

**GLOBAL COMPACT NETWORK USA, INC.**

**FINANCIAL STATEMENTS**

December 31, 2024 and 2023

GLOBAL COMPACT NETWORK USA, INC.

FINANCIAL STATEMENTS  
December 31, 2024 and 2023

CONTENTS

INDEPENDENT AUDITOR'S REPORT .....	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION .....	3
STATEMENTS OF ACTIVITIES .....	4
STATEMENTS OF CASH FLOWS .....	5
NOTES TO FINANCIAL STATEMENTS .....	6

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Global Compact Network USA, Inc.  
New York, New York

***Opinion***

We have audited the financial statements of Global Compact Network USA, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and 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 Global Compact Network USA, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***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 Global Compact Network USA, Inc. 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 Global Compact Network USA, Inc.'s ability to continue as a going concern for one year from the date the financial statements are available to be 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 Global Compact Network USA, Inc.'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 Global Compact Network USA, Inc.'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.



Crowe LLP

New York, New York  
November 13, 2025

GLOBAL COMPACT NETWORK USA, INC.  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 948,455	\$ 1,797,931
Prepaid expenses	399	48,558
Investments	<u>2,107,953</u>	<u>1,556,112</u>
 Total assets	 <u>\$ 3,056,807</u>	 <u>\$ 3,402,601</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 606,994	\$ 219,704
Accrued expenses	105,019	-
Due to Foundation	<u>1,400,058</u>	<u>1,105,548</u>
Total liabilities	<u>2,112,071</u>	<u>1,325,252</u>
 Net assets		
Net assets without donor restrictions	<u>944,736</u>	<u>2,077,349</u>
 Total liabilities and net assets	 <u>\$ 3,056,807</u>	 <u>\$ 3,402,601</u>

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See accompanying notes to the financial statements.

GLOBAL COMPACT NETWORK USA, INC.  
STATEMENTS OF ACTIVITIES  
Years Ended December 31, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
<b>Revenue</b>		
Contributions	\$ 1,992,573	\$ 2,434,819
Investment income	101,416	140,674
Other income	<u>4,638</u>	<u>8,995</u>
Total revenue	2,098,627	2,584,488
<b>Expenses</b>		
Program services	1,033,000	1,745,838
Supporting services		
Management and general	1,647,174	494,498
Fundraising	<u>551,066</u>	<u>418,592</u>
Total expenses	<u>3,231,240</u>	<u>2,658,928</u>
<b>Changes in net assets without donor restrictions</b>	(1,132,613)	(74,440)
Net assets without donor restrictions, beginning of year	<u>2,077,349</u>	<u>2,151,789</u>
<b>Net assets without donor restrictions, end of year</b>	<u><u>\$ 944,736</u></u>	<u><u>\$ 2,077,349</u></u>

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See accompanying notes to the financial statements.

GLOBAL COMPACT NETWORK USA, INC.  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash flow from operating activities</b>		
Change in net assets	\$ (1,132,613)	\$ (74,440)
Adjustments to reconcile change in net assets to net change in cash from operating activities		
Net realized and unrealized gain on investments	(69,725)	(115,004)
Change in operating assets and liabilities		
Prepaid expenses	48,159	(3,144)
Accounts payable	387,290	149,265
Accrued expenses	105,019	-
Due to Foundation	294,510	321,855
Net cash provided by operating activities	<u>765,253</u>	<u>352,972</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investment securities	476,159	472,251
Purchases of investment securities	(958,275)	(509,197)
Net cash used in investing activities	<u>(482,116)</u>	<u>(36,946)</u>
<b>Net (decrease) increase in cash</b>	(849,476)	241,586
Cash, beginning of year	<u>1,797,931</u>	<u>1,556,345</u>
<b>Cash, end of year</b>	<u><u>\$ 948,455</u></u>	<u><u>\$ 1,797,931</u></u>

See accompanying notes to the financial statements.

