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, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

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

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying combined financial statements of The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity (collectively, the Institute), which comprise the combined statement of financial position as of December 31, 2020, 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 Combined 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.

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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, 2020, 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.

Report on Summarized Comparative Information

We have previously audited the Institute's 2019 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated September 14, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, 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 September 27, 2021 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.

Gelman Rosenberg & Freedman

September 27, 2021

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

COMBINED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2020 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

ASSETS

	2020	2019
ASSETS		
Cash and cash equivalents:		
Funds held in United States	$ 4,551,138	$ 4,809,020
Funds held in foreign countries	1,360,252	1,462,767
Total cash and cash equivalents	5,911,390	6,271,787
Investments	6,000,011	4,121,803
Grants receivable	857,170	575,308
Other receivables	788,142	844,336
Prepaid expenses	218,330	219,428
Inventory	-	19,585
Property, equipment and leasehold improvements, net of accumulated depreciation and amortization	707,865	571,551
Right-of-use assets, net	2,053,052	2,157,110
Security deposit	43,597	33,541
TOTAL ASSETS	**$ 16,579,557**	**$ 14,814,449**

LIABILITIES AND NET ASSETS

	2020	2019
LIABILITIES		
Loan payable	$ 793,400	$ -
Accounts payable and accrued liabilities	2,125,834	2,109,009
Refundable advances	3,508,025	2,713,212
Deferred rent	15,315	56,315
Total liabilities	6,442,574	4,878,536
NET ASSETS		
Without donor restrictions	6,239,423	4,642,377
With donor restrictions	3,897,560	5,293,536
Total net assets	10,136,983	9,935,913
TOTAL LIABILITIES AND NET ASSETS	**$ 16,579,557**	**$ 14,814,449**

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, 2020 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions and grants:				
Corporate and foundation grants	$ 3,498,547	$ 1,325,567	$ 4,824,114	$ 6,778,434
Individual contributions	6,485,027	1,001,389	7,486,416	5,441,988
Government grants	4,726,031	-	4,726,031	4,174,167
Bequests	1,040,689	-	1,040,689	908,634
Auction event	-	-	-	364,550
In-kind contributions	468,886	-	468,886	1,659,885
Net assets released from donor restrictions	3,722,932	(3,722,932)	-	-
Total contributions	19,942,112	(1,395,976)	18,546,136	19,327,658
Other Support and Revenue:				
Lecture tour and honorariums	537,500	-	537,500	798,925
Merchandise sales	116,963	-	116,963	198,594
Royalties and license fees	141,498	-	141,498	37,498
Investment income	274,970	-	274,970	337,788
Other income	52,447	-	52,447	68,159
Total other support and revenue	1,123,378	-	1,123,378	1,440,964
Total support and revenue	21,065,490	(1,395,976)	19,669,514	20,768,622
EXPENSES				
Program Services:				
Animal Welfare and Conservation	13,086,249	-	13,086,249	13,485,438
Education	1,340,331	-	1,340,331	1,995,582
Communications and Membership	1,122,751	-	1,122,751	822,027
Total program services	15,549,331	-	15,549,331	16,303,047
Supporting Services:				
Management and General	2,624,640	-	2,624,640	3,176,763
Fundraising	1,740,634	-	1,740,634	1,710,604
Total supporting services	4,365,274	-	4,365,274	4,887,367
Total expenses	19,914,605	-	19,914,605	21,190,414
Change in net assets from operating activities before other items	1,150,885	(1,395,976)	(245,091)	(421,792)
OTHER ITEMS				
Exchange rate gain	151,188	-	151,188	17,981
Unrealized gain on investments	294,973	-	294,973	265,387
Total other items	446,161	-	446,161	283,368
Change in net assets	1,597,046	(1,395,976)	201,070	(138,424)
Net assets at beginning of year	4,642,377	5,293,536	9,935,913	10,074,337
NET ASSETS AT END OF YEAR	**$ 6,239,423**	**$ 3,897,560**	**$ 10,136,983**	**$ 9,935,913**

See accompanying notes to combined financial statements.

