COMBINED FINANCIAL STATEMENTS

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH, EDUCATION AND CONSERVATION AND RELATED ENTITY

FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2009

September 9, 2011

To the Board of Directors
The Jane Goodall Institute for Wildlife Research, Education and
Conservation and Related Entity
Arlington, Virginia

In planning and performing our audit of the combined financial statements of The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity (the Institute) as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Institute's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control.

Our consideration of the Institute's internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the Institute's internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in the Institute's internal control that we consider to be significant deficiencies.

A deficiency in the Institute's internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in the Institute's internal control, such that there is a reasonable possibility that a material misstatement of the Institute's combined financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in the Institute's internal control that we consider to be material weaknesses.

SIGNIFICANT DEFICIENCIES

A significant deficiency is a deficiency, or a combination of deficiencies, in the Institute's internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the following deficiencies in the Institute's internal control to be significant deficiencies:

Documentation of Travel Related Expenditures

Previous Years Comment: During the course of our audit, we reviewed a random sample of the travel related charges incurred on the corporate credit card. As a result of our review, we noted numerous instances where receipts in excess of the Institute's threshold were missing. We strongly recommend that all employees be reminded of the current policy. In addition, we recommend that the Finance Department be more diligent in following up on the missing documentation.

Current Year Status: Our current audit work once again revealed instances of missing documentation to support charges incurred on the corporate credit cards. Accordingly, we continue to recommend management remind all employees of the current policy regarding submission of receipts and also recommend that the finance department be more diligent in their review of the credit card documentation submitted by employees to ensure compliance with management's policy on the submission of the receipts.

Overseas Field Office Reporting and Implementation of New Financial Software

Previous Years Comment: During the course of our prior year audit work, it came to our attention that several overseas offices (most notably, offices in Congo and the Democratic Republic of Congo) did not submit reports in a timely manner or submitted reports which were not reviewed and approved; and, in some cases the cash reported in the field office ledger did not reconcile to the cash as stated either on hand or in the bank accounts. Accordingly, while the Institute has been implementing new software in several field offices, we identified several areas which we believed were critical areas of control and should be addressed upon the implementation of the new software. Following is a list of those areas:

- Documentation of and dating of approvals by employees in the field and at HQ;
- Report format and reconciling schedules for all asset and liability accounts;
- Reconciliation and documentation of all bank and cash accounts on a monthly basis;
- Submission of general ledger detail from the field office to HQ for proper analytical review and analysis;
- Formatting of field office general ledger so that it is in line with HQ general ledger account coding;

Current Year Status: We noted management has completed the implementation of Navision in Tanzania and has completed the implementation of QuickBooks software at several of the smaller field offices. We are also pleased to report that management is in the process of completing a review and revision to its field office financial policies and procedures manual.

Supporting Documentation for Expenditures

Previous Years Comment: Our 2009 audit work revealed significant improvement with respect to the documentation which supports the payments made by the Institute. However, our testwork revealed a few instances where supporting documentation was missing. Accordingly, we continue to recommend that management emphasize the importance of having proper supporting documentation for all disbursements.

Current Year Status: Our 2010 audit work revealed that with the exception of certain travel related expenses (please refer to our comment titled "Documentation of Travel Related Expenses") all expenditures were properly documented with supporting invoices.

Accounting for Cost Share Expenditures

Previous Year Comment: We noted that certain cost share expenditures were reported to the U.S. Government on their required forms (the 269 report quarterly), but were not entered in the general ledger. Accordingly, the Institute was unable to provide detailed schedules which supported the amount of cost-share expenditures. We recommend that all cost share expenditures (whether in cash or in-kind) be recorded within the general ledger so that the amounts reported to the U.S. Government can be supported by the accounting records.

Current Year Status: Management has revised its chart-of-accounts and has implemented procedures so that all expenditures which qualify as cost share expenditures (whether in cash or in-kind) is recorded within the general ledger.

OTHER AREAS OF CONCERN

In addition to the aforementioned significant deficiencies, we noted other areas of concern, that while not considered material weaknesses or significant deficiencies we believe merit the attention of those charged with governance.

Personnel Files

Previous Years Comment: Our audit work revealed that employee personnel files did not contain all required documentation. We recommend management develop a checklist of required documentation and review each file for completeness.

Current Year Status: We noted no exceptions in documentation to be included in the personnel files.

