

ASSIST INTERNATIONAL, INC.  
CONSOLIDATED FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITORS' REPORT

December 31, 2018 and 2017

ASSIST INTERNATIONAL, INC.

December 31, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Assist International, Inc.  
Scotts Valley, California

*Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of Assist International, Inc. and affiliate (the Organization), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

*Management's Responsibility for the Consolidated Financial Statements*

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

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Assist International, Inc.

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*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2018 and 2017, 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.

*Ronald Blue & Co.  
CPAs and Consultants, LLP*

Santa Ana, California  
May 31, 2019  
Reissued June 27, 2019

ASSIST INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 1,852,978	\$ 794,681
Cash and cash equivalents - board designated	208,536	-
Cash and cash equivalents - restricted	<u>12,006,588</u>	<u>12,164,715</u>
Total cash and cash equivalents	14,068,102	12,959,396
Grants receivable	58,885	217,263
Investments	-	168,402
Other assets	<u>11,532</u>	<u>13,200</u>
Total current assets	14,138,519	13,358,261
Noncurrent assets:		
Inventory – project equipment and materials	2,505,392	1,675,984
Inventory – restricted to projects	3,504,334	2,231,013
Property and equipment, net	<u>2,792,146</u>	<u>2,214,162</u>
Total noncurrent assets	<u>8,801,872</u>	<u>6,121,159</u>
Total assets	<u>\$ 22,940,391</u>	<u>\$ 19,479,420</u>

See accompanying notes and independent auditors' report

ASSIST INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 141,790	\$ 84,716
Grants payable	170,998	-
Notes payable - current portion	<u>58,114</u>	<u>55,494</u>
Total current liabilities	370,902	140,210
Noncurrent liabilities:		
Notes payable - noncurrent portion	983,900	1,034,616
Security deposits	<u>6,470</u>	<u>5,275</u>
Total noncurrent liabilities	<u>990,370</u>	<u>1,039,891</u>
Total liabilities	<u>1,361,272</u>	<u>1,180,101</u>
Net assets:		
Without donor restrictions	5,859,661	3,903,591
Board designated contingency fund	208,536	-
With donor restrictions	<u>15,510,922</u>	<u>14,395,728</u>
Total net assets	<u>21,579,119</u>	<u>18,299,319</u>
Total liabilities and net assets	<u>\$ 22,940,391</u>	<u>\$ 19,479,420</u>

See accompanying notes and independent auditors' report

ASSIST INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES  
For the Years Ended December 31, 2018 and 2017

	2018			2017		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Support and revenues:</b>						
Contributions	\$ 1,630,938	\$ 9,724,194	\$11,355,132	\$ 1,756,426	\$ 10,062,019	\$11,818,445
Investment income, net	151,172	-	151,172	110,443	-	110,443
Rental and other income	93,090	-	93,090	67,339	-	67,339
Contributed equipment, materials and services	-	9,584,170	9,584,170	-	3,717,854	3,717,854
Net assets released from restrictions	18,193,170	(18,193,170)	-	9,467,197	(9,467,197)	-
<b>Total support and revenues</b>	<b>20,068,370</b>	<b>1,115,194</b>	<b>21,183,564</b>	<b>11,401,405</b>	<b>4,312,676</b>	<b>15,714,081</b>
<b>Expenses:</b>						
Program activities	17,299,481	-	17,299,481	10,174,509	-	10,174,509
<b>Supporting activities:</b>						
General and administrative	510,639	-	510,639	451,580	-	451,580
Fundraising	93,644	-	93,644	83,570	-	83,570
<b>Total supporting activities</b>	<b>604,283</b>	<b>-</b>	<b>604,283</b>	<b>535,150</b>	<b>-</b>	<b>535,150</b>
<b>Total expenses</b>	<b>17,903,764</b>	<b>-</b>	<b>17,903,764</b>	<b>10,709,659</b>	<b>-</b>	<b>10,709,659</b>
Change in net assets	2,164,606	1,115,194	3,279,800	691,746	4,312,676	5,004,422
<b>Net assets, beginning of year</b>	<b>3,903,591</b>	<b>14,395,728</b>	<b>18,299,319</b>	<b>3,211,845</b>	<b>10,083,052</b>	<b>13,294,897</b>
<b>Net assets, end of year</b>	<b>\$ 6,068,197</b>	<b>\$ 15,510,922</b>	<b>\$21,579,119</b>	<b>\$ 3,903,591</b>	<b>\$ 14,395,728</b>	<b>\$18,299,319</b>

