CAMBODIAN CHILDREN'S FUND
(A NONPROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024)

HEALY AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

June 17, 2026

Board of Directors
Cambodian Children's Fund
Santa Monica, California

Opinion
I have audited the financial statements of Cambodian Children's Fund (a nonprofit public benefit corporation), 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cambodian Children's Fund 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
I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Cambodian Children's Fund and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Cambodian Children's Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
My 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 my 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

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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, including omissions, 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, I:

- 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 Cambodian Children's Fund'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cambodian Children's Fund's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Summarized Comparative Information

I have previously audited Cambodian Children's Fund's 2024 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated June 25, 2025. In my 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 audited financial statements from which it has been derived.

Healy and Associates

Healy and Associates
Concord, California

CAMBODIAN CHILDREN'S FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(WITH SUMMARIZED COMPARATIVE INFORMATION AS OF DECEMBER 31, 2024)

	December 31	
	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 888,319	$ 1,199,661
Investments	3,683,515	5,307,042
Contributions receivable	254,789	297,896
Prepaid expenses	58,979	63,083
Other current assets	17,789	32,645
Total current assets	4,903,391	6,900,327
Right-of-use assets - operating leases	547,912	497,865
Fixed assets, net	18,031,374	18,203,273
Other receivables	-	22,177
Security deposits	85,545	77,035
In-kind goods on hand	29,664	72,438
TOTAL ASSETS	$ 23,597,886	$ 25,773,115
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 79,580	$ 191,246
Employee wages and taxes payable	247,123	257,489
Employee benefits payable	18,746	30,558
Paid time off liability	102,455	99,326
Lease liabilities - operating leases, current portion	162,658	162,449
Total current liabilities	610,562	741,068
Lease liabilities - operating leases, long-term portion	393,717	343,754
TOTAL LIABILITIES	1,004,279	1,084,822
COMMITMENT		
NET ASSETS		
Without donor restrictions	21,749,125	23,454,234
With donor restrictions	844,482	1,234,059
Total net assets	22,593,607	24,688,293
TOTAL LIABILITIES AND NET ASSETS	$ 23,597,886	$ 25,773,115

See Notes to Financial Statements

CAMBODIAN CHILDREN'S FUND
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
REVENUE AND SUPPORT				
Contributions	$ 8,692,256	$ 1,304,575	$ 9,996,831	$ 10,263,750
Investment income, net	178,306	-	178,306	348,564
In-kind supplies and services	663,579	-	663,579	202,079
Other income	141,638	-	141,638	129,686
Interest income	11,206	-	11,206	15,310
	9,686,985	1,304,575	10,991,560	10,959,389
Net assets released from restriction	1,694,152	(1,694,152)	-	-
TOTAL REVENUE AND SUPPORT	11,381,137	(389,577)	10,991,560	10,959,389
EXPENSES				
Program services	11,383,295	-	11,383,295	10,499,010
Supporting services:				
General and administrative	985,233	-	985,233	1,001,546
Fundraising	717,718	-	717,718	890,664
TOTAL EXPENSES	13,086,246	-	13,086,246	12,391,220
CHANGE IN NET ASSETS	(1,705,109)	(389,577)	(2,094,686)	(1,431,831)
NET ASSETS, beginning of year	23,454,234	1,234,059	24,688,293	26,120,124
NET ASSETS, end of year	$ 21,749,125	$ 844,482	$ 22,593,607	$ 24,688,293

