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**MGVP, INC.**  
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2021 and 2020

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Nelson & Associates, CPA's  
9245 Laguna Springs Drive, Suite 200  
Elk Grove, CA 95758

**MGVP, INC.**  
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**June 30, 2021 and 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
MGVP, Inc.  
Davis, California

We have audited the accompanying financial statements of MGVP, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of MGVP, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Report on Summarized Comparative Information

The 2020 financial statements were audited by other auditors. The preceding auditors expressed an unmodified audit opinion on those audited financial statements in their report dated January 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in dark ink, appearing to read 'Nelson &amp; Associates' followed by a stylized signature.

Elk Grove, CA  
November 15, 2021

**MGVP, INC.**  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2021  
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020

|   | <u>2021</u>         | <u>2020</u>       |
|---|---------------------|-------------------|
| <b>ASSETS</b>                                       |                     |                   |
| <b>ASSETS</b>                                       |                     |                   |
| Cash, cash equivalents and restricted cash (Note 1) | \$ 623,013          | \$ 543,972        |
| Contracts receivable and promises to give (Note 1)  | 225,698             | 175,000           |
| Prepaid assets                                      | 5,447               | 5,447             |
| Property and equipment, net (Note 3)                | <u>449,029</u>      | <u>71,221</u>     |
| Total Assets  | <u>\$ 1,303,187</u> | <u>\$ 795,640</u> |
| <b>LIABILITIES AND NET ASSETS</b>                   |                     |                   |
| <b>LIABILITIES</b>                                  |                     |                   |
| Accounts payable and accrued expenses               | \$ 18,059           | \$ 13,182         |
| Deferred revenue (Note 4)                           | 18,010              | 58,180            |
| Loans and notes payable (Note 5)                    | <u>195,252</u>      | <u>30,253</u>     |
| Total Liabilities                                   | <u>231,321</u>      | <u>101,615</u>    |
| <b>NET ASSETS</b>                                   |                     |                   |
| With donor restrictions (Note 6)                    | 201,878             | 305,007           |
| Without donor restrictions                          | <u>869,988</u>      | <u>389,018</u>    |
| Total Net Assets                                    | <u>1,071,866</u>    | <u>694,025</u>    |
| Total Liabilities and Net Assets                    | <u>\$ 1,303,187</u> | <u>\$ 795,640</u> |

*The accompanying notes are an integral part of these financial statements.*

**MGVP, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

|                                      | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|--------------------------------------|-------------------------------|----------------------------|---------------------|
| <b>REVENUES</b>                      |                               |                            |                     |
| Support and Revenues                 |                               |                            |                     |
| Federal financial awards             | \$ 152,618                    | \$ -                       | \$ 152,618          |
| Corporate and foundation grants      | 301,983                       | 150,000                    | 451,983             |
| Individual contributions             | 1,238,711                     | -                          | 1,238,711           |
| In-kind contributions (Note 11)      | 62,054                        | -                          | 62,054              |
| Other federal revenue                | 30,253                        | -                          | 30,253              |
| Other revenue                        | <u>25,902</u>                 | <u>-</u>                   | <u>25,902</u>       |
| Total Support and Revenues           | <u>1,811,521</u>              | <u>150,000</u>             | <u>1,961,521</u>    |
| Net assets released from restriction | <u>253,130</u>                | <u>(253,130)</u>           | <u>-</u>            |
| Total Revenues                       | <u>2,064,651</u>              | <u>(103,130)</u>           | <u>1,961,521</u>    |
| <b>EXPENSES</b>                      |                               |                            |                     |
| Program services                     | 1,323,167                     | -                          | 1,323,167           |
| Fund development                     | 55,176                        | -                          | 55,176              |
| General and administrative           | <u>205,337</u>                | <u>-</u>                   | <u>205,337</u>      |
| Total Expenses                       | <u>1,583,680</u>              | <u>-</u>                   | <u>1,583,680</u>    |
| Change in net assets                 | 480,971                       | (103,130)                  | 377,841             |
| Net Assets - July 1, 2020            | <u>389,017</u>                | <u>305,008</u>             | <u>694,025</u>      |
| Net Assets - June 30, 2021           | <u>\$ 869,988</u>             | <u>\$ 201,878</u>          | <u>\$ 1,071,866</u> |

