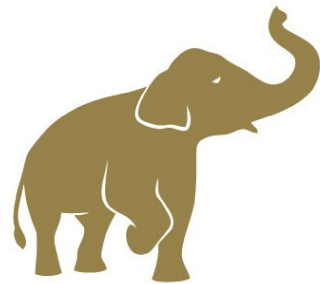


CONSOLIDATED FINANCIAL STATEMENTS



WILDLIFE
ALLIANCE

**FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015**

WILDLIFE ALLIANCE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wildlife Alliance, Inc.
New York, New York

We have audited the accompanying consolidated financial statements of the Wildlife Alliance, Inc. and its subsidiary Indochine Lodges Co., LTD (collectively Wildlife Alliance), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Wildlife Alliance's subsidiary, Indochine Lodges Co., LTD, which statements reflect total assets constituting approximately 30% and 36%, respectively of the consolidated total assets at December 31, 2016 and 2015. The 2016 and 2015 financial statements of the subsidiary were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Indochine Lodges Co., LTD for 2016 and 2015 is based solely on the report of the other auditors. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wildlife Alliance as of December 31, 2016 and 2015, and the consolidated changes in its net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

October 20, 2017

WILDLIFE ALLIANCE, INC.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2015**

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,289,626	\$ 781,282
Accounts and grants receivable	531,697	538,062
Prepaid expenses	6,830	10,677
Inventory	<u>13,115</u>	<u>14,996</u>
Total current assets	<u>1,841,268</u>	<u>1,345,017</u>
PROPERTY, EQUIPMENT AND VEHICLES, Net of Accumulated Depreciation of \$1,918,154 and \$1,756,951 for 2016 and 2015, Respectively (Note 5)	<u>1,073,375</u>	<u>1,700,756</u>
OTHER ASSETS	<u>135,184</u>	<u>46,871</u>
TOTAL ASSETS	<u>\$ 3,049,827</u>	<u>\$ 3,092,644</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 625,857	\$ 605,926
Refundable advance	<u>318,333</u>	<u>-</u>
Total current liabilities	<u>944,190</u>	<u>605,926</u>
NET ASSETS		
Unrestricted:		
Undesignated	1,652,250	2,073,001
Non-controlling interest	48,192	80,886
Temporarily restricted (Note 2)	<u>405,195</u>	<u>332,831</u>
Total net assets	<u>2,105,637</u>	<u>2,486,718</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,049,827</u>	<u>\$ 3,092,644</u>

WILDLIFE ALLIANCE, INC.

**CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016		
	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Contributions and grants (Note 6)	\$ 2,123,032	\$ 1,793,392	\$ 3,916,424
Program income	258,904	-	258,904
Interest income	313	-	313
Other revenue	29,968	-	29,968
Net assets released from donor restrictions (Note 3)	<u>1,721,028</u>	<u>(1,721,028)</u>	<u>-</u>
Total revenue and support	<u>4,133,245</u>	<u>72,364</u>	<u>4,205,609</u>
EXPENSES			
Program Services:			
Counter Wildlife Trafficking	274,140	-	274,140
Environmental Education	202,014	-	202,014
Wildlife Rehabilitation	813,756	-	813,756
Southern Cardamom Protection	1,529,038	-	1,529,038
Alternative Livelihood Development	<u>539,229</u>	<u>-</u>	<u>539,229</u>
Total program services	<u>3,358,177</u>	<u>-</u>	<u>3,358,177</u>
Supporting Services:			
Management and General	420,260	-	420,260
Fundraising	<u>249,474</u>	<u>-</u>	<u>249,474</u>
Total supporting services	<u>669,734</u>	<u>-</u>	<u>669,734</u>
Total expenses	<u>4,027,911</u>	<u>-</u>	<u>4,027,911</u>
Changes in net assets before other items	<u>105,334</u>	<u>72,364</u>	<u>177,698</u>
OTHER ITEMS (Note 7)			
Gain (loss) on assets disposal of property, equipment and vehicles	22,718	-	22,718
Write off of idle facility	(472,517)	-	(472,517)
Net loss from operations of subsidiary	<u>(76,286)</u>	<u>-</u>	<u>(76,286)</u>
Total other items	<u>(526,085)</u>	<u>-</u>	<u>(526,085)</u>
Changes in net assets before non-controlling interest	(420,751)	72,364	(348,387)
Non-controlling interest	<u>(32,694)</u>	<u>-</u>	<u>(32,694)</u>
CHANGES IN NET ASSETS	<u>\$ (453,445)</u>	<u>\$ 72,364</u>	<u>\$ (381,081)</u>

