

COMBINED FINANCIAL STATEMENTS

Jane Goodall Institute

**THE JANE GOODALL INSTITUTE FOR WILDLIFE
RESEARCH, EDUCATION AND CONSERVATION
AND RELATED ENTITY**

**FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2020**

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,
EDUCATION AND CONSERVATION AND RELATED ENTITY**

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity
Washington, D.C.

Opinion

We have audited the accompanying combined financial statements of The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity (the Institute), which comprise the combined statement of financial position as of December 31, 2021, and the related combined statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Institute as of December 31, 2021, and the combined change in its net assets and its combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the combined Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Institute's 2020 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated September 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2022, on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.



September 26, 2022

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**COMBINED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents:		
Funds held in United States	\$ 5,393,002	\$ 4,551,138
Funds held in foreign countries	<u>1,181,001</u>	<u>1,360,252</u>
Total cash and cash equivalents	6,574,003	5,911,390
Investments	8,002,105	6,005,197
Grants receivable	1,292,323	857,170
Other receivables	698,956	782,956
Prepaid expenses	353,790	218,330
Property, equipment and leasehold improvements, net of accumulated depreciation and amortization	1,015,864	707,865
Right-of-use asset, net (Congo Island)	1,948,994	2,053,052
Right-of-use asset (operating lease), net	487,872	-
Security deposit	<u>55,567</u>	<u>43,597</u>
TOTAL ASSETS	<u>\$ 20,429,474</u>	<u>\$ 16,579,557</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Loan payable	\$ 751,109	\$ 793,400
Accounts payable and accrued liabilities	3,181,309	2,125,834
Refundable advances	3,364,887	3,508,025
Deferred rent	-	15,315
Operating lease liability	<u>504,270</u>	<u>-</u>
Total liabilities	<u>7,801,575</u>	<u>6,442,574</u>
NET ASSETS		
Without donor restrictions	8,775,764	6,239,423
With donor restrictions	<u>3,852,135</u>	<u>3,897,560</u>
Total net assets	<u>12,627,899</u>	<u>10,136,983</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,429,474</u>	<u>\$ 16,579,557</u>

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	<u>2021</u>			<u>2020</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions and grants:				
Corporate and foundation grants	\$ 5,885,891	\$ 1,269,235	\$ 7,155,126	\$ 4,824,114
Individual contributions	5,522,110	221,045	5,743,155	7,486,416
Government grants	6,106,275	-	6,106,275	4,726,031
Bequests	1,368,625	-	1,368,625	1,040,689
In-kind contributions	467,251	-	467,251	468,886
Net assets released from donor restrictions	<u>1,535,705</u>	<u>(1,535,705)</u>	<u>-</u>	<u>-</u>
Total contributions and grants	<u>20,885,857</u>	<u>(45,425)</u>	<u>20,840,432</u>	<u>18,546,136</u>
Other Support and Revenue:				
Lecture tour and honorariums	236,300	-	236,300	537,500
Merchandise sales	154,690	-	154,690	116,963
Royalties and license fees	876,096	-	876,096	141,498
Investment income	257,545	-	257,545	274,970
Other income	<u>97,538</u>	<u>-</u>	<u>97,538</u>	<u>52,447</u>
Total other support and revenue	<u>1,622,169</u>	<u>-</u>	<u>1,622,169</u>	<u>1,123,378</u>
Total support and revenue	<u>22,508,026</u>	<u>(45,425)</u>	<u>22,462,601</u>	<u>19,669,514</u>
EXPENSES				
Program Services:				
Animal Welfare and Conservation	14,048,696	-	14,048,696	13,086,249
Education	1,112,520	-	1,112,520	1,340,331
Communications and Membership	<u>1,548,203</u>	<u>-</u>	<u>1,548,203</u>	<u>1,122,751</u>
Total program services	<u>16,709,419</u>	<u>-</u>	<u>16,709,419</u>	<u>15,549,331</u>
Supporting Services:				
Management and General	2,573,341	-	2,573,341	2,624,640
Fundraising	<u>1,663,400</u>	<u>-</u>	<u>1,663,400</u>	<u>1,740,634</u>
Total supporting services	<u>4,236,741</u>	<u>-</u>	<u>4,236,741</u>	<u>4,365,274</u>
Total expenses	<u>20,946,160</u>	<u>-</u>	<u>20,946,160</u>	<u>19,914,605</u>
Change in net assets from operating activities before other items	<u>1,561,866</u>	<u>(45,425)</u>	<u>1,516,441</u>	<u>(245,091)</u>
OTHER ITEMS				
Exchange rate gain	19,196	-	19,196	151,188
Forgiveness of debt	793,400	-	793,400	-
Unrealized gain on investments	<u>161,879</u>	<u>-</u>	<u>161,879</u>	<u>294,973</u>
Total other items	<u>974,475</u>	<u>-</u>	<u>974,475</u>	<u>446,161</u>
Change in net assets	2,536,341	(45,425)	2,490,916	201,070
Net assets at beginning of year	<u>6,239,423</u>	<u>3,897,560</u>	<u>10,136,983</u>	<u>9,935,913</u>
NET ASSETS AT END OF YEAR	<u>\$ 8,775,764</u>	<u>\$ 3,852,135</u>	<u>\$ 12,627,899</u>	<u>\$ 10,136,983</u>

