

GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

FINANCIAL STATEMENTS

December 31, 2020 and 2019

GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER
FINANCIAL STATEMENTS
December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To Management and Board of Directors
Good Neighbors Global Partnership Center
Tustin, California

Report on the Financial Statements

We have audited the accompanying financial statements of Good Neighbors Global Partnership Center (GPC), which comprise the statements of financial positions as of December 31, 2020 and 2019, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of GPC as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CKP, LLP

April 29, 2021

GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

STATEMENTS OF FINANCIAL POSITIONS

December 31, 2020 and 2019

	<u>ASSETS</u>	
	2020	2019
Current assets:		
Cash	\$ 5,439,278	\$ 8,638,338
Other receivables	18,466	176,985
Prepaid expenses	1,702,802	43,397
Total current assets	7,160,546	8,858,720
Non-current assets:		
Pension assets	162,290	-
Fixed asset	4,768	-
Lease deposit	41,412	31,783
Total non-current assets	208,470	31,783
Total assets	<u>\$ 7,369,016</u>	<u>\$ 8,890,503</u>

	<u>LIABILITIES AND NET ASSETS</u>	
Current liabilities:		
Accounts payable	\$ 9,370	\$ -
Accrued expenses	25,382	45,897
Payroll tax payable	1,266	2,864
Total current liabilities	36,018	48,761
Non-current liabilities:		
Pension obligations	-	11,727
Total non-current liabilities	-	11,727
Total liabilities	36,018	60,488
Net assets:		
Without donor restrictions	7,332,998	8,830,015
Total net assets	7,332,998	8,830,015
Total liabilities and net assets	<u>\$ 7,369,016</u>	<u>\$ 8,890,503</u>

See accompanying notes to financial statements

GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating revenues:						
General funds	\$ 64,734,122	\$ -	\$ 64,734,122	\$ 66,114,586	\$ -	\$ 66,114,586
Government grant	7,310,297	-	7,310,297	3,013,316	-	3,013,316
Other income	2,231,368	-	2,231,368	395,000	-	395,000
Total operating revenues	74,275,787	-	74,275,787	69,522,902	-	69,522,902
Operating expenses:						
Program expenses:						
Global office support	1,864,095	-	1,864,095	2,570,861	-	2,570,861
Fundraising countries support	3,338,784	-	3,338,784	2,017,302	-	2,017,302
International child rights support:						
Africa	25,210,917	-	25,210,917	20,133,973	-	20,133,973
Eastern Asia	19,728,144	-	19,728,144	16,067,497	-	16,067,497
Western Asia	14,319,778	-	14,319,778	13,373,273	-	13,373,273
Latin America	9,510,297	-	9,510,297	9,910,628	-	9,910,628
Total international child rights support	68,769,136	-	68,769,136	59,485,371	-	59,485,371
Global partnership development:						
Global strategy development	233,321	-	233,321	107,849	-	107,849
Coordination for global governance	35,943	-	35,943	37,704	-	37,704
Partnership countries support	178,912	-	178,912	238,725	-	238,725
Global marketing	20,838	-	20,838	39,313	-	39,313
Network	1,252	-	1,252	2,463	-	2,463
Total global partnership development	470,266	-	470,266	426,054	-	426,054
Total program expenses	74,442,281	-	74,442,281	64,499,588	-	64,499,588

See accompanying notes to financial statements

GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

Support services:						
Management and general	1,332,364	-	1,332,364	876,929	-	876,929
Total support services	1,332,364	-	1,332,364	876,929	-	876,929
Total operating expenses	75,774,645	-	75,774,645	65,376,517	-	65,376,517
Change in net assets from operations	(1,498,858)		(1,498,858)	4,146,385		4,146,385
Non-operating income (expense):						
Miscellaneous, net	17,595	-	17,595	3,095	-	3,095
Foreign currency transactions, net	(15,754)	-	(15,754)	-	-	-
Total non-operating, net	1,841	-	1,841	3,095	-	3,095
Change in net assets	(1,497,017)	-	(1,497,017)	4,149,480	-	4,149,480
Net assets, beginning of year	8,830,015	-	8,830,015	4,680,535	-	4,680,535
Net assets, end of year	\$ 7,332,998	\$ -	\$ 7,332,998	\$ 8,830,015	\$ -	\$ 8,830,015

