

**ECOHEALTH ALLIANCE, INC.
AND
WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.
CONSOLIDATED FINANCIAL STATEMENTS,
AUDITOR'S REPORTS AND SCHEDULE
RELATED TO OFFICE OF MANAGEMENT
AND BUDGET CIRCULAR A-133
JUNE 30, 2013**

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

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

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**Independent Auditor's Report on Financial Statements
and Supplementary Information**

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc., which comprise the consolidated balance sheet as of June 30, 2013, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. as of June 30, 2013, and changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s June 30, 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 31, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013 on our consideration of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over financial reporting and compliance.

Loeb & Troper LLP

December 2, 2013, except for the schedule
of expenditures of federal awards, as to
which the date is February 14, 2014

EXHIBIT A

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

CONSOLIDATED BALANCE SHEET**JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 1,114,233	\$ 1,527,312
Investments (Note 3)	1,845,184	2,607,681
Contributions receivable (Note 4)	247,206	385,524
Government contracts receivable - current	1,644,860	637,600
Other receivable		988
Prepaid expenses	63,305	23,381
Security deposits	33,333	33,333
Fixed assets - net (Note 5)	<u>95,733</u>	<u>146,119</u>
Total assets	<u><u>\$ 5,043,854</u></u>	<u><u>\$ 5,361,938</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 2,329,374</u>	<u>\$ 1,900,734</u>
Net assets (Exhibit B)		
Unrestricted	2,396,635	1,987,408
Temporarily restricted (Note 7)	317,845	473,796
Permanently restricted (Notes 7 and 11)	<u>1,000,000</u>	<u>1,000,000</u>
Total net assets	<u>2,714,480</u>	<u>3,461,204</u>
Total liabilities and net assets	<u><u>\$ 5,043,854</u></u>	<u><u>\$ 5,361,938</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

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

EXHIBIT B

CONSOLIDATED STATEMENT OF ACTIVITIES

**YEAR ENDED JUNE 30, 2013
(With Summarized Financial Information
for the Year Ended June 30, 2012)**

	2013			2012
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Operating revenues and other support				
Government contracts and grants	\$ 7,057,581			\$ 5,834,820
Foundations - contributions	3,000	\$ 187,015		505,468
Corporations - contributions (including in-kind contributions of \$769,551 in 2013) (Note 9)	905,010	10,999		935,210
Bequests	77,681	31,273		409,928
Individuals - contributions	355,064	92,000		499,415
Special events	355,945			185,590
Other revenues	91,821	9,948		65,346
Net assets released from restrictions (Note 7)	487,186	(487,186)		
Total operating revenues and other support	9,333,288	(155,951)		8,435,777

-continued-

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

**EXHIBIT B
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CONSOLIDATED STATEMENT OF ACTIVITIES

**YEAR ENDED JUNE 30, 2013
(With Summarized Financial Information
for the Year Ended June 30, 2012)**

	2013			2012
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Expenses (Exhibit C)				
Program service				
Research and education	\$ 7,019,042			\$ 6,894,466
Supporting services				
Management and general	658,174			690,163
Fund raising	1,439,960			871,644
Direct costs of special events	99,388			92,458
Total supporting services	2,197,522			1,654,265
Total expenses	9,216,564			8,548,731
Operating gain (loss)	116,724	\$ (155,951)		(112,954)
Nonoperating activities				
Investment income (Note 3)	292,503			116,869
Disposition of restricted funds (Note 11)			\$ (1,000,000)	(1,872,785)
Change in net assets (Exhibit D)	409,227	(155,951)	(1,000,000)	(1,868,870)
Net assets - beginning of year	1,987,408	473,796	1,000,000	5,330,074
Net assets - end of year (Exhibit A)	\$ 2,396,635	\$ 317,845	\$ -	\$ 3,461,204

See independent auditor's report.

The accompanying notes are an integral part of these statements.

