

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

**JUNE 30, 2018 AND 2017**

**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 statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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, 2018, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

The financial statements of GWC, as of and for the year ended June 30, 2017, were audited by other auditors, whose report, dated January 16, 2018, expressed an unmodified opinion on those statements.

A handwritten signature in cursive script that reads "Atchley & Associates, LLP".

Austin, Texas

December 5, 2018

**GLOBAL WILDLIFE CONSERVATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 8,994,891	\$ 1,770,299
Short term investments	5,808,163	5,814,321
Assets held for sale	1,154,500	-
Contributions and grants receivable	12,742,713	8,794,492
Prepaid expenses	49,898	39,677
Total current assets	28,750,165	16,418,789
Long term investments	4,459,312	2,276,791
Total assets	\$ 33,209,477	\$ 18,695,580
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accrued liabilities	\$ 242,802	\$ 65,111
Total current liabilities	242,802	65,111
Total liabilities	242,802	65,111
Net assets		
Unrestricted		
Unrestricted	9,531,688	1,632,344
Board designated	1,179,824	796,465
Temporarily restricted	19,229,443	14,863,992
Permanently restricted	3,025,720	1,337,668
Total net assets	32,966,675	18,630,469
Total liabilities and net assets	\$ 33,209,477	\$ 18,695,580

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

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenues</b>				
Contributions and grants	\$11,302,073	\$ 8,889,483	\$ 1,688,052	\$21,879,608
In-kind contributions	261,274	1,154,500	-	1,415,774
Investment income	82,643	111,110	-	193,753
	<u>11,645,990</u>	<u>10,155,093</u>	<u>1,688,052</u>	<u>23,489,135</u>
Net assets released from restrictions	5,789,642	(5,789,642)	-	-
	<u>17,435,632</u>	<u>4,365,451</u>	<u>1,688,052</u>	<u>23,489,135</u>
<b>Expenses</b>				
Program services	6,934,356	-	-	6,934,356
General and administrative	1,261,407	-	-	1,261,407
Fundraising	957,166	-	-	957,166
	<u>9,152,929</u>	<u>-</u>	<u>-</u>	<u>9,152,929</u>
Change in net assets	8,282,703	4,365,451	1,688,052	14,336,206
Net assets at beginning of year	<u>2,428,809</u>	<u>14,863,992</u>	<u>1,337,668</u>	<u>18,630,469</u>
Net assets at end of year	<u><u>\$10,711,512</u></u>	<u><u>\$ 19,229,443</u></u>	<u><u>\$ 3,025,720</u></u>	<u><u>\$32,966,675</u></u>

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

**GLOBAL WILDLIFE CONSERVATION  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenues</b>				
Contributions and grants	\$ 3,254,614	\$ 8,095,322	\$ 26,493	\$11,376,429
In-kind contributions	137,494	-	-	137,494
Investment income	94,506	237,419	-	331,925
	<u>3,486,614</u>	<u>8,332,741</u>	<u>26,493</u>	<u>11,845,848</u>
Total revenues				
Net assets released from restrictions	3,065,522	(3,065,522)	-	-
	<u>6,552,136</u>	<u>5,267,219</u>	<u>26,493</u>	<u>11,845,848</u>
Total revenues and assets released from restrictions				
<b>Expenses</b>				
Program services	3,780,164	-	-	3,780,164
General and administrative	883,446	-	-	883,446
Fundraising	208,594	-	-	208,594
	<u>4,872,204</u>	<u>-</u>	<u>-</u>	<u>4,872,204</u>
Total expenses				
Change in net assets	1,679,932	5,267,219	26,493	6,973,644
Net assets at beginning of year	<u>748,877</u>	<u>9,596,773</u>	<u>1,311,175</u>	<u>11,656,825</u>
Net assets at end of year	<u>\$ 2,428,809</u>	<u>\$ 14,863,992</u>	<u>\$ 1,337,668</u>	<u>\$18,630,469</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
Contract services	\$ 1,396,994	\$ 291,581	\$ 809,181	\$ 2,497,756
Facilities and equipment	243,471	110,631	-	354,102
Fundraising	-	-	-	-
Grant and awards	2,934,024	2,500	-	2,936,524
Miscellaneous	(1,817)	100	-	(1,717)
Operations and other expenses	171,194	185,792	29,933	386,919
Payroll	1,673,410	588,625	58,923	2,320,958
Travel, meeting and equipment	517,080	82,178	59,129	658,387
<b>Total expenses</b>	<b>\$ 6,934,356</b>	<b>\$ 1,261,407</b>	<b>\$ 957,166</b>	<b>\$ 9,152,929</b>



