

**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**

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FINANCIAL STATEMENTS

December 31, 2024 and 2023

**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**  
**FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

OFFICES IN:

LOS ANGELES, CA  
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AUBURN, AL  
ATLANTA, GA  
FORT LEE, NJ

## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the financial statements of Good Neighbors Global Partnership Center ("GPC") which comprise the statements of financial positions as of December 31, 2024 and 2023, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial positions of GPC as of December 31, 2024 and 2023, 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 in accordance with auditing standards generally accepted in the United States of America (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 GPC 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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



## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 GPC'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the GPC'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.

A handwritten signature in blue ink that reads 'CKP, LLP'.

Irvine, California

April 17, 2025

**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**  
**STATEMENTS OF FINANCIAL POSITIONS**  
December 31, 2024 and 2023

	<b><u>ASSETS</u></b>	
	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 16,243,201	\$ 8,459,306
Inventories	317,996	278,268
Other receivables	17,000	52,393
Short-term investments	-	3,026,813
Prepaid expenses	<u>176,005</u>	<u>330,772</u>
Total current assets	16,754,202	12,147,552
Non-current assets:		
Property and equipment, net	1,467,077	1,483,554
Operating lease right-of-use assets, net	48,807	95,526
Pension assets	84,501	73,751
Lease deposit	<u>41,903</u>	<u>42,711</u>
Total non-current assets	<u>1,642,288</u>	<u>1,695,542</u>
Total assets	<u><u>\$ 18,396,490</u></u>	<u><u>\$ 13,843,094</u></u>

(Continued)

See accompanying auditors' report and notes to financial statements

**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**  
**STATEMENTS OF FINANCIAL POSITIONS**  
December 31, 2024 and 2023

**LIABILITIES AND NET ASSETS**

	<u>2024</u>	<u>2023</u>
Current liabilities:		
Accounts payable	\$ 10,456	\$ 58,202
Accrued expenses	50,269	34,833
Current portion of operating lease liabilities	48,807	56,515
Current portion of loan payable	19,177	19,177
Payroll tax payable	1,978	-
Total current liabilities	<u>130,687</u>	<u>168,727</u>
Non-current liabilities:		
Loan payable, net of current portion	847,311	867,338
Operating lease, net of current portion	-	39,011
Total non-current liabilities	<u>847,311</u>	<u>906,349</u>
Total liabilities	977,998	1,075,076
Net assets:		
Without donor restrictions	15,955,940	12,768,018
With donor restrictions	1,462,552	-
Total net assets	<u>17,418,492</u>	<u>12,768,018</u>
Total liabilities and net assets	<u>\$ 18,396,490</u>	<u>\$ 13,843,094</u>

See accompanying auditors' report and notes to financial statements

**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2024 and 2023

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating revenues:						
General funds	\$ 65,946,495	\$ 1,462,552	\$ 67,409,047	\$ 69,093,707	\$ -	\$ 69,093,707
Government grants	4,854,895	-	4,854,895	6,238,799	-	6,238,799
Total operating revenues	70,801,390	1,462,552	72,263,942	75,332,506	-	75,332,506
Operating expenses:						
Program expenses:						
International child & community development:						
Africa	22,999,232	-	22,999,232	23,155,277	-	23,155,277
Eastern Asia	15,807,409	-	15,807,409	20,621,628	-	20,621,628
Western Asia	13,172,462	-	13,172,462	15,359,827	-	15,359,827
Europe	592,462	-	592,462	894,413	-	894,413
Latin America	8,189,326	-	8,189,326	9,997,840	-	9,997,840
Total international child & community development	60,760,891	-	60,760,891	70,028,985	-	70,028,985
Emergency relief / Humanitarian assistance	808,516	-	808,516	2,313,901	-	2,313,901
Social economy consultation	1,842,330	-	1,842,330	1,844,388	-	1,844,388
Fundraising support	2,305,762	-	2,305,762	1,916,574	-	1,916,574
Global partnership development:						
Global strategy development	34,949	-	34,949	89,779	-	89,779
Coordination for global governance	18,616	-	18,616	24,096	-	24,096
Partnership countries support	16,210	-	16,210	59,763	-	59,763
Global marketing	26,410	-	26,410	1,783	-	1,783
Network	55,301	-	55,301	8,771	-	8,771
Total global partnership development	151,486	-	151,486	184,192	-	184,192
Total program expenses	65,868,985	-	65,868,985	76,288,040	-	76,288,040