*The accompanying notes are an integral part of these financial statements.*

**MGVP, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

|                                      | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total             |
|--------------------------------------|-------------------------------|----------------------------|-------------------|
| <b>REVENUES</b>                      |                               |                            |                   |
| Support and Revenues                 |                               |                            |                   |
| Federal financial awards             | \$ 239,345                    | \$ -                       | \$ 239,345        |
| Corporate and foundation grants      | 380,696                       | 300,900                    | 681,596           |
| Individual contributions             | 668,527                       | -                          | 668,527           |
| In-kind contributions (Note 11)      | 151,596                       | -                          | 151,596           |
| Fundraising, net                     | 129,046                       | -                          | 129,046           |
| Other revenue                        | <u>23,132</u>                 | <u>-</u>                   | <u>23,132</u>     |
| Total Support and Revenues           | <u>1,592,342</u>              | <u>300,900</u>             | <u>1,893,242</u>  |
| Net assets released from restriction | <u>50,533</u>                 | <u>(50,533)</u>            | <u>-</u>          |
| Total Revenues                       | <u>1,642,875</u>              | <u>250,367</u>             | <u>1,893,242</u>  |
| <b>EXPENSES</b>                      |                               |                            |                   |
| International program                | 1,321,025                     | -                          | 1,321,025         |
| Management and general               | 46,069                        | -                          | 46,069            |
| Development                          | <u>213,984</u>                | <u>-</u>                   | <u>213,984</u>    |
| Total Expenses                       | <u>1,581,078</u>              | <u>-</u>                   | <u>1,581,078</u>  |
| Change in net assets                 | 61,797                        | 250,367                    | 312,164           |
| Net Assets - July 1, 2019            | <u>327,220</u>                | <u>54,641</u>              | <u>381,861</u>    |
| Net Assets - June 30, 2020           | <u>\$ 389,017</u>             | <u>\$ 305,008</u>          | <u>\$ 694,025</u> |

*The accompanying notes are an integral part of these financial statements.*

**MGVP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

|                                | <u>International<br/>Program</u> | <u>Management<br/>and General</u> | <u>Development</u> | <u>Total<br/>2021</u> |
|--------------------------------|----------------------------------|-----------------------------------|--------------------|-----------------------|
| Salaries and wages             | \$ 489,236                       | \$ 9,327                          | \$ 109,327         | \$ 607,890            |
| Payroll taxes                  | 143,931                          | 2,744                             | 32,163             | 178,838               |
| Employee benefits              | 46,484                           | 886                               | 10,388             | 57,758                |
| Bank & other fees              | 24,878                           | -                                 | -                  | 24,878                |
| Depreciation                   | 28,242                           | -                                 | -                  | 28,242                |
| Field and research projects    | 117,797                          | -                                 | -                  | 117,797               |
| Government relations           | 13,039                           | -                                 | -                  | 13,039                |
| Information Technology         | 2,926                            | 10,000                            | -                  | 12,926                |
| In-kind expense                | 62,054                           | -                                 | -                  | 62,054                |
| Insurance                      | 5,047                            | 3,119                             | -                  | 8,166                 |
| Marketing and public relations | -                                | -                                 | 53,459             | 53,459                |
| Occupancy                      | 51,947                           | -                                 | -                  | 51,947                |
| Office expenses                | 7,330                            | 1,385                             | -                  | 8,715                 |
| Penalties                      | -                                | 11,706                            | -                  | 11,706                |
| Printing                       | -                                | 7,311                             | -                  | 7,311                 |
| Professional fees              | 26,094                           | 8,698                             | -                  | 34,792                |
| Repairs and maintenance        | 40,540                           | -                                 | -                  | 40,540                |
| Staff Development              | 6,075                            | -                                 | -                  | 6,075                 |
| Telephone                      | 21,203                           | -                                 | -                  | 21,203                |
| Travel                         | 20,148                           | -                                 | -                  | 20,148                |
| Vehicle                        | 77,887                           | -                                 | -                  | 77,887                |
| Veterinary and supplies        | <u>138,309</u>                   | <u>-</u>                          | <u>-</u>           | <u>138,309</u>        |
|                                | <u>\$ 1,323,167</u>              | <u>\$ 55,176</u>                  | <u>\$ 205,337</u>  | <u>\$ 1,583,680</u>   |

