

FINANCIAL STATEMENTS

CONTACT WE CARE, INC.

D/B/A  
CARING CONTACT

December 31, 2018

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April 25, 2019

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

Independent Auditor's Report

**Report on the Financial Statements**

We have audited the accompanying financial statements of Contact We Care, Inc., Inc. (a nonprofit organization) D/B/A Caring Contact (the "Organization), which comprise the statement of financial position as of December 31, 2018, 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.

**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 Contact We Care, Inc. D/B/A Caring Contact as of December 31, 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.

**Changes in Accounting Principle**

As described in Note 2 to the financial statements, Contact We Care, Inc D/B/A Caring Contact adopted Financial Accounting Standards Board ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to that matter.

*Hill, Barth & King LLC*

Certified Public Accountants

STATEMENT OF FINANCIAL POSITION

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

December 31, 2018

<u>ASSETS</u>	
Cash and cash equivalents	\$ 167,606
Investments	86,090
Account receivable	725
Pledges receivable - net	47,850
Prepaid expenses	3,965
Property and equipment - net	12,707
Rent deposit	1,000
TOTAL ASSETS	<u>\$ 319,943</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 5,800
Accrued payroll tax	20
TOTAL LIABILITIES	<u>5,820</u>
<u>NET ASSETS</u>	
Without donor restrictions	191,023
With donor restrictions	122,500
TOTAL NET ASSETS	<u>313,523</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 319,343</u>

See accompanying notes to financial statements

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

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

Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUE</u>			
Fundraising	\$ 1,820	\$ -	\$ 1,820
Contributions	345,922	-	345,922
Fees	21,607	-	21,607
Investment loss	(4,183)	-	(4,183)
Net assets released from restriction	25,000	(25,000)	-
TOTAL REVENUE	<u>390,166</u>	<u>(25,000)</u>	<u>365,166</u>
<u>EXPENSES</u>			
Program	254,608	-	254,608
Supporting services			
Management and general	22,898	-	22,898
Fundraising	19,078	-	19,078
TOTAL EXPENSES	<u>296,584</u>	<u>-</u>	<u>296,584</u>
CHANGES IN NET ASSETS	93,582	(25,000)	68,582
<u>NET ASSETS</u>			
Beginning of year	97,441	147,500	244,941
End of year	<u>\$ 191,023</u>	<u>\$ 122,500</u>	<u>\$ 313,523</u>

See accompanying notes to financial statements

STATEMENT OF FUNCTIONAL EXPENSES

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

Year Ended December 31, 2018

	Program	Supporting Services		Total
		Management and General	Fundraising	
Payroll and payroll taxes	\$ 169,298	\$ 9,406	\$ 9,406	\$ 188,110
Contract labor	8,728	545	1,637	10,910
Rent	12,638	1,487	743	14,868
Telecommunications	7,884	464	927	9,275
Insurance	5,362	629	316	6,307
Office supplies	2,590	304	152	3,046
Miscellaneous	2,251	397	-	2,648
Postage	743	27	105	875
Printing and publications	1,060	71	284	1,415
Dues and membership	856	215	-	1,071
Advertising	6,001	-	-	6,001
Equipment rental and repairs	9,457	524	524	10,505
Program expense	21,995	-	-	21,995
Special events	-	-	4,623	4,623
Travel and conferences	1,262	-	-	1,262
Depreciation	2,718	321	159	3,198
Loss on disposal of fixed assets	-	396	-	396
Professional fees	1,765	8,112	202	10,079
TOTAL FUNCTIONAL EXPENSES	<u>\$ 254,608</u>	<u>\$ 22,898</u>	<u>\$ 19,078</u>	<u>\$ 296,584</u>

See accompanying notes to financial statements

STATEMENTS OF CASH FLOWS

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

Year Ended December 31, 2018

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Changes in net assets	\$ 68,582
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	3,198
Unrealized loss on investments	9,114
Realized gain on investments	(2)
Loss on disposal of fixed asset	396
(Increase) decrease in operating assets	
Accounts receivable	(550)
Pledges receivable	22,875
prepaid expenses	166
Decrease in operating liabilities	
Accounts payable and accrued expense	(729)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>103,050</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of investments	(13,895)
Proceeds from sale of investments	6,289
Purchase of fixed assets	(6,000)
NET CASH USED IN INVESTING ACTIVITIES	<u>(13,606)</u>
 INCREASE IN CASH AND CASH EQUIVALENTS	 89,444
 <u>CASH AND CASH EQUIVALENTS</u>	
Beginning of year	<u>78,162</u>
End of year	<u>\$ 167,606</u>

See accompanying notes to financial statements



## NOTES TO FINANCIAL STATEMENTS

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

December 31, 2018

#### 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 89 volunteer listeners staff the Organization's hotlines. In 2018, volunteer listeners gave 4,146 hours of service.

