

FELIDAE CONSERVATION FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Felidae Conservation Fund (the "Fund")

We have audited the accompanying statements of financial position of Felidae Conservation Fund (a California non-profit corporation) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Felidae Conservation Fund as of December 31, 2010 and 2009, and the changes in its net assets, functional expenses and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Harb, Levy & Weiland LLP

San Francisco, California
December 14, 2011

**FELIDAE CONSERVATION FUND
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009**

Assets:	<u>2010</u>	<u>2009</u>
Cash	\$ 105,084	\$ 33,877
Property and equipment, net	22,831	29,958
Pledges receivable	50	-
Grants receivable	<u>12,000</u>	<u>-</u>
Total assets	<u><u>\$ 139,965</u></u>	<u><u>\$ 63,835</u></u>
Liabilities:		
Accounts payable and accrued expenses	\$ 4,318	\$ -
Net assets:		
Unrestricted	81,029	63,835
Temporarily restricted	<u>54,618</u>	<u>-</u>
Total net assets	<u>135,647</u>	<u>63,835</u>
Total liabilities and net assets	<u><u>\$ 139,965</u></u>	<u><u>\$ 63,835</u></u>

See Accompanying Notes to Financial Statements

FELIDAE CONSERVATION FUND
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
Revenue and support				
Contributions	\$ 45,447	\$ -	\$ 45,447	\$ 65,341
Grants	9,382	54,618	64,000	16,000
Merchandise and raffle sales	861	-	861	-
In-kind contributions	35,265	-	35,265	3,148
Total revenue	<u>90,955</u>	<u>54,618</u>	<u>145,573</u>	<u>84,489</u>
Expenses				
Research projects	52,165	-	52,165	50,265
Education and outreach	2,929	-	2,929	-
Fundraising, promotion and events	7,679	-	7,679	-
Management and general activities	10,988	-	10,988	9,890
Total expenses	<u>73,761</u>	<u>-</u>	<u>73,761</u>	<u>60,155</u>
Change in net assets	17,194	54,618	71,812	24,334
Net assets at beginning of year	<u>63,835</u>	<u>-</u>	<u>63,835</u>	<u>39,501</u>
Net assets at end of year	<u>\$ 81,029</u>	<u>\$ 54,618</u>	<u>\$ 135,647</u>	<u>\$ 63,835</u>

See Accompanying Notes to Financial Statements

**FELIDAE CONSERVATION FUND
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>					<u>2009</u>				
	<u>Research projects</u>	<u>Education and outreach</u>	<u>Fundraising, promotion and events</u>	<u>Management and general activities</u>	<u>Total</u>	<u>Research programs</u>	<u>Educational programs</u>	<u>Fundraising, promotion and events</u>	<u>Management and general activities</u>	<u>Total</u>
Grants and contributions	\$ -	\$ 210	\$ -	\$ -	\$ 210	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Project expenses	14,104	1,927	4,192	-	20,223	27,589	-	-	-	27,589
Site and facilities	-	-	-	8,600	8,600	-	-	-	7,623	7,623
Professional fees and contracts	-	-	3,487	-	3,487	80	-	-	1,600	1,680
Printing and publications	30,412	-	-	-	30,412	-	-	-	-	-
Other	522	792	-	2,388	3,702	-	-	-	667	667
Depreciation	7,127	-	-	-	7,127	2,596	-	-	-	2,596
Total expenses	<u>\$ 52,165</u>	<u>\$ 2,929</u>	<u>\$ 7,679</u>	<u>\$ 10,988</u>	<u>\$ 73,761</u>	<u>\$ 50,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,890</u>	<u>\$ 60,155</u>

See Accompanying Notes to Financial Statements

**FELIDAE CONSERVATION FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
Cash flows from operating activities:		
Increase in net assets	\$ 71,812	\$ 24,334
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	7,127	2,596
Changes in assets and liabilities:		
Pledges receivable	(50)	-
Grants receivable	(12,000)	-
Accounts payable and accrued expenses	4,318	-
Net cash provided by operating activities	71,207	26,930
Cash flows from investing activities:		
Purchase of property and equipment	-	(27,186)
Net increase (decrease) in cash	71,207	(256)
Cash at beginning of year	33,877	34,133
Cash at end of year	\$ 105,084	\$ 33,877

See Accompanying Notes to Financial Statements

**FELIDAE CONSERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. Nature of Activities and Significant Accounting Policies

Organization

Founded in 2006, Felidae Conservation Fund (the “Fund”) is a California non-profit conservation corporation operating as a charitable and educational institution devoted principally to teaching and promoting conservation of wild cats and their habitats worldwide through research, education and technology. The principal sources of revenue are grants from private foundations and contributions from individuals and corporations.