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

EXHIBIT C

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013
(With Summarized Financial Information
for the Year Ended June 30, 2012)

	Research and Education	Management and General	Supporting Services		Total	Total	
			Fund Raising	Direct Costs of Special Events		2013	2012
Salaries	\$ 1,953,635	\$ 311,161	\$ 412,242		\$ 723,403	\$ 2,677,038	\$ 2,338,790
Payroll taxes and employee benefits	638,611	100,009	133,100		233,109	871,720	723,024
Total salaries and related expenses	2,592,246	411,170	545,342		956,512	3,548,758	3,061,814
Professional fees (Note 9)	76,071	61,266	763,659		824,925	900,996	864,292
Subcontracts	3,006,187					3,006,187	2,787,426
Grants to other organizations	128,084					128,084	256,213
Field costs	86,976					86,976	111,002
Meetings and conferences	164,656	8,295	33,050		41,345	206,001	148,047
Travel and entertainment	437,372	2,449	20,190		22,639	460,011	461,001
Occupancy (Note 8)	268,895	132,900	42,778		175,678	444,573	410,281
Printing	37,636	619	7,551		8,170	45,806	52,006
Postage	21,902	1,274	2,513		3,787	25,689	32,187
Supplies	22,872	6,033	3,124		9,157	32,029	28,908
Telephone	43,309	10,177	3,369		13,546	56,855	29,204
Dues and subscriptions	12,452	683	293		976	13,428	19,511
Depreciation and amortization	30,054	15,402	4,930		20,332	50,386	62,917
Catering and facility rental				\$ 99,388	99,388	99,388	92,458
Information technology	90,330	7,613	13,161		20,774	111,104	130,219
Investment expenses		14,948			14,948	14,948	23,257
Miscellaneous		293			293	293	1,245
Total other than salaries and related expenses	4,426,796	261,952	894,618	99,388	1,255,958	5,682,754	5,510,174
Total expenses	7,019,042	673,122	1,439,960	99,388	2,212,470	9,231,512	8,571,988
Less expenses netted against investment income		(14,948)			(14,948)	(14,948)	(23,257)
Total expenses reported by function on the statement of activities (Exhibit B)	\$ 7,019,042	\$ 658,174	\$ 1,439,960	\$ 99,388	\$ 2,197,522	\$ 9,216,564	\$ 8,548,731

See independent auditor's report.

The accompanying notes are an integral part of these statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ (746,724)	\$ (1,868,870)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation and amortization	50,386	62,917
Realized and unrealized gains on investments	(240,537)	(27,183)
Disposition of endowment fund	1,000,000	
Decrease (increase) in assets		
Contributions receivable	138,318	(141,387)
Government contracts receivable	(1,007,260)	64,106
Other receivable	988	9,616
Prepaid expenses	(39,924)	32,313
Increase in liabilities		
Accounts payable and accrued expenses	<u>428,640</u>	<u>462,750</u>
Net cash used by operating activities	<u>(416,113)</u>	<u>(1,405,738)</u>
Cash flows from investing activities		
Proceeds from sale of investments	2,224,010	2,395,619
Purchase of investments	(1,220,976)	(599,162)
Disposition of long-term endowment	<u>(1,000,000)</u>	
Net cash provided by investing activities	<u>3,034</u>	<u>1,796,457</u>
Net change in cash and cash equivalents	(413,079)	390,719
Cash and cash equivalents - beginning of year	<u>1,527,312</u>	<u>1,136,593</u>
Cash and cash equivalents - end of year	<u><u>\$ 1,114,233</u></u>	<u><u>\$ 1,527,312</u></u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 1 - ORGANIZATION AND TAX STATUS

On June 22, 2010, Wildlife Trust, Inc. changed its name to EcoHealth Alliance, Inc.

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 contributions and government contracts and grants.

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 the predominance of its assets to Wildlife Trust Inc., now known as EcoHealth Alliance, Inc.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Contributions receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are subsequently met.

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

Allowance for doubtful accounts - EHA determines whether an allowance for uncollectibles should be provided for contributions and government contracts receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other sources, current economic conditions and historical information. Contributions and government contracts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Contributed services - Contributed services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation.

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

In-kind donations - In-kind donations are recorded at fair value.

