



**THE DIAN FOSSEY
GORILLA FUND®
INTERNATIONAL**

ATLANTA, GEORGIA

AUDITED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2018 AND 2017**

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
INDEX TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017

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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, 2018 and 2017, 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 audit 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, 2018 and 2017, 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 16, 2019

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,758,098	\$ 2,818,296
Funds held for field operations	34,339	77,779
Pledges receivable, net	1,542,151	194,022
Prepaid expenses and other assets	38,676	20,407
	<u>6,373,264</u>	<u>3,110,504</u>
RESTRICTED CASH	958,545	-
PLEDGES RECEIVABLE - LONG-TERM, NET	6,035,602	782,252
INVESTMENTS	618,712	540,983
PROPERTY AND EQUIPMENT, NET	<u>572,678</u>	<u>151,495</u>
Total assets	<u><u>\$ 14,558,801</u></u>	<u><u>\$ 4,585,234</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, 2018 AND 2017

LIABILITIES AND NET ASSETS

	2018	2017
CURRENT LIABILITIES		
Accounts payable	\$ 199,180	\$ 55,020
Accrued expenses	52,245	71,617
Deferred revenue	8,003	-
	<u>259,428</u>	<u>-</u>
Total current liabilities	<u>259,428</u>	<u>126,637</u>
NET ASSETS		
Unrestricted		
Undesignated	4,673,342	2,793,998
Board designated	554,981	572,150
	<u>5,228,323</u>	<u>3,366,148</u>
Total unrestricted net assets	<u>5,228,323</u>	<u>3,366,148</u>
Temporarily restricted	<u>9,071,050</u>	<u>1,092,449</u>
Total net assets	<u>14,299,373</u>	<u>4,458,597</u>
Total liabilities and net assets	<u>\$ 14,558,801</u>	<u>\$ 4,585,234</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, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions	\$ 4,371,585	\$ 797,365	\$ 5,168,950
Capital campaign contributions	-	8,139,466	8,139,466
In-kind contributions	446,997	-	446,997
Investment earnings	33,891	-	33,891
Gain on sale of fixed asset	2,000	-	2,000
Loss on uncollectible pledge	-	(80,000)	(80,000)
	<hr/>	<hr/>	<hr/>
Total revenues	4,854,473	8,856,831	13,711,304
	<hr/>	<hr/>	<hr/>
NET ASSETS RELEASED FROM RESTRICTIONS			
	878,230	(878,230)	-
	<hr/>	<hr/>	<hr/>
EXPENSES			
Program services			
Karisoke Research Center	1,549,078	-	1,549,078
Congo	659,600	-	659,600
Education and science	1,083,390	-	1,083,390
	<hr/>	<hr/>	<hr/>
Total program services	3,292,068	-	3,292,068
Management and general	181,184	-	181,184
Fundraising	397,276	-	397,276
	<hr/>	<hr/>	<hr/>
Total expenses	3,870,528	-	3,870,528
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	1,862,175	7,978,601	9,840,776
NET ASSETS			
Beginning of year	3,366,148	1,092,449	4,458,597
	<hr/>	<hr/>	<hr/>
End of year	\$ 5,228,323	\$ 9,071,050	\$ 14,299,373
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions	\$ 2,986,442	\$ 198,233	\$ 3,184,675
In-kind contributions	770,777	-	770,777
Investment earnings	23,032	-	23,032
Gain on sale of fixed asset	8,602	-	8,602
	<hr/>	<hr/>	<hr/>
Total revenues	3,788,853	198,233	3,987,086
	<hr/>	<hr/>	<hr/>
NET ASSETS RELEASED FROM RESTRICTIONS	973,309	(973,309)	-
	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>
Total program services	3,538,909	-	3,538,909
Management and general	182,934	-	182,934
Fundraising	339,825	-	339,825
	<hr/>	<hr/>	<hr/>
Total expenses	4,061,668	-	4,061,668
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	700,494	(775,076)	(74,582)
	<hr/>	<hr/>	<hr/>
NET ASSETS			
Beginning of year	2,665,654	1,867,525	4,533,179
	<hr/>	<hr/>	<hr/>
End of year	\$ 3,366,148	\$ 1,092,449	\$ 4,458,597
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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, 2018