2015		
Unrestricted	Temporarily Restricted	Total
\$ 1,142,113	\$ 1,667,970	\$ 2,810,083
215,927	-	215,927
331	-	331
22,091	-	22,091
<u>1,553,167</u>	<u>(1,553,167)</u>	<u>-</u>
<u>2,933,629</u>	<u>114,803</u>	<u>3,048,432</u>
275,372	-	275,372
237,270	-	237,270
742,932	-	742,932
1,539,664	-	1,539,664
<u>598,231</u>	<u>-</u>	<u>598,231</u>
<u>3,393,469</u>	<u>-</u>	<u>3,393,469</u>
165,822	-	165,822
<u>511,930</u>	<u>-</u>	<u>511,930</u>
<u>677,752</u>	<u>-</u>	<u>677,752</u>
<u>4,071,221</u>	<u>-</u>	<u>4,071,221</u>
<u>(1,137,592)</u>	<u>114,803</u>	<u>(1,022,789)</u>
(1,616)	-	(1,616)
-	-	-
<u>(49,931)</u>	<u>-</u>	<u>(49,931)</u>
<u>(51,547)</u>	<u>-</u>	<u>(51,547)</u>
(1,189,139)	114,803	(1,074,336)
<u>(21,399)</u>	<u>-</u>	<u>(21,399)</u>
<u>\$ (1,210,538)</u>	<u>\$ 114,803</u>	<u>\$ (1,095,735)</u>

See accompanying notes to consolidated financial statements.

WILDLIFE ALLIANCE, INC.

**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Unrestricted</u>	<u>Non- Controlling Interest</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net assets at December 31, 2014	\$ 3,262,140	\$ 102,285	\$ 218,028	\$ 3,582,453
Changes in net assets	<u>(1,189,139)</u>	<u>(21,399)</u>	<u>114,803</u>	<u>(1,095,735)</u>
Net assets at December 31, 2015	2,073,001	80,886	332,831	2,486,718
Changes in net assets	<u>(420,751)</u>	<u>(32,694)</u>	<u>72,364</u>	<u>(381,081)</u>
NET ASSETS AT DECEMBER 31, 2016	<u>\$ 1,652,250</u>	<u>\$ 48,192</u>	<u>\$ 405,195</u>	<u>\$ 2,105,637</u>

WILDLIFE ALLIANCE, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services			
	Counter Wildlife Trafficking	Environmental Education	Wildlife Rehabilitation	Southern Cardamom Protection
Staff costs and consultancies	\$ 174,477	\$ 69,510	\$ 232,667	\$ 821,567
Equipment, construction and maintenance	11,269	68,655	58,172	261,590
Office and communications	6,383	2,015	2,588	10,904
Travel costs	27,270	21,649	55,993	61,877
Program expenses	54,652	40,185	460,615	332,571
Depreciation	89	-	3,721	40,529
TOTAL	\$ 274,140	\$ 202,014	\$ 813,756	\$ 1,529,038

Alternative Livelihood Development	Supporting Services				Total Supporting Services	Total Expenses
	Total Program Services	Management and General	Fundraising			
\$ 203,110	\$ 1,501,331	\$ 164,191	\$ 174,644	\$ 338,835	\$ 1,837,220	
30,012	429,698	5,251	-	5,251	434,950	
6,410	28,300	183,512	1,369	184,881	136,452	
36,498	203,287	-	20,813	20,813	225,966	
255,057	1,143,080	66,452	52,648	119,100	1,339,988	
8,142	52,481	854	-	854	53,335	
\$ 539,229	\$ 3,358,177	\$ 420,260	\$ 249,474	\$ 669,734	\$ 4,027,911	

WILDLIFE ALLIANCE, INC.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services			
	Counter Wildlife Trafficking	Environmental Education	Wildlife Rehabilitation	Southern Cardamom Protection
Staff costs and consultancies	\$ 182,072	\$ 63,490	\$ 205,229	\$ 842,775
Equipment, construction and maintenance	11,898	1,755	109,122	140,137
Office and communications	1,863	2,240	6,824	11,500
Travel costs	29,937	20,222	57,859	71,615
Program expenses	49,082	149,563	359,744	426,082
Depreciation	520	-	4,154	47,555
TOTAL	\$ 275,372	\$ 237,270	\$ 742,932	\$ 1,539,664

Alternative Livelihood Development	Supporting Services				Total Supporting Services	Total Expenses
	Total Program Services	Management and General	Fundraising			
\$ 208,774	\$ 1,502,340	\$ 161,369	\$ 219,176	\$ 380,545	\$ 1,882,885	
52,909	315,821	-	19,466	19,466	335,287	
4,521	26,948	1,150	37,092	38,242	65,190	
27,825	207,458	2,605	23,411	26,016	233,474	
294,015	1,278,486	-	212,785	212,785	1,491,271	
10,187	62,416	698	-	698	63,114	
\$ 598,231	\$ 3,393,469	\$ 165,822	\$ 511,930	\$ 677,752	\$ 4,071,221	

