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Panthera Corporation

Consolidated Financial Statements

December 31, 2022

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Independent Auditors' Report

To the Board of Directors of
Panthera Corporation

Opinion

We have audited the accompanying consolidated financial statements of Panthera Corporation (the Corporation), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2022, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

New York, New York
August 18, 2023

Panthera Corporation

Consolidated Statement of Financial Position
December 31, 2022

Assets		
Current Assets		
Cash and cash equivalents	$	8,109,527
Accounts receivable		13,189
Exchange service contract receivable		217,044
Contributions and grants receivable		1,065,492
Pledges receivable		2,000,000
Marketable securities		36,603
Other current assets		1,585,200
Total current assets		13,027,055
Long-Term Assets		
Fixed assets, net		2,797,678
Right-of-use assets		826,680
Total long-term assets		3,624,358
Total assets	$	16,651,413
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$	1,779,164
Current portion of operating lease liabilities		429,607
Deferred revenue		3,739,086
Total current liabilities		5,947,857
Long-Term Liabilities		
Operating lease liabilities		431,148
Total long-term liabilities		431,148
Total liabilities		6,379,005
Net Assets		
Net assets without donor restrictions		74,829
Net assets with donor restrictions		10,197,579
Total net assets		10,272,408
Total liabilities and net assets	$	16,651,413

See notes to consolidated financial statements

Panthera Corporation

Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2022

Changes in Net Assets Without Donor Restrictions	
Operating Revenue	
Contributions and grants	$ 7,494,323
Contributed nonfinancial assets	7,119
Exchange service contract revenue	1,907,131
Other	60,325
Net assets released from restrictions:	
Satisfaction of purpose restrictions	11,401,640
Satisfaction of time restrictions	3,312,231
Total operating revenue	24,182,769
Expenses	
Program services	20,004,582
Management and general	2,991,375
Fundraising	1,018,869
Total expenses	24,014,826
Net operating income	167,943
Nonoperating Item	
Other gain on foreign exchange	60,235
Total nonoperating gain	60,235
Changes in net assets without donor restrictions	228,178
Changes in Net Assets With Donor Restrictions	
Contributions	10,783,793
Net assets released from restrictions:	
Satisfaction of purpose restrictions	(11,401,640)
Satisfaction of time restrictions	(3,312,231)
Changes in net assets with donor restrictions	(3,930,078)
Changes in net assets	(3,701,900)
Net Assets, Beginning	13,974,308
Net Assets, Ending	$ 10,272,408

See notes to consolidated financial statements

Panthera Corporation

Consolidated Statement of Functional Expenses
Year Ended December 31, 2022

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

Panthera Corporation

Consolidated Statement of Cash Flows
Year Ended December 31, 2022

Cash Flows From Operating Activities	
Changes in net assets	$ (3,701,900)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:	
Effect of foreign currency translation adjustment	60,235
Depreciation/amortization expense	353,421
Amortization of discount included in long-term pledges	(77,526)
Change in foreign currency exchange adjustment	(60,235)
Provision for deferred rent	(51,392)
Net accretion of operating leases	(20,594)
Realized gain on sale of marketable securities	(29,771)
Changes in operating assets and liabilities:	
Accounts receivable	82,560
Exchange contract receivable	(65,271)
Contributions and grants receivable	322,157
Other current assets	(669,800)
Long-term pledges receivable	2,000,000
Accounts payable and accrued expenses	404,768
Deferred revenue	2,729,355
Total adjustments	4,977,907
Net cash flows from operating activities	1,276,007
Cash Flows From Investing Activities	
Purchase of fixed assets	(620,788)
Proceeds from sale of marketable securities	32,099
Net cash flows from investing activities	(588,689)
Increase in cash and cash equivalents	687,318
Cash and Cash Equivalents, Beginning	7,422,209
Cash and Cash Equivalents, Ending	$ 8,109,527

