

ABANDONED LITTLE ANGELS/ NHOM TINH THUONG

Financial Statements for the Year Ended December 31, 2020
(with comparative totals for 2019)
Along with Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Abandoned Little Angels/Nhom Tinh Thuong
Houston, Texas

Opinion

We have audited the accompanying financial statements of Abandoned Little Angels/Nhom Tinh Thuong (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 Abandoned Little Angels/Nhom Tinh Thuong as of December 31, 2020, 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Abandoned Little Angels/Nhom Tinh Thuong and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Abandoned Little Angels/Nhom Tinh Thuong'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 auditor's 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.

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

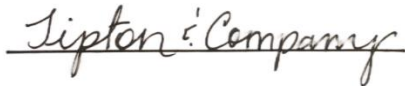
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Abandoned Little Angels/Nhom Tinh Thuong'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 Abandoned Little Angels/Nhom Tinh Thuong'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 Abandoned Little Angels/Nhom Tinh Thuong's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sincerely,

A handwritten signature in cursive script that reads "Tipton & Company". The signature is written in black ink and is positioned above the printed name of the firm.

Tipton & Company
Certified Public Accountants
Houston, Texas

August 19, 2021

**ABANDONED LITTLE ANGELS/
NHOM TINH THUONG**
Statement of Financial Position

<i>As of December 31, (with comparative totals for 2019)</i>	2020	2019
Assets		
Cash and cash equivalents	\$ 383,907	\$ 386,543
Certificate of deposits	121,344	118,100
Investments	546,988	374,815
Rent deposit	811	811
Total Assets	\$ 1,053,050	\$ 880,269
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 2,886	\$ 849
Total Liabilities	2,886	849
Net Assets		
Without donor restrictions	1,050,164	879,420
With donor restrictions	-	-
Total Net Assets	1,050,164	879,420
Total Liabilities and Net Assets	\$ 1,053,050	\$ 880,269

**ABANDONED LITTLE ANGELS/
NHOM TINH THUONG**
Statement of Activities

Year Ended December 31, <i>(with comparative totals for 2019)</i>	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenue and Support:				
Contributions	\$ 343,518	\$ -	\$ 343,518	\$ 126,567
Interest/dividend income, net of fees	3,702	-	3,702	7,430
Unrealized gains/(losses)	62,333	-	62,333	40,186
Realized gains/(losses)	3,234	-	3,234	2,188
Special events (Integral and Ongoing):				
Special event revenue	22,300			
Cost of direct benefit to donor	-			
Net special events revenue	22,300	-	22,300	235,032
Net assets released from restrictions	-	-	-	-
Total Revenue and Support	435,087	-	435,087	411,403
Expenses:				
Program Services:				
Charitable assistance	228,126	-	228,126	247,897
Total Program Services	228,126	-	228,126	247,897
Supporting Services:				
Management and general	9,960	-	9,960	8,813
Fundraising	26,257	-	26,257	26,275
Total Supporting Services	36,217	-	36,217	35,088
Total Expenses	264,343	-	264,343	282,985
Change in Net Assets	170,744	-	170,744	128,418
Net Assets, Beginning of Year	879,420	-	879,420	751,002
Net Assets, End of Year	\$ 1,050,164	\$ -	\$ 1,050,164	\$ 879,420

**ABANDONED LITTLE ANGELS/
NHOM TINH THUONG**
Statement of Functional Expenses

Year ended December 31, <i>(with comparative totals for 2019)</i>	Program Services		Supporting Services		2020 Total	2019 Total
	Charitable Assistance	Management and General	Fundraising	Total Supporting Services		
Salaries and related expenses						
Salary and wages	\$ 8,320	\$ 4,160	\$ 8,320	\$ 12,480	\$ 20,800	\$ 20,800
Payroll taxes	635	318	635	953	1,588	1,589
Total salaries and related expenses	8,955	4,478	8,955	13,433	22,388	22,389
Other expenses						
Accounting fees	3,820	1,910	3,820	5,730	9,550	6,400
Advertising	2,721	-	680	680	3,401	14,266
Airfare	-	-	26	26	26	-
Bank charges	-	72	-	72	72	2,020
Dues & subscriptions	1,355	677	1,355	2,032	3,387	4,170
Education & training	-	-	-	-	-	550
Entertainment	-	-	5,775	5,775	5,775	3,900
Grant inside U.S.	30,038	-	-	-	30,038	4,500
Grant outside U.S.	160,000	-	-	-	160,000	200,000
Insurance	433	216	433	649	1,082	450
Meals	-	-	-	-	-	17,077
Office expenses	827	415	827	1,242	2,069	410
Postage	549	275	549	824	1,373	4,445
Printing	15,591	-	-	-	15,591	17,946
Recognition	165	82	165	247	412	-
Rent for golf tournament	-	-	-	-	-	3,835
Rent for office	3,367	1,683	3,367	5,050	8,417	1,525
Supplies & materials for Gala	-	-	-	-	-	3,304
Supplies & materials	305	152	305	457	762	610
Total other expenses	219,171	5,482	17,302	22,784	241,955	285,408
Total Expenses, gross	228,126	9,960	26,257	36,217	264,343	307,797
Less: Direct benefit to donor	-	-	-	-	-	(24,812)
Total Expenses, net	\$ 228,126	\$ 9,960	\$ 26,257	\$ 36,217	\$ 264,343	\$ 282,985

