



the Jane Goodall Institute

**THE JANE GOODALL INSTITUTE FOR WILDLIFE  
RESEARCH, EDUCATION AND CONSERVATION  
AND RELATED ENTITY**

**AUDIT REPORT**

**FINANCIAL AND FEDERAL AWARD  
COMPLIANCE EXAMINATION**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

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**COMBINED FINANCIAL STATEMENTS**



the Jane Goodall Institute

**THE JANE GOODALL INSTITUTE FOR WILDLIFE  
RESEARCH, EDUCATION AND CONSERVATION  
AND RELATED ENTITY**

**FOR THE YEAR ENDED DECEMBER 31, 2015  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2014**

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

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# GELMAN, ROSENBERG

## & FREEDMAN

CERTIFIED PUBLIC ACCOUNTANTS



### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Jane Goodall Institute for Wildlife Research, Education and  
Conservation and Related Entity  
Vienna, Virginia

#### Report on the Financial Statements

We have audited the accompanying combined financial statements of The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity (the Institute), which comprise the combined statement of financial position as of December 31, 2015, and the related combined statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Institute as of December 31, 2015, and the combined change in its net assets and its combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## Report on Summarized Comparative Information

We have previously audited the Institute's 2014 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated October 6, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

### Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Schedule of Expenditures of Federal Awards on pages I-19 and I-20, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2016 on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.



August 23, 2016

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**COMBINED STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2015  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

<b>ASSETS</b>		<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents:			
Funds held in United States		\$ 277,769	\$ 451,442
Funds held in foreign countries		<u>721,032</u>	<u>703,633</u>
Total cash and cash equivalents		998,801	1,155,075
Investments (Notes 2, 8 and 9)		4,601,947	5,246,893
Grants receivable		3,051,519	1,143,163
Other receivables		796,146	730,720
Prepaid expenses		174,740	122,842
Inventory		14,685	30,089
Property, equipment and leasehold improvements, net of accumulated depreciation and amortization (Note 3)		<u>2,334,851</u>	<u>1,573,158</u>
Total current assets		<u>11,972,689</u>	<u>10,001,940</u>
<b>OTHER ASSETS</b>			
Security deposit		<u>-</u>	<u>18,477</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 11,972,689</u></b>	<b><u>\$ 10,020,417</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Line of credit (Note 9)		\$ 800,000	\$ -
Accounts payable and accrued liabilities		723,327	457,321
Deferred rent abatement (Note 4)		<u>13,113</u>	<u>6,575</u>
Total current liabilities		1,536,440	463,896
<b>LONG-TERM LIABILITIES</b>			
Deferred rent abatement, net of current portion (Note 4)		<u>136,590</u>	<u>149,704</u>
Total liabilities		<u>1,673,030</u>	<u>613,600</u>
<b>NET ASSETS</b>			
Unrestricted		5,377,786	5,222,270
Temporarily restricted (Note 5)		4,694,095	3,956,769
Permanently restricted (Note 6)		<u>227,778</u>	<u>227,778</u>
Total net assets		<u>10,299,659</u>	<u>9,406,817</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u>\$ 11,972,689</u></b>	<b><u>\$ 10,020,417</u></b>

