

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

DKT International, Inc. and Affiliates

December 31, 2022 and 2021

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
DKT International Inc. and Affiliates

Opinion

We have audited the consolidated financial statements of DKT International Inc. and Affiliates ("DKT"), which comprise the consolidated statements of financial position, as of December 31, 2022 and 2021, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of DKT as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DKT and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

As discussed in Note 1 and Note 7 to the consolidated financial statements, DKT has adopted new accounting guidance as of January 1, 2022 related to the accounting for leases. Our opinion is not modified with respect to this matter.

Responsibilities of management for the financial statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DKT's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DKT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DKT's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Arlington, Virginia
July 28, 2023

DKT International, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 74,842,270	\$ 76,647,668
Grants and contributions receivable	4,017,312	5,755,299
Trade receivables, net of allowance	46,187,865	42,712,536
Inventory, net of allowance	57,006,663	44,883,507
Prepaid expenses and other current assets	16,170,112	15,587,965
Deferred tax asset	2,593,983	1,382,568
Investment in securities	101,284,788	126,000,411
Investment in joint venture	2,065,269	1,650,000
Property and equipment, net	9,437,082	10,845,342
Right-of-use assets	8,391,919	-
Other non-current assets	1,095,398	558,179
	\$ 323,092,661	\$ 326,023,475
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 76,625,812	\$ 57,972,146
Deferred revenue	9,060,155	14,405,382
Contract liabilities	478,430	-
Lines of credit and loans payable	4,295,133	4,380,823
Other non-current liabilities	10,046,754	5,935,777
	100,506,284	82,694,128
Net assets		
Without donor restrictions		
Undesignated	190,226,856	208,525,413
Board-designated	21,000,000	21,000,000
	211,226,856	229,525,413
With donor restrictions	11,359,521	13,803,934
	222,586,377	243,329,347
	\$ 323,092,661	\$ 326,023,475

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

DKT International, Inc. and Affiliates
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Sales, net of discounts	\$ 219,119,396	\$ -	\$ 219,119,396
Grants and contributions	24,203,377	22,572,342	46,775,719
Investment income, net	(14,693,796)	-	(14,693,796)
Other income	2,436,093	-	2,436,093
Net assets released from restriction:			
Satisfaction of program restrictions	21,357,968	(21,357,968)	-
Satisfaction of time restrictions	3,658,787	(3,658,787)	-
Total revenue and support	<u>256,081,825</u>	<u>(2,444,413)</u>	<u>253,637,412</u>
Expenses and losses			
Program services:			
Education and reproductive health	<u>255,962,630</u>	<u>-</u>	<u>255,962,630</u>
Total program services	<u>255,962,630</u>	<u>-</u>	<u>255,962,630</u>
Supporting services:			
Management and general	4,643,873	-	4,643,873
Development and fundraising	567,734	-	567,734
Total supporting services	<u>5,211,607</u>	<u>-</u>	<u>5,211,607</u>
Total expenses	<u>261,174,237</u>	<u>-</u>	<u>261,174,237</u>
Foreign currency exchange losses	<u>6,224,907</u>	<u>-</u>	<u>6,224,907</u>
Total expenses and losses	<u>267,399,144</u>	<u>-</u>	<u>267,399,144</u>
Change in net assets before foreign currency translation	(11,317,319)	(2,444,413)	(13,761,732)
Foreign currency translation losses	<u>(6,981,238)</u>	<u>-</u>	<u>(6,981,238)</u>
CHANGE IN NET ASSETS	(18,298,557)	(2,444,413)	(20,742,970)
Net assets, beginning of year	<u>229,525,413</u>	<u>13,803,934</u>	<u>243,329,347</u>
Net assets, end of year	<u>\$ 211,226,856</u>	<u>\$ 11,359,521</u>	<u>\$ 222,586,377</u>

The accompanying notes are an integral part of this consolidated financial statement.

DKT International, Inc. and Affiliates
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Sales, net of discounts	\$ 193,218,198	\$ -	\$ 193,218,198
Grants and contributions	29,662,078	24,432,124	54,094,202
Investment income, net	19,870,375	-	19,870,375
Other income	3,013,469	-	3,013,469
Net assets released from restriction:			
Satisfaction of program restrictions	25,450,424	(25,450,424)	-
Satisfaction of time restrictions	3,343,318	(3,343,318)	-
	<u>274,557,862</u>	<u>(4,361,618)</u>	<u>270,196,244</u>
Expenses and losses			
Program services:			
Education and reproductive health	250,685,566	-	250,685,566
	<u>250,685,566</u>	<u>-</u>	<u>250,685,566</u>
Supporting services:			
Management and general	1,914,250	-	1,914,250
Development and fundraising	759,293	-	759,293
	<u>2,673,543</u>	<u>-</u>	<u>2,673,543</u>
	<u>253,359,109</u>	<u>-</u>	<u>253,359,109</u>
Foreign currency exchange losses	<u>4,351,155</u>	<u>-</u>	<u>4,351,155</u>
	<u>257,710,264</u>	<u>-</u>	<u>257,710,264</u>
Change in net assets before foreign currency translation	16,847,598	(4,361,618)	12,485,980
Foreign currency translation losses	<u>(148,530)</u>	<u>-</u>	<u>(148,530)</u>
CHANGE IN NET ASSETS	16,699,068	(4,361,618)	12,337,450
Net assets, beginning of year	<u>212,826,345</u>	<u>18,165,552</u>	<u>230,991,897</u>
Net assets, end of year	<u>\$ 229,525,413</u>	<u>\$ 13,803,934</u>	<u>\$ 243,329,347</u>

The accompanying notes are an integral part of this consolidated financial statement.

DKT International, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2022

	Program Services		Supporting Services		2022 Total
	Education and Reproductive Health	Management and General	Development and Fundraising	Total Supporting Services	
Cost of goods sold - products	\$ 120,947,282	\$ -	\$ -	\$ -	\$ 120,947,282
Salaries and fringe benefits	49,452,270	3,276,520	567,734	3,844,254	53,296,524
Advertising and promotion	32,017,346	-	-	-	32,017,346
Professional fees	10,637,885	716,355	-	716,355	11,354,240
Travel and related expenses	9,167,032	120,533	-	120,533	9,287,565
Rent, insurance and warehouse logistic expenses	8,086,980	265,023	-	265,023	8,352,003
Licenses and taxes	3,715,876	124	-	124	3,716,000
Trainings, meetings and conferences	3,164,007	34,352	-	34,352	3,198,359
Depreciation and amortization	2,707,558	16,482	-	16,482	2,724,040
Office expenses	2,563,219	84,953	-	84,953	2,648,172
Income tax provision	2,604,072	-	-	-	2,604,072
Telephone, facsimile and utilities	1,655,057	28,838	-	28,838	1,683,895
Product development	1,645,202	-	-	-	1,645,202
Contribution, outreach and grants to partners	1,418,429	-	-	-	1,418,429
Interest	1,129,826	-	-	-	1,129,826
Bad debt expense	965,782	-	-	-	965,782
Repairs and maintenance	671,515	-	-	-	671,515
Bank charges	447,524	63,725	-	63,725	511,249
Obsolete inventory expense	15,391	-	-	-	15,391
Other	2,950,377	36,968	-	36,968	2,987,345
Total functional expenses	\$ 255,962,630	\$ 4,643,873	\$ 567,734	\$ 5,211,607	\$ 261,174,237

The accompanying notes are an integral part of this consolidated financial statement.

DKT International, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2021

	Program Services		Supporting Services		2021 Total
	Education and Reproductive Health	Management and General	Development and Fundraising	Total Supporting Services	
Cost of goods sold - products	\$ 115,692,271	\$ -	\$ -	\$ -	\$ 115,692,271
Salaries and fringe benefits	47,893,454	700,244	746,393	1,446,637	49,340,091
Advertising and promotion	30,684,438	-	6,900	6,900	30,691,338
Professional fees	10,487,491	587,879	6,000	593,879	11,081,370
Travel and related expenses	8,028,118	27,279	-	27,279	8,055,397
Rent, insurance and warehouse logistic expenses	6,954,876	169,270	-	169,270	7,124,146
Contribution, outreach and grants to partners	3,872,184	230,350	-	230,350	4,102,534
Licenses and taxes	3,604,802	3,240	-	3,240	3,608,042
Trainings, meetings and conferences	3,128,797	23,244	-	23,244	3,152,041
Income tax provision	2,860,285	-	-	-	2,860,285
Office expenses	2,724,984	76,349	-	76,349	2,801,333
Depreciation and amortization	2,683,560	24,187	-	24,187	2,707,747
Product development	2,287,812	-	-	-	2,287,812
Bad debt expense	1,702,518	-	-	-	1,702,518
Telephone, facsimile and utilities	1,462,897	30,572	-	30,572	1,493,469
Interest	1,227,348	1,855	-	1,855	1,229,203
Obsolete inventory expense	777,693	-	-	-	777,693
Repairs and maintenance	739,029	-	-	-	739,029
Bank charges	432,013	39,781	-	39,781	471,794
Other	3,440,996	-	-	-	3,440,996
Total functional expenses	\$ 250,685,566	\$ 1,914,250	\$ 759,293	\$ 2,673,543	\$ 253,359,109

The accompanying notes are an integral part of this consolidated financial statement.

DKT International, Inc. and Affiliates
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31,

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (16,498,023)	\$ 15,889,970
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in provision for doubtful trade receivables	884,116	284,972
Contributed securities	-	(8,850,450)
Bad debt	965,782	1,702,518
Change in discount for present value of grants and contributions receivable	(9,443)	(18,119)
Change in allowance for obsolete inventory	(669,506)	(229,028)
Realized gains on sales of investment in securities	(6,851,238)	(5,376,864)
Unrealized losses (gains) on investment in securities	23,955,722	(12,738,260)
Unrealized gains on investment in associates	(257,537)	-
Depreciation and amortization	2,724,040	2,707,747
Adjustment to deferred compensation	836,731	(2,382,215)
Gain on sale from sales of property and equipment	(18,789)	(246,067)
Change in discount for present value of loan payable	556,476	473,892
Gain on extinguishment of debt	-	(796,183)
Decrease (increase) in assets and increase (decrease) in liabilities:		
Grants and contributions receivable	1,747,430	4,584,970
Trade receivables	(5,325,227)	4,846,668
Inventory	(11,453,650)	(3,288,254)
Prepaid expenses & other current asset	(582,147)	(4,827,037)
Deferred tax asset	(1,211,415)	44,199
Other non-current assets	(537,217)	(323,038)
Right of use assets	2,603,566	-
Accounts payable and accrued expenses	7,658,180	3,013,186
Deferred revenue	(5,345,226)	9,710,703
Contract liabilities	478,430	(46,968)
Other non-current liabilities	4,110,977	1,055,952
	<u>(2,237,968)</u>	<u>5,192,294</u>
Net cash (used in) provided by operating activities		
Cash flows from investing activities		
Purchases of investment in securities	(4,097,576)	(1,600,297)
Proceeds from sales of investment in securities	10,871,985	15,172,202
Additions to investments in joint venture	(157,733)	(550,000)
Proceeds from sales of property and equipment	3,168,125	1,470,526
Purchases of property and equipment	(4,351,478)	(2,444,136)
	<u>5,433,323</u>	<u>12,048,295</u>
Net cash provided by investing activities		
Net movement of lines of credit	(305,974)	(245,612)
Repayments of loans payable	(449,832)	(9,684,991)
	<u>(755,806)</u>	<u>(9,930,603)</u>
Net cash used in financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,439,549	7,309,986
Cash and cash equivalents, beginning of year	<u>76,647,668</u>	<u>72,890,202</u>
Effect of exchange rate changes on cash	<u>(4,244,947)</u>	<u>(3,552,520)</u>
Cash and cash equivalents, end of year	<u>\$ 74,842,270</u>	<u>\$ 76,647,668</u>
Supplemental cash flow information		
Interest paid	<u>\$ 653,568</u>	<u>\$ 255,216</u>
Income taxes paid	<u>\$ 3,199,010</u>	<u>\$ 2,817,083</u>

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

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

DKT International, Inc. is a nonprofit corporation organized in 1984 in the United States for the purpose of designing and implementing family planning projects in developing countries. DKT International, Inc. and its Affiliates (collectively referred to as “DKT”) direct social marketing programs mainly in developing countries but have also expanded to sell products in developed countries. DKT is one of the world’s largest providers of family planning, HIV/AIDS prevention and safe abortion products and services. All activities of DKT are funded primarily from product sales and from grants and contributions.