CAMBODIAN CHILDREN'S FUND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	Program Services	General and Administrative	Fundraising	Total 2025	Total 2024
EXPENSES					
Compensation	$ 4,371,030	$ 481,243	$ 502,696	$ 5,354,969	$ 5,148,131
Direct program expenses	2,279,652	11,175	9,108	2,299,935	2,455,904
Grants to others	2,000,000	-	-	2,000,000	2,000,000
Depreciation	740,706	185	2,125	743,016	632,704
In-kind supplies and services	694,852	11,500	-	706,352	205,007
Travel and transportation	208,052	33,290	106,290	347,632	244,584
Occupancy	263,664	36,902	917	301,483	334,476
Payroll taxes	212,708	56,171	11,650	280,529	262,620
Insurance	87,057	164,698	8,992	260,747	243,803
Professional fees	123,485	64,011	-	187,496	130,124
Communication and software	85,121	41,536	30,982	157,639	160,974
Equipment rental and maintenance	134,404	2,006	6,677	143,087	101,829
Other expenses	61,807	10,903	3,190	75,900	99,637
Staff development	61,610	2,883	863	65,356	51,992
Supplies	23,676	3,091	34,228	60,995	78,265
Bank and transaction fees	1,802	54,370	-	56,172	42,052
Conference and meetings	28,437	973	-	29,410	189,944
Postage and shipping	4,792	10,296	-	15,088	8,954
Advertising and marketing	440	-	-	440	220
TOTAL EXPENSES	$ 11,383,295	$ 985,233	$ 717,718	$ 13,086,246	$ 12,391,220

CAMBODIAN CHILDREN'S FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	Total	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (2,094,686)	$ (1,431,831)
Adjustment to reconcile excess change in net assets to cash used by operating activities:		
Depreciation	743,016	632,704
Realized and unrealized net gain on investments	(178,306)	(348,564)
Loss on forgiveness of other receivables	22,177	-
Change in in-kind goods on hand	42,774	2,927
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES:		
Contributions receivable	43,107	103,599
Other current assets	14,856	(6,680)
Prepaid expenses	4,104	15,183
Right-of-use assets	(50,047)	97,282
Security deposits	(8,510)	25,283
Accounts payable and accrued expenses	(111,666)	(126,706)
Employee wages and taxes payable	(10,366)	57,751
Employee benefit payable	(11,812)	9,202
Paid time off liability	3,129	45,834
Lease liabilities	50,172	(96,768)
NET CASH USED BY OPERATING ACTIVITIES	(1,542,058)	(1,020,784)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of certificates of deposits	-	(1,500,000)
Certificates of deposit matured and returned to cash	500,000	3,250,000
Sales of investments and returned to cash	18,357,348	1,633,000
Acquisition of investments	(17,055,515)	(1,951,094)
Acquisition of fixed assets	(571,117)	(2,056,226)
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	1,230,716	(624,320)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in other receivables	-	4,005
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	4,005
NET CHANGE IN CASH AND CASH EQUIVALENTS	(311,342)	(1,641,099)
CASH AND CASH EQUIVALENTS, beginning of year	1,199,661	2,840,760
CASH AND CASH EQUIVALENTS, end of year	$ 888,319	$ 1,199,661
SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS:		
Right-of-use asset - new	$ 232,272	$ 89,400
Operating lease liability for right-of-use asset - new	$ 232,272	$ 89,400
Construction in progress purchases included in payables at year end	$ -	$ 123,886

NOTE A – NATURE OF ACTIVITIES

Cambodian Children's Fund (Organization or CCF) is a California nonprofit public benefit corporation founded in 2004 to provide charitable relief to the people of Cambodia and to aid the most impoverished of Cambodia's children. CCF transforms the country's most impoverished kids into tomorrow's leaders, by delivering education, family support, and community development programs into the heart of Cambodia's most impoverished communities.

CCF believes that with the right education and support, one child has the potential to lift an entire family out of poverty and that a generation of educated children has the power to change a whole society. Through intensive, long-term investments in children, CCF is helping students build the skills, confidence, and integrity they need to become change agents and leaders of change in their community.

CCF's Phnom Penh facilities were initially established as a safe house for Cambodia's at risk, abandoned, or abused children, providing secure shelter and nutritional meals with a caring environment. The goal was to house and feed 45 children. In the past 20 years, the Organization has grown with community-oriented facilities and education centers, a community center in the heart of Steung Meanchey Community (SMC), satellite schools, and a free medical center.

CCF obtains its funding from the donations of global partners, individuals, corporations, and foundations. The yearly cost of caring for a CCF child is partially supported through a sponsorship program where regular correspondence is encouraged.

