

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

**CONSOLIDATED FINANCIAL
STATEMENTS**

SEPTEMBER 30, 2021

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

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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, 2021, 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 consolidated 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.

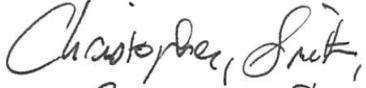

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2021, 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.

Report on Summarized Comparative Information

We have previously audited the Center for Orangutan and Chimpanzee Conservation, Inc.'s 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



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

May 7, 2022
Bradenton, Florida

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2020)

<u>ASSETS</u>				
	Without Donor Restrictions	With Donor Restrictions	2021 Totals	Summarized 2020 Totals
Current Assets				
Cash and cash equivalents	\$ 4,077,578	\$ 630,000	\$ 4,707,578	\$ 2,785,705
Contributions receivable	-	-	-	87,500
Investments	1,049,967	-	1,049,967	-
Total Current Assets	<u>5,127,545</u>	<u>630,000</u>	<u>5,757,545</u>	<u>2,873,205</u>
Interest in net assets of the Community Foundation of Tampa Bay	41,412	-	41,412	33,034
Other assets	1,500	-	1,500	700
Property, plant and equipment, net	<u>6,775,981</u>	<u>-</u>	<u>6,775,981</u>	<u>5,578,407</u>
Total assets	<u>\$ 11,946,438</u>	<u>\$ 630,000</u>	<u>\$ 12,576,438</u>	<u>\$ 8,485,346</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities				
Accounts payable	\$ 70,288	\$ -	\$ 70,288	\$ 31,082
Accrued salaries and expenses	39,788	-	39,788	23,652
Total Current Liabilities	<u>110,076</u>	<u>-</u>	<u>110,076</u>	<u>54,734</u>
Net Assets				
Net assets without donor restrictions				
Undesignated	11,794,950	-	11,794,950	7,892,578
Board designated	41,412	-	41,412	33,034
Net assets with donor restrictions	-	630,000	630,000	505,000
Total net assets	<u>11,836,362</u>	<u>630,000</u>	<u>12,466,362</u>	<u>8,430,612</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,946,438</u>	<u>\$ 630,000</u>	<u>\$ 12,576,438</u>	<u>\$ 8,485,346</u>

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

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	Summarized 2020 Totals
PUBLIC SUPPORT AND REVENUE				
Revenue				
Events	\$ 50,676	\$ -	\$ 50,676	\$ 15,887
Gift shop sales	21,822	-	21,822	48,599
Group tours	-	-	-	16,730
Support				
Contributions	1,309,569	-	1,309,569	1,179,008
Foundations and grants	4,295,158	630,000	4,925,158	1,942,294
Interest and dividend income	1,795	-	1,795	5,783
Net realized and unrealized gain/(loss) on investments	3,395	-	3,395	931
Other revenue	85,202	-	85,202	236,594
TOTAL REVENUES AND SUPPORT	5,767,617	630,000	6,397,617	3,445,826
Net assets released from restriction	505,000	(505,000)	-	-
Total Revenues and Support	6,272,617	125,000	6,397,617	3,445,826
EXPENSES				
Program services	2,051,337	-	2,051,337	1,747,466
Supporting services:				
Management and general	171,056	-	171,056	142,399
Fund raising	139,474	-	139,474	133,892
TOTAL EXPENSES	2,361,867	-	2,361,867	2,023,757
Change in Net Assets	3,910,750	125,000	4,035,750	1,422,069
NET ASSETS AT BEGINNING OF YEAR	7,925,612	505,000	8,430,612	7,008,543
NET ASSETS AT END OF YEAR	\$ 11,836,362	\$ 630,000	\$ 12,466,362	\$ 8,430,612

