

**CONTACT WE CARE, INC.**

**Financial Statements  
December 31, 2014 and 2013**

The report accompanying these financial statements was issued by Spire Group, PC, a New Jersey Professional Corporation.

**CONTACT WE CARE, INC.**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Contact We Care, Inc  
Westfield, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying statement of Contact We Care, Inc., Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statement of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Prior Period Financial Statements**

The financial statements for Contact We Care, Inc., were audited by other auditors whose report dated April 24, 2014, expressed an unmodified opinion on those 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 audits 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 auditors' 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 Contact We Care, Inc. as of December 31, 2014, and the changes in its net assets, functional expenses and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Spire Group, PC*

Clark, New Jersey  
April 27, 2015

CONTACT WE CARE, INC.

Statements of Financial Position  
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 63,790	\$ 36,507
Investments	22,470	25,657
Prepaid expenses	6,216	3,107
Account receivable	750	-
Rent deposit	1,000	1,000
<b>Total Current Assets</b>	<u>94,226</u>	<u>66,271</u>
Property and equipment - net	<u>5,990</u>	<u>7,314</u>
<b>Total Assets</b>	<u>\$ 100,216</u>	<u>\$ 73,585</u>
<b>Liabilities</b>		
Accounts payable	<u>\$ 4,286</u>	<u>\$ 2,472</u>
<b>Total Liabilities</b>	<u>4,286</u>	<u>2,472</u>
<b>Net Assets</b>		
Unrestricted	43,430	48,613
Temporarily restricted	5,000	-
Permanently restricted	<u>47,500</u>	<u>22,500</u>
<b>Total Net Assets</b>	<u>95,930</u>	<u>71,113</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 100,216</u>	<u>\$ 73,585</u>

See accompanying notes.

CONTACT WE CARE, INC.

Statements of Activities and Changes in Net Assets  
For the Years Ended December 31, 2014 and 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues</b>								
Fundraising	\$ 67,467	\$ -	\$ -	\$ 67,467	\$ 85,206	\$ -	\$ -	\$ 85,206
Contributions	193,116	5,000	25,000	223,116	209,823	-	12,500	222,323
Fees	11,890	-	-	11,890	7,047	-	-	7,047
In-kind donations	15,140	-	-	15,140	-	-	-	-
Interest and dividends	1,067	-	-	1,067	791	-	-	791
Investment income	950	-	-	950	1,673	-	-	1,673
<b>Total Revenues</b>	<b>289,630</b>	<b>5,000</b>	<b>25,000</b>	<b>319,630</b>	<b>304,540</b>	<b>-</b>	<b>12,500</b>	<b>317,040</b>
<b>Expenses</b>								
Program and supporting services	225,140	-	-	225,140	232,533	-	-	232,533
Management and general	37,933	-	-	37,933	24,140	-	-	24,140
Fundraising	31,740	-	-	31,740	35,354	-	-	35,354
<b>Total Expenses</b>	<b>294,813</b>	<b>-</b>	<b>-</b>	<b>294,813</b>	<b>292,027</b>	<b>-</b>	<b>-</b>	<b>292,027</b>
<b>Change in Net Assets</b>	<b>(5,183)</b>	<b>5,000</b>	<b>25,000</b>	<b>24,817</b>	<b>12,513</b>	<b>-</b>	<b>12,500</b>	<b>25,013</b>
<b>Net Assets – Beginning of Years</b>	<b>48,613</b>	<b>-</b>	<b>22,500</b>	<b>71,113</b>	<b>36,100</b>	<b>-</b>	<b>10,000</b>	<b>46,100</b>
<b>Net Assets – End of Years</b>	<b>\$ 43,430</b>	<b>\$ 5,000</b>	<b>\$ 47,500</b>	<b>\$ 95,930</b>	<b>\$ 48,613</b>	<b>\$ -</b>	<b>\$ 22,500</b>	<b>\$ 71,113</b>

See accompanying notes.

**CONTACT WE CARE, INC.**

**Statements of Functional Expenses  
For the Years Ended December 31, 2014 and 2013**

	2014				2013			
	<u>Program and Supporting Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program and Supporting Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and payroll taxes	123,860	6,882	6,882	137,624	127,718	7,096	7,096	141,909
Contract labor	16,958	1,060	3,180	21,198	20,582	1,286	3,859	25,728
Rent	12,638	1,487	743	14,868	12,638	1,487	743	14,868
Telecommunications	4,398	259	517	5,174	11,322	666	1,332	13,319
Insurance	6,336	743	373	7,452	7,329	860	431	8,621
Office supplies	1,750	205	102	2,057	3,569	419	209	4,197
Miscellaneous	838	148	-	986	6,178	1,091	-	7,269
Postage	1,700	60	241	2,001	1,939	69	275	2,282
Printing and publications	974	66	261	1,301	668	45	179	892
Dues and membership	1,823	457	-	2,280	3,317	831	-	4,148
Advertising	3,790	-	-	3,790	4,250	-	-	4,250
Equipment rental and repairs	1,965	109	109	2,183	2,490	138	138	2,766
Program expense	39,449	-	-	39,449	25,237	-	-	25,237
Special events	-	-	18,610	18,610	-	-	20,784	20,784
Travel and conferences	1,807	-	-	1,807	2,122	-	-	2,122
Depreciation	1,125	133	66	1,324	990	117	58	1,165
Professional fees	5,729	26,324	656	32,709	2,184	10,035	250	12,470
<b>Total Functional Expenses</b>	<b>\$ 225,140</b>	<b>\$ 37,933</b>	<b>\$ 31,740</b>	<b>\$ 294,813</b>	<b>\$ 232,533</b>	<b>\$ 24,140</b>	<b>\$ 35,354</b>	<b>\$ 292,027</b>

See accompanying notes.

**CONTACT WE CARE, INC.****Statements of Cash Flows  
For the Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 24,817	\$ 25,013
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,324	1,165
Unrealized (gain) on investments	(571)	(1,334)
Realized (gain) on investments	(361)	(485)
(Increase) decrease in operating assets		
Prepaid expenses	(3,109)	2,508
Accounts receivable	(750)	-
Increase (decrease) in operating liabilities		
Accounts payable and accrued expense	1,814	(472)
<b>Net Cash Provided by Operating Activities</b>	<u>23,164</u>	<u>26,395</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	-	(3,725)
Purchase of investments	-	(42,941)
Proceeds from sale of investments	4,119	19,103
<b>Net Cash Provided (Used) in Investing Activities</b>	<u>4,119</u>	<u>(27,563)</u>
<b>Cash Flows from Financing Activities</b>		
Borrowing from line of credit	9,553	-
Payments to line of credit	(9,553)	-
<b>Net Cash (Used) in Financing Activities</b>	<u>-</u>	<u>-</u>
<b>Change in Cash and Cash Equivalents</b>	<u>27,283</u>	<u>(1,168)</u>
<b>Cash and Cash Equivalents - Beginning of Years</b>	<u>36,507</u>	<u>37,675</u>
<b>Cash and Cash Equivalents - End of Years</b>	<u>\$ 63,790</u>	<u>\$ 36,507</u>

See accompanying notes.



## **CONTACT WE CARE, INC.**

### **Notes to Financial Statements December 31, 2014 and 2013**

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#### **Note 1 - Organization and Nature of Activities**

CONTACT We Care, Inc. ("The Organization") is devoted to promoting emotional wellbeing and preventing emotional crises by providing opportunities for people to express themselves to compassionate listeners in safe environments. The Organization responds to the need for human interaction and creates opportunities for people to help each other. The Organization offers training to people and organizations in the listening skills needed to support those in crisis.

The organization has an office in Westfield, NJ for program and administrative services. The Organization also operates hotline call-in locations in Morristown and at Rutgers University and Caldwell University.

Over 200 volunteer listeners staff the Organization's hotlines. In 2014, volunteer listeners gave 6,683 hours of service.

#### **Note 2 - Summary of Significant Accounting Policies**

##### **Basis of Presentation**

Financial statement presentation follows the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Organization is required to report 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.

##### **Classification of Net Assets**

Unrestricted net assets represent the Organization's net assets that are available for its general operations.

Temporary restricted net assets have donor imposed restrictions that permit the Organization to use up or expend the donated assets as specified and the restriction is satisfied either by the passage of time or by actions of the Organization.

Permanently restricted net assets have donor imposed restrictions that neither expire by passage of time nor can be fulfilled by actions of the Organization.

##### **Use of Estimates**

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

##### **Cash Equivalents**

For financial reporting purposes, the Organization considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents.

##### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their quoted market values, with realized and unrealized gains and losses included in the accompanying statement of activities.

## CONTACT WE CARE, INC.

### Notes to Financial Statements December 31, 2014 and 2013

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#### Note 2 - Summary of Significant Accounting Policies (Continued)

##### Property and Equipment

The Organization capitalizes all property and equipment acquisitions in excess of \$1,000. Purchased property and equipment is capitalized at cost and depreciated over its estimated useful lives using straight line depreciation. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

##### Income Taxes

The Organization is a nonprofit organization exempt from income taxes under section 501(c)(3) of the Internal Revenue Code; accordingly, no federal or state income taxes have been provided in the accompany financial statements.

The Organization accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2014. The Organization's exempt from federal income tax return are no longer subject to examination by federal taxing authorities for years before 2011.

##### Subsequent Events

The Organization has evaluated subsequent events through April 27, 2015, the date these financial statements were available to be issued. The Organization entered into a Credit Line with Northfield Bank on February 5, 2015 for \$25,000.

#### Note 3 – Property and Equipment

Property and equipment consists of the following:

	2014	2013
Equipment	\$ 9,271	\$ 9,271
Less: accumulated depreciation	(3,281)	(1,957)
Property and equipment - net	<u>\$ 5,990</u>	<u>\$ 7,314</u>

Depreciation expense for the years ended December 31, 2014 and 2013 totaled \$1,324 and \$1,165, respectively.

## **CONTACT WE CARE, INC.**

### **Notes to Financial Statements December 31, 2014 and 2013**

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#### **Note 4 – Investments**

For financial assets and liabilities measured at fair value on a recurring basis, fair value is the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while observable inputs reflect our market assumptions. Preference is given to observable inputs. These three types of inputs create the following fair value hierarchy:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement dates.

Level 2 – unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 – unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information. The following tables present the assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value.

**CONTACT WE CARE, INC.**

**Notes to Financial Statements  
December 31, 2014 and 2013**

**Note 4 – Investments (Continued)**

	<b>Fair Value Measurements at Reporting Date Using</b>			
	<b>December 31,</b>			
	<b>2014</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
<b>Assets</b>				
Pooled Funds-Westfield Foundation				
Balanced funds	\$ 8,837	\$ 8,837	\$ -	\$ -
US growth equity	3,568	3,568	-	-
Alternative funds	3,182	3,182	-	-
Short term bond index	2,020	2,020	-	-
Small and mid cap equity	1,705	1,705	-	-
International equity	1,252	1,252	-	-
US value equity	955	955	-	-
US core dividend equity	951	951	-	-
<b>Total</b>	<b>\$ 22,470</b>	<b>\$ 22,470</b>	<b>\$ -</b>	<b>\$ -</b>

	<b>Fair Value Measurements at Reporting Date Using</b>			
	<b>December 31,</b>			
	<b>2013</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
<b>Assets</b>				
Pooled Funds-Westfield Foundation				
Balanced funds	\$ 10,006	\$ 10,006	\$ -	\$ -
US growth equity	4,362	4,362	-	-
Alternative funds	3,592	3,592	-	-
Small and mid cap equity	2,053	2,053	-	-
Short term bond index	2,053	2,053	-	-
International equity	1,539	1,539	-	-
US value equity	1,026	1,026	-	-
US core dividend equity	1,026	1,026	-	-
<b>Total</b>	<b>\$ 25,657</b>	<b>\$ 25,657</b>	<b>\$ -</b>	<b>\$ -</b>

**CONTACT WE CARE, INC.**

**Notes to Financial Statements  
December 31, 2014 and 2013**

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**Note 5 – Return on Investments**

The return on investments and cash equivalents for the years ended, December 31, is as follows:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 1,085	\$ 645
Unrealized gain	571	1,334
Realized gain	<u>361</u>	<u>485</u>
Total investment return	<u>\$ 2,017</u>	<u>\$ 2,464</u>

**Note 6 – Lease Commitment**

At December 31, 2014, the Organization is on a month-to-month rental agreement. Rent expense for the years ended December 31, 2014 and 2013, was \$14,868 and \$14,868, respectively.

**Note 7 – Related Party Transactions**

During the year ended December 31, 2013, the Organization entered into an agreement with a board member to provide professional bookkeeping services. For the years ended December 31, 2014 and 2013, the fees totaled \$6,147 and \$5,200, respectively.

**Note 8 – Line of Credit**

During the year ended December 31, 2013, the Organization entered into a revolving line of credit with a bank to fund temporary deficits in its working capital. The total amount available under this line of credit is \$25,000. The revolving line of credit matures on February 8, 2016, unless extended in writing by the bank. Interest on the line of credit is payable based on the prime rate (3.25% at December 31, 2014). All amounts are guaranteed by the Executive Director. As of December 31, 2014 and 2013, there is no outstanding balance on the line of credit, respectively. In March 2015, the Organization requested the line to be closed.

**CONTACT WE CARE, INC.**

**Notes to Financial Statements  
December 31, 2014 and 2013**

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**Note 9 – Permanently Restricted Net Assets**

The Organization follows accounting standards that provide clarification on accounting for donor-restricted endowment funds. The guidance prescribes that the portion of donor-restricted endowment funds that are classified as permanently restricted should not be reduced by losses on the investment of the fund or an Organization's appropriations from the fund.

The Board of Directors' interpretation requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this, the Organization classifies permanently restricted net assets at the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the programs
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Endowment Net Asset Composition by Type of Fund as of December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>      47,500</u>	\$ <u>      47,500</u>

**CONTACT WE CARE, INC.**

**Notes to Financial Statements  
December 31, 2014 and 2013**

**Note 9 – Permanently Restricted Net Assets (Continued)**

Changes in Endowment Net Assets for the year ended December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Endowment Net Assets - Beginning of year</b>	\$ -	\$ -	\$ 22,500	\$ 22,500
<b>Investment return:</b>				
<b>Investment income</b>	-	-	-	
<b>Net realized and unrealized     gains on investments</b>	-	-	-	-
<b>Total investment return</b>	-	-	-	-
<b>Contributions</b>	-	-	25,000	25,000
<b>Appropriation for expenditure</b>	-	-	-	-
<b>Endowment Net Assets - End of year</b>	\$ -	\$ -	\$ 47,500	\$ 47,500

Endowment Net Asset Composition by Type of Fund as of December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 22,500	\$ 22,500

**CONTACT WE CARE, INC.**

**Notes to Financial Statements  
December 31, 2014 and 2013**

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**Note 9 – Permanently Restricted Net Assets (Continued)**

Changes in Endowment Net Assets for the year ended December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Endowment Net Assets - Beginning of year</b>	\$ -	\$ -	\$ 10,000	\$ 10,000
<b>Investment return:</b>				
<b>Investment income</b>	-	-	-	
<b>Net realized and unrealized     gains on investments</b>	-	-	-	-
<b>Total investment return</b>	-	-	-	-
<b>Contributions</b>	-	-	12,500	12,500
<b>Appropriation for expenditure</b>	-	-	-	-
<b>Endowment Net Assets - End of year</b>	\$ -	\$ -	\$ 22,500	\$ 22,500