

Consolidated Financial Statements and  
Report of Independent Certified Public  
Accountants

**DKT International, Inc. and Affiliates**

December 31, 2021 and 2020

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors of  
DKT International Inc. and Affiliates

**Opinion**

We have audited the accompanying consolidated financial statements of DKT International Inc. and Affiliates (“DKT”), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of DKT as of December 31, 2021 and 2020, 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.

**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 available to be 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 the 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 the 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 29, 2022

**DKT International, Inc. and Affiliates**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**December 31,**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 76,647,668	\$ 72,890,202
Grants and contributions receivable	5,755,299	10,322,151
Trade receivables, net of allowance	42,712,536	49,546,694
Inventory, net of allowance	44,883,507	41,366,225
Prepaid expenses and other current assets	15,587,965	10,760,928
Deferred tax asset	1,382,568	1,426,767
Investments in securities	126,000,411	110,224,527
Investments in joint venture	1,650,000	1,100,000
Property and equipment, net	10,845,342	11,717,919
Other non-current assets	558,179	235,141
	<b>\$ 326,023,475</b>	<b>\$ 309,590,554</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 57,972,146	\$ 54,628,869
Deferred revenue	14,405,382	4,694,679
Contract liabilities	-	46,968
Lines of credit and loans payable	4,380,823	14,348,316
Other non-current liabilities	5,935,777	4,879,825
	<b>82,694,128</b>	<b>78,598,657</b>
<b>Net assets</b>		
Without donor restrictions		
Undesignated	208,525,413	191,826,345
Board-designated	21,000,000	21,000,000
	<b>229,525,413</b>	<b>212,826,345</b>
With donor restrictions	13,803,934	18,165,552
	<b>243,329,347</b>	<b>230,991,897</b>
	<b>\$ 326,023,475</b>	<b>\$ 309,590,554</b>

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, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and support</b>			
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)	-
Total revenue and support	<u>274,557,862</u>	<u>(4,361,618)</u>	<u>270,196,244</u>
<b>Expenses and losses</b>			
Program services:			
Education and reproductive health	250,685,566	-	250,685,566
Total program services	<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
Total supporting services	<u>2,673,543</u>	<u>-</u>	<u>2,673,543</u>
Total expenses	<u>253,359,109</u>	<u>-</u>	<u>253,359,109</u>
Foreign currency exchange losses	4,351,155	-	4,351,155
Total expenses and losses	<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	(148,530)	-	(148,530)
<b>CHANGE IN NET ASSETS</b>	16,699,068	(4,361,618)	12,337,450
<b>Net assets, beginning of year</b>	<u>212,826,345</u>	<u>18,165,552</u>	<u>230,991,897</u>
<b>Net assets, end of year</b>	<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 ACTIVITIES**  
**For the year ended December 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and support</b>			
Sales, net of discounts	\$ 167,697,573	\$ -	\$ 167,697,573
Grants and contributions	48,019,307	18,885,319	66,904,626
Investment income, net	15,294,110	-	15,294,110
Other income	991,836	-	991,836
Net assets released from restriction:			
Satisfaction of program restrictions	27,904,837	(27,904,837)	-
Satisfaction of time restrictions	1,820,775	(1,820,775)	-
Total revenue and support	<u>261,728,438</u>	<u>(10,840,293)</u>	<u>250,888,145</u>
<b>Expenses and losses</b>			
Program services:			
Education and reproductive health	226,752,074	-	226,752,074
Total program services	<u>226,752,074</u>	<u>-</u>	<u>226,752,074</u>
Supporting services:			
Management and general	2,788,596	-	2,788,596
Development and fundraising	767,528	-	767,528
Total supporting services	<u>3,556,124</u>	<u>-</u>	<u>3,556,124</u>
Total expenses	<u>230,308,198</u>	<u>-</u>	<u>230,308,198</u>
Foreign currency exchange losses	114,048	-	114,048
Total expenses and losses	<u>230,422,246</u>	<u>-</u>	<u>230,422,246</u>
Change in net assets before foreign currency translation	31,306,192	(10,840,293)	20,465,899
Foreign currency translation losses	(265,503)	-	(265,503)
<b>CHANGE IN NET ASSETS</b>	31,040,689	(10,840,293)	20,200,396
<b>Net assets, beginning of year</b>	<u>181,785,656</u>	<u>29,005,845</u>	<u>210,791,501</u>
<b>Net assets, end of year</b>	<u>\$ 212,826,345</u>	<u>\$ 18,165,552</u>	<u>\$ 230,991,897</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, 2021**

	<b>Program Services</b>	<b>Supporting Services</b>			<b>2021 Total</b>
	<b>Education and Reproductive Health</b>	<b>Management and General</b>	<b>Development and Fundraising</b>	<b>Total Supporting Services</b>	
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 and insurance	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
Other	3,440,996	-	-	-	3,440,996
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
<b>Total functional expenses</b>	<b>\$ 250,685,566</b>	<b>\$ 1,914,250</b>	<b>\$ 759,293</b>	<b>\$ 2,673,543</b>	<b>\$ 253,359,109</b>

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, 2020

	<b>Program Services</b>	<b>Supporting Services</b>			<b>2020 Total</b>
	<b>Education and Reproductive Health</b>	<b>Management and General</b>	<b>Development and Fundraising</b>	<b>Total Supporting Services</b>	
Cost of goods sold - products	\$ 101,679,749	\$ -	\$ -	\$ -	\$ 101,679,749
Salaries and fringe benefits	43,953,178	1,927,841	767,528	2,695,369	46,648,547
Advertising and promotion	29,136,114	-	-	-	29,136,114
Professional fees	11,323,746	375,031	-	375,031	11,698,777
Travel and related expenses	7,482,535	31,380	-	31,380	7,513,915
Rent and insurance	6,318,582	199,337	-	199,337	6,517,919
Income tax provision	4,768,656	-	-	-	4,768,656
Trainings, meetings and conferences	2,921,487	1,220	-	1,220	2,922,707
Depreciation and amortization	2,803,945	-	-	-	2,803,945
Office expenses	2,547,717	57,276	-	57,276	2,604,993
Product development	2,451,438	-	-	-	2,451,438
Licenses and taxes	2,020,373	-	-	-	2,020,373
Contribution, outreach and grants to partners	1,840,544	150,000	-	150,000	1,990,544
Telephone, facsimile and utilities	1,457,799	26,457	-	26,457	1,484,256
Interest	1,312,613	3,355	-	3,355	1,315,968
Other	1,226,900	-	-	-	1,226,900
Bad debt expense	1,189,713	-	-	-	1,189,713
Obsolete inventory expense	1,188,939	-	-	-	1,188,939
Repairs and maintenance	694,798	-	-	-	694,798
Bank charges	433,248	16,699	-	16,699	449,947
	<u>\$ 226,752,074</u>	<u>\$ 2,788,596</u>	<u>\$ 767,528</u>	<u>\$ 3,556,124</u>	<u>\$ 230,308,198</u>
Total functional expenses	<u>\$ 226,752,074</u>	<u>\$ 2,788,596</u>	<u>\$ 767,528</u>	<u>\$ 3,556,124</u>	<u>\$ 230,308,198</u>

