

**SAVE THE CHIMPS, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

# SAVE THE CHIMPS, INC.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**Save the Chimps, Inc.**

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Save the Chimps, Inc., which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Save the Chimps, Inc. as of December 31, 2020, 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.

## *Report on Summarized Comparative Information*

We have previously audited the Save the Chimps, Inc. 2019 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated September 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Marcum LLP*

Miami, FL  
September 21, 2021

# SAVE THE CHIMPS, INC.

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2019)

	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,305,243	\$ 1,940,410
Contributions receivable, net	1,720,791	998,051
Prepaid expenses	<u>127,793</u>	<u>63,896</u>
<b>Total Current Assets</b>	3,153,827	3,002,357
<b>Property and Equipment, Net</b>	10,376,089	10,991,221
<b>Construction in Progress</b>	<u>86,453</u>	<u>--</u>
<b>Total Assets</b>	<u>\$ 13,616,369</u>	<u>\$ 13,993,578</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 512,776	\$ 201,764
Other current liabilities	6,878	7,245
Notes payable, current	<u>386,230</u>	<u>32,789</u>
<b>Total Current Liabilities</b>	905,884	241,798
<b>Notes Payable, Less Current Portion</b>	<u>815,515</u>	<u>596,895</u>
<b>Total Liabilities</b>	<u>1,721,399</u>	<u>838,693</u>
<b>Contingencies</b>		
<b>Net Assets</b>		
Without donor restrictions	11,814,951	12,193,416
With donor restrictions	<u>80,019</u>	<u>961,469</u>
<b>Total Net Assets</b>	<u>11,894,970</u>	<u>13,154,885</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 13,616,369</u>	<u>\$ 13,993,578</u>

*The accompanying notes are an integral part of these financial statements.*

**SAVE THE CHIMPS, INC.**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)**

	Without Donor Restrictions	With Donor Restrictions	2020	Without Donor Restrictions	With Donor Restrictions	2019
<b>Public Support and Revenues</b>						
Contributions	\$ 5,262,840	\$ 67,176	\$ 5,330,016	\$ 5,337,040	\$ 990,369	\$ 6,327,409
In-kind contributions	76,129	--	76,129	571,712	--	571,712
Fundraising revenue	116,370	--	116,370	174,112	--	174,112
Other income	39,400	--	39,400	63,567	--	63,567
Interest income	5,076	--	5,076	13,423	--	13,423
Gain on sale of land	444,612	--	444,612	--	--	--
Net assets released from restriction	948,626	(948,626)	--	159,742	(159,742)	--
<b>Total Public Support and Revenues</b>	<u>6,893,053</u>	<u>(881,450)</u>	<u>6,011,603</u>	<u>6,319,596</u>	<u>830,627</u>	<u>7,150,223</u>
<b>Expenses</b>						
Program services:						
Sanctuary care	5,393,230	--	5,393,230	4,881,801	--	4,881,801
Education	104,183	--	104,183	111,305	--	111,305
Supporting activities:						
Management and general	825,223	--	825,223	1,201,384	--	1,201,384
Fundraising	948,882	--	948,882	1,084,515	--	1,084,515
<b>Total Expenses</b>	<u>7,271,518</u>	<u>--</u>	<u>7,271,518</u>	<u>7,279,005</u>	<u>--</u>	<u>7,279,005</u>
<b>Change in Net Assets</b>	(378,465)	(881,450)	(1,259,915)	(959,409)	830,627	(128,782)
<b>Net Assets - Beginning</b>	<u>12,193,416</u>	<u>961,469</u>	<u>13,154,885</u>	<u>13,152,825</u>	<u>130,842</u>	<u>13,283,667</u>
<b>Net Assets - Ending</b>	<u>\$ 11,814,951</u>	<u>\$ 80,019</u>	<u>\$11,894,970</u>	<u>\$ 12,193,416</u>	<u>\$ 961,469</u>	<u>\$ 13,154,885</u>