See accompanying notes to combined financial statements.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	2015			2014	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>REVENUE</b>					
Contributions and grants	\$ 5,012,067	\$ 5,791,490	\$ -	\$ 10,803,557	\$ 9,617,226
Bequests	1,025,917	-	-	1,025,917	1,296,691
Lecture tour and honorariums	693,162	-	-	693,162	382,155
Merchandise sales	10,359	-	-	10,359	32,320
Royalties, license fees and other income	293,512	-	-	293,512	194,625
Investment income (Note 2)	205,723	-	-	205,723	262,287
Special events, net of direct costs of \$7,644	89,030	-	-	89,030	137,650
In-kind contributions	2,103,679	-	-	2,103,679	-
Net assets released from restriction - satisfaction of donor restrictions (Note 5)	<u>5,054,164</u>	<u>(5,054,164)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>14,487,613</u>	<u>737,326</u>	<u>-</u>	<u>15,224,939</u>	<u>11,922,954</u>
<b>EXPENSES</b>					
Program Services:					
Animal Welfare and Conservation	9,549,317	-	-	9,549,317	7,016,035
Education	1,836,996	-	-	1,836,996	1,798,803
Communications and Membership	<u>433,719</u>	<u>-</u>	<u>-</u>	<u>433,719</u>	<u>282,412</u>
Total program services	<u>11,820,032</u>	<u>-</u>	<u>-</u>	<u>11,820,032</u>	<u>9,097,250</u>
Supporting Services:					
Fundraising	1,112,162	-	-	1,112,162	1,064,268
Management and General	<u>1,069,912</u>	<u>-</u>	<u>-</u>	<u>1,069,912</u>	<u>993,626</u>
Total supporting services	<u>2,182,074</u>	<u>-</u>	<u>-</u>	<u>2,182,074</u>	<u>2,057,894</u>
Total expenses	<u>14,002,106</u>	<u>-</u>	<u>-</u>	<u>14,002,106</u>	<u>11,155,144</u>
Change in net assets from operating activities before other items	<u>485,507</u>	<u>737,326</u>	<u>-</u>	<u>1,222,833</u>	<u>767,810</u>
<b>OTHER ITEMS</b>					
Exchange rate (loss) gain	(79,759)	-	-	(79,759)	9,265
Unrealized loss on investments (Note 2)	<u>(250,232)</u>	<u>-</u>	<u>-</u>	<u>(250,232)</u>	<u>(31,086)</u>
Total other items	<u>(329,991)</u>	<u>-</u>	<u>-</u>	<u>(329,991)</u>	<u>(21,821)</u>
Change in net assets	155,516	737,326	-	892,842	745,989
Net assets at beginning of year	<u>5,222,270</u>	<u>3,956,769</u>	<u>227,778</u>	<u>9,406,817</u>	<u>8,660,828</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 5,377,786</u></b>	<b><u>\$ 4,694,095</u></b>	<b><u>\$ 227,778</u></b>	<b><u>\$ 10,299,659</u></b>	<b><u>\$ 9,406,817</u></b>

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	2015			
	Program Services			
	Animal Welfare and Conservation	Education	Communications and Membership	Total Program Services
Salaries	\$ 2,049,203	\$ 523,862	\$ 182,572	\$ 2,755,637
Taxes and benefits (Note 7)	432,126	162,678	42,977	637,781
Other personnel costs	960,366	129,518	24,304	1,114,188
Professional services	146,211	77,899	31,536	255,646
Telephone and fax	99,769	20,684	1,823	122,276
Postage and delivery	4,039	6,222	833	11,094
Printing and photocopying	46,178	8,379	10,509	65,066
Equipment, depreciation, repairs and maintenance	138,535	16,331	6,256	161,122
Travel	485,052	215,316	21,563	721,931
Bank fees, insurance and registration fees	140,907	85,858	15,598	242,363
Direct Mail	24,676	54,278	9,867	88,821
Supplies	50,376	7,701	5,404	63,481
Dues, fees, and subscriptions	2,104,480	1,815	2,493	2,108,788
Field expense	1,962,127	235,041	965	2,198,133
Occupancy costs (Note 4)	273,046	146,250	44,381	463,677
Event expense	63,240	11,364	2,305	76,909
Database management and fulfillment	5,977	25,494	4,762	36,233
Subtotal	8,986,308	1,728,690	408,148	11,123,146
Allocation of joint costs	563,009	108,306	25,571	696,886
<b>TOTAL</b>	<b>\$ 9,549,317</b>	<b>\$ 1,836,996</b>	<b>\$ 433,719</b>	<b>\$ 11,820,032</b>