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

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	2020								2019
	Program Services				Supporting Services				
	Animal Welfare and Conservation	Education	Communications and Membership	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries and wages	$ 3,485,178	$ 704,460	$ 522,448	$ 4,712,086	$ 946,646	$ 612,883	$ 1,559,529	$ 6,271,615	$ 6,134,067
Benefits	955,670	200,004	122,723	1,278,397	477,115	167,716	644,831	1,923,228	1,573,509
Consultants	714,206	50,150	2,400	766,756	12,263	-	12,263	779,019	1,149,428
Other personnel costs	8,219	-	24,000	32,219	134,331	490	134,821	167,040	299,078
Occupancy costs	279,805	3,144	-	282,949	264,571	240	264,811	547,760	476,977
Professional fees	95,795	2,313	125,474	223,582	207,282	79,050	286,332	509,914	554,505
Office expenses	82,407	2,405	48,099	132,911	24,479	3,605	28,084	160,995	322,866
Postage and delivery	14,094	639	21,102	35,835	4,321	26,252	30,573	66,408	66,713
Printing and photocopying	19,096	-	6,969	26,065	-	145	145	26,210	35,157
Subscriptions	28,025	1,218	40,572	69,815	11,679	29,378	41,057	110,872	56,730
Conferences, workshops and events	43,112	-	5,461	48,573	515	9,148	9,663	58,236	179,882
Database and website management	206	600	11,982	12,788	115,809	207,517	323,326	336,114	458,727
Computer hardware, software and equipment	375,288	1,555	657	377,500	77,607	216	77,823	455,323	916,938
Telephone and cable	119,540	3,242	623	123,405	42,903	876	43,779	167,184	142,830
Travel	506,473	51,365	3,118	560,956	9,887	33,596	43,483	604,439	1,379,536
Corporate expense and registration	109,557	626	16,748	126,931	146,071	56,673	202,744	329,675	208,007
Direct mail	-	-	-	-	-	1,809,698	1,809,698	1,809,698	1,747,788
Other expenses	123,488	708	115	124,311	14,156	150	14,306	138,617	(47,350)
Depreciation and amortization	13,032	-	-	13,032	135,005	-	135,005	148,037	148,730
Field expenses	3,263,807	400	-	3,264,207	-	30,000	30,000	3,294,207	2,290,155
Sub-awards	1,357,350	183,778	-	1,541,128	-	-	-	1,541,128	1,436,256
In-kind contributions	318,886	-	150,000	468,886	-	-	-	468,886	1,659,885
Subtotal	11,913,234	1,206,607	1,102,491	14,222,332	2,624,640	3,067,633	5,692,273	19,914,605	21,190,414
Joint cost allocation	1,173,015	133,724	20,260	1,326,999	-	(1,326,999)	(1,326,999)	-	-
TOTAL	**$ 13,086,249**	**$ 1,340,331**	**$ 1,122,751**	**$ 15,549,331**	**$ 2,624,640**	**$ 1,740,634**	**$ 4,365,274**	**$ 19,914,605**	**$ 21,190,414**

See accompanying notes to combined financial statements.

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

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 201,070	$ (138,424)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	148,037	148,730
Realized gain on sale of investments	(117,594)	(222,178)
Unrealized gain on investments	(294,973)	(265,387)
Donated securities received	(1,231,057)	-
Proceeds from sale of donated securities	1,273,295	-
(Increase) decrease in:		
Grants receivable	(281,862)	165,215
Other receivables	56,194	24,264
Prepaid expenses	1,098	8,239
Inventory	19,585	(19,585)
Security deposit	(10,056)	(15,064)
Increase (decrease) in:		
Accounts payable and accrued liabilities	16,825	773,196
Refundable advances	794,813	2,713,212
Deferred rent	(41,000)	(33,752)
Net cash provided by operating activities	534,375	3,138,466
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, equipment and right-of-use assets	(180,293)	(446,504)
Net sales (purchases) of investments	(1,507,879)	1,904,759
Net cash (used) provided by investing activities	(1,688,172)	1,458,255
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	793,400	-
Payments on loan payable	-	(100,000)
Net cash provided (used) by financing activities	793,400	(100,000)
Net (decrease) increase in cash and cash equivalents	(360,397)	4,496,721
Cash and cash equivalents at beginning of year	6,271,787	1,775,066
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 5,911,390**	**$ 6,271,787**

See accompanying notes to combined financial statements.

