

**ASSIST INTERNATIONAL, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITORS' REPORT**

**December 31, 2021 and 2020**

**ASSIST INTERNATIONAL, INC.**

**December 31, 2021 and 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Assist International, Inc.  
Ripon, California

### ***Opinion***

We have audited the financial statements of Assist International, Inc. which comprise the statements of financial position as of December 31, 2021 and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of Assist International, Inc. as of December 31, 2021 and 2020, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Assist International, 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 Assist International, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 controls 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 Assist International, Inc.'s internal controls. 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 Assist International, 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.

*Ronald Blue & Co. CPAs*

Santa Ana, California  
September 1, 2022

**ASSIST INTERNATIONAL, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

December 31, 2021 and 2020

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 2,905,367	\$ 3,627,983
Cash and cash equivalents - board designated	534,462	457,234
Cash and cash equivalents - restricted	<u>5,580,384</u>	<u>5,970,403</u>
Total cash and cash equivalents	9,020,213	10,055,620
Accounts receivable	142,791	-
Grant receivable	86,977	18,607
Other assets	<u>2,404</u>	<u>1,016</u>
Total current assets	9,252,385	10,075,243
Noncurrent assets:		
Investments in money market funds – restricted	788,973	762,636
Inventory – projects unrestricted	1,668,229	1,541,275
Inventory – projects restricted	1,379,344	1,567,706
Property and equipment, net	<u>2,194,616</u>	<u>2,663,687</u>
Total noncurrent assets	<u>6,031,162</u>	<u>6,535,304</u>
Total assets	<u>\$ 15,283,547</u>	<u>\$ 16,610,547</u>

See accompanying notes and independent auditors' report

**ASSIST INTERNATIONAL, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

December 31, 2021 and 2020

	<b>2021</b>	<b>2020</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 145,795	229,040
Grants payable	11,474	552,306
Notes payable - current portion	<u>65,607</u>	<u>64,242</u>
Total current liabilities	<u>222,876</u>	<u>845,588</u>
Noncurrent liabilities:		
Notes payable - noncurrent portion	802,663	865,273
Royalties payable	14,312	-
Security deposits	<u>6,140</u>	<u>7,175</u>
Total noncurrent liabilities	<u>823,115</u>	<u>872,448</u>
Total liabilities	<u>1,045,991</u>	<u>1,718,036</u>
Net assets:		
Without donor restrictions	5,954,393	6,134,532
Board designated contingency fund	534,462	457,234
With donor restrictions	<u>7,748,701</u>	<u>8,300,745</u>
Total net assets	<u>14,237,556</u>	<u>14,892,511</u>
Total liabilities and net assets	<u>\$ 15,283,547</u>	<u>\$ 16,610,547</u>

See accompanying notes and independent auditors' report

**ASSIST INTERNATIONAL, INC.**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
For the Years Ended December 31, 2021 and 2020

	<b>2021</b>			<b>2020</b>		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Support and revenues:</b>						
Contributions	\$ 776,477	\$ 6,017,114	\$ 6,793,591	\$ 1,845,826	\$ 5,287,803	\$ 7,133,629
Investment income, net	63,906	-	63,906	130,591	-	130,591
Rental and other income	151,172	-	151,172	108,338	-	108,338
Contributed equipment, materials and services	-	9,848,264	9,848,264	-	6,345,673	6,345,673
Grant income - PPP	376,838	-	376,838	377,031	-	377,031
Gain (loss) from disposal of assets	(338,681)	-	(338,681)	-	-	-
Gain (loss) from foreign currency transactions	10,214	-	10,214	(26,807)	-	(26,807)
Net assets released from restrictions	<u>16,417,422</u>	<u>(16,417,422)</u>	<u>-</u>	<u>15,987,499</u>	<u>(15,987,499)</u>	<u>-</u>
 Total support and revenues	 <u>17,457,348</u>	 <u>(552,044)</u>	 <u>16,905,304</u>	 <u>18,422,478</u>	 <u>(4,354,023)</u>	 <u>14,068,455</u>
 <b>Expenses:</b>						
Program activities	<u>16,882,339</u>	<u>-</u>	<u>16,882,339</u>	<u>16,078,539</u>	<u>-</u>	<u>16,078,539</u>
Supporting activities:						
General and administrative	563,267	-	563,267	554,462	-	554,462
Fundraising	<u>100,448</u>	<u>-</u>	<u>100,448</u>	<u>93,645</u>	<u>-</u>	<u>93,645</u>
 Total supporting activities	 <u>663,715</u>	 <u>-</u>	 <u>663,715</u>	 <u>648,107</u>	 <u>-</u>	 <u>648,107</u>
 Total expenses	 <u>17,546,054</u>	 <u>-</u>	 <u>17,546,054</u>	 <u>16,726,646</u>	 <u>-</u>	 <u>16,726,646</u>
 Change in net assets	 (88,706)	 (552,044)	 (640,750)	 1,695,832	 (4,354,023)	 (2,658,191)

