DKT INTERNATIONAL, INC.

COMBINED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Years Ended December 31, 2012 and 2011

DKT INTERNATIONAL, INC.
CONTENTS
December 31, 2012 and 2011

COLEMAN HUNTOON & BROWN PLLC
CPAs and Advisors

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
DKT International, Inc.
Washington, District of Columbia

We have audited the accompanying combined financial statements of DKT International, Inc. (a nonprofit organization) and affiliates which comprise the statements of financial position as of December 31, 2012 and 2011 and the related statements of activities 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 combined 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 combined 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 financial statements are free from material misstatement.

An audit includes 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 combined financial statements referred to above present fairly, in all material respects, the financial position of DKT International, Inc. and affiliates as of December 31, 2012 and 2011, 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.

Emphasis of Matter

We draw attention to the note to the combined financial statements entitled *Going Concern Issues*. This note describes comments made in the auditors' reports of four international affiliates concerning their ability to continue as a going concern. Our report is not modified in respect to this matter.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combined schedules of functional expenses and revenue and expenses in support of international activities 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 financial statements. The information has been subjected to the auditing procedures applied in the audits 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 financial statements or to the 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.

Coleman Huntoon & Brown PLLC

CERTIFIED PUBLIC ACCOUNTANTS
Chapel Hill, North Carolina
February 24, 2014

DKT INTERNATIONAL, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
December 31, 2012 and 2011

ASSETS

	2012	2011
ASSETS		
Cash and cash equivalents	$ 35,571,394	$ 39,298,030
Accounts receivable - net	18,858,701	17,036,808
Accounts receivable - grants	357,193	1,521,873
Accounts receivable - related parties	20,576	6,946
Inventory - contraceptives	23,478,788	19,085,037
Prepaid expenses	5,716,599	3,913,441
Investments	58,022,305	50,136,749
Deposits	3,828,178	5,204,342
Property and equipment - net	4,414,718	4,505,215
Other assets - net	2,013,208	1,444,924
TOTAL ASSETS	$ 152,281,660	$ 142,153,365

LIABILITIES AND NET ASSETS

	2012	2011
LIABILITIES		
Accounts payable	$ 21,687,905	$ 17,758,773
Advances on grants	6,392,626	14,186,821
Payroll taxes and benefits withheld and accrued	794,359	843,559
Deferred sales revenue	68,263	248,597
Notes payable	349,737	602,673
TOTAL LIABILITIES	29,292,890	33,640,423
NET ASSETS		
Unrestricted		
Designated by the Board for new program support	21,000,000	21,000,000
Undesignated	101,347,024	85,822,851
TOTAL UNRESTRICTED	122,347,024	106,822,851
TEMPORARILY RESTRICTED	641,746	1,690,091
TOTAL NET ASSETS	122,988,770	108,512,942
TOTAL LIABILITIES AND NET ASSETS	$ 152,281,660	$ 142,153,365

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

DKT INTERNATIONAL, INC.
COMBINED STATEMENTS OF ACTIVITIES
Years Ended December 31, 2012 and 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT						
Contributions - individuals, foundations and corporations	$ 2,574,835	$ 20,367,823	$ 22,942,658	$ 2,819,722	$ 16,993,115	$ 19,812,837
Contributed goods and services	-	-	-	-	-	-
Grant and contract revenue	21,984,188	-	21,984,188	18,868,021	-	18,868,021
Gross receipts program revenue - contraceptive sales and related services	105,210,177	-	105,210,177	93,060,633	-	93,060,633
Interest income	777,161	-	777,161	756,554	-	756,554
Dividend income	1,269,920	-	1,269,920	1,203,293	-	1,203,293
Royalty income	70,578	-	70,578	122,618	-	122,618
Foreign currency translation gain	1,090,039	-	1,090,039	232,682	-	232,682
Realized gain on sale of investments	620,526	-	620,526	248,693	-	248,693
Gain on sale of assets	11,034	-	11,034	78,589	-	78,589
Unrealized gain on investments	5,713,640	-	5,713,640	2,329,040	-	2,329,040
Other income	1,591,683	-	1,591,683	718,269	-	718,269
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	140,913,781	20,367,823	161,281,604	120,438,114	16,993,115	137,431,229
NET ASSETS RELEASED FROM RESTRICTIONS	21,416,168	(21,416,168)	-	16,042,227	(16,042,227)	-
	162,329,949	(1,048,345)	161,281,604	136,480,341	950,888	137,431,229
EXPENSES AND LOSSES						
Program services						
Cost of sales and expenses - sale of contraceptives	55,095,313	-	55,095,313	54,176,553	-	54,176,553
Other program expenses	72,280,237	-	72,280,237	73,600,721	-	73,600,721
Supporting services						
Management and general	2,227,687	-	2,227,687	1,953,373	-	1,953,373
Fund-raising	260,157	-	260,157	463,382	-	463,382
TOTAL EXPENSES	129,863,394	-	129,863,394	130,194,029	-	130,194,029
Loss on disposition of assets	171,040	-	171,040	25,131	-	25,131
Foreign currency translation loss	11,485,347	-	11,485,347	2,435,769	-	2,435,769
Loss on worthless business venture	1,350,471	-	1,350,471	-	-	-
Realized loss on sale of investments	363,616	-	363,616	1,067,651	-	1,067,651
Unrealized loss on valuation of inventory	3,265,002	-	3,265,002	1,044,010	-	1,044,010
Unrealized loss on investments	306,906	-	306,906	3,499,538	-	3,499,538
TOTAL LOSSES	16,942,382	-	16,942,382	8,072,099	-	8,072,099
TOTAL EXPENSES AND LOSSES	146,805,776	-	146,805,776	138,266,128	-	138,266,128
CHANGE IN NET ASSETS	15,524,173	(1,048,345)	14,475,828	(1,785,787)	950,888	(834,899)
NET ASSETS AT BEGINNING OF YEAR	106,822,851	1,690,091	108,512,942	108,608,638	739,203	109,347,841
NET ASSETS AT END OF YEAR	$ 122,347,024	$ 641,746	$ 122,988,770	$ 106,822,851	$ 1,690,091	$ 108,512,942

