

HELPING CHILDREN WORLDWIDE, INC.

**AUDITED
FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2025

Helping Children Worldwide, Inc.

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Independent Auditors' Report

To the Board of Directors of
Helping Children Worldwide, Inc.
Chantilly, Virginia

Opinion

We have audited the accompanying financial statements of **Helping Children Worldwide, Inc.** (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2025, and the related Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the year 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 **Helping Children Worldwide, Inc.** as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Helping Children Worldwide, Inc.** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Helping Children Worldwide, Inc.**'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Helping Children Worldwide, Inc.**'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Aprilio, LLP

Rockville, Maryland
June 8, 2026

Helping Children Worldwide, Inc.

Statement of Financial Position

<i>December 31,</i>	2025
Assets	
Current assets	
Cash and cash equivalents	\$ 208,699
Investments	134,917
Prepaid expenses and other assets	29,481
Total current assets	373,097
Other assets	
Deposit	2,323
Right-of-use asset - finance lease	6,751
Right-of-use asset - operating lease	3,365
Total other assets	12,439
Total assets	\$ 385,536
Liabilities and Net Assets	
Current liabilities	
Lease liability - finance lease, current portion	\$ 3,857
Lease liability - operating lease	3,467
Accounts payable and accrued expenses	19,040
Deferred revenue	20,330
Total current liabilities	46,694
Long-term liabilities	
Lease liability - finance lease, net of current portion	2,894
Total liabilities	49,588
Net assets	
Without donor restrictions	180,249
With donor restrictions	155,699
Total net assets	335,948
Total liabilities and net assets	\$ 385,536

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Helping Children Worldwide, Inc.

Statement of Activities and Changes in Net Assets

<i>For the Year Ended December 31, 2025</i>	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions and foundation grants	\$ 710,752	\$ 15,451	\$ 726,203
Special events	225,779	-	225,779
Less: cost of direct donor benefit	(17,048)	-	(17,048)
UMVIM volunteer funds	99,448	-	99,448
Investment and interest income	6,607	-	6,607
Net assets released from restrictions	43	(43)	-
Total support and revenue	1,025,581	15,408	1,040,989
Expenses			
Program services:			
Child Welfare / Child Reintegration Centre	180,317	-	180,317
Global Health / Mercy Hospital	184,351	-	184,351
Empowerment programs	323,731	-	323,731
Economic Strengthening	25,432	-	25,432
Supporting services:			
Management and general	145,540	-	145,540
Fundraising	105,667	-	105,667
Total expenses	965,038	-	965,038
Change in net assets	60,543	15,408	75,951
Net assets, beginning of year	119,706	140,291	259,997
Net assets, end of year	\$ 180,249	\$ 155,699	\$ 335,948

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Helping Children Worldwide, Inc.

Statement of Functional Expenses

<i>For the Year Ended December 31, 2025</i>	Programs						Total
	Child Welfare/ Child Reintegration Centre	Global Health/ Mercy Hospital	Empowerment Programs	Economic Strengthening	Management and General	Fundraising	
Administrative	\$ 2,200	\$ 2,691	\$ 21,197	\$ 500	\$ 15,215	\$ 11,020	\$ 52,823
Contributions	116,335	98,487	115,217	3,348	131	187	333,705
Depreciation and amortization	1,293	1,058	1,176	294	187	1,058	5,066
Equipment and computer software	3,027	2,477	4,270	688	9,147	11,477	31,086
Insurance	1,049	858	954	238	811	858	4,768
Legal and professional	10,470	9,221	91,630	5,161	60,789	9,221	186,492
Licenses	10	8	9	2	8	8	45
Lease expense	4,802	3,929	4,366	1,091	2,031	3,929	20,148
Salaries and benefits	38,427	61,351	72,334	14,005	56,863	61,114	304,094
Special events - other	-	-	-	-	-	5,941	5,941
Travel and meetings	2,704	4,271	12,578	105	358	854	20,870
Total	\$ 180,317	\$ 184,351	\$ 323,731	\$ 25,432	\$ 145,540	\$ 105,667	\$ 965,038

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Helping Children Worldwide, Inc.

