

**IOWA PRIMATE LEARNING SANCTUARY  
d/b/a GREAT APE TRUST OF IOWA  
Des Moines, Iowa**

**FINANCIAL STATEMENTS  
December 31, 2009 and 2008**



**Clifton  
Gunderson LLP**  
Certified Public Accountants & Consultants

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### Independent Auditor's Report

Board of Directors  
Iowa Primate Learning Sanctuary  
Des Moines, Iowa

We have audited the accompanying statements of financial position of Iowa Primate Learning Sanctuary, d/b/a Great Ape Trust of Iowa (the Trust), as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Iowa Primate Learning Sanctuary as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Clifton Gunderson LLP*

West Des Moines, Iowa  
July 23, 2010

**IOWA PRIMATE LEARNING SANCTUARY**  
**d/b/a GREAT APE TRUST OF IOWA**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>CASH</b>		
Unrestricted	\$ 562,727	\$ 389,118
Temporarily restricted	348	217
Permanently restricted	<u>30,000</u>	<u>30,000</u>
Total cash	593,075	419,335
<b>ACCOUNTS RECEIVABLE AND UNCONDITIONAL PROMISES TO GIVE</b> , less allowance for uncollectible amounts of \$125,000 in 2009 and \$0 in 2008	158,997	332,646
<b>INVENTORY</b>	4,427	13,857
<b>PREPAID EXPENSES</b>	36,181	19,766
<b>PROPERTY AND EQUIPMENT</b>		
Land and land improvements	565,210	565,210
Buildings	15,169,181	15,169,181
Furniture and equipment	636,495	655,328
Other	<u>264,830</u>	<u>264,831</u>
Total	16,635,716	16,654,550
Less accumulated depreciation	<u>2,683,604</u>	<u>2,167,295</u>
Total property and equipment	<u>13,952,112</u>	<u>14,487,255</u>
<b>COLLECTION</b>	<u>481,350</u>	<u>481,350</u>
<b>TOTAL ASSETS</b>	<u>\$ 15,226,142</u>	<u>\$ 15,754,209</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 150,698	\$ 243,278
Unearned grants	27,417	17,201
Other accrued liabilities	<u>103,246</u>	<u>90,270</u>
Total liabilities	281,361	350,749
<b>NET ASSETS</b>		
Unrestricted	14,914,433	15,373,243
Temporarily restricted	348	217
Permanently restricted	<u>30,000</u>	<u>30,000</u>
Total net assets	<u>14,944,781</u>	<u>15,403,460</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 15,226,142</u>	<u>\$ 15,754,209</u>

The accompanying notes are an integral part of the financial statements.

**IOWA PRIMATE LEARNING SANCTUARY**  
**d/b/a GREAT APE TRUST OF IOWA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Contributions	\$ 2,978,993	\$ 1,962	\$ -	\$ 2,980,955
Grants	49,881	-	-	49,881
Memberships	40,817	-	-	40,817
Fundraising events	1,745	-	-	1,745
Other revenue	18,862	131	-	18,993
Net assets released from restrictions:				
Satisfaction of purpose restriction	<u>1,962</u>	<u>(1,962)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	3,092,260	131	-	3,092,391
<b>EXPENSES AND GAIN</b>				
Program services:				
Research	2,100,797	-	-	2,100,797
Communication	390,187	-	-	390,187
Conservation	<u>348,005</u>	<u>-</u>	<u>-</u>	<u>348,005</u>
Total program services	2,838,989	-	-	2,838,989
Supporting activities:				
Management and general	755,204	-	-	755,204
Fundraising	<u>203,563</u>	<u>-</u>	<u>-</u>	<u>203,563</u>
Total supporting activities	958,767	-	-	958,767
Gain due to flooding	<u>(246,686)</u>	<u>-</u>	<u>-</u>	<u>(246,686)</u>
Total expenses and gain	<u>3,551,070</u>	<u>-</u>	<u>-</u>	<u>3,551,070</u>
<b>CHANGE IN NET ASSETS</b>	(458,810)	131	-	(458,679)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>15,373,243</u>	<u>217</u>	<u>30,000</u>	<u>15,403,460</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 14,914,433</u>	<u>\$ 348</u>	<u>\$ 30,000</u>	<u>\$ 14,944,781</u>

