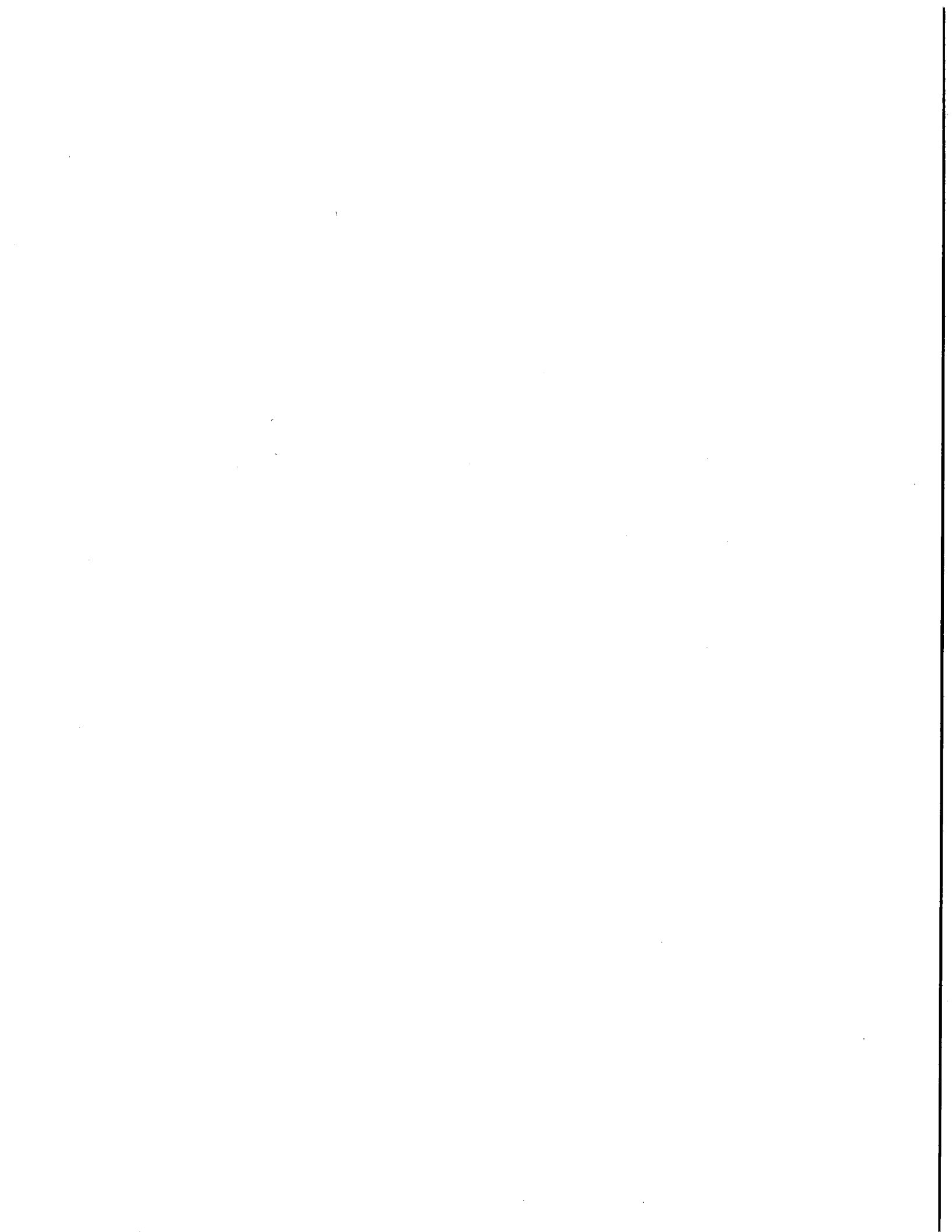


Compatible Technology International
St. Paul, Minnesota

Combined Financial Statements
Auditor's Report
For the Years Ended
June 30, 2018 and 2017



CERTIFIED PUBLIC ACCOUNTANTS



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Carpenter, Evert & Associates

Certified Public Accountants
7760 France Avenue S. Suite 940 Bloomington Minnesota 55435
952.831.0085 carpenterevert.com

Independent Auditor's Report

Board of Directors
Compatible Technology International
St. Paul, Minnesota

We have audited the accompanying financial statements of Compatible Technology International which comprise the combined statements of financial position as of June 30, 2018 and 2017, and the related combined statements of activities and changes in net assets, functional expense, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Compatible Technology International as of June 30, 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.

