

**FRANK NIGRO COLUMBIAN FOUNDATION
SUPPORTING PEOPLE
WITH INTELLECTUAL DISABILITIES, INC.**
AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 2018

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Frank Nigro Columbian Foundation Supporting People With Intellectual Disabilities, Inc.

I have audited the accompanying financial statements of Frank Nigro Columbian Foundation Supporting People With Intellectual Disabilities, Inc. (a nonprofit organization) which comprise the statement of financial position as of September 30, 2018, 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

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 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, I 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.

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



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To the Board of Directors of
Frank Nigro Columbian Foundation Supporting People With Intellectual Disabilities, Inc.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Frank Nigro Columbian Foundation Supporting People With Intellectual Disabilities, Inc. as of September 30, 2018, 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 that reads 'Troy Yoshida'.

Troy Yoshida CPA, Inc.
Cypress, CA
February 1, 2019

**FRANK NIGRO COLUMBIAN FOUNDATION SUPPORTING PEOPLE
WITH INTELLECTUAL DISABILITIES, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2018**

	<u>Unrestricted Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 197,312
Investments	1,069,950
TOTAL CURRENT ASSETS	<u>1,267,262</u>
PROPERTY & EQUIPMENT	
Computer Equipment and Software	3,000
Less: Accumulated Depreciation	<u>(3,000)</u>
NET PROPERTY & EQUIPMENT	-
TOTAL ASSETS	<u><u>\$ 1,267,262</u></u>
LIABILITIES & NET ASSETS	
LIABILITIES	
	\$ -
NET ASSETS	
Unrestricted	457,348
Unrestricted - Board Designated	809,914
TOTAL NET ASSETS	<u>1,267,262</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 1,267,262</u></u>

**FRANK NIGRO COLUMBIAN FOUNDATION SUPPORTING PEOPLE
WITH INTELLECTUAL DISABILITIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Unrestricted Operating Fund</u>
REVENUES, GAINS AND OTHER SUPPORT	
Contribution from Councils	\$ 652,590
Administrative Fees	53,143
Investment Income	50,409
Realized Gains/(Losses)	(37,630)
Unrealized Gains/(Losses)	51,800
TOTAL REVENUE	<u>770,312</u>
EXPENSES	
Distributions	\$ 610,040
Accounting Fees	4,225
Awards	3,022
Bank Charges	115
Committee Expense	397
Grants	31,983
Insurance	5,420
Investment Advisory Fees	9,244
Meetings	3,401
Mileage and Per Diem	2,788
Miscellaneous	231
Printing	955
Postage	95
Promotion	4,906
Supplies	354
TOTAL EXPENSES	<u>\$ 677,176</u>
CHANGE IN NET ASSETS	\$ 93,136
NET ASSETS AT BEGINNING OF YEAR	<u>\$ 1,174,126</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,267,262</u></u>

**FRANK NIGRO COLUMBIAN FOUNDATION SUPPORTING PEOPLE
WITH INTELLECTUAL DISABILITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Unrestricted Operating Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 93,136
Adjustments to Reconcile Change in Net Assets To Net Cash Provided by Operating Activities:	
Depreciation	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	93,136
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in Investments	<u>(22,743)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(22,743)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>70,393</u>
BEGINNING CASH AND CASH EQUIVALENTS	<u>126,919</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 197,312</u></u>

**FRANK NIGRO COLUMBIAN FOUNDATION SUPPORTING PEOPLE
WITH INTELLECTUAL DISABILITIES, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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

Nature of Activities

Frank Nigro Columbian Foundation Supporting People with Intellectual Disabilities, Inc. (the Foundation) is a nonprofit public benefit corporation organized exclusively for charitable or educational purposes benefiting people with mental retardation, with special consideration for children. The Foundation is supported primarily through an annual charitable solicitation from the public. The Knights of Columbus' councils are the agents for the annual fundraising drive.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Assets

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

Unrestricted Net Assets: Net assets that are not subject to any donor-imposed stipulations over which the Board of Directors has discretionary control and are used to carry on the operations of the Organization.

Unrestricted Net Assets – Board Designated: Net assets that are not subject to any donor-imposed stipulations, but which the Board of Directors has designated for use in giving grants to Organizations.

**FRANK NIGRO COLUMBIAN FOUNDATION SUPPORTING PEOPLE
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Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations on the use of the assets that may be met either by the Organization's actions and/or the passage of time.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that the principal be maintained permanently, but permit the use of the investment earnings for either general or specific purposes. There were no permanently restricted net assets.

Cash and Cash Equivalents

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

Investments

The Organization carries its investments at fair value. Purchases and sales of securities are recorded on a trade date basis. Interest and dividend income is recorded on the accrual basis. Investment income and gains and losses are reported as unrestricted income unless their use is restricted by explicit donor-imposed stipulations.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

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SEPTEMBER 30, 2018**

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and California Revenue and Taxation Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. The Foundation's federal and state tax returns are subject to possible examination until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state tax returns have three year and four year statutes of limitations, respectively. The Foundation takes no tax positions that it considers to be uncertain.

Distributions Payable

Distributions payable represent all unconditional grants that have been authorized prior to the fiscal year end, but remain unpaid as of the statement of financial position date. Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied. There were no distributions payable.

Subsequent Events

Management has evaluated subsequent events through February 1, 2019 the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**FRANK NIGRO COLUMBIAN FOUNDATION SUPPORTING PEOPLE
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE B – CASH

The total cash held by the Foundation at September 30, 2018 totaled \$197,312 maintained in several accounts. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account.

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2018 consisted of the following:

Computer Equipment	\$ 3,000
Less: Accumulated Depreciation	<u>(3,000)</u>
Total	\$ <u><u>0</u></u>

NOTE D – INVESTMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Fair Value Measurements*, establishes 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).

**FRANK NIGRO COLUMBIAN FOUNDATION SUPPORTING PEOPLE
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE D – INVESTMENTS (Continued)

The three levels of fair value hierarchy under FASB ASC, *Fair Value Measurements* are described as follows:

- Level 1 - Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.
- Level 2 - Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.
- Level 3 - Unobservable inputs supported by little or no market data, and require significant judgment or estimation. The Organization does not hold any level 3 financial instruments.

Fair value methods and assumptions on investments consisting of common stock, preferred stock, mutual funds and bond funds are based on the Level 1 market approach. The following table present the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at September 30, 2018:

	Fair Value Measurements at September 30, 2018			
	Total	Level 1	Level 2	Level 3
Common stock	\$ 685,772	\$ 685,772	\$ -	\$ -
Preferred Stock	21,888	21,888	-	-
Mutual Funds	347,234	347,234	-	-
Investments carried at fair value	\$ 1,054,894	\$ 1,054,894	\$ -	\$ -
Money Market Funds *	15,056			
Total Investments	\$ 1,069,950			

* Money market funds included in the investment portfolio are not subject to the provisions of fair value measurements as they are recorded at cost.

The following schedule summarizes the investment return on cash equivalents and investments for the year ended September 30, 2018:

Interest and Dividends	\$ 50,409
Realized Gains/(Losses)	(37,630)
Unrealized Gains/(Losses)	51,800
 Total Investment Return	 \$ 64,579

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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE E – RESTRICTIONS ON NET ASSETS

Unrestricted – Board Designated net assets are available for use in the Board Designated Corpus Grant Program. The Program will make grants to qualifying charitable organizations which will be approved by the Board.