PROJECT CHIMPS
Morganton, Georgia

Financial Statements
December 31, 2022

PROJECT CHIMPS
MORGANTON, GEORGIA

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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WILSON LEWIS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
Project Chimps
Morganton, Georgia

Opinion

We have audited the accompanying financial statements of Project Chimps (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Chimps as of December 31, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Project Chimps 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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. 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 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 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 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 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 Project Chimps' 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Project Chimps' 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.

Wilson Lewis

November 8, 2023

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PROJECT CHIMPS

STATEMENT OF FINANCIAL POSITION
As of December 31, 2022

ASSETS

CURRENT ASSETS	
Cash	$ 5,249,935
Investments	191
Prepaid expenses and other current assets	75,591
Inventory	68,592
Total current assets	5,394,309
PROPERTY AND EQUIPMENT	
Property and equipment	6,200,558
Less: accumulated depreciation	(910,823)
Construction in progress	778,508
Property and equipment, net	6,068,243
Total assets	$ 11,462,552

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 31,208
Accrued expenses	100,506
Grant liabilities	4,543,540
Total current liabilities	4,675,254
NET ASSETS	
Net assets without donor restrictions	6,717,148
Net assets with donor restrictions	70,150
Total net assets	6,787,298
Total liabilities and net assets	$ 11,462,552

See accompanying notes and independent auditor's report.

PROJECT CHIMPS

STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	$ 985,712	$ 526,610	$ 1,512,322
Grant revenue	1,500,000	-	1,500,000
Non-cash donations	184,586	-	184,586
Fundraising revenue	69,930	-	69,930
Sponsorships	-	84,444	84,444
Investment income (losses)	(1,232)	-	(1,232)
Unrelated taxable income	140,794	-	140,794
Total revenue and support	2,879,790	611,054	3,490,844
Net assets released from restrictions	540,904	(540,904)	-
EXPENSES			
Program services	2,085,202	-	2,085,202
Supporting services	538,806	-	538,806
Fundraising	173,518	-	173,518
Total expenses	2,797,526	-	2,797,526
CHANGE IN NET ASSETS	623,168	70,150	693,318
NET ASSETS, beginning of year	6,093,980	-	6,093,980
NET ASSETS, end of year	$ 6,717,148	$ 70,150	$ 6,787,298

See accompanying notes and independent auditor's report.

PROJECT CHIMPS

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2022

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Advertising and marketing	$ -	$ -	$ 1,400	$ 1,400
Animal care/veterinary services	368,246	-	-	368,246
Bank charges and merchant fees	-	-	1,282	1,282
Computer	-	6,148	55,334	61,482
Cost of merchandise sold	-	-	34,608	34,608
Depreciation	191,792	-	-	191,792
Dues and subscriptions	3,730	930	-	4,660
Insurance	159,664	159,664	-	319,328
Lease expense - short term	2,499	-	-	2,499
Office expense	-	57,389	-	57,389
Payroll taxes and other taxes	22,530	24,317	-	46,847
Postage and shipping	2,753	1,363	1,278	5,394
Printing and composition	7,891	27,722	2,941	38,554
Professional fees	45,374	21,706	-	67,080
Repairs and maintenance	85,091	155	-	85,246
Retirement plan contributions	-	16,486	-	16,486
Salaries and wages	1,095,786	205,460	68,487	1,369,733
Telephone and internet	-	8,187	8,188	16,375
Travel	11,073	1,928	-	13,001
Utilities	88,773	7,351	-	96,124
Total expenses	$ 2,085,202	$ 538,806	$ 173,518	$ 2,797,526

See accompanying notes and independent auditor's report.