					2014
<b>Supporting Services</b>					
<b>Fundraising</b>	<b>Management and General</b>	<b>Total Supporting Services</b>	<b>Total Expenses</b>	<b>Total Expenses</b>	
\$ 294,430	\$ 793,868	\$ 1,088,298	\$ 3,843,935	\$ 3,604,998	
52,933	143,837	196,770	834,551	1,159,861	
3,421	5,320	8,741	1,122,929	1,153,935	
43,897	14,521	58,418	314,064	208,035	
7,317	5,531	12,848	135,124	119,860	
21,124	365	21,489	32,583	47,919	
4,710	3,612	8,322	73,388	44,333	
13,228	10,302	23,530	184,652	358,068	
24,999	8,886	33,885	755,816	663,292	
62,092	47,366	109,458	351,821	225,417	
1,161,477	19,453	1,180,930	1,269,751	932,974	
1,341	1,985	3,326	66,807	68,396	
960	1,280	2,240	2,111,028	10,558	
-	-	-	2,198,133	1,912,813	
86,360	7,769	94,129	557,806	503,784	
20,542	1,492	22,034	98,943	81,068	
10,217	4,325	14,542	50,775	59,833	
1,809,048	1,069,912	2,878,960	14,002,106	11,155,144	
(696,886)	-	(696,886)	-	-	
<b>\$ 1,112,162</b>	<b>\$ 1,069,912</b>	<b>\$ 2,182,074</b>	<b>\$ 14,002,106</b>	<b>\$ 11,155,144</b>	

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 892,842	\$ 745,989
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	34,026	46,616
Realized loss (gain) on sale of investments	172	(48,611)
Unrealized loss on investments	250,232	31,086
(Increase) decrease in:		
Grants receivable	(1,908,356)	878,704
Other receivables	(65,426)	6,958
Prepaid expenses	(51,898)	(26,050)
Inventory	15,404	8,757
Security deposit	18,477	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	266,006	(223,603)
Deferred rent abatement	<u>(6,576)</u>	<u>(208)</u>
Net cash (used) provided by operating activities	<u>(555,097)</u>	<u>1,419,638</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(795,719)	(617,265)
Net sales of investments	<u>394,542</u>	<u>61,833</u>
Net cash used by investing activities	<u>(401,177)</u>	<u>(555,432)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings (payments) on line of credit	<u>800,000</u>	<u>(800,000)</u>
Net cash provided (used) by financing activities	<u>800,000</u>	<u>(800,000)</u>
Net (decrease) increase in cash and cash equivalents	(156,274)	64,206
Cash and cash equivalents at beginning of year	<u>1,155,075</u>	<u>1,090,869</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 998,801</u></b>	<b><u>\$ 1,155,075</u></b>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest Paid	<b><u>\$ 14,162</u></b>	<b><u>\$ 13,844</u></b>

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

Organization -

The Jane Goodall Institute for Wildlife Research, Education and Conservation (the Institute) was incorporated as a nonprofit organization under the laws of the State of California in 1977. The Institute contributes to the preservation of great apes and their habitats through conservation, education and promotion of sustainable livelihoods in local communities; improves global understanding and treatment of great apes through research, public education and advocacy; and engages a worldwide network of young people who take responsible action on behalf of humans, animals and the environment.

The Jane Goodall Institute, Inc. - Tanzania (JGI-Tanzania) is a legally registered organization located in Tanzania and receives the majority of its support from The Jane Goodall Institute for Wildlife Research, Education and Conservation. The current programs are funded by various public and private donors.

Program services -

Program services are segregated by type of activity within the Combined Statement of Activities and Change in Net Assets. The following indicates the specific activities that are included in each program area and promoted by the Institute:

- **Animal Welfare and Conservation**

Conservation activities ensure the long-term preservation of wildlife habitats, including reforestation and an extensive community-centered conservation program. Expenses include those related to the TACARE (Lake Tanganyika Catchment Reforestation and Education) program in Tanzania and similar initiatives in other African countries, as well as the Institute's Tanzanian Roots & Shoots program. Animal welfare activities ensure the physical and psychological well-being of animals in general, particularly chimpanzees. Animal welfare and conservation activities include the Institute's sanctuary in the Republic of Congo. In the United States, the Institute lends assistance to organizations seeking to address the welfare of captive chimpanzees kept for pets, entertainment and medical testing.

- **Education**

Education efforts heighten global awareness of the issues facing wild and captive great apes, particularly chimpanzees, and foster an awareness and understanding of the interdependence of all life, and empower youth to take action on behalf of people, animals and the environment. These types of expenses include those related to the Dr. Goodall's United States tours, including efforts to educate policy makers, and Jane Goodall's Roots & Shoots program, the Institute's global environmental and humanitarian youth program.

