

FIVE TALENTS USA

AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2025
(With summarized comparative information for
December 31, 2024)

HOZIK & COMPANY, P.L.C.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Five Talents USA
Falls Church, Virginia

Opinion

We have audited the accompanying financial statements of Five Talents USA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Five Talents USA as of December 31, 2025, 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.

Basis for 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 Five Talents 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, that raise substantial doubt about Five Talents 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 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Five Talents USA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Five Talents 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 Five Talents USA Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 9, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it

Horjic & Company, P.L.C.

Vienna, Virginia
April 30, 2026

FIVE TALENTS USA
STATEMENT OF FINANCIAL POSITION
December 31, 2025
(With summarized comparative information for December 31, 2024)

ASSETS	<u>2025</u>	<u>2024</u>
Cash	\$ 384,996	\$ 356,971
Contributions receivable	119,500	277,500
Investments	431,107	478,133
Prepaid expenses and other assets	6,829	15,886
Website, net	4,800	6,000
Property and equipment, net	<u>42</u>	<u>169</u>
TOTAL ASSETS	<u>\$ 947,274</u>	<u>\$ 1,134,659</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 3,175	\$ 7,270
Accrued compensation and related liabilities	19,872	19,647
Funds held for others	<u>-</u>	<u>2,229</u>
TOTAL LIABILITIES	23,047	29,146
NET ASSETS		
Without donor restrictions		
Undesignated	557,235	550,361
Board designated - general reserve	<u>75,000</u>	<u>75,000</u>
	632,235	625,361
With donor restrictions	<u>291,992</u>	<u>480,152</u>
TOTAL NET ASSETS	<u>924,227</u>	<u>1,105,513</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 947,274</u>	<u>\$ 1,134,659</u>

See accompanying notes and independent auditors' report.

FIVE TALENTS USA
STATEMENT OF ACTIVITIES

Year ended December 31, 2025

(With summarized comparative information for year ended December 31, 2024)

	2025			2024
	Without donor restrictions	With donor restrictions	Total	Total
REVENUE AND SUPPORT				
Contributions	\$ 955,322	\$ 625,146	\$ 1,580,468	\$ 1,780,927
Donated goods and services	4,942	-	4,942	7,874
Investment income, net	13,360	-	13,360	13,410
Special event	48,794	-	48,794	47,423
Other income	15,500	-	15,500	425
TOTAL REVENUE AND SUPPORT	1,037,918	625,146	1,663,064	1,850,059
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of donation restrictions	813,306	(813,306)	-	-
TOTAL REVENUE AND SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS	1,851,224	(188,160)	1,663,064	1,850,059
EXPENSES				
Program services	1,382,618	-	1,382,618	1,141,568
Supporting services				
Management and general	182,110	-	182,110	172,194
Fundraising	274,595	-	274,595	246,432
Direct cost of benefit to donors	5,027	-	5,027	9,240
TOTAL EXPENSES	1,844,350	-	1,844,350	1,569,434
TOTAL CHANGE IN NET ASSETS	6,874	(188,160)	(181,286)	280,625
NET ASSETS AT BEGINNING OF YEAR	625,361	480,152	1,105,513	824,888
NET ASSETS AT END OF YEAR	\$ 632,235	\$ 291,992	\$ 924,227	\$ 1,105,513

See accompanying notes and independent auditors' report.

FIVE TALENTS USA
STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2025

(With summarized comparative information for the year ended December 31, 2024)

	2025				2024	
	Program services	General and administrative	Supporting Services Fundraising	Direct benefit to donors	Total	Total
Subgrants and awards	\$ 963,417	\$ -	\$ -	\$ -	\$ 963,417	\$ 760,349
Salaries and related expenses	369,823	113,169	240,518	-	723,510	671,310
Professional fees	-	32,938	-	-	32,938	28,967
Office expenses	14,431	17,011	9,764	-	41,206	32,251
Occupancy	6,134	1,877	3,989	-	12,000	12,000
Printing	6,828	780	8,076	-	15,684	11,387
Meetings and events	10,626	12,859	4,861	5,027	33,373	30,141
Travel	3,230	989	2,101	-	6,320	12,917
Insurance	4,072	1,246	2,648	-	7,966	7,857
Marketing and website	4,057	1,241	2,638	-	7,936	2,255
	<u>\$ 1,382,618</u>	<u>\$ 182,110</u>	<u>\$ 274,595</u>	<u>\$ 5,027</u>	<u>\$ 1,844,350</u>	<u>\$ 1,569,434</u>

See accompanying notes and independent auditors' report.

FIVE TALENTS USA
STATEMENT OF CASH FLOWS

Year ended December 31, 2025

(With summarized comparative information for the year ended December 31, 2024)

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2025</u>	<u>2024</u>
Change in net assets	\$ (181,286)	\$ 280,625
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation of property and equipment	127	243
Amortization of website	1,200	-
Decrease in discount on contributions receivable	-	(8,255)
Donated marketable securities	(29,566)	(59,969)
Proceeds from the sale of donated marketable securities	39,789	50,581
Realized and unrealized gain on investments	(268)	(6,087)
Reinvested dividends	(12,929)	(7,356)
Changes in operating assets and liabilities		
Contributions receivable, net	158,000	(28,750)
Prepaid expenses and other assets	9,057	(8,357)
Accounts payable and accrued expenses	(4,095)	671
Accrued compensation and related liabilities	225	9,655
Funds held for others	<u>(2,229)</u>	<u>(14,540)</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(21,975)</u>	<u>208,461</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of website	-	(6,000)
Purchase of investments	-	(325,000)
Proceeds from sale of investments	<u>50,000</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>50,000</u>	<u>(331,000)</u>
NET INCREASE (DECREASE) IN CASH	28,025	(122,539)
CASH AT BEGINNING OF THE YEAR	<u>356,971</u>	<u>479,510</u>
CASH AT END OF YEAR	<u>\$ 384,996</u>	<u>\$ 356,971</u>

See accompanying notes and independent auditors' report.

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2025
(With summarized comparative information for December 31, 2024)

NOTE 1 - ORGANIZATION

Five Talents USA (the “Organization”) is a nonprofit organization that was formed under the laws of the State of Virginia in March 1999. The Organization works through local Anglican Communion churches around the world to combat poverty in developing countries by using micro-enterprise development and is a member of the Five Talents International (FTI) family, which includes sister organizations in the United Kingdom and Kenya. The Organization is supported primarily through donor contributions.

The Organization’s vision is to eradicate extreme poverty by resolving human dignity and creating strong, sustainable communities. The Organization works to combat poverty in the developing world by:

- Empowering families living in poverty with knowledge and skills to read, write, save and invest
- Developing community savings groups and helping families to launch and grow small businesses

The Organization signs memorandums of understanding (MOUs) with local church partners that operate community savings and loan programs in developing countries. These documents provide for funding from the Organization, based on mutually agreed upon plans. The Organization also receives funds designated for certain programs and countries.

Program

Direct program funds for the year ended December 31, 2025, were expended in the following areas: grants to overseas partners for program operations, training, and consulting totaling \$936,210 and overseas travel by staff and consultants for monitoring, oversight, and technical assistance totaling \$27,207, shown together as subgrants and awards on the accompanying statement of functional expenses. In 2025, the Organization’s programs served 59,253 savings group members and 11,168 literacy learners.

Below is a summary of the Organization’s impact by country through December 31, 2025:

Latin America

Bolivia - The Organization has worked in the mountainous areas of southern Bolivia for over a decade, reaching families living in extreme poverty, and developed a plan for expansion to three new areas. In partnership with Seeds of Blessing, the Organization facilitates small business development through training, mentorship, and community savings and loans. Participants join small savings groups and receive training in budgeting, saving, business planning, nutrition, and discipleship. They learn how to invest in and grow small businesses.

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 - ORGANIZATION (CONTINUED)

Asia

Myanmar - The Organization has worked in Myanmar since 2014 with the local Anglican Church's Mothers' Union to catalyze micro-enterprise development. Programs have focused on the creation of Savings Groups in rural communities in eight regions beyond Yangon. Savings group members establish or develop their own businesses. Members develop a variety of agricultural businesses.

Africa

Burundi - Burundi is the world's most rural country, with 90% of the population engaged in farming, and are consistently ranked within the ten poorest countries in the world by the UNHDI. Since 2010, the Organization partners with the Mothers' Union of the Anglican Church in Burundi to offer training in literacy and numeracy, business skills, and the formation of community Savings Groups. Members have access to mentorship, basic financial services, and emergency funds.

Democratic Republic of Congo - In 2018, the Organization began a partnership with the Diocese of Aru, in the northeastern corner of Democratic Republic of Congo. The program has worked to mobilize church and community leaders, to train and mentor staff and community workers on literacy, savings and business, and to launch new Savings Groups.

Kenya - The Organization began working in Kenya well over a decade ago and has served communities in regions across Kenya. Participants in these programs learn key skills in financial management and business development. They also engage in community-owned and managed savings groups. Most members start as subsistence level farmers, but many end up developing their own small businesses. The Organization is serving Savings Groups in the regions of Baringo, Marsabit, Mombasa, Malindi, Western (Butare, Maseno North, Mumias), Tsavo (Kitui, Makueni, Taita-Taveta) and Upper Southern Nyanza in 2025. Several regions have formed SACCOs, which are now self-sustaining from the Savings Group program, in Thika, Embu, Nakuru and recently in Kericho.

Rwanda - The Organization started a new program in partnership with the Mothers' Union of the Anglican Church of Rwanda in 2022. The program is targeted to reach female-headed households who are significantly affected by extreme poverty. The program includes training on literacy, Savings Group formation, agriculture and nutrition.

South Sudan - The Organization has worked successfully in South Sudan since 2007 and is one of the few organizations that has worked to develop a sustainable model for microfinance there. The Organization works in several regions in South Sudan: Greater Bahr-el-Ghazal, Juba, Renk, Wandit, Terekeka, and its newest program in Malakal, with training and access to financial services. Additionally, the Organization has incorporated a trauma-healing for peace-building program through the Savings Group platform.

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 - ORGANIZATION (CONTINUED)

Tanzania - The Organization has worked in Tanzania for over a decade, with a variety of local partners, to provide financial inclusion services to the rural poor. The Organization's programs provide training to develop community-owned Savings Groups for local development. Programs have served members in Morogoro and numerous regions that are part of the Mothers' Union Vicoba program in Tanzania.

Uganda - The Organization has supported literacy, business training, and the formation of community Savings Groups in the region of Karamoja for a decade. In 2025, the Organization started a new partnership with Mothers' Union Uganda to serve four regions with training in Church and community mobilization and Savings Groups.

Malawi - The Organization started a new partnership in Malawi with the Anglican Diocese of Upper Shire in 2025. The ADUS Savings Ministry program will provide training in adult Literacy, Savings Groups formation, business skills and agriculture within the diocese.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization maintains its accounting records on the accrual basis of accounting.

Basis of Presentation

In accordance with the *Not-For-Profit-Entities – Presentation of Financial Statements* sub topic of the FASB Accounting Standards Codification, the Organization reports information regarding its financial position and activities according to the following net asset classifications.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. The Board has designated a portion of net assets without donor restrictions (see Note 8).

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors that will be satisfied by action of the Organization or by the passage of time.

Grants and Contributions

Grants and contributions are accounted for in accordance with the *Not-For-Profit Entities - Revenue Recognition* topic of the FASB Accounting Standards Codification. Grants and contributions are recognized in the period received or promised. Grants and conditional contributions are recorded when the conditions are met. Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Event Revenue

Special event revenue is reported on a gross basis, with direct costs of benefits to donors reported separately in the statements of activities as expenses.

Cash

Cash consists of checking, savings and money market accounts.

Financial, Credit Risk and Other

The Organization maintains cash in bank deposit accounts, which at times may exceed Federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

The Organization invests primarily in mutual funds. Such investments are exposed to various market and credit risks.

Contributions Receivable

Contributions receivable are reported in the statement of financial position at the outstanding contributions receivable balance adjusted for any write-offs and an allowance for uncollectible contributions receivable. Contributions anticipated to be received beyond one year are discounted to their net present value at a risk adjusted rate, as applicable.

Investments

Investments with readily determinable fair values are reflected at fair market value. Donated securities are recorded at the fair value at the date of the gift. The Organization's policy is to sell donated securities as soon as practical. To adjust the carrying value, unrealized gains and losses are reported in the statement of activities as a component of investment income.

Website

The Organization's website is amortized over 5 years. At December 31, 2025, the website had a gross cost of \$6,000 and accumulated amortization of \$1,200.

Property and Equipment

Property and equipment is stated at cost or, in the case of donated items, at the estimated fair value at the time of the donation. Depreciation is provided using the straight-line basis over the estimated useful life of 5 years. The Organization capitalizes all acquisitions of property and equipment over \$2,500.

Funds Held for Others

Funds held for others represent funds held on behalf of a specified beneficiary. Funds held for others at December 31, 2024 were paid to the beneficiary in 2025.

Donated Goods and Services

The Organization receives donated services which are comprised of donated professional services. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, that are provided by individuals possessing those skills, and would

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services (Continued)

typically need to be purchased if not provided by donation, are recorded as revenue and expense at their fair values in the period. For those services that do not require special expertise, the estimated value of such donated services has not been recorded in the financial statements.

Income Taxes

The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Organization has no unrelated business taxable income for the year ended December 31, 2025. As of December 31, 2025, the federal and state statute of limitations remains open for the December 31, 2022 through the December 31, 2025 tax years.

Use of Estimates

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

Functional Allocation of Expenses

The cost of providing program and other activities has been summarized on a functional basis in the statement of activities. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. These costs, which are not specifically attributable to a program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses, office expenses, meetings and events, travel, printing, occupancy and insurance.

Summarized Comparative Information

The accompanying financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024 from which the summarized information was derived.

Subsequent Events

In preparing these financial statements management has evaluated events and transactions that occurred after the statement of financial position date for potential recognition or disclosure through April 30, 2026, the date the financial statements were available to be issued. None were noted.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2025 and 2024:

Financial assets at year end:	<u>2025</u>	<u>2024</u>
Cash	\$384,996	\$356,971
Contributions receivable, net	119,500	277,500

FIVE TALENTS USA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - AVAILABILITY AND LIQUIDITY (CONTINUED)

Investments	<u>431,107</u>	<u>478,133</u>
Total financial assets	935,603	1,112,604
Less: Amounts not available to be used for general expenditures within one year		
Net assets with donor restrictions	(291,992)	(480,152)
Board designated general reserve	<u>(75,000)</u>	<u>(75,000)</u>
	<u>(366,992)</u>	<u>(555,152)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$568,611</u>	<u>\$557,452</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition to financial assets available to meet general expenditures over the next year, the Organization operates with a balanced budget on a cash-flow basis. In addition, the Organization has a revolving line of credit of up to \$80,000 upon which it may draw and the Board may authorize release of the board designated general reserve should the need arise. The line of credit is subject to certain debt covenants (see Note 7).

NOTE 4 - CONTRIBUTIONS RECEIVABLE

All unconditional contributions receivable as of December 31, 2025 and 2024 are expected to be collected during the following year.

The Organization has not recorded an allowance for uncollectible accounts, as management believes all amounts are fully collectible.

NOTE 5 - FAIR VALUE OF INVESTMENTS

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements.

The framework establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are inactive; or other inputs that are observable

FIVE TALENTS USA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - FAIR VALUE OF INVESTMENTS (CONTINUED)

or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for the asset or liability.

The following table summarizes the valuation of the financial instruments by the above pricing levels as of December 31, 2025:

	<u>Level 1</u>	<u>Total</u>
Money market mutual funds	\$281,075	\$281,075
Invested cash ¹	<u>-</u>	<u>150,032</u>
	<u>\$281,075</u>	<u>\$431,107</u>

The following table summarizes the valuation of the financial instruments by the above pricing levels as of December 31, 2024:

	<u>Level 1</u>	<u>Total</u>
Equity funds	\$9,974	\$9,974
Money market mutual funds	367,847	367,847
Invested cash ¹	<u>-</u>	<u>100,312</u>
	<u>\$377,821</u>	<u>\$478,133</u>

¹ The Organization holds investments which are not valued at fair value under ASC 820, however are presented in this total to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Computer equipment	\$3,308	\$3,308
Accumulated depreciation	<u>(3,266)</u>	<u>(3,139)</u>
	<u>\$42</u>	<u>\$169</u>

NOTE 7 - LINE OF CREDIT

The Organization has a secured revolving line of credit with a financial institution of up to \$80,000 to be used as cash flow needs arise. The line of credit expires in February 2027. It carries an interest rate of prime rate plus .5% (7.25% and 8% at December 31, 2025 and 2024, respectively). The line of credit is secured by the marketable securities account held by the Organization (see Note 5). The line of credit is subject to certain financial and non-financial covenants. The Organization is in compliance with the covenants at December 31, 2025. There was no balance outstanding on the line of credit at December 31, 2025 and 2024.

FIVE TALENTS USA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 - NET ASSETS

At December 31, 2025 and 2024, there were \$75,000 of Board designated net assets for a general reserve.

Net assets with donor restrictions at December 31, 2025 and 2024 were restricted for the following purposes:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose or passage of time:		
Africa	\$183,294	\$285,127
General support pledges	79,500	177,500
Asia	18,698	17,525
Program evaluation and assessment	<u>10,500</u>	<u>-</u>
	<u>\$291,992</u>	<u>\$480,152</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions during the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Purpose or period restrictions accomplished:		
Africa	\$595,719	\$330,063
General support pledges	177,500	110,496
Asia	34,827	27,475
Latin America	2,660	2,788
Program evaluation and assessment	<u>2,600</u>	<u>1,000</u>
Net assets released from restrictions	<u>\$813,306</u>	<u>\$471,822</u>

NOTE 9 - MAJOR DONORS

There were no major donors for the year ended December 31, 2025. Contributions from two donors accounted for approximately 22% (11% and 11%) of the Organization's total revenue and support for the year ended December 31, 2024.

NOTE 10 - DONATED GOODS AND SERVICES

The Organization received \$1,443 and \$7,224 in donated legal services used in general and administrative activities during the years ended December 31, 2025 and 2024, respectively. The fair value of donated professional legal services was based on estimated hours worked and an hourly rate for each position as determined by the Board of Directors of the Organization based on comparable rates for the industry. The fair value of these in-kind donations has been recognized as a contribution and expense by the Organization in the statement of activities.

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 - DONATED GOODS AND SERVICES (CONTINUED)

Donated goods were used in the Organization's programs and totaled \$3,499 and \$650 during the years ended December 31, 2025 and 2024, respectively. Donated goods are utilized directly in the Organization's program activities and are not monetized. The donated goods were valued based on the price of similar goods offered for sale.

NOTE 11 - PENSION PLAN

The Organization maintains a simple IRA plan (the Plan) for all eligible employees. Eligible employees may contribute a percentage of their annual compensation, subject to certain limitations, to the Plan. The Organization can match up to 3% of qualified employee's contributions. During the years ended December 31, 2025 and 2024, the Organization contributed \$16,675 and \$14,783 to the plan, respectively.

NOTE 12 - RELATED PARTY BALANCES AND TRANSACTIONS

Contributions receivable from Board members at December 31, 2025 and 2024 were \$30,000 and \$75,000, respectively.

Board contributions for the years ended December 31, 2025 and 2024 were \$125,206 and \$61,872, respectively.

NOTE 13 - LEASE COMMITMENTS

The Organization rents office space under a month-to-month operating lease. The Organization has elected the short-term lease exemption under ASC 842; therefore, no right-of-use asset or lease liability is recognized. Lease expense is recognized on a straight-line basis.

Operating lease expense was \$12,000 for the years ended December 31, 2025 and 2024.