



**BIG LIFE FOUNDATION USA**  
Financial Statements  
For the Years Ended December 31, 2017 and 2016

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## **Independent Auditor's Report**

**To the Board of Directors  
Big Life Foundation USA  
Ridgefield, Washington**

We have audited the accompanying financial statements of Big Life Foundation USA (the Foundation), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers 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.



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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information presented on pages 11 and 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Clark Nuber PS*

Certified Public Accountants  
April 27, 2018

**BIG LIFE FOUNDATION USA**

**Statements of Financial Position  
December 31, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,143,292	\$ 1,978,797
Accounts receivable and other assets	58,980	86,916
Pledges receivable	20,000	60,000
Property and equipment, net	<u>2,208</u>	<u></u>
<b>Total Assets</b>	<b><u>\$ 2,224,480</u></b>	<b><u>\$ 2,125,713</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	<u>\$ 5,214</u>	<u>\$ 4,899</u>
<b>Total Liabilities</b>	<b>5,214</b>	<b>4,899</b>
<b>Net Assets:</b>		
Unrestricted - undesignated	1,062,118	1,719,248
Unrestricted - board designated	510,515	
Temporarily restricted	<u>646,633</u>	<u>401,566</u>
<b>Total Net Assets</b>	<b><u>2,219,266</u></b>	<b><u>2,120,814</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 2,224,480</u></b>	<b><u>\$ 2,125,713</u></b>

See accompanying notes.

**BIG LIFE FOUNDATION USA**

**Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2017**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
<b>Revenues and Support:</b>			
Contributions	\$ 1,676,788	\$ 1,339,192	\$ 3,015,980
Donated art and other in-kind (Note 2)	149,945		149,945
Release of restricted contributions	<u>1,094,125</u>	<u>(1,094,125)</u>	
Sales revenue	48,804		48,804
Less cost of goods sold	<u>(44,970)</u>		<u>(44,970)</u>
Sales revenue, net of cost of goods sold	3,834		3,834
Other revenue	<u>12,124</u>		<u>12,124</u>
<b>Total Revenues and Support</b>	<b><u>2,936,816</u></b>	<b><u>245,067</u></b>	<b><u>3,181,883</u></b>
<b>Expenses:</b>			
Program	2,611,849		2,611,849
Management and general	201,768		201,768
Fundraising (Note 2)	<u>269,814</u>		<u>269,814</u>
<b>Total Expenses</b>	<b><u>3,083,431</u></b>		<b><u>3,083,431</u></b>
<b>Change in Net Assets</b>	<b>(146,615)</b>	<b>245,067</b>	<b>98,452</b>
Net assets, beginning of year	<u>1,719,248</u>	<u>401,566</u>	<u>2,120,814</u>
<b>Net Assets, End of Year</b>	<b><u>\$ 1,572,633</u></b>	<b><u>\$ 646,633</u></b>	<b><u>\$ 2,219,266</u></b>

See accompanying notes.

**BIG LIFE FOUNDATION USA**

**Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2016**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
<b>Revenues and Support:</b>			
Contributions	\$ 2,018,056	\$ 839,837	\$ 2,857,893
Donated art and other in-kind (Note 2)	237,086		237,086
Release of restricted contributions	604,415	(604,415)	
Sales revenue	101,299		101,299
Less cost of goods sold	(94,791)		(94,791)
Sales revenue, net of cost of goods sold	6,508		6,508
Other revenue	6,474		6,474
<b>Total Revenues and Support</b>	<b><u>2,872,539</u></b>	<b><u>235,422</u></b>	<b><u>3,107,961</u></b>
<b>Expenses:</b>			
Program	2,126,672		2,126,672
Management and general	163,637		163,637
Fundraising (Note 2)	269,864		269,864
<b>Total Expenses</b>	<b><u>2,560,173</u></b>		<b><u>2,560,173</u></b>
<b>Change in Net Assets</b>	<b>312,366</b>	<b>235,422</b>	<b>547,788</b>
Net assets, beginning of year	1,406,882	166,144	1,573,026
<b>Net Assets, End of Year</b>	<b><u>\$ 1,719,248</u></b>	<b><u>\$ 401,566</u></b>	<b><u>\$ 2,120,814</u></b>

See accompanying notes.

