



**THE DIAN FOSSEY
GORILLA FUND®
INTERNATIONAL**

ATLANTA, GEORGIA

AUDITED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2017 AND 2016**

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
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SEPTEMBER 30, 2017 AND 2016

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Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Dian Fossey Gorilla Fund International, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of The Dian Fossey Gorilla Fund International, Inc. (the "Fund"), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities and net assets, 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.

Auditor's 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund'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 Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Dian Fossey Gorilla Fund International, Inc. as of September 30, 2017 and 2016, 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.

Jones and Kolb

January 17, 2018

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2017 AND 2016

	<u>ASSETS</u>	
	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,818,296	\$ 2,740,566
Funds held for field operations	77,779	80,927
Pledges and other receivables, net	194,022	822,248
Prepaid expenses and other assets	20,407	27,494
Total current assets	<u>3,110,504</u>	<u>3,671,235</u>
PLEDGES RECEIVABLE - LONG-TERM, NET	782,252	916,274
INVESTMENTS	540,983	-
PROPERTY AND EQUIPMENT, NET	<u>151,495</u>	<u>147,833</u>
Total assets	<u><u>\$ 4,585,234</u></u>	<u><u>\$ 4,735,342</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 55,020	\$ 35,152
Accrued expenses	71,617	126,511
Deferred revenue	-	40,500
Total current liabilities	<u>126,637</u>	<u>202,163</u>
Total liabilities	<u>126,637</u>	<u>202,163</u>
NET ASSETS		
Unrestricted		
Undesignated	2,793,998	2,665,654
Board designated	572,150	-
Total unrestricted net assets	<u>3,366,148</u>	<u>2,665,654</u>
Temporarily restricted	<u>1,092,449</u>	<u>1,867,525</u>
Total net assets	<u>4,458,597</u>	<u>4,533,179</u>
Total liabilities and net assets	<u><u>\$ 4,585,234</u></u>	<u><u>\$ 4,735,342</u></u>

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

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions	\$ 2,986,442	\$ 198,233	\$ 3,184,675
In-kind revenues	770,777	-	770,777
Investment earnings	23,804	-	23,804
Gain on sale of fixed assets	8,602	-	8,602
	<u>3,789,625</u>	<u>198,233</u>	<u>3,987,858</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
	<u>973,309</u>	<u>(973,309)</u>	<u>-</u>
EXPENSES			
Program services			
Karisoke Research Center	1,760,750	-	1,760,750
Congo	530,126	-	530,126
Education and science	1,248,033	-	1,248,033
	<u>3,538,909</u>	<u>-</u>	<u>3,538,909</u>
Management and general	183,706	-	183,706
Fundraising	339,825	-	339,825
	<u>4,062,440</u>	<u>-</u>	<u>4,062,440</u>
CHANGE IN NET ASSETS	700,494	(775,076)	(74,582)
NET ASSETS			
Beginning of year	<u>2,665,654</u>	<u>1,867,525</u>	<u>4,533,179</u>
End of year	<u>\$ 3,366,148</u>	<u>\$ 1,092,449</u>	<u>\$ 4,458,597</u>

The accompanying notes to financial statements are
an integral part of this statement.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions	\$ 2,780,316	\$ 1,447,239	\$ 4,227,555
In-kind revenues	243,055	-	243,055
Interest income	1,121	-	1,121
	<u>3,024,492</u>	<u>1,447,239</u>	<u>4,471,731</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>622,246</u>	<u>(622,246)</u>	<u>-</u>
EXPENSES			
Program services			
Karisoke Research Center	1,208,220	-	1,208,220
Congo	501,142	-	501,142
Education and science	1,049,472	-	1,049,472
	<u>2,758,834</u>	<u>-</u>	<u>2,758,834</u>
Management and general	177,808	-	177,808
Fundraising	228,687	-	228,687
	<u>3,165,329</u>	<u>-</u>	<u>3,165,329</u>
CHANGE IN NET ASSETS	481,409	824,993	1,306,402
NET ASSETS			
Beginning of year	<u>2,184,245</u>	<u>1,042,532</u>	<u>3,226,777</u>
End of year	<u>\$ 2,665,654</u>	<u>\$ 1,867,525</u>	<u>\$ 4,533,179</u>