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,

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 12,337,450	\$ 20,200,396
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in provision for doubtful trade receivables	284,972	1,113,037
Contributed securities	(8,850,450)	-
Realized gains on sales of investments	(5,376,864)	(7,881,472)
Unrealized gains on investments	(12,738,260)	(5,492,323)
Change in allowance for obsolete inventory	(229,028)	572,025
Change in discount for present value of loan payable	473,892	527,769
Change in discount for present value of grants and contributions receivable	(18,119)	(70,081)
Depreciation and amortization	2,707,747	2,803,945
Deferred compensation adjustment	(2,382,215)	-
Bad debt expense	1,702,518	1,189,713
Gain on sales of property and equipment	(246,067)	(211,714)
Forgiveness of PPP loans	(796,183)	-
Decrease (increase) in assets and increase (decrease) in liabilities:		
Grants and contributions receivable	4,584,970	13,434,760
Trade receivables	4,846,668	(6,381,603)
Inventory	(3,288,254)	(104,747)
Prepaid expenses and other current assets	(4,827,037)	1,233,640
Deferred tax asset	44,199	609,649
Other non-current assets	(323,038)	(581,067)
Accounts payable and accrued expenses	3,013,186	1,179,595
Deferred revenue	9,710,703	(3,352,332)
Contract liabilities	(46,968)	(101,807)
Other non-current liabilities	1,055,952	-
Net cash provided by operating activities	1,639,774	18,687,383
<b>Cash flows from investing activities</b>		
Purchases of investments	(1,600,297)	(12,547,241)
Proceeds from sales of investments	15,172,202	24,606,744
Additions to investments in joint venture	(550,000)	-
Proceeds from sales of property and equipment	1,470,526	364,050
Purchases of property and equipment	(2,444,136)	(3,027,479)
Net cash provided by investing activities	12,048,295	9,396,074
<b>Cash flows from financing activities</b>		
Line of credit activity	(245,612)	371,215
Proceeds from loans payable	-	788,890
Payments on loans payable	(9,684,991)	(2,328,832)
Net cash used in financing activities	(9,930,603)	(1,168,727)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,757,466	26,914,730
<b>Cash and cash equivalents, beginning of year</b>	72,890,202	45,975,472
<b>Cash and cash equivalents, end of year</b>	\$ 76,647,668	\$ 72,890,202
<b>Supplemental cash flow information</b>		
Interest paid	\$ 255,216	\$ 367,325
Income taxes paid	\$ 2,817,083	\$ 3,625,216

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

**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2021 and 2020**

**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	Janani Family Care Private Limited	India Janani Group
India	DKT India	India Mumbai Group

**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2021 and 2020**

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 Tiyyagi 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, 2021 and 2020**

***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 (FOB) 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, 2021 and 2020**

***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.

***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, 2021 and 2020, 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 assets for specific purposes, which makes them unavailable for use at management's discretion. As of December 31, 2021 and 2020, 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, 2021 and 2020, 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.

## DKT International, Inc. and Affiliates

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

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, 2021 and 2020, contributions approximating \$10,200,000 and \$16,600,000, 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, 2021 and 2020, DKT has been awarded cost-reimbursable grants of \$30,193,495 and \$39,404,375, respectively, that have not yet been recognized as revenue. As of December 31, 2021 and 2020, DKT has yet to collect \$673,341 and \$2,042,547, 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 \$14,405,382 and \$4,694,679, 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 recognized. Sales revenue received in advance of the fulfillment of customer orders are recorded as contract liabilities.

Other income includes profit from sale of fixed assets, claims received from insurance companies, reversal of bad debts provisions, actuarial gain, PPP loan extinguishment and medical research income for certain services provided to other organizations. 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.

**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2021 and 2020**

***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***

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842), which is effective for fiscal years beginning after December 15, 2021. This standard requires lessees to record lease assets and liabilities on the statement of financial position for leases with terms of twelve months or more. 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 2020 financial statements have been reclassified to correspond to the 2021 presentation. These changes had no effect on the net assets or changes in net assets for 2020.

**NOTE 2 - GRANTS AND CONTRIBUTIONS RECEIVABLE**

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

	<u>2021</u>	<u>2020</u>
In less than one year	\$ 5,464,742	\$ 9,061,497
In one to five years	<u>290,557</u>	<u>1,260,654</u>
Total grants and contributions receivable	<u>\$ 5,755,299</u>	<u>\$ 10,322,151</u>

Discounts in the amounts of \$9,443 and \$27,562 were recorded for multi-year pledges receivable for the years ended December 31, 2021 and 2020, respectively. The discount rate used for the years ended December 31, 2021 and 2020, was 3.25% and 0.10%, respectively. All amounts are deemed fully collectible.

**NOTE 3 - TRADE RECEIVABLES**

Trade receivables primarily consist of product sales and are reported net of a \$1,759,637 and \$1,474,665 allowance for doubtful accounts as of December 31, 2021 and 2020, respectively.



**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2021 and 2020**

**NOTE 4 - INVENTORY**

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

	<u>2021</u>	<u>2020</u>
Condoms	\$ 21,944,401	\$ 20,682,339
Other contraceptives	15,694,684	13,454,623
Other items	3,861,492	4,031,894
Medical equipment (MVA business)	4,432,462	4,538,485
Goods in transit	<u>172,972</u>	<u>110,416</u>
 Total inventory	 46,106,011	 42,817,757
 Less: Allowance for inventory obsolescence	 <u>(1,222,504)</u>	 <u>(1,451,532)</u>
 Inventory, net	 <u>\$ 44,883,507</u>	 <u>\$ 41,366,225</u>

**NOTE 5 - INVESTMENTS IN SECURITIES**

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

	<u>2021</u>	<u>2020</u>
Mutual funds	\$ 76,848,540	\$ 64,028,361
Equities	30,180,709	27,024,081
Exchange-traded and closed-end funds	18,141,713	17,385,524
Money market funds	112,132	543,612
Unit investment trusts	585,942	497,425
Cash	<u>131,375</u>	<u>745,524</u>
 Total investments in securities	 <u>\$ 126,000,411</u>	 <u>\$ 110,224,527</u>

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

	<u>2021</u>	<u>2020</u>
Unrealized gains, net	\$ 12,738,260	\$ 5,446,425
Realized gains, net	5,376,864	7,808,098
Interest and dividends	1,755,251	2,018,949
Return on capital	<u>-</u>	<u>20,638</u>
 Investment income, net	 <u>\$ 19,870,375</u>	 <u>\$ 15,294,110</u>

**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2021 and 2020**

**NOTE 6 - PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION AND AMORTIZATION**

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

	<u>2021</u>	<u>2020</u>
Vehicles	\$ 10,684,114	\$ 10,627,391
Office furnishings and equipment	6,342,745	6,741,383
Land	3,057,431	3,287,714
Leasehold improvements	1,883,519	1,628,546
Software	1,577,282	1,573,382
Building	<u>640,929</u>	<u>888,835</u>
 Total property and equipment	 24,186,020	 24,747,251
 Less: Accumulated depreciation and amortization	 <u>(13,340,678)</u>	 <u>(13,029,332)</u>
 Property and equipment, net	 <u>\$ 10,845,342</u>	 <u>\$ 11,717,919</u>

Depreciation and amortization expense totaled \$2,707,747 and \$2,803,945 for the years ended December 31, 2021 and 2020, respectively.