Statement of Cash Flows

<i>For the Year Ended December 31,</i>	2025
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Cash flows from operating activities	
Change in net assets	\$ 75,951
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation and amortization	5,066
Unrealized and realized gains on investments	(1,034)
(Increase) decrease in:	
Pledge receivable	-
Prepaid expenses	(18,269)
Right-of-use asset - operating lease	19,562
Increase (decrease) in:	
Lease liability - operating lease	(19,562)
Accounts payable and accrued expenses	(4,606)
Deferred revenue	(4,460)
Net cash provided by operating activities	52,648
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Cash flows from investing activities	
Purchases of investments	(5,375)
Proceeds from sales of investments	2,168
Net cash used in investing activities	(3,207)
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Cash flows from financing activities	
Payments on lease liability - finance lease	(3,857)
Net cash used in financing activities	(3,857)
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Net change in cash and cash equivalents	45,584
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Cash and cash equivalents, beginning of year	163,115
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Cash and cash equivalents, end of year	\$ 208,699
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Supplemental disclosure	
Recognition of right-of-use asset - operating lease	\$ 19,562
Recognition of lease liability - operating lease	\$ 19,562
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The accompanying Notes to Financial Statements are an integral part of these financial statements.

Helping Children Worldwide, Inc.

Notes to Financial Statements

1. Organization and significant accounting policies

Programmatic and organizational information: Helping Children Worldwide, Inc. (the “Organization” or “HCW”) was incorporated on April 4, 2003, under the laws of the Commonwealth of Virginia, as a non-stock not-for-profit organization. Helping Children Worldwide, Inc. is a faith-based organization whose mission is to help children by strengthening and empowering families and communities. The Organization has built partnerships with other faith-based and secular organizations. The bylaws of the Organization require that 30% of the Board of Directors be affiliated with partner churches and reserve a seat for one pastor from one of the partner churches.

Helping Children Worldwide, Inc. benefits vulnerable children in Sierra Leone, West Africa through support of programs that protect children, strengthens systems that care for children and empowers families and communities. The Organization is the primary financial supporter of the Child Reintegration Centre, Mercy UMC Hospital and Missionary Resource and Training Centre in Sierra Leone as described below. The Organization collaborates with other non-governmental organizations (NGOs), government agencies, educational institutions, and volunteers to increase the impact and sustainability of its investments in Sierra Leone and globally.

In 2025, the Organization invested resources on strategies to maximize impacts, and increased global recognition and influence through a wide range of collaborations. The Organization hosted its 5th Rising Tides international conference in 2025. This event convened a global community of practice in alternative care reform in Washington, D.C., to discuss ways to advance transition of institutional care of children in orphanages to family care and catalyze transition support services on a global basis. As part of the transition tool kit, HCW produced and screened a 23-minute Work in Progress to gauge impact and viewer support for completion of the feature length documentary film project “Firmly Rooted,” and drafted a plan for an impact campaign to follow. HCW’s international staff and their professional colleagues presented at multiple international conferences on research, best practices, and effective global alliance to advance maternal and child health, child protection and orphan care. The Organization’s Optimistic Voices Podcast continued in the top 50% of podcasts on the BuzzSprout Platform, reaching an expanding listening audience with 2,281 downloads during 2025, versus 1,321 downloads in its first 12 months - increasing its advocacy reach to 6 continents, 128 countries and 1091 cites. A new podcast series, Child’s View, is paired with children’s picture books to engage families to build resiliency and empathy in children and educate them on adversity faced by children in resource-poor and conflict-stressed environments and follows along with the U.S engagement strategy “Strong Family Sunday” that augments the Strong Family for Every Child campaign. Strong Family Sunday promotes a global initiative within the United Methodist Church and US globally connected churches to highlight local, regional, national, and international programs that strengthen families. This program includes a bible study to support the initiative, a book on creating family resilience through play, and worship and educational materials that are updated and renewed each year.

Helping Children Worldwide, Inc.

Notes to Financial Statements

Child Welfare and Child Reintegration Centre – The Organization provides support in Sierra Leone for aid to young women, children and families suffering from extreme poverty and continued to provide primary financial support for the Child Reintegration Centre (“CRC”) in Sierra Leone. The Organization continues to support a Sierra Leone network of NGOs supporting orphans and vulnerable children in Sierra Leone, collaborating on the development of a national foster care system. HCW acts as the secretariate, providing the network with essential research, experts, consultants, and resources such as records’ management and an internet-based storage drive, website, and emails.

The collaboration between the Organization and CRC offers direct services to children and families in one of the most impoverished regions of the world, and provides training, coaching and mentoring services to child welfare agencies in Sierra Leone and West Africa to change their service model to family support work. In Sierra Leone, almost 60% of the population lives below the national poverty line, while 13% lives in extreme poverty. More than 60% of the population lack adequate food, and close to 40% lack access to safe water. More than a quarter of all children under age five are malnourished.