See accompanying notes to combined financial statements.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021							2020	
	Program Services				Supporting Services			Total Expenses	Total Expenses
	Animal Welfare and Conservation	Education	Communications and Membership	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries and wages	\$ 3,660,788	\$ 580,137	\$ 609,930	\$ 4,850,855	\$ 858,207	\$ 530,467	\$ 1,388,674	\$ 6,239,529	\$ 6,271,615
Field expenses	3,676,782	-	-	3,676,782	-	-	-	3,676,782	3,294,207
Sub-awards	1,858,328	30,376	-	1,888,704	-	-	-	1,888,704	1,541,128
Direct mail	-	-	-	-	-	1,779,040	1,779,040	1,779,040	1,809,698
Benefits	926,620	173,970	140,393	1,240,983	189,815	147,354	337,169	1,578,152	1,923,228
Professional fees	39,630	136,557	336,987	513,174	291,494	70,879	362,373	875,547	509,914
Consultants	541,216	36,395	38,844	616,455	75,340	-	75,340	691,795	779,019
Computer hardware, software and equipment	459,116	1,706	4,355	465,177	141,009	561	141,570	606,747	455,323
Occupancy costs	354,341	3,049	-	357,390	214,100	280	214,380	571,770	547,760
Travel	511,185	529	2,130	513,844	9,856	1,972	11,828	525,672	604,439
In-kind software	317,251	-	150,000	467,251	-	-	-	467,251	468,886
Corporate expense and registration	84,209	-	(1,015)	83,194	259,714	65,407	325,121	408,315	329,675
Database and website management	1,823	20,574	24,451	46,848	59,932	241,787	301,719	348,567	336,114
Other personnel costs	60,477	267	4,400	65,144	199,235	3,276	202,511	267,655	167,040
Office expenses	86,883	885	124,372	212,140	29,010	3,280	32,290	244,430	160,995
Conferences, workshops and events	36,199	227	5,305	41,731	47,101	115,369	162,470	204,201	58,236
Telephone and internet	133,466	1,526	144	135,136	44,519	215	44,734	179,870	167,184
Depreciation and amortization	21,583	-	-	21,583	111,134	-	111,134	132,717	148,037
Subscriptions	20,409	334	35,226	55,969	2,753	14,343	17,096	73,065	110,872
Postage and delivery	8,875	1,032	31,042	40,949	2,405	12,884	15,289	56,238	66,408
Printing and photocopying	22,517	-	18,520	41,037	-	-	-	41,037	26,210
Other expenses	41,056	1,124	3,657	45,837	37,717	5,522	43,239	89,076	138,617
Subtotal	12,862,754	988,688	1,528,741	15,380,183	2,573,341	2,992,636	5,565,977	20,946,160	19,914,605
Joint cost allocation	1,185,942	123,832	19,462	1,329,236	-	(1,329,236)	(1,329,236)	-	-
TOTAL	\$ 14,048,696	\$ 1,112,520	\$ 1,548,203	\$ 16,709,419	\$ 2,573,341	\$ 1,663,400	\$ 4,236,741	\$ 20,946,160	\$ 19,914,605

