

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

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

JUNE 30, 2017

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

TABLE OF CONTENTS

Independent Auditor's Report

Exhibit

A - Consolidated Balance Sheet

B - Consolidated Statement of Activities

C - Consolidated Statement of Functional Expenses

D - Consolidated Statement of Cash Flows

Notes to Consolidated Financial Statements



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, 2017, 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.

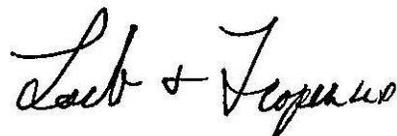
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2017, 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, 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 9, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Loeb & Troper", is positioned in the lower right quadrant of the page.

November 30, 2017

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

CONSOLIDATED BALANCE SHEET

JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 745,229	\$ 992,263
Investments (Note 3)	2,712,415	2,507,874
Contributions receivable - current	23,813	26,189
Government contracts receivable	3,067,568	2,891,455
Accounts receivable	4,295	74,295
Prepaid expenses	164,714	142,358
Security deposits	33,333	33,333
Fixed assets - net (Note 4)	110,300	38,873
Total assets	\$ 6,861,667	\$ 6,706,640
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 281,989	\$ 454,719
Subrecipient payable	947,457	1,116,951
Deferred rent payable (Note 8)	165,000	137,500
Refundable advances	655,600	655,600
Total liabilities	2,050,046	2,364,770
Net assets (Exhibit B)		
Unrestricted	4,649,174	4,148,716
Temporarily restricted (Note 7)	162,447	193,154
Total net assets	4,811,621	4,341,870
Total liabilities and net assets	\$ 6,861,667	\$ 6,706,640

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, 2017
(With Summarized Financial Information
for the Year Ended June 30, 2016)**

	<u>2017</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>2016</u>
Operating revenues and other support				
Government contracts and grants	\$ 12,872,573		\$ 12,872,573	\$ 10,971,562
Foundations - contributions	81,656	\$ 110,000	191,656	112,792
Corporations - contributions (including in-kind contributions of \$5,000) (Note 9)	53,263		53,263	52,299
Bequests	21,225		21,225	38,500
Individuals - contributions	283,964	32,000	315,964	329,907
Service fees	28,065		28,065	120,000
Special events	354,342		354,342	267,108
Interest and dividends (Note 3)	63,869		63,869	59,904
Other revenues	184,590		184,590	76,829
Net assets released from restrictions (Note 7)	172,707	(172,707)		
	<u>14,116,254</u>	<u>(30,707)</u>	<u>14,085,547</u>	<u>12,028,901</u>
Total operating revenues and other support				

-continued-

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

**EXHIBIT B
-2-**

CONSOLIDATED STATEMENT OF ACTIVITIES

**YEAR ENDED JUNE 30, 2017
(With Summarized Financial Information
for the Year Ended June 30, 2016)**

	<u>2017</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
			<u>2016</u>
Expenses (Exhibit C)			
Program service			
Research and education	\$ 12,237,739		\$ 10,057,143
Supporting services			
Management and general	816,748		731,067
Fund raising	588,119		590,830
Direct costs of special events	92,636		90,905
Total supporting services	<u>1,497,503</u>		<u>1,412,802</u>
Total expenses	<u>13,735,242</u>		<u>11,469,945</u>
Operating gain (loss)	381,012	\$ (30,707)	558,956
Nonoperating activities			
Investment gains (Note 3)	119,446		84,831
Change in net assets (Exhibit D)	500,458	(30,707)	643,787
Net assets - beginning of year	4,148,716	193,154	3,698,083
Net assets - end of year (Exhibit A)	<u>\$ 4,649,174</u>	<u>\$ 162,447</u>	<u>\$ 4,341,870</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.

EXHIBIT C

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017
(With Summarized Financial Information
for the Year Ended June 30, 2016)

	Program Service	Supporting Services			Total		
	Research and Education	Management and General	Fund Raising	Direct Costs of Special Events	Total	2017	2016
Salaries	\$ 3,657,436	\$ 449,991	\$ 246,277		\$ 696,268	\$ 4,353,704	\$ 3,743,135
Payroll taxes and employee benefits	1,170,380	131,881	78,809		210,690	1,381,070	1,157,232
Total salaries and related expenses	4,827,816	581,872	325,086		906,958	5,734,774	4,900,367
Professional fees (Note 9)	290,972	120,846	88,597		209,443	500,415	534,470
Subrecipient services	4,768,345					4,768,345	3,495,552
Grants to other organizations	54,000					54,000	67,160
Field costs	318,548					318,548	114,875
Meetings and conferences	211,979	2,776	60,794		63,570	275,549	205,374
Travel and entertainment	825,617	17,988	12,375		30,363	855,980	855,647
Occupancy (Note 8)	528,740	64,480	51,585		116,065	644,805	643,248
Printing	93,069	317	25,267		25,584	118,653	59,812
Postage	35,880	2,900	5,380		8,280	44,160	23,162
Supplies	42,851	3,933	4,786		8,719	51,570	52,165
Telephone	55,733	1,624	2,045		3,669	59,402	58,888
Dues and subscriptions	15,257	805	9,081		9,886	25,143	26,261
Depreciation and amortization		16,741			16,741	16,741	9,591
Catering and facility rental				\$ 92,636	92,636	92,636	90,905
Information technology	163,945	2,466	3,123		5,589	169,534	330,400
Investment expenses		15,177			15,177	15,177	14,257
Miscellaneous	4,987					4,987	2,068
Total other than salaries and related expenses	7,409,923	250,053	263,033	92,636	605,722	8,015,645	6,583,835
Total expenses	12,237,739	831,925	588,119	92,636	1,512,680	13,750,419	11,484,202
Less investment management fees netted against investment income		(15,177)			(15,177)	(15,177)	(14,257)
Total expenses reported on the statement of activities (Exhibit B)	\$ 12,237,739	\$ 816,748	\$ 588,119	\$ 92,636	\$ 1,497,503	\$ 13,735,242	\$ 11,469,945

