

**ECOHEALTH ALLIANCE, INC.
AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

JUNE 30, 2016

**ECOHEALTH ALLIANCE, INC.
AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.**

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Independent Auditor's Report

**Board of Directors
EcoHealth Alliance, Inc. and
Wildlife Preservation Trust International, Inc.**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc., which comprise the consolidated balance sheet as of June 30, 2016, and the related consolidated statements of activities, functional expenses and 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 consolidated 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 financial position of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. as of June 30, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s June 30, 2015 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 8, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Loeb & Troper LLP

December 9, 2016

**ECOHEALTH ALLIANCE, INC.
AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.**

CONSOLIDATED BALANCE SHEET

JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 992,263	\$ 573,659
Investments (Note 3)	2,507,874	2,224,915
Contributions receivable - current	26,189	
Government contracts receivable	2,891,455	1,735,465
Accounts receivable	74,295	66,000
Prepaid expenses	142,358	80,104
Security deposits	33,333	33,333
Fixed assets - net (Note 4)	38,873	40,193
Total assets	\$ 6,706,640	\$ 4,753,669
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 454,719	\$ 269,357
Subrecipient payable	1,116,951	683,211
Deferred rent payable (Note 8)	137,500	82,500
Refundable advances	655,600	20,518
Total liabilities	2,364,770	1,055,586
Net assets (Exhibit B)		
Unrestricted	4,148,716	3,458,466
Temporarily restricted (Note 7)	193,154	239,617
Total net assets	4,341,870	3,698,083
Total liabilities and net assets	\$ 6,706,640	\$ 4,753,669

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**ECOHEALTH ALLIANCE, INC. AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.**

EXHIBIT B

CONSOLIDATED STATEMENT OF ACTIVITIES

**YEAR ENDED JUNE 30, 2016
(With Summarized Financial Information
for the Year Ended June 30, 2015)**

	2016			
	Unrestricted	Temporarily Restricted	Total	2015
Operating revenues and other support				
Government contracts and grants	\$ 10,971,562		\$ 10,971,562	\$ 8,602,395
Foundations - contributions	42,180	\$ 70,612	112,792	287,699
Corporations - contributions (including in-kind contributions of \$18,454) (Note 9)	17,038	35,261	52,299	60,399
Bequests	38,500		38,500	7,788
Individuals - contributions	297,907	32,000	329,907	444,088
Service fees	120,000		120,000	285,000
Special events	267,108		267,108	312,018
Interest and dividends (Note 3)	59,904		59,904	55,375
Other revenues	76,829		76,829	110,323
Net assets released from restrictions (Note 7)	184,336	(184,336)		
	<u>12,075,364</u>	<u>(46,463)</u>	<u>12,028,901</u>	<u>10,165,085</u>
Total operating revenues and other support				

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**ECOHEALTH ALLIANCE, INC. AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.**

**EXHIBIT B
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CONSOLIDATED STATEMENT OF ACTIVITIES

**YEAR ENDED JUNE 30, 2016
(With Summarized Financial Information
for the Year Ended June 30, 2015)**

	2016			2015
	Unrestricted	Temporarily Restricted	Total	
Expenses (Exhibit C)				
Program service				
Research and education	\$ 10,057,143		\$ 10,057,143	\$ 8,078,967
Supporting services				
Management and general	731,067		731,067	625,586
Fund raising	590,830		590,830	690,942
Direct costs of special events	90,905		90,905	83,750
Total supporting services	1,412,802		1,412,802	1,400,278
Total expenses	11,469,945		11,469,945	9,479,245
Operating gain (loss)	605,419	\$ (46,463)	558,956	685,840
Nonoperating activities				
Investment gains (Note 3)	84,831		84,831	24,254
Change in net assets (Exhibit D)	690,250	(46,463)	643,787	710,094
Net assets - beginning of year	3,458,466	239,617	3,698,083	2,987,989
Net assets - end of year (Exhibit A)	\$ 4,148,716	\$ 193,154	\$ 4,341,870	\$ 3,698,083

See independent auditor's report.

The accompanying notes are an integral part of these statements.

ECOHEALTH ALLIANCE, INC. AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.

