COMBINED FINANCIAL STATEMENTS

Jane Goodall Institute

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

FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2021

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Jane Goodall Institute for Wildlife Research, Education and Conservation USA and Related Entity
Washington, D.C.

Opinion

We have audited the accompanying combined financial statements of The Jane Goodall Institute for Wildlife Research, Education and Conservation USA and Related Entity (the Institute), which comprise the combined statement of financial position as of December 31, 2022, 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.

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, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Institute's 2021 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated September 26, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, 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 solely 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 the effectiveness of the Institute's 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.

Gelman Rosenberg & Freedman

June 29, 2023

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

COMBINED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

ASSETS

	2022	2021
ASSETS		
Cash and cash equivalents:		
Funds held in United States	$ 5,102,141	$ 5,393,002
Funds held in foreign countries	1,220,686	1,181,001
Total cash and cash equivalents	6,322,827	6,574,003
Investments	8,682,340	8,002,105
Grants receivable	2,049,525	1,292,323
Accounts receivable	1,028,632	698,956
Prepaid expenses	254,867	353,790
Property, equipment and leasehold improvements, net of accumulated depreciation and amortization	1,128,584	1,015,864
Right-of-use asset (Congo Island), net	1,844,936	1,948,994
Right-of-use asset (operating lease), net	342,060	487,872
Security deposit	49,759	55,567
TOTAL ASSETS	**$ 21,703,530**	**$ 20,429,474**

LIABILITIES AND NET ASSETS

	2022	2021
LIABILITIES		
Loan payable	$ -	$ 751,109
Accounts payable and accrued liabilities	2,656,213	3,181,309
Refundable advances	2,328,039	3,364,887
Operating lease liability	360,047	504,270
Total liabilities	5,344,299	7,801,575
NET ASSETS		
Without donor restrictions	11,199,774	8,775,764
With donor restrictions	5,159,457	3,852,135
Total net assets	16,359,231	12,627,899
TOTAL LIABILITIES AND NET ASSETS	**$ 21,703,530**	**$ 20,429,474**

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

COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2022 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions and grants:				
Corporate and foundation grants	$ 4,861,528	$ 6,473,964	$ 11,335,492	$ 7,155,126
Individual contributions	5,630,700	534,235	6,164,935	5,743,155
Government grants	3,694,917	-	3,694,917	6,106,275
Bequests	2,546,409	-	2,546,409	1,368,625
Auction event	158,000	-	158,000	-
Contributed non-financial assets	367,455	-	367,455	467,251
Net assets released from donor restrictions	5,551,616	(5,551,616)	-	-
Total contributions and grants	22,810,625	1,456,583	24,267,208	20,840,432
Other Support and Revenue:				
Lecture tour and honorariums	331,200	-	331,200	236,300
Merchandise sales	140,350	-	140,350	154,690
Royalties and license fees	1,234,655	-	1,234,655	876,096
Investment income (loss)	96,523	(9,090)	87,433	257,545
Other income	44,716	-	44,716	97,538
Total other support and revenue	1,847,444	(9,090)	1,838,354	1,622,169
Total support and revenue	24,658,069	1,447,493	26,105,562	22,462,601
EXPENSES				
Program Services:				
Animal Welfare and Conservation	14,240,010	-	14,240,010	14,048,696
Education	1,566,641	-	1,566,641	1,112,520
Communications and Partnerships	1,962,379	-	1,962,379	1,548,203
Total program services	17,769,030	-	17,769,030	16,709,419
Supporting Services:				
Management and General	2,599,188	-	2,599,188	2,573,341
Fundraising	2,188,289	-	2,188,289	1,663,400
Total supporting services	4,787,477	-	4,787,477	4,236,741
Total expenses	22,556,507	-	22,556,507	20,946,160
Change in net assets from operating activities before other items	2,101,562	1,447,493	3,549,055	1,516,441
OTHER ITEMS				
Exchange rate gain	50,505	-	50,505	19,196
Forgiveness of debt	751,109	-	751,109	793,400
Unrealized (loss) gain on investments	(479,166)	(140,171)	(619,337)	161,879
Total other items	322,448	(140,171)	182,277	974,475
Change in net assets	2,424,010	1,307,322	3,731,332	2,490,916
Net assets at beginning of year	8,775,764	3,852,135	12,627,899	10,136,983
NET ASSETS AT END OF YEAR	$ 11,199,774	$ 5,159,457	$ 16,359,231	$ 12,627,899

See accompanying notes to combined financial statements.

