

**PANTHERA CORPORATION**  

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**REPORT ON AUDITS OF  
FINANCIAL STATEMENTS**

*Years Ended December 31, 2010 and 2009*

**Contents**

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*Years Ended December 31, 2010 and 2009*

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*Pages*

**Financial Statements**

Independent Auditors' Report	1
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statement of Functional Expenses - 2010	4
Statement of Functional Expenses - 2009	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 12

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## Independent Auditors' Report

The Board of Directors  
Panthera Corporation

We have audited the statements of financial position of Panthera Corporation ("Panthera") as of December 31, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Panthera'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 Panthera Corporation 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.

*Holtz Rubenstein Reminick LLP*

New York, New York  
March 29, 2011

**Statements of Financial Position**

<i>December 31,</i>	2010	2009
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 3,451,546	\$ 2,535,082
Accounts receivable, net	18,076	76,527
Donations receivable	781,711	1,407,399
Other current assets	145,613	161,943
Total Current Assets	<u>4,396,946</u>	<u>4,180,951</u>
Leasehold Improvements and Equipment, net	713,362	924,172
Total Assets	<u>\$ 5,110,308</u>	<u>\$ 5,105,123</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 189,186	\$ 191,947
Deferred revenue	11,623	-
Grants payable	250,839	306,390
Total Current Liabilities	<u>451,648</u>	<u>498,337</u>
Noncurrent Liabilities:		
Deferred rent liability	42,602	27,566
Total Liabilities	<u>494,250</u>	<u>525,903</u>
Net Assets:		
Unrestricted	2,070,953	1,849,286
Temporarily restricted	2,545,105	2,729,934
Total Net Assets	<u>4,616,058</u>	<u>4,579,220</u>
Total Liabilities and Net Assets	<u>\$ 5,110,308</u>	<u>\$ 5,105,123</u>

**Statements of Activities and Changes in Net Assets**

<i>Years Ended December 31,</i>	<b>2010</b>	<b>2009</b>
<b>Changes in Unrestricted Net Assets:</b>		
Revenue:		
Contributions	\$ 5,994,951	\$ 5,514,622
Interest and other income	27,274	22,649
Realized gain on sale of securities	437,648	-
Net assets released from restrictions	1,674,948	607,256
Total Revenue	<u>8,134,821</u>	<u>6,144,527</u>
Expenses:		
Programs	7,212,197	5,325,209
Management and general	436,705	517,126
Fundraising	264,252	253,911
Total Expenses	<u>7,913,154</u>	<u>6,096,246</u>
Increase in Unrestricted Net Assets	<u>221,667</u>	48,281
<b>Changes in Temporarily Restricted Net Assets:</b>		
Contributions	1,490,119	1,790,225
Net assets released from restrictions	(1,674,948)	(607,256)
(Decrease) Increase in Temporarily Restricted Net Assets	<u>(184,829)</u>	<u>1,182,969</u>
Increase in Net Assets	36,838	1,231,250
Net Assets, beginning of year	4,579,220	3,347,970
Net Assets, end of year	<u>\$ 4,616,058</u>	<u>\$ 4,579,220</u>

