

**CENTER FOR ORANGUTAN AND
CHIMPANZEE CONSERVATION, INC.**

**AUDITED CONSOLIDATED FINANCIAL
STATEMENTS**

SEPTEMBER 30, 2019

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
AUDITED FINANCIAL STATEMENTS

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	7 - 15

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center for Orangutan and Chimpanzee
Conservation, Inc.
Wauchula, Florida

We have audited the accompanying consolidated financial statements of the Center for Orangutan and Chimpanzee Conservation, Inc. (a non-profit organization) which comprise the consolidated statement of financial position as of September 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

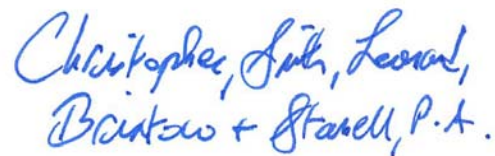
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Center for Orangutan and Chimpanzee Conservation, Inc. as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, the Organization adopted new accounting guidance under Accounting Standards Update (ASU) 2016-14 during 2019. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Center for Orangutan & Chimpanzee Conservation, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 20, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Handwritten signature in blue ink that reads "Christopher, Smith, Leonard, Bristow + Stanell, P.A."

**CHRISTOPHER, SMITH, LEONARD,
BRISTOW & STANELL, P.A.**

November 3, 2020
Bradenton, Florida

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2018)

	<u>ASSETS</u>			Summarized 2018 Totals
	Without Donor Restrictions	With Donor Restrictions	2019 Totals	
Current Assets				
Cash and cash equivalents	\$ 1,206,817	\$ 78,000	\$ 1,284,817	\$ 1,730,176
Contributions receivable	-	-	-	75,000
Investments	-	-	-	356
Total Current Assets	<u>1,206,817</u>	<u>78,000</u>	<u>1,284,817</u>	<u>1,805,532</u>
Interest in net assets of the Community				
Foundation of Tampa Bay	31,524	-	31,524	30,989
Other assets	700	-	700	700
Property, plant and equipment, net	<u>5,753,615</u>	<u>-</u>	<u>5,753,615</u>	<u>5,081,980</u>
Total assets	<u><u>\$ 6,992,656</u></u>	<u><u>\$ 78,000</u></u>	<u><u>\$ 7,070,656</u></u>	<u><u>\$ 6,919,201</u></u>
 <u>LIABILITIES AND NET ASSETS</u> 				
Current Liabilities				
Accounts payable	\$ 38,461	\$ -	\$ 38,461	\$ 39,882
Accrued salaries and expenses	23,652	-	23,652	59,920
Total Current Liabilities	<u>62,113</u>	<u>-</u>	<u>62,113</u>	<u>99,802</u>
Net Assets				
Net assets without donor restrictions				
Undesignated	6,899,019	-	6,899,019	6,455,410
Designated	31,524	-	31,524	30,989
Net assets with donor restrictions	-	78,000	78,000	333,000
Total net assets	<u>6,930,543</u>	<u>78,000</u>	<u>7,008,543</u>	<u>6,819,399</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,992,656</u></u>	<u><u>\$ 78,000</u></u>	<u><u>\$ 7,070,656</u></u>	<u><u>\$ 6,919,201</u></u>

The accompanying notes are an integral part of these financial statements.

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Totals	Summarized 2018 Totals
PUBLIC SUPPORT AND REVENUE				
Contributions	\$ 929,369	\$ -	\$ 929,369	\$ 1,127,438
Foundations and grants	938,865	70,000	1,008,865	1,744,423
Fundraising revenue	41,403	-	41,403	27,306
Interest and dividend income	9,643	-	9,643	1,168
Net realized and unrealized gain on investments	(51)	-	(51)	843
Other revenue	104,026	-	104,026	172,632
TOTAL REVENUES AND SUPPORT	2,023,255	70,000	2,093,255	3,073,810
Net assets released from restriction	325,000	(325,000)	-	-
Total Revenues and Support	2,348,255	(255,000)	2,093,255	3,073,810
EXPENSES				
Program services	1,638,420	-	1,638,420	1,501,071
Supporting services:				
Management and general	128,118	-	128,118	112,828
Fund raising	137,573	-	137,573	115,496
TOTAL EXPENSES	1,904,111	-	1,904,111	1,729,395
Change in Net Assets	444,144	(255,000)	189,144	1,344,415
NET ASSETS AT BEGINNING OF YEAR	6,486,399	333,000	6,819,399	5,474,984
NET ASSETS AT END OF YEAR	\$ 6,930,543	\$ 78,000	\$ 7,008,543	\$ 6,819,399

The accompanying notes are an integral part of these financial statements.

