Liberty in North Korea

Financial Statements

December 31, 2025

(With Comparative totals for 2024)

WINDES®

AUDIT | TAX | ADVISORY

CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Liberty in North Korea
Long Beach, California

Opinion

We have audited the accompanying financial statements of Liberty in North Korea (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Liberty in North Korea (the Organization) as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the 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 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 14, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the financial statements from which it has been derived.

Windes, Inc.

Long Beach, California
July 16, 2026

LIBERTY IN NORTH KOREA

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

ASSETS

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	$ 2,506,809	$ 2,566,384
Contributions receivable	356,186	412,514
Other assets	72,498	57,946
Property and equipment, net	51,013	61,839
Operating lease right-of-use assets	128,408	166,437
TOTAL ASSETS	$ 3,114,914	$ 3,265,120

LIABILITIES AND NET ASSETS

	December 31, 2025	December 31, 2024
LIABILITIES		
Accounts payable	$ 33,863	$ 19,655
Accrued liabilities	157,741	153,516
Operating lease liabilities	139,367	178,172
Total liabilities	330,971	351,343
NET ASSETS		
Without donor restrictions		
Undesignated	2,460,010	2,750,094
With donor restrictions	323,933	163,683
Total net assets	2,783,943	2,913,777
TOTAL LIABILITIES AND NET ASSETS	$ 3,114,914	$ 3,265,120

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

LIBERTY IN NORTH KOREA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT				
Contributions	$ 3,109,964	$ 1,067,549	$ 4,177,513	$ 4,817,993
Donated assets	5,919	-	5,919	584
Donated services	-	-	-	5,700
Net assets released from restrictions	907,299	(907,299)	-	-
Total support	4,023,182	160,250	4,183,432	4,824,277
REVENUE				
Special events, net of expenses of $152,816 - 2025 and $140,410 - 2024	(57,556)	-	(57,556)	(34,777)
Inventory sales, net of cost of goods sold of $9,104 - 2025 and $4,467 - 2024	8,888	-	8,888	19,271
Interest income	55,041	-	55,041	66,337
Total revenue	6,373	-	6,373	50,831
TOTAL SUPPORT AND REVENUE	4,029,555	160,250	4,189,805	4,875,108
EXPENSES				
Program services	3,021,315	-	3,021,315	3,658,405
Fundraising	734,341	-	734,341	685,901
Management and general	563,983	-	563,983	572,711
Total expenses	4,319,639	-	4,319,639	4,917,017
CHANGE IN NET ASSETS	(290,084)	160,250	(129,834)	(41,909)
NET ASSETS, BEGINNING OF YEAR	2,750,094	163,683	2,913,777	2,955,686
NET ASSETS, END OF YEAR	$ 2,460,010	$ 323,933	$ 2,783,943	$ 2,913,777

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

LIBERTY IN NORTH KOREA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025				2024
	Program Services	Fundraising	Management and General	Total	Total
Payroll expenses					
Salaries and wages	$ 1,550,338	$ 445,282	$ 248,617	$ 2,244,237	$ 2,313,618
Employee benefits	332,313	90,773	54,869	477,955	465,201
Payroll taxes	84,986	35,675	17,621	138,282	134,937
Total payroll expenses	1,967,637	571,730	321,107	2,860,474	2,913,756
Advertising	15,962	1,254	-	17,216	13,399
Client assistance	99,530	1,010	-	100,540	178,884
Client travel	44,224	-	-	44,224	49,591
Consultants	3,013	930	-	3,943	7,228
Depreciation	16,665	1,837	3,994	22,496	22,850
Dues and subscriptions	42,745	20,514	23,832	87,091	67,026
Facility and equipment rentals	6,334	122,122	-	128,456	147,327
Film production	-	-	-	-	386,401
Fiscal sponsorship	324,366	-	-	324,366	-
Gifts and appreciation	3,606	6,259	4,823	14,688	16,780
Insurance	451	-	15,074	15,525	14,223
Legal and professional fees	57,884	17,829	51,237	126,950	299,806
Meals and entertainment	34,365	11,820	20,356	66,541	77,677
Merchant account fees	-	-	44,216	44,216	55,045
Other expense	34,841	8,479	35,660	78,980	54,903
Professional fundraising	-	80,000	-	80,000	55,000
Rent	90,659	7,003	9,717	107,379	99,820
Repairs and maintenance	2,242	58	106	2,406	7,758
Rescue	178,927	-	-	178,927	319,945
Supplies	1,573	5,942	878	8,393	12,966
Travel	88,782	29,640	32,492	150,914	241,637
Utilities	7,509	730	491	8,730	15,405
Total expenses	3,021,315	887,157	563,983	4,472,455	5,057,427
Less: direct benefit cost of donors included in the statement of activities	-	(152,816)	-	(152,816)	(140,410)
Total expenses included in the expenses section of the statement of activities	$ 3,021,315	$ 734,341	$ 563,983	$ 4,319,639	$ 4,917,017