- **Communications and Membership**

Communication efforts promote the Institute's work to the general public, inform in regular updates the progress and outcomes of its efforts in conservation and development, wildlife research, and humanitarian and environmental education, and seek to heighten global awareness of the threats facing chimpanzees and other conservation issues. Communication efforts also entail creation of educational materials and their distribution to Institute members and the general public. This work is done through the Institute's website, print materials, videos and promotion of Dr. Jane Goodall's lecture tour and media appearances.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

**Basis of presentation -**

The accompanying combined financial statements are presented on the accrual basis of accounting, and in accordance with *FASB ASC 958-810, Not-for-Profit Entities, Consolidation*. All intercompany transactions have been eliminated during combination.

The combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Institute's combined financial statements for the year ended December 31, 2014, from which the summarized information was derived.

**Cash and cash equivalents -**

The Institute considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents, excluding money market funds held by investment managers in the amount of \$188,673 at December 31, 2015.

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

At December 31, 2015, the Institute maintained cash and cash equivalents of \$721,032 in foreign countries. The majority of these funds are uninsured.

**Foreign operations -**

The combined financial statements include activity of The Jane Goodall Institute, Inc. - Tanzania. The accounting records are maintained in the functional currency of the foreign country, the Tanzanian Shilling. In addition, the Institute maintains offices in Uganda, the Republic of Congo, and the Democratic Republic of Congo.

Assets and liabilities denominated in each respective countries' functional currency are converted into U.S. Dollars at year-end exchange rates, and revenue and expense accounts are translated at the average rates in effect during the year. Exchange gains and losses are reported in the Combined Statement of Activities and Change in Net Assets.

**Grants receivable -**

Grants receivable approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

**Other receivables -**

Other receivables consist of general trade receivables, travel advances, accrued interest and other miscellaneous receivables that are stated at their net realizable value.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

Other receivables (continued) -

Management considers all amounts to be collectible. Accordingly, an allowance for doubtful accounts has not been established.

Property, equipment and leasehold improvements -

Furniture and equipment costing in excess of \$2,500 are capitalized and depreciated over the life of the asset ranging from three to seven years. Leasehold improvements are capitalized and amortized over the life of the lease and buildings are amortized over the life of the building. All costs (direct and indirect) associated with self-construction of fixed assets are capitalized.

Inventory -

Inventory, consisting of books, videotapes, brochures and other resource materials held for resale, is stated at the lower of cost or net realized value. Cost is determined on the first-in, first-out basis.

Investments -

Investments are presented in the combined financial statements at their readily determinable fair value. Interest and dividend income is recorded as revenue when earned. Realized gains and losses from investments are included in investment income, which is reflected in the Combined Statement of Activities and Change in Net Assets. Unrealized gains and losses are reflected as an other item in the Combined Statement of Activities and Change in Net Assets.

Net asset classification -

The net assets are reported in three 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 the Institute.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Institute and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Combined Statement of Activities and Change in Net Assets as net assets released from restrictions.
- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by the Institute.

Income taxes -

The Institute 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 combined financial statements. The Institute is not a private foundation.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

Income taxes (continued) -

As an independently registered non-governmental organization (NGO), The Jane Goodall Institute, Inc. - Tanzania (JGI-Tanzania) is subject to taxes on its net investment income. JGI-Tanzania did not earn any investment income. Accordingly, no provision for income taxes has been made in the accompanying combined financial statements.

Uncertain tax positions -

For the year ended December 31, 2015, the Institute has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. 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.

Contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying combined financial statements. Contributions and grants with donor-imposed restrictions that are met in the same accounting period are reported as unrestricted net assets.

In-kind contributions -

In-kind contributions are recorded at their fair market value. During the year ended December 31, 2015, the Institute was the beneficiary of license use, valued at \$2,103,679, which has been included in revenue and expense.

The Institute makes extensive use of volunteers in many of their programs, have a volunteer Board of Directors, and does not attempt to place a dollar value on these donated services. The contribution benefited the animal welfare and conservation program.

