

# **Diasporic Vietnamese Artists Network**

**Financial Statements and Independent Auditor's Report  
For the Year Ended June 30, 2024 and 2023**

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## **KAREN A. HAHN CPA, INC.**

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### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Diasporic Vietnamese Artists Network

#### **Opinion**

I have audited the accompanying statements of Diasporic Vietnamese Artists Network (a nonprofit organization, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Diasporic Vietnamese Artists Network as of June 30, 2024 and 2023, 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 Financial Statements section of my report. I am required to be independent of Diasporic Vietnamese Artists Network 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 these 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 Diasporic Vietnamese Artists Network'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**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement 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 Diasporic Vietnamese Artists Network'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 Diasporic Vietnamese Artists Network'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.

*Karen A. Hahn*

Karen A. Hahn  
Certified Public Accountant

Milpitas, California  
April 25, 2025

**Diasporic Vietnamese Artists Network**  
**Statement of Financial Position**  
**June 30, 2024 and 2023**

	<b>06/30/24</b>	<b>06/30/23</b>
<b>ASSETS</b>		
Current Assets		
Cash & Cash Equivalents	\$ 225,625	\$ 386,220
Investments	525,486	389,403
Accounts Receivables	10,000	0
Total Current Assets	<u>761,111</u>	<u>775,623</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 761,111</u></u>	<u><u>\$ 775,623</u></u>
<b>LIABILITIES &amp; NET ASSETS</b>		
Current Liabilities		
Accounts Payable	\$ 45,352	\$ 28,821
TOTAL LIABILITIES	<u>45,352</u>	<u>28,821</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	129,321	235,506
With Donor Restrictions	586,438	511,296
TOTAL NET ASSETS	<u>715,759</u>	<u>746,802</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><u>\$ 761,111</u></u>	<u><u>\$ 775,623</u></u>

See accompanying notes and auditor's report

**Diasporic Vietnamese Artists Network**  
**Statement of Activities**  
**For the Years Ended June 30, 2024 and 2023**

	06/30/24			06/30/23		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUES</b>						
Contributions	\$ 319,258	\$ 0	\$ 319,258	\$ 423,915	\$ 250,000	\$ 673,915
Unrealized Gains(Losses)	0	61,083	61,083	0	21,458	21,458
Realized Gains(Losses)	0	0	0	0	(19,204)	(19,204)
Ticket Sales	4,645	0	4,645	0	0	0
Interest Income	0	14,058	14,058	0	9,041	9,041
Merchandise Sales	373	0	373	2,191	0	2,191
In-Kind Goods	850	0	850	0	0	0
In-Kind Services	95,550	0	95,550	111,150	0	111,150
Net Assets Released from Restriction	0	0	0	0	0	0
<b>Total Public Support and Revenues</b>	<b>420,676</b>	<b>75,142</b>	<b>495,818</b>	<b>537,256</b>	<b>261,295</b>	<b>798,551</b>
<b>EXPENSES</b>						
General and Administration	27,375	0	27,375	134,930	0	134,930
Program Expenses	497,725	0	497,725	209,501	0	209,501
Fundraising	1,761	0	1,761	2,647	0	2,647
<b>TOTAL EXPENSES</b>	<b>526,861</b>	<b>0</b>	<b>526,861</b>	<b>347,078</b>	<b>0</b>	<b>347,078</b>
Change in Net Assets	(106,185)	75,142	(31,043)	190,178	261,295	451,474
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<b>235,506</b>	<b>511,296</b>	<b>746,802</b>	<b>45,328</b>	<b>250,000</b>	<b>295,328</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>\$ 129,321</b>	<b>\$ 586,438</b>	<b>\$ 715,759</b>	<b>\$ 235,506</b>	<b>\$ 511,296</b>	<b>\$ 746,802</b>

See accompanying notes and auditor's report

**Diasporic Vietnamese Artists Network**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2024 and 2023**

	<b>06/30/24</b>	<b>06/30/23</b>
Cash Flow from Operating Activities		
Indirect Method:		
Change in Net Assets	\$ (31,043)	\$ 451,474
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease (Increase) in Accounts Receivable	(10,000)	0
(Decrease) Increase in Accounts Payable	16,531	11,345
	<hr/>	<hr/>
Total Adjustments	6,531	11,345
	<hr/>	<hr/>
Total Cash Provided by Operations	(24,512)	462,818
Cash Flow (Used) Provided from Investment Activities:		
(Increase) Decrease in Investments	(136,083)	(202,820)
BEGINNING CASH	386,220	126,222
	<hr/>	<hr/>
ENDING CASH	<u>\$ 225,625</u>	<u>\$ 386,220</u>

See accompanying notes and auditor's report

**Diasporic Vietnamese Artists Network**  
**Statements of Functional Expenses**  
**For the Years Ended June 30, 2024 and 2023**

