Consolidated Financial Statements
September 30, 2018

The Peregrine Fund, Inc.

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Independent Auditor's Report

The Board of Directors
The Peregrine Fund, Inc.
Boise, Idaho

Report on the Consolidated Financial Statements
We have audited the accompanying financial statements of The Peregrine Fund, Inc. (the Organization), which comprise the consolidated statement of financial position as of September 30, 2018, and the related consolidated statement of activities, consolidated functional expenses, and consolidated cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Peregrine Fund, Inc. as of September 30, 2018, and the consolidated changes in net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Reporting Entity
As discussed in Note 1 to the consolidated financial statements, The Archives of Falconry became a Type I supporting organization during the year ended September 30, 2018. Net assets as of October 1, 2017 have been restated to incorporate the presentation of this unrestricted fund within the consolidated financial statements. Our opinion is not modified with respect to that matter.

Eide Bailly LLP

Boise, Idaho
December 26, 2018

	Unrestricted			
	Operations	Archives	Designated	Property
Assets				
Cash and cash equivalents	$ -	33,911	$ 25,368	$ -
Grants receivable	86,058	-	-	-
Promises to give, net	28,984	-	-	-
Investments	-	1,758,498	15,146,725	-
Merchandise inventory	26,201	-	-	-
Prepaid expenses and other assets	124,356	-	-	-
Property, equipment, and archives				
Land	-	-	-	1,260,000
Land improvements	-	-	-	840,518
Buildings	-	-	-	4,046,361
Vehicles and trailers	-	-	-	884,254
Equipment	-	-	-	200,375
Fixtures and displays	-	-	-	1,520,015
Construction in progress	-	-	-	31,558
	265,599	1,792,409	15,172,093	8,783,081
Accumulated depreciation	-	-	-	(5,625,753)
	265,599	1,792,409	15,172,093	3,157,328
Collections - Archives	-	2,675,652	-	-
	$ 265,599	$ 4,468,061	$ 15,172,093	$ 3,157,328
Liabilities and Net Assets				
Accounts payable	$ 194,664	$ -	$ -	$ -
Accrued expenses	201,863	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	396,527	-	-	-
Net Assets	(130,928)	4,468,061	15,172,093	3,157,328
	$ 265,599	$ 4,468,061	$ 15,172,093	$ 3,157,328

See Notes to Financial Statements

Unrestricted	Temporarily Restricted			Permanently Restricted	
Sub Total	Operations	Property	Sub Total	Endowment	Total
$ 59,279	$ 646,710	$ -	$ 646,710	$ -	$ 705,989
86,058	-	-	-	-	86,058
28,984	997,800	-	997,800	-	1,026,784
16,905,223	16,359	-	16,359	100,000	17,021,582
26,201	-	-	-	-	26,201
124,356	-	-	-	-	124,356
1,260,000	-	253,000	253,000	-	1,513,000
840,518	-	-	-	-	840,518
4,046,361	-	630,786	630,786	-	4,677,147
884,254	-	209,449	209,449	-	1,093,703
200,375	-	8,539	8,539	-	208,914
1,520,015	-	6,165	6,165	-	1,526,180
31,558	-	-	-	-	31,558
26,013,182	1,660,869	1,107,939	2,768,808	100,000	28,881,990
(5,625,753)	-	(396,990)	(396,990)	-	(6,022,743)
20,387,429	1,660,869	710,949	2,371,818	100,000	22,859,247
2,675,652	-	-	-	-	2,675,652
$ 23,063,081	$ 1,660,869	$ 710,949	$ 2,371,818	$ 100,000	$ 25,534,899
$ 194,664	$ -	$ -	$ -	$ -	$ 194,664
201,863	-	-	-	-	201,863
-	9,348	-	9,348	-	9,348
396,527	9,348	-	9,348	-	405,875
22,666,554	1,651,521	710,949	2,362,470	100,000	25,129,024
$ 23,063,081	$ 1,660,869	$ 710,949	$ 2,371,818	$ 100,000	$ 25,534,899

