



**THE DIAN FOSSEY
GORILLA FUND[™]
INTERNATIONAL**

ATLANTA, GEORGIA

AUDITED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2021 AND 2020**

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
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SEPTEMBER 30, 2021 AND 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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 21, 2022

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,067,773	\$ 7,460,238
Funds held for field operations	102,381	114,830
Pledges receivable, net	1,369,295	4,004,630
Prepaid expenses and other assets	441,265	598,214
	<hr/>	<hr/>
Total current assets	8,980,714	12,177,912
RESTRICTED CASH	4,879,745	4,609,179
PLEDGES RECEIVABLE - LONG-TERM, NET	2,590,027	3,588,847
INVESTMENTS	3,918,956	1,278,603
PROPERTY AND EQUIPMENT, NET	13,449,792	5,767,719
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Total assets	<u>\$ 33,819,234</u>	<u>\$ 27,422,260</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, 2021 AND 2020

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES		
Accounts payable	\$ 86,427	\$ 145,477
Accrued expenses	61,009	104,124
Deferred revenue	-	38,373
Paycheck Protection Program loan	-	155,205
	147,436	443,179
NET ASSETS		
Net assets without donor restrictions		
Undesignated	21,315,409	13,084,737
Board-designated	3,735,181	874,236
	25,050,590	13,958,973
Net assets with donor restrictions	8,621,208	13,020,108
	33,671,798	26,979,081
	\$ 33,819,234	\$ 27,422,260

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 6,946,419	\$ 409,284	\$ 7,355,703
Capital campaign contributions	-	3,761,627	3,761,627
In-kind contributions	543,225	-	543,225
Investment earnings	253,376	17,080	270,456
Sale of merchandise, net	384,242	-	384,242
Sale of fixed assets and other	(25,129)	-	(25,129)
	<u>8,102,133</u>	<u>4,187,991</u>	<u>12,290,124</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
	<u>8,586,891</u>	<u>(8,586,891)</u>	<u>-</u>
EXPENSES			
Program services			
Karisoke Research Center	1,915,864	-	1,915,864
Congo	1,552,661	-	1,552,661
Education and science	1,295,955	-	1,295,955
	<u>4,764,480</u>	<u>-</u>	<u>4,764,480</u>
Management and general	365,028	-	365,028
Fundraising	467,899	-	467,899
	<u>5,597,407</u>	<u>-</u>	<u>5,597,407</u>
CHANGE IN NET ASSETS	11,091,617	(4,398,900)	6,692,717
NET ASSETS			
Beginning of year	<u>13,958,973</u>	<u>13,020,108</u>	<u>26,979,081</u>
End of year	<u><u>\$ 25,050,590</u></u>	<u><u>\$ 8,621,208</u></u>	<u><u>\$ 33,671,798</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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
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)
	5,478,072	8,955,806	14,433,878
NET ASSETS RELEASED FROM RESTRICTIONS			
	5,433,181	(5,433,181)	-
EXPENSES			
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
	4,321,529	-	4,321,529
Management and general			
Fundraising	310,993	-	310,993
	390,087	-	390,087
	5,022,609	-	5,022,609
CHANGE IN NET ASSETS	5,888,644	3,522,625	9,411,269
NET ASSETS			
Beginning of year	8,070,329	9,497,483	17,567,812
End of year	\$ 13,958,973	\$ 13,020,108	\$ 26,979,081

