

CHILDREN OF VIETNAM
Greensboro, North Carolina
INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
As of and for the Years Ended
June 30, 2025 and 2024

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Turlington and Company, L.L.P.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Children of Vietnam
Greensboro, North Carolina

Opinion

We have audited the financial statements of Children of Vietnam (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, 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 Children of Vietnam as of June 30, 2025 and 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Children of Vietnam 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 Children of Vietnam's ability to continue as a going concern for one year after the date that the financial statements are issued or within one year after the date that the financial statements are available to be issued, when applicable.

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 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 Children of Vietnam'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 Children of Vietnam'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.

Furlington and Company, L.L.P.

Winston-Salem, North Carolina
September 25, 2025

CHILDREN OF VIETNAM

STATEMENTS OF FINANCIAL POSITION

	June 30	
	2025	2024
	<hr/>	
ASSETS		
Current assets:		
Cash and equivalents	\$ 254,024	\$ 551,937
Short-term investments	545,553	836,395
Investments in marketable securities	880,564	-
Accounts receivable	2,556	18,527
Prepaid expenses	14,770	4,850
	<hr/> 1,697,467	<hr/> 1,411,709
Noncurrent assets:		
Operating lease right of use assets	<hr/> 25,762	<hr/> 43,130
	<hr/>	<hr/>
Total assets	<u>\$ 1,723,229</u>	<u>\$ 1,454,839</u>
	<hr/>	
LIABILITIES AND NET ASSETS		
Current liabilities:		
Operating lease obligations, current	\$ 13,727	\$ 16,206
Accounts payable	2,176	1,873
Accrued expenses	24,729	20,603
	<hr/> 40,632	<hr/> 38,682
Noncurrent liabilities:		
Operating lease obligations, noncurrent	<hr/> 7,455	<hr/> 25,721
	<hr/> 48,087	<hr/> 64,403
	<hr/>	
Net assets:		
Without donor restrictions:		
Undesignated	725,830	794,520
Designated	128,502	128,502
	<hr/> 854,332	<hr/> 923,022
With donor restrictions	<hr/> 820,810	<hr/> 467,414
	<hr/> 1,675,142	<hr/> 1,390,436
	<hr/>	
Total liabilities and net assets	<u>\$ 1,723,229</u>	<u>\$ 1,454,839</u>
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The accompanying notes are an integral part of the financial statements

CHILDREN OF VIETNAM

STATEMENT OF ACTIVITIES Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Public support and revenue:			
Grants and contributions	\$ 173,427	\$ 997,421	\$ 1,170,848
Special events	171,047		171,047
Contributions of nonfinancial assets	909,533		909,533
Investment return, net	62,190		62,190
Miscellaneous income	876		876
Net assets released from restrictions	644,025	(644,025)	-
Total public support and revenue	<u>1,961,098</u>	<u>353,396</u>	<u>2,314,494</u>
Expenses:			
Program services	1,726,557		1,726,557
Supporting services:			
Management and general	211,034		211,034
Fundraising	89,748		89,748
Total expenses	<u>2,027,339</u>		<u>2,027,339</u>
Changes in net assets from operations	(66,241)	353,396	287,155
Nonoperating activities:			
Losses of foreign currency translation adjustments	(2,449)		(2,449)
Changes in net assets	(68,690)	353,396	284,706
Net assets at beginning of year	<u>923,022</u>	<u>467,414</u>	<u>1,390,436</u>
Net assets at end of year	<u>\$ 854,332</u>	<u>\$ 820,810</u>	<u>\$ 1,675,142</u>

The accompanying notes are an integral part of the financial statements

CHILDREN OF VIETNAM

STATEMENT OF ACTIVITIES Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities:			
Public support and revenue:			
Grants and contributions	\$ 106,763	\$ 737,707	\$ 844,470
Special events	156,011		156,011
Contributions of nonfinancial assets	661,478		661,478
Investment return, net	48,643		48,643
Net assets released from restrictions	524,870	(524,870)	-
Total public support and revenue	<u>1,497,765</u>	<u>212,837</u>	<u>1,710,602</u>
Expenses:			
Program services	1,300,393		1,300,393
Supporting services:			
Management and general	169,988		169,988
Fundraising	79,105		79,105
Total expenses	<u>1,549,486</u>		<u>1,549,486</u>
Changes in net assets from operations	(51,721)	212,837	161,116
Nonoperating activities:			
Loss on termination of operating lease	(1,904)		(1,904)
Losses of foreign currency translation adjustments	(2,581)		(2,581)
	<u>(4,485)</u>		<u>(4,485)</u>
Changes in net assets	(56,206)	212,837	156,631
Net assets at beginning of year	<u>979,228</u>	<u>254,577</u>	<u>1,233,805</u>
Net assets at end of year	<u>\$ 923,022</u>	<u>\$ 467,414</u>	<u>\$ 1,390,436</u>

