

EXHIBIT 27

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

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2020 and 2019



**EcoHealth Alliance, Inc. and Wildlife Preservation Trust
International, Inc.
June 30, 2020 and 2019**

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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, 2020 and 2019, 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.

Board of Directors
EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.
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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, 2020 and 2019, 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 Matter

As described in *Note 1* to the consolidated financial statements, during the year ended June 30, 2020, EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. adopted Accounting Standards Update 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

BKD, LLP

New York, New York
March 5, 2021

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

Consolidated Statements of Financial Position

June 30, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,030,966	\$ 1,135,907
Investments	369,734	159,799
Contributions receivable, net	515,304	223,944
Government contracts receivable, net	1,185,526	2,979,589
Prepaid expenses and other assets	429,201	485,879
Total current assets	6,530,731	4,985,118
Noncurrent Assets		
Contributions receivable, net	-	195,484
Prepaid expenses and other assets	-	4,589
Investments	3,108,749	3,263,629
Property and equipment, net	37,350	96,909
Security deposits	-	33,333
Total noncurrent assets	3,146,099	3,593,944
Total assets	\$ 9,676,830	\$ 8,579,062
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 534,778	\$ 949,417
Refundable advances	608,539	798,237
Loan payable	426,641	-
Total current liabilities	1,569,958	1,747,654
Noncurrent Liabilities		
Deferred rent payable	-	165,000
Loan payable	312,220	-
Total liabilities	1,882,178	1,912,654
Net Assets		
Net assets without donor restrictions	6,032,874	5,528,859
Net assets with donor restrictions	1,761,778	1,137,549
Total net assets	7,794,652	6,666,408
Total liabilities and net assets	\$ 9,676,830	\$ 8,579,062

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

Consolidated Statements of Activities

Years Ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Operating Revenues and Other Support						
Government contracts and grants	\$ 7,555,383	\$ -	\$ 7,555,383	\$ 15,503,594	\$ -	\$ 15,503,594
Foundations - contributions	203,571	685,000	888,571	382,074	957,484	1,339,558
Corporations - contributions	1,074,873	4,516	1,079,389	74,439	5,000	79,439
Bequests	2,992	-	2,992	351,750	155,127	506,877
Individuals - contributions	367,406	572,000	939,406	34,677	35,000	69,677
Service fees	138,843	-	138,843	60,062	-	60,062
Special events	196,935	-	196,935	375,607	-	375,607
Interest and dividends	87,172	-	87,172	81,167	-	81,167
Other revenues	75,849	-	75,849	50,610	-	50,610
Net assets released from restrictions	637,287	(637,287)	-	223,348	(223,348)	-
	<u>10,340,311</u>	<u>624,229</u>	<u>10,964,540</u>	<u>17,137,328</u>	<u>929,263</u>	<u>18,066,591</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, 2020 and 2019

	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Expenses						
Program service						
Research and education	\$ 8,827,270	\$ -	\$ 8,827,270	\$ 15,086,731	\$ -	\$ 15,086,731
Supporting services						
Management and general	905,372	-	905,372	977,983	-	977,983
Fundraising	340,229	-	340,229	488,105	-	488,105
Direct costs of special events	51,371	-	51,371	94,836	-	94,836
Total supporting services	1,296,972	-	1,296,972	1,560,924	-	1,560,924
Total expenses	10,124,242	-	10,124,242	16,647,655	-	16,647,655
Operating Income	216,069	624,229	840,298	489,673	929,263	1,418,936
Nonoperating Activities						
Investment gains	122,946	-	122,946	205,436	-	205,436
Deferred rent adjustment	165,000	-	165,000	-	-	-
Total nonoperating activities	287,946	-	287,946	205,436	-	205,436
Change in Net Assets	504,015	624,229	1,128,244	695,109	929,263	1,624,372
Net Assets, Beginning of Year	5,528,859	1,137,549	6,666,408	4,833,750	208,286	5,042,036
Net Assets, End of Year	\$ 6,032,874	\$ 1,761,778	\$ 7,794,652	\$ 5,528,859	\$ 1,137,549	\$ 6,666,408