See accompanying auditors' report and notes to financial statements

**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2024 and 2023

Support services:						
Management and general	<u>2,404,485</u>	<u>-</u>	<u>2,404,485</u>	<u>1,458,254</u>	<u>-</u>	<u>1,458,254</u>
Total support services	<u>2,404,485</u>	<u>-</u>	<u>2,404,485</u>	<u>1,458,254</u>	<u>-</u>	<u>1,458,254</u>
Total operating expenses	<u>68,273,470</u>	<u>-</u>	<u>68,273,470</u>	<u>77,746,294</u>	<u>-</u>	<u>77,746,294</u>
Change in net assets from operations	2,527,920	1,462,552	3,990,472	(2,413,788)	-	(2,413,788)
Non-operating income (expense):						
Other income, net	652,371	-	652,371	230,855	-	230,855
Foreign currency transactions, net	<u>7,631</u>	<u>-</u>	<u>7,631</u>	<u>18,214</u>	<u>-</u>	<u>18,214</u>
Total non-operating, net	<u>660,002</u>	<u>-</u>	<u>660,002</u>	<u>249,069</u>	<u>-</u>	<u>249,069</u>
Change in net assets	3,187,922	1,462,552	4,650,474	(2,164,719)	-	(2,164,719)
Net assets, beginning of year	<u>12,768,018</u>	<u>-</u>	<u>12,768,018</u>	<u>14,932,737</u>	<u>-</u>	<u>14,932,737</u>
Net assets, end of year	<u>\$ 15,955,940</u>	<u>\$ 1,462,552</u>	<u>\$ 17,418,492</u>	<u>\$ 12,768,018</u>	<u>\$ -</u>	<u>\$ 12,768,018</u>

See accompanying auditors' report and notes to financial statements



**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2024 and 2023

	2024	2023
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 4,650,474	\$ (2,164,719)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gain on investments	(42,474)	-
Depreciation	16,477	16,434
Other expense	-	120,000
Operating lease right-of-use assets	71,328	116,338
Operating lease liabilities	(71,328)	(116,338)
Changes in operating assets and liabilities:		
Inventories	(39,728)	(234,708)
Other receivables	35,393	(32,806)
Prepaid expenses	154,767	(330,772)
Pension assets	(10,750)	33,606
Leased deposit	808	(12,397)
Accounts payable	(47,746)	41,824
Accrued expenses	15,436	16,350
Payroll tax payable	1,978	(3,602)
Total adjustments	84,161	(386,071)
Net cash provided by (used in) operating activities	4,734,635	(2,550,790)
<b>Cash Flows from Investing Activities:</b>		
Purchase of investments	-	(3,026,813)
Proceeds from investments	3,069,287	-
Net cash provided by (used) in investing activities	3,069,287	(3,026,813)
<b>Cash flows from Financing Activities:</b>		
Principal payment on long-term debt	(20,027)	(19,177)
Net cash used in financing activities	(20,027)	(19,177)
Net cash increase (decrease) in cash	7,783,895	(5,596,780)
Cash and cash equivalents at beginning of year	8,459,306	14,056,086
Cash and cash equivalents at end of year	\$ <u>16,243,201</u>	\$ <u>8,459,306</u>
<b>Supplemental Disclosures:</b>		
Cash paid for interest	\$ <u>43,707</u>	\$ <u>44,557</u>
Lease liabilities arising from right-of-use assets	\$ <u>24,609</u>	\$ <u>110,804</u>

See accompanying auditors' report and notes to financial statements

## GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

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#### **Note 1 - Organization and Programs**

Good Neighbors Global Partnership Center ("GPC" or the "Organization") is a non-governmental organization incorporated under the laws of the 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 an international organization committed to making the world a place without hunger, where people live together in harmony. GPC provides coordination among country members, allocation of consolidated grants, development of global partnership policies, and networks 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.