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

DKT INTERNATIONAL, INC.
COMBINED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 14,475,828	$ (834,899)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net (gain) loss on disposition of assets	160,006	(53,458)
Net realized (gain) loss on sales of investments	(256,910)	818,958
Net unrealized (gain) loss on investments	(5,406,734)	1,170,498
Unrealized loss on valuation of inventory	3,265,002	1,044,010
Noncash contributions received	(21,336,746)	(1,081,436)
Depreciation and amortization	1,412,564	1,398,497
(Increase) decrease in accounts receivable	(670,843)	3,968,714
(Increase) in inventory, net of unrealized loss on valuation	(8,229,731)	(3,839,480)
(Increase) decrease in prepaid expenses	(1,803,158)	(169,442)
(Increase) decrease in deposits	1,376,164	(2,811,928)
Increase (decrease) in accounts payable	3,929,132	(214,874)
Increase (decrease) in advances on grants	(7,794,195)	13,013,639
Increase (decrease) in payroll taxes and benefits accrued and withheld	(49,200)	278,640
Increase (decrease) in deferred sales revenue	(180,334)	25,046
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(21,109,155)	12,712,485
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(1,672,053)	(2,049,384)
Purchase of investments and certificates of deposit	(11,535,690)	(26,416,494)
Proceeds from sale of investments and certificates of deposit	30,650,522	32,199,756
Proceeds from sale of fixed assets	192,676	246,797
NET CASH PROVIDED BY INVESTING ACTIVITIES	17,635,455	3,980,675
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of short-term debt	987,641	581,287
Payments of short-term debt	(1,240,577)	(208,553)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(252,936)	372,734
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,726,636)	17,065,894
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	39,298,030	22,232,136
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 35,571,394	$ 39,298,030

Supplemental disclosure of cash flow information:

	2012	2011
Cash paid for:		
Interest expense	$ 59,971	$ 141,692

Noncash transactions
The following items were donated to DKT:

Marketable securities	$ 2,456,154	$ 1,081,436

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

DKT INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NATURE OF ORGANIZATION AND AFFILIATED PROGRAMS

DKT International, Inc., (DKT), a nonprofit corporation, was organized in 1984 in the United States for the purpose of designing and implementing family planning projects in developing countries. These projects are committed to the promotion of family planning and HIV/AIDS prevention through the dissemination of information and the social marketing of contraceptives. At this time, DKT directs programs in many countries around the world, including Ethiopia, Mexico, India (two projects), Indonesia, Vietnam, China (two projects), the Philippines, Egypt, Brazil, Turkey, Mozambique, Sudan, the Democratic Republic of the Congo (Congo), Morocco, Thailand, Ghana and Pakistan.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The combined financial statements include the accounts of DKT International, Inc. (DKT) and its affiliates. Such combined reporting most accurately reflects the common charitable activities of DKT and its international affiliates. All inter-company accounts between DKT International Inc. and its affiliates (collectively, DKT) have been eliminated in combination.

Basis of Accounting

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

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Combined Statements of Activities and the detail is presented in the Combined Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and the supporting services benefited.

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values based upon quoted market prices with gains and losses included in the accompanying Combined Statements of Activities. Donated securities are recorded at their fair values on the dates of the gifts and, except where otherwise required by the donor or the Board of Directors, are immediately sold by the Organization.

Fair Value

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 has the lowest. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, DKT International, Inc. measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Level 1 Quoted prices of identical instruments in active markets.

Level 2 Quoted prices for similar instruments in active markets; quoted prices for similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.

Level 3 Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

Risks and Uncertainties

DKT invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the Combined Statements of Financial Position.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Basis of Presentation

Financial statement presentation follows FASB ASC 958-205-05-6 which requires that not-for-profit entity financial statements classify and report net assets in three groups based on the existence or absence of donor-imposed restrictions and the nature of those restrictions. A description of the three net asset categories follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Board designated net assets are unrestricted funds designated by the Board of Directors subject to board imposed purposes.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that must be maintained permanently by the organization. Generally, the donors of these assets permit the organization to use the income earned on related investments for general or specific purposes.

Restricted and Unrestricted Revenue and Support

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Combined Statements of Activities as net assets are released from restrictions. Generally, awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

Trade Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable, net of allowance for doubtful accounts, are stated at the amount management expects to collect from balances outstanding at year-end. An allowance for doubtful accounts is provided based upon management's judgment including such factors as management's assessment of the credit history with customers having outstanding balances and current relationships with them. Generally accepted accounting principles require that the allowance method be used to reflect bad debts.

Property and Equipment

All acquisitions of property and equipment in excess of $600 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation and Amortization

Leasehold improvements are amortized on the straight-line basis over the lesser of their useful lives or the term of the lease. Depreciation and amortization are provided on the straight-line basis over the following estimated useful lives of the assets:

Commercial warehouse	40 years
Furniture and fixtures	3-10 years
Computer hardware and software	3-5 years
Leasehold improvements	Life of the lease

Video Products

Video products have been capitalized at fair market value at the date of acquisition. Depreciation is based on the income forecast method over the estimated useful life of the asset.

