



**REPORT ON
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

LANTUUN DOHIO
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SALTI & ASSOCIATES, LLC
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lantuun Dohio

Opinion

I have audited the accompanying financial statements of Lantuun Dohio (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lantuun Dohio as of December 31, 2023, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Lantuun Dohio and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Lantuun Dohio ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my 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, I:

- 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 Lantuun Dohio 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lantuun Dohio ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Summarized Comparative Information

I have previously audited Lantuun Dohio's 2022 financial statements, and my report dated October 21, 2023, 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, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

No. 2111 510 11

Washington, DC
November __, 2024

LANTUUN DOHIO

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents-checking (note 2)	\$ 28,331	\$ 89,376
Cash and cash equivalents-savings (note 2)	252,076	277,144
Inventory	<u>2,365</u>	<u>2,482</u>
Total Current Assets	<u>282,772</u>	<u>369,002</u>
OTHER ASSETS		
Intangible assets		
Website cost	14,000	14,000
Development of "App"	12,795	12,795
Less: Amortization	<u>(3,904)</u>	<u>(1,225)</u>
Intangible Assets, Net	<u>22,891</u>	<u>25,570</u>
TOTAL ASSETS	<u><u>\$ 305,663</u></u>	<u><u>\$ 394,572</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ -
Payroll taxes liability	<u>1,033</u>	<u>-</u>
Total Current Liabilities	<u>1,033</u>	<u>-</u>
Total Liabilities	<u>1,033</u>	<u>-</u>
NET ASSETS		
Without donor restrictions	304,630	333,707
With donor restrictions (note 7)	<u>-</u>	<u>60,865</u>
Total Net Assets	<u>304,630</u>	<u>394,572</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 305,663</u></u>	<u><u>\$ 394,572</u></u>

LANTUUN DOHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	Without Donor Restrictions	With Donor Restrictions	2023	2022
REVENUE				
Corporate contributions	\$ 68,188	-	\$ 68,188	\$ 52,268
Individual donations	22,408	-	22,408	65,931
Magic Brothers and Sisters	152,704	-	152,704	90,929
Fundraising and special events, net	4,563	-	4,563	7,915
Magic Tours, net of expenses	-	-	-	36,126
Interest income	116	-	116	133
Merchandise sale	-	-	-	178
In-Kind contributions of office space	4,200	-	4,200	3,150
In-Kind contributions of services	4,200	-	4,200	5,600
Net assets released from restrictions:				
Satisfaction of program restriction	60,865	(60,865)	-	-
TOTAL REVENUE	317,244	(60,865)	256,379	262,230
EXPENSES				
Program Expenses:				
Other Programs	96,492	-	96,492	4,400
Magic Mongolia	221,455	-	221,455	117,995
Total Program Expenses	317,947	-	317,947	122,395
Support Expenses:				
Management and General	28,257	-	28,257	24,693
Fundraising and Development	117	-	117	2,098
Total Support Expenses	28,374	-	28,374	26,791
TOTAL EXPENSES	346,321	-	346,321	149,186
CHANGE IN NET ASSETS	(29,077)	(60,865)	(89,942)	113,044
Net assets, beginning of year	333,707	60,865	394,572	281,528
NET ASSETS, END OF YEAR	\$ 304,630	\$ -	\$ 304,630	\$ 394,572

LANTUUN DOHIO

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	Other Programs	Magic Mongolia	Management and General	Fundraising	2023	2022
Salaries	\$ 16,000	\$ -	\$ 5,848	\$ -	\$ 21,848	\$ -
Payroll taxes	-	-	1,713	-	1,713	3,800
Amortization expense	-	-	2,679	-	2,679	1,225
Bank fees	-	1,890	-	-	1,890	548
Computer supplies and software	-	-	2,641	-	2,641	5,737
Conference and meetings	-	44	491	-	535	-
Gala and other fundraising events	-	-	-	-	-	493
Grants	76,824	218,193	-	-	295,017	116,632
Merchandise	-	-	-	117	117	1,418
Miscellaneous	-	-	38	-	38	-
Gifts and awards	-	-	-	-	-	-
Office expense	-	128	248	-	376	3,777
Payroll expense	270	-	138	-	408	-
Postage	416	-	120	-	536	1,629
Printing	-	-	188	-	188	308
Professional services	2,982	1,200	5,362	-	9,544	4,821
Subscription	-	-	376	-	376	-
Taxes and licenses	-	-	15	-	15	48
Total expenses, before In-kind	96,492	221,455	19,857	117	337,921	140,436
Rent	-	-	4,200	-	4,200	3,150
Accounting services	-	-	4,200	-	4,200	5,600
Total In-kind expenses	-	-	8,400	-	8,400	8,750
TOTAL EXPENSES	\$ 96,492	\$ 221,455	\$ 28,257	\$ 117	\$ 346,321	\$ 149,186

See accompanying notes to the financial statements

LANTUUN DOHIO

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from foundations and corporations	\$ 68,184	\$ 52,268
Cash received from individual donations	22,408	65,931
Cash received from Magic Brothers and Sisters	152,704	90,929
Cash received from special events	6,676	81,323
Interest income received	116	133
Cash paid for wages and related taxes	(23,561)	-
Cash paid for special events	-	(37,292)
Cash paid to grantors	(295,017)	(116,632)
Cash paid to suppliers and vendors	(17,623)	(20,973)
Net cash (used) provided by operating activities	(86,113)	115,687
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cost development of website	-	(7,000)
Net cash used for investing activities	-	(7,000)
Net (decrease) increase in cash and cash equivalents	(86,113)	108,687
Cash and cash equivalent, beginning of year	366,520	257,833
CASH & CASH EQUIVALENT, END OF YEAR	\$ 280,407	\$ 366,520

LANTUUN DOHIO

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. ORGANIZATION AND PROGRAM 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.