Basis of Accounting and Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Principles of Consolidation

The consolidated financial statements include the accounts of DKT International, Inc. and its affiliates and related parties as follows:

Country	Full Name	Short Name
Argentina	DKT Argentina S.A.	South America Group
Bolivia	DKT Bolivia S.A.	South America Group
Brazil	DKT DO Brasil Produtos De Uso Pessoal Ltda.	South America Group
Chile	DKT Chile	South America Group
Colombia	DKT Colombia S.A.S.	South America Group
Ecuador	DKT Ecuador S.A.	South America Group
Paraguay	DKT Paraguay	South America Group
Panama	DKT South America Holding Inc.	South America Group
Peru	DKT Peru	South America Group
Uruguay	SYB Salud y Belleza Internacional S.A.	South America Group
Uruguay	DKT Uruguay S.A.	South America Group
Democratic Republic of Congo	DKT DR Congo	DR Congo
Egypt	DKT Egypt	Egypt/Middle East North Africa (MENA) Group
Egypt	DKT Limited Liability Company	Egypt/MENA Group
Jordan	DKT International Inc. (Jordan)	Egypt/MENA Group
Sudan	DKT Services Co. Ltd.	Egypt/MENA Group
Ethiopia	Dink Kistet Letena	Ethiopia
Ghana	DKT International Inc. Ghana	Ghana/Anglophone West Africa Group (AWA Group)
Liberia	DKT International Inc. Liberia	Ghana/AWA Group
Sierra Leone	Sierra Leone	Ghana/AWA Group
India	Janani	India Janani Group
India	DKT India	India Mumbai Group

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Country	Full Name	Short Name
India	DKT Healthcare India Private Ltd	India Mumbai Group
Indonesia	Yayasan DKT Indonesia	Indonesia Group
Indonesia	PT DKT International	Indonesia Group
Indonesia	PT Dharmendra Kumar Tiyagi Indonesia	Indonesia Group
Mexico	DKT de Mexico S.A. de C.V.	Mexico
Mozambique	DKT Mozambique, Limitada	Mozambique
Myanmar	DKT International Inc. Myanmar Branch	Myanmar Group
Myanmar	Modern Choice Experts Co. Ltd.	Myanmar Group
Nigeria	Deep K. Tyagi Foundation Nigeria	Nigeria
Pakistan	DKT Pakistan (Private) Limited	Pakistan Group
Afghanistan	DKT International Inc.	Pakistan Group
Philippines	DKT Philippines, Inc	Philippines Group
Philippines	DKT Reproductive Health, Inc.	Philippines Group
Philippines	HealthSense, Inc.	Philippines Group
Philippines	DKT Health, Inc.	Philippines Group
Philippines	DKT Regional Operating Headquarters	Philippines Group
Singapore	Asia Reproductive Health International PTE. Ltd	Philippines Group
Tanzania	DKT International Tanzania Limited	Tanzania Group
Tanzania	DKT International Tanzania	Tanzania Group
Iran	DKT International Segal Company	Turkey Group
Turkey	DKT International Istanbul Saglik Urunleri Ithalat Ticaret Ltd. Sirketi	Turkey Group
Cameroon	DKT International Cameroon SUARL	Francophone West and Central Africa Group (FWACA Group)
Cote D'Ivoire	DKT International Cote D'Ivoire SUARL	FWACA
Senegal	DKT International Senegal SUARL	FWACA
Vietnam	Representative Office of DKT International Inc. in Hanoi	Vietnam Group
Vietnam	DKT International - Vietnam Office	Vietnam Group
Kenya	DKT Healthcare International Limited	Kenya & Uganda Group
Uganda	DKT Healthcare International Uganda Limited	Kenya & Uganda Group
United Kingdom	WomanCare Global Trading CIC	United Kingdom Group
France	DKT WomanCare Global Services	United Kingdom Group
United Kingdom	DKT International Foundation UK	United Kingdom Group
United States	FemHealth USA Inc.	United States

Such consolidated reporting most accurately reflects the common charitable activities of DKT International, Inc. and its affiliates. All intercompany accounts between DKT International Inc. and its affiliates have been eliminated in consolidation.

Cash and Cash Equivalents

DKT considers all cash and other highly liquid investments with initial maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents that are specifically held for investment purposes are reported as investments.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Receivables

DKT uses the allowance method to record potentially uncollectible receivables. The allowance for doubtful accounts is determined based upon a periodic review of receivable balances, including the age of the balance and the historical experience with the debtor.

Inventory

Inventory consists primarily of condoms and contraceptives held for distribution or resale and is valued at the lower of cost and net realizable value. Inventory also includes goods in transit free on board shipping point. Inventories are primarily maintained on the first-in, first-out method.

Investment in Securities

Investment in securities consist of investments to mutual funds, equities, exchange-traded and closed-end funds, money market funds, unit investment trusts and certificates of deposit and are recorded in the accompanying consolidated statements of financial position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investment in Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the joint venture. DKT accounted investments in joint ventures using the equity method. Under the equity method investments are initially recognized at cost. Subsequently, the carrying amount of the investment is adjusted to recognize the changes in DKT's share of net assets of the joint venture.

Fair Value Measurement

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, DKT has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

- Level 1 - Financial assets and liabilities whose values are based on unadjusted quoted prices in an active market that DKT has the ability to access.
- Level 2 - Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Property and Equipment and Related Depreciation and Amortization

Property and equipment are stated at cost. Capitalized items must have a cost basis of greater than or equal to \$5,000 and an economic life in excess of one year. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives for property and equipment are as follows:

Vehicles	3-5 years
Office furnishings and equipment	3-5 years
Software	3 years
Building	20 years
Leasehold improvements	Shorter of remaining term of lease or useful life

Expenditures for major additions, renewals and improvements are capitalized; expenditures for repairs and maintenance are expensed when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation and amortization are eliminated from the accounts and the resulting gain or loss is reflected in the accompanying consolidated statements of activities.

Leases

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*. This ASU requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use ("ROU") assets. DKT adopted the standard as of January 1, 2022, using a modified retrospective approach and applying the standard's transition provisions at January 1, 2022, the effective date.

The lease and non-lease components of real estate and equipment leases supporting production activities are not accounted for as a single lease component. Consideration for such contracts is allocated to the lease and non-lease components based upon relative standalone prices either observable or estimated if observable prices are not readily available. DKT elected the package of practical expedients permitted under the transition guidance, which among other things, allows the carryforward of the historical lease classification. DKT made elections to exclude from balance sheet reporting those leases with initial lease terms of 12 months or less. Finally, DKT elected to use the risk-free rate for a period comparable to the lease term.

Adoption of the new standard resulted in the recording of operating lease ROU assets and lease liabilities of \$6,314,006 and \$6,184,558, respectively, with the difference largely due to prepaid and deferred rent that were reclassified to the ROU asset value. The standard did not materially affect our consolidated net income or cash flows. See Note 7 for further details.

Impairment of Long-Lived Assets

DKT reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of December 31, 2022 and 2021, DKT has not recognized an impairment loss.

Classification of Net Assets

DKT's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of DKT at the discretion of DKT's management and the Board of Directors (the "Board"). From time to time, the Board designates a portion of these net

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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assets for specific purposes, which makes them unavailable for use at management's discretion. As of December 31, 2022 and 2021, the Board designated \$21,000,000 of net assets without donor restrictions to serve as a working capital reserve to secure DKT's long-term financial viability.

- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of DKT or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2022 and 2021, DKT had no net assets with donor restrictions that are required to be maintained in perpetuity.

Revenue and Support Recognition

DKT reports unconditional gifts of cash and other assets as having donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose of a restriction is accomplished, 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.

Unconditional grants and contributions are recognized as revenue and support when the donor has made an unconditional promise to contribute funds to DKT in future periods. Unconditional grants and contributions are recorded at their net realizable value, if expected to be collected in one year, or at their present value if expected to be collected in more than one year. DKT provides for probable uncollectible amounts through a provision for bad debt and an adjustment to an allowance based on its assessment on the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. As of December 31, 2022 and 2021, contributions approximating \$18,466,396 and \$10,200,000, respectively, has not been recognized in the accompanying consolidated statements of activities because the condition(s) on which they depend have not yet been met.

A portion of DKT's revenue and support is derived from cost-reimbursable contracts and grants with international government agencies and other organizations, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue and support when DKT has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the accompanying consolidated statements of financial position. As of December 31, 2022 and 2021, DKT has been awarded cost-reimbursable grants of \$14,089,197 and \$30,193,495, respectively, that have not yet been recognized as revenue. As of December 31, 2022 and 2021, DKT has yet to collect \$2,839,128 and \$673,341, respectively, recognized under such cost-reimbursable grants, which is included in grants and contributions receivable in the accompanying consolidated statements of financial position. Additionally, DKT has received advance payments of \$9,060,156 and \$14,405,382, respectively, reported in the accompanying consolidated statements of financial position as deferred revenue.

Sales revenue includes a single performance obligation related to the fulfillment of customer orders for the purchase of DKT's products including condoms, other contraceptives, medical equipment and other family planning products. The performance obligation is satisfied at the point in time when title to the product, ownership and risk of loss transfers to the customer, at which time DKT recognizes sales revenue. Sales, net of discounts, reflect transaction prices based on the selling list prices reduced by discounts including costs for trade promotional programs, consumer incentives and allowances, discounts associated with aged or potentially unsaleable products and net of taxes collected on behalf of governmental authorities. A provision for discount is recorded as a reduction of sales in the same period in which the revenue is

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

recognized. Sales revenue received in advance of the fulfillment of customer orders are recorded as contract liabilities.

Other income includes royalty income, gains on the sale of fixed assets, reversals of previous year tax assessments, reversals of previous year impairments of inventories, administration fees from subcontractors, tax refunds, insurance claim settlements, and reversals of provisions for bad debts. Revenue is recognized in the period in which the underlying activities occur.

