
MGVP, INC.



FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2022 and 2021

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MGVP, INC.
TABLE OF CONTENTS
JUNE 30, 2022 AND 2021

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position as of June 30, 2022 and June 30, 2021	3
Statement of Activities for the year ended June 30, 2022	4
Statement of Activities for the year ended June 30, 2021	5
Statement of Functional Expenses for the year ended June 30, 2022	6
Statement of Functional Expenses for the year ended June 30, 2021	7
Statement of Cash Flows for the year ended June 30, 2022 and June 30, 2021	8
Notes to the Financial Statements	9-16



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of MGVP, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MGVP, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MGVP, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

A handwritten signature in blue ink, appearing to read "Morgan Associates CPAs".

Elk Grove, CA
February 20, 2023

MGVP, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
ASSETS		
Cash, cash equivalents (Note 1)	\$ 831,036	\$ 623,013
Grants receivable (Note 1)	80,612	50,698
Promises to give (Note 1)	100,000	175,000
Prepaid expenses	13,421	5,447
Property and equipment, net (Note 4)	<u>458,287</u>	<u>449,029</u>
Total Assets	<u>\$ 1,483,356</u>	<u>\$ 1,303,187</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 28,944	\$ 18,059
Accrued expenses	5,986	-
Deferred revenue (Note 5)	-	18,010
Loans and notes payable (Note 6)	<u>-</u>	<u>195,252</u>
Total Liabilities	<u>34,930</u>	<u>231,321</u>
NET ASSETS		
With donor restrictions (Note 7)	42,739	201,878
Without donor restrictions	<u>1,405,687</u>	<u>869,988</u>
Total Net Assets	<u>1,448,426</u>	<u>1,071,866</u>
Total Liabilities and Net Assets	<u>\$ 1,483,356</u>	<u>\$ 1,303,187</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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT, AND GAINS			
Government grants	\$ 105,439	\$ -	\$ 105,439
Corporate and foundation grants	477,750	64,000	541,750
Individual contributions	1,362,919	-	1,362,919
In-kind contributions (Note 12)	54,960	-	54,960
Other revenue	<u>14,966</u>	<u>-</u>	<u>14,966</u>
Total Revenues	<u>2,016,034</u>	<u>64,000</u>	<u>2,080,034</u>
Net assets released from restriction	<u>223,139</u>	<u>(223,139)</u>	<u>-</u>
Total Revenues, Support, and Gains	<u>2,239,173</u>	<u>(159,139)</u>	<u>2,080,034</u>
EXPENSES			
International program	1,373,013	-	1,373,013
Management and general	90,384	-	90,384
Development	<u>240,077</u>	<u>-</u>	<u>240,077</u>
Total Expenses	<u>1,703,474</u>	<u>-</u>	<u>1,703,474</u>
Change in net assets	535,699	(159,139)	376,560
Net Assets - beginning of year	<u>869,988</u>	<u>201,878</u>	<u>1,071,866</u>
Net Assets - end of year	<u>\$ 1,405,687</u>	<u>\$ 42,739</u>	<u>\$ 1,448,426</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 Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT, AND GAINS			
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 12)	62,054	-	62,054
Other federal revenue	30,253	-	30,253
Other revenue	<u>25,902</u>	<u>-</u>	<u>25,902</u>
Total 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, Support, and Gains	<u>2,064,651</u>	<u>(103,130)</u>	<u>1,961,521</u>
EXPENSES			
International program	1,323,167	-	1,323,167
Management and general	55,176	-	55,176
Development	<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 - beginning of year	<u>389,017</u>	<u>305,008</u>	<u>694,025</u>
Net Assets - end of year	<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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	International Program	Management and General	Development	Total 2022
Salaries and wages	\$ 483,425	\$ 35,571	\$ 156,372	\$ 675,368
Payroll taxes	223,150	1,521	7,896	232,567
Employee benefits	49,697	1,328	6,894	57,919
Bank & other fees	24,190	1,338	1,887	27,415
Depreciation	38,114	-	-	38,114
Field and research projects	58,873	-	-	58,873
Furniture and equipment	37,195	-	-	37,195
Government relations	32,843	-	-	32,843
In-kind expenses (Note 12)	54,960	-	-	54,960
Insurance	1,580	2,958	17,238	21,776
Marketing and public relations	5,008	-	30,387	35,395
Occupancy	72,532	398	163	73,093
Office expenses	18,181	1,028	3,124	22,333
Outside services	16,309	4,230	5,771	26,310
Printing	5,282	7,495	2,895	15,672
Professional fees	6,318	29,501	-	35,819
Staff development	11,497	2,099	257	13,853
Telephone	22,973	-	300	23,273
Travel	48,886	2,917	6,893	58,696
Vehicle	87,450	-	-	87,450
Veterinary and supplies	<u>74,550</u>	<u>—</u>	<u>—</u>	<u>74,550</u>
	<u><u>\$ 1,373,013</u></u>	<u><u>\$ 90,384</u></u>	<u><u>\$ 240,077</u></u>	<u><u>\$ 1,703,474</u></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 Program</u>	<u>Management and General</u>	<u>Development</u>	<u>Total 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 (Note 12)	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 CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ 376,560	\$ 377,841
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	38,114	28,242
Paycheck Protection Program Loan Forgiven	(30,253)	(30,253)
Changes in operating assets and liabilities:		
Grants receivable	(29,914)	(50,698)
Promises to give	(45,524)	-
Prepaid expenses	(7,972)	
Accounts payable	10,677	5,390
Accrued expenses	6,194	(515)
Deferred revenue	<u>(18,010)</u>	<u>(40,169)</u>
Net Cash provided by (used for) Operating Activities	<u>299,872</u>	<u>289,838</u>
Cash Flows from Investment Activities		
Purchase of fixed assets	<u>(47,373)</u>	<u>(241,050)</u>
Net Cash provided by (used for) Investment Activities	<u>(47,373)</u>	<u>(241,050)</u>
Cash Flows from Financing Activities		
Payments on notes payable	(165,000)	-
Proceeds from Paycheck Protection Program	<u>-</u>	<u>30,253</u>
Net Cash provided by (used for) Financing Activities	<u>(165,000)</u>	<u>30,253</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>87,499</u>	<u>79,041</u>
Cash and Cash Equivalents, beginning of Year	<u>623,013</u>	<u>543,972</u>
Cash and Cash Equivalents, end of Year	<u>\$ 710,512</u>	<u>\$ 623,013</u>