EXHIBIT C

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016
(With Summarized Financial Information
for the Year Ended June 30, 2015)

	Program Service	Supporting Services				Total	
	Research and Education	Management and General	Fund Raising	Direct Costs of Special Events	Total	2016	2015
Salaries	\$ 3,234,293	\$ 228,145	\$ 280,697		\$ 508,842	\$ 3,743,135	\$ 3,028,487
Payroll taxes and employee benefits	1,043,868	18,208	95,156		113,364	1,157,232	948,299
Total salaries and related expenses	4,278,161	246,353	375,853		622,206	4,900,367	3,976,786
Professional fees (Note 9)	392,235	52,528	89,707		142,235	534,470	341,391
Subrecipient services	3,495,552					3,495,552	2,998,798
Grants to other organizations	67,160					67,160	78,998
Field costs	95,166		19,709		19,709	114,875	94,375
Meetings and conferences	182,219	11,739	11,416		23,155	205,374	235,247
Travel and entertainment	812,922	21,484	21,241		42,725	855,647	598,427
Occupancy (Note 8)	270,559	352,018	20,671		372,689	643,248	626,674
Printing	35,345	1,190	23,277		24,467	59,812	55,062
Postage	17,240	3,372	2,550		5,922	23,162	17,775
Supplies	33,132	16,511	2,522		19,033	52,165	36,027
Telephone	47,940	10,352	596		10,948	58,888	69,919
Dues and subscriptions	20,265	2,408	3,588		5,996	26,261	31,168
Depreciation and amortization	4,043	5,262	286		5,548	9,591	47,045
Catering and facility rental				\$ 90,905	90,905	90,905	83,750
Information technology	304,284	6,757	19,359		26,116	330,400	185,569
Investment expenses		14,257			14,257	14,257	13,242
Interest expense							2,234
Miscellaneous	920	1,093	55		1,148	2,068	
Total other than salaries and related expenses	5,778,982	498,971	214,977	90,905	804,853	6,583,835	5,515,701
Total expenses	10,057,143	745,324	590,830	90,905	1,427,059	11,484,202	9,492,487
Less investment management fees netted against investment income		(14,257)			(14,257)	(14,257)	(13,242)
Total expenses reported on the statement of activities (Exhibit B)	\$ 10,057,143	\$ 731,067	\$ 590,830	\$ 90,905	\$ 1,412,802	\$ 11,469,945	\$ 9,479,245

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**ECOHEALTH ALLIANCE, INC.
AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.**

CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ 643,787	\$ 710,094
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	9,591	47,045
Realized and unrealized gain on investments	(99,088)	(37,496)
Decrease (increase) in assets		
Contributions receivable	(26,189)	675
Government contracts receivable	(1,155,990)	110,594
Accounts receivable	(8,295)	(66,000)
Prepaid expenses and other receivables	(62,254)	3,841
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	185,362	(191,993)
Subrecipient payable	433,740	(776,876)
Deferred rent payable	55,000	55,000
Refundable advances	635,082	20,518
Net cash provided (used) by operating activities	<u>610,746</u>	<u>(124,598)</u>
Cash flows from investing activities		
Proceeds from sale of investments	381,793	285,384
Purchase of investments	(565,664)	(327,517)
Fixed asset acquisitions	(8,271)	(21,966)
Net cash used by investing activities	<u>(192,142)</u>	<u>(64,099)</u>
Cash flows from financing activities		
Proceeds from line of credit		150,000
Repayment of line of credit		<u>(150,000)</u>
Net cash provided by financing activities		<u>-</u>
Net change in cash and cash equivalents	418,604	(188,697)
Cash and cash equivalents - beginning of year	<u>573,659</u>	<u>762,356</u>
Cash and cash equivalents - end of year	<u>\$ 992,263</u>	<u>\$ 573,659</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest		<u>\$ 2,234</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**ECOHEALTH ALLIANCE, INC.
AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 - ORGANIZATION AND TAX STATUS

EcoHealth Alliance, Inc. was incorporated on July 20, 2000 in the Commonwealth of Massachusetts. EcoHealth Alliance, Inc.'s mission is to integrate innovative science-based solutions and partnerships that increase capacity to achieve two interrelated goals: protecting global health by preventing the outbreak of emerging diseases and safeguarding ecosystems by promoting conservation.

EcoHealth Alliance, Inc. is funded primarily by government contracts and grants and contributions.

Wildlife Preservation Trust International, Inc. (WPTI) was incorporated on January 7, 1976 in the state of Pennsylvania. WPTI is a dormant corporation. In 2000, WPTI transferred all of its assets to Wildlife Trust Inc., now known as EcoHealth Alliance, Inc. WPTI is controlled by EcoHealth Alliance, Inc.

EcoHealth Alliance, Inc. and WPTI are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and are related through common control.

EcoHealth Alliance, Inc. and WPTI are collectively referred to as "EHA."

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The consolidated financial statements are prepared on the accrual basis of accounting.

Principles of consolidation - All material intercompany transactions and balances have been eliminated in the consolidation.

Use of estimates - The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash equivalents - EHA considers highly liquid instruments purchased with original maturities of three months or less to be cash equivalents. EHA has periodically throughout the year maintained balances in various operating and money market accounts in excess of federally insured limits.

