

**BRANFORD COMMUNITY
FOUNDATION, INC.**

Financial Statements
December 31, 2012 and 2011

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, 2012 and 2011, 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, 2012 and 2011, 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, 2013

BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets:		
Cash	\$ 177,132	\$ 138,667
Accrued interest income	2,315	2,770
Total current assets	<u>\$ 179,447</u>	<u>\$ 141,437</u>
Long-term assets:		
Investments	<u>\$ 1,357,534</u>	<u>\$ 1,259,669</u>
Total assets	<u><u>\$ 1,536,981</u></u>	<u><u>\$ 1,401,106</u></u>
LIABILITIES		
Grants payable	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS		
Permanently restricted for High School Scholarships	\$ 166,071	\$ 156,336
Temporarily restricted net assets	3,604	-
Unrestricted:		
Unappropriated	914,680	833,576
Appropriated by Board for scholarships	452,626	411,194
Total net assets	<u>\$ 1,536,981</u>	<u>\$ 1,401,106</u>
Total liabilities and net assets	<u><u>\$ 1,536,981</u></u>	<u><u>\$ 1,401,106</u></u>

KIRCALDIE, RANDALL & MCNAB LLC

BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS
FOR THE YEARS DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Revenues, gains and other support:		
Contributions received	\$ 30,018	\$ 83,427
Income on long-term investments	22,335	23,366
Net gain (loss) on long-term investments	<u>152,647</u>	<u>(72,137)</u>
Total revenues, gains, and other support	<u>\$ 205,000</u>	<u>\$ 34,656</u>
Expenses:		
Charitable giving:		
Grants	\$ 35,850	\$ 64,481
Scholarships	<u>17,250</u>	<u>16,000</u>
Total giving	<u>\$ 53,100</u>	<u>\$ 80,481</u>
Administrative		
Professional fees	6,917	4,578
Postage	330	-
Dues	-	500
Advertising	1,448	500
Printing	2,185	330
Website expenses	2,980	64
Administrative	775	126
Fidelity bond	<u>1,390</u>	<u>858</u>
Total administrative	<u>\$ 16,025</u>	<u>\$ 6,956</u>
Total expenses	<u>\$ 69,125</u>	<u>\$ 87,437</u>
Change in net assets	\$ 135,875	\$ (52,781)
Net assets at beginning of year	<u>1,401,106</u>	<u>1,453,887</u>
Net assets at end of year	<u>\$ 1,536,981</u>	<u>\$ 1,401,106</u>

KIRCALDIE, RANDALL & MGNAB LLC

BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 135,875	\$ (52,781)
(Gain) loss on sale of investments	(110,162)	38,897
Bond premium amortization	1,012	-
Adjustment to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in accrued interest income	455	(171)
Net cash provided (used) by operating activities	<u>\$ 27,180</u>	<u>\$ (14,055)</u>
<u>Cash flows from investing activities:</u>		
Proceeds from sale of investments	\$ 114,000	\$ 146,712
Purchase of investments	<u>(102,715)</u>	<u>(211,805)</u>
Net cash provided (used) by investing activities	<u>\$ 11,285</u>	<u>\$ (65,093)</u>
Change in net assets	\$ 38,465	\$ (79,148)
Cash at beginning of year	<u>138,667</u>	<u>217,815</u>
Cash at end of year	<u><u>\$ 177,132</u></u>	<u><u>\$ 138,667</u></u>

KIRCALDIE, RANDALL & MGNAB LLC

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

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.

Uncertain Tax Positions: FASB issued Accounting for Uncertainty in Income Taxes (ASC 740). Branford Community Foundation, Inc., continually evaluates expiring statutes of limitations, proposed settlements and changes in tax law and new authoritative rulings to determine if Branford Community Foundation, Inc., has any uncertain tax positions. As of December 31, 2012, Branford Community Foundation, Inc., does not believe it is exposed to any uncertain tax positions. Currently, Branford Community Foundation, Inc.'s informational returns for tax years 2009-2011 remain open for inspection by the IRS with the 2012 return to be filed in 2013.

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 could differ from these estimates.

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 1, continued:

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.