See accompanying notes to financial statements

GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,497,017)	\$ 4,149,480
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:		
Depreciation	433	-
Donated fixed asset	(5,201)	-
(Increase) decrease in:		
Other receivables	158,519	(172,576)
Prepaid expenses	(1,659,405)	(42,004)
Pension assets	(162,290)	-
Leased deposit	(9,629)	(31,783)
Increase (decrease) in:		
Accounts payable	9,370	(132,907)
Accrued expenses	(20,515)	39,377
Payroll tax payable	(1,598)	2,864
Pension obligations	(11,727)	11,727
Total adjustments	<u>(1,702,043)</u>	<u>(325,302)</u>
Net cash provided by (used in) operating activities	<u>(3,199,060)</u>	<u>3,824,178</u>
Net increase (decrease) in cash	(3,199,060)	3,824,178
Cash, beginning of year	<u>8,638,338</u>	<u>4,814,160</u>
Cash, end of year	<u>\$ 5,439,278</u>	<u>\$ 8,638,338</u>
Supplemental disclosure of non-cash investing activities:		
Non-cash acquisition of property and equipment	<u>\$ 5,201</u>	<u>\$ -</u>

See accompanying notes to financial statements

GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER
NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization and Programs

Good Neighbors Global Partnership Center ("GPC") is non-governmental organization incorporated under the laws of State of California.

GPC is to facilitate central coordination among support countries and field countries under the Good Neighbors ("GN") Partnership Covenant and MOU around the world, in furthering their mission in international humanitarian to establish children's education, community development, and emergency relief projects in more than 40 countries.

GN respects the human rights of our neighbors suffering from poverty, disasters and oppression, and helps them to achieve self-reliance and enable them to rebuild their hope.

GPC is international organization committed to make the world a place without hunger, where people live together in harmony and GPC provides coordination among country members, allocation of consolidated grants, development of global partnership policies, and network with international organizations and donor agencies in order for effective field operation support.

GPC is located in Tustin, California and has a branch in Seoul, Korea.

Note 2 - Summary of Significant Accounting Policies

This summary of significant accounting policies of GPC is presented to assist in understanding GPC's financial statements. The financial statements and notes are representations of GPC's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are primarily used for allocation of functional expenses, pension assets and pension obligations. Actual results could differ from those estimates.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Measure of Operations

The GPC's measure of operations as presented in the statements of activities includes operating revenues from general funds, government grant, and other income. The measure of operations includes support for operating activities from both donor-restricted and without donor restrictions sources. Non-operating activities primarily include interest income and loss on foreign currency transactions.

Revenue Recognition

General funds and government grant are recorded as net assets without donor restriction and net assets with donor restriction, depending on the nature of the restrictions.

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NOTES TO FINANCIAL STATEMENTS

General funds and government grant, which include cash or unconditional promises to give, are recognized as revenue when they are received. Unconditional promises to give are recorded at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the cash is received or when the conditions expire, whichever occurs first.

Donor restricted funds are reported as an increase in the donor restricted net asset if they are received with donor stipulations as to their use. When donor restriction expires, that is, when a stipulated use restriction is accomplished, net assets with donor restriction are released and reclassified to net assets without donor restriction in the statements of activities. GPC has implemented the policy to show general funds and government grant whose restrictions are met in the same reporting period as without donor restrictions.

Other Income

Other income consists of gratuitous transfer of GNI's ownership on Social Enterprise to GPC, such as freely given gift. GPC expenses its gratuitous for International child right support as program expenses to promote social economy and improve people's economic capacity. Total other income under gratuitous transfer lease were \$2,231,368 and \$395,000 for years ended December 31, 2020 and 2019, respectively.

Functional Expenses

GPC allocates expenses on a functional basis among its various programs expenses and supporting services. Expenses that can be identified with a specific program or supporting service are charged directly to such program or supporting services.

Certain costs of joint activities related to fundraising, management and general, and various projects have been allocated as indicated among the programs and supporting services benefited. In its statements of activities and functional expenses, GPC classifies such costs allocated to the programs as indirect program expenses. Other expenses allocated to supporting services are included in management and general expenses based on the nature of the related activities.

Cash

GPC's cash consists primarily of cash in its commercial bank accounts, which, at times, may exceed federally insured limits.

Income Taxes

GPC is a not-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Donor of cash or property are entitled to the maximum charitable contribution deduction allowed by law and contributions to GPC qualify for the charitable contribution deduction under Section 170(b)(1)(A).