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**ECOHEALTH ALLIANCE, INC.
AND
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INTERNATIONAL, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments - Investments are recorded at fair value. EHA invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based upon the markets' fluctuations, and that such changes could materially affect EHA's consolidated financial statements.

Contributions receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give 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-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Government contracts receivable - Government contracts receivable are recorded when qualifying expenditures are incurred and EHA has a signed contract for services.

Accounts receivable - EHA records receivables based on established rates or contracts for services provided, as they are earned. Interest income is not accrued or recorded on outstanding accounts receivable.

Allowance for doubtful accounts - EHA determines whether an allowance for uncollectibles should be provided for contributions, government contracts receivable and accounts receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other receivables, current economic conditions and historical information. Contributions, government contracts receivable and accounts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of June 30, 2016, no allowance was deemed necessary or recorded by management.

Fixed assets - Fixed assets are recorded at cost and depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are recorded at cost and are amortized over the shorter of the term of the lease or their estimated useful lives using the straight-line method. Items with a cost in excess of \$5,000 and an estimated useful life of greater than one year are capitalized.

Refundable advances - Payments from government agencies in excess of qualifying expenses under the terms of the contract are reflected on the balance sheet as refundable advances.

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**ECOHEALTH ALLIANCE, INC.
AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose.

Revenues from government contracts and grants - Revenues from government agencies are recognized when earned. Expense-based grants are recognized as allowable expenses are incurred. Performance-based grants are recognized as milestones are achieved.

Contributions - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

In-kind donations - In-kind donations for legal services are recorded at fair value at the date they are contributed.

Service fees - Service fees are received from corporations for research projects performed under the terms of their respective contracts. Revenue is recognized as project work is performed per the terms of their respective contract.

Functional allocation of expenses - The costs of providing EHA's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subrecipient services - Subrecipient services are recorded when services are rendered. Advances to subrecipients are recorded as an asset. As of June 30, 2016 and 2015, there were no advances to subrecipients.

Grants to other organizations - EHA grants funds to charitable organizations for specific programs. Grants are recorded when approved by the EHA Board of Directors. Funds approved for payment are recorded as grants payable. As of June 30, 2016 and 2015, there were no outstanding grants payable.

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**ECOHEALTH ALLIANCE, INC.
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INTERNATIONAL, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Rent expense - EHA leases space at various locations. All leases are operating leases. Leases are reflected on the straight-line basis. Deferred rent represents the difference between fixed payments and rent expense.

Measure of operations - EHA includes in its measure of operations all revenues and expenses that are an integral part of its program and supporting services. Interest and dividends are included in the operating measure. Realized and unrealized gains on investments are excluded from the measure of operations.

Prior-year summarized comparative information - The consolidated 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the consolidated financial statements for the year ended June 30, 2015, from which the summarized information was derived. Subrecipient payable for 2015 has been segregated from accounts payable to conform to the current year presentation.

Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to 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 EHA has the ability to access. Level 2 inputs to the 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;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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**ECOHEALTH ALLIANCE, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

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 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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 as compared to 2015.

Corporate bonds, government and government agency bonds - Valued at the closing price reported for comparable securities of issuers with similar yields and similar credit ratings.

U.S. Treasury bonds and notes, common stock, and exchange-traded funds (ETFs) - Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds- Valued at the net asset value (NAV) of shares held at end of year. The mutual funds held by EHA are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while EHA believes its valuation methods are 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.

The assets at fair value as of June 30, 2016 and 2015 are set forth by level within the fair value hierarchy in Note 3.

Uncertainty in income taxes - EHA has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Periods ending June 30, 2013 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through December 9, 2016, which is the date the consolidated financial statements were available to be issued.

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**ECOHEALTH ALLIANCE, INC.
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INTERNATIONAL, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 3 - INVESTMENTS

	2016		Total
	Level 1	Level 2	
Bonds			
Corporate bonds		\$ 473,292	\$ 473,292
U.S. Treasury bonds and notes	\$ 51,660		51,660
Mutual funds			
Bond funds	61,993		61,993
Common stock			
Basic materials	145,562		145,562
Consumer goods	404,170		404,170
Financial	198,298		198,298
Healthcare	362,737		362,737
Industrials	155,257		155,257
Services	278,241		278,241
Technology	236,149		236,149
Utilities	29,789		29,789
Exchange-traded funds (ETFs) - bond funds	<u>86,570</u>		<u>86,570</u>
Investments reported on the fair value hierarchy	<u>\$ 2,010,426</u>	<u>\$ 473,292</u>	2,483,718
Cash equivalents			<u>24,156</u>
Total investments			<u>\$ 2,507,874</u>

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**ECOHEALTH ALLIANCE, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 3 - INVESTMENTS (continued)

