



**REPORT ON
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

LANTUUN DOHIO
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SALTI & ASSOCIATES, LLC
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lantuun Dohio

I have audited the accompanying financial statements of Lantuun Dohio, which comprise the statements 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.

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

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

An audit involves performing procedures to obtain audit evidence about the amount 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimated made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT

(continued)

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lantuun Dohio as of December 31, 2020 and the changes in its net assets and its cash flows for the year then ended 2020, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

I have previously audited Lantuun Dohio's 2019 financial statements, and my report dated October 5, 2020, expressed an unmodified opinion on those audited financial statements. In my 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.

No. 2021 S&A

Washington, DC
October 27, 2021

LANTUUN DOHIO

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 20120
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents-checking (note 2)	\$ 22,700	\$ 13,306
Cash and cash equivalents-savings (note 2)	190,452	96,240
Accounts receivable	-	120
Inventory	4,328	4,969
Total Current Assets	<u>217,480</u>	<u>114,635</u>
OTHER ASSETS		
Intangible assets - Website cost	7,500	7,500
Less: Amortization	<u>(3,333)</u>	<u>(833)</u>
Intangible Assets, Net	<u>4,167</u>	<u>6,667</u>
TOTAL ASSETS	<u><u>\$ 221,647</u></u>	<u><u>\$ 121,302</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 93	\$ 106
Total Current Liabilities	<u>93</u>	<u>106</u>
Total Liabilities	<u>93</u>	<u>106</u>
NET ASSETS		
Without donor restrictions	182,979	121,196
With donor restrictions (note 6)	<u>38,575</u>	<u>-</u>
Total Net Assets	<u>221,554</u>	<u>121,196</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 221,647</u></u>	<u><u>\$ 121,302</u></u>

LANTUUN DOHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	Without Donor Restrictions	With Donor Restrictions	2020	2019
REVENUE				
Corporate contributions	\$ 17,742	66,723	\$ 84,465	\$ 25,885
Individual donations	52,527	-	52,527	81,451
Magic Brothers and Sisters	-	86,018	86,018	87,776
Fundraising and special events	3,000	-	3,000	10,270
Interest income	692	-	692	1,549
Merchandise sale	131	-	131	201
Other income	1,000	-	1,000	1,500
In-Kind contributions of office space	700	-	700	4,200
In-Kind contributions of services	5,600	-	5,600	9,100
Net assets released from restrictions:				
Satisfaction of program restriction	114,166	(114,166)	-	-
TOTAL REVENUE	195,558	38,575	234,133	221,932
EXPENSES				
Program Expenses:				
Latuun Dohio Mongolia	-	-	-	3,780
Magic Mongolia	114,166	-	114,166	165,911
Total Program Expenses	114,166	-	114,166	169,691
Support Expenses:				
Management and General	15,849	-	15,849	22,184
Fundraising and Development	3,760	-	3,760	7,835
Total Support Expenses	19,609	-	19,609	30,019
TOTAL EXPENSES	133,775	-	133,775	199,710
CHANGE IN NET ASSETS	61,783	38,575	100,358	22,222
Net assets, beginning of year	121,196	-	121,196	98,974
NET ASSETS, END OF YEAR	\$ 182,979	\$ 38,575	\$ 221,554	\$ 121,196

LANTUUN DOHIO

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019**

	Lantuun Dohio MGL	Magic Mongolia	Management and General	Fundraising	2020	2019
Accounting fees	\$ -	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ 4,500
Advertising	-	100	-	-	100	-
Amortization expense	-	-	2,500	-	2,500	833
Bank fees	-	2,594	25	-	2,619	3,736
Computer supplies and software	-	-	1,338	-	1,338	2,110
Dues and subscriptions	-	-	262	-	262	274
Gala and other fundraising events	-	-	-	3,115	3,115	6,587
Grants	-	110,823	-	-	110,823	164,300
Merchandise	-	-	-	641	641	2,583
Gifts and awards	-	-	-	-	-	2,028
Office expense	-	29	185	4	218	927
Postage	-	120	381	-	501	1,673
Printing	-	-	315	-	315	97
Professional services	-	500	-	-	500	-
Taxes and licenses	-	-	525	-	525	262
Travel	-	-	18	-	18	-
Total expenses, before In-kind	-	114,166	9,549	3,760	127,475	189,910
Rent	-	-	700	-	700	4,200
Accounting services	-	-	5,600	-	5,600	5,600
Total In-kind expenses	-	-	6,300	-	6,300	9,800
TOTAL EXPENSES	\$ -	\$ 114,166	\$ 15,849	\$ 3,760	\$ 133,775	\$ 199,710