Through the 7 core program areas: Education, Leadership, Community Outreach, Healthcare, Child Care, Career and Life Skills, and Child Protection Unit, CCF takes a holistic, on-the-ground approach to developing integrated yet adapted solutions to the complex issues of poverty. The Organization's program services are further described as follows:

Education – CCF provides a quality education program in the center of the impoverished communities they serve. CCF enables children access to both formal and informal education from pre-school to university to improve their cognitive development and nurture their skills. As well as operating education facilities and satellite schools, CCF provides students with child-centered learning methodology, school uniforms, study materials, STEM facilities, university fees, and transportation. CCF works closely and directly with public schools, teachers, and directors at primary and lower secondary levels to ensure high attendance rates and academic results. At the secondary level, CCF provides full-time education in their facilities with co-curricular activities. CCF programs provide a pathway to education for thousands of children once deemed "unreachable."

NOTE A – NATURE OF ACTIVITIES (Continued)

Leadership – An understanding of governance, human rights, gender issues, empathy, community building, communication, and the key qualities of leadership are essential factors for generational change. CCF prepares students for their future as leaders in Cambodian society and equips them with the tools, training, and knowledge to make a meaningful, positive impact on their community. CCF offers a range of activities within the Leadership Program to help build its young leaders, including trips to rural communities, annual intensive three-day Youth Leadership Camps, and community support activities such as caring for senior citizens, volunteering as classroom assistants, or visiting families to advocate hygienic practices within the home.

Community Outreach – The CCF Community Centre was established to provide reliable care services and support within and for the Steung Meanchey Community (SMC). Impoverished people living in the SMC are provided access to community services ranging from food, shelter, fresh water, healthcare, childcare, counseling and advocacy, social bonding events, and other necessary provisions.

Healthcare – CCF provides free healthcare to the most impoverished people in the Steung Meanchey area ranging from common ailments to chronic illnesses, through the CCF Medical Clinic. CCF arranges hospital referrals as needed and treatment fees are provided accordingly. Support costs such as food and transportation are also provided during hospital stays as well as other relevant fees. CCF provides targeted groups with materials necessary for disease prevention, with a focus on child nutrition and maternal care.

Child Care – CCF cares for children from early ages up until 18 years old. Main activities include provision of a safe environment, nutritious food, clothes, decent and safe accommodation, household supplies, counseling services, social education, and other necessary life maintenance materials. CCF ensures that the children are safe and happy by providing them with a secure and caring environment, protecting them from foreseeable hazards and abuse. CCF provides foster care and kinship care opportunities for children and also ensures as many children as possible visit family at holiday time and have as much contact as possible with their families.

Career and Life Skills – The Career and Life Skills Program provides career counseling, university scholarships, vocational training, internships, and job placement to the students in their care. It is designed to enable young adults to complete tertiary education or vocational education and earn the skills they need to obtain and maintain gainful employment and independence.

NOTE A – NATURE OF ACTIVITIES (Continued)

Career and Life Skills (Continued) – CCF aims to provide all students with a university education, but university isn't for everyone. For students who do not want to study at university and those who do not qualify, including students who arrived at CCF too late to make the grade for the university, they offer vocational training pathways through partnerships with local organizations and corporations.

Child Protection Unit (CPU) – Crimes against children including homicide, sexual assault, child trafficking, internet crimes against children, and all forms of serious abuse require a specialized and coordinated response from investigative and support agencies. The CPU is a CCF program set up to provide the highest level of service to child victims of abuse or assault regardless of gender, cultural background, or impairment. Working in partnership with the Cambodian National Police and supporting organizations, the CPU provides investigative resources and support, aftercare, judiciary support, and major crime coordination to detect offenses and prosecute those that commit these horrific crimes against children. CPU's priority is the protection and care of the most vulnerable of victims: Children.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of CCF are maintained on the accrual basis of accounting. The financial statements of CCF have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
>
> **Net assets with donor restrictions**: 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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby 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 statements of activities.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Functional Currency, Cash and Cash Equivalents
CCF transacts its business and maintains its books and records in United States Dollars. Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Contributions and Other Receivables
Contribution receivables consist of unconditional promises to give and are reflected at their net realizable value. Amounts due beyond one year, if any, are discounted to the present value of future cash flows.