Inventories

Various operations of DKT carry inventories of contraceptives held for distribution or resale. These products are either purchased from vendors or received as contributions from grantors or various international governmental agencies. In instances where contraceptive products are sold below their original cost, these products are valued at their net realizable value for the years ending December 31, 2012 and 2011. The difference in the cost and net realizable value is treated as a current unrealized loss and recognized in the accompanying Combined Statements of Activities.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. DKT received contributions of marketable securities during both 2012 and 2011. The 2012 contributions had a fair market value of $2,456,154 at the dates of the gifts while the 2011 contributed securities were valued at $1,081,436.

Designation of Unrestricted Net Assets

It is the policy of the Board of Directors of DKT to review annually its plans for new programs and start-up expenditures and to designate appropriate sums of unrestricted net assets to assure adequate financing of such new programs. The Board of Directors designated $21,000,000 at both December 31, 2012 and December 31, 2011 from DKT's unrestricted net assets for future growth and support of programs; these designated net assets will be dedicated for initial phases in the new programs in Western China and Nigeria, in addition to other programs in need of subsidies for 2013 and 2014 such as in Congo and Mozambique.

Product Subsidy (India)

DKT recognizes all contributed noncash support received as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support.

The mission of DKT is carried out partially through the donation of contraceptives from various international governmental and private agencies. During 2012, DKT's operations in India received goods valued at $1,902,891 as shown on the following schedule. The goods received by operations in India were valued at $3,797,244 in 2011. The Government of India subsidizes the cost of a portion of the contraceptives used in Mumbai and Bihar, India; the amount noted below represents only the product subsidy, not the total cost of the products.

COUNTRY	VALUE OF CONTRACEPTIVE SUBSIDY		SOURCE
	2012	2011	
India	$1,902,891	$3,797,244	Government of India (subsidy)

No amounts have been reflected in the financial statements for donated services. DKT pays for professional services and other services requiring specific expertise.

Concentrations

The Organization maintains its cash and cash equivalents in financial institutions in amounts which, at times, may exceed federally insured limits. DKT has not experienced any losses in such accounts, and management believes that the Organization is not exposed to any significant risk of loss on cash and cash equivalents due to the failure of the financial institutions. The Organization has substantial cash in foreign bank accounts, which is subject to fluctuations in the foreign currency exchange rate.

Program revenue generated from the sales of contraceptives accounted for approximately 65% of the organization's total revenue, gains and other support during 2012 and 68% for 2011. Financial support and revenue from grants and contracts accounted for 14% for both 2012 and 2011. Contributions from individuals, foundations and corporations provided 14% of the total revenue, gains and other support for 2012 and 14% for 2011. DKT purchases the majority of a primary contraceptive product from two main suppliers.

Compensated Absences

Employees of DKT International, Inc. are eligible for home leave and other paid time off depending on length of service and other factors. The financial statements are prepared on the accrual basis; therefore, DKT recognizes the costs of compensated absences when earned by the employees.

Gains/Losses on Foreign Currency Exchange

All elements of the financial statements of DKT's operations in foreign countries are translated using the current exchange rate. For assets and liabilities, this is the rate in effect at the balance sheet date. For revenue and expense items, translation is performed monthly using the average for that month as applicable. The exchange rates at December 31, 2012 as quoted at OANDA.com are used in DKT's foreign currency translations. The exchange rates at December 31, 2011 as quoted in the "Wall Street Journal" are used in DKT's foreign currency translations except for Mozambique and Democratic Republic of Congo which had not been updated in the "Wall Street Journal". The rate at OANDA.com was used for these two countries.

		PER US DOLLAR	
COUNTRY	CURRENCY	2012	2011
Bihar	Rupees	54.772	53.025
Brazil	Reais	2.046	1.866
China	Renminbi (Yuan)	6.306	6.319
DR Congo	Franc (Cdf)	903.224	905.865
Egypt	Pound	6.246	6.050
Ethiopia	Birr (Etb)	18.053	17.221
Ghana	New Cedi	1.885	1.640
Hong Kong	Hong Kong Dollar	7.751	7.767
Indonesia	Rupiah	9,606.150	9,033.000
Mexico	Peso	12.990	13.946
Morocco	Dirham	8.387	8.595
Mozambique	Second Metical	29.400	26.500
Mumbai	Rupees	54.772	53.025
Nigeria	Naira (NGN)	154.158	161.535
Pakistan	Pakistani Rupee (PKR)	96.085	89.845
Philippines	Peso	40.941	43.850
South Africa	Rand (Zar)	8.473	8.087
Sudan	Dinars/Pound	4.373	2.680
Thailand	Baht	30.530	31.600
Turkey	Lira	1.786	1.917
Vietnam	Dong	20,564.600	21,038.000

Income Tax Status

DKT is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and from state taxes under comparable laws. The organization has been approved under Internal Revenue Code Section 509(a)(2) for recognition as a publicly supported charity and not as a private foundation. Donations made to a public charity qualify for the maximum charitable contribution federal income tax deduction.

In accordance with the provisions of FASB ASC 740-10-20, DKT regularly reviews and evaluates its tax positions taken in previously filed income tax and informational returns and as reflected in its combined financial statements.

If applicable, penalties and interest assessed by income taxing authorities are included as expenses in the Combined Statements of Activities. Under the statute of limitations, the federal informational returns of DKT for 2009, 2010, and 2011, are subject to examination by the Internal Revenue Service. DKT believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

RELATED PARTY TRANSACTIONS

DKT received cash contributions from its president in the amount of $1,700,100 during 2011. The president also donated marketable securities valued at $2,456,154 during 2012 and $1,069,362 during 2011.

