

**THE COMMUNITY FUND OF DARIEN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2016**

**THE COMMUNITY FUND OF DARIEN**

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**Year Ended June 30, 2016**

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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, 2016, 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, 2016, 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 Allocations 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  
September 26, 2016

**THE COMMUNITY FUND OF DARIEN  
STATEMENT OF FINANCIAL POSITION  
June 30, 2016**

**ASSETS**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 1,024,139
Pledges receivable, net of allowance of \$1,000	11,044
Prepaid expenses	<u>1,168</u>
<b>Total Current Assets</b>	<u>1,036,351</u>
<b>Other Asset</b>	
Crowdfunding Platform (Note 10)	22,500
Security deposit	<u>1,625</u>
<b>Total Other Assets</b>	<u>24,125</u>
<b>Total Assets</b>	<u><u>\$ 1,060,476</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Agency allocations payable (Note 4)	\$ 562,000
Other payables	<u>11,554</u>
<b>Total Current Liabilities</b>	<u>573,554</u>
<b>Net Assets</b>	
Unrestricted	
Board Designated	
Reserve for operations (Note 5)	146,000
Grant reserve funds (Note 6)	36,000
Non designated	<u>194,267</u>
<b>Total Unrestricted</b>	376,267
Temporarily Restricted (Note 7)	<u>110,655</u>
<b>Total Net Assets</b>	<u>486,922</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,060,476</u></u>

See independent auditor's report and accompanying notes to financial statements.

**THE COMMUNITY FUND OF DARIEN  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Public support	\$ 839,417	\$ 101,250	\$ 940,667
Public support - In Kind (Note 8)	31,954		31,954
Grants (Note 9)		104,138	104,138
Special events revenue	65,609		65,609
Less: Special events expenses	(34,342)		(34,342)
Interest income	2,764		2,764
Net assets released from restrictions	109,733	(109,733)	-
	<u>1,015,135</u>	<u>95,655</u>	<u>1,110,790</u>
<b>EXPENSES</b>			
<b>Program Services</b>			
Grants and allocations	589,979		589,979
Direct services to community	214,678		214,678
Agency relations	46,397		46,397
	<u>851,054</u>	<u>-</u>	<u>851,054</u>
<b>Supporting Services</b>			
Management and general	58,659		58,659
Fundraising	88,177		88,177
	<u>146,836</u>	<u>-</u>	<u>146,836</u>
<b>Total Expenses</b>	<u>997,890</u>	<u>-</u>	<u>997,890</u>
<b>Change in Net Assets</b>	17,245	95,655	112,900
<b>Net Assets - beginning of year</b>	<u>359,022</u>	<u>15,000</u>	<u>374,022</u>
<b>Net Assets - end of year</b>	<u>\$ 376,267</u>	<u>\$ 110,655</u>	<u>\$ 486,922</u>

See independent auditor's report and accompanying notes to financial statements.

**THE COMMUNITY FUND OF DARIEN**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2016**

	Grants and Allocations	Direct Services to Community	Agency Relations	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
General Allocations	\$ 562,000			\$ 562,000	\$ -		\$ -	\$ 562,000
Special and Ventures Grants	27,979			27,979				27,979
Total Allocations	<u>589,979</u>			<u>589,979</u>				<u>589,979</u>
Other Expenses								
Salaries		132,138	34,321	166,459	17,447	47,510	64,957	231,416
Payroll taxes		11,236	2,957	14,193	1,577	3,942	5,519	19,712
Employee benefits		1,943	511	2,454	272	682	954	3,408
Miscellaneous		3,080	1,192	4,272	302	1,502	1,804	6,076
Campaign expenses				-		18,770	18,770	18,770
Outside services		4,187		4,187	10,494	5,701	16,195	20,382
Professional fees		650		650	5,200	650	5,850	6,500
Professional fees - in kind		9,367		9,367	18,897		18,897	28,264
Maintenance and repairs		1,862	490	2,352	262	653	915	3,267
Supplies and materials		10,639	1,564	12,203	834	2,085	2,919	15,122
Utilities		1,607	423	2,030	226	564	790	2,820
Insurance		1,567	412	1,979	220	550	770	2,749
Dues, meetings and travel		2,209	79	2,288	42	105	147	2,435
Training and meetings		4,541	1,196	5,737	637	1,594	2,231	7,968
Telephone		1,107	291	1,398	156	388	544	1,942
Rent		4,965	1,307	6,272	697	1,742	2,439	8,711
Rent - in kind		2,103	554	2,657	295	738	1,033	3,690
Technology		8,526	1,028	9,554	1,062	904	1,966	11,520
Postage		275	72	347	39	97	136	483
Donor designated support		8,900		8,900				8,900
Community outreach		616		616				616
Crowdfunding		41		41				41
HSPC and Youth Community Fund expenses		3,119		3,119				3,119
Total Other Expenses		<u>214,678</u>	<u>46,397</u>	<u>261,075</u>	<u>58,659</u>	<u>88,177</u>	<u>146,836</u>	<u>407,911</u>
Total Expenses	\$ 589,979	\$ 214,678	\$ 46,397	\$ 851,054	\$ 58,659	\$ 88,177	\$ 146,836	\$ 997,890

See independent auditor's report and accompanying notes to financial statements.