Functional allocation of expenses -

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

Use of estimates -

The preparation of the combined 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 combined financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY

NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2015

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

Investment risks and uncertainties -

The Institute invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, foreign exchange, and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

Fair value measurement -

The Institute adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Institute accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

2. INVESTMENTS

Investments are recorded at their readily determinable fair value. Investments at December 31, 2015 are as follows:

	<u>Fair Value</u>
Money market funds	\$ 188,673
Mutual funds	1,441,726
Stocks	739,543
Bonds	2,223,017
Certificates of deposit	<u>8,988</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 4,601,947</u></b>

An unrealized loss of \$250,232 is reported as an other item in the Combined Statement of Activities and Change in Net Assets. Investment income for the year ended December 31, 2015 consisted of the following:

Interest and dividends	\$ 205,895
Realized loss	<u>(172)</u>
<b>TOTAL INVESTMENT INCOME</b>	<b><u>\$ 205,723</u></b>

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**3. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

Property, equipment and leasehold improvements at December 31, 2015 are comprised of the following:

Furniture	\$	40,676
Software		319,445
Computer hardware		109,555
Equipment		73,616
Leasehold improvements and buildings		164,338
Construction in progress-chimpanzee reserve		2,081,708
Vehicles		<u>152,895</u>
		2,942,233
Less: Accumulated depreciation and amortization		<u>(607,382)</u>
<b>PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET</b>	<b>\$</b>	<b><u>2,334,851</u></b>

**4. LEASE COMMITMENTS**

Beginning September 1, 2012, the Institute entered into an eight-year lease for office space, which expires April 30, 2021, with one five-year option to renew at prevailing market rates. The lease includes a rent abatement for the first eight months.

Rent expense (including operating expenses and real estate taxes) under these agreements for the year ended December 31, 2015 totaled \$359,700. Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent abatement.

Future minimum lease payments, excluding operating expenses and real estate taxes, are as follows:

<u>Year Ending December 31,</u>		
2016	\$	242,877
2017		249,586
2018		256,465
2019		263,515
2020		270,764
Thereafter		<u>91,903</u>
	<b>\$</b>	<b><u>1,375,110</u></b>

The Institute also leases office space in foreign countries under short-term lease agreements.

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY

NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2015

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2015:

Animal Welfare and Conservation	\$ <u>4,694,095</u>
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The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

Animal Welfare and Conservation	\$ <u>5,054,164</u>
---------------------------------	---------------------

6. PERMANENTLY RESTRICTED NET ASSETS

The Institute's permanently restricted net assets consist of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Permanently restricted net assets represent \$227,778 of contributions restricted by the donors to be invested in-perpetuity. Interest earned on the invested balance is to be used to support the general operations of the Institute.

7. RETIREMENT PLAN

Retirement benefits are available for all regular, full-time employees. Eligible employees are covered by a 401(k) pension plan. The Institute contributes five percent of an employee's base salary annually. Contributions made by the Institute during the year ended December 31, 2015, amounted to \$115,762.

8. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, the Institute has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Combined Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Institute has the ability to access.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**8. FAIR VALUE MEASUREMENT (Continued)**

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2015.

- *Money market funds* - Fair value is equal to the reported net asset value of the fund.
- *Mutual funds* - Fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained.
- *Stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.
- *Certificates of deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

The table below summarizes, by level within the fair value hierarchy, the Institute's investments as of December 31, 2015:

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
<b>Investments:</b>				
Money market funds	\$ 188,673	\$ -	\$ -	\$ 188,673
Mutual funds	1,441,726	-	-	1,441,726
Stocks	739,543	-	-	739,543
Bonds	-	2,223,017	-	2,223,017
Certificates of deposit	-	8,988	-	8,988
<b>TOTAL</b>	<b>\$ 2,369,942</b>	<b>\$ 2,232,005</b>	<b>\$ -</b>	<b>\$ 4,601,947</b>

**9. LINE OF CREDIT**

The Institute has a \$1,553,760, revolving line of credit with the financial institution that manages its investments. The line of credit is secured by the Institute's investment portfolio. Borrowings on the line of credit bear interest at the prime rate (3.25% at December 31, 2015) minus 1.00%. As of December 31, 2015, outstanding borrowings on the line of credit totaled \$800,000.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**10. ALLOCATION OF JOINT COSTS**

The Institute conducts direct mail campaigns and special events that have a programmatic and fundraising content. Accordingly, costs totaling \$1,161,477 associated with the direct mail campaigns and the special events have been allocated among the programs and supporting services benefited.

