>(97,244)</td>
</tr>
<tr>
<td>Other revenue</td>
<td>10,841</td>
<td>-</td>
</tr>
<tr>
<td>Total revenues</td>
<td>2,460,993</td>
<td>46,146,971</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>(24,690,626)</td>
<td>-</td>
</tr>
<tr>
<td>Total revenues and net assets released from restrictions</td>
<td>27,151,619</td>
<td>21,456,345</td>
</tr>
</tbody>
</table>

Expenses

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>28,682,316</td>
<td>-</td>
</tr>
<tr>
<td>General and administrative</td>
<td>2,213,117</td>
<td>-</td>
</tr>
<tr>
<td>Fundraising</td>
<td>467,501</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses</td>
<td>31,362,934</td>
<td>-</td>
</tr>
</tbody>
</table>

Change in net assets

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4,211,315)</td>
<td>21,456,345</td>
<td>250</td>
</tr>
</tbody>
</table>

Net assets at beginning of year

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16,512,347</td>
<td>23,613,585</td>
<td>3,026,630</td>
</tr>
</tbody>
</table>

Net assets at end of year

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 12,301,032</td>
<td>$ 45,069,930</td>
<td>$ 3,026,880</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
### GLOBAL WILDLIFE CONSERVATION

#### STATEMENT OF ACTIVITIES

#### YEAR ENDED JUNE 30, 2019

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>For Time or Purpose</th>
<th>In Perpetuity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and grants</td>
<td>$ 11,808,538</td>
<td>$ 10,425,353</td>
<td>$ 910</td>
<td>$ 22,234,801</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>1,008,700</td>
<td>-</td>
<td>-</td>
<td>1,008,700</td>
</tr>
<tr>
<td>Investment return, net</td>
<td>716,089</td>
<td>278,792</td>
<td>-</td>
<td>994,881</td>
</tr>
<tr>
<td>Other revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>13,533,327</td>
<td>10,704,145</td>
<td>910</td>
<td>24,238,382</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>6,320,003</td>
<td>(6,320,003)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues and net assets released from restrictions</strong></td>
<td>19,853,330</td>
<td>4,384,142</td>
<td>910</td>
<td>24,238,382</td>
</tr>
</tbody>
</table>

#### Expenses

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>For Time or Purpose</th>
<th>In Perpetuity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>10,625,399</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,625,399</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,897,657</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,897,657</td>
</tr>
<tr>
<td>Fundraising</td>
<td>1,529,439</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,529,439</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>14,052,495</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,052,495</td>
</tr>
</tbody>
</table>

#### Change in net assets

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>For Time or Purpose</th>
<th>In Perpetuity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>5,800,835</td>
<td>4,384,142</td>
<td>910</td>
<td>10,185,887</td>
</tr>
</tbody>
</table>

#### Net assets at beginning of year

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>For Time or Purpose</th>
<th>In Perpetuity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at beginning of year</td>
<td>10,711,512</td>
<td>19,229,443</td>
<td>3,025,720</td>
<td>32,966,675</td>
</tr>
</tbody>
</table>

