

THE INTERNATIONAL
PRIMATE PROTECTION LEAGUE

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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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, 2019, 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, 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.

North Charleston, South Carolina
January 27, 2021

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Current assets

Cash and cash equivalents	\$ 240,149
Prepaid expenses and other current assets	34,729
Inventories	<u>11,275</u>

Total current assets 286,153

Property and equipment, net of accumulated depreciation 1,208,847

Other assets

Investments 5,241,483

Total other assets 5,241,483

Total assets \$ 6,736,483

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and other current liabilities \$ 38,056

Total liabilities 38,056

Net assets

Without donor restrictions 6,698,427

Total net assets 6,698,427

Total liabilities and net assets \$ 6,736,483

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

WITHOUT DONOR RESTRICTIONS

PUBLIC SUPPORT AND REVENUE

Public Support	
Contributions	\$ 563,980
Grants	145,877
Legacies and bequests	<u>437,539</u>
Total public support	<u>1,147,396</u>
Revenue	
Investment income, net of investment expense	156,047
Net realized and unrealized gains (losses) on investments	394,033
Merchandise	2,088
Other income	<u>1,100</u>
Total revenue (net)	<u>553,268</u>
Total support and revenue	<u>1,700,664</u>

EXPENSES

Program Services	
Primate care investigation and education	<u>935,565</u>
Supporting Services	
Management and general	314,758
Fundraising	<u>10,135</u>
Total supporting services	<u>324,893</u>
Total expenses	<u>1,260,458</u>
Change in net assets	440,206
Net assets at beginning of year	<u>6,258,221</u>
Net assets at end of year	<u>\$ 6,698,427</u>

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services	Supporting Services			Total Expenses
	Primate Care Investigation and Education	Management and General	Fundraising	Total	
Salaries and wages	\$ 334,868	\$ 62,939	\$ 5,648	\$ 68,587	\$ 403,455
Payroll taxes	30,652	5,761	517	6,278	36,930
Total salaries, wages and related expenses	365,520	68,700	6,165	74,865	440,385
Animal Food	37,936	-	-	-	37,936
Auto expenses	18,242	-	-	-	18,242
Bank charges	1,299	1,395	-	1,395	2,694
Conferences	4,625	-	-	-	4,625
Contract labor	11,776	29,443	-	29,443	41,219
Contributions	42,918	-	-	-	42,918
Cost of merchandise	-	2,447	-	2,447	2,447
Credit card fees	-	6,567	-	6,567	6,567
Dues and subscriptions	5,878	2,835	-	2,835	8,713
Education	6,885	-	-	-	6,885
Grants - sanctuary and other	155,400	-	-	-	155,400
Insurance	35,434	6,900	-	6,900	42,334
Interest expenses	-	149	-	149	149
Internet expenses	5,409	-	-	-	5,409
Office supplies and postage	23,985	17,462	3,074	20,536	44,521
Professional fees	18,329	136,976	-	136,976	155,305
Reports and other literature	9,996	1,030	-	1,030	11,026
Publications (newsletters)	57,497	-	-	-	57,497
Rent	4,800	-	-	-	4,800
Repairs and maintenance	23,742	1,426	-	1,426	25,168
Software maintenance	-	13,279	-	13,279	13,279
Sponsorship	-	-	-	-	-
Supplies	22,667	-	-	-	22,667
Taxes and licenses	731	7,577	-	7,577	8,308
Telephone	-	2,839	-	2,839	2,839
Travel	15,094	-	-	-	15,094
Utilities	22,735	1,580	-	1,580	24,315
Total expenses before depreciation	890,898	300,605	9,239	309,844	1,200,742
Depreciation expense	44,667	14,153	896	15,049	59,716
Total expenses	\$ 935,565	\$ 314,758	\$ 10,135	\$ 324,893	\$ 1,260,458

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

Cash Flows from Operating Activities

Change in net assets	\$ 440,206
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	59,716
Net gains on sales of investments	(47,044)
Unrealized gains on investments	(346,989)
Decrease in prepaid expenses	2,356
Decrease in accounts payable	<u>(19,322)</u>
Net cash provided by operating activities	<u>88,923</u>

Cash Flows from Investing Activities

Purchases of property and equipment	(39,548)
Proceeds from sales of investments	2,698,656
Purchases of investments	<u>(2,808,486)</u>
Net cash (used) in investing activities	<u>(149,378)</u>
Net (decrease) in cash and cash equivalents	(60,455)
Cash and cash equivalents at beginning of year	<u>300,604</u>
Cash and cash equivalents at end of year	<u>\$ 240,149</u>

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

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.

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.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

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

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.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The organization generally pays for services requiring special expertise. Many individuals volunteer their time and perform a variety of tasks, but these services do not meet the criteria for recognition as contributed services. The organization receives more than 900 volunteer hours per year.

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.

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

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

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, 2019 amounted to \$4,800.

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, 2019, the entire bank balance of \$156,641 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.

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

Note 4. Investments

Investments are stated at fair market value, and consist of the following at December 31, 2019:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Money market funds	\$ 305,480	\$ 305,480	\$ -
Certificates of deposit	478,020	483,731	5,711
US and state government agency securities	-	-	-
Corporate bonds	1,140,805	1,170,038	29,233
Mutual funds	1,512,324	1,532,242	19,918
Corporate Stocks	1,459,688	1,605,340	145,652
Real estate investments trusts	<u>140,685</u>	<u>144,652</u>	<u>3,967</u>
Total investments	<u>\$5,037,002</u>	<u>\$5,241,483</u>	<u>\$ 204,481</u>

All investments as of December 31, 2019 are available for general use with no donor-imposed restrictions. As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically money market funds.

Investment return is summarized as follows for the year ended December 31, 2019:

Interest and dividend income	\$ 156,047
Net realized and unrealized gains (losses)	<u>394,033</u>
Total investment income (loss)	<u>\$ 550,080</u>

Note 5. Property and Equipment

Property and equipment consist of the following as of December 31, 2019:

Land, buildings and improvements	\$1,508,305
Furniture, fixtures and equipment	1,108,609
Less accumulated depreciation	<u>(1,408,067)</u>
Net	<u>\$1,208,847</u>

Depreciation expense for the year ended December 31, 2019 was \$59,716.

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

Note 6. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through January 27, 2021, the date which the financial statements were available to be issued.

As a result of COVID-19, the Organization has considered the impact of COVID-19 on its assets and ability to continue to receive public support to continue the Organization's purpose. As of the date of this financial statement issuance the fair value of investments has not experienced significant decline. Public support in the form of contributions, grants and bequests, has likewise not experienced a significant decline in 2020. However, the Organization is unable to estimate what it may experience in terms of declines in fair value of investments or public support going into 2021, as a result of COVID-19.