

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**THE CHRISTINA NOBLE FOUNDATION OF AMERICA  
NEW YORK, NEW YORK**

**DECEMBER 31, 2017**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**THE CHRISTINA NOBLE FOUNDATION OF AMERICA  
NEW YORK, NEW YORK**

**DECEMBER 31, 2017**

**TABLE OF CONTENTS**

<b>Independent Auditors' Report</b> .....	1-2
<b>Financial Statements</b>	
Statement of Financial Position.....	3
Statement of Activities and Changes in Net Assets .....	4
Statement of Cash Flows.....	5
<b>Notes to Financial Statements</b> .....	6-9
<b>Supplementary Information</b>	
Statement of Functional Expenses .....	10

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Christina Noble Foundation of America  
c/o O'Dwyer & Bernstein, LLP  
New York, New York

We have audited the accompanying financial statements of The Christina Noble Foundation of America (the Foundation) a nonprofit organization, which comprise the statement of financial position as of December 31, 2017, and the related statement of activities and changes in net assets, 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.

### **Auditors' 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 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, 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 the Foundation as of December 31, 2017, 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.

### **Certified Public Accountants**

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

To the Board of Directors  
The Christina Noble Foundation of America  
c/o O'Dwyer & Bernstein, LLP  
New York, New York

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses on page 10 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and has been derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Purvis, Gray and Company, LLP*

May 29, 2018  
Tallahassee, Florida

## **FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2017  
THE CHRISTINA NOBLE FOUNDATION OF AMERICA  
NEW YORK, NEW YORK**

	<b>2017</b>
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 52,756
Inventory - Donated Artwork AFS	2,480
<b>Total Assets</b>	<b>55,236</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current Liabilities</b>	
Salaries Payable	2,866
Program Services Payable	19,743
Supporting Services Payable	4,583
<b>Total Liabilities</b>	<b>27,192</b>
<b>Net Assets</b>	
Unrestricted Net Assets	18,333
Temporary Restricted Net Assets	9,711
<b>Total Net Assets</b>	<b>28,044</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 55,236</b>

See accompanying notes

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
THE CHRISTINA NOBLE FOUNDATION OF AMERICA  
NEW YORK, NEW YORK**

	<b>2017</b>
<b>Support and Revenue - Unrestricted</b>	
Contributions - Vietnam	\$ 247,700
Contributions - Mongolia	15,607
Contributions - General	88,007
Contributions - In-kind Goods and Services	7,235
Sponsorships	4,474
<b>Total Support and Revenue - Unrestricted</b>	363,023
<b>Expenses</b>	
Programs Services	294,132
Fundraising	576
Supporting Services	51,781
<b>Total Expenses</b>	346,489
<b>Change in Net Assets Unrestricted</b>	16,534
<b>Support and Revenue - Temporarily Restricted</b>	
Sponsorships	9,711
<b>Total Support and Revenue - Temporarily Restricted</b>	9,711
<b>Change in Net Assets Temporarily Restricted</b>	9,711
<b>Net Assets, Beginning of Year</b>	1,799
<b>Net Assets, End of Year</b>	\$ 28,044

See accompanying notes.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017**  
**THE CHRISTINA NOBLE FOUNDATION OF AMERICA**  
**NEW YORK, NEW YORK**

	<b>2017</b>
<b>Cash Flows from Operating Activities</b>	
Changes in Net Assets	\$ 26,245
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by (Used in) Operating Activities:	
(Increase)/Decrease in Inventory	-
Increase/(Decrease) in Program Services Payable	(3,103)
Increase/(Decrease) in Accounts Payable and	
Accrued Expenses	3,876
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>27,018</b>
 <b>Net Change in Cash and Cash Equivalents</b>	 <b>27,018</b>
 <b>Cash and Cash Equivalents, Beginning of Year</b>	 <b>25,738</b>
 <b>Cash and Cash Equivalents, End of Year</b>	 <b>\$ 52,756</b>
 <b><u>Supplemental Disclosures:</u></b>	
Income Taxes Paid	\$ -
Interest Paid	\$ -

See accompanying notes.



## **NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**  
**THE CHRISTINA NOBLE FOUNDATION OF AMERICA**  
**NEW YORK, NEW YORK**

**Note 1 - Description of Program and Summary of Significant Accounting Policies**

**Nature of Activities**

The Christina Noble Foundation of America (The Foundation) is a California non-profit charitable organization founded in 1992. The Foundation is dedicated to serving vulnerable children in Vietnam and Mongolia who are in need of medical care, nutritional rehabilitation, educational opportunities, vocational training, and job placement, who would otherwise be at high risk of sexual and commercial exploitation. The Foundation supports the work of programs for children in need, such as the Sunshine Social & Medical Center in Vietnam and Blue Skies Ger Village in Mongolia.

**Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards FASB *Account Standards Codification* (ASC) 958, *Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: 1) unrestricted net assets; 2) temporarily restricted net assets; and 3) permanently restricted net assets. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

1. *Unrestricted Net Assets* – Net assets that are not subject to donor-imposed stipulations.
2. *Temporarily Restricted Net Assets* – Net assets that are available for use, but expendable only for those purposes specified by the donor.
3. *Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**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.