	Karisoke Research Center	Congo	Education and Science	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 433,767	\$ 249,045	\$ 470,938	\$ 1,153,750	\$ 61,875	\$ 139,056	\$ 1,354,681
Fringe benefits and payroll taxes	255,548	31,779	112,983	400,310	9,001	21,900	431,211
Total personnel	689,315	280,824	583,921	1,554,060	70,876	160,956	1,785,892
50th anniversary expenses	-	-	-	-	-	2,020	2,020
Dues and subscriptions	107	30,318	49,598	80,023	1,197	-	81,220
Education and training	102,209	988	901	104,098	-	-	104,098
Insurance	6,004	8,841	1,688	16,533	4,995	-	21,528
Lease and rental	79,999	6,500	7,851	94,350	-	-	94,350
Meetings and conferences	2,909	5,108	6,719	14,736	-	-	14,736
Occupancy	26,806	3,534	49,413	79,753	1,712	5,900	87,365
Office expenses	14,538	31,619	26,378	72,535	4,037	1,835	78,407
Other expenses	16,026	30,563	55,311	101,900	1,306	7,765	110,971
Postage and shipping	1,102	300	26,342	27,744	1,586	30,015	59,345
Printing and photography	4,791	656	33,836	39,283	-	62,387	101,670
Professional services and fees	320,072	41,204	188,550	549,826	94,785	105,419	750,030
Supplies	155,270	101,409	14,210	270,889	-	-	270,889
Taxes, licenses and permits	6,197	13,425	515	20,137	91	16,703	36,931
Telecommunications	31,024	10,940	6,947	48,911	599	11	49,521
Travel, meals and entertainment	16,767	42,679	31,091	90,537	-	4,265	94,802
Vehicle costs	44,929	34,124	119	79,172	-	-	79,172
Total expenses before depreciation	1,518,065	643,032	1,083,390	3,244,487	181,184	397,276	3,822,947
Depreciation	31,013	16,568	-	47,581	-	-	47,581
Total expenses	<u>\$ 1,549,078</u>	<u>\$ 659,600</u>	<u>\$ 1,083,390</u>	<u>\$ 3,292,068</u>	<u>\$ 181,184</u>	<u>\$ 397,276</u>	<u>\$ 3,870,528</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	7,725	-	51,947
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	182,934	339,825	4,022,431
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>\$ 182,934</u>	<u>\$ 339,825</u>	<u>\$ 4,061,668</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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 9,840,776	\$ (74,582)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:		
Contributions restricted for capital assets	(1,423,945)	-
Loss on uncollectible pledge	80,000	-
Depreciation	47,581	39,237
Net realized and unrealized gain on investments	(11,405)	(16,717)
Realized gain on sale of fixed asset	(2,000)	(8,602)
Change in funds held for field operations	43,440	3,148
Change in pledges receivable	(6,681,479)	762,248
Change in prepaid expenses and other assets	(18,269)	7,087
Change in restricted cash	(958,545)	-
Change in accounts payable	144,160	19,868
Change in accrued expenses	(19,372)	(54,894)
Change in deferred revenue	8,003	(40,500)
Total adjustments	<u>(8,791,831)</u>	<u>710,875</u>
Net cash and cash equivalents provided by operating activities	<u>1,048,945</u>	<u>636,293</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	343,568	-
Proceeds from sale of fixed asset	2,000	8,602
Purchase of investments	(409,892)	(524,266)
Purchase of property and equipment	(468,764)	(42,899)
Net cash and cash equivalents used in investing activities	<u>(533,088)</u>	<u>(558,563)</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, 2018 AND 2017

	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Collections on contributions restricted for capital assets	1,423,945	-
Net cash and cash equivalents provided by financing activities	1,423,945	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,939,802	77,730
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	2,818,296	2,740,566
END OF YEAR	\$ 4,758,098	\$ 2,818,296

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, 2018 AND 2017

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, provides educational programming and assistance to the communities in which it serves through education, health, conservation and economic initiatives. During the year ended September 30, 2018, 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 has secured major funding through the Ellen DeGeneres Wildlife Fund and other donors. Please refer to Note 3, Capital Campaign, for additional information.

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 13).

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, 2018 and 2017.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

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, 2018 and 2017 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 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, which were 2.2% to 3.06% for the years ended September 30, 2018 and 2017. 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 unrestricted net assets.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

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 historically been expensed. During the years ended September 30, 2018 and 2017, 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. 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, 2018 and 2017, the Fund received in-kind contributions of \$446,997 and \$770,777, respectively. During the year ended September 30, 2017, the Fund received approximately \$460,000 of donated IT services related to hosting Karaoke 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.

J. 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, 2018 and 2017.

K. 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.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

L. Subsequent Events

Subsequent events have been evaluated by management through January 16, 2019, 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>2018</u>	<u>2017</u>
Democratic Republic of Congo	\$ 11,906	\$ 12,438
Karisoke and other	<u>22,433</u>	<u>65,341</u>
Total funds held for field operations	<u>\$ 34,339</u>	<u>\$ 77,779</u>

3. CAPITAL CAMPAIGN

During the year ended September 30, 2018, the Fund launched its "Campaign for a New Karisoke" capital campaign (the "Campaign") to help fund the Ellen DeGeneres Campus of the Dian Fossey Gorilla Fund (the "Project") to be located outside of Musanze, Rwanda and near Volcano National Park. The Fund received significant pledges and cash from the Ellen DeGeneres Wildlife Fund and various Board members of the Fund restricted to the design, construction and support of the proposed Project. The Fund acquired approximately 15 acres of land for the Project. The Project will provide expanded facilities for educational programming, research, visitor engagement, and housing for visiting research and student personnel. The Project will commence in the summer of 2019 with a projected completion date in early 2021. The Project, when completed, will replace the currently leased facility in Musanze

