

God's Littlest Angels, Inc. and Affiliate
(A Not-for-Profit Organization)
Consolidated Financial Statements
Year ended December 31, 2023

God’s Littlest Angels, Inc. and Affiliate

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Report of Independent Auditors

The Board of Directors
God's Littlest Angels, Inc. and Affiliate
Colorado Springs, CO

Opinion

We have audited the accompanying financial statements of God's Littlest Angels, Inc. (a nonprofit organization), and its Affiliate ("the Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statement 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 God's Littlest Angels, Inc. and Affiliate 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

We conducted our audits 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 God's Littlest Angels, Inc. and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of God's Littlest Angels, Inc and Affiliate as of December 31, 2022 were audited by other auditors whose report dated August 24, 2023 expressed an unmodified opinion on those statements.

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 the Organization's 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

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 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 Gods Littlest Angels, Inc. and Affiliate'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 Gods Littlest Angels, Inc. and Affiliate'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.

Lehman Flynn Vollaro CPAs PLLC

Melville, NY

February 27, 2025

God's Littlest Angels, Inc. and Affiliate
Statements of Financial Position
Years Ended December 31,

	2023	2022
Assets		
Cash and cash equivalents	\$ 162,835	\$ 317,427
Inventory	-	4,016
Property and equipment, net	<u>1,548,640</u>	<u>1,719,128</u>
Total assets	<u><u>\$ 1,711,475</u></u>	<u><u>\$ 2,040,571</u></u>
Liabilities and net assets		
Liabilities		
Accounts payable	\$ 59,111	\$ 140,966
Contingent liability	<u>60,000</u>	<u>60,000</u>
Total liabilities	<u>119,111</u>	<u>200,966</u>
Net assets		
Without donor restrictions	1,577,916	1,799,753
With donor restrictions	<u>14,448</u>	<u>39,852</u>
Total net assets	<u>1,592,364</u>	<u>1,839,605</u>
Total liabilities and net assets	<u><u>\$ 1,711,475</u></u>	<u><u>\$ 2,040,571</u></u>

God's Littlest Angels, Inc. and Affiliate

Statement of Activities

December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains			
Contributions	\$ 642,131	\$ 13,184	\$ 655,315
Other income	64,881	-	64,881
Net assets released from restriction	38,588	(38,588)	-
Total revenue, support and gains	<u>745,600</u>	<u>(25,404)</u>	<u>720,196</u>
Expenses and losses			
Program services expense	<u>653,279</u>	<u>-</u>	<u>653,279</u>
Supporting services expense			
Management and general	232,615	-	232,615
Fundraising and development	81,542	-	81,542
Total supporting services expenses	<u>314,157</u>	<u>-</u>	<u>314,157</u>
Total expenses and losses	<u>967,436</u>	<u>-</u>	<u>967,436</u>
Change in net assets	(221,836)	(25,404)	(247,240)
Net assets, beginning of year	<u>1,799,753</u>	<u>39,852</u>	<u>1,839,605</u>
Net assets, end of year	<u><u>\$ 1,577,917</u></u>	<u><u>\$ 14,448</u></u>	<u><u>\$ 1,592,365</u></u>

God's Littlest Angels, Inc. and Affiliate

Statement of Activities

December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains			
Contributions	\$ 807,533	\$ 80,172	\$ 887,705
Gift in-kind contributions	63,327	-	63,327
Adoption income	3,721		
Other income	19,013	-	19,013
Net assets released from restriction	288,892	(288,892)	-
Total revenue, support and gains	<u>1,182,486</u>	<u>(208,720)</u>	<u>970,045</u>
Expenses and losses			
Program services expense	<u>666,847</u>	<u>-</u>	<u>666,847</u>
Supporting services expense			
Management and general	272,639	-	272,639
Fundraising and development	86,907	-	86,907
Total supporting services expenses	<u>359,546</u>	<u>-</u>	<u>359,546</u>
Total expenses and losses	<u>1,026,393</u>	<u>-</u>	<u>1,026,393</u>
Change in net assets	156,093	(208,720)	(52,627)
Net assets, beginning of year	1,643,660	248,572	1,892,232
Net assets, end of year	<u>\$ 1,799,753</u>	<u>\$ 39,852</u>	<u>\$ 1,839,605</u>

God's Littlest Angels, Inc. and Affiliate
Statement of Functional Expenses
December 31, 2023

	Program	Management and General	Fundraising	Total
Payroll and related expenses	\$ 206,515	\$ 139,023	\$ 54,639	\$ 400,177
Depreciation	147,138	16,349	-	163,487
Medical, food & supplies	150,648	4,539	-	155,187
Occupancy	114,070	11,298	-	125,368
Professional fees	5,177	49,360	16,714	71,251
Office expense	12,317	8,721	8,489	29,527
Travel	17,229	2,863	1,423	21,515
Insurance	185	462	277	924
Total expenses by function	<u>\$ 653,279</u>	<u>\$ 232,615</u>	<u>\$ 81,542</u>	<u>\$ 967,436</u>