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

**ABANDONED LITTLE ANGELS/
NHOM TINH THUONG**
Statement of Cash Flows

Year ended December 31, (with comparative totals for 2019)	2020	2019
Cash Flows From Operating Activities		
Change in net assets	\$ 170,744	\$ 128,418
Adjustments to reconcile change in net assets to net change in operating activities:		
Realized (gains)/losses on investments	(3,234)	(2,188)
Unrealized (gains)/losses on investments	(62,333)	(40,186)
Changes in assets and liabilities:		
Rent deposit	-	(811)
Accounts payable and accrued liabilities	2,037	849
Total Adjustments	(63,530)	(42,336)
Net Change in Operating Activities	107,214	86,082
Cash Flows From Investing Activities		
Dividends/interest reinvested, net of fees	(3,702)	(14,290)
Net sales (purchases) of investments	(106,148)	45,588
Net Change in Investing Activities	(109,850)	31,298
Net Change in Cash and Cash Equivalents	(2,636)	117,380
Cash and Cash Equivalents, beginning of year	386,543	269,163
Cash and Cash Equivalents, end of year	\$ 383,907	\$ 386,543

ABANDONED LITTLE ANGELS/ NHOM TINH THUONG

Notes to Financial Statements

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Abandoned Little Angels/Nhom Tinh Thuong (“Organization”) was chartered as a nonprofit corporation in the State of Texas on March 11, 2002. The Organization’s mission is to share the gift of love by distributing physical or monetary assistance to the disadvantaged children in Vietnam, especially those who are handicapped and orphans. The assistance is offered either directly or indirectly through trust-worthy charitable, and/or religious charitable organizations.

The Organization organizes visitations to pre-determined locations, evaluates the level of needs, and distributes the following resources: rice, clothing, medicine, wheelchairs, or monetary gifts to the orphans and handicapped children who live in orphanages. Normally, these orphanages and children care centers are run by Buddhist nuns, Catholic Priests or Sisters, and are spread across Vietnam, from the South to the Central Region and all the way to the Northern area of Vietnam. Special focus is placed on many rural regions where contact with the outside assistance is minimal. Funding for these programs are primarily through proceeds from fundraising events and individual donations.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

- *Net assets without donor restrictions* are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Assets restricted solely through the actions of the Board of Directors are reported as net assets without donor restrictions, board-designated.
- *Net assets with donor restrictions* are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-restricted endowment earnings are released when those earnings are appropriated with spending policies and are used for the specified purpose.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

Investments

The Organization records investments at fair value. Investment income consists of interest and dividends, realized and unrealized gains and losses, net of investment expenses.

ABANDONED LITTLE ANGELS/ NHOM TINH THUONG

Notes to Financial Statements

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Contributed Services

The Organization receives services donated from volunteers in carrying out the Organization's programs. Contributions of services are recognized as support at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. No amounts have been reflected in the financial statements for those services because they do not meet the criteria for recognition.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Income Taxes

The Organization is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code ("Code") and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization did not conduct any unrelated business activities in the current fiscal year. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements.

The Organization applies the provisions of FASB ASC Topic 740, Income Taxes, (formerly FASB Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109), which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Functional Allocation of Expense

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of time and effort.

Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. Advertising costs for the years ended December 31, 2020 and 2019 were \$3,401 and \$14,266, respectively.

ABANDONED LITTLE ANGELS/ NHOM TINH THUONG

Notes to Financial Statements

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020, comprise the following.

Financial assets:	
Cash and cash equivalents	\$ 383,907
Certificates of deposits	121,344
Investments	546,988
Financial assets available to meet cash needs for general expenditures within one year	
	\$1,052,239

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The Organization is primarily funded by contributions from donors and a small number of these (none in 2020) are restricted. Those restrictions require that the donation be used for certain programs. A separate budget is kept for those programs so that the funds and their use can be tracked. As part of its liquidity management, the Organization maintains balances in a general checking account sufficient to cover monthly expenditures and any other obligations that become due. All other cash balances are invested in short-term investments. In the event of an unanticipated expense, the Organization can request that a certain amount of invested funds be transferred to the checking account.

Certificates of deposit totaling \$121,344 bear interest at 2.469% and mature July 29, 2021, with no material penalties for early withdrawal. Certificates of deposit are reported at fair value using a Level 1 measure.

