

**THE INTERNATIONAL
RHINO FOUNDATION**

FINANCIAL STATEMENTS

**Years Ended December 31, 2023 and 2022
with Report of Independent Auditors**

**THE INTERNATIONAL
RHINO FOUNDATION**

FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
The International Rhino Foundation

Opinion

We have audited the financial statements of The International Rhino Foundation (the “Foundation”), 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Basis for Opinion

We conducted our audits 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 the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 the Foundation’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 the Foundation'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 the Foundation'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.

Whitley Penn LLP

Fort Worth, Texas

April 12, 2024

THE INTERNATIONAL RHINO FOUNDATION

STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 241,258	\$ 80,349
Investments	2,363,332	3,072,939
Contributions receivable, net	971,900	874,148
Other assets	17,095	21,749
Total current assets	3,593,585	4,049,185
Contributions receivable, net of current portion	12,654	30,142
Right-of-use asset - operating lease, net	17,819	22,629
Property and equipment, net of accumulated depreciation of \$5,839 and \$4,048, respectively	3,276	5,067
Total assets	\$ 3,627,334	\$ 4,107,023
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 375,032	\$ 608,826
Deferred revenue	521,599	-
Current portion of operating lease liability	5,180	5,109
Total current liabilities	901,811	613,935
Long-term operating lease liability	13,714	18,894
Total liabilities	915,525	632,829
Commitments and contingencies		
Net assets:		
Without donor restrictions	1,889,411	2,330,797
With donor restrictions	822,398	1,143,397
Total net assets	2,711,809	3,474,194
Total liabilities and net assets	\$ 3,627,334	\$ 4,107,023

See accompanying notes to financial statements.

THE INTERNATIONAL RHINO FOUNDATION

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Contributions	\$ 1,746,713	\$ 2,249,121	\$ 3,995,834	\$ 1,554,292	\$ 2,227,286	\$ 3,781,578
Investment income, net	96,699	-	96,699	39,669	-	39,669
Merchandise sales, net	10,400	-	10,400	16,575	-	16,575
Net assets released from restrictions	2,570,120	(2,570,120)	-	2,259,364	(2,259,364)	-
Total revenues and other support	4,423,932	(320,999)	4,102,933	3,869,900	(32,078)	3,837,822
Expenses:						
Program expenses:						
Southern Africa	861,194	-	861,194	674,950	-	674,950
Zimbabwe/Lowveld rhino region	635,746	-	635,746	590,501	-	590,501
Other Africa regions	31,905	-	31,905	-	-	-
Asia region	2,835,189	-	2,835,189	2,254,076	-	2,254,076
Other programs	253,496	-	253,496	11,188	-	11,188
Total program expenses	4,617,530	-	4,617,530	3,530,715	-	3,530,715
Support expenses:						
Management and general	108,825	-	108,825	291,361	-	291,361
Fundraising	138,963	-	138,963	172,811	-	172,811
Total support expenses	247,788	-	247,788	464,172	-	464,172
Total expenses	4,865,318	-	4,865,318	3,994,887	-	3,994,887
Changes in net assets	(441,386)	(320,999)	(762,385)	(124,987)	(32,078)	(157,065)
Net assets at beginning of year	2,330,797	1,143,397	3,474,194	2,455,784	1,175,475	3,631,259
Net assets at end of year	<u>\$ 1,889,411</u>	<u>\$ 822,398</u>	<u>\$ 2,711,809</u>	<u>\$ 2,330,797</u>	<u>\$ 1,143,397</u>	<u>\$ 3,474,194</u>

See accompanying notes to financial statements.