God's Littlest Angels, Inc. and Affiliate
Statement of Functional Expenses
December 31, 2022

	Program	Management and General	Fundraising	Total
Payroll and related expenses	\$ 255,802	\$ 140,529	\$ 42,318	\$ 438,649
Medical, food & supplies	187,121	4,828	-	191,949
Depreciation	119,983	13,331	-	133,314
Occupancy	86,285	20,925	-	107,210
Professional fees	-	76,199	6,954	83,153
Office expense	10,809	12,359	37,635	60,803
Travel	6,847	3,197	-	10,044
Insurance	-	1,271	-	1,271
Total expenses by function	<u>\$ 666,847</u>	<u>\$ 272,639</u>	<u>\$ 86,907</u>	<u>\$ 1,026,393</u>

God's Littlest Angels, Inc. and Affiliate

Statements of Cash Flows Years Ended December 31,

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ (247,240)	\$ (52,627)
Adjustments to reconcile change in net assets to net cash from(used for) operating activities		
Depreciation	163,487	133,314
Net realized and unrealized gain on investments	-	(5,934)
Realized gain on sale of property and equipment	(900)	(2,881)
Forgiveness of credit card debt	-	(6,658)
Changes in operating assets and liabilities		
Inventory	4,016	14,242
Accounts payable and accrued expenses	(81,855)	(11,354)
Contingent litigation liability	-	60,000
Net cash from(used for) operating activities	<u>(162,492)</u>	<u>128,102</u>
Cash flows from investing activities		
Purchases of property and equipment	(5,600)	(68,889)
Proceeds from sale of property and equipment	13,500	6,481
Proceeds from sale of investments	-	16,378
Net cash from(used for) investing activities	<u>7,900</u>	<u>(46,030)</u>
Net change in cash and cash equivalents	(154,592)	82,072
Cash and cash equivalents, beginning of year	<u>317,427</u>	<u>235,355</u>
Cash and cash equivalents, end of year	<u>\$ 162,835</u>	<u>\$ 317,427</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Credit card debt forgiveness	\$ -	\$ 6,658

God's Littlest Angels, Inc. and Affiliate

Notes to the Financial Statements

Year Ended December 31, 2023

Note 1 - Principal activity and significant accounting policies

Organization

God's Littlest Angels, Inc. (GLA-US) and God's Littlest Angels Haiti (GLA-H), an Affiliate, collectively referred to as GLA, is dedicated to helping the children and families of Haiti by focusing on three primary areas of ministry: Child & Family Assistance/Adoption, Neonatal Intensive Care, and Community Outreach. GLA assists in seeking outside help for children needing surgical or medical treatment not available in Haiti. GLA also assists in placing abandoned children with adoptive families. GLA's purpose is to help the children of Haiti in any way and to spread the word of God to each person GLA serves.

God's Littlest Angels Haiti (GLA-H) is a legally recognized charity in Haiti. As GLA-H is an organization fully controlled by GLA-US, these consolidated financial statements also include the material assets, liabilities, net assets, revenue and expenses of GLA-H. Throughout the consolidated financial statements, these two entities are collectively referred to as GLA. All intercompany balances and transactions have been eliminated.

GLA is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law(s). However, GLA is subject to federal income tax on any unrelated business taxable income. In addition, GLA is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

Basis of Presentation

Our financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and cash equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts receivables and allowance for uncollectible receivables

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts. We perform ongoing evaluations and write off uncollectible amounts as they become known against the allowance. Interest is not accrued or recorded on outstanding receivables. At December 31, 2023, the Organization had no balance in accounts receivable and no allowance for doubtful accounts.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation. Donations of property and equipment are recorded as support at their estimated fair value at the time of donation. We capitalize acquisitions and donations of property and equipment that cost \$2,000 or more and have a useful life greater than two years. There are instances where certain expenditures for property and equipment are reflected in the financial statements as expenses because the cost of these items are reimbursed by a

God's Littlest Angels, Inc. and Affiliate

Notes to the Financial Statements

Year Ended December 31, 2023

certain funding source and the contractual agreement specifies that title to the assets remains with the funding source rather than the Organization.

We review our long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. We measure impairment by comparing the assets estimated fair value to its carrying amount. The estimated fair value of these assets is based on estimated future cash flows to be generated by the assets, which is not discounted. There was no impairment of assets at December 31, 2023.

Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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. We do not have any net assets with donor restrictions.

Revenue and revenue recognition

We recognize contributions and other income when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Other income consists of donations received to support evacuation efforts in Haiti. This revenue was recognized when the funds were used to relocate members of the organization.

