

ChildFund International, USA

Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



ChildFund International, USA

Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

ChildFund International, USA

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Independent Auditor's Report

The Board of Directors
ChildFund International, USA
Richmond, Virginia

Opinion

We have audited the consolidated financial statements of **ChildFund International, USA** ("ChildFund"), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of ChildFund as of June 30, 2025 and 2024, and the changes in their net assets and their 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 Consolidated Financial Statements* section of our report. We are required to be independent of ChildFund 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ChildFund's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 ChildFund'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ChildFund'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.

BDO USA, P.C.

October 28, 2025

Consolidated Financial Statements

ChildFund International, USA

Consolidated Statements of Financial Position

<i>June 30,</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 32,041,200	\$ 31,212,535
Receivable from affiliates	465,500	598,900
Grants receivable	4,853,098	7,010,655
Gifts-in-kind inventory	28,290,042	26,098,319
Accounts receivable and other assets	3,811,819	3,592,075
Investments	102,295,722	91,031,362
Beneficial interests in trusts	11,225,528	10,858,892
Property, plant and equipment, net	26,786,843	28,448,870
Operating leases right-of-use assets	160,222	449,911
Total assets	\$ 209,929,974	\$ 199,301,519
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	11,755,063	\$ 11,824,547
Refundable advances	\$ 1,610,007	1,375,248
Operating lease liability	171,471	419,774
Total liabilities	13,536,541	13,619,569
Commitments and Contingencies		
Net assets:		
Without donor restrictions	99,648,400	92,697,631
With donor restrictions	96,745,033	92,984,319
Total net assets	196,393,433	185,681,950
Total liabilities and net assets	\$ 209,929,974	\$ 199,301,519

See accompanying notes to the consolidated financial statements.

ChildFund International, USA

Consolidated Statement of Activities

<i>For the year ended June 30, 2025</i>	Without Donor Restrictions	With Donor Restrictions	Total
Public support:			
Sponsorships:			
U.S. sponsors	\$ -	\$ 81,926,350	\$ 81,926,350
International sponsors - ChildFund Alliance	-	18,994,857	18,994,857
International sponsors - F.R.O.	-	8,277,136	8,277,136
Special gifts from sponsors for children	-	7,090,429	7,090,429
Total sponsorships	-	116,288,772	116,288,772
Contributions:			
General contributions	10,861,431	6,482,279	17,343,710
Major gifts and bequests	6,027,998	-	6,027,998
Gifts-in-kind	32,643,964	36,739,611	69,383,575
Total contributions	49,533,393	43,221,890	92,755,283
Grants:			
Grants and contracts	14,592,625	6,295,670	20,888,295
Total public support	64,126,018	165,806,332	229,932,350
Revenue:			
Investment income, net	3,130,158	412,002	3,542,160
Currency transaction gain, net	2,786,278	-	2,786,278
Service fees and other	1,362,281	-	1,362,281
Total revenue	7,278,717	412,002	7,690,719
Net assets released from restrictions:			
Satisfaction of program and time restrictions	164,595,343	(164,595,343)	-
Total public support and revenue	236,000,078	1,622,991	237,623,069
Expenses:			
Program services:			
Basic education	61,221,795	-	61,221,795
Health and sanitation	57,734,972	-	57,734,972
Nutrition	7,753,170	-	7,753,170
Early childhood development	15,535,402	-	15,535,402
Micro-enterprise	28,206,807	-	28,206,807
Emergencies	14,012,251	-	14,012,251
Total program services	184,464,397	-	184,464,397
Supporting services:			
Fundraising	29,633,479	-	29,633,479
Management and general	20,599,740	-	20,599,740
Total supporting services	50,233,219	-	50,233,219
Total expenses from operations	234,697,616	-	234,697,616
Change in net assets from operations	1,302,462	1,622,991	2,925,453
Nonoperating activities:			
Investment return, net	5,648,307	1,600,817	7,249,124
Change in value of trusts	-	536,906	536,906
Total nonoperating activities	5,648,307	2,137,723	7,786,030
Change in net assets	6,950,769	3,760,714	10,711,483
Net assets, beginning of year	92,697,631	92,984,319	185,681,950
Net assets, at end of year	\$ 99,648,400	\$ 96,745,033	\$ 196,393,433

See accompanying notes to the consolidated financial statements.

ChildFund International, USA

Consolidated Statement of Activities

<i>For the year ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Public support:			
Sponsorships:			
U.S. sponsors	\$ -	\$ 82,317,910	\$ 82,317,910
International sponsors - ChildFund Alliance	-	21,455,323	21,455,323
International sponsors - F.R.O.	-	9,066,180	9,066,180
Special gifts from sponsors for children	-	7,519,259	7,519,259
Total sponsorships	-	120,358,672	120,358,672
Contributions:			
General contributions	9,621,390	5,623,889	15,245,279
Major gifts and bequests	9,841,047	-	9,841,047
Gifts-in-kind	33,841,387	38,096,462	71,937,849
Total contributions	53,303,824	43,720,351	97,024,175
Grants:			
Grants and contracts	15,611,847	7,055,586	22,667,433
Total public support	68,915,671	171,134,609	240,050,280
Revenue:			
Investment income, net	2,279,616	319,702	2,599,318
Currency transaction (loss), net	(2,116,087)	-	(2,116,087)
Service fees and other	2,007,676	-	2,007,676
Total revenue	2,171,205	319,702	2,490,907
Net assets released from restrictions:			
Satisfaction of program and time restrictions	149,344,649	(149,344,649)	-
Total public support and revenue	220,431,525	22,109,662	242,541,187
Expenses:			
Program services:			
Basic education	62,552,923	-	62,552,923
Health and sanitation	25,220,049	-	25,220,049
Nutrition	11,999,848	-	11,999,848
Early childhood development	16,544,260	-	16,544,260
Micro-enterprise	31,799,935	-	31,799,935
Emergencies	21,296,060	-	21,296,060
Total program services	169,413,075	-	169,413,075
Supporting services:			
Fundraising	31,732,764	-	31,732,764
Management and general	21,143,751	-	21,143,751
Total supporting services	52,876,515	-	52,876,515
Total expenses from operations	222,289,590	-	222,289,590
Change in net assets from operations	(1,858,065)	22,109,662	20,251,597
Nonoperating activities:			
Investment return, net	4,102,475	1,175,350	5,277,825
Change in value of trusts	-	800,967	800,967
Change in accrued pension benefit liability other than net periodic costs	726,789	-	726,789
Total nonoperating activities	4,829,264	1,976,317	6,805,581
Change in net assets	2,971,199	24,085,979	27,057,178
Net assets, beginning of year	89,726,432	68,898,340	158,624,772
Net assets, at end of year	\$ 92,697,631	\$ 92,984,319	\$ 185,681,950

See accompanying notes to the consolidated financial statements.

