

FOCUS HUMANITARIAN  
ASSISTANCE USA

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT

YEAR ENDED DECEMBER 31, 2022  
(With Summarized Financial Information Presented  
for the Year Ended December 31, 2021)



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FOCUS HUMANITARIAN ASSISTANCE USA  
YEAR ENDED DECEMBER 31, 2022

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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, 2022, 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, 2022, 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 25, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, 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  
May 22, 2023

**FOCUS HUMANITARIAN ASSISTANCE USA**

*Statement of Financial Position*

*December 31, 2022*

*(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)*

	<b>2022</b>	<b>2021</b>
<b>Assets:</b>		
<i>Current Assets:</i>		
Cash	\$ 7,920,468	\$ 6,864,946
Investments (Notes 2 and 5)	3,364,249	2,366,047
Contributions Receivable, Net (Note 3)	113,531	146,333
Grants Receivable (Note 4)	206,671	179,479
Other Receivables and Prepaid Expenses	9,741	10,935
Total Current Assets	11,614,660	9,567,740
<i>Non-Current Assets:</i>		
Investments (Notes 2 and 5)	3,030,804	735,000
Contributions Receivable, Net (Note 3)	108,437	141,154
<b>Total Assets</b>	<b>\$ 14,753,901</b>	<b>\$ 10,443,894</b>
<b>Liabilities and Net Assets:</b>		
Liabilities:		
<i>Current Liabilities:</i>		
Accounts Payable and Accrued Liabilities	\$ 43,061	\$ 139,105
Humanitarian Grants Payable (Note 4)	2,312,231	687,177
Advance Grant Revenue	23,683	27,794
Total Current Liabilities	2,378,975	854,076
<b>Total Liabilities</b>	<b>2,378,975</b>	<b>854,076</b>
Net Assets:		
Without Donor Restrictions	11,064,998	9,589,818
With Donor Restrictions (Note 8)	1,309,928	-
<b>Total Net Assets</b>	<b>12,374,926</b>	<b>9,589,818</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 14,753,901</b>	<b>\$ 10,443,894</b>

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

**FOCUS HUMANITARIAN ASSISTANCE USA**

*Statement of Activities*

*Year Ended December 31, 2022*

*(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)*

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenue:</b>				
Public Support and Other Revenue:				
Contributions	\$ 6,141,257	\$ 1,309,928	\$ 7,451,185	\$ 6,073,922
In-kind Services and Program Support	-	-	-	219,200
Investment gains / (losses)	(36,945)	-	(36,945)	18,142
Humanitarian Grants (Note 4)	92,106	250,000	342,106	2,260,767
Matching Gift	131,029	-	131,029	116,113
<b>Total Public Support and Other Revenue</b>	<b>6,327,447</b>	<b>1,559,928</b>	<b>7,887,375</b>	<b>8,688,144</b>
Net assets released from restriction:				
Satisfaction of purpose restriction	250,000	(250,000)	-	-
<b>Total Revenue</b>	<b>6,577,447</b>	<b>1,309,928</b>	<b>7,887,375</b>	<b>8,688,144</b>
<b>Expenses:</b>				
Program Services:				
Disaster Preparedness and Response (Domestic)	159,795	-	159,795	352,365
Disaster Preparedness and Response (International)	2,782,792	-	2,782,792	6,106,145
Humanitarian Assistance (International)	23,241	-	23,241	1,337,528
Migration and Refugee Assistance (International)	1,809,750	-	1,809,750	1,600,154
<b>Total Program Services Expenses</b>	<b>4,775,578</b>	<b>-</b>	<b>4,775,578</b>	<b>9,396,192</b>
Administrative and General	192,803	-	192,803	208,450
Fundraising	133,886	-	133,886	114,478
<b>Total Expenses</b>	<b>5,102,267</b>	<b>-</b>	<b>5,102,267</b>	<b>9,719,120</b>
Change in Net Assets	1,475,180	1,309,928	2,785,108	(1,030,976)
Net Assets- Beginning of Year	9,589,818	-	9,589,818	10,620,794
<b>Net Assets- End of Year</b>	<b>\$ 11,064,998</b>	<b>\$ 1,309,928</b>	<b>\$ 12,374,926</b>	<b>\$ 9,589,818</b>

