GOOD NEIGHBORS USA

FINANCIAL STATEMENTS

December 31, 2025 and 2024

GOOD NEIGHBORS USA
FINANCIAL STATEMENTS
December 31, 2025 and 2024

CONTENTS	Page No.

CKP, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

OFFICES IN:
LOS ANGELES, CA
SAN DIEGO, CA
SAN FRANCISCO, CA
IRVINE, CA
MONTGOMERY, AL
AUBURN, AL
FORT LEE, NJ
ATLANTA, GA

INDEPENDENT AUDITORS' REPORT

To Management and Board of Directors
Good Neighbors USA
Tustin, California

Opinion

We have audited the financial statements of Good Neighbors USA (GNU), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 position of GNU as of December 31, 2025 and 2024, 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) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States. 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 GNU 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 these 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 GNU's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditors’ 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 and GAS 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 and the GAS, 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 GNU’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 GNU’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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying *schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, *the schedule of expenditures of federal awards* is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with GAS, we have also issued our report dated May 7, 2026 on our consideration of GNU's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with GAS in considering GNU's internal control over financial reporting and compliance.

CKP, LLP

Irvine, California
May 7, 2026

GOOD NEIGHBORS USA
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

ASSETS

	2025	2024
Current assets:		
Cash	$ 300,545	$ 356,317
Grant receivable	304,347	118,880
Prepaid expenses	8,445	54,448
Total current assets	613,337	529,645
Non-current assets:		
Property and equipment, net	2,221,425	2,247,392
Operating lease right-of-use assets, net	2,294	7,799
Deposits	8,551	7,376
Total non-current assets	2,232,270	2,262,567
Total assets	$ 2,845,607	$ 2,792,212

LIABILITIES AND NET ASSETS

	2025	2024
Current liabilities:		
Accounts payable	$ 5,351	$ 24,028
Credit card payable	52,627	16,314
Deferred revenue	94,341	24,521
Current portion of operating lease liabilities	2,294	5,300
Accrued expense and other current liabilities	16,251	10,864
Total current liabilities	170,864	81,027
Operating lease liabilities, net of current portion	-	2,499
Total liabilities	170,864	83,526
Net assets:		
Without donor restrictions	2,674,743	2,708,686
Total net assets	2,674,743	2,708,686
Total liabilities and net assets	$ 2,845,607	$ 2,792,212

GOOD NEIGHBORS USA
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue and other income:						
Contributions of cash	$ 1,784,524	$ -	$ 1,784,524	$ 1,641,505	$ -	$ 1,641,505
Contributions of nonfinancial assets	9,133,552	-	9,133,552	8,461,576	-	8,461,576
Support from affiliate	981,956	-	981,956	1,136,628	-	1,136,628
Government grants	1,051,552	-	1,051,552	1,085,199	-	1,085,199
Other income	251,230	-	251,230	262,409	-	262,409
Total revenue and other Income	13,202,814	-	13,202,814	12,587,317	-	12,587,317
Expenses:						
Program expenses:						
Child support	939,321	-	939,321	987,717	-	987,717
Domestic shelter	1,155,893	-	1,155,893	1,184,661	-	1,184,661
Education	274,614	-	274,614	139,906	-	139,906
Emergency relief	1,845,459	-	1,845,459	2,590,111	-	2,590,111
Health	7,468,377	-	7,468,377	5,991,659	-	5,991,659
Water and sanitation	486,261	-	486,261	547,069	-	547,069
Income generation	107,966	-	107,966	28,189	-	28,189
Total program expenses	12,277,891	-	12,277,891	11,469,312	-	11,469,312
Support services:						
Management and general	225,105	-	225,105	272,326	-	272,326
Fundraising	616,174	-	616,174	619,850	-	619,850
Rental	117,587	-	117,587	170,282	-	170,282
Total support services	958,866	-	958,866	1,062,458	-	1,062,458
Total expenses	13,236,757	-	13,236,757	12,531,770	-	12,531,770
Change in net assets	(33,943)	-	(33,943)	55,547	-	55,547

GOOD NEIGHBORS USA
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2025 and 2024

