

**FOCUS HUMANITARIAN ASSISTANCE, U.S.A.**

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**Financial Statements**

**December 31, 2015**

**Mullen Scorpio Cerilli**

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**Certified Public Accountants  
Business Consultants**

# Mullen Scorpio Cerilli

Certified Public Accountants  
Business Consultants

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To the Board of Directors of  
Focus Humanitarian Assistance, U.S.A.

## Independent Auditor's Report

We have audited the accompanying financial statements of Focus Humanitarian Assistance, U.S.A. (a District of Columbia nonprofit corporation), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

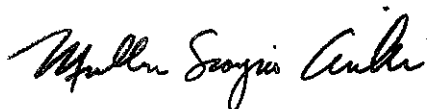
# Mullen Scorpio Cerilli

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Focus Humanitarian Assistance, U.S.A. as of December 31, 2015, 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.

## Report on Summarized Comparative Information

We have previously audited Focus Humanitarian Assistance, U.S.A.'s 2014 financial statements, and our report dated March 7, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.



April 1, 2016  
Providence, Rhode Island

**FOCUS HUMANITARIAN ASSISTANCE, U.S.A.**

**Statement of Financial Position**

**December 31, 2015**

**(With Comparative Totals for December 31, 2014)**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 4,498,756	\$ 8,237,056
Investments (Notes 2 and 8)	2,248,340	3,812,072
Contributions receivable due within one year (Note 3)	199,486	226,598
Other receivables and prepaid expenses	93,339	150,670
Grant receivable	120,605	345,840
Humanitarian grant advances (Note 4)	<u>1,534,123</u>	<u>918,605</u>
Total current assets	8,694,649	13,690,841
Investments (Notes 2 and 8)	3,571,000	2,205,380
Contributions receivable due after one year (Note 3)	212,661	217,182
Property and equipment (net of accumulated depreciation) (Note 5)	<u>98,892</u>	<u>106,027</u>
Total assets	<u>\$ 12,577,202</u>	<u>\$ 16,219,430</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 55,913	\$ 207,511
Humanitarian grant payables (Note 4)	1,851,871	1,722,978
Advanced grant income	<u>188,764</u>	<u>305,427</u>
Total liabilities	<u>2,096,548</u>	<u>2,235,916</u>
<b>Net assets:</b>		
Unrestricted	9,995,721	9,893,947
Temporarily restricted (Note 9)	<u>484,933</u>	<u>4,089,567</u>
Total net assets	<u>10,480,654</u>	<u>13,983,514</u>
Total liabilities and net assets	<u>\$ 12,577,202</u>	<u>\$ 16,219,430</u>

The notes on pages 7 through 15 are an integral part of these financial statements.

**FOCUS HUMANITARIAN ASSISTANCE, U.S.A.**

**Statement of Activities**

**For the Year Ended December 31, 2015**

**(With Comparative Totals for the Year Ended December 31, 2014)**

	2015		2014	
	Unrestricted	Temporarily Restricted	Total	Total
<b>Revenue:</b>				
Public support and other revenue:				
Contributions	\$ 4,234,862	\$ -	\$ 4,234,862	\$ 4,024,477
In-kind services and program support (Note 6)	-	-	-	1,700,655
Investment income	50,586	-	50,586	36,746
Humanitarian grants	1,253,282	-	1,253,282	1,004,115
Governmental and other grants	1,616,767	-	1,616,767	2,542,424
Other revenue	<u>7,300</u>	<u>-</u>	<u>7,300</u>	<u>8,508</u>
Total revenue and other support	<u>7,162,797</u>	<u>-</u>	<u>7,162,797</u>	<u>9,316,925</u>
Reclassification - net assets released from restrictions	<u>3,604,634</u>	<u>(3,604,634)</u>	<u>-</u>	<u>-</u>
 Total revenue and reclassifications	 <u>10,767,431</u>	 <u>(3,604,634)</u>	 <u>7,162,797</u>	 <u>9,316,925</u>
 <b>Expenses:</b>				
Program services - humanitarian assistance	10,199,885	-	10,199,885	9,349,049
Fundraising	64,331	-	64,331	62,771
Administrative and general	<u>401,441</u>	<u>-</u>	<u>401,441</u>	<u>314,773</u>
 Total expenses	 <u>10,665,657</u>	 <u>-</u>	 <u>10,665,657</u>	 <u>9,726,593</u>
 Changes in net assets before non-reoccurring item	 101,774	 (3,604,634)	 (3,502,860)	 (409,668)
Non-reoccurring item				
Addition to Conflict Crisis Relief Fund			-	5,260
Change in net assets	<u>101,774</u>	<u>(3,604,634)</u>	<u>(3,502,860)</u>	<u>(404,408)</u>
 Net assets - beginning of period	 <u>9,893,947</u>	 <u>4,089,567</u>	 <u>13,983,514</u>	 <u>14,387,922</u>
 Net assets - end of year	 <u>\$ 9,995,721</u>	 <u>\$ 484,933</u>	 <u>\$ 10,480,654</u>	 <u>\$13,983,514</u>

The notes on pages 7 through 15 are an integral part of these financial statements.