Global Health and Mercy Hospital – The shared mission of Mercy UMC Hospital (“Mercy”) and the Organization is to improve infant and maternal mortality rates in Sierra Leone by providing holistic, community-focused care, regardless of ability to pay. Maternal health is a crucial element of poverty and child mortality. Mercy is a 50-bed facility with a trained and dedicated medical staff including a full-time doctor, a medical laboratory, a research laboratory, a fully stocked pharmacy on-site, an HIV/Aids clinic, and a surgical wing with two operating theatres. Mercy added a Sickle Cell diagnostics and treatment clinic and a diabetes diagnostics and treatment clinic in 2025, with support from collaboration of mission teams, Together for Global Health and funding raised through HCW. Mercy’s outreach into the surrounding villages includes nutrition clinics and treatment provided for malnourished infants, prenatal care and education, malaria testing and treatment, diarrhetic disease diagnosis and treatment, and HIV/AIDS testing and counseling, as well as support for basic health needs in clean water and sanitation.

Helping Children Worldwide, Inc.

Notes to Financial Statements

The maternal-health training mission in Sierra Leone initiated as after-action from its 2023 Rising Tides conference. The collaborative effort has since trained midwives and nurses each year in multiple curricula and create master trainers capable of reproducing the training in low-dose high-frequency sessions to increase continuity of pre-natal care. The training brings together universities, NGOs, private business, government and health practitioners from many countries, a unique approach, and certifies local midwives and nurses to be master trainers, in line with the Organization's empowerment approach to global development. The Organization's global health technical advisor works with Healey International and universities to evaluate outcomes and produce reports and provide presentations in global health and child welfare conferences. The training plan is to conduct the training at least once each year until it has been presented in every district in Sierra Leone before considering the request to bring it to other countries.

Empowerment programs and economic strengthening – The Organization trains and deploys volunteer teams of individuals who then travel on short term mission trips to Sierra Leone to volunteer with local institutions, including CRC and Mercy Hospital. Over the years, teams have engaged in a wide variety of service projects to support the lives of children and their families, including medical and dental clinics, construction projects, teacher training collaborations, and capacity building work with local leadership. Three Village Partnerships were active during 2025, funding the construction of basic community infrastructure, providing medical and nutrition clinics for children and mothers, and supporting family strengthening services to villages through Mercy Hospital, mission team volunteers overseen by the medical staff and mission partnership liaison at the Missionary Training Centre and by Child Reintegration Centre case managers and social workers and various contractors in Sierra Leone. The Organization's professional staff provided direct support on the ground and via remote collaborations. One village completed the initiation of the final stage of the partnership during 2025, with the final piece needed for construction of a village enterprise project (Fengehun Village Processing Plant) funded. This enterprise is intended to increase the villagers' ability to maintain the improvement projects and improve village economics. It began full operation at the beginning of 2026. HCW's international staff worked with the team at the CRC to develop a standard operating procedure for its microfinance program, which was used to begin working with a new funding partner to extend microloans to additional families.

The Organization continued to build the capacity of the CRC and Mercy staff in 2025, by bringing in experts from the U.S.A and the U.K in medicine, surgery, physical rehabilitation, and nursing care, organizational leadership, case management and social work, identified by the organization as its UVMIM program.

Helping Children Worldwide, Inc.

Notes to Financial Statements

UMC Advance - The Organization regularly collaborates with the General Board of Global Ministries of the United Methodist Church Advance (“UMC Advance”) to fundraise for the CRC and Mercy programs. In 2025, \$35,003 that was donated through the UMC Advance to support the CRC and Mercy directly, offset the Organization's total expenses for the year.

Basis of accounting: The accompanying financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation: Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions and reported as follows:

Net assets without donor restrictions - net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no donor restrictions that are perpetual in nature as of December 31, 2025.

Cash and cash equivalents: The Organization classifies all highly liquid investments, with original maturities of three months or less as cash equivalents. Cash and cash equivalents consist of demand deposit accounts, money market accounts, and certificates of deposit with original maturities of three months or less. The Organization maintains cash balances at one commercial bank, these balances can exceed the FDIC insured deposit limit of \$250,000 per financial institution. At December 31, 2025, the Organization’s cash balances held at the commercial bank did not exceed the FDIC limit. Management does not believe that this results in any significant credit risk. The Organization has not experienced any losses through the date when the financial statements were available to be issued.