#### Program Services

**International Child & Community Development Program** - The program aims to foster self-reliance for individuals affected by poverty and discrimination through the implementation of sustainable development initiatives. This program encompasses 207 community development projects across various nations, each aimed at empowering local populations via social and economic development activities. These activities are concentrated in key sectors such as education, health, water and sanitation, and income generation, with the goal of transforming communities and eradicating the cycle of poverty. The program provides essential support to children while promoting sustainable community development practices. This initiative ensures the protection of every child's fundamental right to survival, protection, development, and participation, thereby fostering long-term sustainability within the community.

**Emergency Relief / Humanitarian Assistance** - The program focused on emergency response to natural disasters and conflict-induced crises, delivering critical relief, including food, shelter, medical aid, and WASH services, to help communities recover with dignity.

In 2024, GPC implemented humanitarian assistance operations in 18 countries, reaching over 500,000 vulnerable individuals. These efforts provided life-saving support, strengthened community resilience, and promoted long-term recovery. Additionally, GPC carried out strategic initiatives aligned with the Humanitarian-Development-Peace (HDP) Nexus, supporting refugee camps, strengthening local resilience, and promoting long-term stability through disaster risk reduction and livelihood programs. GPC extends its assistance beyond its usual Partnership Countries to include non-Partnership Countries such as Palestine, Morocco, and Libya to deliver assistance to those in dire need.

## GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

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#### **Note 1 - Organization and Programs, Continued**

##### *Program Services, Continued*

**Social Economy Consultation** - The Social Economy Consultation program is designed to strengthen the industry value chain and enhance the economic capabilities of producers by increasing productivity through the provision of financial services to marginalized groups and cooperatives without guarantees. The program expands financial access for the marginalized and aims to create social value by promoting solidarity among cooperatives, financial service institutions, and social enterprises. Additionally, the program lays the groundwork for scaling the social and economic impact of validated business models. Microfinance continues to provide ongoing support to ensure the seamless progression of cooperative activities.

**Fundraising program** - GPC operates fundraising programs in 7 Core Alliance Countries worldwide (South Korea, the United States, Japan, Taiwan, Canada, Australia, and the United Kingdom). GPC collaborates with Core Alliance Countries to enhance the visibility of the organization's brand and unified fundraising strategies. In 2024, GPC facilitated strategic partnerships between Core-Alliance Countries and Partnership Countries to strengthen fundraising efforts and advance global marketing initiatives. These initiatives are designed to support the GN Alliance's global goals through international development, emergency relief, and humanitarian aid programs.

#### **Note 2 - Summary of Significant Accounting Policies**

This summary of the 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 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 the allocation of functional expenses, depreciation, pension assets, and pension obligations. Actual results could differ from those estimates.

##### *Measure of Operations*

The GPC's measure of operations as presented in the statements of activities includes operating revenues from general funds and government grants. 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 gain and loss on foreign currency transactions.

## **GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2024 and 2023

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#### **Note 2 - Summary of Significant Accounting Policies, Continued**

##### *Revenue Recognition*

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

General funds and government grants, 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 a 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 grants whose restrictions are met in the same reporting period as without donor restrictions.

##### *Functional Expenses*

GPC allocates expenses on a functional basis among its various program 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 support services are included in management and general expenses based on the nature of the related activities.

In 2024, GPC's method of allocating program expenses reflects the specific activities of its programs and services accurately, in line with alterations to the organizational business structure.

## GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

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#### **Note 2 - Summary of Significant Accounting Policies, Continued**

##### *Cash and Cash Equivalents.*

GPC considers all highly liquid investments purchased with an original maturity of three months or less to be categorized as cash and cash equivalents. GPC's cash and cash equivalents consist of demand deposits and money market account at financial institutions.

