



**THE DAVID SHELDRIK WILDLIFE
TRUST USA, INC. D/B/A
SHELDRIK WILDLIFE TRUST USA**
Financial Statements

*TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
AND INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019*

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**THE DAVID SHELDRIK WILDLIFE
TRUST USA, INC. D/B/A SHELDRIK
WILDLIFE TRUST USA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The David Sheldrick Wildlife Trust USA, Inc.
d/b/a Sheldrick Wildlife Trust USA:

Report on the Financial Statements

We have audited the accompanying financial statements of The David Sheldrick Wildlife Trust USA, Inc. d/b/a Sheldrick Wildlife Trust USA (a not-for-profit organization), which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities and net assets, cash flows, and functional expenses 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.

Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of The David Sheldrick Wildlife Trust USA, Inc. d/b/a Sheldrick Wildlife Trust USA as of March 31, 2020 and 2019, 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.

Indianapolis, Indiana
May 20, 2020

Sponsel CPA Group, LLC

THE DAVID SHELDRIK WILDLIFE TRUST USA, INC. D/B/A SHELDRIK WILDLIFE TRUST USA

Statements of Financial Position

March 31, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>2020</u>	<u>2019</u>
Current Assets			Current Liabilities		
Cash and cash equivalents	\$ 3,578,005	\$ 2,003,355	Accounts payable	\$ 1,953	\$ 21,604
Accounts receivable	-	5,549	Accrued expenses and other liabilities	<u>62,826</u>	<u>54,490</u>
Grants receivable	72,000	10,000			
Prepaid expenses	7,767	4,504	<i>Total current liabilities</i>	<u>64,779</u>	<u>76,094</u>
Inventory	<u>22,435</u>	<u>23,009</u>			
<i>Total current assets</i>	<u>3,680,207</u>	<u>2,046,417</u>	Commitment (Note 4)		
Property and Equipment			Net Assets		
Office equipment	9,266	9,595	Without donor restrictions	3,621,611	1,950,782
Accumulated depreciation	<u>(5,821)</u>	<u>(5,874)</u>	With donor restrictions	<u>-</u>	<u>26,000</u>
<i>Net property and equipment</i>	<u>3,445</u>	<u>3,721</u>	<i>Total net assets</i>	<u>3,621,611</u>	<u>1,976,782</u>
Other Assets					
Security deposit	<u>2,738</u>	<u>2,738</u>			
	<u>\$ 3,686,390</u>	<u>\$ 2,052,876</u>		<u>\$ 3,686,390</u>	<u>\$ 2,052,876</u>

THE DAVID SHELDRIK WILDLIFE TRUST USA, INC. D/B/A SHELDRIK WILDLIFE TRUST USA

Statements of Activities and Net Assets

For the Years Ended March 31, 2020 and 2019

	2020			2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support						
Merchandise sales	\$ 249,147	\$ -	\$ 249,147	\$ 121,323	\$ -	\$ 121,323
Less: cost of merchandise sales	(117,376)	-	(117,376)	(50,378)	-	(50,378)
<i>Gross profit</i>	<u>131,771</u>	<u>-</u>	<u>131,771</u>	<u>70,945</u>	<u>-</u>	<u>70,945</u>
Contributions	4,926,876	838,611	5,765,487	4,417,326	857,466	5,274,792
Fundraising income	37,538	-	37,538	66,538	-	66,538
Refunded grants	534,000	-	534,000	500,000	-	500,000
In-kind donations	6,000	-	6,000	79,900	-	79,900
Investment income, net	32,401	-	32,401	2,641	-	2,641
Net assets released from restrictions	<u>864,611</u>	<u>(864,611)</u>	<u>-</u>	<u>877,688</u>	<u>(877,688)</u>	<u>-</u>
<i>Total revenue and support</i>	<u>6,533,197</u>	<u>(26,000)</u>	<u>6,507,197</u>	<u>6,015,038</u>	<u>(20,222)</u>	<u>5,994,816</u>
Expenses						
Program	4,372,346	-	4,372,346	5,118,095	-	5,118,095
Management and general	369,122	-	369,122	312,474	-	312,474
Fundraising	<u>120,900</u>	<u>-</u>	<u>120,900</u>	<u>113,471</u>	<u>-</u>	<u>113,471</u>
<i>Total expenses</i>	<u>4,862,368</u>	<u>-</u>	<u>4,862,368</u>	<u>5,544,040</u>	<u>-</u>	<u>5,544,040</u>
Increase (Decrease) in Net Assets	1,670,829	(26,000)	1,644,829	470,998	(20,222)	450,776
Net Assets, Beginning of Year	<u>1,950,782</u>	<u>26,000</u>	<u>1,976,782</u>	<u>1,479,784</u>	<u>46,222</u>	<u>1,526,006</u>
Net Assets, End of Year	<u>\$ 3,621,611</u>	<u>\$ -</u>	<u>\$ 3,621,611</u>	<u>\$ 1,950,782</u>	<u>\$ 26,000</u>	<u>\$ 1,976,782</u>