Carpenter, Evert & Associates, Ltd.
Certified Public Accountants

Minneapolis, Minnesota
February 27, 2019

EXHIBIT A

COMPATIBLE TECHNOLOGY INTERNATIONAL
 COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDING JUNE 30, 2018 AND 2017

	2018			2017				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue:								
Contributions	\$ 574,606	\$ 164,041	\$ -	\$ 738,647	\$ 383,495	\$ 58,719	\$ -	\$ 442,214
Government Grants	567,552	-	-	567,552	136,011	-	-	136,011
In-kind Contributions	284,991	-	-	284,991	395,638	-	-	395,638
Special Event:								
Revenue	185,066	-	-	185,066	228,624	-	-	228,624
Less: Direct Benefit to Donor Costs	40,980	-	-	40,980	33,927	-	-	33,927
Net Revenue from Special Event	144,086	-	-	144,086	194,697	-	-	194,697
Product Sales	3,740	-	-	3,740	14,729	-	-	14,729
Investment and Other Income	3,401	-	-	3,401	4,214	-	-	4,214
Satisfaction of Program Restrictions	43,817	(43,817)	-	-	123,669	(123,669)	-	-
Total Support and Revenue	1,622,193	120,224	-	1,742,417	1,252,453	(64,950)	-	1,187,503
Expense:								
Program Services	1,202,249	-	-	1,202,249	874,684	-	-	874,684
Support Services:								
Management and General Fundraising	274,307	-	-	274,307	183,493	-	-	183,493
Total Support Services	180,535	-	-	180,535	172,773	-	-	172,773
Total Expense	454,842	-	-	454,842	356,266	-	-	356,266
	1,657,091	-	-	1,657,091	1,230,950	-	-	1,230,950
Change in Net Assets From Operations	(34,898)	120,224	-	85,326	21,503	(64,950)	-	(43,447)
Other Changes in Net Assets:								
Unrealized (Loss)/Gain in Beneficial Interest in Assets Held by Presbyterian Church (USA) Foundation	-	-	4,376	4,376	-	-	7,457	7,457
Change in Net Assets	(34,898)	120,224	4,376	89,702	21,503	(64,950)	7,457	(35,990)
Net Assets - Beginning of Year	33,397	55,010	113,262	201,669	11,894	119,960	105,805	237,659
Net Assets - End of Year	\$ (1,501)	\$ 175,234	\$ 117,638	\$ 291,371	\$ 33,397	\$ 55,010	\$ 113,262	\$ 201,669

The accompanying Notes to Financial Statements are an integral part of these statements.

COMPATIBLE TECHNOLOGY INTERNATIONAL
COMBINED STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE TOTALS FOR 2017

	2018				2017	
	Total Program Services	Management & General	Fund- raising	Total Support Services	Total All Services	Total All Services
Salary Expense	\$ 255,383	\$ 84,498	\$ 101,664	\$ 186,162	\$ 441,545	\$ 273,368
Payroll Taxes and Benefits	41,306	12,681	14,919	27,600	68,906	36,724
Total Personnel Costs	<u>296,689</u>	<u>97,179</u>	<u>116,583</u>	<u>213,762</u>	<u>510,451</u>	<u>310,092</u>
In-kind Services	284,871	30	90	120	284,991	395,638
Professional Fees	136,635	84,104	5,195	89,299	225,934	155,449
Project Expense	102,085	-	-	-	102,085	94,681
Advertising and Promotion	46,940	35,021	7,692	42,713	89,653	26,085
Travel	83,351	-	5,047	5,047	88,398	51,086
Meetings and Conferences	66,309	5,674	3,150	8,824	75,133	34,446
Supplies	57,680	7,692	410	8,102	65,782	31,355
Rent	27,830	11,831	14,164	25,995	53,825	45,377
Other Expense	29,132	7,801	2,953	10,754	39,886	13,477
Interest and Bank Fees	11,959	16,610	30	16,640	28,599	16,044
Postage and Shipping	19,900	795	7,718	8,513	28,413	8,213
Insurance	19,591	3,448	4,099	7,547	27,138	8,517
Printing	5,550	1,644	11,296	12,940	18,490	15,143
Utilities	8,245	1,500	2,036	3,536	11,781	7,804
Volunteer Expense	75	-	72	72	147	284
Production Expenses	-	-	-	-	-	11,189
Depreciation	5,407	978	-	978	6,385	6,070
Total Expense	<u>\$ 1,202,249</u>	<u>\$ 274,307</u>	<u>\$ 180,535</u>	<u>\$ 454,842</u>	<u>\$ 1,657,091</u>	<u>\$ 1,230,950</u>

