

**ORPHANetwork
d/b/a Nourish International**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

ORPHANetwork
d/b/a Nourish International
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finn gartman hart, certified public accountants, plc

INDEPENDENT AUDITORS' REPORT

The Board of Directors
ORPHANetwork
d/b/a Nourish International
Virginia Beach, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ORPHANetwork (d/b/a Nourish International), 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 accompanying financial statements present fairly, in all material respects, the financial position of ORPHANetwork as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 ORPHANetwork and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 ORPHANetwork's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (GAAS) 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 ORPHANetwork'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 ORPHANetwork'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.

Fin Gartman Hart, PLC

Virginia Beach, Virginia
March 4, 2026

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ORPHANETWORK
d/b/a NOURISH INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
December 31, 2025

ASSETS

CURRENT ASSETS	
Cash on hand and in bank	\$ 1,772,990
Prepaid expenses	<u>32,978</u>
TOTAL CURRENT ASSETS	1,805,968
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	21,782
SECURITY DEPOSITS	<u>1,800</u>
TOTAL ASSETS	<u><u>\$ 1,829,550</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 13,754
Accrued salaries and payroll taxes	<u>56,374</u>
TOTAL CURRENT LIABILITIES	<u>70,128</u>
NET ASSETS	
Without donor restrictions	
Board designated emergency and relief fund	500,000
Board designated reserve fund	60,000
Undesignated	1,071,625
With donor restrictions	<u>127,797</u>
TOTAL NET ASSETS	<u>1,759,422</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,829,550</u></u>

ORPHANETWORK
d/b/a NOURISH INTERNATIONAL
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTAL</u>
SUPPORT AND REVENUE			
Contributions and grants	\$ 3,401,377	\$ 123,209	\$ 3,524,586
Contributed nonfinancial assets – food	-	187,356	187,356
Interest earned	20,841	-	20,841
Investment losses	(4,262)	-	(4,262)
Other revenue	15,654	-	15,654
Net assets released from restriction	465,078	(465,078)	-
TOTAL SUPPORT AND REVENUE	<u>3,898,688</u>	<u>(154,513)</u>	<u>3,744,175</u>
EXPENSES			
Program services			
Health and Feeding	1,798,420	-	1,798,420
Training for a Better Future	639,143	-	639,143
Transition Students	79,551	-	79,551
Total program services	<u>2,517,114</u>	<u>-</u>	<u>2,517,114</u>
Support services			
Management and general	774,627	-	774,627
Fundraising	445,016	-	445,016
Total support services	<u>1,219,643</u>	<u>-</u>	<u>1,219,643</u>
TOTAL EXPENSES	<u>3,736,757</u>	<u>-</u>	<u>3,736,757</u>
NET INCREASE (DECREASE) IN NET ASSETS	161,931	(154,513)	7,418
NET ASSETS, BEGINNING OF PERIOD	<u>1,469,694</u>	<u>282,310</u>	<u>1,752,004</u>
NET ASSETS, END OF PERIOD	<u>\$ 1,631,625</u>	<u>\$ 127,797</u>	<u>\$ 1,759,422</u>

ORPHANETWORK
d/b/a NOURISH INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

	Program Services			Support Services		Total Expenses	
	Health and Feeding	Training for a Better Future	Transition Students	Total Program Services	Management and General		Fundraising
Activities	\$ 6,974	\$ 16,451	\$ 4,605	\$ 28,030	\$ -	\$ -	\$ 28,030
Bank and merchant account fees	27	11	1	39	24,247	-	24,286
Depreciation and amortization	-	-	-	-	13,721	-	13,721
Development and meetings	14,982	54,074	102	69,158	3,583	-	72,741
Education and trainings	1,694	77,736	51,043	130,473	-	-	130,473
Food and furnishings	275,140	-	-	275,140	-	-	275,140
Health care resources	495,778	-	-	495,778	-	-	495,778
In-country travel	33,080	45,311	1,011	79,402	2,462	-	81,864
In-program support	166,760	30,627	-	197,387	-	-	197,387
Insurance	3,365	308	38	3,711	44,402	-	48,113
Miscellaneous	9,644	4,001	498	14,143	1,629	826	16,598
Mission trips	-	-	-	-	-	105,667	105,667
Office and facility expenses	58,136	12,911	1,607	72,654	19,542	10,036	102,232
Professional fees	23,600	9,792	1,219	34,611	143,496	38,672	216,779
Promotional materials	1,062	441	55	1,558	37,462	969	39,989
Purchases	2,871	-	-	2,871	-	-	2,871
Repairs and maintenance	18,966	4,809	415	24,190	3,678	-	27,868
Salaries, benefits, and payroll taxes	357,775	344,654	17,102	719,531	461,408	256,628	1,437,567
Shipping, customs, and distribution	183,015	29	4	183,048	1,780	1,180	186,008
Special event costs	3,682	1,528	190	5,400	600	-	6,000
Special projects and cases	79,787	-	-	79,787	-	-	79,787
Supplies and materials	32,764	24,295	147	57,206	1,353	304	58,863
Telephone and utilities	23,161	9,610	1,196	33,967	4,913	-	38,880
Travel	6,157	2,555	318	9,030	10,351	30,734	50,115
	<u>\$ 1,798,420</u>	<u>\$ 639,143</u>	<u>\$ 79,551</u>	<u>\$ 2,517,114</u>	<u>\$ 774,627</u>	<u>\$ 445,016</u>	<u>\$ 3,736,757</u>