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.

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 -** Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Combined Statement of Activities and Change in Net Assets as net assets released from donor restrictions. 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, 2019, 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.

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 $1,224,997 at December 31, 2020.

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, 2020, the Institute maintained cash and cash equivalents of $1,360,252 in foreign countries. The majority of these funds are uninsured.

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

Investments -

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

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

Foreign operations -

The Institute maintains field offices in Tanzania, 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 are recorded at their net realizable value, which approximates 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 contributions, travel advances, accrued interest and other miscellaneous receivables that are stated at their net realizable value. 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.

Right-of-use assets -

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.

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

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, 2020, 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 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. 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, 2020 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 financial statements.

Contributions or grants qualifying as conditional contributions contain a right of return from obligation provision that limits the Institute on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. 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 $15,700,000 in unrecognized conditional awards as of December 31, 2020.

In-kind contributions are recorded as revenue and expense at the fair market value on the date of the donation. During the year ended December 31, 2020, the Institute received donated software licenses valued at $457,350, and donated clothing items valued at $11,536.

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

Revenue recognition (continued) -

Contributions and grants (continued) -

The revenue is shown as an in-kind contributions and the corresponding expense is allocated between the Animal Welfare and Conservation program and the Communications and Membership program.

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 nonpublic 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. 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.

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

Use of estimates (continued) -

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*. 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.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen. The overall potential impact on the Institute's operations is unknown at this time.

Reclassification -

Certain amounts in the prior year's combined financial statements have been reclassified to conform to the current year's presentation.

New accounting pronouncements (not yet adopted) -

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. During 2020, the FASB issued ASU 2020-05 which delayed the implementation date by one year. The ASU is effective for non public entities for fiscal years beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

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, 2020 are as follows:

	Fair Value
Money market funds	$ 1,224,997
Mutual funds	3,885,559
Stocks	1,959
Bonds	586,971
Exchange traded funds	300,525
TOTAL INVESTMENTS	**$ 6,000,011**

An unrealized gain of $294,973 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, 2020 consisted of the following:

Interest and dividends	$ 157,376
Realized gain	117,594
TOTAL INVESTMENT INCOME	**$ 274,970**

3. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements at December 31, 2020 are comprised of the following:

Furniture	$ 39,648
Software	370,416
Computer hardware	63,116
Equipment	86,665
Buildings	701,534
Vehicles	183,829
	1,445,208
Less: Accumulated depreciation and amortization	(737,343)
PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET	**$ 707,865**

4. RIGHT-OF-USE ASSETS

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 right-of-use assets in the accompanying statement of financial position.

4. RIGHT-OF-USE ASSETS (Continued)

Following is a summary of the net value of the right-of-use assets at December 31, 2020:

Buildings, structures and improvements	$ 2,583,688
Less: Accumulated depreciation and amortization	(530,636)
NET VALUE, RIGHT-OF-USE ASSETS	**$ 2,053,052**

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 calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. As discussed in Note 15, subsequent to year-end, the Institute received notification that the loan has been forgiven in full. Accordingly, the balance of the loan will be recognized as revenue from extinguishment of debt in the 2021 financial statements.

6. LINE OF CREDIT

On April 16, 2020, the Institute entered into $3,200,000 line of credit with a financial institution which matures April 15, 2022. Amounts borrowed under this agreement bear interest at the daily LIBOR rate (.15% at December 31, 2020) plus 2.00%. As of December 31, 2020, there was no outstanding balance on the line of credit. The line is secured by the Institute's investment accounts.