See notes to consolidated financial statements

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Panthera Corporation is a not-for-profit wildlife conservation organization incorporated in the State of Delaware. Panthera Corporation has a controlling and economic interest in a number of foreign not-for-profit entities, together known as Panthera. Panthera's mission is the conservation of the world's 40 wild cat species, many of which are endangered or threatened. Panthera develops, implements, and oversees wild cat conservation strategies on a global scale. Panthera's large scale initiatives with tigers, lions, snow leopards, jaguars, pumas, leopards, cheetahs and other species currently span four continents. Panthera conducts critical research, enacts effective conservation measures, works closely with the world's top cat biologists, various governments and related agencies, local and international nongovernmental organizations, assists and trains felid biologists and educates the local and international populations as to felid conservation. Field work is performed in North America, South America, Africa and Asia in numerous individual countries. These operations are administered out of regional hubs in Costa Rica, Colombia, South Africa, the United Arab Emirates and Thailand.

A brief summary of Panthera's major programs follows:

Tiger - Panthera, through various individual programs, seeks to increase wild tiger populations by at least 50% across key sites over the next decade. In addition, Panthera identifies and creates safe corridors for the species to move between core populations.

Lion - Panthera combines an understanding of lion ecology in human dominated landscapes with techniques that provide local communities with the ability and incentive to avoid conflict with lions. In addition, Panthera also works to curtail widespread wire-snare poaching which is pervasive in many key lion landscapes, including Kafue NP (Zambia), Limpopo NP (Mozambique) and Niokolo-Koba NP (Senegal).

Snow Leopard - Panthera developed a state-of-the-art global range map and database of snow leopard habitats and helps delineate critical conservation units and identify prevailing threats. Using the database to target populations that require conservation, Panthera's efforts are geared towards a range-wide approach in conserving the snow leopards.

Jaguar - Panthera utilizes a range-wide approach focusing on the entire spectrum of species influences and dynamics, including prey, key populations, threat mitigation, education and building genetic corridors in which jaguars can move safely. Panthera works closely with ranchers to develop methods and models to demonstrate that cattle ranching and jaguar conservation can co-exist, just as they work with engineers and developers to design roads that allow for easier passage of jaguars and other wildlife.

Puma - Panthera is working to better understand and protect pumas in the Western U.S. (northwest Wyoming, the San Francisco Bay Area and Olympic Peninsula) and in the Torres del Paine National Park region in the Chilean Patagonia. Panthera's work includes studying the effects of wolf reintroduction and human hunting on puma populations, utilizing innovative camera technology to observe the secret social lives of pumas, characterizing dispersal dynamics and impediments, and mitigating human-puma conflict. A range-wide assessment of the status of pumas, from Patagonia to British Columbia is also underway.

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

Cheetah - Panthera seeks to protect cheetahs by addressing direct threats to them, their prey base and their habitats. To do this, Panthera gathers critical ecological data by surveying and monitoring populations and their prey, collaborating with local law enforcement officials and partners, and working with local communities to mitigate conflict and create cheetah-positive landscapes within communities. Panthera's approach to protecting cheetahs focuses on developing an integrated transboundary program based in Zambia, while operating over the 5-country KAZA landscape, which is the landscape in the Kavango and Zambezi river basins, and eventually expanding across the cheetah's African range.

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

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

Scholarships and Awards - Panthera provides scholarships and awards to post-graduate students in advanced degree programs to work on research and projects in the conservation efforts of large cat species and their environments. Panthera, in conjunction with the American Museum of Natural History, developed a global felid genetic database to understand the impact of large scale genetic issues impacting felids, and now works through the National Genomics Center for Wildlife and Fish Conservation in Missoula, Montana, for most of its genetic analysis needs.

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

Management's Plan

For the year ended December 31, 2022, Panthera had net operating income of approximately $168,000. Panthera also had changes in net assets of approximately $(3,702,000) for the year ended December 31, 2022 and net assets without donor restrictions of approximately $75,000 for the year ended December 31, 2022. Management plans to focus efforts in 2023 to increase unrestricted contributions to maintain its current net surplus without donor restrictions, currently with a 16% projected increase in 2023. Management is also reviewing spending on restricted awards on a monthly basis to ensure effective controls on costs are in place and within donor approved budgets.

