

NADIA's **INITIATIVE**

NADIA'S INITIATIVE, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2025

(With Summarized Comparative Information for the Year Ended December 31, 2024)

NADIA'S INITIATIVE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nadia's Initiative, Inc.

Opinion

We have audited the accompanying financial statements of Nadia's Initiative, Inc. (the Organization), which comprise the statement of financial position as of December 31, 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 the Organization as of December 31, 2025, and the changes in 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 the Organization 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 the Organization'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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

HAN GROUP LLC

HAN GROUP LLC
Washington, DC
June 2, 2026

NADIA'S INITIATIVE, INC.

Statement of Financial Position

December 31, 2025

(With Summarized Comparative Information for 2024)

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 265,099	\$ 638,686
Contributions and grants receivable	33,389	147,752
Prepaid expenses	9,874	8,572
Investments	2,590,350	5,827,407
Property and equipment, net	<u>1,149,713</u>	<u>1,190,854</u>
Total assets	<u>\$ 4,048,425</u>	<u>\$ 7,813,271</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 24,710	\$ 38,951
Grants payable	<u>-</u>	<u>20,984</u>
Total liabilities	<u>24,710</u>	<u>59,935</u>
Net Assets		
Without donor restrictions	3,717,000	3,090,345
With donor restrictions	<u>306,715</u>	<u>4,662,991</u>
Total net assets	<u>4,023,715</u>	<u>7,753,336</u>
Total liabilities and net assets	<u>\$ 4,048,425</u>	<u>\$ 7,813,271</u>

NADIA'S INITIATIVE, INC.

Statement of Activities

Year Ended December 31, 2025

(With Summarized Comparative Information for 2024)

	2025		2024	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Support and Revenue				
Contributions and grants	\$ 165,972	\$ 884,636	\$ 1,050,608	\$ 1,690,279
Contributed facilities	30,681	-	30,681	22,296
Contract services	7,435	-	7,435	-
Net investment income	67,795	-	67,795	2,150
Foreign currency translation loss	(30,472)	-	(30,472)	(32,235)
Other income	-	-	-	1,245
Net assets released from restrictions:				
Expiration of time restrictions	4,278,329	(4,278,329)	-	-
Satisfaction of purpose restrictions	962,583	(962,583)	-	-
Total operating support and revenue	5,482,323	(4,356,276)	1,126,047	1,683,735
Operating Expenses				
Program services:				
Program focus areas	1,017,112	-	1,017,112	887,967
Women's Center	160,122	-	160,122	344,363
Women's Sports Complex	48,592	-	48,592	-
Advocacy	537,635	-	537,635	844,206
Total program services	1,763,461	-	1,763,461	2,076,536
Supporting services:				
General and administrative	215,571	-	215,571	265,692
Fundraising	238,184	-	238,184	139,643
Total supporting services	453,755	-	453,755	405,335
Total operating expenses	2,217,216	-	2,217,216	2,481,871
Change in net assets from operating activities	3,265,107	(4,356,276)	(1,091,169)	(798,136)
Non-Operating Activities				
Contributions of convertible loan notes	-	-	-	4,278,329
Net investment loss on converted stocks	(2,638,452)	-	(2,638,452)	-
Change in Net Assets	626,655	(4,356,276)	(3,729,621)	3,480,193
Net Assets , beginning of year	3,090,345	4,662,991	7,753,336	4,273,143
Net Assets , end of year	\$ 3,717,000	\$ 306,715	\$ 4,023,715	\$ 7,753,336

See accompanying notes.

NADIA'S INITIATIVE, INC.

Statement of Functional Expenses

Year Ended December 31, 2025

(With Summarized Comparative Information for 2024)

	Program Services				Total Program Services
	Program Focus Areas	Women's Center	Women's Sports Complex	Advocacy	
Salaries and related expenses	\$ 250,631	\$ 81,979	\$ 36,410	\$ 259,679	\$ 628,699
Grants and contracts to partners	712,702	37,673	1,373	759	752,507
Professional fees	12,322	-	-	211,400	223,722
Depreciation	7,429	33,609	6,503	-	47,541
Travel	3,492	-	1,799	29,165	34,456
Occupancy	5,896	1,769	219	20,198	28,082
License and fees	1,627	17	-	7,141	8,785
Bank fees	-	-	-	-	-
Printing and promotions	3,501	-	-	2,695	6,196
Telephone and internet	5,214	376	549	3,243	9,382
Meals	7,454	81	931	346	8,812
Supplies	334	1,408	285	1,294	3,321
Photography and videography	-	-	-	200	200
Other expenses	6,510	3,210	523	1,515	11,758
Total Expenses	\$ 1,017,112	\$ 160,122	\$ 48,592	\$ 537,635	\$ 1,763,461

See accompanying notes.