Personal Credit Card Charges

Previous Years Comment: Our audit revealed that the Institute does not have a formal policy which prohibits the use of the corporate credit for personal use. We strongly recommend that management adopt a policy prohibiting personal charges with corporate credit cards.

Current Year Status: Management issued a new employee handbook in December 2010 that prohibits personal charges with corporate credit cards.

Review of Procurement Procedures (HQ and Field)

Previous Years Comment: During the course of our audit, we noted that Headquarters is currently not documenting procurement in accordance with the guidelines set out by the Institute's policies manual. However, it is our understanding that the procurement process being conducted in the field offices is being conducted under a separate and more recently updated manual. Due to the fact that the Institute receives funding from the U.S. Government, it is mandatory that the Institute have an organization-wide procurement policy. Accordingly, we recommend that the Institute review and update the Field Office and Headquarters procurement policies so that they are consistent.

Current Year Status: Our audit work did not reveal any inconsistencies between the Field Office Procurement process and the HQ procurement process.

Policies and Procedures

Previous Years Comment: We noted the following regarding the policies and procedures of the Institute:

- The Institute's policy manual has not been formally updated since 2003. The current manual includes many policies that are either outdated or no longer in place. We recommend that the Institute update its formal accounting policies and procedures manual as soon as possible.

- In prior years, we noted numerous checks on the bank reconciliation that were over one year old. These checks totaled approximately $7,000. While not material to the Institute's overall financial situation, we recommend that the Institute establish a policy which requires the investigation and adjustment of all checks which remain outstanding for more than 180 days.

- In prior years, we noted that the Institute posted un-coded credit card charges to a suspense account that was recorded as an expense. When and if the Finance Department received the coded charges and verified that the charges were authentic, the expense account was properly credited. However, at year-end there were balances remaining in un-coded charges in this suspense expense account. Because we believe these amounts to technically be receivables until the charges are authenticated, it would be appropriate to record such charges to a receivable account instead of an expense account.

- In prior years, certain changes were made to the fixed assets schedule. As a result, at year-end, the schedule provided during the fieldwork did not agree to the audited figures from the prior year. Although the sum of the differences between all accounts was not significant, this created undue complications in testing and reconciling the fixed assets. We recommend that in the future, the Institute staff should verify that the schedules maintained during the year and provided for the audit are properly reconciled to the ending balance from the prior year.

- The Institute has increased its capitalization threshold to $2,500. However, such change has not been documented in writing and added to the finance manual where appropriate. We recommend that revised manual include this change.

Current Year Status: The Institute is in the process of revising its policies and procedures to address the items noted in our previous comment. We recommend management complete the revision and implementation of its policies and procedures.

Field Office Fraud

Current Year Comment: During 2010, management discovered that a field office grant accountant had misappropriated approximately $15,000 of funds Management appropriately terminated the grant accountant and has recovered approximately $4,000 of the misappropriated funds and is pursing collection with respect to the remaining balance. It should be noted that the funds that were misappropriated were not related to a U.S. Government funded program. We understand that management has reviewed its current policies and procedures with respect to its field office internal controls and we recommend that any changes to the current policies and procedures be documented in the field office policies and procedures manual which is currently under review as noted above.

This communication is intended solely for the information and use of management, audit committee, others within The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity, and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

GELMAN, ROSENBERG & FREEDMAN

Robert W. Albrecht
Certified Public Accountant

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH, EDUCATION AND CONSERVATION AND RELATED ENTITY

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GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Jane Goodall Institute for Wildlife Research, Education and
Conservation and Related Entity
Arlington, Virginia

We have audited the accompanying combined statement of financial position of The Jane Goodall Institute for Wildlife Research, Education and Conservation and Related Entity (the Institute) as of December 31, 2010, and the related combined statements of activities and change in net assets, functional expenses and cash flows for the year then ended. These combined financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The prior year summarized comparative information has been derived from the Institute's 2009 combined financial statements and, in our report dated November 15, 2010, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Institute as of December 31, 2010, and the combined change in net assets and the combined cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2011 on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Gelman Rosenberg & Freedman

