

NEW CANAAN CARES, INC.
FINANCIAL STATEMENTS
AT JUNE 30, 2021
AND FOR THE YEAR THEN ENDED

NEW CANAAN CARES, INC.

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at June 30, 2021

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CERTIFIED PUBLIC ACCOUNTANTS

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**TO THE OFFICERS AND DIRECTORS OF
NEW CANAAN CARES, INC.
NEW CANAAN, CONNECTICUT**

Management is responsible for the accompanying financial statements of New Canaan Cares, Inc., (a nonprofit organization), which comprise the statement of assets, liabilities and net assets-cash basis as of June 30, 2021, and the related statements of support, revenue, expenses and other changes in net assets-cash basis and functional expenses-cash basis for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Van Brunt, DuBiago & Company, LLC

Stamford, Connecticut
November 16, 2021

NEW CANAAN CARES, INC.

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS – CASH BASIS
AT JUNE 30, 2021

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 446,546
Investment - Interest in New Canaan Community Foundation Endowment Fund	<u>110,492</u>
TOTAL CURRENT ASSETS	<u>557,038</u>
TOTAL ASSETS	<u>\$ 557,038</u>

LIABILITIES AND NET ASSETS

NET ASSETS

Without Donor Restrictions	
Undesignated	\$ 307,038
Board Designated	<u>250,000</u>
TOTAL NET ASSETS	<u>557,038</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 557,038</u>

NEW CANAAN CARES, INC.

**STATEMENT OF SUPPORT, REVENUE, EXPENSES AND OTHER CHANGES
IN NET ASSETS – CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING ACTIVITIES			
SUPPORT AND REVENUE			
Town of New Canaan	\$ 25,661	\$ -	\$ 25,661
	<u>25,661</u>	<u>-</u>	<u>25,661</u>
Contributions			
Individual Donors	52,148	-	52,148
Corporations, Grants and Others	<u>35,673</u>	<u>-</u>	<u>35,673</u>
Total Contributions	<u>87,821</u>	<u>-</u>	<u>87,821</u>
Special Events Revenue	86,318	-	86,318
Less: Expenses	<u>(18,403)</u>	<u>-</u>	<u>(18,403)</u>
Net Special Events Revenue	<u>67,915</u>	<u>-</u>	<u>67,915</u>
Net Assets Released from Restrictions Satisfaction of Purpose Restrictions	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>181,397</u>	<u>-</u>	<u>181,397</u>
EXPENSES			
Program Expenses	141,339	-	141,339
Support Expenses	44,971	-	44,971
Fundraising Expenses	<u>508</u>	<u>-</u>	<u>508</u>
TOTAL EXPENSES	<u>186,818</u>	<u>-</u>	<u>186,818</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>(5,421)</u>	<u>-</u>	<u>(5,421)</u>
NON-OPERATING ACTIVITIES			
PPP Loan Forgiveness	26,200	-	26,200
Investment return	<u>12,244</u>	<u>-</u>	<u>12,244</u>
CHANGE IN NET ASSETS FROM NON-OPERATING ACTIVITIES	<u>38,444</u>	<u>-</u>	<u>38,444</u>
CHANGE IN NET ASSETS	33,023	-	33,023
NET ASSETS AT BEGINNING OF YEAR	<u>524,015</u>	<u>-</u>	<u>524,015</u>
NET ASSETS AT END OF YEAR	<u>\$ 557,038</u>	<u>\$ -</u>	<u>\$ 557,038</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN
CONJUNCTION WITH THESE FINANCIAL STATEMENTS

NEW CANAAN CARES, INC.

STATEMENT OF FUNCTIONAL EXPENSES – CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

PROGRAM EXPENSES	
Program Salaries and Payroll Taxes	\$ 117,664
Insurance Expense	3,452
Parent Programs	8,575
Community Programs	4,715
Youth Programs	1,210
Other Program Expenses	<u>5,723</u>
TOTAL PROGRAM EXPENSES	<u>\$ 141,339</u>
SUPPORT EXPENSES	
Salaries and Payroll Taxes	\$ 11,692
Professional Fees	8,427
Computer and Equipment	4,952
Supplies	3,233
Telephone	2,189
Director's Fund	1,565
Postage and Shipping	216
Occupancy	9,977
Other Expenses	<u>2,720</u>
TOTAL SUPPORT EXPENSES	<u>\$ 44,971</u>
FUNDRAISING EXPENSES	
Printing and Postage	<u>\$ 508</u>
TOTAL FUNDRAISING EXPENSES	<u>\$ 508</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN
CONJUNCTION WITH THESE FINANCIAL STATEMENTS

NEW CANAAN CARES, INC.

NOTES TO FINANCIAL STATEMENTS

PRINCIPAL ORGANIZATIONAL ACTIVITY

New Canaan CARES, Inc., (the “Organization”) is a Connecticut Corporation, and an independent, non-profit community organization whose purpose is to advance the health and well-being of youth and families. The Organization provides responsive educational programs and professional development that support and strengthen parenting skills, positive youth development, and healthy lifestyles. The Organization derives most of its funding through contributions and special fundraising events.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of New Canaan CARES, Inc. is presented to assist in understanding the financial statements. These financial statements and notes are the representation of the management, who is responsible for their integrity and objectivity.