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

**FOCUS HUMANITARIAN ASSISTANCE USA**

*Statement of Functional Expenses*

Year Ended December 31, 2022

*(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)*

	2022									2021
	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	\$ 92,522	\$ -	\$ -	\$ -	\$ 92,522	\$ 73,412	\$ 145,402	\$ 218,814	\$ 311,336	\$ 313,732
Grants to Other Organizations	-	2,782,792	23,241	1,809,750	4,615,783	-	-	-	4,615,783	9,043,827
Professional Fees and Consultants	-	-	-	-	-	-	25,965	25,965	25,965	38,832
General Office Expenses	1,228	-	-	-	1,228	26,250	7,973	34,223	35,451	30,493
Rent and Office Utilities	-	-	-	-	-	-	9,366	9,366	9,366	9,375
Printing and Media	444	-	-	-	444	21,699	-	21,699	22,143	39,346
Telephone and Communication	2,836	-	-	-	2,836	12,525	3,718	16,243	19,079	14,079
Travel	134	-	-	-	134	-	379	379	513	-
Program Training and Subscriptions	62,631	-	-	-	62,631	-	-	-	62,631	10,238
Inkind Expenses	-	-	-	-	-	-	-	-	-	219,200
<b>Total</b>	<b>\$ 159,795</b>	<b>\$ 2,782,792</b>	<b>\$ 23,241</b>	<b>\$ 1,809,750</b>	<b>\$ 4,775,578</b>	<b>\$ 133,886</b>	<b>\$ 192,803</b>	<b>\$ 326,689</b>	<b>\$ 5,102,267</b>	<b>\$ 9,719,120</b>
<b>Total 2021</b>	<b>\$ 352,365</b>	<b>\$ 6,106,145</b>	<b>\$ 1,337,528</b>	<b>\$ 1,600,154</b>	<b>\$ 9,396,192</b>	<b>\$ 114,478</b>	<b>\$ 208,450</b>	<b>\$ 322,928</b>	<b>\$ 9,719,120</b>	

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

**FOCUS HUMANITARIAN ASSISTANCE USA**

*Statement of Cash Flows*

*Year Ended December 31, 2022*

*(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)*

	<b>2022</b>	<b>2021</b>
<b>Cash Flows From Operating Activities:</b>		
Change in Net Assets	\$ 2,785,108	\$ (1,030,976)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Contributions Receivables, Net	65,519	(100,074)
Other Receivables and Prepaid Expenses	1,194	13,137
Grants Receivable	(27,192)	1,949,439
Advance Grant Revenue	(4,111)	27,794
Accounts Payable and Accrued Liabilities	(96,044)	93,521
Humanitarian Grants Payable	1,625,054	207,550
Total Adjustments	1,564,420	2,191,367
<b>Net Cash Provided by Operating Activities</b>	<b>4,349,528</b>	<b>1,160,391</b>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from Sales of Investments	33,994	-
Purchase of Investments	(3,328,000)	(28,226)
<b>Net Cash Used in Investing Activities</b>	<b>(3,294,006)</b>	<b>(28,226)</b>
<b>Net Increase in Cash</b>	<b>1,055,522</b>	<b>1,132,165</b>
<b>Cash - Beginning of Year</b>	<b>6,864,946</b>	<b>5,732,781</b>
<b>Cash - End of Year</b>	<b>\$ 7,920,468</b>	<b>\$ 6,864,946</b>

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



# FOCUS HUMANITARIAN ASSISTANCE USA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)

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

#### ***Organization and Business***

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 at the time 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 by FASB Accounting Standards Update (ASU.) No. 2016-14, *Presentation of Financial Statements for nonprofit Entities*. 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 a total of \$1,309,928 and \$0 of net assets restricted by donors as of December 31, 2022 and 2021, respectively.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the

# FOCUS HUMANITARIAN ASSISTANCE USA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)

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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, and 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 in the period the contribution or promise is received when an unconditional commitment is received, 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 and as non-current assets on the Statement of Financial Position.