See independent auditor's report and the accompanying notes to the financial statements.

THE DAVID SHELDRIK WILDLIFE TRUST USA, INC. D/B/A SHELDRIK WILDLIFE TRUST USA*Statements of Cash Flows**For the Years Ended March 31, 2020 and 2019**Page 1 of 2***INCREASE IN CASH AND CASH EQUIVALENTS**

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Cash received from donors, grants, and merchandise sales	\$ 6,276,896	\$ 5,697,710
Cash paid to vendors, employees, and grant recipients	(4,868,922)	(5,527,386)
Interest and dividends	31,772	3,290
	<u>1,439,746</u>	<u>173,614</u>
<i>Net cash and cash equivalents provided by operating activities</i>		
	<u>1,439,746</u>	<u>173,614</u>
Cash Flows from Investing Activities		
Capital expenditures	(1,174)	-
Proceeds from sale of donated assets	-	73,900
Proceeds from sale of investments	136,078	218,367
	<u>134,904</u>	<u>292,267</u>
<i>Net cash and cash equivalents provided by investing activities</i>		
	<u>134,904</u>	<u>292,267</u>
Net Increase in Cash and Cash Equivalents	1,574,650	465,881
Cash and Cash Equivalents, Beginning of Year	<u>2,003,355</u>	<u>1,537,474</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,578,005</u>	<u>\$ 2,003,355</u>
Non-Cash Transactions		
Value of donated assets	<u>\$ -</u>	<u>\$ 73,900</u>
Value of donated services	<u>\$ 6,000</u>	<u>\$ 6,000</u>

**RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH AND CASH
EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES**

	<u>2020</u>	<u>2019</u>
Increase in Net Assets	\$ 1,644,829	\$ 450,776
Adjustments to Reconcile Increase in Net Assets to Net Cash and Cash Equivalents Provided by Operating Activities		
Depreciation	1,412	1,866
Loss on disposal of property and equipment	38	-
Donated assets	-	(73,900)
Donation of investments	(135,449)	(219,016)
Realized (gain) loss on sale of investments	(629)	649
<i>(Increase) decrease in operating assets:</i>		
Accounts receivable	5,549	(5,549)
Grants receivable	(62,000)	10,000
Prepaid expenses	(3,263)	3,032
Inventory	574	(20,974)
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	(19,651)	12,538
Accrued expenses and other liabilities	8,336	14,192
	<u> </u>	<u> </u>
<i>Total adjustments</i>	<u>(205,083)</u>	<u>(277,162)</u>
Net Cash and Cash Equivalents Provided by Operating Activities	<u>\$ 1,439,746</u>	<u>\$ 173,614</u>

