

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2021 and 2020



**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
June 30, 2021 and 2020

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Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc., which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 consolidated financial position of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows

for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in *Note 1* to the consolidated financial statements, during the year ended June 30, 2021, EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. adopted the resource provider portion of the Accounting Standards Update 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* for grants provided to other entities. Our opinion is not modified with respect to this matter.

As described in *Note 1* to the consolidated financial statements, during the year ended June 30, 2021, EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. adopted new accounting guidance regarding recognition of revenue with customers. Our opinion is not modified with respect to this matter.

BKD, LLP

New York, New York
February 28, 2022

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Consolidated Statements of Financial Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,714,145	\$ 4,030,966
Investments	38,459	369,734
Contributions receivable	99,940	515,304
Government contracts receivable	2,750,450	1,185,526
Prepaid expenses and other assets	<u>837,291</u>	<u>429,201</u>
Total current assets	<u>6,440,285</u>	<u>6,530,731</u>
Noncurrent Assets		
Investments	4,894,282	3,108,749
Property and equipment, net	<u>372,586</u>	<u>37,350</u>
Total noncurrent assets	<u>5,266,868</u>	<u>3,146,099</u>
Total assets	<u>\$ 11,707,153</u>	<u>\$ 9,676,830</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 972,829	\$ 534,778
Refundable advances	667,392	608,539
Loan payable	<u>6,598</u>	<u>426,641</u>
Total current liabilities	1,646,819	1,569,958
Noncurrent Liabilities		
Deferred rent payable	53,576	-
Loan payable	<u>712,972</u>	<u>312,220</u>
Total liabilities	<u>2,413,367</u>	<u>1,882,178</u>
Net Assets		
Net assets without donor restrictions	7,928,257	6,032,874
Net assets with donor restrictions	<u>1,365,529</u>	<u>1,761,778</u>
Total net assets	<u>9,293,786</u>	<u>7,794,652</u>
Total liabilities and net assets	<u>\$ 11,707,153</u>	<u>\$ 9,676,830</u>

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Operating Revenues and Other Support						
Government contracts and grants	\$ 8,038,575	\$ -	\$ 8,038,575	\$ 7,555,383	\$ -	\$ 7,555,383
Non federal contracts and grants	459,024	-	459,024	-	-	-
Foundations - contributions	359,887	185,000	544,887	203,571	685,000	888,571
Corporations - contributions	252,184	-	252,184	1,074,873	4,516	1,079,389
Bequests	781,237	-	781,237	2,992	-	2,992
Individuals - contributions	319,837	72,000	391,837	367,406	572,000	939,406
Service fees	145,686	-	145,686	138,843	-	138,843
Special events	352,372	-	352,372	196,935	-	196,935
Interest and dividends	79,950	-	79,950	87,172	-	87,172
Other revenues	48,722	-	48,722	75,849	-	75,849
Forgiveness of PPP Loan	738,861	-	738,861	-	-	-
Net assets released from restrictions	653,249	(653,249)	-	637,287	(637,287)	-
Total operating revenues and other support	12,229,584	(396,249)	11,833,335	10,340,311	624,229	10,964,540

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.
Consolidated Statements of Activities (Continued)
Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Expenses						
Program service						
Research and education	\$ 9,591,443	\$ -	\$ 9,591,443	\$ 8,827,270	\$ -	\$ 8,827,270
Supporting services						
Management and general	1,056,571	-	1,056,571	905,372	-	905,372
Fundraising	215,767	-	215,767	340,229	-	340,229
Direct costs of special events	58,500	-	58,500	51,371	-	51,371
Total supporting services	1,330,838	-	1,330,838	1,296,972	-	1,296,972
Total expenses	10,922,281	-	10,922,281	10,124,242	-	10,124,242
Operating Income	1,307,303	(396,249)	911,054	216,069	624,229	840,298
Nonoperating Activities						
Investment gains	588,080	-	588,080	122,946	-	122,946
Deferred rent adjustment	-	-	-	165,000	-	165,000
Total nonoperating activities	588,080	-	588,080	287,946	-	287,946
Change in Net Assets	1,895,383	(396,249)	1,499,134	504,015	624,229	1,128,244
Net Assets, Beginning of Year	6,032,874	1,761,778	7,794,652	5,528,859	1,137,549	6,666,408
Net Assets, End of Year	\$ 7,928,257	\$ 1,365,529	\$ 9,293,786	\$ 6,032,874	\$ 1,761,778	\$ 7,794,652

