

**THE COMMUNITY FUND OF DARIEN**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2017**

**THE COMMUNITY FUND OF DARIEN**

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**Year Ended June 30, 2017**

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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, 2017, 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, 2017, 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 5, 2017

**THE COMMUNITY FUND OF DARIEN**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2017**

**ASSETS**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 1,077,315
Pledges receivable	625
Prepaid event expenses	11,615
Prepaid expenses	<u>1,096</u>
Total Current Assets	<u>1,090,651</u>
<b>Other Asset</b>	
Crowdfunding Platform, net of accumulated amortization of \$6,315 (Note 10)	39,134
Security deposit	<u>1,625</u>
Total Other Assets	<u>40,759</u>
Total Assets	<u><u>\$ 1,131,410</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Grant awards payable (Note 4)	\$ 572,000
Other payables	2,780
Deferred revenue	<u>21,500</u>
Total Current Liabilities	<u>596,280</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>198,612</u>
Total Unrestricted	380,612
Temporarily Restricted (Note 7)	<u>154,518</u>
Total Net Assets	<u>535,130</u>
Total Liabilities and Net Assets	<u><u>\$ 1,131,410</u></u>

See accompanying notes to financial statements.

**THE COMMUNITY FUND OF DARIEN  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Public support	\$ 864,931	\$ 140,591	\$1,005,522
Public support - In Kind (Note 8)	58,791		58,791
Grants (Note 9)		120,000	120,000
Special events revenue	86,574		86,574
Less: Special events expenses	(32,868)		(32,868)
Interest income	1,230		1,230
Net assets released from restrictions	216,728	(216,728)	-
	<u>1,195,386</u>	<u>43,863</u>	<u>1,239,249</u>
<b>EXPENSES</b>			
<b>Program Services</b>			
Grants	661,343		661,343
Darien Community Initiatives	389,922		389,922
	<u>1,051,265</u>	<u>-</u>	<u>1,051,265</u>
<b>Supporting Services</b>			
Managagement and general	50,739		50,739
Fundraising	89,035		89,035
	<u>139,774</u>	<u>-</u>	<u>139,774</u>
<b>Total Expenses</b>	<u>1,191,039</u>	<u>-</u>	<u>1,191,039</u>
Change in Net Assets	4,347	43,863	48,210
Net Assets - beginning of year	<u>376,265</u>	<u>110,655</u>	<u>486,920</u>
Net Assets - end of year	<u>\$ 380,612</u>	<u>\$ 154,518</u>	<u>\$ 535,130</u>

See accompanying notes to financial statements.

**THE COMMUNITY FUND OF DARIEN**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2017**

	Grants	Darien Community Initiatives	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
Grant Awards	\$ 572,000	\$ -	\$ 572,000	\$ -	\$ -	\$ -	\$ 572,000
Special and Ventures Grants	89,343	-	89,343	-	-	-	89,343
Total Grants	<u>661,343</u>	<u>-</u>	<u>661,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>661,343</u>
Other Expenses							
Salaries		217,587	217,587	26,690	48,655	75,345	292,932
Payroll taxes		18,346	18,346	2,231	4,215	6,446	24,792
Employee benefits		2,573	2,573	313	591	904	3,477
Miscellaneous		2,061	2,061	-	352	352	2,413
Campaign expenses		-	-	-	19,696	19,696	19,696
Outside services		4,070	4,070	10,538	5,383	15,921	19,991
Professional fees		654	654	5,230	653	5,883	6,537
Supplies and materials		43,000	43,000	-	-	-	43,000
Insurance		41,982	41,982	512	967	1,479	43,461
Dues, meetings and travel		1,315	1,315	160	302	462	1,777
Training and meetings		2,249	2,249	36	68	104	2,353
Rent		2,353	2,353	286	541	827	3,180
Rent - in kind		14,430	14,430	1,755	3,315	5,070	19,500
Technology		10,922	10,922	1,329	2,509	3,838	14,760
Postage		12,963	12,963	1,509	1,505	3,014	15,977
Donor designated support		1,234	1,234	150	283	433	1,667
Community outreach		6,300	6,300	-	-	-	6,300
Crowdfunding		442	442	-	-	-	442
HSPC and Youth Community Fund expenses		6,960	6,960	-	-	-	6,960
Total Other Expenses	<u>-</u>	<u>389,922</u>	<u>389,922</u>	<u>50,739</u>	<u>89,035</u>	<u>139,774</u>	<u>529,696</u>
Total Expenses	\$ <u>661,343</u>	\$ <u>389,922</u>	\$ <u>1,051,265</u>	\$ <u>50,739</u>	\$ <u>89,035</u>	\$ <u>139,774</u>	\$ <u>1,191,039</u>

See accompanying notes to financial statements.