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.
Consolidated Statements of Functional Expenses
Years Ended June 30, 2020 and 2019

	2020						
	Program Service	Supporting Services				Total	Total
	Research and Education	Management and General	Fundraising	Direct Costs of Special Events			
				Total			
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	
Interest	-	2,618	-	-	2,618	2,618	
Miscellaneous expenses	18,180	2,181	76	-	2,257	20,437	
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 Functional Expenses (Continued)
Years Ended June 30, 2020 and 2019

	2019						
	Program Service	Supporting Services				Total	Total
	Research and Education	Management and General	Fundraising	Direct Costs of Special Events	Total		
Salaries	\$ 3,683,717	\$ 532,150	\$ 210,784	\$ -	\$ 742,934	\$ 4,426,651	
Payroll taxes and employee benefits	1,359,266	207,160	66,978	-	274,138	1,633,404	
Total salaries and related expenses	<u>5,042,983</u>	<u>739,310</u>	<u>277,762</u>	<u>-</u>	<u>1,017,072</u>	<u>6,060,055</u>	
Professional fees	263,807	8,774	105,398	-	114,172	377,979	
Subrecipient services	7,805,559	-	-	-	-	7,805,559	
Grant to other organizations	67,000	-	-	-	-	67,000	
Field costs	162,046	-	-	-	-	162,046	
Meetings and conferences	200,387	5,806	7,150	-	12,956	213,343	
Travel and entertainment	698,399	25,365	7,267	-	32,632	731,031	
Occupancy	549,020	74,587	36,683	-	111,270	660,290	
Printing	63,658	6,210	29,605	-	35,815	99,473	
Postage	45,394	980	11,773	-	12,753	58,147	
Supplies	26,782	2,688	2,497	-	5,185	31,967	
Telephone	59,007	2,155	1,121	-	3,276	62,283	
Dues and subscriptions	19,150	17,110	4,673	-	21,783	40,933	
Depreciation and amortization	-	25,532	-	-	25,532	25,532	
Catering and facility rental	-	-	-	94,836	94,836	94,836	
Information technology	82,347	69,193	4,176	-	73,369	155,716	
Miscellaneous expenses	1,192	273	-	-	273	1,465	
Total other than salaries and related expenses	<u>10,043,748</u>	<u>238,673</u>	<u>210,343</u>	<u>94,836</u>	<u>543,852</u>	<u>10,587,600</u>	
Total expenses reported on the statements of activities	<u>\$ 15,086,731</u>	<u>\$ 977,983</u>	<u>\$ 488,105</u>	<u>\$ 94,836</u>	<u>\$ 1,560,924</u>	<u>\$ 16,647,655</u>	

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

Consolidated Statements of Cash Flows Years Ended June 30, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ 1,128,244	\$ 1,624,372
Items not requiring (providing) operating cash flows		
Depreciation and amortization	25,891	25,532
Loss on disposal of property and equipment	44,978	-
Realized and unrealized gain on investments	(143,389)	(224,373)
Changes in		
Contributions receivable	(95,876)	(387,995)
Government contracts receivable	1,794,063	(482,834)
Accounts receivable	-	4,803
Prepaid expenses and other receivables	61,267	37,765
Security deposits	33,333	-
Accounts payable and accrued expenses	(414,639)	(119,954)
Refundable advances	(189,698)	(64,550)
Deferred rent payable	(165,000)	-
	<u>2,079,174</u>	<u>412,766</u>
Net cash provided by operating activities		
Investing Activities		
Proceeds from sale of investments	485,062	474,252
Purchase of investments	(396,728)	(691,608)
Property and equipment acquisitions	(11,310)	(34,477)
	<u>77,024</u>	<u>(251,833)</u>
Net cash provided by (used in) investing activities		
Financing Activities		
Proceeds from loan payable	738,861	-
	<u>738,861</u>	<u>-</u>
Net cash provided by financing activities		
Increase in Cash and Cash Equivalents	2,895,059	160,933
Cash and Cash Equivalents, Beginning of Year	<u>1,135,907</u>	<u>974,974</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,030,966</u>	<u>\$ 1,135,907</u>

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

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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, 2020 and 2019, cash equivalents consisted primarily of money market accounts.