	Unrestricted			
	Operations	Archives	Designated	Property
Revenues, Support, and gains				
Contributions				
Individuals	$ 1,366,840	$ 53,479	$ 21,736	$ 10,811
Foundations	1,895,622	50,000	500	74,985
Corporations	376,159	6,048	142	-
Indirect support	35,411	-	-	-
Government grants-federal	525,680	-	-	-
Government grants-state	60,440	-	-	-
Sales of merchandise, net	88,247	12,438	-	-
Admissions	247,134	-	-	-
Other	32,982	-	-	-
Investment income (expense)	(445)	243,008	2,131,456	-
Total revenues, support, and gains	4,628,070	364,973	2,153,834	85,796
Assets Released from Restrictions	438,721	-	-	-
Expenses				
Program services				
Conservation, research and education	4,918,905	89,961	-	230,875
Supporting services				
General and administrative	358,198	6,949	-	828
Fundraising	678,252		-	1,294
Membership	159,453	2,596	-	362
Total expenses	6,114,808	99,506	-	233,359
Other				
Designated fund transfers	624,600	-	(624,600)	-
Depreciation expense on temporarily restricted fixed assets	-	-	-	29,525
Total other	624,600	-	(624,600)	29,525
Change in Net Assets	(423,417)	265,467	1,529,234	(118,038)
Net Assets, Beginning of Year	307,189	-	15,181,801	5,924,318
Prior period adjustment	(14,700)	4,202,594	(1,538,942)	(2,648,952)
Net Assets, Beginning of Year- Restated	292,489	4,202,594	13,642,859	3,275,366
Net Assets, End of Year	$ (130,928)	$ 4,468,061	$ 15,172,093	$ 3,157,328

Unrestricted	Temporarily Restricted			Permanently Restricted	
Sub Total	Operations	Property	Sub Total	Endowment	Total
$ 1,452,866	$ 207,682	$ -	$ 207,682	$ -	$ 1,660,548
2,021,107	1,138,847	-	1,138,847	-	3,159,954
382,349	199,965	-	199,965	-	582,314
35,411	-	-	-	-	35,411
525,680	-	-	-	-	525,680
60,440	-	40,707	40,707	-	101,147
100,685	-	-	-	-	100,685
247,134	-	-	-	-	247,134
32,982	-	-	-	-	32,982
2,374,019	16,359	-	16,359	-	2,390,378
7,232,673	1,562,853	40,707	1,603,560	-	8,836,233
438,721	(438,721)	-	(438,721)	-	-
5,239,741	-	-	-	-	5,239,741
365,975	-	-	-	-	365,975
679,546	-	-	-	-	679,546
162,411	-	-	-	-	162,411
6,447,673	-	-	-	-	6,447,673
-	-	-	-	-	-
29,525	-	(29,525)	(29,525)	-	-
29,525	-	(29,525)	(29,525)	-	-
1,253,246	1,124,132	11,182	1,135,314	-	2,388,560
21,413,308	527,389	699,767	1,227,156	100,000	22,740,464
-	-	-	-	-	-
21,413,308	527,389	699,767	1,227,156	100,000	22,740,464
$ 22,666,554	$ 1,651,521	$ 710,949	$ 2,362,470	$ 100,000	$ 25,129,024

Operating Activities	
Change in net assets	$ 2,388,560
Adjustments to reconcile change in net assets to net cash used for operating activities	
In-kind donations of property, equipment, and archives	(37,511)
In-kind donations - equity securities	(234,832)
Depreciation	233,359
Operating investment income	(167,586)
Realized and unrealized gain on operating investments	(2,206,433)
Endowment investment income, net fees	(1,132)
Realized and unrealized gain on endowment investments	(15,227)
Change in assets and liabilities	
Grants receivable	81,300
Promises to give and other receivables	(750,804)
Merchandise inventory	12,764
Prepaids and other assets	(43,841)
Accounts payable	102,927
Deferred revenue	9,348
Accrued expenses	58,094
Net Cash used for Operating Activities	(571,014)
Investing Activities	
Purchase of property, equipment and archives	(115,692)
Purchase of operating investments	(2,600,417)
Proceeds from sale of donated investments	3,147
Proceeds from sale of operating investments	3,467,437
Net Cash from Investing Activities	754,475
Net Change in Cash and Cash Equivalents	183,461
Cash and Cash Equivalents, Beginning of Year	522,528
Cash and Cash Equivalents, End of Year	$ 705,989