The accompanying notes to financial statements are
an integral part of this statement.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Karisoke Research Center	Congo	Education and Science	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 406,459	\$ 198,597	\$ 493,243	\$ 1,098,299	\$ 57,492	\$ 86,973	\$ 1,242,764
Fringe benefits and payroll taxes	250,226	28,338	119,164	397,728	10,231	19,460	427,419
Total personnel	656,685	226,935	612,407	1,496,027	67,723	106,433	1,670,183
50th anniversary expenses	-	-	-	-	31	88,702	88,733
Dues and subscriptions	132	9,152	40,360	49,644	1,132	-	50,776
Education and training	93,825	1,806	749	96,380	-	-	96,380
Insurance	10,676	2,925	10,529	24,130	5,349	-	29,479
Lease and rental	80,150	7,499	10,365	98,014	65	-	98,079
Meetings and conferences	25,106	8,300	525	33,931	-	-	33,931
Occupancy	51,813	472	27,673	79,958	613	4,693	85,264
Office expenses	13,946	23,717	6,559	44,222	8,497	-	52,719
Other expenses	12,140	4,938	52,941	70,019	326	-	70,345
Postage and shipping	31	57	71,575	71,663	865	27,647	100,175
Printing and photography	4,716	1,062	100,518	106,296	-	44,686	150,982
Professional services and fees	525,891	45,793	260,666	832,350	98,221	57,585	988,156
Supplies	150,367	88,805	18,169	257,341	39	302	257,682
Taxes, licenses and permits	5,964	23,539	2,192	31,695	-	7,915	39,610
Telecommunications	44,326	12,865	15,288	72,479	815	1,676	74,970
Travel, meals and entertainment	17,039	29,571	17,517	64,127	30	186	64,343
Vehicle costs	39,074	32,322	-	71,396	-	-	71,396
Total expenses before depreciation	1,731,881	519,758	1,248,033	3,499,672	183,706	339,825	4,023,203
Depreciation	28,869	10,368	-	39,237	-	-	39,237
Total expenses	<u>\$ 1,760,750</u>	<u>\$ 530,126</u>	<u>\$ 1,248,033</u>	<u>\$ 3,538,909</u>	<u>\$ 183,706</u>	<u>\$ 339,825</u>	<u>\$ 4,062,440</u>

The accompanying notes to financial statements are
an integral part of this statement.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Karisoke Research Center	Congo	Education and Science	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 397,493	\$ 195,742	\$ 356,711	\$ 949,946	\$ 48,311	\$ 76,295	\$ 1,074,552
Fringe benefits and payroll taxes	207,493	23,712	99,051	330,256	8,296	17,134	355,686
Total personnel	604,986	219,454	455,762	1,280,202	56,607	93,429	1,430,238
Dues and subscriptions	140	7,270	27,645	35,055	815	4,750	40,620
Education and training	89,043	-	792	89,835	147	-	89,982
Insurance	5,804	1,494	1,804	9,102	6,731	-	15,833
Lease and rental	80,318	8,050	11,755	100,123	-	-	100,123
Meetings and conferences	4,029	5,941	9,258	19,228	-	-	19,228
Occupancy	2,240	960	69,117	72,317	3,280	4,400	79,997
Office expenses	13,559	8,969	9,569	32,097	10,903	104	43,104
Other expenses	17,905	-	44,197	62,102	2,214	2,818	67,134
Postage and shipping	494	-	46,968	47,462	111	29,271	76,844
Printing and photography	4,921	532	51,941	57,394	-	41,402	98,796
Professional services and fees	106,972	42,456	225,424	374,852	95,492	43,023	513,367
Supplies	160,060	86,008	20,424	266,492	548	844	267,884
Taxes, licenses and permits	15,081	29,555	30,285	74,921	-	5,111	80,032
Telecommunications	20,464	7,977	4,215	32,656	600	35	33,291
Travel, meals and entertainment	18,978	31,255	40,316	90,549	360	3,500	94,409
Vehicle costs	41,768	40,853	-	82,621	-	-	82,621
Total expenses before depreciation	1,186,762	490,774	1,049,472	2,727,008	177,808	228,687	3,133,503
Depreciation	21,458	10,368	-	31,826	-	-	31,826
Total expenses	<u>\$ 1,208,220</u>	<u>\$ 501,142</u>	<u>\$ 1,049,472</u>	<u>\$ 2,758,834</u>	<u>\$ 177,808</u>	<u>\$ 228,687</u>	<u>\$ 3,165,329</u>