Based on the above management's plan, Panthera's management concludes that there is no substantial doubt that the entity can continue as a going concern in the future.

Summary of Significant Accounting Policies

Basis of Consolidated Financial Statement Presentation

Panthera's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of Panthera and the not-for-profit entities in which Panthera has a controlling and economic interest. These entities consist of Panthera Wild Cat Conservation Belize, Panthera Brasil, Panthera Canada, Panthera Gabon, Fundación Pantera Colombia (Panthera Colombia), Panthera France, Panthera Wild Cat Conservation Malaysia (Panthera Malaysia), Conservation Panthera Mexico AC (Panthera Mexico), Panthera Wild Cat Conservation Senegal (Panthera Senegal), Panthera Wild Cat Conservation SA (Panthera South Africa), Panthera Wildlife Trust Limited-United Kingdom (Panthera UK), and Panthera Wild Cat Conservation Zambia Limited (Panthera Zambia). Panthera also has operating branch offices in Costa Rica and Honduras.

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

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue

Panthera's primary source of financial support consists of donations from the general public, as well as grant income.

Contributions and Grants

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

Exchange Service Contracts

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

Deferred Revenue

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

Operating Indicator

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

Nonoperating Item

Nonoperating item represents other amounts relating to foreign currency translation adjustments. This item is not included as part of the operating indicator and is reported separately in the consolidated statement of activities and changes in net assets.

Consolidated Statement of Cash Flows

For purposes of the consolidated statement of cash flows, Panthera considers all highly liquid debt instruments with an original maturity of three months or less, at the date of purchase, to be cash equivalents.

Fair Value Measurements

Panthera establishes a framework for measuring the fair value of financial assets and liabilities and nonfinancial assets and liabilities which are measured at fair value on a recurring (annual) basis in the form of a fair value hierarchy that prioritizes the inputs into valuation techniques used to measure fair value into three broad levels. This hierarchy gives the highest priority to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs. Further, financial assets and liabilities are classified by level in their entirety based upon the lowest level of input that was significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 - Quoted prices in inactive markets for identical assets or liabilities, quoted prices for similar assets or liabilities in active or inactive markets, or other observable inputs either directly related to the asset or liability or derived principally from corroborated observable market data.

Level 3 - Unobservable inputs due to the fact that there is little or no market activity and/or data. This entails using assumptions in models which estimate what market participants would use in pricing the asset or liability.

Panthera's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1, Level 2 or Level 3 for the year ended December 31, 2022.

Marketable Securities

Panthera's marketable securities are valued as Level 1 investments and are recorded at fair value. Unrealized holding gains and losses on marketable securities are excluded from the operating indicator and are reported as a separate component of net assets without donor restrictions as nonoperating items until realized. Realized gains and losses from the sale of securities are determined on a first-in, first-out basis and recognized as other income within the operating income section of the consolidated statement of activities and changes in net assets. A decline in the fair value of any securities below cost deemed to be other than temporary results in an impairment to reduce the carrying amount to fair value and is treated as a realized loss at time of other than temporary impairment. To determine if an impairment is other than temporary, Panthera considers all available information relevant to the collectability of the security, including past events, current conditions and reasonable and supportable forecasts when developing estimates of cash flows expected to be collected.

Donor-Imposed Restrictions

Panthera reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. All contributions with donor restrictions are reported in the first instance as an increase in net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the revenue section of the consolidated statement of activities and changes in net assets as net assets released from restrictions.

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

Unconditional Promises to Give (Pledges Receivable)

When Panthera receives unconditional promises to give that are expected to be collected by Panthera within one year, they are recorded as contributions at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using average risk-free interest rates adjusted by risk premium, if any, applicable to the year in which the promises are received. Amortization of the discounts is included in contributions and grant revenue or as contributions with donor restrictions, as appropriate.

Unconditional Promises to Give to Others

When Panthera makes unconditional promises to give to others, a liability and expense is recorded at the time of such promise.