THE INTERNATIONAL RHINO FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2023

	Program Services					Support Services				Total Expenses
	Africa Region		Other African Regions	Asia Region	Other Programs	Total Program	Management & General	Fund-Raising	Total Support	
	Southern Africa	Zimbabwe / Lowveld Rhino Region								
Accounting services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,499	\$ 1,933	\$ 47,432	\$ 47,432
Contract services	37,836	275,548	-	117,053	-	430,437	-	-	-	430,437
Grants and other related expenditures	589,249	157,569	28,696	2,004,146	253,496	3,033,156	-	1,124	1,124	3,034,280
Insurance	217	-	-	1,231	-	1,448	13,469	175	13,644	15,092
Depreciation	-	-	-	-	-	-	897	894	1,791	1,791
Miscellaneous	830	192	-	5,946	-	6,968	14,037	40,023	54,060	61,028
Office expenditures	6,428	35,400	-	6,172	-	48,000	6,691	13,580	20,271	68,271
Other professional services	-	-	-	14,538	-	14,538	10,002	25,030	35,032	49,570
Salaries and benefits	215,699	81,189	3,157	591,747	-	891,792	2,333	31,992	34,325	926,117
Travel	10,935	85,848	52	94,356	-	191,191	15,897	24,212	40,109	231,300
Total expenses	<u>\$ 861,194</u>	<u>\$ 635,746</u>	<u>\$ 31,905</u>	<u>\$ 2,835,189</u>	<u>\$ 253,496</u>	<u>\$ 4,617,530</u>	<u>\$ 108,825</u>	<u>\$ 138,963</u>	<u>\$ 247,788</u>	<u>\$ 4,865,318</u>

See accompanying notes to financial statements.

THE INTERNATIONAL RHINO FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2022

	Program Services					Support Services			Total Expenses
	Africa Region		Asia Region	Other Programs	Total Program	Management & General	Fund-Raising	Total Support	
	Southern Africa	Zimbabwe / Lowveld Rhino Region							
Accounting services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,166	\$ 105	\$ 34,271	\$ 34,271
Contract services	37,117	226,127	121,753	-	384,997	-	-	-	384,997
Fundraising expenditures	-	-	-	-	-	-	3,500	3,500	3,500
Grants and other related expenditures	402,612	133,000	1,581,806	11,188	2,128,606	-	-	-	2,128,606
Insurance	-	-	-	-	-	15,722	-	15,722	15,722
Depreciation	-	-	-	-	-	929	894	1,823	1,823
Miscellaneous	920	316	15,786	-	17,022	14,610	56,804	71,414	88,436
Office expenditures	7,533	127,261	18,362	-	153,156	12,527	9,984	22,511	175,667
Other professional services	-	-	3,597	-	3,597	750	16,579	17,329	20,926
Salaries and benefits	169,089	54,555	429,372	-	653,016	184,590	75,109	259,699	912,715
Travel	57,679	49,242	83,400	-	190,321	28,067	9,836	37,903	228,224
Total expenses	<u>\$ 674,950</u>	<u>\$ 590,501</u>	<u>\$ 2,254,076</u>	<u>\$ 11,188</u>	<u>\$ 3,530,715</u>	<u>\$ 291,361</u>	<u>\$ 172,811</u>	<u>\$ 464,172</u>	<u>\$ 3,994,887</u>

See accompanying notes to financial statements.

THE INTERNATIONAL RHINO FOUNDATION

STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Changes in net assets	\$ (762,385)	\$ (157,065)
Depreciation	1,791	1,823
Contributed investments	(4,520)	-
Discount on contributions receivable	(1,058)	2,417
Non-cash lease expense	5,101	5,724
Contributions receivable	(79,206)	(676,352)
Other assets	4,654	(8,938)
Accounts payable and accrued liabilities	(233,794)	84,873
Operating lease liability	(5,400)	(4,350)
Deferred revenue	521,599	(95,500)
Net cash used in operating activities	(553,218)	(847,368)
Cash flows from investing activities:		
Purchases of investments	(3,469,873)	(3,247,825)
Proceeds from the sale of investments	4,184,000	3,681,305
Net cash provided by investing activities	714,127	433,480
Net increase (decrease) in cash and cash equivalents	160,909	(413,888)
Cash and cash equivalents at beginning of year	80,349	494,237
Cash and cash equivalents at end of year	\$ 241,258	\$ 80,349
Supplemental Disclosure of Cash Flow Information		
Right-of-use asset assumed through lease liability	\$ -	\$ 27,372

See accompanying notes to financial statements.

