



**THE DIAN FOSSEY  
GORILLA FUND®  
INTERNATIONAL**

**ATLANTA, GEORGIA**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
SEPTEMBER 30, 2020 AND 2019**

**THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.**  
**INDEX TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 AND 2019**

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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, 2020 and 2019, 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, 2020 and 2019, 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 29, 2021

**THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2020 AND 2019**

**ASSETS**

	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 7,460,238	\$ 6,298,896
Funds held for field operations	114,830	171,869
Pledges receivable, net	4,004,630	2,369,436
Prepaid expenses and other assets	<u>598,214</u>	<u>35,768</u>
Total current assets	12,177,912	8,875,969
<b>RESTRICTED CASH</b>	4,609,179	4,140,464
<b>PLEDGES RECEIVABLE - LONG-TERM, NET</b>	3,588,847	2,668,215
<b>INVESTMENTS</b>	1,278,603	616,327
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>5,767,719</u>	<u>1,963,450</u>
Total assets	<u><u>\$ 27,422,260</u></u>	<u><u>\$ 18,264,425</u></u>

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

**THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2020 AND 2019**

**LIABILITIES AND NET ASSETS**

	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 145,477	\$ 548,491
Accrued expenses	104,124	146,499
Deferred revenue	38,373	1,623
Paycheck Protection Program loan	<u>155,205</u>	<u>-</u>
Total current liabilities	<u>443,179</u>	<u>696,613</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Undesignated	13,084,737	6,918,951
Board designated	<u>874,236</u>	<u>1,151,378</u>
Total net assets without donor restrictions	13,958,973	8,070,329
Net assets with donor restrictions	<u>13,020,108</u>	<u>9,497,483</u>
Total net assets	<u>26,979,081</u>	<u>17,567,812</u>
Total liabilities and net assets	<u><u>\$ 27,422,260</u></u>	<u><u>\$ 18,264,425</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, 2020**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>REVENUES</b>			
Contributions	\$ 4,835,743	\$ 3,879,213	\$ 8,714,956
Capital campaign contributions	-	5,071,430	5,071,430
In-kind contributions	540,527	-	540,527
Investment earnings	135,953	5,163	141,116
Loss on uncollectible pledge	(34,151)	-	(34,151)
	<u>5,478,072</u>	<u>8,955,806</u>	<u>14,433,878</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>5,433,181</u>	<u>(5,433,181)</u>	<u>-</u>
<b>EXPENSES</b>			
Program services			
Karisoke Research Center	1,971,557	-	1,971,557
Congo	1,200,704	-	1,200,704
Education and science	1,149,268	-	1,149,268
	<u>4,321,529</u>	<u>-</u>	<u>4,321,529</u>
Management and general	310,993	-	310,993
Fundraising	390,087	-	390,087
	<u>5,022,609</u>	<u>-</u>	<u>5,022,609</u>
<b>CHANGE IN NET ASSETS</b>	<u>5,888,644</u>	<u>3,522,625</u>	<u>9,411,269</u>
<b>NET ASSETS</b>			
Beginning of year	<u>8,070,329</u>	<u>9,497,483</u>	<u>17,567,812</u>
End of year	<u><u>\$ 13,958,973</u></u>	<u><u>\$ 13,020,108</u></u>	<u><u>\$ 26,979,081</u></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, 2019**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>REVENUES</b>			
Contributions	\$ 4,398,248	\$ 1,782,058	\$ 6,180,306
Capital campaign contributions	-	812,103	812,103
In-kind contributions	490,781	-	490,781
Investment earnings	86,818	-	86,818
	<u>4,975,847</u>	<u>2,594,161</u>	<u>7,570,008</u>
<b>Total revenues</b>			
	<u>4,975,847</u>	<u>2,594,161</u>	<u>7,570,008</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>2,167,728</u>	<u>(2,167,728)</u>	<u>-</u>
<b>EXPENSES</b>			
Program services			
Karisoke Research Center	1,834,035	-	1,834,035
Congo	718,305	-	718,305
Education and science	1,010,910	-	1,010,910
	<u>3,563,250</u>	<u>-</u>	<u>3,563,250</u>
<b>Total program services</b>			
	<u>3,563,250</u>	<u>-</u>	<u>3,563,250</u>
Management and general	235,254	-	235,254
Fundraising	503,065	-	503,065
	<u>4,301,569</u>	<u>-</u>	<u>4,301,569</u>
<b>Total expenses</b>			
	<u>4,301,569</u>	<u>-</u>	<u>4,301,569</u>
<b>CHANGE IN NET ASSETS</b>	<u>2,842,006</u>	<u>426,433</u>	<u>3,268,439</u>
<b>NET ASSETS</b>			
Beginning of year	<u>5,228,323</u>	<u>9,071,050</u>	<u>14,299,373</u>
End of year	<u><u>\$ 8,070,329</u></u>	<u><u>\$ 9,497,483</u></u>	<u><u>\$ 17,567,812</u></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, 2020**