The accompanying notes are an integral part of the financial statements

CHILDREN OF VIETNAM

STATEMENT OF FUNCTIONAL EXPENSES Year Ended June 30, 2025

	Program Services	Support Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 178,252	\$ 119,006	\$ 63,805	\$ 361,063
Education	226,648			226,648
Nutrition	954,566			954,566
Health care	108,000			108,000
Hope System of Care for Children with Disabilities	86,478			86,478
Empowering Foundations for Women and their Children	32,525			32,525
Disaster relief	15,719			15,719
Travel and meetings	61,478	23,436		84,914
Professional fees	41,876	24,956	2,766	69,598
Security services		4,863		4,863
Postage and shipping	2	623	146	771
Utilities		1,010		1,010
Office supplies	130	8,091		8,221
Fundraising	570	221	3,953	4,744
Online processing fees			14,236	14,236
Miscellaneous	1,546	16,595	3,307	21,448
Insurance		2,581	499	3,080
Bank fees		4,905		4,905
Telephone and internet		667		667
Repairs and maintenance		1,235		1,235
Lease costs	17,160	2,525		19,685
Printing and reproduction	1,607	320	1,036	2,963
	<u>\$ 1,726,557</u>	<u>\$ 211,034</u>	<u>\$ 89,748</u>	<u>\$ 2,027,339</u>

The accompanying notes are an integral part of the financial statements

CHILDREN OF VIETNAM

STATEMENT OF FUNCTIONAL EXPENSES Year Ended June 30, 2024

	Program Services	Support Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 188,948	\$ 76,651	\$ 56,783	\$ 322,382
Education	153,808			153,808
Nutrition	728,675			728,675
Health care	10,400			10,400
Hope System of Care for Children with Disabilities	50,983			50,983
Empowering Foundations for Women and their Children	47,442			47,442
Disaster relief	1,825			1,825
Travel and meetings	58,920	20,412	785	80,117
Professional fees	35,598	39,538		75,136
Security services		3,742		3,742
Postage and shipping		452	176	628
Utilities	170	883		1,053
Office supplies	1,705	17,249	18	18,972
Fundraising	3,269		1,229	4,498
Online processing fees		187	14,171	14,358
Miscellaneous	1,851	3,448	4,301	9,600
Insurance		637	666	1,303
Bank fees		2,741		2,741
Telephone and internet	53	224		277
Repairs and maintenance	42	1,316		1,358
Lease costs	16,532	1,694		18,226
Printing and reproduction	172	814	976	1,962
	<u>\$ 1,300,393</u>	<u>\$ 169,988</u>	<u>\$ 79,105</u>	<u>\$ 1,549,486</u>

The accompanying notes are an integral part of the financial statements

CHILDREN OF VIETNAM

STATEMENTS OF CASH FLOWS

	Years Ended June 30	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 284,706	\$ 156,631
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Accrued interest on short-term investments	(21,394)	(36,395)
Loss on termination of operating lease	-	1,904
Contributed securities	(56,404)	(49,111)
Realized loss on sale of securities	5,572	449
Changes in assets and liabilities:		
Accounts receivable	15,971	(18,527)
Prepayments	(9,920)	4,202
Accounts payable	303	1,873
Accrued expenses	4,126	9,320
Operating lease obligations	(3,377)	(823)
Net cash provided by operating activities	<u>219,583</u>	<u>69,523</u>
Cash flows from investing activities:		
Purchases of short-term investments	(874,943)	(300,000)
Proceeds from the sale of marketable securities	<u>357,447</u>	<u>48,662</u>
Net cash used for investing activities	(<u>517,496</u>)	(<u>251,338</u>)
Net decrease in cash and equivalents	(297,913)	(181,815)
Cash and equivalents at beginning of years	<u>551,937</u>	<u>733,752</u>
Cash and equivalents at end of years	<u><u>\$ 254,024</u></u>	<u><u>\$ 551,937</u></u>
Supplemental noncash activity:		
Increase in operating lease obligations through acquisition of operating lease right of use assets		<u><u>\$ 53,039</u></u>