Net assets, beginning of year	2,708,686	-	2,708,686	2,653,139	-	2,653,139
Net assets, end of year	$ 2,674,743	$ -	$ 2,674,743	$ 2,708,686	$ -	$ 2,708,686

GOOD NEIGHBORS USA
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ (33,943)	$ 55,547
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	25,967	30,804
Noncash lease expense	5,505	4,510
Operating lease liabilities	(5,505)	(4,510)
(Increase) decrease in:		
Grant receivable	(185,467)	79,486
Prepaid expenses	46,003	(10,616)
Deposits	(1,175)	1,176
Increase (decrease) in:		
Accounts payable	(18,677)	(21,305)
Credit card payable	36,313	(7,143)
Deferred revenue	69,820	(282,013)
Accrued expenses and other current liabilities	5,387	(16,693)
Total adjustments	(21,829)	(226,304)
Net cash used in operating activities	(55,772)	(170,757)
Net decrease in cash	(55,772)	(170,757)
Cash, beginning of year	356,317	527,074
Cash, end of year	$ 300,545	$ 356,317
Supplemental disclosure:		
Interest paid	$ -	$ -
Lease liabilities arising from right-of-use assets	$ -	$ 6,316

Note 1 - Organization and Programs

Organization

Good Neighbors USA (GNU) is an international humanitarian and community development non-governmental organization incorporated under the laws of the State of California. GNU is committed to making the world a place without hunger, where people live together in harmony.

GNU establishes and implements policies through the Good Neighbors Global Partnership Center (GPC), a partnered management organization in providing services listed above.

GNU is in a partnership with Good Neighbors International (GNI), a global humanitarian organization working on various community development projects in 48 countries for child rights. As a partner of GNI, GNU shares information and works together for child rights advocacy, community development such as Education, Health, Water & Sanitation, Income generation and emergency relief.

Programs

Child Support

The program addresses lack of education, poor nutrition, and inadequate access to medical care through monthly donor contributions covering tuition, school supplies, meals, and essential health care—providing a sustainable, community-based investment in children's futures. In 2025 and 2024, GNU supported 3,855 and 3,333 sponsored children, respectively. In 2025, GNU supported sponsored children across eight countries through 16 community development projects, including 393 newly enrolled children.

Women and Children Shelter

GN shelter successfully enrolled 61 and 75 clients including women and children suffering from domestic violence in 2025 and 2024, respectively. In 2025, the domestic shelter accepted 48 adults and 13 children, providing a safe and supportive environment for women and children in crisis. The program provided a comprehensive range of individualized, client-centered case management services tailored to meet the unique needs of each household. Services included assistance in securing emergency, temporary, and transitional housing; access to medical and mental health care services; legal advocacy support, including assistance with restraining orders and obtaining identification documents; transportation assistance and client incentives; as well as ongoing housing navigation aimed at promoting long-term stability and self-sufficiency.

Education

GNU's education program advocates for every child's right to quality and equitable education, with a focus on increasing enrollment and retention among girls and marginalized groups. In 2025, GNU supported children with disabilities in Nepal through an inclusive education project addressing infrastructure gaps, social stigma, and access barriers. GNU also facilitated the distribution of 8,100 solar LED lights in El Salvador, enabling children in underserved communities to continue studying after dark.

Note 1 - Organization and Programs, Continued

Emergency Relief

GNU provides immediate humanitarian assistance alongside long-term relief efforts including food, clean water, sanitation, medical aid, and disease prevention. In 2025, GNU delivered over 2,000,000 praziquantel tablets to the Ministries of Health in Cameroon and Ghana to combat Neglected Tropical Diseases (NTDs) through community-based mass drug administration programs, representing GNU's largest country-level GIK medicine deliveries of the year.

Health and Nutrition

GNU’s health program improves access to essential health services through disease prevention, health facility support, and the distribution of medicines and medical supplies. In 2025, GNU delivered GIK medicines and medical equipment to multiple field countries, totaling over $7.3 million in Health and WASH-related contributions. GNU also implemented a nutrition support project in the Philippines targeting vulnerable families, providing grocery assistance, parental training, and child-centered activities to address food insecurity and support children’s well-being.

