

THE COMMUNITY FUND OF DARIEN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2018

THE COMMUNITY FUND OF DARIEN

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Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Community Fund of Darien

We have audited the accompanying financial statements of The Community Fund of Darien (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, 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.

Auditor's 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 Community Fund of Darien as of June 30, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Grants on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was 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 financial statements as a whole.

Walter J. McKeever & Co, LLC
Greenwich, Connecticut
October 31, 2018

**THE COMMUNITY FUND OF DARIEN
STATEMENT OF FINANCIAL POSITION
June 30, 2018**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 1,119,488
Other receivable	592
Pledges receivable	5,000
Prepaid event expenses	815
Prepaid expenses	<u>1,415</u>
Total Current Assets	<u>1,127,310</u>
Other Asset	
Crowdfunding Platform, net of accumulated amortization of \$21,471 (Note 10)	23,978
Security deposit	<u>1,625</u>
Total Other Assets	<u>25,603</u>
Total Assets	<u><u>\$ 1,152,913</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Grant awards payable (Note 4)	\$ 640,000
Deferred revenue	<u>4,930</u>
Total Current Liabilities	<u>644,930</u>
Net Assets	
Unrestricted	
Board Designated	
Reserve for operations (Note 5)	146,000
Grant reserve funds (Note 6)	41,534
Non designated	<u>206,039</u>
Total Unrestricted	393,573
Temporarily Restricted (Note 7)	<u>114,410</u>
Total Net Assets	<u>507,983</u>
Total Liabilities and Net Assets	<u><u>\$ 1,152,913</u></u>

See accompanying notes to financial statements.

THE COMMUNITY FUND OF DARIEN
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Public support	\$ 885,369	\$ 172,840	\$1,058,209
Public support - In Kind (Note 8)	14,927	11,370	26,297
Grants (Note 9)		119,778	119,778
Special events revenue	174,256		174,256
Less: Special events expenses	(80,098)		(80,098)
Interest income	5,255		5,255
Net assets released from restrictions	344,096	(344,096)	-
	1,343,805	(40,108)	1,303,697
EXPENSES			
Program Services			
Grants	765,796		765,796
Community Initiatives	389,556		389,556
	1,155,352	-	1,155,352
Supporting Services			
Management and general	62,849		62,849
Fundraising	112,643		112,643
	175,492	-	175,492
	1,330,844	-	1,330,844
Change in Net Assets	12,961	(40,108)	(27,147)
Net Assets - beginning of year	380,612	154,518	535,130
Net Assets - end of year	\$ 393,573	\$ 114,410	\$ 507,983

See accompanying notes to financial statements.

**THE COMMUNITY FUND OF DARIEN
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2018**

	Program Services	SUPPORT SERVICES			Total Support Services	Total Expenses
		Management and General	Fundraising			
Grant Awards	\$ 618,000	\$	\$	\$	\$ 618,000	
Bonus Awards	22,000				22,000	
Special and Ventures Grants	125,796				125,796	
Total Grants	<u>765,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>765,796</u>	
Other Expenses						
Salaries	197,405	35,934	63,270	99,204	296,609	
Payroll taxes	18,171	2,210	4,175	6,385	24,556	
Employee benefits	2,942	358	676	1,034	3,976	
Miscellaneous	3,658	-	4,852	4,852	8,510	
Campaign expenses	-	-	17,297	17,297	17,297	
Outside services	6,000	12,976	10,351	23,327	29,327	
Professional fees	659	5,275	658	5,933	6,592	
Supplies and materials	50,259	551	1,037	1,588	51,847	
Insurance	1,374	167	316	483	1,857	
Dues, meetings and travel	2,418	294	555	849	3,267	
Training and meetings	7,541	917	1,732	2,649	10,190	
Rent	14,504	1,764	3,332	5,096	19,600	
Rent - in kind	10,922	1,329	2,509	3,838	14,760	
Technology	7,623	920	1,592	2,512	10,135	
Postage	1,268	154	291	445	1,713	
Donor designated support	16,560				16,560	
Community outreach	421				421	
Crowdfunding	36,461				36,461	
Crowdfunding - in kind	11,370				11,370	
Total Other Expenses	<u>389,556</u>	<u>62,849</u>	<u>112,643</u>	<u>175,492</u>	<u>565,048</u>	
Total Expenses	<u>\$ 1,155,352</u>	<u>\$ 62,849</u>	<u>\$ 112,643</u>	<u>\$ 175,492</u>	<u>\$ 1,330,844</u>	

See accompanying notes to financial statements.