The accompanying notes to financial statements are
an integral part of this statement.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<u>\$ (74,582)</u>	<u>\$ 1,306,402</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	39,237	31,826
Net realized and unrealized gain on investments	(16,717)	-
Realized gain on sale of fixed asset	(8,602)	-
Change in funds held for field operations	3,148	(33,770)
Change in pledges and other receivables	762,248	(588,691)
Change in prepaid expenses and other assets	7,087	(5,145)
Change in accounts payable	19,868	11,328
Change in accrued expenses	(54,894)	(58,626)
Change in deferred revenue	<u>(40,500)</u>	<u>40,500</u>
Total adjustments	<u>710,875</u>	<u>(602,578)</u>
Net cash and cash equivalents provided by operating activities	<u>636,293</u>	<u>703,824</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed asset	8,602	-
Purchase of property and equipment	(42,899)	(41,515)
Purchase of investments	<u>(524,266)</u>	<u>-</u>
Net cash and cash equivalents used in investing activities	<u>(558,563)</u>	<u>(41,515)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>77,730</u>	<u>662,309</u>
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>2,740,566</u>	<u>2,078,257</u>
CASH AND CASH EQUIVALENTS		
End of year	<u><u>\$ 2,818,296</u></u>	<u><u>\$ 2,740,566</u></u>

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

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Dian Fossey Gorilla Fund International, Inc. (the "Fund") was founded as "The Digit Fund" in 1978 by Dr. Dian Fossey. The name was changed in 1992. The Fund's mission is the conservation and protection of gorillas and their habitat in Africa. The Fund is committed to promoting continued research on threatened ecosystems and education on their relevance to the world in which we live. In collaboration with government agencies and other international partners, the Fund provides assistance to indigenous communities through education, health, training and economic development initiatives. Its main sources of revenue are individual and corporate contributions and federal and private grants.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

C. Basis of Presentation of Financial Statements

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions using three classifications: unrestricted, temporarily restricted and permanently restricted. These three classifications are defined as follows:

Unrestricted net assets are not subject to donor-imposed stipulations, or the donor-imposed stipulations have been met or have expired. The Fund's governing Board has designated certain unrestricted net assets to be held for special projects as indicated in the Statements of Financial Position (see Note 11).

Temporarily restricted net assets are those net assets subject to donor-imposed restrictions that permit the Fund to use or expend the donated assets as specified and are satisfied either by the passage of time or by the actions of the Fund. When a donor or grantor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Net Assets as net assets released from restrictions.

Permanently restricted net assets are those net assets subject to donor-imposed restrictions that stipulate that the resources be maintained permanently, but may permit the Fund to use or expend part or all of the income derived from the donated assets for specified or unspecified purposes. The Fund had no permanently restricted net assets at September 30, 2017 and 2016.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Accordingly, actual results could differ from those estimates.

E. Cash and Cash Equivalents

Cash and cash equivalents at September 30, 2017 and 2016 include all cash balances and highly liquid investments with a maturity of three months or less when purchased. The Fund maintains cash balances at a financial institution which may, at times, exceed the federally insured limits. Management periodically reviews the financial viability of the financial institution and does not anticipate any credit risk related losses.

F. Pledges and Other Receivables

The Fund records unconditional pledges at fair value in the period made by donors, net of allowances for amounts estimated as uncollectible. Conditional promises to give are not included as support until the conditions are substantially met. Unconditional promises with payments due in future years, which are not otherwise restricted, are deemed to have an implied restriction to be used in the year the payment is due and, therefore, are reported as temporarily restricted until the payment is due, unless the contribution is clearly intended to support activities of the current year or is received with permanent restrictions. All contributions are available for unrestricted purposes unless specifically restricted by the donor. Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts, if any, is included in contributions in the accompanying Statements of Activities and Net Assets.