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2018)

	<u>Program Services</u>	<u>Management and General</u>	<u>2019 Total</u>	<u>Summarized 2018 Totals</u>
EXPENSES				
Payroll expenses–caregivers	\$ 973,452	\$ –	\$ 973,452	\$ 910,026
Salaries and wages–office and contract labor		56,438	56,438	35,604
	<u>973,452</u>	<u>56,438</u>	<u>1,029,890</u>	<u>945,630</u>
Food–Apes	112,929	–	112,929	93,803
Healthcare–Apes	128,582	–	128,582	109,286
Utilities–Apes	47,503	–	47,503	42,411
Supplies–Apes	68,299	–	68,299	57,154
Caging upkeep	35,612	–	35,612	27,311
Maintenance in animal areas	21,400	–	21,400	32,784
Other program services	30,355	–	30,355	23,171
Licenses and taxes	4,189	739	4,928	4,038
Repair & maintenance–grounds	21,516	7,172	28,688	29,520
Insurance	40,140	4,460	44,600	39,521
Utilities	–	11,821	11,821	8,661
Professional fees	–	10,899	10,899	14,860
Office expense	–	19,429	19,429	25,767
	<u>510,525</u>	<u>54,520</u>	<u>565,045</u>	<u>508,287</u>
Depreciation	<u>154,443</u>	<u>17,160</u>	<u>171,603</u>	<u>159,982</u>
	<u>\$ 1,638,420</u>	<u>\$ 128,118</u>	<u>\$ 1,766,538</u>	<u>\$ 1,613,899</u>

The accompanying notes are an integral part of these financial statements.

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED
SEPTEMBER 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 189,144	\$ 1,344,415
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	171,603	159,982
(Increase) Decrease in operating assets:		
Interest in net assets of community foundation	(535)	(1,362)
Contributions receivable	75,000	25,000
Other assets	-	50,000
Increase (Decrease) in operating liabilities:		
Accounts payable	(1,421)	(37,281)
Accrued expenses	(36,268)	3,925
Net Cash Provided By Operating Activities	397,523	1,544,679
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	356	-
Purchase of fixed assets	(843,238)	(1,360,875)
Net Cash Used By Investing Activities	(842,882)	(1,360,875)
Net (Decrease) Increase in Cash and Cash Equivalents	(445,359)	183,804
Cash and Cash Equivalents at Beginning of Year	1,730,176	1,546,372
Cash and Cash Equivalents at End of Year	\$ 1,284,817	\$ 1,730,176

The accompanying notes are an integral part of these financial statements.

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Center for Orangutan and Chimpanzee Conservation, Inc. (the Organization) is engaged in providing a permanent sanctuary in a safe and enriching environment for orangutans and chimpanzees in need of long-term care. The Organization also acts as a resource center for education about these endangered primates and the necessity for their conservation in the wild as well as their protection in captivity. The Organization was founded in 1993.

Basis of Accounting

The financial statements of the Center for Orangutan and Chimpanzee Conservation, Inc. (the Organization) have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles as prescribed by the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC). Revenues are recognized when earned and expenses are recognized when the liability is incurred.

Principles of Consolidation

These financial statements include the activities of the Organization's wholly owned subsidiary, COCC, Inc., (the subsidiary) which is a for-profit corporation, which owns land and equipment used by the Organization. All significant intercompany transactions have been eliminated from these financial statements. The year end of the subsidiary is based on a calendar year end and therefore, differs from the Organization. However, no material differences are noted.