PROJECT CHIMPS

STATEMENT OF CASH FLOWS
For the year ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 693,318
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	191,792
Investment income	(191)
Donated services	(32,093)
(Increase) decrease in assets:	
Grant receivable	18,937
Prepaid expenses	(75,591)
Inventory	(68,592)
Increase (decrease) in liabilities:	
Accounts payable	24,675
Accrued expenses	(32,663)
Grant liability	4,543,540
Total adjustments	4,569,814
Net cash provided by operating activities	5,263,132
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(15,170)
Construction in progress	(456,460)
Net cash used in investing activities	(471,630)
NET INCREASE IN CASH	4,791,502
Cash, beginning of year	458,433
Cash, end of year	$ 5,249,935

See accompanying notes and independent auditor's report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Project Chimps ("the Organization") is a nonprofit organization whose mission is to provide a sanctuary and lifelong exemplary care to former research chimpanzees. The Organization was founded in 2014 and is located in Blue Ridge, Georgia. The Organization provides these services to accomplish its mission through donations and grants from the private and public sector. Prior to July 1, 2022, the Organization was reported as a program of the Humane Society of the United States (HSUS).

Basis of Accounting

The Organization utilizes the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit-Entities*. Accordingly, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions, and net assets without donor restrictions.

Net assets without donor restrictions include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization. As of December 31, 2022, net assets without donor restrictions were $6,717,148.

Net assets with donor restrictions are amounts subject to donor-imposed stipulations that may, or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires or the Organization has satisfied the restriction, donor restricted net assets are reclassified to non-donor restricted net assets. Net assets with donor restrictions was $70,150 for the year ended December 31, 2022.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the year ended December 31, 2022 include valuations of leases.

Revenue Recognition

The Organization generates revenue from grant income, which is recognized when the Organization fulfills its obligations specified in the underlying grant agreements, from donations and contributions, and from exchange transactions with customers such as sales of merchandise. Grant agreements and contributions may be recognized as conditional contributions, restricted or unrestricted contributions, or exchange transactions. When grants and contributions are determined to be conditional contributions, they are recognized in revenue when those conditions have been met. Grant funds and contributions received for which conditions have not yet been met are reported as liabilities on the Statement of Financial Position. Grant funds and contributions determined to be restricted or unrestricted contributions are recognized in revenue when the grant is awarded or the contribution promise is made.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

For grant funds and contributions determined to be exchange transactions, the Organization recognizes this revenue from contracts with customers in accordance with ASC Topic 606 Revenue from Contracts with Customers. ASC 606 provides for a five-step model for recognizing revenue from contracts with customers as follows:

1. Identify the contract
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognize revenue

Revenue is disaggregated based on the timing of the transfer of goods and services and the type of goods and services transferred. The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for transferring goods and services to the customer. The transaction price generally includes fixed amounts but may from time to time include variable amounts to the extent that a significant reversal of revenue recognized will not occur when the uncertainty associated with variable consideration is subsequently resolved, that is, it is probable and estimable.

Generally, the Organization's contracts with customers contain one performance obligation. Performance obligations related to contracts with customers for sales of merchandise and ticket sales to fundraising events are satisfied at a point in time because the performance of the contract typically creates or enhances an asset that the customer controls as the asset is delivered to the customer. Revenue is recognized at a point in time as control is transferred to the customers by measuring the progress toward complete satisfaction of the performance obligation using the milestone output method which is generally the best depiction of transfer of control when the event occurs.

Subsequent to the inception of a contract, the transaction price could change for various reasons, including a credit that can be applied to amounts owed, or that will be owed, a full or partial refund, or another product in exchange. Changes that are accounted for as an adjustment to existing performance obligations are allocated on the same basis at contract inception. Otherwise, changes are accounted for as separate performance obligations and the separate transaction price is allocated as discussed above.

Contract costs include costs directly related to contract performance, such as the cost of goods., and those indirect costs related to contract performance, such as indirect labor, and supplies. Both direct and indirect contract costs are are charged to their functional expense category as they are incurred.

Grants and Accounts Receivable

Grant receivable is recorded at the amount the Organization expects to collect on awards granted and approved by the appropriate officials of the grant contracts. The Organization invoices the grantor in compliance with the billing terms under the grant agreements.