Donated services and in-kind contributions

Contributed nonfinancial assets include donated equipment, professional services, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. We do not sell donated gifts-in-kind. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2023.

Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

God's Littlest Angels, Inc. and Affiliate

Notes to the Financial Statements

Year Ended December 31, 2023

Income taxes

God's Littlest Angels, Inc. is exempt from federal income taxes under IRC Section 501(c)(3). We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income that is derived from business activities that is unrelated to our exempt purpose. We do not have any unrelated business income and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. We believe we have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial instruments and credit risk

We manage deposit concentration risk by placing cash with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited and diversified due to the number of entities composing our total receivable balance. We perform ongoing evaluations and write off uncollectible amounts as they become known.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Leases

Leases are classified as finance leases or operating leases, in accordance with the terms of the underlying lease agreements and ASC 842, "Leases." For both lease types, a right-of-use asset and a lease liability must be established at lease commencement and then reduced over the remaining lease term. Pursuant to our capitalization policy, all outstanding leases do not meet this criteria for capitalization.

Subsequent events

We have evaluated subsequent events through February 27, 2025, the date the financial statements were available to be issued.

God's Littlest Angels, Inc. and Affiliate

Notes to the Financial Statements

Year Ended December 31, 2023

Note 2 - Liquidity and availability

We regularly monitor the availability of resources required to meet our operating needs and other contractual commitments. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, consists of the following:

	2023	2022
Cash and cash equivalents	\$ 162,835	\$ 317,427
Restricted net assets	(14,448)	(39,852)
	<u>\$ 148,387</u>	<u>\$ 277,575</u>

Note 3 - Property and equipment

Property and equipment consists of the following at December 31:

	2023	2022
Land	\$ 275,767	\$ 275,767
Buildings and improvements	1,969,078	1,969,078
Vehicles and equipment	463,431	474,631
Accumulated depreciation	(1,159,636)	(1,000,348)
	<u>\$ 1,548,640</u>	<u>\$ 1,719,128</u>

Depreciation expense for the year ended December 31, 2023 amounted to \$163,487.

Note 4 - Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose		
Supported schools	\$ 11,909	\$ 32,903
Building projects	-	6,109
Staff support	2,539	840
	<u>\$ 14,448</u>	<u>\$ 39,852</u>

God's Littlest Angels, Inc. and Affiliate

Notes to the Financial Statements

Year Ended December 31, 2023

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended December 31, 2023:

	2023
Satisfaction of purpose restrictions	
Supported schools	\$ 27,312
Building projects	10,676
Staff support	600
	<u>\$ 38,588</u>

Note 5 - Related party transactions

Two board members on the board of GLA-US are also on the board of God's Littlest Angels Canada, an affiliated but non-consolidated entity. GLA Canada provided contributions of \$153,430 to GLA-US during the year ended December 31, 2023. This is a concentration risk due to GLA Canada contributing 21% of the total contributions for the year ended December 31, 2023.

During the year ended December 31, 2023, GLA-US received contributions from board members totaling approximately \$16,500.

Note 6 - Commitments and contingencies

There is a contingent litigation liability resulting from a legal settlement. During the year ended December 31, 2022, GLA agreed with the plaintiff to settle the pending lawsuit for \$60,000, which is included in the consolidated financial statements of financial position. This amount is expected to be paid by June 1, 2025 by GLA.

Note 7 - Functionalized expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll and related expenses, depreciation, medical supplies, rent and occupancy, professional fees, office expenses, travel and insurance, which are allocated on the basis of estimates of time and effort.

Note 8 - In-kind contributions

During the year ended December 31, 2022, GLA received contributed medical services for a medical procedure benefitting a resident of its programs. Contributed medical services are recognized at fair value based on current rates at the hospital in which the procedures were performed. All gifts-in-kind received during the year ended December 31, 2022 were unrestricted. There were no gifts-in-kind received during the year ended December 31, 2023.

God's Littlest Angels, Inc. and Affiliate

Notes to the Financial Statements

Year Ended December 31, 2023

Note 9 - Foreign currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional and presentation currency of the Organization is the United States dollar.

Note 10 - Risks and uncertainties

In February of 2023, GLA-H was forced to evacuate its facility in Fort Jacques, Haiti, due to ongoing political instability and civil unrest. The children and staff were relocated to a secure location and all activities in Fort Jacques were temporarily suspended. It is not possible to reliably estimate the severity of these consequences, as well as their impact on the financial position and results for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve. As of February 27, 2025, the political instability and civil unrest has not improved sufficiently for operations of the organization to return to Fort Jacques.

Note 11 - Subsequent events

Subsequent events have been evaluated through February 27, 2025, the date the consolidated financial statements were available to be issued.