	<b>Karisoke Research Center</b>	<b>Congo</b>	<b>Education and Science</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Salaries	\$ 545,334	\$ 385,008	\$ 475,237	\$ 1,405,579	\$ 70,428	\$ 207,309	\$ 1,683,316
Fringe benefits and payroll taxes	373,202	59,425	122,410	555,037	12,112	40,224	607,373
Total personnel	918,536	444,433	597,647	1,960,616	82,540	247,533	2,290,689
Dues and subscriptions	-	56,200	61,227	117,427	2,772	-	120,199
Education and training	30,331	2,477	5,059	37,867	-	-	37,867
Information technology	121,628	3,046	74,672	199,346	12,276	10,040	221,662
Insurance	9,990	9,387	1,688	21,065	8,741	-	29,806
Lease and rental	81,621	10,499	9,205	101,325	-	-	101,325
Meetings and conferences	4,026	23,432	1,703	29,161	-	-	29,161
Occupancy	49,992	1,252	30,692	81,936	5,046	4,127	91,109
Office expenses	9,891	42,100	2,756	54,747	16,198	41,378	112,323
Other expenses	9,595	3,300	44,402	57,297	-	-	57,297
Postage and shipping	118	-	17,770	17,888	1,118	19,394	38,400
Printing and photography	3,959	4,514	27,352	35,825	-	41,266	77,091
Professional services and fees	255,440	96,211	202,660	554,311	173,915	6,135	734,361
Supplies	339,768	331,913	55,595	727,276	5,112	4,181	736,569
Taxes, licenses and permits	4,477	10,544	468	15,489	50	13,822	29,361
Telecommunications	30,908	21,870	8,262	61,040	-	-	61,040
Travel, meals and entertainment	13,907	53,839	8,110	75,856	3,225	2,211	81,292
Vehicle costs	61,489	57,092	-	118,581	-	-	118,581
Total expenses before depreciation	1,945,676	1,172,109	1,149,268	4,267,053	310,993	390,087	4,968,133
Depreciation	25,881	28,595	-	54,476	-	-	54,476
Total expenses	<u>\$ 1,971,557</u>	<u>\$ 1,200,704</u>	<u>\$ 1,149,268</u>	<u>\$ 4,321,529</u>	<u>\$ 310,993</u>	<u>\$ 390,087</u>	<u>\$ 5,022,609</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, 2019**