THE INTERNATIONAL RHINO FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

A. Nature of Activities

The International Rhino Foundation (the “Foundation”) is a not-for-profit organization incorporated under the laws of Texas in 1991. The primary mission of the Foundation is dedicated to the survival of the world’s rhino species through conservation and research. The Foundation’s corporate office is located in Fort Worth, Texas.

B. Summary of Significant Accounting Policies

A summary of the Foundation’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect certain reported amounts in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with GAAP.

Net assets of the Foundation and changes therein are classified according to the existence or absence of donor-imposed restrictions and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time, or that are maintained in perpetuity by the Foundation.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

B. Summary of Significant Accounting Policies – continued

Contribution Revenue and Revenue Recognition

The Foundation recognizes contributions when cash, securities, other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. All contributions are considered to be available for use unless specifically restricted by the donor. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions upon which they depend have been met.

A portion of the Foundation's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. Accordingly, the Foundation recognizes the unexpended payments from these federal contracts and grants as deferred revenue until the qualifying expenditures have been made.

Contributed Nonfinancial Assets

The Foundation recognizes contributed nonfinancial assets as in-kind contributions. All contributed nonfinancial assets are generally used in the period in which they are contributed and are recognized as revenue at their fair market value if it is determinable. Unless otherwise noted, contributed nonfinancial assets do not have donor-imposed restrictions.

Contributed services are reflected in the financial statements at the fair value of the services received if the services received (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.

A substantial number of volunteers have contributed significant amounts of their time related to the Foundation's mission. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the above criteria.

Cash and Cash Equivalents

The Foundation considers all highly liquid, unrestricted investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2023 and 2022, the Foundation had no such investments. The Foundation maintains deposits in one financial institution, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Foundation has not experienced any losses related to amounts in excess of FDIC limits.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

B. Summary of Significant Accounting Policies – continued

Investments

Investments with readily determinable fair values are stated at fair value with realized and unrealized gains and losses included in the statement of activities.

The Foundation measures its investments at fair value. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy is established as a basis for considering such assumptions for inputs used in the valuation methodologies in measuring fair value as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

B. Summary of Significant Accounting Policies – continued

Investments – continued

At December 31, 2023 and 2022, the Foundation’s investments consisted of actively traded money market funds and exchange-traded funds that have daily quoted net asset values for identical assets that the Foundation can access. These securities are classified within Level 1 of the fair value hierarchy.

	December 31,	
	2023	2022
	<u>Level 1</u>	<u>Level 1</u>
Exchange-traded funds	\$ 4,520	\$ -
Money market funds	<u>2,358,812</u>	<u>3,072,939</u>
Total investments	<u>\$ 2,363,332</u>	<u>\$ 3,072,939</u>

The Foundation maintains its investments in exchange-traded funds and money market funds in primarily two financial institutions that are covered members of the Securities Investor Protection Corporation (“SIPC”), which may at times exceed amounts covered by insurance provided by the SIPC. The Foundation has not experienced any losses related to amounts in excess of SIPC limits.

Fair Value of Financial Instruments

The Foundation calculates the fair value of its assets and liabilities, which qualify as financial instruments, and includes this information in the notes to financial statements when the fair value is different than the carrying value of those financial instruments. The estimated fair value of contributions receivable and accounts payable approximate the carrying amounts due to the relatively short maturity of these instruments. None of these instruments are held for trading purposes.