See accompanying notes and independent auditors' report

**ASSIST INTERNATIONAL, INC.**

**CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)**

For the Years Ended December 31, 2021 and 2020

	<b>2021</b>			<b>2020</b>		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Net assets, beginning of year</b>						
before change in cumulative translation adjustments	6,591,766	8,300,745	14,892,511	4,912,920	12,654,768	17,567,688
 Change in cumulative translation adjustments	<u>(14,205)</u>	<u>-</u>	<u>(14,205)</u>	<u>(16,986)</u>	<u>-</u>	<u>(16,986)</u>
 <b>Net assets, end of year</b>						
after change in cumulative translation adjustments	<u>\$ 6,488,855</u>	<u>\$ 7,748,701</u>	<u>\$ 14,237,556</u>	<u>\$ 6,591,766</u>	<u>\$ 8,300,745</u>	<u>\$ 14,892,511</u>

See accompanying notes and independent auditors' report



**ASSIST INTERNATIONAL, INC.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2021

	Program activities	Supporting activities		Total
		General and administrative	Fundraising	
Expenses:				
Accounting	\$ 24,499	\$ 20,044	\$ -	\$ 44,543
Advertising and marketing	16,445	13,455	-	29,900
Auto	3,322	1,424	-	4,746
Bank charges	28,865	10,845	-	39,710
Benevolence	4,187	-	-	4,187
Depreciation	135,369	58,015	-	193,384
Dues and subscriptions	-	1,111	-	1,111
Gifts	1,936	484	807	3,227
Insurance	147,928	83,209	-	231,137
Interest expense	50,735	-	-	50,735
Legal	2,194	2,195	-	4,389
Office expenses	36,836	36,836	-	73,672
Office rent	4,437	4,437	-	8,874
Other taxes	6,230	3,504	-	9,734
Payroll taxes	88,706	11,088	4,615	104,409
Postage	9,440	1,180	491	11,111
Printing and publications	28,871	3,609	1,502	33,982
Professional services	-	63,765	-	63,765
Relief and outreach efforts	14,382,142	-	-	14,382,142
Repairs and maintenance	32,055	18,031	-	50,086
Salaries and wages	1,788,255	223,532	93,033	2,104,820
Telephone	11,562	6,503	-	18,065
Travel	64,336	-	-	64,336
Warehouse expense	13,989	-	-	13,989
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	\$ <u>16,882,339</u>	\$ <u>563,267</u>	\$ <u>100,448</u>	\$ <u>17,546,054</u>