The accompanying Notes to Financial Statements
are an integral part of this statement.

COMPATIBLE TECHNOLOGY INTERNATIONAL
COMBINED STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2017

	Total Program Services	Support Services			Total All Services
		Management & General	Fund- raising	Support Services	
Salary Expense	\$ 106,724	\$ 59,047	\$ 107,597	\$ 166,644	\$ 273,368
Payroll Taxes and Benefits	14,714	8,086	13,924	22,010	36,724
Total Personnel Costs	121,438	67,133	121,521	188,654	310,092
In-kind Services	377,638	-	18,000	18,000	395,638
Professional Fees	87,699	67,250	500	67,750	155,449
Project Expense	94,681	-	-	-	94,681
Advertising and Promotion	9,865	1,118	15,102	16,220	26,085
Travel	46,695	1,873	2,518	4,391	51,086
Meetings and Conferences	29,748	2,158	2,540	4,698	34,446
Supplies	27,397	3,318	640	3,958	31,355
Rent	40,514	4,863	-	4,863	45,377
Other Expense	6,694	6,058	725	6,783	13,477
Interest and Bank Fees	4,651	11,393	-	11,393	16,044
Postage and Shipping	4,796	1,229	2,188	3,417	8,213
Insurance	206	8,311	-	8,311	8,517
Printing	1,810	4,294	9,039	13,333	15,143
Utilities	5,058	2,746	-	2,746	7,804
Volunteer Expense	284	-	-	-	284
Production Expenses	11,189	-	-	-	11,189
Depreciation	4,321	1,749	-	1,749	6,070
Total Expense	\$ 874,684	\$ 183,493	\$ 172,773	\$ 356,266	\$ 1,230,950

The accompanying Notes to Financial Statements
are an integral part of this statement.

COMPATIBLE TECHNOLOGY INTERNATIONAL
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash and Cash Equivalents	\$ 205,106	\$ 145,722
Accounts Receivable	69,569	19,508
Pledges Receivable	20,000	10,300
Inventory	20,824	26,080
Prepaid Expenses	<u>18,997</u>	<u>6,458</u>
Total Current Assets	334,496	208,068
Beneficial Interest in Assets Held by the Presbyterian Church (USA) Foundation Property and Equipment - Net	<u>117,638</u> <u>38,881</u>	<u>113,262</u> <u>6,762</u>
TOTAL ASSETS	<u>\$ 491,015</u>	<u>\$ 328,092</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 64,349	\$ 60,284
Accrued Salaries, Wages and Benefits	29,433	16,346
Other Accrued Expenses	64,749	-
Deferred Revenue	1,249	-
Notes Payable	<u>39,864</u>	<u>49,793</u>
Total Liabilities	199,644	126,423
Net Assets:		
Unrestricted		
Undesignated	1,832	36,796
Cumulative Translation Adjustment	<u>(3,333)</u>	<u>(3,399)</u>
Total Unrestricted	(1,501)	33,397
Temporarily Restricted	175,234	55,010
Permanently Restricted	<u>117,638</u>	<u>113,262</u>
Total Net Assets	<u>291,371</u>	<u>201,669</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 491,015</u>	<u>\$ 328,092</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

