

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The International Primate Protection League
Summerville, South Carolina

We have audited the accompanying financial statements of The International Primate Protection League (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of The International Primate Protection League as of December 31, 2014, 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.



North Charleston, South Carolina
March 27, 2015

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS

Current assets

Cash and cash equivalents	\$ 117,401
Prepaid expenses	33,374
Inventories	<u>1,900</u>

Total current assets 152,675

Property and equipment, net of accumulated depreciation 1,210,210

Other assets

Investments	4,360,430
Cash surrender value - life insurance	<u>58,572</u>

Total other assets 4,419,002

Total assets \$ 5,781,887

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and other current liabilities \$ 20,608

Total liabilities 20,608

Net assets

Unrestricted 5,761,279

Total net assets 5,761,279

Total liabilities and net assets \$ 5,781,887

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

	<u>UNRESTRICTED</u>
PUBLIC SUPPORT AND REVENUE	
Public Support	
Contributions	\$ 339,332
Grants	676,830
Legacies and bequests	<u>140,899</u>
Total public support	<u>1,157,061</u>
Revenue	
Investment income	163,379
Net realized and unrealized gains (losses) on investments	(39,363)
Merchandise	5,055
Gain on disposition of property and equipment	<u>4,831</u>
Total revenue	<u>133,902</u>
Total support and revenue	<u>1,290,963</u>
EXPENSES	
Program Services	
Primate care investigation and education	<u>1,179,677</u>
Supporting Services	
Management and general	146,562
Fundraising	<u>13,631</u>
Total supporting services	<u>160,193</u>
Total expenses	<u>1,339,870</u>
Change in net assets	(48,907)
Net assets at beginning of year	<u>5,810,186</u>
Net assets at end of year	<u>\$ 5,761,279</u>

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	Program	Supporting Services			Total Expenses
	Services	Management and General	Fundraising	Total	
	Primate Care Investigation and Education				
Salaries and wages	\$ 235,671	\$ 44,295	\$ 3,975	\$ 48,270	\$ 283,941
Payroll taxes	18,059	3,394	305	3,699	21,758
Total salaries, wages and related expenses	253,730	47,689	4,280	51,969	305,699
Education	18,036	-	-	-	18,036
Animal Food	94,874	-	-	-	94,874
Auto expenses	13,812	-	-	-	13,812
Bank charges	2,349	246	-	246	2,595
Conferences	32,289	-	-	-	32,289
Contract labor	33,833	19,774	-	19,774	53,607
Contributions	41,110	-	-	-	41,110
Cost of merchandise	-	4,171	-	4,171	4,171
Credit card fees	-	7,443	-	7,443	7,443
Dues and subscriptions	2,763	2,748	-	2,748	5,511
Education center expenses	-	-	-	-	-
Grants - sanctuary and other	372,709	-	-	-	372,709
Insurance	43,380	8,448	-	8,448	51,828
Interest expense	251	-	-	-	251
Internet expenses	2,763	-	-	-	2,763
Investigation	4,759	-	-	-	4,759
Office supplies and postage	38,373	856	8,212	9,068	47,441
Professional fees	8,677	16,000	-	16,000	24,677
Reports and other literature	29,772	2,153	-	2,153	31,925
Publications (newsletters)	60,975	-	-	-	60,975
Rent	4,800	-	-	-	4,800
Repairs and maintenance	16,899	446	-	446	17,345
Software maintenance	-	7,869	-	7,869	7,869
Supplies	15,533	-	-	-	15,533
Taxes and licenses	-	3,965	-	3,965	3,965
Telephone	662	5,293	-	5,293	5,955
Travel	9,384	-	-	-	9,384
Utilities	21,170	1,472	-	1,472	22,642
Total expenses before depreciation	1,122,903	128,573	12,492	141,065	1,263,968
Depreciation expense	56,774	17,989	1,139	19,128	75,902
Total expenses	\$ 1,179,677	\$ 146,562	\$ 13,631	\$ 160,193	\$ 1,339,870