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

LIBERTY IN NORTH KOREA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	For the Year Ended December 31,	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (129,834)	$ (41,909)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	(22,496)	(22,850)
Changes in operating assets and liabilities:		
Contributions receivable	56,328	(94,790)
Other assets	(14,552)	6,494
Accounts payable	14,208	(24,427)
Accrued liabilities	4,225	14,704
Operating lease right-of-use assets and liabilities	(776)	(9,271)
Net Cash Used In Operating Activities	(92,897)	(172,049)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(22,723)	(23,195)
Proceeds from sale of property and equipment	56,045	54,654
Net Cash Provided by Investing Activities	33,322	31,459
NET CHANGE IN CASH AND CASH EQUIVALENTS	(59,575)	(140,590)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,566,384	2,706,974
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,506,809	$ 2,566,384

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

LIBERTY IN NORTH KOREA

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 1 – Organization and Nature of Activities

Liberty in North Korea (the "Organization") is a 501(c)(3) nonprofit organization based out of Long Beach, California, with overseas operations in South Korea. The Organization's main purpose is to work alongside the North Korean people to accelerate change by focusing on four primary strategic areas:

1. **Information Access - Researching, innovating, and incubating new ideas to increase access to information and technology for North Koreans.** North Koreans live in one of the most closed and limited information environments in the world. Through marketization and access to foreign information, the North Korean people have been creating and driving change inside the country over the last 20 years. The people's increasing autonomy and the proliferation of information from the outside world poses a powerful threat to the North Korean government's propaganda, ideology, and control. The Organization develops key strategies and projects around creating and curating content for North Korean audiences, new technologies to increase access to foreign media and information, and ways to improve digital security for North Korean people inside the country.

2. **Capacity Building - Building the capacity of North Korean defectors as agents of change.** When North Korean refugees successfully resettle in freedom, they become some of the most effective agents of change for the future of North Korea. Many refugees maintain contact with their home communities, sending money and outside information back to their families, accelerating change within North Korea. North Korean refugees also have the unique opportunity to share their stories, insights, and perspectives on the global stage, educating audiences, advocating for change, and mobilizing international support. The Organization provides programs that seek to build capacity and provide support in the areas of mentorship, English language learning, entrepreneurship, life skills workshops, leadership and advocacy development, and scholarships for higher education.

NOTE 1 – Organization and Nature of Activities (Continued)

3. **Changing the Narrative - Amplifying the stories and voices of North Korean people and mobilizing a global movement of support.** North Korea is more than dictators and nuclear weapons. When North Korean refugees share their voices, they challenge the regime's portrayal of an unchanging and monolithic country, instead highlighting the humanity and dynamism of North Korean people. Changing the narrative to focus on the people, not missiles, is crucial to accelerating progress and mobilizing the global community. The Organization creates short and long-form videos and other media that focus on the North Korean people's challenges as well as their potential, and shares these with international audiences. The Organization also engages with international journalists, filmmakers, diplomats, and other policymakers to influence the way the media reports on North Korea, as well as the way that governments and policymakers think about the issue. Through events and global online campaigns, the Organization shares the stories of the North Korean people and a broader perspective on the issue.

4. **Rescue & Resettlement - Helping North Korean refugees reach freedom and begin new lives.** North Korean refugees who have escaped into China face the twin threats of exploitation and forced repatriation. The Organization brings these individuals through networks that cover 3,000 miles of secret rescue routes, helping them safely resettle in South Korea or the United States without cost or condition. Newly arriving North Korean refugees face a range of resettlement challenges in their new societies. The Organization provides resources and guidance to help these individuals make a smooth adjustment and quick transition to self-sufficiency through resettlement counseling, interpretation and translation services, emergency financial assistance, workshops, and community events. The Organization also acts as a resource for information and referrals to additional support services.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions as follows:

> **Without donor restrictions:** Net assets that are not subject to donor-imposed stipulations. Net assets without donor-imposed restrictions may be designated for specific purposes by action of the Board of Directors (the "Board").
>
> **With donor restrictions:** Net assets subject to donor-imposed stipulations that may be maintained perpetually, or be fulfilled by actions of the Organization, pursuant to those stipulations, or that expire by the passage of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. Other donor stipulations are perpetual in nature, where the donor stipulates that the corpus be maintained intact in perpetuity. There were no perpetually restricted net assets as of December 31, 2025 and 2024.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those assumptions and estimates.

Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 financial statement presentation.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Prior-Period Information

The financial statements include certain prior-period summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Cash and Cash Equivalents

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash on hand and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased.