**FOCUS HUMANITARIAN ASSISTANCE, U.S.A.**

**Statement of Functional Expenses**

**For the Year Ended December 31, 2015**

**(With Comparative Totals for the Year Ended December 31, 2014)**

	2015			2014	
	Program Services Humanitarian Assistance	Fundraising	Administrative and General	Total	Total
Personnel costs	\$ 625,724	\$ 39,298	\$ 303,047	\$ 968,069	\$ 1,075,906
Humanitarian grants	6,396,361	-	-	6,396,361	3,449,831
Governmental and other grants expenses	1,797,119	-	-	1,797,119	4,278,763
Professional fees and consultants	1,031	-	50,852	51,883	21,178
General office expenses	52,367	5,536	6,281	64,184	80,492
Rent and office utilities	80,747	-	12,558	93,305	112,462
Printing and media	-	-	19	19	20,960
Telephone and communication	29,470	8,244	5,804	43,518	57,554
Travel	197,718	-	20,380	218,098	226,415
Material, equip. and software	971,497	11,253	2,500	985,250	363,773
Repairs and maintenance	-	-	-	-	12,292
Depreciation expense	47,851	-	-	47,851	26,967
<b>Total expenses</b>	<b>\$10,199,885</b>	<b>\$ 64,331</b>	<b>\$ 401,441</b>	<b>\$10,665,657</b>	<b>\$ 9,726,593</b>

The notes on pages 7 through 15 are an integral part of these financial statements.

**FOCUS HUMANITARIAN ASSISTANCE, U.S.A.**

**Statement of Cash Flow**

**For the Year Ended December 31, 2015**

**(With Comparative Totals for the Year Ended December 31, 2014)**

	<u>2015</u>	<u>2014</u>
Operating activities:		
Change in net assets	\$ (3,502,860)	\$ (404,408)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	47,851	26,967
Increase (decrease) in cash attributable to changes in operating assets and liabilities:		
Contributions receivable (net of discounts and allowances) Note (3)	31,633	89,450
Other receivables and prepaid expenses	57,331	(33,649)
Grant receivable	225,235	239,855
Humanitarian grants advances	(615,518)	(186,569)
Accounts payable and accrued liabilities	(151,598)	118,073
Humanitarian grants payable	128,893	398,250
Advanced contract income	<u>(116,664)</u>	<u>90,164</u>
Net cash (used) provided by operating activities	<u>(3,895,697)</u>	<u>338,133</u>
Investing activities:		
Purchases of property and equipment	(40,715)	(122,643)
(Purchase) redemption of investments	<u>198,112</u>	<u>(1,768,398)</u>
Net cash (used) provided by investing activities	<u>157,397</u>	<u>(1,891,041)</u>
Net (decrease) increase in cash	(3,738,300)	(1,552,908)
Cash - beginning of period	<u>8,237,056</u>	<u>9,789,964</u>
Cash - end of period	<u><u>\$ 4,498,756</u></u>	<u><u>\$ 8,237,056</u></u>

The notes on pages 7 through 15 are an integral part of these financial statements.

# **FOCUS HUMANITARIAN ASSISTANCE, U.S.A.**

## **Notes to Financial Statements**

**December 31, 2015**

### **Note 1 - Summary of Significant Accounting Policies**

Focus Humanitarian Assistance, U.S.A. is a nonprofit corporation organized under the laws of the District of Columbia and exempt from U.S. federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation.

Focus Humanitarian Assistance is an international group of agencies established in Europe, North America and South Asia 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, 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.

### **Basis of Financial Reporting**

The accompanying financial statements of Focus Humanitarian Assistance, U.S.A. have been prepared on the accrual basis of accounting.

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the organization, the accounts of Focus Humanitarian Assistance, U.S.A. are maintained in net asset groups as follows:

- Unrestricted net asset group includes funds, which the Directors retain full control of to use in achieving any of the objectives of the organization.
- Temporarily restricted net asset group includes funds restricted by outside sources, which may only be utilized in accordance with purposes established by the donors of such funds.
- Permanently restricted net asset group includes funds permanently restricted by outside sources which require that the principal be invested in perpetuity and only the income be utilized by Focus Humanitarian Assistance, U.S.A. Income may be utilized for unrestricted purposes or temporarily restricted purposes as established by the source of such funds. At December 31, 2015 and 2014, Focus Humanitarian Assistance, U.S.A. did not have any permanently restricted net assets.

