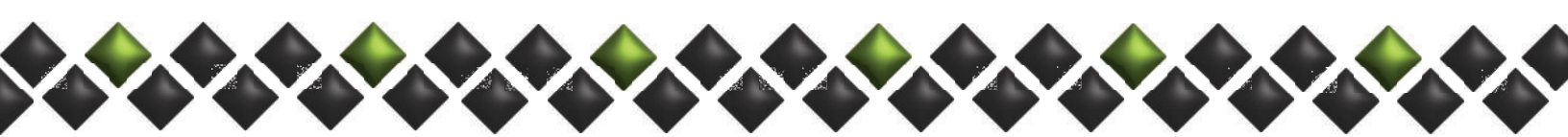


PROJECT CHIMPS  
*Morganton, Georgia*

Financial Statements  
*December 31, 2024 and 2023*



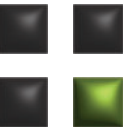
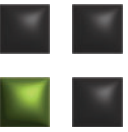
PROJECT CHIMPS  
MORGANTON, GEORGIA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023





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## 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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of Project Chimps as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Qualified Opinion**

We did not observe the taking of the physical inventory of the gift shop at December 31, 2024 and were unable to obtain sufficient appropriate audit evidence about inventory quantities by other auditing procedures.

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.

## 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*

August 15, 2025

PROJECT CHIMPS  
STATEMENTS OF FINANCIAL POSITION  
As of December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,066,246	\$ 2,106,983
Restricted cash	-	582,779
Contribution receivable	50,000	-
Miscellaneous receivables	514,006	514,006
Interest receivable	-	89,560
Investments	619,485	-
Restricted investments	4,603,136	3,700,000
Prepaid expenses and other current assets	68,343	23,903
Inventory	<u>94,729</u>	<u>101,568</u>
Total current assets	<u>8,015,945</u>	<u>7,118,799</u>
<b>PROPERTY AND EQUIPMENT</b>		
Property and equipment	7,665,545	6,278,160
Less: accumulated depreciation	(1,316,817)	(1,101,399)
Construction in progress	<u>32,899</u>	<u>1,029,251</u>
Property and equipment, net	<u>6,381,627</u>	<u>6,206,012</u>
Total assets	<u>\$ 14,397,572</u>	<u>\$ 13,324,811</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 72,930	\$ 68,203
Accrued expenses	109,046	237,495
Grant liabilities	<u>4,130,446</u>	<u>4,294,722</u>
Total current liabilities	<u>4,312,422</u>	<u>4,600,420</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	9,139,236	8,331,791
Net assets with donor restrictions	<u>945,914</u>	<u>392,600</u>
Total net assets	<u>10,085,150</u>	<u>8,724,391</u>
Total liabilities and net assets	<u>\$ 14,397,572</u>	<u>\$ 13,324,811</u>

See accompanying notes and independent auditor's report.

PROJECT CHIMPS

STATEMENTS OF ACTIVITIES  
For the years ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Contributions	\$ 1,457,712	\$ 717,589	\$ 2,175,301	\$ 1,165,623	\$ 595,581	\$ 1,761,204
Grant revenue	2,500,000	-	2,500,000	2,500,000	-	2,500,000
Non-cash donations	106,628	-	106,628	201,344	-	201,344
Fundraising revenue	200,778	-	200,778	113,080	-	113,080
Education and tuition-internships	-	4,480	4,480	-	-	-
Sponsorships	-	2,401	2,401	-	4,512	4,512
Interest income	305,783	-	305,783	171,766	-	171,766
Investment income (losses)	2,694	-	2,694	(383)	-	(383)
Miscellaneous income	-	-	-	514,006	-	514,006
Unrelated taxable income	90,484	-	90,484	88,633	-	88,633
Total revenue and support	<u>4,664,079</u>	<u>724,470</u>	<u>5,388,549</u>	<u>4,754,069</u>	<u>600,093</u>	<u>5,354,162</u>
Net assets released from restrictions	<u>171,156</u>	<u>(171,156)</u>	<u>-</u>	<u>277,643</u>	<u>(277,643)</u>	<u>-</u>
<b>EXPENSES</b>						
Program services	2,525,106	-	2,525,106	2,248,117	-	2,248,117
Supporting services	941,431	-	941,431	806,268	-	806,268
Fundraising	<u>561,253</u>	<u>-</u>	<u>561,253</u>	<u>362,684</u>	<u>-</u>	<u>362,684</u>
Total expenses	<u>4,027,790</u>	<u>-</u>	<u>4,027,790</u>	<u>3,417,069</u>	<u>-</u>	<u>3,417,069</u>
CHANGE IN NET ASSETS	807,445	553,314	1,360,759	1,614,643	322,450	1,937,093
NET ASSETS, beginning of year	<u>8,331,791</u>	<u>392,600</u>	<u>8,724,391</u>	<u>6,717,148</u>	<u>70,150</u>	<u>6,787,298</u>
NET ASSETS, end of year	<u>\$ 9,139,236</u>	<u>\$ 945,914</u>	<u>\$ 10,085,150</u>	<u>\$ 8,331,791</u>	<u>\$ 392,600</u>	<u>\$ 8,724,391</u>