ORPHANETWORK
d/b/a NOURISH INTERNATIONAL
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Net increase in net assets during period	\$ 7,418
Adjustments to reconcile net increase in net assets to net cash used by operating activities:	
Depreciation and amortization	13,721
Changes in:	
Prepaid expenses	(1,615)
Security deposits	1,118
Accounts payable	7,838
Accrued salaries and payroll taxes	<u>(50,268)</u>

NET CASH USED BY OPERATING ACTIVITIES

(21,788)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<u>(6,341)</u>
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NET CASH USED BY INVESTING ACTIVITIES

(6,341)

NET DECREASE IN CASH FOR YEAR

(28,129)

CASH, BEGINNING OF YEAR

1,801,119

CASH, END OF YEAR

\$ 1,772,990

ORPHANetwork
d/b/a Nourish International
Notes to Financial Statements
December 31, 2025

Note A – Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The ORPHANetwork, d/b/a Nourish International (Nourish) is a nonprofit organization focused on child transformation. We believe that Jesus Christ can and will redeem anyone who chooses His invitation to follow Him, and in so doing, experience a path toward whole transformation: physical, cognitive, relational, emotional and spiritual. The mission of Nourish is to partner with the local church to break cycles of poverty amongst highly vulnerable children. Together, we join with Jesus Christ in His transformative work to: build up healthy minds, bodies, and self-worth, create thriving Christ followers, and equip for self-sufficiency and sound judgement.

All child and youth developmental programming is executed in Nicaragua inclusive of the administration and operational functions to support those programs. Fundraising, ministry governance, and overall oversight activities are conducted in the United States. To comply with Nicaraguan statutory requirements, separate accounting records are maintained there. The accompanying financial statements include the financial position and activities of both U.S. and Nicaraguan operations.

Together we are impacting the lives of 11,000 children daily to reach our vision that each child—who is part of the Nourish community—would be raised to their God-given potential. Ministry outcomes are accomplished primarily through our three major programs described below.

After 25 years of ministry, we strategically renamed our ministry to Nourish to align with our mission, our primary beneficiaries (vulnerable children & youth) and our core programming. In 2025, we also built our first-ever multi-year strategic plan—a rolling 3-year roadmap for sustainable growth and ministry focus on revenue generation and programmatic impact.

Health and Feeding

We believe when children have access to nutritious food and safe water (daily bread; Matt 6:11), activate personal hygiene, practice healthy habits, and are introduced to Jesus, they TRANSITION from despair to hope.

Our Front-line Church Partnership strategy is designed to recognize the spiritual stewardship responsibility regarding the Great Commission as well as the development of the body of Christ. The first prong is a Life-Saving group of interventions specifically designed to meet the basic nutrient deficiency needs of a child being raised in extreme poverty; and the second prong, is a fully comprehensive Life Transforming group of interventions created to address both the deficiency as well as holistic growth needs of such a child. Our Life Transforming Program empowers the local Nicaraguan church to reach its community for Jesus Christ using the holistic tools of sustainable food, clean water, nutritional supplements, medical attention, education on pregnancies, well baby care, early childhood stimulation, handwashing, dental care and more. The key outcome is to wipe out malnourishment in the community and establish a personal platform of healthy bodies, minds and souls.

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ORPHANetwork
d/b/a Nourish International
Notes to Financial Statements
December 31, 2025

Note A – Nature of Organization and Summary of Significant Accounting Policies-continued

In prior years, our Gift-in-Kind (GIK) food donations were valued at almost \$90,000 per container, and we pivoted our strategy to purchase local food in-country. In 2025, we unexpectedly benefited from a partner organization's food donations, which reduced the cost to \$15,000 per container for shipping and handling costs only. This reduced both our GIK donations received and expensed, resulting in nearly \$1M lower overall spending for the year.