##### *Short-term investments*

Short-term investments consist of certificates of deposit and the maturities of these investments do not exceed one year. Certificates of deposit approximate fair value, based on estimates using current market rates offered for deposits with similar remaining maturities.

##### *Inventories*

Inventories are measured at the lower of the value established in the donation and the market value. Appropriate consideration is given to obsolescence, slow-moving items, the competitiveness of product offerings, market conditions, and other factors in evaluating the net realizable value. There was no allowance for inventory valuation as of December 31, 2024 and 2023.

##### *Property and Equipment*

Property and equipment are measured at cost less accumulated depreciation. Depreciation on property and equipment is provided over the estimated useful lives of the related assets, generally, five years for automobiles and forty years for building, using principally the straight-line method. Repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is recorded as a component of other income or expenses in the accompanying statements of activities.

##### *Impairment or Disposal of Long-lived Assets*

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less selling expenses.

Management determined that no impairment of long-lived assets existed as of December 31, 2024 and 2023.

## GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

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#### **Note 2 - Summary of Significant Accounting Policies, Continued**

##### Lease

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Accounting Standards Codification (ASC) 842), which amended prior accounting standards for leases. GPC adopted Topic 842 on January 1, 2022. After the adoption of ASC 842, at the inception of an arrangement, GPC determines whether the arrangement is or contains a lease based on the facts and circumstances present. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. At the lease commencement date, operating and finance lease liabilities and their corresponding Right-of-use assets are recorded based on the present value of lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable and, as such, GPC uses a risk-free discount rate published by U.S. Treasury. Certain adjustments to the ROU asset may be required for items such as incentives received. GPC made an accounting policy election to not record leases with an initial term of 12 months or less on the statements of financial positions.

##### 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. The donor of cash or property is 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 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, 2024 and 2023, GPC had no material unrecognized tax benefits, tax penalties, or interest.

GPC's Federal form 990, Return of Organization Exempt from Income Taxes, for the year ended December 31, 2021 through 2023 are subject to examination by the IRS, generally for three years after they were filed. The California form 199, California Exempt Organization Annual Information Return, for the year ended December 31, 2020, which in the year of incorporation, through 2023 are subject to examination by the Franchise Tax Board, generally for four years after they were filed.

## GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

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#### **Note 2 - Summary of Significant Accounting Policies, Continued**

##### *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 and cash equivalents, short-term investments, other receivables, accounts payable, and payroll tax payables are carried at cost, which approximates their fair value because of the short-term maturity of these instruments. Long-term debt issued in 2022 was recorded at fair value upon issuance and approximated fair values as of December 31, 2024 and 2023, based on discounted cash flow analysis.

##### *Recent Pronouncements*

GPC has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

## GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

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#### Note 3 - Net Assets

GPC presents its financial statements in accordance with the recommendation of FASB 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 a 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, 2024 and 2023, total donor restrictions were \$1,462,552 and \$0, respectively, on its net assets.

#### Note 4 – Property and Equipment

	2024	2023
Land	\$ 900,000	\$ 900,000
Building and improvement	600,599	600,599
Automobiles	5,201	5,201
	1,505,800	1,505,800
Less: accumulated depreciation	(38,723)	(22,246)
Property and equipment, net	\$ 1,467,077	\$ 1,483,554

Depreciation expenses were \$16,477 and \$16,434, respectively, for the years ended December 31, 2024 and 2023.

#### Note 5 – Loan Payable

GPC entered into a loan agreement on October 6, 2022 with Open Bank for a seven-year amortizing term loan for \$910,000. The loan has monthly installment payments of \$5,311 with interest on the unpaid principal balances at the annual rate of 4.9% per annum commencing on November 15, 2022 through October 2027. 23 monthly installment payments of \$6,060 with interest on the unpaid principal balances at a variable rate based on the prime rate from Wall Street Journal plus a margin of 0.25% will continue to be paid from November 15, 2027 through October 2029 until the remaining payment of approximately \$759,000 plus any accrued interest is due upon maturity.