At June 30, 2020, EHA's cash accounts exceeded federally insured limits by approximately \$3,780,000.

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

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

Allowance for Doubtful Accounts

EHA determines whether an allowance for uncollectible 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, 2020 and 2019, no allowance was deemed necessary or recorded by management.

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 with long-term maturities 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. 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	3 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.

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

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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.

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.

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

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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.

In-Kind Contributions

In addition to receiving cash contributions, EHA receives in-kind contributions for legal services. 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, 2020 and 2019, \$21,673 and \$17,517, 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

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.

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, 2020 and 2019, advances to subcontractors were \$140,523 and \$301,962, respectively.

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

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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 adjustments are excluded from the measure of operations.

Change in Accounting Principle

In 2020, EHA adopted the Financial Accounting Standards Board (FASB) 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*. The core guidance in ASU 2018-08 is to clarify 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 adoption had no impact on change in net assets or the change in timing of recognition for grants or contributions.

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, 2020, have been recorded as receivables. The following are the grant commitments that extend beyond June 30, 2020:

Grant	Term	Grant Amount	Earned Through 2020	Funding Available
NSF - EcohealthNet	08/31/21	\$ 499,897	\$ 319,309	\$ 180,588
DTRA - Serological Biosurveillance for Spillover of Henipaviruses and Filoviruses in Peninsular Malaysia	04/30/22	4,115,666	2,512,537	1,603,129
DTRA - Reducing the Threat of Rift Valley Fever through Ecology, Epidemiology, and Socio-Economics	08/14/24	4,989,014	614,841	4,374,173
DTRA - Crimean-Congo Hemorrhagic Fever: Reducing an Emerging Health Threat in Tanzania	07/01/25	4,995,106	768	4,994,338
DTRA - Understanding the Risk of Bat-Borne Zoonotic Disease Emergence in Western Asia	10/01/22	4,391,444	2,055,924	2,335,520
Augmenting Capacity for Humanitarian Emergencies of Infectious Diseases with Epidemic or Pandemic Potential	09/30/21	143,605	110,831	32,774
Emerging Pandemic Threat Program - One Health Workforce - Next Generation	09/30/24	1,363,087	482,211	880,876
		<u>\$ 20,497,819</u>	<u>\$ 6,096,421</u>	<u>\$ 14,401,398</u>

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

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

Note 3: Contributions Receivable

Contributions receivable consisted of the following:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 165,304	\$ 350,000	\$ 515,304
	\$ 165,304	\$ 350,000	\$ 515,304
			•
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Due within one year	\$ 23,944	\$ 200,000	\$ 223,944
Due within one to five years	-	200,000	200,000
	23,944	400,000	423,944
Less unamortized discount	-	(4,516)	(4,516)
	\$ 23,944	\$ 395,484	\$ 419,428

Note 4: Property and Equipment

Property and equipment at June 30, 2020 and 2019 consists of:

	2020	2019
Office equipment	\$ 42,749	\$ 112,221
Furniture and fixtures	-	86,681
Leasehold improvements	11,310	560,992
	54,059	759,894
Less accumulated depreciation and amortization	(16,709)	(662,985)
	\$ 37,350	\$ 96,909

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

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

Note 5: Line of Credit and Letter of Credit

EHA has a \$700,000 unsecured line of credit expiring in 2021. There were no borrowings during 2020 and 2019 and no amounts were outstanding as of June 30, 2020 and 2019. Interest varies with the bank's prime rate, which was 2.75 percent and 4.50 percent at June 30, 2020 and 2019, 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.