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

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2020)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2021 Totals</u>	<u>Summarized 2020 Totals</u>
EXPENSES					
Payroll expenses–caregivers	\$ 1,125,193	\$ –	\$ –	\$ 1,125,193	\$ 963,000
Salaries and wages–office and contract labor	–	70,110	–	70,110	55,767
Salaries–fundraising	–	–	65,776	65,776	61,316
	<u>1,125,193</u>	<u>70,110</u>	<u>65,776</u>	<u>1,261,079</u>	<u>1,080,083</u>
Food–Apes	131,057	–	–	131,057	106,530
Healthcare–Apes	189,132	–	–	189,132	110,826
Utilities–Apes	43,911	–	–	43,911	43,422
Supplies–Apes	104,997	–	–	104,997	58,242
Caging upkeep	82,470	–	–	82,470	120,471
Maintenance in animal areas	23,463	–	–	23,463	18,106
Other program services	30,322	–	–	30,322	41,075
Licenses and taxes	2,455	433	2,201	5,089	3,677
Grounds maintenance	19,796	6,599	–	26,395	22,553
Insurance	53,867	5,985	–	59,852	51,149
Utilities	–	19,610	–	19,610	22,771
Professional fees	–	24,700	–	24,700	7,370
Promotional items	–	–	9,952	9,952	20,050
Postage and printing	–	–	19,345	19,345	10,721
Events	–	–	15,858	15,858	14,295
Donor software	–	–	11,538	11,538	12,913
Office expense	–	16,433	14,804	31,237	33,915
	<u>681,470</u>	<u>73,760</u>	<u>73,698</u>	<u>828,928</u>	<u>698,086</u>
Depreciation	<u>244,674</u>	<u>27,186</u>	<u>–</u>	<u>271,860</u>	<u>245,588</u>
	<u>\$ 2,051,337</u>	<u>\$ 171,056</u>	<u>\$ 139,474</u>	<u>\$ 2,361,867</u>	<u>\$ 2,023,757</u>

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

CENTER FOR ORANGUTAN AND CHIMPANZEE CONSERVATION, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED
SEPTEMBER 30, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,035,750	\$ 1,422,069
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	271,860	245,588
(Increase) Decrease in operating assets:		
Interest in net assets of community foundation	(8,378)	(1,510)
Contributions receivable	87,500	(87,500)
Other assets	(800)	-
Increase (Decrease) in operating liabilities:		
Accounts payable	39,206	(7,379)
Accrued expenses	16,136	-
Net Cash Provided By Operating Activities	<u>4,441,274</u>	<u>1,571,268</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,049,967)	-
Purchase of fixed assets	(1,469,434)	(70,380)
Net Cash Used By Investing Activities	<u>(2,519,401)</u>	<u>(70,380)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	1,921,873	1,500,888
Cash and Cash Equivalents at Beginning of Year	<u>2,785,705</u>	<u>1,284,817</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 4,707,578</u></u>	<u><u>\$ 2,785,705</u></u>

The accompanying notes are an integral part of these consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Revenue Recognition

Exchange transactions are reported as revenues from contracts from customers under Topic 606. The Organization records revenue from exchange transactions based on a five-step model for its customers with contracts: identify the contract, identify performance obligations, determine the transaction price, allocate the contract transaction price to the performance obligations, and recognize the revenue when control of goods or services is transferred to the customer.

Revenues from contracts result primarily from special events, gift shop sales and group tour sales, which are exchange transactions. For each of these revenues, there is a single performance obligation and are recognized at a point in time.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition - Continued

Revenues from Contracts :	<u>2021</u>
Point in time	
Special Events	\$ 50,676
Gift Shop Sales	<u>21,822</u>
	<u>\$ 72,498</u>

Non-exchange Transactions

Non-exchange transactions include certain grants, in-kind contributions, and donations and gifts. The Organization recognized grants revenue either based on the terms of the contract service period or to the extent that expenses have been incurred and the resulting revenue earned. Unconditional donations and gifts are recognized at the time when a donor makes a cash donation or an unconditional promise to give to the Organization. Conditional promises to give are recognized as revenue when the barrier is overcome or the conditions on which they depend are substantially met. Donor restricted donations and gifts whose restrictions are met in the same period are reported as changes in net assets without donor restrictions in these consolidated financial statements. Donor restricted contributions whose restrictions are not yet met are reported as changes in net assets with donor restrictions until the restriction is met. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statement of activities as net assets released from restrictions.