Statement of Functional Expenses

Year Ended December 31, 2010

	Programs										Support Services			Total Expenses
	Tigers	Lions	Snow Leopards	Jaguars	Other Species	Scholarships and Awards	Special Projects	Communications	Total Program Services	Management and General	Fundraising	Total Support Services		
Salaries and Contracted Staff	\$ 162,493	\$ 150,063	\$ 187,083	\$ 621,807	\$ 113,857	\$ 44,673	\$ 113,670	\$ 327,552	\$ 1,721,198	\$ 211,176	\$ 133,565	\$ 344,741	\$ 2,065,939	
Benefits	23,556	12,573	36,866	56,734	9,419	9,242	18,400	56,663	223,453	43,686	27,631	71,317	294,770	
Grants	681,150	465,280	150,598	247,354	55,920	494,700	279,654	-	2,374,656	-	-	-	2,374,656	
Field Supplies and Equipment	31,803	39,955	114,904	284,184	58,801	14,133	13,909	65,283	622,972	-	415	415	623,387	
Travel/Lodging/Meals	42,611	65,203	36,511	191,531	19,908	12,899	25,070	43,974	437,707	274	7,914	8,188	445,895	
Occupancy	31,544	28,926	18,140	79,826	8,404	9,036	33,693	66,625	276,194	69,172	28,297	97,469	373,663	
Technology/Telephone	6,689	4,885	6,855	23,189	7,614	1,966	29,308	15,466	95,972	13,921	7,321	21,242	117,214	
Office Supplies	1,896	4,597	1,264	18,555	2,880	506	2,599	4,889	37,186	3,836	2,534	6,370	43,556	
Legal/Audit/Other Professionals	20,376	27,916	10,908	56,609	6,058	7,434	21,036	842,326	992,663	27,458	11,297	38,755	1,031,418	
Contributed Service	12,820	8,440	7,217	19,725	2,969	6,204	9,164	21,300	87,839	9,077	3,714	12,791	100,630	
Depreciation/Amortization	19,032	8,111	11,970	32,858	2,853	5,962	22,232	57,616	160,634	45,640	19,568	65,208	225,842	
Conference/Meetings	52,134	5,412	441	13,890	-	-	-	-	71,877	-	-	-	71,877	
Other	11,454	8,019	4,760	48,674	3,051	2,850	7,438	23,600	109,846	12,465	15,628	28,093	137,939	
Events	-	-	-	-	-	-	-	-	-	-	6,368	6,368	6,368	
Total	\$ 1,097,558	\$ 829,380	\$ 587,517	\$ 1,694,936	\$ 291,734	\$ 609,605	\$ 576,173	\$ 1,525,294	\$ 7,212,197	\$ 436,705	\$ 264,252	\$ 700,957	\$ 7,913,154	

Statement of Functional Expenses

Year Ended December 31, 2009

	Programs							Support Services			Total Expenses	
	Tigers	Lions	Snow Leopards	Jaguars	Other Species	Scholarships and Awards	Special Projects	Education & Media	Management and General	Fundraising		Total Support Services
Salaries and Contracted Staff	\$ 123,084	\$ 146,541	\$ 78,682	\$ 522,122	\$ 87,306	\$ 79,927	\$ 55,545	\$ 188,221	\$ 225,360	\$ 104,790	\$ 330,150	\$ 1,611,578
Benefits	19,261	13,352	15,596	51,553	9,803	15,971	11,099	37,594	45,004	20,927	65,931	240,160
Grants	325,646	402,488	165,146	141,553	80,268	667,792	374,444	532	-	-	-	2,157,869
Field Supplies and Equipment	79,305	33,322	17,931	161,657	40,646	156	3,218	46,766	2,052	5,057	7,109	383,001
Travel/Lodging/Meals	61,900	33,405	36,425	140,788	29,370	13,912	24,705	22,185	85,862	22,261	108,123	369,799
Occupancy	24,425	24,095	26,434	65,112	9,953	22,113	15,367	46,703	16,772	5,110	21,882	342,325
Technology/Telephone	5,316	4,780	5,402	16,201	4,462	4,705	14,366	10,440	6,712	1,740	8,452	87,554
Office Supplies	2,231	9,486	2,446	23,973	4,661	1,912	1,522	5,782	19,548	1,740	53,923	60,465
Legal/Audit/Other Professionals	5,604	4,770	15,637	24,051	6,245	5,087	3,535	135,629	45,197	34,375	56,914	254,481
Contributed Service	12,858	9,732	13,916	25,720	3,948	11,641	8,090	24,584	59,911	11,717	75,444	167,403
Depreciation/Amortization	17,043	12,900	18,446	34,754	5,233	15,430	10,723	41,115	-	15,533	-	231,088
Conference/Meetings	1,600	-	-	28,465	1,282	-	59,960	-	-	-	-	91,307
Other	9,241	8,701	4,853	18,304	2,229	2,935	2,280	7,564	10,708	2,776	13,484	69,591
Events	-	-	-	-	-	-	-	-	-	29,625	29,625	29,625
Total	\$ 687,514	\$ 703,572	\$ 400,914	\$ 1,254,253	\$ 285,406	\$ 841,581	\$ 584,854	\$ 567,115	\$ 517,126	\$ 253,911	\$ 771,037	\$ 6,096,246

