

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

**Independent Auditor's Report
and Consolidated Financial
Statements**

June 30, 2022 and 2021



**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
June 30, 2022 and 2021

Contents

Independent Auditor’s Report 1

Consolidated Financial Statements

Statements of Financial Position 3
Statements of Activities..... 4
Statements of Functional Expenses 6
Statements of Cash Flows 8
Notes to Financial Statements 9

Independent Auditor's Report

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

Opinion

We have audited the financial statements of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc., which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

FORVIS,LLP

New York, New York
March 21, 2023

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 875,486	\$ 2,714,145
Investments	65,940	38,459
Contributions receivable	34,603	99,940
Government contracts receivable	4,634,951	2,750,450
Prepaid expenses and other assets	412,422	837,291
Total current assets	6,023,402	6,440,285
Noncurrent Assets		
Investments	4,501,218	4,894,282
Property and equipment, net	324,079	372,586
Total noncurrent assets	4,825,297	5,266,868
Total assets	\$ 10,848,699	\$ 11,707,153
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 2,016,912	\$ 972,829
Refundable advances	404,987	667,392
Loan payable	-	6,598
Estimated liabilities due to government agency	89,171	-
Total current liabilities	2,511,070	1,646,819
Noncurrent Liabilities		
Deferred rent payable	114,377	53,576
Loan payable	-	712,972
Total liabilities	2,625,447	2,413,367
Net Assets		
Net assets without donor restrictions	7,358,268	7,928,257
Net assets with donor restrictions	864,984	1,365,529
Total net assets	8,223,252	9,293,786
Total liabilities and net assets	\$ 10,848,699	\$ 11,707,153

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Operating Revenues and Other Support						
Government contracts and grants	\$ 11,695,015	\$ -	\$ 11,695,015	\$ 8,038,575	\$ -	\$ 8,038,575
Non federal contracts and grants	562,402	-	562,402	459,024	-	459,024
Foundations - contributions	348,293	405,000	753,293	359,887	185,000	544,887
Corporations - contributions	58,918	-	58,918	158,301	-	158,301
Bequests	58,237	-	58,237	781,237	-	781,237
Individuals - contributions	46,935	67,000	113,935	319,837	72,000	391,837
Service fees	131,767	-	131,767	145,686	-	145,686
Special events	127,564	-	127,564	352,372	-	352,372
Nonfinancial asset contributions	59,900	-	59,900	93,883	-	93,883
Interest and dividends	96,296	-	96,296	79,950	-	79,950
Other revenues	39,270	-	39,270	48,722	-	48,722
Forgiveness of PPP Loan	719,570	-	719,570	738,861	-	738,861
Net assets released from restrictions	972,545	(972,545)	-	653,249	(653,249)	-
	<u>14,916,712</u>	<u>(500,545)</u>	<u>14,416,167</u>	<u>12,229,584</u>	<u>(396,249)</u>	<u>11,833,335</u>
Total operating revenues and other support						

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.
Consolidated Statements of Activities (Continued)
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Expenses						
Program service						
Research and education	\$ 13,336,280	\$ -	\$ 13,336,280	\$ 9,591,443	\$ -	\$ 9,591,443
Supporting services						
Management and general	1,117,998	-	1,117,998	1,056,571	-	1,056,571
Fundraising	371,033	-	371,033	215,767	-	215,767
Direct costs of special events	149,512	-	149,512	58,500	-	58,500
Total supporting services	1,638,543	-	1,638,543	1,330,838	-	1,330,838
Total expenses	14,974,823	-	14,974,823	10,922,281	-	10,922,281
Operating Income (Loss)	(58,111)	(500,545)	(558,656)	1,307,303	(396,249)	911,054
Nonoperating Activities						
Investment gains (losses)	(511,878)	-	(511,878)	588,080	-	588,080
Total nonoperating activities	(511,878)	-	(511,878)	588,080	-	588,080
Change in Net Assets	(569,989)	(500,545)	(1,070,534)	1,895,383	(396,249)	1,499,134
Net Assets, Beginning of Year	7,928,257	1,365,529	9,293,786	6,032,874	1,761,778	7,794,652
Net Assets, End of Year	<u>\$ 7,358,268</u>	<u>\$ 864,984</u>	<u>\$ 8,223,252</u>	<u>\$ 7,928,257</u>	<u>\$ 1,365,529</u>	<u>\$ 9,293,786</u>

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.
Consolidated Statements of Functional Expenses
Years Ended June 30, 2022 and 2021