NADIA'S INITIATIVE, INC.

Statement of Functional Expenses (continued)

Year Ended December 31, 2025

(With Summarized Comparative Information for 2024)

	2025			2024	
	Supporting Services		Total Supporting Services	Total	Total
	General and Administrative	Fundraising			
Salaries and related expenses	\$ 40,168	\$ 215,052	\$ 255,220	\$ 883,919	\$ 825,410
Grants and contracts to partners	-	-	-	752,507	701,962
Professional fees	130,169	-	130,169	353,891	530,994
Depreciation	-	-	-	47,541	34,353
Travel	711	1,429	2,140	36,596	86,839
Occupancy	1,988	5,752	7,740	35,822	27,834
License and fees	4,915	12,204	17,119	25,904	29,820
Bank fees	23,973	-	23,973	23,973	17,693
Printing and promotions	6,462	658	7,120	13,316	15,446
Telephone and internet	475	1,735	2,210	11,592	11,399
Meals	-	-	-	8,812	10,629
Supplies	1,303	15	1,318	4,639	134,271
Photography and videography	-	-	-	200	39,677
Other expenses	5,407	1,339	6,746	18,504	15,544
Total Expenses	\$ 215,571	\$ 238,184	\$ 453,755	\$ 2,217,216	\$ 2,481,871

See accompanying notes.

NADIA'S INITIATIVE, INC.
Statement of Cash Flows
Year Ended December 31, 2025
(With Summarized Comparative Information for 2024)

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (3,729,621)	\$ 3,480,193
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Non-cash activities:		
Net realized and unrealized losses on investments	2,588,926	64,461
Donated investments received	(149,875)	(4,278,329)
Contributed property	-	29,582
Depreciation	47,541	34,353
Foreign currency translation loss	30,472	32,235
Decrease (increase) in operating assets:		
Contributions and grants receivable	83,891	312,574
Prepaid expenses	(1,302)	(5,326)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(14,241)	(687)
Grants payable	(20,984)	(104,486)
Net cash used in operating activities	<u>(1,165,193)</u>	<u>(435,430)</u>
Cash Flows from Investing Activities		
Proceeds from sales of investments	2,117,288	2,894,899
Purchases of investments	(1,319,282)	(1,823,864)
Purchases of property and equipment	(6,400)	(416,436)
Net cash provided by investing activities	<u>791,606</u>	<u>654,599</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(373,587)	219,169
Cash and Cash Equivalents, beginning of year	<u>638,686</u>	<u>419,517</u>
Cash and Cash Equivalents, end of year	<u>\$ 265,099</u>	<u>\$ 638,686</u>

1. Nature of Operations

Nadia's Initiative, Inc. (the Organization) is a nonprofit organization that was incorporated in 2018 in the state of Delaware. The Organization is on a mission to create a world where women are empowered and able to live peacefully, where communities that have experienced trauma and suffering are supported and redeveloped, and where perpetrators of atrocities are held accountable for their crimes. The Organization advocates — at the local, national, and international levels — for resources and policy changes needed to protect and support survivors of sexual violence and rebuild communities in crisis. The Organization collaborates with global leaders, governments, and international organizations to raise awareness and direct critical funding necessary to making positive, meaningful changes.

Program Services

For decades, the Yazidi community in Sinjar, Iraq has suffered from resource deprivation, inadequate service provisions, forced land removals, and underrepresentation in the region's local governance and security forces. This targeted marginalization by the Iraqi state left them vulnerable to the Islamic State of Iraq and Syria's (ISIS) attacks in 2014, which destroyed 80% of Sinjar's public and private infrastructure.