*The accompanying notes are an integral part of these financial statements.*

**MGVP, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

|                                | <b>International<br/>Program</b> | <b>Management<br/>and General</b> | <b>Development</b> | <b>Total<br/>2020</b> |
|--------------------------------|----------------------------------|-----------------------------------|--------------------|-----------------------|
| Salaries and wages             | \$ 418,434                       | \$ 3,110                          | \$ 122,735         | \$ 544,279            |
| Payroll taxes                  | 145,929                          | 1,085                             | 42,804             | 189,818               |
| Employee benefits              | 56,720                           | 422                               | 16,637             | 73,779                |
| Bank & other fees              | 16,412                           | 1,586                             | -                  | 17,998                |
| Depreciation                   | 1,207                            | -                                 | -                  | 1,207                 |
| Field and research projects    | 171,376                          | -                                 | -                  | 171,376               |
| Government relations           | 7,721                            | -                                 | -                  | 7,721                 |
| Information Technology         | 5,092                            | 10,000                            | 383                | 15,475                |
| In-kind expense                | 151,596                          | -                                 | -                  | 151,596               |
| Insurance                      | 2,391                            | 3,117                             | -                  | 5,508                 |
| Marketing and public relations | -                                | -                                 | 25,345             | 25,345                |
| Occupancy                      | 53,045                           | -                                 | -                  | 53,045                |
| Office expenses                | 8,335                            | 571                               | -                  | 8,906                 |
| Printing                       | -                                | 12,585                            | -                  | 12,585                |
| Professional fees              | 24,377                           | 8,125                             | -                  | 32,502                |
| Repairs and maintenance        | 23,341                           | -                                 | -                  | 23,341                |
| Staff Development              | 11,296                           | -                                 | -                  | 11,296                |
| Telephone                      | 16,208                           | -                                 | -                  | 16,208                |
| Travel                         | 66,382                           | 5,468                             | 6,080              | 77,930                |
| Vehicle                        | 66,023                           | -                                 | -                  | 66,023                |
| Veterinary and supplies        | 75,140                           | -                                 | -                  | 75,140                |
|                                | <u>\$ 1,321,025</u>              | <u>\$ 46,069</u>                  | <u>\$ 213,984</u>  | <u>\$ 1,581,078</u>   |

*The accompanying notes are an integral part of these financial statements.*



**MGVP, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020**

|   | <u>2021</u>       | <u>2020</u>       |
|---|-------------------|-------------------|
| <b>Cash Flows from Operating Activities</b>   |                   |                   |
| Change in net assets  | \$ 377,841        | \$ 312,164        |
| Adjustments to reconcile increase in net assets to net cash used by operating activities: |                   |                   |
| Depreciation  | 28,242            | 1,207             |
| Paycheck Protection Program Loan Forgiven   | (30,253)          | -                 |
| Grants receivable   | (50,698)          | 10,194            |
| Promises to give  | -                 | (175,000)         |
| Prepaid expenses  | -                 | 3,880             |
| Accounts payable  | 5,390             | (14,051)          |
| Accrued expenses  | (515)             | 220               |
| Deferred revenue  | <u>(40,169)</u>   | <u>35,921</u>     |
| Net Cash Provided by Operating Activities   | <u>289,838</u>    | <u>174,535</u>    |
| <b>Cash Flows from Investment Activities</b>  |                   |                   |
| Purchase of fixed assets  | (241,050)         | (72,428)          |
| Purchase of equipment   | <u>-</u>          | <u>-</u>          |
| Net Cash Used in Operating Activities   | <u>(241,050)</u>  | <u>(72,428)</u>   |
| <b>Cash Flows from Financing Activities</b>   |                   |                   |
| Proceeds from notes payable   | -                 | -                 |
| Proceeds from Paycheck Protection Program   | <u>30,253</u>     | <u>30,253</u>     |
| Net Cash Provided by Financing Activities   | <u>30,253</u>     | <u>30,253</u>     |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                               | <u>79,041</u>     | <u>132,360</u>    |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                                       | <u>543,972</u>    | <u>411,612</u>    |
| <b>Cash and Cash Equivalents, End of Year</b>   | <u>\$ 623,013</u> | <u>\$ 543,972</u> |
| <b>Supplemental cash flow disclosure:</b>   |                   |                   |
| Supplemental schedule of noncash investing activities                                     |                   |                   |
| Acquisition of property and equipment with notes payable                                  | \$ 165,000        |                   |

