

**Audited Financial Statements**



**International Anti-Poaching Foundation**

**December 31, 2022**

**Quigley & Miron**

**International Anti-Poaching Foundation, Inc.**  
**Audited Financial Statements**  
**Table of Contents**  
**December 31, 2022**

Page  
Number

<b>Independent Auditor’s Report</b> .....	1
<b>Audited Financial Statements</b>	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7

Suite 1660  
3550 Wilshire Boulevard  
Los Angeles, California 90010

Telephone: (213) 639-3550  
Facsimile: (213) 639-3555

Suite 700  
1999 South Bascom Avenue  
Campbell, California 95008

Telephone: (408) 614-0100  
Facsimile: (213) 639-3555

## Independent Auditor's Report

Board of Directors  
**International Anti-Poaching Foundation, Inc.**  
Philadelphia, Pennsylvania

### Opinion

We have audited the accompanying financial statements of International Anti-Poaching Foundation, Inc. (IAPF-USA), a nonprofit organization, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Anti-Poaching Foundation, Inc. as of December 31, 2022, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 IAPF-USA 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.

### Emphasis of Matter

#### *Prior Period Restatement*

As discussed in Note 3 to the financial statements, the 2021 financial statements have been restated to account for investments reported on the statement of financial position, stemming from contributions of investments in 2021.

### 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 IAPF-USA's ability to continue as a going concern for one year after the date that the financial statements are issued.

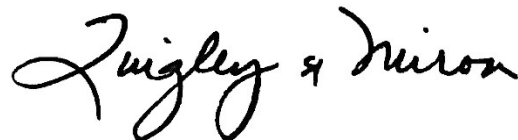
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 GAAS 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 GAAS, 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 IAPF-USA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IAPF-USA's ability to continue as a going concern for a reasonable period of time.

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



Los Angeles, California  
May 15, 2023

**International Anti-Poaching Foundation, Inc.**  
**Statement of Financial Position**  
**December 31, 2022**

**Assets**

Cash and cash equivalents	\$	3,538,600
Investments—Note 5		215,121
Contributions receivable		52,008

**Total Assets** \$ 3,805,729

**Liabilities and Net Assets**

Accounts payable and accrued expenses	\$	30,777
---------------------------------------	----	--------

**Total Liabilities** 30,777

**Net Assets**

Without donor restrictions		3,661,545
With donor restrictions—Note 7		113,407

**Total Net Assets** 3,774,952

**Total Net Assets and Liabilities** \$ 3,805,729

See notes to financial statements.

**International Anti-Poaching Foundation, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Activities</b>			
<b>Support and Revenues</b>			
Contributions	\$ 3,534,632	\$ 1,633,023	\$ 5,167,655
Other income	6,012		6,012
Interest and dividends	1,770		1,770
Net assets released from restrictions	1,802,903	(1,802,903)	
<b>Total Support and Revenues</b>	<b>5,345,317</b>	<b>(169,880)</b>	<b>5,175,437</b>
<b>Expenses</b>			
Program services	6,092,152		6,092,152
Supporting services			
Management and general	209,756		209,756
Fundraising	357,469		357,469
<b>Total Expenses</b>	<b>6,659,377</b>		<b>6,659,377</b>
<b>Change in Net Assets from Operations</b>	<b>(1,314,060)</b>	<b>(169,880)</b>	<b>(1,483,940)</b>
<b>Nonoperating Activities</b>			
Investment return, net	(55,078)		(55,078)
<b>Total Nonoperating Activities</b>	<b>(55,078)</b>		<b>(55,078)</b>
<b>Change in Net Assets</b>	<b>(1,369,138)</b>	<b>(169,880)</b>	<b>(1,539,018)</b>
<b>Net Assets at Beginning of Year, as Previously Reported</b>	<b>4,630,961</b>	<b>283,287</b>	<b>4,914,248</b>
Prior period restatement—Note 3	399,722		399,722
<b>Net Assets at Beginning of Year, as Restated</b>	<b>5,030,683</b>	<b>283,287</b>	<b>5,313,970</b>
<b>Net Assets at End of Year</b>	<b>\$ 3,661,545</b>	<b>\$ 113,407</b>	<b>\$ 3,774,952</b>

See notes to financial statements.