See accompanying notes and independent auditors' report

ASSIST INTERNATIONAL, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2018

	Program activities	Supporting activities		Total
		General and administrative	Fundraising	
Expenses:				
Accounting	\$ 13,786	\$ 11,280	\$ -	\$ 25,066
Advertising and marketing	20,761	16,986	-	37,747
Auto	11,264	4,827	-	16,091
Bank charges	11,565	4,345	-	15,910
Benevolence	30,162	-	-	30,162
Board meetings	2,116	2,115	-	4,231
Depreciation	109,027	46,726	-	155,753
Dues and subscriptions	-	2,586	-	2,586
Gifts	1,188	297	495	1,980
Insurance	119,772	67,371	-	187,143
Interest expense	63,980	-	-	63,980
Legal	1,910	1,910	-	3,820
Office expenses	102,550	102,549	-	205,099
Office rent	10,271	10,270	-	20,541
Payroll taxes	97,819	12,215	5,088	115,122
Postage	10,966	1,370	570	12,906
Printing and publications	24,596	3,072	1,279	28,947
Relief and outreach efforts	14,509,155	-	-	14,509,155
Repairs and maintenance	8,652	4,867	-	13,519
Salaries and wages	1,657,329	206,946	86,212	1,950,487
Telephone	19,390	10,907	-	30,297
Travel	463,641	-	-	463,641
Warehouse expense	9,581	-	-	9,581
Total expenses	<u>\$ 17,299,481</u>	<u>\$ 510,639</u>	<u>\$ 93,644</u>	<u>\$ 17,903,764</u>

See accompanying notes and independent auditors' report



ASSIST INTERNATIONAL, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2017

	Program activities	Supporting activities		Total
		General and administrative	Fundraising	
Expenses:				
Accounting	\$ 19,827	\$ 16,223	\$ -	\$ 36,050
Advertising and marketing	19,006	15,551	-	34,557
Auto	8,296	3,555	-	11,851
Bank charges	14,359	5,395	-	19,754
Benevolence	27,002	-	-	27,002
Board meetings	1,738	1,738	-	3,476
Depreciation	76,805	32,916	-	109,721
Dues and subscriptions	-	2,434	-	2,434
Gifts	2,086	522	869	3,477
Insurance	152,031	85,517	-	237,548
Interest expense	60,442	-	-	60,442
Legal	416	415	-	831
Office expenses	62,474	62,474	-	124,948
Office rent	8,700	8,700	-	17,400
Payroll taxes	69,948	8,734	3,639	82,321
Postage	13,898	1,735	723	16,356
Printing and publications	34,924	4,360	1,817	41,101
Relief and outreach efforts	7,633,284	-	-	7,633,284
Repairs and maintenance	15,823	8,901	-	24,724
Salaries and wages	1,471,050	183,686	76,522	1,731,258
Telephone	15,509	8,724	-	24,233
Travel	457,609	-	-	457,609
Warehouse expense	9,282	-	-	9,282
Total expenses	<u>\$ 10,174,509</u>	<u>\$ 451,580</u>	<u>\$ 83,570</u>	<u>\$ 10,709,659</u>

See accompanying notes and independent auditors' report

ASSIST INTERNATIONAL, INC.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2018 and 2017