WILDLIFE ALLIANCE, INC.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (381,081)	\$ (1,095,735)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	184,403	190,081
(Gain) loss on disposal of property, equipment and vehicles	(22,718)	1,616
Write off of idle facility	472,517	-
Decrease (increase) in:		
Accounts and grants receivable	6,365	(199,851)
Prepaid expenses	3,847	57,818
Inventory	1,881	1,472
Other assets	(88,313)	18,469
Increase (decrease) in:		
Accounts payable and accrued liabilities	19,931	127,859
Refundable advance	<u>318,333</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>515,165</u>	<u>(898,271)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of assets	22,718	-
Purchase of property, equipment and vehicles	<u>(29,539)</u>	<u>(135,927)</u>
Net cash used by investing activities	<u>(6,821)</u>	<u>(135,927)</u>
Net increase (decrease) in cash and cash equivalents	508,344	(1,034,198)
Cash and cash equivalents at beginning of year	<u>781,282</u>	<u>1,815,480</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,289,626</u>	<u>\$ 781,282</u>

WILDLIFE ALLIANCE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Wildlife Alliance, Inc., is a non-profit organization, located in Phnom Penh, Cambodia and New York, NY and incorporated in Delaware in 1994. Wildlife Alliance, Inc.'s mission is to provide direct protection to wildlife in danger, and protect and preserve wildlife and forests for future generations. Wildlife Alliance, Inc.'s field operations train and equip park rangers to fight crimes against nature, and prevent poaching and illegal habitat destruction in Southeast Asia through collaboration with governments and communities. Wildlife Alliance, Inc. works to improve the management of protected areas, support sustainable development initiatives, and empower countries to enforce transboundary wildlife regulations.

In order to provide a source of sustainable financing to Wildlife Alliance, Inc. for forest protection activities, Indochine Lodges Co., LTD (Indochine Lodges) was developed in Koh Kong Province, Cambodia. Wildlife Alliance, Inc. is the majority stakeholder (70%) in Indochine Lodges. Indochine Lodges is a Limited Company formed under the laws of the Kingdom of Cambodia.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958-810, *Not-for-Profit Entities, Consolidation*.

Principles of consolidation -

The consolidated financial statements include the assets, liabilities and activities and change in net assets of Wildlife Alliance, Inc. and its subsidiary Indochine Lodges, which are majority owned (collectively Wildlife Alliance). All material intercompany accounts and transactions are eliminated in consolidation.

Cash and cash equivalents -

Wildlife Alliance considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, Wildlife Alliance maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Wildlife Alliance maintains cash balances at financial institutions in foreign countries. The majority of funds invested in foreign countries are uninsured.

Accounts and grants receivable -

Accounts and grants receivable are recorded at their net realizable value, which approximates fair value. Grants receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows.

All accounts and grants receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Inventory -

Inventory consists of food and bar stock and fuel (Indochine Lodges), which are recorded at the lower of cost or market value using the first-in, first-out method of inventory.

WILDLIFE ALLIANCE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Property, equipment and vehicles -

Property, equipment and vehicles purchased in excess of \$1,000 are capitalized and recorded at cost.

Property, equipment and vehicles are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of Wildlife Alliance. Unrestricted net assets also includes the equity of Indochine Lodges.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of Wildlife Alliance and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statements of Activities as net assets released from restrictions.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying consolidated financial statements.

Wildlife Alliance receives funding under grants and contracts from the U.S. governments, international organizations and other grantors for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Grants and support receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements. Grant funding received in advance of incurring the related expenses is recorded as a refundable advance.

Income taxes -

Wildlife Alliance, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Wildlife Alliance is not a private foundation.

Indochine Lodges, a majority owned subsidiary formed under the laws of the Kingdom of Cambodia, prepares its annual income tax return in accordance with the tax regulations of the Kingdom of Cambodia. For the years ended December 31, 2016 and 2015, Indochine Lodges incurred a loss from operations; accordingly, no provision for estimated tax liability has been recorded in the accompanying consolidated financial statements.

WILDLIFE ALLIANCE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Uncertain tax positions -

For the years ended December 31, 2016 and 2015, Wildlife Alliance, Inc. and Indochine Lodges have documented their consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Use of estimates -

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Foreign currency translation -

The U.S. Dollar ("Dollars") is the functional currency for Wildlife Alliance's operations worldwide. Transactions in currencies other than U.S. Dollars are translated into Dollars at the rates of exchange in effect during the month of the transaction.

Assets and liabilities denominated in non-U.S. currency are translated into Dollars at the exchange rate in effect at the date of the Consolidated Statements of Financial Position. Currency gains and losses from translation are recorded in other revenue in the accompanying Consolidated Statements of Activities.

Reclassification -

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

New accounting pronouncement - Not yet adopted -

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Consolidated Statements of Activities. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments.