See accompanying notes and independent auditor's report.

PROJECT CHIMPS

STATEMENTS OF FUNCTIONAL EXPENSES  
For the years ended December 31, 2024 and 2023

	2024				2023			
	<u>Supporting Services</u>				<u>Supporting Services</u>			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Advertising and marketing	\$ (666)	\$ 8,210	\$ 32,324	\$ 39,868	\$ 570	\$ 1,368	\$ 20,963	\$ 22,901
Animal care/veterinary services	402,348	-	-	402,348	401,199	-	-	401,199
Bank charges and merchant fees	-	-	7,316	7,316	-	-	7,084	7,084
Computer	4,709	69,876	21,804	96,389	2,287	48,047	13,044	63,378
Cost of merchandise sold	-	-	41,612	41,612	-	-	68,378	68,378
Depreciation	215,418	-	-	215,418	190,576	-	-	190,576
Donations-prizes/awards	-	-	-	-	1,900	-	-	1,900
Dues and subscriptions	(80)	5,368	1,079	6,367	1,184	5,983	161	7,328
Insurance	211,771	211,772	-	423,543	151,401	151,402	-	302,803
Lease expense - short term	4,588	-	-	4,588	3,691	-	-	3,691
Office expense	27,574	10,342	2,932	40,848	14,582	72,513	5,972	93,067
Payroll taxes and other taxes	111,143	32,864	7,579	151,586	95,790	18,288	6,004	120,082
Postage and shipping	(116)	1,351	5,037	6,272	2,092	2,602	2,266	6,960
Printing and composition	77	6,082	14,686	20,845	8,752	5,933	1,085	15,770
Professional fees	5,595	161,503	316,573	483,671	1,815	245,211	155,251	402,277
Repairs and maintenance	98,439	3,771	2,995	105,205	107,221	5,436	888	113,545
Retirement plan contributions	23,032	6,811	1,571	31,414	19,449	3,713	1,219	24,381
Salaries and wages	1,332,143	393,902	90,845	1,816,890	1,151,136	219,779	72,153	1,443,068
Telephone and internet	-	10,278	10,278	20,556	-	8,216	8,216	16,432
Travel	2,283	19,301	4,622	26,206	6,220	17,777	-	23,997
Utilities	86,848	-	-	86,848	88,252	-	-	88,252
Total expenses	\$ 2,525,106	\$ 941,431	\$ 561,253	\$ 4,027,790	\$ 2,248,117	\$ 806,268	\$ 362,684	\$ 3,417,069

See accompanying notes and independent auditor's report.

# PROJECT CHIMPS

## STATEMENTS OF CASH FLOWS For the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,360,759	\$ 1,937,093
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	215,418	190,576
Investment income	-	191
Donated equipment	(5,660)	-
(Increase) decrease in assets:		
Grant receivable	(50,000)	-
Miscellaneous receivables	-	(514,006)
Interest receivable	89,560	(89,560)
Prepaid expenses	(44,440)	51,688
Inventory	6,840	(32,976)
Increase (decrease) in liabilities:		
Accounts payable	4,727	36,994
Accrued expenses	(128,449)	136,989
Grant liability	<u>(164,275)</u>	<u>(248,818)</u>
Total adjustments	<u>(76,279)</u>	<u>(468,922)</u>
Net cash provided by operating activities	<u>1,284,480</u>	<u>1,468,171</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(352,474)	(77,602)
Construction in progress	(32,900)	(250,742)
Purchase of short-term investments	<u>(1,522,622)</u>	<u>(3,700,000)</u>
Net cash used in investing activities	<u>(1,907,996)</u>	<u>(4,028,344)</u>
<b>NET DECREASE IN CASH</b>	(623,516)	(2,560,173)
Restricted and unrestricted cash and cash equivalents, beginning of year	<u>2,689,762</u>	<u>5,249,935</u>
Restricted and unrestricted cash and cash equivalents, end of year	<u>\$ 2,066,246</u>	<u>\$ 2,689,762</u>