In addition, CCF provided micro loans to external parties through 2024. The loans were designed to aid external parties in finding permanent housing and aid families to become self-sustaining. They were non-interest bearing, unsecured, and were repaid over periods ranging from three months to five years. The remaining micro loans were written off during the year ended December 31, 2025 to support the community.

CCF evaluates the collectability of its receivables on an ongoing basis and records a provision for potential doubtful accounts and credit losses when appropriate. Management did not consider an allowance for doubtful accounts or credit losses necessary as of December 31, 2025.

Other Current Assets
Other current assets are comprised of rice stock for programs and other supplies on hand. Management manages other current assets on a first in first out basis, evaluates the condition of these assets, and does not consider an allowance for obsolescence necessary.

Fixed Assets
Fixed assets additions of $5,000 or more are recorded at cost or fair value if contributed, less accumulated depreciation. Depreciation is recorded using straight-line methods over the useful life of three to twenty years. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Goods on Hand

CCF receives donated goods which they distribute to the community in Cambodia. The goods are primarily comprised of medical supplies, clothing, educational materials, and shoes and are reflected based on fair value at the time of donation. At December 31, 2025 and 2024, CCF has $29,664 and $72,438 of in-kind goods on hand, respectively.

Fair Value Measurements

The Organization's financial instruments include cash, cash equivalents, and investments measured using Level 1 and 2 inputs. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

> **Level 1**— Quoted prices for identical assets in active markets.
> **Level 2**—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.
> **Level 3**— Unobservable inputs that cannot be corroborated by observable market data.

Contributions and Revenue

The Organization is supported primarily through contributions.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Consequently, at December 31, 2025, contributions of approximately $1,978,412, have not been recognized in the accompanying statement of activities because the metrics on which they depend have not yet been met or the expenses have not been incurred.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Items and Services
Donated property and equipment are recorded as support at the estimated fair value at the date of the donation and are stored and used in Cambodia. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Contributions of services are recognized if the services received create or enhance non-financial assets, or require specialized skills, and are provided by individuals possessing those skills, which would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses
The costs of program activities and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization. Such expenses which are common to multiple functions have been allocated among the various functions benefited based on time spent in the functional area and management's estimates.

Tax Exemption Status
Cambodian Children's Fund has received tax exempt status under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State of California Revenue and Taxation Code. CCF is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS along with related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. CCF has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Comparative Financial Information and Reclassifications
The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. Certain reclassifications have been made in the 2024 comparative totals to conform to the classifications used in 2025. The reclassifications had no impact on previously reported net assets. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2024, from which the summarized information was derived.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle – Adoption of CECL

Effective January 1, 2025, the Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and related amendments ("CECL"). The standard replaces the incurred loss model with an expected credit loss model, which requires recognition of an allowance for lifetime expected losses on financial assets measured at amortized cost.

Adoption and Practical Expedients

In adopting CECL, the Organization implemented its Credit Loss Policy consistent with ASC 326 and applicable nonprofit guidance. The Organization elected the following practical expedients and accounting policy elections:

1. Practical Expedient for Short-Term Receivables – The Organization assumes that economic conditions at the balance sheet date will remain unchanged for the short remaining life of its receivables, thereby eliminating the need to forecast future macroeconomic variables (ASC 326-20-30-10C and 30-10D).
2. Accounting Policy Election for Post-Balance-Sheet Collections – The Organization considers actual cash collections received between the balance sheet date and the date the financial statements are available to be issued (or another selected cut-off date). Receivables collected during this period are excluded from the allowance for credit losses (ASC 326-20-30-10E through 30-10H).
3. Pooling and Qualitative Approach – For uncollected receivables remaining after the cut-off date, the Organization evaluates expected credit losses collectively using historical experience adjusted for current conditions and known specific risks when applicable.