**Statements of Cash Flows**

<i>Years Ended December 31,</i>	<b>2010</b>	<b>2009</b>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 36,838	\$ 1,231,250
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	225,842	231,088
Loss on disposal of equipment	23,561	-
Provision for deferred rent	15,036	27,566
Changes in operating assets and liabilities:		
Accounts receivable, net	58,451	(72,027)
Donations receivable	625,688	(1,379,099)
Other current assets	16,330	(88,886)
Accounts payable and accrued expenses	(2,761)	98,625
Deferred revenue	11,623	-
Grants payable	(55,551)	306,390
Total adjustments	<u>918,219</u>	<u>(876,343)</u>
Net Cash Provided by Operating Activities	<u>955,057</u>	<u>354,907</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of fixed assets	(38,593)	(170,343)
Net Cash Used in Investing Activities	<u>(38,593)</u>	<u>(170,343)</u>
Increase in Cash and Cash Equivalents	916,464	184,564
Cash and Cash Equivalents, beginning of year	2,535,082	2,350,518
Cash and Cash Equivalents, end of year	<u>\$ 3,451,546</u>	<u>\$ 2,535,082</u>

## Notes to Financial Statements

*Years Ended December 31, 2010 and 2009*

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### 1. Description of Organization and Summary of Significant Accounting Policies

#### *Organization*

Panthera Corporation ("Panthera") is a not-for-profit wildlife conservation organization incorporated in 2006 in the State of Delaware. Panthera's mission is the conservation of the world's 37 wild cat species, many of which are endangered. Panthera develops, implements, and oversees wild cat conservation strategies on a global scale. Panthera's large scale initiatives with tigers, lions, jaguars, snow leopards and other species currently span four continents. Panthera conducts critical research, enacts effective conservation measures, works closely with the world's top cat biologists and local and international non-government organizations ("NGO's"), assists and trains felid biologists, and educates the local and international populations as to felid conservation.

#### **A brief summary of major programs of Panthera consist of the following:**

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

**Lions** - Panthera combines an understanding of lion ecology in human dominated landscapes with techniques that provide local communities with the ability and incentive to avoid conflict with lions. In addition, Panthera's objective is to create a Pan-African safe travel corridor for lions, maintaining the species in key landscapes and fostering connections between those landscapes.

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

**Jaguars** - Panthera utilizes a range-wide approach focusing on the entire spectrum including prey, key populations, mitigating threats, education and building genetic corridors in which jaguars can move safely. In the Brazilian Pantanal, Panthera works closely with ranchers to develop methods and models to demonstrate that cattle ranching and jaguar conservation can co-exist.

**Other Species** - Our cougar program encompasses the California and Teton Mountain landscapes with a view of securing landscapes, safe travel corridors, and developing workable solutions for cougar-human conflicts. Our Iranian Cheetah program focuses on the mitigation of immediate threats to cheetahs and their prey of the critically endangered cheetah population in the Islamic Republic of Iran, which is the only remaining cheetah population in the entire Asiatic range. Panthera is conducting a long-term telemetry-based study on leopards in the Phinda Game Reserve in South Africa comparing a protected population adjacent to regions where the species is heavily hunted in order to develop regional conservation recommendations.

**Scholarships and Awards** - Panthera provides research and project funding awards to post-graduate students in advanced degree programs, and research and conservation grants to individuals and organizations implementing conservation projects on wild cats.