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014

Cash Flows from Operating Activities

Change in net assets	\$ (48,907)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	75,902
Net gains on sales of investments	(53,712)
Unrealized loss on investments	93,075
Gain on disposition of property and equipment	(4,831)
Decrease in cash surrender value of life insurance	6,898
(Increase) in prepaid expenses and inventory	(6,854)
Decrease in other current assets	80
(Decrease) in accounts payable	<u>(4,184)</u>
Net cash provided by operating activities	<u>57,467</u>

Cash Flows from Investing Activities

Proceeds from disposition of property and equipment	4,831
Purchase of property and equipment	(46,639)
Proceeds from sales of investments	1,847,206
Purchase of investments	<u>(1,817,705)</u>
Net cash (used) in investing activities	<u>(12,307)</u>
Net increase in cash and cash equivalents	45,160
Cash and cash equivalents at beginning of year	<u>72,241</u>
Cash and cash equivalents at end of year	<u>\$ 117,401</u>

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The International Primate Protection League (IPPL) is a nonprofit organization whose purpose is to educate the public on primate matters and to campaign to protect wild and captive primates. IPPL investigates both legal and illegal trafficking in primates, supports primate rescue centers around the world, and provides a sanctuary home for gibbons released from research facilities or otherwise in need of homes. The Organization is supported primarily through donor contributions, grants and bequests.

Basis of Accounting

The financial statements of IPPL have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement preparation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, IPPL is required to report information regarding its financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, IPPL considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$300. Property and equipment is carried at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the related assets using straight-line methods. Expenditures for maintenance and repairs are charged to expense as incurred.

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

Note 1. Nature of Activities and Summary of Significant Accounting Policies
(continued)

Functional Expenses

Directly identifiable expenses are charged to programs and services. Expenses related to more than one function are charged to programs and supporting services on the basis of personnel time and space utilized for the related activities. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance non-financial assets of (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided administrative services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

Note 1. Nature of Activities and Summary of Significant Accounting Policies
(continued)

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Income Taxes

IPPL is a not for profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. By reference, the State of South Carolina adopted this code; hence, IPPL is also exempt from South Carolina income taxes. Classification by the Internal Revenue Service is other than a private foundation.

Investments

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are stated at fair market value at the measurement date, based on quoted prices in active markets and are determined based on Level 1 inputs. Investment income of endowment funds, unless restricted to a specific purpose or required to be added to the principal of the endowment, is available for unrestricted purposes and, if any, is included in the change in unrestricted net assets.

Inventories

Inventories consist of retail merchandise available for sale to the general public. Inventories are stated at cost determined on the first-in, first-out method.

Use of Estimates

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Related Party Transactions

IPPL houses some of the gibbons on three acres of land leased from a former employee of the Organization. The lease is accounted for as an operating lease and may be canceled by either party with a 30 day written notice. Lease expense for the year ended December 31, 2014 amounted to \$4,800.

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

Note 3. Credit Risk

IPPL has accounts held by one banking institution. Amounts held by the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2014, the entire bank balance of \$127,870 was fully insured.

The risk of loss from any uninsured cash balances during the year is mitigated by the use of nationally recognized financial institutions and is monitored by the management.

Note 4. Investments

Investments are stated at fair market value, and consist of the following at December 31, 2014:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Money market funds	\$ 248,083	\$ 248,083	\$ -
Certificates of deposit	1,018,275	1,026,210	7,935
US and state government agency securities	45,320	45,989	669
Corporate bonds	287,230	286,168	(1,062)
Mutual funds	<u>2,709,297</u>	<u>2,753,980</u>	<u>44,683</u>
Total investments	<u>\$4,308,205</u>	<u>\$4,360,430</u>	<u>\$ 52,225</u>

Investment return is summarized as follows for the year ended December 31, 2014:

Interest and dividend income	\$ 163,379
Net realized and unrealized gains	<u>(39,363)</u>
Total investment income	<u>\$ 124,016</u>

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

Note 5. Property and Equipment

Property and equipment consist of the following as of December 31, 2014:

Land, buildings and improvements	\$1,401,777
Furniture, fixtures and equipment	868,845
Less accumulated depreciation	<u>(1,060,412)</u>
Net	<u>\$1,210,210</u>

Depreciation expense for the year ended December 31, 2014 was \$75,902.

Note 6. Evaluation of Subsequent Events

The organization has evaluated subsequent events through March 27, 2015, the date which the financial statements were available to be issued.