ChildFund International, USA

Consolidated Statements of Cash Flows

Years ended June 30,	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 10,711,483	\$ 27,057,178
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,229,856	3,586,205
Realized gain on investments	(5,531,739)	(1,460,499)
Unrealized gain on investments	(1,707,251)	(3,817,326)
Change in gifts-in-kind not distributed	(2,191,723)	(22,802,115)
Change in value of trusts, net	(366,636)	(800,967)
Gain on sale of property, plant and equipment	(363,514)	(66,306)
Change in accrued pension benefit liability other than net periodic costs	-	(726,789)
Amortization of operating leases right-of-use asset	289,689	150,310
(Increase) decrease in assets:		
Receivable from affiliates	133,400	735,702
Grants receivable	2,157,557	113,565
Accounts receivable and other assets	(219,744)	462,576
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(69,484)	2,449,521
Refundable advances	234,759	(2,565,703)
Accrued pension benefit liability	-	469,275
Principal reduction in operating lease liability	(248,303)	(192,867)
Net cash provided by operating activities	6,058,350	2,591,760
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,591,706)	(4,117,760)
Proceeds from sales of property, plant and equipment	387,391	66,303
Proceeds from sales of investments	43,123,134	21,922,198
Purchases of investments	(47,148,504)	(31,262,492)
Net cash used in investing activities	(5,229,685)	(13,391,751)
Cash flows from financing activities:		
Commercial note repayments	-	(270,833)
Net cash used in financing activities	-	(270,833)
Net increase (decrease) in cash and cash equivalents	828,665	(11,070,824)
Cash and cash equivalents, beginning of year	31,212,535	42,283,359
Cash and cash equivalents, end of year	\$ 32,041,200	\$ 31,212,535
Supplemental disclosures of cash flow information:		
Interest paid	\$ -	\$ 533
Supplemental disclosures of noncash transactions:		
Gifts-in-kind	\$ 69,383,575	\$ 71,937,849
Purchases of property, plant and equipment funded by accounts payable and accrued expenses	\$ 324,921	\$ 307,321

See accompanying notes to the consolidated financial statements.

ChildFund International, USA

Consolidated Statement of Functional Expenses

<i>For the year ended June 30, 2025</i>	Basic Education	Health and Sanitation	Nutrition	Early Childhood Development	Micro- Enterprise	Emergencies	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
Subsidy for children	\$ 26,735,991	\$ 10,151,315	\$ 4,314,082	\$ 10,013,781	\$ 7,460,950	\$ 5,175,106	\$ 63,851,225	\$ -	\$ -	\$ -	\$ 63,851,225
Program grants	10,377,006	5,634,965	1,947,257	1,503,394	4,918,531	2,647,814	27,028,967	-	-	-	27,028,967
Public service announcements	13,371,733	3,100,692	322,989	1,550,346	10,303,340	3,649,773	32,298,873	345,093	-	345,093	32,643,966
Donated product distribution	1,862,760	30,479,122	44,994	215,972	1,435,315	508,435	34,546,598	-	-	-	34,546,598
Supplies	56,394	53,181	7,142	14,310	25,982	12,907	169,916	65,130	261,677	326,807	496,723
Occupancy	171,219	161,468	21,683	43,448	78,886	39,188	515,892	99,177	282,337	381,514	897,406
Professional services	146,869	138,504	18,600	37,269	67,667	33,615	442,524	12,819	386,159	398,978	841,502
Contract services	605,865	571,360	76,727	153,742	279,142	138,669	1,825,505	6,386,557	3,422,169	9,808,726	11,634,231
Travel	301,239	284,082	38,149	76,441	138,790	68,947	907,648	280,229	307,692	587,921	1,495,569
Conferences and meetings	180,829	170,530	22,900	45,887	83,314	41,388	544,848	58,555	154,640	213,195	758,043
Automobile and truck expense	53,224	50,193	6,740	13,506	24,522	12,182	160,367	12,865	2,897	15,762	176,129
Advertising and public education	5,677	5,354	719	1,441	2,616	1,299	17,106	14,715,323	11,795	14,727,118	14,744,224
Equipment purchases and rentals	53,906	50,835	6,827	13,679	24,836	12,338	162,421	20,961	187,484	208,445	370,866
Telephone and cables	67,809	63,947	8,587	17,207	31,242	15,520	204,312	73,750	58,251	132,001	336,313
Postage and freight	33,659	31,742	4,263	8,541	15,508	7,704	101,417	681,684	661,111	1,342,795	1,444,212
Staff training	18,486	17,433	2,341	4,691	8,517	4,231	55,699	11,808	65,813	77,621	133,320
Miscellaneous expenses	182,892	172,475	23,162	46,409	84,262	41,859	551,059	236,684	2,929,069	3,165,753	3,716,812
Total expenses before personnel costs and other expenses	54,225,558	51,137,198	6,867,162	13,760,064	24,983,420	12,410,975	163,384,377	23,000,635	8,731,094	31,731,729	195,116,106
Personnel costs	6,278,152	5,920,586	795,069	1,593,119	2,892,542	1,436,923	18,916,391	6,329,049	11,106,214	17,435,263	36,351,654
Depreciation	718,085	677,188	90,939	182,219	330,845	164,353	2,163,629	303,795	762,432	1,066,227	3,229,856
	6,996,237	6,597,774	886,008	1,775,338	3,223,387	1,601,276	21,080,020	6,632,844	11,868,646	18,501,490	39,581,510
Total expenses from operations	\$ 61,221,795	\$ 57,734,972	\$ 7,753,170	\$ 15,535,402	\$ 28,206,807	\$ 14,012,251	\$ 184,464,397	\$ 29,633,479	\$ 20,599,740	\$ 50,233,219	\$ 234,697,616

See accompanying notes to the consolidated financial statements.

ChildFund International, USA

Consolidated Statement of Functional Expenses

<i>For the year ended June 30, 2024</i>	Basic Education	Health and Sanitation	Nutrition	Early Childhood Development	Micro- Enterprise	Emergencies	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
Subsidy for children	\$ 28,453,661	\$ 8,876,778	\$ 4,054,972	\$ 9,124,096	\$ 7,171,769	\$ 6,047,737	\$ 63,729,013	\$ -	\$ -	\$ -	\$ 63,729,013
Program grants	9,076,963	6,753,080	3,819,294	1,080,057	6,958,048	3,460,416	31,147,858	-	-	-	31,147,858
Public service announcements	10,613,028	3,173,990	1,388,620	1,752,307	10,282,405	5,852,044	33,062,394	616,815	-	616,815	33,679,209
Donated product distribution	5,816,303	2,271,720	1,119,062	1,444,477	2,949,275	1,855,687	15,456,524	-	-	-	15,456,524
Supplies	62,292	30,044	11,728	22,786	32,175	29,577	188,602	55,262	255,691	310,953	499,555
Occupancy	200,300	96,607	37,713	73,270	103,459	95,108	606,457	98,765	354,253	453,018	1,059,475
Professional services	93,319	45,009	17,570	34,136	48,201	44,311	282,546	9,572	321,663	331,235	613,781
Contract services	641,563	309,433	120,795	234,685	331,380	304,632	1,942,488	14,730,279	3,568,754	18,299,033	20,241,521
Travel	312,787	150,861	58,892	114,418	161,561	148,520	947,039	459,637	324,107	783,744	1,730,783
Conferences and meetings	181,471	87,525	34,168	66,382	93,733	86,167	549,446	55,320	153,338	208,658	758,104
Automobile and truck expense	63,026	30,398	11,867	23,055	32,554	29,926	190,826	15,146	-	15,146	205,972
Advertising and public education	-	-	-	-	-	-	-	7,584,878	1,453	7,586,331	7,586,331
Equipment purchases and rentals	69,223	33,387	13,034	25,322	35,755	32,869	209,590	29,035	231,006	260,041	469,631
Telephone and cables	67,309	32,464	12,673	24,622	34,767	31,960	203,795	81,870	65,623	147,493	351,288
Postage and freight	34,192	16,491	6,438	12,508	17,661	16,235	103,525	762,147	782,730	1,544,877	1,648,402
Staff training	34,057	16,426	6,412	12,458	17,591	16,171	103,115	16,291	32,246	48,537	151,652
Miscellaneous expenses	126,202	60,868	23,760	46,165	65,185	59,924	382,104	239,829	2,892,566	3,132,395	3,514,499
Total expenses before personnel costs and other expenses	55,845,696	21,985,081	10,736,998	14,090,744	28,335,519	18,111,284	149,105,322	24,754,846	8,983,430	33,738,276	182,843,598
Personnel costs	5,911,690	2,851,272	1,113,065	2,162,507	3,053,505	2,807,033	17,899,072	6,675,117	11,285,138	17,960,255	35,859,327
Depreciation and interest	795,537	383,696	149,785	291,009	410,911	377,743	2,408,681	302,801	875,183	1,177,984	3,586,665
	6,707,227	3,234,968	1,262,850	2,453,516	3,464,416	3,184,776	20,307,753	6,977,918	12,160,321	19,138,239	39,445,992
Total expenses from operations	\$ 62,552,923	\$ 25,220,049	\$ 11,999,848	\$ 16,544,260	\$ 31,799,935	\$ 21,296,060	\$ 169,413,075	\$ 31,732,764	\$ 21,143,751	\$ 52,876,515	\$ 222,289,590