Three for-profit entities, of which the president of DKT is a substantial stockholder, contributed video products to DKT during 1995. These video products were valued at $5,500,000. Additional tapes valued at $210,087 were donated during 2002. In 2006 one of the for-profit entities donated additional tapes to DKT valued at $468,253. Subsequently, DKT signed licensing agreements with these entities, giving them the rights to copy, market and distribute the video products. DKT realizes royalties on the sale of these videos as they are sold by the currently licensed entities. The initial term of these agreements was three years and they remain in force until terminated by either party. During 2012, DKT earned $70,578 in royalties from these licensing agreements. Of this total, $20,576 was due to DKT at December 31, 2012. Royalties earned from these agreements in 2011 were $122,618. Of this amount, $6,946 was due at December 31, 2011.

In the normal course of business, DKT International, Inc. conducts arm's length transactions with certain foreign affiliates, including making investments in some of its subsidiaries whose operations are included in the combined financial statements. In the financial statements these transactions are eliminated from the totals; however, following is a summary of balances and transactions among affiliates as of and for the years ended December 31, 2012 and 2011:

	2012	2011
Notes receivable (payable)	$ 31,717,453	$ 31,541,810
Investment (capital)	$ 9,913,893	$ 7,310,000
Interest income (expense)	$ 51,098	$ 77,914
Management fees (overhead expenses)	$ 8,931,082	$ 2,827,438

OTHER ASSETS

Other assets consist of the following:

	2012	2011
Donated video tapes	$ 6,749,317	$ 6,178,340
Less accumulated amortization	4,736,109	4,733,416
Net book value	$ 2,013,208	$ 1,444,924

Also reported in Other Assets is inventory in the amount of $570,977 which is held in a warehouse in Vietnam and currently not available for sale. The ownership of this inventory is in dispute with a former trading partner in Vietnam.

INVESTMENTS

The following is a summary of investments at fair value at December 31, 2012 and 2011:

	2012	2011
Equity securities	$ 55,594,413	$ 47,537,999
Fixed income securities	2,427,892	2,598,750
	$ 58,022,305	$ 50,136,749

Return on these investments (net of fees) is summarized as follows:

	2012	2011
Dividend Income	$ 1,269,920	$ 1,203,293
Interest Income	21,647	31,737
Realized gains	620,526	248,693
Realized losses	(363,616)	(1,067,651)
Unrealized gains	5,713,640	2,329,040
Unrealized losses	(306,906)	(3,499,538)
	$ 6,955,211	$ (754,426)

FAIR VALUE MEASUREMENTS

The Organization is responsible for the valuation process and as part of this process may use data from outside sources in establishing fair value. DKT performs due diligence to understand the inputs used or how the data was calculated or derived. DKT corroborates the reasonableness of external inputs in the valuation process.

The following information presents the assets carried at fair value on December 31, 2012 and 2011, on the Combined Statements of Financial Position by fair value hierarchy level, as described above. The Organization carried its financial liabilities at fair values as of December 31, 2012 and 2011.

The fair value of assets measured on a recurring basis at December 31, 2012 is as follows:

	Fair Value as of December 31, 2012	Quoted Prices in Active Markets of Identical Assets Level 1	Significant Other Observable Inputs Level 2
Cash and cash equivalents	$ 35,571,394	$ 35,571,394	$ -
Equity securities	30,748,035	30,748,035	-
Government securities	-	-	-
Mutual funds	24,846,378	24,846,378	-
Certificates of deposit	2,427,892	-	2,427,892
	$ 93,593,699	$ 91,165,807	$ 2,427,892

The fair value of assets measured on a recurring basis at December 31, 2011 is as follows:

	Fair Value as of December 31, 2011	Quoted Prices in Active Markets of Identical Assets Level 1	Significant Other Observable Inputs Level 2
Cash and cash equivalents	$ 39,298,030	$ 39,298,030	$ -
Equity securities	27,086,507	27,086,507	-
Government securities	-	-	-
Mutual funds	20,451,492	20,451,492	-
Certificates of deposit	2,598,750	-	2,598,750
	$ 89,434,779	$ 86,836,029	$ 2,598,750

PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2012	2011
Vehicles	$ 6,196,414	$ 5,839,831
Office furnishings and equipment	3,657,139	4,212,443
Building and leasehold improvements	475,393	547,717
	10,328,946	10,599,991
Less accumulated depreciation	5,914,228	6,094,776
Net book value	$ 4,414,718	$ 4,505,215

COMMITMENTS AND CONTINGENCIES

DKT provides lodging for its overseas project managers. Certain leases with terms greater than one year require that the total rent be paid upon the execution of the lease. In seventeen foreign countries, DKT has rental commitments for lodging, furniture, warehouse space, and for office space with terms generally ranging from three to sixty months; one lease has a term of ten years. DKT also rents office space in Washington, DC.

Future minimum lease payments are as follows:

	2012		2011
2013	$ 1,980,117	2012	$ 2,155,347
2014	1,444,624	2013	1,119,428
2015	902,526	2014	821,414
2016	363,009	2015	665,404
2017	17,975	2016	323,998
	$ 4,708,251		$ 5,085,591

GOING CONCERN ISSUES

The accompanying combined financial statements for DKT International, Inc. have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the combined entities as a going concern.

Several of the international affiliates had going concern issues reported by their local auditors in the year end disclosures. The affected entities are listed below:

DKT Limited Liability Company (Egypt): The report disclosed accumulated losses exceeding paid up capital. The auditors recommended that the Board of Managers meet to decide on the continuity of the Company.

Mexico: The local report disclosed that the company has accumulated losses over two thirds of its paid up capital, which, under the General Corporation Law in Mexico, could lead to the dissolution of the entity at the request of a third party.