	Program Services		Supporting Services			
	Conservation, Research and Education	Archives of Falconry	General Administration	Fundraising	Membership	Total Expenses
Salaries and employee benefits	$ 2,736,381	$ 940	$ 216,644	$ 430,153	$ 91,912	$ 3,476,030
Grants and subcontracts	413,121	-	-	-	-	413,121
Office supplies and expense	13,327	1,435	2,167	826	310	18,065
Telephone	31,032	753	1,559	3,274	566	37,184
Postage and freight	28,049	1,055	711	874	17,821	48,510
Rent	72,315	-	1,764	-	-	74,079
Maintenance and repairs	14,959	17,868	13,585	16,989	5,027	68,428
Printing and publications	37,669	194	555	1,547	19,587	59,552
Travel and field subsistence	491,903	6,058	6,951	66,461	1	571,374
Dues, fees and books	65,503	2,334	7,966	10,451	6,602	92,856
Information technology	65,146	13,617	28,406	33,508	15,632	156,309
Depreciation	230,875	-	828	1,294	362	233,359
Meetings	14,920	2,410	31,236	752	73	49,391
Professional services	134,992	-	25,988	75,000	-	235,980
Contract services	130,098	-	-	-	-	130,098
Insurance	92,376	9,298	12,072	-	739	114,485
Utilities	81,432	7,585	3,723	5,660	1,559	99,959
Small tools and supplies	234,888	26,414	4,204	20,554	2,220	288,280
Feed	126,726	-	-	-	-	126,726
Vehicle expense	105,304	-	90	-	-	105,394
Special events	8,381	-	6,416	12,203	-	27,000
Miscellaneous	20,383	-	1,110	-	-	21,493
	$ 5,149,780	$ 89,961	$ 365,975	$ 679,546	$ 162,411	$ 6,447,673

Note 1 - Summary of Significant Accounting Policies

Organization

The Peregrine Fund, Inc. (the Fund) changes the future for nature and humanity by conserving birds of prey worldwide. Whether the threat is poisoning, habitat loss, human persecution, or any other cause, the Fund uses sound science to tackle the most pressing conservation issues head-on. The Fund accomplishes high impact results by preventing raptor extinctions, protecting areas of high raptor conservation value, and addressing landscape-level threats impacting multiple species. As a catalyst for change, the Fund inspires people to value raptors and take action, and the Fund invests in tomorrow's conservation leaders. By working with communities around the world to protect the wildlife and habitats on which they depend, the Fund is able to create lasting conservation results while improving people's ways of life. Support for our work comes from donors, corporations, foundations, and government grants.

The Archives of Falconry (Archives) is a Type I Supporting Organization of the Fund as determined by the IRS. The worldwide cultural heritage of falconry extends back over 4,000 years. It was that sport's history and interaction with raptors that led modern practitioners to found and establish The Peregrine Fund to restore endangered populations of birds of prey, starting with the Peregrine Falcon. Their successes in rescuing that and subsequent species have been due in large part to the intimate insight and personal understanding derived from their relationships with these birds through the practice of falconry. While such falconers' interactions and relationships have been documented for hundreds of years, this valuable history was being lost due to the absence of any focused effort to preserve records of falconers and their key roles in raptor conservation. The Archives of Falconry is devoted to the preservation of that historical record.

Principles of Consolidation

The consolidated financial statements include the accounts of the Fund and the Archives because the Fund has both common management and an economic interest in the Archives. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as "The Peregrine Fund" (the Organization).