See accompanying notes to combined financial statements.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,
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**COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,490,916	\$ 201,070
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	132,717	148,037
Change in operating lease	16,398	-
Realized gain on sale of investments	(118,444)	(117,594)
Unrealized gain on investments	(161,879)	(294,973)
Loss on disposal of assets	8,530	-
Forgiveness of debt	(793,400)	-
Donated securities received	(1,542,457)	(1,231,057)
Proceeds from sale of donated securities	1,779,840	1,273,295
(Increase) decrease in:		
Grants receivable	(435,153)	(281,862)
Other receivables	84,000	56,194
Prepaid expenses	(135,460)	1,098
Inventory	-	19,585
Security deposit	(11,970)	(10,056)
Increase (decrease) in:		
Accounts payable and accrued liabilities	1,055,475	16,825
Refundable advances	(143,138)	794,813
Deferred rent	(15,315)	(41,000)
Net cash provided by operating activities	<u>2,210,660</u>	<u>534,375</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, equipment and right-of-use assets	(345,188)	(180,293)
Net sales (purchases) of investments	(1,953,968)	(1,507,879)
Net cash used by investing activities	<u>(2,299,156)</u>	<u>(1,688,172)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	751,109	793,400
Net cash provided by financing activities	<u>751,109</u>	<u>793,400</u>
Net increase (decrease) in cash and cash equivalents	662,613	(360,397)
Cash and cash equivalents at beginning of year	5,911,390	6,271,787
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,574,003</u>	<u>\$ 5,911,390</u>
SUPPLEMENTAL INFORMATION		
Right-of-Use Asset	<u>\$ 584,872</u>	<u>\$ -</u>
Operating Lease Liability for Right-of-Use Asset	<u>\$ 584,872</u>	<u>\$ -</u>

See accompanying notes to combined financial statements.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Jane Goodall Institute for Wildlife Research, Education and Conservation (the Institute) was incorporated as a nonprofit organization under the laws of the State of California in 1977. The Institute contributes to the preservation of great apes and their habitats through conservation, education and promotion of sustainable livelihoods in local communities; improves global understanding and treatment of great apes through research, public education and advocacy; and engages a worldwide network of young people who take responsible action on behalf of humans, animals and the environment.

The Jane Goodall Institute, Inc. - Tanzania (JGI-Tanzania) is a legally registered organization located in Tanzania and receives the majority of its support from The Jane Goodall Institute for Wildlife Research, Education and Conservation. The current programs are funded by various public and private donors.

Program services -

Program services are segregated by type of activity within the Combined Statement of Activities and Change in Net Assets. The following indicates the specific activities that are included in each program area and promoted by the Institute:

- **Animal Welfare and Conservation**

Conservation activities ensure the long-term preservation of wildlife habitats, including reforestation and an extensive community-centered conservation program. Expenses include those related to the TACARE (Lake Tanganyika Catchment Reforestation and Education) program in Tanzania and similar initiatives in other African countries, as well as the Institute's Tanzanian Roots & Shoots program. Animal welfare activities ensure the physical and psychological well-being of animals in general, particularly chimpanzees. Animal welfare and conservation activities include the Institute's sanctuary in the Republic of Congo. In the United States, the Institute lends assistance to organizations seeking to address the welfare of captive chimpanzees kept for pets, entertainment and medical testing.

- **Education**

Education efforts heighten global awareness of the issues facing wild and captive great apes, particularly chimpanzees, and foster an awareness and understanding of the interdependence of all life, and empower youth to take action on behalf of people, animals and the environment. These types of expenses include those related to the Dr. Goodall's United States tours, including efforts to educate policy makers, and Jane Goodall's Roots & Shoots program, the Institute's global environmental and humanitarian youth program.