Basis of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting. This method differs from generally accepted accounting principles since it requires revenues and their related assets to be recorded when received rather than when earned and their related liabilities to be recorded when paid rather than when incurred.

Basis of Presentation

The Organization prepares its financial statements using standards established by the Financial Accounting Standards Board. Accounting standards require reporting its financial position and activities according to the following asset classification.

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose at the discretion of the Organization’s management and governing board to use in carrying out the operations of the Organization in accordance with its charter and by-laws.

Net Assets With Donor Restrictions

Net assets subject to restrictions imposed by donors. Some restrictions are temporary in nature which can be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature where the donor has directed the funds be maintained in perpetuity.

Contributions received are recorded as donor restricted or unrestricted depending on the existence/nature or absence of restrictions. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions in the statement of support, revenue, expenses and other charges in net assets – cash basis.

Use of Estimates

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

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NEW CANAAN CARES, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Donated Materials and Services

Donated materials or equipment, when received, are reflected as contributions in the accompanying statements at their estimated fair value at date of receipt. No amounts have been reflected in the statements for 2021 for donated services since no objective basis is available to measure the value of such service; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fund-raising appeals.

Functional Expenses

The cost of providing program and other activities have been summarized on a functional basis in the statement of support, revenue, expenses and other charges in net assets – cash basis and in detail in the statement of functional expenses. Certain costs have been allocated among program and supporting services. Such allocations are determined by management on an equitable basis based on periodic time and expense studies. Support expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Support expenses have been allocated on the basis of estimates made by management.

2. INCOME TAXES

New Canaan CARES, Inc. is a "not-for-profit" organization as described in Section 509(a)(1) of the Internal Revenue Code and is exempt from federal incomes taxes under Section 501(c)(3) of the Internal Revenue Code. New Canaan CARES, Inc. 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, 2021, 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. New Canaan CARES, Inc. 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, 2018-2020 remain open.

3. PAYCHECK PROTECTION PROGRAM (PPP) FORGIVENESS

The Organization entered into a Promissory Note with Citizens Bank on May 7 2020 for \$26,200 pursuant to the U.S. Small Business Administration's (SBA) Loan Program known as the Paycheck Protection Program (PPP). The Organization applied for and received forgiveness of this loan on March 17, 2021, The Organization has included this in income for the year ended June 30, 2021.

NEW CANAAN CARES, INC.

NOTES TO FINANCIAL STATEMENTS

4. **BOARD DESIGNATED NET ASSETS**

The Board of Directors of the Organization have designated a portion of net assets without donor restrictions, \$250,000, for the following purpose:

Funds estimated for future expenses for program costs related to insure that responsive educational programs can be continued in event of a downturn in funding.

5. **INVESTMENTS**

The Organization's investments are reported at fair value in the accompanying statement of financial position. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, the Organization believes its valuation methods are appropriate and consistent with other market participants; the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization's investment at June 30, 2021, consists of the following:

Level 3

Interest in - New Canaan Community Foundation Endowment Fund	<u>\$110,492</u>
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The authoritative literature on fair value measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Organization uses appropriate valuation techniques based on available inputs to measure fair value of its investments. The Organization's investments are classified as defined below.

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices identical assets in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable for the asset and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following schedule summarizes the investment return for the year ended June 30, 2021:

Interest and dividend income	\$ 1,752
Realized Gain on investments	11,019
Investment Fees	<u>(527)</u>
	<u>\$ 12,244</u>

Continued . . .

A. B. C., INC. OF NEW CANAAN
NOTES TO FINANCIAL STATEMENTS

6. SPECIAL EVENTS

Combined results of the special fundraising events are presented in the statement of activities. The details of the individual events held during the year ended June 30, 2021 are as follows:

	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>
Home Tour	\$ 75,361	\$ 9,277	\$ 66,084
Other	<u>10,957</u>	<u>9,126</u>	<u>1,831</u>
	<u>\$ 86,318</u>	<u>\$ 18,403</u>	<u>\$ 67,915</u>

7. OFFICE LEASE

The Organization entered into a lease for office space located at 91 Elm Street, New Canaan, Connecticut on October 1, 2019. The lease term is a five-year non-cancelable lease beginning October 1, 2019 through September 30, 2024. The Organization has entered into this agreement with a co-tenant.

As of June 30, 2021, the total remaining payments for the Organization under this non-cancelable operating lease for each fiscal year ending June 30th are as follows:

2022	\$ 7,345
2023	\$ 7,345
2024	\$ 7,345
2025	\$ 1,836

8. CONCENTRATION OF RISK

The Organization at June 30, 2021, maintained funds in one deposit institution in excess of the federally insured maximum of \$250,000.

9. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets June 30, 2021 available to meet general expenditures.

Cash and Cash Equivalents	\$ 446,546
Investments	<u>110,492</u>
Total Financial Assets	<u>557,038</u>
 Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	 <u>\$ 557,038</u>

Continued . . .

NEW CANAAN CARES, INC.

NOTES TO FINANCIAL STATEMENTS

10. COVID-19 PANDEMIC

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020 declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the Organization's operations, suppliers or other vendors, and client base. The extent to which the coronavirus may impact the Organization's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 16, 2021, the date which the financial statements were available for issue.