

FOCUS HUMANITARIAN
ASSISTANCE USA

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

YEAR ENDED DECEMBER 31, 2024
(With Summarized Financial Information Presented
for the Year Ended December 31, 2023)



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FOCUS HUMANITARIAN ASSISTANCE USA
YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Focus Humanitarian Assistance USA

Auditors' Opinion

We have audited the accompanying financial statements of Focus Humanitarian Assistance USA ("FOCUS USA"), a District of Columbia nonprofit corporation, which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, statement of functional expenses, statement of cash flows and notes to the financial statements for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FOCUS USA as of December 31, 2024, and the changes in 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 Auditors' 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FOCUS USA 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 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, which raise substantial doubt about FOCUS USA'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 as auditors 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 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.

INDEPENDENT AUDITORS' REPORT, *CONTINUATION*

In performing an audit in accordance with generally accepted auditing standards, we:

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. 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.
3. 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 FOCUS USA's internal control. Accordingly, no such opinion is expressed.
4. 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.
5. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about FOCUS USA'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 FOCUS USA's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 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.

Bankole, Okoye & Associates PC

Bankole, Okoye & Associates PC
Certified Public Accountants and Business Advisors
Houston, Texas
August 6, 2025

FOCUS HUMANITARIAN ASSISTANCE USA

Statement of Financial Position

December 31, 2024

(With Summarized Comparative Information Presented for December 31, 2023)

	2024	2023
Assets:		
<i>Current Assets:</i>		
Cash	\$ 2,742,722	\$ 4,884,259
Investments (Note 2)	16,813,864	6,724,794
Contributions Receivable, Net (Note 3)	146,995	125,735
Grants Receivable (Note 4)	-	37,745
Other Receivables and Prepaid Expenses	17,677	5,297
Total Current Assets	19,721,258	11,777,830
<i>Non-Current Assets:</i>		
Investments (Note 2)	-	5,038,000
Contributions Receivable, Net (Note 3)	80,525	91,033
Total Assets	\$ 19,801,783	\$ 16,906,863
Liabilities and Net Assets:		
Liabilities:		
<i>Current Liabilities:</i>		
Accounts Payable and Accrued Liabilities	\$ 31,091	\$ 36,769
Humanitarian Grants Payable (Note 4)	4,128,251	2,886,377
Total Current Liabilities:	4,159,342	2,923,146
Total Liabilities	4,159,342	2,923,146
Net Assets:		
Without Donor Restrictions	14,537,974	13,342,052
With Donor Restrictions (Note 7)	1,104,467	641,665
Total Net Assets	15,642,441	13,983,717
Total Liabilities and Net Assets	\$ 19,801,783	\$ 16,906,863

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

FOCUS HUMANITARIAN ASSISTANCE USA

Statement of Activities

Year Ended December 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue:				
Public Support and Other Revenue:				
Contributions	\$ 6,306,774	\$ 462,802	\$ 6,769,576	\$ 7,922,880
Investment Income, Net	831,730	-	831,730	372,172
Humanitarian Grants (Note 4)	285,370	-	285,370	241,633
Matching Gifts	107,464	-	107,464	118,646
Total Public Support and Other Revenue	7,531,338	462,802	7,994,140	8,655,331
Total Revenue	7,531,338	462,802	7,994,140	8,655,331
Expenses:				
Program Services:				
Disaster Preparedness and Response (Domestic)	560,796	-	560,796	429,735
Disaster Preparedness and Response (International)	1,774,939	-	1,774,939	2,821,475
Humanitarian Assistance (International)	-	-	-	17,668
Migration and Refugee Assistance (International)	3,673,064	-	3,673,064	3,440,039
Total Program Services Expenses	6,008,799	-	6,008,799	6,708,917
Fundraising	123,525	-	123,525	142,978
Administrative and General	203,092	-	203,092	194,645
Total Expenses	6,335,416	-	6,335,416	7,046,540
Change in Net Assets	1,195,922	462,802	1,658,724	1,608,791
Net Assets, Beginning of Year	13,342,052	641,665	13,983,717	12,374,926
Net Assets, End of Year	\$ 14,537,974	\$ 1,104,467	\$ 15,642,441	\$ 13,983,717