Translation of Foreign Currencies

Foreign currency transactions and financial statements are translated into U.S. dollars at current exchange rates, except revenue and expenses that are translated at average exchange rates during each reporting period. Exchange gains and losses resulting from foreign currency transactions are included in the accompanying consolidated statements of activities, whereas adjustments resulting from translations of financial statements are reflected as a separate component of net assets.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Expenses directly attributed to a specific functional area are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas have been allocated among the various functional areas based on estimates determined by management to be equitable. Shared costs are allocated based on labor costs.

Estimates

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

Recent Accounting Pronouncements

ASU 2016-13, *Financial Instruments - Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current US GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for DKT for the year ending December 31, 2023. The ASU can be applied using a modified retrospective approach.

DKT's management is evaluating the impact this ASU will have on the consolidated financial statements beginning in fiscal year 2022.

Reclassification

Certain items on the 2021 financial statements have been reclassified to correspond to the 2022 presentation. These changes had no effect on the net assets or changes in net assets for 2021.

A reclassification has been made to the Consolidated Statements of Cash Flows for the year ended December 31, 2021, to reflect the effect of exchange rate changes on cash amounting to \$3,552,520. The table below shows the summary of changes in the reported lines in Consolidated Statements of Cash Flows as result of the reclassification.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

	Restated 2021	Previously reported in 2021
	<u>2021</u>	<u>2021</u>
Consolidated statement of cash flow		
Change in net assets	\$ 15,889,970	\$ 12,337,450
Net cash provided by operating activities	5,192,294	1,639,774
Net increase in cash and cash equivalents	7,309,986	3,757,466
Effect of exchange rate changes on cash	(3,552,520)	-

NOTE 2 - GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable as of December 31 were due as follows:

	2022	2021
	<u>2022</u>	<u>2021</u>
In less than one year	\$ 4,017,312	\$ 5,464,742
In one to five years	-	290,557
Total grants and contributions receivable	<u>\$ 4,017,312</u>	<u>\$ 5,755,299</u>

Discounts in the amounts of \$0 and \$9,443 were recorded for multi-year pledges receivable for the years ended December 31, 2022 and 2021, respectively. The discount rate used for the year ended December 31, 2021 was 3.25%. All amounts are deemed fully collectible.

NOTE 3 - TRADE RECEIVABLES

Trade receivables primarily consist of product sales and are reported net of a \$2,643,753 and \$1,759,637 allowance for doubtful accounts as of December 31, 2022 and 2021, respectively.

NOTE 4 - INVENTORY

DKT's inventory consisted of the following as of December 31:

	2022	2021
	<u>2022</u>	<u>2021</u>
Condoms	\$ 27,489,210	\$ 21,944,401
Other contraceptives	19,728,444	15,787,425
Medical equipment (MVA business)	5,416,813	6,114,972
Lubricants	3,492,345	1,374,392
Goods in transit	46,158	172,972
Other items	1,386,691	711,849
Total inventory	57,559,661	46,106,011
Less: allowance for inventory obsolescence	<u>(552,998)</u>	<u>(1,222,504)</u>
Inventory, net	<u>\$ 57,006,663</u>	<u>\$ 44,883,507</u>

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE 5 - INVESTMENTS IN SECURITIES

Investments in securities consisted of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Mutual funds	\$ 57,067,759	\$ 76,848,540
Equities	25,885,379	30,180,709
Exchange-traded and closed-end funds	13,888,764	18,141,713
Certificate of deposit	1,385,570	-
Cash	2,437,300	131,375
Unit investment trusts	507,452	585,942
Money market funds	<u>112,564</u>	<u>112,132</u>
 Total investments in securities	 <u>\$ 101,284,788</u>	 <u>\$ 126,000,411</u>

Investment income is summarized as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Unrealized (loss) gains, net	\$ (23,698,185)	\$ 12,738,260
Realized gains, net	6,851,238	5,376,864
Interest and dividends	<u>2,153,151</u>	<u>1,755,251</u>
 Investment (loss) income, net	 <u>\$ (14,693,796)</u>	 <u>\$ 19,870,375</u>

NOTE 6 - PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION AND AMORTIZATION

Property and equipment consisted of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Vehicles	\$ 9,509,050	\$ 10,684,114
Office furnishings and equipment	4,295,755	6,342,745
Land	2,685,935	3,057,431
Leasehold improvements	1,802,195	1,883,519
Software	1,605,983	1,577,282
Building	<u>1,207,957</u>	<u>640,929</u>
 Total property and equipment	 21,106,875	 24,186,020
 Less: accumulated depreciation and amortization	 <u>(11,669,793)</u>	 <u>(13,340,678)</u>
 Property and equipment, net	 <u>\$ 9,437,082</u>	 <u>\$ 10,845,342</u>

Depreciation and amortization expense totaled \$2,724,040 and \$2,707,747 for the years ended December 31, 2022 and 2021, respectively.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE 7 - LEASES

As described in Note 1, "Organization and Summary of Significant Accounting Policies", DKT adopted new lease accounting guidance effective January 1, 2022.

DKT leases office, warehouse and distribution facilities, vehicles, and equipment. DKT determines if an agreement is or contains a lease at inception. Leases with an initial lease term of 12 months or less are not recorded on the consolidated balance sheet. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. ROU assets are initially measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease.

DKT elected the practical expedient to use the risk-free rate for a period comparable to the lease term. The risk-free rate is measured by the US treasury yield. Lease terms may include options to extend or terminate the lease when it is reasonably certain that such an option will be exercised.

DKT's lease agreements generally do not contain residual value guarantees or material restrictive covenants. The lease and non-lease components of all leases are not accounted for as a single lease component. Consideration for lease contracts is allocated to the lease and non-lease components based upon relative standalone prices either observable or estimated if observable prices are not readily available.

The components of lease expense were as follows for the year ended December 31:

	<u>2022</u>
Finance lease expense:	
Amortization of finance ROU assets	\$ 10,707
Interest on finance lease liability	<u>1,052</u>
Total finance lease expense	11,759
Operating lease expense	<u>4,414,190</u>
Total lease expense	<u>\$ 4,425,949</u>

The total operating lease expense includes short-term leases which is immaterial.

The operating lease expense is reflected in the consolidated statement of activities in the rent, insurance and warehouse logistics expenses line. Amortization of finance ROU assets is included in depreciation and amortization, and interest expense reflected in the interest line on the consolidated statement of activities.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Amounts reported in the consolidated balance sheet were as follows as of December 31, 2022:

	2022	
	Operating Leases	Finance Leases
ROU assets	\$ 8,372,056	\$ 19,863
Lease liability, short-term (included within accrued expenses)	2,677,312	12,034
Lease liability, long-term (included within other non-current liabilities)	5,204,849	9,107
Total lease liabilities	\$ 7,882,161	\$ 21,141
Weighted average remaining lease term (in years)	4.45	3.06
Weighted average discount rate	2.09%	5.12%

As of December 31, 2022, the maturity analysis of lease liabilities is as follows:

For the Year Ending December 31,	Operating Leases	Finance Leases	Total Leases
2023	\$ 2,866,307	\$ 12,743	\$ 2,879,050
2024	1,938,434	2,454	1,940,888
2025	1,301,206	2,454	1,303,660
2026	884,652	2,454	887,106
2027	456,469	2,454	458,923
2028 and thereafter	862,605	-	862,605
Total undiscounted lease liabilities	8,309,673	22,559	8,332,232
Less: imputed interest	(427,512)	(1,418)	(428,930)
Present value of lease liabilities	\$ 7,882,161	\$ 21,141	\$ 7,903,302

Supplemental cash flow and other information related to leases were as follows:

	2022
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 3,038,051
Operating cash flows from finance leases	1,161
Financing cash flows from finance leases	11,398
	\$ 3,050,610
ROU assets obtained in exchange for lease liabilities as of the adoption date:	
Operating leases	\$ 6,314,006
Finance leases	18,895

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Disclosures related to periods prior to adoption of ASU 2016-02, *Leases (Topic 842)*:

Future minimum lease payments under all leases are as follows:

For the Year Ending December 31,

2022	\$ 4,098,720
2023	2,268,221
2024	1,044,619
2025	354,800
2026	132,506
Thereafter	<u>245,077</u>
Total future minimum lease payments	<u>\$ 8,143,943</u>

Rent expense for the year ended December 31, 2021 totaled \$6,595,764.

NOTE 8 - LINES OF CREDIT AND LOANS PAYABLE

DKT International, Inc.:

On August 23, 2016, DKT International, Inc. obtained an unsecured loan from the Bill & Melinda Gates Foundation (the "Foundation"), a charitable trust that is a tax-exempt private foundation organized in the state of Washington. The purpose of the loan is to increase access and availability of quality, affordable and modern methods of contraception for those in need in developing countries, in furtherance of the exempt purposes of the Foundation. Interest on the loan accrues at a rate of 5% per annum and does not begin accruing until the fifth anniversary of the first disbursement. The loan was paid in full in 2021. The accretion of the loan using the effective interest method was \$0 and \$357,836 for the years ended December 31, 2022 and 2021, and is included in interest expense on the accompanying consolidated statements of functional expenses.

South America Group:

South America Group has the following three lines of credit with two banks available as of December 31, 2022.

The first line of credit was obtained on July 3, 2020. The maximum amount available under the line is BRL 30,000,000, which is the equivalent of \$5,676,110 and \$5,384,381 as of December 31, 2022 and 2021 respectively. On July 3, 2020, South America Group made its first drawing under the line which would mature on June 28, 2022 and bears interest of 16.72% and 7.72% per annum as at December 31, 2022 and 2021, respectively. On November 26, 2020, South America Group made its second drawing which would mature on November 19, 2022 and bears interest of 16.68% and 7.65% per annum as at December 31, 2022 and 2021, respectively. The line of credit was secured by US corporate investments. As of December 31, 2022 and 2021, the outstanding balance for both drawings against this line of credit totaled \$4,063,437 and \$3,780,770, respectively.

The second line of credit was obtained on December 11, 2018 and matured on May 15, 2022. As of December 31, 2021, the maximum amount available under the line totaled \$538,438, bears interest at 0% and 9.96% per annum as of December 31, 2022 and 2021, respectively, and was unsecured.

The third line of credit was obtained on June 17, 2020, and matured on June 22, 2022. As of December 31, 2021, the maximum amount available under the line totaled \$93,055, bears interest at 0% and 4.64% per

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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annum as of December 31, 2022 and 2021, respectively, and was unsecured. As of December 31, 2021, the outstanding balance against this line \$32,380.

Philippines Group:

Philippines Group obtained a bank loan on December 28, 2015, that matures on December 28, 2025, totaling \$1,860,960, the proceeds of which were used to fund the purchase of land and a building for use as its office space. The loan is secured by the related office space, is payable in monthly installments and had an effective interest rate of 4.2% in 2020 subject to re-pricing every 30-180 days. In 2021, the loan was paid in full with no pre-termination fee. The related collateral is also released in 2021 as a result of said full payment.

In 2020, Philippines Group obtained loans in January 2020 and December 2020, which would mature in December 2022 and November 2023, respectively. In 2021, three new loans were obtained which would mature in April 2024, June 2024 and January 2025. The proceeds of these loans were used to purchase cars for business use of the territorial managers and employees. The loans are secured by the related vehicle, are payable in monthly installments and had an effective interest ranging from 8.5% to 9.6%. As of December 31, 2022 and 2021, the outstanding balance against these loans was \$189,044 and \$452,399, respectively.

