

**BRANFORD COMMUNITY
FOUNDATION, INC.**

Financial Statements
December 31, 2015 and 2014

Independent Auditor's Report

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

We have audited the accompanying financial statements of the Branford Community Foundation, Inc., (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 Branford Community Foundation, Inc., as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Kircaldie Randall & McNab LLC

North Haven, Connecticut
May 23, 2016

BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

ASSETS	<u>2015</u>	<u>2014</u>
Current assets:		
Cash	\$ 224,603	\$ 145,018
Contributions receivable	876	-
Accrued interest income	4,444	3,070
Total current assets	<u>\$ 229,923</u>	<u>\$ 148,088</u>
Fixed assets	<u>\$ 1,053</u>	<u>\$ -</u>
Long-term assets:		
Investments	<u>\$ 1,836,054</u>	<u>\$ 1,887,864</u>
Total assets	<u><u>\$ 2,067,030</u></u>	<u><u>\$ 2,035,952</u></u>
LIABILITIES		
Grants payable	<u>\$ 17,500</u>	<u>\$ -</u>
NET ASSETS		
Permanently restricted for High School Scholarships	\$ 177,787	\$ 187,789
Temporarily restricted net assets	-	-
Unrestricted:		
Unappropriated	1,261,966	1,213,428
Fixed assets	1,053	-
Appropriated by Board for scholarships	608,724	634,735
Total net assets	<u>\$ 2,049,530</u>	<u>\$ 2,035,952</u>
Total liabilities and net assets	<u><u>\$ 2,067,030</u></u>	<u><u>\$ 2,035,952</u></u>

KIRCALDIE, RANDALL & MGNAB LLC

See the notes to the financial statements

BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS
FOR THE YEARS DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Revenues, gains and other support:		
Contributions received	\$ 192,021	\$ 140,311
Income on long-term investments	27,458	33,689
Net gain (loss) on long-term investments	<u>(56,935)</u>	<u>41,337</u>
Total revenues, gains, and other support	<u>\$ 162,544</u>	<u>\$ 215,337</u>
Expenses:		
Charitable giving:		
Grants	\$ 73,450	\$ 61,095
Prizes	-	825
Event sponsorships	1,297	1,631
Scholarships	<u>20,750</u>	<u>20,750</u>
Total giving	<u>\$ 95,497</u>	<u>\$ 84,301</u>
Administrative		
Professional fees & salaries	36,632	24,313
Postage	274	277
Dues	388	520
Advertising	664	1,212
Printing	3,947	3,382
Website expenses	1,273	3,209
Administrative	9,447	328
Fidelity bond	844	744
Total administrative	<u>\$ 53,469</u>	<u>\$ 33,985</u>
Total expenses	<u>\$ 148,966</u>	<u>\$ 118,286</u>
Change in net assets	\$ 13,578	\$ 97,051
Net assets at beginning of year	<u>2,035,952</u>	<u>1,938,901</u>
Net assets at end of year	<u>\$ 2,049,530</u>	<u>\$ 2,035,952</u>

KIRCALDIE, RANDALL & MCNAB LLC

See the notes to the financial statements

BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 13,578	\$ 97,051
Non-cash donations	(30,648)	(42,014)
(Gain) loss on sale of investments	149,606	81,057
Adjustment to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in contributions receivable	(876)	-
(Increase) decrease in accrued interest income	(1,374)	(365)
Increase (decrease) in grants payable	17,500	-
Net cash provided (used) by operating activities	<u>\$ 147,786</u>	<u>\$ 135,729</u>
<u>Cash flows from investing activities:</u>		
Proceeds from sale of investments	\$ 379,582	\$ 255,893
Purchase of investments	(446,729)	(396,033)
Purchase of fixed assets	(1,053)	-
Net cash provided (used) by investing activities	<u>\$ (68,200)</u>	<u>\$ (140,140)</u>
Change in net assets	\$ 79,586	\$ (4,411)
Cash at beginning of year	<u>145,017</u>	<u>149,428</u>
Cash at end of year	<u><u>\$ 224,603</u></u>	<u><u>\$ 145,017</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.

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.

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

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>2015</u>	<u>2014</u>
Realized net gains	\$ 152,494	\$ 182,710
Unrealized net gains (losses)	(209,429)	(141,373)
	<u>\$ (56,935)</u>	<u>\$ 41,337</u>

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

	2015	
	<u>Book Value</u>	<u>Market Value</u>
U.S. Government Agency Securities	\$ -	\$ -
Corporate Bonds	610,032	611,460
Equity Securities	5,108	5,108
Mutual Funds	1,165,166	1,219,486
	<u>\$ 1,780,306</u>	<u>\$ 1,836,054</u>

	2014	
	<u>Book Value</u>	<u>Market Value</u>
U.S. Government Agency Securities	\$ 100,100	\$ 99,834
Corporate Bonds	315,157	319,193
Equity Securities	31,035	31,035
Mutual Funds	1,176,395	1,437,802
	<u>\$ 1,622,687</u>	<u>\$ 1,887,864</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

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.