Morocco: In the Summary Review Memorandum, the auditors report that the Company's equity is negative with the Shareholder's Equity being less than one quarter of the capital. The report included a recommendation that the Company review options available and make a decision about the continued existence of the Company.

Philippines Health Sense, Inc.: The report indicates that the Company has substantial accumulated net losses resulting in a material capital deficiency. Management has assessed certain business opportunities and has evaluated various options that the Company will undertake, for which a business plan was prepared accordingly.

In view of these matters, DKT International, Inc. has developed a management plan with each of the entities reported with a going concern issue. This includes recommendations in improving operations, managing the cash flow of these entities and a potential restructuring of debt, both intercompany and external.

DKT International, Inc. has sufficient assets to cover all operating losses and debt of the combined entities; therefore, there is no going concern issue reported in these combined financial statements. These financial statements do not include any adjustments that might be necessary if the combined entities were unable to continue as a going concern. For example, there is no adjustment relating to the recoverability of prior period losses or the amounts and classification of liabilities that may result from the outcome of any uncertainties noted.

The local auditors did not modify the reports for the entities detailed above. Related parties, such as DKT International, Inc. are committed to provide adequate funds to these Companies to enable them to continue their operations. In addition, management is confident of the continued existence of these affiliates.

ADVERTISING AND PROMOTION

The Organization generally expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place.

INVESTMENT EXPENSES

Expenses relating to investment revenues, including custodial fees and investment advisory fees amounted to $124,528 during December 31, 2012.

DEBT

Debt to outside parties consists of various notes payable and lines of credit; total interest expense of $59,971 for 2012 and $141,692 for 2011 was incurred on these debts. The debt is owed by DKT and DKT's programs in Mexico, India (Mumbai), Mozambique, and Brazil. The Organization's obligation under these liabilities consists of the following:

		2012	2011
Mexico	Bank line of credit	$ 61,717	$ 19,149
India (Mumbai)	Automobile financing	-	35,516
Mozambique	Bank line of credit	20,795	50,429
Mozambique	Automobile financing	5,712	57,693
Vietnam	Lessor for leasehold improvements	-	12,778
Brazil	Bank line of credit	261,513	-
Brazil	Supplier	-	427,108
		$ 349,737	$ 602,673

DKT Mexico, DKT Mozambique and DKT do Brasil, at December 31, 2012 and 2011, have business lines of credit with banks. In DKT do Brasil the maximum available under the credit agreement is $2,000,000 with an annual interest rate of 5.28%. As of December 31, 2012, there was an outstanding balance of $261,513 and no amount was due as of December 31, 2011. DKT Mozambique's line of credit on December 31, 2012 and December 31, 2011 respectively the outstanding balance was $20,795 and $50,429 with an available maximum limit of $60,000. DKT Mexico has a line of credit with a maximum available limit of $600,000 with an annual interest rate of 13.32%. The outstanding balance at December 31, 2012 was $61,717 and $19,149 at December 31, 2011.

During 2011 DKT India (Mumbai) purchased an auto through financing with the auto dealership. The outstanding balance of $35,516 was paid off by the end December 31, 2012. The note was financed with an annual interest rate of 12.00%. During 2010 DKT Mozambique purchased two vehicles using bank financing arrangements over a two year term at Mozambique's Federal Prime Lending rate plus 4% per month. The outstanding balance as of December 31, 2012 was $5,712 and $57,693 at December 31, 2011.

During 2011 DKT Vietnam contracted with a lessor for the leasehold improvements to upfit its office space with a non interest bearing note in the amount of $12,778.

Maturities of notes and loans payable are as follows:

Years Ending December 31,

2013	$ 344,025
2014	5,712
2015	-
2016	-
2016	-
	$ 349,737

RETIREMENT PLAN

During 1994, DKT adopted a tax-sheltered annuity plan according to the terms of Internal Revenue Code Section 403(b). All eligible US employees may contribute a portion of their annual compensation to the plan in accordance with plan provisions. These contributions are made on a tax-deferred basis under a salary-reduction agreement. In addition, beginning in 1999, DKT contributes an amount equal to 6% of each participant's salary to the plan. The Organization's contribution to this plan was $136,350 in 2012 and $112,383 in 2011. The international employees are given an equivalent percentage of compensation to use for funding their retirement.

ADDITIONAL CASH FINANCIAL SUPPORT FOR FOREIGN OPERATIONS

DKT receives cash support for its foreign operations from numerous individuals, domestic and international governments, public charities and public and private foundations. This varies by country based upon the specific program for which they request financial support.

Examples of entities providing support to DKT in its foreign operations include the following:

Bill and Melinda Gates Foundation
Department for International Development, UK (DFID)
David and Lucile Packard Foundation
German Government/Kreditanstalt fur Wiederaufbau (KfW)
Government of India
Government of Indonesia
Government of the Royal Netherlands
Marie Stopes International
National AIDS Commission (India)
National AIDS Commission (Indonesia)
The Republic of Ireland/Development Co-operation Ireland (DCI)
United Nations Population Fund (UNFPA)
U. S. Agency for International Development (USAID)
William and Flora Hewlett Foundation

CONDITIONAL PROMISES TO GIVE

DKT received conditional promises to give in support of its international programs in various countries through December 31, 2011. The amount promised at December 31, 2011 was $397,376.