Effect of Adoption

The adoption of CECL did not result in a cumulative-effect adjustment to beginning net assets and did not have a material impact on the Organization's financial position or results of operations. The Organization has disclosed its election of both the practical expedient and post-balance-sheet collection accounting policy election in accordance with ASC 326-20-50-12A and 50-12B.

NOTE C – LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	$ 888,319
Investments	3,683,515
Contributions receivable	254,789
	4,826,623
Less amounts not available to be used within one year:	
Net assets with restrictions to be met in one year	(844,482)
	$ 3,982,141

CCF's investments contain certificates of deposit in a foreign financial institution and U.S. Treasury bills (See Note D). Although they do not intend to cash out their financial instruments prior to maturity, they could be made available, less a fee for early withdrawal, if necessary.

As part of CCF's liquidity management plan, they invest cash in excess of daily requirements in investments with financial institutions.

NOTE D – INVESTMENTS

Investments are stated at fair value and consist of the following as of December 31, 2025:

	Level 1	Level 2
Certificates of deposit (CDs) held in a Cambodian financial institution, bearing interest at 6.0% - mature November 2026	$ -	$ 500,000
US Treasury bills – various maturing in 2026	3,182,847	-
Bank sweep	668	
	$ 3,183,515	$ 500,000

CCF holds CDs with a financial institution in Cambodia, which carries no deposit insurance or other protection for the investor (See Note F).

NOTE D – INVESTMENTS (Continued)

Activity in investments for the year ended December 31, 2025 is as follows:

Beginning Balance, December 31, 2024	$ 5,307,042
Interest and other income	180,357
Deposit	4,080,338
Cash withdrawn	(5,882,171)
Foreign taxes	(2,051)
Ending Balance, December 31, 2025	$ 3,683,515

NOTE E – FIXED ASSETS

As of December 31, fixed assets consist of the following:

Description	Location	2025	2024
Land use rights (Note M)	Cambodia	$ 10,766,271	$ 10,766,271
Leasehold improvements (Note M)	Cambodia	9,746,576	9,740,091
Work in progress	Cambodia	306,069	6,741
Furniture and equipment	Cambodia	1,155,768	1,045,141
Furniture and equipment	United States	20,230	20,230
Vehicles	Cambodia	866,895	831,765
		22,861,809	22,410,239
Less: Accumulated depreciation		(4,830,435)	(4,206,966)
Total fixed assets, net		$ 18,031,374	$ 18,203,273

Depreciation expense for the years ended December 31, 2025 and 2024 was $743,016 and $632,704, respectively.

As a foreign corporation operating in Cambodia, CCF is not able to legally own land. Therefore, CCF has entered into long-term leases and rights for the use of land and buildings. CCF constructs facilities on these lands and depreciates the improvements over the lives of the leases (See Note J).

NOTE F – CONCENTRATIONS AND RISKS

Financial Institution Balances

CCF maintains operating cash balances at banks in the U.S., which are in excess of the Federal Deposit Insurance Corporation (FDIC) limit of $250,000 per institution. The U.S. financial institutions include Wells Fargo Bank, Wells Fargo Advisors, and PayPal (which carries no FDIC coverage). The amounts in excess of the federally insured limits held in U.S. financial institutions or without coverage is $2,597 and $1,436 at December 31, 2025 and 2024, respectively.

CCF maintains operating cash balances and certificates of deposit in multiple financial institutions in Cambodia, which carry no deposit insurance. The deposits exposed to risk are $1,296,493 and $2,103,186 at December 31, 2025 and 2024, respectively. The Cambodian financial institutions holding these deposits are ACLEDA Bank, KB PRASAC Bank, Woori Bank, Wing Bank, and ABA Bank.

In total, CCF has uninsured balances of $1,299,090 and $2,104,622 at December 31, 2025 and 2024, respectively, in all accounts, foreign and domestic, combined.