**NOTE 7 - 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. As of December 31, 2021 and 2020, the fair value of the loan at amortized cost using a discount rate of 5%, was \$0 and \$8,042,164, respectively. This amount is net of the cumulative accretion of \$0 and \$357,836 and principal payments totaling \$11,400,000 and \$3,000,000 through December 31, 2021 and 2020, respectively. The accretion of the loan using the effective interest method was \$357,836 and \$537,442 for the years ended December 31, 2021 and 2020, and is included in interest expense on the accompanying consolidated statements of functional expenses.

On April 13, 2020, DKT's Small Business Administration ("SBA") loan application under the Paycheck Protection Program ("PPP") for the amount of \$473,591 was approved by a financial institution. The loan was scheduled to mature in April 2022 with a fixed interest rate of 1% per annum. The payments of the principal and interest are deferred during the first six months of the loan, with the first monthly installment due in November 2020, through maturity. During the years ended December 31, 2021 and 2020, DKT International used the loan proceeds for purposes consistent with the PPP and applied for forgiveness subsequent to the 24-week period stipulated by the terms. On May 20, 2021 DKT International received notice of full forgiveness of the loan by the SBA and recorded miscellaneous income from extinguishment of debt in 2021. As of December 31, 2021 and 2020, the outstanding balance against this loan was \$0 and \$476,946 including interest accrued of \$0 and \$3,355, respectively.

**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2021 and 2020**

*FemHealth USA Inc.:*

On April 23, 2020, FemHealth's SBA loan application under PPP for the amount of \$315,300 was approved by a financial institution. The loan was scheduled to mature in April 2022 with a fixed interest rate of 1% per annum. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note could have been forgiven by the SBA in whole or in part.

During the years ended December 31, 2021 and 2020, FemHealth used the loan proceeds for purposes consistent with the PPP and applied for forgiveness subsequent to the 24-week period stipulated by the terms. On April 12, 2021, FemHealth received notice of full forgiveness of the loan by the SBA and recorded miscellaneous income from extinguishment of debt in 2021. As of December 31, 2021 and 2020, the outstanding balance against this loan was \$0 and \$317,382 including interest accrued of \$0 and \$2,082, respectively.

*South America Group:*

South America Group has the following three lines of credit with two banks available as of December 31, 2021.

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 \$5,384,381 and \$5,775,934 as of December 31, 2021 and 2020 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 7.72% and 6.05% per annum as at December 31, 2021 and 2020, respectively. On November 26, 2020, South America Group made its second drawing which would mature on November 19, 2022 and bears interest of 7.65% and 5.98% per annum as at December 31, 2021 and 2020, respectively. The line of credit was secured by US corporate investments. As of December 31, 2021 and 2020, the outstanding balance for both drawings against this line of credit totaled \$3,780,770 and \$3,938,534, respectively.

The second line of credit was obtained on December 11, 2018 and will mature on May 15, 2022. As of December 31, 2021 and 2020, the maximum amount available under the line totaled \$538,438 and \$38,506, bears interest at 9.96% and 12.82% per annum and was unsecured. As of December 31, 2021 and 2020, the outstanding balance for the drawings against this line totaled \$0 and \$9,845, respectively.

The third line of credit was obtained on June 17, 2020, and will mature on June 22, 2022. As of December 31, 2021 and 2020, the maximum amount available under the line totaled \$93,055 and \$111,456, bears interest at 4.64% and 3.48% per annum and was unsecured. As of December 31, 2021 and 2020, the outstanding balance against this line totaled \$32,380 and \$111,456, respectively.

*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. As of December 31, 2021 and 2020, the outstanding balance against this loan totaled \$0 and \$1,041,671, respectively.

**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2021 and 2020**

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, 2021 and 2020, the outstanding balance against these loans was \$452,399 and \$410,317, respectively.

As of December 31, 2021, the outstanding balances on DKT's lines of credit and loans were scheduled to be paid as follows:

For the Year Ending December 31,

2022	\$ 4,178,037
2023	179,228
2024	35,361
2025	<u>1,323</u>
Total payments	4,393,949
Less: Discount for present value of loan payable	<u>(13,126)</u>
Total lines of credit and loans payable	<u>\$ 4,380,823</u>

Interest expense related to these agreements totaled \$1,229,203 and \$1,315,968 for the years ended December 31, 2021 and 2020, respectively. Of these amounts, \$357,836 and \$537,442 are related to the in-kind interest expense on the unsecured loan from the Bill & Melinda Gates Foundation for the years ended December 31, 2021 and 2020, respectively.

**NOTE 8 - COMMITMENTS, RISKS AND CONCENTRATIONS**

***Operating Lease***

DKT provides lodging for certain overseas project managers. Certain leases with terms greater than one year require that the total rent be paid upon the execution of the lease. In 28 foreign countries, DKT has rental commitments for lodging, furniture, warehouse space and office space, with terms generally ranging from three to 60 months. Two of the leases have terms of more than five years.

DKT signed a lease agreement in September 2018 for new headquarters office space effective March 15, 2019, which is set to expire on July 31, 2024. The agreement is with the same landlord as its prior headquarters office space. Monthly rent under the new agreement is \$19,728 per month with annual escalations of 2.75%. DKT is also responsible for its proportionate share of real estate taxes and operating and maintenance costs.

**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2021 and 2020**

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 years ended December 31, 2021 and 2020, totaled \$6,595,764 and \$6,009,042, respectively.

***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, 2021 and 2020, DKT had approximately \$35,076,000 and \$31,712,000, respectively, composed of demand deposits, which exceeded the maximum limit insured by the FDIC by approximately \$34,456,000 and \$31,181,000, 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 Asia, South America and Africa 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, 2021 and 2020, DKT had approximately \$41,804,974 and \$42,386,977, respectively, of cash held in foreign institutions.

***Major Donors***

For the years ended December 31, 2021 and 2020, approximately 47% and 49%, respectively, of DKT's grants and contributions were promised or received from three donors. Additionally, as of December 31, 2021 and 2020, approximately 80% and 79%, 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.

***COVID-19***

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic, which continues to spread throughout the World. The spread of COVID-19 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, DKT is unable to determine if it will have a material impact on its operations.

***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, 2021 and 2020**

**NOTE 9 - 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 76,647,668	\$ 72,890,202
Grants and contributions receivable	5,755,299	10,322,151
Trade receivables, net of allowance	42,712,536	49,546,694
Investments in securities	<u>126,000,411</u>	<u>110,224,527</u>
 Total financial assets	 251,115,914	 242,983,574
 Less:		
Amounts unavailable for general expenditures within one year due to donor's restrictions	(13,803,934)	(18,165,552)
Donation designated by management for a specific project	-	(5,400,000)
Grants receivable unavailable within one year	(290,557)	(1,260,654)
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>\$ 216,021,423</u>	 <u>\$ 197,157,368</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 10 - 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>2021</u>	<u>2020</u>
Undesignated	\$ 208,525,413	\$ 191,826,345
Board-designated	<u>21,000,000</u>	<u>21,000,000</u>
 Total net assets without donor restrictions	 <u>\$ 229,525,413</u>	 <u>\$ 212,826,345</u>

**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2021 and 2020**

The board-designated net assets for a working capital reserve were instituted to provide funding for various strategic initiatives of DKT. Included within undesignated net assets at December 31 2021 and 2020 is \$0 and \$5,400,000, respectively, that management has designated for a project with specific purpose.