See accompanying notes to the consolidated financial statements.

ChildFund International, USA

Notes to the Consolidated Financial Statements

1. Organization

ChildFund International, USA (ChildFund), formerly known as Christian Children's Fund, Inc. was established in 1938 and has developed into an international, nonsectarian, not-for-profit child development organization. ChildFund assists children and family members in 23 countries worldwide. There are approximately 410,000 enrolled children in ChildFund's programs. Of these children, approximately 291,000 are sponsored children whose sponsors support programs in the child's community through monthly contributions.

Most of the sponsorships - approximately 201,500 - are supported by donors in the United States of America; the remainder are supported by in-country fundraising offices and international donors who sponsor children through autonomous organizations in Australia, France, Germany, Japan, Korea, New Zealand, Sweden, and Taiwan. ChildFund is a member of ChildFund Alliance, a global network of 11 child development organizations.

ChildFund is incorporated and headquartered in the Commonwealth of Virginia.

The following are descriptions of ChildFund's significant programs:

Basic Education: ChildFund's educational programs work with educators, community groups, parents, and children alike towards the goal of having all children enter schools ready to learn and complete basic education through activities that include improving early childhood and school facilities, enhancing teaching methodologies, creating safer school environments, as well as, improving policies to enhance student access and safety.

Health and Sanitation: ChildFund's core programs address safe motherhood and newborn care, integrated early childhood development, integrated management of childhood illnesses, nutrition, water and sanitation, child, youth and adult focused sexual and reproductive health and education.

Nutrition: ChildFund promotes interventions that impact young children and mothers. These practical measures include nutrition education and promotion, micro-nutrient supplementation, parasite control measures, and situation specific household food security interventions.

Early Childhood Development: ChildFund is committed to effective programs that promote child development and secure infants and young children, early childhood development and protection services include parenting education and support groups home based outreach to support and promote child development, and preschool services in community managed centers.

Micro-Enterprise: ChildFund's programs support youth livelihood development with a focus on skills training (including life skills), preparation for employment, guidance on business development, leadership development and civic engagement.

Emergencies: ChildFund believes that the well-being of all children leads to the well-being of the world; ChildFund empowers children to thrive throughout all stages of life and become leaders of enduring change. ChildFund programs reach infants, children and youth, including their parents and families.

ChildFund International, USA

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies followed by ChildFund in the preparation of these consolidated financial statements:

Basis of Accounting

The accompanying consolidated financial statements of ChildFund are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and have been prepared on the accrual basis of accounting.

Classification of Net Assets

Balances and transactions are presented according to the existence or absence of donor-imposed restrictions. This has been accomplished by recording transactions into the following classes of net assets:

Without donor restrictions - Net assets resulting from public support and revenue not subject to donor-imposed restrictions.

With donor restrictions - Net assets resulting from public support and revenue whose use by ChildFund is limited by donor-imposed restrictions that either expire by passage of time or can be fulfilled and removed by actions of ChildFund pursuant to those donor-imposed restrictions.

Net assets with donor restrictions also includes contributions and other inflows of assets whose use by ChildFund is limited by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of ChildFund.

Public support and revenue are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Sponsorship revenue is classified as net assets with donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless donors or state law restrict their use.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts and operations of ChildFund's headquarter office, international programming offices, and international fundraising offices. All significant transactions between the organizations, including all inter-organization balances, have been eliminated in consolidation. In compliance with local laws, certain of these international offices are separate legal entities.

The international fundraising offices are organizations or segments of organizations that are independently registered in conformity with the laws of their respective countries. ChildFund possesses the power to direct the management and policies of these offices through affiliation agreements and consolidates the financial position and activities of these organizations. These

ChildFund International, USA

Notes to the Consolidated Financial Statements

organizations work to support the mission of ChildFund. These include: ChildFund India Society (In some government listings, it appears as “CHILDFUNDINDIA”) - registered in New Dehli, India on December 31, 1984; ChildFund Brasil, or “Fundo Cristao Para Crianças” registered in Belo Horizonte, Brazil on October 2, 1972; ChildFund Mexico or “Fondo para Niños de México”, registered in Mexico City, Mexico on May 20, 1987; ChildFund Mexico, I.A.P. registered in Mexico City, Mexico on October 17, 1978, ChildFund Ireland which is a company limited by guarantee, registered in Dublin, Ireland under Part 18 of the Companies Act 2014, ChildFund Thailand or “Community Children Foundation Under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn” registered in Bangkok, Thailand on November 29, 2001 and ChildFund Philippines Foundation Inc. registered in Manila, Philippines on January 10, 2023.

ChildFund is a majority shareholder in CF GSS PRIVATE LIMITED. This is an Indian for-profit private limited company that has employed a small number of individuals to provide direct services to ChildFund and perhaps other related entities for administrative support services.

Use of Estimates

The preparation of the consolidated financial statements, in conformity with U.S. 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Investments and Beneficial Interests in Trusts and Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10-65, *Fair Value Measurements and Disclosures*, established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that ChildFund has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the asset or liability fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability.

Investments in readily marketable equity securities and all debt securities are recorded at fair value, which are based on quoted market prices, where available. Due to variations in trading volumes and the lack of quoted market prices for some fixed maturities, the fair value of fixed maturities is normally derived through recent reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market data. If there are no recent reported trades, the fair value of fixed maturities may be derived through the use of

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matrix pricing or model processes, where the future cash flow expectations are developed based upon performance and discounted at an estimated market rate.

For investments measured at net asset value (NAV), specifically, fund of funds and real estate funds, fair value is based on NAV reported by underlying investment managers and reviewed by ChildFund after considering various sources of information. These values are further evaluated by doing internal reviews on the current fair values of the securities within these investments. The NAV is utilized as a practical expedient for fair value. The estimates of fair values, because of the inherent uncertainty of valuation of these estimates, may differ from the values that would have been used had a ready market existed.

Except for investments where donors specifically provide otherwise, investments are maintained in a pooled account. Additions to investments are assigned units of participation in the pooled account based upon their fair value on the date they enter the pooled account and the most recently determined unit fair value for the existing units of participation. Withdrawals are based upon the most recently determined fair value of the respective units of participation that include both realized and unrealized net gains and losses. The market value of the units of participation is calculated monthly.