**Special Projects** - Panthera, in conjunction with the American Museum of Natural History, is developing a global felid genetic database to understand the impact of large scale genetic issues impacting felids. In addition, Panthera's Geographic Identification System ("GIS") Lab undertakes sophisticated geographic and mapping analysis across the entire geographic range in four continents utilized by the major wild cat species.

## Notes to Financial Statements

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*Years Ended December 31, 2010 and 2009*

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**Communications** - Panthera is working to inspire and inform local communities, the general public, and decision makers throughout the world by communicating practical international and local solutions that are needed to save wild cats. As part of this process, we utilize various written, pictorial and electronic media to document the wild cats in their environment and utilize such data to communicate to the scientific, political and other concerned individuals the current state and future needs of the conservation effort to save the wild cats.

### **Summary of Significant Accounting Policies**

**Presentation** - Panthera's financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"), and include the accounts of Panthera and the tax exempt entities in which Panthera has a controlling and economic interest.

**Combination** - During 2009, Panthera founded Fundacion Pantera Columbia ("Panthera Columbia") which was formed as a not-for-profit entity in Colombia to, among other things, promote conservation of wild cats, its prey and habitats in South America. Panthera has the right to elect and remove any of Panthera Columbia's board of director members and in case of dissolution any remaining assets of Panthera Colombia are to be distributed to Panthera. Panthera Columbia began operations in late 2009 and its operations in 2009 were not significant. During 2010, Panthera obtained a controlling and economic interest in Panthera Wildlife Trust Ltd. ("Panthera UK"), which was formed in 2007 as a not-for-profit entity located in the United Kingdom. All significant intercompany balances and transactions have been eliminated in combination.

**Estimates** - The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue recognition** - Panthera's primary source of financial support consists of donations from the general public.

**Operating indicator** - Panthera considers all unrestricted revenue and expenses to be part of its normal operations and considers the Increase in Unrestricted Net Assets as its operating indicator.

**Donor-imposed restrictions** - Panthera reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. All donor-restricted contributions are reported in the first instance as an increase in temporarily restricted net assets. When a donor restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the revenue section of the statements of activities and changes in net assets, as net assets released from restrictions.

**Unconditional promises to give (donations receivable)** - When Panthera receives unconditional promises to give that are expected to be collected by Panthera within one year, they are recorded as contributions at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using average risk-free interest rates applicable to the year in which the promises are received. Amortization of the discounts is included in contribution revenue or as an increase in temporarily restricted assets, as appropriate.

## Notes to Financial Statements

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*Years Ended December 31, 2010 and 2009*

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**Conditional promises to give (donations receivable)** - When Panthera receives conditional promises to give they are not included as contributions by Panthera until the conditions have been substantially met.

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

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

**Allowance for doubtful accounts** - Periodically, the individual accounts and donations receivable balances are reviewed and evaluated as to their collectability, and a provision for doubtful accounts is estimated based on the amounts Panthera expects to collect on the receivable balance. Receivables are charged to the allowance for doubtful accounts when management has determined that further collection efforts are not warranted.

**Fixed assets** - Fixed assets are carried at cost or, if donated, at fair value on date of donation. Leasehold improvements, furniture and fixtures, and equipment in excess of \$5,000 that is under the direct control of Panthera is capitalized and amortized/depreciated over its estimated useful life using the straight-line method. Furniture and fixtures, and equipment are depreciated starting the month in which purchased. Equipment purchased for use in the field by non-Panthera employees for the various programs and projects is expensed when acquired. The carrying amounts of assets and the related accumulated depreciation or amortization are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations in the year of disposal.

**Income taxes** - Panthera qualifies as a tax-exempt organization under the existing provisions of the Internal Revenue Code Section 501(c) (3) and its income is generally not subject to federal or state income and excise taxes. Panthera's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. All tax years since inception remain subject to examination. Management is not aware of any violations of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

**Contributed services** - During the years ended December 31, 2010 and 2009, Panthera received contributed services relating to legal assistance and website advertising (only in 2010) amounting to approximately \$101,000 and \$167,000, respectively, at fair value which is included in contributions and expense in the statements of activities and changes in net assets.