Recent Accounting Guidance

The Financial Accounting Standards Board issued ASU 2016-14 (the ASU) *Presentation of Financial Statements for Not-for-Profit Entities* during August 2016, which modifies the presentation and disclosure requirements of not-for-profit entities. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions) and enhance the disclosure requirements for the Organization's donor restricted endowment funds and underwater endowments. The ASU introduces new disclosure requirements to provide information about what is included or excluded from the Organization's intermediate measure of operations as well as disclosures to improve a financial statement user's ability to assess the Organization's liquidity and exposure to risk. The ASU also introduces new reporting requirements to present expenses by both function and natural classification in a single location and to present investment returns on the statements of activities net of external and direct internal investment expenses. The ASU is effective for the Organization for the year ended December 31, 2018. Management is evaluating the impact of the adoption on the financial statements.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to permanent endowment or other long-term purposes of the Organization are excluded from this definition.

Promises to Give Receivable

The Organization records unconditional promises to give to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities. The Organization determines the allowance for uncollectable promises to give is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At September 30, 2018, no allowance for uncollectable promises to give was deemed necessary.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Therefore, investments are reported at their fair values in the consolidated statement of financial position. Net investment return/(loss) is reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Merchandise Inventory

The Organization's inventory is comprised of program-related merchandise held for sale in the gift shop, and is stated at the lower of cost or market determined by the weighted average cost method.

Property, Equipment and Archives

The Organization records property and equipment additions over $5,000 with useful lives of two or more years at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets ranging from 10 to 39 years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the consolidated statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Fund acquired land subject to a land patent restricting its use by the Fund to research, propagation, and management of raptors and wildlife. This land is included in temporarily restricted net assets for the property fund. Property and equipment assets acquired with governmental grant funds are included in temporarily restricted net assets.

The Archive has a collection that contains numerous books on falconry as well as records and correspondence, various artifacts, and artwork. This collection is an accumulation of archive donations and purchases collected throughout the life of the Organization. Items with a fair market value of over $1,000 are capitalized as part of the collection and are recorded at fair market value at the accession date or at cost when purchased. No depreciation is recorded on the archives collection.

The Organization reviews the carrying values of property, equipment and archives for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. The Organization has not recognized any impairment of long-lived assets during the year ended September 30, 2018.

Net Assets

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

Unrestricted net assets - Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve and board-designated endowment.

Temporarily restricted net assets - Net assets subject to donor restrictions that may or will be met either by actions of the Organization and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by the Board of Directors. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Cash and cash equivalents received with donor stipulations as to purpose or time are included in the temporarily restricted net assets until the restriction is met.

Promises to give are included in temporarily restricted net assets, since these asset pledges will be paid over a period of time.

Land acquired subject to a land patent, restricting its use.

Property and equipment assets acquired with governmental grant funds are included in temporarily restricted net assets since these assets, or some portion of proceeds thereof, may be returned to the grantor agency in the event the assets are disposed.

Permanently restricted net assets - Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Organization’s actions. The restrictions stipulate that resources be maintained permanently but permit the Organization to expend the income generated in accordance with the provisions of the agreement.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an 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.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received (Note 10).

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits are allocated on time and effort.

Program Services **-** Expenditures related to the Organization's mission to conserve wild populations of birds of prey in nature, including activities relating to species restoration, scientific study and education.

General Administration - Expenditures related to maintaining an efficient business infrastructure, including those related to corporate governance, to support and advance the mission of the Organization.

Fundraising - Expenditures related to fundraising strategies that provide the revenue stream for both operations and capital needs to further the accomplishment of the Fund's mission.

Membership - Expenditures related to the acquisition and retention of the Organization's members.

Income Taxes

The Fund is organized as a Pennsylvania nonprofit corporation and the Archives is organized as an Idaho nonprofit corporation. Both have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under Section 509(a)(1) and (3). Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, each entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Each entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T).

Each entity believes it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The entities would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Sales Taxes

The Organization collects sales tax on retail sales within the State of Idaho. Retail sales are recorded net of the associated sales taxes. Sales tax is recorded as a liability when assessed.