	2022						
	Program Service	Supporting Services				Total	Total
	Research and Education	Management and General	Fundraising	Direct Costs of Special Events			
Salaries	\$ 4,226,520	\$ 543,653	\$ 102,008	\$ -	\$ 645,661	\$ 4,872,181	
Payroll taxes and employee benefits	1,433,454	182,166	35,670	-	217,836	1,651,290	
Total salaries and related expenses	<u>5,659,974</u>	<u>725,819</u>	<u>137,678</u>	<u>-</u>	<u>863,497</u>	<u>6,523,471</u>	
Professional fees	1,050,285	-	140,604	-	140,604	1,190,889	
Subrecipient services	4,807,773	-	-	-	-	4,807,773	
Grant to other organizations	60,169	-	-	-	-	60,169	
Field costs	269,760	-	-	-	-	269,760	
Meetings and conferences	95,589	17,586	2,849	-	20,435	116,024	
Travel	313,442	7,262	2,451	-	9,713	323,155	
Occupancy	766,085	70,440	45,939	-	116,379	882,464	
Printing	29,700	251	11,816	-	12,067	41,767	
Postage	27,062	3,325	918	-	4,243	31,305	
Supplies	29,399	1,660	2,011	-	3,671	33,070	
Telephone	8,212	770	502	-	1,272	9,484	
Dues and subscriptions	63,892	1,201	3,777	-	4,978	68,870	
Depreciation and amortization	-	48,507	-	-	48,507	48,507	
Catering and facility rental	-	-	-	149,512	149,512	149,512	
Information technology	136,420	83,035	19,817	-	102,852	239,272	
Interest	-	2,643	-	-	2,643	2,643	
Miscellaneous expenses	18,518	155,499	2,671	-	158,170	176,688	
Total other than salaries and related expenses	<u>7,676,306</u>	<u>392,179</u>	<u>233,355</u>	<u>149,512</u>	<u>775,046</u>	<u>8,451,352</u>	
Total expenses reported on the statements of activities	<u>\$ 13,336,280</u>	<u>\$ 1,117,998</u>	<u>\$ 371,033</u>	<u>\$ 149,512</u>	<u>\$ 1,638,543</u>	<u>\$ 14,974,823</u>	

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.
Consolidated Statements of Functional Expenses (Continued)
Years Ended June 30, 2022 and 2021

	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	<u>4,344,262</u>	<u>833,864</u>	<u>87,229</u>	<u>-</u>	<u>921,093</u>	<u>5,265,355</u>	
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	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	<u>5,247,181</u>	<u>222,707</u>	<u>128,538</u>	<u>58,500</u>	<u>409,745</u>	<u>5,656,926</u>	
Total expenses reported on the statements of activities	<u><u>\$ 9,591,443</u></u>	<u><u>\$ 1,056,571</u></u>	<u><u>\$ 215,767</u></u>	<u><u>\$ 58,500</u></u>	<u><u>\$ 1,330,838</u></u>	<u><u>\$ 10,922,281</u></u>	

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating Activities		
Change in net assets	\$ (1,070,534)	\$ 1,499,134
Items not requiring (providing) operating cash flows		
Depreciation and amortization	48,507	18,250
Realized and unrealized loss (gain) on investments	481,687	(613,074)
Gain on forgiveness of loan	(719,570)	(738,861)
Changes in		
Contributions receivable	65,337	415,364
Government contracts receivable	(1,884,501)	(1,564,924)
Prepaid expenses and other receivables	424,869	(408,090)
Accounts payable and accrued expenses	1,044,083	438,051
Refundable advances	(262,405)	58,853
Deferred rent payable	60,801	53,576
Estimated liabilities due to government agency	89,171	-
	<u>(1,722,555)</u>	<u>(841,721)</u>
Net cash used in operating activities		
Investing Activities		
Purchase of investments	(116,104)	(841,184)
Property and equipment acquisitions	-	(353,486)
	<u>(116,104)</u>	<u>(1,194,670)</u>
Net cash used in investing activities		
Financing Activities		
Proceeds from loan payable	-	719,570
	<u>-</u>	<u>719,570</u>
Net cash provided by financing activities		
Decrease in Cash and Cash Equivalents	(1,838,659)	(1,316,821)
Cash and Cash Equivalents, Beginning of Year	<u>2,714,145</u>	<u>4,030,966</u>
Cash and Cash Equivalents, End of Year	<u>\$ 875,486</u>	<u>\$ 2,714,145</u>

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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, 2022 and 2021, cash equivalents consisted primarily of money market accounts.