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Adoption of New Accounting Standard:

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

##### 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 the following net asset classifications:

##### Net assets without donor restrictions:

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the Board of Trustees.

##### Net assets with donor restrictions:

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and changes in net assets.

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.

Functional Expenses:

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs are allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of allocation
Payroll and payroll taxes	Time and effort
Contract labor	Time and effort
Rent	Time and effort
Telecommunications	Time and effort
Insurance	Time and effort
Office supplies	Time and effort
Miscellaneous	Time and effort
Postage	Time and effort
Printing and publications	Time and effort
Dues and membership	Time and effort
Equipment rental and repairs	Time and effort
Depreciation	Time and effort
Professional fees	Time and effort

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Subsequent Events:

The Organization has evaluated subsequent events through April 25, 2019, 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 \$86,090 as of December 31, 2018.

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.

Promises to give at December 31, 2018 are summarized as follows:

Pledges receivable in one to five years	\$	50,000
Less unamortized discount		2,150
NET	\$	<u>47,850</u>

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

December 31, 2018

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Equipment	\$	22,612
Less: accumulated depreciation		9,905
PROPERTY AND EQUIPMENT - NET	\$	<u>12,707</u>

Depreciation expense for the year ended December 31, 2018 totaled \$3,198.

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

December 31, 2018

NOTE 6 – INVESTMENTS (CONTINUED)

	Fair Value Measurements at Reporting Date Using			
	December 31, 2018	(Level 1)	(Level 2)	(Level 3)
<u>ASSETS</u>				
Pooled Funds-Westfield Foundation				
Balanced funds	\$ 30,596	\$ 30,596	\$ -	\$ -
Alternatives	11,381	11,381	-	-
International equity	10,271	10,271	-	-
US growth equity	10,159	10,159	-	-
Short-term bond index	6,405	6,405	-	-
Small and mid cap equity	5,768	5,768	-	-
US core dividend equity	3,616	3,616	-	-
US value equity	3,512	3,512	-	-
Inflation protected securities	2,626	2,626	-	-
Other	1,756	1,756	-	-
TOTAL	<u>\$ 86,090</u>	<u>\$ 86,090</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 – LEASE COMMITMENT

The Organization is on a month-to-month rental agreement. Rent expense for the year ended December 31, 2018, was \$14,868.

NOTE 8 – 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 matured on February 1, 2018.

On February 14, 2018, the line of credit was renewed with a maturity date of February 1, 2021. Interest on the line of credit is payable based on the prime rate (3.75% at December 31, 2018). All amounts are guaranteed by the Organization's certificate of deposit held at Northfield Bank. As of December 31, 2018, the outstanding balance on the line of credit totaled \$-0-.

NOTE 9 – DONOR 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

December 31, 2018

NOTE 10 – 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 donor-restricted endowment fund is classified as net assets with donor restrictions 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, 2018:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 72,500</u>	<u>\$ 72,500</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

December 31, 2018

NOTE 10 – ENDOWMENT NET ASSETS (CONTINUED)

Changes in Endowment Net Assets for the year ended December 31, 2018:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment Net Assets - Beginning of year	<u>\$ -</u>	<u>\$ 72,500</u>	<u>\$ 72,500</u>
Investment return:			
Investment income	4,213	-	4,213
Net realized and unrealized loss on investments	<u>(9,112)</u>	<u>-</u>	<u>(9,112)</u>
Total investment return	<u>(4,899)</u>	<u>-</u>	<u>(4,899)</u>
Contributions	<u>9,682</u>	<u>-</u>	<u>9,682</u>
Appropriation for expenditure	<u>(4,783)</u>	<u>-</u>	<u>(4,783)</u>
Endowment Net Assets - End of year	<u>\$ -</u>	<u>\$ 72,500</u>	<u>\$ 72,500</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

December 31, 2018

NOTE 11 – LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover one year of general expenditures. Financial assets in excess of daily cash requirements are invested in cash and cash equivalents, fixed income, and equity investments.

The following table reflects the Organization’s financial assets as of December 31, 2018, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions. Amounts not available include certain donor restricted net assets designated by the donor for expenses not considered in the annual operating budget.

Financial assets at year end:	
Cash and cash equivalents	\$ 167,606
Investments	86,090
Accounts receivable	725
Pledges receivable	47,850
	<u>302,271</u>
TOTAL FINANCIAL ASSETS	
Less amounts not available to be used within one year:	
Donor restricted net assets	<u>97,500</u>
 FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES OVER THE NEXT TWELVE MONTHS	 <u><u>\$ 204,771</u></u>