Since 2019, the Organization has worked to sustainably rebuild Sinjar by laying the foundations for the community to not only survive but thrive. In line with a grassroots approach to sustainable development, the Organization works with the local community and a variety of implementing partners to design, support, and implement projects that promote the restoration and improvement of education, healthcare, livelihoods, WASH (water, sanitation, and hygiene), women's empowerment, and cultural preservation.

All of the following programs are community-driven and survivor-centric, aiming to foster long-term peacebuilding in the region and reduce the community's reliance on foreign aid.

Program Focus Areas

- 1) *Health* – The healthcare sector in Sinjar was in a beleaguered state prior to ISIS' invasion, with few specialized doctors and services available to residents. Since the destruction in 2014, hospitals have had to rely heavily on support from international organizations to provide basic care. The Organization is working to improve the region's healthcare sector by rebuilding hospitals and primary health centers. The Organization provides critical supplies, furniture, and medical equipment, and trains specialized staff to provide survivor-centered, trauma-informed care. Improvements in the region's healthcare reduces the community's long-term vulnerability.
- 2) *Education* – Access to quality education is critical to empowering marginalized communities to build better futures. Sinjar's education sector has long suffered neglect, with dilapidated school buildings and a severe lack of teachers which resulted in students receiving infrequent and inadequate education in unsafe environments. The Organization is improving education in Sinjar by rebuilding and furnishing primary, middle, and secondary schools, providing students with school supplies, investing in early childhood and post-secondary education, and constructing school libraries throughout the region. Ensuring access to quality education facilitates the healing process for children who have survived conflict and protracted displacement.

1. Nature of Operations (continued)

Program Services (continued)

Program Focus Areas (continued)

- 3) *Livelihoods* – Sinjar has historically been a farming region – 75% of its pre-2014 income was based in agriculture. ISIS attempted to destroy the community's livelihoods by burning down farms, polluting boreholes, and stealing and vandalizing farming equipment, all of which threaten the region's food security. Roads and electrical networks were also destroyed during years of fighting to liberate the region. Small business owners in Sinjar have struggled greatly to resume their livelihoods in the aftermath of such extensive destruction. The Organization is restoring the region's commerce, transportation, and trade by holistically rebuilding farmlands, supporting small business owners, constructing new roads and public works, and restoring electrical networks.
- 4) *WASH* – Access to clean water is a basic human right, yet it is a rare resource in a water scarce region like Sinjar. Returnees to Sinjar must grapple with destroyed and polluted WASH infrastructure. Few can afford to purchase bottled water. Many face severe health issues resulting from consuming contaminated water. To counter this, the Organization is rebuilding the WASH infrastructure in villages, schools, clinics, and farms throughout Sinjar. Reconstruction work is complemented by water management training and sessions on hygiene awareness aimed at empowering the community to independently manage their own water sources and lead healthier lives.
- 5) *Cultural Preservation* – For centuries, Yazidis have been targeted for their unique religious beliefs. ISIS' destruction of Yazidi sites of worship was the latest in a long line of genocidal campaigns against the community. Providing Yazidis with safe spaces to worship and sites of remembrance is critical to the community's healing and social cohesion. The Organization restores Yazidi temples with input from clergy, activists, and local families charged with guardianship of the shrines. The Organization constructs cemeteries and memorials to honor victims of the genocide and to preserve Yazidi history — including the Yazidi Genocide Memorial (the Memorial), built in 2023 as a monument to those who suffered under ISIS. The Memorial now serves as an active site for guided visits, advocacy events, and ceremonies for the return of victims' remains to their families.
- 6) *Women's Empowerment* – Women in Sinjar have experienced immense trauma and suffering yet are often neglected in the region's redevelopment initiatives. Many of these women long for opportunities to gain economic independence, to provide for their families, and to become active leaders in their communities. The Organization designs survivor-centric women's empowerment programs aimed at addressing the needs of women and girls in Sinjar by providing them with small business training and grants, by rehabilitating their farmlands, by rebuilding their homes, and by empowering them to become advocates for change within their communities. Much of this work is now housed at the Women's Center in Solagh village, the Organization's flagship space for women-led recovery, empowerment, and leadership, which is discussed further below.