Change in Reporting Entity (Fund)

As discussed above, The Archives of Falconry became its own Type I supporting organization during fiscal year ended September 30, 2018. The Archives was formed with the purpose of separating the collection assets and having decisions regarding those assets made by a group that includes members of the falconry community. Solicitation of contributions from the falconry community to preserve their history was also an objective. The Archives are reported in its own column within the unrestricted portion of the consolidated financial statements. Beginning net assets have been restated to incorporate this presentation.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with promises to give is considered to be limited due to high historical collection rates. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Subsequent Events

The Organization has evaluated subsequent events through December 26, 2018, the date the consolidated financial statements were available to be issued.

Note 2 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that the Organization can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk or liquidity profile of the asset.

A significant portion of the Organization's investment assets are classified within Level 1 because they are comprised of equities, individual securities, and money market funds with readily determinable fair values based on daily redemption values. The Organization also invests in corporate bonds traded in the financial markets. Those bonds are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2.

The following table presents assets measured at fair value on a recurring basis at September 30, 2018:

		Fair Value Measuresments at Reporting Date Using		
	Total	Quoated Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	$ 12,909,877	$ 12,909,877	$ -	$ -
Corporate bonds	2,794,063	-	2,794,063	-
Money market funds	1,317,642	1,317,642	-	-
Total investments	$ 17,021,582	$ 14,227,519	$ 2,794,063	$ -

Note 3 - Net Investment Return

The following schedule summarizes the net investment return and its classification in the consolidated statement of activities for the year ended September 30, 2018:

	Operations	Archives	Designated	Temporarily Restricted	Total
Net unrealized gain	$ -	$ 132,087	$ 1,158,849	$ 8,986	$ 1,299,922
Net realized gain	(2,349)	93,992	823,854	6,241	921,738
Investment fees	-	(9,577)	(84,016)	(635)	(94,228)
Interest and dividends	1,904	26,506	232,769	1,767	262,946
Total investment income	$ (445)	$ 243,008	$ 2,131,456	$ 16,359	$ 2,390,378

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at September 30, 2018:

Within one year	$ 905,200
In one to five years	125,000
Subtotal	1,030,200
Less discount to present value at rate 2.81%	(3,416)
Total promises to give	$ 1,026,784

At September 30, 2018, three donors accounted for 97% of total unconditional promises to give.

Promises to give receivable greater than one year in time are discounted at a risk-free rate of return. Amortization of the discount is recorded as additional contribution revenue and is used in accordance with donor-imposed restrictions, if any, on the contributions.

Note 5 - Leases

The Organization leases 4 copiers and a postage machine under agreements accounted for as operating leases. Rental expense on these leases was $6,268 for the year ended September 30, 2018. Future minimum lease payments under the operating lease agreements are as follows:

Year Ended September 30:		
2019	$	11,817
2020		11,256
2021		11,256
2022		11,256
2023		10,318
Total	$	55,903

Note 6 - Line of Credit

The Organization has a $1,500,000 revolving line of credit with a bank, secured by the Organization's investments held at U.S. Bank and renews each May 31. Borrowings under the line bear interest at Prime + 0%. The agreement requires that the Organization complies with certain financial and non-financial covenants. During the year ended September 30, 2018, the Organization did not borrow from the line and there is no outstanding balance as of September 30, 2018.

Note 7 - Endowment Net Assets

The Organization's endowment (the Endowment) consists of one individual fund established by a donor to provide annual funding for a specific activity. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Idaho Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At September 30, 2018, there were no such donor stipulations. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment (including promises to give net of discount and allowance for doubtful accounts), and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the Organization

As of September 30, 2018, the Organization had the following endowment net asset composition by type of fund:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 16,359	$ 100,000	$ 116,359

Changes in Endowment net assets for the year ended September 30, 2018 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, Beginning of Year	$ -	$ 13,212	$ 100,000	$ 113,212
Investment return				
Investment income, net of fees	-	1,132	-	1,132
Net realized and unrealized gain	-	15,227	-	15,227
Designated for expenditure	-	(13,212)	-	(13,212)
Endowment net assets, End of Year	$ -	$ 16,359	$ 100,000	$ 116,359

The components of endowment funds classified as temporarily restricted net assets and permanently restricted net assets as of September 30, 2018, are as follows:

Temporarily Restricted Net Assets	
The portion of perpetual endowment fund earnings subject to a time restriction under UPMIFA	
With purpose restrictions	$ 16,359
Permanently Restricted Net Assets	
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	$ 100,000

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. As of September 30, 2018, the fair market value of the donor restricted endowment funds exceeded corpus.

