

HELP THE PERSECUTED, INC.

Financial Statements and Independent Auditor's Report

For the Year Ended June 30, 2025

Help the Persecuted, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Help the Persecuted, Inc.

Opinion

We have audited the accompanying financial statements of Help the Persecuted, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Help the Persecuted, Inc. as of June 30, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Help the Persecuted, 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 Help the Persecuted, Inc.'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 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 Help the Persecuted, 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 Help the Persecuted, 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.

Dogwood CPA

Marietta, Georgia
January 26, 2026

Help the Persecuted, Inc.
Statement of Financial Position
June 30, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 1,379,397
Investments	1,663,450
Accounts Receivable	128,947
Prepays	<u>19,496</u>
Total Current Assets	<u>3,191,290</u>

TOTAL ASSETS	<u>\$ 3,191,290</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 60,461
Accrued Liabilities	<u>14,006</u>
Total Current Liabilities	74,467

Net Assets without Donor Restrictions	<u>3,116,823</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,191,290</u>
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The accompanying notes are an integral part of these financial statements.

Help the Persecuted, Inc.
Statement of Activities
For the year ended June 30, 2025

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues and Support:			
Contributions	\$ 6,394,517	\$ -	\$ 6,394,517
In-kind Contributions	14,101	-	-
Investment Income	74,793	-	-
Net Assets Released from Restriction	-	-	-
Total Revenues and Support	<u>6,483,411</u>	<u>-</u>	<u>6,483,411</u>
Expenses:			
Program	4,874,814	-	4,874,814
General and Administrative	352,230	-	352,230
Fundraising	757,861	-	757,861
Total Expenses	<u>5,984,905</u>	<u>-</u>	<u>5,984,905</u>
Increase in Net Assets	498,506	-	498,506
Net Assets at Beginning of Year	<u>2,618,317</u>	<u>-</u>	<u>2,618,317</u>
Net Assets at End of Year	<u>\$ 3,116,823</u>	<u>\$ -</u>	<u>\$ 3,116,823</u>

The accompanying notes are an integral part of these financial statements.

Help the Persecuted, Inc.
Statement of Functional Expenses
For the year ended June 30, 2025

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
International Ministry Programs	\$2,812,898	\$ -	\$ -	\$2,812,898
Salaries and Benefits	543,180	126,095	300,689	969,963
Marketing	191,729	23,966	263,627	479,322
Ministry Services	81,233	34,814	116,047	232,094
International Development	86,000	-	-	86,000
Global Office Support	3,568	-	-	3,568
Field Operations	857,890	-	-	857,890
IT Equipment	5,099	8,217	514	13,830
Bank Charges	43,498	-	-	43,498
Events	26,396	3,142	33,309	62,848
Occupancy	34,430	28,800	1,800	65,030
Software	26,880	27,767	1,735	56,382
Travel	117,636	9,099	10,577	137,312
Administration Fees	30,130	2,341	24,814	57,285
Accounting Fees	9,233	49,245	3,078	61,556
Legal and Accreditation	501	2,672	167	3,340
Telephone & Internet	2,872	15,316	957	19,145
Depreciation	35	189	12	236
Equipment	323	1,725	108	2,156
Insurance	725	3,869	242	4,836
Supplies and Shipping	302	1,609	101	2,011
Office Maintenance	256	1,364	85	1,705
Loss on Disposal of Assets	-	12,000	-	12,000
Total expenses	<u>\$4,874,814</u>	<u>\$ 352,230</u>	<u>\$ 757,861</u>	<u>\$5,984,905</u>

The accompanying notes are an integral part of these financial statements.

Help the Persecuted, Inc.
Statement of Cash Flows
For the year ended June 30, 2025

Cash Flows from Operating Activities:

Increase in Net Assets	<u>\$ 498,506</u>
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operations:	
Depreciation Expense	236
Dividend Income	(75,177)
Loss on disposal of Asset	12,000
Changes in:	
Accounts Receivable	406,908
Prepays	12,911
Accounts Payable and Accrued Liabilities	<u>(21,576)</u>
Total Adjustments	<u>335,301</u>
Net Cash Provided by Operating Activities	<u>833,808</u>
 Increase in Cash and Cash Equivalents	 833,808
 Cash and Cash Equivalents Beginning of Year	 <u>545,589</u>
 Cash and Cash Equivalents End of Year	 <u>\$ 1,379,397</u>

The accompanying notes are an integral part of these financial statements.

Help the Persecuted, Inc.