NOTE 3 – CONCENTRATION OF CREDIT RISKS

Financial instruments that potentially subject the Organization to credit risk consist primarily of cash and investments. All of a depositor's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount (\$250,000), for each deposit insurance ownership category. The Organization maintains its cash balances at three financial institutions. As of December 31, 2020 and 2019, the Organization's cash balances were fully insured by the FDIC insurance.

Additionally, cash and securities held by a customer at Security Investor Protection Corporation (SIPC) member brokerage firm are protected up to \$500,000, which includes a limit of \$250,000 for cash. Amounts in excess of SIPC insurance were \$90,157 and \$24,175 as of December 31, 2020 and 2019, respectively.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

ABANDONED LITTLE ANGELS/ NHOM TINH THUONG

Notes to Financial Statements

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The three levels of the fair value hierarchy are described below:

- (i) Level 1—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- (ii) Level 2—Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or by other means.
- (iii) Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets measured at fair value as of December 31, 2020 are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities	\$240,489	-	-	\$240,489
Fixed income	222,444	-	-	222,444
Hedge Funds (1)	-	-	-	59,499
Tangible Assets (Commodities) (1)	-	-	-	24,556
Totals	\$462,933	-	-	\$546,988

Assets measured at fair value as of December 31, 2019 are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities	\$124,284	-	-	\$124,284
Fixed income	191,723	-	-	191,723
Hedge Funds (1)	-	-	-	44,434
Tangible Assets (Commodities) (1)	-	-	-	14,374
Totals	\$316,007	-	-	\$374,815

Valuation methods used for assets measured at fair value are as follows:

- *Equity securities* are valued using quoted prices in an active market for an identical instrument.
- *Fixed income securities* include corporate and U.S. Treasury notes and bonds:
 - Corporate bonds are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas which may include market-corroborated inputs for credit risk factors, interest rate and yield curves and broker quotes to calculate fair values.
 - U.S. Treasury notes and bonds are valued using prices obtained from active markets and inter-dealer brokers on a daily basis.

ABANDONED LITTLE ANGELS/ NHOM TINH THUONG

Notes to Financial Statements

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

(1) Certain investments measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial condition.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

NOTE 5 – LEASE AGREEMENT

The Organization entered into an operating lease for office space that expires November 30, 2022. Terms of the lease are base monthly rental payments of \$787 for 2021 and \$811 for 2022. For the years ended December 31, 2020 and 2019, rent expense was \$8,417 and \$1,524, respectively. Future minimum lease payments under the operating lease as of December 31, 2020 are:

2021	\$9,465
2022	8,924
Thereafter	-
Total	\$18,389

NOTE 6 – JOINT COST OF ACTIVITIES THAT INCLUDE FUND-RAISING APPEAL

The Organization achieves some of its programmatic goals in direct mail campaigns and door-to-door campaigns that include requests for contributions. The costs of conducting those campaigns includes joint costs that are not directly attributable to either the program or management and general components or the fund-raising component of the activities.

Joint costs were allocated as follows for the year ended December 31, 2020:

Education about disadvantaged children in Vietnam	\$18,861
Management and general	275
Fund-raising	1,230
Total	\$20,366

Joint costs were allocated as follows for the year ended December 31, 2019:

Education about disadvantaged children in Vietnam	\$27,548
Management and general	889
Fund-raising	8,220
Total	\$36,657

**ABANDONED LITTLE ANGELS/
NHOM TINH THUONG**
Notes to Financial Statements

NOTE 7 – CONCENTRATIONS

For the years ended December 31, 2020 and 2019, one contributor accounted for twenty-five percent (25%) and thirteen percent (13%) of total revenue and support, respectively.

NOTE 8 – NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). In June 2020, the FASB issued an amendment to the pronouncement extending the effective date from reporting periods beginning after December 15, 2019 to reporting periods beginning after December 15, 2021 due to the adverse effects of the COVID-19 pandemic. A lessee will be required to recognize on the balance sheet the assets and liabilities for leases with lease terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

NOTE 9 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 19, 2021, the date the financial statements were available to be issued. In early 2020, an outbreak of the novel strain of coronavirus (COVID-19) emerged globally. The spread of COVID-19 and related global responses have caused material disruptions to many economies around the world, resulting in an economic slowdown. Global equity markets have also experienced significant volatility and weakness. Although governments and central banks have reacted with interventions designed to stabilize economic conditions, the duration and extent of the impact of the COVID-19 outbreak remains unclear.

The Organization has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and statement of activities as of and for the year ended December 31, 2020 have not been adjusted to reflect their impact. As of August 19, 2021, the virus and related responses have not significantly impacted the Organization's ability to continue to operate and provide services. While it is possible that the virus and related responses could have a negative effect on the Organization's activities and financial position, the ultimate impact of COVID-19 is not reasonably estimable at this time.