

HELPING CHILDREN WORLDWIDE, INC.

**AUDITED
FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2024

Helping Children Worldwide, Inc.

Table of Contents

	Page
Independent Auditor's Report	1 - 2
Audited Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 17

Independent Auditor's 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, 2024, 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, 2024, 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 Auditor's 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 Auditor's Report (Continued)

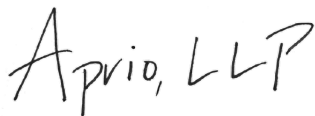
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free 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.



Rockville, Maryland
April 17, 2025

Helping Children Worldwide, Inc.

Statement of Financial Position

<i>December 31,</i>	2024
Assets	
Current assets	
Cash and cash equivalents	\$ 163,115
Investments	130,676
Prepaid expenses	11,212
Total current assets	305,003
Other assets	
Deposit	2,323
Right-of-use asset - finance lease	10,608
Right-of-use asset - operating lease	3,365
Property and equipment, net	1,209
Total other assets	17,505
Total assets	\$ 322,508
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	23,646
Deferred revenue	24,790
Total current liabilities	55,760
Long-term liabilities	
Lease liability - finance lease, net of current portion	6,751
Total liabilities	62,511
Net assets	
Without donor restrictions	119,706
With donor restrictions	140,291
Total net assets	259,997
Total liabilities and net assets	\$ 322,508

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, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions and foundation grants	\$ 376,595	\$ 323,091	\$ 699,686
Special events	156,973	35,767	192,740
Less: cost of direct donor benefit	(17,894)	-	(17,894)
UMVIM volunteer funds	61,253	-	61,253
Investment and interest income	15,682	-	15,682
Net assets released from restrictions	356,827	(356,827)	-
Total support and revenue	949,436	2,031	951,467
Expenses			
Program services:			
Child Welfare / Child Reintegration Centre	389,121	-	389,121
Global Health / Mercy Hospital	261,736	-	261,736
Empowerment programs	239,466	-	239,466
Economic Strengthening	44,089	-	44,089
Supporting services:			
Management and general	135,770	-	135,770
Fundraising	124,683	-	124,683
Total expenses	1,194,865	-	1,194,865
Change in net assets	(245,429)	2,031	(243,398)
Net assets, beginning of year	365,135	138,260	503,395
Net assets, end of year	\$ 119,706	\$ 140,291	\$ 259,997

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

Helping Children Worldwide, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2024	Programs						Fundraising	Total
	Child Welfare/ Child Reintegration Centre	Global Health/ Mercy Hospital	Empowerment Programs	Econonic Strengthening	Management and General			
Administrative	\$ 4,314	\$ 3,570	\$ 18,088	\$ 292	\$ 14,677	\$ 9,358	\$ 50,299	
Contributions	182,018	131,496	72,070	25,085	53	104	410,826	
Depreciation and amortization	2,277	1,167	1,077	156	545	1,068	6,290	
Equipment and computer software	3,996	1,855	4,998	248	7,472	10,698	29,267	
Insurance	1,936	992	915	133	462	908	5,346	
Legal and professional	16,203	10,922	23,136	6,112	70,565	10,452	137,390	
Licenses	9	185	69	-	3	4	270	
Lease expense	7,074	3,625	3,346	484	1,689	3,319	19,537	
Salaries and benefits	168,883	86,551	79,874	11,566	40,304	79,232	466,410	
Special events - other	-	-	-	-	-	6,940	6,940	
Travel and meetings	2,411	21,373	35,893	13	-	2,600	62,290	
Total	\$ 389,121	\$ 261,736	\$ 239,466	\$ 44,089	\$ 135,770	\$ 124,683	\$ 1,194,865	