*The accompanying notes are an integral part of these financial statements.*

**MGVP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization

MGVP, Inc. (dba Gorilla Doctors) is to oversee the Mountain Gorilla Veterinary Project. MGVP, Inc. provides conservation and healthcare intervention to the endangered eastern gorillas in their natural habitats in Rwanda, Uganda, and the Democratic Republic of Congo.

The Project receives public and governmental support to fund its charitable programs. MGVP, Inc. is a Maryland-registered non-profit, with administrative operations in Davis, California and foreign offices and employees located in Rwanda, Uganda and the Democratic Republic of the Congo.

Basis of Accounting

The financial statements MGVP, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

MGVP, Inc. considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building project, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition. Total cash, cash equivalents and restricted cash of \$623,013 at June 30, 2021 included no restricted cash. Total cash, cash equivalents and restricted cash of \$543,972 at June 30, 2020 included \$100,000 of funds restricted for the purchased of the Garden House property in Rwanda.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with United States financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because the outstanding amounts are immaterial to the financial statements taken as a whole.

The cash balances in Africa are not insured and present a credit risk. As of June 30, 2021 and 2020 the cash held in other countries expressed in US dollars is \$29,044 and 24,307 respectively. To date, MGVP, Inc. has not experienced losses in these accounts.

Contracts Receivable and Uncollectible Fees

Contracts receivable arise from contracts with governmental agencies and other charities that pass-through government resources that provide for reimbursement of expenditures within contract guidelines. Due to the nature of the contracts receivable it is the opinion of management that substantially all receivables are collectible in full. Therefore, no allowance for bad debts is provided.

**MGVP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Promises to Give

Unconditional promises to give are recognized as receivable and as revenues in the period in which the Organization is notified by the donor of their commitment to make a contribution. Conditional promises to give are recognized when the contributions on which they depend are met.

MGVP, Inc. records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are also recorded at net realizable value. The difference between the net realizable value and fair value using present value disclosure required by GAAP is immaterial and therefore it is not deemed necessary. The promises to give are from one donor with reliable history and it is the opinion of management that promises to give are collectible in full. Therefore, no allowance for bad debts is provided.

Property and Equipment

Assets purchased or built in USA, Rwanda, Uganda and Democratic Republic of Congo valued at greater than or equal to \$5,000 are to be recorded at cost. Donated assets and capitalized donated leases are recorded at their fair market value at the date of the donation. Depreciation expenses are calculated using the straight-lined method and the following estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Title to such property remains with MGVP, Inc. while it is operating in the above-mentioned foreign countries but passes to the designated collaborating program operators upon abandonment of the project/program.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Revenue is recognized when earned. Program service fees and income from government grants received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**MGVP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Contributed Services

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received (Note 11).

Functional Allocation of Expenses

The costs of providing the various program services and activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, benefits, payroll taxes, and professional fees which are allocated on the basis of estimates of time and effort.

Income Taxes

MGVP, Inc. is a Maryland not-for-profit corporation that is exempt from income and franchise taxes under Section 501(c)(3) of the Internal Revenue Code. It is not obligated to pay federal or state corporate income taxes unless its unrelated business income, as defined by the Internal Revenue Service Code, exceeds \$1,000. MGVP, Inc. did not generate unrelated business income and is, therefore, not subject to federal or state corporate income taxes for the years ended June 30, 2021 and 2020. In addition, MGVP, Inc. qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified by the Internal Revenue Service as other than a private foundation under Section 509(a)(2).