Country Risk

CCF conducts a significant portion of its operations outside of the U.S., primarily in Cambodia. As of December 31. 2025, approximately 83% of CCF's total assets are located in Cambodia, including cash, investments, other current assets, fixed assets, and other long-lived assets used in program activities.

CCF is subject to various risks associated with conducting operations in foreign countries, including changes in governmental policies, currency exchange fluctuations, and compliance with local laws and regulations. The Organization monitors these risks and works with local legal and financial advisors to ensure compliance with Cambodian regulations applicable to nonprofit organizations.

Revenue

CCF received approximately 40% and 38% of its total revenue for the years ended December 31, 2025 and 2024, respectively, in contributions from their international affiliates. Loss of this funding could impact CCF's operations.

Receivables

At December 31, 2025 and 2024, 59% and 34% of receivables are from two funders (39% and 20%) and one funder, respectively.

NOTE G – EMPLOYEE BENEFITS

In compliance with the country's labor laws, Cambodian and expatriate employees of CCF, who are located and working in Cambodia, are entitled to indemnity pay. During the years ended December 31, 2025 and 2024, CCF paid approximately $214,235 and $230,029, respectively, to employees through the indemnity program. The accumulated indemnity payable at December 31, 2025 and 2024 was $13,460 and $25,229, respectively.

CCF offers participation in a 401(k) salary deferral plan (Plan) to its US staff. The Plan has voluntary employer contributions. Employer contributions to the Plan for the years ended December 31, 2025 and 2024 was $2,401 and $4,493, respectively.

The Organization's employees are entitled to paid time off based upon length of service and other factors. As of December 31, 2025 and 2024, the accrued vacation liability was $102,455 and $99,326, respectively. This amount is reflected in the accompanying statement of financial position.

In October 2022, CCF implemented the individual retirement plan accounts required under the laws of Cambodia, whereby employees who make $300 or more per month have 2% of their salary withheld and the employer must match. CCF expensed $31,708 and $30,097 for their contributions to the accounts for the years ended December 31, 2025 and 2024, with a pension payable liability of $5,286 and $5,329 at December 31, 2025 and 2024, respectively.

NOTE H – DONATED GOODS AND SERVICES

During the year ended December 31, 2025, CCF received the following donated items:

Goods Received and Allocation	Basis for Valuation	Total
Food, clothing, shoes, medical supplies, and educational supplies – used in Cambodia for programming	Based on fair value of goods in region received – located in Cambodia	$ 652,079
Services – used in admin	Fair value stated by donor	11,500
Total		$ 663,579

NOTE I – FOREIGN TRANSACTIONS

In addition to support raised in the United States, the Organization is supported by Cambodian Children's Fund aligned organizations that exist in Australia, Hong Kong, and the United Kingdom. These entities are not under common control and are separate legal entities that share a common goal of supporting the Cambodian operations of Cambodian Children's Fund. These funds are remitted to the CCF office in Cambodia.

The funds received from the other Cambodian Children's Fund aligned organizations were approximately $4,368,200 and $4,191,300 for the years ended December 31, 2025 and 2024, respectively. This amount reflects the gross distributions to the United States and Cambodia from other countries. Total funds spent in Cambodia for the years ended December 31, 2025 and 2024 were approximately $10,092,285 and $9,420,659, respectively.

NOTE J – LEASES

CCF adopted FASB Accounting Standards Update (ASU) No. 2016-02, ASC 842, *Leases*, which requires the recognition of a right-of-use asset and a lease liability based on the present value of the remaining lease payments. CCF elected the 'package of practical expedients', which permitted CCF not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs; and all of the new standard's available transition practical expedients. In addition, CCF adopted the practical expedients of using the risk-free interest rate and the short-term lease definition.

CCF's lessee commitments predominantly consist of operating leases for facilities and equipment. Right-of-use assets were $547,912 and $497,865 and lease liabilities were $556,375 and $506,203 as of December 31, 2025 and 2024, respectively. The weighted-average discount rate used to calculate the present value of future minimum lease payments was 3.09% and 2.85% as of December 31, 2025 and 2024, respectively, and is based on the risk-free interest rate.