The fair value of beneficial interests in perpetual and charitable remainder trusts is estimated by applying ChildFund's share of the earnings of the trust times the fair value of the underlying assets in the trusts as of the reporting date.

Investments and beneficial interests in perpetual trusts are exposed to several risks, such as interest rate, currency, market and credit risks. Due to the level of risk associated with certain investments and beneficial interests in trusts, it is at least reasonably possible that changes in the values of investments and beneficial interests in trusts will occur in the near term and that such changes could materially affect the amounts reported in ChildFund's consolidated financial statements.

Investment transactions are recorded on a trade date basis. Dividends are recorded on the ex-dividend date and interest is recognized on the accrual basis. Realized gains and losses are determined by specific identification. Realized and unrealized gains and change in fair value of trusts are recorded in the nonoperating revenues section of the consolidated statements of activities. Fees paid to custodian and investment managers are recorded on the accrual basis and are netted against investment income and currency transactions on the consolidated statements of activities.

Financial Instruments and Credit Risk

Financial instruments, which potentially subject ChildFund to concentrations of credit risk, consist principally of cash and cash equivalents and investments. ChildFund invests its cash and investments with high-quality financial institutions and limits the amount of credit exposure to any one financial institution. ChildFund's cash balances include aggregate bank balances on deposit both inside the United States and with international banks outside the United States. These balances can exceed federally insured limits (FDIC) of \$250,000 or in the case of international accounts, not be covered under the FDIC. Amounts held in excess of the FDIC limits was \$11,038,355 and \$12,821,413 at June 30, 2025 and 2024, respectively. ChildFund has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents. In some cases, ChildFund has opened segregated cash accounts to meet restrictions placed on those funds by the donor. In general, these are grant funded accounts.

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Credit risk with respect to investments is generally limited, because, by ChildFund's policy the investments are kept within limits designed to prevent risks caused by concentration.

ChildFund has operations in many countries throughout the world, many of which have politically and economically volatile environments. As a result, ChildFund may have financial and operational risks associated with these operations which could negatively impact ChildFund.

Grants Receivable

ChildFund receives grants from various foundations and other organizations. This funding is subject to various contractual restrictions. These balances are due from the grantor based on terms outlined within the underlying grant agreement. An allowance for doubtful accounts is provided based on management's judgment, including such factors as prior collection history over a period of time. Management has concluded no such allowance is necessary at June 30, 2025 and 2024.

Accounts Receivable and Other Assets

Accounts receivable and other assets consist of general trade receivables, advances and prepaid expenses. An allowance for credit losses is provided on general trade receivables based on management's judgment, including such factors as prior collection history, current economic conditions, and reasonable forecasts. Management has concluded no such allowance for credit losses is necessary at June 30, 2025 and 2024.

Property, Plant and Equipment

Land is carried at cost or fair value at the date of donation in the case of gifts. Buildings, furniture, fixtures and equipment, and data processing are carried at cost or fair value at the date of donation in the case of gifts, less accumulated depreciation. Purchases of property, plant and equipment in excess of \$5,000 are capitalized. Depreciation of buildings and equipment is recorded on a straight-line basis over the estimated useful lives of the assets (5 to 40 years for buildings and improvements, 3 to 10 years for furniture, fixtures, and equipment, and 3 to 10 years for data processing). Upon retirement and disposition, the cost and accumulated depreciation of buildings, furniture, fixtures, and equipment, and data processing are removed from the accounts with any gain or loss reflected in the consolidated statements of activities. Maintenance and repair costs are expensed as incurred.

The costs to renovate and/or develop projects are capitalized and classified as construction-in-progress. All direct costs related to the projects are capitalized including (a) land and building, (b) architect and engineering fees, (c) construction costs, (d) interest during construction, and (d) legal, project management, and other similar costs. Upon delivery of the project, construction-in-progress is placed into service and recorded as property and equipment.

Gifts-In-Kind Inventory

Donated or contributed property, plant and equipment, investments, services and gifts-in-kind are recorded as revenue when services are received or ChildFund takes ownership of title. Gifts-in-kind is expensed when distributed to beneficiaries or services performed. The amount on hand at year end is presented as gifts-in-kind ("GIK") inventory on the consolidated statements of financial position.

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Revenue Recognition

Contributions

Contributions and unconditional grants, including unconditional promises to give, are recognized in the period received in accordance with FASB Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Contributions received are available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. These contributions also increase net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. Contributions to be received after one year, are recorded at the present value of the estimated future cash flows. Subsequent changes in this discount resulting from the passage of time are accounted for as contributions in subsequent years.

Conditional promises to give, including those received under multi-year grant agreements are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before ChildFund is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise. ChildFund has approximately \$13,446,000 and \$15,006,000 of conditional grants outstanding as of June 30, 2025 and 2024, respectively.

Grants and Contract Revenue

Grants and contracts are recorded as contributions since the customer does not receive commensurate value for the consideration received by ChildFund; rather, the purpose of an arrangement is for the benefit of the general public. Therefore, ChildFund's management concluded that the agreements are conditional due to rights of return/release and barriers to entitlement to funds. Revenue is recognized when the condition is satisfied. Because the nature of conditions is either based on incurring qualifying expenses or satisfying a milestone or other deliverable, the pattern of revenue recognition remained consistent with previous years. Therefore, under the prospective approach, there was no material change in the revenue recognition for government grants and contracts. A refundable advance is recorded when ChildFund receives assets (i.e., cash) in advance of the satisfaction of the conditions within these arrangements. As of June 30, 2025 and 2024, there was \$1,610,007 and \$1,375,248, respectively, in refundable advances recorded related to conditional grants and contracts.

Sponsorship Revenue

Sponsorship revenues are unconditional transfers of cash recognized during the period received. Since these contributions are made without any promise to give in future periods, there are no sponsorships receivable recorded in the consolidated statements of financial position.

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ChildFund pools sponsorship contributions and uses them for community-based programs implemented by local partner organizations and to support the overall operations and mission of the organization.

Sponsorship funds as well as funds from other sources like monthly givers, major donors, corporate partners and grantmaking institutions fuel the programs we develop and sustain operations.

Gifts-In-Kind

GIK Category	Type of Contribution	Valuation	Year Ended June 30, 2025	Year Ended June 30, 2024
Media	Public service announcement	Third-party estimates using discounted billing rates	\$ 32,643,964	\$ 33,679,209
Pharmaceuticals	Pharmaceuticals	Wholesale acquisition cost (WAC) from the Redbook pharmaceutical pricing database for US markets.	32,019,163	34,209,001
Books	Books	Wholesale price derived from discounting retail price inputs of the identical or similar products.	2,354,763	1,822,754
Medical Supplies	Medical supplies	Wholesale price derived from discounting retail price inputs of the identical or similar products.	522,530	441,297
Other GIK	Various	Wholesale price derived from discounting retail price inputs of the identical or similar products.	1,843,155	1,785,588
Total gifts-in-kind			\$ 69,383,575	\$ 71,937,849

Donated Media:

ChildFund, as a non-profit entity dedicated to advancing the well-being of children, produces public service announcements (PSAs) to increase awareness of ChildFund and to disseminate communications advocating support for children's rights, economic support, and informing the public around critical issues affecting children. ChildFund receives donated space through third parties in various public media outlets worldwide to engage the public. ChildFund records the fair value of PSAs at standard non-profit rates in the media markets as communicated by third parties. In the absence of non-profit rate data, ChildFund uses discounted commercial media rates.

