
MGVP, INC.



FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2023 and 2022

Nelson & Associates, CPA's
2230 Longport Court, Suite 110
Elk Grove, CA 95758

MGVP, INC.
TABLE OF CONTENTS
JUNE 30, 2023 AND 2022

| | <u>Page</u> |
|-----------------------------------|-------------|
| INDEPENDENT AUDITOR'S REPORT | 1 - 2 |
| FINANCIAL STATEMENTS | |
| Statements of Financial Position | 3 |
| Statements of Activities | 4 - 5 |
| Statements of Functional Expenses | 6 -7 |
| Statements of Cash Flows | 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 statements of financial position as of June 30, 2023 and 2022, 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 MGVP, Inc. as of June 30, 2023 and 2022, 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.



Elk Grove, CA
January 5, 2024

MGVP, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|--------------------------------------|-------------------------|-------------------------|
| ASSETS | | |
| Cash, cash equivalents (Note 1) | \$ 479,290 | \$ 831,036 |
| Grants receivable (Note 1) | 105,155 | 80,612 |
| Promises to give (Note 1) | 498,200 | 100,000 |
| Prepaid expenses | - | 13,421 |
| Property and equipment, net (Note 3) | <u>536,039</u> | <u>458,287</u> |
| Total Assets | <u>\$ 1,618,684</u> | <u>\$ 1,483,356</u> |
| LIABILITIES | | |
| Accounts payable | \$ 9,781 | \$ 34,930 |
| Total Liabilities | <u>9,781</u> | <u>34,930</u> |
| NET ASSETS | | |
| With donor restrictions (Note 4) | 32,432 | 42,739 |
| Without donor restrictions (Note 1) | <u>1,576,471</u> | <u>1,405,687</u> |
| Total Net Assets | <u>1,608,903</u> | <u>1,448,426</u> |
| Total Liabilities and Net Assets | <u>\$ 1,618,684</u> | <u>\$ 1,483,356</u> |

MGVP, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|-------------------------|
| REVENUES, SUPPORT, AND GAINS | | | |
| Government grants | \$ 199,085 | \$ - | \$ 199,085 |
| Corporate and foundation grants | 373,893 | 46,330 | 420,223 |
| Individual contributions | 1,535,703 | - | 1,535,703 |
| In-kind contributions (Note 8) | 41,646 | - | 41,646 |
| Other revenue | <u>20,920</u> | <u>-</u> | <u>20,920</u> |
| Total Revenues | <u>2,171,247</u> | <u>46,330</u> | <u>2,217,577</u> |
| Net assets released from restriction | <u>56,637</u> | <u>(56,637)</u> | <u>-</u> |
| Total Revenues, Support, and Gains | <u>2,227,884</u> | <u>(10,307)</u> | <u>2,217,577</u> |
| EXPENSES | | | |
| International program | 1,543,380 | - | 1,543,380 |
| Management and general | 199,203 | - | 199,203 |
| Development | <u>314,517</u> | <u>-</u> | <u>314,517</u> |
| Total Expenses | <u>2,057,100</u> | <u>-</u> | <u>2,057,100</u> |
| Change in net assets | 170,784 | (10,307) | 160,477 |
| Net Assets - beginning of year | <u>1,405,687</u> | <u>42,739</u> | <u>1,448,426</u> |
| Net Assets - end of year | <u>\$ 1,576,471</u> | <u>\$ 32,432</u> | <u>\$ 1,608,903</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

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|-------------------------|
| 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 8) | 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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