NATURE AND AMOUNT OF TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for program services by the following projects at December 31:

	2012	2011
Indonesia	$ -	$ 35,812
Ethiopia	-	88,833
Mumbai, India	-	-
Bihar, India	-	-
Sudan	-	429,341
Ghana	641,746	-
DR Congo	-	374,732
Mozambique	-	761,373
	$ 641,746	$ 1,690,091

Net assets for the years ended December 31, 2012 and 2011 were released from donor restrictions by incurring expenses satisfying the restricted purposes, as follows:

	2012	2011
Indonesia	$ 3,586,333	$ 3,708,045
Ethiopia	2,983,662	2,598,275
Mumbai, India	1,548,124	1,565,362
Bihar, India	3,625,342	3,777,216
Sudan	4,849,481	3,359,605
Ghana	1,494,771	-
DR Congo	1,718,571	395,119
Mozambique	1,609,884	638,605
	$ 21,416,168	$ 16,042,227

SOUTH AFRICA PROGRAM TRANSITION

By the end of 2012, DKT International, Inc. (DKT) formally transitioned its program activities in South Africa to the Banake Initiative based in the country. This organization was a spin-off from DKT South Africa's HIV prevention work. To further support these mission-related activities, DKT donated cash, inventory, and equipment and also permitted the Banake Project, the successor to the Banake Initiative, to use the brand established by DKT and to benefit from the experience gained through the years DKT actively worked in South Africa.

PENDING LITIGATION IN VIETNAM

In order to facilitate program operations in Vietnam, DKT International's Vietnam office (DKT) previously set up Delphi Limited Company (Delphi) as its working partner and trade affiliate. As a foreign-owned entity, DKT was not legally permitted to sell pharmaceutical contraceptives; only a 100% Vietnamese-owned company is legally permitted to sell such products in Vietnam. Several Vietnamese DKT employees became the technical owners of Delphi Company.

In October, 2012, the former DKT employees took extraordinary actions against DKT and blocked DKT's access to Delphi assets, including cash, inventory and trademarks. These assets had been acquired through loans from DKT and sales proceeds from customers gained through marketing efforts initiated by DKT. Loans in the amount of $2,373,000 had been made as early as 2008, by Datco Incorporated Limited and DKT to start up operations for Delphi and to purchase inventory. At the time of these actions, the loan balances were $2,103,000.

At the end of 2012, litigation was still underway to recover the inventory being held in Delphi's warehouses and the trademarks. DKT reported that cash in the amount of $528,172 was misappropriated from the entity by the Delphi owners and could never be recovered. The inventory and trademarks are items crucial for DKT to continue to carry out its mission in Vietnam and negotiations continued into 2013 to recover these specific items.

SUBSEQUENT EVENTS

DKT evaluated subsequent events after the date of the Combined Statements of Financial Position at December 31, 2012 through February 24, 2014, which was the date the combined financial statements were available to be issued. Events of a material and informative nature are shown as disclosures as required.

In 2013, DKT commenced operations in Nigeria where it will continue to further the mission in the implementation of family planning programs.

On July 17, 2013, the DKT program operation in Sudan was forced to suspend the majority of its activities when the government of The Republic of the Sudan seized a majority of the financial and program assets of the DKT office. The bank accounts were frozen and inventory and vehicles were confiscated. There are no current prospects for recovery as the government refuses to release these assets. The value of the assets seized/frozen was estimated at $1,977,376.

On May 8, 2013, a settlement agreement was signed between DKT International, Inc.(USA), Datco Incorporated Limited (Hong Kong) and Delphi Limited Company (Vietnam) to resolve all issues related from actions which occurred during 2012 between the parties. Overall, these matters in litigation concerned ownership of inventory and trademarks, reimbursement of expenses and general business rights and obligations in Vietnam.

The major terms of the settlement agreement confirmed the return of inventory which had been held by Delphi in its warehouse to DKT/Datco, the transfer of all trademarks to DKT/Datco and refunds to Delphi for items determined to be paid by Delphi on behalf of DKT, including advertising contracts and severance allowances paid to DKT staff by Delphi.

According to the terms of the agreement, DKT forgave loans due from Delphi in the amount of $2,103,000 and paid in cash $85,212 to satisfy the terms of the agreement.

In Ghana, on January 2, 2013, a former employee of DKT International of Ghana made a claim against the Company at the National Labour Commission (NCL) regarding the termination of his appointment on December 13, 2012. After mediation, the parties resolved the issue and paid a cash settlement to the employee on June 5, 2013. A provision by the local auditor has been made in these financial statements for the agreed settlement.

DKT INTERNATIONAL, INC.
COMBINED SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended December 31, 2012
(With Comparative Totals for 2011)

	Program Services	Supporting Services: Management and General	Supporting Services: Fund-raising	Total Expenses 2012	Total Expenses 2011
Cost of sales-merchandise, freight, import fees and taxes	$ 55,095,313	$ -	$ -	$ 55,095,313	$ 54,176,553
Salaries and fringe benefits	18,505,263	872,116	260,157	19,637,536	19,480,088
Accounting and legal	-	1,162,894	-	1,162,894	1,075,707
Advertising and promotion	26,859,291	-	-	26,859,291	29,363,463
Amortization and depreciation	1,409,871	2,693	-	1,412,564	1,398,497
Bad debt	748,491	-	-	748,491	5,072,704
Bank charges	-	189,984	-	189,984	174,331
Conferences	318,536	-	-	318,536	295,489
Consulting fees	3,397,035	-	-	3,397,035	2,729,140
Contributions	210,293	-	-	210,293	-
Interest expense	59,971	-	-	59,971	141,692
Licenses and taxes	1,372,009	-	-	1,372,009	1,554,928
Office expenses and supplies	2,069,358	-	-	2,069,358	1,926,796
Office rent and insurance	2,329,386	-	-	2,329,386	2,243,317
Postage	213,467	-	-	213,467	226,382
Program and training expenses	8,693,423	-	-	8,693,423	4,715,431
Research and development	1,073,991	-	-	1,073,991	721,379
Telephone	482,007	-	-	482,007	582,389
Travel	2,698,643	-	-	2,698,643	2,747,731
Vehicle expense	1,839,202	-	-	1,839,202	1,568,012
Total expenses, year ended December 31, 2012	$ 127,375,550	$ 2,227,687	$ 260,157	$ 129,863,394	
Total expenses, year ended December 31, 2011	$ 127,777,274	$ 1,953,373	$ 463,382		$ 130,194,029