Water and Sanitation

GNU’s Water and Sanitation program provides access to clean water and safe living environments through community infrastructure and hygiene education. In 2025, GNU delivered 1,224,000 water purification tablets to Zambia and launched a new WASH project in Nicaragua serving 96 rural communities where 43% of residents lack access to safe water. Using a gender-responsive approach, the project targets a 70% reduction in diarrheal diseases among children under 15 and works to increase female leadership in community water management.

Income Generation Project

GNU’s Income Generation program strengthens economic capacities of individuals and communities through vocational training, business development support, and access to initial capital. In 2025, GNU supported at-risk adolescents in Guatemala—particularly indigenous girls facing school dropout—through certified vocational training in sectors such as agriculture, mechanics, and beauty services, integrated with entrepreneurship and digital skills development. In El Salvador, a U.S. Embassy-funded vocational program trained 30 youth in automotive mechanics and beauty services, with all participants successfully completing the program and receiving toolkits to begin immediate income generation.

Note 2 - Summary of Significant Accounting Policies

This summary of significant accounting policies of GNU is presented to assist in understanding GNU’s financial statements. The financial statements and notes are representations of GNU’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 gift in kind, depreciation expenses, and functional expenses. Actual results could differ from those estimates.

Contributions of Nonfinancial Assets

Gifts-in-kind contributions (GIK) received through private donations are recorded in accordance with U.S. generally accepted accounting principles and industry standards, referred to as the Interagency GIK Standards, as developed by an interagency task force appointed by Accord Network. Accord Network is an industry network which collaborates to eliminate poverty and establish common reporting and operating principles. GIK are valued and recorded as revenue at their estimated fair value based upon the price that would be received for selling the goods in their principal exit markets considering the goods condition and utility for use at the time of contribution. GNU does not sell donated GIK and only distributes the goods for program uses.

Pharmaceutical contributions legally permissible for sale in the United States are valued using a hierarchy of pricing inputs that approximates wholesale prices in the United States. Pharmaceutical contributions not legally permissible for sale in the United States are valued based upon wholesale market price data, obtained from reliable third-party sources, representing principal exit markets where such products are approved for sale.

GIK expenses are recorded when the goods are distributed for program uses.

Contributions of Cash

Contributions are recorded as revenue when received, or when the unconditional promise to give has been made. Contributions are included in either with donor restriction or without donor restriction, depending on the donors' intent. Donor-restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

Government Grants

GNU has been awarded federal grants administrated by state and local governments as follows:

In September 2018, GNU made a grant agreement with the Los Angeles Homeless Services Authority, a joint powers authority of the City and County of Los Angeles (LAHSA). GNU receives "pass through grant" under the agreement for direct and indirect program costs. For the years ended December 31, 2025 and 2024, GNU was granted $1,016,552 and $1,045,729 under the agreement with LAHSA, respectively.

GNU was awarded a second round of federal grant awards from El Salvador Embassy for direct and indirect program costs followed by the first round of the federal grant awards ended in October 2024. The funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Revenue from grants and contracts is recognized only when funds are

Note 2 - Summary of Significant Accounting Policies, Continued

utilized by GNU to carry out the activity stipulated in the grant or contract agreement. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. For the years ended December 31, 2025 and 2024, GNU recognized $35,000 and $20,000 of grant revenue under the El Salvador Embassy grant agreements, respectively. As of December 31, 2025 and 2024, deferred revenue related to such grant awards totaled $0 and $17,500, respectively.

On June 3, 2022, GNU made a grant agreement with Federal Emergency Management Agency (FEMA) for direct and indirect program costs. For the years ended December 31, 2025 and 2024, GNU was granted $0 and $19,470, respectively.

Other Income

In May 2018, GNU purchased an office building located in Tustin, California, with the plan of using the building as a main office and leasing its office spaces in the building to tenants. For the years ended December 31, 2025 and 2024, approximately $234,819 and $229,000 of rental income were recorded in other income, respectively.