COMPATIBLE TECHNOLOGY INTERNATIONAL
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>		
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 89,702	\$ (35,990)
Total Adjustments	<u>18,115</u>	<u>13,094</u>
Net Cash Provided (Used) by Operating Activities	107,817	(22,896)
Cash Flows from Investing Activities:		
Furniture and Equipment Purchases	(38,504)	-
Cash Flows from Financing Activities:		
Proceeds from Notes Payable	10,000	10,000
Notes Payable Payments	<u>(19,929)</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	(9,929)	10,000
Net Increase (Decrease) in Cash and Cash Equivalents	59,384	(12,896)
Cash and Cash Equivalents - Beginning of Year	<u>145,722</u>	<u>158,618</u>
Cash and Cash Equivalents - End of Year	<u>\$ 205,106</u>	<u>\$ 145,722</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

COMPATIBLE TECHNOLOGY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

1. Summary of Significant Accounting Policies

Basis of Combination

The combined financial statements of Compatible Technology International include the accounts of Compatible Technology International (a Minnesota nonprofit corporation), Compatible Technology International, Inc. (a Minnesota corporation) and SARL Compatible Technology International (A Senegal limited liability company). All material inter-organizational transactions have been eliminated.

Organizational Purpose

Compatible Technology International (CTI) is a postharvest solutions provider for smallholder farmers and farming systems in Africa, helping the most vulnerable process their food more efficiently and bring their crops to market.

CTI currently has programs in Senegal and Malawi to increase local, nutritious food supply in communities. The organization is partnering with local manufacturing and distribution enterprises in Africa, and with African farmers to introduce tools and training to process millet, sorghum and peanuts for consumption and sale.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to CTI, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restriction. A description of the groupings is as follows:

Unrestricted Net Assets – Net assets which are neither permanently nor temporarily restricted by donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment is reported as part of unrestricted net assets.

Temporarily Restricted Net Assets – The part of net assets of CTI resulting from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be satisfied by actions of CTI.

Permanently Restricted Net Assets – Net assets resulting from contributions with donor-imposed stipulations that neither expire with time nor may be fulfilled by actions of CTI.

Cash and Cash Equivalents

For purposes of the statements of cash flows, CTI considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

COMPATIBLE TECHNOLOGY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Doubtful Accounts

CTI extends credit to its customers on terms it establishes for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and CTI does not charge interest on accounts receivable balances. CTI reviews accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. Accounts are stated net of the allowance for doubtful accounts of \$-0- for both years.

Inventory

Inventory consists of products sold by CTI and is valued at the lower of cost (weighted average cost) or net realizable value.

Furniture and Equipment

All expenditures over \$3,000 for furniture and equipment are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation is provided through the use of the straight-line method.

Contributions

Contributions are recorded as support when received or pledged. If donor-imposed restrictions accompany the contribution, the amount is recorded as temporarily restricted until the donor-imposed restrictions expire or are fulfilled. Temporarily restricted net assets are reclassified to unrestricted in the period donor-imposed restrictions expire or are fulfilled and are reported in the Statements of Activities under the Support and Revenue Category – Net Assets Released from Restrictions except when the receipt and expiration occur in the same period, in which case the contribution is shown as unrestricted.

Promises-To-Give (Pledges Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Government Grants and Contracts

Government grants are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Funds received but not yet earned are shown as refundable advances. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, CTI will record such disallowance at the time the final assessment is made.

COMPATIBLE TECHNOLOGY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

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 at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expense

Expenses are recorded in functional categories when incurred. In certain cases, allocations of expenses between categories must be made. When allocations are required, they are based on the best estimates of management.

Income Tax

CTI has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. CTI's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. CTI continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, CTI annually files a Return of Organization Exempt From Income Tax (Form 990). The returns for the years ending June 30, 2015 and later remain subject to examination by the Internal Revenue Service.

Reclassifications

Certain amounts in prior year financial statements have been reclassified to conform with the presentation in the current year financial statements.

Subsequent Events

CTI has evaluated the effect that subsequent events would have on the financial statements through February 27, 2019, which is the date financial statements were available to be issued.

2. Significant Concentrations of Credit Risk

CTI provides services from the Twin Cities to locations throughout the world. Accounts receivable are due from domestic and international individuals and institutions.