7. LEASE COMMITMENTS

Beginning September 1, 2012, the Institute entered into an eight year lease for office space, which expired April 30, 2021. As further discussed in Note 15, the Institute entered into a new office lease subsequent to year end. The Institute also leases office space in foreign countries under short-term lease agreements.

Rent expense (including operating expenses and real estate taxes) under these agreements for the year ended December 31, 2020 totaled $315,310, and is included in occupancy expense on the accompanying statement of functional expense.

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. The deferred rent liability was $15,315 as of December 31, 2020.

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

Year Ending December 31, 2021	**$ 91,903**

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2020:

Subject to expenditure for specified purpose:	
Animal Welfare and Conservation	$ 2,669,782
Endowment to be invested in perpetuity	1,227,778
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 3,897,560**

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	**$ 3,722,932**

9. 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, 2020:

	With Donor Restrictions
Donor-Restricted Endowment Funds	**$ 1,227,778**

9. ENDOWMENT (Continued)

Changes in endowment net assets for the year ended December 31, 2020:

	With Donor Restrictions
Endowment net assets, beginning of year	$ 1,227,778
Investment income	109,852
Appropriation of endowment assets for expenditure	(109,852)
ENDOWMENT NET ASSETS, END OF YEAR	**$ 1,227,778**

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. In accordance with GAAP, there were no deficiencies of this nature in net assets with donor restrictions as of December 31, 2020.

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.

10. 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	$ 4,551,138
Funds held in foreign countries	1,360,252
Total cash and cash equivalents	5,911,390
Investments	6,000,011
Grants receivable	857,170
Other receivables	788,142
Subtotal financial assets available within one year	13,556,713
Less: Donor restricted funds	(3,897,560)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES	**$ 9,659,153**

The Institute has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, the Institute has a line of credit (as further discussed in Note 6) which allows for additional available borrowings up to $3,200,000.

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, 2020, amounted to $116,251.

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.

12. FAIR VALUE MEASUREMENT (Continued)

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, 2020. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2020. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money market funds* - Valued at the daily closing price as reported by the fund. The money market fund is an open-end fund that are registered with the Securities and Exchange Commission (SEC). This fund is required to publish its daily net asset value (NAV) and to transact at that price. The money market fund is 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 value 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.

- *Exchange traded funds* - A marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund, and trades like a common stock on a stock exchange. 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.

The table below summarizes, by level within the fair value hierarchy, the Institute's investments as of December 31, 2020:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Money market funds	$ 1,224,997	$ -	$ -	$ 1,224,997
Mutual funds	3,885,559	-	-	3,885,559
Stocks	1,959	-	-	1,959
Exchange traded funds	300,525	-	-	300,525
Bonds	-	586,971	-	586,971
TOTAL	**$ 5,413,040**	**$ 586,971**	**$ -**	**$ 6,000,011**

13. ALLOCATION OF JOINT COSTS

The Institute conducts direct mail campaigns and special events that have both programmatic and fundraising content. Accordingly, $1,809,698 of the fundraising costs associated with the direct mail campaigns and the special events have been allocated among the programs and supporting services benefited. $482,699 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	$ 1,173,015
Education	133,724
Communications and Membership	20,260
Fundraising	482,699
TOTAL	**$ 1,809,698**

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 2020. 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 September 27, 2021, the date the combined financial statements were issued.

On January 21, 2021, the Institute received notice that their first Payroll Protection Program Act loan had been forgiven in full. Accordingly, the balance of the loan will be recognized as revenue from extinguishment of debt in the 2021 financial statements.

On February 25, 2021, the Institute entered into a new lease agreement for office space in Washington, D.C. The lease term is for three years and eleven months, and commenced on May 1, 2021. The lease calls for monthly rental payments of $12,501, with annual escalations of 4.0%. The lease also provides rent abatement for the first month.

On March 16, 2021 the Institute entered into a five-year promissory note agreement in the amount of $751,109 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part.