Other receivables, net of allowances for uncollectible accounts, are recorded at the amounts of cash estimated as realizable. The Fund provides reserves for uncollectible accounts when specific accounts are deemed uncollectible. At September 30, 2017 and 2016, unconditional pledges and other receivables were \$976,274 and \$1,738,522, respectively.

G. Investment Securities

Investments are reported at fair value. Unrealized gains and losses on investments are reported as increases or decreases in unrestricted and temporarily restricted net assets.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

H. Property, Plant and Equipment

The Fund's domestic capitalization policy is to capitalize all expenditures for property and equipment in excess of \$2,500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair market value at the date of donation. Depreciation is computed using the straight-line method over lives ranging from three to seven years. Property, plant and equipment shipped to or purchased in Rwanda and the Democratic Republic of Congo has historically been expensed. During the years ended September 30, 2017 and 2016, property and equipment with a value of \$12,500 or more has been capitalized using the straight-line method over lives ranging from three to five years. Title to such property remains with the Fund while it is operating in the above-mentioned countries, but passes to the designated collaborating program operators upon abandonment of the projects.

I. Deferred Revenue

Fees for Board trips and other program events are recognized upon occurrence of the trip or event. Amounts received prior to the Board trips or events are recorded as deferred revenue in the Statements of Financial Position.

J. In-kind Contributions

The Fund records donated services as contribution revenue and expense if the services create or enhance a non-financial asset, or the services would (1) need to be purchased by the Fund if not provided by contribution, (2) require specialized skills, and (3) are provided by individuals with those skills. Donated materials and services are reflected as contributions in the accompanying financial statements at their estimated value at date of receipt. During the fiscal years ended September 30, 2017 and 2016, the Fund received in-kind contributions of \$770,777 and \$243,055, respectively. During the fiscal year ended September 30, 2017, the Fund received approximately \$460,000 of donated IT services related to hosting Karisoke databases and media storage assistance.

Members of the Board of Directors, certain officers and other individuals have made significant contributions of time to the Fund. The value of this contributed time has not been recorded in the financial statements because it did not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

K. Income Taxes

The Fund is exempt from income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Fund accounts for uncertain tax positions in accordance with generally accepted accounting standards that provide guidance on when uncertain tax positions are recognized in an entity's financial statements and how the values of these positions are determined. No liability has been recorded as of September 30, 2017 and 2016 due to uncertain tax positions.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
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L. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

M. Reclassification

Certain prior year balances have been reclassified to conform to the current year presentation.

N. Subsequent Events

Subsequent events have been evaluated by management through January 17, 2018, the date these financial statements were available to be issued.

2. FUNDS HELD FOR FIELD OPERATIONS

The Fund held money for field locations to finance their operations. The sources of these funds are grants and contributions for the purpose and support of the various program offerings.

Funds held for field operations are as follows at September 30:

	<u>2017</u>	<u>2016</u>
Democratic Republic of Congo	\$ 12,438	\$ 39,120
Karisoke and other	<u>65,341</u>	<u>41,807</u>
Total funds held for field operations	<u>\$ 77,779</u>	<u>\$ 80,927</u>

3. PLEDGES AND OTHER RECEIVABLES

Pledges and other receivables are as follows at September 30:

	<u>2017</u>	<u>2016</u>
Individuals and foundations	\$ 976,274	\$ 1,602,088
U.S. Fish and Wildlife Services	<u>-</u>	<u>136,434</u>
Total pledges and other receivables	<u>\$ 976,274</u>	<u>\$ 1,738,522</u>

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

At September 30, 2017 and 2016, pledges and other receivables consisted of the following:

	2017	2016
Receivable in less than one year	\$ 210,000	\$ 840,034
Receivable over one year	840,000	990,000
Total pledges and other receivables	1,050,000	1,830,034
Less discounts to net present value	(73,726)	(91,512)
Pledges and other receivables, net	\$ 976,274	\$ 1,738,522

4. FAIR VALUE OF INVESTMENT SECURITIES

U.S. generally accepted accounting principles establish a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2: Inputs to 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; and, 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 measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of September 30, 2017, the only assets or liabilities that are measured at fair value on a recurring basis are investment securities. All of the Fund's investment securities are mutual funds which are valued at the closing price reported on the active market on which the individual securities are traded. Such investments are classified within Level 1 of the valuation hierarchy.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