1. Nature of Operations (continued)

Program Services (continued)

Women's Center

The Women's Center (the Center), one of the Organization's flagship initiatives, opened in 2024 and serves as a hub for women's empowerment in Sinjar. Designed to address the unique and intersectional challenges of women and girls in the region, including survivors of ISIS captivity, the Center provides a safe, accessible, and inclusive space where they can recover from trauma, access vital services, and lead transformative change within their communities. Guided by the Organization's survivor-centric and community-driven approach, the Center offers a comprehensive array of services, including livelihood support, education, mental health and psychosocial support (MHPSS), legal aid, sports-based programming, and capacity building in leadership and advocacy. The Organization has plans to strengthen the Center's capacity, expand its programming, and ensure it is accessible to all women and girls in Sinjar.

Women's Sports Complex

The Women's Sports Complex (the Complex) in Wardiya village, also one of the Organization's flagship initiatives, provides adolescent girls, young women, and youth in Sinjar with sports programming, such as volleyball, football, and table tennis, alongside activities to support early education, literacy, life skills, and creative learning. The Complex complements the Center by creating dedicated space for overall well-being, youth development, and community connection.

Advocacy

The Organization advocates — at the local, national, and international levels — for resources and policy changes needed to protect and support survivors of sexual violence and rebuild communities in crisis. The Organization collaborates with global leaders, governments, and international organizations to raise awareness and direct critical funding necessary to making positive, meaningful change. Areas of focus include the following:

- 1) *Raising Global Awareness and Fighting for the Elimination of Conflict-Related Sexual Violence (CRSV)* – the Organization advocates for stronger international accountability mechanisms, amplifying survivor voices, and ensuring that CRSV is recognized and eradicated as a weapon of war.
- 2) *Justice and Accountability* – the Organization advocates for the prosecution of ISIS members and other perpetrators of mass atrocities, supporting survivors in accessing justice, and advocating for the rescue and reintegration of missing Yazidis.
- 3) *Women's Empowerment and Gender Equality* – the Organization advocates for women's empowerment, global gender equality, an end to violence against women, and the provision of reparations to survivors of sexual violence.

1. Nature of Operations (continued)

Program Services (continued)

Advocacy (continued)

- 4) *Locally-Led, Sustainable Development for Post-Conflict Communities* – the Organization advocates for empowering local actors to lead recovery efforts by strengthening grassroots capacity, supporting community-driven development, and promoting long-term sustainability in post-conflict settings.
- 5) *Genocide Prevention* – the Organization advocates for genocide awareness and prevention, including the formal recognition of the Yazidi genocide by nation states and international bodies.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized as incurred.

Measure of Operations

The accompanying statement of activities distinguishes between operating and non-operating activities. Operating activities include all support, revenue, and expenses that are an integral part of the Organization's programs. Non-operating activities include the contributions of convertible loan notes received during the year ended December 31, 2024, which were reported at estimated fair value. During the year ended December 31, 2025, the notes were converted to common stocks and sold. The realized losses from the sales of the stocks, including investment commissions on the sales, have been included in non-operating activities.

Summarized Comparative Information

The accompanying financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Reclassifications

Certain reclassifications regarding non-operating activities were made to the 2024 summarized comparative information for consistency with the current presentation. There was no effect on total assets, liabilities, net assets, or change in net assets.

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, money market accounts, and all highly liquid investments with initial maturities of three months or less. Cash and money market funds held in the investment portfolios are included in investments on the accompanying statement of financial position.

Contributions and Grants Receivable

Unconditional contributions and grants that are expected to be collected within one year are reported at net realizable value. Unconditional contributions and grants that are expected to be collected in future years are recorded at their present value using a risk-adjusted rate. Conditional contributions and grants are not included as support until conditions are substantially met. There was no allowance for doubtful accounts or present value discount recorded as the entire balance was deemed by management to be fully collectible and due in less than one year.

Investments

Investments are measured at fair value and are composed of cash and money market funds, fixed income securities and mutual funds. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Interest, dividends, and realized and unrealized gains or losses are recorded as investment income when earned. Investment income or loss is presented net of investment management fees on the accompanying statement of activities.

Property and Equipment

Property and equipment over \$5,000 with a projected useful life exceeding one year are capitalized and recorded at cost or fair value at date of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows: vehicles over 5 years and buildings over 25 to 39 years.