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>	2024
Cash flows from operating activities	
Change in net assets	\$ (243,398)
Adjustments to reconcile changes in net assets to net cash used in operating activities	
Depreciation and amortization	6,290
Unrealized and realized gains on investments	(3,508)
(Increase) decrease in:	
Pledge receivable	43,345
Prepaid expenses	668
Right-of-use asset - operating lease	19,126
Increase (decrease) in:	
Lease liability - operating lease	(19,640)
Accounts payable and accrued expenses	6,291
Deferred revenue	14,808
Net cash used in operating activities	(176,018)
Cash flows from investing activities	
Purchases of investments	(372,263)
Proceeds from sales of investments	245,095
Net cash used in investing activities	(127,168)
Cash flows from financing activities	
Payments on lease liability - finance lease	(3,857)
Net change in cash and cash equivalents	(307,043)
Cash and cash equivalents, beginning of year	470,158
Cash and cash equivalents, end of year	\$ 163,115

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. ministers in Sierra Leone, West Africa through support of programs to protect children, strengthen and empower families and communities. The Organization is the primary financial supporter of the Child Reintegration Centre, Mercy Hospital and Missionary Training Centre in Sierra Leone as described below.

In 2024, the Organization invested resources on strategies to maximize impacts, and increased global recognition and influence through a wide range of collaborations. The Organization convened meetings of the community of practice in family-based care to discuss ways to advance transition of institutional care of children in orphanages to family care and held globally attended meetings to plan an international conference in Washington, D.C. in early 2025 to advance transition support. The Organization continued filming for the documentary project “Firmly Rooted,” this time in the USA, and 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 reached a milestone of being in the top 50% of podcasts on the BuzzSprout Platform. The U.S engagement strategy “Strong Family Sunday” augmented the Strong Family for Every Child campaign. Strong Family Sunday promotes a global initiative within the United Methodist Church to highlight local, regional, national, and international programs that strengthen families, and the Organization produced a bible study to support the initiative, which was piloted by a church in Maryland as part of its churchwide advent study. The Organization also produced a book on creating family resilience through play, distributed to its congregation by a church in Virginia.

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 assisted in the launch of an in-country network of NGOs supporting orphans and vulnerable children in Sierra Leone, acting as the Secretariate, and provided the network with resources such as an internet-based storage drive, website, and email.

Helping Children Worldwide, Inc.

Notes to Financial Statements

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. Because of CRC programs, over 1,600 children and 429 families were supported during 2024.

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. As of October of 2024, between malaria clinics (7705), nutrition clinics (1353), hospital admissions and hospital outpatient services (2838), aids clinics (5945) and prenatal clinics (1167), Mercy Hospital and Mercy Outreach were able to provide medical and diagnostic services to 19,008 patients in Bo and 45 surrounding villages in the District of Bo. 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.

Following up on the Organization’s Together for Global Health conference in 2023, members from the network of practitioners across the globe collaborated on development of a new training program in Sierra Leone for maternal/infant health practitioners. 100 midwives and nurses were trained in multiple curricula. The training brought together universities, NGOs, private business, government and health practitioners from many countries, a unique approach, and certified 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 and her global health intern evaluated outcomes and produced a baseline report. The network agreed to bring the training back each year until the training has been presented in every district and began planning for future trainings.

The Organization held trips for the first time to several countries where member organizations from HCW’s Together for Global Health network are located, engaging in maternal health conferences.

Helping Children Worldwide, Inc.

Notes to Financial Statements

Empowerment programs and economic strengthening – The Organization’s United Methodist Volunteers in Mission (UMVIM) teams are comprised of individuals who are trained and then travel to Sierra Leone to volunteer at 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 2024, 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.

The Organization continued to build the capacity of the CRC and Mercy staff in 2024, 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 UMVIM program.

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 2024, \$29,630 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, 2024.

Helping Children Worldwide, Inc.

Notes to Financial Statements

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, 2024, 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 indexed certificates of deposit, which are carried at fair value. Money market funds are also included in investments and 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.

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, 2024.

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.