KIRCALDIE, RANDALL & MGNAB LLC

	Fair Value	Quoted Prices in Active Markets for Identical Assets
December 31, 2015:		
Mutual Funds	1,219,486	1,437,802
U.S. Government Agency Securities	-	99,834
Corporate Bonds	611,460	319,193
Equity Securities	5,108	31,035
Total assets at fair value	<u>\$ 1,836,054</u>	<u>\$ 1,887,864</u>
December 31, 2014:		
Mutual Funds	1,437,802	1,437,802
U.S. Government Agency Securities	99,834	99,834
Corporate Bonds	319,193	319,193
Equity Securities	31,035	31,035
Total assets at fair value	<u>\$ 1,887,864</u>	<u>\$ 1,887,864</u>

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 — FUNDS:

At year end the Foundation has the following funds:

	<u>2015</u>	<u>2014</u>
Unrestricted:		
General Fund	\$ 685,895	\$ 714,024
Mobeck Family Fund	13,565	12,033
Andriole Family Fund	31,799	32,655
Harry and Abby Johnson Fund	5,054	5,588
Darin G Etzel Fund	111,438	117,388
H Allen Carroll Fund	14,781	16,344
William & Barbara Lyons Fund	118,528	131,058
John & Carol Moss Fund	8,331	9,212
A Peter and Fae Delfini Memorial Fund	9,644	10,663
Clark Family Fund	9,237	10,107
Eleanor Taylor Fund	6,142	6,791
Donald & Mary Lou Welch Fund	9,330	10,063
Donald G Grigley Memorial Fund	16,827	18,505
R Massey Family Fund	17,612	19,474
Tom Gagliardi Fund	6,053	5,313
GSB Charitable Fund	32,474	24,674
Jane W. Rosenthal Fund	9,302	10,286
Thomas Hooker Fund	17,237	13,952
Peter Borgemeister Fund	15,276	16,891
William T Gorman Fund	18,599	9,812
Farber Fund	9,384	7,850
Jacqueline Trask Ulrich Fund	82,818	-
John E Donegan Fund	12,640	10,745
Total unrestricted funds	<u>\$ 1,261,966</u>	<u>\$ 1,213,428</u>
Scholarship Funds:		
John B. Sliney Fund	\$ 11,071	\$ 11,851
Austin Ryer Fund	10,320	11,229
Mari–Ellen Reed Fund	19,720	20,591
PJ Ferriolo Memorial Fund	42,258	40,026
Vincent S. Giordano, Sr. Construction Ind.	45,066	46,999
Robert Dow Scholarship Fund	8,684	10,042
Ellen McDonnell Ferguson	86,511	85,402
Carol D. Redden Scholarship Fund	51,282	54,835
Kendra Martin Scholarship Fund	10,020	10,950

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 4 continued :

	<u>2015</u>	<u>2014</u>
Linda Edsall Winward Scholarship Fund	22,025	22,998
Linda Edsall & Walter Winward Music Fund	5,502	6,720
Selectmen's Fund	2,481	2,591
William Schwanfelder Scholarship Fund	130,273	140,900
Joyce & Robert Mailhouse Fund	146,018	152,367
Christopher & Robert Reynolds Schol. Fund	988	-
D. William Owens, Jr. and Robert M.	16,505	17,234
Total scholarship funds	<u>\$ 608,724</u>	<u>\$ 634,735</u>
Total funds	<u>\$ 1,870,690</u>	<u>\$ 1,848,163</u>
Branford High School Scholarships	<u>\$ 177,787</u>	<u>\$ 187,789</u>

NOTE 5 — FIXED ASSETS:

Fixed assets totalling \$1,053 comprise computer equipment jointly purchased with another organization. The equipment will be depreciated over 3 years.

NOTE 6 — GRANTS AND SCHOLARSHIPS:

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

		<u>Purpose</u>
Community Dining Room	\$ 10,000	General
Branford Historical Society	35,000	Match grant for Bldg
Sarah, Inc.	2,500	Recreational uses
Branford Alps Farmers Market	5,000	Tables & benches
Conn. Sports Foundation for Cancer	2,500	Help Bfd families
Cosgrove Animal Shelter	3,000	Shelter programs
Camp Hazen	1,700	General
Soundview YMCA	1,500	Athletes who say no
Literacy Volunteers	5,500	ESL program
Branford High School Choral Program	5,250	CD project
Shoreline Arts Alliance	1,500	General
	<u>\$ 73,450</u>	
Scholarships, Branford High School and others	<u>\$ 20,750</u>	

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 — COMMITMENTS:

The Foundation has committed \$6,000 along with another organization to be used for the Shoreline Non-Profit Professional Development Council.

NOTE 8 — SUBSEQUENT EVENTS:

Subsequent events have been evaluated by management through May 23, 2016. The financial statements were available for issue on June 30, 2016.