	<b>Karisoke Research Center</b>	<b>Congo</b>	<b>Education and Science</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Salaries	\$ 506,379	\$ 284,207	\$ 484,277	\$ 1,274,863	\$ 69,408	\$ 160,327	\$ 1,504,598
Fringe benefits and payroll taxes	316,748	42,377	121,549	480,674	12,700	31,827	525,201
Total personnel	823,127	326,584	605,826	1,755,537	82,108	192,154	2,029,799
Dues and subscriptions	7,992	32,748	52,308	93,048	1,588	-	94,636
Education and training	119,939	2,148	1,249	123,336	-	633	123,969
Information technology	108,695	1,363	57,256	167,314	3,700	66,630	237,644
Insurance	15,726	8,841	1,688	26,255	7,214	-	33,469
Lease and rental	81,019	9,962	8,669	99,650	-	-	99,650
Meetings and conferences	5,937	8,910	3,237	18,084	-	305	18,389
Occupancy	40,874	513	21,531	62,918	1,391	25,055	89,364
Office expenses	13,746	39,623	13,062	66,431	2,093	32,914	101,438
Other expenses	13,403	660	24,673	38,736	100	198	39,034
Postage and shipping	166	-	20,729	20,895	737	16,642	38,274
Printing and photography	4,862	5,347	30,283	40,492	-	32,694	73,186
Professional services and fees	222,592	48,273	127,526	398,391	130,514	87,410	616,315
Supplies	228,698	113,607	5,199	347,504	48	23,364	370,916
Taxes, licenses and permits	7,917	10,403	4,374	22,694	30	14,486	37,210
Telecommunications	35,789	14,365	7,053	57,207	450	40	57,697
Travel, meals and entertainment	20,376	38,422	26,247	85,045	5,281	10,540	100,866
Vehicle costs	49,219	39,510	-	88,729	-	-	88,729
Total expenses before depreciation	1,800,077	701,279	1,010,910	3,512,266	235,254	503,065	4,250,585
Depreciation	33,958	17,026	-	50,984	-	-	50,984
Total expenses	<u>\$ 1,834,035</u>	<u>\$ 718,305</u>	<u>\$ 1,010,910</u>	<u>\$ 3,563,250</u>	<u>\$ 235,254</u>	<u>\$ 503,065</u>	<u>\$ 4,301,569</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 9,411,269	\$ 3,268,439
 ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:		
Contributions restricted for capital assets	(5,071,430)	(812,103)
Loss on uncollectible pledge	34,151	-
Depreciation	54,476	50,984
Net realized and unrealized (gain) loss on investments	(50,314)	2,830
Change in funds held for field operations	57,039	(137,530)
Change in pledges receivable	(2,576,248)	1,221,240
Change in prepaid expenses and other assets	(562,446)	2,908
Change in accounts payable	(403,014)	349,311
Change in accrued expenses	(42,375)	94,254
Change in deferred revenue	36,750	(6,380)
 Total adjustments	<u>(8,523,411)</u>	<u>765,514</u>
 Net cash and cash equivalents provided by operating activities	<u>887,858</u>	<u>4,033,953</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	204,779	30,328
Purchase of investments	(816,741)	(30,773)
Purchase of property and equipment	<u>(3,858,745)</u>	<u>(1,441,756)</u>
 Net cash and cash equivalents used in investing activities	<u>(4,470,707)</u>	<u>(1,442,201)</u>

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

**THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan	155,205	-
Collections on contributions restricted for capital assets	<u>5,057,701</u>	<u>2,130,965</u>
Net cash and cash equivalents provided by financing activities	<u>5,212,906</u>	<u>2,130,965</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,630,057	4,722,717
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR</b>	<u>10,439,360</u>	<u>5,716,643</u>
<b>END OF YEAR</b>	<u><u>\$ 12,069,417</u></u>	<u><u>\$ 10,439,360</u></u>
<b>RECONCILIATION OF END OF YEAR CASH AND CASH EQUIVALENTS TO THE AMOUNTS REPORTED IN THE STATEMENTS OF FINANCIAL POSITION</b>		
Cash and cash equivalents	\$ 7,460,238	\$ 6,298,896
Restricted cash	<u>4,609,179</u>	<u>4,140,464</u>
Cash and cash equivalents, end of year	<u><u>\$ 12,069,417</u></u>	<u><u>\$ 10,439,360</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, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Nature of Activities**

