FRIENDS OF INDUS HOSPITAL, INC.

A NON-PROFIT ORGANIZATION

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

(With Independent Auditor's Report)

FRIENDS OF INDUS HOSPITAL, INC.
Financial Statements
December 31, 2024 and 2023

Table of Contents

	Page No.
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-12

P&K CPAs LLC
322 US Highway 46 West ♦ Parsippany, NJ 07054
Tel: 973-882-8810 ♦ Fax: 973-882-0788 ♦ www.pk-cpas.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Friends of Indus Hospital

Opinion

We have audited the accompanying financial statements of Friends of Indus Hospital (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, 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 Friends of Indus Hospital as of December 31, 2024 and 2023, and the changes in 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 Friends of Indus Hospital, 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 Friends of Indus Hospital'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 Friends of Indus Hospital'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 Friends of Indus Hospital'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.

P&K CPAs LLC

Parsippany, New Jersey
August 23, 2025

FRIENDS OF INDUS HOSPITAL, INC.
Statements of Financial Position
December 31, 2024 and 2023

	December 31, 2024	December 31, 2023
ASSETS		
Assets		
Cash and cash equivalents	$ 6,015,301	$ 6,287,986
Contributions receivable	7,235	306,326
Prepaid grant expenses	-	521,169
Other prepaid expenses	47,000	-
Investments	28,210	44,381
Total assets	**$ 6,097,746**	**$ 7,159,862**
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 89,473	$ 112,804
Accrued grant expenses payable	2,903,183	4,300,528
Other accrued expenses	93,056	63,918
Other current liabilities	1,054	139
Total liabilities	3,086,766	4,477,389
Net Assets		
Without donor restrictions	3,010,980	2,682,473
With donor restrictions	-	-
Total net assets	3,010,980	2,682,473
Total liabilities and net assets	**$ 6,097,746**	**$ 7,159,862**

See independent auditor's report and notes to financial statements.

FRIENDS OF INDUS HOSPITAL, INC.
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2024 and 2023

	2024			2023		
Operating activities	**Net Assets Without Donor Restrictions**	**Net Assets With Donor Restrictions**	**Total**	**Net Assets Without Donor Restrictions**	**Net Assets With Donor Restrictions**	**Total**
Revenues and support						
General donations	$ 7,122,888	$ -	$ 7,122,888	$ 8,024,725	$ -	$ 8,024,725
Zakat fund income		7,245,765	7,245,765	-	5,933,453	5,933,453
In-kind donations of marketable securities	307,117	33,795	340,912	494,978	-	494,978
Ticket sales	200,023		200,023	229,589	-	229,589
Less:costs of direct benefits to donors	(296,315)		(296,315)	(245,191)	-	(245,191)
Miscellaneous income	-		-	4,167	-	4,167
Interest and dividend income	76,877	-	76,877	46,223	-	46,223
Net assets released from restrictions	7,279,560	(7,279,560)	-	5,933,453	(5,933,453)	-
Total revenues and support	14,690,150	-	14,690,150	14,487,944	-	14,487,944
Expenses						
Program services						
Hospital expansion and other services	12,147,560	-	12,147,560	16,434,702	-	16,434,702
Total program services	12,147,560	-	12,147,560	16,434,702	-	16,434,702
Supporting services						
Fundraising	1,666,970	-	1,666,970	1,465,342	-	1,465,342
General and administrative	547,113	-	547,113	235,337	-	235,337
Total supporting services	2,214,083	-	2,214,083	1,700,679	-	1,700,679
Total expenses	14,361,643	-	14,361,643	18,135,381	-	18,135,381
Changes in net assets	328,507	-	328,507	(3,647,437)	-	(3,647,437)
Net assets - beginning of year	2,682,473	-	2,682,473	6,329,910	-	6,329,910
Net assets - end of year	**$ 3,010,980**	**$ -**	**$ 3,010,980**	**$ 2,682,473**	**$ -**	**$ 2,682,473**

See independent auditor's report and notes to financial statements.