COMPATIBLE TECHNOLOGY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

3. Furniture and Equipment

CTI owned the following as of:

	<u>June 30,</u>		<u>Estimated Useful Lives</u>
	<u>2018</u>	<u>2017</u>	
Furniture and Equipment	\$ 53,637	\$ 53,637	5-7 Years
Vehicle	<u>51,923</u>	<u>13,436</u>	3 Years
Total	105,560	67,073	
Less Accumulated Depreciation	<u>66,679</u>	<u>60,311</u>	
	<u>\$ 38,881</u>	<u>\$ 6,762</u>	

Depreciation expense of \$6,385 and \$6,070 was recorded for the years ended June 30, 2018 and 2017, respectively.

4. Pledges Receivable

Pledges receivable are expected to be collected as follows:

<u>Due in the Year Ending June 30,</u>	<u>June 30,</u>	
	<u>2018</u>	<u>2017</u>
2018	\$ -	\$ 10,300
2019	<u>20,000</u>	<u>-</u>
Total	<u>\$ 20,000</u>	<u>\$ 10,300</u>

Pledges receivable are recorded net of an allowance for doubtful accounts of \$-0- for both years ended June 30, 2018 and 2017.

5. Fair Value

CTI adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures ("ASC 820"). In accordance with ASC 820, "fair value" is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

COMPATIBLE TECHNOLOGY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

5. Fair Value (continued)

The following is a summary of the inputs used to determine the fair value at:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
June 30, 2018:				
Beneficial Interest in Assets Held by the Presbyterian Foundation	\$ <u>-</u>	\$ <u>-</u>	\$ <u>117,638</u>	\$ <u>117,638</u>
June 30, 2017:				
Beneficial Interest in Assets Held by the Presbyterian Foundation	\$ <u>-</u>	\$ <u>-</u>	\$ <u>113,262</u>	\$ <u>113,262</u>

The following table provides a summary of changes in fair value of CTI's level 3 financial assets for the years ended June 30:

	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 113,262	\$ 105,804
Unrealized Gain in Beneficial Interest	9,195	12,385
Distributions and Fees	<u>(4,819)</u>	<u>(4,927)</u>
Ending Balance	<u>\$ 117,638</u>	<u>\$ 113,262</u>

Beneficial Interest Holdings are valued by inputs determined by the foundation.

6. Beneficial Interest in Assets Held by the Presbyterian Church (USA) Foundation

CTI has an irrevocable beneficial interest to the annual income from assets donated to the Presbyterian Church (USA) Foundation. The assets are held in a fund under the control of the Presbyterian Church (USA) Foundation and are invested in a balanced growth mutual fund. CTI will continue to receive the annual income earned by these assets so long as it continues its work in India and maintains an exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The original value of the donated assets was \$145,694. The fair value of the fund was \$117,638 and \$113,262 at June 30, 2018 and 2017, respectively.

COMPATIBLE TECHNOLOGY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

7. **Temporarily Restricted Net Assets**

The purpose of temporarily restricted net assets is to account for funds received but not yet spent for the purpose intended by the donor. Temporarily restricted net assets included the following as of:

	<u>June 30,</u>	
	<u>2018</u>	<u>2017</u>
McKnight – Development and Adoption of Technologies in Malawi and Tanzania	\$ 109,083	\$ 26,533
Groundnut Innovations in Malawi and Tanzania	22,000	-
Expanding Reach in Malawi and Mozambique	14,600	-
Rebranding Project	14,372	-
Malawi – Peanut Processing Tools	5,759	17,982
Grinder Technology	5,420	10,495
Other	4,000	-
	<u>\$ 175,234</u>	<u>\$ 55,010</u>

8. **In-kind Contributions**

CTI records in-kind contributions at fair market value at date of donation. In-kind contributions included the following as of:

	<u>June 30,</u>	
	<u>2018</u>	<u>2017</u>
Technology, Research and Development Services – at \$75 per hour for 6,657 hours in 2018 and 5,599 hours in 2017.	\$ 284,991	\$ 377,638
Fund Raising	-	18,000
	<u>\$ 284,991</u>	<u>\$ 395,638</u>

9. **Leased Facilities**

Rental commitments under a noncancelable lease for office space in effect at June 30, 2018, total \$34,011. The future annual rental commitments are as follows:

<u>Due in the Year Ending June 30,</u>	
2019	\$ 31,602
2020	2,409
	<u>\$ 34,011</u>

Rental expense was \$53,825 and \$45,377 for the years ended June 30, 2018 and 2017, respectively.