### **Property and Equipment**

Focus Humanitarian Assistance, U.S.A. capitalizes all significant purchases of improvements and equipment as property and equipment that are stated at cost. Depreciation is calculated under the straight-line method over the estimated useful lives of the assets. Depreciation for leasehold improvements is recognized on a straight-line basis over the shorter of the estimated useful life of the assets or the lease term. Estimated useful lives of property and equipment are as follows:

*Note 1 continued on the next page.*



## **Note 1 - Summary of Significant Accounting Policies**

### **Property and Equipment (Continued)**

<u>Classification</u>	<u>Range of Life</u>
Office furniture and fixtures	5 years
Program equipment	3 years
Office equipment	5 years
Leasehold improvements	6 years -- lease term

### **Income Taxes**

Focus Humanitarian Assistance, U.S.A. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation.

Focus Humanitarian Assistance, U.S.A. evaluates its uncertain tax positions using the guidance for contingencies as contained in generally accepted accounting principles. The Organization was not aware of any uncertain tax positions that were not provided for in the accompanying financial statements.

The Organization annually files Form 990 – Return of Organization Exempt from Income Tax with the Internal Revenue Service. The Forms 990 for 2015, 2014 and 2013 are subject to review by the taxing authorities for three years after they are filed. The Organization currently has no examinations in progress.

### **Recognition of Donor Restrictions**

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, the restricted net assets are reclassified to unrestricted net assets.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

### **Contributions**

Contributions of pledges are recorded as revenue when an unconditional commitment is received and there is sufficient evidence in the form of written, verifiable documentation. Pledge contributions that are not written, calculable or verifiable are recorded as revenue in the year that payment is received.

Unrestricted contribution that are to be received over multiple future years, are recorded in the entire amount in the year the pledge is received. These contributions are included as unrestricted revenue on the Statement of Activities and as increases to unrestricted net assets on the Statement of Financial Position.

*Note 1 continued on the next page.*

## Note 1 - Summary of Significant Accounting Policies

### Contributed Services and Donated Materials

Contributed services 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, U.S.A. The contributed services and donated materials have been reported in the accompanying financial statements as revenue with an offsetting expense.

Approximately \$0 and \$1,700,655 (see Note 6) have been reflected in the financial statements for in-kind services and materials utilized in various programs for the years ended December 31, 2015 and 2014, respectively.

### External Grants

External grants revenue is recognized when FOCUS has incurred eligible expenditures and met all of the other grant eligibility requirements. See Note 13 for further information on external grants.

### Prior Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

## Note 2 - Investments

Investments are recorded in the financial statements at fair market value. As of December 31, 2015 and 2014, investments of Focus Humanitarian Assistance, U.S.A. consisted of the following:

	<u>2015</u>	<u>2014</u>
Money market funds	\$ 25,340	\$ 54,230
Certificates of Deposit (CDs) - Current	2,223,000	3,757,842
Certificates of Deposit (CDs) – Long-term	<u>3,571,000</u>	<u>2,205,380</u>
Total	<u>\$ 5,819,340</u>	<u>\$ 6,017,452</u>

The Certificates of Deposit are held at major financial institutions that have maturities within twelve to twenty-four months from the Statement of Financial Position dates. Amounts that have maturities within twelve months have been classified as current assets on the Statement of Financial Position.

### Note 3 - Contributions Receivable

As of December 31, 2015 and 2014, Focus Humanitarian Assistance, U.S.A. has received the following unconditional pledges:

	2015	2014
Jamati donations	\$ 485,100	\$ 699,665
Less: unamortized present value discount	(25,766)	(29,701)
Less: uncollectible allowance	(47,187)	(226,184)
Net contribution pledges receivable	<u>\$ 412,147</u>	<u>\$ 443,780</u>
	2015	2014
Amounts due in:		
Less than one year	\$ 199,486	\$ 226,598
One to five years	88,502	49,251
After five years	124,159	167,931
Total	<u>\$ 412,147</u>	<u>\$ 443,780</u>

The present value discount rate was 1.75% for 2015 and 1.75% for 2014, respectively. The discount rate used is based on US Treasury rates, which is our best estimation of a risk-free rate of return. The amounts due in less than one year are recorded at their net realizable value, per ASC 958-607-30-6 which states that unconditional promises to give that are expected to be collected in less than one year may be measured at 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 which we believe results in those amounts approximating fair value.