**GLOBAL WILDLIFE CONSERVATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2017**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Contract services	\$ 645,431	\$ 169,946	\$ 3,207	\$ 818,584
Facilities and equipment	30,995	42,333	50	73,378
Fundraising	-	-	121,433	121,433
Grant and contract expenses	1,762,314	-	-	1,762,314
Miscellaneous	4,617	2,746	-	7,363
Operations and other expenses	74,623	76,651	5,067	156,341
Payroll	1,019,089	490,658	46,141	1,555,888
Travel, meeting and equipment	243,095	101,112	32,696	376,903
 Total expenses	 <u>\$ 3,780,164</u>	 <u>\$ 883,446</u>	 <u>\$ 208,594</u>	 <u>\$ 4,872,204</u>

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

**GLOBAL WILDLIFE CONSERVATION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 14,336,206	\$ 6,973,644
Adjustments to reconcile change in net assets to net cash from operating activities:		
(Gains)/losses on investments	(193,753)	(331,925)
Donated stock for endowment fund	-	(17,034)
Donated artwork	(1,154,500)	-
Change in assets and liabilities:		
Contributions and grants receivable	(3,948,221)	(7,948,233)
Prepaid expenses	(10,221)	(39,676)
Accrued liabilities	177,691	15,069
Net cash flows from operating activities	9,207,202	(1,348,155)
<b>Cash flows from investing activities:</b>		
Net (purchases)/sales of investments	(1,982,610)	1,451,779
Net cash flows from investing activities	(1,982,610)	1,451,779
Net change in cash and cash equivalents	7,224,592	103,624
Cash and cash equivalents, beginning of year	1,770,299	1,666,675
Cash and cash equivalents, end of year	\$ 8,994,891	\$ 1,770,299

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

**GLOBAL WILDLIFE CONSERVATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**1. ORGANIZATION**

Global Wildlife Conservation (GWC) is a non-profit organization that protects endangered species and habitats through science-based field action. GWC was incorporated in 2008 in the state of California.

GWC preserves the diversity of life on Earth by protecting wildlands, conserving wildlife, and supporting local guardians. We maximize our impact through scientific research, biodiversity exploration, habitat preservation, endangered species protection, and environmental leadership development. Since our founding, GWC's leading scientists, with expertise in more than 50 countries, have built an extensive network of allied researchers and conservationists that has enabled it to conserve wildlife and habitats in more than 40 countries, helped establish more than 20 new nature reserves, protected more than 20,000 species overall, and helped educate over 50 undergraduate and graduate students. GWC's revenue comes from a diverse range of partners, including private individuals, nonprofit organizations, foundations, corporations, government agencies, and international organizations.

**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:

Unrestricted net assets - These types of net assets are not subject to donor-imposed stipulations. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Temporarily restricted net assets - These types of net assets are subject to donor-imposed stipulations, which limit their use by GWC to a specific purpose and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets - These types of net assets are subject to donor-imposed stipulations, which require them to be maintained permanently. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific use.

**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.

**GLOBAL WILDLIFE CONSERVATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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** - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted market prices in the statements of financial position. Realized and unrealized gains and losses are reported in the statements of activities and changes in net assets as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

**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, 2018 and 2017, 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 temporarily or permanently restricted net assets, 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 temporarily restricted net assets are reclassified to unrestricted net assets. 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.

**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, 2018 AND 2017**

**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, 2018 and 2017. 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.

**Reclassifications** - GWC has reclassified cash and accounts receivable categories on the statement of financial position for the year ended June 30, 2017, to match the 2018 presentation. Reclassifications did not affect the total net assets.

**GLOBAL WILDLIFE CONSERVATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Recently Issued Accounting Pronouncements** - In August 2016, the FASB issued Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which requires presentation on the face of the Statements of Financial Position amounts for two classes of net assets at the end of the period, net assets with donor restrictions and net assets without donor restrictions, rather than the currently required three classes. The standard also requires the presentation on the face of the Statement of Activities the amount of the change in each of these two classes of net assets. The entity will be required to provide enhanced disclosures about liquidity in the footnotes to the financial statements. The standard is effective for fiscal years beginning after December 15, 2017, and early adoption is permitted. GWC is currently evaluating the impact the standard will have on their financial statements.

**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, 2018 and 2017, by level within the fair value measurement hierarchy.