**International Anti-Poaching Foundation, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2022**

	Program Services				Supporting Services				
	Akashinga Program	LEAD Ranger Program	Education and Outreach	Wildlife Crime Unit	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 14,310	\$	\$	\$	\$ 14,310	\$ 51,843	\$ 136,362	\$ 188,205	\$ 202,515
Payroll taxes	1,339				1,339	5,308	12,325	17,633	18,972
Employee benefits	1,466				1,466	3,243	9,663	12,906	14,372
<b>Total Personnel Expenses</b>	<b>17,115</b>				<b>17,115</b>	<b>60,394</b>	<b>158,350</b>	<b>218,744</b>	<b>235,859</b>
Grants	2,605,193	267,221			2,872,414				2,872,414
Contracted services	1,582,217	27,958	49,702	101,086	1,760,963	82,271	82,202	164,473	1,925,436
Patrol supplies	1,116,409	131	491	8,704	1,125,735	1,060	2,264	3,324	1,129,059
Advertising	14,716	1,045	51,717	523	68,001	523	57,434	57,957	125,958
Professional fees	80,538	675	675	675	82,563	27,051	3,301	30,352	112,915
Travel	26,891	3,675	11,716	3,232	45,514	10,789	28,293	39,082	84,596
Information technology	29,686	2,388	5,160	1,297	38,531	1,816	20,713	22,529	61,060
Contract labor - construction	55,181			155	55,336				55,336
Occupancy	19,060				19,060				19,060
Bank charges	25				25	11,011	366	11,377	11,402
Insurance						10,596		10,596	10,596
Education	2,993	609	958	609	5,169	2,660	2,508	5,168	10,337
Postage and shipping	1,299	183	92	92	1,666	358	862	1,220	2,886
Office supplies	45	5	5	5	60	1,227	1,131	2,358	2,418
Video and photo							45	45	45
<b>Total Expenses</b>	<b>\$ 5,551,368</b>	<b>\$ 303,890</b>	<b>\$ 120,516</b>	<b>\$ 116,378</b>	<b>\$ 6,092,152</b>	<b>\$ 209,756</b>	<b>\$ 357,469</b>	<b>\$ 567,225</b>	<b>\$ 6,659,377</b>

See notes to financial statements.

**International Anti-Poaching Foundation, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

**Cash Flows from Operating Activities**

Change in net assets	\$ (1,539,018)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Donated investments	(216,995)
Investment losses	55,078
Changes in operating assets and liabilities:	
Contributions receivable	186,612
Accounts payable and accrued expenses	9,985
	<hr/>
<b>Net Cash Used in Operating Activities</b>	<b>(1,504,338)</b>

**Cash Flows from Investing Activities**

Proceeds from sales of investments	346,518
	<hr/>
<b>Net Cash Provided by Operating Activities</b>	<b>346,518</b>

**Decrease in Cash and Cash Equivalents** **(1,157,820)**

**Cash and Cash Equivalents at Beginning of Year**

**4,696,420**

**Cash and Cash Equivalents at End of Year** **\$ 3,538,600**

**Supplementary Disclosures**

Interest paid	\$ <u><u>          </u></u>
Income taxes paid	\$ <u><u>          </u></u>

See notes to financial statements.

**International Anti-Poaching Foundation, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

**Note 1—Organization**

Organization—International Anti-Poaching Foundation, Inc. (IAPF-USA) is a nonprofit corporation organized under the laws of the State of Texas. The Certificate of Formation of the Corporation was filed in the office of the Secretary of State of the State of Texas on April 5, 2013.

The purpose for which IAPF-USA is organized and is to be operated are exclusively charitable, scientific, and/or educational within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Since inception, IAPF-USA has been operating as the United States affiliate of the International Anti-Poaching Foundation, which is a wildlife conservation organization focused exclusively on stopping the illegal killing and trafficking of wildlife. The primary purpose of IAPF-USA is to raise money to fund International Anti-Poaching Foundation's conservation operations in Africa.

**Note 2—Summary of Significant Accounting Policies**

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. IAPF-USA's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of IAPF-USA and changes therein are presented and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of IAPF-USA. These net assets may be used at the discretion of IAPF-USA's management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of IAPF-USA and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit IAPF-USA to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of IAPF-USA's anti-poaching activities in Africa. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes—No provision has been made for federal or state income taxes because IAPF-USA is exempt from such taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state regulations. In addition, the Internal Revenue Service has determined that IAPF-USA is not a private foundation within the meaning of Section 509(a) of the Code. Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered "more likely than not" to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2022. Generally, IAPF-USA's information returns remain open for examination three (federal) and four (state) years from the date of filing.

**International Anti-Poaching Foundation, Inc.**  
**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

Cash and Cash Equivalents—For purposes of the statement of cash flows, IAPF-USA considers all highly liquid investments available for current use with a maturity of three months or less when purchased to be cash equivalents.

Investments—Investments in securities are initially recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment transactions are recorded on the trade date. Investment income and realized and unrealized gains and losses, net of investment management fees, are reported as increases or decreases in the appropriate net asset category.

Concentration of Credit Risk—Financial instruments which potentially subject IAPF-USA to concentrations of credit risk consist of cash and cash equivalents, investments in securities, and receivables. IAPF-USA places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution; such cash balances are normally in excess of FDIC insurance limits. Cash held in investment accounts at investment custodians / securities brokerage firms are insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. At times, such balances are in excess of the FDIC and SIPC coverage limits. IAPF-USA's management has assessed the credit risk associated with its cash deposits and investments held at December 31, 2022 and believes it is not exposed to any significant credit risk with its cash and cash equivalents and investments, however, due to the current risk and uncertainties affecting financial institutions (see Note 8), the related impact cannot be reasonably estimated at this time.