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

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

MGVP, Inc., (dba Gorilla Doctors) is the only organization in the world dedicated to saving the mountain and eastern lowland gorillas through provision of life-saving veterinary care and science using a One Health approach. 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 and cash equivalents of \$831,036 at June 30, 2022 included no restricted cash. Total cash and cash equivalents of \$623,013 at June 30, 2021 included no restricted cash.

Financial Instruments and Credit Risk

MGVP, Inc. manages 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, MGVP, Inc. has 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.

The cash balances in Africa are not insured and present a credit risk. As of June 30, 2022 and 2021 the cash held in other countries expressed in US dollars is \$6,949 and \$29,044 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.

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 conditions on which they depend are met.

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give (Continued)

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 donors 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. 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. Income from government grants or federal financial awards 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.

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.

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services

Contributed nonfinancial assets include donated professional services, donated equipment and supplies, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 12). The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to 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.

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, professional fees, office expenses, outside services, printing, and travel which are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is organized as a Maryland not-for-profit corporation that is exempt from income 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. The Organization did not generate unrelated business income and is, therefore, not subject to federal or state corporate income taxes for the year ended June 30, 2022. In addition, the Organization 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).

The Organization has accounted for uncertainty in income taxes as required by the Accounting for Uncertainty in Income Taxes topic of the FASB Accounting Standards Codification. The Organization uses comprehensive model for recognizing, and measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The effect of applying this model and the resulting identification of uncertain tax positions, if any, were not considered significant for financial reporting purposes.

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.

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Recently Adopted Accounting Pronouncements

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 on 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. The new requirements are effective for the Organization's June 30, 2022 year end. Management has determined their is no impact of this accounting standard on the Organization's operations or cash flows.

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 the Organization's June 30, 2023 year end. Management has not yet determined the impact of this accounting standard on the Organization's operations or cash flows.

Subsequent events

MGVP, Inc. evaluated subsequent events through February 20, 2023, the date the financial statements were available to be issued.

NOTE 2: LIQUIDITY AND AVAILABILITY

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with United States financial institutions believed by the Organization to be creditworthy. To date, the Organization has not experienced losses in any of these accounts. The Organization holds cash at a financial institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2022 the Organization's cash balance totaled \$824,087 of which \$250,000 was insured. At June 30, 2021 the Organization's cash balance totaled \$519,511 of which \$250,000 was insured.