Contributions Receivable

Contributions receivable represent unconditional promises to give, which are recorded when pledges are made by the respective donors. Promises to give in excess of one year are recorded at their net present value. The contributions receivable at December 31, 2023 and 2022, are measured at the present value of the estimated future cash flows using a discount rate of 4.79% and 3.99%, respectively, resulting in an unamortized discount of approximately \$2,800 and \$3,900 as of December 31, 2023 and 2022, respectively. Management evaluates the adequacy of an allowance for doubtful accounts based on a review of individual accounts. The primary factors considered in determining the amount of the allowance are collection history, the aging of the accounts, and other specific information known to management that may affect collectability. No allowance for doubtful accounts was considered necessary at December 31, 2023 and 2022.

Collections of the contributions receivable are expected through 2027, with approximately \$972,000 expected to be collected within one year, and the remaining \$15,000 in two-to-four years.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

B. Summary of Significant Accounting Policies – continued

Property and Equipment

Property and equipment are carried at cost, if purchased, or if donated, at the estimated fair value at the date of donation. Depreciation is provided on the straight-line method over the assets' estimated service lives. Expenditures for maintenance and repairs are charged to expense in the period in which they are incurred, and betterments are capitalized. The cost of assets sold or abandoned and the related accumulated depreciation are eliminated from the accounts, and any gains or losses are reflected in the accompanying statement of activities of the respective period. The Foundation's property and equipment is comprised of computer and office equipment, which have estimated useful lives of 5 – 7 years.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations, specifically for salaries and benefits, are determined by management based on estimates of time and effort. Generally, the Foundation records its expenses based on direct allocation by assigning each expense to a functional category based on direct usage.

Federal Income Taxes

The Foundation is generally exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as an organization other than a private foundation. The Foundation follows the guidance under Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic No. 740, *Income Taxes*, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. Management believes that it has not taken a tax position that, if challenged, would have a material effect on the Foundation's financial statements.

The Foundation files Form 990 in the United States federal jurisdiction, and no tax returns are currently under examination by any tax authorities. The Foundation did not incur any penalties or interest during the years ended December 31, 2023 or 2022.

Leases

The Foundation has a lease for its office space. A lease provides the lessee the right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right-of-use assets ("ROU assets") represent the Foundation's right to use an underlying asset for the lease term. Operating lease liabilities ("lease liabilities") represent the Foundation's obligation to make lease payments arising from the lease. The Foundation determines if an arrangement is a lease at inception. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Foundation excludes short-term leases having initial terms of 12 months or less from ROU assets and lease liabilities and recognizes rent expense on a straight-line basis over the lease term.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

B. Summary of Significant Accounting Policies – continued

Leases – continued

Operating leases are included in right-of-use asset – operating leases and operating lease liability on the accompanying statements of financial position.

Most operating leases contain renewal options that provide for rent increases based on prevailing market conditions. The Foundation has lease extension terms for the office space that have been extended. The terms used to calculate the ROU assets and lease liability for this property include the renewal option that the Foundation is reasonably certain to exercise.

The discount rate used to determine the commencement date present value of lease payments is the interest rate implicit in the lease, or when that is not readily determinable, the Foundation utilizes the applicable risk-free rate in effect at the time of the lease inception. ROU assets include any lease payments required to be made prior to commencement and exclude lease incentives. Both ROU assets and lease liabilities exclude variable payments not based on an index or rate, which are treated as period costs. The Foundation's lease agreements do not contain significant residual value guarantees, restrictions, or covenants.

The Foundation's office lease agreement contains lease and non-lease components, which we account for as a single lease component. For this lease, there may be variability in future lease payments as the amount of non-lease component is typically revised from one period to the next. These variable lease payments, which are primarily comprised of common area maintenance, utilities, taxes, and other related fees that are passed on from the lessor in proportion to the leased space, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations.