Foreign Currency Translation

Substantially all assets and liabilities of the African operations are translated at year-end exchange rates; support, revenues, and expenses are translated at the average exchange rates during the year. Translation adjustments for such assets and liabilities are accumulated as separately in unrestricted net assets; the accumulated unrealized gain or loss is not material.

Reclassifications

Certain reclassification of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Compensated Absences

MGVP, Inc. provides all employees, after one year of employment, annual leave that accumulates at 1.5 days of work per month for full-time positions, or 18 workdays per year (partial or full, commensurate with the position). Accrued leave that is not taken within the specified period of the contract year or within the first three months of a new contract year is not saved, and employees are not retroactively reimbursed for the leave time not taken. As such, no unused annual leave benefits have been accrued in the accompanying financial statements.

**MGVP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

Future Accounting Pronouncements

*ASU 2016-02 - Leases (Topic 842)*

Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with a term of more than 12 months. Unlike current GAAP, which requires only capital leases to be recognized on the balance sheet, ASU No. 2016-02 will require both operating and finance leases to be recognized on the balance sheet. Additionally, the ASU will require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases, including qualitative and quantitative requirements. The new requirements are effective for MGVP, Inc's June 30, 2022 year-end. Management has not yet determined the impact of this accounting standard on MGVP, Inc's operations or cash flows.

*ASU 2020-07 - Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*

Under the new guidance, not-for-profit entities that receive contributed nonfinancial assets will be required to provide enhanced presentation and disclosures regarding the type and valuation of the receipts of nonfinancial assets. The requirements in the ASU require presentation of the receipt of nonfinancial assets as a separate line item in the statement of activities. The ASU also requires additional disclosures regarding qualitative information about the monetization or utilization of the nonfinancial assets, any donor-imposed restrictions to the use of the nonfinancial assets, and a description of the valuation techniques and inputs used to determine the fair value on the date the nonfinancial assets were received. The amendments in this ASU should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021. Early adoption is permitted. Management has not yet determined the impact of this accounting standard on the Organization's operations or cash flows.

**NOTE 2: LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

|                           | <u>2021</u>       | <u>2020</u>       |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 623,013        | \$ 443,993        |
| Grants receivable         | 50,698            | -                 |
| Promises to give          | <u>175,000</u>    | <u>100,000</u>    |
|                           | <u>\$ 848,711</u> | <u>\$ 543,993</u> |

Total Cash and cash equivalents of \$543,972 at June 30, 2020 included \$100,000 of funds restricted for the purchased of the Garden House property in Rwanda and was therefore not included as available at June 30, 2020.

**MGVP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3: PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2021 and 2020, consisted of the following:

|                                | <u>2021</u>       | <u>2020</u>      |
|--------------------------------|-------------------|------------------|
| Automobiles                    | \$ 97,428         | \$ 72,428        |
| Machinery and Equipment        | 81,310            | -                |
| Property                       | 290,000           | -                |
| Improvements                   | 9,740             | -                |
| Less: accumulated depreciation | <u>(29,449)</u>   | <u>(1,207)</u>   |
| Property and equipment, net    | <u>\$ 449,029</u> | <u>\$ 71,221</u> |

Depreciation expense totaled \$28,242 and \$1,207 for the years ended June 30, 2021 and 2020.

**NOTE 4: DEFERRED REVENUE**

MGVP, Inc. recognizes revenue in the accounting period in which it is earned. Revenue received in advance of earning is recorded as deferred revenue and shown as a liability on the balance sheet. The deferred revenue consisted of grant funds received but not earned of \$18,010 from Jane Goodall at June 30, 2021 and \$44,853 from PREDICT and \$13,1327 from US Fish and Wildlife, totaling \$58,180 at June 30, 2020:

**NOTE 5: LOANS AND NOTES PAYABLE**

MGVP, Inc. received loan proceeds in the amount of \$30,253 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the PPP provided loans to qualifying businesses in amounts up to 2.5 times the business' average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower meets the forgiveness criteria. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period. Bridges intends to use PPP loan proceeds for the allowed purposes and to apply for forgiveness within 10 months of the end of the covered period.