See accompanying notes and independent auditors' report

**ASSIST INTERNATIONAL, INC.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2020

	Program activities	Supporting activities		Total
		General and administrative	Fundraising	
Expenses:				
Accounting	\$ 25,939	\$ 21,222	\$ -	\$ 47,161
Advertising and marketing	24,221	19,817	-	44,038
Auto	5,856	2,510	-	8,366
Bank charges	13,360	5,020	-	18,380
Benevolence	19,515	-	-	19,515
Board meetings	1,873	1,873	-	3,746
Depreciation	99,081	42,463	-	141,544
Dues and subscriptions	-	1,277	-	1,277
Gifts	8,225	2,057	3,428	13,710
Insurance	132,428	74,490	-	206,918
Interest expense	54,224	-	-	54,224
Legal	704	704	-	1,408
Office expenses	47,020	47,021	-	94,041
Office rent	12,098	12,098	-	24,196
Other taxes	88,761	49,928	-	138,689
Payroll taxes	89,788	11,223	4,671	105,682
Postage	10,675	1,334	555	12,564
Printing and publications	28,712	3,589	1,494	33,795
Professional services	-	30,293	-	30,293
Relief and outreach efforts	13,674,960	-	-	13,674,960
Repairs and maintenance	31,005	17,440	-	48,445
Salaries and wages	1,604,962	200,620	83,497	1,889,079
Telephone	16,859	9,483	-	26,342
Travel	74,455	-	-	74,455
Warehouse expense	13,818	-	-	13,818
	<u>16,078,539</u>	<u>554,462</u>	<u>93,645</u>	<u>16,726,646</u>
Total expenses	\$ <u>16,078,539</u>	\$ <u>554,462</u>	\$ <u>93,645</u>	\$ <u>16,726,646</u>

See accompanying notes and independent auditors' report

**ASSIST INTERNATIONAL, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2021 and 2020

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (640,750)	\$ (2,658,191)
Adjustments to reconcile change in net assets to cash from operating activities:		
Depreciation	193,384	141,544
Loss on disposal of assets	338,681	-
Donated equipment and materials, net	61,408	574,499
Changes in:		
Accounts receivable	(142,791)	-
Grants receivable	(68,370)	881,393
Other assets	(1,388)	30,017
Accounts payable and accrued expenses	(83,245)	157,418
Grants payable	(540,832)	108,291
Royalties payable	14,312	-
Security deposits	(1,035)	670
Cumulative translation adjustments	<u>(14,205)</u>	<u>(16,986)</u>
Net cash from operating activities	<u>(884,831)</u>	<u>(781,345)</u>
<b>Cash flows from investing activities</b>		
Acquisition of investments	(26,337)	(20,719)
Acquisition of property and equipment	<u>(62,994)</u>	<u>(62,201)</u>
Net cash from investing activities	<u>(89,331)</u>	<u>(82,920)</u>
<b>Cash flows from financing activities</b>		
Principal payments on notes payable	<u>(61,245)</u>	<u>(57,753)</u>
Net cash from financing activities	<u>(61,245)</u>	<u>(57,753)</u>
<b>Effect of exchange rate changes on cash</b>	<u>14,205</u>	<u>16,986</u>
Net change in cash and cash equivalents	(1,035,407)	(922,018)
<b>Total cash and cash equivalents, beginning of year</b>	<u>10,055,620</u>	<u>10,977,638</u>
<b>Total cash and cash equivalents, end of year</b>	<u>\$ 9,020,213</u>	<u>\$ 10,055,620</u>

See accompanying notes and independent auditors' report

**ASSIST INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2021 and 2020

**Note 1 – Summary of significant accounting policies**

The following significant accounting policies are presented to assist the reader in understanding the consolidated financial statements of Assist International, Inc. The consolidated financial statements and notes are representations of management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the consolidated financial statements.

Nature of activities

Assist International, Inc. is a nonprofit corporation formed on February 2, 1990, assisting orphans and vulnerable people and strengthening health care systems with a focus on infant and maternal health. Assist International, Inc. has been granted recognition by the Internal Revenue Service as a tax-exempt, publicly supported organization.

Basis of consolidation

The consolidated financial statements include the accounts of the Organization including its affiliate, Assist International Global, LLC. (AIG). The consolidation of the two is herein referred to as “the Organization.” All significant inter-organization balances and transactions have been eliminated in consolidation.

In November 2017, AIG was incorporated as a single member limited liability corporation in the state of Delaware. AIG was formed to act as a Foreign Investment Company in the nation of Ethiopia as AI Medical Oxygen Production, PLC (AIMOP), and is authorized to form business entities in Ethiopia and other African countries to conduct business that is related to AIG’s charitable purpose.