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.
Consolidated Statements of Functional Expenses
Years Ended June 30, 2021 and 2020

	2021						
	Program Service	Supporting Services				Total	Total
	Research and Education	Management and General	Fundraising	Direct Costs of Special Events			
Salaries	\$ 3,296,895	\$ 629,455	\$ 69,171	\$ -	\$ 698,626	\$ 3,995,521	
Payroll taxes and employee benefits	1,047,367	204,409	18,058	-	222,467	1,269,834	
Total salaries and related expenses	4,344,262	833,864	87,229	-	921,093	5,265,355	
Professional fees	855,087	30,512	54,918	58,500	143,930	999,017	
Subrecipient services	3,038,505	-	-	-	-	3,038,505	
Grant to other organizations	52,000	-	-	-	-	52,000	
Field costs	298,103	-	-	-	-	298,103	
Meetings and conferences	49,239	14,846	6,308	-	21,154	70,393	
Travel and entertainment	41,196	17,624	136	-	17,760	58,956	
Occupancy	585,648	91,354	24,470	-	115,824	701,472	
Printing	33,434	2,891	16,441	-	19,332	52,766	
Postage	28,680	2,428	960	-	3,388	32,068	
Supplies	35,516	4,430	1,466	-	5,896	41,412	
Telephone	7,459	1,196	320	-	1,516	8,975	
Dues and subscriptions	39,979	17,471	3,896	-	21,367	61,346	
Depreciation and amortization	-	18,250	-	-	18,250	18,250	
Information technology	178,277	7,825	19,623	-	27,448	205,725	
Interest	-	2,618	-	-	2,618	2,618	
Miscellaneous expenses	4,058	11,262	-	-	11,262	15,320	
Total other than salaries and related expenses	5,247,181	222,707	128,538	58,500	409,745	5,656,926	
Total expenses reported on the statements of activities	<u>\$ 9,591,443</u>	<u>\$ 1,056,571</u>	<u>\$ 215,767</u>	<u>\$ 58,500</u>	<u>\$ 1,330,838</u>	<u>\$ 10,922,281</u>	

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.
Consolidated Statements of Functional Expenses (Continued)
Years Ended June 30, 2021 and 2020

	2020					Total
	Program Service	Supporting Services			Total	
	Research and Education	Management and General	Fundraising	Direct Costs of Special Events		
Salaries	\$ 2,866,593	\$ 473,424	\$ 126,278	\$ -	\$ 599,702	\$ 3,466,295
Payroll taxes and employee benefits	987,272	174,171	50,319	-	224,490	1,211,762
Total salaries and related expenses	<u>3,853,865</u>	<u>647,595</u>	<u>176,597</u>	<u>-</u>	<u>824,192</u>	<u>4,678,057</u>
Professional fees	322,159	17,109	85,306	-	102,415	424,574
Subrecipient services	3,109,929	-	-	-	-	3,109,929
Grant to other organizations	90,866	-	-	-	-	90,866
Field costs	78,601	-	-	-	-	78,601
Meetings and conferences	102,593	33,133	2,900	-	36,033	138,626
Travel and entertainment	411,511	91,141	3,203	-	94,344	505,855
Occupancy	578,010	67,904	33,124	-	101,028	679,038
Printing	29,742	1,726	14,816	-	16,542	46,284
Postage	8,457	1,303	7,107	-	8,410	16,867
Supplies	33,979	3,101	1,639	-	4,740	38,719
Telephone	56,771	2,651	1,615	-	4,266	61,037
Dues and subscriptions	19,052	4,086	3,840	-	7,926	26,978
Depreciation and amortization	-	25,891	-	-	25,891	25,891
Catering and facility rental	-	-	-	51,371	51,371	51,371
Information technology	113,555	4,933	10,006	-	14,939	128,494
Miscellaneous expenses	-	2,618	-	-	2,618	2,618
	<u>18,180</u>	<u>2,181</u>	<u>76</u>	<u>-</u>	<u>2,257</u>	<u>20,437</u>
Total other than salaries and related expenses	<u>4,973,405</u>	<u>257,777</u>	<u>163,632</u>	<u>51,371</u>	<u>472,780</u>	<u>5,446,185</u>
Total expenses reported on the statements of activities	<u>\$ 8,827,270</u>	<u>\$ 905,372</u>	<u>\$ 340,229</u>	<u>\$ 51,371</u>	<u>\$ 1,296,972</u>	<u>\$ 10,124,242</u>