Mozambique Group:

On March 25, 2022, Mozambique obtained loans which would mature in April 2026 and used to purchased cars for business use. The loans had an effective interest of 26.50%. As of December 31, 2022 and 2021, the outstanding balance against this loan was \$42,438 and \$0, respectively.

DKT Consolidated Line of Credit and Loans

As of December 31, 2022, the outstanding balances on DKT's lines of credit and loans were scheduled to be paid as follows:

For the Year Ending December 31,

2023	\$ 4,236,030
2024	55,127
2025	21,311
2026	<u>4,520</u>
Total payments	4,316,988
Less: discount for present value of loan payable	<u>(21,855)</u>
Total lines of credit and loans payable	<u>\$ 4,295,133</u>

Interest expense related to these agreements totaled \$1,128,775 and \$1,229,203 for the years ended December 31, 2022 and 2021, respectively. Of these amounts, \$0 and \$357,836 are related to the in-kind interest expense on the unsecured loan from the Bill & Melinda Gates Foundation for the years ended December 31, 2022 and 2021, respectively.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE 9 - COMMITMENTS, RISKS AND CONCENTRATIONS

Credit Risk

DKT maintains its cash and cash equivalents at a number of financial institutions, where its aggregate balance may exceed, at times, the Federal Deposit Insurance Corporation ("FDIC") insured limit of \$250,000 per depositor per institution. As of December 31, 2022 and 2021, DKT had approximately \$30,056,037 and \$35,076,000, respectively, composed of demand deposits, which exceeded the maximum limit insured by the FDIC by approximately \$29,254,000 and \$34,456,000, respectively. DKT monitors the creditworthiness of these institutions and has not experienced any historical credit losses on its cash and cash equivalents.

DKT has offices in Africa, the Americas, Asia, and Europe and maintains cash accounts in those offices. The future of these programs may be adversely affected by a number of potential factors, such as currency devaluations, terrorist activity or changes in the political climate. As of December 31, 2022 and 2021, DKT had approximately \$51,240,939 and \$41,804,974, respectively, of cash held in foreign institutions.

Major Donors

For the years ended December 31, 2022 and 2021, approximately 43% and 47%, respectively, of DKT's grants and contributions were promised or received from three donors. Additionally, as of December 31, 2022 and 2021, approximately 70% and 80%, respectively, of grants and contributions receivable were due from three donors. Management of DKT has no reason to believe that its relationship with these donors will be discontinued in the foreseeable future.

Other

DKT is party to various legal actions and claims arising in the ordinary course of its business. DKT's management believes that its ultimate disposition will not have a material adverse effect on DKT's financial position or change in net assets.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE 10 - AVAILABILITY AND LIQUIDITY

DKT regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. DKT's financial assets available within one year of the consolidated statement of financial position date for general expenditures as of December 31 were as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 74,842,270	\$ 76,647,668
Grants and contributions receivable	4,017,312	5,755,299
Trade receivables, net of allowance	46,187,865	42,712,536
Investments in securities	<u>101,284,788</u>	<u>126,000,411</u>
 Total financial assets	 226,332,235	 251,115,914
 Less:		
Amounts unavailable for general expenditures within one year due to donor's restrictions	 (11,359,521)	 (13,803,934)
Grants receivable unavailable within one year	-	(290,557)
Amounts unavailable to management without Board approval: Board-designated for working capital reserve	 <u>(21,000,000)</u>	 <u>(21,000,000)</u>
 Financial assets available to meet general expenditures within one year	 <u>\$ 193,972,714</u>	 <u>\$ 216,021,423</u>

DKT has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of DKT throughout the year. This is done through monitoring and reviewing DKT's cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of DKT's cash flow related to DKT's various funding sources and is, therefore, able to ensure that there is cash available to meet current liquidity needs. As part of its liquidity plan, excess cash is invested in publicly traded investment vehicles, including mutual funds and equity securities. DKT can liquidate its investments anytime and, therefore, the investments are available to meet current cash flow needs. Additionally, DKT has board-designated net assets that could be available for current operations with Board approval, if necessary.

NOTE 11 - NET ASSETS

Net Assets Without Donor Restrictions

DKT's net assets without donor restrictions are composed of undesignated amounts and board-designated amounts for a working capital reserve. As of December 31, DKT's net assets without donor restrictions were as follows:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 190,226,856	\$ 208,525,413
Board-designated	<u>21,000,000</u>	<u>21,000,000</u>
 Total net assets without donor restrictions	 <u>\$ 211,226,856</u>	 <u>\$ 229,525,413</u>

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The board-designated net assets for a working capital reserve were instituted to provide funding for various strategic initiatives of DKT.

Net Assets With Donor Restrictions

As of December 31, net assets with donor restrictions were restricted for the following purposes or periods:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Education and reproductive health		
DR Congo Commodities	\$ 1,924,959	\$ 4,989,914
DR Congo	1,000,000	1,095,406
Latin America Group	852,391	907,637
Myanmar Group	58,426	181,064
Nigeria Digital	26,412	36,432
FP 2020 Global*	-	1,940,438
Mumbai Group	-	249,135
FWACA Group	-	186,169
Global Safe Abortion	-	156,097
Others	159,963	33,934
	<u>4,022,151</u>	<u>9,776,226</u>
Total subject to expenditure for specified purpose		
Subject to occurrence of specified events/passage of time:		
FemHealth		
Virtual Visits and Online Support	3,615,557	2,223,013
Health Centers and Online	1,645,833	19,385
General Operating Support Grant	525,000	537,500
Others	61,908	-
Headquarters-General Operating Support Grant	1,114,243	1,247,810
FWACA Group	374,829	-
	<u>7,337,370</u>	<u>4,027,708</u>
Total subject to occurrence of specified events/passage of time		
Total net assets with donor restrictions	<u>\$ 11,359,521</u>	<u>\$ 13,803,934</u>

* The Family Planning (FP) 2020 Global funding is restricted for India Mumbai Group.

NOTE 12 - RETIREMENT PLAN

DKT maintains a tax-sheltered annuity plan according to the terms of Internal Revenue Code ("IRC") Section 403(b). All eligible U.S. 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, DKT contributes up to a maximum of 10% of each participant's salary to the plan. DKT's contribution to this plan totaled \$260,584 and \$227,591 for the years ended December 31, 2022 and 2021, respectively. Certain management-level international employees are given an equivalent percentage of compensation to use for funding their retirement.

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NOTE 13 - RELATED PARTY

During the years ended December 31, 2022 and 2021, DKT received \$0 and \$2,000,000, respectively, in contributions from a board member. There were no amounts due from this related party at December 31, 2022 and 2021.

NOTE 14 - FAIR VALUE MEASUREMENT

The following tables summarize DKT's investments measured at fair value on a recurring basis as of December 31, 2022 and 2021, aggregated by the fair value hierarchy level with which those measurements were made:

	2022		2021	
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Mutual funds:				
Large blend	\$19,800,249	\$19,800,249	\$27,484,393	\$27,484,393
Large growth	19,975,771	19,975,771	26,925,588	26,925,588
Large value	7,002,288	7,002,288	7,904,114	7,904,114
Emerging markets	1,604,849	1,604,849	2,098,313	2,098,313
Medium blend	4,382,910	4,382,910	6,787,278	6,787,278
Small blend	410,012	410,012	568,469	568,469
Small value	3,891,680	3,891,680	5,080,385	5,080,385
Total mutual funds	<u>57,067,759</u>	<u>57,067,759</u>	<u>76,848,540</u>	<u>76,848,540</u>
Equities:				
Communication	1,009,854	1,009,854	1,430,790	1,430,790
Consumer discretionary	986,955	986,955	2,189,877	2,189,877
Consumer staples	401,109	401,109	422,530	422,530
Energy	346,728	346,728	194,254	194,254
Financial	10,544,803	10,544,803	11,739,550	11,739,550
Healthcare	2,026,583	2,026,583	2,157,317	2,157,317
Industrial goods	6,048,108	6,048,108	5,682,184	5,682,184
Information technology	3,715,287	3,715,287	5,390,810	5,390,810
Total equities	<u>25,079,427</u>	<u>25,079,427</u>	<u>29,207,312</u>	<u>29,207,312</u>
Exchange-traded and closed-end funds	<u>13,888,764</u>	<u>13,888,764</u>	<u>18,141,713</u>	<u>18,141,713</u>
Total investments held at fair value	96,035,950	<u>\$96,035,950</u>	124,197,565	<u>\$124,197,565</u>

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

	2022		2021	
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Cash	2,437,300		131,375	
Certificates of deposit	1,385,570		-	
Money market funds	918,516		1,085,529	
Unit investment trusts ^(a)	507,452		585,942	
Total investments	\$101,284,788		\$126,000,411	

(a) This investment is measured at net asset value or its equivalent as a practical expedient and has not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

DKT did not have any level 2 or 3 investments at December 31, 2022 and 2021.

DKT used the following method to estimate fair value for assets recorded at fair value:

Mutual funds, equities, exchange-traded and closed-end funds - Measured using quoted market prices for identical assets in active markets.

NOTE 15 - INCOME TAX STATUS

DKT International, Inc. follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is more-likely-than-not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

DKT International, Inc. is exempt from federal income tax under provisions of Section 509 (a) as described in Section 501(c)(3) of the IRC of 1986, as amended. The organization is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. Several of DKT's affiliates are organized as taxable entities in their respective countries. DKT has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Income tax expense for the affiliates is calculated using the tax rates and tax law applicable to the fiscal periods to which the tax relates, based on taxable profit for the year. DKT International has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Several of DKT's affiliates are for-profit entities that are subject to income tax in their country of operation. Income tax expense for the affiliates is calculated using the tax rates and tax law applicable to the fiscal periods to which the tax relates, based on taxable profit for the year. Income tax expense for the years ended December 31, 2022 and 2021 for such affiliates, totaled \$2,604,072 and \$2,860,285, respectively.

DKT International, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

The net deferred tax asset recognized by such affiliates for the years ended December 31, 2022 and 2021, totaled \$2,593,983 and \$1,382,568 respectively.