GPC has adopted Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. At December 31, 2020 and 2019, GPC had no material unrecognized tax benefits, tax penalties or interest.

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NOTES TO FINANCIAL STATEMENTS

GPC's Federal form 990, Return of Organization Exempt from Income Taxes, for the year ended December 31, 2017 through 2019 are subject to examination by the IRS, generally for three years after they were filed. The California forms 199, California Exempt Organization Annual Information Return, for the year ended December 31, 2016, which in the year of incorporation, through 2019 are subject to examination by the Franchise Tax Board, generally for four years after they were filed.

Fair Value of Financial Instruments

ASC 820 establishes a framework for measuring fair value as it relates to financial assets and liabilities and to nonfinancial assets and liabilities measured at fair value on a recurring basis. That framework provides a three-level valuation hierarchy based upon observable and unobservable inputs, with preference given to observable inputs. The three levels of the fair value hierarchy under the ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or liabilities in inactive markets; (iii) inputs other than quoted prices that are observable for the asset or liability; (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The GPC's financial instruments, including cash, accounts receivable, accounts payable and other payables are carried at cost, which approximates their fair value because of the short-term maturity of these instruments.

Recent Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The guidance in ASU 2016-02 (as subsequently amended by ASU 2018-01, ASU 2018-10, ASU 2018-11 and ASU 2018-20) requires that a lessee recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. As with previous guidance, there continues to be a differentiation between finance leases and operating leases, however this distinction now primarily relates to differences in the manner of expense recognition over time and in the classification of lease payments in the statement of cash flows. Lease assets and liabilities arising from both finance and operating leases will be recognized in the statement of financial position. The transitional guidance for adopting the requirements of ASU 2016-02 calls for a modified retrospective approach that includes a number of optional practical expedients that entities may elect to apply. In addition, ASU 2018-11 provides for an additional (and optional) transition method by which entities may elect to initially apply the transition requirements in Topic 842 at that Topic's effective date with the effects of initially applying Topic 842 recognized as a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption and without retrospective application to any comparative prior periods presented. The standard is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting periods, for public business entities, certain not-for-profit entities, and certain employee benefit plans. For all other entities, the standard is effective for annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Under the amendment of ASU 2020-05, due to

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Coronavirus Disease 2019 (COVID-19) pandemic affect, the effective date of leases for all other entities is deferred to fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The GPC is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

Note 3 - Net Assets

GPC presents its financial statements in accordance with the recommendation of Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) Topic 958, Financial Statements of Not-for-profit entities Under those provisions, net assets are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of not-for-profit entity or legal restrictions requiring that the principal be maintained permanently by the not-for-profit entity. Generally, the donors permit the not-for-profit entity to use all or part of the income earned for either general or donor-specified purposes.

As of December 31, 2020 and 2019, GPC did not have any donor restrictions on its net assets.

Note 4 – Accounting Changes

In 2020, GPC adopted to change its method of accounting for investments in social enterprise as program expense, whereas in all prior years, investments in social enterprise were recognized as investments. The new method of accounting for investments in social enterprise was adopted since GPC does not expect any return or money back from the investments but expects investments to generate perpetual social benefits locally. The 2019 financial statements have been adjusted to apply the new method retrospectively. The following financial statement line items for the year ended December 31, 2019 were affected by the change in accounting principle.

	As originally reported	As adjusted	Effect of changes
Statement of Activities 2019:			
Total operation revenues	\$ 69,525,997	\$ 69,522,902	\$ (3,095)
Total operating expenses	63,730,893	65,376,517	1,645,624
Total non-operating income	-	3,095	3,095
Change in net assets	\$ 5,795,104	\$ 4,149,480	\$ (1,645,624)
	As originally reported	As adjusted	Effect of Changes
Statement of Financial Position 12/31/2019:			
Total current assets	\$ 8,858,720	\$ 8,858,720	\$ -
Total non- current assets	1,677,407	31,783	(1,645,624)
Total liabilities	60,488	60,488	-
Total net assets	\$ 10,475,639	\$ 8,830,015	\$ (1,645,624)

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	As originally reported	As adjusted	Effect of changes
Statement of Cash Flows 2019:			
Change in net assets	\$ 5,795,104	\$ 4,149,480	\$ (1,645,624)
Net cash provided by operating activities	3,824,178	3,824,178	-
Net increase in cash	3,824,178	3,824,178	-
Cash, January 1, 2019	4,814,160	4,814,160	-
Cash, December 31, 2019	\$ 8,638,338	\$ 8,638,338	\$ -