The method of allocating costs was based primarily on the programmatic and fundraising content of the activities.

The joint costs were allocated as follows:

Animal Welfare and Conservation	\$ 563,009
Education	108,306
Communications and Membership	<u>25,571</u>
	<b><u>\$ 696,886</u></b>

**11. CONTINGENCY**

The Institute receives grants from various agencies of the United States Government. For fiscal years through December 31, 2014, such grants were subject to audit under the provisions of OMB Circular A-133. Beginning for fiscal year ended December 31, 2015, such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2015. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

**12. SUBSEQUENT EVENTS**

In preparing these combined financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through August 23, 2016, the date the combined financial statements were issued.

## **SUPPLEMENTAL INFORMATION**

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Federal Granting Agency and Program Title</u>	<u>Pass-Through Entity</u>	<u>Pass-Through ID Number</u>	<u>CFDA or Award Number</u>	<u>Pass-Through to Sub-Recipients</u>	<u>2015 Expenditures</u>
<b>United States Agency for International Development</b>					
Greater Gombe Ecosystem	N/A	N/A	98.001	\$ 4,118	\$ 1,344,786
Central Africa Forest Ecosystems Conservation (CAFEC)	Conservation International	64789	98.001	660	77,708
Biodiversity Analysis and Technical Support (BATS)	World Wildlife Fund	RLA-00-07-0043-00	98.001	-	52,171
JGI - Uganda: Tourism for Biodiversity	African Wildlife Foundation	13-JGI01	98.001	<u>43,796</u>	<u>203,538</u>
<b>Sub-total CFDA 98.001</b>				<b><u>48,574</u></b>	<b><u>1,678,203</u></b>
<b>National Science Foundation</b>					
Gombe Research	Duke University	11-NSF-1068	47.074	-	12,862
Family Planning	Duke University	11-NSF-1068	47.074	<u>-</u>	<u>8,546</u>
<b>Sub-total CFDA 47.074</b>				<b><u>-</u></b>	<b><u>21,408</u></b>
<b>National Aeronautics and Space Administration</b>					
Chimpanzee Habitat Health in Africa - NASA	N/A		43.001	<u>14,998</u>	<u>58,987</u>
<b>Sub-total CFDA 43.001</b>				<b><u>14,998</u></b>	<b><u>58,987</u></b>
<b>United States Department of the Interior</b>					
US Fish & Wildlife Services-Conservation Education	N/A	N/A	15.629	<u>-</u>	<u>9,168</u>
<b>Sub-total CFDA 15.629</b>				<b><u>-</u></b>	<b><u>9,168</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b><u>\$ 63,572</u></b>	<b><u>\$ 1,767,766</u></b>

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of the Institute under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Institute, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Institute.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Institute has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Section I - Summary of Audit Results**

**Financial Statements**

- 1.) Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP on the accrual basis of accounting: Unmodified
- 2.) Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_ Yes   X   No
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)?   X   Yes \_\_\_ None Reported
- 3.) Noncompliance material to financial statements noted? \_\_\_ Yes   X   No

**Federal Awards**

- 4.) Internal control over major programs:
- Material weakness(es) identified? \_\_\_ Yes   X   No
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)?   X   Yes \_\_\_ None Reported
- 5.) Type of auditor's report issued on compliance for major programs: Unmodified
- 6.) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   X   Yes \_\_\_ No

- 7.) Identification of major programs:

<u>Federal Awarding Agency</u>	<u>CFDA Number</u>
United States Agency for International Development	98.001

- 8.) Dollar threshold used to distinguish between type A and type B programs: \$750,000
- 9.) Auditee qualified as a low-risk auditee?   X   Yes \_\_\_ No

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**Section II - Financial Statement Findings**

See Section III Findings 2015-001, 2015-002, 2015-003, and 2015-004

**Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))**

**Finding 2015-001: Procurement**

**Information on the Federal Programs:** None directly affected

**Condition:** During our current year testwork, we noted one instance where only an Excel sheet summarizing bids was available (not the actual bids or documentation of the decision). We also noted continuing relationships with several vendors (thus no procurement or sole source justification was provided). Our audit procedures consisted of statistical sampling as well as substantive testwork over a sample of expenditures that were selected based on a threshold. We consider our sample to be representative of the population.