**BIG LIFE FOUNDATION USA****Statements of Cash Flows  
For the Years Ended December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 98,452	\$ 547,788
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	533	
Change in operating assets and liabilities:		
Accounts receivable and other assets	27,936	(16,862)
Pledges receivable	40,000	(60,000)
Accounts payable and accrued expenses	315	(6,055)
	<u>167,236</u>	<u>464,871</u>
<b>Net Cash Provided by Operating Activities</b>	<b>167,236</b>	<b>464,871</b>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment	<u>(2,741)</u>	
<b>Net Cash Used in Investing Activities</b>	<b>(2,741)</b>	
<b>Net Change in Cash and Cash Equivalents</b>	<b>164,495</b>	<b>464,871</b>
Cash and cash equivalents, beginning of year	<u>1,978,797</u>	<u>1,513,926</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 2,143,292</u></b>	<b><u>\$ 1,978,797</u></b>
<b>Supplementary Cash Flow Information:</b>		
Noncash donations of art and other in-kind contributions	\$ 149,945	\$ 237,086

See accompanying notes.



## BIG LIFE FOUNDATION USA

### Notes to the Financial Statements For the Years Ended December 31, 2017 and 2016

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#### Note 1 - Organization

**Organization** - Using innovative conservation strategies and collaborating closely with local communities, partner NGOs, national parks and government agencies, Big Life Foundation USA (the Foundation) seeks to protect and sustain East Africa's wild lands and wildlife, including one of the greatest populations of elephants left in East Africa. The first organization in East Africa that has coordinated anti-poaching teams operating on both sides of the Kenya-Tanzania border, the Foundation recognizes that sustainable conservation can only be achieved through a community-based collaborative approach, which is at the heart of the Foundation's philosophy: conservation supports the people and people support conservation. The Foundation's vision is to establish a successful holistic conservation model in the Amboseli-Tsavo-Kilimanjaro ecosystem that can be replicated across the African continent.

The Foundation collaborates with partners operating in Africa, North America, and Europe. Big Life Kenya is a separate legal entity registered in Kenya. Big Life Canada is a separate nonprofit organization registered in Canada. Big Life United Kingdom is a separate nonprofit organization registered in the United Kingdom. Although certain of the Foundation's directors are members of the boards of Big Life Kenya, Big Life Canada and Big Life United Kingdom, the Foundation does not control these entities through this board participation. Therefore, these entities are not consolidated with the operations of the Foundation for financial reporting purposes.

#### Note 2 - Significant Accounting Policies

**Basis of Presentation** - The Foundation's financial statements have been prepared on the accrual basis of accounting. Net assets, revenues, gains, and losses of the Foundation are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that will be met either by actions of the Foundation or passage of time.

Permanently Restricted Net Assets - Support received in the form of endowment or sustaining funds which can never be spent. The Foundation had no permanently restricted net assets at December 31, 2017 and 2016.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

**Revenue Recognition** - Contribution revenue is recognized in the period received or promised, including unconditional pledges. Donated art and sales revenue consists of open and limited edition artist prints that are contributed to the Foundation for sale to the public. The prints are donated by the artist at the time purchases are made and are reflected as in-kind contribution revenue. Sales revenue and cost of goods sold expense are recognized on the statements of activities and changes in net assets at the time the purchases are made. During the year ended December 31, 2017, 100% of the sales proceeds related to open edition prints and 80% of sales proceeds related to limited edition are retained by the Foundation. During the year ended December 31, 2016, 100% of the sales proceeds related to open edition prints and 100% of sales proceeds related to limited edition prints are retained by the Foundation. During the year ended December 31, 2015, the Foundation began selling books published by the same artist with approximately 75% - 80% of the proceeds retained by the Foundation. Book sales were immaterial during the years ended December 31, 2017 and 2016.

## BIG LIFE FOUNDATION USA

### Notes to the Financial Statements For the Years Ended December 31, 2017 and 2016

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#### Note 2 - Continued

**Cash and Cash Equivalents** - For the purposes of reporting cash flows, cash and cash equivalents consist of funds held with financial institutions. The Foundation had cash in institutions in excess of the Federal Deposit Insurance Corporation limits during the years ended December 31, 2017 and 2016. The Foundation has not experienced any losses in these accounts.

**Accounts Receivable and Other Assets** - Accounts receivable consist primarily of funds held with third party payment processors for contributions received through the Foundation's website prior to year end but not yet deposited to the Foundation's bank accounts. An allowance for doubtful accounts is not deemed necessary by management at December 31, 2017 and 2016. Other assets consisted primarily of prepaid expenses.