The Dian Fossey Gorilla Fund International, Inc. (the "Fund"), formerly known as "The Digit Fund," was formed in 1978 by Dr. Dian Fossey. The Fund is based in Atlanta with major operations in Rwanda and the Democratic Republic of Congo. The Fund's mission is: Helping People. Saving Gorillas. The Fund provides direct and daily protection of mountain and Grauer's gorillas, conducts scientific research on gorillas and their ecosystem, and provides educational programming and assistance to the communities in which it serves through education, health, conservation and economic initiatives.

**B. Basis of Accounting**

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

**C. 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.

**D. Basis of Presentation of Financial Statements**

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing Board has designated, from net assets without donor restrictions, net assets held for special projects and a Board-designated endowment.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that resources be maintained in perpetuity. The donors of these assets permit the Fund to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are gifts for which restrictions have not been met.

**THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Net Assets as "net assets released from restrictions."

**E. Cash and Cash Equivalents**

Cash and cash equivalents at September 30, 2020 and 2019 include 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 Receivable**

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 net assets with donor restrictions until the payment is due, unless the contribution is clearly intended to support activities of the current year or is received with restriction for perpetuity. All contributions are recorded as net assets without donor restrictions 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, which were 1.59% to 1.80% for the years ended September 30, 2020 and 2019, respectively. Amortization of the discounts, if any, is included in contributions in the accompanying Statements of Activities and Net Assets.

**G. Investments**

Investments are reported at fair value. Unrealized gains and losses on investments are reported as increases or decreases in net assets based on the existence or absence of donor-imposed restrictions.

**H. Property 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 and equipment shipped to or purchased in Rwanda and the Democratic Republic of Congo has

**THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

historically been expensed. During the years ended September 30, 2020 and 2019, 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 39 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. Contributions**

The majority of the Fund's revenues are from contributions. Contributions are recognized as revenue when cash, investments, unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**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 years ended September 30, 2020 and 2019, the Fund received in-kind contributions of \$540,527 and \$490,781, respectively, which include legal services of approximately \$54,000 and \$115,000, respectively.

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. As such, only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to tax. The Fund had no unrelated business income for the years ended September 30, 2020 and 2019.

**L. Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and general office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimated time and effort.

**THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

M. Reclassification

Certain prior year amounts have been reclassified to conform to the current year financial statements presentation.

N. Subsequent Events

Subsequent events have been evaluated by management through January 29, 2021, the date these financial statements were available to be issued.

**2. CAPITAL PROJECT**

The Fund initiated a major project to construct a new facility in Rwanda to expand its research, education, community outreach activities and visitor engagement (the "Project"). The Project secured major funding through the Ellen DeGeneres Wildlife Fund (the "Ellen Fund") and other donors, and is named the Ellen DeGeneres Campus of the Dian Fossey Gorilla Fund. The Fund previously acquired approximately twenty acres of land for the Project. Construction of the Project commenced in October 2019 and is projected to be completed in the summer of 2021. The Project will replace the currently leased facility in Musanze, Rwanda.

**3. LIQUIDITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following as of September 30:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Financial assets:		
Cash and cash equivalents	\$ 7,460,238	\$ 6,298,896
Pledges receivable, net	7,593,477	5,037,651
Investments	<u>1,278,603</u>	<u>616,327</u>
Total financial assets, at year end	16,332,318	11,952,874
Less amounts unavailable for general expenditure:		
Board designated for endowment	(538,565)	(746,033)
Donor restrictions for specified purpose	(8,410,929)	(5,357,019)
Donor restrictions for perpetual purposes	<u>(87,000)</u>	<u>-</u>
Total financial assets available for general expenditure	<u><u>\$ 7,295,824</u></u>	<u><u>\$ 5,849,822</u></u>

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The Fund has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Fund has a Board designated endowment of \$538,565 and \$746,033 as of September 30, 2020 and 2019, respectively, which is subject to an annual spending policy as described in Note 17. During the year ended September 30, 2020, the Board reclassified \$239,692 from the Board designated endowment fund to operating funds for COVID-19 preparedness. Although the Fund does not intend to spend from this Board designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary. The Fund also has a line of credit and a construction bridge loan, which is subject to certain restrictive covenants, that can be drawn upon if needed (See Note 9).