Gifts-in-Kind Commodities:

ChildFund receives GIK including education textbooks, pharmaceuticals, medical supplies, and other miscellaneous GIK. GIK are recorded at fair value upon receipt into ChildFund's possession or control and are expensed upon distribution to recipients or utilized. ChildFund assesses the fair market value using wholesale values that would be obtained through sales in the principal market where the greatest volume at a price point could be transacted. Donated products are never sold and only utilized for program purposes to support the overall program goals of ChildFund. GIK value is allocated based on the level of programming in these areas.

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Expenses

Expenses are recognized during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

Fundraising costs incurred in one year, which may result in contributions received in future years, are expensed as incurred. Additionally, advertising costs are expensed as incurred.

Leases

Leases arise from contractual obligations that convey the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. At the inception of the contract, ChildFund determines if an arrangement contains a lease based on whether there is an identified asset and whether ChildFund controls the use of the identified asset. ChildFund also determines whether the lease classification is an operating or financing lease at the commencement date.

A right-of-use asset represents ChildFund's right to use an underlying asset and a lease liability represents ChildFund's obligation to make payments during the lease term. Right-of-use assets are recorded and recognized at commencement for the lease liability amount, adjusted for initial direct costs incurred and lease incentives received. Lease liabilities are recorded at the present value of the future lease payments over the lease term at commencement.

ChildFund's lease terms may include options to extend or terminate the lease. ChildFund generally uses the base, non-cancelable, lease term when recognizing the lease assets and liabilities, unless it is reasonably certain that ChildFund will exercise those options. ChildFund's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As a matter of policy, ChildFund elected to exclude leases with terms of 12 months or less (short-term) from the consolidated statements of financial position. Short-term lease expense is recognized on a straight-line basis over the expected term of the lease.

Functional Expenses

The costs of providing various programs and supporting activities have been summarized on a functional basis in the consolidated statements of activities. In the consolidated statements of functional expenses, costs that can be identified with a specific program or support services are charged directly according to their natural expenditure classifications. Management and general expenses include those that are not directly identifiable with any specific function, but which provide for the overall support and direction of ChildFund. The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of ChildFund. Indirect costs related to building maintenance and information technology are allocated to various functions based on square footage and usage, respectively. The consolidated statements of functional expenses present the natural classification detail of expenses by function.

Income Taxes

ChildFund is generally exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, ChildFund qualifies for the charitable contributions deduction and has been classified as an organization that is not a private foundation. Income, which is not related to exempt purposes, less applicable deductions, is subject to federal and state

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corporate income taxes. Income from the entities incorporated in other countries are subject to the taxing authorities within the jurisdictions they're in. No income tax provision has been recorded as the changes in net assets, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements taken as a whole.

Management evaluated ChildFund's tax positions and concluded that ChildFund had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with U.S. GAAP. With few exceptions, ChildFund is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2022.

Definition of Operations

Operating activities exclude realized and unrealized gains on investments, change in fair value of trusts, change in accrued pension benefit liability other than net periodic costs and other items, if any, which are unusual or nonrecurring in nature.

Foreign Currency Translation

The functional currency of ChildFund is the U.S. Dollar. The consolidated financial statements and transactions of ChildFund's foreign operations are generally maintained in the relevant local currency. Where local currencies are used, assets and liabilities, except for property, plant and equipment and gift-in-kind inventory, are remeasured at the consolidated statements of financial position date using the bid/spot rate on the last day of the previous month. For revenue and expense items, translation is performed using the bid/spot rate on the last day spot rate of exchange on the last day of the previous month prior to the date the transaction occurred.

Recent Accounting Pronouncements Not Yet Adopted

On June 30, 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The amendments in ASU 2022-03 are intended to increase comparability of financial information across reporting entities that have investments in equity securities measured at fair value that are subject to contractual restrictions on the holder of the equity security preventing the sale of those securities. Additionally, the ASU introduces new disclosure requirements to provide investors with information about contractual sale restrictions including the nature and remaining duration of the restrictions. ASC 820, Fair Value Measurement, indicates that, when measuring the fair value of an asset or a liability, a reporting entity should consider the characteristics of the asset or liability, including restrictions on the sale of the asset or liability, if a market participant also would take those characteristics into account. Key to that determination is the unit of account for the asset or liability being measured at fair value. The amendments in ASU 2022-03 clarify that a contractual restriction on the sale of an equity security on the holder of the equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. In these situations, the amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. Conversely, if a contractual restriction on the sale of the equity security is on the equity security itself, that contractual restriction is considered in measuring fair value. The amendments are effective for fiscal years beginning after December 15, 2024. ChildFund continues to evaluate the effect the adoption of ASC 2022-03 will have on the consolidated financial statements.

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In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This ASU provides a practical expedient for entities to assume that current conditions as of the statement of financial position date remain unchanged for the remaining life of current accounts receivable and current contract assets when measuring expected credit losses under CECL. The practical expedient does not apply to other types of receivables or loans. Additionally, entities other than public business entities may elect an accounting policy to consider subsequent collections received after the statement of financial position date in estimating expected credit losses, provided the practical expedient is elected. ASU 2025-05 is effective for annual periods beginning after December 15, 2025, and interim periods within those annual periods, with early adoption permitted. ChildFund is currently evaluating the impact of this ASU on its consolidated financial statements.

Reclassifications

Certain amounts in the 2024 consolidated financial statements have been reclassified to conform with the current year financial statement presentation. Refundable advances are now classified separately in the accompanying consolidated statements of financial position. These reclassifications had no effect on the previously reported net assets or change in net assets.

3. Cash and Cash Equivalents

ChildFund considers all short-term deposits with an original maturity of three months or less to be cash equivalents. Cash in excess of current operating and program requirements was invested throughout the year on a short-term basis in various money market instruments. Cash equivalents were \$7,069,261 and \$8,871,624 as of June 30, 2025 and 2024, respectively.

4. Grants Receivable

The amounts due from grants receivable, as of June 30, 2025 and 2024, consist of the following:

	2025	2024
Grants receivable within one year	\$ 3,748,804	\$ 5,897,866
Grants receivable due in one-to-five years	1,104,294	1,112,789
Grants receivable	\$ 4,853,098	\$ 7,010,655

Grants receivable are discounted to their present value if their due date extends beyond one year. The discount related to the long-term portion of the grants receivable balance was not considered material by management and therefore there was no discount applied as of June 30, 2025 and 2024.

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5. Investments

Investments, at fair value, as of June 30, 2025 and 2024, are summarized as follows:

	2025	2024
Corporate and other obligations	\$ 16,835,483	\$ 15,291,096
Time deposits	15,877,092	14,824,451
Mutual funds	69,407,777	54,741,487
Alternative investments	175,370	6,174,328
Total investments	\$ 102,295,722	\$ 91,031,362

The following table presents ChildFund's fair value hierarchy for assets measured at fair value on a recurring basis:

		As of June 30, 2025		
		Fair Value Hierarchy		
	Total	Level 1	Level 2	Level 3
Investments at fair value:				
Corporate and other obligations	\$ 16,835,483	\$ -	\$ 16,835,483	\$ -
Time deposits (at cost)	15,877,092	15,877,092	-	-
Mutual funds	69,407,777	67,034,868	2,372,909	-
Total investments at fair value	102,120,352	82,911,960	19,208,392	-

Investments at NAV*

Other	175,370
Total Investments	\$ 102,295,722
Beneficial Interests in Trusts	\$ 11,225,528
	\$ 11,225,528

*Certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

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		As of June 30, 2024			
		Total	Fair Value Hierarchy		
			Level 1	Level 2	Level 3
Investments at fair value:					
Corporate and other obligations	\$	15,291,096	\$ -	\$ 15,291,096	\$ -
Time deposits (at cost)		14,824,451	14,824,451	-	-
Mutual funds		54,741,487	1,995,163	52,746,324	-
Total investments at fair value		84,857,034	16,819,614	68,037,420	-
Investments at NAV*					
Alternative investments:					
Absolute return		5,842,642			
Other		331,686			
Total Investments		\$ 91,031,362			
Beneficial Interests in Trusts		\$ 10,858,892			\$ 10,858,892

*Certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The following table summarizes information about the attributes of investments measured at NAV, as a practical expedient, by major class as of June 30, 2025 and 2024:

June 30,	2025	2024	Redemption frequency	Redemption notice period
Investments measured at NAV:				
Absolute return (a)	\$ -	\$ 5,842,642	Quarterly	Quarterly
Other	175,370	331,686	N/A	N/A
	\$ 175,370	6,174,328		

- (a) Absolute return funds invest in private investment funds with absolute return, security selection, and hedging strategies, with the objective of attempting to produce consistent capital appreciation with controlled volatility and reduced risk of major drawdowns. This investment offers "pass-through liquidity".

There were no material capital commitments to investment managers that have not been funded by ChildFund at June 30, 2025 and 2024.

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6. Split Interest Agreements

Charitable Gift Annuities

Total investments include amounts invested for ChildFund's charitable gift annuity program. These amounts are held in three segregated investment accounts. One for annuities issued to residents of California, one for annuities issued to residents of Florida, and another for annuities issued to residents of other states in which ChildFund is authorized to issue gift annuities. All segregated accounts are stated at fair value, as described in Note 2.

Under the charitable gift annuity agreements, the donors contribute assets to ChildFund. In return for the contribution, ChildFund pays an annuity to the donor, and/or another annuitant selected by the donor, for the remainder of the annuitant's life, subject in some instances to a deferred beginning date. The payout is a fixed amount based on a percentage of the original gift, as defined by the agreement. The fair value of the assets received under the annuity agreement is held in the applicable segregated investment account and invested in assets intended to comply with any investment restrictions imposed by California or the other states in which ChildFund is authorized to issue gift annuities. Contribution income is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments to be made to the respective annuitants.

These segregated investments as of June 30, 2025 and 2024 totaled \$1,398,256 and \$1,367,041, respectively, and are reported as investments on the consolidated statements of financial position. The liability associated with these charitable gift annuities is recorded at the present value of the gift based on the 2012 Individual Annuity Reserving (IAR) mortality table and Internal Revenue Service interest rates as of the date of agreement which range from 1.2% to 6.2% as of June 30, 2025 and 2024, respectively. The liability amounts totaling \$792,051 and \$842,355 are included in accounts payable and accrued expenses on the consolidated statements of financial position as of June 30, 2025 and 2024, respectively.

Perpetual Trusts

ChildFund is the beneficiary perpetual trusts created by donors, the assets of which are not in the possession of ChildFund. ChildFund has legally enforceable rights or claims to the income from the assets. The fair values of beneficial interest in perpetual trusts at June 30, 2025 and 2024 was \$10,469,872 and \$9,981,796, respectively. A net increase of \$488,076 and \$761,231 related to changes in fair values of these perpetual trusts for the years ended June 30, 2025 and 2024, respectively, was reported in the change in net assets with donor restrictions on the accompanying consolidated statements of activities. There were no new perpetual trusts provided to ChildFund during the years ended June 30, 2025 and 2024.

Charitable Remainder Trusts

ChildFund is the beneficiary of seven charitable remainder trusts, the assets of which are not in the possession of ChildFund. The fair values of beneficial interests in charitable remainder trusts at June 30, 2025 and 2024 were \$755,656 and \$877,096, respectively. A net increase of \$48,830 and \$39,736 related to changes in fair values of these charitable remainder trusts for the years ended June 30, 2025 and 2024, respectively, was reported in the change in net assets with donor restrictions on the accompanying consolidated statements of activities. There were no new charitable remainder trusts during the years ending June 30, 2025 and 2024. Charitable remainder trusts terminated for the years ended June 30, 2025 totaled \$170,271 and \$0 in 2024, respectively.

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7. Property, Plant and Equipment

Property, plant, and equipment is summarized as follows at June 30:

	2025	2024
Land	\$ 1,146,128	\$ 1,146,128
Buildings and improvements	21,331,782	21,722,271
Data processing	32,963,016	32,657,288
Furniture, fixtures and equipment	6,043,211	6,010,941
Construction-in-progress	11,813,449	10,812,382
	73,297,586	72,349,010
Accumulated depreciation	(46,510,743)	(43,900,140)
Total	\$ 26,786,843	\$ 28,448,870

Depreciation expense was \$3,229,856 and \$3,586,205 for the years ended June 30, 2025 and 2024, respectively.

8. Benefit Plans

ChildFund has a noncontributory defined benefit pension plan (the Pension Plan), a defined contribution plan (403(b) Plan) and 457 Plan. ChildFund froze the Pension Plan on June 30, 2006 and ultimately terminated it as of April 30, 2024.

Pension Plan

Management believes it has complied with termination requirements under the Employee Retirement Income Security Act of 1974. Management had previously notified all Pension Plan participants and beneficiaries of the intent to terminate the Pension Plan and also provided a rollover notice to each eligible participant and beneficiary. ChildFund distributed all obligations over the term August 1, 2023 through March 28, 2024 in compliance with all known obligations.

Benefit obligation and net periodic pension cost were determined using the following weighted average assumptions:

	2025	2024
Benefit obligation discount rate	-	N/A
Net periodic pension cost discount rate	-	4.75%
Expected return on plan assets	-	4.50%
Rate of compensation increase	-	N/A

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Change in Benefit Obligation

<i>Years ended June 30,</i>	2025	2024
Benefit obligation, beginning of year	\$ -	\$ 21,662,112
Service cost	-	-
Interest cost	-	816,256
Actuarial gain	-	(1,919,196)
Settlements	-	(19,551,842)
Benefits paid	-	(1,007,330)
Benefit obligation, end of year	\$ -	\$ -

Components of net periodic benefit cost recognized as pension expense in the accompanying consolidated statements of activities:

<i>Years ended June 30,</i>	2025	2024
Service cost	\$ -	\$ -
Interest cost	-	816,255
Recognized loss due to curtailments	-	-
Expected return on plan assets	-	(823,779)
Amortization of net loss	-	476,799
Net periodic benefit cost	\$ -	\$ 469,275

Other Retirement Plans

All domestic employees are eligible to participate in the 403(b) Plan and Third Country Nationals are eligible to participate in an Offshore Retirement Plan. ChildFund contributed a non-voluntary amount equal to 6% of employees' base pay to the appropriate plan each payroll period for all employees. In addition, ChildFund also matches 50% of the first 6% of base pay that a participant contributes to the Plan. Total expense recognized for the years ended June 30, 2025 and 2024 related to the Retirement Plans was \$1,276,605 and \$1,188,251, respectively.

The organization also has a 457 Plan for a select group of management or highly compensated employees. The total amount contributed to the 457 Plan for the years ended June 30, 2025 and 2024 was \$7,015 and \$5,414, respectively.

9. Debt

ChildFund has a \$10,000,000 revolving line of credit with a maturity date October 31, 2027. Interest expense is based on a daily one-month Secured Overnight Financing Rate Data (SOFR) + 1.215% basis points and is due and payable in consecutive monthly payments until fully paid. At June 30, 2025 and 2024 there was no outstanding balance on the line of credit.