None of the leases in Cambodia contain renewal, extension options, or early termination features. The lease in the United States does not contain renewal or extension features. The weighted-average lease term was 4.32 years at December 31, 2025.

Lease expenses consist of the following as of December 31, 2025:

Operating lease expenses	$ 206,489
Short-term lease expense	94,347
Total lease expense	$ 300,836

NOTE J – LEASES (Continued)

The total cash amount paid for operating leases was $205,424, and noncash component of $1,065, for the fiscal year ended December 31, 2025.

Maturity analysis of future minimum lease payments for all operating leases are shown as follows as of December 31:

	Operating Leases	Short-term Leases	Total Commitments
2026	$ 177,011	$ 54,905	$ 231,916
2027	142,882	6,642	149,524
2028	129,480	3,033	132,513
2029	90,100	-	90,100
2030	28,650	-	28,650
2031 and thereafter	61,350	-	61,350
Total minimum lease payment	629,473	64,580	694,053
Less: net present value adjustment	(73,098)	-	(73,098)
Present value of minimum lease payments	$ 556,375	$ 64,580	$ 620,955

NOTE K – NET ASSETS WITH DONOR RESTRICTIONS

Activity for net assets with donor restrictions for the year ended December 31, 2025 is comprised of the following:

Restricted Purpose:	12/31/24	Revenue	Releases	12/31/25
CASA	$302,925	$ -	$ -	$302,925
Healthcare initiatives	553,242	-	(553,242)	-
Lotus Center	337,892	1,304,575	(1,120,910)	521,557
Education	40,000	-	(20,000)	20,000
	$1,234,059	$1,304,575	($1,694,152)	$844,482

NOTE L – COMMITMENT

CCF has a commitment related to a construction contract for a new school as of December 31, 2025. CCF has approximately $171,000 remaining on a construction contract not yet billed or completed as of December 31, 2025.

NOTE M – RELATED PARTY TRANSACTIONS

Land Purchase and Use

As discussed in Note E – Fixed Assets, CCF is prohibited from owning land in Cambodia. To allow the construction of certain facilities for program operations, and in accordance with usual commercial practices in Cambodia, through a land use arrangement, CCF is entitled to erect facilities on this land. CCF holds the interest as the owner of the facilities, but not the land, during the agreement term.

CCF owns a 49% equity interest in Latopp Holding Ltd, a Cambodian registered company that holds a direct interest in the property and assets leased by CCF. As Executive Director and CCF's nominated representative, Scott Neeson holds a 51% equity interest in Latopp Holdings Ltd. Scott Neeson holds Cambodian citizenship and is entitled under Cambodian law to own property and assets. There are appropriate restrictions on the transfer of Scott Neeson's equity interest in Latopp Holdings Ltd in the shareholders agreement. Scott Neeson is also a voting member of the Board of Directors.

CCF has security and control over the property and assets attached to the land. The agreements surrounding property ownership, among other things, secure the properties using hypothec for securing the funds provided by CCF or without prior consent of CCF. Thus, the properties cannot be sold or conveyed without recovery of the invested funds by CCF.

CCF reflects the investments in facility assets and property as leasehold improvements for the purpose of financial statements reporting, as the properties are used for the sole purpose of CCF's activities. The gross investment in property paid by CCF is approximately $20,820,000 and is reflected in fixed assets.

During the years ended December 31, 2025 and 2024, the Board of Directors of CCF approved and remitted $2,000,000 each year to Cambodian Children's Fund Endowment (CCFE), a separate legal U.S. nonprofit corporation, created at the end of 2022 for the benefit of Cambodian Children's Fund. The remittance is intended to be part of an informal five-year pledge of $10,000,000 by CCF to CCFE. The specific purpose of CCFE is to exclusively support the activities of Cambodian Children's Fund.

NOTE N – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for recognition and disclosure through June 17, 2026, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2025, that required recognition or disclosure in the financial statements.