**4. 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 consisted of \$114,830 and \$171,869 at September 30, 2020 and 2019, respectively.

**5. RESTRICTED CASH**

Restricted cash of \$4,609,179 and \$4,140,464 at September 30, 2020 and 2019, respectively, consists of contributions received from the Ellen Fund and other donors to be used for the Project related expenses.

**6. PLEDGES RECEIVABLE**

At September 30, 2020 and 2019, pledges receivable consisted of the following:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Receivable in less than one year	\$ 4,110,631	\$ 2,529,538
Receivable in one to five years	3,605,333	2,538,184
Receivable in more than five years	<u>200,000</u>	<u>300,000</u>
Total pledges receivable	7,915,964	5,367,722
Less discounts to net present value	<u>(322,487)</u>	<u>(330,071)</u>
Pledges receivable, net	<u><u>\$ 7,593,477</u></u>	<u><u>\$ 5,037,651</u></u>



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Pledges receivable were as follows at September 30:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Capital campaign pledges	\$ 3,786,182	\$ 3,772,453
Individuals and foundations	3,288,592	727,033
Endowment pledges	<u>518,703</u>	<u>538,165</u>
Total pledges receivable, net	<u><u>\$ 7,593,477</u></u>	<u><u>\$ 5,037,651</u></u>

## **7. 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, 2020 and 2019, the only assets or liabilities that are measured at fair value on a recurring basis are investments. All of the Fund's investments 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.

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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 consist of the following for the years ended September 30:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Interest and dividend income	\$ 96,898	\$ 95,165
Realized/unrealized gain (loss) on investments	50,314	(2,830)
Investment fees	<u>(6,096)</u>	<u>(5,517)</u>
Total investment earnings	<b><u>\$ 141,116</u></b>	<b><u>\$ 86,818</u></b>

## **8. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Building	\$ 41,516	\$ 41,516
Construction in progress	5,281,515	1,470,787
Furniture and equipment	55,380	124,269
Land	311,177	309,744
Leasehold improvements	36,726	36,726
Software	113,827	133,673
Vehicles	<u>507,581</u>	<u>460,995</u>
Total	6,347,722	2,577,710
Less accumulated depreciation	<u>580,003</u>	<u>614,260</u>
Property and equipment, net	<b><u>\$ 5,767,719</u></b>	<b><u>\$ 1,963,450</u></b>

Depreciation expense for the years ended September 30, 2020 and 2019 was \$54,476 and \$50,984, respectively.

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**9. LINES OF CREDIT**

The Fund has a line of credit ("LOC") with a financial institution, which provides for maximum borrowings of \$1,000,000 and requires monthly payments of interest only at an interest rate of 1.75% plus the one month LIBOR Index per annum. The LOC was not drawn upon during the years ended September 30, 2020 and 2019. The LOC is collateralized by the Fund's receivables and equipment. The LOC matures on January 31, 2021.

The Fund also has a loan agreement with the same financial institution which provides for maximum borrowings of \$3,000,000. The purpose of this loan is to bridge the funding gap between construction costs of the Project in Rwanda and multi-year pledges. The draw period under the loan agreement is the 24-month period from the earlier of the date of the first draw or March 1, 2020. During the draw period, monthly payments of interest only at an interest rate of 1.75% plus the one-month LIBOR Index are required. In addition, capital campaign contributions may be applied to the principal balance of the loan at the Fund's discretion. Upon expiration of the draw period, the loan requires monthly payments of interest plus principal consisting of the capital campaign pledge payments received in the preceding month. Any unpaid interest and principal is due upon maturity on June 1, 2025.