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

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022								2021
	Program Services				Supporting Services				
	Animal Welfare and Conservation	Education	Communications and Partnerships	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries and wages	$ 4,162,497	$ 570,491	$ 727,498	$ 5,460,486	$ 1,026,855	$ 740,000	$ 1,766,855	$ 7,227,341	$ 6,239,529
Field expenses	3,427,428	56,377	615	3,484,420	-	10	10	3,484,430	3,676,782
Benefits	1,191,043	212,576	153,146	1,556,765	234,678	143,507	378,185	1,934,950	1,578,152
Direct mail	-	-	4,420	4,420	-	1,920,699	1,920,699	1,925,119	1,779,040
Sub-awards	1,322,278	16,336	-	1,338,614	-	-	-	1,338,614	1,888,704
Travel	615,968	242,760	112,343	971,071	84,328	36,647	120,975	1,092,046	525,672
Professional fees	38,412	128,384	438,531	605,327	225,508	135,536	361,044	966,371	875,547
Consultants	609,998	75,837	34,531	720,366	141,804	1,255	143,059	863,425	691,795
Occupancy costs	302,403	20,885	1,550	324,838	196,385	-	196,385	521,223	571,770
Database and website management	5,006	2,431	166,149	173,586	40,875	303,177	344,052	517,638	348,567
Computer hardware, software and equipment	301,773	3,984	16,894	322,651	179,590	2,304	181,894	504,545	606,747
Corporate expense and registration	112,681	-	4,413	117,094	164,164	95,208	259,372	376,466	408,315
In-kind software	317,455	-	-	317,455	-	-	-	317,455	467,251
Other personnel costs	61,220	-	-	61,220	205,247	10,079	215,326	276,546	267,655
Other expenses	174,728	61,445	67,087	303,260	(87,678)	912	(86,766)	216,494	89,076
Postage and delivery	5,428	1,530	21,642	28,600	19,805	154,032	173,837	202,437	56,238
Telephone and internet	128,709	792	145	129,646	45,191	9,286	54,477	184,123	179,870
Office expenses	74,345	5,181	87,580	167,106	7,497	3,685	11,182	178,288	244,430
Depreciation and amortization	51,133	-	-	51,133	112,902	-	112,902	164,035	132,717
Printing and photocopying	38,740	620	39,111	78,471	-	48,107	48,107	126,578	41,037
Conferences, workshops and events	13,339	25,002	23,935	62,276	792	27,501	28,293	90,569	204,201
Subscriptions	1,741	-	37,053	38,794	1,245	7,775	9,020	47,814	73,065
Subtotal	12,956,325	1,424,631	1,936,643	16,317,599	2,599,188	3,639,720	6,238,908	22,556,507	20,946,160
Joint cost allocation	1,283,685	142,010	25,736	1,451,431	-	(1,451,431)	(1,451,431)	-	-
TOTAL	**$ 14,240,010**	**$ 1,566,641**	**$ 1,962,379**	**$17,769,030**	**$ 2,599,188**	**$2,188,289**	**$ 4,787,477**	**$22,556,507**	**$20,946,160**

See accompanying notes to combined financial statements.

