

Transparent Hands Foundation (US), Inc.

Independent Auditor's Report and Financial Statements for the Year Ended December 31, 2024 (along with comparative totals for 2023)



Richard Bennoch CPA

*Certified Public Accountants
Nonprofit CPA and Consultants*

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Transparent Hands Foundation (US), Inc.
Arlington, Virginia

Opinion

We have audited the accompanying financial statements of Transparent Hands Foundation (US), Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2024, 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 Transparent Hands Foundation (US), Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Transparent Hands Foundation (US), 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 these 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 Transparent Hands Foundation (US), Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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, including omissions, 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 Transparent Hands Foundation (US), 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 Transparent Hands Foundation (US), 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.

Report on Summarized Comparative Information

We have previously audited Transparent Hands Foundation (US), Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 20, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Richard Bennoch, CPA

Richard Bennoch CPA
Certified Public Accountants
Tomball, Texas

April 23, 2025

Transparent Hands Foundation (US), Inc.

Statement of Financial Position

<i>As of December 31,</i>	2024	2023
Assets		
Cash and cash equivalents	\$ 37,439	\$48,777
Loans receivable - related party	23,430	11,392
Total Assets	\$ 60,869	\$ 60,169
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 2,563	\$ 5,901
Payroll liabilities & accruals	5,784	1,030
SBA loan	6,620	6,790
Total Liabilities	14,967	13,721
Net Assets		
Without donor restrictions	45,902	46,448
With donor restrictions	-	-
Total Net Assets	45,902	46,448
Total Liabilities and Net Assets	\$ 60,869	\$ 60,169

Transparent Hands Foundation (US), Inc.

Statement of Activities

<i>Year Ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Public Support and Revenues				
Contributions	\$ 606,603	\$ -	\$ 606,603	\$ 584,444
Other income	2	-	2	241
Net assets released from restrictions	-	-	-	-
Total Public Support and Revenues	606,605	-	606,605	584,685
Expenses				
Program Services				
Healthcare support in Pakistan	437,005	-	437,005	405,284
Total Program Services	437,005	-	437,005	405,284
Supporting Services				
Management and general	36,071	-	36,071	39,562
Fundraising	134,075	-	134,075	125,433
Total Supporting Services	170,146	-	170,146	164,995
Total Expenses	607,151	-	607,151	570,279
Change in Net Assets	(546)	-	(546)	14,406
Net Assets, Beginning of Year	46,448	-	46,448	32,042
Net Assets, End of Year	\$ 45,902	\$ -	\$ 45,902	\$ 46,448

Transparent Hands Foundation (US), Inc.

Statement of Functional Expenses

<i>Year Ended December 31,</i>	<u>Program Services</u>		<u>Supporting Services</u>		Total	2024	2023
	Healthcare Support in Pakistan	Management and General	Fundraising	Supporting Services		Total	Total
Salaries and Related Expenses							
Salaries and wages	\$ 12,600	\$ 12,600	\$ 16,800	\$ 29,400	\$ 42,000	\$ 42,000	\$ 42,000
Payroll taxes	964	964	1,285	2,249	3,213	3,213	3,213
Total Salaries and Related Expenses	13,564	13,564	18,085	31,649	45,213	45,213	45,213
Other Expenses							
Accounting	-	13,017	-	13,017	13,017	11,163	
Advertising	-	-	96,073	96,073	96,073	91,333	
Auto	-	639	-	639	639	5,558	
Bank fees	-	441	-	441	441	2,422	
Consulting services	-	5,000	-	5,000	5,000	-	
Conferences	-	-	-	-	-	-	
Dues and subscriptions	-	1,720	-	1,720	1,720	5,798	
Healthcare services	414,000	-	-	-	414,000	388,000	
Interest expense	-	166	-	166	166	170	
Office supplies and software	-	-	-	-	-	77	
Meals & entertainment	-	133	-	133	133	204	
Parking	-	147	-	147	147	91	
Payment processing fees	-	-	18,699	18,699	18,699	16,015	
Postage and shipping	-	10	-	10	10	69	
Repairs & maintenance	-	120	-	120	120	-	
Rent	914	914	1,219	2,133	3,047	-	
Telephone	-	198	-	198	198	-	
Taxes and licenses	-	-	-	-	-	446	
Travel	8,527	-	-	-	8,527	3,720	
Total Other Expenses	423,441	22,507	115,990	138,497	561,938	525,066	
Total Expenses	\$ 437,005	\$ 36,071	\$ 134,075	\$ 170,146	\$ 607,151	\$570,279	

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

Transparent Hands Foundation (US), Inc.

Statement of Cash Flows

<i>Year Ended December 31,</i>	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ (546)	\$ 14,406
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Changes in assets and liabilities:		
Accounts payable	(3,338)	(766)
Accrued liabilities	4,754	(20)
Total Adjustments	1,416	(786)
Net Change from Operating Activities	870	13,620
Cash Flows From Investing Activities		
Disbursements paid on notes receivable	(12,038)	(11,392)
Net Change from Investing Activities	(12,038)	(11,392)
Cash Flows From Financing Activities		
Accrued interest	(170)	(138)
Net Change from Financing Activities	(170)	(138)
Net Change in Cash and Cash Equivalents	(11,338)	2,130
Cash and Cash Equivalents, Beginning of Year	48,777	46,647
Cash and Cash Equivalents, End of Year	\$37,439	\$ 48,777

Transparent Hands Foundation (US), Inc.