Conditional promises to give are not recognized until 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, 2022, and as of December 31, 2021.

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 stipulation.

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 in the accompanying financial statements as revenue with an offsetting expense.

No contributed services and materials were received in the year ended December 31, 2022. Certain personal protective equipment and supplies valued at \$219,200 were received in the year ended December 31, 2021. These in-kind contributions were used in FOCUS USA's *Disaster Preparedness and Response* domestic program.

# FOCUS HUMANITARIAN ASSISTANCE USA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)

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### ***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. FOCUS USA had no cash equivalents as of December 31, 2022 and 2021. Management believes that 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 returns are reported as an increase or decrease in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. FOCUS USA had no donor-restricted investments as of December 31, 2022 and December 31, 2021.

### ***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 prescribe 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. There are no uncertain tax positions for FOCUS USA for the years ended December 31, 2022 and 2021.

The Organization annually files Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service. The Forms 990 for years 2019 through 2021 remain subject to review by the taxing 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 the use of unobservable inputs, to measure items at fair value. The fair value 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 are based on quoted prices in active markets for identical investments. Accordingly, measurements of level 1 assets and liabilities at fair value do not entail a significant degree of judgment.
- Level 2: Valuations are based on, and determined through the use of, either directly or indirectly observable input models other than quoted prices. These inputs include prices for assets or

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)

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 the determination of fair value for these items require significant management judgment or estimation.

**NOTE 2 - INVESTMENTS**

Investments consisted of the following at December 31, 2022, and 2021:

	<u>2022</u>	<u>2021</u>
Cash Equivalents	\$ 21,725	\$ 1,274,047
Certificates of Deposit, Current	3,342,524	1,092,000
Total Current Investments	<u>3,364,249</u>	<u>2,366,047</u>
Certificates of Deposit, Non-current	3,030,804	735,000
<b>Total Investments</b>	<b><u>\$ 6,395,053</u></b>	<b><u>\$ 3,101,047</u></b>

The certificates of deposit (CDs) are held at financial institutions and have maturities within twelve to twenty-four months from the balance sheet date. Amounts that have maturities within twelve months as of the Statement of Financial Position date 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.

**NOTE 3 - CONTRIBUTIONS RECEIVABLE**

As of December 31, 2022, and December 31, 2021, FOCUS USA has received the following unconditional pledges:

	<u>2022</u>	<u>2021</u>
Jamati (Ismaili Community) donations	\$ 291,270	\$ 352,005
Less: Unamortized Present Value Discount	(27,961)	(11,782)
Less: Allowance for Uncollectible Accounts	(41,341)	(52,735)
<b>Net Contributions Receivable</b>	<b><u>\$ 221,968</u></b>	<b><u>\$ 287,488</u></b>

Maturities of Contributions Receivable

Amount Receivable in:

Less than One Year	\$ 113,531	\$ 146,333
One to Five Years	78,332	95,993
After Five Years	30,105	45,162
<b>Total Contributions Receivable</b>	<b><u>\$ 221,968</u></b>	<b><u>\$ 287,488</u></b>

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)

The present value discount rate was 3.88% and 1.52% for 2022 and 2021, 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 which we believe results in those amounts approximating their fair value.

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

	<u>2022</u>	<u>2021</u>
Contributions Receivable, the Beginning of the Year	\$ 352,005	\$ 237,779
New Pledges by Donors, Included in Revenues for the Year	202,347	342,451
Pledges Collected in Cash in the Year	(233,689)	(228,081)
Adjustment for Write-offs	(29,393)	(145)
Contributions Receivable, End of Year	<u>291,270</u>	<u>352,005</u>
Less: Present Value Discounts and Allowances for Uncollectible Accounts	<u>(69,302)</u>	<u>(64,562)</u>
<b>Contributions Receivable, Net</b>	<b><u>\$ 221,968</u></b>	<b><u>\$ 287,488</u></b>

Contributions receivable are recorded at the full value of the total unconditional pledges from donors. 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**

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 2022 and 2021, FOCUS USA made humanitarian grants to these charitable organizations as follows:

	<u>2022</u>	<u>2021</u>
<b>Humanitarian Grants Made To:</b>		
Focus Humanitarian Assistance Europe Foundation	\$ 722,406	\$ 2,034,993
Focus Humanitarian Assistance Canada	953,438	2,008,685
Aga Khan Agency for Habitat (AKAH) Geneva	2,782,792	4,195,531
Diamond Jubilee Trust India	23,241	724,399
Other	133,906	80,219
<b>Total</b>	<b><u>\$ 4,615,783</u></b>	<b><u>\$ 9,043,827</u></b>

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)

Grants received from other organizations were as follows:

	<u>2022</u>	<u>2021</u>
<b>Humanitarian Grants Received From:</b>		
Focus Humanitarian Assistance Canada	\$ 65,040	\$ 1,586,975
Focus Humanitarian Assistance Europe Foundation	22,955	673,792
Diamond Jubilee Trust India	4,111	-
Other	250,000	-
<b>Total</b>	<b><u>\$ 342,106</u></b>	<b><u>\$ 2,260,767</u></b>

As of December 31, 2022, and 2021, FOCUS USA has the following grants receivable from related-party organizations:

	<u>2022</u>	<u>2021</u>
<b>Humanitarian Grants Receivable:</b>		
Focus Humanitarian Assistance Europe Foundation	\$ 182,988	\$ 151,685
Diamond Jubilee Trust India	23,683	27,794
<b>Total</b>	<b><u>\$ 206,671</u></b>	<b><u>\$ 179,479</u></b>

As of December 31, 2022, and 2021, FOCUS USA has the following grants payable to related-party organizations:

	<u>2022</u>	<u>2021</u>
<b>Humanitarian Grants Payable:</b>		
Focus Humanitarian Assistance Europe Foundation	\$ 730,753	\$ -
Focus Humanitarian Assistance Canada	1,156,478	687,177
Other	425,000	-
<b>Total</b>	<b><u>\$ 2,312,231</u></b>	<b><u>\$ 687,177</u></b>

**NOTE 5 – FAIR VALUE MEASUREMENTS**

The following table presents FOCUS USA assets that are included in fair value measurements on December 31, 2022, and 2021 within the fair value hierarchy.

	<u>2022</u>	<u>2021</u>
<b>Investments:</b>		
Level 1:		
Mid-term Certificates of Deposit	\$ 6,373,328	\$ 1,827,000
<b>Total level 1</b>	<b><u>\$ 6,373,328</u></b>	<b><u>\$ 1,827,000</u></b>

The above table does not include cash equivalents included with investments totaling \$21,725 and \$1,274,047 at December 31, 2022 and 2021, respectively, because they are recorded at cost.

FOCUS HUMANITARIAN ASSISTANCE USA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)

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**NOTE 6 - STATEMENT OF FUNCTIONAL EXPENSES AND METHODS USED TO ALLOCATE EXPENSES TO THE BENEFITTED PROGRAM AND/OR SUPPORT FUNCTIONS**

The costs of providing the various programs and other activities of the Organization 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 benefitted programs and support services include the following:

- Personnel costs are allocated based on estimates of time and effort; and
- 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 7 – FINANCIAL ASSET AVAILABILITY AND LIQUIDITY MANAGEMENT**

As part of FOCUS USA's liquidity management, it invests cash in excess of the monthly requirement in fixed income investment instruments. The Organization reasonably estimates its short-term cash needs and is able to structure its financial assets' maturities to provide cash for its general expenditures, liabilities, and other obligations as they become due.

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

	<u>2022</u>	<u>2021</u>
Cash	\$ 7,920,468	\$ 6,864,946
Investments	3,364,249	2,366,047
Contributions receivable	113,531	146,333
<b>Total</b>	<u><u>\$ 11,398,248</u></u>	<u><u>\$ 9,377,326</u></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, 2022

(With Summarized Comparative Information Presented for the Year Ended December 31, 2021)

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**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2022, and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Pakistan Flood Relief	<u>\$ 1,309,928</u>	<u>\$ -</u>

As of December 31, 2022, FOCUS USA did not release any funds to fulfill the purpose of the restriction.

**NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 22, 2023. This was the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date, which would require adjustments to the financial statements.