The first PPP loan was forgiven October 28, 2020 and recorded as other federal revenue on the statement of activities. A second PPP loan was received in March 2021 and was outstanding at June 30, 2021.

On August 8, 2020, MGVP, Inc. entered into an agreement to purchase the Garden House property in Rwanda valued at \$290,000. The purchase was completed in November 13, 2020, for \$125,000 cash and \$165,000 promissory note. Interest to be computed at 2.85% with \$50,000 payments due in 2021, 2022 and 2023 on June 30, and final payment of \$25,916 due June 30, 2024. The promissory note was subsequently paid in full on October 29, 2021, as disclosed in Note 12.

|                                      | <u>2021</u>       | <u>2020</u>      |
|--------------------------------------|-------------------|------------------|
| PPP loan                             | \$ 30,252         | \$ 30,253        |
| Note payable - Garden House property | <u>165,000</u>    | <u>-</u>         |
| Loans and notes payable              | <u>\$ 195,252</u> | <u>\$ 30,253</u> |

**MGVP, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods:

|   | <u>2021</u>       | <u>2020</u>       |
|---|-------------------|-------------------|
| Timing restricted                             | \$ 51,878         | \$ 175,000        |
| Subject to expenditure for specified purpose: |                   |                   |
| Capacity Building                             | -                 | 4,107             |
| Hygiene and Data Collection                   | -                 | 25,900            |
| Garden House Property Purchase                | <u>150,000</u>    | <u>100,000</u>    |
| Net Assets with Donor Restrictions            | <u>\$ 201,878</u> | <u>\$ 300,900</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the grantor as follows for the years ended June 30, 2021 and 2020:

|                                      | <u>2021</u>       | <u>2020</u>      |
|--------------------------------------|-------------------|------------------|
| Satisfaction of timing restrictions  | \$ 123,123        | \$ -             |
| Satisfaction of purpose restrictions |                   |                  |
| Capacity Building                    | 4,107             | 34,541           |
| Hygiene and Data Collection          | 25,900            | 15,992           |
| Garden House Property Purchase       | <u>100,000</u>    | <u>-</u>         |
| Total released                       | <u>\$ 253,130</u> | <u>\$ 50,533</u> |

**NOTE 7: LEASE COMMITMENTS**

MGVP, Inc. leases two operating facilities in Rwanda, which ended December 31, 2020 when MGVP, Inc took possession of property purchased. They leased two operating facilities in Uganda, and one facility in the Democratic Republic of Congo for both years. Lease expense related to such facilities totaled \$17,867 and \$25,817 June 30, 2021 and 2020 respectively. MGVP, Inc. has no capital leases.

There are no minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2021 or 2020.

**MGVP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8: GOVERNMENT FUNDING AGREEMENTS**

The Organization has renegotiated a Cooperative Agreement with the University of California – Davis to work collaboratively in implementation of the overall Gorilla Doctors program. This Cooperative Agreement allows for MGVP to serve as a subrecipient of USAID Emerging Pandemic Threats PREDICT project funds passed through UC Davis. The original agreement was signed in 2009, expired on June 30, 2010, has been amended 8 times. The final amendment extended through September 30, 2020.

On September 30, 2020, MGVP, Inc. entered into a new agreement with UC Davis for MGVP, Inc. to serve as a subrecipient of National Institutes of Health (NIH) EpiCenter for Emerging Infectious Disease Intelligence funds for the period July 13, 2020 through May 31, 2025.

In addition, MGVP has a cooperative agreement with US Fish and Wildlife services originally effective thru September 30, 2020, extended to March 31, 2021, for evaluation of parasitic infections involved in mortalities of mountain gorillas of Virunga Massif using advanced genomics.