	06/30/24	6/30/23
<b>GENERAL AND ADMINISTRATIVE</b>		
Conference & Meetings	\$ 0	\$ 398
Occupancy	1,500	1,275
Insurance	3,577	3,959
Payroll Processing Fees	5,051	2,263
Advertising	648	354
Office Supplies	2,609	203
Bank Charges	171	7,998
Professional Development	295	0
Memberships & Subscriptions	6,553	0
Travel	1,397	1,236
Hospitality & Receptions	662	2,245
Postage/Delivery	287	421
Printing & Copying	3,278	1,402
Miscellaneous	1,348	2,026
	<hr/>	<hr/>
Total General & Administrative Expenses	27,375	23,780
 <b>PROGRAM SERVICES</b>		
Independent Contractors	148,430	111,373
Wages	195,332	87,156
Occupancy	0	5,755
Payroll Taxes	14,730	0
Office Supplies	1,065	312
Printing & Copying	14,318	0
Travel	20,940	4,020
Hospitality & Receptions	4,861	885
Sponsorship	2,500	0
In-Kind Services	95,550	111,150
	<hr/>	<hr/>
Total Program Services	497,725	320,651
 <b>FUNDRAISING</b>		
Occupancy	0	31
Office Supplies	1,552	700
Printing & Copying	0	675
Travel	209	1,241
	<hr/>	<hr/>
Total Fundraising Expense	1,761	2,647
	<hr/>	<hr/>
Total Expenses	<u>\$ 526,861</u>	<u>\$ 347,078</u>

See accompanying notes and auditor's report

**Diasporic Vietnamese Artists Network**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

1. Organization and Summary of Significant Accounting Policies

(a) Nature of Activities and Significant Accounting Policies

The Diasporic Vietnamese Artists Network (DVAN) was founded on February 19, 2021 in San Francisco, California, and became an independent not-for-profit organization. DVAN's mission is to uplift and foster diasporic Vietnamese and Southeast Asian literary voices. Promoting nonfiction, fiction, and poetry to empower artists in the diaspora to inspire understanding and dialogue within the community and with others

Supporting Services:

1. Management and General

Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of DVAN.

2. Fundraising

Fundraising expenses are costs of all activities that constitute an appeal for financial support, that is costs incurred to induce others to contribute money, securities, time, materials or facilities to DVAN.

(b) Basis of Presentation

The financial statements are presented on the basis of with and without donor restricted net assets pursuant to Statement of Financial Accounting Standards Codification 958, Financial Statements of Not-for-Profit Organization. The organization is also required to present a statement of cash flows.

(c) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting.

(d) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents are defined as demand deposits at banks and certificates of deposit with purchased initial maturities of less than ninety days.

ACCOUNT	6/30/24	6/30/23
(Unrestricted)		
Bank of America (9149)	\$ 160,389	\$ 255,747
Bank of America (9152)	100	100
First Republic Checking (9346)	0	8,085
PayPal (old)	395	395
PayPal (new)	3,789	0
TOTAL	<u>\$ 164,673</u>	<u>\$ 264,327</u>
(Restricted)		
Fidelity Bank	\$ 60,952	\$ 121,893
TOTAL	<u>\$ 60,952</u>	<u>\$ 121,893</u>

See Auditor's Report

**Diasporic Vietnamese Artists Network**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

(e) Investments

Investments in trading securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Investments and investment loss consisted of the following at June 30, 2024:

	<u>Fair Value</u>	<u>Cost</u>	<u>Gain</u>
Exchange Traded Products	\$525,486	\$450,001	\$75,485
Total	<u>\$525,486</u>	<u>\$450,001</u>	<u>\$75,485</u>

(f) Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in without donor net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.

When a restriction expires, with donor net assets are reclassified to without donor net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

(g) Property and Equipment

Property and equipment with an estimated useful life in excess of one year and cost greater than \$1,000 are capitalized at cost; donated assets are capitalized at the fair value at the date of receipt. Depreciation is computed using the straight-line method.

(h) Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the organization. These services do not meet the criteria for recognition as contributed services.

(i) Contributions

Contributions received are recorded as with or without donor net assets depending on the existence or nature of any donor restrictions.

(j) Functional Allocation of Expenses

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provided for the overall support and direction of the Organization.

**Diasporic Vietnamese Artists Network**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

(k) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(l) Donated Assets and Services

Contributions of donated assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

(m) Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor net assets, and with donor net assets.

(n) Fair Value of Financial Instruments

DVAN's financial instruments, including cash and cash equivalents, unconditional promise to give, accounts payable and accrued expenses are stated at cost as the carrying amounts approximated fair value due to their short maturities.

(o) Advertising Costs

Advertising costs were \$847 and \$8,517 as of June 30, 2024 and 2023, respectively.