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Consolidated Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Activities		
Change in net assets	\$ 1,499,134	\$ 1,128,244
Items not requiring (providing) operating cash flows		
Depreciation and amortization	18,250	25,891
Loss on disposal of property and equipment	-	44,978
Realized and unrealized gain on investments	(613,074)	(143,389)
Gain on forgiveness of loan	(738,861)	-
Changes in		
Contributions receivable	415,364	(95,876)
Government contracts receivable	(1,564,924)	1,794,063
Prepaid expenses and other receivables	(408,090)	61,267
Security deposits	-	33,333
Accounts payable and accrued expenses	428,563	(414,639)
Refundable advances	58,853	(189,698)
Deferred rent payable	53,576	(165,000)
	<u>(851,209)</u>	<u>2,079,174</u>
Investing Activities		
Proceeds from sale of investments	-	485,062
Purchase of investments	(841,184)	(396,728)
Property and equipment acquisitions	(343,998)	(11,310)
	<u>(1,185,182)</u>	<u>77,024</u>
Financing Activities		
Proceeds from loan payable	719,570	738,861
	<u>719,570</u>	<u>738,861</u>
Increase (Decrease) in Cash and Cash Equivalents	(1,316,821)	2,895,059
Cash and Cash Equivalents, Beginning of Year	4,030,966	1,135,907
Cash and Cash Equivalents, End of Year	<u>\$ 2,714,145</u>	<u>\$ 4,030,966</u>
Noncash Investing Activities		
Property and equipment in accounts payable	\$ 9,488	\$ -

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

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 collectively referred to as "EHA."

Nature of Operations

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 (GAAP) 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

EHA considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. At June 30, 2021 and 2020, cash equivalents consisted primarily of money market accounts.

At June 30, 2021, EHA's cash accounts exceeded federally insured limits by approximately \$2,470,000.

Accounts Receivable

Accounts receivable are stated at the amount of consideration from third parties of which EHA has an unconditional right to receive plus any accrued and unpaid interest. EHA provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Interest is not accrued or recorded on outstanding receivables.

**EcoHealth Alliance, Inc. and Wildlife
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Notes to Consolidated Financial Statements
June 30, 2021 and 2020

Investments and Net Investment Return

Investments are carried at fair value.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

EHA's investments other than cash have been classified as long-term while the remaining investments have been classified as current based on the availability of these investments to fund current operations as needed.

Property and Equipment

Property and equipment acquisitions are stated at cost, less accumulated depreciation and amortization. Items with a cost of \$5,000 or more and an estimated useful life of greater than one year are capitalized. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Leasehold improvements	10 years
Furniture and fixtures	10 years
Office equipment	5 years

Refundable Advances

Payments from government agencies in excess of qualifying expenses under the terms of the contract are reflected on the consolidated statements of financial position as refundable advances. All advances are expected to be recognized as revenue in the following year.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

Contributions

Contributions are provided to EHA either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on EHA overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

**EcoHealth Alliance, Inc. and Wildlife
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Notes to Consolidated Financial Statements
June 30, 2021 and 2020

In-Kind Contributions

In addition to receiving cash contributions, EHA receives in-kind contributions for legal services and rent. It is the policy of EHA to record the estimated fair value of certain in-kind donations as an expense in its consolidated financial statements, and similarly increase contribution revenue by the same amount. For the years ended June 30, 2021 and 2020, \$93,883 and \$21,673, respectively, was received in in-kind contributions.

Government Grants

Support funded by grants is recognized as EHA meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Service Fees

Services fees are recognized as EHA satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which EHA expects to be entitled in exchange for providing services. EHA determines the transaction price based on standard charges for goods and services provided, reduced by implicit and explicit price concessions. EHA determines its estimates of implicit and explicit price concessions based upon contractual agreements, its discount policies and historical experience.

Income Taxes

EHA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, EHA is subject to federal income tax on any unrelated business taxable income.

EHA files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on salaries and other methods.

Subcontractor Services

Subcontractor services are recorded when services are rendered. Advances to subcontractors are recorded as an asset. As of June 30, 2021 and 2020, advances to subcontractors were \$566,950 and \$140,523, respectively.

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

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 and deferred rent adjustment related to lease terminations are excluded from the measure of operations.