**Pledges Receivable** - Pledges receivable, unconditional promises to give, that are expected to be collected within one year are recorded 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.

**Property and Equipment** - Property and equipment are recorded at cost or, if donated, at fair value as of the date of the gift. The Foundation capitalizes property and equipment with costs greater than \$2,500. Property and equipment consisted of laptop computers with historical costs totaling \$2,741 at December 31, 2017. There was no property or equipment at December 31, 2016. Depreciation is recognized using the straight-line method based on estimated useful lives of three years for computers to five years for office equipment. Depreciation expense totaled \$533 for the year ended December 31, 2017. There was no depreciation expense for the year ended December 31, 2016. Accumulated depreciation totaled \$533 at December 31, 2017. There was no accumulated depreciation at December 31, 2016.

**Grants Payable** - Grants payable consist of grants that have been approved by the Foundation prior to year end but have not yet been paid. Grant expense is recognized at the time the grant is approved by the Foundation. There were no grants payable at December 31, 2017 and 2016.

**Donated Art and Other In-Kind** - Donated art and other in-kind consists primarily of limited edition artwork donated to the Foundation. The Foundation also received donated web-based advertising and donated goods for its special event in 2016. Donated art and other in-kind consisted of the following for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Open and limited edition artwork	\$ 39,751	\$ 94,791
Web-based advertising	107,479	94,439
Donated goods for special events		46,540
Other	<u>2,715</u>	<u>1,316</u>
<b>Total Donated Art and Other In-Kind</b>	<b><u>\$ 149,945</u></b>	<b><u>\$ 237,086</u></b>

In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), the donated web-based advertising is recognized as in-kind revenue and is considered fundraising expense in the schedules of functional expenses for the years ended December 31, 2017 and 2016.

## BIG LIFE FOUNDATION USA

### Notes to the Financial Statements For the Years Ended December 31, 2017 and 2016

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#### Note 2 - Continued

**Special Events** - The Foundation held a special event during the year ended December 31, 2016. Revenue related to the event totaled \$131,141 and is included in contributions and other in-kind revenue, and the related expenses totaled approximately \$46,540, and are included in fundraising expense on the statement of activities and changes in net assets for the year ended December 31, 2016. There were no special events held during the year ended December 31, 2017.

**Concentrations, Gifts From Board Members and Related Party Transactions** - For the year ended December 31, 2017, 11% of the Foundation's total revenue was received from donors through one charitable fund. For the year ended December 31, 2016, 24% of the Foundation's total revenue was received from donors through two charitable funds.

Gifts received from its board members, including the fair value of the donated art, totaled approximately \$393,000 and \$276,000 respectively, the years ended December 31, 2017 and 2016.

Pledges receivable from one individual accounted for 100% of pledges receivable at December 31, 2017 and 2016.

For the years ended December 31, 2017 and 2016, 100% of the Foundation's total grant-making expenses consisted of grants awarded to three and two organizations, respectively. Grants awarded to Big Life Kenya, a related party, (Note 1), totaled \$2,452,418 and \$1,687,689, for the years ended December 31, 2017 and 2016, respectively. Grants awarded to Big Life UK, a related party (Note 1) totaled \$50,000 for the year ended December 31, 2017. There were no grants to Big Life UK for the year ended December 31, 2016. Grants awarded to an organization in Tanzania totaled \$11,848 and \$353,037, respectively, for the years ended December 31, 2017 and 2016.

**Federal Income Tax** - The Internal Revenue Service has determined the Foundation to be a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax has been made in these financial statements.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets based on the benefits derived by program, and management and general, and fundraising activities.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Subsequent Events** - The Foundation has evaluated subsequent events through April 27, 2018, the date on which the financial statements were available to be issued.

The Foundation approves its first distribution of grants at the beginning of each calendar year. Subsequent to year end, the Foundation approved grants to Big Life Kenya and Big Life UK totaling \$1,601,529. The funds were paid in the first quarter of 2018.

## BIG LIFE FOUNDATION USA

### Notes to the Financial Statements For the Years Ended December 31, 2017 and 2016

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#### Note 3 - Pledges Receivable

At December 31, 2017, pledges receivable consisted of a pledge that is to be paid in equal installments of \$10,000 for each of the years ending December 31, 2018 and 2019. A present value discount was deemed immaterial at December 31, 2017. Management considers the pledge fully collectible; therefore, an allowance for doubtful accounts was not deemed necessary at December 31, 2017.