**IOWA PRIMATE LEARNING SANCTUARY**  
**d/b/a GREAT APE TRUST OF IOWA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Contributions	\$ 3,932,570	\$ 304,000	\$ 30,000	\$ 4,266,570
Grants	38,508	-	-	38,508
Memberships	50,375	-	-	50,375
Fundraising events	34,705	-	-	34,705
Other revenue	74,351	217	-	74,568
Net assets released from restrictions:				
Satisfaction of purpose restriction	<u>304,000</u>	<u>(304,000)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	4,434,509	217	30,000	4,464,726
<b>EXPENSES AND LOSSES</b>				
Program services:				
Research	2,777,126	-	-	2,777,126
Communication	601,560	-	-	601,560
Conservation	<u>409,095</u>	<u>-</u>	<u>-</u>	<u>409,095</u>
Total program services	3,787,781	-	-	3,787,781
Supporting activities:				
Management and general	848,939	-	-	848,939
Fundraising	<u>9,950</u>	<u>-</u>	<u>-</u>	<u>9,950</u>
Total supporting activities	858,889	-	-	858,889
Loss due to flooding	8,565	-	-	8,565
Impairment of property and equipment	<u>387,769</u>	<u>-</u>	<u>-</u>	<u>387,769</u>
Total expenses and losses	<u>5,043,004</u>	<u>-</u>	<u>-</u>	<u>5,043,004</u>
<b>CHANGE IN NET ASSETS</b>	(608,495)	217	30,000	(578,278)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>15,981,738</u>	<u>-</u>	<u>-</u>	<u>15,981,738</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 15,373,243</u>	<u>\$ 217</u>	<u>\$ 30,000</u>	<u>\$ 15,403,460</u>

The accompanying notes are an integral part of the financial statements.

**IOWA PRIMATE LEARNING SANCTUARY  
d/b/a GREAT APE TRUST OF IOWA  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (458,679)	\$ (578,278)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	527,666	616,123
Provision for uncollectible amounts	125,000	-
Loss on property and equipment from flood	7,477	310,273
Other impairment on property and equipment	-	387,769
Other	-	(36,143)
Effects of changes in operating assets and liabilities:		
Accounts receivable and unconditional promises to give	48,649	(302,906)
Inventory	9,430	(4,550)
Prepaid expenses	(16,415)	17,376
Accounts payable	(92,580)	165,664
Unearned grants	10,216	(14,175)
Other accrued liabilities	<u>12,976</u>	<u>(166,507)</u>
Net cash provided by operating activities	173,740	394,646
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>-</u>	<u>(163,119)</u>
<b>NET INCREASE IN CASH</b>	173,740	231,527
<b>CASH, BEGINNING OF YEAR</b>	<u>419,335</u>	<u>187,808</u>
<b>CASH, END OF YEAR</b>	<u>\$ 593,075</u>	<u>\$ 419,335</u>

The accompanying notes are an integral part of the financial statements.

**IOWA PRIMATE LEARNING SANCTUARY  
D/B/A GREAT APE TRUST OF IOWA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Iowa Primate Learning Sanctuary, d/b/a Great Ape Trust of Iowa, (the Trust) was formed on November 1, 2001 for the purpose of studying the behavior and intelligence of great apes by providing an honorable life for apes, advancing the conservation of great apes, and providing unique educational experiences about great apes. The Trust's primary source of revenue is contributions (see Note 6). Significant accounting policies followed by the Trust are presented below.

**Use of estimates in preparing financial statements**

The preparation of financial statements in conformity with 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.

**Basis of accounting**

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Trust as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into three classes of net assets – permanently restricted, temporarily restricted and unrestricted. Net assets and revenues, expenses and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Permanently restricted net assets – Permanently restricted net assets are comprised of endowed funds. Endowed funds are subject to donor restrictions that require the corpus of the gift to be invested in perpetuity and only the income made available for program operations in accordance with donor restrictions. For gifts in this classification, the Trust has interpreted the Iowa Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Trust and/or the passage of time.

Unrestricted net assets – Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. If a restriction is fulfilled in the same time period in which the contribution is received, the Trust reports the support as unrestricted.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

**IOWA PRIMATE LEARNING SANCTUARY  
D/B/A GREAT APE TRUST OF IOWA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of accounting (continued)**

Contributed long-lived assets are recorded at estimated fair value at the date of the gift. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

**Inventory**

Inventory is stated at the lower of cost or market with cost determined on a first-in, first-out (FIFO) basis.

**Property and equipment**

Property and equipment are recorded at cost or fair value, if donated. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Buildings	7 - 39 years
Furniture and equipment	3 - 7 years
Other	2 - 3 years

**Impairment of long-lived assets**

The Trust reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

During 2008, the Trust recognized \$387,769 in impairment to property and equipment related to capitalized architect fees on certain discontinued projects.