ChildFund had a \$13,000,000 commercial note that matured on August 9, 2023. The interest rate on the note was 3.67% per annum. ChildFund paid off the remaining balance of the commercial note during the year ended June 30, 2024.

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10. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of:

<i>June 30,</i>	2025	2024
<i>Subject to expenditure for a specified purpose:</i>		
Subsidies and gifts for children	\$ 25,268,731	\$ 27,009,019
Child development grants	7,702,214	7,068,386
Appeal funded programs	9,593,036	7,935,386
Gifts-in-kind - not yet distributed	28,290,042	26,098,319
Local programs and other	4,262,761	3,611,596
<i>Subject to the passage of time:</i>		
Assets held in charitable remainder trusts	755,656	877,096
<i>Perpetual in nature:</i>		
Beneficial interest in perpetual trusts	10,469,872	9,981,796
Gifts to perpetual endowments	10,402,721	10,402,721
Total net assets with donor restrictions	\$ 96,745,033	\$ 92,984,319

11. Releases from Net Assets with Donor Restrictions

During the years ended June 30, 2025 and 2024, net assets were released from donor restrictions by ChildFund incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors as follows:

<i>Years ended June 30,</i>	2025	2024
<i>Subject to expenditure for a specified purpose:</i>		
Subsidies and gifts for children	\$ 122,339,252	\$ 122,322,630
Unconditional grants	5,661,843	9,820,601
Appeal funded programs	1,058,896	785,595
Gifts-in-kind - distributed	34,547,888	15,294,347
Local programs and other	987,464	1,121,476
Total net assets released from restrictions	\$ 164,595,343	\$ 149,344,649

12. International Sponsors

Support from international sponsors is generated by autonomous organizations and consolidated operations disclosed in Note 2.

Autonomous Organizations

Supporting ChildFund are ChildFund Australia, BORNEfonden (Denmark), Un Enfant Par La Main (France), ChildFund Kinderhilfswerk (Germany), ChildFund Japan, ChildFund Korea, Barnfonden (Sweden), Taiwan Fund for Children and Families, ChildFund Educo (Spain) and ChildFund New Zealand. These autonomous organizations are incorporated in their respective countries for

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the purpose of initiating and overseeing programs that are distinct and unique to their mission. Because ChildFund does not control these organizations, their related assets, liabilities, net assets, revenues and expenses are not reflected in the accompanying consolidated financial statements.

The sponsorships and special gifts for children received from these organizations are included in the consolidated statements of activities for the years ended June 30, 2025 and 2024 and are summarized by country in the accompanying table. As of June 30, 2025 and 2024, ChildFund has sponsorship receivables from these autonomous organizations totaling \$465,500 and \$598,900, respectively. These receivables are the result of the timing of collection of funds as compared to deposit by the autonomous organizations. ChildFund recognized service fee revenue from these autonomous organizations in the consolidated statements of activities for the years ended June 30, 2025 and 2024 of \$566,589 and \$625,636, respectively, which is included in service fees and other in the consolidated statements of activities. The service fee covers the administrative costs of processing payments and ensuring proper receipt of funding to the local partners and ChildFund country offices that support the sponsored children of the autonomous organizations.

Consolidated Operations

ChildFund works with national fund-raising offices in Brazil, Mexico, Thailand and other countries that provide sponsorship revenue.

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The sponsorships and special gifts for children received internationally from the autonomous organizations and consolidated operations are included in the consolidated statements of activities for the years ended June 30, 2025 and 2024, and are summarized in the accompanying table.

<i>Year ended June 30, 2025</i>	Sponsorships	Special gifts for children	General contributions	Total
Autonomous organizations:				
Australia	\$ 2,366,985	\$ 154,799	\$ 1,455	\$ 2,523,239
France	1,810,682	37,533	64,722	1,912,937
Germany	3,122,235	133,894	160,094	3,416,223
Japan	96,617	-	-	96,617
Korea	2,742,587	55,414	38,638	2,836,639
New Zealand	1,258,974	137,261	-	1,396,235
Sweden	4,142,949	532,966	69,565	4,745,480
Taiwan	3,453,828	317,843	34,225	3,805,896
Total autonomous organizations	\$ 18,994,857	\$ 1,369,710	\$ 368,699	\$ 20,733,266
Consolidated operations:				
Brazil	\$ 1,632,419	\$ 98,552	\$ 121,060	\$ 1,852,031
Mexico	435,662	8,339	457,030	901,031
Thailand	6,101,680	112,353	2,713,393	8,927,426
Other	107,375	-	114,929	222,304
Total consolidated operations	\$ 8,277,136	\$ 219,244	\$ 3,406,412	\$ 11,902,792
Total international sponsors	\$ 27,271,993	\$ 1,588,954	\$ 3,775,111	\$ 32,636,058

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<i>Year ended June 30, 2024</i>	Sponsorships	Special gifts for children	General contributions	Total
Autonomous organizations:				
Australia	\$ 4,076,037	\$ 216,637	\$ 108,757	\$ 4,401,431
Denmark	266,206	16,735	-	282,941
France	1,906,757	44,877	70	1,951,704
Germany	3,211,762	144,119	157,048	3,512,929
Japan	97,368	-	2,285	99,653
Korea	3,039,604	43,928	-	3,083,532
New Zealand	1,344,401	149,789	26,212	1,520,402
Sweden	3,959,450	512,767	44,520	4,516,737
Taiwan	3,553,738	325,462	64	3,879,264
Total autonomous organizations	\$ 21,455,323	\$ 1,454,314	\$ 338,956	\$ 23,248,593
Consolidated operations:				
Brazil	\$ 1,871,111	\$ 115,797	\$ 111,740	\$ 2,098,648
Mexico	548,641	10,406	558,994	1,118,041
Thailand	6,284,455	89,330	2,149,280	8,523,065
Ireland	242,947	15,887	-	258,834
Other	119,026	-	77,507	196,533
Total consolidated operations	\$ 9,066,180	\$ 231,420	\$ 2,897,521	\$ 12,195,121
Total international sponsors	\$ 30,521,503	\$ 1,685,734	\$ 3,236,477	\$ 35,443,714

13. Total Public Support

Public support is summarized for the years ended June 30, 2025 and 2024, as follows:

<i>Years ended June 30,</i>	2025	2024
United States	\$ 182,822,727	\$ 186,509,696
Autonomous organizations, support from sponsors	20,364,566	22,909,637
Autonomous organizations, other support	14,835,075	18,431,505
Consolidated operations, support from sponsors	8,496,380	9,297,600
Consolidated operations, other support	3,413,602	2,901,842
	\$ 229,932,350	\$ 240,050,280

14. Related Party Transactions

In April 2002, ChildFund Alliance was established for charitable purposes to promote the well-being of children and their families. The Board of Directors of ChildFund Alliance includes ChildFund Board and staff; however, ChildFund does not have an economic or controlling interest in ChildFund Alliance; accordingly, ChildFund Alliance is not consolidated in ChildFund's consolidated financial

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statements. ChildFund provided accounting services to ChildFund Alliance that totaled approximately \$41,000 and \$40,000 for the years ended June 30, 2025 and 2024, respectively.

15. Contingencies

From time to time, ChildFund is involved in various legal proceedings during the normal course of operations and resulting from in-country laws and regulations. In management's opinion, ChildFund is not currently involved in any legal proceedings which individually or in the aggregate could have a material effect on the financial condition, results of operations and/or liquidity of ChildFund.