At June 30, 2022, EHA's cash accounts exceeded federally insured limits by approximately \$625,000.

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
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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, 2022 and 2021

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 Preservation Trust International, Inc.

Notes to Consolidated Financial Statements June 30, 2022 and 2021

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, 2022 and 2021, advances to subcontractors were \$241,794 and \$566,950, respectively.

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 (losses) on investments are excluded from the measure of operations.

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Estimated Liabilities Due to Government Agency

The amounts reflected as estimated liabilities due to government agency as of June 30, 2022 pertains to program costs from prior years deemed unallowable by the Department of Health and Human Services Office of Inspector General (DHHS OIG). Subsequent to year-end, EHA returned these funds to the DHHS OIG.

Changes in Accounting Principle

In 2022, EHA adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* on a retrospective basis. ASU 2020-07 requires contributed nonfinancial assets to be presented separately from contributions of cash or other financial assets in the statements of activities and disclosures within the notes to the financial statements about the valuation method for, use of, and donor-imposed restrictions associated with contributed nonfinancial assets (see *Note 14*). Adoption of ASU 2020-07 had no impact on previously reported total change in net assets.

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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. Grants are conditional upon allowable expenditure. 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, 2022, have been recorded as receivables. The following are the grant commitments that extend beyond June 30, 2022:

Grant	Term	Grant Amount	Earned Through 2022	Funding Available
NSF - EcohealthNet	8/31/2022	\$ 499,897	\$ 481,840	\$ 18,057
DTRA - Reducing the Threat of Rift Valley Fever through Ecology, Epidemiology, and Socio-Economics	8/14/2024	4,989,014	2,154,880	2,834,134
DTRA - Crimean-Congo Hemorrhagic Fever: Reducing an Emerging Health Threat in Tanzania	7/1/2025	4,995,106	919,327	4,075,779
DTRA - Understanding the Risk of Bat-Borne Zoonotic Disease Emergence in Western Asia	10/1/2023	4,391,444	3,773,461	617,983
DTRA - Reducing the Threat of Middle East Respiratory Syndrome Coronavirus and Avian Influenza in Jordan	9/28/2023	2,957,164	1,458,019	1,499,145
DTRA - Reducing the threat from high-risk pathogens causing febrile illness in Liberia	5/31/2025	4,912,818	1,476,240	3,436,578
DTRA - Biosurveillance for Spillover of Henipaviruses and Filoviruses in Rural Communities in India	9/24/2023	2,962,906	562,747	2,400,159
DTRA - University of Pretoria / Biosurveillance for Viral Zoonoses around Bat-Livestock-Human interfaces in Southern Africa	7/30/2025	1,616,290	169,246	1,447,044
DTRA - Machine Learning for Infectious Biological Agent Forecasting	7/19/2023	508,999	253,263	255,735
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	9/20/2023	1,360,002	830,580	529,422
NIH - Understanding Risk of Zoonotic Virus Emergence in EID Hotspots of Southeast Asia	5/31/2023	4,556,712	3,075,191	1,481,521
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	6/30/2023	1,756,246	1,059,817	696,429
USAID - Conservation Works Activity Liberia One Health Platform	10/25/2026	19,499,999	1,350,668	18,149,331
National Geographic	1/1/2023	46,000	30,838	15,162
Bill & Melinda Gates Foundation	9/30/2023	1,499,414	343,926	1,155,488
		<u>\$ 56,552,011</u>	<u>\$ 17,940,041</u>	<u>\$ 38,611,967</u>

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Note 3: Contributions Receivable

Contributions receivable consisted of the following:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 34,603	\$ -	\$ 34,603
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 79,940	\$ 20,000	\$ 99,940

Note 4: Property and Equipment

Property and equipment at June 30, 2022 and 2021 consists of:

	2022	2021
Office equipment	\$ 94,062	\$ 94,062
Furniture and fixtures	75,513	75,513
Leasehold improvements	237,970	237,970
	407,545	407,545
Less accumulated depreciation and amortization	(83,466)	(34,959)
	\$ 324,079	\$ 372,586

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 2022 and 2021 and no amounts were outstanding as of June 30, 2022 and 2021. Interest varies with the bank's prime rate, which was 3% and 2.75% at June 30, 2022 and 2021, 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% annual fee and is secured by EHA's investments as collateral. Subsequent to year-end, EHA renewed the letter of credit for the amount of \$181,606 through December 2023.

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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 was forgiven in 2022.