(p) Revenue Recognition

Revenues are recorded when earned. Contributions are recognized as support when received or unconditionally promised. Contributions are recorded as with or without donor support depending on the existence of donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

(q) Allowance for Doubtful Accounts

An allowance for doubtful accounts has not been recorded, as it is management's opinion that losses, if any, would not be material to the financial statements. Unconditional promises to give are written off when they are determined to be uncollectible.

**Diasporic Vietnamese Artists Network**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

(r) Statement of Cash Flow Information

For purposes of the Statement of Cash Flows, the Organization considers all short-term investments with a maturity at date of purchase of three months or less to be cash equivalents. Cash equivalents are classified with cash in the balance sheet.

2. Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and under California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for such taxes in the accompanying financial statements.

The Organization has been classified as an organization that is not a Private Foundation under Section 509(a)(1) and has been designated as a "publicly supported" organization under Section 170(b)(1)(A)(vi) of the Code.

The Organization assesses its accounting for uncertainties in income taxes recognized in its financial statements and prescribes a threshold of more likely-than-not for recognition and de-recognition of tax positions taken or expected to be taken in a tax return. There was no material impact on the organization's financial statements as a result of the adoption of this policy.

3. Accumulated Vacation and Sick Leave

Accumulated unpaid vacation benefits are recognized as liabilities of the Organization. There were no accrued vacation benefits at June 30, 2024 and 2023.

4. Commitments and Contingencies

Credit Risk

DVAN maintains its cash balances at financial institutions in the United States. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC). Funds in excess of FDIC insurance limits was \$0 as of June 30, 2024 and 2023.

Securities and cash held in brokerage accounts are insured by the Securities Investor Protection Corporation (SIPC). Funds in excess of SIPC insurance limits was \$86,438 in the Fidelity Account as of June 30, 2024 and \$0 as of June 30, 2023.

Risk Management

The Organization is exposed to various risks of loss related to torts; theft, damage and destruction of assets; business interruption; errors and omissions; job related illnesses or injuries to employees; and natural disasters, for which it carries commercial insurance at levels considered by management to be appropriate. Risk retention is substantially confined to customarily nominal policy deductibles, with the exception of higher deductible limits for directors' and officers's liability. Resulting risk management liabilities, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. There were no claims for the years ended June 30, 2024.

**Diasporic Vietnamese Artists Network**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

## 5. "With Donor Restricted" Net Assets

<u>6/30/24</u>	<u>6/30/23</u>
\$586,438	\$511,296

## 6. Net Assets Release from With Donor Restriction

Support that is restricted by a grantor agency or a donor is reported as an increase in without donor restrictions net assets if the restrictions expire in the reporting period which the support is recognized. All other donor-restricted support is reported as an increase in with donor restricted assets, depending on the nature of the restriction. When a restriction expires, with donor restricted net assets are reclassified to without donor assets.

As of June 30, 2024 and 2023 the balance is \$0.

## 7. Donated Goods and Services

Donated goods and services for the years ended June 30, 2024 and 2023 consisted of the following:

Description of donated goods and services	<u>6/30/24</u>	<u>6/30/23</u>
Volunteer Hours	\$ 95,550	\$ 111,150
Donated Supplies	850	0
Total	<u>\$ 96,400</u>	<u>\$ 111,150</u>

## 8. Endowment

The Organization's endowment is comprised of one donor-restricted fund (Fund) which was established in furtherance of the Organization's mission. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization uses the California Prudent Management of Institutional Funds Act (CAPMIFA) in managing the Organization's endowment. As such, the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds is required, absent explicit donor stipulations to the contrary. The Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. When amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by CAPMIFA, the Organization reclassifies net assets with donor restrictions to net assets without donor restrictions. In accordance with CAPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of the investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

*Investment Return Objectives, Risk Parameters and Strategies.* The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets with the objective of preserving the long-term real purchasing power of assets while providing a stream of annual distributions to the Organization.

See Auditor's Report

**Diasporic Vietnamese Artists Network**  
**Notes to Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

8. Endowment (Cont.)

Endowment assets are invested in money market funds and equity exchange traded products. This asset mix is intended to accomplish the investment goal of conservative principal protection with long term growth while achieving income results that provide revenue useful to furthering the Organization's mission and the purpose of the Fund.

Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed in order to not expose the Fund to unacceptable levels of risk. *Spending Policy.* The Organization shall use a total-return-based spending policy, meaning that it will fund distributions for program purposes from net investment income, net realized capital gains and proceeds from sale of investments. The authorized spending rate should average approximately 5% of the applicable market value of the endowment.

9. Subsequent Events

In preparing the financial statements, the Association has evaluated events and transaction potential recognition or disclosure through April 25, 2025, the date the financial statements were available to be issued.