	2018	2017
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 3,279,800	\$ 5,004,422
Adjustments to reconcile change in net assets to cash from operating activities:		
Depreciation	155,753	109,721
Donated equipment and materials, net	(2,102,729)	(164,090)
Realized and unrealized (gain) loss on investments	5,097	(18,191)
Changes in:		
Grant receivable	158,378	141,057
Other assets	1,668	(492)
Accounts payable and accrued expenses	57,074	41,432
Grants payable	170,998	-
Security deposits	<u>1,195</u>	<u>307</u>
Net cash from operating activities	<u>1,727,234</u>	<u>5,114,166</u>
 <b>Cash flows from investing activities</b>		
Acquisition of investments	-	(3,879)
Proceeds from sale of investments	163,305	-
Acquisition of property and equipment	<u>(733,737)</u>	<u>(4,999)</u>
Net cash from investing activities	<u>(570,432)</u>	<u>(8,878)</u>
 <b>Cash flows from financing activities</b>		
Funds drawn from line of credit	500	500
Principal payments on line of credit	(500)	(500)
Principal payments on notes payable	<u>(48,096)</u>	<u>(39,391)</u>
Net cash from financing activities	<u>(48,096)</u>	<u>(39,391)</u>
 Net change in cash and cash equivalents	1,108,706	5,065,897
 <b>Total cash and cash equivalents, beginning of year</b>	<u>12,959,396</u>	<u>7,893,499</u>
 <b>Total cash and cash equivalents, end of year</b>	<u>\$ 14,068,102</u>	<u>\$ 12,959,396</u>

See accompanying notes and independent auditors' report

## ASSIST INTERNATIONAL, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

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

The following significant accounting policies are presented to assist the reader in understanding the 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 interorganization 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

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 \$13,068,979 and \$11,819,412 was on deposit at financial institutions in excess of FDIC limits at December 31, 2018 and 2017, 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, 2018 and 2017

Note 1 – Summary of significant accounting policies (continued)

Concentrations (continued)

For the years ended December 31, 2018 and 2017, approximately 82% and 58% respectively, of the Organization's contributions, including donated equipment, materials and services, were made by its two largest donors, as follows:

	2018	2017
Concentrations of revenue consist of:		
General Electric	47%	51%
World Vision	<u>35%</u>	<u>7%</u>
Total	<u>82%</u>	<u>58%</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 and equity securities totaled \$14,068,102 and \$12,959,396 at December 31, 2018 and 2017, 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.

Grant receivable

Grant receivable consists of amounts due from donors. The amounts due at December 31, 2017 were a reimbursement of expenses incurred during the year. The amounts due at December 31, 2018 were two-year grants awarded for which the Organization is expecting year two funding.

Investments

Investments in marketable securities with readily determinable values are carried at fair value based on quoted market prices and recognizes the realized and unrealized gain/loss in the change in net assets in the year that it occurs. Donated securities are recorded at fair value at the date of donation and are thereafter carried in accordance with the above provision.

ASSIST INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

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

Inventory

Inventory represents donated medical equipment and supplies and is priced according to fair value. The first-in, first-out method is not observed because equipment is designated for specific projects. See Note 7.

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, 2018 and 2017, was \$155,753 and \$109,721, 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 2018 and 2017, 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, 2018 and 2017, net assets with donor restrictions consisted of \$15,510,922 and \$14,395,728, 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.

## ASSIST INTERNATIONAL, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

#### 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. No significant contributions of such materials or services were received during the years ended December 31, 2018 and 2017.

##### 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 reasonable basis that is consistently applied. 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.

##### 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, 2018 and 2017, the Organization received rental income which was subject to unrelated business taxable income, and therefore incurred tax liability due to unrelated business income. 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 expenses have been reclassified to conform to the current year presentation.

ASSIST INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

**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, 2018:

Total cash and cash equivalents	\$ 14,068,102
Grants receivable	58,885
Other assets	<u>11,532</u>
 Total financial assets	 <u>14,138,519</u>
 Contractual or donor-imposed restrictions:	
Donor contributions with specific purpose restrictions	11,511,976
Funds restricted by grant agreements	<u>494,612</u>
 Total contractual or donor-imposed restrictions	 <u>12,006,588</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 2,131,931</u></u>

**Note 3 – Investments**

Investments consisted of the following at December 31:

	<u>Fair Market Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
December 31, 2018			
Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Total investments	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>
December 31, 2017			
Equity securities	<u>\$ 168,402</u>	<u>\$ 83,645</u>	<u>\$ 84,757</u>
 Total investments	 <u><u>\$ 168,402</u></u>	 <u><u>\$ 83,645</u></u>	 <u><u>\$ 84,757</u></u>