Program Activities

Magic Mongolia

Lantuun Dohio provides financial support and advisory services to the Magic Mongolia I center, Bayankhoshuu district of Ulaanbaatar, Mongolia. Located in an secluded and disadvantaged neighborhood, the center protects children, who are victims of domestic violence and abusive relationships, by providing them with immediate, safe shelters and free legal services and provides child care services for the families who otherwise do not afford to pay the day care costs. Currently, Magic Mongolia I center serves 60-70 children on a daily basis and has helped more than 2,000 children since its inception in 2017. The center not only focuses on children, but also organizes series of workshops to the parents of these children to educate them with parental responsibilities, child physical and emotional needs and child's right of freedom, and to train them to obtain necessary job skills to improve their living condition because we believe the cause of victimizing children is originated in the family base in most of times.

Lantuun Dohio also financially supports the second center, Magic Mongolia II, and its operation. Twice bigger than the Magic Mongolia I, this center is located in the other part of impoverished area of Ulaanbaatar, opened its door in 2023 for the same purposes with services free of charge. Magic Mongolia II focuses more on prevention, education, child development and child mental health, with amenities accessible for disabled children. This second center has three preschool classes with sitting capacity of 80 children, a Magic Book café with more

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. ORGANIZATION AND PROGRAM ACTIVITIES (CONTINUED)

Magic Mongolia(continued)

than 10,000 books, a playground capacity of up to 150 children at a time, a Mental Health center with professional coaches, music, dance, and craftsman clubs.

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 2018-2020, 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.

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, 2023, Lantuun Dohio has documented its consideration of FASB ASC 740-10

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncertain Tax Position (continued)

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.

The Organization is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Management has determined that the Organization had no unrelated business income and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS for the years ended December 31, 2023 and 2022.

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
FOR THE YEAR ENDED DECEMBER 31, 2023**

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.

Intangible Assets

Finite-lived intangible assets that are acquired or developed from a third party are recorded at cost on their acquisition dates and are amortized on a straight-line basis over 5 years based on the economic useful life of the asset. The finite-lived intangible asset consists of:

- **Website;** the purpose of the website is to articulate Lantuun Dohio's story and serve as a useful resources for existing supporters and potential new partners.
- **Application System:** The purpose Application System is to create a mobile platform for the Organization to receive, analyze, and facilitate information that is sent by the general public and its users. The Application System is comprised of two parts: i) web services and database, and ii) mobile application.
- The Lantuun Dohio reviews its finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by comparison of the carrying amount of an asset to the undiscounted future net cash flows expected to be generated by the asset. If such asset is not recoverable, a potential impairment loss is recognized to the extent the carrying amount of the asset exceeds the fair value of the asset. Fair value is generally determined using a discounted cash flow approach.
- There was no impairment of assets during the year ended December 31, 2023.

3. IN-KIND CONTRIBUTIONS

Contributions of services are recognized in the financial statements when the services received (a) create or enhance nonfinancial assets, (b) require specialized skills, and c) are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

During the year ended December 31, 2023, Lantuun was the recipient of in-kind goods and services, which allowed Latuun to provide greater resources towards various programs. These consisted of the following:

Donated office space	\$ 4,200
Accounting services	<u>4,200</u>
TOTAL	<u>\$ 8,400</u>

LANTUUN DOHIO

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

3. IN-KIND CONTRIBUTIONS (continued)

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.

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.

5. 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 2023 and 2022, 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>2023</u>	<u>2022</u>
Cash and cash equivalents – checking	\$ 22,798	\$ 83,376
Cash and cash equivalents – savings	<u>252,076</u>	<u>277,144</u>
	279,374	257,833
Less: contractual or donor imposed restrictions	<u>(-)</u>	<u>(66,865)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 279,374</u>	<u>\$ 229,726</u>

6. SUBSEQUENT EVENTS

In preparing these financial statements, The Organization has evaluated events and transactions for potential recognition or disclosure through November __, 2024, the date the financial statements were issued.

LANTUUN DOHIO

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

7. INTANGIBLE ASSETS

Lantuun Dohio's intangible assets consist of the following:

As of December 31, 2023	Cost	Accumulated Amortization	Net Book Value
Website	\$ 14,000	\$ (2,625)	\$ 11,375
Application System	12,795	(1,279)	11,515
TOTAL	\$26,795	\$ (3,904)	\$ 22,890

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