September 9, 2011

EXHIBIT A

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH, EDUCATION AND CONSERVATION AND RELATED ENTITY

COMBINED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

ASSETS

	2010	2009
CURRENT ASSETS		
Cash and cash equivalents:		
Funds held in United States	$ 375,985	$ 632,256
Funds held in foreign countries	980,995	1,127,415
Total cash and cash equivalents	1,356,980	1,759,671
Investments (Notes 2, 9 and 10)	6,388,501	6,200,533
Grants receivable	2,575,152	2,328,683
Other receivables	716,119	1,170,609
Prepaid expenses	225,129	104,083
Inventory	37,956	47,539
Property, equipment and leasehold improvements, net of accumulated depreciation and amortization (Note 3)	599,188	648,934
TOTAL ASSETS	$ 11,899,025	$ 12,260,052

LIABILITIES AND NET ASSETS

	2010	2009
LIABILITIES		
Line of credit (Note 10)	$ 400,000	$ -
Accounts payable and accrued liabilities	1,164,500	1,104,870
Refundable advance	30,000	35,000
Total liabilities	1,594,500	1,139,870
NET ASSETS		
Unrestricted	6,361,619	7,216,826
Temporarily restricted (Note 5)	3,725,178	3,685,628
Permanently restricted (Note 6)	217,728	217,728
Total net assets	10,304,525	11,120,182
TOTAL LIABILITIES AND NET ASSETS	$ 11,899,025	$ 12,260,052

See accompanying notes to combined financial statements.

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH, EDUCATION AND CONSERVATION AND RELATED ENTITY

COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

	2010				2009
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUE					
Contributions and grants	$ 5,086,868	$ 6,325,014	$ -	$11,411,882	$ 9,585,097
Bequests	215,994	-	-	215,994	284,096
Lecture tour and honorariums	413,647	-	-	413,647	423,735
Merchandise sales	85,835	-	-	85,835	129,432
Royalties, license fees and other income	424,229	-	-	424,229	225,377
Investment income (Note 2)	278,087	-	-	278,087	238,648
Special events	98,606	-	-	98,606	270,552
In-kind contributions (Note 8)	146,912	-	-	146,912	400,456
Net assets released from restriction - satisfaction of donor restrictions (Note 5)	6,285,464	(6,285,464)	-	-	-
Total revenue	13,035,642	39,550	-	13,075,192	11,557,393
EXPENSES					
Program Services:					
Wildlife Research	54,577	-	-	54,577	128,637
Education	2,590,132	-	-	2,590,132	2,910,481
Communications and Membership	935,460	-	-	935,460	1,135,061
Animal Welfare and Conservation	8,333,269	-	-	8,333,269	7,887,632
Total program services	11,913,438	-	-	11,913,438	12,061,811
Supporting Services:					
Fundraising	1,580,806	-	-	1,580,806	2,325,770
Management and General	521,108	-	-	521,108	692,856
Total supporting services	2,101,914	-	-	2,101,914	3,018,626
Total expenses	14,015,352	-	-	14,015,352	15,080,437
Change in net assets from operating activities before other items	(979,710)	39,550	-	(940,160)	(3,523,044)

See accompanying notes to combined financial statements.

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH, EDUCATION AND CONSERVATION AND RELATED ENTITY

COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

	2010				2009
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
OTHER ITEMS					
Exchange rate (loss) gain	$ (160,807)	$ -	$ -	$ (160,807)	$ 288,419
Unrealized gain on investments (Note 2)	285,310	-	-	285,310	343,977
Total other items	124,503	-	-	124,503	632,396
Change in net assets	(855,207)	39,550	-	(815,657)	(2,890,648)
Net assets at beginning of year	7,216,826	3,685,628	217,728	11,120,182	14,010,830
NET ASSETS AT END OF YEAR	**$ 6,361,619**	**$ 3,725,178**	**$ 217,728**	**$ 10,304,525**	**$ 11,120,182**

See accompanying notes to combined financial statements.

Supporting Services				2009
Fundraising	Management and General	Total Supporting Services	Total Expenses	Total Expenses
$ 307,901	$ 231,577	$ 539,478	$ 4,462,367	$ 5,063,286
70,237	57,792	128,029	1,329,972	1,534,952
11,899	11,593	23,492	572,762	690,996
110,407	80,985	191,392	516,667	1,075,748
11,747	3,865	15,612	192,168	316,170
7,135	757	7,892	33,869	102,457
5,329	3,766	9,095	154,042	153,855
12,276	6,282	18,558	562,356	391,384
12,417	3,071	15,488	275,620	117,876
30,575	7,111	37,686	852,973	1,067,542
109,833	59,670	169,503	414,227	770,050
693,562	23,695	717,257	1,244,140	851,574
3,068	2,767	5,835	120,525	163,280
13	1,717	1,730	11,584	23,032
264	-	264	2,384,399	1,638,822
11,003	19,321	30,324	499,525	773,166
19,501	1,841	21,342	172,393	257,804
163,639	5,298	168,937	215,763	88,443
$ 1,580,806	**$ 521,108**	**$ 2,101,914**	**$ 14,015,352**	**$ 15,080,437**

See accompanying notes to combined financial statements.