Notes to Financial Statements

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Transparent Hands Foundation (US), Inc. (the "Organization") is a not-for-profit organization incorporated in 2014 and organized as the largest technology platform for crowdfunding in the healthcare sector of Pakistan. They offer a complete range of free healthcare services including medical and surgical treatments and arranging medical camps for the underprivileged community of Pakistan. The platform provides visibility of needy patients and builds a personal and trusted bond between patients and donors while ensuring complete transparency. It also sets up free medical camps in the rural areas of Pakistan in which, free consultation, free medicines and free diagnostic tests facility is provided to the deserving patients. The Organization is supported primarily through donor contributions.

Transparent Hands organizes free medical camps all across Pakistan to provide free treatment to the poor people. They have organized over 80 medical camps. In these medical camps, their team of dedicated doctors and specialists provide the following facilities to approximately 2,500 to 3,000 deserving patients:

- Free Consultation
- Free Blood Pressure Test
- Free Diabetes Test
- Free Hepatitis B & C Screening Test
- Free Medicines
- Free Registration of Deserving Cases for Surgeries and Medical Procedures

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

Transparent Hands Foundation (US), Inc.

Notes to Financial Statements

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Donated Assets

Donated assets and other noncash donations are recorded as contributions at their fair values at the date of donation.

Contributed Services

The Organization receives services donated by volunteers in carrying out the Organization's programs. Contributions of services are recognized as support at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. No amounts have been reflected in the financial statements for those services because they do not meet the criteria for recognition.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Contributions that are restricted by the donor are reported 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. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment.

Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Transparent Hands Foundation (US), Inc.

Notes to Financial Statements

Income Taxes

The Organization is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code ("Code") and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization did not conduct any unrelated business activities in the current fiscal year. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements.

The Organization applies the provisions of FASB ASC Topic 740, *Income Taxes*, (formerly FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109*), which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Investments and Fair Value of Financial Instruments

Accounting principles generally accepted in the United States of America establish a 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 are described below:

- (i) 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.
- (ii) 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 by other means.
- (iii) Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

As of December 31, 2024 and 2023, cash and cash equivalents held by the Organization of \$37,439 and \$48,777, respectively, were reported at fair value using a Level 1 measure.

Advertising Expense

Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2024 and 2023 were \$96,073 and \$91,333 respectively.

Transparent Hands Foundation (US), Inc.

Notes to Financial Statements

Functional Allocation of Expense

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

NOTE 2 – CONCENTRATION OF CREDIT RISKS

All of a depositor's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount (\$250,000), for each deposit insurance ownership category. The Organization maintains cash balances at a financial institution located in Virginia. As of December 31, 2024 and 2023, all of the Organizations cash balances were fully insured.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024, comprise the following:

Cash and cash equivalents	\$37,439
Financial assets available to meet cash needs for general expenditures within one year	\$37,439

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The Organization is substantially supported by donor contributions, and regularly monitors liquidity required to meet its operating needs. As part of the organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 4 – NET ASSETS WITHOUT DONOR RESTRICTION

As of December 31, 2024 and 2023, net assets without donor restriction consisted of the following:

	2024	2023
Undesignated	\$45,902	\$46,448
Total Net Assets Without Donor Restrictions	\$45,902	\$46,448

Transparent Hands Foundation (US), Inc.

Notes to Financial Statements

NOTE 5 – RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT

Accounting for Leases

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting. In June 2020, the FASB issued an amendment to the pronouncement extending the effective date from reporting periods after December 15, 2019 to reporting periods after December 31, 2021 due to the adverse effects of the COVID-19 pandemic.

A lessee will be required to recognize on the balance sheet the assets and liabilities for leases with lease terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Organization is a U.S. based tax-exempt 501(c)(3) charity that supports free healthcare services for the underprivileged in Pakistan. The Organization supports specific programs, initiatives, and projects of Transparent Hands Trust (the "Trust"), one of the leading non-governmental organizations providing healthcare services in Lahore, Pakistan. The Organization's Board of Directors exercises full discretion and control over the use of all donations and in the making of grants to support specific projects in Pakistan.

For the years ended December 31, 2024 and 2023, the Organization granted the Trust \$414,000 and \$388,000, respectively, or sixty-eight percent (68%) for both the years, of the Organization's total expenses, for programs related to healthcare procedures and medical camps.

NOTE 7 – LOAN RECEIVABLE

In 2023, the Organization loaned an employee of the Organization \$10,000 with no interest or specific loan terms. In 2024, the organization loaned the employee an additional \$12,039 with the same terms and conditions. The total amount at December 31, 2024 was \$22,039.

NOTE 8 – LONG TERM DEBT

In July 2020, the Organization obtained an Economic Injury Disaster Loan of \$6,500 from the Small Business Association (SBA). The loan is due in monthly installments of \$28, at an annual rate of two and three-quarters of a percent (2.75%) for thirty (30) years, expiring June 2050. Principal and interest payments have been approved for deferment by the SBA for twelve (12) months. The Organization started making payments on the loan in 2023.

As of December 31, 2024 and 2023, the balance of the loan was \$6,620 and \$6,790, respectively.

The future scheduled maturities of long-term debt are as follows:

2025	\$939
2026	180
2027	185
2028	190
2029	195
Thereafter	4,931
Total	\$6,620

Transparent Hands Foundation (US), Inc.

Notes to Financial Statements

NOTE 9 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 23, 2025 the date the financial statements were available to be issued. The Organization has determined that no change to the financial statements for the year ended December 31, 2024 is deemed necessary as a result of this evaluation.