Leadership, relationship and spiritual development is allocated to all programs and includes, but is not limited to, quarterly training on leadership principles that are relevant to local pastors, gathering leaders together to learn best practices from each other, Global Leadership Summit attendance, leadership seminars, theological studies & worship. At our core, we believe that Nicaraguans must solve the problems of Nicaragua. Leadership and relationship development of our Nicaraguan partners is one of our key initiatives to support our partners' work to introduce children to Christ and break cycles of poverty.

Transition Students

Nourish's Transition Students will break cycles of poverty by developing skills and behaviors that allow them to succeed with a sustainable way to support themselves, and a spiritual dependence on God.

The Transition Program was established to assist the older children from our former orphanage partnerships and some Life Transforming Partnerships with preparations for an independent life – job skills, independent living skills, and technical or university level studies.

When our orphanage partnerships ended, we committed to support the adolescents in the pursuit of their dreams of graduating from high school, becoming independent and ultimately breaking cycles of poverty. Today, we continue to support these students through their college years with scholarship assistance for transportation, materials, and beyond as well as providing funding to assist with internships.

Training for a Better Future

We believe when children are equipped with education, mentoring, life skills, and discipleship training, they TRANSFORM with confidence and courage.

The Education Program is a pillar of our Life Transforming Program model to help close gaps in educational abilities that perpetuate cycles of poverty. Our program advocates and raises awareness for preschool enrollment and attendance so that when children enter primary school, they have the basic foundations needed to start first grade. Our After School Education Program focuses on growing core reading fluency, comprehension, and essential math skills for vulnerable, under-served and at-risk children to successfully finish primary school. This is a supplemental program to public school education which is essentially a Montessori style education. Every child enrolled in our program must be registered and fully participating in the public school system. Our teaching facilitators and volunteers engage parents to ensure they understand the value of supplemental education, their role in developing their child's learning, and intentionally involve them in the educational process.

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ORPHANetwork
d/b/a Nourish International
Notes to Financial Statements
December 31, 2025

Note A – Nature of Organization and Summary of Significant Accounting Policies-continued

We believe when children rise-up to develop sustainable economic self-reliance, they THRIVE, realizing their God-given potential.

The Youth Development Program is a brand-new programmatic model added in 2025 to prioritize income generating opportunities for adolescents and young adults. Given the context of poverty and the lack of formal jobs in most of the communities we serve, this program helps young people “fast-track” income-generating and entrepreneurial skill development while deepening students’ commitment to their local church.

The Sewing Skills Job Training Program, in partnership with Mission 14, included young candidates from our local Managua-based church communities in training programs to graduate sewing operators and repair technicians to serve in the garment manufacturing sector. Life Skills training was included to help students learn good work habits, money management, and budgeting skills. Typically, 90-95% landed formal jobs.

Summary of Significant Accounting Policies

Basis of Presentation—Our financial statements have been prepared on the accrual basis of accounting using accounting principles generally accepted in the United States of America. Revenues and expenses are recognized and recorded when earned or incurred.

Use of Estimates—We use estimates and assumptions in preparing our financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Net Assets—Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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

Revenue— We recognize contributions when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Contributions are reported as without donor restrictions unless donor stipulations limit their use. Donor-restricted contributions are reported as with donor restrictions and are reclassified to net assets without donor restrictions when the restrictions are satisfied. Conditional contributions are not recognized until the conditions on which they depend have been substantially met.

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ORPHANetwork
d/b/a Nourish International
Notes to Financial Statements
December 31, 2025

Note A – Nature of Organization and Summary of Significant Accounting Policies-continued

Concentrations of Revenue—Our major sources of funding are contributions from churches, foundations, and the general public. For the year ended December 31, 2025, approximately 37% of our support was obtained from our ten largest cash donors, with four churches, and six individuals/foundations accounting for approximately 17% and 20%, respectively. For the same year, we received approximately 5% of our support

from another non-profit organization in the form of non-cash donations, primarily rice and formula for our feeding centers in Nicaragua.

Property and Equipment—Property and equipment is recorded at cost. Depreciation is provided over estimated useful lives of 3-7 years using the straight-line method. The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts, and any resulting gain or loss is recorded in the Statement of Activities. Maintenance and repairs are included as expenses when incurred.