Changes in Accounting Principle

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard clarifies existing guidance on determining whether a transaction with a resource provider, *e.g.*, the receipt of funds under a government grant or contract, is a contribution or an exchange transaction. The guidance requires all organizations to evaluate whether the resource provider is receiving commensurate value in a transfer of assets transaction, and whether contributions are conditional or unconditional.

If commensurate value is received by the resource provider, the transaction would be accounted for as an exchange transaction by applying Topic 606 or other topics. The standard clarifies that a resource provider is not synonymous with the general public. Indirect benefit received by the public as a result of the assets transferred is not equivalent to commensurate value received by the resource provider. If commensurate value is not received by the resource provider, *i.e.*, the transaction is nonexchange, the recipient organization would record the transaction as a contribution under Topic 958 and determine whether the contribution is conditional or unconditional.

In 2021, EHA adopted the resource provider portion of the standard for grants provided to other entities. Adoption did not result in changes in presentation of financial statements or timing of expense recognition other than additional note disclosures.

On July 1, 2020, EHA adopted ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*, using a modified retrospective method of adoption to all contracts at July 1, 2020.

The core guidance in Topic 606 is to recognize revenue to depict the transfer of promised goods or services to recipients in amounts that reflect the consideration to which EHA expects to be entitled in exchange for those goods or services.

The amount to which EHA expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing services.

Adoption of Topic 606 did not result in changes in presentation of financial statements or timing of revenue recognition other than additional note disclosures.

**EcoHealth Alliance, Inc. and Wildlife
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Notes to Consolidated Financial Statements
June 30, 2021 and 2020

Note 2: Grant Reimbursements Receivable and Future Commitments

EHA receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the consolidated financial statements of EHA are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2021, have been recorded as receivables. The following are the grant commitments that extend beyond June 30, 2021:

Grant	Term	Grant Amount	Earned Through 2021	Funding Available
NSF - EcohealthNet	8/31/2022	\$ 499,897	\$ 398,487	\$ 101,410
DTRA - Serological Biosurveillance for Spillover of Henipaviruses and Filoviruses in Peninsular Malaysia	4/30/2022	4,115,666	2,838,046	1,277,620
DTRA - Reducing the Threat of Rift Valley Fever through Ecology, Epidemiology, and Socio-Economics	8/14/2024	4,989,014	1,306,504	3,682,510
DTRA - Crimean-Congo Hemorrhagic Fever: Reducing an Emerging Health Threat in Tanzania	7/1/2025	4,995,106	330,157	4,664,949
DTRA - Understanding the Risk of Bat-Borne Zoonotic Disease Emergence in Western Asia	10/1/2022	4,391,444	2,782,906	1,608,538
DTRA - Reducing the Threat of Middle East Respiratory Syndrome Coronavirus and Avian Influenza in Jordan	9/28/2023	2,957,164	434,483	2,522,681
Augmenting Capacity for Humanitarian Emergencies of Infectious Diseases with Epidemic or Pandemic Potential	9/30/2021	143,605	130,198	13,407
Emerging Pandemic Threat Program - One Health Workforce - Next Generation	9/30/2024	1,623,164	1,355,158	268,006
DTRA - Reducing the threat from high-risk pathogens causing febrile illness in Liberia	5/31/2025	4,912,818	594,220	4,318,598
DTRA - Biosurveillance for Spillover of Henipaviruses and Filoviruses in Rural Communities in India	9/24/2023	2,962,906	105,237	2,857,669
DTRA - University of Pretoria / Biosurveillance for Viral Zoonoses around Bat-Livestock-Human interfaces in Southern Africa	7/30/2025	1,616,290	47,179	1,569,111
GHERI - Strategic Coordination to Strengthen AFRICOM One Health and Veterinary Programs for Global Health Engagement Strengthening Multi-Sectoral Approaches to Biodefense and Biosurveillance in the Caucasus	9/20/2022	1,360,002	139,083	1,220,919
NIH - Understanding Risk of Zoonotic Virus Emergence in EID Hotspots of Southeast Asia	5/31/2022	3,052,312	1,274,975	1,777,337
NIH - Study of Nipah virus dynamics and genetics in its bat reservoir and of human exposure to NiV across Bangladesh to understand patterns of human outbreaks	6/30/2022	1,155,842	413,984	741,858
CDC / State of New York / ELC Enhancing Detection - Data Analytics	11/30/2021	217,220	103,307	113,913
National Geographic	4/1/2022	46,000	20,069	25,931
Bill & Melinda Gates Foundation	9/30/2023	1,499,414	168,239	1,331,175
International Union for Conservation of Nature and Natural Resources - SOS	3/31/2022	56,886	19,861	37,025
		<u>\$40,594,750</u>	<u>\$12,462,093</u>	<u>\$26,738,526</u>