#### Net assets at end of year

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>For Time or Purpose</th>
<th>In Perpetuity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at end of year</td>
<td>$ 16,512,347</td>
<td>$ 23,613,585</td>
<td>$ 3,026,630</td>
<td>$ 43,152,562</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>General and Administrative</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Services</td>
<td>$386,937</td>
<td>$293,177</td>
<td>$38,113</td>
<td>$718,227</td>
</tr>
<tr>
<td>Contract Services</td>
<td>1,721,865</td>
<td>190,347</td>
<td>83,742</td>
<td>1,995,954</td>
</tr>
<tr>
<td>Grants and Awards</td>
<td>22,657,819</td>
<td>-</td>
<td>-</td>
<td>22,657,819</td>
</tr>
<tr>
<td>Facilities and Equipment</td>
<td>14,586</td>
<td>227,084</td>
<td>-</td>
<td>241,670</td>
</tr>
<tr>
<td>Communications</td>
<td>100,315</td>
<td>159,664</td>
<td>4,181</td>
<td>264,160</td>
</tr>
<tr>
<td>Supplies</td>
<td>107,127</td>
<td>53,932</td>
<td>-</td>
<td>161,059</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>171,266</td>
<td>31,023</td>
<td>32,702</td>
<td>234,991</td>
</tr>
<tr>
<td>Payroll Expenses</td>
<td>2,545,844</td>
<td>1,162,805</td>
<td>285,917</td>
<td>3,994,566</td>
</tr>
<tr>
<td>Travel and Meetings</td>
<td>976,557</td>
<td>95,085</td>
<td>22,846</td>
<td>1,094,488</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$28,682,316</strong></td>
<td><strong>$2,213,117</strong></td>
<td><strong>$467,501</strong></td>
<td><strong>$31,362,934</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>General and Administrative</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Services</td>
<td>$706,971</td>
<td>$419,409</td>
<td>$369,629</td>
<td>$1,496,009</td>
</tr>
<tr>
<td>Contract Services</td>
<td>1,722,948</td>
<td>81,253</td>
<td>395,991</td>
<td>2,200,192</td>
</tr>
<tr>
<td>Grants and Awards</td>
<td>5,535,349</td>
<td>4,986</td>
<td>-</td>
<td>5,540,335</td>
</tr>
<tr>
<td>Facilities and Equipment</td>
<td>174,013</td>
<td>73,347</td>
<td>4,155</td>
<td>251,515</td>
</tr>
<tr>
<td>Communications</td>
<td>26,352</td>
<td>122,419</td>
<td>51,368</td>
<td>200,139</td>
</tr>
<tr>
<td>Supplies</td>
<td>54,071</td>
<td>17,602</td>
<td>10,809</td>
<td>82,482</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>64,828</td>
<td>59,604</td>
<td>339,110</td>
<td>463,542</td>
</tr>
<tr>
<td>Payroll Expenses</td>
<td>1,873,870</td>
<td>961,690</td>
<td>278,318</td>
<td>3,113,878</td>
</tr>
<tr>
<td>Travel and Meetings</td>
<td>466,997</td>
<td>157,347</td>
<td>80,059</td>
<td>704,403</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$10,625,399</strong></td>
<td><strong>$1,897,657</strong></td>
<td><strong>$1,529,439</strong></td>
<td><strong>$14,052,495</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
### GLOBAL WILDLIFE CONSERVATION
#### STATEMENTS OF CASH FLOWS
##### YEARS ENDED JUNE 30, 2020 AND 2019

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$17,245,280</td>
<td>$10,185,887</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donation of program related investment</td>
<td>(1,000,000)</td>
<td>-</td>
</tr>
<tr>
<td>(Gains)/losses on investments</td>
<td>35,358</td>
<td>(369,052)</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants receivable</td>
<td>12,281,219</td>
<td>(677,416)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(6,500)</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Donated artwork</td>
<td>(720,000)</td>
<td>929,500</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>41,859</td>
<td>(75,801)</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>27,877,216</td>
<td>9,992,118</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities:** | | |
| Purchases of investments | (26,128,665) | (37,965,727) |
| Proceeds from sale of investments | 745,532 | 19,490,805 |
| **Net cash flows from investing activities** | (25,383,133) | (18,474,922) |

| **Cash flows from financing activities:** | |
| Proceeds from notes payable | 572,000 | - |
| **Net cash flows from financing activities** | 572,000 | - |

| Net change in cash and cash equivalents | 3,066,083 | (8,482,804) |
| Cash and cash equivalents, beginning of year | 512,087 | 8,994,891 |
| Cash and cash equivalents, end of year | $3,578,170 | $512,087 |

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

The mission of Global Wildlife Conservation (GWC) 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 in 2008, 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.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Program related investment - At June 30, 2020, GWC had one program related investment in the form of an unsecured loan in the amount of $1,000,000. The loan bears interest at an interest rate of 1% per annum and matures October 2021. GWC regularly monitors the loan by reviewing the borrower's financial standing through financial covenants.

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, 2020 and 2019, 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 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

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.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. 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, 2020 and 2019. 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.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Recently Issued Accounting Pronouncements - GWC adopted FASB Accounting Standard Update (ASU) No. 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The update assists entities in evaluating whether transactions should be accounted for as contributions or as exchange transactions, and determining whether a contribution is conditional. GWC adopted FASB ASU 2018-08 as of July 1, 2019, using the modified prospective basis. GWC did not make any significant changes to the financial statements as a result of the adoption.

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.

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, 2020 and 2019, by level within the fair value measurement hierarchy.