*The accompanying notes are an integral part of these financial statements.*

**SAVE THE CHIMPS, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)**

	Program Services			Supporting Activities			2020	2019
	Sanctuary Care	Education	Total Program Services	Management and General	Fundraising	Total Supporting Activities		
Salaries and wages	\$ 2,528,506	\$ 7,610	\$ 2,536,116	\$ 201,797	\$ 260,429	\$ 462,226	\$ 2,998,342	\$ 2,978,430
Benefits	210,887	609	211,496	16,474	21,538	38,012	249,508	417,937
Payroll taxes	<u>433,387</u>	<u>304</u>	<u>433,691</u>	<u>7,759</u>	<u>21,782</u>	<u>29,541</u>	<u>463,232</u>	<u>266,013</u>
<b>Total Salaries and Benefits</b>	<b>3,172,780</b>	<b>8,523</b>	<b>3,181,303</b>	<b>226,030</b>	<b>303,749</b>	<b>529,779</b>	<b>3,711,082</b>	<b>3,662,380</b>
Professional services	186,348	--	186,348	484,145	314,040	798,185	984,533	883,577
Chimp care supplies	815,923	--	815,923	--	--	--	815,923	415,246
Depreciation and amortization	540,659	--	540,659	--	500	500	541,159	529,333
Donor mail	--	95,660	95,660	13,666	163,517	177,183	272,843	280,684
Repairs and maintenance	200,112	--	200,112	--	--	--	200,112	214,253
Occupancy	180,067	--	180,067	8,830	5,245	14,075	194,142	144,788
Office expenses	57,080	--	57,080	40,716	83,048	123,764	180,844	226,967
Medical supplies	101,436	--	101,436	--	--	--	101,436	72,991
Information technology	11,165	--	11,165	27,466	51,553	79,019	90,184	77,769
In-kind donations	64,129	--	64,129	--	--	--	64,129	571,712
Insurance	17,951	--	17,951	11,593	1,209	12,802	30,753	39,565
Interest expense	29,056	--	29,056	--	--	--	29,056	33,051
Travel	7,905	--	7,905	8,340	842	9,182	17,087	51,372
Licenses, permits, taxes	3,891	--	3,891	3,167	5,529	8,696	12,587	7,708
Advertising	2,180	--	2,180	560	8,038	8,598	10,778	23,141
Other fundraising expenses	--	--	--	--	8,704	8,704	8,704	28,819
Conferences and meetings	<u>2,548</u>	<u>--</u>	<u>2,548</u>	<u>710</u>	<u>2,908</u>	<u>3,618</u>	<u>6,166</u>	<u>15,649</u>
<b>Total Expenses</b>	<b><u>\$ 5,393,230</u></b>	<b><u>\$ 104,183</u></b>	<b><u>\$ 5,497,413</u></b>	<b><u>\$ 825,223</u></b>	<b><u>\$ 948,882</u></b>	<b><u>\$ 1,774,105</u></b>	<b><u>\$ 7,271,518</u></b>	<b><u>\$ 7,279,005</u></b>

*The accompanying notes are an integral part of these financial statements.*

# SAVE THE CHIMPS, INC.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	2020	2019
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (1,259,915)	\$ (128,782)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization of property and equipment	541,159	529,333
Amortization of deferred financing costs	1,598	1,352
Amortization of discount receivable	(51,374)	(25,179)
Gain on the sale of land	(444,612)	--
(Increase) decrease in:		
Contributions receivable	(671,366)	(894,547)
Prepaid expenses	(63,897)	(12,499)
Increase (decrease) in:		
Accounts payable and accrued expenses	253,538	(218,858)
Other current liabilities	(367)	(355)
Total Adjustments	(435,321)	(620,753)
<b>Net Cash Used in Operating Activities</b>	(1,695,236)	(749,535)
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of land	740,392	--
Purchase of property and equipment	(221,807)	(120,803)
Payments for construction in progress	(28,979)	--
<b>Net Cash Provided by (Used in) Investing Activities</b>	489,606	(120,803)
<b>Cash Flows From Financing Activities</b>		
PPP loan proceeds received	603,253	--
Principal payments on notes payable	(32,790)	(29,754)
<b>Net Cash Provided by (Used in) Financing Activities</b>	570,463	(29,754)
<b>Net Change in Cash and Cash Equivalents</b>	(635,167)	(900,092)
<b>Cash and Cash Equivalents - Beginning</b>	1,940,410	2,840,502
<b>Cash and Cash Equivalents - Ending</b>	\$ 1,305,243	\$ 1,940,410