Accounts receivable are stated at net realizable value and arise from amounts earned and billed to customers under ASC 606 Revenue from Contracts with Customers, that have not yet been collected as of year end. The Foundation considers accounts receivable fully collectible. If amounts become uncollectible, and impairment of accounts receivable will be recorded when such determination is made.

Management closely monitors receivables and writes off, as of year end, any balances that are considered to be uncollectible. Based on the history of collecting, there is no allowance for doubtful accounts as of

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

December 31, 2022. The Organization has determined there are no significant financing components in contracts for the year ended December 31, 2022.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the determination in the change in net assets.

Inventory

Inventory is stated at the lower of cost, using the average cost method, or net realizable value. At December 31, 2022, no reserve was deemed necessary.

Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over the useful lives of the assets which are between five and forty years. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in the current year's changes in net assets. Repairs and maintenance charges, which do not significantly extend the useful lives of the assets, are charged to expense as incurred, while major replacements and betterments are capitalized.

Leases

<u>Lessee</u>
The Organization determines if an arrangement is a lease at inception. The Organization uses the following primary accounting provisions to classify transactions as financing or operating leases. Leases meeting any of these conditions are accounted for as financing leases, those that meet none, as operating leases.

1. Review of the lease term to determine if it's for a major part of the economic life of the underlying asset.
2. Review of the present value of the lease payments to determine if they are equal to, or greater than, substantially all of the fair market value of the underlying asset at the inception of the lease.
3. Review of the lease agreement to determine if there is an option to purchase the underlying asset that the Organization is reasonably certain to exercise, or, if the ownership of the underlying asset transfers to the Organization at the end of the lease term.
4. Review of the underlying asset to determine if it is highly specialized or would have no alternative use to the lessor after the lease term.

The Organization elects to use the risk-free discount rate for all leases that don't already have an explicit or implicit rate included in the lease, and to use this rate instead of the Organization's incremental borrowing rate. The risk-free rate is determined using a comparable period with that of the lease term and is elected by class of underlying assets. The Organization is applying this policy to all of its leases.

The Organization has elected for short-term leases, defined as leases with a term of twelve months or less, to recognize the lease payments in the statement of changes in net assets on a straight-line basis over the

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

lease term and associated variable lease payments (if any) in the period in which the obligation for those payments is incurred. This policy election is made by class of underlying asset to which the right of use relates. The Organization has short term leases for office equipment.

Costs incurred to bring a leased asset to the condition and location necessary for its intended use are expensed as incurred.

Where the Organization is leasing a portion of a larger asset, the Organization estimates the fair value of the portion of the underlying asset being leased when applying the lease classification criteria.

Lessor

The Organization determines if an arrangement is a lease at inception. The Organization uses the following primary accounting provisions to classify transactions as sales-type, direct-financing, or operating leases. Leases meeting these conditions are accounted for as either sales-type leases or direct-financing, depending on further criteria. Those that do not meet the conditions are accounted for as operating leases.

1. Review of the lease term to determine if it's for a major part of the economic life of the underlying asset.
2. Review of the present value of the lease payments to determine if they are equal to, or greater than, substantially all of the fair market value of the underlying asset at the inception of the lease.
3. Review of the lease agreement to determine if there is an option for the lessee to purchase the underlying asset that the lessee is reasonably certain to exercise, or, if the ownership of the underlying asset transfers to the lessee at the end of the lease term.
4. Review of the underlying asset to determine if it is highly specialized or would have no alternative use to the Organization after the lease term.

The Organization elects to use the risk-free discount rate for all leases that don't already have an explicit or implicit rate included in the lease, and to use this rate instead of the Organization's incremental borrowing rate. The risk-free rate is determined using a comparable period with that of the lease term and is elected by class of underlying assets. The Organization is applying this policy to all of its leases.