**Criteria:** CFR 200.320 specifies methods of procurement that must be used, and limits the use of procurement by noncompetitive proposals to specific instances or situations including 1) the item is available only from a single source, 2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, 3) the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity, or 4) after solicitation of a number of sources, competition is determined inadequate.

**Questioned Costs:** None noted

**Context and Effect:** The Institute is not fully compliant with federal requirements.

**Cause:** The Institute has not updated their procurement policies or reviewed certain vendor/consultant relationships.

**Identification as a Repeat Finding, if Applicable:** This was a prior year finding (2014-001)

**Recommendation:** Given that several contracts were noted, which were expired, and the recent implementation of CFR 200 which impacts procurement policy requirements for entities receiving Federal funds, we continue to recommend the Institute strengthen their procurement policies and procedures to ensure that vendor/consultant selections are documented and reviewed periodically.

**Views of Responsible Officials and Planned Corrective Actions:** Annual reminders for both the HQ and field staff will be distributed at the beginning of each calendar year by the Senior Accountant beginning in 2016. In late 2015, several field visits were conducted by the VP of Finance and the discussion specific to the procurement policy was deliberately reiterated to the field staff.

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))  
(Continued)

**Finding 2015-002: Payroll**

**Information on the Federal Programs:** 98.001

**Condition:** During our test of the payroll cycle we noted the following:

- Several instances where the salary expense allocated to certain projects within the general ledger did not agree to the time reported on the timesheets.
- Two instances where the employees pay rate did not match the pay rates documented in their respective personnel files.

With respect to the allocation of salary expense, it is our understanding that there are times when the allocation entries are modified due to errors noted by the employee's supervisor; however, such corrections are not noted on the timesheets. And with respect to the pay rates not being properly documented, we were subsequently provided revised pay rates; however, such revised pay rate information was not properly documented as being approved.

Our audit procedures consisted of statistical sampling. We consider our sample to be representative of the population.

**Criteria:** In accordance with CFR 200.430, charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

**Questioned Costs:** None noted

**Context and Effect:** Documentation of correct payroll allocation and staff pay rates is required to support charges to the Federal grants.

**Cause:** The Institute did not adequately document pay rates and payroll allocations.

**Identification as a Repeat Finding, if Applicable:** Not applicable

**Recommendation:** We strongly recommend that all changes related to the payroll cycle (allocation of salary expense within the general ledger or changes in employee pay rates) be properly documented in writing. All changes/corrections should be made by an authorized individual.

**Views of Responsible Officials and Planned Corrective Actions:** At the beginning of 2nd quarter 2016 a policy was issued specifically outlining the requirements for amending any hours incorrectly allocated to projects previously submitted and approved. Only written e-mail confirmation received by the Controller from the employee is an acceptable form of documentation valid to reclassify time allocations. With respect to the pay rates, all changes in pay amounts have always required appropriate documentation.

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))  
(Continued)

**Finding 2015-003 Field Office Asset and Liability Reconciliations**

**Information on the Federal Programs:** 15.629, 98.001, 43.001

**Condition:** Our audit revealed improvement with respect to the documentation maintained to support field office asset and liability accounts; however, we noted that many of the reconciliations had to be requested from the respective field offices during our audit work, thus, it was evident that such reconciliations had not been properly reviewed and approved by the finance department at the HQ office. Our audit work also disclosed instances where the petty cash counts were not available, or were conducted a day other than the last of the month, and in some cases did not agree to the trial balance; and instances where the receivable accounts included numerous advances that appear outdated and some items that were not clearly identified.

**Criteria:** In accordance with CFR 200.302 the financial management system of each non-Federal entity must provide for the following:

(Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See §200.303 Internal controls).

**Questioned Costs:** None noted

**Context and Effect:** The lack of accurate schedules indicates a lack of oversight, allowing for the possibility of fraud, waste or abuse to occur and not be properly detected by the Institute's system of internal controls.