FRIENDS OF INDUS HOSPITAL, INC.
Statements of Functional Expenses
For the Years Ended December 31, 2024 and 2023

	2024				2023			
	Hospital Expansion and Other Services	Fundraising	General and Administrative	Total	Hospital Expansion and Other Services	Fundraising	General and Administrative	Total
Hospital construction and expansion	$ 11,030,538	$ -	$ -	$ 11,030,538	$ 15,947,656	$ -	$ -	$ 15,947,656
Laboratory services	486,296	-	-	486,296	171,360	-	-	171,360
Medical equipment, services and software	392,368	-	-	392,368	261,186	-	-	261,186
Digital media	182,958	-	-	182,958	-	-	-	-
Advertising and marketing	-	1,190,637	-	1,190,637	-	1,044,925	-	1,044,925
Event production	-	311,603	-	311,603	-	202,135	-	202,135
Salaries and payroll taxes	-	-	276,380	276,380	-	-	116,585	116,585
Professional fees	50,500	111,686	198,188	360,374	54,500	160,379	37,506	252,385
Office expense	-	-	45,520	45,520	-	-	51,130	51,130
Rent expense	-	-	24,000	24,000	-	-	24,000	24,000
Auto and travel	-	53,044	-	53,044	-	57,903	-	57,903
Consulting and other	4,900	-	-	4,900	-	-	-	-
Insurance	-	-	2,775	2,775	-	-	1,767	1,767
Licenses, permit and registration fees	-		250	250	-	-	4,349	4,349
Total expenses	**$ 12,147,560**	**$ 1,666,970**	**$ 547,113**	**$ 14,361,643**	**$ 16,434,702**	**$ 1,465,342**	**$ 235,337**	**$ 18,135,381**

See independent auditor's report and notes to financial statements.

FRIENDS OF INDUS HOSPITAL, INC.
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	December 31, 2024	December 31, 2023
Cash flows from operating activities		
Changes in net assets from operating activities	$ 328,507	$ (3,647,437)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Changes in operating assets and liabilities		
Contributions receivable	299,091	(234,942)
Prepaid grant expenses	521,169	(521,169)
Other prepaid expenses	(47,000)	-
Accounts payable	(23,331)	104,076
Accrued grant expenses	(1,397,344)	(2,981,719)
Other accrued expenses	29,138	(60,148)
Other current liabilities	915	(131)
Net cash used in operating activities	(288,855)	(7,341,470)
Cash flows from investing activities		
Investment purchases - net	(60,707)	(90,604)
Interest and dividend income	76,877	46,223
Net cash provided by investing activities	16,170	(44,381)
Net decrease in cash and cash equivalents	(272,685)	(7,385,851)
Cash and cash equivalents, beginning of year	6,287,986	13,673,837
Cash and cash equivalents, end of year	**$ 6,015,301**	**$ 6,287,986**
Supplemental disclosure of cash flow information		
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

See independent auditor's report and notes to financial statements.

NOTE 1 - PURPOSE

Friends of Indus Hospital, Inc. ('FOIH") is a 501 © (3) nonprofit corporation incorporated in 2006 in the State of New Jersey, USA. Established by American Pakistani expatriates, FOIH is supported by a diverse network of donors and advocates across the United States.

FOIH's aim is to provide free of cost, comprehensive and quality healthcare through Indus Hospital and Health Network. Its activities include fundraising, donor engagement, and advocacy to support medical treatment, capacity building, supply of medical equipment and materials, infrastructure development, and program expansion.

FOIH relies primarily on voluntary contributions from individuals, corporations, and community events to fulfill its mission, regardless of race, religion, or socioeconomic status

ABOUT INDUS HOSPITAL AND HEALTH NETWORK

The Indus Hospital & Health Network (IHHN) provides free, high-quality healthcare to millions of patients across Pakistan. Founded in 2007 with a single hospital in Karachi, IHHN has expanded into a nationwide network of tertiary and secondary care hospitals, rehabilitation centers, regional blood centers, community health facilities, and public health programs. Its mission is to deliver equitable healthcare in state-of-the-art facilities without any financial burden on patients, relying entirely on donations and philanthropic support.

IHHN collaborates with individuals, corporations, donor agencies, educational institutions, international affiliates, and government entities to sustain and expand its services. Currently, IHHN operates 10 hospitals, serves over 6 million patients annually, and provides treatment to more than 14,000 cancer and blood disease patients each year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements of FOIH have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to not-for-profit entities.