Adoption of New Accounting Standards

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU” or “standard”) 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*. Subsequently, the FASB issued several clarifying standard updates to clarify and improve the ASU. These ASUs significantly change how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model that will be based on an estimate of current expected credit loss (“CECL”). Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. There were no financial assets held by the Foundation that are subject to the guidance in Topic 326.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

B. Summary of Significant Accounting Policies – continued

Adoption of New Accounting Standards – continued

The Foundation adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

C. Availability and Liquidity

The following represents the Foundation’s financial assets at December 31:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 241,258	\$ 80,349
Investments	2,363,332	3,072,939
Contributions receivable (due in one year)	971,900	870,365
Total financial assets	<u>3,576,490</u>	<u>4,023,653</u>
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions	<u>822,398</u>	<u>1,143,397</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,754,092</u>	<u>\$ 2,880,256</u>

As part of the Foundation’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2023 and 2022, the Foundation has approximately \$2,754,000 and \$2,880,000, respectively, of financial assets available within one year of the statement of financial position dates to meet cash needs for general expenditure consisting of cash and cash equivalents, investments, and contributions and miscellaneous receivables. Other than the net assets with donor restrictions and amounts subject to appropriation and satisfaction of grant restrictions, none of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position dates.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

D. Net Assets with Donor Restrictions

Net assets with donor restrictions represent contributions for which donors have imposed restrictions. As of December 31, 2023 and 2022, substantially all of the Foundation's net assets with donor restrictions were comprised of amounts restricted for specific program use within the scope of the Foundation's charitable purpose (see Note A). Approximately \$682,000 and \$899,000 of the Foundation's cash and cash equivalents and investments were donor restricted at December 31, 2023 and 2022, respectively. Approximately \$799,000 and \$679,000 of the total contributions receivable were donor restricted at December 31, 2023 and 2022, respectively.

E. Commitments and Contingencies

Consulting Agreements

The Foundation has executed consulting agreements with various contractors. The contractors are hired by the Foundation to conduct technical services and support for the Foundation's programs. During the years ended December 31, 2023 and 2022, the Foundation incurred expenses of approximately \$430,000 and \$385,000, respectively, related to these contracts. These contracts are cancelable by either party upon no more than sixty-day notice.

F. Leases

In August 2021, the Foundation entered into an agreement to lease office space with an initial term of three years and an option to extend the lease for up to three years.

The operating lease cost during the years ended December 31, 2023 and 2022, was approximately \$5,100.

Weighted average lease term and discount rate as of December 31, 2023 and 2022, are as follows:

	2023	2022
Weighted average remaining lease term (years)	3.58	4.58
Weighted average discount rate	1.37%	1.37%

Cash paid during December 31, 2023 and 2022, for operating leases are as follows:

	2023	2022
Operating cash flows	\$ 5,400	\$ 4,350

ROU assets obtained in exchange for lease liabilities during the year ended December 31, 2022, were \$27,372. There were no such assets obtained during the year ended December 31, 2023.

THE INTERNATIONAL RHINO FOUNDATION
NOTES TO FINANCIAL STATEMENTS (continued)

F. Leases – continued

Maturities of lease liabilities as of December 31, 2023, are as follows:

	Operating Leases
2024	\$ 5,400
2025	5,400
2026	5,400
2027	3,150
Total lease payments	19,350
Less present value discount	(456)
Lease liabilities	\$ 18,894

G. Risk Concentrations

For the year ended December 31, 2023, two contributors accounted for approximately 27% of the Foundation’s total contributions. For the year ended December 31, 2022, three contributors accounted for approximately 42% of the Foundation’s total contributions.

At December 31, 2023, the Foundation had contributions receivable from two contributors that accounted for approximately 53% and 16% of total contributions receivable. At December 31, 2022, the Foundation had contributions receivable from two contributors that accounted for approximately 28% and 15% of total contributions receivable.

H. Subsequent Events

In preparing the financial statements, management has evaluated all subsequent events and transactions for potential recognition or disclosure through April 12, 2024, the date the financial statements were available for issuance.

Nina Fascione



Executive Director
International Rhino Foundation