**Cause:** The field offices are not sending complete, timely and adequate information to HQ for review.

**Identification as a Repeat Finding, if Applicable:** This was a prior year finding (2012-2).

**Recommendation:** We recommend that the HQ finance office implement proper procedures to ensure all field office asset and liability accounts are properly reviewed and approved on a monthly basis.

In addition, we recommend the Institute modify their current method of posting activity to the field office advance accounts (currently recording only cash received by the field office and disbursed by the field office), so that the changes in the other asset and liability accounts are also recorded.

The result of this change will enhance the accuracy of the reporting of all expenditures incurred at the field office level.

**Views of Responsible Officials and Planned Corrective Actions:** Throughout 2016 the HQ finance staff has been working with remote finance staff to appropriately train and monitor the reconciliation of the asset and liability accounts. The Controller will continue to work with Field Office Executive Directors and finance staff to improve/implement reconciliation processes to meet requirements through the end of 2016.

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,  
EDUCATION AND CONSERVATION AND RELATED ENTITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))  
(Continued)

Finding 2015-004 Compliance with U.S. Government Terrorism Requirements

Information on the Federal Program: 98.001

**Condition:** As a result of our current year testwork we noted certain expenditures incurred at the field offices that were charged to federal awards for which screening/vetting of the suppliers had not been conducted. Our audit procedures consisted of statistical sampling as well as substantive testwork over a sample of expenditures that were selected based on a threshold. We consider our sample to be representative of the population.

**Criteria:** Recipients of U.S. Government funds must adhere to the U.S. Government's requirements under Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, on screening all potential vendors, consultants, subrecipients, etc. against the System for Award Management (SAM). The screening of all potential vendors, consultants, subrecipients, etc. must be documented in writing.

**Questioned Costs:** None

**Context and Effect:** The failure to screen such parties increases the possibility that U.S. Government funds may inadvertently be provided to individuals or organizations deemed to be excluded parties by the United States Government.

**Cause:** The field office was not maintaining documentation that they had screened vendors paid using federal funds.

**Identification as a Repeat Finding, if Applicable:** This was a prior year finding (2012-1)

**Recommendation:** We recommend that management ensure a screening process is conducted and properly documented which satisfies the requirements of Executive Order 13224.

**Views of Responsible Officials and Planned Corrective Actions:** Great strides were made in 2015 to improve the clearing of new vendors with respect to the executive order. The recurring and long-standing vendors and employees that are retained by JGI will be cleared through an annual screening process in February of each year. An internal controls memo/SOP was submitted to all field offices finance in September 2016 by the Controller requesting a SAM check is conducted on all vendors (active and new) with periodic rechecks to be conducted moving forward. This should be completed by end of year 2016.



### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

#### Independent Auditor's Report

To the Board of Directors  
The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity  
Vienna, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity (the Institute) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Institute's basic financial statements, and have issued our report thereon dated August 23, 2016.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Institute's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Institute's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Findings 2015-001, 2015-002, 2015-003 and 2015-004 that we consider to be significant deficiencies.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Institute's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2015-001, 2015-002, 2015-003 and 2015-004.

## **The Institute's Responses to Findings**

The Institute's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Institute's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



August 23, 2016

# GELMAN, ROSENBERG

## & FREEDMAN

CERTIFIED PUBLIC ACCOUNTANTS



### REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY TITLE 2 U.S. CODE OF FEDERAL REGULATIONS (CFR) PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)

#### Independent Auditor's Report

To the Board of Directors  
The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity  
Vienna, Virginia

#### **Report on Compliance for Each Major Federal Program**

We have audited the The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Institute's major federal programs for the year ended December 31, 2015. The Institute's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### **Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Institute's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Institute's compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, the Institute complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001, 2015-002, 2015-003 and 2015-004. Our opinion on each major federal program is not modified with respect to these matters.

The Institute's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Institute's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### Report on Internal Control Over Compliance

Management of the Institute is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Institute's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001, 2015-002, 2015-003 and 2015-004, that we consider to be significant deficiencies.

The Institute's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Institute's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



August 23, 2016