

**BRANFORD COMMUNITY  
FOUNDATION, INC.**

*Financial Statements*  
December 31, 2010 and 2009

**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, 2010 and 2009, 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, 2010 and 2009, 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  
July 15, 2011

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2010 AND 2009**

<b>ASSETS</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Current assets:		
Cash	\$ 217,815	\$ 289,849
Accrued interest income	2,599	3,430
Total current assets	<u>\$ 220,414</u>	<u>\$ 293,279</u>
Long-term assets:		
Investments	<u>\$ 1,233,473</u>	<u>\$ 922,825</u>
Total assets	<u><u>\$ 1,453,887</u></u>	<u><u>\$ 1,216,104</u></u>
<b>LIABILITIES</b>		
Grants payable	<u>\$ 0</u>	<u>\$ 0</u>
<b>NET ASSETS</b>		
Permanently restricted for High School Scholarships	\$ 168,248	\$ 154,693
Temporarily restricted net assets	8,605	
Unrestricted:		
Unappropriated	902,986	825,611
Appropriated by Board for scholarships	374,048	235,800
Total net assets	<u>\$ 1,453,887</u>	<u>\$ 1,216,104</u>
Total liabilities and net assets	<u><u>\$ 1,453,887</u></u>	<u><u>\$ 1,216,104</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, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Revenues, gains and other support:</b>		
Contributions received	\$ 162,348	\$ 191,388
Function income, net	(327)	
Income on long-term investments	21,815	18,594
Net gain (loss) on long-term investments	123,367	169,709
Total revenues, gains, and other support	<u>\$ 307,203</u>	<u>\$ 379,691</u>
<b>Expenses:</b>		
Charitable giving:		
Grants	\$ 46,000	\$ 29,650
Scholarships	15,300	14,700
Program expenses		1,400
Total giving	<u>\$ 61,300</u>	<u>\$ 45,750</u>
Administrative		
Professional fees	3,369	2,631
Postage	848	204
Advertising	124	275
Printing	2,993	2,617
Website expenses	705	597
Administrative	81	1,472
Fidelity bond		373
Total administrative	<u>\$ 8,120</u>	<u>\$ 8,169</u>
Total expenses	<u>\$ 69,420</u>	<u>\$ 53,919</u>
Change in net assets	\$ 237,783	\$ 325,773
Net assets at beginning of year	1,216,104	890,331
Net assets at end of year	<u>\$ 1,453,887</u>	<u>\$ 1,216,104</u>

KIRCALDIE, RANDALL & MGNAB LLC

See the notes to the financial statements

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS DECEMBER 31, 2010 AND 2009**

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	<u>2010</u>	<u>2009</u>
<b><u>Cash flows from operating activities:</u></b>		
Change in net assets	\$ 237,783	\$ 325,773
(Gain) loss on sale of investments	(123,367)	(169,709)
Adjustment to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in accrued interest income	831	(1,632)
Net cash provided (used) by operating activities	<u>\$ 115,247</u>	<u>\$ 154,432</u>
<b><u>Cash flows from investing activities:</u></b>		
Proceeds from sale of investments	\$ 171,834	\$ 123,412
Purchase of investments	(359,115)	(231,386)
Net cash provided (used) by investing activities	<u>\$ (187,281)</u>	<u>\$ (107,974)</u>
Change in net assets	\$ (72,034)	\$ 46,458
Cash at beginning of year	<u>289,849</u>	<u>243,391</u>
Cash at end of year	<u><u>\$ 217,815</u></u>	<u><u>\$ 289,849</u></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>2010</u>	<u>2009</u>
Realized net gains	\$ 1,103	\$ (79)
Unrealized net gains (losses)	122,264	169,788
	<u>\$ 123,367</u>	<u>\$ 169,709</u>

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

	<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>

	<b>2009</b>	
	<u>Book Value</u>	<u>Market Value</u>
U.S. Government Agency Securities	\$ 130,000	\$ 130,191
Corporate Bonds	148,502	154,643
Equity Securities	25,000	22,300
Mutual Funds	627,806	615,691
	<u>\$ 931,308</u>	<u>\$ 922,825</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.