THE DAVID SHELDRIK WILDLIFE TRUST USA, INC. D/B/A SHELDRIK WILDLIFE TRUST USA

Statement of Functional Expenses

For the Year Ended March 31, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2020 Total</u>	<u>2020 % of Revenue and Support</u>
Grant expense - SWT	\$ 4,218,611	\$ -	\$ -	\$ 4,218,611	64.7 %
Grant expense - other	18,260	-	-	18,260	0.3
Salaries and wages	127,429	114,871	41,898	284,198	4.4
Payroll taxes	8,004	7,215	2,632	17,851	0.3
Rent	-	35,750	-	35,750	0.5
Depreciation	-	1,412	-	1,412	0.0
Insurance	-	7,395	-	7,395	0.1
Communications	-	11,885	-	11,885	0.2
Event expenses	-	153	49,574	49,727	0.8
Travel and entertainment	42	17,111	884	18,037	0.3
Professional fees	-	82,002	-	82,002	1.3
Service charges and other fees	-	74,278	-	74,278	1.1
Office supplies	-	8,239	-	8,239	0.1
Printing	-	3,577	23,288	26,865	0.4
Postage	-	3,265	-	3,265	0.1
Loss on disposal of property and equipment	-	38	-	38	0.0
Miscellaneous	-	1,931	2,624	4,555	0.1
	<u>\$ 4,372,346</u>	<u>\$ 369,122</u>	<u>\$ 120,900</u>	<u>\$ 4,862,368</u>	<u>74.7 %</u>

THE DAVID SHELDRIK WILDLIFE TRUST USA, INC. D/B/A SHELDRIK WILDLIFE TRUST USA

Statement of Functional Expenses

For the Year Ended March 31, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2019 Total</u>	<u>2019 % of Revenue and Support</u>
Grant expense - SWT	\$ 4,964,170	\$ 29	\$ -	\$ 4,964,199	82.7 %
Grant expense - other	13,398	107	-	13,505	0.2
Salaries and wages	130,937	112,042	53,952	296,931	5.0
Payroll taxes	9,311	7,967	3,837	21,115	0.4
Rent	-	33,371	-	33,371	0.6
Depreciation	-	1,866	-	1,866	0.0
Insurance	-	4,814	-	4,814	0.1
Communications	-	3,804	-	3,804	0.1
Event expenses	-	995	38,135	39,130	0.7
Travel and entertainment	-	20,899	-	20,899	0.3
Professional fees	-	68,734	4,064	72,798	1.2
Service charges and other fees	-	46,787	-	46,787	0.8
Office supplies	125	4,945	-	5,070	0.1
Printing	-	578	13,483	14,061	0.2
Postage	154	2,915	-	3,069	0.1
Miscellaneous	-	2,621	-	2,621	0.0
	<u>\$ 5,118,095</u>	<u>\$ 312,474</u>	<u>\$ 113,471</u>	<u>\$ 5,544,040</u>	<u>92.5 %</u>

1. CHANGE IN ACCOUNTING PRINCIPLES

Accounting Standards Update 2014-09 Adoption

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers and is effective for fiscal years beginning after December 15, 2018. The David Sheldrick Wildlife Trust USA, Inc. d/b/a Sheldrick Wildlife Trust USA (“the Organization”) adopted the standard on April 1, 2019, elected the Modified Retrospective Method of application, and initially applied the new revenue recognition standards to all applicable contracts with customers.

The Organization’s merchandise sales are subject to this standard as further explained in Note 2 under *Revenue and Cost Recognition - Contracts with Customers*. After the implementation of the new revenue recognition standards under Topic 606, there were no changes needed regarding the timing of revenue recognition. As such, there is no effect on beginning net assets for the year ended March 31, 2020.

Accounting Standards Update 2018-08 Adoption

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update provides guidance on how transfers of assets should be recognized as contributions or exchange transactions, and is effective for fiscal years beginning after December 15, 2018. The Organization adopted the standard on April 1, 2019, elected the Modified Prospective Method of application, and initially applied the new standard to all applicable agreements. After the implementation of the standard, there were no changes needed regarding the classification of revenues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Activities

The David Sheldrick Wildlife Trust USA, Inc. d/b/a Sheldrick Wildlife Trust USA was created to provide financial support for the Sheldrick Wildlife Trust (SWT) in the form of grants. The Organization allows U.S. contributors the opportunity to support SWT on a tax-advantaged basis.

Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

THE DAVID SHELDRIK WILDLIFE TRUST USA, INC. D/B/A SHELDRIK WILDLIFE TRUST USA

Notes to Financial Statements

March 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows have seasonal variations throughout the fiscal year attributable to designated fundraising appeals, timing of monthly versus annual cash receipts for donations, and a concentration of donations received at calendar year-end. Per the Organization's accounting policies and procedures, the Organization maintains a \$300,000 operating reserve. The general operating fund ideally does not exceed \$250,000, therefore excess funds are invested into brokered certificates of deposit where they maintain their liquidity. To help manage liquidity, the Organization additionally has approximately \$37,000 in credit available through their credit card provider. Subscriptions and certain purchases are charged on the credit card as needed and then automatically paid off every month, in full.

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of donor-imposed restrictions and internally designated operating reserves.

	<u>2020</u>	<u>2019</u>
Current assets, excluding non-financial assets	\$ 3,650,005	\$ 2,018,904
Less: donor restrictions for specific purposes	-	(16,000)
Less: donor restrictions for future periods	-	(10,000)
Less: board designated funds	(145,124)	-
Less: operating reserves	(300,000)	(300,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,204,881</u>	<u>\$ 1,692,904</u>

Revenue and Cost Recognition – Contracts with Customers

The Organization's merchandise sales are subject to the new accounting standard update, ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*. Merchandise sales have fixed prices and contain a single performance obligation that is satisfied at the point in time when goods are delivered to the customer. Customers are billed at the time of the sale and revenue is recognized upon the satisfaction of the performance obligation. Revenues from merchandise sales are included on the Statement of Activities and Net Assets under merchandise sales and totaled \$249,147 for the year ended March 31, 2020, all of which was recognized at a point in time. Costs related to contracts with customers include cost of merchandise and shipping costs associated with contract performance.

Various economic factors can impact the nature, amount, timing and uncertainty of revenues and cash flows. The Organization is most susceptible to economic slowdown, as charitable giving and consumer spending tends to decline, ultimately impacting the Organization's revenues and cash flows from merchandise sales.

Due to the nature of the Organization's merchandise sales, there were no amounts classified as contract receivables, assets, or liabilities at March 31, 2020 or April 1, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenue Recognition - Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes an unconditional promise to give to the Organization and are recorded at their fair value as revenues and assets in the period a contribution acknowledgement is received. Contributions with donor restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. This type of revenue is excluded from the new accounting standard update ASU 2014-09 *Revenue from Contract with Customer (Topic 606)*.

Revenue Recognition – Fundraising Income

The Organization holds a fundraising event during the year. The fundraising income is recorded on the date of receipt. This type of revenue is excluded from the new accounting standard update ASU 2014-09 *Revenue from Contract with Customer (Topic 606)*.

Revenue Recognition – Refunded Grants

Refunded grants are recorded when the Organization is notified that grant funds cannot be spent for their intended purpose. This type of revenue is excluded from the new accounting standard update ASU 2014-09 *Revenue from Contract with Customer (Topic 606)*.

Revenue Recognition – In-Kind Donations

Donated services are recognized as contributions if the services create or enhance non-financial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. All donated services totaled \$6,000 for the years ended March 31, 2020 and 2019 and related to accounting services.

Donated property is recorded at fair market value at the time of donation. The Organization received a donated diamond ring during the year ended March 31, 2019, and recorded the value based on cash proceeds from sale of ring, which was \$73,900. There was no donated property for the year ended March 31, 2020. This type of revenue is excluded from the new accounting standard update ASU 2014-09 *Revenue from Contract with Customer (Topic 606)*.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of six months or less to be cash equivalents. At March 31, 2020 and 2019, the Organization had cash equivalents totaling \$2,381,996 and \$852,494, respectively.

The FDIC insured limit is \$250,000, which may expose cash balances in excess of \$250,000, held by the Organization, to risk of loss. There were exposed cash balances of \$448,788 and \$175,122 at March 31, 2020 and 2019, respectively.