Functional Expenses

GNU 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, GNU 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

GNU's cash consists primarily of cash in its commercial bank accounts, which, at times, may exceed federally insured limits. As of December 31, 2025 and 2024, the GNU's cash balances exceeding the maximum insured amount totaled approximately $0 and $80,000, respectively.

Grant Receivable

GNU provides various services on behalf of governments and receives grants. GNU considers amounts receivable from governments to be fully collectible; accordingly, no allowance for doubtful accounts has been established. Net grant receivable are summarized at below:

	December 31, 2025	December 31, 2024	January 1, 2024
Net grant receivable	$ 304,347	$ 118,880	$ 198,366

Note 2 - Summary of Significant Accounting Policies, Continued

Property and Equipment

Purchased property and equipment are stated at cost, and donated property and equipment are carried at the approximate fair value at the date of donation. Renewal and betterment that extend the economic useful lives of the related assets are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Upon sale or disposition of assets, gain or loss is included in the statements of activities.

Depreciation on property and equipment is provided on the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 7 years. Leasehold improvements are amortized using the straight-line method over the shorter of underlying lease term or the asset's estimated useful life.

Impairment or Disposal of Long-lived Assets

Long-lived assets, such as property and equipment subject to depreciation or amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, GNU first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. Management determined that no impairment of long-lived assets existed as of December 31, 2025 and 2024.

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. GNU adopted Topic 842 on January 1, 2022. After the adoption of ASC 842, at the inception of an arrangement, GNU 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 lease liabilities and its corresponding right-of-use (ROU) 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, GNU uses a risk-free discount rate published by U.S. Treasury. Certain adjustments to the ROU assets may be required for items such as incentives received. GNU made an accounting policy election to not record leases with an initial term of 12 months or less on the statements of financial position.

Income Taxes

GNU is an non-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Donors of cash or property are entitled to the maximum charitable contribution deduction allowed by law and contributions to GNU qualify for the charitable contribution deduction under Section 170(b)(1)(A).

Note 2 - Summary of Significant Accounting Policies, Continued

GNU 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 recognizes in the financial statements the impact of the tax position if that position will be more likely than not to be sustained on audit, based on the technical merits of the position. At December 31, 2025 and for the year ended, GNU had no material unrecognized tax benefits, tax penalties or interest.

GNU's Federal form 990, Return of Organization Exempt from Income Taxes, for the year ended December 31, 2022 through 2024 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, 2021 through 2024 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 non-financial 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 GNU 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 GNU's financial instruments, including cash, grant receivable, accounts payable and credit card payable, are carried at cost, which approximates their fair value because of the short-term maturity of these instruments.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Note 2 - Summary of Significant Accounting Policies, Continued

Cost Allocation Plan

GNU updates its cost allocation plan and obtains approval from its Board of Directors. The allocation of costs of providing the various programs and supporting services are recorded based on percentage of estimated time and effort incurred allocated to each program or activity. Accordingly, GNU applies several methods for allocating costs:

Direct Costs - Costs identified 100 percent to a specific program are charged directly to that program.

Shared Direct Costs - Costs identified to specific multiple programs or activities are shared between the programs benefiting.

- Payroll costs are allocated using individual time sheets that report the actual time spent by employees in each program each day.

- Rent is allocated using the square footage of building space occupied by each program, according to floor plans and/or room measurements.

Indirect Costs – Costs that benefit the operations of the entire organization, which cannot be identified to specific programs or activities, are allocated according to an approved indirect cost allocation plan.

Recent Pronouncements

GNU 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.

Note 3 - Availability of Financial Assets

GNU has $604,892 in financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures consisting of cash of $300,545 and grant receivable of $304,347. There is no net asset subject to donor restrictions that make them unavailable for general expenditure within one year of the statements of financial position date. As part of its liquidity management, GNU has a policy to structure its financial assets to be available as general expenditures and related liabilities become due.