NOTE 15 - SUBSEQUENT EVENTS

In preparing these consolidated financial statements, DKT has evaluated events and transactions for potential recognition or disclosure through July 28, 2023, the date the consolidated financial statements were available to be issued. DKT is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTAL SCHEDULES

DKT International, Inc. and Affiliates
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
Year ended December 31, 2022

	DKT International, Inc.	South America Group	DR Congo	Egypt Group	Ethiopia	Ghana/ AWA Group	India Janani Group	India Mumbai Group	Indonesia Group	Mexico	Mozambique	Myanmar Group	Nigeria
ASSETS													
Cash and cash equivalents	\$ 17,564,892	\$ 481,192	\$ 169,211	\$ 597,663	\$ 12,809,880	\$ 1,591,438	\$ 511,144	\$ 1,836,033	\$ 5,420,680	\$ 512,606	\$ 1,327,648	\$ 1,775,281	\$ 1,262,620
Grants and contributions receivable	3,088,400	-	-	-	-	-	-	-	-	-	-	274,086	-
Trade receivables, net of allowance	1,128	4,652,487	1,272,475	203,482	17,257	1,097,710	1,286	95,718	9,605,266	6,071,117	7,946	487,769	7,794,450
Due from affiliates	53,236,925	-	-	-	458,285	-	-	-	1	97,965	-	679,257	53,493
Inventory, net of allowance	-	8,687,074	2,117,570	523,572	4,562,582	3,694,589	363,358	2,229,532	3,591,152	6,437,883	1,570,207	868,630	7,376,684
Prepaid expenses and other current assets	1,213,508	1,706,346	169,686	587,402	441,437	282,925	1,812,899	480,362	1,849,801	1,456,994	858,819	126,405	145,017
Deferred tax asset	-	268,227	-	(1)	-	-	-	1,190,684	208,359	675,271	-	-	-
Investments in securities	98,905,501	-	-	-	-	-	1,385,570	-	-	2,566	-	-	-
Investments in joint ventures	2,065,269	-	-	-	-	-	-	-	-	-	-	-	-
Investment in affiliates	57,255,680	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	110,216	540,233	389,027	110,040	190,891	371,628	-	52,761	379,122	145,436	151,230	31,118	1,281,057
Right-of-use assets	409,888	243,270	281,558	224,207	311,265	258,705	346,447	193,984	1,837,376	138,639	291,836	228,569	45,698
Other non-current assets	-	81,777	-	-	-	-	373,999	95,278	59,532	206,364	-	2	-
Total assets	\$ 233,831,387	\$ 16,660,606	\$ 4,399,527	\$ 2,246,365	\$ 18,791,597	\$ 7,296,995	\$ 4,794,703	\$ 6,174,352	\$ 22,951,289	\$ 15,744,841	\$ 4,207,686	\$ 4,471,117	\$ 17,959,019
LIABILITIES AND NET ASSETS													
Liabilities													
Accounts payable and accrued expenses	\$ 3,872,523	\$ 7,820,239	\$ 2,112,095	\$ 700,052	\$ 5,950,926	\$ 2,977,934	\$ 1,511,831	\$ 1,239,651	\$ 7,850,177	\$ 11,613,389	\$ 338,619	\$ 2,088,248	\$ 7,863,558
Deferred revenue	4,120,156	-	-	-	4,940,000	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to affiliates	1,297,247	4,981,317	-	6,655,909	-	-	-	-	1,649,000	-	-	980,000	-
Lines of credit and loans payable	-	4,063,651	-	-	-	-	-	-	-	1,422,089	42,438	-	-
Other non-current liabilities	3,369,481	48,860	410,414	206,036	108,095	94,505	261,986	66,414	1,612,044	455,401	165,377	122,646	15,126
Total liabilities	12,659,407	16,914,067	2,522,509	7,561,997	10,999,021	3,072,439	1,773,817	1,306,065	11,111,221	13,490,879	546,434	3,190,894	7,878,684
Net assets													
Without donor restrictions													
Undesignated	194,720,757	(253,461)	1,877,018	(5,315,632)	7,792,576	4,224,556	3,020,886	4,868,287	11,840,068	2,253,962	3,661,252	1,280,223	10,080,335
Board-designated	21,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Total without donor restrictions	215,720,757	(253,461)	1,877,018	(5,315,632)	7,792,576	4,224,556	3,020,886	4,868,287	11,840,068	2,253,962	3,661,252	1,280,223	10,080,335
With donor restrictions	5,451,223	-	-	-	-	-	-	-	-	-	-	-	-
Total net assets	221,171,980	(253,461)	1,877,018	(5,315,632)	7,792,576	4,224,556	3,020,886	4,868,287	11,840,068	2,253,962	3,661,252	1,280,223	10,080,335
	\$ 233,831,387	\$ 16,660,606	\$ 4,399,527	\$ 2,246,365	\$ 18,791,597	\$ 7,296,995	\$ 4,794,703	\$ 6,174,352	\$ 22,951,289	\$ 15,744,841	\$ 4,207,686	\$ 4,471,117	\$ 17,959,019

DKT International, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year ended December 31, 2022

	Pakistan	Philippines Group	Singapore	Tanzania Group	Turkey Group	West Africa Group	Vietnam Group	Kenya & Uganda Group	United Kingdom Group	United States	Subtotal	Eliminating Entries	Combined Total
ASSETS													
Cash and cash equivalents	\$ 254,194	\$ 12,147,313	\$ 744,546	\$ 1,087,231	\$ 795,808	\$ 1,560,427	\$ 593,046	\$ 1,105,991	\$ 4,656,987	\$ 6,036,439	\$ 74,842,270	-	\$ 74,842,270
Grants and contributions receivable	384,269	-	-	-	-	-	-	-	-	290,557	4,017,312	-	4,017,312
Trade receivables, net of allowance	382,996	7,901,675	-	113,697	959,357	1,194,643	477,260	666,961	4,020,257	924,582	47,949,519	(1,761,654)	46,187,865
Due from affiliates	-	-	3,840,702	-	-	-	-	-	-	-	58,366,628	(58,366,628)	-
Inventory, net of allowance	2,084,234	7,252,519	-	958,610	1,455,488	1,935,801	349,062	1,506,394	1,675,164	43,562	59,283,667	(2,277,004)	57,006,663
Prepaid expenses and other current assets	764,743	1,377,195	1,487	48,932	1,771,513	328,664	491,954	764,314	360,642	129,067	17,170,112	(1,000,000)	16,170,112
Deferred tax asset	-	43,846	-	26,514	-	-	-	181,083	-	-	2,593,983	-	2,593,983
Investments in securities	-	-	-	-	-	-	-	-	-	991,151	101,284,788	-	101,284,788
Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	2,065,269	-	2,065,269
Investment in affiliates	-	-	-	-	-	-	-	-	-	-	57,255,660	(57,255,660)	-
Property and equipment, net	1,576,301	2,960,866	-	135,357	129,316	655,340	12,178	64,076	63,430	87,459	9,437,082	-	9,437,082
Right-of-use assets	-	89,020	-	217,598	-	530,933	57,073	64,948	1,712,094	908,811	8,391,919	-	8,391,919
Other non-current assets	190,619	20,963	-	-	62,127	-	4,737	-	-	-	1,095,398	-	1,095,398
Total assets	\$ 5,637,356	\$ 31,793,397	\$ 4,586,735	\$ 2,587,939	\$ 5,173,609	\$ 6,205,808	\$ 1,985,310	\$ 4,353,767	\$ 12,488,574	\$ 9,411,628	\$ 443,753,607	\$ (120,660,946)	\$ 323,092,661
LIABILITIES AND NET ASSETS													
Liabilities													
Accounts payable and accrued expenses	\$ 1,650,783	\$ 2,262,279	\$ 2,887,604	\$ 275,365	\$ 2,872,632	\$ 4,494,441	\$ 460,328	\$ 1,492,515	\$ 6,218,027	\$ 829,339	\$ 79,382,554	\$ (2,756,742)	\$ 76,625,812
Deferred revenue	-	-	-	-	-	-	-	-	-	-	9,060,156	(1)	9,060,155
Contract liabilities	-	-	-	-	-	-	-	-	250,348	228,082	478,430	-	478,430
Due to affiliates	-	4,441,366	-	1,806,823	3,411,626	25,668,535	652,671	450,000	4,953,830	-	56,948,324	(56,948,324)	-
Lines of credit and loans payable	-	189,044	-	-	-	-	-	-	-	-	5,717,222	(1,422,089)	4,295,133
Other non-current liabilities	126,390	83,981	-	150,328	116,759	395,146	43,233	32,616	1,457,273	704,643	10,046,754	-	10,046,754
Total liabilities	1,777,173	6,976,670	2,887,604	2,232,516	6,401,016	30,558,122	1,156,232	1,975,131	12,879,478	1,762,064	161,633,440	(61,127,156)	100,506,284
Net assets													
Without donor restrictions													
Undesignated	3,860,183	24,816,727	1,699,131	355,423	(1,227,408)	(24,352,314)	829,078	2,378,636	(390,904)	1,741,266	249,760,645	(59,533,789)	190,226,856
Board-designated	-	-	-	-	-	-	-	-	-	-	21,000,000	-	21,000,000
Total without donor restrictions	3,860,183	24,816,727	1,699,131	355,423	(1,227,408)	(24,352,314)	829,078	2,378,636	(390,904)	1,741,266	270,760,645	(59,533,789)	211,226,856
With donor restrictions	-	-	-	-	-	-	-	-	-	5,908,298	11,359,521	-	11,359,521
Total net assets	3,860,183	24,816,727	1,699,131	355,423	(1,227,408)	(24,352,314)	829,078	2,378,636	(390,904)	7,649,564	282,120,166	(59,533,789)	222,586,377
	\$ 5,637,356	\$ 31,793,397	\$ 4,586,735	\$ 2,587,939	\$ 5,173,608	\$ 6,205,808	\$ 1,985,310	\$ 4,353,767	\$ 12,488,574	\$ 9,411,628	\$ 443,753,606	\$ (120,660,945)	\$ 323,092,661

DKT International, Inc. and Affiliates
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
Year ended December 31, 2021

	DKT International, Inc.	South America Group	DR Congo	Egypt Group	Ethiopia	Ghana/ AWA Group	India Janani Group	India Mumbai Group	Indonesia Group	Mexico	Mozambique	Myanmar Group	Nigeria
ASSETS													
Cash and cash equivalents	\$ 31,141,672	\$ 466,592	\$ 63,797	\$ 781,501	\$ 595,181	\$ 2,493,806	\$ 1,442,363	\$ 5,082,034	\$ 4,769,395	\$ 597,833	\$ 320,248	\$ 971,621	\$ 408,075
Grants and contributions receivable	5,106,530	-	-	-	-	-	-	-	-	-	-	8,213	-
Trade receivables, net of allowance	1,844	5,352,174	623,238	122,996	8,492	1,772,282	39,188	762,056	8,185,304	5,448,275	2,512	-	5,421,436
Due from affiliates	49,558,681	-	-	-	-	-	-	-	-	-	-	675,861	34,964
Inventory, net of allowance	-	7,403,385	1,878,201	577,748	1,882,161	1,820,784	624,118	1,820,186	4,172,451	3,298,189	1,212,021	649,512	5,408,696
Prepaid expenses and other current assets	193,865	1,724,823	394,925	690,513	490,564	200,355	2,375,760	298,944	1,821,834	712,594	1,049,050	208,105	72,765
Deferred tax asset	-	104,416	-	172	-	-	-	834,838	103,029	71,514	-	-	-
Investments in securities	126,000,411	-	-	-	-	-	-	-	-	-	-	-	-
Investments in joint ventures	1,650,000	-	-	-	-	-	-	-	-	-	-	-	-
Investment in affiliates	53,812,474	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	126,698	601,872	595,331	182,883	260,053	585,680	500,031	78,194	129,645	121,693	145,240	38,941	1,344,795
Other non-current assets	-	77,385	-	782	-	-	290,264	107,332	-	2,444	-	-	2
Total assets	\$ 267,592,175	\$ 15,730,647	\$ 3,555,492	\$ 2,356,595	\$ 3,236,451	\$ 6,872,907	\$ 5,271,724	\$ 8,983,584	\$ 19,181,658	\$ 10,252,542	\$ 2,729,071	\$ 2,552,253	\$ 12,690,733
LIABILITIES AND NET ASSETS													
Liabilities													
Accounts payable and accrued expenses	\$ 4,942,532	\$ 6,929,416	\$ 945,601	\$ 649,351	\$ 2,828,816	\$ 959,316	\$ 1,741,690	\$ 1,780,853	\$ 6,389,678	\$ 6,569,989	\$ 64,581	\$ 457,693	\$ 6,711,538
Deferred revenue	13,583,047	-	-	-	-	107,907	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to affiliates	657,131	6,078,570	-	5,814,245	327	1,979	-	-	1,577,814	372,091	-	1,039,320	-
Lines of credit and loans payable	115,274	3,886,232	-	-	-	-	-	-	-	2,129,911	-	-	-
Other non-current liabilities	4,151,114	-	390,873	-	-	7,757	-	23,174	257,541	392,968	-	-	16,495
Total liabilities	23,449,098	16,894,218	1,336,474	6,463,596	2,829,143	1,076,959	1,741,690	1,804,027	8,225,033	9,464,959	64,581	1,497,013	6,728,033
Net assets													
Without donor restrictions													
Undesignated	212,119,041	(1,163,571)	2,219,018	(4,107,001)	407,308	5,795,948	3,530,034	7,179,557	10,956,625	787,583	2,664,490	1,055,240	5,962,700
Board-designated	21,000,000	-	-	-	-	-	-	-	-	-	-	-	-
Total without donor restrictions	233,119,041	(1,163,571)	2,219,018	(4,107,001)	407,308	5,795,948	3,530,034	7,179,557	10,956,625	787,583	2,664,490	1,055,240	5,962,700
With donor restrictions													
	11,024,036	-	-	-	-	-	-	-	-	-	-	-	-
Total net assets	244,143,077	(1,163,571)	2,219,018	(4,107,001)	407,308	5,795,948	3,530,034	7,179,557	10,956,625	787,583	2,664,490	1,055,240	5,962,700
Total liabilities and net assets	\$ 267,592,175	\$ 15,730,647	\$ 3,555,492	\$ 2,356,595	\$ 3,236,451	\$ 6,872,907	\$ 5,271,724	\$ 8,983,584	\$ 19,181,658	\$ 10,252,542	\$ 2,729,071	\$ 2,552,253	\$ 12,690,733