The Organization has a significant investment in the residual value of the real estate included in operating leases. The residual value represents the estimate of the value of the assets at the end of the lease contract. Realization of the residual value is dependent on the Organization's future ability market the real estate under the prevailing market conditions. In addition to estimating the residual value at lease termination, the Company also evaluates the current value of the operating lease asset and tests for impairment to the extent necessary when there is an indication of impairment based on market considerations .

Where the Organization is leasing a portion of a larger asset, the Organization estimates the fair value of the portion of the underlying asset being leased when applying the lease classification criteria.

Costs incurred for fulfilling a lease before the commencement date are expensed as incurred.

Income Taxes

The Organization is a non-profit organization which has been determined by the Internal Revenue Service to be exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization's income tax returns are subject to examination by the appropriate regulatory authorities and

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

remain open for examination for a period of three years after the respective filing deadlines of those returns.

Functional and Programmatic Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional and programmatic basis in the statement of changes in net assets. Accordingly, certain costs not directly chargeable have been allocated among the program and supporting services expenses and funds benefited.

Fair Value of Financial Instruments

The Organization's financial instruments, are carried at cost, which approximates their fair value because of the short-term nature of these financial instruments.

Contributed Goods and Services

Donated goods and services are reported as contributions at their estimated fair value on the date of receipt and reported as expenses when utilized. Donated goods and services are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated services are used by the Organization. Donated goods may be sold depending upon their nature and use to the Organization. Cryptocurrency is held only until sold by a third-party crypto platform.

2. ACCOUNTING POLICY CHANGES

Leases

The Financial Accounting Standards Board (FASB) issued ASC 842 Leases in February 2016 and has subsequently amended the standard various times through additional Accounting Standard Updates with the same effective dates as the original pronouncement. This new standard fundamentally changes the accounting for leases for lessees, requiring all leases longer than twelve months in length to be capitalized on the balance sheet along with a corresponding lease liability. The standard also requires companies to disclose additional information regarding all leases. This new standard is effective for annual periods beginning after December 15, 2021 and is applied retrospectively using one of two methods. The Company has elected for the standard to be applied retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment as of January 1, 2022, subject to the following practical expedients elected.

The Organization has elected the following practical expedients in the application of ASC 842:

- The Organization will not reassess whether any expired or existing contracts contain leases.
- The Organization will not reassess the lease classification for any expired or existing leases.
- The Organization will not reassess initial direct costs for any existing leases.

Adoption of the standard did not have a material impact on the financial statements.

2. ACCOUNTING POLICY CHANGES *(continued)*

Contributed Non-Financial Assets

The Financial Accounting Standards Board (FASB) issued ASU 2020-07 *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* in September 2020. This new standard changes the presentation and disclosure requirements for contributions of nonfinancial assets. This new standard is effective for annual periods beginning after June 15, 2022, is applied on a retrospective basis and early adoption is permitted. Adoption did not have a significant impact on the financial statements, with the exception of increased disclosure.

3. FAIR VALUE MEASUREMENTS

The Organization applies the provisions of *Fair Value Measurements and Disclosures* (FASB ASC 820) to its recurring and nonrecurring measurements. Non-recurring assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances and on a period basis. In accordance with FASB ASC 820, the fair value of financial instruments is based on market trading information, where available. Absent published market values for an instrument or other assets, management uses observable market data to arrive at its estimates of fair value.

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, FASB ASC 820 establishes a three level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

Level 1 - Quoted prices for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; or market - corroborated inputs.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

All of the investments held by the Organization for the year ended December 31, 2022 are considered Level 1 investments. There have been no changes in the methodologies used, and no transfers in or out of Level 1 within the fair value hierarchy for the year ended December 31, 2022. The Organization's investments consist of stocks, which are valued at the closing price of the active market in which the security is traded, and is valued on a recurring basis.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair values of certain financial instruments could result in a different fair value measurement at the reporting date.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2022:

Land	$ 1,570,538
Buildings and building improvements	4,159,879
Furniture and Equipment	362,541
Automobiles and Equipment	107,600
Total cost	6,200,558
Less: accumulated depreciation	(910,823)
Property and equipment, net	$ 5,289,735

Depreciation expense for the year ended December 31, 2022 was $191,792.