Conditional Promises to Give by Others

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

Conditional Promises to Give to Others

When Panthera makes conditional promises to give to others, no liability or expense is recorded by Panthera until the conditions have been substantially met.

Allowance for Doubtful Accounts

Periodically, accounts receivable, exchange service contract receivable, contributions and grant receivables and pledge balances are reviewed and evaluated as to their collectability, and a provision for doubtful accounts is estimated based on the amounts Panthera expects to collect on the receivable balances. Receivables are charged against the allowance for doubtful accounts when management has determined that further collection efforts are not warranted.

Other Current Assets

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

Fixed Assets

Fixed assets are carried at cost or, if donated, at fair value on date of donation. Leasehold improvements, furniture and fixtures and equipment in excess of $5,000 or lower amounts in certain foreign countries as required by regulation, that are under the direct control of Panthera are capitalized and amortized/depreciated over their estimated useful lives using the straight-line method starting the month in which they are put into service. Leasehold improvements are amortized over the lesser of the estimated useful life of the improvement or remaining life of the lease; furniture and fixtures are depreciated over five (5) years; and equipment is depreciated over three (3) to five (5) years. Equipment purchased for use in the field by non-Panthera employees for the various programs and projects is expensed when acquired. The carrying amounts of assets and the related accumulated depreciation or amortization are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations in the year of disposal.

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

Impairment of Long-Lived Assets

Panthera assesses the recoverability of its long-lived assets, such as property and equipment, whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. No such events or circumstances occurred during the year ended December 31, 2022 and, accordingly, Panthera has not recognized any asset impairment.

Vacation Liability

Unless required by state or country specific laws, unused vacation days are not carried over to the next year nor are they paid out upon departure from Panthera. The estimated vacation liability, where required by law, is accrued as earned and aggregated approximately $15,000 as of December 31, 2022 and is included in the consolidated statement of financial position caption accounts payable and accrued expenses.

Income Taxes

Panthera Corporation qualifies as a U.S. tax-exempt organization under the existing provisions of Internal Revenue Code Section 501(c)(3) and donations to Panthera Corporation are tax deductible to the donor subject to legal limitations. Panthera's foreign entities are incorporated as not-for-profit organizations and are generally exempt from income taxes. Panthera recognizes the effect of income tax positions only when the tax positions are more likely than not of being sustained. Management is not aware of any violations of Panthera Corporation's or related entities' not-for-profit status, nor of any exposure to unrelated business or other income tax.

Contributed Nonfinancial Assets

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

Allocated Expenses

Panthera's expenses have been summarized on a functional basis in accordance with U.S. GAAP. Most expenses may be identified to their related program or supporting service and are recorded accordingly. Certain other expenses, consisting mainly of occupancy, technology, professional services and depreciation and amortization, have been allocated based on estimated usage, based upon each program's direct expenses as a percentage of total program costs. Salaries and benefits expenses are allocated based upon estimated time spent by the respective individuals on each program area and/or supporting services.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the consolidated statement of financial position and disclosing key information about leasing arrangements.

As of January 1, 2022, Panthera adopted the new standard. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the consolidated financial statements as its date of initial application. Panthera elected to apply the transition requirements as of January 1, 2022. This approach resulted in any leases existing at, or entered into after January 1, 2022 being reported in accordance with Accounting Standards Codification (ASC) 842. Upon adoption of the standard on January 1, 2022, Panthera established right-of-use assets of $1,100,434 and lease liabilities of $1,155,103 related to its real property and personal property operating leases. Panthera had a cumulative adjustment of $54,669 to decrease net assets upon the adoption of ASC 842 related to its operating leases that existed at the date of adoption.

The new standard provides for several optional practical expedients. Upon transition to ASC 842, Panthera elected:

- The package of practical expedients permitted under the transition guidance does not require Panthera to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs.

- The practical expedient to use hindsight in determining the lease term (that is, when considering options to extend or terminate the lease or to purchase the underlying asset) and in assessing impairment of Panthera's right-of-use assets.

The new standard also provides for several accounting policy elections, as follows:

- Panthera has elected the policy not to separate lease and non-lease components for all asset classes.

