



**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2023 AND 2022**

APOPO US, INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report .....	3-4
Financial Statements:	
Statements of Financial Position .....	5
Statements of Activities and Changes in Net Assets .....	6-7
Statements of Functional Expenses .....	8-9
Statements of Cash Flows .....	10
Notes to Financial Statements .....	11-14



## Independent Auditor's Report

To the Board of Directors of  
APOPO US, Inc.

### **Opinion**

We have audited the accompanying financial statements of APOPO US, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 APOPO US, Inc. as of December 31, 2023, 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.

### **Basis for Opinion**

We conducted our audit 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 APOPO US, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Prior Period Financial Statements**

The financial statements of APOPO US, Inc. as of December 31, 2022 were audited by other auditors whose report dated July 24, 2023 expressed an unmodified opinion on those statements.

### **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 APOPO US, 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 APOPO US, 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 APOPO US, 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.

*Alta CPA Group, LLC*

June 21, 2024

APOPO US, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 77,048	\$ 60,446
Contributions Receivable	53,899	43,438
Prepaid Expenses	<u>1,863</u>	<u>-</u>
 Total Assets	 \$ <u><u>132,810</u></u>	 \$ <u><u>103,884</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ <u>3,973</u>	\$ <u>3,112</u>
 Total Liabilities	 3,973	 3,112
Net Assets:		
Without Donor Restrictions	<u>128,837</u>	<u>100,772</u>
 Total Net Assets	 <u>128,837</u>	 <u>100,772</u>
 Total Liabilities and Net Assets	 \$ <u><u>132,810</u></u>	 \$ <u><u>103,884</u></u>

See independent auditor's report and accompanying notes to financial statements.

APOPO US, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:			
Grants and Contributions	\$ 1,489,234	\$ -	\$ 1,489,234
 Total Support and Revenue	 1,489,234	 -	 1,489,234
Expenses:			
Program Services	1,296,756	-	1,296,756
Supporting Services:			
Management and General	67,186	-	67,186
Fundraising	<u>97,227</u>	<u>-</u>	<u>97,227</u>
 Total Supporting Services	 <u>164,413</u>	 <u>-</u>	 <u>164,413</u>
 Total Expenses	 <u>1,461,169</u>	 <u>-</u>	 <u>1,461,169</u>
 Change in Net Assets	 28,065	 -	 28,065
 Net Assets at Beginning of Year	 <u>100,772</u>	 <u>-</u>	 <u>100,772</u>
 Net Assets at End of Year	 <u>\$ 128,837</u>	 <u>\$ -</u>	 <u>\$ 128,837</u>

See independent auditor's report and accompanying notes to financial statements.

APOPO US, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grants and Contributions	\$ 1,033,537	\$ -	\$ 1,033,537
Total Support and Revenue	1,033,537	-	1,033,537
Expenses:			
Program Services	1,057,795	-	1,057,795
Supporting Services:			
Management and General	73,164	-	73,164
Fundraising	83,271	-	83,271
Total Supporting Services	156,435	-	156,435
Total Expenses	1,214,230	-	1,214,230
Change in Net Assets	(180,693)	-	(180,693)
Net Assets at Beginning of Year	281,465	-	281,465
Net Assets at End of Year	\$ 100,772	\$ -	\$ 100,772

See independent auditor's report and accompanying notes to financial statements.

APOPO US, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Advertising	\$ 360	\$ -	\$ 1,000	\$ 1,360
Bank, Merchant, and Other Fees	-	20,066	-	20,066
Conferences and Seminars	1,800	-	-	1,800
Employee Benefits	-	4,972	-	4,972
Equipment	27,382	355	-	27,737
External Services	2,783	2,613	11,000	16,396
Other	-	1,173	70	1,243
Payroll Taxes	-	11,153	-	11,153
Printing and Publications	348	169	173	690
Professional Services	-	24,417	-	24,417
Program Grants	1,195,000	-	-	1,195,000
Salaries	54,151	1,867	81,243	137,261
Travel	14,932	401	3,741	19,074
<b>Total Expenses</b>	<b>\$ 1,296,756</b>	<b>\$ 67,186</b>	<b>\$ 97,227</b>	<b>\$ 1,461,169</b>

See independent auditor's report and accompanying notes to financial statements.