| | International Program | Management and General | Development | Total 2023 |
|--------------------------------|----------------------------------|-----------------------------------|--------------------------|----------------------------|
| Salaries and wages | \$ 605,282 | \$ 73,466 | \$ 172,223 | \$ 850,971 |
| Payroll taxes | 155,647 | 18,892 | 44,286 | 218,825 |
| Employee benefits | 66,245 | 14,200 | 1,200 | 81,645 |
| Bank & other fees | 22,697 | 6,418 | 448 | 29,563 |
| Depreciation | 39,297 | - | - | 39,297 |
| Field and research projects | 102,086 | 15,023 | - | 117,109 |
| Government relations | 49,287 | - | - | 49,287 |
| Household supplies | 30,406 | - | - | 30,406 |
| In-kind expense (Note 8) | 41,646 | - | - | 41,646 |
| Insurance | 1,383 | 18,763 | - | 20,146 |
| Marketing and public relations | - | - | 6,617 | 6,617 |
| Miscellaneous | 472 | 3,385 | 280 | 4,137 |
| Occupancy and utilities | 39,470 | - | - | 39,470 |
| Office expenses | 14,336 | 1,250 | 6,747 | 22,333 |
| Outside services | 8,355 | 28,203 | 56,079 | 92,637 |
| Repairs and maintenance | 9,065 | 4,476 | 3,898 | 17,439 |
| Staff development | 64,278 | - | - | 64,278 |
| Telephone and internet | 25,459 | 12,681 | - | 38,140 |
| Travel | 54,771 | 2,446 | 22,739 | 79,956 |
| Vehicle | 116,340 | - | - | 116,340 |
| Veterinary and supplies | <u>96,858</u> | <u>-</u> | <u>-</u> | <u>96,858</u> |
| | <u><u>\$ 1,543,380</u></u> | <u><u>\$ 199,203</u></u> | <u><u>\$ 314,517</u></u> | <u><u>\$ 2,057,100</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, 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 expense (Note 8) | 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 CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ 160,477 | \$ 376,560 |
| Adjustments to reconcile changes in net assets to net cash from operating activities: | | |
| Depreciation | 39,297 | 38,114 |
| Changes in operating assets and liabilities: | | |
| Grants receivable | (24,543) | (29,914) |
| Promises to give | (398,200) | 75,000 |
| Prepaid expenses | 13,420 | (7,972) |
| Accounts payable | (19,163) | 10,677 |
| Accrued expenses | (5,985) | 6,193 |
| Deferred revenue | - | (18,010) |
| Net Cash provided by (used for) Operating Activities | <u>(234,697)</u> | <u>450,648</u> |
| Cash Flows from Investment Activities | | |
| Purchase of fixed assets | <u>(117,049)</u> | <u>(47,373)</u> |
| Net Cash used for Investment Activities | <u>(117,049)</u> | <u>(47,373)</u> |
| Cash Flows from Financing Activities | | |
| Payments on notes payable | <u>-</u> | <u>(195,252)</u> |
| Net Cash used for Financing Activities | <u>-</u> | <u>(195,252)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>(351,746)</u> | <u>208,023</u> |
| Cash and Cash Equivalents, beginning of Year | <u>831,036</u> | <u>623,013</u> |
| Cash and Cash Equivalents, end of Year | <u>\$ 479,290</u> | <u>\$ 831,036</u> |

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

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 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 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 \$479,290 at June 30, 2023 included no restricted cash. Total cash and cash equivalents of \$831,036 at June 30, 2022 included no restricted cash.

Grants Receivable and Uncollectible Fees

Grants 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 debt is recorded.

Promises to Give

Unconditional promises to give are recognized as receivable and as revenue 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. 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. All promises to give are expected to be collected within one year. Therefore, no allowance for bad debts is provided.

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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 derived from cost-reimbursable federal contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

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
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions and increase the respective net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions.

In-Kind Contributions

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 8). MGVP, Inc. 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, and travel which are allocated on the basis of estimates of time and effort.

Income Taxes

MGVP, Inc. 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. MGVP did not generate unrelated business income and is, therefore, not subject to federal or state corporate income taxes for the years ended June 30, 2023 and 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).

MGVP, Inc. has accounted for uncertainty in income taxes as required by the Accounting for Uncertainty in Income Taxes topic of the FASB Accounting Standards Codification. MGVP, Inc. 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.

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

MGVP, Inc. determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. MGVP, Inc. does not have any noncancelable lease agreements that meet the criteria for recognition as operating or finance leases. Therefore, the organization does not have any lease-related obligations or lease assets to report in the financial statements.

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 the Organization to be creditworthy. To date, MGVP, Inc. has not experienced losses in any of these accounts. MGVP, Inc. holds cash at a financial institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2023 the Organization's cash balance totaled \$476,001 of which \$305,844 was insured. At June 30, 2022 the Organization's cash balance totaled \$824,087 of which \$250,000 was insured.

The cash balances in Africa are not insured and present a credit risk. As of June 30, 2023 and 2022 the cash held in other countries expressed in US dollars is \$6,307 and \$6,949 respectively. To date, MGVP, Inc. has not experienced losses in these accounts.

Credit risk associated with grants receivables and promises to give is considered to be limited due to high historical collection rates.

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 separately in unrestricted net assets; the accumulated unrealized gain or loss is not material.

Foreign Exchange Risk

MGVP, Inc. operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar. Foreign exchange risk arises from commercial transactions when recognized assets or liabilities are denominated in a currency that is not MGVP, Inc.'s functional currency.

The Organization monitors its exposure to fluctuations in foreign currencies and the appropriate steps are taken to minimize the risk such as purchases and sales in the same currency so as to avoid mismatch.

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.

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
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

ASU 2016-02 - Leases (Topic 842)

MGVP, Inc. adopted ASU 2016-02 - Leases (Topic 842), which requires lessees to recognize assets and liabilities for leases on the statement of financial position and disclose key information about leasing arrangements, as of July 1, 2022. MGVP elected not to restate the comparative period. It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, there was no significant effect on amounts reported on the statement of financial position or in the statement of activities for the year ended June 30, 2023.