Note 7: Operating Leases

EHA had a noncancelable operating lease for office space that expires 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, 2022 were:

2023	\$	537,698
2024		548,452
2025		559,421
2026		581,994
2027		616,401
Thereafter		<u>2,366,028</u>
	<u>\$</u>	<u>5,209,994</u>

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 \$323,513 and \$266,465 for the years ended June 30, 2022 and 2021, respectively.

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose		
Conservation medicine field activities	\$ 652,060	\$ 1,191,709
Research programs	<u>212,924</u>	<u>173,820</u>
	<u>\$ 864,984</u>	<u>\$ 1,365,529</u>

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.

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions		
Conservation medicine field activities	\$ 914,648	\$ 571,579
Research programs	<u>57,897</u>	<u>81,670</u>
	<u>\$ 972,545</u>	<u>\$ 653,249</u>

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, 2022 and 2021, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 875,486	\$ 2,714,145
Investments	4,567,158	4,994,222
Contributions receivable	34,603	99,940
Government contracts receivable	<u>4,634,951</u>	<u>2,750,450</u>
Total financial assets	10,112,198	10,558,757
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>\$ 9,719,450</u>	<u>\$ 10,166,009</u>

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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, 2022 and 2021, 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

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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, 2022 and 2021:

	2022		
	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	\$ 735,304	\$ -	\$ 735,304
U.S. Treasury bonds and notes	197,106	197,106	-
Mutual funds			
Bond funds	420,415	420,415	-
Equity securities			
Basic materials	154,712	154,712	-
Consumer goods	231,822	231,822	-
Financial	338,234	338,234	-
Healthcare	751,048	751,048	-
Industrials	376,655	376,655	-
Technology	653,087	653,087	-
Energy	89,040	89,040	-
Consumer discretionary	468,172	468,172	-
Real estate	85,623	85,623	-
Investments reported on the fair value hierarchy	4,501,218	<u>\$ 3,765,914</u>	<u>\$ 735,304</u>
Cash equivalents	<u>65,940</u>		
Total investments	<u>\$ 4,567,158</u>		
Short-term investments	\$ 65,940		
Long-term investments	<u>4,501,218</u>		
	<u>\$ 4,567,158</u>		

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

	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>		

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, 2022 and 2021.

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

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 23% and 35% of all contributions were received from one donor in 2022 and 2021, respectively.

Approximately 99% of all federal grants received from three agencies in 2022 and 2021, 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.

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Special Events Revenue

Revenue from special events is reported at the amount that reflects the consideration to which the organization expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event.

Transaction Price and Recognition

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

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, 2022 and 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 years ended June 30, 2022 and 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 years ended June 30, 2022 and 2021, EHA recognized revenue of \$368,258 and \$566,377 from services that transfer to the customer over time, respectively.

Contract Balances

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

	<u>2022</u>	<u>2021</u>
Accounts receivable, beginning of year	\$ 169,514	\$ 117,398
Accounts receivable, end of year	169,879	169,514

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Financing Component

EHA has elected the practical expedient allowed under Financial Accounting Standards Board (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.

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: Contributed Nonfinancial Assets

For the year ended June 30, 2022, contributed nonfinancial assets and services recognized within the statements of activities included legal services of \$34,964 and right of use of office space of \$24,936. For the year ended June 30, 2021, contributed nonfinancial assets and services recognized within the statements of activities included legal services of \$73,103 and right of use of office space of \$20,780. The nonfinancial assets were recognized within revenue. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

Legal Services

EHA receives in-kind contributions of legal services. It is the policy of EHA to record the estimated fair value of certain contributed services as an expense in its financial statements, and similarly increase contribution revenue by the same amount. The estimated fair value is reported based on amounts that would be charged for comparable services.

Right of Use – Office Space

EHA receives in-kind contributions for the right of use for office space in the form of a discount on their lease expense. It is the policy of EHA to record the estimated fair value of certain contributed services as an expense in its financial statements, and similarly increase contribution revenue by the same amount. The estimated fair value is reported based on amounts charged to tenants for comparable office space.

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Note 15: Subsequent Events

Subsequent events have been evaluated through March 21, 2023, which is the date the consolidated financial statements were available to be issued.

Note 16: 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, 2022:

<u>Grant</u>	<u>Term</u>	<u>Total Commitment</u>	<u>Earned</u>	<u>Funds Available</u>
Federal funds	Through 2025	\$ 6,912,489	\$ 3,946,604	\$ 2,965,886

Note 17: Future Changes in Accounting Principles

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.