DKT International, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year ended December 31, 2021

	Pakistan	Philippines Group	Singapore	Tanzania Group	Turkey Group	West Africa Group	Vietnam Group	Kenya & Uganda Group	United Kingdom Group	United States	Subtotal	Eliminating Entries	Combined Total
ASSETS													
Cash and cash equivalents	\$ 771,321	\$ 12,949,544	\$ 1,491,684	\$ 1,634,447	\$ 1,409,053	\$ 459,239	\$ 1,113,620	\$ 817,566	\$ 3,166,054	\$ 3,701,022	\$ 76,647,668	-	\$ 76,647,668
Grants and contributions receivable	-	-	-	-	-	-	-	-	-	640,556	5,755,299	-	5,755,299
Trade receivables, net of allowance	536,882	8,998,476	-	157,173	821,863	1,317,438	444,886	891,515	2,217,512	413,748	43,539,290	(826,754)	42,712,536
Due from affiliates	-	-	4,379,823	-	-	-	-	-	-	-	54,649,329	(54,649,329)	-
Inventory, net of allowance	3,866,813	5,267,314	-	771,249	526,854	1,013,250	432,100	1,359,508	2,499,537	35,919	46,519,996	(1,636,489)	44,883,507
Prepaid expenses and other current assets	629,967	1,332,274	16,110	104,906	1,046,563	328,143	198,273	595,597	1,046,608	55,427	15,587,965	-	15,587,965
Deferred tax asset	-	95,080	-	40,656	-	-	-	132,863	-	-	1,382,568	-	1,382,568
Investments in securities	-	-	-	-	-	-	-	-	-	-	126,000,411	-	126,000,411
Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	1,650,000	-	1,650,000
Investment in affiliates	-	-	-	-	-	-	-	-	-	-	53,812,474	(53,812,474)	-
Property and equipment, net	1,724,611	3,300,878	619	91,410	98,864	589,409	21,010	101,159	29,661	176,665	10,845,342	-	10,845,342
Other non-current assets	-	20,145	-	1,183	49,675	-	8,971	-	-	-	558,183	(4)	558,179
Total assets	\$ 7,529,594	\$ 31,963,711	\$ 5,888,236	\$ 2,801,024	\$ 3,952,872	\$ 3,707,479	\$ 2,218,860	\$ 3,898,208	\$ 8,959,372	\$ 5,023,337	\$ 436,948,525	\$ (110,925,050)	\$ 326,023,475
LIABILITIES AND NET ASSETS													
Liabilities													
Accounts payable and accrued expenses	\$ 1,704,002	\$ 1,806,628	\$ 3,010,572	\$ 315,413	\$ 1,243,476	\$ 1,508,750	\$ 402,820	\$ 1,727,490	\$ 5,476,540	\$ 604,707	\$ 58,771,452	\$ (799,306)	\$ 57,972,146
Deferred revenue	714,428	-	-	-	-	-	-	-	-	-	14,405,382	-	14,405,382
Contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to affiliates	-	4,980,489	-	1,806,822	3,041,628	22,792,717	652,617	451,635	3,208,718	-	52,476,103	(52,476,103)	-
Lines of credit and loans payable	-	452,399	-	-	-	-	-	-	-	-	6,583,816	(2,202,993)	4,380,823
Other non-current liabilities	134,836	395,681	-	-	97,454	40,496	9,107	-	-	18,281	5,935,777	-	5,935,777
Total liabilities	2,553,266	7,635,197	3,010,572	2,122,235	4,382,558	24,341,963	1,064,544	2,179,125	8,685,258	622,988	138,172,530	(55,478,402)	82,694,128
Net assets													
Without donor restrictions													
Undesignated	4,976,328	24,328,514	2,877,664	678,789	(429,686)	(20,634,484)	1,154,316	1,719,083	274,114	1,620,451	263,972,061	(55,446,648)	208,525,413
Board-designated	-	-	-	-	-	-	-	-	-	-	21,000,000	-	21,000,000
Total without donor restrictions	4,976,328	24,328,514	2,877,664	678,789	(429,686)	(20,634,484)	1,154,316	1,719,083	274,114	1,620,451	284,972,061	(55,446,648)	229,525,413
With donor restrictions													
	-	-	-	-	-	-	-	-	-	2,779,898	13,803,934	-	13,803,934
Total net assets	4,976,328	24,328,514	2,877,664	678,789	(429,686)	(20,634,484)	1,154,316	1,719,083	274,114	4,400,349	298,775,995	(55,446,648)	243,329,347
Total liabilities and net assets	\$ 7,529,594	\$ 31,963,711	\$ 5,888,236	\$ 2,801,024	\$ 3,952,872	\$ 3,707,479	\$ 2,218,860	\$ 3,898,208	\$ 8,959,372	\$ 5,023,337	\$ 436,948,525	\$ (110,925,050)	\$ 326,023,475

DKT International, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES

Year ended December 31, 2022

	DKT International, Inc.	South America Group	DR Congo	Egypt Group	Ethiopia	Ghana/ AWA Group	India Janani Group	India Mumbai Group	Indonesia Group	Mexico	Mozambique	Myanmar Group	Nigeria
Revenue and support													
Sales, net of discounts	\$ 15,460	\$ 27,623,702	\$ 4,022,485	\$ 2,928,327	\$ 9,905,671	\$ 6,038,576	\$ 4,198,506	\$ 7,861,640	\$ 35,103,069	\$ 29,081,715	\$ 1,256,636	\$ 2,625,494	\$ 19,019,533
Grants and contributions	30,543,734	-	497,971	-	5,284,267	11,417	856	-	-	-	1,145,835	1,144,112	-
Grants from affiliates	-	-	8,302,994	909,681	876,001	2,936,097	1,960,000	2,010,288	-	325,600	2,196,077	497,558	4,148,497
Investment income (loss)	(15,196,827)	(147,354)	-	749	-	103,672	52,716	73,406	69,430	(9,845)	53,630	50,721	2
Earnings from affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-
Service fees from affiliates	6,989,810	-	-	-	-	-	-	-	-	-	-	-	-
Other income	168,452	245,282	80,173	12,477	189,465	54,409	42,125	3,226	167,675	86,708	5,469	10	4,771
Total revenue and support	22,520,629	27,721,630	12,903,623	3,851,234	16,255,404	9,143,811	6,254,203	9,948,560	35,340,174	29,484,178	4,657,647	4,317,895	23,172,803
Expenses and losses													
Cost of goods sold - products	-	9,673,199	4,289,220	1,305,368	6,716,887	3,628,371	2,407,066	5,155,566	21,269,980	12,574,270	949,800	1,968,122	11,318,061
Salaries and fringe benefits	10,018,267	5,088,586	2,776,329	1,279,267	1,120,636	1,339,402	2,234,816	3,202,684	2,637,182	5,386,458	1,511,555	484,791	1,785,194
Advertising and promotion	433,486	5,484,217	915,932	710,475	181,510	673,890	146,820	1,799,499	3,576,316	4,204,761	469,489	449,433	1,152,897
Professional fees	2,118,212	1,263,569	1,004,895	242,091	89,560	197,571	266,477	80,529	268,218	339,961	142,564	32,846	178,977
Travel and related expenses	189,356	372,171	910,381	204,414	228,644	683,728	495,739	1,016,064	352,295	802,281	403,651	141,345	542,512
Rent, insurance and warehouse logistic expenses	265,023	952,896	428,526	160,841	142,235	284,664	247,308	255,656	250,828	2,413,985	180,124	178,803	247,119
Trainings, meetings and conferences	161,149	191,594	406,689	92,290	11,833	897,938	14,514	12,191	51,704	211,851	110,782	43,410	70,958
Contributions, outreach and grants to partners	922,590	-	194,575	-	67,117	239	-	-	-	43,553	8	58,908	-
Depreciation and amortization	16,482	164,994	206,523	53,687	82,503	210,822	445,032	17,385	80,121	12,834	90,673	16,598	337,310
Office expenses	87,998	160,425	394,060	173,268	48,248	152,055	49,174	49,469	89,837	226,642	201,570	17,261	75,899
Licenses and taxes	561,664	259,779	703,360	-	-	-	-	373,583	282,660	838,177	29,523	1,809	5,757
Product development	-	351,844	380,242	45,968	22,830	141,427	24,885	-	-	384,166	48,398	34,610	33
Income tax provision (benefit)	-	347,050	-	218,169	-	-	-	(464,002)	570,150	-	-	113,299	-
Telephone, facsimile and utilities	29,302	61,239	389,238	21,623	13,518	271,939	56,827	56,201	51,573	64,778	76,985	13,527	263,200
Interest	-	727,648	22,901	-	-	-	853	1,294	5,919	311,997	7,343	-	-
Repairs and maintenance	-	10,317	97,456	16,286	2,779	45,028	67,932	25,709	5,513	34,513	4,352	12,842	231,594
Bank charges	64,108	81,327	69,246	6,819	1,025	36,736	992	1,206	3,370	68,672	11,262	1,548	60,672
Obsolete inventory expense	-	338,144	-	32,912	(476,770)	-	-	-	595	114,831	-	13,032	-
Bad debt (recovery)	-	38,539	6,036	45,418	-	257,119	-	(2,649)	129,917	-	18,989	226	-
Other	37,042	2,048,305	1,399	105,268	245	96,802	1	19,852	108,143	5,508	-	236	-
Program expenses	35,602,500	-	-	-	-	-	-	-	-	-	-	-	-
Service fees to affiliates	-	54,328	-	-	379,213	113,378	-	-	3,210,223	129,857	-	56,517	-
Total expenses	50,507,179	27,670,171	13,196,108	4,714,164	8,632,013	9,031,109	6,458,436	11,600,237	32,944,544	28,169,095	4,257,068	3,639,163	16,270,183
Foreign currency exchange (gains) losses	(2,888)	63,830	49,515	2,414,952	(69,128)	(579,512)	(44,491)	17,322	342,449	(67,667)	21,575	190,382	2,026,825
Total expenses and losses	50,504,291	27,734,001	13,245,623	7,129,116	8,562,885	8,451,597	6,413,945	11,617,559	33,286,993	28,101,428	4,278,643	3,829,545	18,297,008
Change in net assets before foreign currency translation and additional paid in capital	(27,983,662)	(12,371)	(342,000)	(3,277,882)	7,692,519	692,214	(159,742)	(1,668,999)	2,053,181	1,382,750	379,004	488,350	4,875,795
Foreign currency translation (losses) gains	-	271,481	-	2,069,251	(307,251)	(2,263,606)	(349,406)	(642,271)	(1,245,891)	83,629	(5,953)	(263,367)	(758,160)
Dividends issued	5,012,565	-	-	-	-	-	-	-	(1,612,565)	-	-	-	-
Additional capital issued	-	651,000	-	-	-	-	-	-	1,688,718	-	623,711	-	-
CHANGE IN NET ASSETS	(22,971,097)	910,110	(342,000)	(1,208,631)	7,385,268	(1,571,392)	(509,148)	(2,311,270)	883,443	1,466,379	996,762	224,983	4,117,635
Net assets (deficit), beginning of year	244,143,077	(1,163,571)	2,219,018	(4,107,001)	407,308	5,795,948	3,530,034	7,179,557	10,956,625	787,583	2,664,490	1,055,240	5,962,700
Net assets (deficit), end of year	\$ 221,171,980	\$ (253,461)	\$ 1,877,018	\$ (5,315,632)	\$ 7,792,576	\$ 4,224,556	\$ 3,020,886	\$ 4,868,287	\$ 11,840,068	\$ 2,253,962	\$ 3,661,252	\$ 1,280,223	\$ 10,080,335