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH, EDUCATION AND CONSERVATION AND RELATED ENTITY

COMBINED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2010 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (815,657)	$ (2,890,648)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	275,620	117,876
Realized loss (gain) on sale of investments	10,856	(23,692)
Unrealized (gain) loss on investments	(285,310)	343,977
Donated securities	(60,999)	-
(Increase) decrease in:		
Grants receivable	(246,469)	(854,788)
Other receivables	454,490	1,066,638
Prepaid expenses	(121,046)	74,635
Inventory	9,583	46,976
Increase (decrease) in:		
Accounts payable and accrued liabilities	59,630	(319,667)
Refundable advance	(5,000)	35,000
Net cash used by operating activities	(724,302)	(2,403,693)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(225,874)	(40,723)
Net proceeds from investments	147,485	2,533,015
Net cash provided (used) by investing activities	(78,389)	2,492,292
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing from line of credit	400,000	-
Net cash provided by financing activities	400,000	-
Net increase (decrease) in cash and cash equivalents	(402,691)	88,599
Cash and cash equivalents at beginning of year	1,759,671	1,671,072
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,356,980	$ 1,759,671
SUPPLEMENTAL INFORMATION		
Interest Paid	$ 7,325	$ 120

See accompanying notes to combined financial statements.

THE JANE GOODALL INSTITUTE FOR WILDLIFE RESEARCH, EDUCATION AND CONSERVATION AND RELATED ENTITY

NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Jane Goodall Institute for Wildlife Research, Education and Conservation (the Institute) was incorporated as a nonprofit organization under the laws of the State of California in 1977. The Institute contributes to the preservation of great apes and their habitats through conservation, education and promotion of sustainable livelihoods in local communities; improves global understanding and treatment of great apes through research, public education and advocacy; and engages a worldwide network of young people who take responsible action on behalf of humans, animals and the environment.

The Jane Goodall Institute, Inc. - Tanzania (JGI-Tanzania) is a legally registered organization located in Tanzania and receives the majority of its support from The Jane Goodall Institute for Wildlife Research, Education and Conservation.

Program services -

Program services are segregated by type of activity within the Combined Statement of Activities and Change in Net Assets. The following indicates the specific activities that are included in each program area and promoted by the Institute:

- **Wildlife Research**

  Wildlife research expenses relate to projects in Africa and the United States involving the protection of great apes in general and to chimpanzees in particular (in both captive and natural environments). Projects related to these expenses include the Gombe Stream Research Centre in Tanzania.

- **Education**

  Education efforts heighten global awareness of the issues facing wild and captive great apes, particularly chimpanzees, and foster an awareness and understanding of the interdependence of all life, and empower youth to take action on behalf of people, animals and the environment. These types of expenses include those related to the Dr. Goodall's United States tours, including efforts to educate policy makers, and Jane Goodall's Roots & Shoots program, the Institute's global environmental and humanitarian youth program.

- **Communications and Membership**

  Communication efforts promote the Institute's work to the general public, inform in regular updates the progress and outcomes of its efforts in conservation and development, wildlife research, and humanitarian and environmental education, and seek to heighten global awareness of the threats facing chimpanzees and other conservation issues. Communication efforts also entail creation of educational materials and their distribution to Institute members and the general public. This work is done through the Institute's website, print materials, videos and promotion of Dr. Jane Goodall's lecture tour and media appearances.