COMPATIBLE TECHNOLOGY INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

10. Notes Payable

The breakdown of notes payable was as follows as of:

	<u>June 30,</u>	
	<u>2018</u>	<u>2017</u>
6.5% line-of-credit loan dated September 28, 2015 from Propel Nonprofits. Interest is paid monthly with the unpaid principal due January 31, 2019. Secured by all business assets.	\$ 39,864	\$ 49,793
Portion Due Within One (1) Year	<u>39,864</u>	<u>49,793</u>
Long-term Portion	<u>\$ -</u>	<u>\$ -</u>

11. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities are as follows as of:

	<u>June 30,</u>	
	<u>2018</u>	<u>2017</u>
Depreciation	\$ 6,385	\$ 6,070
Loss of Disposal of Asset	-	158
Unrealized Loss/(Gain) in Beneficial Interest in Assets Held by Presbyterian Church (USA) Foundation	(4,376)	(7,458)
Accumulated Translation Change	-	2,933
Increases (Decreases) in Current Liabilities:		
Accounts Payable	4,065	(17,774)
Accrued Salaries, Wages and Benefits	13,087	3,055
Other Accrued Expenses	64,749	-
Deferred Revenue	1,249	-
Refundable Advances	-	(33,275)
Decreases (Increases) in Current Assets:		
Accounts Receivable	(50,061)	(19,508)
Pledges Receivable	(9,700)	42,650
Inventory	5,256	7,452
Prepaid Expenses	<u>(12,539)</u>	<u>28,791</u>
Total Adjustments	<u>\$ 18,115</u>	<u>\$ 13,094</u>

ADDITIONAL INFORMATION



Carpenter, Evert & Associates

Certified Public Accountants
7760 France Avenue S. Suite 940 Bloomington Minnesota 55435
952.831.0085 carpenterevert.com

Statement of Auditor's Responsibility

Board of Directors
Compatible Technology International
St. Paul, Minnesota

We have audited the combined financial statements of Compatible Technology International as of and for the years ended June 30, 2018 and 2017, and our report thereon dated February 27, 2019, which expressed an unmodified opinion on those combined financial statements, appears on page 1.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining schedule of financial position and the combining schedule of revenue, expense and changes in net assets of Compatible Technology International for the year ended June 30, 2018, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Carpenter, Evert & Associates, Ltd.
Certified Public Accountants

Minneapolis, Minnesota
February 27, 2019

COMPATIBLE TECHNOLOGY INTERNATIONAL
 COMBINING SCHEDULE OF SUPPORT AND REVENUE, EXPENSE AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2018

	Compatible Technology International CTI, Inc.						
	Compatible Technology International	CTI, Inc.	SARL (Senegal)	Elimination Entries	Consolidated	Elimination Entries	Total
Support and Revenue:							
Contributions	\$ 738,647	-	\$ -	-	\$ -	-	\$ 738,647
Government Grants	567,552	-	-	-	-	-	567,552
In-kind Contributions	284,991	-	-	-	-	-	284,991
Special Event:							
Revenue	185,066	-	-	-	-	-	185,066
Less: Direct Benefit to Donor Costs	40,980	-	-	-	-	-	40,980
Net Revenue from Special Event	144,086	-	-	-	-	-	144,086
Contract Revenue	-	-	428,311	-	428,311	(428,311)	-
Product Sales	3,740	-	-	-	-	-	3,740
Investment and Other Income	7,777	-	-	-	-	-	7,777
Total Support and Revenue	1,746,793	-	428,311	-	428,311	(428,311)	1,746,793
Expense:							
Salary Expense	349,018	-	92,527	-	92,527	-	441,545
Payroll Taxes and Benefits	48,995	-	19,911	-	19,911	-	68,906
Total Personnel Costs	398,013	-	112,438	-	112,438	-	510,451
In-kind Services	284,991	-	-	-	-	-	284,991
Professional Fees	592,261	-	61,984	-	61,984	(428,311)	225,934
Project Expense	68,647	-	33,438	-	33,438	-	102,085
Travel	72,678	-	15,720	-	15,720	-	88,398
Rent	43,647	-	10,178	-	10,178	-	53,825
Meetings and Conferences	14,206	-	60,927	-	60,927	-	75,133
Supplies	13,526	-	52,256	-	52,256	-	65,782
Advertising and Promotion	44,844	-	44,809	-	44,809	-	89,653
Interest and Bank Fees	26,167	-	2,432	-	2,432	-	28,599
Printing	14,971	-	3,519	-	3,519	-	18,490
Other Expense	9,885	-	30,001	-	30,001	-	39,886
Production Expenses	-	-	-	-	-	-	-
Insurance	12,719	-	14,419	-	14,419	-	27,138
Postage and Shipping	23,217	-	5,196	-	5,196	-	28,413
Utilities	6,096	-	5,685	-	5,685	-	11,781
Volunteer Expense	147	-	-	-	-	-	147
Depreciation	979	-	5,406	-	5,406	-	6,385
Total Expense	1,626,994	-	458,408	-	458,408	(428,311)	1,657,091
Change in Net Assets	119,799	-	(30,097)	-	(30,097)	-	89,702
Net Assets - Beginning of Year	407,404	(4,400)	(199,338)	(1,897)	(205,635)	(100)	201,669
Net Assets - End of Year	\$ 527,203	\$ (4,400)	\$ (229,435)	(1,897)	\$ (235,732)	(100)	\$ 291,371