## NOTE 1 - ORGANIZATION

Description of Organization: Global Compact Network USA, Inc. (the “Network”) is a 501(c)(3) local network chapter of the United Nations Global Compact. Global Compact Network USA, Inc. is an independent, self-governed and self-managed entity that works closely with the UN Global Compact (the “Foundation”) and acts as a point of contact for UN Global Compact participants and signatories in the United States. The Network’s mission is to help companies identify sustainability challenges and opportunities, provide practical guidance for action and promote action in support of the UN Global Compact by utilizing the ten principles. The ten universally accepted principles reside in the areas of human rights, labor, environment and anti-corruptions and to act in support of UN’s broader goals.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements for Global Compact Network USA, Inc. have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America (“GAAP”). GAAP requires, among other things, that the financial statements report the changes in and total of each net asset classes, based upon donor restrictions, as applicable. Net assets are classified as without donor restrictions or with donor restrictions as described below:

- Without Donor Restrictions Net Assets: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing in primary objectives of the Network. These net assets may be used at the discretion of the Network’s management and the board of directors.
- With Donor Restrictions Net Assets: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the Network or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

The Network had no donor restrictions of a temporary or permanent nature as of December 31, 2024 and 2023.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash: Cash consists of cash on hand as well as bank deposits in accounts that are federally insured up to \$250,000 per financial institution. As of December 31, 2024 and 2023, cash balances exceeded insured amounts by \$575,491 and \$1,478,279, respectively.



**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Investment Securities: Investment securities, principally consisting of money market funds, marketable equities, exchange-traded funds and corporate bonds, are valued at their estimated fair value in the statements of financial position. Estimated fair values are determined primarily from quoted market prices where available, or quoted market prices of comparable instruments, where prices are not available. Earnings on investments, including interest, dividends, and realized and unrealized gains and losses are reported in the statements of activities as changes in net assets without donor restrictions unless their use is restricted by donor stipulations.

Fair Value Measurements: Financial Accounting Standards Board ("FASB") defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Network's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

FASB establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

*Level 3:* Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Contributions: Contributions that are expected to be collected within one year are recorded at net realizable value. Contributions are recognized when cash is received. Contributions received with specific donor restrictions are recorded in the class of net assets with donor restrictions. All other contributions are recorded as without donor restrictions. When the stipulations from contributions with donor restrictions have been met in the year of donation, they are reported as without donor restrictions.

Revenue Recognition: The Network and Foundation have an agreed-upon revenue sharing model, whereas the Network shall invoice, collect and manage all contributions from participants and signatories within the United States. The Network shall remit 50% or 70%, based on the participant's annual revenue, of all collections to the Foundation within 15 days of each fiscal quarter end. The remaining collections are to be used to cover operational costs associated with furthering UN Global Compact's mission.

Functional Allocation of Expenses: The costs of providing the Network's programs and supporting services have been summarized on a functional basis on the accompanying statement of activities. Accordingly, certain costs have been allocated between program and supporting services based principally on specific identification and employee time allocations.

Tax Exempt Status: The Network is a not-for-profit corporation and has been recognized by the Internal Revenue Service to be exempt from income taxes under 501(c)(3) of the Internal Revenue Code.

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(Continued)

GLOBAL COMPACT NETWORK USA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

GAAP prescribes recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits or liabilities will be recognized only if the tax position would “more-likely-than-not” be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit or liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit or liability will be recorded. Management has concluded that they are unaware of any tax benefits or liabilities to be recognized at December 31, 2024 and does not expect this to change in the next 12 months.

The Network would recognize interest and penalties related to uncertain tax positions in interest and income tax expense, respectively. The Network does not have amounts accrued for interest or penalties as of December 31, 2024 and 2023.

**Subsequent Events:** Management has performed an analysis of the activities and transactions subsequent to December 31, 2024 to determine the need for any adjustments or disclosures to the financial statements for the year ended December 31, 2024. Management has performed their analysis through November 13, 2025, the date the financial statements were available to be issued.