### Note 4 - Related Party Transactions

During 2015 and 2014, Focus Humanitarian Assistance, U.S.A. made humanitarian grants to other charitable organizations, within the Aga Khan Development Network, that share a common mission.

Grants made were as follows:

	2015	2014
Focus Humanitarian Assistance Europe Foundation	\$ 92,523	\$ 273,544
Focus Humanitarian Assistance Canada	3,840,659	2,033,321
Focus Humanitarian Assistance Pakistan	1,137,119	366,965
Focus Humanitarian Assistance Afghanistan	1,274,492	725,511
Focus Humanitarian Assistance India	51,568	50,490
Total	<u>\$ 6,396,451</u>	<u>\$ 3,449,831</u>

*Note 4 continued on the next page.*

#### Note 4 - Related Party Transactions

Grants received were as follows:

	<u>2015</u>	<u>2014</u>
Focus Humanitarian Assistance Europe Foundation	\$ 326,943	\$ 261,943
Focus Humanitarian Assistance Canada	<u>926,339</u>	<u>742,172</u>
Total	<u>\$ 1,253,282</u>	<u>\$ 1,004,115</u>

As of December 31, 2015 and 2014, Focus Humanitarian Assistance, U.S.A. has the following grants advances and payables to the above organizations:

	<u>2015</u>	<u>2014</u>
Humanitarian Grants Advances:		
Focus Humanitarian Assistance Europe Foundation	\$ 337,290	\$ 150,076
Focus Humanitarian Assistance Canada	1,196,077	764,688
Focus Humanitarian Assistance Pakistan	397	1,952
Focus Humanitarian Assistance Afghanistan	156	287
Focus Humanitarian Assistance India	<u>203</u>	<u>1,602</u>
Total	<u>\$ 1,534,123</u>	<u>\$ 918,605</u>

	<u>2015</u>	<u>2014</u>
Humanitarian Grants Payable:		
Focus Humanitarian Assistance Europe Foundation	\$ 92,734	\$ 273,544
Focus Humanitarian Assistance Canada	1,405,031	1,238,504
Focus Humanitarian Assistance Pakistan	-	-
Focus Humanitarian Assistance Afghanistan	354,106	210,930
Focus Humanitarian Assistance India	<u>-</u>	<u>-</u>
Total	<u>\$ 1,851,871</u>	<u>\$ 1,722,978</u>

As noted in Note 1, Focus Humanitarian Assistance is affiliated with the Aga Khan Development Network and partnered with various agencies within the Network to implement projects that furthers its mission. The agencies and projects that were partnered were as follows:

<u>Agency – Program Name – Program Region</u>	<u>2015</u>	<u>2014</u>
Mountain Societies Development Support Program Kyrgystan – DIP ECHO 8 - Tajikistan	\$ 418,912	\$ 813,069
Mountain Societies Development Support Program Tajikistan – COSE Project - Tajikistan	<u>70,413</u>	<u>120,082</u>
Total	<u>\$ 489,325</u>	<u>\$ 933,151</u>

In 2015 and 2014, Focus Humanitarian Assistance maintained bank accounts with the First Micro Finance Bank in Tajikistan, which is an agency within the Aga Khan Development Network. At December 31, 2015 and 2014, the amount on deposit at First Micro Finance Bank was \$190,509 and \$256,153 respectively.

## Note 5 - Property and Equipment

At December 31, 2015 and 2014, the property and equipment of Focus Humanitarian Assistance, U.S.A. consisted of the following:

	<u>2015</u>	<u>2014</u>
Leasehold improvements	\$ 31,538	\$ 28,965
Office furniture	-	18,191
Equipment	1,333	127,375
Program equipment	<u>330,206</u>	<u>322,007</u>
Total equipment	363,077	496,538
Less: accumulated depreciation	<u>(264,185)</u>	<u>(390,511)</u>
Net property and equipment	<u>\$ 98,892</u>	<u>\$ 106,027</u>

## Note 6 - Donated In-Kind Services, Operating Expenses, Occupancy and Equipment

Focus Humanitarian Assistance, U.S.A. generally receives an amount of in-kind operating donations that directly enhanced its delivery of program services. The valuation of in-kind operating expenses has been determined based upon the estimated fair market value of such items. The donated items for 2015 and 2014 can be summarized as follows:

	<u>2015</u>	<u>2014</u>
Public in-kind donations		
Medical equipment stockpile - Tajikistan and Kyrgyzstan	\$ -	\$ 1,693,250
Helicopter usage for Remote Hazards Project - Tajikistan	<u>-</u>	<u>7,405</u>
Total	<u>\$ -</u>	<u>\$ 1,700,655</u>

## Note 7 - Leases

### *Operating Lease*

The Organization operates from an office located in Houston, Texas. Currently there is no lease in place and the office space is being occupied rent free, with the exception of common area expenses. The common area expenses for 2015 and 2014 were \$6,236 and \$4,226, respectively.