Note 4 - Property and Equipment

Property and equipment consist of the followings as of December 31, 2025 and 2024:

	2025	2024
Land	$ 1,500,000	$ 1,500,000
Building	885,993	885,993
Furniture and fixtures	41,897	41,897
Computer	29,317	29,317
Office equipment	16,638	16,638
Leasehold improvement	10,264	10,264
Total costs of property and equipment	2,484,109	2,484,109
Less: accumulated depreciation	(262,684)	(236,717)
Property and equipment, net	$ 2,221,425	$ 2,247,392

Total depreciation expenses were $25,967 and $30,804 for the years ended December 31, 2025 and 2024, respectively.

Note 5 - Net Assets

GNU 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 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, 2025 and 2024, GNU did not have any donor restrictions on its net assets.

Note 6 – Lease as Lessee

GNU entered into operating leases for real estate and vehicles. These leases generally have terms which range from 13 months to 24 months. One of the vehicle leases was early terminated during 2024. The remaining vehicle expires in 2026. As of December 31, 2025 and 2024, lease liabilities totaled $2,294 and $7,799, respectively.

GNU has a real estate lease with GPC, its related party, on a month-to-month basis. As such, this lease was excluded from the lease recognition. For the years ended December 31, 2025 and 2024, lease expenses were $102,000 and $102,000 under the related party lease, respectively.

Note 7 - Related Party Transactions

Support from Affiliate

GNU's fundraising, management, and general expenses are supported by Good Neighbors Global Partnership Center (GPC), its affiliate. GNU recorded $981,956 and $1,136,628 of cash contributions and in-kind contributions which accounted for approximately 7% and 9% of total revenue and other income for both years ended December 31, 2025 and 2024, respectively. Support from the affiliate was included in revenue and other income in the statements of activities. In-kind contributions received in advance of incurring the related expenses are reported as deferred revenue. As of December 31, 2025 and 2024, deferred revenue related to the support from GPC totaled $94,341 and $7,021, respectively.

Lease as Lessor

GNU leases its office facility to GPC since October 2019. Total rental incomes under this related party lease were $17,291 and $15,237 for the years ended December 31, 2025 and 2024, respectively.

Note 8 – Commitments and Contingencies

In the normal course of business, GNU is involved in various litigation matters. Management has reviewed all claims and possible litigation against GNU 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 the operation or financial position of GNU.

Note 9 - Subsequent Events

GNU has evaluated subsequent events from the statements of financial position date through May 7, 2026, the date at which the financial statements were available to be issued, and determined that there are no other subsequent events that require disclosure.

Note 10 – Functional Expenses

	Program Service							Supporting Service				
	Child Sponsorship	Domestic Shelter	Education	Emergency relief	Health	Water and sanitation	Income Generation	Management and general	Fundraising	Rental property	Total Expense 2025	Total Expense 2024
Advertising and marketing	$ 52,122	$ -	$ 12,785	$ 9,834	$ 7,868	$ 9,835	$ 5,901	$ 232	$ 294,726	$ -	$ 393,303	$ 402,691
Automobile expense	312	-	76	59	47	59	35	7,207	1,965	-	9,760	13,032
Bank service charge	2	-	1	-	-		-	3,657	7	-	3,667	3,883
Depreciation expense	-	3,474	-	-	-	-	-	2,474	-	20,019	25,967	30,804
Donor management	31,542	-	7,737	5,951	4,761	5,951	3,571	32,358	66,556	-	158,427	163,040
Due and subscription	3,178	-	779	600	480	600	360	818	292	-	7,107	18,895
Insurance	-	953	-	-	-	-	-	4,009	-	4,132	9,094	6,579
Payroll expenses	113,043	40,573	27,727	21,329	17,063	21,329	12,797	72,800	181,757	-	508,418	579,770
Employee benefits	20,760	-	5,092	3,917	3,133	3,917	2,350	36,654	52,481	136	128,440	109,549
Payroll taxes	8,799	-	2,158	1,660	1,328	1,660	996	5,805	14,911	-	37,317	29,133
Professional fees	-	33,096	-	-	-	-	-	54,246	-	-	87,342	98,329
Program support	705,539	1,044,243	217,271	1,801,350	7,433,089	442,151	81,500	-	-	-	11,725,143	10,876,523
Property taxes	-	-	-	-	-	-	-	-	-	25,486	25,486	69,279
Repair and maintenance	842	9,209	207	159	127	159	95	2,710	1,695	37,362	52,565	68,163
Supplies	209	7,490	51	39	32	39	24	616	132	234	8,866	3,765
Travel and meeting	561	40	138	106	85	106	64	269	340	-	1,709	734
Utilities	2,412	16,815	592	455	364	455	273	844	1,312	30,218	53,740	57,128
Taxes	-	-	-	-	-	-	-	406	-	-	406	473
Total Expense	**$ 939,321**	**$ 1,155,893**	**$ 274,614**	**$ 1,845,459**	**$ 7,468,377**	**$ 486,261**	**$ 107,966**	**$ 225,105**	**$ 616,174**	**$ 117,587**	**$ 13,236,757**	**$ 12,531,770**

