

THE INTERNATIONAL  
PRIMATE PROTECTION LEAGUE

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REPORT ON AUDIT OF FINANCIAL STATEMENTS

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YEAR ENDED DECEMBER 31, 2018

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# LUCIANO & KENT, LLC

*Certified Public Accountants*

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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, 2018, 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, 2018, 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

May 24, 2019

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018

ASSETS

Current assets

Cash and cash equivalents	\$ 300,604
Prepaid expenses and other current assets	37,085
Inventories	<u>11,275</u>

Total current assets 348,964

Property and equipment, net of accumulated depreciation 1,229,015

Other assets

Investments 4,737,620

Total other assets 4,727,620

Total assets \$ 6,315,599

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and other current liabilities \$ 57,378

Total liabilities 57,378

Net assets

Without donor restrictions 6,258,221

Total net assets 6,258,221

Total liabilities and net assets \$ 6,315,599

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018

WITHOUT DONOR RESTRICTIONS

PUBLIC SUPPORT AND REVENUE

Public Support	
Contributions	\$ 399,882
Grants	132,667
Legacies and bequests	<u>551,726</u>
Total public support	<u>1,084,275</u>
Revenue	
Investment income, net of investment expense	142,846
Net realized and unrealized gains (losses) on investments	(287,780)
Merchandise	<u>4,796</u>
Total revenue (net)	<u>(140,138)</u>
Total support and revenue	<u>944,137</u>

EXPENSES

Program Services	
Primate care investigation and education	<u>917,406</u>
Supporting Services	
Management and general	208,115
Fundraising	<u>8,778</u>
Total supporting services	<u>216,893</u>
Total expenses	<u>1,134,299</u>
Change in net assets	(190,162)
Net assets at beginning of year	<u>6,448,383</u>
Net assets at end of year	<u>\$ 6,258,221</u>

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2018

	Program Services	Supporting Services			Total Expenses
	Primate Care Investigation and Education	Management and General	Fundraising	Total	
Salaries and wages	\$ 340,305	\$ 62,239	\$ 5,586	\$ 67,825	\$ 408,130
Payroll taxes	31,456	5,912	531	6,443	37,899
Total salaries, wages and related expenses	371,761	68,151	6,117	74,268	446,029
Animal Food	31,237	-	-	-	31,237
Auto expenses	17,242	-	-	-	17,242
Bank charges	1,250	720	-	720	1,970
Conferences	25,041	-	-	-	25,041
Contract labor	9,804	18,840	-	18,840	28,644
Contributions	38,763	-	-	-	38,763
Cost of merchandise	-	2,811	-	2,811	2,811
Credit card fees	-	8,162	-	8,162	8,162
Dues and subscriptions	4,612	2,988	-	2,988	7,600
Education	7,223	-	-	-	7,223
Grants - sanctuary and other	156,500	-	-	-	156,500
Insurance	31,595	6,153	-	6,153	37,748
Internet expenses	4,018	-	-	-	4,018
Investigation	3,349	-	-	-	3,349
Office supplies and postage	14,265	22,890	1,449	24,339	38,604
Professional fees	15,239	31,856	-	31,856	47,095
Reports and other literature	10,264	726	-	726	10,990
Publications (newsletters)	14,742	-	-	-	14,742
Rent	4,800	-	-	-	4,800
Repairs and maintenance	23,864	1,561	-	1,561	25,425
Software maintenance	-	13,374	-	13,374	13,374
Sponsorship	5,000	-	-	-	5,000
Supplies	21,571	-	-	-	21,571
Taxes and licenses	-	3,283	-	3,283	3,283
Telephone	832	5,809	-	5,809	6,641
Travel	20,341	-	-	-	20,341
Utilities	23,671	1,646	-	1,646	25,317
Total expenses before depreciation	856,984	188,970	7,566	196,536	1,053,520
Depreciation expense	60,422	19,145	1,212	20,357	80,779
Total expenses	\$ 917,406	\$ 208,115	\$ 8,778	\$ 216,893	\$ 1,134,299

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2018

Cash Flows from Operating Activities

Change in net assets	\$ (190,162)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	80,779
Net gains on sales of investments	(23,058)
Unrealized losses on investments	310,838
Decrease in prepaid expenses and inventory	32
Increase in accounts payable	<u>14,909</u>
Net cash provided by operating activities	<u>193,338</u>

Cash Flows from Investing Activities

Purchases of property and equipment	(1,593)
Proceeds from sales of investments	1,387,787
Purchases of investments	<u>(1,509,968)</u>
Net cash (used) in investing activities	<u>(123,774)</u>
Net increase in cash and cash equivalents	69,564
Cash and cash equivalents at beginning of year	<u>231,040</u>
Cash and cash equivalents at end of year	<u>\$ 300,604</u>

(See notes to financial statements)

THE INTERNATIONAL PRIMATE PROTECTION LEAGUE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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, 2018

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, 2018

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, 2018 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, 2018, the entire bank balance of \$239,573 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, 2018

Note 4. Investments

Investments are stated at fair market value, and consist of the following at December 31, 2018:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Money market funds	\$ 412,668	\$ 412,668	\$ -
Certificates of deposit US and state government agency securities	640,683 -	624,370 -	(16,313) -
Corporate bonds	833,550	798,743	(34,807)
Mutual funds	1,967,883	1,885,181	(82,702)
Corporate Stocks	941,333	909,924	(31,409)
Real estate investments trusts	<u>110,604</u>	<u>106,734</u>	<u>(3,870)</u>
Total investments	<u>\$4,906,721</u>	<u>\$4,737,620</u>	<u>\$ (169,101)</u>

Investment return is summarized as follows for the year ended December 31, 2018:

Interest and dividend income	\$ 142,846
Net realized and unrealized gains (losses)	<u>(287,780)</u>
Total investment income (loss)	<u>\$ (144,934)</u>

Note 5. Property and Equipment

Property and equipment consist of the following as of December 31, 2018:

Land, buildings and improvements	\$1,493,866
Furniture, fixtures and equipment	1,083,500
Less accumulated depreciation	<u>(1,348,351)</u>
Net	<u>\$1,229,015</u>

Depreciation expense for the year ended December 31, 2018 was \$80,779.

Note 6. Evaluation of Subsequent Events

The organization has evaluated subsequent events through May 24, 2019, the date which the financial statements were available to be issued.