



EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)

**COMBINED FINANCIAL STATEMENTS AND
SUPPLEMENTAL COMBINING INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2013 AND 2012, AND
INDEPENDENT AUDITORS' REPORT**

Independent Auditors' Report

To the Board of Trustees of
Eugene Bell Foundation (Korea) and Eugene Bell Foundation, Inc. (US):

We have audited the accompanying combined statements of financial position of Eugene Bell Foundation (Korea) and Eugene Bell Foundation, Inc. (US) (collectively, as the "Foundation") as of December 31, 2013 and 2012, and the related combined statements of activities and changes in net assets and combined statements of cash flows for the years then ended, all expressed in U.S. dollars. These combined financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Eugene Bell Foundation (Korea) and Eugene Bell Foundation, Inc. (US) as of December 31, 2013 and 2012, and the results of its activities and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The supplemental combining information is presented for purposes of additional analysis of the basic combined financial statements rather than to present the financial position, results of activities and changes in net assets and cash flows of Eugene Bell Foundation (Korea) and Eugene Bell Foundation, Inc. (US), and is not a required part of the basic combined financial statements. The supplemental combining information has been subjected to the auditing procedures applied in our audits of the basic combined financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the basic combined financial statements taken as a whole.

This report is intended solely for the information and use of the board of trustees of the Foundation, its contributors and governmental agencies within the United States of America.



October 8, 2014

Notice to Readers

This report is effective as of October 8, 2014, the auditors' report date. Certain subsequent events or circumstances may have occurred between the auditors' report date and the time the auditors' report is read. Such events or circumstances could significantly affect the accompanying combined financial statements and may result in modifications to the auditors' report.

EUGENE BELL FOUNDATION (KOREA)
AND EUGENE BELL FOUNDATION, INC. (US)

COMBINED FINANCIAL STATEMENTS AND
SUPPLEMENTAL COMBINING INFORMATION
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2013 AND 2012

The accompanying financial statements, including all footnote disclosures,
were prepared by, and are the responsibility of, the Foundation.

Eugene Bell Foundation
Chairman : Stephen W. Linton

EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)

COMBINED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and cash equivalents (Note 3)	\$ 1,483,035	\$ 1,403,167
Short-term financial instruments (Note 4)	1,999,431	1,651,386
Accounts receivable	15	-
Accrued income	24,230	30,375
Advance payments	150,469	106,433
Prepaid expense	-	200
Value-added tax receivables	6,377	1,116
Income tax refundable	11,879	12,610
Inventories (Note 5)	<u>47,671</u>	<u>67,282</u>
Total current assets	<u>3,723,107</u>	<u>3,272,569</u>
Guarantee deposits (Note 6)	1,406	1,385
Property and equipment – net (Note 7)	743,208	768,135
Intangible assets	<u>2,276</u>	<u>3,824</u>
Total non-current assets	<u>746,890</u>	<u>773,344</u>
 Total assets	 <u>\$ 4,469,997</u>	 <u>\$ 4,045,913</u>
Liabilities:		
Other payable	\$ 236	\$ 366
Withholdings	7,578	7,057
Unearned revenues	<u>413</u>	<u>1,127</u>
Total current liabilities	<u>8,227</u>	<u>8,550</u>
Provision for severance benefits	<u>16,609</u>	<u>-</u>
Total non-current liabilities	<u>16,609</u>	<u>-</u>
 Total liabilities	 <u>24,836</u>	 <u>8,550</u>
Net assets (Note 8):		
Unrestricted	4,167,761	3,831,273
Board designated	8,779	8,779
Translation adjustments (Note 15)	<u>268,621</u>	<u>197,311</u>
 Total net assets	 <u>4,445,161</u>	 <u>4,037,363</u>
 Total liabilities and net assets	 <u>\$ 4,469,997</u>	 <u>\$ 4,045,913</u>

See accompanying notes to combined financial statements.

EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Revenue, gains and other support:		
Contributions (Notes 9 and 10)	\$ 2,529,729	\$ 2,269,083
Other revenues (Note 11)	<u>77,914</u>	<u>175,569</u>
Total revenue, gains and other support	<u>2,607,643</u>	<u>2,444,652</u>
Expenses and losses:		
Program expenses (Note 12)	1,770,487	999,191
General and administrative expenses (Note 13)	296,992	389,653
Fund-raising expenses (Note 14)	<u>200,564</u>	<u>162,942</u>
Total expenses	2,268,043	1,551,786
Other losses (Note 15)	<u>3,112</u>	<u>6,563</u>
Total expenses and losses	<u>2,271,155</u>	<u>1,558,349</u>
Increase in net assets	336,488	886,303
Unrestricted net assets, beginning of year	<u>3,831,273</u>	<u>2,944,970</u>
Unrestricted net assets, end of year	<u>\$ 4,167,761</u>	<u>\$ 3,831,273</u>

See accompanying notes to combined financial statements.

EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Increase in net assets	\$ 336,488	\$ 886,303
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	38,272	29,271
Provision for severance indemnities	16,006	-
Loss on disposal of property and equipment	-	1,888
Gain on disposal of property and equipment	-	(96,211)
Decrease(increase) in accounts receivable	(15)	3
Decrease in accrued income	6,145	6,110
Decrease(increase) in prepaid expense	200	(200)
Increase in advance payments	(44,050)	(106,229)
Decrease(increase) in value-added tax receivables	(5,261)	1,940
Decrease(increase) in income tax refundable	731	(4,302)
Decrease(increase) in inventories	19,611	(45,107)
Decrease in other payable	(130)	(6,476)
Increase in withholdings	521	1,996
Decrease in unearned revenues	(714)	(1,510)
Increase in translation adjustments	<u>18,953</u>	<u>51,973</u>
Net cash provided by operating activities	<u>386,757</u>	<u>719,449</u>
Cash flows from investing activities:		
Net purchase of short-term financial instruments	(323,320)	(220,144)
Disposition of long-term financial instruments	-	2,801
Disposition of buildings	-	172,720
Decrease in guarantee deposits	-	25,208
Acquisition of land	-	(287,846)
Acquisition of buildings	-	(441,232)
Acquisition of furniture and fixtures	(1,715)	(11,407)
Acquisition of equipment	-	(21,155)
Acquisition of intangible assets	-	(1,531)
Increase in guarantee deposits	<u>-</u>	<u>(1,066)</u>
Net cash used in investing activities	<u>(325,035)</u>	<u>(783,652)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Effect of exchange rate changes on cash and cash equivalents	<u>18,146</u>	<u>86,404</u>
Net increase in cash and cash equivalents	79,868	22,201
Cash and cash equivalents at beginning of year	<u>1,403,167</u>	<u>1,380,966</u>
Cash and cash equivalents at end of year	<u>\$ 1,483,035</u>	<u>\$ 1,403,167</u>

See accompanying notes to combined financial statements.

EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)

NOTES TO COMBINED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

1. ORGANIZATION AND COMBINED FINANCIAL STATEMENTS:

These combined financial statements present the combined assets, liabilities, net assets and activities of Eugene Bell Foundation (Korea) and Eugene Bell Foundation, Inc. (US) (collectively, the "Foundation"). The foundations are combined due to common control and common mission. Eugene Bell Foundation (Korea) was established in February 2000 under the Civil Code and regulations of the Republic of Korea with approval by the Ministry of Health and Welfare (MOHW) of the Republic of Korea as a not-for-profit organization and is exempt from income taxation. Eugene Bell Foundation, Inc. (US), was incorporated in the state of Maryland of the United States of America in 1998 and exempt from income taxation pursuant to Section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3) and classified as an organization that is not a private foundation within the meaning of Section 509(a) of the IRC.