Basis of accounting

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

Concentrations of credit risk

The Organization maintains several accounts at various banks and credit unions, the balances of which may, at times be in excess of Federal Deposit Insurance Corporation (FDIC) limits. Approximately \$9,020,252 and \$9,641,341 was on deposit at financial institutions in excess of FDIC limits at December 31, 2021 and 2020, respectively. Management does not believe that the Organization is exposed to any significant credit risk in connection with cash and cash equivalents.

ASSIST INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

**Note 1 – Summary of significant accounting policies (continued)**

Concentration of revenue

For the years ended December 31, 2021 and 2020, approximately 63.9% and 50.5% respectively, of the Organization’s contributions, including donated equipment, materials and services, were made by its three largest donors.

	<b>2021</b>	<b>2020</b>
Caterpillar Foundation	15.3%	0.5%
General Electric	8.4%	10.3%
World Vision	<u>40.2%</u>	<u>39.6%</u>
Total	<u>63.9%</u>	<u>50.5%</u>

Cash and cash equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, 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 projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition. Cash equivalents consisting of money market funds totaled \$7,803,216 and \$8,690,174 at December 31, 2021 and 2020, respectively.

Cash and cash equivalents – restricted

The Organization routinely receives contributions that are subject to donor-imposed restrictions. Restricted cash consists of those amounts set aside to comply with such restrictions.

Grants receivable

Grants receivable consist of amounts due from donors and from various grant programs. The amounts due may consist of a reimbursement of expenses incurred during the year, or amounts due in accordance with the grant agreements and conditions therein.

Inventory

Inventory represents donated medical equipment and supplies and is priced according to fair value as of the date of donation. The first-in, first-out method is not observed because equipment is designated for specific projects.

**ASSIST INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2021 and 2020

**Note 1 – Summary of significant accounting policies (continued)**

Property and equipment

Capital expenditures over \$2,000 for property and equipment are capitalized, and presented at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. Donated assets are capitalized at their approximate fair value at the date of the gift. Depreciation expense for the years ended December 31, 2021 and 2020, was \$193,384 and \$141,544, respectively.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows (undiscounted and without interest) expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. During 2021 and 2020, there were no events or changes in circumstances indicating that the carrying amount of long-lived assets may not be recoverable.

Net assets

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as net assets with donor restrictions, depending on the nature of restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. At December 31, 2021 and 2020, net assets with donor restrictions consisted of \$7,748,701 and \$8,300,745, respectively.

Revenue recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a benefit interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Revenue is recognized when earned.

Rental income under an operating lease agreement should be recognized on a straight-line basis. The Organization records rental income according to each tenant's lease agreement. The difference between the two methods was determined to be immaterial to the financial statements.

Revenue from contracts is recognized when the Organization satisfies a performance obligation by transferring a promised good or service to a customer. The Organization considers the terms of the contract and all relevant facts and circumstances when applying the revenue recognition standard. The Organization also applies the revenue recognition standard consistently to contracts with similar characteristics and in similar circumstances.

**ASSIST INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2021 and 2020

**Note 1 – Summary of significant accounting policies (continued)**

Contributed materials and services

Volunteers contribute amounts of time to the program activities, administration, and fundraising and development activities carried out by the Organization. However, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America.

Contributed materials are recorded at fair value at the date of the donation. Donated professional services are recorded at their respective fair values. The Organization receives occasional stock donations which are immediately liquidated. During the years ended December 31, 2021 and 2020, contributions of materials and services totaled \$9,848,264 and \$6,345,673, respectively.

Functional allocation of expenses

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 consistently applied and reasonable analysis of specific factors related to natural class or category. Certain significant expenses are allocated on a basis of square footage, such as occupancy and depreciation; while others are allocated on a basis of time and effort estimates, such as salaries and wages and related expenses.

Advertising

Advertising costs are expensed when incurred. Advertising expense was \$29,900 and \$44,038 for the years ended December 31, 2021 and 2020, respectively.

Income taxes

The Organization is exempt from Federal and California income tax under Internal Revenue Code Section 501(c)(3). The Organization is subject, however, to Federal and California income tax on unrelated business income as stipulated in Internal Revenue Code Section 511 and Regulation Section 1.511. During the years ended December 31, 2021 and 2020, the Organization received rental income which was subject to unrelated business taxable income, and incurred tax liability due to unrelated business income in the year ended December 31, 2021. The Organization does not believe their consolidated financial statements include any uncertain tax positions.