DKT International, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES - CONTINUED

Year ended December 31, 2022

	Pakistan	Philippines Group	Singapore	Tanzania Group	Turkey Group	West Africa Group	Vietnam Group	Kenya & Uganda Group	United Kingdom Group	United States	Subtotal	Eliminating Entries	Combined Total
Revenue and support													
Sales, net of discounts	\$ 5,603,238	\$ 30,899,770	\$ 16,526,388	\$ 743,248	\$ 3,281,226	\$ 3,145,771	\$ 3,839,939	\$ 2,846,586	\$ 16,420,444	\$ 7,279,154	\$ 240,266,578	\$ (21,147,182)	\$ 219,119,396
Grants and contributions	1,309,129	-	-	-	-	271,340	-	-	-	6,567,058	46,775,719	-	46,775,719
Grants from affiliates	1,955,179	-	-	557,474	-	5,492,291	-	3,354,852	-	100,000	35,622,589	(35,622,589)	-
Investment income (loss)	56,456	54,483	-	-	123,781	-	15,209	14,075	1,860	(9,960)	(14,693,796)	-	(14,693,796)
Earnings from affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-
Service fees from affiliates	-	-	-	-	-	-	-	-	-	-	6,989,810	(6,989,810)	-
Other income	117	295,659	-	6,785	-	258,420	10	2,049	972,477	32,564	2,627,963	(191,870)	2,436,093
Total revenue and support	8,924,119	31,249,912	16,526,388	1,307,507	3,405,007	9,167,822	3,855,158	6,217,562	17,394,781	13,968,816	317,588,863	(63,951,451)	253,637,412
Expenses and losses													
Cost of goods sold - products	5,602,640	16,989,974	10,915,575	733,316	2,546,323	2,646,742	2,808,156	2,748,669	12,439,030	2,603,231	141,289,566	(20,342,284)	120,947,282
Salaries and fringe benefits	1,742,018	2,125,545	-	434,085	741,503	2,984,590	540,554	845,820	1,739,223	3,278,019	53,296,524	-	53,296,524
Advertising and promotion	544,441	4,893,830	10,400	113,663	292,845	2,469,688	554,849	674,313	814,738	1,623,930	32,191,422	(174,076)	32,017,346
Professional fees	133,385	343,838	42,800	91,185	135,212	950,344	114,446	91,372	1,388,666	1,837,522	11,354,240	-	11,354,240
Travel and related expenses	349,088	681,462	-	119,085	79,871	1,111,640	41,448	158,475	316,936	86,979	9,287,565	-	9,287,565
Rent, insurance and warehouse logistic expenses	90,879	515,407	-	88,803	149,397	301,607	70,837	143,583	511,175	472,307	8,352,003	-	8,352,003
Trainings, meetings and conferences	73,939	483,483	-	1,726	-	107,825	371	196,790	47,907	29,592	3,218,536	(20,177)	3,198,359
Contributions, outreach and grants to partners	-	(1)	-	-	-	-	4,075	126,965	-	400	1,418,429	-	1,418,429
Depreciation and amortization	138,922	264,469	619	41,347	60,204	336,728	8,197	37,509	13,823	87,258	2,724,040	-	2,724,040
Office expenses	39,139	75,487	634	52,479	22,697	99,991	16,697	72,700	170,129	372,313	2,648,172	-	2,648,172
Licenses and taxes	-	452,168	-	11,506	1,127	96,230	(22,348)	8,121	109,582	3,302	3,716,000	-	3,716,000
Product development	-	4,680	-	28	-	801	-	-	205,290	-	1,645,202	-	1,645,202
Income tax provision (benefit)	98,499	1,219,564	438,434	13,233	-	46,505	7,729	(77,459)	72,901	-	2,604,072	-	2,604,072
Telephone, facsimile and utilities	54,979	28,493	-	24,105	11,485	118,442	1,675	-	8,480	66,286	1,683,895	-	1,683,895
Interest	-	47,970	-	-	3,749	-	-	-	-	1,052	1,129,826	-	1,129,826
Repairs and maintenance	9,629	45,140	-	8,046	9,286	33,701	-	-	8,331	3,061	671,515	-	671,515
Bank charges	9,291	3,564	7,990	3,843	-	30,549	1,468	6,089	32,903	8,569	511,249	-	511,249
Obsolete inventory expense	-	3,393	-	-	-	12,724	(23,468)	-	-	-	(2)	-	15,391
Bad debt (recovery)	-	143	-	10,615	-	76,270	-	366,177	-	18,982	965,782	-	965,782
Other	(2,148)	421,415	201	(36)	28,092	109,157	8,757	-	(894)	-	2,987,345	-	2,987,345
Program expenses	-	-	-	-	-	-	-	-	18,078	64,800	35,685,378	(35,685,378)	-
Service fees to affiliates	-	-	2,888,915	-	-	25,000	-	-	68,465	162,000	7,087,896	(7,087,896)	-
Total expenses	8,884,701	28,600,024	14,305,568	1,747,029	4,081,791	11,558,534	4,133,443	5,399,124	17,964,763	10,719,601	324,484,048	(63,309,811)	261,174,237
Foreign currency exchange losses (gains)	139,195	482,416	(647)	(15,567)	25,470	1,124,221	10,415	26,426	69,814	-	6,224,907	-	6,224,907
Total expenses and losses	9,023,896	29,082,440	14,304,921	1,731,462	4,107,261	12,682,755	4,143,858	5,425,550	18,034,577	10,719,601	330,708,955	(63,309,811)	267,399,144
Change in net assets before foreign currency translation and additional paid in capital	(99,777)	2,167,472	2,221,467	(423,955)	(702,254)	(3,514,933)	(288,700)	792,012	(639,796)	3,249,215	(13,120,092)	(641,640)	(13,761,732)
Foreign currency translation (losses) gains	(1,016,368)	(2,079,259)	-	589	(95,468)	(202,897)	(36,538)	(132,459)	(25,222)	-	(6,999,166)	17,928	(6,981,238)
Dividends issued	-	-	(3,400,000)	-	-	-	-	-	-	-	-	-	-
Additional capital issued	-	400,000	-	100,000	-	-	-	-	-	-	3,463,429	(3,463,429)	-
CHANGE IN NET ASSETS	(1,116,145)	488,213	(1,178,533)	(323,366)	(797,722)	(3,717,830)	(325,238)	659,553	(665,018)	3,249,215	(16,655,829)	(4,087,141)	(20,742,970)
Net assets (deficit), beginning of year	4,976,328	24,328,514	2,877,664	678,789	(429,686)	(20,634,484)	1,154,316	1,719,083	274,114	4,400,349	298,775,995	(55,446,648)	243,329,347
Net assets (deficit), end of year	\$ 3,860,183	\$ 24,816,727	\$ 1,699,131	\$ 355,423	\$ (1,227,408)	\$ (24,352,314)	\$ 829,078	\$ 2,378,636	\$ (390,904)	\$ 7,649,564	\$ 282,120,166	\$ (59,533,789)	\$ 222,586,377