	2015		Total
	Level 1	Level 2	
Bonds			
Corporate bonds		\$ 245,503	\$ 245,503
Government and government agency bonds		146,411	146,411
U.S. Treasury bonds and notes	\$ 69,556		69,556
Common stock			
Basic materials	98,495		98,495
Consumer goods	342,676		342,676
Financial	268,130		268,130
Healthcare	297,344		297,344
Industrials	144,299		144,299
Information technology	29,034		29,034
Services	299,420		299,420
Technology	195,355		195,355
Exchange-traded funds (ETFs) - bond funds	<u>5,133</u>		<u>5,133</u>
Investments reported on the fair value hierarchy	<u>\$ 1,749,442</u>	<u>\$ 391,914</u>	2,141,356
Cash equivalents			<u>83,559</u>
Total investments			<u>\$ 2,224,915</u>

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**ECOHEALTH ALLIANCE, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 3 - INVESTMENTS (continued)

Investment income consists of the following:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ <u>59,904</u>	\$ <u>55,375</u>
Realized and unrealized gains on investments	99,088	37,496
Investment fees	<u>(14,257)</u>	<u>(13,242)</u>
Net realized and unrealized gains on investments	<u>84,831</u>	<u>24,254</u>
Total investment income	\$ <u>144,735</u>	\$ <u>79,629</u>
Operating	\$ 59,904	\$ 55,375
Nonoperating	<u>84,831</u>	<u>24,254</u>
	\$ <u>144,735</u>	\$ <u>79,629</u>

Reclassification - The fair value measurements level of certain 2015 investments were reclassified from Level 1 to Level 2 to correct the presentation.

NOTE 4 - FIXED ASSETS

	<u>2016</u>	<u>2015</u>	<u>Estimated Useful Lives</u>
Office equipment	\$ 77,744	\$ 69,473	3 years
Furniture and fixtures	86,681	86,681	10 years
Leasehold improvements	<u>472,824</u>	<u>472,824</u>	10 years
	637,249	628,978	
Accumulated depreciation and amortization	<u>(598,376)</u>	<u>(588,785)</u>	
	\$ <u>38,873</u>	\$ <u>40,193</u>	

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**ECOHEALTH ALLIANCE, INC.
AND
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INTERNATIONAL, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 5 - LINE OF CREDIT

On January 16, 2010, EHA established an unsecured line of credit with The Haverford Trust Company, enabling it to borrow, from time to time, an amount not exceeding \$700,000. The interest rate was 4% at June 30, 2016. Interest expense for the year ended June 30, 2016 was \$0. The line of credit did not have any outstanding balance at June 30, 2016. The line of credit expires January 13, 2017.

NOTE 6 - PENSION

EHA has a 403(b) defined contribution pension plan covering employees who meet age and length of service requirements. Pension expense was \$136,796 and \$123,066 for the years ended June 30, 2016 and 2015, respectively.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Conservation medicine field activities	\$ 157,074	\$ 119,787
Research programs	<u>36,080</u>	<u>119,830</u>
	<u>\$ 193,154</u>	<u>\$ 239,617</u>

Temporarily restricted net assets have been released from restrictions by satisfying the following purposes:

	<u>2016</u>	<u>2015</u>
Conservation medicine field activities	\$ 33,436	\$ 71,647
Research programs	<u>150,900</u>	<u>70,158</u>
	<u>\$ 184,336</u>	<u>\$ 141,805</u>

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**ECOHEALTH ALLIANCE, INC.
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INTERNATIONAL, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 8 - OCCUPANCY

Rent expense is recorded on the straight-line basis. Deferred rent as of June 30, 2016 and 2015 was \$137,500 and \$82,500, respectively. In 2005, EHA entered into a ten-year and five-month lease for office space in New York. On September 24, 2013 the lease was extended through December 31, 2023. Rent expense for each of the years ended June 30, 2016 and 2015 was \$424,600.

Minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2017	\$ 397,100
2018	424,600
2019	424,600
2020	424,600
2021	452,100
Thereafter	<u>1,199,000</u>
	<u>\$ 3,322,000</u>

NOTE 9 - IN-KIND DONATIONS

EHA received in-kind donations in the amount of \$18,454, for legal services for the year ended June 30, 2016.

NOTE 10 - CONTINGENCIES

EHA is responsible to report to various government agencies. These agencies, as well as the New York State Attorney General's Bureau of Charities Registration, the Internal Revenue Service, and the Office of Inspector General have the right to audit EHA. These agencies have the right to audit fiscal as well as programmatic compliance, i.e., research and field survey documentation among other compliance requirements. Management believes that the results of such audits, if any, will not have an adverse effect on the consolidated financial statements.

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**ECOHEALTH ALLIANCE, INC.
AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 11 - CONCENTRATIONS

Approximately 91% of EHA's operating revenue is generated through government contracts, of which 55% of revenue is from one federal contract.