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ 469,751	\$ 643,787
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	16,741	9,591
Realized and unrealized gain on investments	(134,623)	(99,088)
Decrease (increase) in assets		
Contributions receivable	2,376	(26,189)
Government contracts receivable	(176,113)	(1,155,990)
Accounts receivable	70,000	(8,295)
Prepaid expenses	(22,356)	(62,254)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(172,730)	185,362
Subrecipient payable	(169,494)	433,740
Deferred rent payable	27,500	55,000
Refundable advances		635,082
	<u>(88,948)</u>	<u>610,746</u>
Cash flows from investing activities		
Proceeds from sale of investments	376,686	381,793
Purchase of investments	(446,604)	(565,664)
Fixed asset acquisitions	<u>(88,168)</u>	<u>(8,271)</u>
	<u>(158,086)</u>	<u>(192,142)</u>
Net change in cash and cash equivalents	(247,034)	418,604
Cash and cash equivalents - beginning of year	<u>992,263</u>	<u>573,659</u>
Cash and cash equivalents - end of year	<u>\$ 745,229</u>	<u>\$ 992,263</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, 2017

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.

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2017, no allowance was deemed necessary or recorded by management.

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 consolidated balance sheet as refundable advances.

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 marketing 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.

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subrecipient services - Subrecipient services are recorded when services are rendered. Advances to subrecipients are recorded as an asset. As of June 30, 2017 and 2016, 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, 2017 and 2016, there were no outstanding grants payable.

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, 2016, from which the summarized information was derived.

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:

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

- 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.

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, 2017 as compared to June 30, 2016.

Corporate 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, 2017 and 2016 are set forth by level within the fair value hierarchy in Note 3.

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2014 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through November 30, 2017 which is the date the consolidated financial statements were available to be issued.

NOTE 3 - INVESTMENTS

	2017		Total
	Level 1	Level 2	
Bonds			
Corporate bonds		\$ 426,089	\$ 426,089
U.S. Treasury bonds and notes	\$ 96,246		96,246
Mutual funds			
Bond funds	146,358		146,358
Common stock			
Basic materials	170,017		170,017
Consumer goods	501,493		501,493
Financial	246,139		246,139
Healthcare	363,944		363,944
Industrials	130,300		130,300
Services	280,704		280,704
Technology	267,879		267,879
Utilities	<u>29,525</u>		<u>29,525</u>
Investments reported on the fair value hierarchy	<u>\$ 2,232,605</u>	<u>\$ 426,089</u>	2,658,694
Cash equivalents			<u>53,721</u>
Total investments			<u>\$ 2,712,415</u>

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 3 - INVESTMENTS (continued)

	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>

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 3 - INVESTMENTS (continued)

Investment income consists of the following:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ <u>63,869</u>	\$ <u>59,904</u>
Realized and unrealized gains on investments	134,623	99,088
Investment fees	<u>(15,177)</u>	<u>(14,257)</u>
Net realized and unrealized gains on investments	<u>119,446</u>	<u>84,831</u>
Total investment income	<u>\$ 183,315</u>	<u>\$ 144,735</u>
Operating	\$ 63,869	\$ 59,904
Nonoperating	<u>119,446</u>	<u>84,831</u>
	<u>\$ 183,315</u>	<u>\$ 144,735</u>

NOTE 4 - FIXED ASSETS

	<u>2017</u>	<u>2016</u>	<u>Estimated Useful Lives</u>
Office equipment	\$ 77,744	\$ 77,744	3 years
Furniture and fixtures	86,681	86,681	10 years
Leasehold improvements	<u>560,992</u>	<u>472,824</u>	10 years
	725,417	637,249	
Accumulated depreciation and amortization	<u>(615,117)</u>	<u>(598,376)</u>	
	<u>\$ 110,300</u>	<u>\$ 38,873</u>	

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

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, 2017. There were no borrowings during 2017 and no amounts were outstanding as of June 30, 2017. The line of credit expires January 13, 2019.

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 \$167,723 for the year ended June 30, 2017.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Conservation medicine field activities	\$ 131,607	\$ 157,074
Research programs	<u>30,840</u>	<u>36,080</u>
	<u>\$ 162,447</u>	<u>\$ 193,154</u>

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

	<u>2017</u>	<u>2016</u>
Conservation medicine field activities	\$ 105,467	\$ 33,436
Research programs	<u>67,240</u>	<u>150,900</u>
	<u>\$ 172,707</u>	<u>\$ 184,336</u>

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 8 - OCCUPANCY

Rent expense is recorded on the straight-line basis. Deferred rent as of June 30, 2017 and 2016 was \$165,000 and \$137,500, 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 the year ended June 30, 2017 was \$424,600.

Minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2018	\$ 424,600
2019	424,600
2020	424,600
2021	452,100
2022	479,600
Thereafter	<u>719,400</u>
	<u>\$ 2,924,900</u>

NOTE 9 - IN-KIND DONATIONS

EHA received in-kind donations in the amount of \$5,000, for marketing services for the year ended June 30, 2017.

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.

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 11 - CONCENTRATIONS

Approximately 91% of EHA's operating revenue is generated through government contracts, of which 71% of revenue is from one federal contract for the year ended June 30, 2017. Approximately 75% of EHA's government contracts receivable is from one federal contract for the year ended June 30, 2017.