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

COMBINED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 3,731,332	$ 2,490,916
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	164,035	132,717
Amortization of right-of-use asset	145,812	16,398
Realized loss (gain) on sale of investments	98,180	(118,444)
Unrealized loss (gain) on investments	619,337	(161,879)
Loss on disposal of assets	-	8,530
Forgiveness of debt	(751,109)	(793,400)
Donated securities received	(1,266,624)	(1,542,457)
Proceeds from sale of donated securities	1,255,738	1,779,840
(Increase) decrease in:		
Grants receivable	(757,202)	(435,153)
Accounts receivable	(329,676)	84,000
Prepaid expenses	98,923	(135,460)
Security deposit	5,808	(11,970)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(525,096)	1,055,475
Refundable advances	(1,036,848)	(143,138)
Deferred rent	-	(15,315)
Operating lease liability	(144,223)	-
Net cash provided by operating activities	1,308,387	2,210,660
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, equipment and right-of-use assets	(172,697)	(345,188)
Net purchases of investments	(1,445,650)	(1,975,689)
Proceeds from sale of investments	58,784	21,721
Net cash used by investing activities	(1,559,563)	(2,299,156)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	-	751,109
Net cash provided by financing activities	-	751,109
Net (decrease) increase in cash and cash equivalents	(251,176)	662,613
Cash and cash equivalents at beginning of year	6,574,003	5,911,390
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 6,322,827**	**$ 6,574,003**
SUPPLEMENTAL INFORMATION		
Right-of-Use Asset	**$ -**	**$ 584,872**
Operating Lease Liability for Right-of-Use Asset	**$ -**	**$ 584,872**

See accompanying notes to combined financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Jane Goodall Institute for Wildlife Research and Conservation USA, ("the Institute") was incorporated as a nonprofit organization under the laws of the State of California in 1977. The Institute advances the vision of founder Dr. Jane Goodall by growing understanding, protection, and advocacy for chimpanzees, global wildlife, and their habitats through science, community-led conservation, and youth empowerment. The Institute aims to create an informed, compassionate worldwide movement fueled by hope and driven to action to grow a better world for each other, other animals, and our shared planet.

The Jane Goodall Institute – Tanzania (JGI Tanzania) is an independent non-governmental organization (NGO) that has operated in Tanzania since 1992. JGI Tanzania receives a majority of its support from The Jane Goodall Institute for Wildlife Research, Education and Conservation USA. The current programs are funded by various public and private donors. The accounts of JGI-Tanzania and United States are consolidated due to the control the United States office has over it.

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:

- **Community-Led Conservation and Animal Welfare**
  The Institute produces high-impact conservation work in Africa and is a leader in conservation science and research. Expenses relate to activities in which the Institute is working closely with local communities and governments to protect great apes and their habitats, improve the well-being of human communities in and near these habitats, advance conservation research, and apply science and technology to conservation challenges. By skillfully integrating these critical components, the Institute is using a holistic approach to achieve Dr. Jane Goodall's vision for our planet—a place where people, other animals, and the environment coexist in sustainable harmony.

- **Education**
  Solving the challenges facing our planet requires a global movement—and that means empowering our young people to make a difference. Through the Institute's Roots & Shoots program, the Institute is engaging young people to take action in their own communities, which creates a ripple effect of positive impact around the world. Expenses relate to activities included in the Roots & Shoots program, as well as Dr. Jane Goodall's tours in the United States to educate and inspire future changemakers.

- **Communications and Partnerships**
  Through communication and partnership efforts, the Institute promotes their work and impact on the world to the general public. By informing external audiences on the successful work being done in conservation science, wildlife research, community-led conservation, and environmental education, the Institute continues to increase visibility and thought leadership in the industry. Expenses relate to providing regular updates on progress and outcomes of the Institute's work, creating and distributing education materials through the website, print materials, videos and digital promotion, and media appearances.

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 Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entitie*s. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.

- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are more restrictive than the Institute's mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

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, 2021, from which the summarized information was derived.

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

New accounting pronouncements adopted -

During the year ended December 31, 2022, the Institute adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves generally accepted accounting principles in the United States (U.S. GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU was adopted retrospectively and did not change the recognition and measurement requirements for those contributed nonfinancial assets.

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

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 $4,262,438 at December 31, 2022.

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, 2022, the Institute maintained cash and cash equivalents of $1,220,686 in foreign countries. The majority of these funds are uninsured.

Investments -

Investments are presented in the combined financial statements at their readily determinable fair value.

Interest, dividends and realized gains and losses from investments, net of investment expenses are included in investment income 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.

