

**ABANDONED LITTLE ANGELS/NHOM TINH THUONG  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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# Robert Pham, CPA

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### INDEPENDENT AUDITOR'S REPORT

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

#### **Report on the Financial Statements**

We have audited the accompanying statement of financial position of Abandoned Little Angels/Nhom Tinh Thuong (a non-profit organization) as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

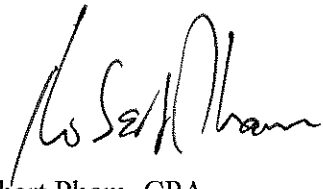
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

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

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

**Opinion.**

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, 2016, 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.

A handwritten signature in black ink, appearing to read 'Robert Pham', written in a cursive style.

Robert Pham, CPA  
Houston, Texas  
November 20, 2017

**ABANDONED LITTLE ANGELS/NHOM TINH THUONG  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2016**

<b>ASSETS</b>	
Current Assets	
Cash	\$ 215,614
Account Receivable	-0-
Total Current Assets	215,614
Fixed Assets	-0-
Accumulated Depreciation	-0-
Total Fixed Assets	-0-
Other Assets	468,344
Total Other Assets	-0-
Total Assets	<b>683,958</b>
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities	
A/P	-0-
Long-term Liabilities	-0-
Total Liabilities	-0-
Net Assets	
Unrestricted Net Assets	<b>683,958</b>
Temporary Restricted Net Assets	
Total Net Assets	<b>683,958</b>
Total Liabilities and Net Assets	<b>683,958</b>

*See accompanying notes to financial statements*

**ABANDONED LITTLE ANGELS/NHOM TINH THUONG  
STATEMENT OF ACTIVITIES  
AS OF DECEMBER 31, 2016**

REVENUES			UNRESTRICTED
Contribution & Special Events		\$	484,498
Net Gain on Investments			2,217
Total Revenue			486,715
EXPENSES			
Program Costs			285,875
Administrative Costs			2,354
Fund Raising Costs			65,594
Total Expenses			353,823
CHANGES IN ASSETS			132,892
<b>NET ASSETS AS OF BEGINNING OF YEAR</b>			551,067
<b>ADJUSTMENTS TO NET ASSETS</b>			-0-
<b>NET ASSETS AS OF END OF YEAR</b>			683,958

*See accompanying notes to financial statements*

**ABANDONED LITTLE ANGELS/NHOM TINH THUONG  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Operating Activities</b>			
Change in Net Assets			132,892
Adjustments to reconcile change in net assets To net cash provided by operating activities:			
Increase in Other Assets			
Decreased in Account Payable			
Depreciation and Amortization			
Decrease in Account Receivable			
Net cash provided by operating activities			132,892
<b>Investing Activities</b>			
Land & Building			-0-
Equipment			
Net cash provided by investing activities			-0-
<b>Financing Activities</b>			
Loan			-0-
Adjustment of Net Assets			-0-
Net cash provided by financing activities			-0-
Net increase (decrease) in cash and cash equivalent			132,892
Cash and cash equivalent as of beginning of year			551,065
Cash and cash equivalent as of the end of year			683,957

*See accompanying notes to financial statements*

**ABANDONED LITTLE ANGLES/NHOM TINH THUONG  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of activities

The Abandoned Little Angels/Nhom Tinh Thuong (“Organization”) was chartered as a non-profit corporation in the City of Houston, 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, on an annual basis, organizes visitations to pre-determine 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 said programs is primarily through contributions from individuals.

Promise to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the calendar year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivables. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

Contributions

The Organization has also adopted SFAS No. 116, “Accounting for Contributions Received and Contributions Made.” Contributions received are recorded as unrestricted, temporarily

restricted, and permanently restricted support depending on the existing or nature or any donor restrictions.

### Contributed Services

During the year ended December 31, 2016 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization such as fund raising activities at the residents' facilities, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 1,000 volunteer hours per year.

### Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial positions and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Organization does not use fund accounting.

### Income tax status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501© (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

### Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contribution of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

### Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements. 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). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumption regarding risk.

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Organization bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Organization's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future value.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value and for estimating fair value for financial instruments not recorded at fair value. There have been no changes in the methodologies used at December 31, 2016.

*Cash and Cash Equivalents:* The carrying amounts reported in the balance sheet for cash and cash equivalent approximates fair value because of the short maturity of these instruments.

*Deposits:* The fair values disclosed for demand deposits are, by definition, equal to the amount payable on demand at the reporting date (that is, their carrying amounts). The carrying amounts of variable-rate, fixed-term money-market accounts and certificates of deposit approximate their fair values. Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently offered on certificates to a schedule of aggregate expected monthly maturities on time deposits. The carrying amount of accrued interest payable approximates fair value.

*Accounts receivable and accounts payable:* The carrying amounts reported in the balance sheet for accounts receivable and accounts payable approximates fair value because of the short maturity of these instruments.

#### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. . The Organization was informed that banks only cover up to \$250,000.00 by federal depository insurance and the Board of Directors was informed about this information so that they can make decisions to transfer funds to various financial institutions so that all accounts are fully insured by FDIC.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

#### Disclosure of Evaluation of Subsequent events

In accordance with FASB ASC Topic 855, *Subsequent Events*, The organization evaluated subsequent events through December 31, 2016, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.