- **Animal Welfare and Conservation**

  Conservation activities ensure the long-term preservation of wildlife habitats, including reforestation and an extensive community-centered conservation program.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Program services (continued) -

- **Animal Welfare and Conservation (continued)**

  Expenses include those related to the TACARE (Lake Tanganyika Catchment Reforestation and Education) program in Tanzania and similar initiatives in other African countries, as well as the Institutes Tanzanian Roots & Shoots program. Animal welfare activities ensure the physical and psychological well-being of animals in general, particularly chimpanzees. Animal welfare and conservation activities include the Institute's sanctuary in the Republic of Congo. In the United States, the Institute lends assistance to organizations seeking to address the welfare of captive chimpanzees kept for pets, entertainment and medical testing.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with *FASB ASC 958, Not-for-Profit Entities, Consolidation* for the year ended December 31, 2010, and include the assets, liabilities, net assets, support, revenue, gains, expenses and losses of the Institute - U.S. office and The Jane Goodall Institute, Inc. - Tanzania office.

All intercompany transactions have been eliminated during combination.

The Institute's combined financial statements have been prepared using the accrual basis of accounting. As such, revenue is recognized when earned and expenses when incurred.

The combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Institute's combined financial statements for the year ended December 31, 2009, from which the summarized information was derived.

Cash and cash equivalents -

Cash and cash equivalents include cash on hand and other highly liquid instruments with maturities of less than three months.

Foreign operations -

The combined financial statements include The Jane Goodall Institute, Inc. - Tanzania. The accounting records are maintained in the functional currency of the foreign country, the Tanzanian Shilling. In addition, the Institute maintains offices in Uganda, the Republic of Congo, the Democratic Republic of Congo and Guinea.

At December 31, 2010, the Institute maintained cash and cash equivalents of $980,995 in foreign countries. The majority of these funds are uninsured.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Foreign operations (continued) -

Assets and liabilities denominated in the functional currency are converted into U.S. dollars at year-end exchange rates, and revenue and expense accounts are translated at the average rates in effect during the year. Exchange gains and losses are reported in the Combined Statement of Activities and Change in Net Assets.

Property, equipment and leasehold improvements -

Furniture and equipment costing in excess of $2,500 are capitalized and depreciated over the life of the asset ranging from three to seven years. Leasehold improvements are capitalized and amortized over the life of the lease.

Other receivables -

Other receivables consist of general trade receivables, travel advances, accrued interest and other miscellaneous receivables that are stated at their net realizable value. Management considers all accounts to be collectible.

Inventory -

Inventory, consisting of books, videotapes, brochures and other resource materials held for resale, is stated at the lower of cost or net realized value. Cost is determined on the first-in, first-out basis.

Investments -

Investments are presented in the combined financial statements at their readily determinable fair value. Interest and dividend income is recorded as revenue when earned. Realized gains and losses from investments are included in investment income which are reflected in the Combined Statement of Activities and Change in Net Assets. Unrealized gains and losses are reflected as an other item in the Combined Statement of Activities and Change in Net Assets.

Net asset classification -

The net assets are reported in three self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Institute.

- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Institute and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Combined Statement of Activities and Change in Net Assets as net assets released from restrictions.

- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by the Institute.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Income taxes -

The Institute is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying combined financial statements. The Institute is not a private foundation.

As an independently registered organization of a non-governmental organization (NGO), Jane Goodall Institute, Inc. - Tanzania (JGI-Tanzania) is not subject to taxes. Accordingly, no provision for income taxes has been made in the accompanying combined financial statements.

Uncertain tax positions -

In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended December 31, 2010, the Institute has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the combined financial statements.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying combined financial statements. Contributions and grants with donor-imposed restrictions that are met in the same accounting period are reported as unrestricted net assets.

Donated goods and services -

Donated goods and services are recorded at fair market value. The Institute makes extensive use of volunteers in many of their programs, have a volunteer Board of Directors, and does not attempt to place a dollar value on these donated services.

For the year ended December 31, 2010, the Organizations received donated supplies in the amount of $146,912, which was recorded in the Combined Statement of Financial Position.

