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NETCARE FOUNDATION
AUDIT REPORTS
Years Ended December 31, 2018 and 2017

Prepared by

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Netcare Foundation
Columbus, Ohio

I have audited the accompanying financial statement of Netcare Foundation (a non-profit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expense, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Organization's 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.

NETCARE FOUNDATION
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$53,379.06	\$67,620.12
Paypal receivable	1,656.60	1,807.90
Prepaid expenses	5,944.61	.00
Deposit on golf facilities	<u>.00</u>	<u>2,000.00</u>
TOTAL ASSETS	<u>\$60,980.27</u>	<u>\$71,428.02</u>
LIABILITIES		
Accounts payable	\$ <u>2,530.35</u>	\$ <u>120.00</u>
TOTAL LIABILITIES	2,530.35	120.00
NET ASSETS		
Without donor restrictions		
Designated for management training	5,659.00	2,899.00
Undesignated	<u>50,290.92</u>	<u>68,409.02</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	55,949.92	71,308.02
With donor restrictions	<u>2,500.00</u>	<u>.00</u>
TOTAL NET ASSETS	<u>58,449.92</u>	<u>71,308.02</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$60,980.27</u>	<u>\$71,428.02</u>

See accompanying notes.

NETCARE FOUNDATION
 STATEMENTS OF FUNCTIONAL EXPENSES
 Years Ended December 31, 2018 and 2017

	Program Service Charitable	Supporting Management and General	Services Fund Raising	Total 2018	Total 2017
Grants given	\$59,535.00	\$.00	\$.00	\$ 59,535.00	\$40,739.95
Golf tournament expenses	.00	.00	12,866.06	12,866.06	14,720.75
Fall dinner expenses	.00	.00	9,460.70	9,460.70	3,870.80
Audit expense	.00	1,600.00	.00	1,600.00	1,500.00
Banking fees	.00	200.40	.00	200.40	333.76
Board expenses	1,054.25	.00	.00	1,054.25	773.34
Computer software/website	4,456.25	.00	.00	4,456.25	3,614.40
Conference	.00	.00	.00	.00	395.00
Contributions given	8,524.93	.00	.00	8,524.93	3,701.09
Credit card charges	.00	.00	726.65	726.65	525.87
Insurance expense	955.00	.00	.00	955.00	955.00
Licenses	50.00	.00	50.00	100.00	100.00
Office expense	378.97	.00	.00	378.97	.00
Promotional expense	2,230.35	.00	.00	2,230.35	.00
Contributed services from affiliate	<u>3,693.55</u>	<u>1,809.63</u>	<u>19,287.13</u>	<u>24,790.31</u>	<u>18,136.99</u>
	<u>\$80,878.30</u>	<u>\$3,610.03</u>	<u>\$42,390.54</u>	<u>\$126,878.87</u>	<u>\$89,366.95</u>

See accompanying notes.

NETCARE FOUNDATION
 STATEMENTS OF CASH FLOWS
 Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net asset	\$(12,858.10)	\$ 7,877.82
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in assets		
Paypal receivable	151.30	48.80
Prepaid expenses	(5,944.61)	.00
Deposits on future events	2,000.00	.00
Increase (decrease) in liabilities		
Accounts payable	<u>2,410.35</u>	<u>120.00</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(14,241.06)	8,046.62
CASH FLOWS FROM INVESTING ACTIVITIES	<u>.00</u>	<u>.00</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>.00</u>	<u>.00</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,241.06)	8,046.62
CASH AND CASH EQUIVALENTS- AT BEGINNING OF YEAR	<u>67,620.12</u>	<u>59,573.50</u>
CASH AND CASH EQUIVALENTS- AT END OF YEAR	<u>\$53,379.06</u>	<u>\$67,620.12</u>
SUPPLEMENTAL INFORMATION		
Contributed services from affiliate	\$24,790.31	\$18,136.99

See accompanying notes.

NETCARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income Tax Status

The Foundation is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Estimates

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

Cost Allocation

Expenses are charged directly to program, management and general, or fund raising in general categories based on specific identification.

NOTE B - RELATED PARTY TRANSACTIONS

Current Year Grants

The Foundation has contributed \$59,535 to Netcare Corporation for the following projects:

Employees Service Committee	\$10,000
CSU Renovations	20,000
Roof replacement	20,000
20% match on Row One Vehicle for ODOT grant	8,048
Refund on magazines allocation of prior year	(13)
Winter clothes for the Crisis Center patients	<u>1,500</u>
Total	<u>\$59,535</u>

Accounts Payable

Netcare Foundation owes \$2,530.35 to Netcare Corporation for expenses paid by Netcare Corporation during 2018.

NETCARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE H - DONATED USE OF SERVICES

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for service requiring specific expertise. However, there are individuals who volunteer their time and perform a variety of tasks to assist the Organization in certain areas that do not need specific assistance.

NOTE I - CONTRIBUTION GIVEN - THE COLUMBUS FOUNDATION

On August 22, 2013, the organization gave a gift of \$100,000 to The Columbus Foundation to create the Netcare Foundation Endowment Fund of The Columbus Foundation. Netcare Foundation retains the right to add to this fund and others can also add to the Fund. The Board of Directors of Netcare Foundation reserves the right to suggest to the directors of The Columbus Foundation, as to the distribution of the fund among those charitable organizations including the Netcare Foundation and the Netcare Corporation which are eligible to receive funds.

Contributions in 2018 to this fund were \$5,000 and the net earnings of \$3,524.93 from Netcare Foundation Endowment Fund at The Columbus Foundation.

The Board of Directors of Netcare Foundation directed The Columbus Foundation that all income from this fund shall be reinvested into principal. Investment income, capital gains, and unrealized gains and losses totaled \$4,109.78 in 2018 and \$4,251.97 for 2017. The investment expense was \$584.85 in 2018 and \$550.88 for 2017, netting \$3,524.93 and \$3,701.09, respectively for 2018 and 2017. Unrealized/realized gains and losses are not reflected in the investment income due to the agreement on how the endowment is created. The value of this fund was \$137,176.157 as of December 31, 2018, comprised of 2,179.057 shares of Wellesley (CF) Adm Shares at a fair market value of \$133,066.37 and the net investment income of \$4,109.78.

NOTE J - FUND-RAISING EVENTS

The Organization held two fundraising events in 2018.

The Organization sponsors a golf tournament as a fund-raising event, and it is open to the public. Including contributions given of \$28,760.00 during the golf event, the receipts were \$40,010.00.

The second event was a Fall Fundraiser dinner held in October 2018. Including contributions given of \$19,629.92, the receipts were \$25,750.33.

NOTE K - FINANCIAL POLICY

The Board voted on November 19, 2014 that \$50,000 would be an appropriate amount to maintain as a reserve in its bank account.

NETCARE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE N - SUBSEQUENT EVENTS (Continued)

There was a request of \$15,000 allocation to the Employees Services Committee.

There was a request for \$800 for the purchase of seventeen magazine subscriptions for clients in crisis and CSU.

Netcare Foundation participated in The Flood fundraising event on February 8, 2019.

A contribution of \$3,522.91 was made to the Netcare Foundation Endowment Fund at The Columbus Foundation on March 7, 2019.