**Contributions**

The Foundation accounts for contributions in accordance with Statement of Financial Accounting Standards FASB ASC 958, *Accounting for Contributions Received and Contributions Made*. In accordance with FASB ASC 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Contributions are recorded at fair value. All donor-restricted support is reported as an increase in temporarily restricted net assets. When a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to

**NOTES TO FINANCIAL STATEMENTS**  
**THE CHRISTINA NOBLE FOUNDATION OF AMERICA**  
**NEW YORK, NEW YORK**  
*(Continued)*

**Note 1 - Description of Program and Summary of Significant Accounting Policies *(Concluded)***

**Contributions *(Concluded)***

unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Temporarily restricted contributions that are received and expended within the same fiscal year are reported as unrestricted resources. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the year in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

**Income Taxes**

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and has been classified as an other-than private foundation. Therefore, no provision for income taxes has been recorded.

The FASB issued guidance that requires tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Foundation is exempt from income tax under IRC Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded by the IRC. There are no tax positions for which a material change in any unrecognized tax benefit liability is reasonably possible in the next twelve months. There is no interest or penalties recognized in the income statement or balance sheet. The tax years ended 2014, 2015, and 2016, are still open to audit for federal purposes.

**In-kind Contributions**

Donated facilities, goods, and services are recorded at estimated fair market value at the date of donation. Donated services are recognized in the financial statements at estimated fair market value if services require specialized skills and would typically need to be purchased if not donated. Donated goods available for sale (primarily items held for sale at fundraising auctions) are recorded as inventory at fair market value until sold.

**Functional Allocation of Expenses**

The costs of providing the Foundation's various programs and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among fundraising efforts and the programs and supporting services benefited.

**NOTES TO FINANCIAL STATEMENTS**  
**THE CHRISTINA NOBLE FOUNDATION OF AMERICA**  
**NEW YORK, NEW YORK**  
*(Continued)*

**Note 2 - Concentration of Credit Risk**

The Foundation maintains its cash accounts in a commercial bank. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for each bank, and each separate bank account used by the depository bank. The Foundation was fully covered by the FDIC insurance for all monies deposited during the fiscal year ended December 31, 2017.

**Note 3 - Donated Services and Assets**

The Foundation reflected no amounts in the financial statements for donated volunteer services – no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of time to the Foundation’s program services.

Donated items held for auction are held in available-for-sale inventory at fair market value until sold.

For the year ended December 31, 2017, the Foundation received \$7,235 in in-kind services related to graphic design and editing services for the Foundation’s annual report.

At December 31, 2017, the Foundation held available-for-sale artwork inventory valued at \$2,480. The artwork was donated by photographer Barbara Moore in the prior year, and is being held for sale during future charity auctions.

**Note 4 - Temporarily Restricted Net Assets**

The Foundation occasionally receives contributions specifically earmarked for sponsorships or special projects. Funds not expended for their designated purpose during the fiscal year in which they were received are reported as temporarily restricted at fiscal year-end.

At December 31, 2017, the Foundation reported \$9,711 in temporarily restricted net assets, which represent sponsorships payable to overseas operations.

**Note 5 - Concentration of Revenues**

The Foundation receives a significant portion of its funding from private grants. Grants from the Karakin Foundation comprised approximately 56.5% of total revenues for the fiscal year ended December 31, 2017. A reduction in the current funding would affect the Foundation’s ability to carry out its programs, activities, and objectives.

**Note 6 - Future Accounting Pronouncements**

The FASB recently issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. This ASU significantly amends the standards for the presentation and accompanying disclosures for nonprofit organizations. Some of the changes include the following:

- Requires a functional and natural classification of expenses.

**NOTES TO FINANCIAL STATEMENTS**  
**THE CHRISTINA NOBLE FOUNDATION OF AMERICA**  
**NEW YORK, NEW YORK**  
*(Concluded)*

**Note 6 - Future Accounting Pronouncements (Concluded)**

- Requires the presentation of two classes of net assets instead of three.
- Requires additional disclosure of how a nonprofit organization manages liquidity and communicates the availability of financial assets to meet cash needs for general expenditures.
- Requires additional disclosures of the amounts and purpose of Board designations.
- Requires additional disclosures of the methods used to allocate costs among programs and support functions.

This standard will become effective for nonprofit entities with fiscal years beginning after December 15, 2017.

**Note 7 - Evaluation of Subsequent Events**

The Foundation has evaluated subsequent events through May 29, 2018, the date which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017  
THE CHRISTINA NOBLE FOUNDATION OF AMERICA  
NEW YORK, NEW YORK**

	<u>Program Services</u>	<u>Fundraising</u>	<u>Supporting Services</u>	<u>Total</u>
<b>Expenses</b>				
Donations and Grants	\$ 286,897	\$ -	\$ -	\$ 286,897
General and Administrative:				
Marketing and Advertising Expense	-	-	216	216
Accounting and Audit Expense	-	-	4,800	4,800
Other Professional Services Expense	-	-	3,985	3,985
Payroll Tax Expense	-	-	1,530	1,530
Miscellaneous Expense	-	-	1,230	1,230
Payroll and Benefits	-	-	40,020	40,020
In-kind Expenses	7,235	-	-	7,235
Fundraising Expenses	-	576	-	576
<b>Total Expenses</b>	<u>\$ 294,132</u>	<u>\$ 576</u>	<u>\$ 51,781</u>	<u>\$ 346,489</u>

See accompanying notes.