The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of Wildlife Alliance's consolidated financial statements, it is not expected to alter Wildlife Alliance's reported financial position.

WILDLIFE ALLIANCE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

New accounting pronouncement - Not yet adopted (continued) -

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the statement of financial position and disclosing key information about leasing arrangements. The ASU is effective for private entities for fiscal years beginning after December 31, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

Wildlife Alliance plans to adopt the new ASUs at the required implementation date.

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31:

	<u>2016</u>	<u>2015</u>
Counter Wildlife Trafficking	\$ 122,270	\$ 122,199
Environmental Education	25,395	69,601
Wildlife Rehabilitation	45,004	5,349
Southern Cardamom Protection	192,526	125,503
Alternative Livelihood Development	<u>20,000</u>	<u>10,179</u>
	<u>\$ 405,195</u>	<u>\$ 332,831</u>

3. NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

	<u>2016</u>	<u>2015</u>
Counter Wildlife Trafficking	\$ 209,930	\$ 117,069
Environmental Education	61,804	65,859
Wildlife Rehabilitation	230,657	253,279
Southern Cardamom Protection	810,550	719,671
Alternative Livelihood Development	<u>408,087</u>	<u>397,289</u>
	<u>\$ 1,721,028</u>	<u>\$ 1,553,167</u>

4. LEASE COMMITMENT

During 2012, Wildlife Alliance entered into an operating lease for office space in New York, New York. In June of 2016, Wildlife Alliance amended the lease, extending the current lease through September 30, 2017.

Wildlife Alliance also leases office space in Cambodia under a lease agreement which will expire in 2018.

WILDLIFE ALLIANCE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

4. LEASE COMMITMENT (Continued)

The following is a summary of future minimum lease payments:

<u>Year Ending December 31,</u>		
	2017	\$ 69,000
	2018	<u>2,000</u>
		<u>\$ 71,000</u>

Rent expense and other operating costs for the years ended December 31, 2016 and 2015 totaled \$93,275 and \$98,030, respectively, and is include in Office and communications on the Statement of Functional Expenses.

5. PROPERTY, EQUIPMENT AND VEHICLES

The following is a summary of property, equipment and vehicles at December 31:

	<u>2016</u>	<u>2015</u>
Wildlife Alliance, Inc. Assets:		
Land	\$ 189,200	\$ 189,200
Equipment	529,504	526,666
Furniture	7,467	7,467
Vehicles	812,850	825,900
Construction in progress (Tatai Visitor Center)	<u>472,517</u>	<u>472,517</u>
Total Wildlife Alliance Assets	2,011,538	2,021,750
Less: Accumulated depreciation	(1,099,911)	(1,069,776)
Less: Provision to write off value of idle facility	<u>(472,517)</u>	<u>-</u>
Net Wildlife Alliance property, equipment and vehicles	<u>439,110</u>	<u>951,974</u>
Indochine Lodges Assets:		
Buildings and improvements	<u>1,452,508</u>	<u>1,435,957</u>
Total Indochine Lodges Assets	1,452,508	1,435,957
Less: Accumulated depreciation	<u>(818,243)</u>	<u>(687,175)</u>
Net Indochine property, equipment and vehicles	<u>634,265</u>	<u>748,782</u>
PROPERTY, EQUIPMENT AND VEHICLES, NET	<u>\$ 1,073,375</u>	<u>\$ 1,700,756</u>

Depreciation expense for the year ended December 31, 2016 totaled \$53,335, for Wildlife Alliance and \$131,068 for Indochine Lodges. Depreciation expense for the year ended December 31, 2015 totaled \$63,114, for Wildlife Alliance and \$126,967 for Indochine Lodges.

WILDLIFE ALLIANCE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

6. CONCENTRATION OF REVENUE

Approximately 69% and 50% of Wildlife Alliance's revenue for the years ended December 31, 2016 and 2015, respectively, was derived from operating grants awarded by four Donors. Wildlife Alliance has no reason to believe that the relationship with these Foundations will be discontinued in the foreseeable future. However, any interruption of these relationships would adversely affect Wildlife Alliance's ability to finance ongoing operations.

7. OTHER ITEMS

The accompanying consolidated financial statements include the following other item within the consolidated financial statements:

- For the years ended December 31, 2016 and 2015, Wildlife Alliance sold other assets, resulting in a gain (loss) on disposal of \$22,718 and \$(1,616), respectively.
- As of December 31, 2016, Wildlife Alliance wrote off the value of an idle facility (Tatai Visitor Center), which was previously valued at \$472,517.
- For the years ended December 31, 2016 and 2015, Indochine Lodges incurred net losses from operations of \$108,980 and \$71,330, respectively.

8. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Wildlife Alliance has evaluated events and transactions for potential recognition or disclosure through October 20, 2017, the date the consolidated financial statements were issued.