DKT International, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES

Year ended December 31, 2021

	DKT International, Inc.	South America Group	DR Congo	Egypt Group	Ethiopia	Ghana/ AWA Group	India Janani Group	India Mumbai Group	Indonesia Group	Mexico	Mozambique	Myanmar Group	Nigeria
Revenue and support													
Sales, net of discounts	\$ -	\$ 23,390,842	\$ 3,257,233	\$ 2,305,127	\$ 4,547,294	\$ 6,515,867	\$ 4,519,573	\$ 8,064,387	\$ 31,288,538	\$ 21,202,675	\$ 870,919	\$ 2,208,378	\$ 13,101,048
Grants and contributions	44,294,169	-	-	-	3,469,731	44,491	-	-	-	-	482,148	674,766	45,978
Grants from affiliates	-	-	12,458,518	389,094	2,050,162	4,096,655	4,450,000	4,452,595	-	-	2,247,053	631,783	4,569,062
Investment income (loss)	19,406,395	(23,931)	(5,155)	692	-	111,690	17,849	92,740	59,899	475	11,459	3,745	28
Service fees from affiliates	7,455,943	-	-	-	-	-	-	-	-	-	-	-	-
Other income	617,019	31,527	60,716	-	140,531	-	1,564	389	393,699	108,932	57,769	55	26,147
Total revenue and support	71,773,526	23,398,438	15,771,312	2,694,913	10,207,718	10,768,703	8,988,986	12,610,111	31,742,136	21,312,082	3,669,348	3,518,727	17,742,263
Expenses and losses													
Cost of goods sold - products	-	8,554,120	4,001,806	1,005,740	6,905,833	4,289,746	2,470,635	4,558,229	19,437,934	10,306,461	1,096,165	1,877,104	11,969,792
Salaries and fringe benefits	7,164,998	5,068,016	2,804,301	1,196,957	1,613,571	1,547,814	2,726,081	3,259,811	2,311,851	3,927,941	1,481,554	411,060	1,713,828
Advertising and promotion	317,572	3,363,581	1,603,646	362,444	646,384	929,229	118,461	1,918,097	5,202,557	2,240,354	349,571	511,022	625,064
Professional fees	2,142,435	1,340,772	1,194,852	127,939	45,873	208,009	329,504	81,196	280,837	401,373	99,135	36,833	143,769
Travel and related expenses	73,246	73,274	1,617,233	116,444	339,045	728,126	380,054	950,222	242,180	408,568	320,839	77,374	459,439
Rent and insurance	170,242	911,719	492,626	145,766	264,896	382,001	297,032	140,080	258,255	1,469,507	150,399	115,113	245,830
Trainings, meetings and conferences	34,209	40,699	1,128,676	6,661	111,174	605,462	30,058	1,912	28,365	87,901	103,333	3,283	68,666
Contributions, outreach and grants to partners	3,774,642	-	57,025	-	211,792	661	-	-	-	54,532	-	-	-
Depreciation and amortization	24,187	155,934	228,569	49,285	150,118	289,771	93,345	21,488	71,497	12,925	139,618	17,890	338,778
Office expenses	84,737	133,702	605,350	52,652	70,055	179,866	59,394	51,500	107,703	224,332	130,074	33,083	264,398
Licenses and taxes	786,630	436,280	410,378	-	-	-	-	311,042	198,907	88,763	142,894	804	91,629
Product development	-	344,837	597,367	27,571	36,657	136,455	21,303	6,765	145,339	193,438	55,692	21,864	105,778
Income tax (benefit) provision	-	481,816	-	18,708	-	-	-	(154,494)	357,269	-	-	-	-
Telephone, facsimile and utilities	33,714	62,879	326,473	30,284	11,842	280,569	67,939	52,706	56,001	53,899	26,267	11,607	106,089
Interest	474,965	425,191	15	-	-	-	775	5,851	6,494	205,913	1,371	-	-
Repairs and maintenance	-	6,362	201,766	41,210	6,623	53,261	85,793	41,450	8,249	11,477	4,619	7,309	192,297
Bank charges	40,143	37,901	89,613	5,746	280	43,373	2,686	2,219	3,938	41,444	12,266	2,062	83,029
Obsolete inventory expense	-	215,137	-	59,776	190,188	21,784	139,636	-	-	67,728	-	61	-
Bad debt (recovery)	-	3,848	267,352	13,527	-	215,508	-	-	7,829	-	3,511	-	838,108
Other	9,433	1,315,229	6,034	7,042	-	75,814	351	7,575	31,983	1,557,805	-	570	-
Program expenses	46,879,687	-	-	-	-	-	-	-	-	-	-	-	-
Service fees to affiliates	-	75,452	-	-	226,766	49,122	-	-	2,857,823	103,930	-	111,523	-
Total expenses	62,010,840	23,046,749	15,633,082	3,267,752	10,831,097	10,036,571	6,823,047	11,255,649	31,615,011	21,458,291	4,117,306	3,238,562	17,246,494
Foreign currency exchange losses (gains)	-	478,608	68,861	96,998	(104,170)	107,461	(11,972)	(23,630)	290,051	78,499	159,673	(207)	1,021,210
Total expenses and losses	62,010,840	23,525,357	15,701,943	3,364,750	10,726,927	10,144,032	6,811,075	11,232,019	31,905,062	21,536,790	4,276,979	3,238,355	18,267,704
Change in net assets before foreign currency translation and additional paid in capital	9,762,686	(126,919)	69,369	(669,837)	(519,209)	624,671	2,177,911	1,378,092	(162,926)	(224,708)	(607,631)	280,372	(525,441)
Foreign currency translation (losses) gains	-	64,844	3,151	59,754	(227,711)	(305,454)	(35,040)	(115,311)	(127,836)	(60,788)	317,608	(1)	(350,549)
Dividends issued	1,581,114	-	-	-	-	-	-	-	(1,581,114)	-	-	-	-
Additional capital issued	-	-	-	-	-	-	-	-	499,483	-	1,100,000	-	-
CHANGE IN NET ASSETS	11,343,800	(62,075)	72,520	(610,083)	(746,920)	319,217	2,142,871	1,262,781	(1,372,393)	(285,496)	809,977	280,371	(875,990)
Net assets (deficit), beginning of year	232,799,277	(1,101,496)	2,146,498	(3,496,918)	1,154,228	5,476,731	1,387,163	5,916,776	12,329,018	1,073,079	1,854,513	774,869	6,838,690
Net assets (deficit), end of year	\$ 244,143,077	\$ (1,163,571)	\$ 2,219,018	\$ (4,107,001)	\$ 407,308	\$ 5,795,948	\$ 3,530,034	\$ 7,179,557	\$ 10,956,625	\$ 787,583	\$ 2,664,490	\$ 1,055,240	\$ 5,962,700

DKT International, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES - CONTINUED

Year ended December 31, 2021

	Pakistan	Philippines Group	Singapore	Tanzania Group	Turkey Group	West Africa Group	Vietnam Group	Kenya & Uganda Group	United Kingdom Group	United States	Subtotal	Eliminating Entries	Combined Total
Revenue and support													
Sales, net of discounts	\$ 4,314,519	\$ 32,410,318	\$ 17,294,776	\$ 862,087	\$ 4,426,466	\$ 3,497,189	\$ 4,162,660	\$ 2,121,455	\$ 17,344,842	\$ 5,686,378	\$ 213,392,571	\$ (20,174,373)	\$ 193,218,198
Grants and contributions	1,370,057	-	-	-	-	258,578	-	-	-	3,454,284	54,094,202	-	54,094,202
Grants from affiliates	3,571,571	-	-	944,328	-	5,019,682	-	2,005,011	-	-	46,885,514	(46,885,514)	-
Investment income (loss)	64,900	13,213	6	-	60,370	34	28,092	27,943	(69)	-	19,870,375	-	19,870,375
Service fees from affiliates	-	-	-	-	-	-	-	-	-	-	7,455,943	(7,455,943)	-
Other income	94,090	110,584	-	7,668	14,169	323,620	-	583	768,058	366,349	3,123,469	(110,000)	3,013,469
Total revenue and support	9,415,137	32,534,115	17,294,782	1,814,083	4,501,005	9,099,103	4,190,752	4,154,992	18,112,831	9,507,011	344,822,074	(74,625,830)	270,196,244
Expenses and losses													
Cost of goods sold - products	4,187,169	17,678,039	11,094,051	797,695	2,584,040	2,606,056	3,055,098	2,194,325	13,337,382	1,962,082	135,969,502	(20,277,231)	115,692,271
Salaries and fringe benefits	1,865,709	2,307,159	-	451,834	518,805	2,586,432	556,354	784,488	2,178,183	2,863,344	49,340,091	-	49,340,091
Advertising and promotion	3,163,584	3,121,760	-	163,806	1,384,612	2,050,280	454,397	806,323	276,997	1,081,597	30,691,338	-	30,691,338
Professional fees	108,866	286,257	53,017	110,002	36,357	1,325,815	109,908	120,315	1,144,285	1,354,021	11,081,370	-	11,081,370
Travel and related expenses	564,575	516,725	-	126,537	37,684	771,834	8,338	141,667	74,886	27,107	8,055,397	-	8,055,397
Rent and insurance	176,186	455,481	-	90,659	105,145	220,357	68,213	165,156	384,076	415,407	7,124,146	-	7,124,146
Trainings, meetings and conferences	216,484	192,738	-	114,507	51,215	69,588	424	165,796	82,233	8,657	3,152,041	-	3,152,041
Contributions, outreach and grants to partners	-	-	-	-	-	-	3,882	-	-	-	4,102,534	-	4,102,534
Depreciation and amortization	193,572	252,704	676	90,656	41,181	379,277	8,562	32,491	11,820	103,403	2,707,747	-	2,707,747
Office expenses	46,491	80,222	715	50,906	10,131	132,897	19,278	69,976	150,934	242,937	2,801,333	-	2,801,333
Licenses and taxes	-	250,730	-	28,968	50,513	700,486	46,343	6,339	52,349	4,987	3,608,042	-	3,608,042
Product development	68,064	40,205	-	596	-	34,248	-	8,609	443,024	-	2,287,812	-	2,287,812
Income tax (benefit) provision	58,852	1,693,781	314,680	5,339	-	47,803	-	(57,727)	94,258	-	2,860,285	-	2,860,285
Telephone, facsimile and utilities	37,918	28,436	-	27,399	9,968	201,386	1,761	-	8,365	57,967	1,493,469	-	1,493,469
Interest	-	69,753	-	-	22,612	-	16,263	-	-	-	1,229,203	-	1,229,203
Repairs and maintenance	23,413	16,513	-	5,990	-	23,536	-	-	7,243	-	739,029	-	739,029
Bank charges	8,225	4,522	14,641	2,429	-	21,809	1,544	5,805	37,000	11,319	471,794	-	471,794
Obsolete inventory expense	-	-	-	-	-	13,036	23,948	-	46,399	-	777,693	-	777,693
Bad debt (recovery)	-	8,610	-	1,100	-	72,478	-	292,052	-	(21,405)	1,702,518	-	1,702,518
Other	8,588	34,921	6,346	64,025	28,076	182,917	866	101,252	5,728	-	3,444,555	(3,559)	3,440,996
Program expenses	-	-	-	-	-	-	-	-	-	-	46,879,687	(46,879,687)	-
Service fees to affiliates	-	-	3,900,621	-	-	-	-	-	135,290	110,000	7,570,527	(7,570,527)	-
Total expenses	10,727,696	27,038,556	15,384,747	2,132,448	4,880,339	11,440,035	4,375,179	4,836,867	18,470,452	8,223,343	328,090,113	(74,731,004)	253,359,109
Foreign currency exchange losses (gains)	(24,589)	266,059	5,075	6,664	1,106,470	807,842	(1,221)	(9,071)	32,544	-	4,351,155	-	4,351,155
Total expenses and losses	10,703,107	27,304,615	15,389,822	2,139,112	5,986,809	12,247,877	4,373,958	4,827,796	18,502,996	8,223,343	332,441,268	(74,731,004)	257,710,264
Change in net assets before foreign currency translation and additional paid in capital	(1,287,970)	5,229,500	1,904,960	(325,029)	(1,485,804)	(3,148,774)	(183,206)	(672,804)	(390,165)	1,283,668	12,380,806	105,174	12,485,980
Foreign currency translation (losses) gains	(555,935)	(1,268,786)	-	(5,277)	1,393,258	1,100,224	13,763	225	(42,185)	(2)	(142,048)	(6,482)	(148,530)
Additional capital issued	-	-	-	100,000	-	-	-	-	-	-	1,699,483	(1,699,483)	-
CHANGE IN NET ASSETS	(1,843,905)	3,960,714	1,904,960	(230,306)	(92,546)	(2,048,550)	(169,443)	(672,579)	(432,350)	1,283,666	13,938,241	(1,600,791)	12,337,450
Net assets (deficit), beginning of year	6,820,233	20,367,800	972,704	909,095	(337,140)	(18,585,934)	1,323,759	2,391,662	706,464	3,116,683	284,837,754	(53,845,857)	230,991,897
Net assets (deficit), end of year	\$ 4,976,328	\$ 24,328,514	\$ 2,877,664	\$ 678,789	\$ (429,686)	\$ (20,634,484)	\$ 1,154,316	\$ 1,719,083	\$ 274,114	\$ 4,400,349	\$ 298,775,995	\$ (55,446,648)	\$ 243,329,347