**THE COMMUNITY FUND OF DARIEN
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018**

Cash flows from operating activities:

Change in net assets	<u>\$ (27,147)</u>
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Adjustments to reconcile change in net assets to net cash provided by operating activities:

Amortization	15,156
Increase in other receivable	(592)
Increase in pledges receivable	(4,375)
Decrease in prepaid event expenses	10,800
Increase in prepaid expenses	(319)
Increase in grant awards payable	68,000
Decrease in other payables	(2,780)
Decrease in deferred revenue	<u>(16,570)</u>

Total adjustments	<u>69,320</u>
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Net cash provided by operating activities	<u>42,173</u>
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Net increase in cash and cash equivalents	42,173
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Cash and cash equivalents - beginning of year	<u>1,077,315</u>
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Cash and cash equivalents - end of year	<u><u>\$ 1,119,488</u></u>
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THE COMMUNITY FUND OF DARIEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Community Fund of Darien ("Organization") was established in 1951 as a not-for-profit organization (non-stock corporation in the State of Connecticut) to promote and support the efforts of various local charitable organizations. The Organization solicits support through an annual local campaign from various businesses, groups and individuals. The majority of the Organization's revenues comes from contributions from the public.

Effective June 30, 2006, the Organization formally changed its name to The Community Fund of Darien and withdrew its membership in the United Way America. The Organization has also been a participant in the United Way of Tri-State, Inc. ("Tri-State") which was formed to consolidate and coordinate fundraising for companies with employees in multiple locations, and on behalf of autonomous local United Ways in Connecticut, New York and New Jersey. Each participating United Way shared in Tri-State's estimated collection losses, operating expenses and designations.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting reflecting all significant receivables, payables and other liabilities. Revenues are reported as income when earned rather than received and expenses are reported in the period incurred rather than paid.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets that are based upon the existence, nature and/or absence of restrictions on use that are placed by its donors: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Unrestricted net assets are resources available to support operations. Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Permanently restricted net assets are resources whose use is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

Revenue Recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence, nature and/or absence of any donor restrictions. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets.

(Continued)

THE COMMUNITY FUND OF DARIEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2018
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Expense Allocation

The Organization allocated its expenses on a functional basis among its program and support services and it has been summarized in the Statement of Functional Expenses. Expenses that can be specifically identified with a program or support service are allocated directly according to their natural classifications. Accordingly, other expenses have been allocated among the programs and supporting services benefited on the basis of periodic time and expense studies as well as estimates made by management.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments such as money market funds and certificates of deposits to be cash equivalents.

Pledges Receivable

Unconditional promises to give are recognized as revenues in the period received and as assets as long as verifiable documentation exists. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management provides for probable uncollectible amounts through an allowance based on its assessment of the current status of the receivables and historical collection experience. Management will write off the receivable once determined to be uncollectible.

Donated Assets and Services

All securities and other assets donated to the Organization are recorded as public support at fair market value upon the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also donate significant amounts of their time to the Organization throughout the year that is not recognized as contributions in the financial statements since the recognition criteria is not met.

THE COMMUNITY FUND OF DARIEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2018
(Continued)

NOTE 2. TAX STATUS

The Community Fund of Darien is a not-for-profit organization as described in Section 509(a)(1) and 170(b)(1)(A) of the Internal Revenue Code and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization accounts for uncertainty in income tax positions in the financial statements by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management has analyzed the tax positions taken and has concluded that as of June 30, 2018, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Federal information returns are subject to examination for a period of three years from the filing date of the return; fiscal years ended June 30, 2015 - June 30, 2017 remain open.

NOTE 3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalent balances in three financial institutions and one investment institution. The cash and cash equivalent balances at each financial institution are insured up to \$250,000 which is the amount insured by the Federal Deposit Insurance Corporation ("FDIC"). The cash and cash equivalents on deposit at the investment institution are not insured. At June 30, 2018, the Organization's cash and cash equivalents exceeded FDIC limits by \$820,672. Management believes the Organization is not subject to significant credit risk because of the high quality of the depositories and the investments.

NOTE 4. GRANT AWARDS

The Board of Directors approved grant awards for the year ended June 30, 2018 before the end of the fiscal year. The awards are charged to expense in the year of the annual campaign which raised the funds and recorded as a liability at the end of the fiscal year. The awards are generally paid in quarterly installments in July, October, January and April of the following fiscal year. Grant awards payable at June 30, 2018 is \$640,000.

Special grants and venture grants are expensed on an annual basis and disbursed per executive committee approval.

NOTE 5. RESERVE FOR OPERATIONS

It is the policy of the Board of Directors of the Organization to review its operating plans/strategy and designate an appropriate sum of unrestricted net assets to assure adequate resources are available for six months of operating costs plus one full year's campaign costs. The reserve for operations designated by the Board of Directors at June 30, 2018 is \$146,000.