Concentration of Credit Risk

The Organization's cash and cash equivalents are maintained in various banks and financial institutions. The Organization has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. The Organization has three foreign bank accounts held in South Korea. The foreign bank accounts are covered by Korea Deposit Insurance Corporation ("KDIC") up to 50,000,000 Korean Won (approximately $50,900 and $34,000 at December 31, 2025 and 2024, respectively, after conversion to U.S. dollars). At times during the year, the Organization maintained cash balances in excess of the foreign insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss on its cash and cash equivalent balances.

Contributions Receivable

Unconditional promises to give are recorded as receivables and contributions, distinguishing between contributions received for each net asset class in accordance with donor-imposed restrictions. Management provides for probable uncollectible amounts through a charge to expenses and a credit to an allowance for doubtful accounts based on its assessment of prior collection history, type of contribution, nature of fundraising activity, and when time requirements are expected to be met. At December 31, 2025 and 2024, contributions receivable are expected to be fully collectible within one year; accordingly, management determined that an allowance for doubtful accounts is not necessary.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Inventory

Inventory, which consists primarily of store items such as T-shirts, sweatshirts, tote bags, books, and DVDs, is recorded at the lower of cost or net realizable value. Cost is determined by using the average cost method. Inventory is included as part of other assets on the statement of financial position.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated and significant. When donors specify a required period of use, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Expenditures for major additions and improvements that exceed $500 are capitalized. Minor replacements, maintenance, and repairs are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets such as property and equipment for impairment whenever events or changes indicate the carrying value of the assets may have declined and may not be recoverable. Recoverability of assets is measured by comparison of the carrying amount of the asset to the net undiscounted future cash flows expected to be generated from the asset. If the future undiscounted cash flows are not sufficient to recover the carrying value of the asset, the asset's carrying value is adjusted to fair value. To date, no impairment has been recorded.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Contributions

Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Compensated Absences

Employees of the Organization are entitled to paid vacation days. Full-time employees may accrue up to a maximum of 336 hours, based on years of service, which may be paid out at the end of their employment period. Employees are also granted 12 sick days per calendar year, which are not an earned benefit. No payment of sick leave will be made upon termination of employment. Accrued vacation totaled $119,558 and $114,613 as of December 31, 2025 and 2024, respectively, and is included in accrued liabilities on the accompanying statement of financial position.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and Section 23701(d) of the California Tax Code, respectively. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Contributions to the Organization are deductible for tax purposes under Section 170(b)(1) of the IRC. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

U.S. GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three and four years after they are filed, respectively.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense was $17,216 and $13,399 for the years ended December 31, 2025 and 2024, respectively.

Functional Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied.

Lease Arrangements

The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances.

The Organization's policy for determining its lease discount rate used for measuring lease liabilities is to use the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable, then the Organization has elected to use its incremental borrowing rate or the risk-free discount rate, as permitted by U.S. GAAP, determined using a period comparable with that of the lease term.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Lease Arrangements (Continued)

The Organization has elected a policy to account for short-term leases, defined as any lease with a term of 12 months or less, by recognizing that all components of the lease payment in the statement of activities in the period in which the obligation for payment is incurred.

Subsequent Events

Management has evaluated the impact of subsequent events from the statement of financial position date through July 16, 2026, the date the financial statements were available to be issued.

NOTE 3 – Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	December 31,	
	2025	2024
Cash and cash equivalents	$ 2,506,809	$ 2,566,384
Contributions receivable	356,186	412,514
	2,862,995	2,978,898
Less amount not avaiable to be used within one year due to:		
Donor-imposed purpose or time restrictions	(323,933)	(163,683)
	$ 2,539,062	$ 2,815,215

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 – Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2025	2024
Furniture and fixtures	$ 6,574	$ 6,574
Computer equipment	85,278	87,759
Camera equipment	23,448	16,607
Phone equipment	9,390	10,149
	124,690	121,089
Less accumulated depreciation	(73,677)	(59,250)
	$ 51,013	$ 61,839

Depreciation expense was $22,496 and $22,850 for the years ended December 31, 2025 and 2024, respectively.

NOTE 5 – Lease Arrangements

The Organization leases office space in Long Beach, California under a noncancelable operating lease expiring in February 2029. The lease includes a renewal option which can extend the lease term. The exercise of the renewal option is at the sole discretion of the Organization, and only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease right-of-use assets and liabilities. There was no instance of reasonably certain extension being included in the measurement as of December 31, 2025.

The agreement provides for escalating payments over the lease term. Variable payments not determinable at lease commencement are not included in the measurement of the lease right-of-use assets and liabilities. The lease agreements do not include any material residual value guarantees or restrictive covenants.

NOTE 5 – Lease Arrangements (Continued)

The Organization also rents facilities and equipment under operating leases on a short-term basis. Facility and equipment rent expense, which is included in “facility and equipment rental” and “rent” on the statement of functional expenses, totaled $190,317 and $201,629 for the years ended December 31, 2025 and 2024, respectively.