**Net Assets With Donor Restrictions**

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

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Education and reproductive health		
DR Congo Commodities	\$ 4,989,914	\$ -
FP 2020 Global*	1,940,438	2,271,032
DR Congo	1,095,406	6,890,189
Latin America Group	907,637	970,325
Mumbai Group	249,135	323,096
FWACA Group	186,169	415,763
Myanmar Group	181,064	450,421
Global Safe Abortion	156,097	-
Nigeria Digital	36,432	-
Safe Choice Global	-	3,320,808
SRH Commercial Distribution	-	555,412
Ethiopia	-	27,797
Others	33,934	66,206
	<hr/>	<hr/>
Total subject to expenditure for specified purpose	9,776,226	15,291,049
Subject to occurrence of specified events/passage of time:		
FemHealth	2,779,898	2,516,667
Headquarters-General Operating Support Grant	1,247,810	-
Restricted for 2021	-	357,836
	<hr/>	<hr/>
Total subject to occurrence of specified events/ passage of time	4,027,708	2,874,503
	<hr/>	<hr/>
Total net assets with donor restrictions	\$ 13,803,934	\$ 18,165,552

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

**NOTE 11 - 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 \$227,591 and \$199,779 for the years ended December 31, 2021 and 2020, respectively. Certain management-level international employees are given an equivalent percentage of compensation to use for funding their retirement.

**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2021 and 2020**

**NOTE 12 - RELATED PARTY**

During the years ended December 31, 2021 and 2020, DKT received \$2,000,000 and \$8,900,000, respectively, in contributions from a board member. There were no amounts due from this related party at December 31, 2021 and 2020.

**NOTE 13 - FAIR VALUE MEASUREMENT**

The following tables summarize DKT's investments measured at fair value on a recurring basis as of December 31, 2021 and 2020, aggregated by the fair value hierarchy level with which those measurements were made:

	2021		2020	
	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	\$ 27,484,393	\$ 27,484,393	\$ 22,534,091	\$ 22,534,091
Large growth	26,925,588	26,925,588	23,182,190	23,182,190
Large value	7,904,114	7,904,114	6,161,927	6,161,927
Emerging markets	2,098,313	2,098,313	2,249,932	2,249,932
Medium blend	6,787,278	6,787,278	5,451,206	5,451,206
Small blend	568,469	568,469	482,847	482,847
Small value	5,080,385	5,080,385	3,966,168	3,966,168
Total mutual funds	76,848,540	76,848,540	64,028,361	64,028,361
Equities:				
Communication	1,430,790	1,430,790	1,150,586	1,150,586
Consumer discretionary	2,189,877	2,189,877	2,931,560	2,931,560
Consumer staples	422,530	422,530	350,716	350,716
Energy	194,254	194,254	138,855	138,855
Financial	11,739,550	11,739,550	9,804,457	9,804,457
Healthcare	2,157,317	2,157,317	2,326,185	2,326,185
Industrial goods	5,682,184	5,682,184	5,036,697	5,036,697
Information technology	5,390,810	5,390,810	4,266,015	4,266,015
Materials	-	-	258,251	258,251
Total equities	29,207,312	29,207,312	26,263,322	26,263,322
Exchange-traded and closed-end funds	18,141,713	18,141,713	17,385,524	17,385,524
Total investments held at fair value	124,197,565	\$ 124,197,565	107,677,207	\$ 107,677,207
Cash	131,375		745,524	
Money market funds	1,085,529		1,304,371	
Unit investment trusts <sup>(a)</sup>	585,942		497,425	
Total investments	\$ 126,000,411		\$ 110,224,527	



**DKT International, Inc. and Affiliates**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2021 and 2020**

- (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, 2021 and 2020.

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 14 - 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, 2021 and 2020 for such affiliates, totaled \$2,860,285 and \$4,768,656, respectively. The net deferred tax asset recognized by such affiliates for the years ended December 31, 2021 and 2020, totaled \$1,368,009 and \$1,411,289, respectively.

**NOTE 15 - SUBSEQUENT EVENTS**

In preparing these consolidated financial statements, DKT has evaluated events and transactions for potential recognition or disclosure through July 29, 2022, 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, 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
<b>ASSETS</b>													
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
<b>Total assets</b>	<b>\$ 267,592,175</b>	<b>\$ 15,730,647</b>	<b>\$ 3,555,492</b>	<b>\$ 2,356,595</b>	<b>\$ 3,236,451</b>	<b>\$ 6,872,907</b>	<b>\$ 5,271,724</b>	<b>\$ 8,983,584</b>	<b>\$ 19,181,658</b>	<b>\$ 10,252,542</b>	<b>\$ 2,729,071</b>	<b>\$ 2,552,253</b>	<b>\$ 12,690,733</b>
<b>LIABILITIES AND NET ASSETS</b>													
<b>Liabilities</b>													
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
<b>Total liabilities</b>	<b>23,449,098</b>	<b>16,894,218</b>	<b>1,336,474</b>	<b>6,463,596</b>	<b>2,829,143</b>	<b>1,076,959</b>	<b>1,741,690</b>	<b>1,804,027</b>	<b>8,225,033</b>	<b>9,464,959</b>	<b>64,581</b>	<b>1,497,013</b>	<b>6,728,033</b>
<b>Net assets</b>													
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	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total without donor restrictions</b>	<b>233,119,041</b>	<b>(1,163,571)</b>	<b>2,219,018</b>	<b>(4,107,001)</b>	<b>407,308</b>	<b>5,795,948</b>	<b>3,530,034</b>	<b>7,179,557</b>	<b>10,956,625</b>	<b>787,583</b>	<b>2,664,490</b>	<b>1,055,240</b>	<b>5,962,700</b>
With donor restrictions	11,024,036	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total net assets</b>	<b>244,143,077</b>	<b>(1,163,571)</b>	<b>2,219,018</b>	<b>(4,107,001)</b>	<b>407,308</b>	<b>5,795,948</b>	<b>3,530,034</b>	<b>7,179,557</b>	<b>10,956,625</b>	<b>787,583</b>	<b>2,664,490</b>	<b>1,055,240</b>	<b>5,962,700</b>
<b>Total liabilities and net assets</b>	<b>\$ 267,592,175</b>	<b>\$ 15,730,647</b>	<b>\$ 3,555,492</b>	<b>\$ 2,356,595</b>	<b>\$ 3,236,451</b>	<b>\$ 6,872,907</b>	<b>\$ 5,271,724</b>	<b>\$ 8,983,584</b>	<b>\$ 19,181,658</b>	<b>\$ 10,252,542</b>	<b>\$ 2,729,071</b>	<b>\$ 2,552,253</b>	<b>\$ 12,690,733</b>

