

ORANGUTAN FOUNDATION INTERNATIONAL
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2023 & 2022

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BLACK & CONDIE, LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Orangutan Foundation International
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of Orangutan Foundation International (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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

BLACK & CONDIE, LLP

Certified Public Accountants

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orangutan Foundation International as of December 31, 2023 and 2022 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.

A handwritten signature in black ink that reads "Black & Condie, LLP". The signature is written in a cursive, flowing style.

Black & Condie
Torrance, California
February 13, 2025

ORANGUTAN FOUNDATION INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION
AT DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,475,146	\$ 2,919,282
Investments	390,159	334,602
Inventory	35,648	36,053
Prepaid expenses	<u>3,543</u>	<u>3,353</u>
Total Current Assets	2,904,496	3,293,290
Property and equipment - net of accum. depr.	3,446,176	3,239,510
Investments, long term	510,442	356,403
Deposits	<u>2,163</u>	<u>2,163</u>
TOTAL ASSETS	<u><u>\$ 6,863,277</u></u>	<u><u>\$ 6,891,366</u></u>
LIABILITIES		
Current Liabilities		
Accounts Payable	<u>\$ 13,988</u>	<u>\$ 22,668</u>
Total Liabilities	<u>13,988</u>	<u>22,668</u>
NET ASSETS		
Without donor restrictions	6,486,053	6,248,173
With donor restrictions	<u>363,236</u>	<u>620,525</u>
Total net assets	<u>6,849,289</u>	<u>6,868,698</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,863,277</u></u>	<u><u>\$ 6,891,366</u></u>

See independent accountants' report and accompanying notes.

ORANGUTAN FOUNDATION INTERNATIONAL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor</u> <u>Restrictions</u>	<u>Total</u> <u>2023</u>	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor</u> <u>Restrictions</u>	<u>Total</u> <u>2022</u>
Support						
Individuals	\$ 1,422,683	\$ -	\$ 1,422,683	\$ 734,599	\$ -	\$ 734,599
Foundations	378,504	-	378,504	446,737	-	446,737
Government grants	-	-	-	-	-	-
Chapter donations	268,332	-	268,332	256,490	-	256,490
Corporations	67,951	-	67,951	31,597	-	31,597
Indirect support	31,655	-	31,655	29,191	-	29,191
Total Support	<u>2,169,126</u>	<u>-</u>	<u>2,169,126</u>	<u>1,498,614</u>	<u>-</u>	<u>1,498,614</u>
Other revenue and investment income (loss)						
Investment income (loss)	214,519	-	214,519	(198,846)	-	(198,846)
Merchandise sales	2,161	-	2,161	3,427	-	3,427
Total revenue	<u>216,680</u>	<u>-</u>	<u>216,680</u>	<u>(195,419)</u>	<u>-</u>	<u>(195,419)</u>
Net assets released from restrictions	<u>257,289</u>	<u>(257,289)</u>	<u>-</u>	<u>160,173</u>	<u>(160,173)</u>	<u>-</u>
Donated services, materials and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue and reclassifications	<u>2,643,094</u>	<u>(257,289)</u>	<u>2,385,805</u>	<u>1,463,368</u>	<u>(160,173)</u>	<u>1,303,195</u>
Expenses						
Program services						
Care and conservation	2,070,026		2,070,026	1,581,263		1,581,263
Research	53,246		53,246	50,693		50,693
Education	52,152		52,152	49,552		49,552
Total program services	<u>2,175,424</u>	<u>-</u>	<u>2,175,424</u>	<u>1,681,508</u>	<u>-</u>	<u>1,681,508</u>
Supporting services						
Management and general	179,830		179,830	172,090		172,090
Fundraising	49,960		49,960	51,108		51,108
Total supporting services	<u>229,790</u>	<u>-</u>	<u>229,790</u>	<u>223,198</u>	<u>-</u>	<u>223,198</u>
Total Expenses	<u>2,405,214</u>	<u>-</u>	<u>2,405,214</u>	<u>1,904,706</u>	<u>-</u>	<u>1,904,706</u>
CHANGES IN NET ASSETS	<u>\$ 237,880</u>	<u>\$ (257,289)</u>	<u>\$ (19,409)</u>	<u>\$ (441,338)</u>	<u>\$ (160,173)</u>	<u>\$ (601,511)</u>

See independent accountants' report and accompanying notes.