The loan payable is secured by GPC's land and building. The loan payable contains certain covenants, and in management's opinion, GPC is in compliance with the covenants as of December 31, 2024.

Total interest expenses were \$43,707 and \$44,557, respectively, for the years ended December 31, 2024 and 2023.



# GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

### Note 6 - Related Party Transactions

#### Revenue

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 fundraising, grants, and global marketing strategy. Such balances and transactions included in the accompanying financial statements are as follows:

	2024	2023
GN Korea:		
General fund	\$ 65,059,471	\$ 67,185,617
Government grants	3,266,753	4,451,930
Total GN Korea	68,326,224	71,637,547
GN Global Impact Foundation:		
General fund	223,206	41,444
Government grants	1,022,435	744,648
Total GN Global Impact Foundation	1,245,641	786,092
GN Japan:		
General fund	657,526	525,888
Government grants	445,840	958,104
Total GN Japan	1,103,366	1,483,992
GN Taiwan:		
General fund	383,534	351,759
Government grants	51,456	84,117
Total GN Taiwan	434,990	435,876
GN USA:		
General fund	893,298	820,288
Government grants	36,500	-
Total GN USA	929,798	820,288
GN Canada:		
General fund	122,567	79,647
Government grants	31,911	-
Total GN Canada	154,478	79,647
GN Australia:		
General fund	69,445	68,045
GN UK:		
General fund	-	21,019
Total revenue	\$ 72,263,942	\$ 75,332,506

# GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

### Note 6 - Related Party Transactions, Continued

#### Program Expenses

GPC distributes financial remittances for the general fund to its affiliates in field countries according to the GN partnership covenant and MOU. Affiliates in global offices are committed to the development of staff in GN partnership offices, the representation of GN to UN organizations or other international entities, and the establishment of social-economic projects. Affiliates in fundraising country and field offices support 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:

	2024	2023
International Child Rights Support:		
Africa:		
GN Tanzania	\$ 2,674,200	\$ 2,430,311
GN Ethiopia	2,490,835	2,487,164
GN Malawi	2,228,243	2,476,029
GN Rwanda	4,527,665	3,123,560
GN Kenya	2,366,519	3,049,014
GN Uganda	2,376,813	2,853,267
GN Chad	678,743	1,056,124
GN Zambia	1,593,610	1,314,862
GN Mozambique	1,360,033	1,654,527
GN Cameroon	1,348,155	1,266,447
GN Niger	1,103,364	991,623
GN Ghana	42,417	279,434
GN South Sudan	54,900	59,718
GN Burundi	100,000	55,000
GN Madagascar	53,735	58,197
Total Africa	22,999,232	23,155,277
Eastern Asia:		
GN Cambodia	3,080,706	4,245,027
GN Vietnam	2,384,547	3,742,503
GN Indonesia	1,809,073	2,925,151
GN Myanmar	1,499,031	1,772,160
GN Mongolia	2,544,145	2,667,158
GN Philippines	2,692,906	2,524,815
GN Laos	1,201,172	937,724
GN Thailand	523,829	767,154
GN China	30,000	40,000
GN Korea	42,000	999,936
Total Eastern Asia	15,807,409	20,621,628