- **Communications and Membership**

Communication efforts promote the Institute's work to the general public, inform in regular updates the progress and outcomes of its efforts in conservation and development, wildlife research, and humanitarian and environmental education, and seek to heighten global awareness of the threats facing chimpanzees and other conservation issues. Communication efforts also entail creation of educational materials and their distribution to Institute members and the general public. This work is done through the Institute's website, print materials, videos and promotion of Dr. Jane Goodall's lecture tour and media appearances.

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,
EDUCATION AND CONSERVATION AND RELATED ENTITY

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Basis of presentation -

The accompanying combined financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are more restrictive than the Institute's mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The combined 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Institute's combined financial statements for the year ended December 31, 2020, from which the summarized information was derived.

The accompanying combined financial statements are presented in accordance with *FASB ASC 958-810, Not-for-Profit Entities, Consolidation*. All intercompany transactions have been eliminated during combination.

New accounting pronouncements adopted -

During 2021, the Institute early adopted ASU 2019-01, *Leases* (Topic 842), which changed the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Combined Statement of Financial Position and disclosure of key information about leasing arrangements. The Institute applied the new standard at the inception of a new lease that began in 2021 and also the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. See Note 7 for further details.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Cash and cash equivalents -

The Institute considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents, excluding money market funds held by investment managers in the amount of \$3,363,237 at December 31, 2021.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Institute maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

At December 31, 2021, the Institute maintained cash and cash equivalents of \$1,181,001 in foreign countries. The majority of these funds are uninsured.

Investments -

Investments are presented in the combined financial statements at their readily determinable fair value.

Interest, dividends and realized gains and losses from investments are included in investment income, net of investment expenses, which is reflected in the Combined Statement of Activities and Change in Net Assets. Unrealized gains and losses are reflected as an other item in the Combined Statement of Activities and Change in Net Assets.

Foreign operations -

The Institute maintains field offices in Tanzania, Uganda, the Republic of Congo and the Democratic Republic of Congo.

Assets and liabilities denominated in each respective countries' functional currency are converted into U.S. Dollars at year-end exchange rates, and revenue and expense accounts are translated at the average rates in effect during the year. Exchange gains and losses are reported in the Combined Statement of Activities and Change in Net Assets.

Grants receivable -

Grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Other receivables -

Other receivables consist of contributions, travel advances, accrued interest and other miscellaneous receivables that are stated at their net realizable value. Management considers all amounts to be collectable. Accordingly, an allowance for doubtful accounts has not been established.

Property, equipment and leasehold improvements -

Furniture and equipment costing in excess of \$2,500 are capitalized and depreciated over the life of the asset ranging from three to seven years.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Property, equipment and leasehold improvements (continued) -

Leasehold improvements are capitalized and amortized over the life of the lease and buildings are amortized over the life of the building.

Right-of-use asset (Congo Island) -

The Institute has constructed and improved certain structures and facilities for a chimpanzee reserve within the Tchimpounga Nature Reserve in Congo. The structures and facilities have been recorded at cost and are being amortized over a period of 25 years. The Institute has an agreement with the Ministry of Forest Economy and Sustainable Development for the use of the structures and facilities within the national park. The agreement is reviewed every five years, but is expected to be continued for an unlimited period of time; however, in accordance with the agreement, formal ownership of the structures and facilities are the property of the Government of the Republic of Congo, but are managed as a project by the Institute.

Right-of-use asset (operating lease) -

In accordance with ASC 842, the right-of-use asset and related lease liability is amortized over the lease term. As stated in Note 7, amortization of the right-of-use asset is included in occupancy expense in the accompanying Combined Statement of Functional Expenses for the year ended December 31, 2021.

Income taxes -

The Institute is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. The Institute is not a private foundation.