THE COMMUNITY FUND OF DARIEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2018
(Continued)

NOTE 6. GRANT RESERVE FUNDS

It is the policy of the Board of Directors of the Organization to set aside funds on an annual basis for various initiatives and programs. The grant reserve funds as of June 30, 2018 total \$41,534 as follows:

- 1) Small Grants \$20,000 – provide one time funding for special projects, initiatives, programming and emergencies in a timely manner
- 2) Touch a Life \$14,740 – provide emergency assistance to those in need in Darien, as identified by the Town of Darien Department of Human Services
- 3) Youth Community Fund \$6,794 – provides high school students from Darien the opportunity for philanthropic leadership, develops an understanding of local needs and those organizations addressing those needs, and provides the opportunity to effect positive change in their community

NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2018 total \$114,410 as follows:

- 1) Communications \$11,000 – data management and software projects that will help streamline and improve website and other technology activities
- 2) Thriving Youth \$16,745 – support of the initiative to promote healthy development among Darien's youth
- 3) Crowdfunding \$86,665 – support the creation of a simple and interactive giving platform that connects donors with impactful projects supporting nonprofits in Fairfield County

Net assets released for the year ended June 30, 2018 are \$344,096 and were spent in accordance with donor restrictions as follows: 1) \$11,618 – website design and maintenance, 2) \$33,080 – support specified activities and programs of the Organization as specified by the donor, 3) \$167,577 – Crowdfunding platform activities and 4) \$131,821 – Thriving Youth initiative.

NOTE 8. PUBLIC SUPPORT – IN KIND

The fair value of donated facilities and services included as public support in the financial statements and the corresponding expenses for the year ending June 30, 2018 are as follows:

Rent	\$ 14,760
Website design services	167
Website - Crowdfunding	<u>11,370</u>
	<u>\$ 26,297</u>

**THE COMMUNITY FUND OF DARIEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2018
(Continued)**

NOTE 9. GRANTS

On August 21, 2015, the Organization was awarded funding in the amount of \$500,000 over five years from the Connecticut Department of Mental Health and Addiction Services to support services implemented in Darien under the Connecticut Strategic Prevention Framework Coalitions Initiative. The award period will be July 1, 2015 through June 30, 2020. The second installment of \$95,625 was received during the year ended June 30, 2018 reflecting state reductions in funding due to budget cutbacks. The original installment due was \$100,000.

NOTE 10. CROWDFUNDING PLATFORM

During the year ended June 30, 2016, the Organization began to create a simple and interactive giving platform that connects donors with impactful projects supporting nonprofits in Fairfield County. This platform is known in the market place as The Impact Vine. Development costs of \$22,500 were capitalized during the year ended June 30, 2016 and an additional \$22,949 was capitalized as of June 30, 2017. Amortization of the intangible asset began in February 2017 once it was placed in service. The asset is being amortized on a straight line basis over an estimated useful life of 3 years.

NOTE 11. LEASE COMMITMENT

The Organization entered into an office service agreement on February 9, 2016 with Office Suites of Darien, LLC. The agreement for the use of two executive offices and access to additional business services for purchase commenced April 1, 2016 and terminated March 31, 2018. The monthly base service fee was \$2,625; however, \$1,000 per month was donated. In addition, phones, phone services and internet connection was being donated with a value of \$230 per month. The agreement was renewed for the period April 1, 2018 through March 31, 2020 with a monthly net fee of \$1,650 per month through March 31, 2019 and \$1,675 per month effective April 1, 2019. The donated monthly facilities and services will continue at the same rate. The agreement is renewable for the same term, upon the same terms and conditions, unless either party gives notice to the other in writing to the contrary at least sixty days prior to the end of the initial term.

Future minimum lease payments under the operating lease as of June 30, 2018 are:

Years Ending June 30:	
2019	\$ 19,875
2020	<u>15,075</u>
	<u>\$ 34,950</u>

NOTE 12. SUBSEQUENT EVENTS

The Organization has decided to suspend active operation of The Impact Vine as of October 31, 2018.

Subsequent events were evaluated through October 31, 2018, which is the date the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

**THE COMMUNITY FUND OF DARIEN
SCHEDULE OF GRANTS
For the Year Ended June 30, 2018**

Grant Awards:

Abilis	\$ 20,000
AmeriCares Free Clinics	32,000
Building One Community	25,000
Carver Foundation	40,000
Child Guidance Center of Mid Fairfield	40,000
Child Guidance Center of Southern CT	40,000
Children's Learning Centers	20,000
Domestic Violence Crisis Center	25,000
Domus	40,000
ElderHouse	10,000
Family and Children's Agency	32,000
Family Centers	40,000
Inspirica	34,000
Kids in Crisis	17,000
Laurel House	14,000
Liberation Programs	25,000
New Covenant Center	20,000
Open Door Shelter	34,000
Pacific House	34,000
Person-to-Person	28,000
STAR, Lighting the Way	36,000
The Center for Sexual Assault Crisis Counseling	<u>12,000</u>
 Total Grant Awards	 <u>618,000</u>

Bonus Awards:

Building One Community	3,000
Child Guidance Center of Mid Fairfield	3,000
Person-to-Person	3,000
Discretionary	<u>13,000</u>
 Total Bonus Awards	 <u>22,000</u>

Special and Venture Grants:

Projects Funded By The Impact Vine	76,696
Small Grants	19,000
The Impact Vine	20,000
Youth Community Fund	<u>10,100</u>
 Total Special and Venture Grants	 <u>125,796</u>
 Total Grants	 <u>\$ 765,796</u>