**Collection**

The collection consists of items donated considered to be works of art. The collection is recorded at fair value based on an independent appraisal. Depreciation is not recognized on the collection as the items are considered works of art and historical treasures that are being preserved and whose service potential is used up so slowly that the estimated useful lives are extraordinarily long.

**Functional expense reporting**

The Trust allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

**IOWA PRIMATE LEARNING SANCTUARY  
D/B/A GREAT APE TRUST OF IOWA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income tax status**

The Trust is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from federal income taxes pursuant to section 501(a) of the Code. The Trust has not been determined by the Internal Revenue Service to be a private foundation.

**NOTE 2 - CONCENTRATIONS OF CREDIT RISK**

The Trust maintains all of its cash accounts, including interest bearing accounts, in one commercial bank located in Des Moines, Iowa. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. Total cash held by the bank was \$679,144 and \$556,922 at December 31, 2009 and 2008, respectively.

**NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2009 and 2008 consist of income earned on endowed funds. This income is donor stipulated to provide a graduate student research stipend. No amounts were expended during 2009 and 2008 to satisfy this purpose restriction.

**NOTE 4 - PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets at December 31, 2009 and 2008 consist of endowed funds received during 2008, which were restricted to investment in perpetuity. The investment income from the endowed funds is expendable to provide a graduate student research stipend.

**NOTE 5 - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give are due as follows:

	<u>2009</u>	<u>2008</u>
Less than one year	\$ 111,433	\$ 51,000
One to five years	155,000	257,000
More than five years	<u>17,000</u>	<u>17,000</u>
	283,433	325,000
Less: allowance for uncollectible amounts	<u>125,000</u>	<u>-</u>
	<u>\$ 158,433</u>	<u>\$ 325,000</u>

**IOWA PRIMATE LEARNING SANCTUARY  
D/B/A GREAT APE TRUST OF IOWA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008**

**NOTE 6 - DEPENDENCE ON RELATED PARTY**

The Trust has been and is currently dependent upon financing from a related party. The related party intends to continue to provide the Trust the funds necessary to continue operations for at least the next year. During the years ended December 31, 2009 and 2008, contributions from the related party totaled \$2,962,000 and \$3,650,000, respectively. Management believes that the Trust will continue to meet its obligations due through December 31, 2010. The Trust is actively seeking other stable, alternative funding sources.

**NOTE 7 - RENTAL EXPENSE**

Rental expense included in the statement of activities for the years ended December 31, 2009 and 2008 totaled \$19,320 and \$19,181, respectively.

**NOTE 8 - RETIREMENT PLAN**

Trust employees meeting age and service requirements are eligible to participate in a 403(b) retirement savings plan that matches up to 3% of eligible compensation. The total expense of the plan for the years ended December 31, 2009 and 2008 was \$49,029 and \$51,774, respectively.

**NOTE 9 - LOSS (GAIN) DUE TO FLOODING**

During June 2008, the Trust sustained significant damage as a result of the flooding that occurred in Iowa. Certain equipment and buildings were damaged or destroyed and substantial costs were incurred to remove water and sediment and restore working operations. The Trust filed insurance claims related to certain damages and received a total of \$1,243,451. In October 2009, the Trust agreed to a final insurance settlement with the insurance company regarding all flood damage. All losses and recoveries related to the June 2008 flood have therefore been recognized in the financial statements. The following is the detail of the amounts aggregated in the line item entitled "Loss (gain) due to flooding" in the statements of activities:

	<u>2009</u>	<u>2008</u>
Carrying value of equipment and buildings lost or destroyed	\$ -	\$ 310,273
Clean up costs, including repairs	<u>146,765</u>	<u>548,292</u>
	146,765	858,565
Less insurance recovery recognized	<u>393,451</u>	<u>850,000</u>
<b>Loss (gain) due to flooding</b>	<u>\$ (246,686)</u>	<u>\$ 8,565</u>

**IOWA PRIMATE LEARNING SANCTUARY  
D/B/A GREAT APE TRUST OF IOWA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008**

**NOTE 10 - SUBSEQUENT EVENTS**

Management evaluated subsequent events through July 23, 2010, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2009, but prior to July 23, 2010, that provided additional evidence about conditions that existed at December 31, 2009 have been recognized in the financial statements for the year ended December 31, 2009. Events or transactions that provided evidence about conditions that did not exist at December 31, 2009 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2009.

This information is an integral part of the accompanying financial statements.