Foreign operations -

The Institute maintains operations in Tanzania, Uganda, the Republic of Congo and the Democratic Republic of Congo.

Assets and liabilities denominated in each respective country's 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 as an other item in the Combined Statement of Activities and Change in Net Assets.

Grants receivable -

Grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Accounts receivable -

Accounts receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be collectable. 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.

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

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Combined Statement of Activities and Change in Net Assets, to its current fair value.

Right-of-use asset (Congo Island) -

The Institute has constructed and improved certain structures and facilities for a chimpanzee reserve within the Tchimpounga Nature Reserve in Congo. The structures and facilities have been recorded at cost and are being amortized over a period of 25 years. The Institute has an agreement with the Ministry of Forest Economy and Sustainable Development for the use of the structures and facilities within the national park. The agreement is reviewed every five years, but is expected to be continued for an unlimited period of time; however, in accordance with the agreement, formal ownership of the structures and facilities are the property of the Government of the Republic of Congo, but are managed as a project by the Institute.

Right-of-use asset (operating lease) -

In accordance with ASC 842, the right-of-use asset and related lease liability is amortized over the lease term. As stated in Note 6, amortization of the right-of-use asset is included in occupancy expense in the accompanying Combined Statement of Functional Expenses for the year ended December 31, 2022.

Income taxes -

The Institute is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. The Institute is not a private foundation.

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, 2022, 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 combined financial statements.

Revenue recognition -

Contributions and grants -

The majority of the Institute's activities are supported by grants and contributions from the U.S. Government, corporate and foundation donors and individuals. These awards are for various activities performed by the Institute.

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

Revenue recognition (continued) -

Contributions and grants (continued) -

Contributions and grants are recognized in the appropriate category of net assets in the period received. The Institute performs an analysis of the individual contributions and grants to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed nonreciprocal or reciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.* For the year ended December 31, 2022 all contributions and grants have been deemed to be nonreciprocal, accordingly, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable.

Contributions and grants qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Funds in in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying combined financial statements.

Contributions or grants qualifying as conditional contributions contain a right and a barrier. Revenue is recognized when the condition or conditions on which they depend are substantially met (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants treated as contributions, the Institute had approximately $7,880,000 in unrecognized conditional awards as of December 31, 2022.

Contributed non-financial assets consist of donated software licenses and database and website management services and are recorded as revenue and expense at the fair market value on the date of the donation. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Institute.

Other support and revenue -

Lecture tour and honorariums -

The Institute receives fees for lecture tours and other events hosted by the Institute's founder. These transactions are classified as exchange transactions and recognition follows ASU 2014-09, *Revenue from Contracts with Customers*.

Revenue is recorded when the performance obligations are met, which is when the related events have occurred. Transaction price is determined based on sales price. The Institute has elected to opt out of all disclosures not required for non-public entities.

Merchandise sales -

Merchandise sales are classified as exchange transactions and recognition follows ASU 2014-09, *Revenue from Contracts with Customers*. Revenue is recorded when the performance obligations are met, which is at the point in time when the sales take place.

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

Other support and revenue (continued) -

Merchandise sales (continued) -

Transaction price is determined based on sales price. The Institute has elected to opt out of all disclosures not required for nonpublic entities.

Royalties and license fees -

Royalties and license fees are classified as exchange transactions and recognition follows ASU 2014-09, *Revenue from Contracts with Customers*. Revenue is recorded when the performance obligations are met, which is when the related activity takes place. Transaction price is determined based on provisions of the related royalty and license agreements. The Institute has elected to opt out of all disclosures not required for nonpublic entities.

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.

Expenses directly attributed to a specific functional area of the Institute are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of actual time and effort.

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.

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*.

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

Fair value measurement (continued) -

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.

New accounting pronouncement (not yet adopted) -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for the Institute for the year ending December 31, 2023. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

The Institute plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying combined financial statements.