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, 2021

	Karisoke Research Center	Congo	Education and Science	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 540,713	\$ 506,059	\$ 482,743	\$ 1,529,515	\$ 154,270	\$ 209,466	\$ 1,893,251
Fringe benefits and payroll taxes	378,482	79,243	123,488	581,213	24,497	42,029	647,739
Total personnel	919,195	585,302	606,231	2,110,728	178,767	251,495	2,540,990
Dues and subscriptions	20	85,672	105,235	190,927	3,966	205	195,098
Education and training	52,446	23,850	2,343	78,639	399	-	79,038
Information technology	143,428	1,312	88,764	233,504	9,181	17,330	260,015
Insurance	6,906	1,537	1,688	10,131	9,439	-	19,570
Lease and rental	85,480	11,028	10,285	106,793	491	-	107,284
Meetings and conferences	116	26,762	60	26,938	-	-	26,938
Occupancy	50,384	461	31,182	82,027	3,225	6,088	91,340
Office expenses	8,024	63,490	42,782	114,296	2,117	67,539	183,952
Other expenses	8,188	3,900	24,884	36,972	1,439	58	38,469
Postage and shipping	26	-	18,693	18,719	887	15,279	34,885
Printing and photography	3,508	4,425	35,838	43,771	73	25,055	68,899
Professional services and fees	264,350	107,443	262,525	634,318	149,471	65,693	849,482
Supplies	212,206	392,659	44,561	649,426	1,359	4,565	655,350
Taxes, licenses and permits	13,964	17,352	1,582	32,898	50	14,592	47,540
Telecommunications	32,150	18,530	5,974	56,654	640	-	57,294
Travel, meals and entertainment	11,370	94,895	12,434	118,699	3,311	-	122,010
Vehicle costs	81,882	77,852	894	160,628	-	-	160,628
Total expenses before depreciation	1,893,643	1,516,470	1,295,955	4,706,068	364,815	467,899	5,538,782
Depreciation	22,221	36,191	-	58,412	213	-	58,625
Total expenses	<u>\$ 1,915,864</u>	<u>\$ 1,552,661</u>	<u>\$ 1,295,955</u>	<u>\$ 4,764,480</u>	<u>\$ 365,028</u>	<u>\$ 467,899</u>	<u>\$ 5,597,407</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

	Karisoke Research Center	Congo	Education and Science	Total Program Services	Management and General	Fundraising	Total Expenses
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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,692,717	\$ 9,411,269
 ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:		
Contributions restricted for capital assets	(3,761,627)	(5,071,430)
Forgiveness of Paycheck Protection Program loan	(155,205)	-
Loss on uncollectible pledge	-	34,151
Loss on sale of property and equipment	7,721	-
Depreciation	58,625	54,476
Net realized and unrealized gain on investments	(203,585)	(50,314)
Change in funds held for field operations	12,449	57,039
Change in pledges receivable	746,388	(2,576,248)
Change in prepaid expenses and other assets	156,949	(562,446)
Change in accounts payable	(59,050)	(403,014)
Change in accrued expenses	(43,115)	(42,375)
Change in deferred revenue	(38,373)	36,750
 Total adjustments	(3,278,823)	(8,523,411)
 Net cash and cash equivalents provided by operating activities	3,413,894	887,858
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	185,876	204,779
Purchase of investments	(2,622,644)	(816,741)
Proceeds from sale of property and equipment	4,679	-
Purchase of property and equipment	(7,753,098)	(3,858,745)
 Net cash and cash equivalents used in investing activities	(10,185,187)	(4,470,707)

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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	-	155,205
Collections on contributions restricted for capital assets	<u>6,649,394</u>	<u>5,057,701</u>
Net cash and cash equivalents provided by financing activities	<u>6,649,394</u>	<u>5,212,906</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(121,899)	1,630,057
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>12,069,417</u>	<u>10,439,360</u>
END OF YEAR	<u><u>\$ 11,947,518</u></u>	<u><u>\$ 12,069,417</u></u>
RECONCILIATION OF END OF YEAR CASH AND CASH EQUIVALENTS TO THE AMOUNTS REPORTED IN THE STATEMENTS OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 7,067,773	\$ 7,460,238
Restricted cash	<u>4,879,745</u>	<u>4,609,179</u>
Cash and cash equivalents, end of year	<u><u>\$ 11,947,518</u></u>	<u><u>\$ 12,069,417</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, 2021 AND 2020

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, 2021 AND 2020

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, 2021 and 2020 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 0.50% to 1.80% for the years ended September 30, 2021 and 2020, 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, 2021 AND 2020

historically been expensed. During the years ended September 30, 2021 and 2020, 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, 2021 and 2020, the Fund received in-kind contributions of \$543,225 and \$540,527, respectively, which include legal services of approximately \$41,000 and \$54,000, 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, 2021 and 2020.