5. LEASES

Lessee

The Organization has lease for equipment included in short term lease expense. The equipment lease is with a third party and began on January 1, 2022. The lease includes options to renew for three year periods and the exercise of the lease renewal is at the Organization's discretion. These options to extend have not been included in the calculation of the Organization's right-of-use asset and liability for the equipment.

Lease costs consist of the following as of December 31, 2022:

Lease costs:	
Short term lease cost	$ 2,499
Total lease costs	$ 2,499

Lessor

The Organization has operating leases for housing rented out to employees living onsite to care for the animals. The terms are month to month and payment is withheld from the employees paychecks. There is no option provided in the lease for the lessee to purchase the underlying asset. Total rental revenue received for the year ended December 31, 2022 was $7,100.

Assets under operating leases are as follows at December 31, 2022:

Property and equipment under operating lease	$ 57,330
Less: accumulated depreciation	(10,033)
Property and equipment under operating lease, net	$ 47,297

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as of December 31, 2022, for the following purposes:

Capital expansion project	$ 70,150
Total	$ 70,150

6. NET ASSETS WITH DONOR RESTRICTIONS *(continued)*

Net assets released from donor restrictions as of December 31, 2022, are as follows:

Capital expansion project	$ 456,460
Program expenses - sponsorships of chimpanzees	84,444
Total	$ 540,904

7. NET ASSETS LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash	$ 5,249,935
Investments	191
Total	$ 5,250,126

The Organization has a goal to maintain a cash balance to meet several months of operating expenses which were on average $217,145 for the year ended December 31, 2022 (excluding non-cash expenses such as depreciation expense). The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

8. CONTRIBUTED GOODS AND SERVICES

For the year ended December 31, 2022, the following contributions of goods and services were received:

Maintenance / facilities / tools	$ 10,324
Landscaping / harvest supplies	4,517
Enrichment toys for animals	3,738
Food pantry / supplements for animals	7,870
Administrative /office supplies	7,989
Investments: Corporate stock	150,117
Other: Cryptocurrency	32
Total	$ 184,587

The stock donations were monetized upon receipt and deposited into the Organizations operations bank account. The Organization has a policy to immediately monetize receipts of crypto currency and reinvest the proceeds in accordance with their investment policy. The food items and enrichment toys donated were used as part of program expenses. The maintenance, landscaping, and administrative goods donated were used as part of general expenses.

The Organization’s policy on monetizing or utilizing contributed non-financial assets varies based on the type of asset received. There were no donor-imposed restrictions on any of the nonfinancial assets received during the year ended December 31, 2022, and the assets were used in the daily operations of the sanctuary.

8. CONTRIBUTED GOODS AND SERVICES *(continued)*

The following valuation methodologies are followed for the various contributed goods and services:

Goods - Based on standard pricing from online retailers or reasonable market value as determined by research.

Stock – Converted to cash by Organization's investment bank.

Cryptocurrency – Converted to cash by third party processor.

9. RETIREMENT PLAN

The Organization has an Internal Revenue Code Section 401(k) retirement plan (the "Plan") that covers substantially all employees. Participants may elect to defer a percentage of their compensation each year, up to the statutory maximum amount. The Organization may elect to make a matching contribution subject to vesting requirements.. As of December 31, 2022, the amount of employer contributions were $16,486.

10. CONCENTRATIONS

Cash

The Organization maintains its cash with federally insured financial institutions. At times during the year, the balances at these financial institutions may have exceeded the FDIC insured limit of $250,000.

Revenue

For the year ended December 31, 2022, one donor accounted for approximately 77% of revenue. Receivables from this donor were 100% of receivables for the year ended December 31, 2022.

11. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through November 8, 2023, the date on which the financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the report date but prior to the filing of this report that would have a material impact on the financial statements.