*The accompanying notes are an integral part of these financial statements.*



**SAVE THE CHIMPS, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)**

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	2020	2019
<b>Supplemental Disclosure</b>		
Cash paid during the year for interest	\$ 27,458	\$ 31,699
<b>Non-Cash Transactions</b>		
Donations capitalized to property and equipment	\$ 12,000	\$ --
Payable due on construction in progress	\$ 57,474	\$ --

*The accompanying notes are an integral part of these financial statements.*

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### NOTE 1 – NATURE OF ORGANIZATION

#### *ORGANIZATION AND PURPOSE*

Save the Chimps, Inc. ("the Sanctuary") is a District of Columbia nonprofit Sanctuary that was incorporated in 1997 for the purpose of providing a sanctuary for the permanent lifetime care for chimpanzees rescued from research laboratories, entertainment, and the pet trade. The Sanctuary has one primary facility in Fort Pierce, Florida that began housing chimpanzees in 2001. The Sanctuary has an additional facility in Alamogordo, New Mexico that previously housed chimpanzees. During 2011, all remaining chimpanzees housed in New Mexico were migrated to the Florida facility. Subsequently, the Sanctuary leased the New Mexico facility to an unrelated third party (See Note 10). As of December 31, 2020, the Sanctuary provided care for more than 220 chimpanzees. In addition, the Sanctuary provides educational services regarding the proper treatment and care of chimpanzees.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *FINANCIAL STATEMENT PRESENTATION*

The financial statements of the Sanctuary have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions as follows:

#### *Without Donor Restrictions*

Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in net assets with donor restrictions.

#### *With Donor Restrictions*

Net assets used by the Sanctuary which are limited by donor-imposed restrictions that either expire with the passage of time, that can be fulfilled or otherwise removed by actions of the Sanctuary pursuant to those stipulations. As of December 31, 2020, the Sanctuary had net assets with donor restrictions of \$80,019.

#### *CONTRIBUTIONS AND PROMISES TO GIVE*

Contributions are recognized as revenue when they are received or unconditionally pledged. An unconditional promise to give that is expected to be collected within one year is recorded at its net realizable value. Unconditional promises to be collected in future years are recorded at their present value of estimated future cash flows using a risk-free interest rate applicable to the year which the promise was made.

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *CONTRIBUTIONS AND PROMISES TO GIVE (CONTINUED)*

Contributions with donor or grantor restrictions that limit the use of donated assets are reported as with donor restriction support in the accompanying statement of activities. When donor or grantor restrictions are satisfied, with donor restriction net assets are reclassified as without donor restriction net assets and reported in the accompanying statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as without donor restriction revenue in the accompanying statement of activities.

#### *CONTRIBUTED SERVICES AND DONATED GOODS*

Contributed services and donated goods are reflected in the accompanying financial statements at their estimated fair value, if reasonably determined. The contributions of services are recognized if the services received (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. Services provided by volunteers throughout the year are not recognized as contributions in the accompanying financial statements since these services are not susceptible to objective measurement or valuation.

For the year ended December 31, 2020, there was approximately \$76,000 in such non-cash contributions.

#### *FUND-RAISING ACTIVITIES*

The Sanctuary's financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, "Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Government Entities that Included Fund Raising". FASB ASC 958 establishes criteria for accounting and reporting for any entity that solicits contributions.

#### *CASH AND CASH EQUIVALENTS*

Cash and cash equivalents include deposit and money market accounts and all highly liquid financial instruments with original maturities of three months or less when acquired.

#### *CONCENTRATION OF CREDIT RISK*

Financial instruments that potentially expose the Sanctuary to concentrations of credit risk consist primarily of cash and cash equivalents and contributions receivable.

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2020

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#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *CONCENTRATION OF CREDIT RISK (CONTINUED)*

###### *Cash and Cash Equivalents*

From time to time, the Sanctuary maintains a cash balance in deposit and money market accounts at financial institutions that exceed the Federal Deposit Insurance Corporation (“FDIC”). The Sanctuary maintains these balances in what it believes to be high quality financial institutions, which it believes limits its risk.

###### *Contributions Receivable*

The Sanctuary received approximately 36% of its total contributions from two separate donors for the year ended December 31, 2020. One of these donors is a related party (See Note 5). As the revenue from these donors is significant to the overall activities of the Sanctuary, any significant reduction or loss of funding from these donors may affect the Sanctuary’s ability to operate in its present form. As of December 31, 2020, two separate donors accounted for approximately 87% of contributions receivable with one of these donors being a related party.