ORANGUTAN FOUNDATION INTERNATIONAL
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

			Total	
	Without	With		
	Donor Restrictions	Donor Restrictions	2023	2022
Net assets, beginning of the year	\$ 6,248,173	\$ 620,525	\$ 6,868,698	\$ 7,470,209
Changes in net assets	237,880	(257,289)	(19,409)	(601,511)
Net assets, end of the year	<u>\$ 6,486,053</u>	<u>\$ 363,236</u>	<u>\$ 6,849,289</u>	<u>\$ 6,868,698</u>

See independent accountants' report and accompanying notes.

ORANGUTAN FOUNDATION INTERNATIONAL
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Program Services				Supporting Services			Total	
	Care and Conservation	Research	Education	Total	Management and General	Fund Raising	Total	2023	2022
Salaries, payroll taxes and employee benefits, US	\$ 81,645	\$ 14,911	\$ 40,143	\$ 136,699	\$ 143,345	\$ 35,552	\$ 178,897	\$ 315,596	\$ 303,847
Salaries and wages, Indonesia care center	856,849			856,849			-	856,849	630,452
Foods and medical care	353,003	-	-	353,003	-	-	-	353,003	364,246
Travel and lodging	130,694	15,886	2,851	149,431	-	-	-	149,431	105,585
									-
Outside services	13,367	1,910	955	16,232	1,910	955	2,865	19,097	2,972
Supplies	39,966	2,866	105	42,937	209	105	314	43,251	30,275
Occupancy	80,372	1,582	791	82,745	1,582	791	2,373	85,118	82,425
Telephone	13,115	1,744	872	15,731	1,744	872	2,616	18,347	15,105
Postage and delivery	993	142	71	1,206	142	71	213	1,419	2,060
Meals & entertainment	388	-	-	388	-	-	-	388	336
Miscellaneous	22,427	-	-	22,427	4,478		4,478	26,905	8,085
Printing	746	-	373	1,119	746	5,592	6,338	7,457	12,068
Depreciation	46,769	6,681	3,341	56,791	6,681	3,341	10,022	66,813	65,191
Insurance	36,237	5,177	2,588	44,002	5,177	2,587	7,764	51,766	56,342
Bank fees	-	-	-	-	9,649	-	9,649	9,649	13,421
Advertising & fundraising	866	124	62	1,052	124	94	218	1,270	104
Website	-	-	-	-	-	-	-	-	-
Equipment	375,048	-	-	375,048	4,043	-	4,043	379,091	162,080
Repairs and maintenance	17,541	2,223	-	19,764	-	-	-	19,764	14,485
Training	-	-	-	-	-	-	-	-	35,627
Expenses before donated services and materials	2,070,026	53,246	52,152	2,175,424	179,830	49,960	229,790	2,405,214	1,904,706
Donated services	-	-	-	-	-	-	-	-	-
Total Expenses	<u>\$ 2,070,026</u>	<u>\$ 53,246</u>	<u>\$ 52,152</u>	<u>\$ 2,175,424</u>	<u>\$ 179,830</u>	<u>\$ 49,960</u>	<u>\$ 229,790</u>	<u>\$ 2,405,214</u>	<u>\$ 1,904,706</u>

See independent accountants' report and accompanying notes.

ORANGUTAN FOUNDATION INTERNATIONAL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Changes in net assets	\$ (19,409)	\$ (601,511)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Donation of stocks	-	(6,265)
Depreciation	66,813	65,191
Unrealized/realized (gain) loss on securities	(200,151)	210,208
Changes in operating assets and liabilities:		
Increase in prepaid expenses	-	-
Decrease (increase) in inventory	405	(1,181)
Increase (decrease) in accounts payable	<u>(8,680)</u>	<u>(6,394)</u>
Net cash provided by operating activities	(161,022)	(339,952)
Cash flows from investing activities		
Decrease in investments & CD's	(9,635)	(8,714)
Capital expenditures	<u>(273,479)</u>	<u>(187,144)</u>
Net cash used for investing activities	(283,114)	(195,858)
Net increase (decrease) in cash and cash equivalents	(444,136)	(535,810)
Cash and cash equivalents, beginning of the year	<u>2,919,282</u>	<u>3,455,092</u>
Cash and cash equivalents, end of the year	<u><u>\$ 2,475,146</u></u>	<u><u>\$ 2,919,282</u></u>

See independent accountants' report and accompanying notes.