Notes to Financial Statements

June 30, 2025

1. Nature of Organization

Background

Help The Persecuted, Inc. (the Organization) was incorporated on August 24, 2018, in the state of Georgia as a domestic nonprofit corporation. The Organization exists to Rescue, Restore, and Rebuild the lives of persecuted Christians and works toward a vision where the persecuted Church endures, flourishes, and multiplies in the most hostile regions of the world.

Theory of Change

The Organization's "Theory of Change" is based on the view that Christian individuals and families in hostile places endure persecution and require direct practical interventions and ministry support. Our methods are, therefore, geared toward identifying and assessing bona fide cases of persecution and subsequently addressing both spiritual and practical needs to stabilize individuals and families, assisting in their journey of healing and rebuilding. We call this approach "*Rescue, Restore, and Rebuild.*"

Field Ministry Team Approach

The Organization is fully "hands-on" with people in their communities, through its indigenous Field Ministry Team that enables it to address the real needs of persecuted believers. The team receives referrals of persecuted Christians in distress and screens cases into levels, depending upon the complexity of need, costs involved, and what staff support is required. Once due diligence is complete, the cases are approved to deliver tailored, wrap-around help, including:

- Emergency Safe House housing
- The provision of food, housing, rent and basic living needs
- Transportation and relocation expenses to secure a safe environment
- Livelihood support, such as small business grants and vocational training
- Construction assistance to rebuild homes and family businesses
- Medical expenses related to any form of torture or abuse, and medications
- Trauma counseling, therapy, and group meetings
- Pastoral care, participation in our discipleship programs, and connections to a local church

Help the Persecuted, Inc.

Notes to Financial Statements

June 30, 2025

1. Nature of Organization, Continued

Notable Achievements

During the fiscal year ending June 30, 2025 ("FY25"), the Organization directly helped over 104,184 beneficiaries in 15 countries, with interventions ranging from dealing with life-saving rescues and safe-housing, to emergency needs and living expenses, to medicines, medical care and trauma counseling to assisting persecuted individuals in starting new businesses to foster independence. Highlights include:

- **Enduring Livelihood:** Our investments over the past year have proved transformative in expanding this vital work. In FY25, 116 new businesses and 1 business training program were funded (a 33% increase on the prior year), helping 642 persecuted Christians achieve economic independence. These family businesses can generate incomes over 80% higher than national average wages, breaking cycles of poverty and enabling people to move from dependence to dignity. From taxi services and bakeries to mushroom farms, these enterprises enable persecuted Christians to rebuild their lives.
- **Lebanon Crisis Response Program:** This comprehensive program to keep Lebanon as a haven for the persecuted Church grew again in FY25. Since April 2023, we have provided help to 92,294 people. The Seeds of Hope Farm's 34 commercial-scale greenhouses across 1.3 acres have provided fresh vegetables to 19,596 people, while 37,491 received other supplemental food support. When the war intensified in September 2024, one million people fled Southern Lebanon. The Refugee Center and Safe Houses were at capacity. The crisis created further opportunities to help people with essential supplies and the gospel message. The "Haven" multi-apartment facility was subsequently launched as a critical refuge for Syrian Christians fleeing renewed persecution after the fall of the Assad regime in December 2024
- **Safe house Network:** Operating 21 safe houses across the MENA region, we provided immediate sanctuary for persecuted Christians facing death threats, torture, and family violence. Residents receive comprehensive care including medical treatment and counseling, with average stays enabling 61% improvement in ability to practice their Christian faith freely. "Help The Persecuted has been a great support. You gave shelter to me, my husband, and my son when even my own parents wouldn't take us in. You stood by us when we had nowhere else to turn." —Jana, Lebanon.

Help the Persecuted, Inc.

Notes to Financial Statements

June 30, 2025

1. Nature of Organization, Continued

Notable Achievements, Continued

- **Emergency Relief Kits:** Additional funds were deployed into the program this year, enabling the Field Ministry Team to distribute 15,145 Emergency Relief Kits (43% increase on the prior year). Each kit provides an average family of four with critical food essentials like rice, flour, and oil, alongside Bible and discipleship materials and the pastoral care of the team. Emergency Relief Kits also open the door for further support to be provided, from ongoing discipleship meetings to the provision of safe housing and more.
- **Widow's List:** This year we launched tailored support for highly vulnerable Christian widows facing poverty from persecution and employment barriers.

2. Significant Accounting Policies

Financial Statement Presentation and Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This basis of accounting involves the application of accrual accounting. GAAP also requires that the Organization report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions based on stipulations made by the donor.

Fair Value of Financial Instruments

The Organization's financial instruments, including cash, accounts receivable, prepaid expenses, accounts payable and accrued liabilities are carried at cost, which approximates their fair value because of the short-term maturity of these instruments.