<table>
<thead>
<tr>
<th>Level 1</th>
<th>2020</th>
<th>Cost</th>
<th>Fair Value</th>
<th>Unrealized Appreciation (Depreciation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$160,163</td>
<td>$160,163</td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>10,015,581</td>
<td>10,553,758</td>
<td>538,177</td>
<td></td>
</tr>
<tr>
<td>Equities</td>
<td>1,806,113</td>
<td>2,023,288</td>
<td>217,175</td>
<td></td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Mutual funds</td>
<td>36,328,752</td>
<td>40,712,215</td>
<td>4,383,463</td>
<td></td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>744,364</td>
<td>756,891</td>
<td>12,527</td>
<td></td>
</tr>
<tr>
<td>US government-related agency securities and bonds</td>
<td>248,011</td>
<td>252,909</td>
<td>4,898</td>
<td></td>
</tr>
<tr>
<td>Total investments</td>
<td>$49,302,984</td>
<td>$54,459,224</td>
<td>$5,156,240</td>
<td></td>
</tr>
</tbody>
</table>

- 12 -
3. INVESTMENTS - CONTINUED

<table>
<thead>
<tr>
<th>2019</th>
<th>Cost</th>
<th>Fair Value</th>
<th>Unrealized Appreciation (Depreciation)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$409,612</td>
<td>$409,612</td>
<td>$-</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>10,282,749</td>
<td>10,418,714</td>
<td>135,965</td>
</tr>
<tr>
<td>Equities</td>
<td>1,669,716</td>
<td>2,012,540</td>
<td>342,824</td>
</tr>
<tr>
<td>Municipal bonds</td>
<td>80,876</td>
<td>80,800</td>
<td>(76)</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>13,878,740</td>
<td>14,439,754</td>
<td>561,014</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>926,727</td>
<td>929,846</td>
<td>3,119</td>
</tr>
<tr>
<td>US government-related</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>agency securities and bonds</td>
<td>816,221</td>
<td>820,183</td>
<td>3,962</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$28,064,641</td>
<td>$29,111,449</td>
<td>$1,046,808</td>
</tr>
</tbody>
</table>

The following schedule summarizes the investment earnings and its classification in the statements of activities for the years ended June 30, 2020 and 2019:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$930,768</td>
<td>$625,829</td>
</tr>
<tr>
<td>Unrealized and realized gains (losses)</td>
<td>(35,358)</td>
<td>369,052</td>
</tr>
<tr>
<td>Investment management fees</td>
<td>(23,943)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Investment return, net</strong></td>
<td>$871,467</td>
<td>$994,881</td>
</tr>
</tbody>
</table>

4. ASSETS HELD FOR SALE

The following schedule summarizes the assets held for sale for the years ended June 30, 2020 and 2019:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ruby Artwork</td>
<td>$225,000</td>
<td>$225,000</td>
</tr>
<tr>
<td>Schwartz Necklace</td>
<td>65,000</td>
<td>-</td>
</tr>
<tr>
<td>Klyukin Tiger Artwork</td>
<td>155,000</td>
<td>-</td>
</tr>
<tr>
<td>Brody Tiger Artwork</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Butterfield Kelly Canyon Artwork</td>
<td>400,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$945,000</td>
<td>$225,000</td>
</tr>
</tbody>
</table>

These assets were valued by third party industry experts/appraisers and are considered to be level 3.
5. CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable at June 30, 2020 and 2019, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$138,910</td>
<td>$11,566,135</td>
</tr>
<tr>
<td>Grants</td>
<td>1,000,000</td>
<td>1,853,994</td>
</tr>
<tr>
<td>Total</td>
<td>$1,138,910</td>
<td>$13,420,129</td>
</tr>
</tbody>
</table>

6. 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, 2020 and 2019, the cash deposits exceeded Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurances by $3,000,631 and $191,264, 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.

7. LONG-TERM DEBT

A summary of long-term debt at June 30, 2020, follows:

Note payable related to the Paycheck Protection Program dated May 4, 2020, in the original amount of $572,000, at an interest rate of 1%, with monthly payments of $32,190, including interest until maturity on May 4, 2022. $ 572,000

Less current installments of long-term debt (219,669)

Long-term debt, excluding current installments $ 352,331

Future maturities of long-term debt are as follows as of June 30:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$219,669</td>
</tr>
<tr>
<td>2022</td>
<td>352,331</td>
</tr>
</tbody>
</table>

Total $572,000

The Paycheck Protection Program was made available due to the Covid 19 pandemic. GWC believes that the Paycheck Protection Program loan will be forgiven in its entirety.
8. **IN-KIND CONTRIBUTIONS**