Investment and Spending Policies

The Organization has adopted investment and spending policies for Endowment that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. To satisfy its long-term rate-of-return objectives, the investment portfolio is structured on a total return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Note 8 - Restricted Net Assets

Temporarily Restricted

Temporarily restricted net assets at September 30, 2018, consist of:

Contributions for fixed assets and federally funded fixed assets for use with government grants	$ 457,949
Land subject to restrictions imposed by a land patent	253,000
Unspent income of Endowment funds which must be appropriated for expenditures before use	
Restricted by a donor for the Velma Morrison Interpretive Center (VMIC)	16,359
Contributions for future operations	1,644,510
Deferred revenue	(9,348)
Temporarily restricted net assets	$ 2,362,470

Net assets of $438,721 were released from restrictions for the year ended September 30, 2018. The net assets were released after the expiration of time restrictions and/or the satisfaction of purpose restrictions.

Permanently Restricted

Permanently restricted net assets consist of endowment funds restricted by donors for investment in perpetuity. Distributions from earnings on the endowment fund are available for the purposes specified by the donors. The permanently restricted net asset balance, classified by restrictions on the use of earnings, is as follows at September 30, 2018:

Velma Morrison Interpretive Center	$ 100,000

Note 9 - Designated Funds

The Board of Directors established a fund during fiscal year 1983 to help ensure the financial future of the Organization. A policy, established by the Board of Directors, allows the Organization's President the discretion to use $500,000 or 5% of the Board-designated fund's average market value the prior year (whichever is greater) towards operating expenses each year. The amount withdrawn for fiscal year 2018 was $624,600.

The Archives of Falconry established a fund to pay for the ongoing financial obligation of maintaining the Archives collection. The funds are invested in the same account as The Peregrine Fund Designated Funds and the withdrawal policy is 5% of the fund's average market value the prior year. The amount withdrawn for fiscal year 2018 was $36,150.

In 2008 the Board of Directors set up the William A. Burnham Memorial Fund as a part of the designated fund, which provides for grants to be paid based upon the recommendation of the memorial fund's committee members. During fiscal year 2018, no grants were awarded from this fund.

Note 10 - In-Kind Contributions and Contributed Services

In-kind contributions received are measured at fair value and recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. The Organization recognized in-kind contributions/services for the year ended September 30, 2018, as follows:

Travel and field subsistence	$ 64,236
Vehicle expense	5,118
Small tools and supplies	26,065
Archives- small items	12,255
Maintenance and repairs	400
Rent	1,764
Printing and Publications	638
Information technology	1,000
Dues, fees and books	100
Professional services	958
Feed	17,034
Architect - VMIC expansion	23,965
Truck	10,811
Archives Collection	26,700
Total in-kind contributions and contributed services	$ 191,044

Note 11 - Allocation of Joint Costs

The Organization incurred joint costs of $33,682 for informational materials and activities that included fundraising appeals. For the year ended September 30, 2018 these costs were allocated as follows:

Program services	$	16,841
Membership		16,841
Total joint costs	$	33,682

Note 12 - Benefit Plans

The Organization has a defined contribution retirement plan for employees within the United States. Employees working a minimum of 1,000 hours per year are eligible to participate. Substantially all employees participate in the plan. Annual contributions are determined at the discretion of the Board of Directors. Total employer contributions were $209,557 for the year ended September 30, 2018.

Note 13 - Related Party Transactions

During the year ended September 30, 2018, donations were received in the form of cash and stock in the amounts of $1,736,819 and $209,424, respectively, from members of the Board of Directors.