BRANFORD COMMUNITY FOUNDATION, INC.

Financial Statements
December 31, 2012 and 2011
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
### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 177,132</td>
<td>$ 138,667</td>
</tr>
<tr>
<td>Accrued interest income</td>
<td>2,315</td>
<td>2,770</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$ 179,447</td>
<td>$ 141,437</td>
</tr>
<tr>
<td>Long-term assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>$ 1,357,534</td>
<td>$ 1,259,669</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 1,536,981</td>
<td>$ 1,401,106</td>
</tr>
</tbody>
</table>

### LIABILITIES

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

### NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanently restricted for High School Scholarships</td>
<td>$ 166,071</td>
<td>$ 156,336</td>
</tr>
<tr>
<td>Temporarily restricted net assets</td>
<td>3,604</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unappropriated</td>
<td>914,680</td>
<td>833,576</td>
</tr>
<tr>
<td>Appropriated by Board for scholarships</td>
<td>452,626</td>
<td>411,194</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$ 1,536,981</td>
<td>$ 1,401,106</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$ 1,536,981</td>
<td>$ 1,401,106</td>
</tr>
</tbody>
</table>

See the notes to the financial statements
## Revenues, gains and other support:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions received</td>
<td>$30,018</td>
<td>$83,427</td>
</tr>
<tr>
<td>Income on long-term investments</td>
<td>22,335</td>
<td>23,366</td>
</tr>
<tr>
<td>Net gain (loss) on long-term investments</td>
<td>152,647</td>
<td>72,137</td>
</tr>
<tr>
<td>Total revenues, gains, and other support</td>
<td>$205,000</td>
<td>$34,656</td>
</tr>
</tbody>
</table>

## Expenses:

### Charitable giving:

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>$35,850</td>
<td>$64,481</td>
</tr>
<tr>
<td>Scholarships</td>
<td>17,250</td>
<td>16,000</td>
</tr>
<tr>
<td>Total giving</td>
<td>$53,100</td>
<td>$80,481</td>
</tr>
</tbody>
</table>

### Administrative

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional fees</td>
<td>6,917</td>
<td>4,578</td>
</tr>
<tr>
<td>Postage</td>
<td>330</td>
<td>-</td>
</tr>
<tr>
<td>Dues</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>Advertising</td>
<td>1,448</td>
<td>500</td>
</tr>
<tr>
<td>Printing</td>
<td>2,185</td>
<td>330</td>
</tr>
<tr>
<td>Website expenses</td>
<td>2,980</td>
<td>64</td>
</tr>
<tr>
<td>Administrative</td>
<td>775</td>
<td>126</td>
</tr>
<tr>
<td>Fidelity bond</td>
<td>1,390</td>
<td>858</td>
</tr>
<tr>
<td><strong>Total administrative</strong></td>
<td><strong>$16,025</strong></td>
<td><strong>$6,956</strong></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$69,125</strong></td>
<td><strong>$87,437</strong></td>
</tr>
</tbody>
</table>

## Change in net assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$135,875</td>
<td>$(52,781)</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>1,401,106</td>
<td>1,453,887</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$1,536,981</td>
<td>$1,401,106</td>
</tr>
</tbody>
</table>

See the notes to the financial statements
BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS DECEMBER 31, 2012 AND 2011

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$135,875</td>
<td>$(52,781)</td>
</tr>
<tr>
<td>(Gain) loss on sale of investments</td>
<td>$(110,162)</td>
<td>38,897</td>
</tr>
<tr>
<td>Bond premium amortization</td>
<td>1,012</td>
<td>-</td>
</tr>
<tr>
<td>Adjustment to reconcile change in net assets to net cash used by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in accrued interest income</td>
<td>455</td>
<td>(171)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td><strong>$27,180</strong></td>
<td><strong>$(14,055)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Cash flows from investing activities:</strong></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale of investments</td>
<td>$114,000</td>
<td>$146,712</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>$(102,715)</td>
<td>$(211,805)</td>
</tr>
<tr>
<td>Net cash provided (used) by investing activities</td>
<td><strong>$11,285</strong></td>
<td><strong>$(65,093)</strong></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$38,465</td>
<td>$(79,148)</td>
</tr>
<tr>
<td>Cash at beginning of year</td>
<td>138,667</td>
<td>217,815</td>
</tr>
<tr>
<td>Cash at end of year</td>
<td><strong>$177,132</strong></td>
<td><strong>$138,667</strong></td>
</tr>
</tbody>
</table>

See the 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.
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:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized net gains</td>
<td>$ 42,485</td>
<td>$ 13,723</td>
</tr>
<tr>
<td>Unrealized net gains (losses)</td>
<td>110,162</td>
<td>(85,860)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 152,647</td>
<td>$(72,137)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Agency Securities</td>
<td>$ 50,000</td>
<td>$ 50,202</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>144,739</td>
<td>158,544</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Securities</td>
<td>110,578</td>
<td>128,306</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>914,134</td>
<td>1,020,482</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,219,451</td>
<td>$1,357,534</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Agency Securities</td>
<td>$ 50,000</td>
<td>$ 50,462</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>269,626</td>
<td>277,796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Securities</td>
<td>3,740</td>
<td>49,643</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>861,419</td>
<td>881,768</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,184,785</td>
<td>$1,259,669</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Quoted Prices in Active Markets for Identical Assets</th>
<th>Fair Value</th>
<th>Quoted Prices in Active Markets for Identical Assets</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2012:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blended Funds</td>
<td>475,253</td>
<td>475,253</td>
<td>475,253</td>
</tr>
<tr>
<td>Growth Funds</td>
<td>294,304</td>
<td>294,304</td>
<td>294,304</td>
</tr>
<tr>
<td>Value Funds</td>
<td>250,925</td>
<td>250,925</td>
<td>250,925</td>
</tr>
<tr>
<td>U.S. Government Agency Securities</td>
<td>50,202</td>
<td>50,202</td>
<td>50,202</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>158,544</td>
<td>158,544</td>
<td>158,544</td>
</tr>
<tr>
<td>Total assets at fair value</td>
<td>$1,357,534</td>
<td>$1,357,534</td>
<td>$1,357,534</td>
</tr>
</tbody>
</table>
Note 3, continued:

December 31, 2011:

Mutual Funds:
- Blended Funds: 411,078
- Growth Funds: 256,356
- Value Funds: 214,334
- Fixed Income Funds: -
- U.S. Government Agency Securities: 50,462
- Corporate Bonds: 277,796
- Equity Securities: 49,643

Total assets at fair value: $1,259,669

NOTE 4 — FUNDS:

At year end the Foundation has the following funds:

Unrestricted:

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

Total unrestricted funds: $918,284

<table>
<thead>
<tr>
<th>Fund</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$574,568</td>
<td>$517,407</td>
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<td>4,635</td>
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<td>108,629</td>
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<tr>
<td>John &amp; Carol Moss Fund</td>
<td>8,136</td>
<td>7,642</td>
</tr>
<tr>
<td>A Peter and Fae Delfini Memorial Fund</td>
<td>9,417</td>
<td>8,845</td>
</tr>
<tr>
<td>Clark Family Fund</td>
<td>7,722</td>
<td>7,002</td>
</tr>
<tr>
<td>Eleanor Taylor Fund</td>
<td>5,998</td>
<td>5,533</td>
</tr>
<tr>
<td>Donald &amp; Mary Lou Welch Fund</td>
<td>8,361</td>
<td>7,497</td>
</tr>
<tr>
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</tr>
<tr>
<td>R Massey Family Fund</td>
<td>15,022</td>
<td>11,609</td>
</tr>
<tr>
<td>John E Donegan Fund</td>
<td>790</td>
<td>742</td>
</tr>
</tbody>
</table>

Total unrestricted funds: $918,284
Note 4, continued:

Scholarship Funds:

<table>
<thead>
<tr>
<th>Fund</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>John B. Sliney Fund</td>
<td>$10,072</td>
<td>$9,323</td>
</tr>
<tr>
<td>Austin Ryer Fund</td>
<td>9,463</td>
<td>8,695</td>
</tr>
<tr>
<td>Mari–Ellen Reed Fund</td>
<td>16,472</td>
<td>14,821</td>
</tr>
<tr>
<td>PJ Ferriolo Memorial Fund</td>
<td>29,991</td>
<td>26,987</td>
</tr>
<tr>
<td>Vincent S. Giordano, Sr. Construction Ind.</td>
<td>38,484</td>
<td>34,526</td>
</tr>
<tr>
<td>Robert Dow Scholarship Fund</td>
<td>9,711</td>
<td>9,638</td>
</tr>
<tr>
<td>Ellen McDonnell Ferguson</td>
<td>62,674</td>
<td>57,562</td>
</tr>
<tr>
<td>Carol D. Redden Scholarship Fund</td>
<td>45,751</td>
<td>42,190</td>
</tr>
<tr>
<td>Kendra Martin Scholarship Fund</td>
<td>8,256</td>
<td>7,378</td>
</tr>
<tr>
<td>Linda Edsall Winward Scholarship Fund</td>
<td>19,203</td>
<td>18,178</td>
</tr>
<tr>
<td>Linda Edsall &amp; Walter Winward Music Fund</td>
<td>10,887</td>
<td>9,795</td>
</tr>
<tr>
<td>Selectmen's Fund</td>
<td>2,072</td>
<td>1,865</td>
</tr>
<tr>
<td>William Schwanfelder Scholarship Fund</td>
<td>121,101</td>
<td>108,962</td>
</tr>
<tr>
<td>Joyce &amp; Robert Mailhouse Fund</td>
<td>55,638</td>
<td>49,961</td>
</tr>
<tr>
<td>D. William Owens, Jr. and Robert M.</td>
<td>12,851</td>
<td>11,313</td>
</tr>
</tbody>
</table>

Total scholarship funds: $452,626 $411,194
Total funds: $1,370,910 $1,244,770

Branford High School Scholarships: $166,071 $156,336

Note 5 — Grants and Scholarships:

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

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Dining Room</td>
<td>$5,000</td>
<td>General</td>
</tr>
<tr>
<td>Branford Food Pantry</td>
<td>$5,000</td>
<td>General</td>
</tr>
<tr>
<td>Branford Counseling Center</td>
<td>$19,850</td>
<td>Needs fund</td>
</tr>
<tr>
<td>Camp Hazen YMCA</td>
<td>$1,500</td>
<td>Camp Scholarships</td>
</tr>
<tr>
<td>Community Mediation</td>
<td>$2,000</td>
<td>Conflict Mgmt</td>
</tr>
<tr>
<td>Shoreline Trolley Museum</td>
<td>$2,500</td>
<td>Capital Pledge</td>
</tr>
</tbody>
</table>

Scholarships, Branford High School and others: $17,250
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