GOLESTAN FOUNDATION

Audited Financial Statements

August 31, 2025 and 2024

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Golestan Foundation
Woodinville, Washington

Opinion

We have audited the accompanying financial statements of Golestan Foundation (the Foundation), which comprise the statement of financial position as of August 31, 2025 and 2024 and the related statements of activities and cash flows for the years 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 Golestan Foundation as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Foundation 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 opinions.

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 Foundation'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,

To the Board of Directors
Golestan Foundation

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 Foundation'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 Foundation'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.

Richardson & Company, LLP

February 23, 2026

GOLESTAN FOUNDATION

STATEMENTS OF FINANCIAL POSITION

August 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 1,338,808	$ 1,186,217
Investments	63,244	-
TOTAL ASSETS	$ 1,402,052	$ 1,186,217
NET ASSETS		
Without donor restrictions	$ 921,211	$ 672,378
With donor restrictions	480,841	513,839
TOTAL NET ASSETS	1,402,052	1,186,217
TOTAL LIABILITIES AND NET ASSETS	$ 1,402,052	$ 1,186,217

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

GOLESTAN FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 274,562	$ 952,672	$ 1,227,234
In-kind contributions	45,140		45,140
Investment Income	6,879		6,879
Other income	10,768		10,768
Released from restriction	985,670	(985,670)	-
Total Support and Revenue	1,323,019	(32,998)	1,290,021
Expenses			
Program services	1,003,062		1,003,062
Management and general	71,124		71,124
Total Expenses	1,074,186	-	1,074,186
Change in net assets	248,833	(32,998)	215,835
Net assets at beginning of the year	672,378	513,839	1,186,217
Net assets at end of year	$ 921,211	$ 480,841	$ 1,402,052

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

GOLESTAN FOUNDATION

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 289,724	$ 753,571	$ 1,043,295
In-kind contributions	14,960		14,960
Other income	8,954		8,954
Released from restriction	483,262	(483,262)	-
Total Support and Revenue	796,900	270,309	1,067,209
Expenses			
Program services	586,307		586,307
Management and general	42,188		42,188
Total Expenses	628,495	-	628,495
Change in net assets	168,405	270,309	438,714
Net assets at beginning of the year	503,973	243,530	747,503
Net assets at end of year	$ 672,378	$ 513,839	$ 1,186,217

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

GOLESTAN FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2025

	Program Services	Management and General	Total
Foreign grants and assistance	$ 983,359		$ 983,359
Bank fees	19,703	$ 340	20,043
In-kind professional services		45,140	45,140
Business fees and audit		10,738	10,738
Other expenses		14,906	14,906
Total expenses	$ 1,003,062	$ 71,124	$ 1,074,186

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

GOLESTAN FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2024

	Program Services	Management and General	Total
Foreign grants and assistance	$ 570,236		$ 570,236
Bank fees	16,071	$ 118	16,189
In-kind professional services		14,960	14,960
Business fees and audit		19,199	19,199
Other expenses		7,911	7,911
Total expenses	$ 586,307	$ 42,188	$ 628,495

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

GOLESTAN FOUNDATION

STATEMENTS OF CASH FLOWS

For the Years Ended August 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 215,835	$ 438,714
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized gains on investments	(6,879)	
Changes in certain operating assets and liabilities:		
Other receivables		30,664
Accounts payable		(60)
NET CASH USED BY OPERATING ACTIVITIES	208,956	469,318
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(56,365)	-
NET CASH USED BY INVESTING ACTIVITIES	(56,365)	-
NET CHANGE IN CASH	152,591	469,318
Cash and cash equivalents at beginning of year	1,186,217	716,899
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,338,808	$ 1,186,217

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foundation: Golestan Foundation (the Foundation) is a nonprofit corporation incorporated in New Jersey formed in August 2020. The Foundation's mission is to improve the quality of life for orphans through the financial support of orphanages that provide safety, health, housing, and education. The Foundation focuses its efforts on orphanages located in Iran. The Foundation is led by a volunteer Board and has neither any paid employees or offices, nor any budget line for salary, insurance, benefits, rent, and utilities.

Basis of Presentation: Financial statement presentation follows the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205, *Financial Statements of Not-for-Profit Entities – Presentation of Financial Statements*. Under (ASC) 958-205, the Foundation is required to 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. The Foundation uses the accrual basis of accounting.

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.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions 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 reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Foundation maintains its cash in bank accounts that may exceed federally insured limits at times during the year. The Foundation has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk. At August 31, 2025 and 2024 the Foundation had uninsured bank balances of $195,356 and $121,465, respectively.

Investments: Investments are stated at fair value. Investment fair values are based on quoted market prices, where available. If quoted market prices are not available, fair values are estimated using quoted market prices for similar securities and indications of value provided by brokers. Realized gains and losses and changes in the fair value of investments (unrealized gains and losses) are reflected in the statement of activities.

Contributions: Contribution revenue consists of contributions and grants and is recognized in the period received or when an unconditional promise to give is made, whichever is earlier. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated goods and services: Donations of goods and services are recorded at their estimated fair values at the date of donation. Donated services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased. In addition, many volunteers have donated significant amounts of time to the Foundation's program services and fundraising campaigns. The services of these volunteers are not recorded in the accompanying financial statements as they do not meet the criteria for recognition. Volunteer services not recognized in these financial statements, given uncertainty whether they meet the definition of requiring specialized skills and whether they would need to be purchased if not provided by donation, include both CEO and bookkeeping services provided by volunteer Board members.

