

**BRANFORD COMMUNITY
FOUNDATION, INC.**

Financial Statements
December 31, 2016 and 2015

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, 2016 and 2015, and the related statements of activities, functional expenses 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, 2016 and 2015, and the changes in its net assets, functional expenses 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
November 2, 2017

BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS	<u>2016</u>	<u>2015</u>
Current assets:		
Cash	\$ 77,161	\$ 224,603
Contributions receivable	-	876
Accrued interest income	-	4,444
Total current assets	<u>\$ 77,161</u>	<u>\$ 229,923</u>
Fixed assets	<u>\$ 702</u>	<u>\$ 1,053</u>
Long-term assets:		
Investments	<u>\$ 2,036,911</u>	<u>\$ 1,836,054</u>
Total assets	<u><u>\$ 2,114,774</u></u>	<u><u>\$ 2,067,030</u></u>
LIABILITIES		
Grants payable	<u>\$ -</u>	<u>\$ 17,500</u>
NET ASSETS		
Permanently restricted for High School Scholarships	\$ 181,571	\$ 177,787
Temporarily restricted net assets	-	-
Unrestricted:		
Unappropriated	1,469,998	1,413,486
Operating expenses	77,161	-
Fixed assets	702	1,053
Appropriated by Board for scholarships	<u>385,342</u>	<u>457,204</u>
Total net assets	<u>\$ 2,114,774</u>	<u>\$ 2,049,530</u>
Total liabilities and net assets	<u><u>\$ 2,114,774</u></u>	<u><u>\$ 2,067,030</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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Revenues, gains and other support:		
Contributions received	\$ 206,228	\$ 192,021
Income on long-term investments	13,442	27,458
Net gain (loss) on long-term investments	136,710	(56,935)
Total revenues, gains, and other support	<u>\$ 356,380</u>	<u>\$ 162,544</u>
Expenses:		
Charitable giving:		
Grants	\$ 69,925	\$ 73,450
Nonprofit Workshop Series	3,000	-
Event sponsorships	3,779	1,297
Scholarships	27,450	20,750
Total giving	<u>\$ 104,154</u>	<u>\$ 95,497</u>
Community impact programs	\$ 23,765	13,138
Management and general	40,490	22,384
Fundraising	32,464	17,947
Total administrative	<u>\$ 96,719</u>	<u>\$ 53,469</u>
Total expenses	<u>\$ 200,873</u>	<u>\$ 148,966</u>
Change in net assets	\$ 155,507	\$ 13,578
Net assets at beginning of year	2,049,530	2,035,952
Transfer funds to Community Foundation	(90,263)	-
Net assets at end of year	<u>\$ 2,114,774</u>	<u>\$ 2,049,530</u>

KIRCALDIE, RANDALL & MGNAB LLC

See the notes to the financial statements

BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR DECEMBER 31, 2016

(with summarized financial information for the year ended December 31, 2015)

	Program Services			Support Services			2016 Total	2015 Total
	Allocations and Agency Relations	Community Impact Programs	Total	Management and General	Fundraising	Total		
Contributions, grants and community support	\$ 97,375	\$ 6,779	\$ 104,154				\$ 104,154	\$ 95,497
Community programming:								
Professional fees & salaries	\$ -	\$ 23,765	\$ 23,765	\$ 29,312	\$ 23,764	\$ 53,076	\$ 76,841	36,632
Postage	-	-	-	-	1,057	1,057	1,057	274
Dues	-	-	-	1,113	-	1,113	1,113	388
Advertising	-	-	-	-	611	611	611	664
Printing	-	-	-	-	6,183	6,183	6,183	3,947
Website expenses	-	-	-	673	673	1,346	1,346	1,273
Development	-	-	-	3,257	-	3,257	3,257	-
Administrative	-	-	-	3,774	-	3,774	3,774	9,447
Insurance	-	-	-	2,186	-	2,186	2,186	844
Total other expenses	\$ -	\$ 23,765	\$ 23,765	\$ 40,315	\$ 32,288	\$ 72,603	\$ 96,368	\$ 53,469
Depreciation and amortization	\$ -	\$ -	\$ -	\$ 175	\$ 176	\$ 351	\$ 351	\$ -
Total community and agency services expenses	\$ -	\$ 23,765	\$ 23,765	\$ 40,490	\$ 32,464	\$ 72,954	\$ 96,719	\$ 53,469
Total	\$ 97,375	\$ 30,544	\$ 127,919	\$ 40,490	\$ 32,464	\$ 72,954	\$ 200,873	\$ 148,966