BASIS OF PRESENTATION

FOIH has adopted Accounting Standards Update ("ASU") NO. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities.* ASU 2016-14 became effective for annual reporting periods beginning after December 15, 2017. These financial statements have been prepared to focus on the FOIH as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and presented as follows:

- Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of trustees.

- Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions, either for a specific purpose, subject to the passage of time or when the original dollar value is to remain in perpetuity as a permanent endowment of the Organization. Some donor restrictions are temporary in nature, which will be met by actions of the Board or passage of time.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ESTIMATES

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

RECENT ACCOUNTING PRONOUNCEMENTS ADOPTED

The Financial Accounting Standards Board (FASB) issued ASU 2016-02 *Leases* (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on a lessee's statement of financial position. This guidance became effective for fiscal years beginning after December 15, 2021. FOIH adopted this standard as of January 1, 2024 when it entered into a lease agreement for rental of its premises. In accordance with this standard, FOIH has elected the practical expedient for short-term leases allowing entities with leases 12 months or less to leave them off their statement of financial position.

CASH AND CASH EQUIVALENTS

At December 31, 2024 and 2023, cash and cash equivalents consist of deposits held in checking, savings, and money market accounts. FOIH considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

CONTRIBUTIONS RECEIVABLE AND ACCOUNTING STANDARDS UPDATE 2023-02

In March 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2022-02, Financial Instruments – Credit Losses (Topic 326). This new standard, effective for reporting years after December 15, 2022, requires companies to consider future events and forecasts in estimating credit losses on financial instruments such as contributions receivable. On January 1, 2023, the Company adopted the new accounting guidance related to the allowance for credit losses on contributions receivable. The impact of adoption of this standard was not material.

Contributions receivable are pledges by donors that are expected to be collected within one year and are recorded at net realizable value.

INVESTMENTS

Purchased investments are initially recorded at their cost. Subsequent to their acquisition, investments are adjusted to their fair values as of the date of the statement of financial position. Realized and unrealized gains and losses on investments are determined by comparison of the actual cost to the proceeds at the time of the disposition or market values as of the end of the financial statement period. Investment transactions are recorded on a trade-date basis. All gains and investment income are without donor restrictions.

REVENUE RECOGNITION

Revenue is recognized when donations are received or as income is earned.

RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT

FOIH recognizes revenue received as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED

time restriction ends or purpose restriction is accomplished), 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

ZAKAT DONATIONS

Zakat is a religious obligation of Muslims who meet the necessary criteria to donate a certain portion of their wealth to charitable causes. FOIH considers Zakat to be a restricted donation to be used solely in the service of its programs to support the Indus Hospital health network,

IN-KIND CONTRIBUTIONS OF MARKETABLE SECURITIES

FOIH may, at times, receive donations of securities. Donated securities are recorded at fair market value on the date of donation. All donated securities are sold immediately. Any difference between the fair market value of the donated securities and amount realized upon the sale is reported as an adjustment to the fair market value on the date of donation.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and support services have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Expenses that are attributable to more than one program or supporting function and are. are allocated based on time and effort.

In the course of fulfilling its mission and purpose, each year FOIH authorizes distribution of certain grants for hospital construction and expansion, laboratory services, medical equipment at various locations in Pakistan. The authorized distributions are recorded as program expenses in the financial statements of FOIH when the purchase of these expenses is approved..

ADVERTISING

FOIH expenses all advertising costs in the year incurred. Advertising and marketing expenses for the years ended December 31, 2024 and 2023 were $1,190,637 and $1,044,925, respectively.

INCOME TAXES

FOIH is a not-for-profit FOIH that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been made.

Management has analyzed the tax positions taken by FOIH and has concluded that as of December 31, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The federal tax returns of FOIH for the years ended December 31, 2022 through 2024 are subject to examination by the IRS and other taxing authorities, generally for three years after they were filed.

FAIR VALUE MEASUREMENTS

The FOIH considers the carrying amounts of financial instruments, including cash and cash equivalents, receivables, payables and accrued expenses to approximate their fair values because of their relatively short maturities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED

CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject FOIH to concentrations of credit risk consist principally of cash deposits held in financial institutions and investments.