#### Note 4 - Unrestricted Board Designated Net Assets

Let's modify the note to say: At December 31, 2017, the board has designated unrestricted net assets totaling \$510,515 as a reserve for future U.S. operating expenses. There were no unrestricted board designated net assets as of December 31, 2016.

#### Note 5 - Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
Cross-border: Enduiment	\$ 203,675	\$ -
Kimana Sanctuary	100,000	
Human wildlife conflict: fence Kenya	100,000	1,100
Predator compensation fund	51,000	27,500
General administrative	45,400	
Rangers: Kenya	40,000	183,600
Education and scholarships	27,023	18,747
Time restricted pledges	20,000	60,000
Human wildlife conflict	20,000	
Vehicles, Kenya	15,000	61,500
Kenya farm	11,671	11,671
Tracker dogs	10,975	25,581
Elephants	1,350	
Segera Conservation Fund	462	
Maasai Olympics	77	11,367
Tanzania		500
<b>Total Temporarily Restricted Net Assets</b>	<b><u>\$ 646,633</u></b>	<b><u>\$ 401,566</u></b>

Purpose restricted net assets released from restrictions totaled \$1,034,125 and \$604,415 during the years ended December 31, 2017 and 2016, respectively. Time restricted net assets released from restrictions totaled \$60,000 during the year ended December 31, 2017. There were no time restricted net asset releases during the year ended December 31, 2016.

#### Note 6 - Retirement Plan

In December 2016, the Foundation approved the establishment of a Simple IRA Plan (the Plan). The Plan went into effect in 2017. Eligible employees may contribute to the Plan after the completion of 90 days of employment. Employer contributions are permitted by the Plan. Employer contributions totaled \$5,010 during the year ended December 31, 2017.

**SUPPLEMENTARY INFORMATION**

**BIG LIFE FOUNDATION USA**

**Schedule of Functional Expenses  
For the Year Ended December 31, 2017**

	Program	Management and General	Fundraising	Total
Salaries	\$ 68,559	\$ 86,516	\$ 81,519	\$ 236,594
Taxes and benefits	6,461	11,712	6,461	24,634
<b>Total Salaries, Taxes and Benefits</b>	<b>75,020</b>	<b>98,228</b>	<b>87,980</b>	<b>261,228</b>
Grants	2,518,140			2,518,140
Professional services		52,356	2,561	54,917
Travel	2,644	28,380	10,035	41,059
Office	3,896	7,946	22,024	33,866
Other services		3,972	21,555	25,527
Promotion and advertising	7,778	712	16,396	24,886
Technology	4,371	5,554	1,784	11,709
Insurance		4,087		4,087
Depreciation		533		533
<b>Total Expenses Before Donated Web-Based Advertising</b>	<b>2,611,849</b>	<b>201,768</b>	<b>162,335</b>	<b>2,975,952</b>
Donated web-based advertising			107,479	107,479
<b>Total Expenses</b>	<b>\$ 2,611,849</b>	<b>\$ 201,768</b>	<b>\$ 269,814</b>	<b>\$ 3,083,431</b>

See independent auditor's report.

**BIG LIFE FOUNDATION USA**

**Schedule of Functional Expenses  
For the Year Ended December 31, 2016**

	Program	Management and General	Fundraising	Total
Salaries	\$ 63,143	\$ 69,817	\$ 75,723	\$ 208,683
Taxes and benefits	6,436	5,477	6,004	17,917
<b>Total Salaries, Taxes and Benefits</b>	<b>69,579</b>	<b>75,294</b>	<b>81,727</b>	<b>226,600</b>
Grants	2,033,287			2,033,287
Professional services		64,373	3,181	67,554
Promotion and advertising	2,200	173	61,520	63,893
Office	12,196	3,951	7,032	23,179
Other services	587	2,905	15,620	19,112
Travel	7,509	7,799	3,722	19,030
Technology	1,314	5,620	2,623	9,557
Insurance		3,522		3,522
<b>Total Expenses Before Donated Web-Based Advertising</b>	<b>2,126,672</b>	<b>163,637</b>	<b>175,425</b>	<b>2,465,734</b>
Donated web-based advertising			94,439	94,439
<b>Total Expenses</b>	<b>\$ 2,126,672</b>	<b>\$ 163,637</b>	<b>\$ 269,864</b>	<b>\$ 2,560,173</b>

See independent auditor's report.