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, 2021 AND 2020

M. Subsequent Events

Subsequent events have been evaluated by management through January 21, 2022, 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-eight acres of land for the Project. Construction of the Project commenced in October 2019 and was completed in early January 2022. 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:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 7,067,773	\$ 7,460,238
Pledges receivable, net	3,959,322	7,593,477
Investments	<u>3,918,956</u>	<u>1,278,603</u>
 Total financial assets, at year end	 14,946,051	 16,332,318
 Less amounts unavailable for general expenditure:		
Board-designated for endowment	(2,907,407)	(538,565)
Donor restrictions for specified purpose	(3,741,463)	(8,410,929)
Donor restrictions for perpetual purposes	<u>(126,019)</u>	<u>(87,000)</u>
 Total financial assets available for general expenditure	 <u>\$ 8,171,162</u>	 <u>\$ 7,295,824</u>

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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 \$2,907,407 and \$538,565 as of September 30, 2021 and 2020, 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, 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 \$102,381 and \$114,830 at September 30, 2021 and 2020, respectively.

5. RESTRICTED CASH

Restricted cash of \$4,879,745 and \$4,609,179 at September 30, 2021 and 2020, 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, 2021 and 2020, pledges receivable consisted of the following:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 1,434,134	\$ 4,110,631
Receivable in one to five years	2,596,333	3,605,333
Receivable in more than five years	<u>100,000</u>	<u>200,000</u>
Total pledges receivable	4,130,467	7,915,964
Less discounts to net present value	<u>(171,145)</u>	<u>(322,487)</u>
Pledges receivable, net	<u><u>\$ 3,959,322</u></u>	<u><u>\$ 7,593,477</u></u>

THE DIAN FOSSEY GORILLA FUND INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Pledges receivable consist of the following at September 30:

	2021	2020
Capital campaign pledges	\$ 898,415	\$ 3,786,182
Individuals and foundations	2,579,511	3,288,592
Endowment pledges	481,396	518,703
 Total pledges receivable, net	 \$ 3,959,322	 \$ 7,593,477

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, 2021 and 2020, 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:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 79,245	\$ 96,898
Realized/unrealized gain on investments	203,585	50,314
Investment fees	(12,374)	(6,096)
	<u>270,456</u>	<u>141,116</u>
Total investment earnings	<u>\$ 270,456</u>	<u>\$ 141,116</u>

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<u>2021</u>	<u>2020</u>
Building	\$ 41,516	\$ 41,516
Construction in progress	12,562,990	5,281,515
Furniture and equipment	61,760	55,380
Land	594,803	311,177
Leasehold improvements	36,726	36,726
Software	113,827	113,827
Vehicles	658,196	507,581
	<u>14,069,818</u>	<u>6,347,722</u>
Total	14,069,818	6,347,722
Less accumulated depreciation	<u>620,026</u>	<u>580,003</u>
Property and equipment, net	<u>\$ 13,449,792</u>	<u>\$ 5,767,719</u>

Depreciation expense for the years ended September 30, 2021 and 2020 was \$58,625 and \$54,476, 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 the U.S. Prime rate minus 1.25% but no less than 1.95%. The LOC was not drawn upon during the years ended September 30, 2021 and 2020. The LOC is collateralized by the Fund's receivables and equipment. The LOC matures on January 31, 2022.

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, 2021. During the draw period, monthly payments of interest only at an interest rate of the U.S. prime rate minus 1.25% but no less than 1.95% 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 bridge loan for the years ended September 30, 2021 and 2020 and as of the date these financial statements were available to be issued.