As an independently registered non-governmental organization (NGO), The Jane Goodall Institute, Inc. - Tanzania (JGI-Tanzania) is subject to taxes on its net investment income. JGI-Tanzania did not earn any investment income. Accordingly, no provision for income taxes has been made in the accompanying combined financial statements.

Uncertain tax positions -

For the year ended December 31, 2021, the Institute has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the combined financial statements.

Revenue recognition -

Contributions and grants -

The majority of the Institute's activities are supported by grants and contributions from the U.S. Government, corporate and foundation donors and individuals. These awards are for various activities performed by the Institute. Contributions and grants are recognized in the appropriate category of net assets in the period received.

**THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH,
EDUCATION AND CONSERVATION AND RELATED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Revenue recognition (continued) -

Contributions and grants (continued) -

The Institute performs an analysis of the individual contributions and grants to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed nonreciprocal or reciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. For the year ended December 31, 2021 all contributions and grants have been deemed to be nonreciprocal. Accordingly, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable.

Contributions and grants qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying combined financial statements.

Contributions or grants qualifying as conditional contributions contain a right and a barrier. Revenue is recognized when the condition or conditions on which they depend are substantially met (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants treated as contributions, the Institute had approximately \$15,300,000 in unrecognized conditional awards as of December 31, 2021.

In-kind contributions are recorded as revenue and expense at the fair market value on the date of the donation. During the year ended December 31, 2021, the Institute received donated software licenses valued at \$467,251. The revenue is shown as in-kind contributions and the corresponding expense is allocated between the Animal Welfare and Conservation program and the Communications and Membership program.

Other support and revenue -

Lecture tour and honorariums -

The Institute receives fees for lecture tours and other events hosted by the Institute's founder. These transactions are classified as exchange transactions and recognition follows ASU 2014-09, *Revenue from Contracts with Customers*.

Revenue is recorded when the performance obligations are met, which is when the related events have occurred. Transaction price is determined based on sales price. The Institute has elected to opt out of all disclosures not required for non-public entities.

Merchandise sales -

Merchandise sales are classified as exchange transactions and recognition follows ASU 2014-09, *Revenue from Contracts with Customers*. Revenue is recorded when the performance obligations are met, which is at the point in time when the sales take place. Transaction price is determined based on sales price. The Institute has elected to opt out of all disclosures not required for nonpublic entities.

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DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Other support and revenue (continued) -

Royalties and license fees -

Royalties and license fees are classified as exchange transactions and recognition follows ASU 2014-09, *Revenue from Contracts with Customers*. Revenue is recorded when the performance obligations are met, which is when the related activity takes place. Transaction price is determined based on provisions of the related royalty and license agreements. The Institute has elected to opt out of all disclosures not required for nonpublic entities.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Combined Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area of the Institute are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of actual time and effort.

Use of estimates -

The preparation of the combined 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 at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Investment risks and uncertainties -

The Institute invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, foreign exchange, and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

Fair value measurement -

The Institute adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Fair value measurement (continued) -

The Institute accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

New accounting pronouncement (not yet adopted) -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

The Institute plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying combined financial statements.

2. INVESTMENTS

Investments are recorded at their readily determinable fair value. Investments at December 31, 2021 are as follows:

	<u>Fair Value</u>
Money market funds	\$ 3,363,237
Mutual funds	3,714,089
Stocks	262,491
Bonds	<u>662,288</u>
TOTAL INVESTMENTS	<u>\$ 8,002,105</u>

An unrealized gain of \$161,879 is reported as an other item in the Combined Statement of Activities and Change in Net Assets.

