

**BRANFORD COMMUNITY
FOUNDATION, INC.**

Financial Statements
December 31, 2013 and 2012

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, 2013 and 2012, 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, 2013 and 2012, 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
November 07, 2014

BRANFORD COMMUNITY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets:		
Cash	\$ 149,428	\$ 177,132
Accrued interest income	2,705	2,315
Total current assets	<u>\$ 152,133</u>	<u>\$ 179,447</u>
Long-term assets:		
Investments	<u>\$ 1,786,768</u>	<u>\$ 1,357,534</u>
Total assets	<u><u>\$ 1,938,901</u></u>	<u><u>\$ 1,536,981</u></u>
LIABILITIES		
Grants payable	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS		
Permanently restricted for High School Scholarships	\$ 186,906	\$ 166,071
Temporarily restricted net assets	-	3,604
Unrestricted:		
Unappropriated	1,142,835	914,680
Appropriated by Board for scholarships	609,160	452,626
Total net assets	<u>\$ 1,938,901</u>	<u>\$ 1,536,981</u>
Total liabilities and net assets	<u><u>\$ 1,938,901</u></u>	<u><u>\$ 1,536,981</u></u>

KIRCALDIE, RANDALL & MCNAB 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, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Revenues, gains and other support:		
Contributions received	\$ 124,539	\$ 30,018
Income on long-term investments	30,823	22,335
Net gain (loss) on long-term investments	337,974	152,647
Total revenues, gains, and other support	<u>\$ 493,336</u>	<u>\$ 205,000</u>
Expenses:		
Charitable giving:		
Grants	\$ 51,000	\$ 35,850
Prizes	513	-
Scholarships	19,750	17,250
Total giving	<u>\$ 71,263</u>	<u>\$ 53,100</u>
Administrative		
Professional fees	12,043	6,917
Postage	260	330
Dues	135	-
Advertising	219	1,448
Printing	2,055	2,185
Website expenses	4,398	2,980
Administrative	299	775
Fidelity bond	744	1,390
Total administrative	<u>\$ 20,153</u>	<u>\$ 16,025</u>
Total expenses	<u>\$ 91,416</u>	<u>\$ 69,125</u>
Change in net assets	\$ 401,920	\$ 135,875
Net assets at beginning of year	1,536,981	1,401,106
Net assets at end of year	<u>\$ 1,938,901</u>	<u>\$ 1,536,981</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, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 401,920	\$ 135,875
Non-cash donations	(53,125)	-
(Gain) loss on sale of investments	(281,749)	(110,162)
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	390	455
Net cash provided (used) by operating activities	<u>\$ 67,436</u>	<u>\$ 27,180</u>
<u>Cash flows from investing activities:</u>		
Proceeds from sale of investments	\$ 152,280	\$ 114,000
Purchase of investments	(247,420)	(102,715)
Net cash provided (used) by investing activities	<u>\$ (95,140)</u>	<u>\$ 11,285</u>
Change in net assets	\$ (27,704)	\$ 38,465
Cash at beginning of year	177,132	138,667
Cash at end of year	<u>\$ 149,428</u>	<u>\$ 177,132</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, 2013, 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 2010-2012 remain open for inspection by the IRS with the 2013 return to be filed in 2014.

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>2013</u>	<u>2012</u>
Realized net gains	\$ 69,510	\$ 42,485
Unrealized net gains (losses)	268,464	110,162
	<u>\$ 337,974</u>	<u>\$ 152,647</u>

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

	2013	
	<u>Book Value</u>	<u>Market Value</u>
U.S. Government Agency Securities	\$ 50,000	\$ 49,617
Corporate Bonds	190,965	195,696
Equity Securities	136,152	204,678
Mutual Funds	1,003,102	1,336,777
	<u>\$ 1,380,219</u>	<u>\$ 1,786,768</u>

	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>

KIRCALDIE, RANDALL & MGNAB LLC

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, 2013:		
Mutual Funds:		
Blended Funds	1,336,777	1,336,777
Growth Funds		
Value Funds		
U.S. Government Agency Securities	49,617	49,617
Corporate Bonds	195,696	195,696
Equity Securities	204,678	204,678
Total assets at fair value	<u>\$ 1,786,768</u>	<u>\$ 1,786,768</u>

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 3, continued:

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>

NOTE 4 — FUNDS:

At year end the Foundation has the following funds:

	<u>2013</u>	<u>2012</u>
Unrestricted:		
General Fund	\$ 711,576	\$ 574,568
Mobeck Family Fund	12,396	10,627
Andriole Family Fund	30,874	26,182
Harry and Abby Johnson Fund	5,757	4,935
Darin G Etzel Fund	117,505	100,579
H Allen Carroll Fund	16,837	14,434
William & Barbara Lyons Fund	134,912	115,659
John & Carol Moss Fund	9,490	8,136
A Peter and Fae Delfini Memorial Fund	10,985	9,417
Clark Family Fund	9,108	7,722
Eleanor Taylor Fund	6,996	5,998
Donald & Mary Lou Welch Fund	10,087	8,361
Donald G Grigley Memorial Fund	18,811	15,854
R Massey Family Fund	20,062	15,022
Tom Gagliardi Fund	4,564	-
GSB Charitable Fund	11,912	-
Jane W. Rosenthal Fund	10,041	-
John E Donegan Fund	922	790
Total unrestricted funds	<u>\$ 1,142,835</u>	<u>\$ 918,284</u>

KIRCALDIE, RANDALL & MGNAB LLC

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 4, continued:

	<u>2013</u>	<u>2012</u>
Scholarship Funds:		
John B. Sliney Fund	\$ 11,955	\$ 10,072
Austin Ryer Fund	11,411	9,463
Mari–Ellen Reed Fund	20,253	16,472
PJ Ferriolo Memorial Fund	39,936	29,991
Vincent S. Giordano, Sr. Construction Ind.	46,245	38,484
Robert Dow Scholarship Fund	10,868	9,711
Ellen McDonnell Ferguson	84,990	62,674
Carol D. Redden Scholarship Fund	55,173	45,751
Kendra Martin Scholarship Fund	10,279	8,256
Linda Edsall Winward Scholarship Fund	23,611	19,203
Linda Edsall & Walter Winward Music Fund	12,314	10,887
Selectmen's Fund	2,548	2,072
William Schwanfelder Scholarship Fund	143,539	121,101
Joyce & Robert Mailhouse Fund	119,087	55,638
D. William Owens, Jr. and Robert M.	16,951	12,851
Total scholarship funds	<u>\$ 609,160</u>	<u>\$ 452,626</u>
Total funds	<u>\$ 1,751,995</u>	<u>\$ 1,370,910</u>
Branford High School Scholarships	<u>\$ 186,906</u>	<u>\$ 166,071</u>

KIRCALDIE, RANDALL & MGNAB 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
Branford Food Pantry	10,000	General
Branford Counseling Center	20,000	Needs fund
Literacy Volunteers	2,000	Scrabble Tourn.
East Shore Regional Adult Daycare	3,500	Arts program
Early Childhood Collaboration	1,500	Resource guide
Food Allergy Education	2,000	School programs
Charley's Closet	2,000	Repair equip.
	<u>\$ 51,000</u>	
Scholarships, Branford High School and others	<u>\$ 19,750</u>	

BRANFORD COMMUNITY FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 — SUBSEQUENT EVENTS:

Subsequent events have been evaluated by management through November 07, 2014.
The financial statements were available for issue on November 15, 2014.