### SUPPLEMENTAL DISCLOSURES

Restricted cash was \$0 and \$582,779 for the years ended December 31, 2024 and 2023, respectively.

During the year ended December, 31, 2024, construction in progress incurred in prior years in the amount of \$1,029,251 was completed and placed in service.

See accompanying notes and independent auditor's report.

# PROJECT CHIMPS

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2024 and 2023

### 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, 2024 and 2023, net assets without donor restrictions were \$9,139,236 and \$8,331,791, respectively.

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 \$945,914 and \$392,600 for the years ended December 31, 2024 and 2023, respectively.

#### *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 years ended December 31, 2024 and 2023, 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.

## PROJECT CHIMPS

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### 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.

#### *Restricted Cash and Cash Equivalents*

Restricted cash consists of donations received that are restricted for the Organization's capital expansion, as well as funds internally restricted. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Of the restricted cash and cash equivalents balance, \$0 and \$582,779 were externally and internally restricted amounts for the years ended December 31, 2024 and 2023.

#### *Certificates of Deposit*

Certificates of deposit held for investment that are not debt securities are classified according to maturity. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as "short-term investments - other". Certificates of deposit with remaining

PROJECT CHIMPS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023

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

maturities greater than one year are classified as "long-term investments - other". The investments and restricted investments as of December 31, 2024 and 2023 are classified as short-term investments.

*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 December 31, 2024 and 2023. The Organization has determined there are no significant financing components in contracts for the years ended December 31, 2024 and 2023.

*Employee Retention Credits*

Employee Retention Credits (ERCs) were established under the CARES Act in March 2020. ERCs are refundable tax credits applied against certain employment taxes of up to \$5,000 per employee for eligible employers for payroll and health insurance benefits incurred in 2020 and 2021, provided certain conditions are met under the guidelines.

The Organization is accounting for the ERCs on a prospective basis, and as such, the ERCs have been accounted for as a receivable, and other income when eligibility conditions have been substantially met. Total ERCs recognized for the years ended December 31, 2024 and 2023, are \$0 and \$514,006, respectively, which were included in miscellaneous receivables at December 31, 2024 and 2023.

*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, 2024 and 2023, 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

## PROJECT CHIMPS

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2024 and 2023

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

replacements and betterments are capitalized.

##### *Leases*

##### Lessee

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 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.

## PROJECT CHIMPS

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024 and 2023

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

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 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.

# PROJECT CHIMPS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024 and 2023

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

#### *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.

#### *Reclassifications*

Certain reclassifications of transactions were made to the prior year's balances to conform to the current year's presentation. There was no change to prior year's change in net assets as a result.

### 2. ACCOUNTING POLICY CHANGES

#### 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.

## PROJECT CHIMPS

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024 and 2023

#### 3. FAIR VALUE MEASUREMENTS *(continued)*

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 years ended December 31, 2024 and 2023 are considered Level 1 investments, except for the certificates of deposit which are considered to be a Level 2 investment. There have been no changes in the methodologies used, and no transfers in or out of Level 1 or Level 2 within the fair value hierarchy for the years ended December 31, 2024 and 2023. The Organization's investments consist of certificates of deposit, which are valued at cost and at the closing price of the active market in which the security is traded, respectively, 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. INVESTMENTS

The Organization's investments consist of certificates of deposit with maturities less than one year. The Investments for the years ended December 31, 2024 and 2023 was \$619,485 and \$0, respectively. As of December 31, 2024 and 2023, the internally and externally restricted investments were \$4,603,136 and \$3,700,000, respectively. The Organization earns interest on the investments which is included in investment income with the realized gains (losses) from the sale of donated investments. Investment income consists of the following:

	<u>2024</u>	<u>2023</u>
Net realized gains (losses)	\$ 2,694	\$ (383)
Interest	<u>305,783</u>	<u>171,766</u>
Total investment income	<u>\$ 308,477</u>	<u>\$ 171,383</u>

#### 5. PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>
Land	\$ 1,570,538	\$ 1,570,538
Buildings and building improvements	5,577,513	4,226,119
Furniture and Equipment	367,441	362,541
Automobiles and Equipment	126,462	118,962
Construction in progress	<u>32,899</u>	<u>1,029,251</u>
Total cost	7,674,853	7,307,411
Less: accumulated depreciation	<u>(1,316,817)</u>	<u>(1,101,399)</u>
Property and equipment, net	<u>\$ 6,358,036</u>	<u>\$ 6,206,012</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$215,418 and \$190,576, respectively.

PROJECT CHIMPS

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**6. 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:

	<u>2024</u>	<u>2023</u>
Lease costs:		
Short term lease cost	\$ <u>4,588</u>	\$ <u>3,691</u>
Total lease costs	\$ <u>4,588</u>	\$ <u>3,691</u>

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 years ended December 31, 2024 and 2023 was \$9,628 and \$7,875, respectively.

Assets under operating leases are as follows at December 31:

	<u>2024</u>	<u>2023</u>
Property and equipment under operating lease	\$ 57,330	\$ 57,330
Less: accumulated depreciation	<u>(12,899)</u>	<u>(11,466)</u>
Property and equipment under operating lease, net	\$ <u>44,431</u>	\$ <u>45,864</u>

**7. NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2024</u>	<u>2023</u>
Capital expansion project	\$ 893,414	\$ 392,600
Contribution receivable	50,000	-
Training - veterinarian	<u>2,500</u>	<u>-</u>
Total	\$ <u>945,914</u>	\$ <u>392,600</u>

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

	<u>2024</u>	<u>2023</u>
Capital expansion project	\$ 164,275	\$ 248,818
Program expenses - education and tuition for internships	4,480	-
Program expenses - sponsorships of chimpanzees	2,401	4,512
Marketing and promotion	<u>-</u>	<u>24,313</u>
Total	\$ <u>171,156</u>	\$ <u>277,643</u>

## PROJECT CHIMPS

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2024 and 2023

#### 8. 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:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,066,246	\$ 2,106,983
Investments - unrestricted	619,359	-
Contribution receivable - short term	<u>50,000</u>	<u>-</u>
Total	<u>\$ 2,735,605</u>	<u>\$ 2,106,983</u>

The Organization has a goal to maintain a cash balance to meet several months of operating expenses which were on average \$317,698 and \$268,874, respectively, for the years ended December 31, 2024 and 2023 (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.

#### 9. CONTRIBUTED GOODS AND SERVICES

The following contributions of goods and services were received for the years ended December 31,:

	<u>2024</u>	<u>2023</u>
Maintenance / facilities / tools	\$ 10,765	\$ 5,465
Landscaping / harvest supplies	975	2,035
Enrichment toys for animals	5,085	7,328
Food pantry / supplements for animals	7,456	7,293
Administrative /office supplies	11,697	8,596
Investments: Corporate stock	69,650	50,950
Legal services	1,000	2,500
Catering, entertainment, prizes	-	117,177
Other: Cryptocurrency	-	-
Total	<u>\$ 106,628</u>	<u>\$ 201,344</u>

The stock donations were monetized upon receipt and deposited into the Organization's 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 and services 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 years ended December 31, 2024 and 2023, and the assets were used in the daily operations of the sanctuary.

PROJECT CHIMPS  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024 and 2023

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**8. CONTRIBUTED GOODS AND SERVICES *(continued)***

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

Professional Services – Based on standard pricing provided by the donor.

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.

**10. 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, 2024 and 2023, the amount of employer contributions were \$31,414 and \$24,381, respectively.

**11. CONCENTRATIONS**

Cash and cash equivalents

The Organization maintains its cash and cash equivalents balances 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 years ended December 31, 2024 and 2023, two donors and one donor, respectively, accounted for approximately 61% and 56% of revenue, respectively. There were no receivables from these donors for the years ended December 31, 2024 and 2023.

**12. DATE OF MANAGEMENT'S REVIEW**

Management has evaluated subsequent events through August 15, 2025, 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.