**NOTE 3 - RELATED PARTIES**

During the years ended December 31, 2024 and 2023, the Network remitted \$3,090,317 and \$2,516,812, respectively, to the Foundation in relation to the contributions received by the Network that are to be remitted to the Foundation. As of December 31, 2024 and 2023, the Network owes \$1,400,058 and \$1,150,548, respectively, to the Foundation for contributions received, but not yet remitted, which is included within Due to Foundation on the accompanying statements of financial position.

**NOTE 4 - INVESTMENT SECURITIES**

The Network carries its investments at fair value, which is determined by reference to published market values and information obtained from securities dealers. Unrealized gains (losses) are computed by comparing the fair value to the cost of the underlying security.

Interest and dividends and realized and unrealized gains and losses on investments are comprised of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends, net	\$ 31,691	\$ 25,670
Net realized gain on investments	6,264	9,595
Unrealized gain on investments	<u>63,461</u>	<u>105,409</u>
Total realized and unrealized gain on investments	<u>69,725</u>	<u>115,004</u>
Total investment income, net	<u>\$ 101,416</u>	<u>\$ 140,674</u>

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(Continued)

GLOBAL COMPACT NETWORK USA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

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**NOTE 4 - INVESTMENT SECURITIES** (Continued)

The fair value of investment securities on the accompanying statements of financial position was as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Marketable equities	\$ 291,101	\$ 175,665
Mutual funds	852,333	923,335
Fixed income	<u>964,519</u>	<u>457,112</u>
	<u>\$ 2,107,953</u>	<u>\$ 1,556,112</u>

**NOTE 5 - FAIR VALUE MEASUREMENTS**

Investments in certain marketable equities and exchange-traded funds are valued at the price of shares at year end using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Money market funds, certain marketable equities and corporate bonds are designated as Level 2 investments and valuations are obtained from either readily-available pricing sources for comparable instruments or a bid in an active market.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Network believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Network's policy is to recognize transfers in and transfers out of the various levels as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers during the years ended December 31, 2024 and 2023.

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(Continued)

GLOBAL COMPACT NETWORK USA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 5 - FAIR VALUE MEASUREMENTS** (Continued)

Financial assets carried at fair value as of December 31, 2024 are classified in the tables below in one of the three categories described above:

	2024			
	<u>Total</u> <u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Marketable equities</b>	\$ 291,101	\$ 291,101	\$ -	\$ -
<b>Mutual funds</b>				
Open-end fund	222,045	222,045	-	-
Exchange traded fund	630,288	630,288	-	-
<b>Total mutual funds</b>	<u>852,333</u>	<u>852,333</u>	<u>-</u>	<u>-</u>
<b>Fixed Income</b>				
Government bonds	571,329	571,329	-	-
Municipal and corporate bonds				
AAA	21,988	-	21,988	-
AA+	33,116	-	33,116	-
AA	51,964	-	51,964	-
AA-	39,813	-	39,813	-
A+	18,051	-	18,051	-
A	54,527	-	54,527	-
A-	78,595	-	78,595	-
BBB+	53,267	-	53,267	-
BBB	41,869	-	41,869	-
<b>Total municipal and corporate bonds</b>	<u>393,190</u>	<u>-</u>	<u>393,190</u>	<u>-</u>
<b>Total fixed income</b>	<u>964,519</u>	<u>571,329</u>	<u>393,190</u>	<u>-</u>
<b>Total assets at fair value</b>	<u>\$ 2,107,953</u>	<u>\$ 1,714,763</u>	<u>\$ 393,190</u>	<u>\$ -</u>

(Continued)

GLOBAL COMPACT NETWORK USA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 5 - FAIR VALUE MEASUREMENTS** (Continued)

Financial assets carried at fair value as of December 31, 2023 are classified in the tables below in one of the three categories described above:

	2023			
	Total Fair Value	Level 1	Level 2	Level 3
<b>Marketable Equities</b>	\$ 175,665	\$ 175,665	\$ -	\$ -
<b>Mutual funds</b>				
Open-end fund	472,681	472,681	-	-
Exchange traded fund	450,654	450,654	-	-
<b>Total mutual funds</b>	<u>923,335</u>	<u>923,335</u>	<u>-</u>	<u>-</u>
<b>Fixed Income</b>				
Government bonds	217,026	217,026	-	-
Municipal and corporate bonds				
AAA	35,555	-	35,555	-
AA+	13,768	-	13,768	-
AA	22,977	-	22,977	-
AA-	9,533	-	9,533	-
A+	9,116	-	9,116	-
A	38,554	-	38,554	-
A-	47,877	-	47,877	-
BBB+	43,634	-	43,634	-
BBB	19,072	-	19,072	-
<b>Total municipal and corporate bonds</b>	<u>240,086</u>	<u>-</u>	<u>240,086</u>	<u>-</u>
<b>Total fixed income</b>	<u>457,112</u>	<u>217,026</u>	<u>240,086</u>	<u>-</u>
<b>Total assets at fair value</b>	<u>\$ 1,556,112</u>	<u>\$ 1,316,026</u>	<u>\$ 240,086</u>	<u>\$ -</u>

(Continued)

GLOBAL COMPACT NETWORK USA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 6 - FUNCTIONAL EXPENSES**

The statements of activities report certain categories of expenses attributable to the program and supporting functions of the Network. The tables below presents these functional expenses by their natural classification for the years ended December 31, 2024 and 2023.

December 31, 2024				
	Program Activities		Supporting Activities	
	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 385,227	\$ 565,344	\$ 286,359	\$ 1,236,930
Payroll taxes	31,758	46,606	23,607	101,971
Employee benefits	83,658	122,774	62,188	268,620
Professional fees	220,262	542,580	74,954	837,796
Office operations	16,829	255,899	29,970	302,698
Dues and subscriptions	14,379	21,102	10,689	46,170
Insurance, fees, and other	5,633	8,930	4,187	18,750
Marketing	-	50,660	11	50,671
Travel	7,982	10,226	14,909	33,117
Occupancy	4,015	5,892	2,985	12,892
Conferences and Meetings	263,257	17,161	41,207	321,625
	<u>\$ 1,033,000</u>	<u>\$ 1,647,174</u>	<u>\$ 551,066</u>	<u>\$ 3,231,240</u>
December 31, 2023				
	Program Activities		Supporting Activities	
	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 512,587	\$ 238,070	\$ 260,395	\$ 1,011,052
Payroll taxes	38,593	18,162	18,918	75,673
Employee benefits	97,549	45,905	47,818	191,272
Professional fees	416,853	124,175	-	541,028
Office operations	159,758	49,924	69,894	279,576
Dues and subscriptions	11,467	3,584	5,017	20,068
Insurance, fees, and other	966	3,027	238	4,231
Marketing	74,034	-	-	74,034
Travel	21,568	6,740	9,436	37,744
Occupancy	15,717	4,911	6,876	27,504
Conferences and Meetings	396,746	-	-	396,746
	<u>\$ 1,745,838</u>	<u>\$ 494,498</u>	<u>\$ 418,592</u>	<u>\$ 2,658,928</u>

(Continued)

GLOBAL COMPACT NETWORK USA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

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**NOTE 7 - LIQUIDITY AND AVAILABILITY**

The following represents the Network's financial assets available to meet general expenditures over the next twelve months as of December 31:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash	\$ 948,455	\$ 1,797,931
Investment securities	<u>2,107,953</u>	<u>1,556,112</u>
Total financial assets	3,056,408	3,354,043
 Investments with liquidity horizons greater than one year	 <u>(713,993)</u>	 <u>(358,779)</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 2,342,415</u>	 <u>\$ 2,995,264</u>

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