

THAAKAT FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023



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YEARS ENDED DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Thaakat Foundation
Joliet, Illinois

Opinion

We have audited the accompanying financial statements of Thaakat Foundation, 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 Thaakat Foundation, as of December 31, 2024 and 2023, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Thaakat 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 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; this includes 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 Thaakat Foundation's ability to continue as a going concern for one year after the date 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 auditors' 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 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 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 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 Thaakat Foundations 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 Thaakat 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.



CliftonLarsonAllen LLP

St. Louis, Missouri
July 24, 2025

THAAKAT FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 249,361	\$ 87,762
Contribution Receivables	20,417	10,310
Prepaid Expenses	<u>120</u>	<u>-</u>
Total Assets	<u><u>\$ 269,898</u></u>	<u><u>\$ 98,072</u></u>
LIABILITIES AND NET ASSETS		
NET ASSETS		
Without Donor Restrictions	\$ 33,286	\$ 51,875
With Donor Restrictions	<u>236,612</u>	<u>46,197</u>
Total Net Assets	<u><u>269,898</u></u>	<u><u>98,072</u></u>
Total Liabilities and Net Assets	<u><u>\$ 269,898</u></u>	<u><u>\$ 98,072</u></u>

See accompanying Notes to Financial Statements.

THAAKAT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 21, 2024

	Without Donor Restriction	With Donor Restriction	Total
REVENUE, SUPPORT, AND GAINS			
Contributions and Grants	\$ 115,103	\$ 2,137,176	\$ 2,252,279
Special Events	29,189	-	29,189
Net Assets Released from Restriction	1,946,761	(1,946,761)	-
Total Revenue, Support, and Gains	2,091,053	190,415	2,281,468
EXPENDITURES			
Program Services Expense	2,002,642	-	2,002,642
Support Services Expense:			
Management and General	64,379	-	64,379
Fundraising and Development	42,621	-	42,621
Total Supporting Services Expense	107,000	-	107,000
Total Expenditures	2,109,642	-	2,109,642
CHANGE IN NET ASSETS	(18,589)	190,415	171,826
Net Assets - Beginning of Year	51,875	46,197	98,072
NET ASSETS - END OF YEAR	<u>\$ 33,286</u>	<u>\$ 236,612</u>	<u>\$ 269,898</u>

See accompanying Notes to Financial Statements.

THAAKAT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 21, 2023

	Without Donor Restriction	With Donor Restriction	Total
REVENUE, SUPPORT, AND GAINS			
Contributions and Grants	\$ 106,498	\$ 715,739	\$ 822,237
Net Assets Released from Restriction	950,425	(950,425)	-
Total Revenue, Support, and Gains	1,056,923	(234,686)	822,237
EXPENDITURES			
Program Services Expense	979,051	-	979,051
Support Services Expense:			
Management and General	17,688	-	17,688
Fundraising and Development	5,724	-	5,724
Total Supporting Services Expense	23,412	-	23,412
Total Expenditures	1,002,463	-	1,002,463
CHANGE IN NET ASSETS	54,460	(234,686)	(180,226)
Net Assets - Beginning of Year	(2,585)	280,883	278,298
NET ASSETS - END OF YEAR	<u>\$ 51,875</u>	<u>\$ 46,197</u>	<u>\$ 98,072</u>

See accompanying Notes to Financial Statements.

THAAKAT FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program	Management and General	Fundraising and Development	Total
Grants and Other Assistance	\$ 2,002,642	\$ -	\$ -	\$ 2,002,642
Printing Expense	-	-	1,660	1,660
Rent Expense	-	-	4,043	4,043
Other Event Expense	-	-	13,551	13,551
Transaction Fees	-	-	14,445	14,445
Accounting & Legal	-	40,707	-	40,707
Overhead - Contractor Services	-	7,110	-	7,110
Bank Fees	-	20	-	20
Dues & Subscriptions	-	2,866	-	2,866
Marketing	-	9,533	8,922	18,455
Supplies & Mailing	-	439	-	439
Contractors	-	3,704	-	3,704
Total Expenses	<u>\$ 2,002,642</u>	<u>\$ 64,379</u>	<u>\$ 42,621</u>	<u>\$ 2,109,642</u>

See accompanying Notes to Financial Statements.