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
<b>ASSETS</b>													
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
<b>Total assets</b>	<b>\$ 7,529,594</b>	<b>\$ 31,963,711</b>	<b>\$ 5,888,236</b>	<b>\$ 2,801,024</b>	<b>\$ 3,952,872</b>	<b>\$ 3,707,479</b>	<b>\$ 2,218,860</b>	<b>\$ 3,898,208</b>	<b>\$ 8,959,372</b>	<b>\$ 5,023,337</b>	<b>\$ 436,948,525</b>	<b>\$ (110,925,050)</b>	<b>\$ 326,023,475</b>
<b>LIABILITIES AND NET ASSETS</b>													
<b>Liabilities</b>													
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
<b>Total liabilities</b>	<b>2,553,266</b>	<b>7,635,197</b>	<b>3,010,572</b>	<b>2,122,235</b>	<b>4,382,558</b>	<b>24,341,963</b>	<b>1,064,544</b>	<b>2,179,125</b>	<b>8,685,258</b>	<b>622,988</b>	<b>138,172,530</b>	<b>(55,478,402)</b>	<b>82,694,128</b>
<b>Net assets</b>													
<b>Without donor restrictions</b>													
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
<b>Total without donor restrictions</b>	<b>4,976,328</b>	<b>24,328,514</b>	<b>2,877,664</b>	<b>678,789</b>	<b>(429,686)</b>	<b>(20,634,484)</b>	<b>1,154,316</b>	<b>1,719,083</b>	<b>274,114</b>	<b>1,620,451</b>	<b>284,972,061</b>	<b>(55,446,648)</b>	<b>229,525,413</b>
<b>With donor restrictions</b>													
	-	-	-	-	-	-	-	-	-	2,779,898	13,803,934	-	13,803,934
<b>Total net assets</b>	<b>4,976,328</b>	<b>24,328,514</b>	<b>2,877,664</b>	<b>678,789</b>	<b>(429,686)</b>	<b>(20,634,484)</b>	<b>1,154,316</b>	<b>1,719,083</b>	<b>274,114</b>	<b>4,400,349</b>	<b>298,775,995</b>	<b>(55,446,648)</b>	<b>243,329,347</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,529,594</b>	<b>\$ 31,963,711</b>	<b>\$ 5,888,236</b>	<b>\$ 2,801,024</b>	<b>\$ 3,952,872</b>	<b>\$ 3,707,479</b>	<b>\$ 2,218,860</b>	<b>\$ 3,898,208</b>	<b>\$ 8,959,372</b>	<b>\$ 5,023,337</b>	<b>\$ 436,948,525</b>	<b>\$ (110,925,050)</b>	<b>\$ 326,023,475</b>

DKT International, Inc. and Affiliates  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
Year ended December 31, 2020

	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
<b>ASSETS</b>													
Cash and cash equivalents	\$ 28,974,105	\$ 1,324,372	\$ 78,792	\$ 465,856	\$ 1,484,075	\$ 1,755,241	\$ 193,379	\$ 4,177,031	\$ 2,938,455	\$ 547,561	\$ 469,487	\$ 527,870	\$ 1,910,258
Grants and contributions receivable	8,822,151	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables, net of allowance	1,544	5,676,144	586,627	220,934	15,453	1,580,491	1,669,069	424,729	13,424,408	5,586,693	7,149	3,601	5,216,293
Due from affiliates	48,898,248	-	-	-	-	-	-	-	-	-	-	-	44,652
Inventory, net of allowance	65,614	5,558,781	2,093,679	548,146	2,321,168	2,539,538	376,153	1,273,381	2,382,816	4,694,320	755,833	1,223,968	3,698,644
Prepaid expenses and other current assets	170,260	1,160,537	119,437	464,070	662,324	294,840	661,538	498,190	2,185,829	890,035	472,890	151,721	133,990
Deferred tax asset	-	255,544	-	18,837	-	-	-	693,823	174,875	65,463	-	-	-
Investments in securities	110,208,041	-	-	-	-	-	-	-	-	2,514	-	-	-
Investment in affiliates	52,102,991	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	150,885	590,970	542,192	124,935	476,810	810,673	591,201	92,398	208,935	84,136	182,077	50,885	1,375,355
Other non-current assets	1,121,105	113,677	-	82,229	-	-	-	-	-	-	2,915	-	-
<b>Total assets</b>	<b>\$ 250,514,944</b>	<b>\$ 14,680,025</b>	<b>\$ 3,420,727</b>	<b>\$ 1,925,007</b>	<b>\$ 4,959,830</b>	<b>\$ 6,980,783</b>	<b>\$ 3,491,340</b>	<b>\$ 7,159,552</b>	<b>\$ 21,315,318</b>	<b>\$ 11,870,722</b>	<b>\$ 1,890,351</b>	<b>\$ 1,958,045</b>	<b>\$ 12,379,192</b>
<b>LIABILITIES AND NET ASSETS</b>													
<b>Liabilities</b>													
Accounts payable and accrued expenses	\$ 5,413,326	\$ 4,971,685	\$ 1,274,229	\$ 597,867	\$ 3,805,602	\$ 1,504,052	\$ 2,104,177	\$ 1,242,776	\$ 6,980,241	\$ 7,945,554	\$ 35,838	\$ 165,365	\$ 5,540,502
Deferred Revenue	3,288,579	-	-	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to affiliates	494,652	6,750,000	-	4,824,058	-	-	-	-	2,006,059	2,852,089	-	1,017,811	-
Lines of credit and loans payable	8,519,110	4,059,836	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>17,715,667</b>	<b>15,781,521</b>	<b>1,274,229</b>	<b>5,421,925</b>	<b>3,805,602</b>	<b>1,504,052</b>	<b>2,104,177</b>	<b>1,242,776</b>	<b>8,986,300</b>	<b>10,797,643</b>	<b>35,838</b>	<b>1,183,176</b>	<b>5,540,502</b>
<b>Net assets</b>													
<b>Without donor restrictions</b>													
Undesignated (deficit)	196,150,392	(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
Board-designated	21,000,000	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total without donor restrictions</b>	<b>217,150,392</b>	<b>(1,101,496)</b>	<b>2,146,498</b>	<b>(3,496,918)</b>	<b>1,154,228</b>	<b>5,476,731</b>	<b>1,387,163</b>	<b>5,916,776</b>	<b>12,329,018</b>	<b>1,073,079</b>	<b>1,854,513</b>	<b>774,869</b>	<b>6,838,690</b>
<b>With donor restrictions</b>													
	15,648,885	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total net assets</b>	<b>232,799,277</b>	<b>(1,101,496)</b>	<b>2,146,498</b>	<b>(3,496,918)</b>	<b>1,154,228</b>	<b>5,476,731</b>	<b>1,387,163</b>	<b>5,916,776</b>	<b>12,329,018</b>	<b>1,073,079</b>	<b>1,854,513</b>	<b>774,869</b>	<b>6,838,690</b>
<b>Total liabilities and net assets</b>	<b>\$ 250,514,944</b>	<b>\$ 14,680,025</b>	<b>\$ 3,420,727</b>	<b>\$ 1,925,007</b>	<b>\$ 4,959,830</b>	<b>\$ 6,980,783</b>	<b>\$ 3,491,340</b>	<b>\$ 7,159,552</b>	<b>\$ 21,315,318</b>	<b>\$ 11,870,722</b>	<b>\$ 1,890,351</b>	<b>\$ 1,958,045</b>	<b>\$ 12,379,192</b>

DKT International, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year ended December 31, 2020