The accompanying notes are an integral part of the financial statements

CHILDREN OF VIETNAM
NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2025 and 2024

1. Description of Organization:

Children of Vietnam (the Organization) is a nonprofit corporation established in 1998 that works to lift children out of poverty by eliminating barriers to fulfilling their potential through comprehensive services that focus on one child, one family, and one community at a time. The Organization envisions a Vietnam in which all children flourish, reach their full potential, and contribute positively to society.

The Organization accomplishes its mission by tackling the many challenges children face in poverty with wraparound services in education, nutrition, and health. It works with vulnerable children, including poor, ethnic children, and those with disabilities (including those negatively affected by Agent Orange/dioxin). Further, it works with single mothers to develop their livelihoods and resiliency and communities to implement early education and provide clean water and sanitation.

2. Summary of Significant Accounting Policies:

These financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America, with the more significant of these principles described as follows:

The Organization records resources for accounting and reporting purposes into two net assets categories: net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions - Net assets that are available for any purpose consistent with the Organization's mission. From time-to-time, the Organization's Board of Directors may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions - Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Organization and/or passage of time. When a restriction expires, the net assets are reclassified to net assets without donor restrictions and are reported in the statements of activities as released from restrictions. Some net assets may include donor-imposed restrictions that the assets be held in perpetuity, while permitting the Organization to expend the income generated by those assets.

Cash and cash equivalents, as stated for cash flow purposes, consists of interest and noninterest-bearing cash accounts with original maturities of three months or less.

Short-term investments consist of certificates of deposit with scheduled maturity dates of less than one year.

The Organization accounts for investments in marketable securities in accordance with ASC 958-320 and 958-321, *Investments - Debt and Equity Securities*. Investments in marketable securities with readily determinable fair values are measured at fair value in the statements of financial position. Net investment return (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the statements of activities as increases and decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

The Organization accounts for contributions in accordance with ASC 958-605, *Contributions Received*. Contributions, including unconditional promises to give, are recognized as income in the period that the commitment is made. Contributions received are recorded as an increase in either net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions received for which the donor receives commensurate value are accounted for as exchange transactions and the related revenues are recognized under ASC 606, *Revenue from Contracts with Customers*. Contributions received that provide for a right of return or release and that are subject to certain barriers are treated as conditional contributions and are recognized as income in the period in which those barriers are satisfied, which may differ from the time at which the contribution is made.

CHILDREN OF VIETNAM
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (Continued):

Purchases of property and equipment for amounts greater than \$5,000 are capitalized at cost. Major renewals and betterments that extend the useful lives of property and equipment are capitalized at cost if purchased or fair market value if contributed. Expenditures for maintenance, repairs, and minor renewals, and purchases of property and equipment for amounts below the Organization's capitalization threshold are charged to expense as incurred.

The requirements for the recognition of contributed services in the financial statements are set forth in ASC 958-605, *Contributions Received*. Donated services should be recorded when (1) they create or enhance non-financial assets, or (2) they require specialized skills provided by individuals possessing those skills and are services that would typically be purchased if not provided by donation. A substantial number of volunteers and charitable companies have donated significant time and services to assist the Organization in carrying out its mission; however, the value of services is not reflected in the accompanying financial statements as the criteria for recognition has not been met.

Contributions of nonfinancial assets are recognized at fair value at the time the contribution is made to the Organization. These contributions are reflected as a component of either net assets with donor restrictions or net assets without donor restrictions depending on the nature and extent of restrictions, if any, made by the donor.

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are directly attributable to a functional area are directly assigned to that area. Other costs are allocated to the functional areas using reasonable bases that are consistently applied, including either time or effort expended, usage of space, revenues, or other allocation bases.

The Organization recognizes tax benefits from uncertain tax positions at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority.