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.

Reclassifications

Certain balances in the prior year consolidated (summarized) financial statements have been reclassified for comparative purposes to conform to the presentation in the current year consolidated (summarized) financial statements. These reclassifications had no impact on the previously stated net assets.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, the Organization considers all highly liquid investments with a maturity date of 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 consolidated 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.

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.

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.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - Continued

The asset or liability 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. There have been no changes in the valuation methodologies used at September 30, 2021.

Use of Estimates

The preparation of consolidated 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.

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, 2021 was \$271,860.

Income Taxes

The Organization follows the guidance in ASC 740, *Income Taxes*. The Organization and its subsidiary believe that they have 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes - Continued

As of September 30, 2021, the Organization does not believe that its estimates on such tax positions will significantly increase or decrease within the next twelve months. 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.

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 \$1,593,000, which expire between 2026 and 2041. 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 consolidated 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, 2021. At times the Organization may have cash balances in excess of insured limits. The Organization has not experienced any losses and believes any risk is minimal.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been detailed in the consolidated statement of functional expenses and summarized on a functional basis in the consolidated 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.

Summarized Financial Information

The consolidated 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 consolidated financial statements for the year ended September 30, 2020, 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, accounts payable and accrued expenses.

Evaluation of Subsequent Events

The Organization has evaluated subsequent events through May 7, 2022 which is the date the consolidated 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.

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

NOTE 2 - INVESTMENTS - CONTINUED

Certificates of deposit and U.S. Treasuries are included in the Organization's investment brokerage account. The Organization considers these accounts held with a third party brokerage to be investments. Certificates of deposit are valued based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer. U.S. Treasuries are valued based on a stated rate with current yield's based on current market rates. 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				
Certificates of Deposit	\$ 250,214	\$ -0-	\$ 250,214	\$ -0-
U.S. Treasury Securities	799,753	-0-	799,753	-0-
Foundation of Tampa Bay	<u>41,412</u>	<u>-0-</u>	<u>-0-</u>	<u>41,412</u>
	<u>\$ 1,091,379</u>	<u>\$ -0-</u>	<u>\$ 1,049,967</u>	<u>\$ 41,412</u>

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	\$ 33,034
Change in value of interest in net assets of the Foundation	<u>8,378</u>
Ending Balance	<u>\$ 41,412</u>

NOTE 3 - PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following:

Construction in progress	\$ 1,223,456
Chutes	770,017
Equipment and other	915,073
Fencing	147,210
Habitats	3,408,218
Land	791,623
Night houses	2,040,065
Support facilities	1,041,935
Wells and pumps	<u>18,753</u>
	10,356,350
Accumulated depreciation	<u>(3,580,369)</u>
Net property and equipment	<u>\$ 6,775,981</u>

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

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2021, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditures for specified purposes:	<u>2021</u>
Capital expenditure	<u>\$ 630,000</u>

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

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, 2021 in the amount of \$505,000.

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, 2021 are as follows:

Endowment net assets, October 1, 2020	\$ 33,034
Contributions	6,868
Investment return	
Investment income	525
Net appreciation (realized and unrealized)	<u>1,222</u>
Total investment return	1,747
Investment fees and expenses	<u>(237)</u>
 Endowment net assets, September 30, 2021	 <u>\$ 41,412</u>

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

NOTE 6 - LIQUIDITY AND AVAILABLE RESOURCES

The following table reflects the Organization's financial assets as of September 30, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

Financial assets	\$ 12,576,438
Less those unavailable for general expenditure	
Within one year due to:	
Restricted by donor with time or purpose restrictions	630,000
Less assets that are not in spendable form:	
Land, buildings, and equipment	6,775,981
Other assets	<u>1,500</u>
	<u>\$ 5,168,957</u>

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 - CONTINGENCIES

The Organization continues the process of implementing risk mitigation tactics 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.