The Sanctuary maintains allowances for potential losses, which are based on amounts estimated to be uncollectible based on historical experience and any specific collection issues that management has identified. Actual losses have historically been within management’s expectations and estimates. As of December 31, 2020, management determined that an allowance for doubtful accounts was not deemed necessary.

##### *PROPERTY AND EQUIPMENT*

Property and equipment, valued in excess of \$5,000, with a useful life over one year are capitalized. These assets are recorded at cost or, if donated, at fair value at the date of the donation. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets. Major renewals and improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. When items are retired or otherwise disposed of, the related costs and accumulated depreciation or amortization are removed from the accounts and any resulting gains or losses are recognized.

During May and June 2020, the Sanctuary sold a total of six lots of land located in Florida. The sales resulted in a total gain of approximately \$445,000.

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *IMPAIRMENT OF LONG-LIVED ASSETS*

In accordance with FASB ASC 360, *Property, Plant and Equipment*, the carrying value of long-lived assets is reviewed whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by determining if the carrying value of the asset exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the asset over the remaining economic life of the asset. If recoverability is not assured, impairment is determined based on comparing the carrying value of the asset and the estimated fair value of the asset. Management does not believe that long-lived assets were impaired as of December 31, 2020.

#### *DEFERRED LOAN COSTS*

Deferred loan costs are presented as a reduction of the carrying amount of debt rather than as an asset pursuant to Accounting Standards Update (“ASU”) 2015-03, Interest – Imputation of Interest. Deferred loan costs consist of costs incurred in obtaining long term debt and are being amortized on a straight-line basis over the term of the related debt, which approximates the effective interest method. Amortization expense was approximately \$1,600 for the year ended December 31, 2020, and is included as interest expense in the accompanying statement of functional expenses. Future amortization is expected to be approximately \$1,400 for each of the years ending December 31, 2021 through 2024.

#### *ADVERTISING EXPENSES*

Advertising expenses are charged to expense as incurred. For the year ended December 31, 2020, the Sanctuary incurred approximately \$460,000 of advertising expenses, which is included in advertising, professional services and donor mail expense in the accompanying statement of functional expenses.

#### *FUNCTIONAL ALLOCATION OF EXPENSES*

The cost of providing the various programs and other activities has been summarized on a functional basis in the accompanying statement of activities and on a detailed basis in the accompanying statement of functional expenses. Expenses are charged directly to functions based on a combination of specific identification and allocation by management. Salaries and other expenses, which are associated with a specific program, are charged directly to that program. Salaries and other expenses, which benefit more than one program, are allocated to the various programs based on an analysis of time spent and effort.

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2020

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#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *INCOME TAXES*

The Sanctuary is a not-for-profit organization, as described in Section 501(c)(3) of the Internal Revenue Code and as such is subject to Federal income taxes only on unrelated business income. For the year ended December 31, 2020, there was no significant unrelated business income tax resulting from unrelated business income.

The Sanctuary accounts for uncertainty in income taxes in accordance with GAAP, which requires recognition in the financial statements of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Sanctuary had no material unrecognized tax benefits and no adjustments to its financial position, activities or cash flows were required. The Sanctuary does not expect that unrecognized tax benefits will increase within the next twelve months. The Sanctuary recognizes accrued interest and penalties, if any, related to uncertain tax positions as income tax expense. The Sanctuary is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

##### *USE OF ESTIMATES*

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### *RECENT ACCOUNTING PRONOUNCEMENTS*

In May 2014, the FASB issued ASU 2014-09, “*Revenue from Contracts with Customers (Topic 606)*”. This ASU introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU is applicable for the Sanctuary for its annual reporting period beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Effective January 1, 2020, the Sanctuary adopted this ASU, which did not result in a significant impact on its financial position or activities.

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)*

In September 2020, the FASB issued ASU 2020-07, “*Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*”. This ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. This ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. This ASU does allow for early adoption. Management is in the process of evaluating the ASU for the potential impact on its financial statements upon adoption.

#### *SUBSEQUENT EVENTS*

The Sanctuary has evaluated subsequent events through September 21, 2021, the date which the financial statements were available to be issued.

### NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Sanctuary regularly monitors liquidity required to meet its operating needs and contractual commitments. The Sanctuary receives significant contributions generally without donor restrictions through fundraising efforts with continued direct mail appeals, online marketing through the website and social media and direct donor contact appeals as well as several special events that occur on an annual basis.

The Sanctuary manages its cash available to meet general expenditures by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets, and maintaining sufficient reserves to provide reasonable assurance that upcoming obligations will continue to be met.

The board meets regularly to decide on the amount and timing of major contributions and pledges.

Financial assets available for general expenditures within one year as of December 31, 2020 is cash totaling approximately \$1,305,000 and contributions receivable due in less than one year of approximately \$1,721,000.

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2020

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#### **NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)**

Additionally, subsequent to the year ended December 31, 2020, the Sanctuary borrowed approximately \$677,000 from the Paycheck Protection Program (“PPP”) under the Coronavirus Aid, Relief and Economic Security Act (“the CARES Act”) that is available for general expenditures if needed (See Note 12).

#### **NOTE 4 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable consist of unconditional promises to give to be received in future periods and are discounted to their present value based on anticipated future cash flows. As of December 31, 2020, the Sanctuary had \$1,721,000 in outstanding receivables due within one year without donor restrictions. There were no outstanding receivables with donor restrictions as of December 31, 2020.

#### **NOTE 5 – RELATED PARTY CONTRIBUTIONS**

The Sanctuary receives significant contributions on an annual basis from members of the Board of Directors and their affiliates. Contributions received directly from members of the Board of Directors during the year ended December 31, 2020 was approximately \$426,000.

During the year ended December 31, 2020, the Sanctuary received approximately \$1,435,000 of contributions from a private foundation whose board president is also a board member of the Sanctuary.



# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2020

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#### NOTE 6 – PROPERTY, EQUIPMENT AND CONSTRUCTION IN PROGRESS

Property, equipment and construction in progress consist of the following as of December 31, 2020.

	Amount	Estimated Useful Lives
Land	\$ 500,997	--
Site improvements and buildings	16,894,328	5 - 40 years
Equipment and furnishings	1,079,211	5 - 15 years
Vehicles	543,500	3 - 5 years
Software	<u>111,026</u>	3 years
<b>Total</b>	19,129,062	
Less: accumulated depreciation and amortization	<u>(8,752,973)</u>	
<b>Total Property and Equipment, Net</b>	<u>\$ 10,376,089</u>	
<b>Construction in Progress</b>	<u>\$ 86,453</u>	

In August 2014, the Sanctuary entered into a three-year lease agreement with an unrelated party for its New Mexico operations (See Note 10). The property and equipment related to the New Mexico facility is not currently being used for Sanctuary operations.

Depreciation and amortization expense associated with property and equipment was approximately \$541,000 for the year ended December 31, 2020.

#### NOTE 7– DONATED MATERIALS AND SERVICES

Donated materials and services received by the Sanctuary consisted of the following for the year ended December 31, 2020:

Program goods	\$ 64,004
Fundraising	100
Special events	<u>25</u>
<b>Total Donated Materials and Services</b>	<u>\$ 64,129</u>

In October 2020, the Sanctuary received a donation of equipment with a fair market value of \$12,000 that was capitalized and included within property and equipment in the accompanying statement of financial position.

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### NOTE 8 – NOTES PAYABLE

#### *MORTGAGE PAYABLE*

On October 17, 2014, the Sanctuary renegotiated a \$775,668 mortgage note payable, which is collateralized by the Sanctuary's real property. The note requires monthly payments of principal and interest of \$4,935 with an interest rate of 4.5% for the first 60 months, followed by monthly payments of principal and interest of \$5,008 with an interest rate of 4.32% for the remaining 59 months. The note matures on October 17, 2024, at which time all remaining outstanding principal and interest will be due. As of December 31, 2020, the outstanding balance of the note was approximately \$604,000 and approximately \$34,000 was included in current portion of notes payable

#### *PAYCHECK PROTECTION PROGRAM PROMISSORY NOTE*

On April 25, 2020, the Sanctuary obtained a PPP promissory note under the CARES Act in the amount of approximately \$603,000. Under the terms of the promissory note, interest accrues monthly at an annual rate of 1% and the Sanctuary is permitted to apply for forgiveness of the amount due under the promissory note that is equal to the sum of qualified expenses under the PPP, which include payroll costs, rent obligations and utility payments as calculated in accordance with the requirements of the PPP and the CARES Act. Subject to any forgiveness under the PPP, the promissory note matures two years following the date of issuance of the promissory note. The Sanctuary filed an application for forgiveness on November 11, 2020, postponing principal and interest payments until further evaluation. As of December 31, 2020, the outstanding balance of the note was approximately \$603,000 and approximately \$352,000 was included in current portion of notes payable.