Income Taxes— We are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and Section 58.1-401.5 of the Code of Virginia, except for taxes on unrelated business income as defined under IRC Sections 511 through 515 and is classified by the Internal Revenue Service as an organization that is not a private foundation. There was no unrelated business income for 2025; accordingly, no provisions for income taxes have been made in the financial statements.

Note A – Nature of Organization and Summary of Significant Accounting Policies-concluded

Income Taxes-continued—ASC Topic 740, “*Income Taxes*”, requires income tax benefits to be recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. As the Organization reports on the accrual basis of accounting, any adjustments made by tax authorities are recorded when assessed.

We have analyzed tax positions taken for filing with the Internal Revenue Service and the Virginia Department of Taxation. We believe that income tax filing positions will be sustained upon examination and do not anticipate any adjustments that would result in a material adverse effect on our financial statements.

Our income tax returns are subject to examination by federal and Virginia tax authorities. With few exceptions, we are no longer subject to U.S. federal tax examinations by tax authorities for years before 2021.

Contributed Nonfinancial Assets— We received contributed nonfinancial assets consisting entirely of food restricted for use in our feeding programs. Donated food is recorded at estimated fair value on the date received. Fair value is based on wholesale values of similar goods, considering information provided by the donor. All donated food was utilized in program services during the year ended December 31, 2025 and is included in Food and Furnishings expense in the Statement of Functional Expenses. The Organization does not sell donated food.

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ORPHANetwork
d/b/a Nourish International
Notes to Financial Statements
December 31, 2025

Note A – Nature of Organization and Summary of Significant Accounting Policies-continued

In addition to donated food, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Expense Allocation—The costs of providing various programs have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of time and effort or other reasonable methods.

Cash and Cash Equivalents—We consider all cash and highly-liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

Note B – Property and Equipment

Property and equipment were comprised of the following as of December 31, 2025:

Office furnishings and equipment	\$ 70,163
Leasehold improvements	24,456
Vehicles, tractors, trailers, and other equipment	<u>164,060</u>
Total cost	258,679
Accumulated depreciation	<u>(236,897)</u>
Net property and equipment	<u>\$21,782</u>

Note C – Intangible Assets

Intangible assets were comprised of the following as of December 31, 2025:

Website development costs	\$ 21,203
Software development costs	<u>117,418</u>
Total cost	138,621
Accumulated amortization	<u>(138,621)</u>
Net intangible assets	<u>\$ 0</u>

Note D – Consideration of Subsequent Events

Our management evaluated subsequent events through March 4, 2026, the date the financial statements were available to be issued, for purposes of determining whether such events required recordation or disclosure in the accompanying financial statements.

ORPHANetwork
d/b/a Nourish International
Notes to Financial Statements
December 31, 2025

Note E – Net Assets with Donor Restrictions

Our net assets with donor restrictions consist of contributions subject to donor-imposed stipulations that either (1) will be satisfied by the passage of time or (2) must be used for specific programs of the Organization.

Program restrictions relate primarily to donated food restricted for use in the Organization’s feeding programs. These restrictions are satisfied when the food is distributed to beneficiaries. All program-restricted net assets were released from restriction during the year ended December 31, 2025.

Time-restricted net assets consist of contributions received with donor stipulations that the funds be used in a future period.

Our net assets with donor restrictions at December 31, 2025 consisted of the following:

Time-restricted contributions	<u>\$ 127,797</u>
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Our net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time. Net assets released from restriction during the year ended December 31, 2025 consisted of the following:

Time restrictions release	\$ 277,722
Subject to expenditure for a specified purpose	
Feeding Centers (in-kind food)	<u>187,356</u>
Total net assets released from donor restrictions	<u>\$ 465,078</u>

Note F – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise our cash and cash equivalents of \$1,772,990.

As part of our liquidity management, we structure our financial assets to be available as our general expenditures, liabilities, and other obligations come due for operations between four and six months in the future. Generally, the net assets without donor restrictions are adequate to fund these obligations coming due, but our board has placed an internal designation of \$560,000 on such net assets to ensure adequate funds are available. This internal designation of net assets without donor restrictions consists of a \$500,000 general reserves, and \$60,000 emergency and relief fund reserves. Although we do not intend to spend from our board designated reserves other than amounts appropriated for general expenditures as part of our annual budget approval and appropriation process, amounts from our board designated reserves would be made available if necessary.

The net assets with donor restrictions of \$127,797 as of December 31, 2025 are restricted only by the passage of time, specifically they are to be spent in 2026, thus this entire amount has been included in the financial assets balance noted above.