See accompanying notes to the financial statements

LANTUUN DOHIO

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from foundations and corporations	\$ 83,965	\$ 25,885
Cash received from individual donations	51,929	81,211
Cash received from Magic Brothers and Sisters	87,356	87,776
Cash received from gala and for fundraising events	3,000	11,943
Interest income received	692	1,540
Cash paid to grantors	(110,823)	(164,300)
Cash paid for fundraising events including gifts	(3,115)	(9,170)
Cash paid to suppliers and vendors	(9,398)	(14,674)
Net cash provided by operating activities	<u>103,606</u>	<u>20,211</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cost development of website	-	(4,000)
Net cash used for investing activities	<u>-</u>	<u>(4,000)</u>
Net increase in cash and cash equivalents	103,606	16,211
Cash and cash equivalent, beginning of year	<u>109,546</u>	<u>93,335</u>
CASH & CASH EQUIVALENT, END OF YEAR	<u>\$ 213,152</u>	<u>\$ 109,546</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. ORGANIZATION AND ACTIVITIES

Organization

Lantuun Dohio is a Virginia registered 501(c)3 nonprofit organization, located in Vienna, VA. Its mission is to eradicate human trafficking and protect children from violence, neglect, abuse and exploitation in Mongolia and around the world. We believe a child who grows up in a loving and caring environment is less susceptible to become a victim of human trafficking and/or turn out to be an abuser. Furthermore, we also believe child abuse and human trafficking are linked to unemployment, alcoholism, poor education, and family dysfunction. Based on our beliefs, we developed our programs to work with children in vulnerable areas from very young age, and increase public awareness of child abuse and human trafficking.

Our major program activities include:

- Providing assistance to child development center in Mongolia,
- Educating, raising awareness, and organizing workshops for the unemployed, alcohol addicted and abusive parents, and
- Working together with child protection center, which provides a temporary shelter and legal assistance to human trafficking victims in Mongolia and educating and increasing awareness for the general public.

Activities

Magic Mongolia

Magic Mongolia 1 center protects children who need immediate shelter from abusive and violent families, educates and develops minors who live in the most secluded and under-developed area, Bayankhoshuu, in Ulaanbaatar. Since its establishment at the end of 2017, Magic Mongolia 1 center had served over 60-70 children daily and directly and indirectly, reached over 2,000 children. While its operation, Magic Mongolia also organizes a series of workshops to the parents of those children and employs and trains some of them.

While Magic Mongolia 1 center has been successfully operating in Bayankhoshuu district, in 2019 construction of the second center started in Bayanzurkh, the district with the highest crime rate and one of those most polluted areas of Ulaanbaatar city and successfully completed the construction in 2020 and started its operations. Magic Mongolia 2 center is twice bigger as the Magic Mongolia 1 center. Comparing to Magic Mongolia 1 center, Magic Mongolia 2 center is focusing more on prevention, education, development, and mental health.

The center will have the following amenities and services:

- Magic forest - community family park
- Classroom for children with disability (capacity 15 children)
- Playground for up to 150 children
- Mental Health center
- Magic Cafe – book cafe with more than 10'000 books

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. ORGANIZATION AND ACTIVITIES (CONTINUED)

Magic Mongolia(continued)

- 3 preschool classes with 80 children capacity
- Training center for kids and adults

As a result of the establishment of the center, there will be substantial changes in the attitude and tendency of parents and neighbors who live in that location. We strongly believe that if the number of people increases who eliminate their bad habits, it will influence greatly to solve the major problems, such as domestic violence, child abuse, gender-based violence, and alcoholism.