Change in Accounting Principle

During 2019, the Organization implemented Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This ASU changes the presentation of net assets from three classifications (unrestricted, temporarily restricted and permanently restricted) to two classifications (net assets without donor restrictions and net assets with donor restrictions). The ASU also enhances several financial statement disclosures. The adoption of ASU 2016-14 did not have an impact on the Organization's net assets. However, certain items in the prior year financial statements have been reclassified to conform to the current year presentation.

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial Statement Presentation

The financial statement presentation follows the provisions as set forth in the FASB ASC for Financial Statements of Not-for-Profit Organizations. As a result, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, as applicable.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is unconditional. Contributions that are restricted by the donor are reported as increases in net assets, without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are 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.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity date of three months or less to be cash and cash equivalents. Cash and money market funds held with investment accounts are considered a cash equivalent.

Investments

Investments include marketable securities with readily determined fair market values. Investments are stated at their fair market value. Unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Beneficial Interest in the Net Assets of the Community Foundation of Tampa Bay

The Organization has established the Center for Great Apes Endowment Fund within the Community Foundation of Tampa Bay with its own funds and specified itself as a beneficiary of these funds. The Community Foundation of Tampa Bay has variance power and legal ownership of the funds. An asset has been established for the fair value of these funds, which is generally equivalent to the present value of future payments expected to be received by the Organization, or the fair value of the Organization's interest in the assets underlying the account.

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property, Plant, and Equipment

Property, plant, and equipment are carried at cost. Depreciation is computed on the straight-line method for financial statement purposes. The estimated useful lives of the assets are 3 to 40 years. The Organization has established a capitalization policy for all items with an estimated useful life of greater than one year and a cost greater than \$1,000. Donated land, property and equipment are recorded as contributions at their estimated fair market value on the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Routine maintenance and repairs that do not extend the estimated useful life of an asset are charged to expense when incurred. Depreciation expense for the year ended September 30, 2019 was \$171,603.

Income Taxes

The Organization follows the guidance in ASC 740, *Income Taxes*. The adoption of this guidance had no effect on the Organization's financial position. The Organization and its subsidiary believe that it has no uncertain tax positions for which the Organization may be liable. However, amounts asserted by tax authorities could be different than the Organization's position. Accordingly, the Organization's provisions on federal, state or local tax-related matters could change as revised estimates are made or the underlying matters are settled or otherwise resolved.

As of September 30, 2019, the Organization does not believe that its estimates on such tax positions will significantly increase or decrease within the next twelve months. The Organization's 2014 fiscal year Form 990 was audited by the Internal Revenue Service (IRS) in June of 2018. No adverse results were noted by the IRS during the audit. The Organization has no other ongoing federal, state or local tax audits; however, the Organization's tax returns for the three previous years remain open to examination.

The Organization is a tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code and, accordingly, there is no provision for income taxes. The Organization is not classified as a private foundation within the meaning of section 509(a) of the Internal Revenue Code.

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes - Continued

The Organization's wholly owned subsidiary (COCC, Inc.) is a for profit corporation which owns land and equipment used by the Organization. As the subsidiary did not have taxable income, no provision for income taxes has been made. The subsidiary has net operating loss carry-forwards of approximately \$1,572,000, which expire between 2025 and 2039. In addition, temporary differences have resulted due to the difference in recognition of amortization expense on intangible assets in accordance with generally accepted accounting principles versus the method used for income taxes. Due to the uncertainty regarding the level of future earnings, a valuation allowance has been recorded to estimate that the full amount of deferred tax assets will not be realized within the expiration period.

In Kind Contributions

In kind contributions are recorded as contributions in the accompanying financial statements at their estimated current value on the date of receipt. Contributions of services are recognized only if services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and typically would be purchased if not provided by donation.

Concentration of Credit Risk

The Organization maintains cash balances at a financial institution, which is insured by the Federal Deposit Insurance Corporation up to \$250,000 at September 30, 2019. At times the Organization may have cash balances in excess of insured limits. The Organization has not experienced any losses and believes their risk of loss is minimal.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been detailed in the statement of functional expenses and summarized on a functional basis in the statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on relative benefit provided.

The operating expenses are allocated on a square-footage basis. Salaries and related benefits are allocated on the basis of estimates of time and effort.