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

FOCUS HUMANITARIAN ASSISTANCE USA

Statement of Functional Expenses

Year Ended December 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

	2024									2023
	Program Activities					Supporting Activities			Total Expenses	
	Disaster Preparedness and Response (Domestic)	Disaster Preparedness and Response (International)	Humanitarian Assistance (International)	Migration and Refugee Assistance (International)	Total Program Activities	Fundraising	Administrative and General	Total Supporting Activities		
Personnel Costs	\$ 184	\$ -	\$ -	\$ -	\$ 184	\$ 79,055	\$ 159,355	\$ 238,410	\$ 238,594	\$ 308,510
Grants to Other Organizations	496,296	1,774,939	-	3,673,064	5,944,299	-	-	-	5,944,299	6,579,413
Professional Fees and Consultants	-	-	-	-	-	-	21,862	21,862	21,862	20,701
General Office Expenses	1,683	-	-	-	1,683	33,462	7,352	40,814	42,497	38,804
Rent and Office Utilities	-	-	-	-	-	-	10,405	10,405	10,405	10,548
Printing and Media	3,356	-	-	-	3,356	6,523	-	6,523	9,879	19,682
Telephone and Communication	2,194	-	-	-	2,194	4,050	3,530	7,580	9,774	20,449
Travel	-	-	-	-	-	435	588	1,023	1,023	1,321
Program Training and Subscriptions	57,083	-	-	-	57,083	-	-	-	57,083	47,112
Total for 2024	\$ 560,796	\$ 1,774,939	\$ -	\$ 3,673,064	\$ 6,008,799	\$ 123,525	\$ 203,092	\$ 326,617	\$ 6,335,416	\$ 7,046,540
Total for 2023	\$ 429,735	\$ 2,821,475	\$ 17,668	\$ 3,440,039	\$ 6,708,917	\$ 142,978	\$ 194,645	\$ 337,624	\$ 7,046,540	

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

FOCUS HUMANITARIAN ASSISTANCE USA

Statement of Cash Flows

Year Ended December 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

	2024	2023
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 1,658,724	\$ 1,608,791
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivable	(10,752)	5,200
Grants Receivable	37,745	4,444
Other Receivables and Prepaid Expenses	(12,380)	168,926
Advance Grant Revenue	-	(23,683)
Accounts Payable and Accrued Liabilities	(5,679)	293,939
Humanitarian Grants Payable	1,241,875	273,915
Total Adjustments	1,250,809	722,741
Net Cash Provided by Operating Activities	2,909,533	2,331,532
Cash Flows From Investing Activities:		
Proceeds from Sales of Investments	831,730	372,172
Purchases of Investments	(5,882,801)	(5,739,913)
Net Cash Used in Investing Activities	(5,051,071)	(5,367,741)
Net (Decrease)/Increase in Cash	(2,141,538)	(3,036,209)
Cash, Beginning of Year	4,884,259	7,920,468
Cash, End of Year	\$ 2,742,722	\$ 4,884,259

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

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Focus Humanitarian Assistance, USA ("FOCUS USA" or the "Organization") is a nonprofit corporation organized under the laws of the District of Columbia and exempt from US federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation.

Focus Humanitarian Assistance ("FOCUS") is an international group of agencies established in Europe and North America to complement the provision of emergency relief, principally in the developing world. It helps people in need reduce their dependence on humanitarian aid and facilitates their transition to sustainable, self-reliant, long-term development. Focus Humanitarian Assistance is affiliated with the Aga Khan Development Network ("AKDN"), a group of institutions working to improve opportunities and living conditions for people of all faiths and origins in specific regions of the developing world. Underlying the establishment of FOCUS by the Ismaili Muslim community is a history of successful initiatives to assist people struck by natural and man-made disasters in South and Central Asia and Africa.

The Organization is funded primarily through individual and corporate contributions.

Basis of Accounting

The accompanying financial statements of FOCUS USA have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted for nonprofit organizations in the United States of America. Under the accrual method, revenues are recorded in the period earned and when the amount and timing of the revenue can be reasonably determined. Expenses and asset additions are recognized when liability arises, typically when title passes to, or a service is received by, the Organization. Also, the financial statements have reflected all significant receivables, payables, and other liabilities.

Financial Statement Presentation

FOCUS USA prepares its financial statements in accordance with the requirements of FASB's Accounting Standards Codification (ASC.) Topic 958-205, *Financial Statements of Nonprofit Organizations*, as amended. Accordingly, the Organization has reported information regarding its financial position and activities according to the following two classes of net assets, as applicable:

Net Assets without Donor/External Restrictions – These resources are not subject to donor-imposed stipulations and can be used for the Organization's general operations.

Net Assets with Donor/External Restrictions – These are resources that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.

FOCUS USA reported net assets restricted by donors totaling \$1,104,467 and \$641,665 as of December 31, 2024, and 2023, respectively.

Reclassifications

Certain reclassifications have been made to the 2023 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates included in the financial statements relate primarily to the discount factor and assumptions applied in determining the present value of long-term contributions receivable, as well as the allowances made for uncollectible contributions receivable. Actual results could differ from those estimates.

Revenue Recognition

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions. Contributions of pledges are recorded as revenue when the contribution or promise is received or when an unconditional commitment is received from a donor, and there is sufficient evidence in the form of verifiable documentation.

Contributions receivable are stated at net of an allowance for doubtful accounts. Contributions to be received over multiple future years are discounted to the anticipated net present value of the future cash flows. These contributions are included as revenue on the Statement of Activities in the period that the pledges are received and as non-current assets on the Statement of Financial Position.

Conditional promises are only recognized once they become unconditional; that is, when the conditions on which they depend are substantially met. FOCUS USA had no conditional promises to give as of December 31, 2024, and as of December 31, 2023.

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.

When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted resources first, then unrestricted resources as needed.

Expenses are recorded as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations.

Other revenues are recognized when cash is received.

Contributed Services and Donated Materials

Contributed services and donated materials are reflected in the accompanying statements at their estimated fair values at the date of receipt to the extent that they create or enhance non-financial assets or require specialized skills, which, if not provided by donation, would have to be purchased by Focus Humanitarian Assistance, USA. The contributed services and donated materials have been reported as revenue with an offsetting expense in the accompanying financial statements.

No contributed services and materials were received in the years ending December 31, 2024, and 2023.

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

Cash and Cash Equivalents

FOCUS USA reports as cash and cash equivalents all monies in financial institutions and investments that are available for current use with maturity dates of less than three months from the date of acquisition. Management believes the carrying amounts reported for cash in the Statement of Financial Position approximate their fair values.

Investments

Investments in fixed-income marketable securities with readily determinable fair values are reported at their fair values in the Statement of Financial Position. Realized and unrealized gains and losses are included in the net return on investments reported in the Statement of Activities. Investment income is reported as an increase or decrease in net assets without donor restrictions unless donor-imposed restrictions limit their use. FOCUS USA had no donor-restricted investments as of December 31, 2024, and December 31, 2023.

Income Taxes

As an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code (IRC), FOCUS USA is exempt from US federal income taxes under Section 501(c)(3) of the IRC. Accordingly, no provision or liability for federal income taxes has been included in the accompanying financial statements. In addition, donations and contributions to the Organization are deductible for federal income tax purposes as provided in Section 170 of the IRC.

FOCUS USA follows the guidance of ASC 740, *Accounting for Income Taxes*, related to uncertainties in income taxes, 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. FOCUS USA has no uncertain tax positions for the years ended December 31, 2024, and 2023.

The Organization files Form 990, *Return of Organization Exempt from Income Tax*, annually with the Internal Revenue Service. Forms 990 for the years 2023 through 2021 remain subject to review by tax authorities, generally for three years after they were filed.

Fair Value Measurements

FASB ASC Topic 820 has established a framework for measuring fair value and for the disclosure requirements about fair value measurements for assets and liabilities. This framework provides a fair value hierarchy that prioritizes (i.e., maximizes) the use of observable inputs such as unbiased market prices, and minimizes using unobservable inputs, to measure items at fair value. The fair value hierarchy prioritizes unadjusted quoted prices in active markets for identical assets or liabilities (level 1 input) and the lowest priority to unobservable inputs (level 3 inputs). The three levels of the fair value hierarchy, according to generally accepted accounting principles, are as follows:

- Level 1: Valuations are based on quoted prices in active markets for identical investments. Accordingly, measurements of level 1 assets or liabilities at fair value do not entail a significant degree of judgment.

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

Level 2: Valuations are based on, and determined using, either directly or indirectly observable input models other than quoted prices. These inputs include prices for assets or liabilities that are similar to items in active markets or are identical to items in inactive markets.

Level 3: Valuations are based on inputs that are unobservable and significant to the overall fair value measurement and include situations where there is little, if any, market activity for the asset or liability. The inputs into determining fair value for these items require significant management judgment or estimation.

NOTE 2 - INVESTMENTS

Investments consisted of the following on December 31, 2024, and 2023:

	<u>2024</u>	<u>2023</u>
Cash Equivalents	\$ 490,615	\$ 1,672,788
Mutual Funds	12,241,249	-
Certificates of Deposit, Current	4,082,000	5,052,006
Total Current Investments	<u>16,813,864</u>	<u>6,724,794</u>
Certificates of Deposit, Non-current	-	5,038,000
Total Investments	<u>\$ 16,813,864</u>	<u>\$ 11,762,794</u>

The certificates of deposit (“CDs”) are held at financial institutions and have maturities within twelve to twenty-four months from the balance sheet date. As of the Statement of Financial Position date, amounts with maturities within twelve months have been classified as current assets. The CDs are recorded at fair value, and the principal amounts are at or below FDIC insurance limits. Cash equivalents provide short-term liquidity and serve as a funding source to purchase new CDs.