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

Rent expense - EHA leases space at various locations. All leases are operating leases. Rent expense is recognized on the first day of each month for the current month's rent. All leases are reflected on the straight-line basis.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants to other organizations - EHA grants funds to charitable organizations for specific programs. Grants are recorded when approved by the EHA Board of Directors. Funds approved for payment are recorded as grants payable. As of June 30, 2013 and 2012, there were no outstanding grants payable.

Subcontracted services - Subcontracted services are recorded when services are incurred by the subcontractor. Advances to subcontractors are recorded as an asset. As of June 30, 2013 and 2012, there were no advances to subcontractors.

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 and excludes investment income and disposition of restricted funds.

Prior-year summarized comparative information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Fair Value Measurements

Fair Value Measurements, ASC Topic 820, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that EHA has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at June 30, 2013 as compared to 2012.

Cash equivalents - Valued at the closing price reported on the active market on which the individual securities are traded.

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

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while EHA believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The assets at fair value as of June 30, 2013 and 2012 are set forth by level within the fair value hierarchy in Note 3.

Uncertainty in income taxes - EHA has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending June 30, 2010 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through December 2, 2013, which is the date the financial statements were available to be issued.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 3 - INVESTMENTS

	2013 (Level 1)	2012 (Level 1)
Cash equivalents	\$ 30,067	\$ 30,911
Bonds		
Corporate bonds	337,912	584,973
Government and government agency bonds	79,993	71,346
U.S. treasury bonds and notes	48,660	37,763
Common stock		
Basic materials	206,565	218,607
Conglomerates		98,165
Consumer goods	190,566	175,266
Financial	166,148	213,248
Healthcare	223,730	226,626
Industrials	63,540	30,713
Information technology	262,820	290,700
Services	229,156	264,284
Exchange-traded funds (ETFs) - equities	<u>6,027</u>	<u>365,079</u>
	<u>\$ 1,845,184</u>	<u>\$ 2,607,681</u>

Investment income consists of the following:

	2013	2012
Interest and dividends	\$ 66,914	\$ 112,943
Realized and unrealized gains on investments	240,537	27,183
Investment fees	<u>(14,948)</u>	<u>(23,257)</u>
	<u>\$ 292,503</u>	<u>\$ 116,869</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable are recorded at their net realizable value. The contributions receivable are expected to be paid as follows:

2014	\$ 207,206
2015	<u>40,000</u>
	<u>\$ 247,206</u>

NOTE 5 - FIXED ASSETS

	<u>2013</u>	<u>2012</u>	<u>Estimated Useful Lives</u>
Office equipment	\$ 47,507	\$ 47,507	3 years
Furniture and fixtures	68,439	68,439	10 years
Leasehold improvements	<u>472,824</u>	<u>472,824</u>	10 years
	588,770	588,770	
Accumulated depreciation and amortization	<u>(493,037)</u>	<u>(442,651)</u>	
Net	<u>\$ 95,733</u>	<u>\$ 146,119</u>	

NOTE 6 - PENSION

EHA has a 403(b) defined contribution pension plan covering employees who meet age and length of service requirements. Pension expense was \$119,053 and \$107,477 for the years ended June 30, 2013 and 2012, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 7 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2013</u>	<u>2012</u>
Aquatics programs		\$ 5,000
Conservation medicine field activities	\$ 277,480	
Ecohealth Alliance Partners	40,265	305,636
Predict and prevent programs	<u> </u>	<u>163,160</u>
	<u>\$ 317,845</u>	<u>\$ 473,796</u>

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

	<u>2013</u>	<u>2012</u>
Aquatics programs	\$ 5,000	\$
Conservation medicine field activities	53,655	13,337
Ecohealth Alliance Partners	265,371	272,579
Predict and prevent programs	<u>163,160</u>	<u>370,403</u>
	<u>\$ 487,186</u>	<u>\$ 656,319</u>

Permanently restricted net assets are restricted to investments to be held in perpetuity. The investment income is available for the following purpose:

	<u>2013</u>	<u>2012</u>
Elephant conservation	<u>\$ -</u>	<u>\$ 1,000,000</u>

-continued-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 8 - OCCUPANCY

In 2005, EHA entered into a ten-year and five-month lease for office space in New York. On September 24, 2013 the lease was extended until December 31, 2023. Rental expense for the years ended June 30, 2013 and 2012 was \$264,036 and \$243,834, respectively.