The principal mission of the Foundation is to promote and support tuberculosis and other infectious disease eradication programs in the Democratic People's Republic of Korea (North Korea) by providing medicine, diagnostic equipment, nutritional supplements, agricultural assistance and other items related to the sustenance of life to the patients and the institutions that care for them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The combined financial statements of the Foundation have been prepared on accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

The Foundation has adopted the provisions of Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities*, and ASC 720-25, *Contributions made*. These ASCs require that the Foundation report contributions as support in the period received or when an unconditional promise to give has been made. Contributed services using specialized skills that would have been required to be purchased if not provided by donation are also recognized in the period the services are rendered. The Foundation's net assets in the combined statements of financial position are classified as unrestricted, temporarily restricted or permanently restricted. Such classifications are determined based on the grantor and donor-imposed restrictions.

Unrestricted net assets include net assets that are not subject to externally imposed restrictions; temporarily restricted net assets are subject to externally imposed restrictions that may or will be satisfied either by actions of the Foundation or the passage of time; and permanently restricted net assets are subject to externally imposed restrictions that are permanent in nature. As of December 31, 2013 and 2012, there were no temporarily restricted or permanently restricted net assets, as defined.

Principles of Combining

The combined financial statements include the accounts of the operations of the Foundation. Interfund balances and transactions have been eliminated in the combined financial statements.

Use of Estimates

The preparation of combined financial statements in accordance with accounting principles generally accepted in the United States of America requires management to provide periodic estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For financial reporting purposes, the Foundation considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair market value at the date of donation, if donated, less accumulated depreciation. Routine maintenance and repairs are expensed as incurred. Expenditures that result in the enhancement of the value or extension of the useful life of the related assets are capitalized as additions to property and equipment. Depreciation is computed using the straight-line method based on estimated useful lives of assets as follows:

<u>Property and equipment</u>	<u>Estimated useful life</u>
Buildings	20 years
Vehicles	5 years
Furniture and fixtures	5 years
Equipment	5 years

Defined Contribution Plan

The Foundation enrolled a defined contribution plan to its employee in 2010. When an employee has rendered service to an entity during a period, the Foundation recognizes the contribution payable to a defined contribution plan in exchange for that service. The Foundation's contribution is expensed. The contribution amounts of \$10,801 and \$10,977 in 2013 and 2012, respectively, were recorded in the combined statements of activities and changes in net assets.

Revenue Recognition

Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed Facilities, Equipment and Services

Certain facilities, equipment and services have been contributed to the organization. The estimated fair values of such contributions are reported as support and revenues and as an expense. The values of numerous volunteer services are not reflected in the combined financial statements as such amounts are generally not susceptible to objective measurement or valuation.

Functional Expenses

The costs of providing programs and general and administrative services have been reflected on a functional basis in the combined statements of activities and changes in net assets.

Foreign Currency Translation

The assets and liabilities of Eugene Bell Foundation (Korea) have been translated into U.S. dollars at the exchange rates in effect at the year-end dates (₩1,055.30 and ₩1,071.10 to USD 1.00 at December 31, 2013 and 2012, respectively); net asset accounts have been translated at historical rates; and revenues, expenses, and gains and losses have been translated at the average rates for the respective years (₩1,095.04 and ₩1,126.88 to USD 1.00 for 2013 and 2012, respectively). Resulting translation adjustments are accounted for as a separate component of net assets. The combined statements of cash flows have been translated at the average rates for the respective years. Translation adjustments are accounted for as a separate component of net effect of exchange rate changes on cash and cash equivalents. Foreign currency transaction gains and losses are included in the combined statements of activities and changes in net assets.

Reclassification of Prior Year's Financial Statements

Certain accounts in the prior year's financial statements have been reclassified for comparative purpose to conform to the current year's financial statements.