Fair Value Measurements of Investments:

The following table presents FOCUS USA’s assets that are included in fair value measurements on December 31, 2024, and 2023 within the fair value hierarchy.

	<u>2024</u>	<u>2023</u>
Investments:		
Level 1:		
Mutual Funds	\$ 12,241,249	\$ -
Mid-term Certificates of Deposit	4,082,000	10,090,006
Total level 1	<u>\$ 16,323,249</u>	<u>\$ 10,090,006</u>

The above table does not include cash equivalents with investments totaling \$490,615 and \$1,672,788 on December 31, 2024, and 2023, respectively, because they are recorded at cost.

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

NOTE 3 - CONTRIBUTIONS RECEIVABLE

As of December 31, 2024, and December 31, 2023, FOCUS USA has received the following unconditional pledges:

	<u>2024</u>	<u>2023</u>
Jamati (Ismaili Community) donations	\$ 313,575	\$ 278,559
Less: Unamortized Present Value Discount	(24,834)	(17,729)
Less: Allowance for Uncollectible Accounts	(61,221)	(44,062)
Net Contributions Receivable	<u>\$ 227,520</u>	<u>\$ 216,768</u>

Contributions receivable mature over several years through 2045 as follows:

	<u>2024</u>	<u>2023</u>
Amount Receivable in:		
Less than One Year	\$ 146,995	\$ 125,735
One to Five Years	63,615	65,713
After Five Years	16,910	25,320
Total Contributions Receivable	<u>\$ 227,520</u>	<u>\$ 216,768</u>

The present value discount rate was 4.58% for 2024 and 3.88% for 2023, respectively. The discount rate used is based on US Treasury (10 years) rates, which is our best estimate of a risk-free rate of return. The amounts due in less than one year are recorded at their net realizable value, per ASC Topic 958-605-30-6, which states that unconditional promises to give that are expected to be collected in less than one year may be measured at a net realizable value because that amount results in a reasonable estimate of fair value. All other amounts are subject to discounting using the risk-free rate and are also subject to an allowance, resulting in those amounts approximating their fair value.

The following are the changes in contributions receivable during the year:

	<u>2024</u>	<u>2023</u>
Contributions Receivable, Beginning of the Year	\$ 278,559	\$ 291,273
New Pledges by Donors, Included in Revenues for the Year	351,925	254,432
Pledges Collected in Cash in the Year	(316,909)	(265,276)
Adjustment for Write-offs	-	(1,870)
Contributions Receivable, End of Year	<u>313,575</u>	<u>278,559</u>
Less: Present Value Discounts and Allowances for Uncollectible Accounts	(86,055)	(61,791)
Contributions Receivable, Net	<u>\$ 227,520</u>	<u>\$ 216,768</u>

Contributions receivable are recorded at the full value of the total unconditional pledges from donors. Allowances for uncollectable accounts are based on management's best judgement in the circumstance as of

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

the reporting date. These receivables are billed for collection at periodic intervals (e.g., monthly, quarterly, yearly) in accordance with the terms of payment in the donors' original pledges or as subsequently agreed with the donors.

NOTE 4 – GRANTS RECEIVABLE AND RELATED PARTY RELATIONSHIPS

FOCUS USA has long-term grant agreements with Aga Khan Development Network agencies and affiliates: Aga Khan Foundation U.S.A., Aga Khan Agency for Habitat Geneva, Focus Humanitarian Assistance Europe Foundation, Focus Humanitarian Assistance Canada, and Diamond Jubilee Trust India. All of these Aga Khan Development Network agencies and affiliates have common missions and are considered Related Parties. Based on these grant agreements, during the years ended December 31, 2024 and 2023, FOCUS USA made humanitarian grants to these charitable organizations as follows:

	<u>2024</u>	<u>2023</u>
Humanitarian Grants Made To:		
Focus Humanitarian Assistance Europe Foundation	\$ 852,025	\$ 665,682
Focus Humanitarian Assistance Canada	2,821,039	2,672,025
Aga Khan Agency for Habitat (AKAH) Geneva	1,774,939	2,821,475
Total for International	5,448,003	6,159,182
Domestic	496,296	300,231
Total	<u>\$ 5,944,299</u>	<u>\$ 6,459,413</u>

Grants received from other organizations were as follows:

	<u>2024</u>	<u>2023</u>
Humanitarian Grants Received From:		
Focus Humanitarian Assistance Canada	\$ 210,926	\$ 178,598
Focus Humanitarian Assistance Europe Foundation	74,444	63,035
Total	<u>\$ 285,370</u>	<u>\$ 241,633</u>

As of December 31, 2024, and 2023, FOCUS USA has the following grants payable to related-party organizations:

	<u>2024</u>	<u>2023</u>
Humanitarian Grants Payable:		
Focus Humanitarian Assistance Europe Foundation	\$ 775,784	\$ 650,413
Focus Humanitarian Assistance Canada	2,133,587	1,802,194
Aga Khan Agency for Habitat (AKAH) Geneva	788,814	-
Other	430,066	433,770
Total	<u>\$ 4,128,251</u>	<u>\$ 2,886,377</u>

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

NOTE 5 - STATEMENT OF FUNCTIONAL EXPENSES AND METHODS USED TO ALLOCATE EXPENSES TO THE BENEFITED PROGRAM AND/OR SUPPORT FUNCTIONS

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis (i.e., expenses have been classified according to the purpose for which they were incurred) in the Statement of Activities and in the Statement of Functional Expenses. Most expenses have been directly classified into a single function. Certain expenses that could not be so classified have been allocated among the programs and supporting services benefited. Administrative and general expenses include those expenses that are not directly identifiable with the core functions but provide for the overall support and direction of the Organization. Fundraising expenses are costs incurred in connection with soliciting and raising funds from donors for the Organization's programs and activities.

Expenses that were allocated among the benefited programs and support services include the following:

- Personnel costs are allocated based on estimates of time and effort.
- General office expenses and telephone and communication expenses are allocated mostly between fundraising expenses and administrative and general expenses based on the combination of personnel costs and the area of space occupied by the personnel performing those support functions.

NOTE 6 – FINANCIAL ASSET AVAILABILITY AND LIQUIDITY MANAGEMENT

The following reflects FOCUS USA's financial assets that are available within one year of the balance sheet date to meet cash needs:

	<u>2024</u>	<u>2023</u>
Cash	\$ 2,742,722	\$ 4,884,259
Investments	16,813,864	6,724,794
Contributions receivable	146,995	125,735
Total	<u>\$ 19,703,581</u>	<u>\$ 11,734,788</u>

None of the financial assets is subject to a donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year.

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash that is in excess of immediate requirements in various short-term investments, including certificates of deposits and short-term treasury instruments.

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

(With Summarized Comparative Information Presented for the Year Ended December 31, 2023)

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2024, and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Pakistan Floods Relief	\$ 641,665	\$ 641,665
Refugee Settlement Programs	462,802	-
Total	\$ 1,104,467	\$ 641,665

FOCUS USA released \$0 in 2024 and \$668,263 in 2023 to fulfill the purpose of the restrictions.

NOTE 8 – CREDIT RISKS

The Organization's investments and other financial instruments are subject to a variety of risks, including custodial credit risk, interest rate risk, and market price risk.

Custodial credit risk refers to the risk that in the event of the failure of a depository financial institution, the depositor will not be able to recover the deposits, resulting in a financial loss to the depositor. Deposits and investment accounts are exposed to custodial credit risks if they are not covered by depository or investor protection insurance and are not otherwise collateralized. The Organization's financial instruments that are subject to concentrations of credit risks consist of cash deposited with financial institutions and marketable securities held by brokers.

The Organization maintains cash deposit balances with financial institutions considered by management as credit-worthy and strong. These deposit balances may occasionally exceed limits insured by the Federal Deposit Insurance Corporation (FDIC), which is \$250,000 per customer per bank. Cash deposits include money market funds with financial institutions which are insured by FDIC because they did not meet the criteria to be insured by the Securities Investor Protection Corporation (SIPC). As of December 31, 2024, the Organization's cash deposit balance with a financial institution exceeded the FDIC insured limit by approximately \$2,221,500, which was not otherwise insured. The Organization did not experience any loss of assets resulting from a custodial credit risk during the year ended December 31, 2024.

The Organization invests in financial instruments in accordance with its investment management strategy. The Organization invested in financial instruments, including mutual funds and money market accounts described in Note 2. These investments valued at \$12,731,864 and \$1,672,739 as December 31, 2024 and 2023, respectively, were held by U.S. investment companies. SIPC insures each investor against custodial risks up to \$500,000, inclusive of a sublimit of \$250,000 for claims of eligible cash. Investments in excess of SIPC insured limit were not otherwise insured.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 6, 2025, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date that would require adjustments to the financial statements.