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, 2020 and 2019:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donated services including professional fees for legal and accounting</td>
<td>$484,449</td>
<td>$783,700</td>
</tr>
<tr>
<td>Donated artwork and collectibles</td>
<td>720,000</td>
<td>225,000</td>
</tr>
<tr>
<td>Total in-kind contributions</td>
<td>$1,204,449</td>
<td>$1,008,700</td>
</tr>
</tbody>
</table>

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

9. **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 mission of 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 mission of 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.
9. ENDOWMENTS - CONTINUED

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, 2020 and 2019:

<table>
<thead>
<tr>
<th>Endowment</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter Steven Sechrest Endowment for Wildlife Protection</td>
<td>$2,585,303</td>
<td>$2,573,027</td>
</tr>
<tr>
<td>Habitat for Biodiversity Endowment</td>
<td>38,974</td>
<td>36,699</td>
</tr>
<tr>
<td>Small Wild Cat Endowment</td>
<td>2,086,132</td>
<td>2,193,288</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,710,409</strong></td>
<td><strong>$4,803,014</strong></td>
</tr>
</tbody>
</table>

Changes in endowment net assets were as follows for the year ended June 30, 2020:

- **Without Donor Restrictions**
  - **Board Designated**
    - Beginning balance: $1,243,824
  - Contributions: - $250
  - Investment return, net: 4,389
  - Appropriated: -
  - **Ending balance**: $1,248,213

- **With Donor Restrictions**
  - **For Time or Designated Purpose**
    - Beginning balance: $532,560
  - Investment return, net: - $97,244
  - Appropriated: -
  - **Ending balance**: $435,316

- **In Perpetuity**
  - Beginning balance: $3,026,630
  - Appropriated: -
  - **Ending balance**: $3,026,880

- **Total**
  - Beginning balance: $4,803,014
  - Appropriated: -
  - **Ending balance**: $4,710,409

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

- **Without Donor Restrictions**
  - **Board Designated**
    - Beginning balance: $1,179,824
  - Contributions: - $910
  - Investment return, net: 64,000
  - Appropriated: -
  - **Ending balance**: $1,243,824

- **With Donor Restrictions**
  - **For Time or Designated Purpose**
    - Beginning balance: $253,768
  - Investment return, net: 278,792
  - Appropriated: -
  - **Ending balance**: $532,560

- **In Perpetuity**
  - Beginning balance: $3,025,720
  - Appropriated: -
  - **Ending balance**: $3,026,630

- **Total**
  - Beginning balance: $4,459,312
  - Appropriated: -
  - **Ending balance**: $4,803,014
10. NET ASSETS

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

<table>
<thead>
<tr>
<th>Purpose</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Habitat conservation</td>
<td>$15,202,109</td>
<td>$ 9,194,775</td>
</tr>
<tr>
<td>General conservation</td>
<td>11,203,539</td>
<td></td>
</tr>
<tr>
<td>Center for global conservation</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Office of the chief conservation officer</td>
<td>2,895,249</td>
<td>3,643,260</td>
</tr>
<tr>
<td>Amazon protection</td>
<td>2,453,068</td>
<td></td>
</tr>
<tr>
<td>Species survival commission</td>
<td>1,736,644</td>
<td>2,511,426</td>
</tr>
<tr>
<td>Guardians</td>
<td>1,592,747</td>
<td></td>
</tr>
<tr>
<td>Australia wildfire fund</td>
<td>1,195,992</td>
<td></td>
</tr>
<tr>
<td>Wildlife protection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primates</td>
<td>1,422,041</td>
<td>403,705</td>
</tr>
<tr>
<td>Elephants</td>
<td>668,516</td>
<td></td>
</tr>
<tr>
<td>Other species</td>
<td>622,862</td>
<td>998,246</td>
</tr>
<tr>
<td>Amphibians</td>
<td>528,185</td>
<td>529,914</td>
</tr>
<tr>
<td>Antipoaching</td>
<td>339,657</td>
<td>384,679</td>
</tr>
<tr>
<td>Sumatran rhino partnership</td>
<td></td>
<td>747,008</td>
</tr>
<tr>
<td>Other</td>
<td>209,321</td>
<td>200,572</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$45,069,930</td>
<td>$23,613,585</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Purpose</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter Steven Sechrest Endowment for Wildlife Protection</td>
<td>$1,309,508</td>
<td>$1,309,258</td>
</tr>
<tr>
<td>Habitat for Biodiversity Endowment</td>
<td>30,705</td>
<td>30,705</td>
</tr>
<tr>
<td>Small Wild Cat Endowment</td>
<td>1,686,667</td>
<td>1,686,667</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,026,880</td>
<td>$3,026,630</td>
</tr>
</tbody>
</table>

