

**BRANFORD COMMUNITY  
FOUNDATION, INC.**

*Financial Statements*  
December 31, 2011 and 2010

**KIRCALDIE, RANDALL & MCNAB LLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
NORTH HAVEN, CONNECTICUT 06473

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Branford Community Foundation, Inc.  
Branford, Connecticut

We have audited the accompanying statement of financial position of the

**BRANFORD COMMUNITY FOUNDATION, INC.**  
*(a Nonprofit Organization)*

as of December 31, 2011 and 2010, and the related statement of activity and changes in net assets, and statement of cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Branford Community Foundation, Inc., as of December 31, 2011 and 2010, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Kircaldie Randall & McNab LLC*

North Haven, Connecticut  
November 15, 2012

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 138,667	\$ 217,815
Accrued interest income	2,770	2,599
Total current assets	<u>\$ 141,437</u>	<u>\$ 220,414</u>
Long-term assets:		
Investments	<u>\$ 1,259,669</u>	<u>\$ 1,233,473</u>
Total assets	<u><u>\$ 1,401,106</u></u>	<u><u>\$ 1,453,887</u></u>
<b>LIABILITIES</b>		
Grants payable	<u>\$ -</u>	<u>\$ -</u>
<b>NET ASSETS</b>		
Permanently restricted for High School Scholarships	\$ 156,336	\$ 168,248
Temporarily restricted net assets	-	8,605
Unrestricted:		
Unappropriated	833,576	902,986
Appropriated by Board for scholarships	411,194	374,048
Total net assets	<u>\$ 1,401,106</u>	<u>\$ 1,453,887</u>
Total liabilities and net assets	<u><u>\$ 1,401,106</u></u>	<u><u>\$ 1,453,887</u></u>

KIRCALDIE, RANDALL & MCNAB LLC

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS**  
**FOR THE YEARS DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>Revenues, gains and other support:</b>		
Contributions received	\$ 83,427	\$ 162,348
Function income, net	-	(327)
Income on long-term investments	23,366	21,815
Net gain (loss) on long-term investments	<u>(72,137)</u>	<u>123,367</u>
Total revenues, gains, and other support	<u>\$ 34,656</u>	<u>\$ 307,203</u>
<b>Expenses:</b>		
Charitable giving:		
Grants	\$ 64,481	\$ 46,000
Scholarships	<u>16,000</u>	<u>15,300</u>
Total giving	<u>\$ 80,481</u>	<u>\$ 61,300</u>
Administrative		
Professional fees	4,578	3,369
Postage	-	848
Dues	500	-
Advertising	500	124
Printing	330	2,993
Website expenses	64	705
Administrative	126	81
Fidelity bond	<u>858</u>	<u>-</u>
Total administrative	<u>\$ 6,956</u>	<u>\$ 8,120</u>
Total expenses	<u>\$ 87,437</u>	<u>\$ 69,420</u>
Change in net assets	\$ (52,781)	\$ 237,783
Net assets at beginning of year	<u>1,453,887</u>	<u>1,216,104</u>
Net assets at end of year	<u>\$ 1,401,106</u>	<u>\$ 1,453,887</u>

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See the notes to the financial statements

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS DECEMBER 31, 2011 AND 2010**

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	<u>2011</u>	<u>2010</u>
<b><u>Cash flows from operating activities:</u></b>		
Change in net assets	\$ (52,781)	\$ 237,783
(Gain) loss on sale of investments	38,897	(123,367)
Adjustment to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in accrued interest income	(171)	831
Net cash provided (used) by operating activities	<u>\$ (14,055)</u>	<u>\$ 115,247</u>
<b><u>Cash flows from investing activities:</u></b>		
Proceeds from sale of investments	\$ 146,712	\$ 171,834
Purchase of investments	(211,805)	(359,115)
Net cash provided (used) by investing activities	<u>\$ (65,093)</u>	<u>\$ (187,281)</u>
Change in net assets	\$ (79,148)	\$ (72,034)
Cash at beginning of year	217,815	289,849
Cash at end of year	<u>\$ 138,667</u>	<u>\$ 217,815</u>

KIRCALDIE, RANDALL & MGNAB LLC

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES:**

**Description of entity:** The Branford Community Foundation, Inc., was established in 1980 to benefit all residents of the Branford community in charitable, educational and scientific endeavors.

**Basis of accounting:** The Foundation prepares its financial statements on the accrual basis of accounting whereby income is recorded when earned, rather than received, and expense recorded when incurred rather than when paid.

**Unrestricted net assets:** All net assets are classified as unrestricted as there were not donor restrictions placed on gifts when made. Assets designated by the board of directors are classified as unrestricted as the board may alter its own restriction.

**Temporarily restricted assets:** These are funds which are given with the stipulation that the funds be used for a specific purpose which has not yet been completed. Upon completion the restriction is lifted.

**Permanently restricted assets:** These represent funds, generally endowment type funds, which are designated for use of “income only” with principal use prohibited.

**Income taxes:** The Branford Community Foundation, Inc., is exempt from Federal Income Taxes under §501(c)(3) of the Internal Revenue Code, therefore, no provision is made for taxes.

**Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results

**Reclassifications:** Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year statements.

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 2 — INVESTMENTS:**

The Foundation reflects investments at market value in its financial statements where unrealized gains and losses are aggregated with realized gains and losses on the statement of activity. Realized and unrealized losses are as follows:

	<u>2011</u>	<u>2010</u>
Realized net gains	\$ 13,723	\$ 1,103
Unrealized net gains (losses)	(85,860)	122,264
	<u>\$ (72,137)</u>	<u>\$ 123,367</u>

The cost vs. market value of the investments categories is as follows:

	<b>2011</b>	
	<u>Book Value</u>	<u>Market Value</u>
U.S. Government Agency Securities	\$ 50,000	\$ 50,462
Corporate Bonds	269,626	277,796
Equity Securities	3,740	49,643
Mutual Funds	861,419	881,768
	<u>\$ 1,184,785</u>	<u>\$ 1,259,669</u>

	<b>2010</b>	
	<u>Book Value</u>	<u>Market Value</u>
U.S. Government Agency Securities	\$ 95,000	\$ 95,994
Corporate Bonds	224,727	233,795
Equity Securities	25,000	24,720
Mutual Funds	774,965	878,964
	<u>\$ 1,119,692</u>	<u>\$ 1,233,473</u>

**NOTE 3 — FAIR VALUE MEASUREMENTS:**

The Foundation's investments are reported at fair value in the accompanying statement of net assets available for benefits. 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, although the Foundation 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.

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 3, continued:**

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs are unobservable and have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or 3 inputs were available to the Foundation.

Level 1 Fair Value Measurements: The fair value of mutual funds is based on quoted net asset values of the shares held by the Foundation at year-end. The fair values of common stocks, corporate bonds, and U.S. Government securities are based on the closing price reported on the active market where the individual securities are traded.

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	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets</b>
<b>December 31, 2011:</b>		
Mutual Funds:		
Index Funds	-	-
Blended Funds	411,078	411,078
Growth Funds	256,356	256,356
Value Funds	214,334	214,334
Fixed Income Funds	-	-
U.S. Government Agency Securities	50,462	50,462
Corporate Bonds	277,796	277,796
Equity Securities	49,643	49,643
Total assets at fair value	<u>\$ 1,259,669</u>	<u>\$ 1,259,669</u>



**BRANFORD COMMUNITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 3, continued:**

**December 31, 2010:**

Mutual Funds:

Index Funds	-	-
Blended Funds	390,801	390,801
Growth Funds	259,915	259,915
Value Funds	190,616	190,616
Fixed Income Funds	37,632	37,632
U.S. Government Agency Securities	95,994	95,994
Corporate Bonds	233,795	233,795
Equity Securities	24,720	24,720
Total assets at fair value	<u>\$ 1,233,473</u>	<u>\$ 1,233,473</u>

**NOTE 4 — FUNDS:**

At year end the Foundation has the following funds:

	<u>2011</u>	<u>2010</u>
<b>Unrestricted:</b>		
General Fund	\$ 517,407	\$ 559,413
Mobeck Family Fund	9,981	11,001
Andriole Family Fund	24,490	26,311
Harry and Abby Johnson Fund	4,635	5,109
Darin G Etzel Fund	91,116	100,303
H Allen Carroll Fund	13,557	14,943
William & Barbara Lyons Fund	108,629	119,734
John & Carol Moss Fund	7,642	8,317
A Peter and Fae Delfini Memorial Fund	8,845	9,749
Clark Family Fund	7,002	7,400
Eleanor Taylor Fund	5,533	5,993
Donald & Mary Lou Welch Fund	7,497	8,051
Donald G Grigley Memorial Fund	14,891	16,413
R Massey Family Fund	11,609	10,249
John E Donegan Fund	742	-
Total unrestricted funds	<u>\$ 833,576</u>	<u>\$ 902,986</u>

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note 4, continued:**

	<u>2011</u>	<u>2010</u>
<b>Scholarship Funds:</b>		
John B. Sliney Fund	\$ 9,323	\$ 9,931
Austin Ryer Fund	8,695	9,331
Mari–Ellen Reed Fund	14,821	15,444
PJ Ferriolo Memorial Fund	26,987	28,337
Vincent S. Giordano, Sr. Construction Ind.	34,526	35,567
Robert Dow Scholarship Fund	9,638	11,085
Ellen McDonnell Ferguson	57,562	57,917
Carol D. Redden Scholarship Fund	42,190	43,965
Kendra Martin Scholarship Fund	7,378	6,686
Linda Edsall Winward Scholarship Fund	18,178	18,982
Linda Edsall & Walter Winward Music Fund	9,795	10,007
Selectmen's Fund	1,865	1,943
William Schwanfelder Scholarship Fund	108,962	113,546
Joyce & Robert Mailhouse Fund	49,961	-
D. William Owens, Jr. and Robert M.	11,313	11,307
Total scholarship funds	<u>\$ 411,194</u>	<u>\$ 374,048</u>
Total funds	<u>\$ 1,244,770</u>	<u>\$ 1,277,034</u>
<b>Branford High School Scholarships</b>	<u>\$ 156,336</u>	<u>\$ 168,248</u>

KIRCALDIE, RANDALL & MGNAB LLC

**NOTE 5 — GRANTS AND SCHOLARSHIPS:**

The following organizations benefitted from the Foundation’s work during the year:

		<u>Purpose</u>
Community Dining Room	\$ 2,500	General
Soundview YMCA	5,000	Capital Pledge
Shoreline Arts Alliance	1,500	Theatrical events
Branford Food Pantry	15,000	General
Branford Counseling Center	15,000	Needs fund
Camp Hazen YMCA	1,500	Camp Scholarships
Branford Land Trust	2,000	Property acquisition
Rollover Beethoven	2,500	Matching funds
Fractured Atlas Productions	14,705	SC Playhouse
Community Mediation	2,276	Conflict Mgmt
Shoreline Trolley Museum	2,500	Capital Pledge
	<u>\$ 64,481</u>	

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**Note 5, continued :**

Scholarships, Branford High School and others \$ 16,000

**NOTE 6 — COMMITMENTS:**

The following amounts have been computed toward multi-year pledges, projects for which certain conditions have not yet been met or projects which have not been

Robert Gill Scholarships	\$	3,000	5 year pledge
Shoreline Trolley Museum		2,500	Capital Pledge