Investments: Investments consist of money market funds. Money market funds are valued at cost which approximates fair value.

Purchases and sales of investments are recorded on a settlement-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Organization’s gains and losses on investments bought and sold as well as held during the year.

Helping Children Worldwide, Inc.

Notes to Financial Statements

Fair value: The Organization values its investments in accordance with a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no changes to the fair value methodologies used at December 31, 2025.

Property and equipment: The Organization capitalizes all expenditures for property and equipment in excess of \$1,000. Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, which is generally three to five years. Leasehold improvements are amortized using a straight-line basis over the shorter of their estimated useful life or the remaining lease term.

Leases: For operating leases with initial lease terms greater than 12 months, operating lease right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. The ROU assets resulting from operating leases are disclosed as a right-of-use asset – operating lease and the related liabilities are included in the lease liability – operating lease in the Statement of Financial Position. The ROU assets resulting from finance leases are disclosed as a right-of-use asset - finance lease and the related liabilities are included in the lease liability - finance lease in the Statement of Financial Position.

At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using the risk-free rate. Operating lease cost is recognized on a straight-line basis over the lease term as lease expense in the accompanying Statement of Functional Expenses. Lease and non-lease components of office space lease agreements are accounted as a single component. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization determines if an arrangement is a lease at inception. All leases are recorded on the Statement of Financial Position except for leases with an initial term less than 12 months for which the Organization made the short-term lease election.

Helping Children Worldwide, Inc.

Notes to Financial Statements

Deferred revenue: Deferred revenue is made up of volunteer mission trip funds received for trips in future periods.

Revenue recognition: The Organization recognizes revenue in accordance with Accounting Standards Codification Topic 606, Revenue from Contracts with Customers “ASC 606”. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is outlined below:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Accordingly, the following revenue stream is within the scope of ASC 606:

UMVIM volunteer funds - UMVIM volunteer funds are received for short-term mission trips to aid the African Programs. The performance obligation is satisfied and the revenue is recognized when the trip takes place. The transaction price is the minimum amount that must be raised by volunteers to go on the trip. Funds received for trips taking place in a future period are recorded as deferred revenue and reported as a liability on the Statement of Financial Position.

The following revenue streams are outside the scope of ASC 606:

Contributions and foundation grants - The Organization recognizes all contributions as revenue in the period received or unconditionally promised. The Organization reports such gifts as with donor restricted support and revenues if they are subject to time or donor-imposed restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is accomplished, or both.

Helping Children Worldwide, Inc.

Notes to Financial Statements

Special events - The Organization holds fundraising galas or events. In exchange for a specified fee, event attendees receive meals along with other miscellaneous benefits (“direct donor benefits”). Proceeds from the events are recognized net of the cost of any direct donor benefits, as required by ASC 958 – Not-for-profit Entities.

The excess of special event proceeds over the cost of direct donor benefits is recognized as a contribution. The portion of special event proceeds associated with the cost of direct donor benefits is recognized as an exchange transaction and accounted for under ASC 606. The nature of direct donor benefits is subject to change at the discretion of the Organization and is generally not identifiable to event attendees before the event. As a result, the Organization has concluded receipt of direct donor benefits does not meet the definition of a contract in ASC 606 until certain criteria are met. Accordingly, revenue is recognized under such arrangements when payment is received, the event takes place, and the Organization is no longer obligated to provide any additional goods or services to attendees (generally, after the event takes place).

Contract liabilities: Contract liabilities include amounts paid by customers for which services have not yet been provided and are included in deferred revenue. Deferred revenue totaled \$20,330 and \$24,790 at December 31, 2025 and January 1, 2025, respectively.

Contract costs: Contract fulfillment costs generally include direct costs such as event venue and food related to galas and events, and mission costs related to UMVIM trips. Costs are expensed when incurred.

Functional allocation of expenses: The cost of providing the various programs and supporting services has been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include administrative, depreciation and amortization, equipment and computer software, insurance, licenses, lease expense, salaries and benefits, travel and meetings which are allocated on the basis of estimates of time and effort.

Income taxes: The Organization is a Section 501(c)(3) not-for-profit corporation exempt from federal income taxes as provided under section 501(a) of the Internal Revenue Code and applicable regulations of the Commonwealth of Virginia. The Organization has no unrelated business income.

Helping Children Worldwide, Inc.