The Organization accounts for its leasing activities in accordance with ASC 842, *Leases*. Under ASC 842, all leases, with limited exceptions, are recognized on the statements of financial position as right of use assets and related lease obligations. The Organization classifies its leases as either operating leases or finance leases depending on the nature and terms of the agreements. Operating lease expense is recognized on a straight-line basis over the lease term whereas finance lease expense includes components of interest related to the accretion of the finance lease liability, and amortization related to the finance lease right of use assets. The Organization has elected to apply the short-term lease exception whereby right of use assets and lease obligations pertaining to leases with an original term of less than 12 months are not reflected in the statements of financial position. Further, the Organization has elected to use the risk-free discount rate in valuing lease obligations for certain asset classes. See Note 8 for additional information regarding the Organization's leasing activities.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 and expenses during the reporting period. Actual results could differ from those estimates.

3. Concentrations:

The Organization places its cash and cash equivalents on deposit with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposits held in noninterest-bearing transaction accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to at least \$250,000. During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limit. As of June 30, 2025, the Organization had deposits of \$295,553 in excess of the insured limit.

CHILDREN OF VIETNAM
NOTES TO FINANCIAL STATEMENTS

4. Liquidity and Availability of Resources:

The Organization's financial assets that are available for general expenditures within one year of June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Financial assets available within one year:		
Cash and equivalents	\$ 254,024	\$ 551,937
Short-term investments	545,553	836,395
Investments in marketable securities	880,564	-
Accounts receivable	2,556	18,527
Total financial assets available within one year	<u>1,682,697</u>	<u>1,406,859</u>
Less, amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	820,810	467,414
Less, amounts unavailable to management without board approval:		
Designated for operating reserve	<u>128,502</u>	<u>128,502</u>
Total amounts unavailable for general expenditures within one year	<u>949,312</u>	<u>595,916</u>
Total financial assets available for general expenditure within one year	<u>\$ 733,385</u>	<u>\$ 810,943</u>

The Organization's policy is to structure its financial assets in such a manner to be available for general expenditures as the obligations come due. To help facilitate unanticipated liquidity needs, the Organization has substantial board-designated funds to draw upon, if needed.

5. Investments in Marketable Securities:

The Organization's investments in marketable securities consist of fixed income exchange traded mutual funds and total \$880,564 at June 30, 2025. Net investment return on these securities consisted of the following for the year ended June 30, 2025:

	<u>2025</u>
Interest and dividend income	\$ 37,007
Realized and unrealized losses	(5,479)
Fees	(2,041)
	<u>\$ 29,487</u>

6. Restricted and Designated Net Assets:

Net assets with donor restrictions consist of cash and equivalents and the amounts have been restricted by donors for the following program activities at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Program use restrictions:		
Education	\$ 710,017	\$ 405,449
Delivering water	15,841	1,200
Nutrition	-	15,553
Empowering Foundations for Women and Children	20,074	36,097
Hope System of Care for Children with Disabilities	74,878	9,115
	<u>\$ 820,810</u>	<u>\$ 467,414</u>

A summary of net assets released from restrictions during the years ended June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Satisfaction of restrictions through incurrence of program and other operating expenses	<u>\$ 644,025</u>	<u>\$ 524,870</u>

CHILDREN OF VIETNAM
NOTES TO FINANCIAL STATEMENTS

6. Restricted and Designated Net Assets (Continued):

Additionally, the Organization's Board of Directors has designated certain net assets totaling \$128,502 to function as an operating reserve. There were no changes to the operating reserve amounts during the years ended June 30, 2025 and 2024.

7. Contributions of Nonfinancial Assets:

The Organization works with partner agencies in Vietnam to provide food and other goods to those in need. Contributed program supplies consist of dehydrated food provided by a partner agency to the Organization at no cost. The value is based on the market price of the products received and totaled \$909,533 and \$661,478, respectively, for the years ended June 30, 2025 and 2024. These items are used for the Organization's program rather than monetized. Additionally, these contributions are not subject to donor-imposed time or use restrictions.

8. Leases:

The Organization leases certain office and warehouse space under agreements that qualify as operating leases under ASC 842, *Leases*, and others that qualify for the short-term lease exception.

The operating lease agreement for warehouse space provides for fixed semi-annual payments of \$2,261 over a term of 36 months. The lease is scheduled to expire during the year ended June 30, 2027.

The operating lease agreement for office space provides for semi-annual payments that increase annually over the lease term. The semi-annual payment for the year ended June 30, 2025 was \$6,800. The lease agreement provides for a term of 36 months and is scheduled to expire during the year ended June 30, 2027.