APOPO US, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Advertising	\$ 1,444	\$ -	\$ 1,735	\$ 3,179
Bank, Merchant, and Other Fees	-	20,823	-	20,823
Conferences and Seminars	-	340	42	382
Equipment	11,962	-	127	12,089
External Services	13	4,374	-	4,387
Fundraising	-	-	1,106	1,106
Other	2,558	299	481	3,338
Payroll Taxes	-	10,382	-	10,382
Professional Services	-	29,480	-	29,480
Program Grants	984,855	-	-	984,855
Salaries	50,494	5,823	74,358	130,675
Travel	6,469	1,643	5,422	13,534
Total Expenses	<u>\$ 1,057,795</u>	<u>\$ 73,164</u>	<u>\$ 83,271</u>	<u>\$ 1,214,230</u>

See independent auditor's report and accompanying notes to financial statements.

APOPO US, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 28,065	\$ (180,693)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used for) Operating Activities:		
Contributions Receivable	(10,461)	(7,229)
Prepaid Expenses	(1,863)	-
Accounts Payable and Accrued Expenses	<u>861</u>	<u>(3,841)</u>
Net Cash Provided by (Used for) Operating Activities	16,602	(191,763)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	16,602	(191,763)
Cash and Cash Equivalents at Beginning of Year	<u>60,446</u>	<u>252,209</u>
Cash and Cash Equivalents at End of Year	<u>\$ 77,048</u>	<u>\$ 60,446</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report and accompanying notes to financial statements.

APOPO US, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

APOPO US Inc. (the Organization) was incorporated in 2014 in the State of Delaware and is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code (IRC). APOPO's mission is to protect people and the planet with innovative solutions using trained rats and other scent detection animals.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the financial statements reflect all significant receivables, payables and other liabilities.

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 revenue 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.

Contributions Receivable

Contributions receivable represent amounts that have been promised but not yet received and are recorded at net realizable value. Contributions due in more than one year are discounted to present value based on management's estimate of the risk adjusted rate of return. No allowance for doubtful accounts has been recorded as management believes that all receivables are fully collectible.

APOPO US, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Revenue Recognition

The Organization is supported by contributions received from foundations. The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barriers and right of return – are not recognized until the conditions on which they depend have been met.

Cash and Cash Equivalents

The Organization considers all short term, highly liquid investments with an initial maturity date of three months or less on the date of acquisition and investments held in money market accounts to be cash equivalents.

Fixed Assets

Property and equipment purchased at a cost of \$1,500 or more are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to five years.

Allocation of Expenses

The costs of program and supporting services 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.

APOPO US, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for Federal income taxes has been recorded in the statement of activities and change in net assets.

The Organization's informational return filings are subject to audit by the Internal Revenue Service, generally for three years after filing.

Advertising Costs

Advertising costs are expensed as incurred. APOPO's advertising costs were \$1,360 and \$3,179 for the years ended December 31, 2023 and 2022, respectively.

Subsequent Events

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to June 21, 2024 that would have a material impact on the financial statements.

NOTE 2 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash. The Organization maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any credit losses on its cash to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

NOTE 3 - CONCENTRATION OF REVENUE RISK

For the years ended December 31, 2023 and 2022, a substantial portion of APOPO's revenue was generated from a small number of donors. Contributions received from two donors accounted for approximately 39% and 19% of APOPO's total operating revenue and support for the years ended December 31, 2023 and 2022, respectively.

APOPO US, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4 - LIQUIDITY AND AVAILABILITY

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. 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:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 77,048	\$ 60,446
Contributions Receivable	<u>53,899</u>	<u>43,438</u>
Total Financial Assets Available for General Expenditure Within One Year	\$ <u>130,947</u>	\$ <u>103,884</u>

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Contributions receivable were \$53,899 and \$43,438 at December 31, 2023 and 2022, respectively. All amounts were considered collectible in less than one year.

NOTE 6 - RELATED PARTY TRANSACTIONS

APOPO VZW is a Belgium-based social enterprise whose mission is to develop and implement detection rats technology to provide solutions for global problems. APOPO raises funds in the United States to support the charitable and humanitarian programs of APOPO VZW in various countries. Total funding for the years ended December 31, 2023 and 2022 was \$1,195,000 and \$983,000, respectively, and is included in program grants expenses in the accompanying statements of functional expenses.

NOTE 7 - ALLOCATION OF EXPENSES FROM MANAGEMENT AND GENERAL ACTIVITIES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include staff salaries, which are allocated on the basis of estimates of time and effort.