**Allocated expenses** - Panthera's expenses have been summarized on a functional basis in accordance with accounting principles generally accepted in the United States of America. Most expenses may be identified to their related program or supporting service and are recorded accordingly. Indirect expenses have been allocated based on estimated time spent, the percentage of each program's direct expenses over total program costs, or other bases considered appropriate given the nature of the expense.

**Vacation liability** - During the year ended December 31, 2009, Panthera adopted the policy of paying for unused accrued vacation time in the event of employee termination. Accordingly, the estimated vacation liability is accrued as earned and aggregated approximately \$ 27,000 and \$43,000 at December 31, 2010 and 2009, respectively

**Reclassifications** - Certain reclassifications were made to the 2009 financial statements to conform to the 2010 presentation. These reclassifications had no impact on the changes in net assets previously reported.

**Notes to Financial Statements**

*Years Ended December 31, 2010 and 2009*

**2. Conditional Promises to Give**

**Conditional Promises to Give To Others** - During 2006, Panthera entered into an agreement to make grants of over \$10 million to the Wildlife Conservation Society ("WCS"), a tax exempt organization, over a ten-year period for the International Great Cats Program. Payments to WCS under the agreement are contingent on a number of conditions including, among others, matching grants, prior approval of projects, and change in supervision. Dr. Alan Rabinowitz, Executive Director of Science and Exploration at the Wildlife Conservation Society, retired from WCS in 2008 and joined Panthera. Effective April 1, 2009, Panthera has the right to modify the terms of or cancel any of the outstanding grants under the WCS agreement. At this point in time, Panthera has not yet determined whether any modifications will be made; however, Panthera has reserved the right to make such changes.

For the years ended December 31, 2010 and 2009, grant payments of \$646,650 and \$325,000, respectively, pursuant to Panthera's commitment under the WCS agreement were made to WCS for the International Great Cats Program. Additionally, Panthera made other grants to WCS of approximately \$56,000 and \$166,000 for the years ended December 31, 2010 and 2009, respectively.

**Conditional Promises to Give To Panthera** - During 2010, Panthera received a conditional pledge of \$3,500,000 from a board member for the purpose of providing funds for certain Tiger Projects. The conditional pledge will be due and payable annually through 2016. Each annual payment up to \$500,000 is conditional, among other things, upon the donor's vote to approve the annual goals and priorities for the Tiger Projects. Amounts received during 2010 relative to this pledge aggregated \$500,000.

In conjunction with Panthera's conditional agreement with WCS, Panthera received a ten-year conditional pledge of \$5,780,000 from a foundation for the purpose of providing funds necessary to satisfy Panthera's obligation under the aforementioned conditional WCS grant agreement. Payments under the pledge receivable will be due and payable over a ten-year period as Panthera's obligations under the aforementioned conditional WCS grant agreement become due. Total amounts received since inception of the conditional pledge receivable aggregated \$3,000,000 through December 31, 2010.

**3. Fixed Assets, net**

Fixed assets consist of the following:

<i>December 31,</i>	<b>2010</b>	<b>2009</b>
Leasehold Improvements	\$ 900,880	\$ 899,647
Furniture and Fixtures	122,624	163,211
Computers and Equipment	175,327	182,664
	<u>1,198,831</u>	<u>1,245,522</u>
Accumulated Depreciation and Amortization	485,469	321,350
	<u>\$ 713,362</u>	<u>\$ 924,172</u>

Depreciation and amortization expense was approximately \$226,000 and \$231,000 for the years ended December 31, 2010 and 2009, respectively.