2. INVESTMENTS

Investments are recorded at their readily determinable fair value. Investments at December 31, 2022 are as follows:

	Fair Value
Money market funds	$ 4,262,438
Mutual funds	2,981,520
Stocks	231,824
Bonds	1,206,558
TOTAL INVESTMENTS	**$ 8,682,340**

An unrealized loss of $619,337 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, 2022 consisted of the following:

Interest and dividends	$ 211,449
Realized loss	(98,180)
Management fees	(25,836)
TOTAL INVESTMENT INCOME	**$ 87,433**

3. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements at December 31, 2022 are comprised of the following:

Furniture	$ 1,813
Software	314,882
Computer hardware	69,584
Equipment	175,375
Buildings	995,409
Vehicles	245,355
	1,802,418
Less: Accumulated depreciation and amortization	(673,834)
PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET	**$ 1,128,584**

4. RIGHT-OF-USE ASSET (CONGO ISLAND)

The Institute has constructed a chimpanzee reserve in the Tchimpounga Nature Reserve in Congo. The land on which the reserve is constructed is owned by the Congolese government, and the Institute has been granted right-of-use of the constructed reserve. Accordingly, the associated costs have been capitalized as a right-of-use asset in the accompanying Combined Statement of Financial Position. Following is a summary of the net value of the right-of-use asset at December 31, 2022:

Buildings, structures and improvements	$ 2,583,688
Less: Accumulated depreciation and amortization	(738,752)
NET VALUE, RIGHT-OF-USE ASSET (CONGO ISLAND)	**$ 1,844,936**

5. NOTE PAYABLE

On April 21, 2020, the Institute received loan proceeds in the amount of $793,400 under the Paycheck Protection Program. The promissory note bore interest at a rate of 1% per year and called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. The Institute applied for forgiveness of the loan after completing the 24 week spending period. In January 2021, the Institute received notification that the loan has been forgiven in full by the Small Business Administration. The loan forgiveness has been recorded as forgiveness of debt in the other items section in the accompanying Combined Statement of Activities and Change in Net Assets.

On March 16, 2021, the Institute received loan proceeds in the amount of $751,109 under the Paycheck Protection Program. The promissory note bore interest at a rate of 1.00% per year and called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments until ten months after completion of the 24 week spending period. The Institute applied for forgiveness of the loan after completing the 24 week spending period. In July 2022, the Institute received notification that the loan has been forgiven in full by the Small Business Administration. The loan forgiveness has been recorded as forgiveness of debt in the other items section in the accompanying Combined Statement of Activities and Change in Net Assets.

6. LEASE COMMITMENTS

In March 2021, the Institute entered into a lease for office space in Washington, D.C. The lease commenced on May 1, 2021 and terminates on May 31, 2025. Base rent is $12,500 per month escalating by 4% annually. As part of the agreement, the first month of rent was abated.

ASU 2019-01, Leases (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Combined Statement of Financial Position and disclosure of key information about leasing arrangements. In 2021, the Institute elected to early implement the ASU and elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. The Institute also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes.

The Institute adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. As a result, Institute recorded a right-of-use asset in the amount of $584,872. The Institute recorded an operating lease liability in the amount of $584,872 by calculating the present value using the discount rate of 2.15%. Future minimum lease payments, excluding operating expenses and real estate taxes, are as follows:

Year Ending December 31,	
2023	$ 160,169
2024	166,566
2025	42,181
	368,916
Less: imputed interest	(8,869)
LEASE LIABILITY	**$ 360,047**

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

Lease expense (including operating expenses and real estate taxes) under these agreements for the year ended December 31, 2022 totaled $242,613, and is included in occupancy expense on the accompanying Combined Statement of Functional Expenses.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2022:

Subject to expenditure for specified purpose:	
Animal Welfare and Conservation	$ 4,080,940
Endowment to be invested in perpetuity	1,227,778
Accumulated endowment losses	(149,261)
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 5,159,457**

7. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose Restrictions Accomplished:	
Animal Welfare and Conservation	**$ 5,551,616**

8. ENDOWMENT

The Institute's endowment consists 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 is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures.