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Note 3: Contributions Receivable

Contributions receivable consisted of the following:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 79,940	\$ 20,000	\$ 99,940
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 165,304	\$ 350,000	\$ 515,304

Note 4: Property and Equipment

Property and equipment at June 30, 2021 and 2020 consists of:

	2021	2020
Office equipment	\$ 94,062	\$ 42,749
Furniture and fixtures	75,513	-
Leasehold improvements	237,970	11,310
	407,545	54,059
Less accumulated depreciation and amortization	(34,959)	(16,709)
	\$ 372,586	\$ 37,350

Note 5: Line of Credit and Letter of Credit

EHA has a \$700,000 unsecured line of credit expiring in 2023. There were no borrowings during 2021 and 2020 and no amounts were outstanding as of June 30, 2021 and 2020. Interest varies with the bank's prime rate, which was 3 percent and 2.75 percent at June 30, 2021 and 2020, respectively.

In November 2019, EHA issued a letter of credit to the landlord for the amount of \$261,830 as a security deposit for the 520 Eighth Avenue office. The letter was issued for a three-year period with 1.0 percent annual fee and is secured by EHA's investments as collateral.

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Note 6: Loan Payable

On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act*. On May 6, 2020, EHA received a loan in the amount of \$738,861 pursuant to the Paycheck Protection Program Round 1 (PPP-1). The loan was forgiven in 2021.

On February 19, 2021, EHA received a loan in the amount of \$719,570 pursuant to the Paycheck Protection Program Round 2 (PPP-2). EHA has elected to account for the funding as a loan in accordance with Accounting Standards Codification (ASC) Topic 470, *Debt*. The loan is due five years from the date of the first disbursement under the loan and has a fixed interest rate of 1 percent per year. Any forgiveness of the loan will be recognized as a gain in the consolidated financial statements in the period the debt is legally released. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration or lender; as a result of such audit, adjustments could be required to any gain recognized.

Expected future principal payments of the loan at June 30, 2021 are as follows:

2022	\$ 6,598
2023	196,375
2024	198,364
2025	200,396
2026	<u>117,837</u>
Total	<u>\$ 719,570</u>

Note 7: Operating Leases

EHA had a noncancelable operating lease for office space that expired through December 31, 2023. The lease requires EHA to pay all executory costs (property taxes, maintenance and insurance). In December 2019, EHA signed a surrender agreement to vacate the office space.

EHA entered into a 10-year noncancelable lease agreement with a new landlord for office space which expires November 30, 2030.

Future minimum lease payments at June 30, 2021 were:

2022	\$ 527,155
2023	537,698
2024	548,452
2025	559,421
2026	581,994
Thereafter	<u>2,982,428</u>
	<u>\$ 5,737,148</u>

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Note 8: Defined-Contribution Plan

EHA has a defined-contribution pension plan covering employees who meet age and length of service requirements. Pension expense was \$266,465 and \$263,162 for the years ended June 30, 2021 and 2020, respectively.

Note 9: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes:

	2021	2020
Subject to expenditure for specified purpose		
Conservation medicine field activities	\$ 1,191,709	\$ 1,578,288
Research programs	173,820	183,490
	\$ 1,365,529	\$ 1,761,778

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2021	2020
Satisfaction of purpose restrictions		
Conservation medicine field activities	\$ 571,579	\$ 527,809
Research programs	81,670	109,478
	\$ 653,249	\$ 637,287

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Note 10: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,714,145	\$ 4,030,966
Investments	4,994,222	3,478,483
Contributions receivable	99,940	515,304
Government contracts receivable	<u>2,750,450</u>	<u>1,185,526</u>
 Total financial assets	 10,558,757	 9,210,279
 Investments secured as collateral	 <u>392,748</u>	 <u>392,748</u>
 Total financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 10,166,009</u>	 <u>\$ 8,817,531</u>

EHA receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

As part of EHA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. During the years ended June 30, 2021 and 2020, the level of liquidity and reserves was managed within the policy requirements.