The components of operating lease expenses that are included in "Expenses" in the statement of activities were as follows:

	For the Year Ended December 31,	
	2025	**2024**
Operating lease costs	$ 45,518	$ 45,518
Short-term and variable lease costs	190,317	201,629
	$ 235,835	$ 247,147

The following summarizes the supplemental cash flow information related to operating leases:

	For the Year Ended December 31,	
	2025	**2024**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 45,460	$ 44,136

The weighted-average remaining lease term and discount rate related to operating leases were as follows:

	December 31,	
	2025	**2024**
Weighted-average remaining lease term	3.17 years	4.17 years
Weighted-average discount rate	4.18%	4.18%

NOTE 5 – Lease Arrangements (Continued)

The maturities of operating lease liabilities as of December 31, 2025 are as follows:

Year Ending December 31,	
2026	$ 46,592
2027	47,989
2028	49,429
2029	4,222
Total minimum lease payments	148,232
Less amount representing interest	(8,865)
Present value of minimum lease payments	139,367
Less current portion	(46,592)
	$ 92,775

NOTE 6 – Accrued Liabilities

Accrued liabilities consist of the following:

	December 31, 2025	December 31, 2024
Accrued vacation	$ 119,558	$ 114,613
Liabilities in South Korea	-	37,238
Other accrued expenses	38,183	1,665
	$ 157,741	$ 153,516

NOTE 7 – Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	Available December 31, 2024	New Revenue	Expenditures Released from Restrictions	Available December 31, 2025
Rescue and Resettlement Fund	$ -	$ 181,404	$ (181,404)	$ -
Vision	-	30,879	(30,879)	-
Information Access Fund	-	379,659	(279,659)	100,000
Bao Sei Scholarship Fund	63,683	-	(39,750)	23,933
NK NGO Emergency Fund	-	24,107	(24,107)	-
HanVoice Fiscal Scholarship Fund	-	250,000	(250,000)	-
Staff Care Fund	-	1,500	(1,500)	-
General operations - time		-		
restricted	100,000	200,000	(100,000)	200,000
	$ 163,683	$ 1,067,549	$ (907,299)	$ 323,933

NOTE 8 – Special Events

Revenue generated from special events is summarized as follows for the year ended December 31, 2025:

	LA Gala	NY Gala	Total
Proceeds from auctioned items	$ 21,402	$ 8,858	$ 30,260
Sponsorships	45,000	20,000	65,000
Less: costs of direct benefit to donors	(111,119)	(41,697)	(152,816)
	$ (44,717)	$ (12,839)	$ (57,556)

For the year ended December 31, 2025, contributions of $690,693 and $285,899 were received from the LA Gala and NY Gala, respectively, which are included in contributions on the statement of activities.

NOTE 9 – Foreign Operations

The Organization's operations outside the United States include leasing an office in South Korea. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange.

NOTE 10 – Concentrations

As of December 31, 2025 and 2024, approximately 84% and 85% of the Organization's contributions receivable were from two donors and one donor, respectively.

NOTE 11 – Related Party Transactions

The Organization received contributions from members of the Board totaling $540,800 and $570,003 for the years ended December 31, 2025 and 2024, respectively.

NOTE 12 – Retirement Plan

The Organization maintains a 401(k) retirement plan covering all full-time employees in which the Organization will match up to 5% of employees' contributions. For the years ended December 31, 2025 and 2024, the Organization contributed $79,094 and $80,726, respectively, to the plan.

The Organization also participates in a government-mandated pension plan for its employees in South Korea. Under this plan, both the employee and the employer are required to contribute 4.5% of an employee's starting pay towards retirement. For the years ended December 31, 2025 and 2024, the Organization contributed $19,148 and $22,263, respectively, to the plan.

NOTE 13 - Donated Assets and Services

Donated assets and services recognized within the statement of activities include:

	For the Year Ended December 31,			
	2025	**2024**	**Program/Activity Utilization**	**Valuation Techniques and Inputs**
Legal services	$ -	$ 5,700	Management and General	Current market rate for services
Auction items	5,919	584	Fundraising	Current market rate for similar goods
	$ 5,919	$ 6,284		

The Organization receives periodic donations of professional services, such as bookkeeping, legal fees, and media consulting, which are recorded at estimated fair market value at the date of donation, if significant.

The Organization receives miscellaneous donated items, such as supplies and equipment for operating use and event tickets to be sold at fundraising events. The donated items are recorded at estimated fair market value at the date of donation, if significant.

A substantial number of volunteers have donated significant amounts of their time to the Organization and its programs. These services are not reflected in the financial statements since these services do not meet the criteria for revenue recognition.