These operating lease agreements are denominated in foreign currency (Vietnamese dong), and future minimum payments were converted to the reporting currency (US dollar) using the exchange rate at lease commencement. These lease liabilities and related right of use assets are not subject to remeasurement for subsequent changes in foreign currency exchange rates.

Total lease costs were comprised of the following for the year ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating lease costs	\$ 18,692	\$ 10,609
Short-term lease costs	993	7,617
	<u>\$ 19,685</u>	<u>\$ 18,226</u>

Future minimum payments under the active operating lease agreements at June 30, 2025 are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2026	\$ 14,261
2027	7,480
Total lease payments	21,741
Less, present value discount	559
	<u>\$ 21,182</u>

The weighted average discount rate and remaining lease term at June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Weighted average discount rate of operating leases	1.45 years	2.52 years
Weighted average remaining lease term of operating leases	4.33%	4.25%

CHILDREN OF VIETNAM

NOTES TO FINANCIAL STATEMENTS

8. Leases (Continued):

During the year ended June 30, 2024, the Organization prematurely terminated a lease agreement that was previously classified as an operating lease. This event resulted in a loss on termination totaling \$1,904 and the loss is reflected in nonoperating activities in the accompanying statements of activities.

9. Income Tax Status:

The Organization has been determined to be exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 of the Internal Revenue Code. Annual information returns are filed as required.

The Organization has determined that it has no uncertain income tax positions as of June 30, 2025 and 2024. Also, the Organization does not anticipate any increase or decrease in unrecognized tax benefits during the next twelve months that would result in a material change in its financial position. The Organization's income tax returns for years ended after June 30, 2022 remain open for examination.

The Organization includes interest and penalties in the financial statements as a component of income tax expense. No interest or penalties are included in the Organization's income tax expense for the years ended June 30, 2025 and 2024.

10. Fair Value Measurements:

The accounting guidance for fair value measurements established a fair value hierarchy to prioritize the inputs of valuation techniques used to measure fair value. Outlined below is the application of the fair value hierarchy established by the accounting guidance for fair value measurements to the Organization's assets that are carried at fair value.

Level 1 - Inputs to the valuation methodology are quoted prices for identical assets in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets in active markets and significant other observable inputs that.

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

Assets measured at fair value on a recurring basis at June 30, 2025 were as follows:

Description	Assets at Fair Value as of December 31, 2025			
	Total	Level 1	Level 2	Level 3
Equity securities:				
Mutual funds:				
Fixed income exchange				
traded funds	\$ 880,564	\$ 880,564		

The Organization's equity securities are measured at fair market value through reference to quoted market prices for identical assets in active markets. There were no significant transfers in or out of Levels 1, 2, or 3 during the years ended June 30, 2025 and 2024.

11. Retirement Plan:

The Organization sponsors a Savings Incentive Match Program for Employees (SIMPLE IRA) plan for its eligible employees in the United States. Employees are eligible to participate in the plan after completing six months of full-time service. Employees may contribute a portion of their compensation to the plan, subject to the annual limits established by the Internal Revenue Service (IRS). The Organization matches employees' contributions up to 3% of each participating employee's salary. The Organization's matching contributions to the plan totaled \$5,025 and \$5,213, respectively, for the years ended June 30, 2025 and 2024.

CHILDREN OF VIETNAM
NOTES TO FINANCIAL STATEMENTS

12. Related Party Transactions:

The Organization receives contributions from members of the Board of Directors. Support from current Board members totaled \$79,372 and \$45,181, respectively, for the years ended June 30, 2025 and 2024. There were no contributions receivable from Board members at June 30, 2025 and 2024.

13. Risk and Uncertainties:

The Organization's program services operate in Da Nang, Quang Nam Province, Quang Ngai Province and occasionally other provinces in Vietnam. Foreign operations are subject to risks inherent in operating under a different legal system and economic environment. Among the risks are changes in existing tax laws, possible limitations on foreign income repatriation, government price or foreign exchange controls, and restrictions on currency exchange. Net assets of the Organization's foreign operations are less than 1% of the Organization's total net assets at June 30, 2025 and 2024.

14. Subsequent Events:

The Organization has evaluated all subsequent events through September 25, 2025, the date the financial statements were available to be issued. No events were identified that would require adjustment of or disclosure in the accompanying financial statements.