Subsequent to the year ended September 30, 2021, the Board approved the termination of the bridge loan as it is no longer needed to fund the construction of the Project.

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 accrued 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. During the year ended September 30, 2021, the Fund received a second PPP loan for \$150,000 from the SBA with identical terms to the PPP loan received in the prior year.

The Fund received notice of full forgiveness of the PPP loans from the SBA during the year ended September 30, 2021 and recorded \$305,205 as contributions in the Statements of Activities and Net Assets.

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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, 2021 and 2020 was \$29,981 and \$20,461, respectively.

The Fund also makes monthly contributions to other retirement plans for field employees. The amount contributed in the years ended September 30, 2021 and 2020 was \$104,893 and \$95,949, 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, 2021 and 2020 was \$107,285 and \$101,325, respectively. The anticipated minimum lease payments for all field locations are \$55,800 for the year ending September 30, 2022.

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, 2021 and 2020 totaled \$91,340 and \$91,109, respectively.

14. CONCENTRATIONS

Two donors and three donors accounted for approximately of 63% and 76% of the Fund's pledges receivable at September 30, 2021 and 2020, respectively. Two donors accounted for approximately 49% of the Fund's total revenues for the year ended September 30, 2020.

15. BOARD-DESIGNATED NET ASSETS

During the years ended September 30, 2021 and 2020, 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, 2021 and 2020 were \$827,774 and \$335,671, respectively.

The Board-designated endowment fund at September 30, 2021 and 2020 was \$2,907,407 and \$538,565, respectively.

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16. NET ASSETS WITH DONOR RESTRICTIONS

Changes to net assets with donor restrictions are as follows:

	September 30, 2020	Additions	Released from Restrictions	September 30, 2021
Subject to expenditure for specified purpose:				
Institute Project	\$ 8,167,556	\$ 3,761,627	\$ (7,098,627)	\$ 4,830,556
Congo expansion	3,162,251	49,717	(778,837)	2,433,131
Karisoke Research Center	145,748	114,857	(184,667)	75,938
Other restricted funds	2,712	90,305	(75,863)	17,154
Scholarships	14,308	2,000	(2,783)	13,525
U.S. Fish and Wildlife Services	398,095	-	(305,731)	92,364
	<u>11,890,670</u>	<u>4,018,506</u>	<u>(8,446,508)</u>	<u>7,462,668</u>
Subject to the passage of time:				
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	518,573	150,000	(139,690)	528,883
Subject to the Fund's endowment spending policy and appropriation:				
Endowment	610,865	19,485	(693)	629,657
Net assets with donor restrictions	<u>\$ 13,020,108</u>	<u>\$ 4,187,991</u>	<u>\$ (8,586,891)</u>	<u>\$ 8,621,208</u>
	September 30, 2019	Additions	Released from Restrictions	September 30, 2020
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	550,552	95,386	(247,843)	398,095
	<u>8,352,985</u>	<u>8,883,106</u>	<u>(5,345,421)</u>	<u>11,890,670</u>
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	538,165	72,700	-	610,865
Net assets with donor restrictions	<u>\$ 9,497,483</u>	<u>\$ 8,955,806</u>	<u>\$ (5,433,181)</u>	<u>\$ 13,020,108</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:

	<u>Board- Designated Endowment</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Balance at September 30, 2020	\$ 538,565	\$ 610,865	\$ 1,149,430
Contributions	2,242,489	1,712	2,244,201
Interest and dividends	30,009	4,191	34,200
Fees and taxes	(6,888)	(693)	(7,581)
Realized/unrealized gain	103,232	13,582	116,814
	<u>\$ 2,907,407</u>	<u>\$ 629,657</u>	<u>\$ 3,537,064</u>

	<u>Board- Designated Endowment</u>	<u>Perpetual in Nature</u>	<u>Total</u>
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>