Minimum lease payments are as follows:

Year Ending June 30,	
	<u> </u>
2014	\$ 299,800
2015	369,600
2016	369,600
2017	397,100
2018	424,600
Thereafter	<u>2,500,300</u>
	<u>\$ 4,361,000</u>

NOTE 9 - IN-KIND DONATIONS

EHA received the following in-kind donations:

Legal fees	\$ 38,661
Public relations	690,600
Research	<u>40,290</u>
	<u>\$ 769,551</u>

NOTE 10 - CONTINGENCIES

EHA is subject to audits by funding sources. Management believes that the results of such audits, if any, will not have an adverse effect on the financial statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 11 - DISPOSITION OF RESTRICTED FUNDS

In March 2013, EHA reached an agreement with the Wildlife Conservation Network on the disposition of a restricted fund: the Elephant Crisis Fund, (part of EcoHealth Alliance Partners) which had been held by EHA.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identification Number	Federal Expenditures
<u>Research and Development Cluster</u>			
U.S. Department of Interior			
Fish and Wildlife Service			
Endangered Species Conservation - Recovery Implementation Funds	15.657		\$ 74,491
Great Apes Conservation Fund	15.629		<u>36,996</u>
Total U.S. Department of Interior			<u>111,487</u>
National Science Foundation			
Biological Sciences	47.074		
Viral Pathogens			15,975
EcohealthNet			119,930
Kuming Workshop			<u>9,020</u>
Total National Science Foundation			<u>144,925</u>
U.S. Department of Defense			
Defense Threat Reduction Agency			
Biosurveillance Ecosystem Implementation	12.UNKNOWN		<u>501,970</u>
Total U.S. Department of Defense			<u>501,970</u>

- continued -

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identification Number	Federal Expenditures
<u>Research and Development Cluster</u> (continued)			
U.S. Department of Health and Human Services			
National Institutes of Health			
Allergy, Immunology and Transplantation Research	93.855		\$ 1,031,507
Biomedical Research and Research Training	93.859		
Pass-through from Arizona State University		12-850	107,264
Bushment Services	93.UNKNOWN		46,318
International Research and Research Training	93.989		496,791
The Ecology, Emergence and Pandemic Potential of Nipah Virus in Bangladesh	93.999		<u>105,394</u>
Total U.S. Department of Health and Human Services			<u>1,787,274</u>
United States Agency for International Development			
Global Viral Forecasting	98.UNKNOWN		
Pass-through from Global Viral Forecasting Incorporated		N/A	130,130
Emerging Pandemic Threat Program	98.UNKNOWN		
Pass-through from University of California-Davis		N/A	<u>4,381,794</u>
Total United States Agency for International Development			<u>4,511,924</u>
Total Research and Development Cluster			<u>7,057,580</u>
Total expenditures of federal awards			<u>\$ 7,057,580</u>

See independent auditor's report.

The accompanying notes are an integral part of this schedule.

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3 - SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. provided federal awards to subrecipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount Provided to Subrecipient</u>
47.074	Biological Sciences	\$ 97,109
93.855	Allergy, Immunology and Transplantation Research	616,816

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

NOTE 3 - SUBRECIPIENTS (continued)

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount Provided to Subrecipient</u>
93.859	Biomedical Research and Research Training	\$ 17,240
93.989	International Research and Research Training	318,767
93.999	The Ecology, Emergence and Pandemic Potential of Nipah Virus in Bangladesh	27,144
93. UNKNOWN	Bushment Services	<u>4,000</u>
	Total	<u>\$ 1,081,076</u>



**Independent Auditor's Report on
Internal Control Over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc., which comprise the balance sheet as of June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, 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, we do not express an opinion on the effectiveness of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Loeb & Troper LLP

December 2, 2013



**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance**

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

Report on Compliance for Each Major Federal Program

We have audited EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s major federal programs for the year ended June 30, 2013. EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to their federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of their major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Loeb & Troper LLP

February 14, 2014

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes X no

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
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Various	Research and Development Cluster
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Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.