Most of those net asset also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The governing Board has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Institute considers a fund to be underwater if the fair value of the fund is less than the sum the (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Institute has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Endowment net asset composition by type of fund as of December 31, 2022:

	With Donor Restrictions
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity by donor	$ 1,227,778
Accumulated investment losses	(149,261)
TOTAL ENDOWMENT FUNDS	**$ 1,078,517**

8. ENDOWMENT (Continued)

Changes in endowment net assets for the year ended December 31, 2022:

	With Donor Restrictions
Endowment net assets, beginning of year	$ 1,227,778
Investment loss	(149,261)
ENDOWMENT NET ASSETS, END OF YEAR	**$ 1,078,517**

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Institute to retain as a fund of perpetual duration. Deficiencies of this nature exist in two donor-restricted endowment funds, which together have an original gift value of $1,227,778, and a deficiency of $149,261 as of December 31, 2022. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of the donor-restricted endowment contributions. The Institute plans to eliminate these deficiencies through future positive market returns, and if necessary, transferring funds from net assets without restrictions to the endowment. There has been no spending from the endowments which had deficiencies as of December 31, 2022.

Return Objectives and Risk Parameters -

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in-perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Institute expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

The Board of Directors authorizes the appropriations of spending during the Board approval of the budget. The Institute considers the long-term expected return on its endowment. Accordingly, over the long-term, the Institute expects the current spending policy to allow its endowment to grow annually. This is consistent with the Institute's objective to maintain the purchasing power of the endowment assets held in-perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

9. AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY)

Financial assets available for use for general expenditures within one year of the Combined Statement of Financial Position date comprise the following:

Cash and cash equivalents:	
Funds held in United States	$ 5,102,141
Funds held in foreign countries	1,220,686
Total cash and cash equivalents	6,322,827
Investments	8,682,340
Grants receivable	2,049,525
Accounts receivable	1,028,632
Subtotal financial assets available within one year	18,083,324
Less: Donor restricted funds	(5,159,457)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES	**$ 12,923,867**

The Institute has a policy to structure its financial assets to be available and liquid as its obligations become due.

10. CONTRIBUTED NON-FINANCIAL ASSETS

During the year ended December 31, 2022, the Institute was the beneficiary of donated services which allowed the Institute to provide greater resources toward various programs. There were no donor-imposed restrictions associated with the in-kind contributions during the year ended December 31, 2022. Contributed non-financial assets are recorded as revenue and expense at the fair market value on the date of the donation. The fair value of these items is based upon values provided by the donors. To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended December 31, 2022.

Donated software	$ 317,455
Donated database and website management services	50,000
	$ 367,455

The following programs have benefited from these donated services:

Animal Welfare and Conservation	$ 317,939
Communications and Partnerships	49,516
	$ 367,455

11. 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, 2022, amounted to $122,386.

12. 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.

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, 2022. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2022. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end mutual funds that are registered with the Securities and Exchange Commission and deemed to be actively traded.

- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Institute are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Mutual funds held by the Institute are deemed to be actively traded.

- *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.

12. FAIR VALUE MEASUREMENT (Continued)

The table below summarizes, by level within the fair value hierarchy, the Institute's investments as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 4,262,438	$ -	$ -	$ 4,262,438
Mutual funds	2,981,520	-	-	2,981,520
Stocks	231,824	-	-	231,824
Bonds	-	1,206,558	-	1,206,558
TOTAL	**$ 7,475,782**	**$ 1,206,558**	**$ -**	**$ 8,682,340**

13. ALLOCATION OF JOINT COSTS

The Institute conducts direct mail campaigns and special events that have both programmatic and fundraising content. Accordingly, $1,910,508 of the fundraising costs associated with the direct mail campaigns and the special events have been allocated among the programs and supporting services benefited. $459,077 of the costs remain in fundraising. 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	$ 1,283,685
Education	142,010
Communications and Partnerships	25,736
Fundraising	459,077
TOTAL	**$ 1,910,508**

14. CONTINGENCY

The Institute receives grants from various agencies of the United States Government. 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 2022. 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.

15. SUBSEQUENT EVENTS

In preparing these combined financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through June 29, 2023, the date the combined financial statements were issued.