The loan has a borrowing base of 90% of qualified pledges receivable and is secured by all of the Fund's assets excluding restricted cash and non-capital campaign pledges receivable. Under the terms of the loan agreement, the Fund is required to maintain unrestricted liquid assets of not less than \$2,000,000 and to have minimum total capital campaign contributions, including pledges, equal to 85% of total budgeted Project costs prior to the commencement of construction. There have been no draws on the LOC or the bridge loan for the years ended September 30, 2020 and 2019 and as of the date these financial statements were available to be issued.

**10. PAYCHECK PROTECTION PROGRAM LOAN**

During the year ended September 30, 2020, the Fund received a Paycheck Protection Program ("PPP") loan in the amount of \$155,205 from the Small Business Administration ("SBA"). The loan accrues interest at 1.0% per annum, with no required payments for ten months after funding of the loan. The Fund is eligible for loan forgiveness up to 100% of the loan proceeds upon meeting certain requirements. Management expects the Fund to meet those requirements and, therefore, the PPP loan to be fully forgiven in the year ended September 30, 2021.

**11. RETIREMENT**

The Fund offers a 401(k) retirement plan for eligible U.S. employees after six months of service. It is an enhanced safe harbor plan to which the Fund matches 100% of the employee's contribution up to 4% of their salary. The amount contributed to the 401(k) retirement plan for the years ended September 30, 2020 and 2019 was \$20,461 and \$9,568, respectively.

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The Fund also makes monthly contributions to other retirement plans for field employees. The amount contributed in the years ended September 30, 2020 and 2019 was \$95,949 and \$75,326, respectively.

**12. OPERATING LEASES**

The Fund has rental lease agreements at various field locations. 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, 2020 and 2019 was \$101,325 and \$99,650, respectively. The anticipated minimum lease payments for all field locations are \$74,400 and \$55,800 for the years ended September 30, 2021 and 2022, respectively.

**13. 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, 2020 and 2019 totaled \$91,109 and \$89,363, respectively.

**14. CONCENTRATIONS**

Three donors and five donors accounted for approximately 76% and 88% of the Fund's pledges receivable at September 30, 2020 and 2019, respectively. Two donors and one donor accounted for approximately 49% and 12% of the Fund's total revenues for the years ended September 30, 2020 and 2019, respectively.

**15. BOARD DESIGNATED NET ASSETS**

During the years ended September 30, 2020 and 2019, the Board of Directors designated a portion of net assets without donor restrictions to provide funding for capital projects or other special projects deemed necessary that were not originally included in the annual budget. The Board designated net assets at September 30, 2020 and 2019 were \$335,671 and \$405,345, respectively.

The Board designated endowment fund at September 30, 2020 and 2019 was \$538,565 and \$746,033, respectively.

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**16. NET ASSETS WITH DONOR RESTRICTIONS**

Changes to net assets with donor restrictions are as follows:

	<b><u>September 30, 2019</u></b>	<b><u>Additions</u></b>	<b><u>Released from Restrictions</u></b>	<b><u>September 30, 2020</u></b>
Subject to expenditure for specified purpose:				
Institute Project	\$ 7,480,782	\$ 5,071,430	\$ (4,384,656)	\$ 8,167,556
Congo expansion	-	3,444,923	(282,672)	3,162,251
Karisoke Research Center	254,069	149,825	(258,146)	145,748
Other restricted funds	54,009	110,842	(162,139)	2,712
Scholarships	13,573	10,700	(9,965)	14,308
U.S. Fish and Wildlife Services	<u>550,552</u>	<u>95,386</u>	<u>(247,843)</u>	<u>398,095</u>
	8,352,985	8,883,106	(5,345,421)	11,890,670
Subject to the passage of time:				
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	606,333	-	(87,760)	518,573
Subject to the Fund's endowment spending policy and appropriation:				
Endowment	<u>538,165</u>	<u>72,700</u>	<u>-</u>	<u>610,865</u>
	<u>\$ 9,497,483</u>	<u>\$ 8,955,806</u>	<u>\$ (5,433,181)</u>	<u>\$ 13,020,108</u>
	<b><u>September 30, 2018</u></b>	<b><u>Additions</u></b>	<b><u>Released from Restrictions</u></b>	<b><u>September 30, 2019</u></b>
Subject to expenditure for specified purpose:				
Institute Project	\$ 7,910,286	\$ 812,103	\$ (1,241,607)	\$ 7,480,782
Karisoke Research Center	150,000	337,010	(232,941)	254,069
Other restricted funds	104,312	161,927	(212,230)	54,009
Scholarships	12,940	21,137	(20,504)	13,573
U.S. Fish and Wildlife Services	<u>41,309</u>	<u>723,819</u>	<u>(214,576)</u>	<u>550,552</u>
	8,218,847	2,055,996	(1,921,858)	8,352,985
Subject to the passage of time:				
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	852,203	-	(245,870)	606,333
Subject to the Fund's endowment spending policy and appropriation:				
Endowment	<u>-</u>	<u>538,165</u>	<u>-</u>	<u>538,165</u>
	<u>\$ 9,071,050</u>	<u>\$ 2,594,161</u>	<u>\$ (2,167,728)</u>	<u>\$ 9,497,483</u>

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**17. ENDOWMENT**

The Fund's endowment includes both a donor-restricted endowment fund, which the Fund must hold in perpetuity for the donor-specified purpose, and funds designated by the Board of Directors to function as an endowment. The classification of the net assets of these funds is based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Fund has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Fund classifies as net assets with restrictions the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is restricted until those amounts are appropriated for expenditure by the Fund in a manner consistent with the standard of prudence prescribed by UPMIFA. The Board of Directors will appropriate funds from the endowment funds based on specific needs and budgeting requirements from year to year. In accordance with UPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Fund and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Fund; and,
- (7) The investment policies of the Fund.

The Fund has adopted investment and spending policies that attempt to preserve endowment assets by using funding only when the Fund determines it is prudent, such as when operating cash is insufficient. The current spending policy is to distribute an amount of earnings from investments not to exceed 5.0% of the three year rolling average market value of the endowment's corpus annually. Accordingly, over the long term, the Fund expects the current spending policy to allow the endowment assets to grow and improve the Fund's overall financial strength. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed common benchmarks for a balanced portfolio, while assuming a moderate level of risk.

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To satisfy its long-term rate-of-return objectives, the Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Fund targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Changes in endowment net assets are as follows:

	<b>Board Designated Endowment</b>	<b>Perpetual in Nature</b>	<b>Total</b>
Balance at September 30, 2019	\$ 746,033	\$ 538,165	\$ 1,284,198
Contributions	-	67,537	67,537
Interest and dividends	9,410	1,507	10,917
Fees and taxes	(1,473)	(236)	(1,709)
Realized/unrealized gain	24,287	3,892	28,179
Reclassification to operating funds	(239,692)	-	(239,692)
	<u>\$ 538,565</u>	<u>\$ 610,865</u>	<u>\$ 1,149,430</u>
Balance at September 30, 2020			
	<b>Board Designated Endowment</b>	<b>Perpetual in Nature</b>	<b>Total</b>
Balance at September 30, 2018	\$ -	\$ -	\$ -
Contributions	239,692	538,165	777,857
Interest and dividends	6,341	-	6,341
Other changes:			
Transfer to create Board designated endowment fund	500,000	-	500,000
	<u>\$ 746,033</u>	<u>\$ 538,165</u>	<u>\$ 1,284,198</u>
Balance at September 30, 2019			