ORANGUTAN FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIODS ENDING DECEMBER 31, 2023 AND 2022

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Orangutan Foundation International (the Organization) is a non-profit corporation incorporated in 1986 under the California Non-profit Public Benefit Corporation Law. The Organization's purpose is to further people's knowledge, conservation and appreciation of orangutans and their tropical rain forest habitat. The Organization operates the following programs:

Care and Conservation

The Organization provides rescue, repatriation and rehabilitation of orangutans in the wild and in captivity, as well as conservation of orangutan habitat.

Research

The Organization conducts research, the results of which are intended to increase scientific information about orangutans, their behavior and habitat requirements.

Education

The Organization sponsors the development of educational materials about orangutans, both for the public at large and academic audiences.

Support for these activities comes primarily from donations from individuals, foundations, and corporations.

The following summarizes significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The financial statements of the Organization have been prepared using the accrual basis of accounting.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all liquid investment purchased with a maturity date of three months or less to be cash equivalents. The organization's cash balance in a single United States financial institution at December 31, 2023 was \$1,863,789 greater than the Federal Depository Insurance Corporation (FDIC) limit of \$250,000. At December 31, 2022 the cash balances at this financial institution exceeded the FDIC insured limit by \$2,201,886.

Restricted and Unrestricted Revenue and Support

The Organization accounts for contributions in accordance with FASB ASC, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, or restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished),

ORANGUTAN FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIODS ENDING DECEMBER 31, 2023 AND 2022

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Investments

The Organization has adopted SFAS No 124, “Accounting for Certain Investments Held by Not-for-Profit Organizations”. Under SFAS No 124, investments in marketable securities with readily determinable fair market values and all investments in debt securities are valued at their fair market values in the statement of financial position. Unrealized gains and losses are included in the Statements of Changes in Net Assets.

Inventory

Inventory, consisting of books and other orangutan-related items, is stated at the lower of cost or market value.

Tax Status

The organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended, and is exempt from California Franchise Tax under Section 23701(d) of the State Revenue and Taxation Code. In addition, the Organization qualifies for the charitable deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2)

Estimates

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

Expenses Allocation

The costs of providing the programs and supporting services have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Certain costs have been allocated among the programs and the supporting services bases on ratios determined by management.

Foreign Operations

The Organization helps operate and maintain an Orangutan preserve in Tanjung Puting Reserve in Central Borneo in Indonesia. To help fund this activity, the Organization maintains bank accounts in Indonesia which are used to fund operating expenses and is funded on as needed basis to cover expenses as incurred. Minimal cash balances are held which minimizes any foreign currency risk.

ORANGUTAN FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIODS ENDING DECEMBER 31, 2023 AND 2022

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services, Materials and Equipment

Donated services are recognized as contributions in accordance with SFAS No 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, and would otherwise be purchased by the Organization.

Donated materials are recorded as contributions and expenses at their estimated fair value at the date of donation.

Donations of equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

New Accounting Pronouncements

In March 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-01, *Leases*, which amends the requirements for the identification and accounting for leases. The pronouncement is effective for annual periods in fiscal years beginning after December 15, 2023. Currently, the organization has no leases meeting the requirements for this change in accounting.

NOTE 2 – INVESTMENT INCOME

Current assets include certificates of deposits with terms greater than three months but less than one year of \$67,681 and \$66,895 at December 31, 2023 and 2022, respectively. Also, included in current assets are mutual funds with a value of \$322,478 and 267,707 at December 31, 2023 and 2022, respectively.

Long – term investments are presented in the financial statements at fair market value and consist of the following:

Corporate Stock:	Fair Market Value	Prior Year Value	Unrealized Gain (Loss)
December 31, 2023	\$510,442	\$356,403	\$ 151,600
December 31, 2022	\$356,403	\$503,829	\$ (147,426)

Investment return is summarized as follows:

Investment Income:

	2023	2022
Interest and dividends	\$ 14,140	\$ 11,549
Realized gain (loss) on investments	228	(187)
Unrealized gain/(loss) on investments	200,150	(210,208)
Total	<u>\$ 214,518</u>	<u>\$ (198,846)</u>

See Independent auditor's report.

ORANGUTAN FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIODS ENDING DECEMBER 31, 2023 AND 2022

NOTE 3 – PROPERTY AND EQUIPMENT

All acquisition of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of the assets are capitalized. Property and equipment are carried at cost and are depreciated using the straight-line method over the estimated useful life of the asset.