Investment income for the year ended December 31, 2021 consisted of the following:

Interest and dividends	\$ 183,779
Realized gain	118,444
Management fees	<u>(44,678)</u>
TOTAL INVESTMENT INCOME	<u>\$ 257,545</u>

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3. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements at December 31, 2021 are comprised of the following:

Furniture	\$ 39,651
Software	370,444
Computer hardware	64,621
Equipment	154,536
Buildings	904,581
Vehicles	<u>234,674</u>
	1,768,507
Less: Accumulated depreciation and amortization	<u>(752,643)</u>
PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET	<u>\$ 1,015,864</u>

4. RIGHT-OF-USE ASSET (CONGO ISLAND)

The Institute has constructed a chimpanzee reserve in the Tchimpounga Nature Reserve in Congo. The land on which the reserve is constructed is owned by the Congolese government, and the Institute has been granted right-of-use of the constructed reserve. Accordingly, the associated costs have been capitalized as a right-of-use asset in the accompanying Combined Statement of Financial Position.

Following is a summary of the net value of the right-of-use asset at December 31, 2021:

Buildings, structures and improvements	\$ 2,583,688
Less: Accumulated depreciation and amortization	<u>(634,694)</u>
NET VALUE, RIGHT-OF-USE ASSET (CONGO ISLAND)	<u>\$ 1,948,994</u>

5. NOTE PAYABLE

On April 21, 2020, the Institute received loan proceeds in the amount of \$793,400 under the Paycheck Protection Program. The promissory note bore interest at a rate of 1% per year and called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. The Institute applied for forgiveness of the loan after completing the 24 week spending period. In January 2021, the Institute received notification that the loan has been forgiven in full by the Small Business Administration. The loan forgiveness has been recorded as forgiveness of debt in the other items section in the accompanying Combined Statement of Activities and Change in Net Assets.

On March 16, 2021, the Institute received loan proceeds in the amount of \$751,109 under the Paycheck Protection Program. The promissory note bears interest at a rate of 1.00% per year and calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments until ten months after completion of the 24 week spending period. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. As discussed in Note 15, subsequent to year-end, the Institute received notification that the loan has been forgiven in full.

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**NOTES TO COMBINED FINANCIAL STATEMENTS
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5. NOTE PAYABLE (Continued)

Accordingly, the balance of the loan will be recognized as revenue from forgiveness of debt in the 2022 financial statements.

6. LINE OF CREDIT

On April 16, 2020, the Institute entered into \$3,200,000 line of credit with a financial institution which matured on April 15, 2022. Amounts borrowed under this agreement bore interest at the daily BSBY rate (.08% at December 31, 2021) plus 2.00%. As of December 31, 2021, there was no outstanding balance on the line of credit. The line was secured by the Institute's investment accounts.

7. LEASE COMMITMENTS

Beginning September 1, 2012, the Institute entered into an eight year lease for office space, which expired April 30, 2021. In March 2021, the Institute entered into a new lease for office space in Washington, D.C. The lease commenced on May 1, 2021 and terminates on May 31, 2025. Base rent is \$12,500 per month escalating by 4% annually. As part of the agreement, the first month of rent was abated.

ASU 2019-01, Leases (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Combined Statement of Financial Position and disclosure of key information about leasing arrangements. The Institute elected to early implement the ASU and elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. The Institute also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. The Institute adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. As a result, Institute recorded a right-of-use asset in the amount of \$584,872. The Institute recorded an operating lease liability in the amount of \$584,872 by calculating the present value using the discount rate of 2.15%.

Future minimum lease payments, excluding operating expenses and real estate taxes, are as follows:

Year Ending December 31,

2022	\$ 154,010
2023	160,169
2024	166,566
2025	<u>42,181</u>
	<u>\$ 522,926</u>

The Institute also leases office space in foreign countries under short-term lease agreements.

Rent expense (including operating expenses and real estate taxes) under these agreements for the year ended December 31, 2021 totaled \$256,931, and is included in occupancy expense on the accompanying Combined Statement of Functional Expenses.