REPORT IN ACCORDANCE

WITH GOVERNMENT

AUDITING STANDARDS

CKP, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

OFFICES IN:
LOS ANGELES, CA
SAN DIEGO, CA
SAN FRANCISCO, CA
IRVINE, CA
MONTGOMERY, AL
AUBURN, AL
FORT LEE, NJ
ATLANTA, GA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To Management and Board of Directors
Good Neighbors USA
Tustin, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Good Neighbors USA (GNU), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 7, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered GNU's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GNU's internal control. Accordingly, we do not express an opinion on the effectiveness of GNU's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether GNU's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CKP, LLP

Irvine, California
May 7, 2026

REPORT IN ACCORDANCE

WITH TITLE 2 U.S. CODE OF

FEDERAL REGULATIONS PART 200,

UNIFORM ADMINISTRATIVE REQUIREMENTS,

COST PRINCIPLES, AND

AUDIT REQUIREMENTS FOR

FEDERAL AWARDS

CKP, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

OFFICES IN:
LOS ANGELES, CA
SAN DIEGO, CA
SAN FRANCISCO, CA
IRVINE, CA
MONTGOMERY, AL
AUBURN, AL
FORT LEE, NJ
ATLANTA, GA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To Management and Board of Directors
Good Neighbors USA
Tustin, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Good Neighbors USA's (GNU) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of GNU's major federal programs for the year ended December 31, 2025. GNU's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, GNU complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards);* and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of GNU and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of GNU's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to GNU's federal programs.

Auditors' Responsibilities

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on GNU's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material compliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about GNU's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 GNU's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of GNU's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of GNU's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CKP, LLP

Irvine, California
May 7, 2026

GOOD NEIGHBORS USA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

Federal Grantor / Pass-Through Grantor / Program	Assistance Listing Number	Award Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Pass through:			
Los Angeles Homeless Services Authority			
Continuum Care Program	14.267*	CA1789D9D002305	$ 1,016,552
U.S. Department of State U.S. Embassy San Salvador			
Vocational Program and Assistance for Vulnerable Youth in Ahuachapán, El Salvador	19.040	SES60024GR0015	35,000
Total Expenditures of Federal Awards			$ 1,051,552

*** : Tested as Major Programs**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of GOOD NEIGHBORS USA (GNU) under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of GNU, it is not intended to and does not present the financial position, changes in net assets, or cash flows of GNU.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

GNU has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

GOOD NEIGHBORS USA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness (es) identified?	_______ Yes	___X___ No
Significant deficiency (ies) identified not considered to be material weaknesses?	_______ Yes	___X___ None reported
Noncompliance material to financial statements noted?	_______ Yes	___X___ No

Federal Awards

Internal control over major programs:		
Material weakness (es) identified?	_______ Yes	___X___ No
Significant deficiency (ies) identified not considered to be material weaknesses?	_______ Yes	___X___ None reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	_______ Yes	___X___ No

Identification of Major Programs:

Assistance Listing Number	Name of Federal Program or Cluster
14.267	Continuum Care Program

Dollar threshold used to distinguish between type A and type B programs:	$ 1,000,000	
Auditee qualified as low-risk auditee?	___X___ Yes	_______ No

SECTION II – FINANCIAL STATEMENT FINDINGS

No Current Year Findings

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None