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2020

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#### NOTE 8 – NOTES PAYABLE (CONTINUED)

##### *PAYCHECK PROTECTION PROGRAM PROMISSORY NOTE (CONTINUED)*

As of December 31, 2020, the future principal payments due for each of the next four years is as follows:

For the Year Ending December 31,	Amount
2021	\$ 386,230
2022	287,220
2023	37,467
2024	<u>496,423</u>
<b>Total Payments</b>	1,207,340
Less: unamortized loan costs	<u>(5,595)</u>
<b>Total</b>	1,201,745
Less: current portion	<u>386,230</u>
<b>Long-Term</b>	<u><u>\$ 815,515</u></u>

The table above includes scheduled principal payments on the April 25, 2020 PPP promissory note of approximately \$352,000 and \$251,000 for the years ended December 31, 2021 and 2022, respectively. On August 2, 2021, the Sanctuary was notified that it had received forgiveness of the PPP promissory note and all accrued interest, and as a result, the scheduled principal payments will no longer be required to be made.

#### NOTE 9 – NET ASSETS

As of December 31, 2020, the Sanctuary has undesignated net assets without donor restrictions of \$11,814,951.

Net assets with donor restrictions at December 31, 2020 are as follows:

<b>Subject to Expenditures for Specified Purpose</b>	
Future capital expenditures:	
Equipment and other	<u>\$ 80,019</u>
<b>Total Net Assets With Donor Restrictions</b>	<u><u>\$ 80,019</u></u>

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2020

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#### NOTE 9 – NET ASSETS (CONTINUED)

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors during the year ended December 31, 2020 as follows:

<b>Time Restrictions Accomplished</b>	
Multi-year pledge	\$ 948,626
<b>Total Net Assets Released from Donor Restriction</b>	<u>\$ 948,626</u>

#### NOTE 10 – LEASE AGREEMENT

In August 2014, the Sanctuary entered into a three-year lease agreement with an unrelated party for its New Mexico facility. The length of the lease agreement is an initial three-year term with four separate three-year renewal options. For the year ended December 31, 2020, the annual rental income was approximately \$39,000, which is included in other income in the accompanying statement of activities. On June 17, 2020, the lessee exercised the second renewal option on this agreement extending the lease through July 31, 2023.

As of December 31, 2020, the future estimated minimum annual rental income due under this lease are as follows:

For the Year Ending December 31,	
2021	\$ 42,000
2022	42,000
2023	<u>24,500</u>
<b>Total</b>	<u>\$ 108,500</u>

#### NOTE 11 – CONTINGENCIES

From time to time, the Sanctuary is subject to legal proceedings and claims arising in the normal course of business. There are currently no pending legal proceedings to which the Sanctuary is a party that management and its legal counsel believe will have a material effect on the Sanctuary's financial position or activities.

# SAVE THE CHIMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### NOTE 12 – SUBSEQUENT EVENTS

On February 13, 2021, the Sanctuary obtained a second PPP promissory note under the CARES Act in the amount of approximately \$677,000. Under the terms of the promissory note, interest accrues monthly at an annual rate of 1% and the Sanctuary is permitted to apply for forgiveness of the amount due under the promissory note that is equal to the sum of qualified expenses under the PPP, which include payroll costs, rent obligations and utility payments as calculated in accordance with the requirements of the PPP and the CARES Act. Subject to any forgiveness under the PPP, the promissory note matures five years following the date of issuance of the promissory note. The Sanctuary filed an application for forgiveness on August 11, 2021, postponing principal and interest payments until further evaluation. On August 25, 2021, the Sanctuary was notified that it had received forgiveness of the second PPP promissory note and all accrued interest.