Notes to Financial Statements

Uncertainty in income taxes: The Organization evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of December 31, 2025, there are no accruals for uncertain tax positions. If applicable, the Organization records interest and penalties as a component of income tax expense. Tax years from 2022 through the current year remain open for examination by tax authorities.

Use of accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: Management has evaluated subsequent events for disclosure in these financial statements through June 8, 2026, which was the date the financial statements were available to be issued.

2. Liquidity and the availability of resources

The following represents the Organization's financial assets at December 31, 2025:

Financial assets at year end:		
Cash and cash equivalents	\$	208,699
Investments		134,917
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Total resources available:		343,616
Less amounts not available to be used within one year:		
Donor restrictions:		
Temporary purpose restrictions		(155,699)
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Financial assets available to meet general expenditures over the next twelve months	\$	187,917

The Organization's goal is to maintain financial assets to meet at least 90 days of general expenditures. Additionally, it strives to maintain financial assets to also meet at least 90 days of programmatic expenditures. The Organization has a policy to structure its financial assets to be available as general and programmatic expenditures are incurred.

3. Investments

Investments consisted of \$134,917 of money market funds as of December 31, 2025.

Helping Children Worldwide, Inc.

Notes to Financial Statements

4. **Fair value** The fair value of investments is as follows:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025	Total			
Money market funds	\$ 134,917	\$ -	\$ -	\$ -

5. **Property and equipment** Property and equipment consists of the following at December 31, 2025:

Equipment and furniture	\$	16,424
Less: Accumulated depreciation and amortization		(16,424)
Property and equipment, net		\$ -

Depreciation and amortization expense for the year ended December 31, 2025 was \$5,066.

6. **Net assets with donor restrictions** Net assets with donor restrictions are available for the following purposes at December 31, 2025:

Temporary purpose restrictions		
Economic Strengthening	\$	82,145
Empowerment programs		67,761
Child Welfare / Child Reintegration Centre		5,793
Total		\$ 155,699

Net assets with donor restrictions were released from restrictions during the year ended December 31, 2025 as follows:

Child Welfare / Child Reintegration Centre	\$	43
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Helping Children Worldwide, Inc.

Notes to Financial Statements

7. Operating lease

The Organization evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU asset and lease liability under the operating lease agreements were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2025, was 1.04%. As of December 31, 2025, the weighted-average remaining lease term for the Organization's operating lease was approximately 1.2 year.

The Organization is obligated under an operating lease for space in Chantilly, Virginia. On January 27, 2022, the Organization signed a one-year lease agreement effective March 1, 2022 through February 28, 2023. On January 30, 2024, the Organization signed a two-year lease agreement, which expired on February 28, 2025. This lease was renewed and extended until February 28, 2026. Subsequent to the year-end, the Organization moved into a new location and signed a one-year lease agreement effective February 1, 2026 through January 31, 2027.

The future maturities of the lease liability under this operating lease agreement at December 31, 2025 are as follows:

Year Ending December 31,	Amount
2026	\$ 3,576
Less: imputed interest	(109)
Lease liability – operating lease	\$ 3,467

Total operating lease cost was \$20,148 for the year ended December 31, 2025. Total cash flows from the operating lease were \$20,051 for the year ended December 31, 2025.

8. Finance lease

In 2022, the Organization entered into an agreement to lease a copier under a lease which qualifies as finance lease. In connection with this finance lease, the Organization recorded a ROU asset and a corresponding lease liability in the amount of \$19,286, using the risk free rate as interest rate. The ROU asset and lease liability under this finance lease agreement are being amortized over the life of the lease agreement. As of December 31, 2025, the unamortized ROU asset was \$6,751.

Helping Children Worldwide, Inc.

Notes to Financial Statements

The future maturities of the lease liability under the finance lease agreement at December 31, 2025 are as follows:

Year ending December 31,		
2026	\$	4,176
2027		3,133
Total minimum payments		7,309
Less: interest		(558)
Total principal due		6,751
Less: current portion		(3,857)
Non-current portion	\$	2,894

Total interest expense incurred on the finance lease for the year ended December 31, 2025 was \$319. Total amortization expense for the year ended December 31, 2025 was \$3,857, and was included in the balance of depreciation and amortization expense on the Statement of Functional Expenses.

9. Concentration In 2025, the Organization received 15% of its total revenue from one entity.

10. Retirement plan The Organization participates in a defined contribution retirement plan sponsored by Floris UMC. Total employer contributions from the Organization to the plan for the year ended December 31, 2025 were \$3,800.