Recently Adopted Accounting Principle—In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. IAPF-USA adopted ASU No. 2020-07 on a retrospective basis for the year ended December 31, 2022, and has adjusted the presentation of the financial statements accordingly.

In-Kind Contributions—IAPF-USA records the value of donated materials and services at their fair value at the date of donation. In-kind services are recorded only if the services (a) create or enhance nonfinancial 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 donation. IAPF-USA received no in-kind contributions during the year ended December 31, 2022.

Interest and dividend income—Interest and dividend income earned on investments is recognized when received and is reported as interest and dividends under support and revenues in the statement of activities.

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted.

**International Anti-Poaching Foundation, Inc.**  
**Notes to Financial Statements—Continued**

**Note 2—Summary of Significant Accounting Policies—Continued**

Salaries, payroll taxes, employee benefits, contracted services, professional fees, advertising, information technology, travel, bank charges, insurance, education, postage and shipping, and office supplies are allocated on the basis of estimates of time and effort. All other functional expenses are charged directly to programs.

Advertising Costs—Advertising costs are expensed as incurred and amounted to \$125,958 for the year ended December 31, 2022.

Use of Estimates—The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**Note 3—Prior Period Restatement**

During the year ended December 31, 2021, various donors contributed common stock to IAPF-USA. In order to receive these contributions, an investment account was used to house and value the common stock. The investment account was not recorded in the general ledger at its inception and, as a result, was not included in the statement of financial position at December 31, 2021. To correct this error, the beginning net assets without donor restrictions in the financial statements for the year ended December 31, 2022 have been increased by \$399,722, the value of the investment portfolio at December 31, 2021.

**Note 4—Availability and Liquidity**

IAPF-USA's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$800,000). The following represents the availability and liquidity of IAPF-USA's financial assets at December 31, 2022 to cover operating expenses for the next fiscal year:

Cash and cash equivalents	\$	3,477,200
Investments		215,121
Contributions receivable		52,008
		<hr/>
<b>Current Availability of Financial Assets</b>	<b>\$</b>	<b><u>3,744,329</u></b>

**Note 5—Investments and Fair Value**

In determining the fair value of investments, IAPF-USA utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. IAPF-USA determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to IAPF-USA at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

**International Anti-Poaching Foundation, Inc.**  
**Notes to Financial Statements—Continued**

**Note 5—Investments and Fair Value—Continued**

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

IAPF-USA may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by IAPF-USA to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. IAPF-USA had no assets or liabilities classified at NAV as a practical expedient during the year ended December 31, 2022.

Fair values of assets measured on a recurring basis at December 31, 2022 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 194,424	\$ 194,424	\$	\$
Exchange traded funds	19,926	19,926		
Mutual funds	771	771		
<b>Totals</b>	<b><u>\$ 215,121</u></b>	<b><u>\$ 215,121</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>

Return on investments for the year ended December 31, 2022 is as follows:

Realized gain on investments	\$ 152,702
Unrealized loss on investments	(207,630)
Investment management fees	(150)
	<u>(55,078)</u>
<b>Investment Return, Net</b>	<b>(55,078)</b>
Interest and dividends	1,731
	<u>1,731</u>
<b>Total Return on Investments</b>	<b><u>\$ (53,347)</u></b>

**Note 6—Contingencies**

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantor. Although that is a possibility, IAPF-USA deems the contingency remote, since it has made its best efforts to comply in all material respects with the provisions of each grant.

**Note 7—Net Assets with Donor Restrictions**

Net assets with donor restrictions for the year ended December 31, 2022 are as follows:

Subject to purpose restrictions:	
Solar power install	\$ 45,698
Binga/Songo scholarship	15,702
Subject to time restrictions:	
General operations	52,007
	<u>52,007</u>
<b>Total Net Assets with Donor Restrictions</b>	<b><u>\$ 113,407</u></b>

**International Anti-Poaching Foundation, Inc.**  
**Notes to Financial Statements—Continued**

**Note 7—Net Assets with Donor Restrictions—Continued**

Net assets released from donor restrictions for the year ended December 31, 2022 are as follows:

Satisfaction of purpose restrictions:	
Akashinga	\$ 1,520,318
Binga/Songo scholarship	28,965
Wildlife crime unit	15,000
Satisfaction of passage of time:	
General operations	238,620
	<hr/>
<b>Total Net Assets Released from Donor Restrictions</b>	<b><u>\$ 1,802,903</u></b>

**Note 8—Risks and Uncertainties**

In March 2023, subsequent to year-end, the shut-down of certain financial institutions raised economic concerns over disruption in the United States (U.S.) banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system, however, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. As noted in Note 2, IAPF-USA maintains cash and cash equivalents and investment balances in excess of federally-insured limits. Given the uncertainty of the situation, the related financial impact cannot be reasonably estimated at this time.

**Note 9—Subsequent Events**

Management evaluated all activities of IAPF-USA through May 15, 2023, which is the date the financial statements were available to be issued, and concluded that, other than the banking crisis described in Note 8, no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.