This method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Fund believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment earnings for the year ended September 30, 2017 consists of the following:

Interest and dividend income	\$	7,087
Unrealized gain investments		16,717
Total investment earnings	\$	23,804

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	2017	2016
Land	\$ 1,111	\$ 1,111
Furniture	13,188	13,188
Machinery and equipment	111,081	111,081
Software	133,673	133,673
Vehicles	360,639	354,141
Leasehold improvements	36,726	36,726
Building	41,516	41,516
Total	697,934	691,436
Less accumulated depreciation	546,439	543,603
Property and equipment	\$ 151,495	\$ 147,833

Depreciation expense for the years ended September 30, 2017 and 2016 was \$39,237 and \$31,826, respectively.

6. LINE OF CREDIT

During May 2017, the Fund secured a line of credit ("LOC") with a financial institution. The LOC provides for maximum borrowings of \$500,000 and requires monthly payments of interest only at the greater of 4.06% or the financial institution's prime rate plus 0.50% per annum. The LOC, which will mature in May 2018, was not drawn upon during the year ended September 30, 2017. The LOC is collateralized by the Fund's receivables and equipment.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

7. RETIREMENT

The employees of the Fund participate in a 403(b) retirement plan. The Fund matches 50% of the employees' contributions up to 4% of their salary. The amount contributed to the 403(b) retirement plan for the years ended September 30, 2017 and 2016 was \$7,081 and \$5,749, respectively. Additionally, the Africa programs make monthly contributions for the field employees. The amount contributed by the Fund in the years ended September 30, 2017 and 2016 was \$57,031 and \$44,554, respectively.

8. OPERATING LEASES

The Fund maintains leases for various storage facilities. The lease expense on these units for the years ended September 30, 2017 and 2016 was approximately \$9,000.

Additionally, the Fund has entered into rental lease agreements at various field locations. The leasing agreement for Congo's field location is renewed annually at \$700 per month. During June 2017, the Karisoke field location entered into a five year lease agreement with a monthly lease payment of \$6,200. The rental/lease expense for the years ended September 30, 2017 and 2016 was \$98,079 and \$100,123, respectively. The anticipated minimum lease payments for all field locations are as follows:

<u>Year Ending</u>	<u>Amount</u>
September 30, 2018	\$ 82,800
September 30, 2019	74,400
September 30, 2020	74,400
September 30, 2021	74,400
September 30, 2022	<u>55,800</u>
Total future minimum lease payments	<u>\$ 361,800</u>

9. CONTRACTUAL SERVICES

The Fund has entered into an agreement with the Atlanta-Fulton County Zoo, Inc. ("Zoo Atlanta") for Zoo Atlanta to provide office space, computer support services, and other administrative services for no fee. The in-kind services provided by Zoo Atlanta for the years ended September 30, 2017 and 2016 totaled \$85,264 and \$79,996, respectively.

10. CONCENTRATIONS

One donor accounted for approximately 74% and 47% of the Fund's pledges receivable at September 30, 2017 and 2016, respectively. One donor accounted for approximately 18% of the Fund's total revenues for the year ended September 30, 2016.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

11. BOARD DESIGNATED NET ASSETS

During the year ended September 30, 2017, the Board of Directors designated a portion of unrestricted net assets to provide funding for capital projects or other projects deemed necessary that were not originally included in the annual budget. The Board designated net assets at September 30, 2017 were \$572,150.

12. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by donors or grantors or by the passage of time. As of September 30, 2017 and 2016, temporarily restricted net assets consisted of the following:

	<u>2016</u>	<u>Additions</u>	<u>Released from Restrictions</u>	<u>2017</u>
Anonymous	\$ 400,000	\$ -	\$ (400,000)	\$ -
Bisate Learning Center	402	-	(402)	-
Bisate Men's House Renovation	7,797	-	(7,797)	-
Other restricted funds	1,293,309	182,855	(414,365)	1,061,799
Scholarships	24,721	15,378	(21,529)	18,570
U.S. Fish and Wildlife Services	141,296	-	(129,216)	12,080
Total temporarily restricted net assets	<u>\$ 1,867,525</u>	<u>\$ 198,233</u>	<u>\$ (973,309)</u>	<u>\$ 1,092,449</u>