Note 5 - Related Party Transaction

General Funds

GPC unifies the funds from its affiliates in support countries to coordinate with GN partners. In order to enhance GN mission, affiliates in support countries develop and implement the fund raising, grant and global marketing strategy. Such balances and transactions included in the accompanying financial statements are as follows:

	2020	2019
GN Korea:		
General fund	\$ 64,101,436	\$ 65,406,495
Government grant	7,310,297	3,013,316
Total GN Korea	71,411,733	68,419,811
GN USA	428,618	455,888
GN Japan	137,210	115,719
GN Canada	59,160	124,480
GN Australia	7,698	12,004
Total general funds	\$ 72,044,419	\$ 69,127,902

Program Expenses

GPC distributes financial remittance for general fund to its affiliates in field countries according to GN partnership covenant and MOU. Affiliates in global offices are committed to development of staffs in GNI partnership offices, represent GN to the UN organizations or other international entities, and establish social economic projects. Affiliates in fundraising country and field offices support to promote human rights and social welfare for children's rights under GN partnership policy. Such balances and transactions included in the accompanying financial statements are as follows:

	2020	2019
Global office support:		
Global Capacity Development Center	\$ 340,748	\$ 477,629
Geneva International Cooperation Office	150,000	179,511
GN Global Impact Foundation	1,373,347	1,913,721
Total global office support	\$ 1,864,095	\$ 2,570,861
	2020	2019
Fundraising countries support:		
GN USA	\$ 1,705,931	\$ 800,000
GN Japan	555,000	480,000
GN Canada	300,000	337,302

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GN Australia	254,652	200,000
GN UK	216,673	100,000
GN Taiwan	200,000	100,000
GN Mexico	104,166	-
GN Korea	2,362	-
Total fundraising countries support	<u>\$ 3,338,784</u>	<u>\$ 2,017,302</u>
	2020	2019
International child rights support:		
Africa:		
GN Tanzania	\$ 3,203,150	\$ 3,444,082
GN Ethiopia	2,659,654	2,582,240
GN Malawi	2,141,809	2,558,018
GN Rwanda	4,983,906	2,242,501
GN Kenya	2,016,092	1,756,116
GN Uganda	2,675,015	1,368,334
GN Chad	1,041,454	1,266,321
GN Zambia	1,298,958	1,180,330
GN Mozambique	2,150,407	1,128,790
GN Cameroon	1,832,072	981,939
GN Niger	966,607	937,509
GN Ghana	205,930	687,793
GN South Sudan	35,863	-
Total Africa	<u>25,210,917</u>	<u>20,133,973</u>
Eastern Asia:		
GN Cambodia	3,038,565	2,513,108
GN Vietnam	2,553,032	2,306,317
GN Indonesia	2,764,061	2,520,540
GN Myanmar	3,307,297	2,350,857
GN Mongolia	2,724,484	2,691,370
GN Philippines	2,612,690	2,960,526
GN Laos	596,515	724,779
GN Thailand	100,000	-
GN China	2,031,500	-
Total Eastern Asia	<u>19,728,144</u>	<u>16,067,497</u>
Western Asia:		
GN Bangladesh	4,516,998	4,532,763
GN Tajikistan	2,186,598	2,303,298
GN Nepal	4,976,122	4,446,821
GN Afghanistan	445,159	387,450
GN India	515,722	486,012
GN Sri Lanka	344,951	162,723
GN Kyrgyz Republic	1,060,151	1,027,388
GN Uzbekistan	78,631	-
GN Pakistan	20,000	26,818
GN Jordan	175,446	-
Total Western Asia	<u>14,319,778</u>	<u>13,373,273</u>

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Latin America:		
GN Guatemala	3,240,106	3,396,594
GN Paraguay	2,213,633	2,266,892
GN Dominica Republic	1,518,743	2,023,578
GN Nicaragua	1,096,117	866,653
GN Haiti	608,535	666,280
GN Chile	551,597	578,537
GN El Salvador	281,566	112,094
Total Latin America	<u>9,510,297</u>	<u>9,910,628</u>
Total international child rights support	<u>\$ 68,769,136</u>	<u>\$ 59,485,371</u>

Lease

GPC leases its office facility from GN USA (related to GPC through common partnership) from October 2019. Total rent expenses under this related party lease were \$10,668 and \$2,667 for years ended December 31, 2020 and 2019, respectively.