Basis of Accounting and Presentation

Management has prepared these financial statements in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”). Financial statements prepared on a U.S. GAAP-basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

In accordance with *Accounting Standards Codification (ASC) 958, Not-for-Profit Entities*, the Fund reports its financial position and operating activities in three classes of net assets: unrestricted net assets temporarily restricted net assets and permanently restricted assets.

Unrestricted Net Assets include those assets over which the management has discretionary control in carrying out the operations of the Fund. The Fund reports as an increase in unrestricted net assets any restricted support received in the current period for which the restrictions have been met in the current period.

Temporarily Restricted Net Assets include those assets which are subject to donor purpose and/or time restriction and for which the applicable restriction was not met as of the end and during the current reporting period.

Permanently Restricted Net Assets include those assets which are subject to a non-expiring donor restriction, such as endowments. There are currently no permanently restricted net assets.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the organization’s financial statements for the year ended December 31, 2009 from which the summarized information was derived.

**FELIDAE CONSERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. Nature of Activities and Significant Accounting Policies (continued)

Cash

The Fund maintains its cash in deposit accounts and in certificates of deposit at financial institutions. Balances in these accounts, at times, may exceed federally insured limits. The Fund has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Temporarily Restricted Cash

Temporarily restricted cash represents amount received from donors for specific activities. At December 31, 2010 and 2009, the temporarily restricted cash balances were \$54,618 and \$0, respectively.

Pledges and Grants Receivables

Pledges receivable consist of unconditional promises to give and are expected to be collected within a year. Grants receivable are stated at the amount management expects to collect from outstanding balances and are due within six months.

At December 31, 2010 and 2009, pledges receivable were \$50 and \$0, respectively. At December 31, 2010 and 2009, grants receivable were \$12,000 and \$0, respectively.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets which is 5 years.

Revenue Recognition

All contributions are recognized as revenue when received or unconditionally promised to the Fund. The Fund classifies gifts of cash and other assets as temporarily or permanently restricted support if received with donor stipulations that limit the use of the contributions. When such restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. Temporarily restricted contributions are reported as unrestricted support when the restriction is met in the same period as the contribution is received.

**FELIDAE CONSERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. Nature of Activities and Significant Accounting Policies (continued)

In-Kind Contributions

A printing company contributed printed materials to the Fund at no charge. The estimated fair market value of the printed materials was determined by management based on information provided by the contributor and management's experience with other printing companies. The printed materials were reported as in-kind contribution revenue and printing and publication expense in the same period. Certain other in-kind contributions have also been received and recorded at fair market value in the period in which each contribution was made.

Income Taxes

The Fund has been classified as a publicly supported, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is exempt from California franchise taxes under Revenue and Taxation Code Section 23701(d). Management believes that there are no uncertain tax positions as of December 31, 2010 and 2009.

2. Property and Equipment

Property and equipment at December 31, 2010 and 2009 consist of:

	<u>2010</u>	<u>2009</u>
Furniture and equipment	\$ 5,886	\$ 5,886
Computer equipment	2,563	2,563
Project equipment	<u>27,186</u>	<u>27,186</u>
Total	35,635	35,635
Accumulated depreciation	<u>(12,804)</u>	<u>(5,677)</u>
Property and equipment - net	<u>\$ 22,831</u>	<u>\$ 29,958</u>

**FELIDAE CONSERVATION FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

3. Temporarily Restricted Net Assets

As of December 31, 2010 and 2009, temporarily restricted net assets were available for the following purposes:

	<u>2010</u>	<u>2009</u>
Educational program expenses	\$ 29,618	\$ -
Puma habitat mapping project	22,000	-
Purchase of video cameras to observe wild cats	<u>3,000</u>	<u>-</u>
Total	<u>\$ 54,618</u>	<u>\$ -</u>

4. Related Party Transactions

During 2010 and 2009, individual members of the Fund's Board of Directors and their affiliates contributed \$34,655 and \$828, respectively.

5. Subsequent Events

Management evaluated subsequent events through December 14, 2011, the date these financial statements were available to be issued. There were no material subsequent events that required disclosure in these financial statements.