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 (PPP).

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 two 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, 2020 are as follows:

2021	\$	426,641
2022		<u>312,220</u>
Total		<u>\$ 738,861</u>

Note 7: Operating Leases

EHA has 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.

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

Notes to Consolidated Financial Statements June 30, 2020 and 2019

Future minimum lease payments at June 30, 2020 were:

2021	\$	436,387	
2022		527,155	
2023		537,698	
2024		548,452	
2025		559,421	
Thereafter		3,564,422	
	\$	6,173,535	

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 \$263,162 and \$305,704 for the years ended June 30, 2020 and 2019, 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:

	2020	2019
Subject to expenditure for specified purpose		
Conservation medicine field activities	\$ 1,578,288	\$ 966,582
Research programs	183,490	170,967
	\$ 1,761,778	\$ 1,137,549

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.

	2020	2019
Satisfaction of purpose restrictions		
Conservation medicine field activities	\$ 527,809	\$ 188,348
Research programs	109,478	35,000
	\$ 637,287	\$ 223,348

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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, 2020 and 2019, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 4,030,966	\$ 1,135,907
Investments	3,478,483	3,423,428
Contributions receivable, net	515,304	419,428
Government contracts receivable, net	1,185,526	2,979,589
Total financial assets	9,210,279	7,958,352
Investments secured as collateral	392,748	-
Total financial assets available to meet cash needs for general expenditures within one year	\$ 8,817,531	\$ 7,958,352

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, 2020 and 2019, 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, 2020 and 2019:

	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	369,734		
Total investments	<u>\$ 3,478,483</u>		
Short-term investments	\$ 369,734		
Long-term investments	3,108,749		
	<u>\$ 3,478,483</u>		

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	2019		
	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	\$ 538,763	\$ -	\$ 538,763
U.S. Treasury bonds and notes	223,641	223,641	-
Mutual funds			
Bond funds	32,484	32,484	-
Equity securities			
Basic materials	102,293	102,293	-
Consumer goods	218,266	218,266	-
Financial	281,715	281,715	-
Healthcare	353,169	353,169	-
Industrials	259,524	259,524	-
Services	156,411	156,411	-
Technology	520,086	520,086	-
Energy	108,251	108,251	-
Cons. Discretionary	322,569	322,569	-
Real estate	51,113	51,113	-
Exchange-traded funds (ETFs) - bond funds	95,344	95,344	-
Investments reported on the fair value hierarchy	3,263,629	<u>\$ 2,724,866</u>	<u>\$ 538,763</u>
Cash equivalents	<u>159,799</u>		
Total investments	<u>\$ 3,423,428</u>		
Short-term investments	\$ 159,799		
Long-term investments	<u>3,263,629</u>		
	<u>\$ 3,423,428</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, 2020 and 2019.

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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, 31 percent and 38 percent of all contributions were received from one donor in 2020 and 2019, respectively.

Approximately, 59 and 73 percent of all federal grants were received from one agency in 2020 and 2019, 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: Subsequent Events

Subsequent events have been evaluated through March 5, 2021, which is the date the consolidated financial statements were available to be issued.

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Note 14: Future Changes in Accounting Principle

Revenue Recognition

FASB amended its standards related to revenue recognition. This amendment replaces all existing revenue recognition guidance and provides a single, comprehensive revenue recognition model for all contracts with customers. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments and assets recognized from costs incurred to fulfill a contract. The standard allows either full or modified retrospective adoption effective for nonpublic entities for annual periods beginning after December 15, 2019, and any interim periods within annual reporting periods that begin after December 15, 2020. EHA is in the process of evaluating the effect the amendment will have on the consolidated financial statements.

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.