**THE COMMUNITY FUND OF DARIEN  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2017**

Cash flows from operating activities:

Change in net assets	<u>\$ 48,210</u>
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Adjustments to reconcile change in net assets to net cash provided by operating activities:

Amortization	6,315
Decrease in pledges receivable	10,419
Increase in prepaid event expenses	(11,615)
Decrease in prepaid expenses	72
Increase in grant awards payable	10,000
Decrease in other payables	(8,776)
Increase in deferred revenue	<u>21,500</u>

Total adjustments	<u>27,915</u>
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Net cash provided by operating activities	<u>76,125</u>
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Cash flows from investing activities:

Crowdfunding Platform development	<u>(22,949)</u>
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Net cash used by investing activities	<u>(22,949)</u>
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Net increase in cash and cash equivalents	53,176
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Cash and cash equivalents - beginning of year	<u>1,024,139</u>
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Cash and cash equivalents - end of year	<u><u>\$ 1,077,315</u></u>
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**THE COMMUNITY FUND OF DARIEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017**

**(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, 2017**

**(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, 2017, 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, 2014 - June 30, 2016 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, 2017, the Organization's cash and cash equivalents exceeded FDIC limits by \$648,373. Management believes the Organization is not subject to significant credit risk because of the high quality of the depositories.

**NOTE 4. GRANT AWARDS**

The Board of Directors approved grant awards for the year ended June 30, 2017 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, 2017 is \$572,000.

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, 2017 is \$146,000.

**THE COMMUNITY FUND OF DARIEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**  
**(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, 2017 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, 2017 total \$154,518 as follows:

- 1) Website \$248 – redesign of the website
- 2) Thriving Youth \$31,063 – support of the initiative to promote healthy development among Darien's youth
- 3) Crowdfunding \$121,221 – support the creation of a simple and interactive giving platform that connects donors with impactful projects supporting nonprofits in Fairfield County
- 4) Other \$1,986 – support specified activities of the Organization

**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, 2017 are as follows:

Marketing	\$ 43,000
Rent	14,760
Event and meeting costs	<u>1,031</u>
	<u>\$ 58,791</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 second installment of \$100,000 was received during the year ended June 30, 2017.

**THE COMMUNITY FUND OF DARIEN  
NOTES TO FINANCIAL STATEMENTS**

**June 30, 2017**

**(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. 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 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, 2017 are:

Years Ending June 30:	
2018	<u>\$ 14,625</u>

**NOTE 12. SUBSEQUENT EVENTS**

Subsequent events were evaluated through October 5, 2017, 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, 2017**

Grant Awards:

Abilis	\$ 20,000
AmeriCares Free Clinics	26,000
Building One Community	22,000
Carver Center	38,000
Child Guidance Center of Mid Fairfield	37,000
Child Guidance Center of Southern CT	37,000
Children's Learning Centers	15,000
Domestic Violence Crisis Center	22,000
Domus	38,000
ElderHouse	13,000
Family and Children's Agency	30,000
Family Centers	34,000
Food Bank of Lower Fairfield County	10,000
Inspirica	30,000
Kids in Crisis	11,000
Laurel House	20,000
Liberation Programs	21,000
New Covenant Center	10,000
Open Door Shelter	30,000
Pacific House	30,000
Person-to-Person	21,000
STAR, Lighting the Way	33,000
The Center for Sexual Assault Crisis Counseling	11,000
The Depot	13,000
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Total Grant Awards	572,000

Special and Venture Grants:

Projects Funded By The Impact Vine	25,743
Small Grants	13,000
The Impact Vine	20,000
Touch A Life	10,000
Youth Community Fund	10,600
Youth Programming	10,000
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Total Special and Venture Grants	89,343
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Total Grants	\$ 661,343
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