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on the change in net assets.

ASSIST INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

**Note 2 – Liquidity and availability**

As part of liquidity management, the Organization has put a policy in place to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets available for general expenditure within one year consisted of the following at December 31, 2021:

Total cash and cash equivalents	\$ 9,020,213
Grants receivable	<u>86,977</u>
Total financial assets	<u>9,107,190</u>
Contractual or donor-imposed restrictions:	
Donor contributions with specific purpose restrictions	6,200,219
Funds restricted by grant agreements	<u>169,138</u>
Total contractual or donor-imposed restrictions	<u>6,369,357</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,737,833</u>

**Note 3 – Fair value measurement**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**Level 2:** Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.



**ASSIST INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2021 and 2020

**Note 3 – Fair value measurement (continued)**

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

The following table sets forth the Organizations assets at fair value as of December 31, within the fair value hierarchy:

	<b>2021</b>			
	Level 1	Level 2	Level 3	Total
Money market funds	<u>\$ 7,803,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,803,216</u>
Total	<u>\$ 7,803,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,803,216</u>
	<b>2020</b>			
	Level 1	Level 2	Level 3	Total
Money market funds	<u>\$ 8,690,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,690,174</u>
Total	<u>\$ 8,690,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,690,174</u>

There were no transfers between Levels 1, 2, or 3 during the years ended December 31, 2021 and 2020. There were no assets or liabilities measured as fair value on a nonrecurring basis at December 31, 2021 and 2020.

**ASSIST INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2021 and 2020

**Note 4 – Property and equipment**

Property and equipment consisted of the following at December 31:

	<b>2021</b>	<b>2020</b>
Land and improvements	\$ 2,934,778	\$ 2,934,778
Automobiles	218,636	264,236
Office equipment	77,685	75,691
Oxygen plants	<u>392,930</u>	<u>711,305</u>
 Total property and equipment, net	 <u>3,624,029</u>	 <u>3,986,010</u>
 Less: accumulated depreciation	 <u>(1,429,413)</u>	 <u>(1,322,323)</u>
 Property and equipment, net	 <u>\$ 2,194,616</u>	 <u>\$ 2,663,687</u>

Land and improvements are encumbered. See Note 5.

**Note 5 – Note payable**

Note payable consisted of the following at December 31:

	<b>2021</b>	<b>2020</b>
In March 2017, the Organization refinanced a note payable, secured by real property, to Farmers & Merchants Bank in the amount of \$1,133,297. The note is payable in monthly principal and interest installments of \$9,331 at a 5.55% fixed rate of interest through March 15, 2032.	\$ 868,270	\$ 929,515
 Less: current portion of note payable	 <u>(65,607)</u>	 <u>(64,242)</u>
 Noncurrent portion of note payable	 <u>\$ 802,663</u>	 <u>\$ 865,273</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 5 – Note payable (continued)**

Future minimum principal payments for note payable consist of the following for the years ended December 31:

2022	\$	65,607
2023		69,342
2024		73,290
2025		77,462
2026		81,873
Thereafter		500,696

**Note 6 – Net assets with donor restrictions**

Net assets with donor restrictions consisted of the following at December 31:

	<b>2021</b>	<b>2020</b>
community:assist	\$ -	\$ 90,069
child:assist	1,357,421	1,048,557
oxygen:assist	809,330	371,097
health:assist	4,286,985	6,781,970
energy:assist	1,294,965	-
wash:assist	-	9,052
	<u>-</u>	<u>9,052</u>
 Total net assets with donor restrictions	 <u>\$ 7,748,701</u>	 <u>\$ 8,300,745</u>

**Note 7 – Rental income**

The Organization leases a portion of their warehouse in Ripon, California to unrelated parties with various terms. Most are on a month-to-month basis, but some are considered non-cancelable over three year terms. Lease income for the years ended December 31, 2021 and 2020 was \$151,172 and \$108,338, respectively.