Functional allocation of expenses -

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

Use of estimates -

The preparation of the combined 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 at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Risks and uncertainties -

The Institute invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, foreign exchange, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

Fair value measurements -

The Institute adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Institute accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

2. INVESTMENTS

The investments are recorded at readily determinable fair value. Investments at December 31, 2010 are as follows:

Money market funds	$ 91,143
Mutual funds	1,022,403
Stocks	1,107,262
Bonds	4,065,827
Certificates of deposit	101,866
TOTAL INVESTMENTS	**$ 6,388,501**

An unrealized gain of $285,310 is reported as an other item in the Combined Statement of Activities and Change in Net Assets. Investment income for the year ended December 31, 2010 consisted of the following:

Interest and dividends	$ 288,943
Realized loss	(10,856)
TOTAL INVESTMENT INCOME	**$ 278,087**

3. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements at December 31, 2010 are comprised of the following:

Furniture	$ 84,242
Software	471,816
Computer hardware	268,759
Equipment	134,344
Leasehold improvements and buildings	807,259
Vehicles	155,676
	1,922,096
Less: Accumulated depreciation and amortization	(1,322,908)
PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET	**$ 599,188**

4. LEASE COMMITMENTS

The Institute is obligated under a non-cancelable operating lease for office space, which expires at the end of May 2012. Total rent expense (and operating expenses and real estate taxes) under this agreement for the year ended December 31, 2010 totaled $450,466.

Future minimum lease payments, excluding operating expenses and real estate taxes, are as follows:

Year Ended December 31,	
2011	$ 394,824
2012	166,523
	$ 561,347

The Institute also leases office space in foreign countries under short-term lease agreements. Total rent expense under short-term lease agreements for the year ended December 31, 2010 totaled $111,506 and is included in field expenses.

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2010:

Education	$ 2,174,978
Wildlife Research	131,328
Animal Welfare and Conservation	1,418,872
	$ 3,725,178

5. TEMPORARILY RESTRICTED NET ASSETS (Continued)

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

Education	$ 614,936
Wildlife Research	177,928
Animal Welfare and Conservation	5,492,600
	$ 6,285,464

6. PERMANENTLY RESTRICTED NET ASSETS

The Institute's permanently restricted net assets consist of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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.

Permanently restricted net assets represent $217,728 of contributions restricted by the donors to be invested in-perpetuity. Interest earned on the invested balance is to be used to support the general operations of the Institute.

7. RETIREMENT PLAN

Retirement benefits are available for all regular, full-time employees. Eligible employees are covered by a 401(k) pension plan. The Institute contributes five percent of an employee's base salary annually. Contributions made by the Institute during the year ended December 31, 2010, amounted to $130,309.

8. IN-KIND CONTRIBUTIONS

The Institute received in-kind contributions of donated professional services during the year ended December 31, 2010. The value of the donated services ($146,912) is included as in-kind contributions in the Combined Statement of Activities and Change in Net Assets and as field expenses in the Combined Statement of Functional Expenses. The value of these supplies was determined by the fair market value as determined by the donor.

9. FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Institute has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

9. FAIR VALUE MEASUREMENTS (Continued)

If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Combined Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Institute has the ability to access.

Level 2. These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

Financial assets recorded in the Combined Statement of Financial Position are categorized based on the inputs to the valuation technique as follows for the year ended December 31, 2010:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Asset Category:				
Money market funds	$ 91,143	$ -	$ -	$ 91,143
Mutual funds	1,022,403	-	-	1,022,403
Stocks	1,107,262	-	-	1,107,262
Bonds	4,065,827	-	-	4,065,827
Certificates of deposit	-	101,866	-	101,866
TOTAL	$ 6,286,635	$ 101,866	$ -	$ 6,388,501

10. LINE OF CREDIT

The Institute has a revolving line of credit with the financial institution that manages its investments. The line of credit is secured by the Institute's investment portfolio. Borrowings on the line of credit bear interest at the prime rate (3.25% at December 31, 2010) minus 1.00%. The outstanding borrowings on the line of credit at December 31, 2010 totaled $400,000.

11. ALLOCATION OF JOINT COSTS

The Institute conducts direct mail campaigns and special events that have a programmatic and fundraising content. Accordingly, certain costs associated with the direct mail campaigns and the special events have been allocated among the programs and supporting services benefited. The method of allocating costs was based primarily on the programmatic and fundraising content of the activities. The total amount of the costs incurred as of December 31, 2010 totaled $660,153.

The joint costs were allocated as follows:

Education	$ 115,298
Communications and Membership	115,298
Animal Welfare and Conservation	230,597
Fundraising	198,960
	$ 660,153

12. CONTINGENCY

The Institute receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of OMB Circular A-133. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the provisions of OMB Circular A-133 have been completed for all required fiscal years through 2010. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

13. SUBSEQUENT EVENTS

In preparing these combined financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through September 9, 2011, the date the combined financial statements were issued.