See Statement of Auditor's Responsibility.

COMPATIBLE TECHNOLOGY INTERNATIONAL
 COMBINING SCHEDULE OF FINANCIAL POSITION
 JUNE 30, 2018

Compatible Technology International	Compatible Technology International CTI, Inc.				Elimination Entries	Total
	CTI, Inc.	SARL (Senegal)	Elimination Entries	Consolidated		
\$ 166,012	\$ -	\$ 39,094	\$ -	\$ 39,094	\$ -	\$ 205,106
365,031	-	4,007	-	4,007	(299,469)	69,569
20,000	-	-	-	-	-	20,000
20,824	-	-	-	-	-	20,824
15,131	-	3,866	-	3,866	-	18,997
586,998	-	46,967	-	46,967	(299,469)	334,496
117,638	-	-	-	-	-	117,638
100	-	-	-	-	(100)	-
-	1,897	-	-	(1,897)	-	-
3,170	-	35,711	-	35,711	-	38,881
\$ 707,906	\$ 1,897	\$ 82,678	\$ (1,897)	\$ 82,678	\$ (299,569)	\$ 491,015

ASSETS

Current Assets:

Cash and Cash Equivalents
 Accounts Receivable
 Pledges Receivable
 Inventory
 Prepaid Expense
 Total Current Assets
 Noncurrent Assets:
 Beneficial Interest in Assets Held by the
 Presbyterian Church (USA) Foundation
 Investment in CTI, Inc.
 Investment in SARL Senegal
 Property and Equipment - Net

TOTAL ASSETS

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable
 Accrued Salaries and Vacation
 Other Accrued Expenses
 Deferred Revenue
 Notes Payable
 Total Liabilities

Net Assets:

Unrestricted:
 Undesignated
 Cumulative Translation Adjustment
 Capital Stock
 Temporarily Restricted
 Permanently Restricted
 Total Net Assets

TOTAL LIABILITIES AND NET ASSETS

\$ 54,457	\$ 6,297	\$ 303,064	\$ -	\$ 309,361	\$ (299,469)	\$ 64,349
23,425	-	6,008	-	6,008	-	29,433
62,957	-	1,792	-	1,792	-	64,749
-	-	1,249	-	1,249	-	1,249
39,864	-	-	-	-	-	39,864
180,703	6,297	312,113	-	318,410	(299,469)	199,644
234,331	(4,500)	(227,999)	-	(232,499)	-	1,832
-	-	(3,333)	-	(3,333)	-	(3,333)
-	100	1,897	(1,897)	100	(100)	-
175,234	-	-	-	-	-	175,234
117,638	-	-	-	-	-	117,638
527,203	(4,400)	(229,435)	(1,897)	(235,732)	(100)	291,371
\$ 707,906	\$ 1,897	\$ 82,678	\$ (1,897)	\$ 82,678	\$ (299,569)	\$ 491,015

See Statement of Auditor's Responsibility.