Description	Before	After
Program	\$ 1,068,076	\$ 999,191
General and administrative expenses	456,476	389,653
Fund-raising expenses	27,483	162,942
Other losses	6,314	6,563

The reclassification above did not affect net assets in the combined statements of financial position as of December 31, 2012, and increase in net assets in the combined statements of activities and changes in net assets for the year ended December 31, 2012.

3. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents as of December 31, 2013 and 2012, consist of the following:

Type	2013	2012
Petty cash	\$ 316	\$ 73
Passbook accounts	1,482,719	1,403,094
	\$ 1,483,035	\$ 1,403,167

4. SHORT-TERM FINANCIAL INSTRUMENTS:

Short-term financial instruments as of December 31, 2013 and 2012, consist of the following:

Type	2013	2012
Time deposits	\$ 1,999,431	\$ 1,651,386

5. INVENTORIES:

Inventories as of December 31, 2013 and 2012, consist of the following:

Type	2013	2012
Medical equipment and related parts to be delivered to North Korea	\$ 47,671	\$ 67,282

6. GUARANTEE DEPOSITS:

Guarantee deposits as of December 31, 2013 and 2012, consist of the following:

Type	2013	2012
Refundable lease deposits for office spaces	\$ 1,406	\$ 1,385

7. PROPERTY AND EQUIPMENT:

Property and equipment as of December 31, 2013 and 2012, consist of the following:

Type	2013	2012
Land	\$ 292,155	\$ 287,846
Building	447,839	441,232
Vehicles	19,716	19,425
Furniture and fixtures	48,015	45,707
Equipment	<u>21,472</u>	<u>21,155</u>
Subtotal	829,197	815,365
Less accumulated depreciation	<u>85,989</u>	<u>47,230</u>
Total	<u>\$ 743,208</u>	<u>\$ 768,135</u>

8. NET ASSETS:

The organizational components of net assets as of December 31, 2013 and 2012, are as follows:

Description	Amount		Percent	
	2013	2012	2013	2012
Eugene Bell Foundation (Korea)	\$ 4,282,512	\$ 3,845,607	96.3%	95.3%
Eugene Bell Foundation, Inc. (US)	<u>162,649</u>	<u>191,756</u>	<u>3.7</u>	<u>4.7</u>
	<u>\$ 4,445,161</u>	<u>\$ 4,037,363</u>	<u>100.0%</u>	<u>100.0%</u>

9. CONTRIBUTIONS:

Sources of contributions for the years ended December 31, 2013 and 2012, are as follows:

Description	2013	2012
Korean organizations and individuals	\$ 1,991,378	\$ 1,691,871
U.S. organizations and individuals	436,521	503,745
Contributed facilities, equipment and services	<u>101,830</u>	<u>73,467</u>
	<u>\$ 2,529,729</u>	<u>\$ 2,269,083</u>

10. CONTRIBUTED FACILITIES, EQUIPMENT AND SERVICES:

Contributed facilities, equipment and services for the years ended December 31, 2013 and 2012, are as follows:

Type	2013	2012
Materials and services	<u>\$ 101,830</u>	<u>\$ 73,467</u>

11. OTHER REVENUES:

Details of other revenues for the years ended December 31, 2013 and 2012, are as follows:

Account	2013	2012
Interest income	\$ 75,151	\$ 77,329
Gain on foreign currency transactions	2,269	55
Gain on foreign currency translation	30	-
Gain on disposal of property and equipment	-	96,211
Other	464	1,974
	\$ 77,914	\$ 175,569

12. PROGRAM EXPENSES:

Expenses for the programs for the years ended December 31, 2013 and 2012, consist of the following:

Description	2013	2012
Antituberculosis drug kits	\$ 1,412,540	\$ 823,045
Other support	207,002	94,958
Affirmation of usage	150,945	81,188
	\$ 1,770,487	\$ 999,191

13. GENERAL AND ADMINISTRATIVE EXPENSES:

Details of general and administrative expenses for the years ended December 31, 2013 and 2012, are as follows:

Description	2013	2012
Salaries	\$ 109,960	\$ 192,390
Retirement allowance	15,814	4,169
Office rent	19,156	37,227
Insurance	14,781	3,948
Commissions	33,561	38,976
Depreciation and amortization	38,272	29,271
Other	65,448	83,672
	\$ 296,992	\$ 389,653

14. FUND-RAISING EXPENSES:

Details of fund-raising expenses in 2013 and 2012, consist of the following:

Description	2013	2012
Salaries	\$ 114,487	\$ 69,840
Other	86,077	93,102
	\$ 200,564	\$ 162,942

15. OTHER LOSSES:

Details of other losses for the years ended December 31, 2013 and 2012, are as follows:

Account	2013	2012
Loss on foreign currency translation	\$ 3,004	\$ 344
Loss on foreign currency transactions	108	4,082
Loss on disposal of property and equipment	-	1,888
Other	-	249
	\$ 3,112	\$ 6,563

16. TRANSLATION ADJUSTMENTS:

The changes in cumulative translation adjustments for the years ended December 31, 2013 and 2012, are as follows:

Description	2013	2012
Beginning balance	\$ 197,311	\$ (55,007)
Changes during the year	71,310	252,318
Ending balance	\$ 268,621	\$ 197,311

17. RELATED-PARTY TRANSACTION:

From September 2006, Eugene Bell Foundation, Inc. (US), rented an office owned by an officer of the organization. The rental arrangement provides for monthly payments of \$2,500 through February, 2013 and \$3000 beginning March, 2013. Management believes that such rental arrangement approximates or is at terms more favorable than the estimated fair value. The commitment may be terminated at any time by either party. Total annual rental expense for the years ended December 31, 2013 and 2012, amounted to \$35,000 and \$30,000, respectively.

18. COMBINED STATEMENTS OF CASH FLOWS:

- (1) The cash and cash equivalents in the combined statements of cash flows are the same as the cash and cash equivalents in the combined statements of financial position.
- (2) Non-cash transactions for the years ended December 31, 2013 and 2012, are as follows:

Description	2013	2012
Current portion of long-term financial instruments	\$ -	\$ 157,595

SUPPLEMENTAL COMBINING INFORMATION

EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)

COMBINING STATEMENT OF FINANCIAL POSITION INFORMATION

AS OF DECEMBER 31, 2013

	Korea		United States	Eliminations	Combined
	Korean won	Translation Into U.S. dollars			
Assets:					
Cash and cash equivalents	₩1,393,794,341	\$ 1,320,757	\$ 162,278	\$ -	\$ 1,483,035
Short-term financial instruments	2,110,000,000	1,999,431	-	-	1,999,431
Accrued income	25,569,958	24,230	-	-	24,230
Accounts receivable	15,140	15	-	-	15
Advance payments	158,790,130	150,469	-	-	150,469
Value-added tax receivables	6,729,291	6,377	-	-	6,377
Income tax refundable	12,536,100	11,879	-	-	11,879
Inventories	50,307,404	47,671	-	-	47,671
Total current assets	<u>3,757,742,764</u>	<u>3,560,829</u>	<u>162,278</u>	<u>-</u>	<u>3,723,107</u>
Guarantee deposits	1,484,000	1,406	-	-	1,406
Property and equipment:					
Land	308,311,641	292,155	-	-	292,155
Building, net	435,189,549	412,385	-	-	412,385
Vehicles, net	5,201,520	4,929	-	-	4,929
Furniture and fixtures, net	18,974,109	17,980	371	-	18,351
Equipment, net	16,239,266	15,388	-	-	15,388
Total property and equipment, net	<u>783,916,085</u>	<u>742,837</u>	<u>371</u>	<u>-</u>	<u>743,208</u>
Intangible assets	2,438,334	2,276	-	-	2,276
Total non-current assets	<u>787,838,419</u>	<u>746,519</u>	<u>371</u>	<u>-</u>	<u>746,890</u>
 Total assets	<u>₩4,545,581,183</u>	<u>\$ 4,307,348</u>	<u>\$ 162,649</u>	<u>\$ -</u>	<u>\$ 4,469,997</u>
Liabilities:					
Other payable	₩ 249,020	\$ 236	\$ -	\$ -	\$ 236
Withholdings	7,997,500	7,578	-	-	7,578
Unearned revenues	435,389	413	-	-	413
Total current liabilities	<u>8,681,909</u>	<u>8,227</u>	<u>-</u>	<u>-</u>	<u>8,227</u>
Provision for severance benefits	17,527,500	16,609	-	-	16,609
Total non-current liabilities	<u>17,527,500</u>	<u>16,609</u>	<u>-</u>	<u>-</u>	<u>16,609</u>
 Total liabilities	<u>26,209,409</u>	<u>24,836</u>	<u>-</u>	<u>-</u>	<u>24,836</u>
Net assets:					
Unrestricted	4,509,371,774	4,005,112	162,649	-	4,167,761
Board designated	10,000,000	8,779	-	-	8,779
Translation adjustments	-	268,621	-	-	268,621
 Total net assets	<u>4,519,371,774</u>	<u>4,282,512</u>	<u>162,649</u>	<u>-</u>	<u>4,445,161</u>
 Total liabilities and net assets	<u>₩4,545,581,183</u>	<u>\$ 4,307,348</u>	<u>\$ 162,649</u>	<u>\$ -</u>	<u>\$ 4,469,997</u>

EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2013

	Korea	United States	Eliminations	Combined
	Korean won	Translation Into U.S. dollars		
Revenue, gains and other support:				
Contributions	₩2,454,415,951	\$ 2,241,394	\$ 436,521	\$ (250,016) \$ 2,427,899
Contributed facilities, equipment and services	111,507,793	101,830	-	-
Interest	82,258,103	75,119	32	-
Other	2,597,079	2,370	393	-
Total revenue, gains and other support	<u>2,650,778,926</u>	<u>2,420,713</u>	<u>436,946</u>	<u>(250,016) 2,607,643</u>
Expenses and losses:				
Program expenses:				
Antituberculosis drug kits	1,541,793,495	1,407,979	254,577	(250,016) 1,412,540
Other support	137,659,387	125,712	81,291	-
Affirmation of usage	165,290,197	150,944	-	-
Total program expenses	<u>1,844,743,079</u>	<u>1,684,635</u>	<u>335,868</u>	<u>(250,016) 1,770,487</u>
General and administrative expenses:				
Salaries	80,218,775	73,256	36,704	-
Retirement allowance	17,317,239	15,814	-	-
Office rent	-	-	19,156	-
Insurance	16,186,017	14,781	-	-
Commissions	36,750,626	33,561	-	-
Depreciation and amortization	41,665,551	38,049	223	-
Other	42,788,189	39,075	26,373	-
Total general and administrative expenses	<u>234,926,397</u>	<u>214,536</u>	<u>82,456</u>	<u>- 296,992</u>

(Continued)

EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS INFORMATION (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Korea</u>		<u>United States</u>	<u>Eliminations</u>	<u>Combined</u>
	<u>Korean won</u>	<u>Translation Into U.S. dollars</u>			
Fund-raising expenses:					
Salaries	₩ 76,394,929	\$ 69,765	\$ 44,722	\$ -	\$ 114,487
Other	<u>90,965,499</u>	<u>83,070</u>	<u>3,007</u>	<u>-</u>	<u>86,077</u>
Total fund-raising expenses	<u>167,360,428</u>	<u>152,835</u>	<u>47,729</u>	<u>-</u>	<u>200,564</u>
Total expenses	<u>2,247,029,904</u>	<u>2,052,006</u>	<u>466,053</u>	<u>(250,016)</u>	<u>2,268,043</u>
Other losses:					
Loss on foreign currency transactions	118,160	108	-	-	108
Loss on foreign currency translation	3,289,647	3,004	-	-	3,004
Other	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other losses	<u>3,407,832</u>	<u>3,112</u>	<u>-</u>	<u>-</u>	<u>3,112</u>
Total expenses and losses	<u>2,250,437,736</u>	<u>2,055,118</u>	<u>466,053</u>	<u>(250,016)</u>	<u>2,271,155</u>
Increase (decrease) in net assets	400,341,190	365,595	(29,107)	-	336,488
Net assets:					
Beginning of year	4,119,030,584	3,845,607	191,756	-	4,037,363
Changes in translation adjustments	<u>-</u>	<u>71,310</u>	<u>-</u>	<u>-</u>	<u>71,310</u>
End of year	<u>₩4,519,371,774</u>	<u>\$ 4,282,512</u>	<u>\$ 162,649</u>	<u>\$ -</u>	<u>\$ 4,445,161</u>

(Concluded)

EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)

COMBINING STATEMENT OF FINANCIAL POSITION INFORMATION

AS OF DECEMBER 31, 2012

	Korea		United States	Eliminations	Combined
	Korean won	Translation Into U.S. dollars			
Assets:					
Cash and cash equivalents	₩1,298,178,767	\$ 1,212,005	\$ 191,162	\$ -	\$ 1,403,167
Short-term financial instruments	1,768,800,000	1,651,386	-	-	1,651,386
Accrued income	32,534,597	30,375	-	-	30,375
Advance payments	114,000,000	106,433	-	-	106,433
Prepaid expense	213,707	200	-	-	200
Value-added tax receivables	1,195,526	1,116	-	-	1,116
Income tax refundable	13,506,420	12,610	-	-	12,610
Inventories	72,065,698	67,282	-	-	67,282
Total current assets	<u>3,300,494,715</u>	<u>3,081,407</u>	<u>191,162</u>	<u>-</u>	<u>3,272,569</u>
Guarantee deposits	1,484,000	1,385	-	-	1,385
Property and equipment:					
Land	308,311,641	287,846	-	-	287,846
Building, net	458,819,750	428,363	-	-	428,363
Vehicles, net	9,362,736	8,741	-	-	8,741
Furniture and fixtures, net	24,848,655	23,199	594	-	23,793
Equipment, net	20,771,154	19,392	-	-	19,392
Total property and equipment, net	<u>822,113,936</u>	<u>767,541</u>	<u>594</u>	<u>-</u>	<u>768,135</u>
Intangible assets	4,096,334	3,824	-	-	3,824
Total non-current assets	<u>827,694,270</u>	<u>772,750</u>	<u>594</u>	<u>-</u>	<u>773,344</u>
 Total assets	<u>₩4,128,188,985</u>	<u>\$ 3,854,157</u>	<u>\$ 191,756</u>	<u>\$ -</u>	<u>\$ 4,045,913</u>
Liabilities:					
Other payable	₩ 392,388	\$ 366	\$ -	\$ -	\$ 366
Withholdings	7,559,170	7,057	-	-	7,057
Unearned revenues	1,206,843	1,127	-	-	1,127
Total current liabilities	<u>9,158,401</u>	<u>8,550</u>	<u>-</u>	<u>-</u>	<u>8,550</u>
Accrued severance indemnities	-	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	<u>9,158,401</u>	<u>8,550</u>	<u>-</u>	<u>-</u>	<u>8,550</u>
Net assets:					
Unrestricted	4,109,030,584	3,639,517	191,756	-	3,831,273
Board designated	10,000,000	8,779	-	-	8,779
Translation adjustments	-	197,311	-	-	197,311
 Total net assets	<u>4,119,030,584</u>	<u>3,845,607</u>	<u>191,756</u>	<u>-</u>	<u>4,037,363</u>
 Total liabilities and net assets	<u>₩4,128,188,985</u>	<u>\$ 3,854,157</u>	<u>\$ 191,756</u>	<u>\$ -</u>	<u>\$ 4,045,913</u>

EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Korea		United States	Eliminations	Combined
	Korean won	Translation Into U.S. dollars			
Revenue, gains and other support:					
Contributions	₩2,163,469,439	\$ 1,919,876	\$ 503,745	\$ (228,005)	\$ 2,195,616
Contributed facilities, equipment and services	82,788,900	73,467	-	-	73,467
Interest	87,071,911	77,268	61	-	77,329
Gain on disposal of tangible assets	108,418,258	96,211	-	-	96,211
Other	128,807	114	1,915	-	2,029
Total revenue, gains and other support	<u>2,441,877,315</u>	<u>2,166,936</u>	<u>505,721</u>	<u>(228,005)</u>	<u>2,444,652</u>
Expenses and losses:					
Program expenses:					
Antituberculosis drug kits	828,806,435	735,488	315,562	(228,005)	823,045
Other support	36,298,300	32,211	62,747	-	94,958
Affirmation of usage	91,488,774	81,188	-	-	81,188
Total program expenses	<u>956,593,509</u>	<u>848,887</u>	<u>378,309</u>	<u>(228,005)</u>	<u>999,191</u>
General and administrative expenses:					
Salaries	71,040,000	63,041	129,349	-	192,390
Retirement allowance	4,697,810	4,169	-	-	4,169
Office rent	23,242,510	20,626	16,601	-	37,227
Insurance	4,448,833	3,948	-	-	3,948
Commissions	43,921,677	38,976	-	-	38,976
Depreciation and amortization	32,733,955	29,048	223	-	29,271
Other	69,907,318	62,036	21,636	-	83,672
Total general and administrative expenses	<u>249,992,103</u>	<u>221,844</u>	<u>167,809</u>	<u>-</u>	<u>389,653</u>

(Continued)

EUGENE BELL FOUNDATION (KOREA) AND EUGENE BELL FOUNDATION, INC. (US)

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS INFORMATION (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

	Korea		United States	Eliminations	Combined
	Korean won	Translation Into U.S. dollars			
Fund-raising expenses:					
Salaries	₩ 57,253,837	\$ 50,807	\$ 19,033	\$ -	\$ 69,840
Other	<u>99,603,860</u>	<u>88,389</u>	<u>4,713</u>	<u>-</u>	<u>93,102</u>
Total fund-raising expenses	<u>156,857,697</u>	<u>139,196</u>	<u>23,746</u>	<u>-</u>	<u>162,942</u>
Total expenses	<u>1,363,443,309</u>	<u>1,209,927</u>	<u>569,864</u>	<u>(228,005)</u>	<u>1,551,786</u>
Other losses:					
Loss on disposal of property and equipment	2,127,911	1,888	-	-	1,888
Loss on foreign currency transactions	4,599,884	4,082	-	-	4,082
Loss on foreign currency translation	387,666	344	-	-	344
Other	<u>279,117</u>	<u>249</u>	<u>-</u>	<u>-</u>	<u>249</u>
Total other losses	<u>7,394,578</u>	<u>6,563</u>	<u>-</u>	<u>-</u>	<u>6,563</u>
Total expenses and losses	<u>1,370,837,887</u>	<u>1,216,490</u>	<u>569,864</u>	<u>(228,005)</u>	<u>1,558,349</u>
Increase (decrease) in net assets	1,071,039,428	950,446	(64,143)	-	886,303
Net assets:					
Beginning of year	3,047,991,156	2,642,843	255,899	-	2,898,742
Changes in translation adjustments	<u>-</u>	<u>252,318</u>	<u>-</u>	<u>-</u>	<u>252,318</u>
End of year	<u>₩4,119,030,584</u>	<u>\$ 3,845,607</u>	<u>\$ 191,756</u>	<u>\$ -</u>	<u>\$ 4,037,363</u>

(Concluded)