**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

**Note 6 - Related Party Transactions, Continued***Program Expenses, Continued*

Western Asia:		
GN Bangladesh	3,679,389	4,334,725
GN Tajikistan	2,064,705	2,166,644
GN Nepal	3,001,282	3,965,516
GN Afghanistan	14,630	470,277
GN India	768,804	332,535
GN Sri Lanka	442,366	603,428
GN Kyrgyz Republic	2,747,666	2,760,948
GN Uzbekistan	-	11,617
GN Pakistan	323,338	106,536
GN Jordan	130,282	607,601
Total Western Asia	<u>13,172,462</u>	<u>15,359,827</u>
Europe:		
Geneva International Cooperation Office	287,564	136,462
GN Ukraine	-	17,600
GN Romania	304,898	740,351
Total Europe	<u>592,462</u>	<u>894,413</u>
Latin America:		
GN Guatemala	2,448,648	3,628,227
GN Paraguay	1,083,193	1,628,401
GN Dominica Republic	1,561,441	1,317,902
GN Nicaragua	1,424,477	1,514,333
GN Haiti	29,271	142,202
GN Chile	446,542	445,000
GN El Salvador	786,884	984,298
GN Mexico	408,870	337,477
Total Latin America	<u>8,189,326</u>	<u>9,997,840</u>
Total international child rights support	<u>\$ 60,760,891</u>	<u>\$ 70,028,985</u>

**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

**Note 6 - Related Party Transactions, Continued**

*Program Expenses, Continued*

	2024	2023
Emergency Relief / Humanitarian Assistance:		
GN Ethiopia	\$ -	\$ 229,459
GN Kenya	-	306,293
GN Uganda	-	128,943
GN Ukraine	54,615	-
GN Türkiye	547,102	-
Total emergency relief / humanitarian assistance	<u>\$ 601,717</u>	<u>\$ 664,695</u>
	2024	2023
Social Economy Consultation:		
GN Global Impact Foundation	\$ 1,842,330	\$ 1,844,388
Total social economy consultation	<u>\$ 1,842,330</u>	<u>\$ 1,844,388</u>
	2024	2023
Fundraising Support:		
GN USA	\$ 638,432	\$ 500,528
GN Japan	31,338	-
GN Canada	534,468	363,215
GN Australia	400,534	400,000
GN UK	300,310	302,831
GN Taiwan	400,680	350,000
Total fundraising support	<u>\$ 2,305,762</u>	<u>\$ 1,916,574</u>

# GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

### Note 6 - Related Party Transactions, Continued

#### Leases As Lessee

GPC entered into various lease agreements for its office spaces with GN USA (related to GPC through a common partnership) on October 1, 2019. In the year 2023, the organization opted to diminish office lease agreements, as a cost-saving measure. The remaining lease was on a month-to-month basis. Total rent expenses under the related party lease were \$15,237 and \$19,426 for the years ended December 31, 2024 and 2023.

GPC's Korea branch renewed its office lease agreement with GN International in September 2023 and entered into an additional office lease agreement in April 2024. Total rent expenses under the related party leases were \$69,636 and \$57,771 for the years ended December 31, 2024 and 2023, respectively.

Future minimum lease commitments for the GPC's operating lease commitments having initial or remaining terms in excess of one year are as follows:

<u>Years ending December 31</u>	<u>Amount</u>
2025	\$ 49,411
Total future lease payments	49,411
Less: present value discount	(604)
Operating lease liabilities	48,807
Less: short-term lease liabilities	(48,807)
Long-term lease liabilities	\$ -

#### Lease As Lessor

GPC leased premises under an operating lease agreement that has an initial term of 13 months commencing on December 1, 2022, which contains options to extend or renew the lease before the expiration date. The lease was renewed on a month-to-month basis after the initial term. For the years ended December 31, 2024 and 2023, rental incomes were \$102,000 and \$102,000 respectively under the related party lease and were included as other income in the accompanying statements of activities.

## GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER

### NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

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#### Note 7 - Employee Benefit Plan

GPC's branch in Korea maintains a defined benefit pension plan (the "DB Plan"). The DB Plan was the first effective in 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 are employees' years of service and compensation levels. Upon retirement, benefits are fully paid at the time of retirement.

At December 31, 2024, and 2023, the DB Plan's projected benefit obligations were \$735,128 and \$472,265 with the fair value of the plan assets of \$819,629 and \$546,016, leaving the plan assets with amounts of \$84,501 and \$73,751. Total contributions to the plan for the years ended December 31, 2024 and 2023 were approximately \$163,945 and \$8,615, respectively.