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

DKT INTERNATIONAL, INC.
COMBINED SCHEDULE OF REVENUE AND EXPENSES IN SUPPORT OF INTERNATIONAL ACTIVITIES
(Page 1 of 2)
Year Ended December 31, 2012

	Pakistan	Ethiopia	Mexico	Mumbai India	Nigeria	Indonesia	Vietnam	Bihar India	China	Philippines	Thailand
PROGRAM REVENUE											
Gross receipts program revenue - contraceptive sales	$ 64,533	$ 3,392,223	$ 3,481,270	$ 4,954,341	$ -	$ 25,322,873	$ 1,915,367	$ 1,561,867	$ 1,400,031	$ 27,305,949	$ 391,737
COST OF GOODS SOLD											
Cost of sales-merchandise, packaging, freight, import costs	52,582	6,737,497	1,314,396	3,023,440	-	15,436,949	1,292,818	597,697	899,666	10,143,110	222,202
GROSS PROFIT	11,951	(3,345,274)	2,166,874	1,930,901	-	9,885,924	622,549	964,170	500,365	17,162,839	169,535
EXPENSES											
Accounting and legal	38,564	175,596	42,959	9,575	8,101	23,722	6,801	911	-	116,710	7,426
Advertising	11,562	5,193,555	599,865	1,491,744	-	5,884,742	103,684	413,047	45,481	9,943,416	250,474
Amortization	-	-	-	-	-	-	-	-	-	-	-
Bad debt	-	6,932	15,546	69,579	-	-	801	-	910	397,746	-
Bank charges	130	4,925	1,838	2,045	15	84,467	4,232	1,475	418	1,385	457
Conferences	-	825	-	23,860	-	-	-	2,910	-	262,337	557
Consulting fees	1,807	178,062	80,286	212,591	-	151,392	83,080	489,068	3,795	26,021	10,837
Contributions	-	-	-	-	-	-	-	-	-	-	-
Depreciation	1,458	297,110	12,803	30,415	46	37,553	23,050	250,275	8,885	113,144	13,614
Interest expense	-	-	3,919	5,198	-	-	-	101	15	-	-
Licenses and taxes	18,762	8,650	84,345	4,377	-	504,194	987	-	15,772	297,419	-
Office expense	17,480	122,087	118,754	362,000	606	77,421	59,939	262,453	19,125	223,055	9,043
Office rent and insurance	8,180	201,825	99,569	142,719	-	192,131	37,541	553,451	80,440	159,929	28,675
Postage	1,183	7,640	83,998	36,331	401	6,252	5,068	12,992	6,377	12,346	1,420
Program and training expenses	1,611	826,077	49,388	32,346	-	-	9,224	1,029,573	6,655	93,950	407
Research and development	-	510,142	-	33,906	-	119,382	-	-	-	148,855	-
Salaries and fringe benefits - general	181,203	1,826,790	719,939	1,018,654	38,036	1,253,966	612,098	2,602,396	502,741	1,862,938	275,591
Salaries and fringe benefits - fund-raising	3,200	93,871	342	11,713	-	14,644	1,716	20,717	-	402	-
Telephone	1,678	63,508	36,041	34,057	-	31,048	3,637	45,099	15,857	66,416	10,177
Travel	22,241	489,538	166,025	412,018	17,276	139,090	41,961	260,776	36,566	317,131	49,003
Vehicle expense	12,052	685,674	22,649	3,770	-	87,080	18,214	86,197	10,384	302,701	2,462
Unrealized loss on valuation of inventory	-	2,836,025	-	(3,338)	-	-	-	-	-	-	-
TOTAL EXPENSES	321,111	13,528,832	2,138,266	3,933,560	64,481	8,607,084	1,012,033	6,031,441	753,421	14,345,901	660,143
OTHER REVENUE AND SUPPORT											
Contributions - individuals and foundations	-	2,660,729	85,400	1,551,247	-	3,537,808	-	4,038,722	-	-	-
Foreign currency translation gain (loss)	(2,774)	(608,164)	180,581	(143,893)	-	(1,165,464)	485	(134,797)	(1,076)	850,782	6,395
Gain (loss) on sale of assets	-	11,034	(769)	(65,512)	-	-	(26,113)	(4,773)	-	(30,681)	-
Grant income	-	20,099,593	-	(58,015)	-	-	337,705	556,019	-	49,492	-
Interest and dividend income	-	8,302	3	19,336	-	579,887	37,280	44,978	57	40,678	420
Loss on worthless business venture	-	-	-	-	-	-	(1,303,994)	-	-	(46,477)	-
Net realized and unrealized gains on investments	-	(25)	-	-	-	148,552	-	-	-	-	-
Other income	-	11,972	96,626	7,439	-	18,513	37,427	379,310	66,297	564,529	-
Royalty income	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER REVENUE AND SUPPORT	(2,774)	22,183,441	361,841	1,310,602	-	3,119,296	(917,210)	4,879,459	65,278	1,428,323	6,815
EXCESS (DEFICIT) OF REVENUE AND SUPPORT OVER EXPENSES	$ (311,934)	$ 5,309,335	$ 390,449	(692,057)	$ (64,481)	$ 4,398,136	$ (1,306,694)	$ (187,812)	$ (187,778)	$ 4,245,261	$ (483,793)