<u>2018</u>	<u>Cost</u>	<u>(Level 1) Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
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)
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	<u>389,644</u>	<u>465,500</u>	<u>75,856</u>
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, 2018 AND 2017**

**3. INVESTMENTS - CONTINUED**

<u>2017</u>	<u>Cost</u>	<u>(Level 1) Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cash and cash equivalents	\$ 93,558	\$ 93,558	\$ -
Certificates of deposit	3,390,153	3,389,335	(818)
Asset-backed securities	1,162,887	1,142,140	(20,747)
Mutual funds	1,335,993	1,610,812	274,819
Corporate bonds	1,402,259	1,402,844	585
US government-related agency securities and bonds	<u>453,903</u>	<u>452,423</u>	<u>(1,480)</u>
Total investments	<u>\$ 7,838,753</u>	<u>\$ 8,091,112</u>	<u>\$ 252,359</u>

The following schedule summarizes the investment earnings and its classification in the statements of activities for the years ended June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 159,158	\$ 158,590
Unrealized and realized gains (losses)	<u>34,595</u>	<u>173,335</u>
Total investment earnings	<u>\$ 193,753</u>	<u>\$ 331,925</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, 2018, the cash deposits exceeded Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurances by \$8,785,609 and \$180,646. 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, 2018 and 2017:

**GLOBAL WILDLIFE CONSERVATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**5. IN-KIND CONTRIBUTIONS - CONTINUED**

	<u>2018</u>	<u>2017</u>
Donated services including professional fees for legal and accounting	\$ 261,274	\$ 137,494
Donated artwork	1,154,500	-
Total in-kind contributions	<u>\$ 1,415,774</u>	<u>\$ 137,494</u>

**6. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were restricted for the following purposes:

	<u>2018</u>	<u>2017</u>
Center for global conservation	\$ 5,000,000	\$ 5,000,000
Office of the chief conservation officer	4,561,218	5,000,000
Habitat conservation	3,784,741	1,393,181
Species survival commission	3,014,632	280,886
Wildlife protection:		
Other species	1,318,333	1,675,173
Sumatran rhino partnership	986,480	-
Antipoaching	353,187	895,851
Other	210,852	45,173
Conservation leadership	-	573,728
	<u>\$ 19,229,443</u>	<u>\$ 14,863,992</u>

**7. PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets were restricted for the following purposes:

	<u>2018</u>	<u>2017</u>
Walter Steven Sechrest Endowment for Wildlife Protection	\$ 1,308,348	\$ 1,306,963
Habitat for Biodiversity Endowment	30,705	30,705
Small Wild Cat Endowment	1,686,667	-
	<u>\$ 3,025,720</u>	<u>\$ 1,337,668</u>



**GLOBAL WILDLIFE CONSERVATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**8. 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. Permanently restricted net assets are classified at the original value of gifts donated to the permanent endowment, plus the original value of subsequent gifts to the endowment. 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 temporarily 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 3% to 6%. The withdrawals can be lump sum or spread out over the fiscal year. In determining the total amount to withdraw from the Endowment 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, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Walter Steven Sechrest Endowment for Wildlife Protection	\$ 2,416,498	\$ 2,245,899
Habitat for Biodiversity Endowment	34,465	30,892
Small Wild Cat Endowment	2,008,349	-
	<u>\$ 4,459,312</u>	<u>\$ 2,276,791</u>

**GLOBAL WILDLIFE CONSERVATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**8. ENDOWMENTS - CONTINUED**

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

	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted	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>

Changes in endowment net assets were as follows for the year ended June 30, 2017: □

	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted	Total
Beginning balance	\$ 717,630	\$ -	\$ 1,311,175	\$ 2,028,805
Contributions	-	-	26,493	26,493
Investment return, net	94,506	237,419	-	331,925
Appropriated	(15,671)	(94,761)	-	(110,432)
Ending balance	<u>\$ 796,465</u>	<u>\$ 142,658</u>	<u>\$ 1,337,668</u>	<u>\$ 2,276,791</u>

**9. CONTRIBUTIONS AND GRANTS RECEIVABLE**

Contributions and grants receivable at June 30, 2018 and 2017, were as follows: □

	2018	2017
Contributions	\$ 8,959,438	\$ 7,275,350
Grants	3,783,275	1,519,142
Total contributions and grants receivable	<u>\$ 12,742,713</u>	<u>\$ 8,794,492</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 will match all contributions to GWC excluding those given from the Foundation received from January 1, 2017, through June 30, 2018. The matched commitment totaled \$8,438,698.

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**10. 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 year ended June 30, 2018 and 2017, contributions from one donor were 27% and 71%, respectively, of total contributions revenue. June 30, 2018 and 2017, contributions receivable from one donor were 66% and 80%, respectively, of total contributions receivable.

**11. 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.

**12. RELATED PARTY TRANSACTIONS**

Certain members of the Board contributed \$9,060,699 and \$9,140,201 to GWC during the years ended June 30, 2018 and 2017, respectively. At June 30, 2018 and 2017, there were pledges receivable from board members in the amount of \$8,438,698 and \$6,942,701, respectively.