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8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2021:

Subject to expenditure for specified purpose:	
Animal Welfare and Conservation	\$ 2,624,357
Endowment to be invested in perpetuity	<u>1,227,778</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 3,852,135</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose Restrictions Accomplished:	
Animal Welfare and Conservation	<u>\$ 1,535,705</u>

9. ENDOWMENT

The Institute's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. Most of those net asset also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The governing Board has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Institute considers a fund to be underwater if the fair value of the fund is less than the sum the (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Institute has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Endowment net asset composition by type of fund as of December 31, 2021:

	<u>With Donor Restrictions</u>
Donor-Restricted Endowment Funds	<u>\$ 1,227,778</u>

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9. ENDOWMENT (Continued)

Changes in endowment net assets for the year ended December 31, 2021:

	<u>With Donor Restrictions</u>
Endowment net assets, beginning of year	\$ 1,227,778
Investment income	50,321
Appropriation of endowment assets for expenditure	<u>(50,321)</u>
ENDOWMENT NET ASSETS, END OF YEAR	<u>\$ 1,227,778</u>

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Institute to retain as a fund of perpetual duration. In accordance with GAAP, there were no deficiencies of this nature in net assets with donor restrictions as of December 31, 2021.

Return Objectives and Risk Parameters -

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that the organization must hold in-perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Institute expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

The Board of Directors authorizes the appropriations of spending during the Board approval of the budget. The Institute considers the long-term expected return on its endowment. Accordingly, over the long-term, the Institute expects the current spending policy to allow its endowment to grow annually. This is consistent with the Institute's objective to maintain the purchasing power of the endowment assets held in-perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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10. AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY)

Financial assets available for use for general expenditures within one year of the Combined Statement of Financial Position date comprise the following:

Cash and cash equivalents:	
Funds held in United States	\$ 5,393,002
Funds held in foreign countries	<u>1,181,001</u>
Total cash and cash equivalents	6,574,003
Investments	8,002,105
Grants receivable	1,292,323
Other receivables	<u>698,956</u>
Subtotal financial assets available within one year	16,567,387
Less: Donor restricted funds	<u>(3,852,135)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES	<u>\$ 12,715,252</u>

The Institute has a policy to structure its financial assets to be available and liquid as its obligations become due.

11. RETIREMENT PLAN

Retirement benefits are available for all regular, full-time employees. Eligible employees are covered by a 401(k) pension plan. The Institute contributes five percent of an employee's base salary annually. Contributions made by the Institute during the year ended December 31, 2021, amounted to \$120,799.

12. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, the Institute has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Combined Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Institute has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

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12. FAIR VALUE MEASUREMENT (Continued)

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2021. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2021. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money market funds* - The money market funds are open-end mutual funds that are registered with the Securities and Exchange Commission and deemed to be actively traded.
- *Mutual funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Institute are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Mutual funds held by the Institute are deemed to be actively traded.
- *Stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes, by level within the fair value hierarchy, the Institute's investments as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds	\$ 3,363,237	\$ -	\$ -	\$ 3,363,237
Mutual funds	3,714,089	-	-	3,714,089
Stocks	262,491	-	-	262,491
Bonds	<u>-</u>	<u>662,288</u>	<u>-</u>	<u>662,288</u>
TOTAL	<u>\$ 7,339,817</u>	<u>\$ 662,288</u>	<u>\$ -</u>	<u>\$ 8,002,105</u>

13. ALLOCATION OF JOINT COSTS

The Institute conducts direct mail campaigns and special events that have both programmatic and fundraising content. Accordingly, \$1,768,084 of the fundraising costs associated with the direct mail campaigns and the special events have been allocated among the programs and supporting services benefited. \$438,848 of the costs remain in fundraising. The method of allocating costs was based primarily on the programmatic and fundraising content of the activities.

The joint costs were allocated as follows:

Animal Welfare and Conservation	\$ 1,185,942
Education	123,832
Communications and Membership	19,462
Fundraising	<u>438,848</u>
TOTAL	<u>\$ 1,768,084</u>

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14. CONTINGENCY

The Institute receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2021. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

15. SUBSEQUENT EVENTS

In preparing these combined financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through September 26, 2022, the date the combined financial statements were issued.

As discussed in Note 5, on July 20, 2022, the Institute received notice that their second Payroll Protection Program Act loan had been forgiven in full. Accordingly, the balance of the loan will be recognized as revenue from forgiveness of debt in the 2022 financial statements.