	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
<b>ASSETS</b>													
Cash and cash equivalents	\$ 3,420,870	\$ 13,311,311	\$ 922,063	\$ 1,536,393	\$ 676,085	\$ 787,055	\$ 974,050	\$ 1,251,275	\$ 3,635,498	\$ 1,529,120	\$ 72,890,202	\$ -	\$ 72,890,202
Grants and contributions receivable	-	-	-	-	-	-	-	-	-	1,500,000	10,322,151	-	10,322,151
Trade receivables, net of allowance	616,085	5,240,604	-	156,041	1,635,739	2,027,377	427,185	1,292,399	3,602,970	433,286	49,844,821	(298,127)	49,546,694
Due from affiliates	-	1,915	2,830,009	-	-	-	449,114	-	-	-	52,223,938	(52,223,938)	-
Inventory, net of allowance	3,920,527	5,428,588	-	949,495	679,046	1,291,945	278,642	893,239	2,064,488	67,563	43,105,574	(1,739,349)	41,366,225
Prepaid expenses and other current assets	311,269	957,337	18,830	84,957	87,472	290,237	296,198	196,809	573,468	52,362	10,734,600	-	10,734,600
Deferred tax asset	-	114,477	-	28,990	-	-	-	74,758	-	-	1,426,767	-	1,426,767
Investments in securities	-	-	-	-	13,972	-	-	-	-	-	110,224,527	-	110,224,527
Investment in affiliates	-	-	-	-	-	-	-	-	-	-	52,102,991	(52,102,991)	-
Property and equipment, net	1,692,772	3,320,586	1,295	165,976	121,182	737,094	29,290	84,654	34,317	249,301	11,717,919	-	11,717,919
Other assets	-	20,264	-	-	-	-	-	-	-	21,279	1,361,469	-	1,361,469
<b>Total assets</b>	<b>\$ 9,961,523</b>	<b>\$ 28,395,082</b>	<b>\$ 3,772,197</b>	<b>\$ 2,921,852</b>	<b>\$ 3,213,496</b>	<b>\$ 5,133,708</b>	<b>\$ 2,454,479</b>	<b>\$ 3,793,134</b>	<b>\$ 9,910,741</b>	<b>\$ 3,852,911</b>	<b>\$ 415,954,959</b>	<b>\$ (106,364,405)</b>	<b>\$ 309,590,554</b>
<b>LIABILITIES AND NET ASSETS</b>													
<b>Liabilities</b>													
Accounts payable and accrued expenses	\$ 1,735,190	\$ 3,144,620	\$ 2,299,493	\$ 205,934	\$ 859,010	\$ 2,172,127	\$ 476,931	\$ 945,736	\$ 6,007,950	\$ 371,878	\$ 59,800,083	\$ (291,389)	\$ 59,508,694
Deferred Revenue	1,406,100	-	-	-	-	-	-	-	-	-	4,694,679	-	4,694,679
Contract liabilities	-	-	-	-	-	-	-	-	-	46,968	-	-	46,968
Due to affiliates	-	3,430,674	500,000	1,806,823	2,691,626	21,547,515	653,789	455,736	3,196,327	-	52,227,159	(52,227,159)	-
Lines of credit and loans payable	-	1,451,988	-	-	-	-	-	-	-	317,382	14,348,316	-	14,348,316
<b>Total liabilities</b>	<b>3,141,290</b>	<b>8,027,282</b>	<b>2,799,493</b>	<b>2,012,757</b>	<b>3,550,636</b>	<b>23,719,642</b>	<b>1,130,720</b>	<b>1,401,472</b>	<b>9,204,277</b>	<b>736,228</b>	<b>131,117,205</b>	<b>(52,518,548)</b>	<b>78,598,657</b>
<b>Net assets</b>													
<b>Without donor restrictions</b>													
Undesignated (deficit)	6,820,233	20,367,800	972,704	909,095	(337,140)	(18,585,934)	1,323,759	2,391,662	706,464	600,016	245,672,202	(53,845,857)	191,826,345
Board-designated	-	-	-	-	-	-	-	-	-	-	21,000,000	-	21,000,000
<b>Total without donor restrictions</b>	<b>6,820,233</b>	<b>20,367,800</b>	<b>972,704</b>	<b>909,095</b>	<b>(337,140)</b>	<b>(18,585,934)</b>	<b>1,323,759</b>	<b>2,391,662</b>	<b>706,464</b>	<b>600,016</b>	<b>266,672,202</b>	<b>(53,845,857)</b>	<b>212,826,345</b>
<b>With donor restrictions</b>													
	-	-	-	-	-	-	-	-	-	2,516,667	18,165,552	-	18,165,552
<b>Total net assets</b>	<b>6,820,233</b>	<b>20,367,800</b>	<b>972,704</b>	<b>909,095</b>	<b>(337,140)</b>	<b>(18,585,934)</b>	<b>1,323,759</b>	<b>2,391,662</b>	<b>706,464</b>	<b>3,116,683</b>	<b>284,837,754</b>	<b>(53,845,857)</b>	<b>230,991,897</b>
<b>Total liabilities and net assets</b>	<b>\$ 9,961,523</b>	<b>\$ 28,395,082</b>	<b>\$ 3,772,197</b>	<b>\$ 2,921,852</b>	<b>\$ 3,213,496</b>	<b>\$ 5,133,708</b>	<b>\$ 2,454,479</b>	<b>\$ 3,793,134</b>	<b>\$ 9,910,741</b>	<b>\$ 3,852,911</b>	<b>\$ 415,954,959</b>	<b>\$ (106,364,405)</b>	<b>\$ 309,590,554</b>

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
<b>Revenue and support</b>													
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
<b>Expenses and losses</b>													
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	4,617	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
<b>Revenue and support</b>													
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
<b>Total revenue and support</b>	<b>9,415,137</b>	<b>32,534,115</b>	<b>17,294,782</b>	<b>1,814,083</b>	<b>4,501,005</b>	<b>9,099,103</b>	<b>4,190,752</b>	<b>4,154,992</b>	<b>18,112,831</b>	<b>9,507,011</b>	<b>344,822,074</b>	<b>(74,625,830)</b>	<b>270,196,244</b>
<b>Expenses and losses</b>													
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	700,496	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	1,920	739,029	-	739,029
Bank charges	8,225	4,522	14,641	2,429	-	21,609	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)	-
<b>Total expenses</b>	<b>10,727,696</b>	<b>27,038,556</b>	<b>15,384,747</b>	<b>2,132,448</b>	<b>4,880,339</b>	<b>11,440,035</b>	<b>4,375,179</b>	<b>4,836,867</b>	<b>18,470,452</b>	<b>8,223,343</b>	<b>328,090,113</b>	<b>(74,731,004)</b>	<b>253,359,109</b>
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
<b>Total expenses and losses</b>	<b>10,703,107</b>	<b>27,304,615</b>	<b>15,389,822</b>	<b>2,139,112</b>	<b>5,986,809</b>	<b>12,247,877</b>	<b>4,373,958</b>	<b>4,827,796</b>	<b>18,502,996</b>	<b>8,223,343</b>	<b>332,441,268</b>	<b>(74,731,004)</b>	<b>257,710,264</b>
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)	-
<b>CHANGE IN NET ASSETS</b>	<b>(1,843,905)</b>	<b>3,960,714</b>	<b>1,904,960</b>	<b>(230,306)</b>	<b>(92,546)</b>	<b>(2,048,550)</b>	<b>(169,443)</b>	<b>(672,579)</b>	<b>(432,550)</b>	<b>1,283,666</b>	<b>13,938,241</b>	<b>(1,600,791)</b>	<b>12,337,450</b>
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
<b>Net assets (deficit), end of year</b>	<b>\$ 4,976,328</b>	<b>\$ 24,328,514</b>	<b>\$ 2,877,664</b>	<b>\$ 678,789</b>	<b>\$ (429,686)</b>	<b>\$ (20,634,484)</b>	<b>\$ 1,154,316</b>	<b>\$ 1,719,083</b>	<b>\$ 274,114</b>	<b>\$ 4,400,349</b>	<b>\$ 298,775,995</b>	<b>\$ (55,446,648)</b>	<b>\$ 243,329,347</b>