Subsequent events

MGVP, Inc. evaluated subsequent events through January 5, 2024, the date the financial statements were available to be issued.

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 Statement of Financial Position date, comprise the following:

| | 2023 | 2022 |
|---------------------------|---------------------|---------------------|
| Cash and cash equivalents | \$ 479,290 | \$ 831,036 |
| Grants receivable | 105,155 | 80,612 |
| Promises to give | <u>498,200</u> | <u>100,000</u> |
| | <u>\$ 1,082,645</u> | <u>\$ 1,011,648</u> |

As part of MGVP, Inc.'s liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2023 and 2022, consisted of the following:

| | 2023 | 2022 |
|---------------------------------------|-------------------|-------------------|
| Automobiles | \$ 97,428 | \$ 97,428 |
| Machinery and Equipment | 81,310 | 81,310 |
| Garden House | 307,004 | 307,004 |
| Construction in Progress (Laboratory) | 157,157 | 40,108 |
| Less: accumulated depreciation | <u>(106,860)</u> | <u>(67,563)</u> |
| Property and equipment, net | <u>\$ 536,039</u> | <u>\$ 458,287</u> |

Depreciation expense totaled \$39,297 and \$38,114 for the years ended June 30, 2023 and 2022, respectively.

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 4: NET ASSETS WITH DONOR RESTRICTIONS

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

| | 2023 | 2022 |
|---|------------------|------------------|
| Subject to expenditure for specified purpose: | | |
| Jane Goodall Institute | \$ 32,432 | \$ 33,122 |
| Swiss CRPL (Lwiro) | - ____ | 9,617 ____ |
| Net Assets with Donor Restrictions | <u>\$ 32,432</u> | <u>\$ 42,739</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, 2023 and 2022:

| | 2023 | 2022 |
|--------------------------------------|------------------|-------------------|
| Satisfaction of timing restrictions | | |
| | \$ - | \$ 51,878 |
| Satisfaction of purpose restrictions | | |
| Garden House Property Purchase | - ____ | 150,000 |
| Jane Goodall Institute | 40,690 | 6,878 |
| Smithsonian | 15,947 | - |
| Swiss CRPL (Lwiro) | - ____ | 14,383 |
| Total released | <u>\$ 56,637</u> | <u>\$ 223,139</u> |

NOTE 5: LEASES

MGVP, Inc. evaluated current contracts to determine which met the criteria of a lease. MGVP, Inc. has elected the short-term lease exemption for all leases with a term of 12 months or less, for both existing and ongoing operating leases, to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

MGVP, Inc. leases two operating facilities in Uganda, and one facility in the Democratic Republic of Congo, all leases are annual and qualify for the short-term lease exemption. Lease expense related to such facilities totaled \$9,443 and \$17,899 for the years ended June 30, 2023 and 2022, respectively.

NOTE 6: 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 June 30, 2025, for evaluation of parasitic infections involved in mortalities of mountain gorillas of Virunga Massif using advanced genomics.

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 7: RISKS OF FOREIGN OPERATIONS

MGVP, Inc.'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, MGVP, Inc.'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, MGVP, Inc. might need to curtail, cease, or alter our activities in a particular area. MGVP, Inc.'s 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, MGVP, Inc. 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 MGVP, Inc. operates. To prevent corruption among staff, MGVP, Inc. 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 MGVP, Inc. 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 MGVP, Inc. might be held responsible. If employees or other agents are found to have engaged in such practices, MGVP, Inc. could suffer severe penalties.

NOTE 8: IN-KIND CONTRIBUTIONS

For the years ended June 30, 2023 and 2022, donated services and materials recognized within the statement of activities included the following:

| | 2023 | 2022 |
|--------------------|----------------------|----------------------|
| Personnel | \$ 21,746 | \$ 46,167 |
| Equipment/supplies | 2,700 | 3,838 |
| Outside services | 1,500 | - |
| Training | 6,200 | - |
| Travel | 4,500 | 4,955 |
| Venue | <u>5,000</u> | <u>-</u> |
| Total | <u>\$ 41,646</u> | <u>\$ 54,960</u> |

MGVP, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 8: IN-KIND CONTRIBUTIONS (CONTINUED)

Contributed personnel included part-time services of the Executive Director and Development/Marketing Assistance. Contributed services are used in program services and are recognized at fair value on current rates for similar 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 and recognized at fair value.

Outside services and donated training are used in program services and recognized at fair value based on current rates for similar services.

Donated venue space is used in program services and is recognized as fair value based on current rates for similar venues.

NOTE 9: 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.