#### Note 8 - Concentration of Credit Risk

GPC maintains its cash accounts and certificates of deposit 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, 2024, and 2023, the GPC's cash balances exceeding the maximum insured amount totaled \$15,148,154 and \$10,102,511, respectively.

A significant portion of GPC's revenue is concentrated on 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 to exist on their financial position, results of operation, or liquidity on December 31, 2024, and expects to maintain this relationship with GN partners.

#### Note 9 – Availability of Financial Assets

GPC's financial assets available within one year of December 31, 2024 and 2023 for general expenditure are as follows:

Current assets	2024	2023
Cash and cash equivalents	\$ 16,243,201	\$ 8,459,306
Other receivables	17,000	52,393
Short-term investments	-	3,026,813

As part of the GPC's liquidity management practices, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

#### Note 10 – Commitments and Contingencies

##### Litigation

In the normal course of business, GPC is involved in various litigation matters. Management has reviewed all claims and possible litigation against GPC with the outside legal counsel and has taken into consideration the views of such counsel as to the outcome of these claims. Management believes that the outcomes of such matters will not have a material effect on the results of operations or the financial position of GPC. As of December 31, 2024, GPC did not have any pending legal actions.

**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

**Note 11 - Functional Expenses**

	Program expenses						Support services		
	Emergency relief / Humanitarian assistance	Social economy consultation	Fundraising countries support	International child rights support	Global partnership development	Program expenses subtotal	Mnagement and general	Total expense 2024	Total expense 2023
Program support	\$ 808,516	\$ 1,842,330	\$ 2,305,762	\$ 60,760,891	\$ -	\$ 65,717,499	\$ -	\$ 65,717,499	\$ 76,103,848
Global strategy development	-	-	-	-	34,949	34,949	-	34,949	89,779
Coordination for global governance	-	-	-	-	18,616	18,616	-	18,616	24,096
Partnership countries support	-	-	-	-	16,210	16,210	-	16,210	59,763
Global marketing	-	-	-	-	26,410	26,410	-	26,410	1,783
Network	-	-	-	-	55,301	55,301	-	55,301	8,771
Auto expenses	-	-	-	-	-	-	19,321	19,321	18,363
Bank charges & fees	-	-	-	-	-	-	378	378	217
Depreciation	-	-	-	-	-	-	16,476	16,476	16,434
Dues & subscriptions	-	-	-	-	-	-	8,028	8,028	4,298
Employee benefits	-	-	-	-	-	-	229,208	229,208	120,148
Insurance	-	-	-	-	-	-	4,794	4,794	73,558
Lease	-	-	-	-	-	-	84,873	84,873	77,197
Maintenance & repair	-	-	-	-	-	-	13,793	13,793	5,022
Miscellaneous expenses	-	-	-	-	-	-	24,385	24,385	13,011
Payroll expenses	-	-	-	-	-	-	1,769,815	1,769,815	1,024,315
Postage and shipping	-	-	-	-	-	-	297	297	769
Printing and copying	-	-	-	-	-	-	3,985	3,985	4,202
Professional fees	-	-	-	-	-	-	60,706	60,706	51,972
Supplies & materials	-	-	-	-	-	-	20,141	20,141	18,496
Travel & meeting expenses	-	-	-	-	-	-	141,221	141,221	26,177
Utilities	-	-	-	-	-	-	7,064	7,064	4,075
Total expenses after allocation	\$ 808,516	\$ 1,842,330	\$ 2,305,762	\$ 60,760,891	\$ 151,486	\$ 65,868,985	\$ 2,404,485	\$ 68,273,470	\$ 77,746,294

**GOOD NEIGHBORS GLOBAL PARTNERSHIP CENTER**  
NOTES TO FINANCIAL STATEMENTS

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**Note 12 - Subsequent Events**

GPC has evaluated subsequent events through April 17, 2025, the date at which the financial statements were available to be issued and determined that there are no subsequent events that require disclosure.