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

DKT INTERNATIONAL, INC.
COMBINED SCHEDULE OF REVENUE AND EXPENSES IN SUPPORT OF INTERNATIONAL ACTIVITIES
(Page 2 of 2)
Year Ended December 31, 2012

	Egypt	Brazil	Sudan	Turkey	Mozambique	South Africa	Congo	Morocco	Ghana	Western China	General	Total 2012
PROGRAM REVENUE												
Gross receipts program revenue - contraceptive sales	$ 2,775,703	$ 29,977,837	$ 967,884	$ 482,885	$ 409,736	$ -	$ 124,692	$ 50,283	$ 630,966	$ -	$ -	$ 105,210,177
COST OF GOODS SOLD												
Cost of sales-merchandise, packaging, freight, import costs	2,051,962	11,230,017	561,426	217,168	523,018	-	320,293	27,746	443,326	-	-	55,095,313
GROSS PROFIT	723,741	18,747,820	406,458	265,717	(113,282)	-	(195,601)	22,537	187,640	-	-	50,114,864
EXPENSES												
Accounting and legal	51,977	87,191	168,385	18,971	-	-	10,779	13,183	9,281	81,548	291,214	1,162,894
Advertising	151,156	1,533,183	49,272	115,735	98,880	-	142,587	295	829,652	238	723	26,859,291
Amortization	-	-	-	-	-	-	-	-	-	-	2,693	2,693
Bad debt	-	18,601	-	142,912	95,373	-	-	91	-	-	-	748,491
Bank charges	8,080	18,608	11,840	1,863	4,970	35	25,465	1,047	3,418	32	13,239	189,984
Conferences	3,757	-	-	-	315	-	3,065	-	-	-	20,910	318,536
Consulting fees	32,185	1,533,161	20,973	38,200	24,201	2,181	41,340	13,353	90,649	19,632	344,221	3,397,035
Contributions	-	-	-	-	-	50,505	-	-	-	-	159,788	210,293
Depreciation	21,296	128,953	241,445	9,136	80,200	-	39,218	21,500	65,724	1,087	12,959	1,409,871
Interest expense	-	43,568	-	-	7,170	-	-	-	-	-	-	59,971
Licenses and taxes	-	276,864	63,304	2,452	53,238	-	16,145	-	-	44	25,456	1,372,009
Office expense	16,323	360,584	55,860	15,356	46,502	-	127,145	27,167	107,684	1,424	39,350	2,069,358
Office rent and insurance	82,735	212,737	62,128	11,508	68,686	-	82,185	33,735	101,641	44,022	125,549	2,329,386
Postage	2,016	18,316	997	2,974	1,695	400	3,157	607	3,897	1,339	4,061	213,467
Program and training expenses	52,734	2,474,986	3,353,154	-	146,588	45,569	371,852	39,362	37,040	217	122,690	8,693,423
Research and development	14,107	189,321	-	-	-	-	-	-	58,278	-	-	1,073,991
Salaries and fringe benefits - general	914,937	2,737,881	460,685	180,180	1,251,037	14,121	773,960	514,482	491,281	182,408	962,055	19,377,379
Salaries and fringe benefits - fund-raising	-	-	-	-	7,752	-	7,075	-	18,221	-	80,504	260,157
Telephone	10,251	60,501	18,392	3,106	19,439	-	21,629	13,604	9,708	2,103	15,756	482,007
Travel	12,877	226,884	50,871	14,348	68,549	-	161,137	78,784	28,768	23,298	81,502	2,698,643
Vehicle expense	65,767	53,754	216,000	39,002	127,637	-	96,844	9,015	-	-	-	1,839,202
Unrealized loss on valuation of inventory	-	-	-	-	(20,481)	-	452,796	-	-	-	-	3,265,002
TOTAL EXPENSES	1,440,198	9,975,093	4,773,306	595,743	2,081,751	112,811	2,376,379	766,225	1,855,242	357,392	2,302,670	78,033,083
OTHER REVENUE AND SUPPORT												
Contributions - individuals and foundations	-	-	4,218,372	-	859,863	-	1,354,527	-	2,146,556	-	2,489,434	22,942,658
Foreign currency translation gain (loss)	(40,963)	(7,827,967)	(1,390,745)	51,796	(93,610)	-	-	(11,134)	(64,495)	(265)	-	(10,395,308)
Gain (loss) on sale of assets	(3,543)	(8,923)	-	-	(4,057)	-	(13,335)	(13,334)	-	-	-	(160,006)
Grant income	-	-	-	-	459,889	-	110,505	-	-	-	429,000	21,984,188
Interest and dividend income	6,325	62,167	-	442	-	-	-	-	7,194	-	1,240,012	2,047,081
Loss on worthless business venture	-	-	-	-	-	-	-	-	-	-	-	(1,350,471)
Net realized and unrealized gains on investments	-	-	-	-	-	-	-	-	-	-	5,515,117	5,663,644
Other income	217,024	83,874	131	1,286	34,241	-	-	28,318	38,698	-	5,998	1,591,683
Royalty income	-	-	-	-	-	-	-	-	-	-	70,578	70,578
TOTAL OTHER REVENUE AND SUPPORT	178,843	(7,690,849)	2,827,758	53,524	1,256,326	-	1,451,697	3,850	2,127,953	(265)	9,750,139	42,394,047
EXCESS (DEFICIT) OF REVENUE AND SUPPORT OVER EXPENSES	$ (537,614)	$ 1,081,878	$ (1,539,090)	$ (276,502)	$ (938,707)	$ (112,811)	$ (1,120,283)	$ (739,838)	$ 460,351	$ (357,657)	$ 7,447,469	$ 14,475,828

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