**DKT International, Inc. and Affiliates**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
Year ended December 31, 2020

	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
<b>REVENUE AND SUPPORT</b>													
Sales, net of discounts	\$ -	\$ 19,623,579	\$ 2,979,867	\$ 1,498,777	\$ 5,284,709	\$ 5,150,836	\$ 4,489,760	\$ 6,950,484	\$ 25,407,491	\$ 15,425,850	\$ 671,570	\$ 1,767,435	\$ 11,463,448
Grants and contributions	53,771,618	-	3,712,493	-	3,819,601	309,051	1,629	-	-	-	303,519	324,135	-
Grants from affiliates	750,000	-	8,764,199	249,219	1,925,107	5,328,824	2,368,329	3,014,456	-	-	2,770,338	1,121,444	4,932,710
Investment income (loss)	14,805,678	(42,607)	9,275	1,430	-	115,893	17,359	62,514	174,095	-	19,087	15,973	37
Service fees from affiliates	5,240,900	-	-	-	-	-	-	-	-	-	-	-	-
Other income	117,953	219,012	5,520	27,394	140,189	15,882	216	261	-	18,481	3,520	5	4,764
<b>Total revenue and support</b>	<b>74,686,149</b>	<b>19,799,984</b>	<b>15,471,354</b>	<b>1,776,820</b>	<b>11,169,606</b>	<b>10,920,486</b>	<b>6,877,293</b>	<b>10,027,715</b>	<b>25,581,586</b>	<b>15,444,331</b>	<b>3,768,034</b>	<b>3,228,992</b>	<b>16,400,959</b>
<b>EXPENSES AND LOSSES</b>													
Cost of goods sold – products	-	9,325,125	3,231,972	745,483	7,197,790	3,907,761	1,498,496	3,583,063	13,350,002	6,457,019	805,287	1,155,448	13,610,235
Salaries and fringe benefits	7,302,645	4,153,474	3,228,273	959,178	2,376,408	1,443,473	3,319,273	2,916,016	2,088,734	3,032,032	1,473,315	516,523	1,384,677
Advertising and promotion	1,774	2,806,154	1,324,716	206,025	1,093,298	1,113,347	136,988	977,759	3,188,727	2,148,521	308,025	726,708	1,216,805
Professional fees	2,539,764	1,380,168	1,087,399	152,734	212,219	303,646	253,525	58,147	361,969	532,496	63,241	81,258	152,024
Travel and related expenses	60,947	77,113	1,786,846	81,891	457,014	604,562	570,599	716,840	257,212	273,241	245,429	96,329	363,008
Rent and insurance	201,216	758,311	403,000	112,079	322,681	345,314	310,582	140,162	223,093	1,267,826	158,503	114,341	263,590
Trainings, meetings and conferences	11,065	25,264	1,181,499	1,537	284,547	539,079	83,640	3,338	53,195	36,413	14,931	13,139	22,737
Contributions, outreach and grants to partners	493,500	-	40,781	-	209,952	-	1,184,775	-	-	20,913	-	-	-
Depreciation and amortization	-	143,565	246,611	53,293	210,281	262,157	107,619	23,883	84,461	16,595	153,745	15,265	316,306
Office expenses	64,798	158,631	529,594	64,854	251,356	244,761	50,354	89,881	48,114	165,547	138,317	10,978	334,051
Licenses and taxes	441,821	174,679	560,798	-	-	-	38	248,567	8,980	45,823	130,585	4,067	34,313
Product development	-	282,742	608,349	15,400	50,259	102,843	53,785	18,626	76,554	271,931	45,021	287,577	46,895
Income tax (benefit) provision	-	(65,844)	-	-	-	-	-	47,897	1,197,551	-	-	-	-
Telephone, facsimile and utilities	45,965	59,996	331,193	16,459	20,471	282,028	62,051	52,136	55,590	40,060	37,997	9,661	65,129
Interest	540,797	282,183	1	-	-	-	1,448	49	167,406	172,089	3,739	-	-
Repairs and maintenance	-	3,795	155,193	-	8,519	81,814	79,108	13,213	13,684	13,089	5,161	10,627	224,353
Bank charges	16,898	64,998	95,553	4,159	416	53,955	59	3,791	5,402	10,523	9,164	8,627	59,155
Obsolete inventory expense	-	76,028	84,826	29,063	373,180	78,135	1,625	60,773	-	95,111	-	202,449	-
Bad debt (recovery)	-	7,179	-	5,299	-	-	-	24,314	32,858	-	-	-	928,319
Other	35,043	527,293	24,227	4,230	-	281,414	2,703	49,291	-	120,460	-	-	7,798
Program expenses	46,416,609	-	-	-	-	-	-	-	-	-	-	-	-
Service fees to affiliates	-	-	-	-	292,179	-	-	-	2,302,115	-	-	-	-
<b>Total expenses</b>	<b>58,172,842</b>	<b>20,240,854</b>	<b>14,920,831</b>	<b>2,451,684</b>	<b>13,360,570</b>	<b>9,644,289</b>	<b>7,716,668</b>	<b>9,027,746</b>	<b>23,515,647</b>	<b>14,719,689</b>	<b>3,592,460</b>	<b>3,252,997</b>	<b>19,029,395</b>
Foreign currency exchange losses (gains)	(40,019)	1,717,680	108,728	(68,096)	32,301	(40,390)	16,745	(3,132)	(158,122)	259,335	38,455	(318,831)	(102,827)
<b>Total expenses and losses</b>	<b>58,132,823</b>	<b>21,958,534</b>	<b>15,029,559</b>	<b>2,383,588</b>	<b>13,392,871</b>	<b>9,603,899</b>	<b>7,733,413</b>	<b>9,024,614</b>	<b>23,357,525</b>	<b>14,979,024</b>	<b>3,630,915</b>	<b>2,934,166</b>	<b>18,926,568</b>
Change in net assets before foreign currency translation, loan converted to equity, and additional paid in capital	16,553,326	(2,158,550)	441,795	(606,768)	(2,223,265)	1,316,587	(856,120)	1,003,101	2,224,061	465,307	137,119	294,826	(2,525,609)
Foreign currency translation (losses) gains	-	473,183	-	(45,322)	80,002	(113,335)	112,636	(88,768)	360,876	6,154	(328,288)	124,898	(536,194)
Loan converted to equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional capital issued	-	340,892	-	-	-	-	96,469	-	-	-	358,242	-	-
<b>CHANGE IN NET ASSETS</b>	<b>16,553,326</b>	<b>(1,344,475)</b>	<b>441,795</b>	<b>(652,090)</b>	<b>(2,143,263)</b>	<b>1,203,252</b>	<b>(647,015)</b>	<b>914,333</b>	<b>2,584,937</b>	<b>471,461</b>	<b>167,073</b>	<b>419,724</b>	<b>(3,061,803)</b>
Net assets (deficit), beginning of year	216,245,951	242,979	1,704,703	(2,844,828)	3,297,491	4,273,479	2,034,178	5,002,443	9,744,081	601,618	1,687,440	355,145	9,900,493
Net assets (deficit), end 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