ASSIST INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

**Note 3 – Investments (continued)**

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

	2018	2017
Interest and dividends	\$ 156,269	\$ 92,381
Net realized and unrealized gains (losses)	(5,097)	18,191
Investment fees	<u>-</u>	<u>(129)</u>
Investment income, net	<u>\$ 151,172</u>	<u>\$ 110,443</u>

**Note 4 – Property and equipment**

Property and equipment consisted of the following at December 31:

	2018	2017
Land and improvements	\$ 2,919,908	\$ 2,916,290
Automobiles	236,749	147,683
Office equipment	73,313	73,313
Oxygen plants	<u>641,053</u>	<u>-</u>
Total property and equipment, net	<u>3,871,023</u>	<u>3,137,286</u>
Less: accumulated depreciation	<u>(1,078,877)</u>	<u>(923,124)</u>
Property and equipment, net	<u>\$ 2,792,146</u>	<u>\$ 2,214,162</u>

Land and improvements are encumbered. See Note 6.

**Note 5 – Fair value measurements**

The fair value of the Organization's investments is measured based on levels of observable and reliable assumptions as follows:

**Level 1:** Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.





ASSIST INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

**Note 6 – Notes payable**

Notes payable consisted of the following at December 31:

	2018	2017
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.	\$ 1,042,014	\$ 1,090,110
Less: current portion of note payable	<u>(58,114)</u>	<u>(55,494)</u>
Noncurrent portion of note payable	<u>\$ 983,900</u>	<u>\$ 1,034,616</u>

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

2019	\$ 58,114
2020	58,853
2021	62,204
2022	65,745
2023	69,488
Thereafter	727,610

**ASSIST INTERNATIONAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2018 and 2017

**Note 7 – Net assets with donor restrictions**

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

	<b>2018</b>	<b>2017</b>
Romania projects	\$ 186,245	\$ 213,445
General Electric projects	11,340,066	11,415,112
Other Africa projects	239,602	293,044
Inventory – restricted to projects	3,504,334	2,231,013
Other relief and outreach efforts	<u>240,675</u>	<u>243,114</u>
 Total net assets with donor restrictions	 <u>\$ 15,510,922</u>	 <u>\$ 14,395,728</u>

**Note 8 – 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, 2018 and 2017 was \$84,519 and \$77,833, respectively.

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

2019	\$	60,718
2020		12,300
2021		-
2022		-
2023		-

**Note 9 – Operating leases**

The Organization leases office space in Scotts Valley, California, and office equipment on month-to-month terms. The Organization also leases equipment on a fifty-one month lease expiring in 2021. Lease expense on these various agreements was \$25,263 and \$20,045 for the years ended December 31, 2018 and 2017, respectively.

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

2019	\$	1,404
2020		1,404
2021		936
2022		-
2023		-

ASSIST INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

**Note 10 – Supplemental disclosures to the consolidated statements of cash flows**

	2018	2017
Cash paid during the year for:		
Interest	<u>\$ 63,980</u>	<u>\$ 60,442</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

There were no non-cash financing or investing activities during the years ended December 31, 2018 and 2017.

During the years ended December 31, 2018 and 2017, the Organization received donations of equipment and materials in the amounts of \$9,584,170 and \$3,717,854, respectively. During the years ended December 31, 2018 and 2017, the Organization used donated equipment and materials of \$21,106,328 and \$9,467,197, respectively, in relief efforts and projects.

**Note 11 – Subsequent events**

Management's review

Management has evaluated the impact of any of subsequent events through May 31, 2019, the date on which the accompanying consolidated financial statements were available to be issued.

**Note 12 – Subsequent discovery of facts**

Management discovered that grant receivables and grant payables were overstated due to conditions not being met by the end of the year and thus should not have been recorded for the year ended December 31, 2018. As a result, grants receivable decreased by \$744,025, grants payable decreased by \$1,501,142, resulting in an increase in contributions with donor restrictions and net assets released from restrictions of \$757,118. These changes resulted in an increase in net income of \$757,118 for the year ended December 31, 2018. Any audit procedures applied subsequent to the original audit report date were limited solely to the revised financial information.