Future minimum lease payments consisted of the following for the years ended December 31:

2022	\$	49,200
2023		12,300

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**Note 8 – Investment income**

Investment income consisted of the following for the years ended December 31:

	<b>2021</b>	<b>2020</b>
Interest and dividends	\$ <u>63,906</u>	\$ <u>130,591</u>
Investment income, net	\$ <u><u>63,906</u></u>	\$ <u><u>130,591</u></u>

**Note 9 – Grant income – PPP**

In 2020, the Organization was granted a \$377,031 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loans are uncollateralized and are fully guaranteed by the Federal government. In accordance with guidance for conditional contributions, the Organization recognized \$377,031 as grant revenue for the year ended December 31, 2020.

In 2021, the Organization was granted an additional \$376,838 loan under the Paycheck Protection Program “PPP” (Round 2) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and fully guaranteed by the Federal government. In accordance with guidance for conditional contributions, the Organization recognized \$376,838 as grant revenue for the year ended December 31, 2021.

**Note 10 – Operating leases**

The Organization leased office space in Scotts Valley, California until April 2021 when the lease was terminated. The Organization also leases equipment on a fifty-one month lease expiring in 2025, and leases office equipment on month-to-month terms. Lease expense on these various agreements was \$10,923 and \$27,840 for the years ended December 31, 2021 and 2020, respectively, which is presented as office rent and office expenses on the consolidated statements of functional expenses.

Future minimum lease payments consisted of the following for the years ended December 31:

2022	\$ 1,908
2023	1,908
2024	1,908
2025	1,272

**ASSIST INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2021 and 2020

**Note 11 – Supplemental disclosures of cash flow information**

	<b>2021</b>	<b>2020</b>
Cash paid during the year for:		
Interest	<u>\$ 50,735</u>	<u>\$ 54,224</u>
Income taxes - unrelated business income	<u>\$ 9,621</u>	<u>\$ -</u>

There were no non-cash financing or investing activities during the years ended December 31, 2021 and 2020.

During the years ended December 31, 2021 and 2020, the Organization received donations of equipment and materials in the amounts of \$9,848,264 and \$6,345,673, respectively. During the years ended December 31, 2021 and 2020, the Organization used donated equipment and materials of \$9,909,672 and \$6,920,172, respectively, in relief efforts and projects.

**Note 12 – Non-U.S. operations**

The Organization’s Foreign Investment Company in the nation of Ethiopia, AI Medical Oxygen Production, PLC (AIMOP)’s operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange. For the years ended December 31, 2021 and 2020, net assets of non-U.S. operations were 0% and 0% of the Organization’s total net assets, respectively.

AIMOP uses the local currency as the functional currency. The financial statements of AIMOP have been translated into U.S. dollars. The consolidated statements of financial position accounts have been translated using the exchange rate in effect at the statement of financial position dates. Statements of activities amounts have been translated using the average exchange rate for the year. Adjustments resulting from these translations are presented as a separate component of net assets. The following is an analysis of the cumulative translation adjustments reflected in the consolidated statements of activities:

	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ (16,986)	\$ -
Translation adjustments	<u>(14,205)</u>	<u>(16,986)</u>
Balance at December 31	<u>\$ (31,191)</u>	<u>\$ (16,986)</u>

**ASSIST INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2021 and 2020

**Note 12 – Non-U.S. operations (continued)**

Foreign currency transaction gains and losses resulting from exchange rate fluctuations on transactions denominated in a currency other than the functional currency totaled approximately \$10,214 and \$(26,807) for the years ended December 31, 2021 and 2020, respectively. The balance (cumulative) of translation adjustments were \$(31,191) and \$(16,986) as of December 31, 2021 and 2020, respectively.

As of September 1, 2022, there continue to be fluctuations in the value of the U.S. dollar relative to the foreign currencies in which the Organization operates. It is not practicable to determine the effects of these rate changes on the Organization's consolidated financial statements.

**Note 13 – Subsequent events**

Management's review

Management has evaluated the impact of any of subsequent events through September 1, 2022, the date on which the accompanying consolidated financial statements were available to be issued.