Help the Persecuted, Inc.
Notes to Financial Statements
June 30, 2025

2. Significant Accounting Policies, Continued

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalent and Concentration of Credit Risk

For purposes of the Statements of Cash Flows, the Organization considers all cash investments and highly liquid investments with maturities of three months or less to be cash equivalents. Cash and cash equivalents consist primarily of demand deposits maintained with a quality financial institution. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Investments

Investments are carried and reported at their fair values on the statement of financial position. Dividends are reported as investment income in the statement of activities.

Property and Equipment

Property and equipment are stated at either cost or, for donated property, the fair market value at the time of donation. The Organization generally capitalizes assets with a value greater than or equal to \$1,000. Depreciation is determined using the straight-line basis over the estimated economic life of the related asset.

Income Taxes

The Organization is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), as amended; and classified by the Internal Revenue Service as other than a private foundation. Income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. There is no unrelated business income tax for the year ended June 30, 2025. Management believes that it has appropriate support for any tax positions taken by the Organization; and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization is not required to file income tax returns.

Help the Persecuted, Inc.
Notes to Financial Statements
June 30, 2025

2. Significant Accounting Policies, Continued

Revenue and Revenue Recognition, Continued

The Organization recognizes contributions when cash, securities, other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Promises to give and contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of donor restrictions.

Contributions with donor restrictions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions; and are reported in the statements of activities as net assets released from restrictions. It is the Organization's policy to record contributions with donor restrictions received and expended in the same accounting period as contributions without donor restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated based on estimates of time and effort include consultants. Additionally, other expense allocations are based on management's analysis of specific use.

Help the Persecuted, Inc.
Notes to Financial Statements
June 30, 2025

2. Significant Accounting Policies, Continued

Donated Materials and Services

Donated materials are recorded as contributions at their estimated fair values at the date of donation. Contributions of services are recognized in the financial statements if the services received enhance or create non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. There were no contributed services for the year ended June 30, 2025.

Volunteers have donated significant amounts of their time to the Organization's programs and supporting services during 2025. No amounts have been reflected in the financial statements for volunteer services because they did not meet the criteria for recognition under Generally Accepted Accounting Principles.

3. Investments

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosure*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements), and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Help the Persecuted, Inc.
Notes to Financial Statements
June 30, 2025

3. Investments, continued

Fair Value Measurements, continued

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Money Market Funds: Valued at the closing prices as reported by the fund sponsor at year end. These investments are recorded at net asset value (NAV) which equals their fair value as traded on public exchanges. The funds held by the Organization are deemed to be actively traded and are valued using Level 1 inputs.

The financial assets recorded at fair value on a recurring basis within the fair value hierarchy as of June 30, 2025 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Fund	<u>\$ 1,663,450</u>	<u>\$ -</u>	<u>\$ -</u>
Total Fair Value Measurements	<u>\$ 1,663,450</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization has invested in a money market fund that invests in U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash.

Investment securities are exposed to various risks, such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investments securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would affect the amounts reported in the accompanying financial statements.

Help the Persecuted, Inc.
Notes to Financial Statements
June 30, 2025

4. Retirement Plan

Help the Persecuted, Inc. maintains a defined contribution retirement plan for the benefit of its employees. Employees are eligible to participate after one year of employment. The Organization makes monthly contributions of 9% of the eligible employees pay. Employees are fully vested in the plan after 5 years of employment. If an employee leaves prior to being vested, the amounts contributed by the employer are used to offset pension expenses. In addition, Help the Persecuted employees have the opportunity to contribute to a 403(b) tax deferred retirement plan. Help the Persecuted will contribute up to 25% of the employee's contribution for a maximum of .0125% of the employee's salary. Help the Persecuted contributed \$52,756 in total to both retirement plans for the year ended June 30, 2025.

5. Liquidity and Availability of Resources

The Organization is substantially supported by contributions without donor restrictions. General expenditures may be incurred for program, fundraising, or administrative purposes. The Organization's financial assets at June 30, 2025, available within one year after June 30, 2025 to satisfy liabilities as of June 30, 2025; and for general expenditures are as follows:

Cash and Cash Equivalents	\$ 1,379,397
Investments	1,663,450
Accounts Receivable	<u>128,947</u>
Total Financial Assets Available within One Year	<u>\$ 3,171,794</u>

The Organization structures its financial assets to be available as its general expenditure, liabilities, and other obligations come due. As of June 30, 2025, the Organization had stated liabilities in the amount of \$74,467.

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the Statements of Cash Flows which identify the sources and uses of the Organization's operating cash and shows positive cash generated by operations for fiscal years 2025.

6. Subsequent Events

Subsequent events have been evaluated through January 26, 2026, which is the date the financial statements were available to be issued.