Helping Children Worldwide, Inc.

Notes to Financial Statements

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.

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:

Helping Children Worldwide, Inc.

Notes to Financial Statements

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.

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 \$24,790 and \$9,982 at December 31, 2024 and January 1, 2024, 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.

Helping Children Worldwide, Inc.

Notes to Financial Statements

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.

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, 2024, 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 2021 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 April 17, 2025, which was the date the financial statements were available to be issued.

Helping Children Worldwide, Inc.

Notes to Financial Statements

- 2. Liquidity and the availability of resources** The following represents the Organization's financial assets at December 31, 2024:

Financial assets at year end:	
Cash and cash equivalents	\$ 163,115
Investments	130,676

Total resources available: 293,791

Less amounts not available to be used within one year:

Donor restrictions:

Temporary purpose restrictions	(140,291)
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Financial assets available to meet general expenditures over the next twelve months	\$ 153,500
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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 the following as of December 31, 2024:

Money market funds	\$ 53,650
Indexed certificates of deposit	77,026
Total investments	\$ 130,676

Helping Children Worldwide, Inc.

Notes to Financial Statements

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

December 31, 2024	Total	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)
Indexed certificates of deposit	\$ 77,026	\$ -	\$ 77,026	\$ -

A reconciliation of the fair value investments to total investments on the Statement of Financial Position is detailed below:

Fair value of investments	\$ 77,026
Money market funds held at broker	53,650
Total investments	\$ 130,676

Level 2 value of indexed certificates of deposit is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.

5. Property and equipment Property and equipment consists of the following at December 31, 2024:

Equipment and furniture	\$ 16,424
Less: Accumulated depreciation and amortization	(15,215)
Property and equipment, net	\$ 1,209

Depreciation and amortization expense for the year ended December 31, 2024 was \$6,290.

6. Net assets with donor restrictions Net assets with donor restrictions are available for the following purposes at December 31, 2024:

Temporary purpose restrictions	
Economic Strengthening	\$ 78,642
Empowerment programs	55,813
Child Welfare / Child Reintegration Centre	5,836
Total	\$ 140,291

Helping Children Worldwide, Inc.

Notes to Financial Statements

Net assets with donor restrictions were released from restrictions during the year ended December 31, 2024 as follows:

Economic Strengthening	\$	20,264
Empowerment programs		76,326
Child Welfare / Child Reintegration Centre		215,918
Global Health / Mercy Hospital		44,319
Total	\$	356,827

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, 2024, was 1.04%. As of December 31, 2024, the weighted-average remaining lease term for the Organization's operating lease was approximately 1.2 years.

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 to renew the lease until February 28, 2025. Subsequent to the year-end, the lease was renewed and extended until February 28, 2026.

The future maturities of the lease liability under this operating lease agreement at December 31, 2024 are as follows:

Year Ending December 31,	Amount
2025	\$ 3,576
Less: imputed interest	(109)
Lease liability – operating lease	\$ 3,467

Total operating lease cost was \$19,537 for the year ended December 31, 2024. Total cash flows from the operating lease were \$20,051 for the year ended December 31, 2024.

Helping Children Worldwide, Inc.

Notes to Financial Statements

- 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, 2024, the unamortized ROU asset was \$10,608.

The future maturities of the lease liability under the finance lease agreement at December 31, 2024 are as follows:

Year ending December 31,	
2025	\$ 4,176
2026	4,176
2027	3,133
Total minimum payments	11,485
Less: interest	(877)
Total principal due	10,608
Less: current portion	(3,857)
Non-current portion	\$ 6,751

Total interest expense incurred on the finance lease for the year ended December 31, 2024 was \$319. Total amortization expense for the year ended December 31, 2024 was \$3,857, and was included in the balance of depreciation and amortization expense on the Statement of Functional Expenses.

- 9. Concentration** In 2024, the Organization received 17% 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, 2024 were \$6,870.