	Method	Estimated Useful lives (Years)	2023	2022
Equipment	Straight-line	5-7	\$ 474,288	\$ 458,098
Software	Straight-line	5	20,551	20,551
Building	Straight-line	10-20	35,877	35,877
Vehicle	Straight-line	5	174,013	174,013
			<u>704,729</u>	<u>688,539</u>
Less accumulated depreciation			<u>(579,547)</u>	<u>(512,734)</u>
			125,182	175,805
Land			3,307,494	3,050,205
Art Collection			<u>13,500</u>	<u>13,500</u>
			<u><u>\$ 3,446,176</u></u>	<u><u>\$ 3,239,510</u></u>

Depreciation expense for the years ended December 31, 2023 and 2022 was \$66,813 and \$65,191, respectively.

The organization has funded land purchases, consisting of several parcels in close proximity to the care center and quarantine supported by the organization, is located on the island of Kalimantan, Indonesia. Because Indonesian law will allow only Indonesian citizens to own land there, Mr. Pak Bohap, a member of the board, holds title to five of the parcels. Dr. Birute Galdikas, President of the board, holds title to the other parcels. A memorandum of understanding exists between Mr. Bohap and the Organization and between Dr. Galdikas and the Organization that they and their heirs are holding land in trust for Orangutan Foundation International until such time as Indonesian law will allow foreign organizations to hold title. During 2008 through 2023, the Organization has been funding purchases of land adjacent to the care center to protect the current land usage from being converted to palm oil plantations or rubber plantations. In 2023, the organization expended \$257,289 for advances for such purchases.

ORANGUTAN FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIODS ENDING DECEMBER 31, 2023 AND 2022

NOTE 4 –NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions of the Organization are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Purpose restrictions		
Construction	\$ 21,937	\$ 21,937
Land purchases	<u>341,299</u>	<u>598,588</u>
 Total	 <u>\$341,236</u>	 <u>\$620,525</u>

NOTE 5 – NET ASSETS RELEASED FROM RESTRICTIONS

There were \$257,289 in net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors during 2023.

NOTE 6 – LIQUIDITY

As of December 31, 2023 the organization held \$3,414,938 in liquid cash and investments available to cover ongoing expenses. This represents approximately 1.4 years of operating expenses based on the fiscal year 2023 run rate. There are no long term debt obligations; therefore given prior year donation history and operating reserves, the organization does not anticipate any liquidity short falls within at least the current year.

NOTE 7 – COMMITMENTS

On June 1, 2010, the organization entered into an open-ended lease for its administrative offices. Rental payments under this lease were \$1,318 per month effective May 2019. This lease is subject to a two month notice of termination.

NOTE 8 – FAIR VALUE MEASUREMENTS

The Accounting Standard Codification requirement of Fair Value Measurements and Disclosures, applies to all financial instruments and all nonfinancial assets and liabilities that are being measured and reported on a fair value basis. It establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.

Level 2 inputs consists of observable inputs other than quoted prices for identical assets, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.

ORANGUTAN FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIODS ENDING DECEMBER 31, 2023 AND 2022

NOTE 8 – FAIR VALUE MEASUREMENTS (continued)

Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following table represents assets and liabilities reported on the statement of financial position at their fair value as of December 31, 2023 and 2022 by level within the fair value measurement hierarchy.

		<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in</u>	<u>Significant</u>	<u>Significant</u>
		<u>Active Markets</u>	<u>Other</u>	<u>Unobservable</u>
		<u>for Identical</u>	<u>Observable</u>	<u>inputs</u>
		<u>Assets</u>	<u>Inputs</u>	
<u>Description</u>	<u>Amount</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
2023				
Certificates of Deposit	\$ 67,681	-	67,681	-
Corporate Stock	832,920	832,920	-	-
Total	<u>\$ 900,601</u>			
2022				
Certificates of Deposit	\$ 66,895	-	66,895	-
Corporate Stock	624,109	624,109	-	-
Total	<u>\$ 691,004</u>			

For the remaining current assets and current liabilities, the carrying amounts approximate fair value because of the short maturity of these instruments.

NOTE 9 - SUBSEQUENT EVENTS

The Organization did not have any subsequent events through February 13, 2025, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the years ended December 31, 2023 and 2022.