## Note 8 - Fair Value Measurements

Generally accepted accounting principles has establish a framework for measuring fair value and expand disclosures about fair value measurements for assets and liabilities. 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 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 based on quoted prices in active markets for identical investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 – valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, and determined through the use of models or other valuation methodologies.
- Level 3 – valuations 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 investment. The inputs into the determination of fair value require significant management judgment or estimation.

Receivables from contributions from donors and grants, accounts payable and accrued expenses are stated at fair value on the Statement of Financial Position.

The following tables present Focus Humanitarian Assistance, U.S.A. investments that are included in fair value measurements at December 31, 2015 and 2014 within the fair value hierarchy.

<u>Assets</u>	<u>Balance as of December 31, 2015</u>	<u>Balance as of December 31, 2014</u>
Investments:		
Level 1:		
Money market funds	\$ 25,340	\$ 54,230
Certificates of Deposit (CDs)	5,794,000	5,963,222
Total Level 1	5,819,340	6,017,452
Level 2	-	-
Level 3	-	-
Total Investments	<u>\$ 5,819,340</u>	<u>\$ 6,017,452</u>

## Note 9 - Temporarily Restricted Net Assets

As of December 31, 2015 and 2014, temporarily restricted net assets are available for:

	<u>2015</u>	<u>2014</u>
Flood Relief	\$ 484,933	\$ 1,372,170
Conflict Crisis Relief	-	2,717,397
Total	<u>\$ 484,933</u>	<u>\$ 4,089,567</u>

**Note 10 - Shared Costs between Focus Humanitarian Assistance, U.S.A. (FOCUS USA) and Focus Humanitarian Assistance Canada (FOCUS Canada)**

On July 11, 2011, FOCUS adopted resolutions to formerly cease its North American Structure. Prior to this resolution Focus USA and FOCUS Canada operated as regional operating entities, with centralized management, finance, administrative, donor and programmatic service delivery via offices located in Houston, USA and Toronto, Canada, whereby certain costs were allocated between the respective organizations. This new structure will continue to have some program and fundraising activities that will be conducted on a regional basis with shared costs between Focus USA and Focus Canada. All finance, administrative and most program activities will be conducted solely for Focus USA without any allocation from Focus Canada.

Total costs allocated to FOCUS USA from FOCUS Canada as part of the limited costs sharing arrangement were \$9,177 and \$31,436 for the years ended December 31, 2015 and 2014, respectively.

**Note 11 - Statement of Functional Expenses**

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activity. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Note 12 - Concentration of Credit Risk**

Focus Humanitarian Assistance, U.S.A. has concentrated its credit risk for cash by maintaining deposits in two financial institutions. The Federal Deposit Insurance Corporation insures the balances up to \$250,000. At December 31, 2015 uninsured cash was \$3,998,756 and at December 31, 2014 uninsured cash was \$7,737,056.

The organization also has a concentration of contributions from major donors. For the years ended December 31, 2015 and 2014, the ten largest donors contributed a total of 11% of the contributions that were received.

**Note 13 - External Grants**

Focus Humanitarian Assistance, U.S.A. has received from external sources, grants for its work in Central Asia. The schedule below summarizes the revenue from major external grants received during the years ended December 31, 2015 and 2014.

<u>Funding County – Program Name – Program Region</u>	<u>2015</u>	<u>2014</u>
European Commission – Disaster Preparedness – Tajikistan	\$ 370,828	\$ 77,527
United States – Community Based Disaster Risk Reduction – Afghanistan	-	818,793
Swiss – Creating Opportunities in a Safe Environment - Tajikistan	460,898	468,588
Aga Khan Foundation – Creating Opportunities in a Safe Environment - Tajikistan	418,912	813,069
Canada – Climate Change Adaptation in the Pamir Mountains - Tajikistan	147,231	119,418
United Kingdom – Remote Hazards – Tajikistan		-
Other External Grants	<u>218,898</u>	<u>245,030</u>
Total	<u>\$ 1,616,767</u>	<u>\$ 2,542,425</u>

**Note 14 - Subsequent Events**

Management has evaluated all subsequent events through April 1, 2016, the date the financial statements were available to be issued.