FOIH maintains its cash in bank deposit accounts, which, at times may exceed $250,000 federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2024 and 2023, $3,323,731 and $4,242,882, respectively, were held in three bank accounts that were uninsured.

Investments are exposed to various risks, but FOIH manages its risks by limiting the amount of equities it holds and only using well-known investment firms

NOTE 3 – INVESTMENTS

Investments are stated at fair value based on quoted prices in active markets and consist of the following at December 31, 2024 and 2023:

	2024	2023
Equities	$28,188	$44,361
Mutual Funds	22	20
Total	$28,210	$44,381

NOTE 4 – FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

Level 1 Inputs – Unadjusted quoted market prices for identical assets or liabilities in active markets that FOIH has the ability to access.

Level 2 Inputs – Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

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

Following is a description of the valuation methodologies used for assets measured at fair value.

Equities: Investments in equities totaling $28,188 and $44,361 as of December 31, 2024 and 2023, respectively, include investments in securities traded in active markets for which closing prices are readily available.

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Mutual Funds: The fair values of mutual funds totaling $22 and $20 are calculated at quoted market prices in active markets as of December 31, 2024 and 2023, respectively, which are Level 1 measurements.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although FOIH believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The classification of the organization's investment securities at fair value is as follows at December 31, 2024.

December 31, 2024	Level 1	Level 2	Level 3	Total
Equities	$28,188	$ -	$ -	$28,188
Mutual Funds	22	-	-	22
Total	$28,210	$ -	$ -	$28,210

December 31, 2023	Level 1	Level 2	Level 3	Total
Equities	$44,361	$ -	$ -	$44,361
Mutual Funds	20	-	-	20
Total	$44,381	$ -	$ -	$44,381

NOTE 5 - CONTRIBUTIONS

All support comes from foundations, trusts, business entities, individuals, and other charitable organizations. Additional income is received from the Organization's fundraising events.

One family foundation, two individuals, and one anonymous donor accounted for approximately 5% of total support and revenue for the year ended December 31, 2024.

NOTE 6 – LEASES

FOIH entered into a one-year lease agreement to rent the premises in which it operates out of. FOIH is only responsible for rent and utilities. The lease agreement expired December 31, 2024. In accordance with ASC 842, FOIH has chosen to implement the practical expedient for short-term leases allowing entities with leases of 12 months or less to leave them off the balance sheet. Lease expense for the years ending December 31, 2024 and 2023 was $24,000 for each year.

NOTE 7 - RELATED PARTY TRANSACTIONS

Board members and/or their related entities contribute to FOIH's revenue. Board members and/or their related entities contributed $82,437 and $84,816 during the years ended December 31, 2024 and 2023, respectively.

NOTE 8 – FUNDRAISING EVENTS AND COSTS

Ticket income derived from such events amounted to $200,023 and $229,589 for the years ended December 31, 2024 and 2023, respectively. Other contributions are received from donors at these events. FOIH incurs various costs to raise funds and solicit additional contributions. Fundraising costs include expenses for hotel and hall rentals, guest speakers, audio and visual equipment, printing, supplies, and security. Direct costs to donors include the costs of catering and celebrity entertainment.

NOTE 9 - DONATED SERVICES

Contributions of services are recorded as both revenue and expense in the fiscal year in which they are received, provided that the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During the year, a substantial number of unpaid volunteers have made significant contributions of their time to the Organization. The value of this contributed time does not meet the criteria for recognition of contributed service required under generally accepted accounting principles and, accordingly, is not included in the accompanying financial statements

NOTE 10 – RECLASSIFICATIONS

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

FOIH's financial assets available within one year of the balance sheet date for general expenditures consist of the following at December 31:

	2024
Financial assets, at year end	
Cash and cash equivalents	$6,015,301
Contributions receivable	7,235
Investments	28,210
Financial assets available to meet general expenditures over the next year	$6,050,746

FOIH manages its financial assets to be available as its operating expenditures, liabilities, and other obligations become due.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events through August 23, 2025, the date the financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure in the financial statements.