**Notes to Financial Statements**

*Years Ended December 31, 2010 and 2009*

**4. Temporarily Restricted Net Assets**

Temporarily restricted net assets at December 31, 2010 and 2009 are comprised of contributions restricted by the donors for the following purposes:

<i>December 31,</i>	<b>2010</b>	<b>2009</b>
To satisfy the Panthera's obligations under the grant agreement with the Wildlife Conservation Society in relation to the International Great Cats Program	\$ 478,350	\$ 1,125,000
Restricted for use for various future program needs	<u>2,066,755</u>	<u>1,604,934</u>
	<u>\$ 2,545,105</u>	<u>\$ 2,729,934</u>

A portion of these temporarily restricted contributions are also restricted by time as they have not yet been received by Panthera. At December 31, 2010 and 2009, cash received relating to temporarily restricted net assets (reported as a component of cash and cash equivalents) amounted to approximately \$2,535,000 and \$1,400,000, respectively.

**5. Related Party Transactions**

During the years ended December 31, 2010 and 2009, a significant portion of the unrestricted and temporarily restricted contributions were received from members of Panthera's Board of Directors. In order for donations from other individuals and organizations to be 100% used for program field services, a Director's contributions are required to be utilized in the first instance to support all costs not directly related to program field expenses and then the remaining balance is then used for program field expenses. Donations receivable at December 31, 2010 include approximately \$0.7 million related to a Director.

The lease for Panthera's office space is with a board member's company under terms that are substantially identical to the terms of the board member's company's primary lease (see Note 7).

**6. Retirement Plan**

During 2008, Panthera adopted the Panthera Corporation 401(k) Retirement Plan ("Plan"). Under the Plan provisions, all employees may make elective contributions of amounts up to the federal limitations. Panthera makes employee elective contribution matching contributions to the Plan on, at a minimum, an annual plan year basis. In addition, in years prior to 2010, Panthera could make general non-elective contributions which aggregated \$0 in 2009 and approximately \$48,000 in 2008. Panthera's matching employee elective contribution prior to 2010 was not to exceed 3% of the employee's gross pay. For the 2010 Plan year, Panthera adopted the "safe harbor provisions" whereby Panthera's matching employee elective contribution is 100% of salary deferrals up to 3% of the employee's gross pay plus 50% of salary deferrals in excess of 3% but not in excess of 5% of compensation. Panthera's matching employee elective contributions vest immediately. The general non-elective contributions of \$48,000 in 2008 vest at a rate of 0% prior to the first two years of service, 20% will be vested once the first two years of service is fulfilled, and 20% per year thereafter until full vesting is achieved after six years of service as specified in the Plan document. Total pension expense for the years ended December 31, 2010 and 2009 aggregated approximately \$46,000 and \$27,000, respectively.

**Notes to Financial Statements**

*Years Ended December 31, 2010 and 2009*

Effective January 1, 2010, Panthera became the sponsor of a nonqualified deferred compensation plan ("457 (f)") and a related salary reduction contributions plan ("457 (b)"). Under the plan agreements, Panthera is required to only fund the nonqualified deferred compensation plan (457 (f)) annually based on a specified funding schedule. The funding of the salary reduction contributions plan (457 (b)) is solely the responsibility of the participant. Pension expense under the 457 (f) plan for the year ended December 31, 2010 aggregated approximately \$33,000. Panthera's future obligations under this 457 (f) plan approximate \$47,000 through 2016.

**7. Commitments and Contingencies**

**Office lease** - During 2008, Panthera entered into a lease for office space under a non-cancelable operating sublease, which expires on January 31, 2015. Minimum future lease payments consist of the following:

*Year Ending December 31,*

2011	\$ 213,720
2012	237,120
2013	237,120
2014	237,120
Thereafter	19,760
	<u>\$ 944,840</u>

Rent expense, including real estate taxes and specified operating expenses required under by lease provisions, for the years ended December 31, 2010 and 2009 aggregated approximately \$289,000 and \$282,000, respectively.

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

**Other** - Panthera has a long-term employment contract with an employee under which certain payments are required to be paid if, as defined in the contract, premature termination of employment occurs. Payments resulting from premature termination could amount to the remaining compensation under the term of the contract and additional amounts for benefits and other items.

**Subsequent events** - Transactions and events subsequent to December 31, 2010 through March 29, 2011 were reviewed by management and no items were noted that require additional consideration or disclosure in the accompanying financial statements.