4. RESTRICTED CASH

Restricted cash of \$958,545 at September 30, 2018 consists of contributions received for the Project that the donor requires to be held in a separate account until expended for Project related costs.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

5. PLEDGES RECEIVABLE

Pledges receivable are as follows at September 30:

	<u>2018</u>	<u>2017</u>
Capital campaign pledges	\$ 6,715,521	\$ -
Individuals and foundations	<u>862,232</u>	<u>976,274</u>
Total pledges receivable	<u>\$ 7,577,753</u>	<u>\$ 976,274</u>

At September 30, 2018 and 2017, pledges receivable consisted of the following:

	<u>2018</u>	<u>2017</u>
Receivable in less than one year	\$ 1,669,979	\$ 210,000
Receivable over one year	<u>6,240,000</u>	<u>840,000</u>
Total pledges receivable	7,909,979	1,050,000
Less discounts to net present value	<u>(332,226)</u>	<u>(73,726)</u>
Pledges receivable, net	<u>\$ 7,577,753</u>	<u>\$ 976,274</u>

6. 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.

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

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, 2018 and 2017, 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.

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 consists of the following for the years ended September 30:

	<u>2018</u>	<u>2017</u>
Interest and dividend income	\$ 28,723	\$ 7,087
Realized/unrealized gain on investments	11,405	16,717
Investment fees	<u>(6,237)</u>	<u>(772)</u>
Total investment earnings	<u>\$ 33,891</u>	<u>\$ 23,032</u>

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7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 209,696	\$ 1,111
Furniture	13,188	13,188
Machinery and equipment	111,081	111,081
Software	133,673	133,673
Vehicles	360,895	360,639
Leasehold improvements	36,726	36,726
Building	41,516	41,516
Construction in progress	<u>229,180</u>	<u>-</u>
Total	1,135,955	697,934
Less accumulated depreciation	<u>563,277</u>	<u>546,439</u>
Property and equipment	<u>\$ 572,678</u>	<u>\$ 151,495</u>

Depreciation expense for the years ended September 30, 2018 and 2017 was \$47,581 and \$39,237, respectively.

8. LINE OF CREDIT

The Fund maintains a line of credit ("LOC") with a financial institution, which 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 on May 17, 2019, was not drawn upon during the years ended September 30, 2018 and 2017. The LOC is collateralized by the Fund's receivables and equipment.

9. 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, 2018 and 2017 was \$7,999 and \$7,081, respectively. Additionally, the Africa programs make monthly contributions for the field employees. The amount contributed by the Fund in the years ended September 30, 2018 and 2017 was \$62,562 and \$57,031, respectively.

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10. OPERATING LEASES

The Fund entered into 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, 2018 and 2017 was \$94,350 and \$98,079, respectively. The anticipated minimum lease payments for all field locations are as follows:

Year Ending	Amount
September 30, 2019	\$ 74,400
September 30, 2020	74,400
September 30, 2021	74,400
September 30, 2022	55,800
Total future minimum lease payments	\$ 279,000

11. 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, 2018 and 2017 totaled \$87,364 and \$85,264, respectively.

12. CONCENTRATIONS

Two donors and one donor accounted for approximately of 74% of the Fund's pledges receivable at September 30, 2018 and 2017, respectively. Two donors accounted for approximately 49% of the Fund's total revenues for the year ended September 30, 2018.

13. BOARD DESIGNATED NET ASSETS

During the years ended September 30, 2018 and 2017, the Board of Directors designated a portion of unrestricted net assets 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, 2018 and 2017 were \$554,981 and \$572,150, respectively.

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14. 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, 2018 and 2017, temporarily restricted net assets consisted of the following:

	2017	Additions	Released from Restrictions	Loss on Uncollectible Pledge	2018
Karisoke Research Institute	\$ -	\$ 8,139,466	\$ (229,180)	\$ -	\$ 7,910,286
Other restricted funds	76,438	422,282	(244,408)	-	254,312
Scholarships	18,570	10,655	(16,285)	-	12,940
Time restrictions	985,361	178,214	(231,372)	(80,000)	852,203
U.S. Fish and Wildlife Services	12,080	186,214	(156,985)	-	41,309
Total temporarily restricted net assets	<u>\$ 1,092,449</u>	<u>\$ 8,936,831</u>	<u>\$ (878,230)</u>	<u>\$ (80,000)</u>	<u>\$ 9,071,050</u>

	2016	Additions	Released from Restrictions	Loss on Uncollectible Pledge	2017
Anonymous	\$ 400,000	\$ -	\$ (400,000)	\$ -	\$ -
Bisate Learning Center	402	-	(402)	-	-
Bisate Men's House Renovation	7,797	-	(7,797)	-	-
Other restricted funds	91,271	107,855	(122,688)	-	76,438
Scholarships	24,721	15,378	(21,529)	-	18,570
Time restrictions	1,202,038	75,000	(291,677)	-	985,361
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>\$ -</u>	<u>\$ 1,092,449</u>