Note 11: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2021 and 2020:

	2021		
	Total Fair Value	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Bonds			
Corporate bonds	\$ 928,496	\$ -	\$ 928,496
U.S. Treasury bonds and notes	389,892	389,892	-
Mutual funds			
Bond funds	465,880	465,880	-
Equity securities			
Basic materials	210,323	210,323	-
Consumer goods	753,893	753,893	-
Financial	508,359	508,359	-
Healthcare	556,274	556,274	-
Industrials	335,777	335,777	-
Services	92,087	92,087	-
Technology	503,792	503,792	-
Energy	64,415	64,415	-
Real estate	85,094	85,094	-
Investments reported on the fair value hierarchy	4,894,282	<u>\$ 3,965,786</u>	<u>\$ 928,496</u>
Cash equivalents	<u>38,459</u>		
Total investments	<u>\$ 4,932,741</u>		
Short-term investments	\$ 38,459		
Long-term investments	<u>4,894,282</u>		
	<u>\$ 4,932,741</u>		

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	2020		
	Total Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Bonds			
Corporate bonds	\$ 758,412	\$ -	\$ 758,412
U.S. Treasury bonds and notes	167,484	167,484	-
Mutual funds			
Bond funds	223,728	223,728	-
Equity securities			
Basic materials	56,322	56,322	-
Consumer goods	151,844	151,844	-
Financial	190,038	190,038	-
Healthcare	272,341	272,341	-
Industrials	93,843	93,843	-
Services	101,310	101,310	-
Technology	381,268	381,268	-
Energy	16,954	16,954	-
Cons. Discretionary	254,460	254,460	-
Real estate	46,537	46,537	-
Exchange-traded funds (ETFs) - bond funds	394,208	394,208	-
Investments reported on the fair value hierarchy	3,108,749	<u>\$ 2,350,337</u>	<u>\$ 758,412</u>
Cash equivalents	<u>369,734</u>		
Total investments	<u>\$ 3,478,483</u>		
Short-term investments	\$ 369,734		
Long-term investments	<u>3,108,749</u>		
	<u>\$ 3,478,483</u>		

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2021 and 2020.

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Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 12: Significant Estimates and Concentrations

GAAP require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions and Grants

Approximately 35 percent and 31 percent of all contributions were received from one donor in 2021 and 2020, respectively.

Approximately 99 percent of all federal grants received from three agencies in 2021 and 59 percent of all federal grants were received from one agency in 2020, respectively.

Investments

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 certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the accompanying consolidated statements of financial position.

Note 13: Revenue from Contracts with Customers

Government Contracts and Service Fees Revenue

Performance obligations are determined based on the nature of the services provided by EHA in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably over the period based on outputs performed. EHA believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Transaction Price and Recognition

EHA determines the transaction price based on standard charges for services provided.

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From time to time EHA will receive overpayments of third party balances resulting in amounts owed back to either the government agencies or third parties. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of June 30, 2021, EHA had no liability for refunds.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. For the year ended June 30, 2021, there was no additional revenue recognized due to changes in its estimates of implicit price concessions, discounts and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as bad debt expense.

EHA has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, customer, governmental programs and others) that have different reimbursement and payment methodologies
- Geography of the service location

For the year ended June 30, 2021, EHA recognized revenue of \$566,377 from services that transfer to the customer over time.

Contract Balances

The following table provides information about the EHA's receivables and contract liabilities from contracts with customers:

	2021
Accounts receivable, beginning of year	\$ 117,398
Accounts receivable, end of year	169,514

Financing Component

EHA has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from third parties for the effects of a significant financing component due to EHA's expectation that the period between the time the service is provided to a customer and the time the customer or a third-party payor pays for that service will be one year or less.

However, EHA does, in certain instances, enter into payment agreements with third parties that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

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Contract Costs

EHA has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that EHA otherwise would have recognized is one year or less in duration.

Note 14: Subsequent Events

Subsequent events have been evaluated through February 28, 2022, which is the date the consolidated financial statements were available to be issued.

Note 15: Grant Commitments to recipients

EHA provides grants to recipients that are conditional upon allowable expenditures. The following are grant commitments EHA made to recipients that extend beyond June 30, 2021:

Grant	Term	Total Commitment	Earned	Funds Available
Federal funds	Through 2025	\$ 4,351,565	\$ 2,621,366	\$ 1,730,199

Note 16: Future Change in Accounting Principle

Accounting for Leases

FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the statements of financial position as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021. EHA is evaluating the impact the standard will have on the consolidated financial statements; however, the standard is expected to have an impact on the consolidated financial statements due to the recognition of additional assets and liabilities for operating leases.