ChildFund receives a portion of its revenue from U.S. Government funded grants and cooperative agreements, all of which are subject to audit. The ultimate determination of amounts received under these grants is generally based upon allowable costs reported to and subject to audit by sponsoring agencies. Management believes that disallowed costs, if any, will be immaterial to the consolidated financial statements.

Lessee

ChildFund has operating leases for its real estate (inclusive of office space and residentials) and equipment (printers/copiers) across multiple countries.

The lease agreements generally do not provide an implicit borrowing rate. Therefore, as a non-public business entity, ChildFund elected to apply a risk-free rate as of July 1, 2022, to derive an appropriate rate to discount remaining lease payments by class of underlying asset for the initial and subsequent measurement of lease liabilities. ChildFund uses the foreign risk yield curves from the country of origin for each lease to derive imputed rates for lease term lengths.

Leases with an initial term of twelve months or less are not recorded on the consolidated statements of financial position. There are no material residual guarantees associated with any of ChildFund's leases, and there are no significant restrictions or covenants included in ChildFund's lease agreements. Certain leases include variable payments related to common area maintenance and property taxes, which are billed by the landlord, as is customary with these types of charges for office space. ChildFund is not the sublessor in any arrangement.

ChildFund's existing leases contain escalation clauses and renewal options. ChildFund has evaluated several factors in assessing whether there is reasonable certainty that ChildFund will exercise a contractual renewal option. For leases with renewal options that are reasonably certain to be exercised, ChildFund included the renewal term in the total lease term used in calculating the right-of-use asset and lease liability.

The components of lease expense, are as follows:

<i>Years ended June 30,</i>	2025	2024
Components of lease expense:		
Operating lease cost	\$ 183,912	\$ 335,363
Short-term lease cost	233,742	217,818
Total lease cost	\$ 417,654	\$ 553,181

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<i>Years ended June 30,</i>	2025	2024
Weighted-average remaining lease term:		
Operating leases (in years)	2	4
Weighted-average discount rate:		
Operating leases	12.29%	8.86%

Future minimum lease payments under non-cancellable leases as of June 30, 2025, are as follows:

<i>Fiscal Years Ending June 30,</i>	Operating Leases	
2026	\$	105,046
2027		72,525
2028		21,125
Total undiscounted future cash flows		198,696
Less: discounting		(27,225)
Total operating lease liability	\$	171,471

Lessor Activities

ChildFund is a lessor in several operating leases for office space on buildings that it owns. Rental revenue is recognized on a straight-line basis over the life of the leases and is recognized within service fees and other revenue on the consolidated statements of activities. Office rental revenue for the years ended June 30, 2025 and 2024 was \$435,933 and \$497,665, respectively.

Future minimum lease receipts related to these operating leases as lessor are as follows for the fiscal years ending:

<i>Fiscal Years Ending June 30,</i>	Operating Leases	
2026	\$	370,007
2027		336,002
2028		279,406
2029		218,082
2030		143,230
Total minimum future lease receipts	\$	1,346,727

16. Endowment Funds

IASB ASC 958-205-45, *Not-For-Profit Entities - Presentation of Financial Statements*, provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and also requires disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

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ChildFund's endowment consists of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

ChildFund has interpreted the Commonwealth of Virginia's enacted version of the UPMIFA as allowing ChildFund to appropriate for expenditure or accumulate as much of an endowment fund as ChildFund determines is prudent for the uses, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

Unless otherwise stated in the gift instrument, the assets in an endowment fund should be donor restricted assets until appropriated for expenditure by the Board.

In accordance with UPMIFA, ChildFund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of ChildFund and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of ChildFund
- The investment policies of ChildFund

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires ChildFund to retain as a fund of perpetual duration. At June 30, 2025 and 2024 there were no deficiencies of this nature.

Return Objectives and Risk Parameters

Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. ChildFund has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. ChildFund expects its endowment funds to provide an average annual real rate of return of approximately 5%.

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Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, ChildFund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). ChildFund targets a diversified asset allocation that places emphasis on investments in equities, bonds and absolute return strategies to achieve its long-term return objectives within a prudent risk framework.

Spending Policy and How Investment Objectives Relate to Spending Policy

ChildFund has two spending policies for endowments. For endowments restricted for child sponsorships, donors are asked to contribute a one-time endowment gift. Investment gains and yields are used to provide the child with food, education, basic healthcare and other assistance. The spending rate is determined by the most current monthly sponsorship rate paid by sponsors in the United States as well as taking into account the current rate of return.

For non-sponsorship endowments, unless otherwise directed by the donor, the policy for appropriating for distribution is equal to 5% of the endowment funds' average fair value for the preceding three years. In establishing this policy, ChildFund considered the expected return on its endowments. Accordingly, ChildFund expects the current spending policies to allow its non-sponsorship endowments to maintain their purchasing power by growing at a rate equal to planned payouts. For those endowments that maintain donor restrictions, ChildFund considers the cumulative earnings and expected rate of return and then appropriates available funds for distribution in accordance with the donor restrictions.

Endowment net assets consist of the following at June 30, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	\$ -	\$ 10,402,721	\$ 10,402,721
Accumulated investment gains	-	6,790,565	6,790,565
Board-designated quasi-endowment funds	3,792,024	-	3,792,024
Total endowment net assets	\$ 3,792,024	\$ 17,193,286	\$ 20,985,310
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	\$ -	\$ 10,402,721	\$ 10,402,721
Accumulated investment gains	-	5,710,541	5,710,541
Board-designated quasi-endowment funds	4,865,494	-	4,865,494
Total endowment net assets	\$ 4,865,494	\$ 16,113,262	\$ 20,978,756

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The following table presents the changes in ChildFund's donor-restricted endowment funds and funds designated by the Board to function as endowment for the year ended June 30, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2023	\$ 5,506,646	\$ 15,262,497	\$ 20,769,143
Total investment return, net	975,377	1,473,398	2,448,775
Appropriation of endowment assets for expenditure	(1,616,529)	(622,633)	(2,239,162)
Endowment net assets, June 30, 2024	\$ 4,865,494	\$ 16,113,262	\$ 20,978,756
Total investment return, net	1,298,768	1,995,526	3,294,294
Appropriation of endowment assets for expenditure	(2,372,238)	(915,502)	(3,287,740)
Endowment net assets, June 30, 2025	\$ 3,792,024	\$ 17,193,286	\$ 20,985,310

17. Liquidity and Availability of Resources

The following reflects assets as of the consolidated statements of position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statements of financial position date.

June 30,	2025	2024
Cash	\$ 32,041,200	\$ 31,212,535
Receivable from affiliates	465,500	598,900
Grants receivable	4,853,098	7,010,655
Accounts receivable and other assets	3,811,819	3,592,075
Investments	102,295,722	91,031,362
Beneficial interests in trusts	11,225,528	10,858,892
Less amount unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose and time restrictions	(96,745,033)	(92,984,319)
Investments related to charitable gift annuities	(1,398,256)	(1,367,041)
Board-designated quasi-endowment fund	(3,792,024)	(4,865,494)
Financial assets available to meet cash needs for general expenditures within one year	\$ 52,757,554	\$ 45,087,565

As part of ChildFund'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. ChildFund maintains a liquidity position through leveraging cash, investments and the revolving line of credit.

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18. Subsequent Events

ChildFund has evaluated subsequent events for potential recognition and/or disclosure in the June 30, 2025 consolidated financial statements through October 28, 2025, the date the consolidated financial statements were issued.