THAAKAT FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program	Management and General	Fundraising and Development	Total
Grants and Other Assistance	\$ 979,051	\$ -	\$ -	\$ 979,051
Fundraising Events	-	-	5,724	5,724
Overhead - Contractor Services	-	9,645	-	9,645
Bank Fees	-	75	-	75
Marketing - Social / Web	-	7,968	-	7,968
Total Expenses	<u>\$ 979,051</u>	<u>\$ 17,688</u>	<u>\$ 5,724</u>	<u>\$ 1,002,463</u>

See accompanying Notes to Financial Statements.

**THAAKAT FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF CHANGE IN NET ASSET TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 171,826	\$ (180,226)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Contribution Receivables	(10,107)	(10,310)
Prepaid Expenses	(120)	-
Net Cash Provided (Used) by Operating Activities	<u>161,599</u>	<u>(190,536)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	161,599	(190,536)
Cash and Cash Equivalents - Beginning of Year	<u>87,762</u>	<u>278,298</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 249,361</u></u>	<u><u>\$ 87,762</u></u>

See accompanying Notes to Financial Statements.

**THAAKAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Thaakat Foundation (The Foundation) is a nonprofit organization established in 2009 committed to empowering communities most impacted by poverty through sustainable investments in education, healthcare, and women's empowerment. The Foundation works with local communities and governing bodies to rebuild schools and healthcare structures.

Cash and Cash Equivalents

For the purpose of cash flows, The Foundation considers all investments with an original maturity of three months or less to be cash equivalents.

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. 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donors 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. 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 statements of activities and changes in net assets as net assets released from restrictions.

Basis of Accounting

The financial statements of The Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

THAAKAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue and Revenue Recognition

Contributions are recognized when cash, securities 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.

Donated Property and Services

Donated property, investments, and other noncash donations are recorded as contributions at their fair value at the date of donation. The Foundation reports the donations as unrestricted support, unless explicit donor stipulations specify how the assets must be used.

The Foundation records the value of donated services when there is an objective basis available to measure the donation's value. In addition, many individuals' volunteer time and skills to perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as donated services.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classification. Other expenses that are common to multiple functions are allocated based upon management's estimate of the time spent in the functional expense categories.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Tax Status

The Foundation is tax exempt under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, is exempt from both federal and state income taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements. The Foundation believes 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.

**THAAKAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Credit Risk

The Foundation maintains a portion of its cash and investments in deposit accounts that at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on its cash and investments.

Concentrations

During the year ended December 31, 2024, the Foundation received approximately 39% of its total revenue from one donor. During the year ended December 31, 2023, no individual donor concentration existed.

Subsequent Events

In preparing these financial statements, The Foundation has evaluated events and transactions for potential recognition or disclosure through July 24, 2025, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The following table reflects The Foundation's financial assets as of December 31, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of contractual restrictions, internal board designations, or net assets with donor restrictions. The asset balances are reduced by the restricted net assets totaling \$192,731 and \$46,197 as of December 31:

	2024	2023
Cash and Cash Equivalents	\$ 12,749	\$ 41,565
Contribution Receivables	20,417	10,310
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 33,166</u>	<u>\$ 51,875</u>

NOTE 3 CONTRIBUTION RECEIVABLES

The following is a summary of The Foundation's contribution receivables at December 31:

	2024	2023
Total Amounts Due in:		
One Year	\$ 20,417	\$ 10,310
Gross Contributions Receivable	<u>\$ 20,417</u>	<u>\$ 10,310</u>

THAAKAT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 SPECIAL EVENTS

Special events revenue includes an exchange element based on the value of the benefits provided and a contribution element for the difference between the total support and the exchange element. During the year ended December 31, 2024, special events included the following:

	<u>2024</u>
Tickets	\$ 2,520
Meals	8,877
Sponsorships	17,792
Total Special Fundraising Event Revenue	<u>\$ 29,189</u>

NOTE 5 NET ASSETS

Net assets with donor restrictions related to purpose restrictions comprise the following at December 31:

	<u>2024</u>	<u>2023</u>
Africa (Ghana-Konadu School and Sierra Leone-Healthcare Without Borders)	\$ 56,298	\$ 46,197
Pakistan - DREAMS	180,314	-
Total Net Assets With Donor Restrictions	<u>\$ 236,612</u>	<u>\$ 46,197</u>

Net assets released from donor restrictions during the years ended December 31, included the following:

	<u>2024</u>	<u>2023</u>
Africa (Ghana-Konadu School and Sierra Leone-Healthcare Without Borders)	\$ 197,628	\$ 175,893
Pakistan - DREAMS	1,749,133	774,532
Total Net Assets Released from Donor Restrictions	<u>\$ 1,946,761</u>	<u>\$ 950,425</u>



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