THE DAVID SHELDRIK WILDLIFE TRUST USA, INC. D/B/A SHELDRIK WILDLIFE TRUST USA

Notes to Financial Statements

March 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cash and Cash Equivalents, Continued

The Organization also held funds at an institution not insured by the FDIC. However, those funds are insured by the SIPC up to \$250,000 and another insurance company for an additional \$1,900,000. The exposed cash balance at this institution was \$231,996 at March 31, 2020. There was no exposed balance at this institution at March 31, 2019.

Inventory

Inventory consists of various promotional items held for resale and is stated at the lower of cost (FIFO) or net realizable value.

Property and Equipment

Property and equipment is recorded at cost and is depreciated using straight-line methods over the estimated useful lives, ranging from 3 to 7 years. The Organization capitalizes assets over \$500 with a useful life of more than one year. Expenditures for repairs and maintenance are charged against operating expenses as incurred.

Net Asset Classification

The financial statements report the changes in and total of each of the net asset classes, based upon restrictions, as applicable. Net assets are to be classified as without donor restrictions and with donor restrictions.

Without Donor Restrictions

Net assets without donor restrictions includes the general assets of the Organization. The Organization's net assets without donor restrictions may be used at the discretion of management or the Board to support the Organization's purposes and operations. The Organization had board designated funds of \$145,124 at March 31, 2020 to be used for the anti-poaching program. There were no board designated funds at March 31, 2019.

With Donor Restrictions

Net assets with donor restrictions includes assets with donor imposed restrictions that have not been met as to a specified program purpose or to later periods of time or after specified dates. There were no net assets with donor restrictions at March 31, 2020. Net assets with donor restrictions were comprised of the following at March 31, 2019:

Subject to expenditure for specific purpose:		
Mobile Vet Unit	\$	11,000
Adopt a School		5,000
Subject to the passage of time:		
General operations – future periods		<u>10,000</u>
Total net assets with donor restrictions	\$	<u>26,000</u>

THE DAVID SHELDRIK WILDLIFE TRUST USA, INC. D/B/A SHELDRIK WILDLIFE TRUST USA

Notes to Financial Statements

March 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Net Asset Classification, Continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors, as follows for the years ended March 31:

	<u>2020</u>	<u>2019</u>
Purpose restrictions accomplished:		
Orphans Project	\$ 237,752	\$ 324,303
Mobile Vet Unit	27,955	35,165
Aerial Surveillance	182,451	-
Anti-Poaching	24,412	8,220
Wildlife/Habitat Protection	377,041	500,000
SWT Education	5,000	-
Time restrictions satisfied:		
General operations – future periods	<u>10,000</u>	<u>10,000</u>
Total restrictions released	<u>\$ 864,611</u>	<u>\$ 877,688</u>

Tax Status

The Organization is a not-for-profit Indiana corporation, and its activities are exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). Unrelated business income, of which the Organization had none for the years ended March 31, 2020 and 2019, would be subject to federal income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of March 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. No interest or penalties were incurred during the years ended March 31, 2020 and 2019.

The Organization has filed its federal and state exempt tax returns for periods through March 31, 2019. These returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions). Accordingly, the exempt income tax filings for the years ended March 31, 2017, 2018 and 2019, are open to examination at March 31, 2020.

Expense Allocation

Expenses have been classified as program, management and general, and fundraising expenses based on the actual direct expenditures and cost allocation based on estimates of time and usage by the Organization's personnel and programs.

THE DAVID SHELDRIK WILDLIFE TRUST USA, INC. D/B/A SHELDRIK WILDLIFE TRUST USA

Notes to Financial Statements

March 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subsequent Events

Subsequent events have been evaluated by management through May 20, 2020, which is the date the financial statements were available to be issued.

3. ACCRUED EXPENSES AND OTHER LIABILITIES

The Organization's accrued expenses and other liabilities are made up of short-term liabilities due within the next year. The Organization had the following accrued expenses and other liabilities for the years ended March 31:

	<u>2020</u>	<u>2019</u>
Accrued payroll	\$ 20,000	\$ 20,000
Accrued vacation	18,734	18,924
Credit card payable	<u>24,092</u>	<u>15,566</u>
	<u>\$ 62,826</u>	<u>\$ 54,490</u>

4. OPERATING LEASE

The Organization leases an office in California. The lease term is through December 2021, requiring monthly payments starting at \$2,928 and increasing to \$3,106 over the life of the lease. Rental expense for this lease was \$35,750 and \$33,371 for the years ended March 31, 2020 and 2019, respectively.