Foreign grants and assistance expense: Foreign grants and assistance expense (grants) are approved by the board of directors of the Foundation in accordance with their respective bylaws and guidelines. To aid in this review and approval process, the Foundation requires potential grantees to complete a thorough pre-grant inquiry and application. This information is validated through a basic Internet search and the use of local contacts to help gather information about the recipient's trustworthiness and reputation. Before providing any charitable assistance, the Foundation checks the recipient's name, and the names of its key employees and leaders (e.g., directors and officers) against the Specially Designated Nationals and Blocked Persons List from Department of Treasury. The Foundation is currently operating under General License E, and Specific License No. IA-2021-376514-11 as required by the Office of Foreign Assets Control (OFAC), for sending grants to the recipients in Iran. Unconditional grants and distributions are recorded in the financial statements as grants payable when unconditionally approved and communicated to the grantee. Grants approved by the board of directors that are payable upon the performance of specified conditions by the grantee are not reflected in grants payable in the financial statements until such time as those conditions are satisfied. There were no grants payable as of August 31, 2025 and 2024.

Federal income taxes: The Foundation is a nonprofit Foundation under Section 501(c)(3) of the Internal Revenue Code and is therefore exempt from federal income tax on income derived from activities related to its tax-exempt purposes. Accordingly, no provision for income tax is necessary. The Foundation's federal exempt organization tax returns is generally subject to examination by the IRS for three years after they were filed.

Functional allocation of expenses: The costs of providing various programs and other activities have been summarized on the functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefits and have been allocated on a reasonable basis that is consistently applied. All expenses have been directly assigned.

Use of Estimates: Management uses estimates and assumptions in preparing 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. Actual results could differ from those estimates.

Subsequent Events: The Foundation evaluated all events or transactions that occurred after August 31, 2025 and up to February 23, 2026, the date the financial statements were issued. During this period, the Foundation did not have any recognizable or nonrecognizable subsequent events.

NOTE B – AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	$ 1,338,808	$ 1,186,217
Investments	63,244	-
	1,402,052	1,186,217
Less amounts not available to be used within one year		
Net assets with donor purpose restrictions	480,841	513,839
Financial assets available to meet program expenditures over the next year	$ 921,211	$ 672,378

The Foundation has certain donor-restricted net assets limited to use, which are not available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been excluded in the quantitative information above.

NOTE C – INVESTMENTS

Investments at fair value consist of the following at August 31, 2025:

Stocks	$ 52,942
Equity exchange-traded funds	11,611
	$ 64,553

Fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. Assets and liabilities are reported in three levels in the fair value hierarchy: using quoted prices in active markets for identical assets and liabilities (Level 1), using significant other observable inputs (Level 2) and using significant unobservable inputs (Level 3). The Foundation's investment in the mutual funds is classified within Level 2 of the hierarchy because they are valued using the amortized cost of the securities held in the fund.

NOTE D – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

	2025	2024
General foreign grants and assistance	$ 330,805	$ 231,865
Helping Orphans Blossom campaign	72,760	78,817
Nourish 1000 campaign	46,329	62,212
Fitness	20,889	20,889
Support Orphan Girls	6,088	53,630
Other	3,970	-
Total net assets with donor restriction	$ 480,841	$ 513,839

The intended purpose of each campaign is more fully described here:

Helping Orphans Blossom – Providing ongoing monthly financial support to orphanages and extended families caring for orphans, ensuring access to nutritious food, proper care, safe housing, and opportunities for healthy growth and a brighter future through consistent community support.

Nourish 1000 campaign – Supporting underprivileged children living with families in need by providing 1,000 food baskets. Each basket is $40 and is prepared locally to include meal essentials.

Fitness - a fundraising initiative that engages supporters through physical activity to raise funds for orphanages, helping improve children's facilities, safety, and opportunities for healthy growth.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	2025	2024
Satisfaction of purpose restrictions:		
Helping Orphans Blossom	$ 393,430	$ 247,986
General foreign grants and assistance	192,720	92,951
Education	141,620	66,164
Together, We can Open the Doors to Healing and Education	99,844	-
Support Orphan Girls	73,764	5,400
Nourish 1000 Campaign	54,093	37,420
Outfits for orphans campaign	27,746	29,386
Other	2,453	3,955
	$ 985,670	$ 483,262

NOTE E – IN-KIND CONTRIBUTIONS

The Foundation received in-kind contributions that are included in the financial statements for the years ended August 31, 2025 and 2024 as follows:

	2025	2024
Service	$ 45,140	$ 14,960
Stock	56,252	-
	$ 101,392	$ 14,960

During the year ended August 31, 2025, stock was donated that was valued by the investment broker. During the years ended August 31, 2025 and 2024, in-kind services consisted of IT administration, web development, donation data collection and analysis, project management and accounting functions. Donated services were for management and general activities, and are reported as professional services. The Foundation utilized hourly fees provided by each provider as a basis for the fair market value of services received. There were no donor-imposed restrictions associated with these in-kind contributions.