In addition to the designated net assets included in the Endowments (See Note 9), the Board has designated other net assets without donor restriction for other projects or purposes. Board designated net assets as of June 30, 2020 and 2019, and their stipulated purposes were as follows:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wildlands Fund</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Endowments</td>
<td>1,248,213</td>
<td>1,243,824</td>
</tr>
<tr>
<td>Sumatran rhino</td>
<td>935,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Conservation diet</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Zambezi Elephant Conservation</td>
<td></td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,283,213</td>
<td>$4,493,824</td>
</tr>
</tbody>
</table>
11. 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, 2020 and 2019, contributions from one donor were 32% and 40% of total contributions revenue, respectively. On June 30, 2020 and 2019, contributions receivable from one donor were 88% and 49%, respectively, of total contributions receivable.

12. 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. Starting in July 2019, GWC started matching up to 3% of employee contributions for employees with 1 year of service, for a total of $62,309.98. Vesting is 25% after 1 year, 50% after 2 years, and 100% after 3 years.

13. RELATED PARTY TRANSACTIONS

Certain members of the Board contributed $3,649,800 and $9,907,426 to GWC during the years ended June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, there were pledges receivable from board members in the amount of $50,000 and $6,688,126, respectively.

14. ASSET TRANSFER

On December 27, 2019, The Leonardo DiCaprio Foundation (LDF) transferred assets into GWC. Under the closing agreement of the transfer, LDF donated cash, art, collectibles, equipment, all accounts or notes receivable held by LDF, and certain other assets to GWC. GWC accepted the assets and assumed miscellaneous liabilities. The following transaction was recorded by GWC for the transfer:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$13,575,870</td>
</tr>
<tr>
<td>Program related investment</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>720,000</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>64,160</td>
</tr>
<tr>
<td>Contribution recognized from transfer</td>
<td>$15,360,030</td>
</tr>
</tbody>
</table>
15. AVAILABILITY AND LIQUIDITY

The following represents GWC’s financial assets at June 30, 2020 and 2019:

<table>
<thead>
<tr>
<th>Financial assets at year end:</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,578,170</td>
<td>$512,087</td>
</tr>
<tr>
<td>Short term investments</td>
<td>44,328,768</td>
<td>18,949,805</td>
</tr>
<tr>
<td>Contributions and grants receivable</td>
<td>1,138,910</td>
<td>13,420,129</td>
</tr>
<tr>
<td>Program related investment</td>
<td>1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Long term investments</td>
<td>10,130,456</td>
<td>10,161,644</td>
</tr>
<tr>
<td><strong>Total financial assets at year end</strong></td>
<td><strong>60,176,304</strong></td>
<td><strong>43,043,665</strong></td>
</tr>
<tr>
<td>Less amounts not available to be used within one year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program related investment</td>
<td>1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Net assets restricted in perpetuity</td>
<td>3,026,880</td>
<td>3,026,630</td>
</tr>
<tr>
<td>Board designated net assets</td>
<td>4,283,213</td>
<td>4,493,824</td>
</tr>
<tr>
<td>Net assets with restrictions</td>
<td>45,069,930</td>
<td>23,613,585</td>
</tr>
<tr>
<td>Less net assets with purpose restrictions to be met</td>
<td></td>
<td></td>
</tr>
<tr>
<td>in less than twelve months</td>
<td>(21,300,000)</td>
<td>(6,300,000)</td>
</tr>
<tr>
<td><strong>Total financial assets available to meet general expenditures</strong></td>
<td><strong>32,080,023</strong></td>
<td><strong>24,834,039</strong></td>
</tr>
</tbody>
</table>

GWC’s goal is generally to maintain financial assets to meet 90 days of operating expenses. To achieve this 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.

16. CURRENT ENVIRONMENT

During March of 2020, the Covid 19 pandemic reached the state of Texas and began its effect on organizations. GWC has adapted to the new work environment that Covid has prompted and continues to be able to operate effectively. Revenues for the year have been negatively impacted, and GWC is relying on its reserves and a PPP loan to mitigate those losses. Covid 19 has also changed how many employees work as global travel came to a halt. GWC works with local partners around the globe and has been able to maximize its conservation impact even in the midst of a global pandemic by relying on these local organizations to continue to implement conservation work.