GPC's Korea branch leases its office from GN International from January 2019. Total rent expenses under this related party lease were \$79,678 and \$33,473 for years ended December 31, 2020 and 2019, respectively.

Note 6 - Employee Benefit Plan

GPC's branch in Korea maintains a defined benefit pension plan (the "DB Plan"). The DB Plan was first effective January 2019 in Korea, and covers Korea branch employees of the GPC who have been hired for over one year. The primary factors affecting the benefits earned by participants in the plan is employees' years of service and compensation levels. Upon retirement, benefits are fully paid at the time of retirement.

At December 31, 2020, the DB Plan's projected benefit obligation was \$779,147 and the fair value of plan asset was \$941,437 leaving the Plan asset with an amount of \$162,290. At December 31, 2019, the DB Plan's projected benefit obligation was \$329,327 and the fair value of plan asset was \$317,600 leaving the Plan obligation with an amount of \$11,727. Total contributions to the plan for years ended December 31, 2020 and 2019 were approximately \$117,360 and \$45,611, respectively.

Note 7 - Concentration of Credit Risk

GPC maintains its cash accounts with high quality insured depository financial institutions, which are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000 at each institution. At various times throughout the year, GPC may have cash balances in financial institutions that exceed the FDIC insurance limit. As of December 31, 2020, and 2019, the GPC's cash balances exceeding the maximum insured amount totaled \$5,174,667 and \$8,056,365, respectively.

A significant portion of GPC's revenue is concentrated in affiliate members of GN partners. Although GPC is directly affected by the financial condition of its GN partners, GPC does not expect significant credit risks exist on their financial position, results of operation, or liquidity at December 31, 2020 and expects to maintain this relationship with GN partners.

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NOTES TO FINANCIAL STATEMENTS

Note 8 – Commitments and Contingencies

In the normal course of business, the GPC is involved in various litigation matters. Management has reviewed all claims and possible litigation against the GPC with outside legal counsel and has taken into consideration the views of such counsel as to the outcome of these claims. Management believes that the outcome of such matters will not have a material effect on the results of operation or financial position of the GPC.

COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the GPC operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the GPC. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

Note 9 - Subsequent Events

GPC has evaluated subsequent events from the balance sheet date through April 29, 2021, the date at which the financial statements were available to be issued, and determined that there are no other subsequent events that require disclosure.

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NOTES TO FINANCIAL STATEMENTS

Note 10 - Functional Expenses

	Program expenses				Support services	Total expense 2020	Summerized 2019 total expense
	Global office support	Fundraising countries support	International child rights support	Global partnership development	Program expenses subtotal	Management and general	
Program support	\$ 1,864,095	\$ 3,338,784	\$ 68,769,136	\$ -	\$ 73,972,015	\$ -	\$ 64,073,534
Global Strategy Development	-	-	-	233,321	233,321	-	107,849
Coordination for Global Governance	-	-	-	35,943	35,943	-	37,704
Partnership Countries Support	-	-	-	178,912	178,912	-	238,725
Global Marketing	-	-	-	20,838	20,838	-	39,313
Network	-	-	-	1,252	1,252	-	2,463
Auto expenses	-	-	-	-	-	5,236	13,626
Bank charges & fees	-	-	-	-	-	2,667	536
Depreciation	-	-	-	-	-	433	-
Dues & subscriptions	-	-	-	-	-	1,479	3,461
Employee benefits	-	-	-	-	-	12,590	18,670
Insurance	-	-	-	-	-	93,115	69,851
Lease	-	-	-	-	-	90,135	74,871
Legal fees	-	-	-	-	-	2,340	4,000
Maintenance & repair	-	-	-	-	-	-	506
Miscellaneous expenses	-	-	-	-	-	70,449	18,890
Payroll expenses	-	-	-	-	-	999,281	627,014
Postage and shipping	-	-	-	-	-	123	844
Printing and copying	-	-	-	-	-	4,202	3,987
Professional fees	-	-	-	-	-	31,311	11,200
Supplies & materials	-	-	-	-	-	13,099	11,727
Travel & meeting expenses	-	-	-	-	-	3,154	12,650
Utilities	-	-	-	-	-	2,750	5,096
Total expenses after allocation	\$ 1,864,095	\$ 3,338,784	\$ 68,769,136	\$ 470,266	\$ 74,442,281	\$ 1,332,364	\$ 65,376,517