KIRCALDIE, RANDALL & MGNAB LLC

BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 155,507	\$ 13,578
Non-cash donations	-	(30,648)
Depreciation	351	-
(Gain) loss on sale of investments	(136,710)	149,606
Adjustment to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in contributions receivable	876	(876)
(Increase) decrease in accrued interest income	4,444	(1,374)
Increase (decrease) in grants payable	(17,500)	17,500
Net cash provided (used) by operating activities	<u>\$ 6,968</u>	<u>\$ 147,786</u>
<u>Cash flows from investing activities:</u>		
Proceeds from sale of investments	\$ 1,797,763	\$ 379,582
Purchase of investments	(1,861,910)	(446,729)
Purchase of fixed assets	-	(1,053)
Net cash provided (used) by investing activities	<u>\$ (64,147)</u>	<u>\$ (68,200)</u>
<u>Cash flows from financing activities:</u>		
Transfer of funds to Community Foundation	\$ (90,263)	\$ -
Net cash provided (used) by financing activities	<u>\$ (90,263)</u>	<u>\$ -</u>
Change in net assets	\$ (147,442)	\$ 79,586
Cash at beginning of year	224,603	145,017
Cash at end of year	<u>\$ 77,161</u>	<u>\$ 224,603</u>

KIRCALDIE, RANDALL & MGNAB LLC

See the notes to the financial statements

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:

The Foundation established the Branford Community Foundation and Branford Community Foundation High School Scholarship funds with the Community Foundation for Greater New Haven Inc. (the CFGNH) in January 2016. The Funds were established as a endowment agency funds with both principal and income available for the support of The Branford Community Foundation, Inc. The CFGNH administers the account in a managed pooled fund which allocates to the Branford Community Foundation a calculated portion of the total fair values of the securities in the underlying portfolio.

To estimate the fair value of the investment in the Fund, the CFGNH uses the "net asset value per share" method, and follows the provisions of ASC 820, Fair Value Measurements and Disclosures, and ASU No. 2009-12 Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent.)

Investments in the Fund may be redeemed at "net asset value per share" on the year-end measurement date or in the near term (defined as 90 days.) The Branford Community Foundation, Inc., does not intend to sell any of its interest at an amount different from net asset value per share of the Fund at the year-end measurement date of December, 31 2016. The Branford Community Foundation reviews and evaluates the net asset value provided by the Foundation fund manager and agrees with the valuation methods and assumptions used in determining net asset value of the funds supporting its beneficial interest.

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.

Level 2 - quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant information and value drivers are observable in active markets, either directly or indirectly.

KIRCALDIE, RANDALL & MGNAB LLC

	Level 1	Level 2
December 31, 2016:		
Beneficial interest held by Community Foundation	-	2,036,911
	<u>\$ -</u>	<u>\$ 2,036,911</u>
December 31, 2015:		
Mutual Funds	1,219,486	-
Corporate Bonds	611,460	-
Equity Securities	5,108	-
Total assets at fair value	<u>\$ 1,836,054</u>	<u>\$ -</u>
	<u>2016</u>	<u>2015</u>
Investment Income:		
Investment income	\$ 13,442	\$ 125,210
Gain and losses	136,710	(149,606)
Investment fees	(13,066)	(5,081)
	<u>\$ 137,086</u>	<u>\$ (29,477)</u>

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 — FUNDS:

At year end the Foundation has the following funds:

	<u>2016</u>	<u>2015</u>
Unrestricted:		
General Fund	\$ 399,491	\$ 685,895
Dr. Thomas H.G. Aitkin Fund	292,796	-
Mobeck Family Fund	12,976	13,565
Andriole Family Fund	30,333	31,799
Harry and Abby Johnson Fund	-	5,054
Darin G Etzel Fund	108,001	111,438
H Allen Carroll Fund	14,053	14,781
William & Barbara Lyons Fund	112,689	118,528
John & Carol Moss Fund	7,921	8,331
A Peter and Fae Delfini Memorial Fund	9,169	9,644
Clark Family Fund	10,089	9,237
Eleanor Taylor Fund	-	6,142
Donald & Mary Lou Welch Fund	9,488	9,330
Donald & Carla Grigley Memorial Fund	69,289	16,827
R Massey Family Fund	16,745	17,612
Tom & Carol Gagliardi Fund	5,754	6,053
GSB Charitable Fund	33,813	32,474
Jane W. Rosenthal Fund	9,349	9,302
Thomas Hooker Fund	22,539	17,237
Peter Borgemeister Fund	14,524	15,276
William T Gorman Fund	18,683	18,599
Stephanie & Leonard Farber Fund	12,932	9,384
Jacqueline Trask Ulrich Fund	78,738	82,818
Linda Edsall & Walter Winward Music Fund	5,800	5,502
Joyce & Robert Mailhouse Fund	146,923	146,018
John E Donegan Fund	27,903	12,640
Total unrestricted funds	<u>\$ 1,469,998</u>	<u>\$ 1,413,486</u>
Scholarship Funds:		
John B. Sliney Fund	\$ 11,012	\$ 11,071
Austin Ryer Fund	10,371	10,320
Mari-Ellen Reed Fund	20,787	19,720
PJ Ferriolo Memorial Fund	42,745	42,258
Vincent S. Giordano, Sr. Construction Ind.	45,479	45,066

KIRCALDIE, RANDALL & MGNAB LLC

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 4 continued :

	<u>2016</u>	<u>2015</u>
Robert Dow Scholarship Fund	8,142	8,684
Ellen McDonnell Ferguson	-	86,511
Carol D. Redden Scholarship Fund	52,638	51,282
Kendra Martin Scholarship Fund	10,459	10,020
Linda Edsall Winward Scholarship Fund	21,901	22,025
Selectmen's Fund	-	2,481
William Schwanfelder Scholarship Fund	129,730	130,273
Philip A. DeLise Scholarship Fund	10,651	-
Reynolds Scholarship Fund	5,041	988
D. William Owens, Jr. and Robert M.	16,386	16,505
Total scholarship funds	<u>\$ 385,342</u>	<u>\$ 457,204</u>
Total funds	<u>\$ 1,855,340</u>	<u>\$ 1,870,690</u>
Branford High School Scholarships	<u>\$ 181,571</u>	<u>\$ 177,787</u>

NOTE 5 — FIXED ASSETS:

Fixed assets totalling \$1,053 comprise computer equipment jointly purchased with another organization. Current year and accumulated depreciation total \$351 leaving a net value of \$702.

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 Alps Farmers Market	9,500	Food Pantry Part.
Branford Counseling Center	500	General
Branford Early Childhood Collaborative	5,000	NFP Consultant
Branford Early Learning Center	7,500	Toddler Room
Branford Land Trust	2,000	Red Hill Woods
Camp Hazen	1,725	6 Branford campers
Canoe Brook Senior Center	5,000	Aging Mastery Prog.
Clifford W. Beers Guidance Clinic	5,000	Case Mgmt Serv.
Cosgrove Animal Shelter	5,000	Animal Camp
Literacy Volunteers	5,000	ESL program
Make-A-Wish CT	3,000	2 Branford Families

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 6 continued:

Muscular Dystrophy Association	1,600	Recreational uses
Shoreline Arts Alliance	1,500	Educ. Programming
VNA Community Healthcare	5,000	Health topic shows
Woman & Family Life Center	2,600	Referral Program
	<u>\$ 69,925</u>	
Scholarships, Branford High School and others	<u>\$ 27,450</u>	

NOTE 7 — SUBSEQUENT EVENTS:

Subsequent events have been evaluated by management through November 10, 2017. The financial statements were available for issue on November 10, 2017.