**NOTE 9: RISKS OF FOREIGN OPERATIONS**

The Organization's operations in Uganda, Rwanda and the Democratic Republic of the Congo are subject to risks inherent in operating in these sovereign states of Africa that are not typically associated with operations in North America. Accordingly, the Organization's financial condition and activities may be influenced by the political, economic, and legal environments in these sovereign states. As a result, our activities in these states are subject to a variety of risks, including:

- Social, political, and economic instability.
- Inflation.
- Additional costs of compliance with government regulation and licensing requirements.
- Tariffs and other trade barriers.
- Expropriation, nationalization, and limitation on repatriation of earnings.
- Fluctuations in foreign exchange rates (Note 10).
- Difficulties in managing foreign operations.
- Unexpected changes in regulatory requirements.

Any of these developments, or others, could adversely affect our financial condition and activities. Should such circumstances occur, we might need to curtail, cease, or alter our activities in a particular area. Our ability to deal with these issues may be affected by applicable U.S. laws and, in particular, potential conflicts between the requirements of U.S. law and the need to protect our employees and assets.

In addition, the Organization is required to comply with the United States Foreign Corrupt Practices Act and similar laws, which prohibit entities from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. Corruption, extortion, bribery, payoffs, theft, and other fraudulent practices occur from time-to-time in the areas in which we operate. To prevent corruption among staff, the Organization relies on strong personal referrals for hiring. The majority of our funds are maintained in the U.S., and most of our costs are fulfilled directly with vendors or go towards staff payroll, both of which are highly predictable payments that leave good paperwork trails. Although we inform our staff that corruption, extortion, bribery and so forth are illegal, there can be no assurance that our employees or other agents will not engage in such conduct for which the Organization might be held responsible. If our employees or other agents are found to have engaged in such practices, the Organization could suffer severe penalties.



**MGVP, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10: NONCOMPLIANCE WITH GRANTOR RESTRICTIONS**

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

**NOTE 11: DONATED SERVICES AND MATERIALS**

MGVP, Inc. received donated professional services and materials from UC Davis as follows during the years ended June 30, 2021 and 2020, respectively. Personnel includes part-time services of the Executive Director and Development/Marketing Assistance. Equipment/supplies includes communications, hardware/software, office supplies, etc. Travel includes roundtrip airfares, lodging, meals, ground transportation and incidentals for travel by Executive Director and US-based staff to Rwanda, Uganda and DR Congo. These have been reflected in the financial statements, as inkind revenue and inkind expenses \$62,053 and \$151,596 for the years ended June 30, 2021 and 2020, respectively.

|                    | <b>June 30, 2021</b>        |                                   |                    |                  |
|--------------------|-----------------------------|-----------------------------------|--------------------|------------------|
|                    | <b>Program<br/>Services</b> | <b>Management<br/>and General</b> | <b>Fundraising</b> | <b>Total</b>     |
| Personnel          | \$ 55,610                   | \$ -                              | \$ -               | \$ 55,610        |
| Equipment/Supplies | 1,887                       | -                                 | -                  | 1,887            |
| Travel             | <u>4,556</u>                | <u>-</u>                          | <u>-</u>           | <u>4,556</u>     |
|                    | <u>\$ 62,053</u>            | <u>\$ -</u>                       | <u>\$ -</u>        | <u>\$ 62,053</u> |

|                    | <b>June 30, 2020</b>        |                                   |                    |                   |
|--------------------|-----------------------------|-----------------------------------|--------------------|-------------------|
|                    | <b>Program<br/>Services</b> | <b>Management<br/>and General</b> | <b>Fundraising</b> | <b>Total</b>      |
| Personnel          | \$ 140,238                  | \$ -                              | \$ -               | \$ 140,238        |
| Equipment/Supplies | 5,614                       | -                                 | -                  | 5,614             |
| Travel             | <u>5,744</u>                | <u>-</u>                          | <u>-</u>           | <u>5,744</u>      |
|                    | <u>\$ 151,596</u>           | <u>\$ -</u>                       | <u>\$ -</u>        | <u>\$ 151,596</u> |

**NOTE 12: SUBSEQUENT EVENTS**

We have evaluated subsequent events through November 15, 2021, the date the financial statements were available to be issued.

On October 29, 2021, MGVP, Inc. paid the \$165,000 promissory note in full and the related \$3,946 of accrued interest on the Garden House property promissory note. MGVP, Inc. received a signed release and satisfaction of promissory note from the seller dated October 29, 2021 and owns the property outright.