DKT International, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES - CONTINUED

Year ended December 31, 2020

	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
<b>REVENUE AND SUPPORT</b>													
Sales, net of discounts	\$ 2,332,898	\$ 28,950,314	\$ 11,566,725	\$ 1,121,034	\$ 3,623,399	\$ 3,518,241	\$ 3,971,998	\$ 1,564,131	\$ 19,348,288	\$ 4,448,399	\$ 181,159,233	\$ (13,461,660)	\$ 167,697,573
Grants and contributions	1,411,666	-	-	17,546	-	207,678	-	-	-	3,025,690	66,904,626	-	66,904,626
Grants from affiliates	6,826,333	173,027	-	2,631,172	-	1,959,122	1,098,331	3,482,514	975,000	950,000	49,320,125	(49,320,125)	-
Investment income (loss)	66,534	10,592	1	-	73,516	-	17,412	(54,118)	1,439	-	15,294,110	-	15,294,110
Service fees from affiliates	-	-	-	-	-	-	-	-	-	-	5,240,900	(5,240,900)	-
Other income	-	194,360	-	50,208	79	277,699	29	2,648	7,201	16,391	1,101,812	(109,976)	991,836
<b>Total revenue and support</b>	<b>10,637,431</b>	<b>29,328,293</b>	<b>11,566,726</b>	<b>3,819,960</b>	<b>3,696,994</b>	<b>5,962,740</b>	<b>5,087,770</b>	<b>4,995,175</b>	<b>20,331,928</b>	<b>8,440,480</b>	<b>319,020,806</b>	<b>(68,132,661)</b>	<b>250,888,145</b>
<b>EXPENSES AND LOSSES</b>													
Cost of goods sold – products	1,652,690	12,786,984	7,714,337	1,103,429	1,931,481	2,477,963	2,940,743	1,872,893	14,683,759	1,370,103	113,402,063	(11,722,311)	101,679,752
Salaries and fringe benefits	1,461,095	1,824,145	-	496,767	76	3,177,659	566,996	737,390	1,821,209	2,369,187	46,648,545	-	46,648,545
Advertising and promotion	2,707,733	4,253,078	-	254,573	1,231,304	3,067,139	489,709	747,709	205,237	930,785	29,136,114	-	29,136,114
Professional fees	120,861	292,448	45,722	133,858	518,475	702,830	136,528	51,320	1,451,011	1,067,143	11,698,786	-	11,698,786
Travel and related expenses	375,043	427,575	-	114,646	-	724,909	22,241	119,214	109,779	29,477	7,513,915	-	7,513,915
Rent and insurance	220,096	446,343	-	96,461	-	189,269	75,285	92,023	369,091	408,652	6,517,918	-	6,517,918
Trainings, meetings and conferences	142,309	303,060	-	53,304	-	1,673	256	90,868	34,111	26,742	2,922,707	-	2,922,707
Contributions, outreach and grants to partners	-	-	-	-	-	-	4,447	-	-	36,176	1,990,544	-	1,990,544
Depreciation and amortization	112,505	230,436	676	148,971	-	431,414	8,725	50,316	8,245	178,877	2,803,946	-	2,803,946
Office expenses	15,433	61,904	29	83,322	-	53,034	25,961	70,757	43,342	99,972	2,604,990	-	2,604,990
Licenses and taxes	331	162,630	840	16,048	-	120,408	43,834	-	21,035	5,576	2,020,373	-	2,020,373
Product development	97,032	3,124	-	-	-	-	-	-	491,301	-	2,451,439	-	2,451,439
Income tax (benefit) provision	47,193	2,775,052	184,181	1,479	32,506	49,794	-	285,783	213,063	-	4,768,655	-	4,768,655
Telephone, facsimile and utilities	25,815	25,032	-	27,095	-	257,089	1,760	-	13,250	55,477	1,484,254	-	1,484,254
Interest	-	108,159	-	18,209	3,879	-	15,929	-	-	2,082	1,315,970	-	1,315,970
Repairs and maintenance	9,887	9,996	-	6,005	-	50,247	-	-	133	9,974	694,798	-	694,798
Bank charges	8,027	4,315	8,934	3,501	-	28,882	1,665	8,925	40,461	12,536	449,946	-	449,946
Obsolete inventory expense	425	16,895	-	63,510	11,329	-	-	-	95,588	-	1,188,937	-	1,188,937
Bad debt (recovery)	-	54,175	-	22,886	-	105,405	-	55	-	9,222	1,189,712	-	1,189,712
Other	9,789	77,770	829	2,996	-	75,752	3,342	-	3,960	-	1,226,897	-	1,226,897
Program expenses	-	-	-	-	-	-	-	-	2,900,000	-	49,316,609	(49,316,609)	-
Service fees to affiliates	-	-	2,646,580	-	-	-	-	-	-	110,001	5,350,875	(5,350,875)	-
<b>Total expenses</b>	<b>7,006,264</b>	<b>23,863,121</b>	<b>10,602,128</b>	<b>2,647,060</b>	<b>3,729,050</b>	<b>11,513,467</b>	<b>4,337,421</b>	<b>4,127,253</b>	<b>22,504,575</b>	<b>6,721,982</b>	<b>296,697,993</b>	<b>(66,389,795)</b>	<b>230,308,198</b>
Foreign currency translation (gains) losses	55,994	(80,960)	1,894	(358,968)	472,041	(1,398,456)	4,481	(74,119)	50,314	-	114,048	-	114,048
<b>Total expenses and losses</b>	<b>7,062,258</b>	<b>23,782,161</b>	<b>10,604,022</b>	<b>2,288,092</b>	<b>4,201,091</b>	<b>10,115,011</b>	<b>4,341,902</b>	<b>4,053,134</b>	<b>22,554,889</b>	<b>6,721,982</b>	<b>296,812,041</b>	<b>(66,389,795)</b>	<b>230,422,246</b>
Change in net assets before foreign currency translation, loan converted to equity, and additional paid in capital	3,575,173	5,546,132	962,704	1,531,868	(504,097)	(4,152,271)	745,868	942,041	(2,222,961)	1,718,498	22,208,765	(1,742,866)	20,465,899
Foreign currency translation (losses) gains	(66,521)	898,072	-	17,873	313,891	(1,793,193)	7,203	(122,618)	32,502	-	(666,949)	401,446	(265,503)
Loan converted to equity	-	-	-	796,652	-	-	-	-	-	-	796,652	(796,652)	-
Additional capital issued	-	770,021	10,000	-	-	(128,706)	-	-	-	-	1,446,918	(1,446,918)	-
<b>CHANGE IN NET ASSETS</b>	<b>3,508,652</b>	<b>7,214,225</b>	<b>972,704</b>	<b>2,346,393</b>	<b>(190,206)</b>	<b>(6,074,170)</b>	<b>753,071</b>	<b>819,423</b>	<b>(2,190,459)</b>	<b>1,718,498</b>	<b>23,785,386</b>	<b>(3,584,990)</b>	<b>20,200,396</b>
Net assets (deficit), beginning of year	3,311,581	13,153,575	-	(1,437,298)	(146,934)	(12,511,764)	570,688	1,572,239	2,896,923	1,398,185	261,052,368	(50,260,867)	210,791,501
Net assets (deficit), end 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