**THE COMMUNITY FUND OF DARIEN  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2016**

Cash flows from operating activities:

Change in net assets	<u>\$ 112,900</u>
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Adjustments to reconcile change in net assets to net cash provided by operating activities:

Decrease in pledges receivable	16,912
Decrease in accounts receivable - other	371
Decrease in prepaid expenses	407
Increase in security deposit	(1,625)
Decrease in agency allocations payable	(28,000)
Decrease in other payables	<u>(1,683)</u>

Total adjustments	<u>(13,618)</u>
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Net cash provided by operating activities	<u>99,282</u>
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Cash flows from investing activities:

Crowdfunding Platform development	<u>(22,500)</u>
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Net cash used by investing activities	<u>(22,500)</u>
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Net increase in cash and cash equivalents	76,782
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Cash and cash equivalents - beginning of year	<u>947,357</u>
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Cash and cash equivalents - end of year	<u><u>\$ 1,024,139</u></u>
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**THE COMMUNITY FUND OF DARIEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**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, 2016**  
**(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, 2016  
(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, 2016, 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, 2013 - June 30, 2015 remain open.

**NOTE 3. CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash and cash equivalent balances in two financial institutions. 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"). At June 30, 2016, the Organization's cash and cash equivalents exceeded FDIC limits by \$494,369. Management believes the Organization is not subject to significant credit risk because of the high quality of the depositories.

**NOTE 4. AGENCY ALLOCATIONS**

The Board of Directors approved agency allocations for the year ended June 30, 2016 before the end of the fiscal year. The allocations 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 allocations are generally paid in quarterly installments in July, October, January and April of the following fiscal year. Agency allocations payable at June 30, 2016 is \$562,000.

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, 2016 is \$146,000.

**THE COMMUNITY FUND OF DARIEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**  
**(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, 2016 total \$36,000 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 \$10,000 – provide emergency assistance to those in need in Darien, as identified by the Town of Darien Department of Human Services
- 3) Youth Community Fund \$6,000 – 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, 2016 total \$110,655 as follows:

- 1) Website \$ 7,787 – redesign of the website
- 2) Thriving Youth \$36,346 – support of the initiative to promote healthy development among Darien's youth
- 3) Crowdfunding \$66,522 – support the creation of a simple and interactive giving platform that connects donors with impactful projects supporting nonprofits in Fairfield County

**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, 2016 are as follows:

Legal	\$ 28,264
Rent	<u>3,690</u>
	<u>\$ 31,954</u>

**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 first installment of \$100,000 was received during the year ended June 30, 2016.

**THE COMMUNITY FUND OF DARIEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**  
**(Continued)**

**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. Development costs of \$22,500 as of June 30, 2016 were capitalized. Additional development costs will be capitalized and once complete, the intangible asset will be amortized on a straight line basis over an estimated useful life ranging from 3 – 5 years once the platform is put into service.

**NOTE 11. LEASE COMMITMENT**

The Organization had an operating lease with the Town of Darien for its premises that expired in January 2016; however, the Organization rented for two additional months before relocating. Rental payments were equal to the assessed value of the property multiplied by the town's mill rate and amounted to \$1,861 during the year ended June 30, 2016 and the Organization was also liable for the maintenance of the facility.

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 terminates March 31, 2018. The monthly base service fee is \$2,625; however, \$1,000 per month will be donated. In addition, phones, phone services and internet connection is being donated with a value of \$230 per month. 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, 2016 are:

Years Ending June 30:	
2017	\$ 19,500
2018	<u>14,625</u>
	<u>\$ 34,125</u>

**NOTE 12. SUBSEQUENT EVENTS**

Subsequent events were evaluated through September 26, 2016, which is the date the financial statements were available for issue.

## **SUPPLEMENTARY INFORMATION**

**THE COMMUNITY FUND OF DARIEN  
SCHEDULE OF ALLOCATIONS  
For the Year Ended June 30, 2016**

General Allocations:

Abilis	\$ 19,000
AmeriCares Free Clinics	24,000
Carver Center	38,500
Child Guidance Center of Mid Fairfield	38,500
Child Guidance Center of Southern CT	38,500
Childcare Learning Centers	10,000
Domestic Violence Crisis Center	24,000
Domus	38,500
ElderHouse	14,000
Family and Children's Agency	38,500
Family Centers	43,000
Food Bank of Lower Fairfield County	10,000
Inspirica	29,000
Kids in Crisis	14,250
Laurel House	14,250
Liberation Programs	24,000
Neighbors Link	14,250
Open Door Shelter	19,000
Person-to-Person	19,000
Shelter for the Homeless	29,000
STAR, Lighting the Way	38,500
The Center for Sexual Assault Crisis Counseling	10,000
The Depot	14,250
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Total General Allocations	562,000

Special and Venture Grants:

Small Grants	20,000
Touch A Life	2,979
Youth Community Fund	5,000
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Total Special and Venture Grants	27,979
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Total Allocations	\$ 589,979
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