MGVP, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 3: CASH

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

	2022	2021
Cash and cash equivalents	\$ 831,036	\$ 623,013
Grants receivable	80,612	50,698
Promises to give	<u>100,000</u>	<u>175,000</u>
	<u><u>\$ 1,011,648</u></u>	<u><u>\$ 848,711</u></u>

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 and 2021, consisted of the following:

	2022	2021
Automobiles	\$ 97,428	\$ 97,428
Machinery and Equipment	81,310	81,310
Property	347,112	290,000
Improvements	-	9,740
Less: accumulated depreciation	<u>(67,563)</u>	<u>(29,449)</u>
Property and equipment, net	<u><u>\$ 458,287</u></u>	<u><u>\$ 449,029</u></u>

Depreciation expense totaled \$38,114 and \$28,242 for the years ended June 30, 2022 and 2021.

NOTE 5: 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. At June 30, 2021 deferred revenue consisted of grant funds received but not earned of \$18,010 from Jane Goodall. There was no deferred revenue at June 31, 2022.

NOTE 6: 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 the end of the covered period. MGVP, Inc. used the PPP loan proceeds for the allowed purposes and applied for forgiveness within 10 months of the end of the covered period.

The PPP loan was forgiven in January 2022 and recorded as government grants on the statement of activities.

MGVP, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 6: LOANS AND NOTES PAYABLE (CONTINUED)

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 paid in full on October 29, 2021.

	2022	2021
PPP loan	\$ -	\$ 30,252
Note payable - Garden House property	<u>-</u>	<u>165,000</u>
Loans and notes payable	<u>\$ -</u>	<u>\$ 195,252</u>

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Timing restricted	\$ -	\$ 51,878
Subject to expenditure for specified purpose:		
Garden House Property Purchase	-	150,000
Jane Goodall Institute	33,122	-
Swiss CRPL (Lwiro)	<u>9,617</u>	<u>-</u>
Net Assets with Donor Restrictions	<u>\$ 42,739</u>	<u>\$ 201,878</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, 2022 and 2021:

	2022	2021
Satisfaction of timing restrictions	\$ 51,878	\$ 123,123
Satisfaction of purpose restrictions		
Capacity Building	-	4,107
Hygiene and Data Collection	-	25,900
Garden House Property Purchase	150,000	100,000
Jane Goodall Institute	6,878	-
Swiss CRPL (Lwiro)	<u>14,383</u>	<u>-</u>
Total released	<u>\$ 223,139</u>	<u>\$ 253,130</u>

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8: LEASE COMMITMENTS

MGVP, Inc. leases two operating facilities in Uganda, and one facility in the Democratic Republic of Congo. Lease expense related to such facilities totaled \$17,899 and \$17,867, June 30, 2022 and 2021 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, 2022 or 2021.

NOTE 9: GOVERNMENT FUNDING AGREEMENTS

On September 30, 2020, MGVP, Inc. entered into an 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.

MGVP, Inc. 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 10: 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.
- 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, the Organization 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 the Organization operates. 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 the Organization informs their staff that corruption, extortion, bribery and so forth are illegal, there can be no assurance that the employees or other agents will not engage in such conduct for which the Organization might be held responsible. If 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, 2022

NOTE 11: DONATED SERVICES AND MATERIALS

For the year ended December 31, 2022, donated services and materials recognized within the statement of activities included the following:

	June 30, 2022			
	Program Services	Management and General	Fundraising	Total
Personnel	\$ 46,167	\$ -	\$ -	\$ 46,167
Equipment/supplies	3,838	-	-	3,838
Travel	<u>4,955</u>	<u>-</u>	<u>-</u>	<u>4,955</u>
	<u><u>\$ 54,960</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 54,960</u></u>

For the year ended December 31, 2021, donated services and materials recognized within the statement of activities included the following:

	June 30, 2021			
	Program Services	Management and General	Fundraising	Total
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><u>\$ 62,053</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 62,053</u></u>

Contributed personnel included part-time services of the Executive Director and Development/Marketing Assistance used in program services. Equipment/supplies included communications, hardware/software, office supplies, etc. Travel included roundtrip airfares, lodging, meals, ground transportation and incidentals for travel by Executive Director and US-based staff to Rwanda, Uganda and DR Congo, all used in program services. Personnel, equipment/supplies, and travel have been reflected in the financial statements, as inkind revenue and inkind expenses of \$54,960 and \$62,053 for the years ended June 30, 2022 and 2021, respectively.

NOTE 12: CONTINGENCIES

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.