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>2012</u>	<u>2011</u>
Realized net gains	\$ 42,485	\$ 13,723
Unrealized net gains (losses)	110,162	(85,860)
	<u>\$ 152,647</u>	<u>\$ (72,137)</u>

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

	2012	
	<u>Book Value</u>	<u>Market Value</u>
U.S. Government Agency Securities	\$ 50,000	\$ 50,202
Corporate Bonds	144,739	158,544
Equity Securities	110,578	128,306
Mutual Funds	914,134	1,020,482
	<u>\$ 1,219,451</u>	<u>\$ 1,357,534</u>

	2011	
	<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>

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

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.

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.

	Fair Value	Quoted Prices in Active Markets for Identical Assets
December 31, 2012:		
Mutual Funds:		
Blended Funds	475,253	475,253
Growth Funds	294,304	294,304
Value Funds	250,925	250,925
U.S. Government Agency Securities	50,202	50,202
Corporate Bonds	158,544	158,544
Equity Securities	128,306	128,306
Total assets at fair value	<u>\$ 1,357,534</u>	<u>\$ 1,357,534</u>

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 3, continued :

December 31, 2011:

Mutual 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>

NOTE 4 — FUNDS:

At year end the Foundation has the following funds:

	<u>2012</u>	<u>2011</u>
Unrestricted:		
General Fund	\$ 574,568	\$ 517,407
Mobeck Family Fund	10,627	9,981
Andriole Family Fund	26,182	24,490
Harry and Abby Johnson Fund	4,935	4,635
Darin G Etzel Fund	100,579	91,116
H Allen Carroll Fund	14,434	13,557
William & Barbara Lyons Fund	115,659	108,629
John & Carol Moss Fund	8,136	7,642
A Peter and Fae Delfini Memorial Fund	9,417	8,845
Clark Family Fund	7,722	7,002
Eleanor Taylor Fund	5,998	5,533
Donald & Mary Lou Welch Fund	8,361	7,497
Donald G Grigley Memorial Fund	15,854	14,891
R Massey Family Fund	15,022	11,609
John E Donegan Fund	790	742
Total unrestricted funds	<u>\$ 918,284</u>	<u>\$ 833,576</u>

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 4, continued :

	<u>2012</u>	<u>2011</u>
Scholarship Funds:		
John B. Sliney Fund	\$ 10,072	\$ 9,323
Austin Ryer Fund	9,463	8,695
Mari–Ellen Reed Fund	16,472	14,821
PJ Ferriolo Memorial Fund	29,991	26,987
Vincent S. Giordano, Sr. Construction Ind.	38,484	34,526
Robert Dow Scholarship Fund	9,711	9,638
Ellen McDonnell Ferguson	62,674	57,562
Carol D. Redden Scholarship Fund	45,751	42,190
Kendra Martin Scholarship Fund	8,256	7,378
Linda Edsall Winward Scholarship Fund	19,203	18,178
Linda Edsall & Walter Winward Music Fund	10,887	9,795
Selectmen's Fund	2,072	1,865
William Schwanfelder Scholarship Fund	121,101	108,962
Joyce & Robert Mailhouse Fund	55,638	49,961
D. William Owens, Jr. and Robert M.	12,851	11,313
Total scholarship funds	<u>\$ 452,626</u>	<u>\$ 411,194</u>
Total funds	<u>\$ 1,370,910</u>	<u>\$ 1,244,770</u>
Branford High School Scholarships	<u>\$ 166,071</u>	<u>\$ 156,336</u>

KIRCALDIE, RANDALL & McNAB LLC

NOTE 5 — GRANTS AND SCHOLARSHIPS:

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

		<u>Purpose</u>
Community Dining Room	\$ 5,000	General
Branford Food Pantry	5,000	General
Branford Counseling Center	19,850	Needs fund
Camp Hazen YMCA	1,500	Camp Scholarships
Community Mediation	2,000	Conflict Mgmt
Shoreline Trolley Museum	2,500	Capital Pledge
	<u>\$ 35,850</u>	
Scholarships, Branford High School and others	<u>\$ 17,250</u>	

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

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 completed.

Robert Gill Scholarships	\$	3,000	5 year pledge
--------------------------	----	-------	---------------