- When the rate implicit in the lease is not determinable, rather than using Panthera's incremental borrowing rate, Panthera elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all asset classes.

- Panthera elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which Panthera is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will be recorded on a straight-line basis over the lease term.

Additional required disclosures for ASC 842 are contained in Note 5.

During 2022, Panthera adopted FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The adoption of ASU 2020-07 had no impact on financial statement presentation when applied retrospectively to all periods presented.

2. Contributions and Grants and Pledges Receivable

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

Without donor restrictions	$	872,020
With donor restrictions, purpose		193,472
With donor restrictions, time		2,000,000
Net unconditional promises	$	3,065,492

All amounts are due within one year.

3. Liquidity and Availability of Resources

The following table reflects Panthera's financial assets as of December 31, 2022 reduced by net assets with donor restrictions which are not available for general expenditures within one year of the balance sheet date.

Current assets, excluding nonfinancial assets	$	11,441,855
Less net assets with donor restrictions		(10,197,579)
Total financial assets available to meet cash needs for general expenditures within one year	$	1,244,276

The above table depicts a positive liquidity of $1,244,276 as of December 31, 2022. The improvement in Panthera's liquidity position is a result of management's continued efforts to reduce spending and closely monitor cash flows. In addition, Panthera has a $750,000 line of credit with a bank that is fully available.

4. Fixed Assets, Net

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

Land	$	1,267,647
Buildings		384,078
Leasehold improvements		1,004,828
Furniture and fixtures		246,256
Equipment		2,668,329
Total		5,571,138
Less accumulated depreciation and amortization		2,773,460
Net fixed assets	$	2,797,678

5. Operating Leases

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

The components of operating lease costs included in the accompanying consolidated statement of functional expenses for the year ended December 31, 2022 are as follows:

Operating lease expense	$ 405,146
Short-term lease expense	-
Total lease expense	$ 405,146

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

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

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

The following table includes supplemental cash flow and noncash information related to the leases for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 425,730
Operating lease right-of-use assets obtained in exchange for lease liabilities	40,507

6. Line of Credit

In December 2019, Panthera entered into a secured line of credit with a financial institution in the amount of $750,000. Outstanding borrowings are secured by all real and personal property of Panthera. The line bears interest at the prime rate minus one-half percent per annum and expires on December 3, 2023. There was no amount outstanding as of December 31, 2022.

7. Net Assets With Donor Restrictions

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

Conservation Science	$ 3,285,738
Conservation Action	2,112,007
Time Restricted	4,799,834
Total net assets with donor restrictions	$ 10,197,579

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

Conservation Science	$ 5,202,440
Conservation Action	6,199,200
Time Restricted	3,312,231
Total	$ 14,713,871

8. Related-Party Transactions

For the year ended December 31, 2022, approximately 59% of the total contributions were received from members of Panthera's Board of Directors or their related associations. Contributions and grants receivable from Directors or their related associations as of December 31, 2022 amounted to approximately $2,000,000.

9. Retirement Plans

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

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

Total pension expense under the above retirement plans for the year ended December 31, 2022 aggregated approximately $243,000.

10. Commitments and Contingencies

Letter of Credit

In conjunction with an office lease, Panthera obtained a $213,344 irrevocable renewable standby letter of credit from a bank for the benefit of the landlord. The letter of credit is collateralized by Panthera's deposit accounts with the bank. The letter of credit is valid through October 31, 2023.

Concentration of Credit Risk

Financial instruments which potentially subject Panthera to concentrations of credit risk consist principally of temporary cash investments and receivables. Panthera places its temporary cash investments with high credit quality financial institutions; however, in the event of the financial institution's insolvency, recovery of Panthera's amounts on deposit may be limited to account insurance by the Federal Deposit Insurance Corporation or other protection afforded such deposits.

Subsequent Events

Transactions and events subsequent to December 31, 2022 through August 18, 2023, were reviewed by management and no items were noted that require additional consideration or disclosure in the accompanying consolidated financial statements.