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Summarized Financial Information

The 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

Financial Instruments Not Measured at Fair Value

The Organization does not measure certain financial instruments at fair value on a recurring basis; however, these financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, prepaid expenses, accounts payable and accrued expenses.

Evaluation of Subsequent Events

The Organization has evaluated subsequent events through November 3, 2020, which is the date the financial statements were available to be issued.

NOTE 2 - INVESTMENTS

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies from the previous year.

Interest in net assets of the Community Foundation of Tampa Bay is measured at the fair value of the Organization's interest in the net assets of the Community Foundation of Tampa Bay (Foundation) at year end. The interest in the net assets of the Foundation are unobservable to other market participants.

	<u>Total</u>	<u>Fair Value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Interest in net assets of Community				
Foundation of Tampa Bay	\$ 31,524	\$ -0-	\$ -0-	\$ 31,524
	<u>\$ 31,524</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 31,524</u>

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - INVESTMENTS – CONTINUED

The following tables set forth a summary of the changes in fair value of the assets classified as Level 3 on a recurring basis:

Interest in Net Assets of Community Foundation of Tampa Bay

Beginning Balance	\$ 31,500
Change in value of interest in net assets of the Foundation	<u>24</u>
Ending Balance	<u>\$ 31,524</u>

NOTE 3 - PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following:

Construction in progress	\$ 1,302,246
Chutes	589,663
Equipment and other	366,844
Fencing	147,210
Habitats	2,518,198
Land	791,623
Night houses	2,040,065
Support facilities	1,041,935
Wells and pumps	<u>18,753</u>
	8,816,537
Accumulated Depreciation	<u>(3,062,922)</u>
Net Property and Equipment	<u>\$ 5,753,615</u>

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2019, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditures for specified purposes:	<u>2019</u>
Capital expenditure, housing, food and care	<u>\$ 78,000</u>

In the statement of financial position, net assets with donor restrictions are included in cash and cash equivalents.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of passage of time or other events specified by donors during the year ended September 30, 2019 in the amount of \$325,000.

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 - ENDOWMENT

The Organization has established an endowment account which is held at the Community Foundation of Tampa Bay (Community Foundation). Since the original donations used to fund the account were not designated or restricted by the donor, the Organization classified their endowment account as net assets without donor restrictions, board designated net assets. Therefore, the earnings received from the endowment account may be used at the Board of Directors' discretion. The endowment account held at the Community Foundation is invested as part of a pooled investment account which is managed by the Community Foundation which has adopted an investment policy for endowment assets that attempts to protect the principal of the funds, provide long-term income returns, and protect the funds against long-term inflation. Income is distributed to the Organization from time to time to be used as detailed by the Organization's Board of Directors or reinvested into the endowment fund.

The changes in the Organization's board designated endowment net assets for the year ended September 30, 2019 are as follows:

Endowment net assets, October 1, 2018	\$ 31,500
Contributions	-0-
Investment return	
Investment income	94
Net appreciation (realized and unrealized)	<u>(2)</u>
Total investment return	<u>92</u>
Investment fees and expenses	<u>(68)</u>
 Endowment net assets, September 30, 2019	 <u>\$ 31,524</u>

NOTE 6 - LIQUIDITY AND AVAILABLE RESOURCES

The following table reflects the Organization's financial assets as of September 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

Financial assets at September 30, 2019	\$ 7,070,656
Less those unavailable for general expenditure	
Within one year due to:	
Restricted by donor with time or purpose restrictions	78,000
Less assets that are not in spendable form:	
Land, buildings, and equipment	5,753,615
Other assets	<u>700</u>
	<u>\$ 1,238,341</u>

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - LIQUIDITY AND AVAILABLE RESOURCES - CONTINUED

The Organization receives contributions throughout the year that may be subject to donor restriction. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due within the next year.

NOTE 7 - SUBSEQUENT EVENTS

The Organization has evaluated events occurring subsequent to the balance sheet date, including evaluating the risks associated with COVID-19. The Organization is in the process of implementing risk mitigation tactics for the Organization as to the risk of the impact, if any, of COVID-19 related to all aspects of the Organization's business transactions with donors, vendors and human interactions within and outside of the Organization. However, the Organization cannot at this time, make a determination on the ultimate impacts of COVID-19 pandemic.