Expenditures for minor and routine repairs and maintenance are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expense.

Grants Payable

Grants payable represent amounts due to various organizations for program support. The Organization records a liability for grants when the commitments have been made, and the grant conditions have been met by the grantees. Conversely, amounts paid in advance to the grantees which are to be returned to the Organization if grant conditions are not met are recorded as advances to grantees. The Organization did not have any grants payable at December 31, 2025. There were also no advances to grantees or unrecorded conditional grants made at December 31, 2025.

2. Summary of Significant Accounting Policies (continued)

Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's general operations.
- *Net Assets With Donor Restrictions* represent funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have any donor-imposed restrictions which are perpetual in nature at December 31, 2025.

Revenue Recognition

Contributions and Grants

Unconditional contributions are recognized upon notification of the award and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Contributions with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met, only to the extent of actual expenses in compliance with the donor-imposed restrictions and for the expiration of donor-imposed time restrictions. These reclassifications are reported on the accompanying statement of activities as net assets released from restrictions.

Conditional promises to give, which include a measurable performance or other barriers and a right of return, are recognized as revenue when the conditions on which they depend have been met. Amounts received in advance of meeting the conditions are recorded as refundable advances. At December 31, 2025, the Organization had approximately \$49,500 in unrecognized conditional awards. The conditions related to these awards are expected to be met during 2026. There were no refundable advances recorded as of December 31, 2025.

Contribution of Nonfinancial Assets

Contribution of nonfinancial assets consists of the donated use of office space and is recorded at their estimated fair value on the date the office space is made available. Fair value is determined based on comparable market rental rates for similar space in the applicable geographic area.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts reported on the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing programming and supporting services have been summarized on a functional basis on the accompanying statement of activities. The statement of functional expenses presents expenses by function and natural classification. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities that benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses, occupancy, telephone and internet.

3. Risk and Contingencies

Credit Risk

Financial instruments, which potentially subject the Organization to a concentration of credit risk, consist principally of cash balances maintained at various creditworthy financial institutions. While the amount at a given bank at times exceeds the amount guaranteed by the Federal Deposit Insurance Corporation (FDIC) and, therefore, bears some risk, the Organization has not experienced, nor does it anticipate, any losses on its funds.

Investments

The Organization invests in a professionally managed investment portfolio that is exposed to various risks such as market volatility and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term could materially affect investment balances and the amounts reported on the financial statements.

Transactions in Currency Other than the U.S. Dollar

The U.S. Dollar is the reporting currency of the Organization. The Organization has operations in countries other than the United States of America that are translated to the Organization's reporting currency. Transaction gains or losses are reflected as foreign currency translation loss on the statement of activities.

Concentrations

During the year ended December 31, 2025, revenue from two sources accounted for approximately 49% of the Organization's revenue and support. In addition, amounts due from two sources comprise approximately 72% of total receivables at December 31, 2025.

4. Investments and Fair Value Measurements

The Organization reports certain assets at fair value. Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. ASC Topic 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability.

In order to increase consistency and comparability in fair value measurements, the ASC established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability.

The three levels of the fair value hierarchy 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 (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- *Level 3*: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. The following is a summary of input levels used to determine fair values, measured on a recurring basis, of investments at December 31, 2025:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,325,175	\$ -	\$ -	\$ 1,325,175
Fixed income securities	1,051,318	66,446	-	1,117,764
Common stock	137,500	-	-	137,500
Cash and money market funds	9,911	-	-	9,911
Total investments at fair value	<u>\$ 2,523,904</u>	<u>\$ 66,446</u>	<u>\$ -</u>	<u>\$ 2,590,350</u>

Cash and money market funds, fixed income securities, mutual funds, and common stock are valued using market prices on active markets. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets. There were no transfers in or out of Level 1, Level 2, or Level 3 within the fair value hierarchy during the year ended December 31, 2025.