Lantuun Dohio Mongolia

Lantuun Dohio Mongolia is a program that focuses on educating youth and raises awareness about human trafficking and child abuse in Mongolia. Since 2013, it has had series of short- and long-term initiatives, including publishing series of children’s comic books, joining the “Open Your Eyes” campaign, and organizing and delivering of the annual “Magic Bag” project. Lantuun Dohio Mongolia publishes children’s comic books to educate young children about the hidden dangers of social media and the potential crime of human trafficking. In 2018-2019, Lantuun Dohio joined the national movement, “Open Your Eyes”, which was to raise awareness of sexual abuse of the most vulnerable age group, minors. In addition, Lantuun Dohio organizes annual “Magic Bag” campaign, which not only delivers gifts to thousands of children during the holiday season in the outskirts of Mongolia, where the poorest families are concentrated but it also does the necessary research and to collect data to understand the real situations of those children.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

Net assets and revenue, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of Lantuun Dohio and changes therein are classified and reported as:

Without Donor Restrictions – Those resources not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

With Donor Restrictions – Those resources subject to donor-imposed restrictions that will be satisfied by action of Lantuun Dohio or by passage of time.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash on hand and cash in the bank with less than three-months maturity to be cash equivalents. Cash equivalents include checking and savings accounts deposited with major financial institution. At times, cash and cash equivalents may exceed federally insured limits.

Uncertain Tax Position

The Financial Accounting Standard Board (FASB) released FASB ASC 740-10, Income Taxes, that provide guidance for reporting uncertainty in income taxes. For the year ended December 31, 2020, Lantuun Dohio has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax provisions qualify for either recognition or disclosure in the financial statements

Inventory

Inventory consists of donated goods and purchased goods of village-crafted items for gifts and awards. Donated goods are recorded at fair value at date of donation. Purchased merchandise are recorded at cost. Inventory values have been recorded at the lower cost or net realizable value based on average cost.

Contributions

All contributions are considered to be without donor restrictions unless specifically communicated by the donor. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or the purpose of the 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. When restrictions are fulfilled in the same time period as the contribution is received, Lantuun Dohio presents such contributions in the net assets without donor restrictions.

Income Taxes

The Organization is exempt from income tax under Internal Revenue Code Section 501(c) (3) and Virginia Revenue Code Section: 58.1-3703(c)(18). The Organization is not considered a private foundation under section 509(a) of the Internal Revenue Service.

Contributed Goods and Services

Contributed goods and services, when received, are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt.

Functional Expenses

Lantuun Dohio has divided its expenses between programs, management and general, and fundraising. The allocation is based on the assumptions that 100% of direct spending on programs will be allocated to programs and all other expenses are allocated to the three functional areas based on the average percentage of time spent by employees on each area, averaged across the organization.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses and in the disclosures of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

Advertising

Advertising is expensed in the period incurred. Advertising amounted to \$100 for the purpose to promote annual appreciation video.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use and lease liability, initially measured at present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2021.

3. LIQUIDITY, AVAILABILITY AND RESERVES MANAGEMENT

Lantuun Dohio maintains sufficient liquid financial assets in checking and savings accounts in order to readily meet general expenditures and obligations as they become due.

The following represents Lantuun Dohio's financial assets at December 2020 and 2019, reduced by amounts not available for general use because of the contractual or donor-imposed restrictions within one year of the balance sheet date.

Assets Without Donor Restrictions Available Within 12 Months:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents – checking	\$ 22,700	\$ 13,306
Cash and cash equivalents – savings	<u>190,452</u>	<u>96,240</u>
	213,152	109,546
Less: contractual or donor imposed restrictions	<u>(38,575)</u>	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 174,577</u>	<u>\$ 109,546</u>

4. METHODS OF ALLOCATING GENERAL MANAGEMENT

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Management determined in the absence of reasonable method of allocating these expenses, Management allocated these expenses based on actual cost incurred by each program. These expenses include under general and management computer supplies and software, bank fees, and postage.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

5. CONTRIBUTED SERVICES

The value of contributed non-cash services from *members of the board of directors* is not reflected in the accompanying financial statements. When there is no objective basis available by which to measure the value of such services, such contributions are not reflected in these financial statements.

In-kind Donations: The Organization's policy is to recognize contributed professional services if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind donations of \$5,600 and \$9,100 were recorded for contributed accounting services and other professional services for the years ended December 31, 2020 and 2019, respectively.

The financial statements include an in-kind contribution of \$700 and \$4,200 included in occupancy expense for the years ended December 31, 2020 and 2019, respectively.

6. WITH DONOR RESTRICTIONS

Net Assets without Donor Restrictions—All unrestricted net assets are undesignated as to their use.

Net Assets with Donor Restrictions—At December 31, 2020, net assets with donor restrictions of \$38,575 are restricted for the benefits of residents and community needs.

7. SUBSEQUENT EVENTS

In preparing these financial statements, The Organization has evaluated events and transactions for potential recognition or disclosure through October 27, 2021, the date the financial statements were issued.