Future minimum lease commitments under operating lease are as follows for the years ending March 31:

2021	\$ 36,462
2022	<u>27,954</u>
	<u>\$ 64,416</u>

5. RELATED PARTY TRANSACTIONS

The Organization's purpose is to support SWT and its mission in Kenya. The Organization paid SWT \$4,218,611 and \$4,964,199 in grants for the years ended March 31, 2020 and 2019, respectively.

6. REFUNDED GRANTS

During the years ended March 31, 2020 and 2019, the Organization was notified of and received funds returned from SWT in the amounts of \$534,000 and \$500,000, respectively, related to grant funds issued to SWT in previous years that could not be used for their intended purposes of anti-poaching and habitat preservation. During the years ended March 31, 2020 and 2019, after receipt of returned grant funds, the Organization granted funds previously returned for the same programs and for similar purposes. At March 31, 2020, there was \$145,124 of returned grant funds that were not granted to SWT, which the board designated to be used for the anti-poaching program.

7. SUBSEQUENT EVENT

Due to the national and world-wide disruptions caused by COVID-19 in 2020, the Organization may be adversely impacted. The Organization is adjusting their operations to compensate for disruptions on an ongoing basis. At this time, any financial impact of potential COVID-19 related disruptions are not known.

8. RECLASSIFICATION

Certain items in the 2019 financial statements have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on total assets, liabilities, net assets or the increase in net assets.

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
The David Sheldrick Wildlife Trust USA, Inc.
d/b/a Sheldrick Wildlife Trust USA:

We have audited the financial statements of The David Sheldrick Wildlife Trust USA, Inc. d/b/a Sheldrick Wildlife Trust USA as of and for the years ended March 31, 2020 and 2019, and our report thereon dated May 20, 2020, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information in Exhibit I, which is the responsibility of management, is presented for purpose 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 in Exhibit I 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.

Indianapolis, Indiana
May 20, 2020

Sponsel CPA Group, LLC

THE DAVID SHELDRIK WILDLIFE TRUST USA, INC. D/B/A SHELDRIK WILDLIFE TRUST USA

Summary of Selected Financial Data

For the Four Years Ended March 31

Exhibit I

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
1 Contribution revenue	\$ 5,765,487	\$ 5,274,792	\$ 4,752,260	\$ 4,401,386
2 Refunded grants	\$ 534,000	\$ 500,000	\$ -	\$ -
3 Other revenue	\$ 207,710	\$ 220,024	\$ 122,067	\$ 117,712
4 Gross profit on merchandise sales	\$ 131,771	\$ 70,945	\$ 28,830	\$ 14,396
5 Gross profit percentage on merchandise sales	52.9%	58.5%	53.1%	53.6%
6 Total revenue and support	\$ 6,507,197	\$ 5,994,816	\$ 4,874,327	\$ 4,519,098
7 Program expenses	\$ 4,372,346	\$ 5,118,095	\$ 4,781,932	\$ 4,360,429
8 Management and general expenses	\$ 369,122	\$ 312,474	\$ 414,808	\$ 307,223
9 Fundraising expenses	\$ 120,900	\$ 113,471	\$ 94,976	\$ 108,232
10 Total expenses	\$ 4,862,368	\$ 5,544,040	\$ 5,291,716	\$ 4,775,884
11 Increase (decrease) in net assets	\$ 1,644,829	\$ 450,776	\$ (417,389)	\$ (256,786)
12 Program expense as a percentage of total expenses	89.9%	92.3%	90.4%	91.3%
13 Management and general expense as a percentage of total expenses	7.6%	5.6%	7.8%	6.4%
14 Fundraising expense as a percentage of total expenses	2.5%	2.0%	1.8%	2.3%