KIRCALDIE, RANDALL & MGNAB LLC

	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets</b>
<b>December 31, 2010:</b>		
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>



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

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**Note 3, continued :**

**December 31, 2009:**

Mutual Funds:

Index Funds	-	-
Blended Funds	235,882	235,882
Growth Funds	195,778	195,778
Value Funds	147,666	147,666
Fixed Income Funds	36,365	36,365
U.S. Government Agency Securities	130,191	130,191
Corporate Bonds	154,643	154,643
Equity Securities	22,300	22,300
Total assets at fair value	<u>\$ 922,825</u>	<u>\$ 922,825</u>

**NOTE 4 — FUNDS:**

At year end the Foundation has the following funds:

	<u>2010</u>	<u>2009</u>
<b>Unrestricted:</b>		
General Fund	\$ 559,413	\$ 499,543
Mobeck Family Fund	11,001	10,472
Andriole Family Fund	26,311	24,926
Harry and Abby Johnson Fund	5,109	4,908
Darin G Etzel Fund	100,303	96,064
H Allen Carroll Fund	14,943	14,356
William & Barbara Lyons Fund	119,734	115,034
John & Carol Moss Fund	8,317	7,891
A Peter and Fae Delfini Memorial Fund	9,749	9,366
Clark Family Fund	7,400	6,893
Eleanor Taylor Fund	5,993	5,608
Donald & Mary Lou Welch Fund	8,051	7,482
Donald G Grigley Memorial Fund	16,413	15,623
R Massey Family Fund	10,249	7,445
Total unrestricted funds	<u>\$ 902,986</u>	<u>\$ 825,611</u>

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

**Note 4, continued :**

	<u>2010</u>	<u>2009</u>
<b>Scholarship Funds:</b>		
John B. Sliney Fund	\$ 9,931	\$ 9,342
Austin Ryer Fund	9,331	8,588
Mari–Ellen Reed Fund	15,444	14,036
PJ Ferriolo Memorial Fund	28,337	24,982
Vincent S. Giordano, Sr. Construction Ind. Mem. Sch.	35,567	32,448
Robert Dow Scholarship Fund	11,085	11,107
Ellen McDonnell Ferguson	57,917	50,941
Carol D. Redden Scholarship Fund	43,965	39,776
Kendra Martin Scholarship Fund	6,686	5,684
Linda Edsall Winward Scholarship Fund	18,982	18,284
Linda Edsall & Walter Winward Music Fund	10,007	9,095
Selectmens Fund	1,943	2,179
William Schwanfelder Scholarship Fund	113,546	-
D. William Owens, Jr. and Robert M. Owens Scholarship	11,307	9,338
Total scholarship funds	<u>\$ 374,048</u>	<u>\$ 235,800</u>
Total funds	<u>\$ 1,277,034</u>	<u>\$ 1,061,411</u>
 <b>Branford High School Scholarships</b>	 <u>\$ 168,248</u>	 <u>\$ 154,693</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	\$ 10,000	General
Walsh Intermediate School	250	Choirs
Branford Education Hall of Fame	500	General
Branford Food Council	10,000	General
Branford Counseling Center	10,000	General
Camp Hazen YMCA	1,000	Camp scholarships
East Shore Regional Adult Day Care	2,500	Handicap van
VNA Community Health Care	2,500	New projects
Women & Family Life Center	1,500	Computer
Branford Community TV	1,000	Surveys
Branford High School Performing Arts	6,750	Chorale projects
	<u>\$ 46,000</u>	

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

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**Note 5, continued :**

Scholarships, Branford High School and others \$ 15,300

**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

Soundview Family YMCA	\$	5,000	Capital pledge
Robert Gill Scholarships		3,000	5 year pledge
Branford High School Performing Arts		2,500	Matching funds
Stony Creek Puppet House		1,000	Matching funds