5. Property and Equipment

The Organization held the following property and equipment at December 31, 2025:

Land	\$	128,166
Buildings		1,035,974
Vehicle		<u>85,150</u>
Total property and equipment		1,249,290
Less: accumulated depreciation		<u>(99,577)</u>
Property and equipment, net	\$	<u><u>1,149,713</u></u>

6. Liquidity and Availability Resources

The following schedule reflects the Organization's financial assets as of December 31, 2025, reduced by amounts not available for general use within one year. All financial assets listed below are considered to be convertible to cash within one year:

Financial assets:		
Cash and cash equivalents	\$	265,099
Contributions and grants receivable		33,389
Investments		<u>2,590,350</u>
Total financial assets		2,888,838
Less: donor-imposed restrictions on the financial assets (time)		(137,500)
Less: donor-imposed restrictions on the financial assets (purpose)		<u>(169,215)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>2,582,123</u></u>

The Organization's policy is to structure financial assets to become available as general expenditures, liabilities and other obligations become due, operating within a prudent range of financial soundness and stability while maintaining and monitoring reserves to provide reasonable assurance that long-term program goals with donor restrictions will continue to be met.

7. Donated Office Space

For the year ended December 31, 2025, the fair value of donated office space totaled \$30,681 is reported as contribution of nonfinancial assets on the statement of activities. The value of donated office space is based on current market rental rates for comparable office space in the Washington, D.C. metropolitan area. All donated office space received was considered without donor restrictions, and the related rent expense was allocated among programs based on the distribution of labor. Donated office space is included in occupancy on the statement of functional expenses.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2025:

Subject to passage of time	<u>\$ 137,500</u>
Subject to expenditure for specific purposes:	
Culture and Memorial Projects	64,686
Education Projects	34,192
Livelihoods Projects	30,000
Documentation, Rescue, and Advocacy Work	20,687
Women's Empowerment	<u>19,650</u>
Total subject to expenditure for specific purposes	<u>169,215</u>
Total net assets with donor restrictions	<u><u>\$ 306,715</u></u>

During the year ended December 31, 2025, releases from net assets with donor restrictions were for the following:

Expiration of time restrictions	<u>\$ 4,278,329</u>
Satisfaction of purpose restrictions:	
Livelihoods Projects	696,661
Women's Empowerment	105,214
Documentation, Rescue, and Advocacy Work	76,438
Culture and Memorial Projects	53,700
Education Projects	<u>30,570</u>
Total satisfaction of purpose restrictions	<u>962,583</u>
Total net assets released from restrictions	<u><u>\$ 5,240,912</u></u>

9. Related Party Transactions

Nadia's Initiative, e.V. (NI Germany)

Nadia's Initiative, e.V. (NI Germany) is an affiliated organization that shares a common mission and brand with the Organization. The Organization and NI Germany operate independently, with no formal operating agreement in place, and cooperate on a voluntary basis. The boards of the two organizations are independent, and neither Board has the authority to appoint or approve members of the other organization's board.

As of December 31, 2025, NI Germany had four Board members, one of whom also serves on the Organization's Board of Directors.

9. Related Party Transactions (continued)

During the year ended December 31, 2025, NI Germany contributed approximately \$40,000 to the Organization, which is recognized as contributions and grants support on the accompanying statement of activities.

Consulting Services

A member of the Board was compensated \$198,000 for professional fees pertaining to the advocacy program activities during the year ended December 31, 2025.

Board of Director Contribution

During the year ended December 31, 2025, the Organization received a \$5,000 contribution from a Board member, which is included in contributions and grants support on the accompanying statement of activities.

10. Retirement Plan

The Organization maintains a 403(b) defined contribution retirement plan (the Plan) for all eligible employees. The Organization did not make any contributions to the Plan during the year ended December 31, 2025.

11. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a not-for-profit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended December 31, 2025, as the Organization had no taxable net unrelated business income.

The Organization follows authoritative guidance relating to accounting for uncertainty in income taxes included in ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2025, and determined that there were no matters that would require recognition on the financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

12. Foreign Operations

The Organization has operations outside the United States, particularly in Sinjar, Iraq. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange.

The Organization's monetary assets and liabilities held in foreign currencies are remeasured using the current rate at the statement financial position date, while nonmonetary assets and liabilities are remeasured using historical exchange rates. The Organization has cash deposits in foreign financial institutions and are held in Euro and Iraqi Dinar. The Organization regularly transfers cash from its domestic accounts to its foreign accounts to cover expenses, translating its foreign transactions into U.S. Dollars using a weighted-average exchange rate.

13. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 2, 2026, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements.