

CONTACT WE CARE, INC.

**D/B/A
CARING CONTACT**

**Financial Statements
December 31, 2017 and 2016**

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

CONTACT WE CARE, INC. D/B/A CARING CONTACT

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Contact We Care, Inc.
D/B/A Caring Contact
Westfield, New Jersey

Report on the Financial Statements

We have audited the accompanying statements of Contact We Care, Inc., Inc. (the "Organization") (a nonprofit organization) D/B/A Caring Contact, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 audits. We conducted our audits 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, 2017 and 2016, and the changes in its net assets, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Spire Group, PC

Clark, New Jersey
April 19, 2018

CONTACT WE CARE, INC. D/B/A CARING CONTACT**Statements of Financial Position
December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 78,162	\$ 42,444
Investments	87,596	76,269
Account receivable	175	10,150
Pledges receivable - net	70,725	92,925
Prepaid expenses	4,131	3,500
Property and equipment - net	10,302	13,467
Rent deposit	1,000	1,000
Total Assets	<u>\$ 252,091</u>	<u>\$ 239,755</u>
Liabilities		
Accounts payable	\$ 6,530	\$ 7,044
Accrued payroll tax	20	-
Line of credit	-	15,000
Total Liabilities	<u>6,550</u>	<u>22,044</u>
Net Assets		
Unrestricted	98,041	45,211
Temporarily restricted	75,000	100,000
Permanently restricted	72,500	72,500
Total Net Assets	<u>245,541</u>	<u>217,711</u>
Total Liabilities and Net Assets	<u>\$ 252,091</u>	<u>\$ 239,755</u>

See accompanying notes.

CONTACT WE CARE, INC. D/B/A CARING CONTACT

**Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2017 and 2016**

	2017			2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues							
Fundraising	\$ 4,027	\$ -	\$ -	\$ 2,960	\$ -	\$ -	\$ 2,960
Contributions	254,716	-	-	261,555	100,000	-	361,555
Fees	20,241	-	-	13,482	-	-	13,482
In-kind donations	600	-	-	322	-	-	322
Investment return	17,785	-	-	6,273	-	-	6,273
Net assets released from restriction	25,000	(25,000)	-	-	-	-	-
Total Revenues	<u>322,369</u>	<u>(25,000)</u>	<u>-</u>	<u>284,592</u>	<u>100,000</u>	<u>-</u>	<u>384,592</u>
Expenses							
Program	224,533	-	-	253,575	-	-	253,575
Supporting services							
Management and general	25,663	-	-	21,951	-	-	21,951
Fundraising	19,343	-	-	23,410	-	-	23,410
Total Expenses	<u>269,539</u>	<u>-</u>	<u>-</u>	<u>298,936</u>	<u>-</u>	<u>-</u>	<u>298,936</u>
Change in Net Assets	52,830	(25,000)	-	(14,344)	100,000	-	85,656
Net Assets – Beginning of Years	45,211	100,000	72,500	59,555	-	72,500	132,055
Net Assets – End of Years	<u>\$ 98,041</u>	<u>\$ 75,000</u>	<u>\$ 72,500</u>	<u>\$ 45,211</u>	<u>\$ 100,000</u>	<u>\$ 72,500</u>	<u>\$ 217,711</u>

See accompanying notes.

CONTACT WE CARE, INC. D/B/A CARING CONTACT

**Statements of Functional Expenses
For the Years Ended December 31, 2017 and 2016**

	2017				2016				
	Supporting Services		Total	Program	Supporting Services		Total	Program	
	Management and General	Fundraising			Management and General	Fundraising			
Payroll and payroll taxes	\$ 154,156	\$ 8,565	\$ 171,286	\$ 159,058	\$ 8,837	\$ 176,732	\$ 154,156	\$ 8,837	\$ 176,732
Contract labor	6,976	436	8,720	12,016	751	15,020	6,976	2,253	15,020
Rent	12,638	1,487	14,868	12,638	1,487	14,868	12,638	743	14,868
Telecommunications	7,696	453	9,054	4,721	278	5,554	7,696	555	5,554
Insurance	5,244	615	6,167	5,217	612	6,136	5,244	307	6,136
Office supplies	3,487	409	4,100	1,802	212	2,119	3,487	105	2,119
Miscellaneous	1,327	234	1,561	1,455	257	1,712	1,327	-	1,712
Postage	684	24	805	881	31	1,037	684	125	1,037
Printing and publications	1,451	98	1,938	3,330	224	4,446	1,451	892	4,446
Dues and membership	854	214	1,068	2,410	604	3,014	854	-	3,014
Advertising	2,703	-	2,703	1,799	-	1,799	2,703	-	1,799
Equipment rental and repairs	584	32	648	914	51	1,015	584	50	1,015
Program expense	20,400	-	20,400	37,924	-	37,924	20,400	-	37,924
Special events	-	-	6,316	-	-	6,316	-	9,179	9,179
Travel and conferences	862	-	862	4,916	-	4,916	862	-	4,916
Depreciation	2,690	318	3,166	2,690	318	3,166	2,690	158	3,166
Professional fees	2,781	12,778	15,877	1,804	8,289	10,299	2,781	206	10,299
Total Functional Expenses	\$ 224,533	\$ 25,663	\$ 269,539	\$ 253,575	\$ 21,951	\$ 298,936	\$ 224,533	\$ 23,410	\$ 298,936

See accompanying notes.

CONTACT WE CARE, INC. D/B/A CARING CONTACT

Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 27,830	\$ 85,656
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	3,166	3,166
Unrealized (gain) loss on investments	(11,981)	24
Realized (gain) on investments	(3,113)	(3,770)
(Increase) decrease in operating assets		
Prepaid expenses	(631)	9,439
Accounts receivable	9,975	(6,431)
Pledges receivable	22,200	(92,925)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expense	(495)	(1,982)
Net Cash (Used) Provided by Operating Activities	<u>46,951</u>	<u>(6,823)</u>
Cash Flows from Investing Activities		
Purchase of investments	(2,232)	(17,107)
Proceeds from sale of investments	5,999	27,419
Net Cash Provided (Used) by Investing Activities	<u>3,767</u>	<u>10,312</u>
Cash Flows from Financing Activities		
Borrowing from line of credit	-	4,942
Payments to line of credit	(15,000)	-
Net Cash (Used) Provided by Financing Activities	<u>(15,000)</u>	<u>4,942</u>
Change in Cash and Cash Equivalents	<u>35,718</u>	<u>8,431</u>
Cash and Cash Equivalents - Beginning of Years	<u>42,444</u>	<u>34,013</u>
Cash and Cash Equivalents - End of Years	<u>\$ 78,162</u>	<u>\$ 42,444</u>
Supplementary Disclosures		
Cash paid during the year for		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

See accompanying notes.

CONTACT WE CARE, INC. D/B/A CARING CONTACT

Notes to Financial Statements December 31, 2017 and 2016

Note 1 - Organization and Nature of Activities

Contact We Care, Inc. D/B/A Caring Contact ("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.

Over 145 volunteer listeners staff the Organization's hotlines. In 2017 and 2016, volunteer listeners gave 5,747 and 3,523 hours of service, respectively.

On January 12, 2016 the Organization filed a registration of alternate name with the State of New Jersey Division of Revenue to be known as Caring Contact.

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.

CONTACT WE CARE, INC. D/B/A CARING CONTACT

Notes to Financial Statements December 31, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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 accompanying 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 2017. The Organization's exempt from federal income tax return are no longer subject to examination by federal taxing authorities for years before 2014.

Reclassifications

Certain prior year items have been reclassified to conform to current year's presentation.

Subsequent Events

The Organization has evaluated subsequent events through April 19, 2018, the date these financial statements were available to be issued.

Note 3 – Concentration of Credit Risk

The amount of funds on deposit in any one institution that exceeds federally insured levels is subject to credit risk. The Organization had cash and cash equivalents in excess of federally insured limits of \$87,596 and \$76,269 as of December 31, 2017 and 2016, respectively.

Note 4 – Pledges Receivable

The Organization received an unconditional promise to give with payments due in future periods. Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows utilizing a 3% discount rate.

CONTACT WE CARE, INC. D/B/A CARING CONTACT

Notes to Financial Statements December 31, 2017 and 2016

Note 4 – Pledges Receivable (Continued)

Promises to five at December 31, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>
Pledges receivable in one to five years	\$ 75,000	\$ 100,000
Less unamortized discount	<u>(4,275)</u>	<u>(7,075)</u>
Net	<u>\$ 70,725</u>	<u>\$ 92,925</u>

There is no allowance for doubtful pledges as the Organization believes the entire balance will be collected.

Note 5 – Property and Equipment

Property and equipment consists of the following:

	<u>2017</u>	<u>2016</u>
Equipment	\$ 22,160	\$ 22,160
Less: accumulated depreciation	<u>(11,858)</u>	<u>(8,693)</u>
Property and equipment - net	<u>\$ 10,302</u>	<u>\$ 13,467</u>

Depreciation expense for the years ended December 31, 2017 and 2016 totaled \$3,166 for both years.

Note 6 – 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.

CONTACT WE CARE, INC. D/B/A CARING CONTACT

**Notes to Financial Statements
December 31, 2017 and 2016**

Note 6 – Investments (Continued)

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.

	Fair Value Measurements at Reporting Date Using			
	December 31,			
	2017	(Level 1)	(Level 2)	(Level 3)
Assets				
Pooled Funds-Westfield Foundation				
Balanced funds	\$ 30,553	\$ 30,553	\$ -	\$ -
International equity	11,983	11,983	-	-
Alternatives	11,291	11,291	-	-
US Growth Equity	10,476	10,476	-	-
Small and Mid Cap Equity	6,421	6,421	-	-
Short Term Bond Index	5,615	5,615	-	-
US Value Equity	3,626	3,626	-	-
US Core Dividend Equity	3,556	3,556	-	-
Inflation Protected Securities	2,444	2,444	-	-
Other	1,631	1,631	-	-
Total	\$ 87,596	\$ 87,596	\$ -	\$ -

CONTACT WE CARE, INC. D/B/A CARING CONTACT

**Notes to Financial Statements
December 31, 2017 and 2016**

Note 6 – Investments (Continued)

	Fair Value Measurements at Reporting Date Using			
	December 31, 2016	(Level 1)	(Level 2)	(Level 3)
Assets				
Pooled Funds-Westfield Foundation				
Balanced funds	\$ 26,793	\$ 26,793	\$ -	\$ -
Alternative funds	10,754	10,754	-	-
International equity	9,404	9,404	-	-
US growth equity	8,809	8,809	-	-
Small and mid cap equity	5,629	5,629	-	-
Short term bond index	5,141	5,141	-	-
US value equity	3,272	3,272	-	-
US core dividend equity	2,967	2,967	-	-
Inflation Protected Securities	2,227	2,227	-	-
Other	1,273	1,273	-	-
Total	\$ <u>76,269</u>	\$ <u>76,269</u>	\$ <u>-</u>	\$ <u>-</u>

Note 7 – Return on Investments

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

	<u>2017</u>	<u>2016</u>
Interest and dividend income	\$ 2,691	\$ 2,527
Unrealized gain (loss)	11,981	(24)
Realized gain	3,113	3,770
Total investment return	\$ <u>17,785</u>	\$ <u>6,273</u>

Note 8 – Lease Commitment

The Organization is on a month-to-month rental agreement. Rent expense for the years ended December 31, 2017 and 2016, was \$14,868 for each year.

CONTACT WE CARE, INC. D/B/A CARING CONTACT

Notes to Financial Statements December 31, 2017 and 2016

Note 9 – Line of Credit

During the year ended December 31, 2015, the Organization entered into a revolving line of credit with Northfield 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 1, 2018, unless extended in writing by the bank. Interest on the line of credit is payable based on the prime rate (3.75% at December 31, 2017). All amounts are guaranteed by the Organization's certificate of deposit held at Northfield Bank. As of December 31, 2017 and 2016, the outstanding balance on the line of credit totaled \$- and \$15,000, respectively.

Note 10 – Temporarily Restricted Net Assets

During the year ended December 31, 2016, the Organization received a pledge in the amount of \$125,000. The pledge's use is restricted for the Youth Outreach Fund which equips children and youth in suicide prevention, early identification, emergency intervention, healthy coping mechanisms and available community resources. The pledge is paid in equal installments of \$25,000 on every June 30th from 2016 – 2020.

Note 11 – Endowment 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 Trustees' 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

CONTACT WE CARE, INC. D/B/A CARING CONTACT

**Notes to Financial Statements
December 31, 2017 and 2016**

Note 11 – Endowment Net Assets (Continued)

Endowment Net Asset Composition by Type of Fund as of December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 72,500	\$ 72,500

Changes in Endowment Net Assets for the year ended December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets - Beginning of year	\$ -	\$ -	\$ 72,500	\$ 72,500
Investment return:				
Investment income	2,232	-	-	2,232
Net realized and unrealized gains on investments	<u>15,094</u>	<u>-</u>	<u>-</u>	<u>15,094</u>
Total investment return	<u>17,326</u>	<u>-</u>	<u>-</u>	<u>17,326</u>
Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Appropriation for expenditure	<u>(17,326)</u>	<u>-</u>	<u>-</u>	<u>(17,326)</u>
Endowment Net Assets - End of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>72,500</u>	\$ <u>72,500</u>

Endowment Net Asset Composition by Type of Fund as of December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 72,500	\$ 72,500

CONTACT WE CARE, INC. D/B/A CARING CONTACT

Notes to Financial Statements
December 31, 2017 and 2016

Note 11 – Endowment Net Assets (Continued)

Changes in Endowment Net Assets for the year ended December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets - Beginning of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>72,500</u>	\$ <u>72,500</u>
Investment return:				
Investment income	2,107	-	-	2,107
Net realized and unrealized gains on investments	<u>3,746</u>	<u>-</u>	<u>-</u>	<u>3,746</u>
Total investment return	<u>5,853</u>	<u>-</u>	<u>-</u>	<u>5,853</u>
Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Appropriation for expenditure	<u>(5,853)</u>	<u>-</u>	<u>-</u>	<u>(5,853)</u>
Endowment Net Assets - End of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>72,500</u></u>	\$ <u><u>72,500</u></u>