

**BRANFORD COMMUNITY  
FOUNDATION, INC.**

*Financial Statements*  
December 31, 2014 and 2013

**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, 2014 and 2013, 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, 2014 and 2013, 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  
December 26, 2015

**BRANFORD COMMUNITY FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2014 AND 2013**

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	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 145,018	\$ 149,428
Accrued interest income	3,070	2,705
Total current assets	<u>\$ 148,088</u>	<u>\$ 152,133</u>
Long-term assets:		
Investments	<u>\$ 1,887,864</u>	<u>\$ 1,786,768</u>
Total assets	<u><u>\$ 2,035,952</u></u>	<u><u>\$ 1,938,901</u></u>
<b>LIABILITIES</b>		
Grants payable	<u>\$ -</u>	<u>\$ -</u>
<b>NET ASSETS</b>		
Permanently restricted for High School Scholarships	\$ 187,789	\$ 186,906
Temporarily restricted net assets	-	-
Unrestricted:		
Unappropriated	1,229,349	1,142,835
Appropriated by Board for scholarships	618,814	609,160
Total net assets	<u>\$ 2,035,952</u>	<u>\$ 1,938,901</u>
Total liabilities and net assets	<u><u>\$ 2,035,952</u></u>	<u><u>\$ 1,938,901</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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>Revenues, gains and other support:</b>		
Contributions received	\$ 140,311	\$ 124,539
Income on long-term investments	33,689	30,823
Net gain (loss) on long-term investments	41,337	337,974
Total revenues, gains, and other support	<u>\$ 215,337</u>	<u>\$ 493,336</u>
<b>Expenses:</b>		
Charitable giving:		
Grants	\$ 61,095	\$ 51,000
Prizes	825	513
Event sponsorships	1,631	-
Scholarships	20,750	19,750
Total giving	<u>\$ 84,301</u>	<u>\$ 71,263</u>
Administrative		
Professional fees	24,313	12,043
Postage	277	260
Dues	520	135
Advertising	1,212	219
Printing	3,382	2,055
Website expenses	3,209	4,398
Administrative	328	299
Fidelity bond	744	744
Total administrative	<u>\$ 33,985</u>	<u>\$ 20,153</u>
Total expenses	<u>\$ 118,286</u>	<u>\$ 91,416</u>
Change in net assets	\$ 97,051	\$ 401,920
Net assets at beginning of year	1,938,901	1,536,981
Net assets at end of year	<u>\$ 2,035,952</u>	<u>\$ 1,938,901</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, 2014 AND 2013**

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	<u>2014</u>	<u>2013</u>
<b><u>Cash flows from operating activities:</u></b>		
Change in net assets	\$ 97,051	\$ 401,920
Non-cash donations	(42,013)	(53,125)
(Gain) loss on sale of investments	81,057	(281,749)
Adjustment to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in accrued interest income	(365)	390
Net cash provided (used) by operating activities	<u>\$ 135,730</u>	<u>\$ 67,436</u>
<b><u>Cash flows from investing activities:</u></b>		
Proceeds from sale of investments	\$ 255,893	\$ 152,280
Purchase of investments	(396,033)	(247,420)
Net cash provided (used) by investing activities	<u>\$ (140,140)</u>	<u>\$ (95,140)</u>
Change in net assets	\$ (4,410)	\$ (27,704)
Cash at beginning of year	149,428	177,132
Cash at end of year	<u>\$ 145,018</u>	<u>\$ 149,428</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 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**

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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>2014</u>	<u>2013</u>
Realized net gains	\$ 182,710	\$ 69,510
Unrealized net gains (losses)	(141,373)	268,464
	<u>\$ 41,337</u>	<u>\$ 337,974</u>

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

	<b>2014</b>	
	<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>
	<b>2013</b>	
	<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>

**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.

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	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets</b>
<b>December 31, 2014:</b>		
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>
<b>December 31, 2013:</b>		
Mutual Funds	1,336,777	1,336,777
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**

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**NOTE 4 — FUNDS:**

At year end the Foundation has the following funds:

	<u>2014</u>	<u>2013</u>
<b>Unrestricted:</b>		
General Fund	\$ 739,072	\$ 711,576
Mobeck Family Fund	12,310	12,396
Andriole Family Fund	33,406	30,874
Harry and Abby Johnson Fund	5,717	5,757
Darin G Etzel Fund	116,974	117,505
H Allen Carroll Fund	16,720	16,837
William & Barbara Lyons Fund	134,073	134,912
John & Carol Moss Fund	9,424	9,490
A Peter and Fae Delfini Memorial Fund	10,909	10,985
Clark Family Fund	9,644	9,108
Eleanor Taylor Fund	6,947	6,996
Donald & Mary Lou Welch Fund	10,295	10,087
Donald G Grigley Memorial Fund	18,931	18,811
R Massey Family Fund	19,922	20,062
Tom Gagliardi Fund	5,435	4,564
GSB Charitable Fund	25,242	11,912
Jane W. Rosenthal Fund	10,523	10,041
Thomas Hooker Fund	14,273	-
Peter Borgemeister Fund	17,275	-
William T Gorman Fund	10,035	-
Farber Fund	303	-
John E Donegan Fund	1,919	922
Total unrestricted funds	<u>\$ 1,229,349</u>	<u>\$ 1,142,835</u>
<b>Scholarship Funds:</b>		
John B. Sliney Fund	\$ 12,121	\$ 11,955
Austin Ryer Fund	11,485	11,411
Mari–Ellen Reed Fund	21,061	20,253
PJ Ferriolo Memorial Fund	40,939	39,936
Vincent S. Giordano, Sr. Construction Ind.	48,072	46,245
Robert Dow Scholarship Fund	10,271	10,868
Ellen McDonnell Ferguson	87,351	84,990
Carol D. Redden Scholarship Fund	56,087	55,173
Kendra Martin Scholarship Fund	11,200	10,279

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

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**Note 4 continued :**

	<u>2014</u>	<u>2013</u>
Linda Edsall Winward Scholarship Fund	23,523	23,611
Linda Edsall & Walter Winward Music Fund	7,005	12,314
Selectmen's Fund	2,650	2,548
William Schwanfelder Scholarship Fund	144,115	143,539
Joyce & Robert Mailhouse Fund	125,307	119,087
D. William Owens, Jr. and Robert M.	17,627	16,951
Total scholarship funds	<u>\$ 618,814</u>	<u>\$ 609,160</u>
Total funds	<u>\$ 1,848,163</u>	<u>\$ 1,751,995</u>
<b>Branford High School Scholarships</b>	<u>\$ 187,789</u>	<u>\$ 186,906</u>

**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	5,000	Backpack program
Branford Counseling Center	10,000	Needs fund
Literacy Volunteers	5,500	General
Anti Defamation League	1,200	General
Make-A-Wish Connecticut	2,000	General
Camp Hazen	1,595	Camp scholarships
Woman & Family Life Center	2,500	General
Legacy Theater	10,000	General
Branford Early Childhood Collaborative	1,500	General
Shoreline Trolley Museum	4,000	General
Shoreline Arts Alliance	1,500	General
Walsh Intermediate School	5,800	Music program
Branford Cares	500	General
	<u>\$ 61,095</u>	
Scholarships, Branford High School and others	<u>\$ 20,750</u>	

**NOTE 6 — SUBSEQUENT EVENTS:**

Subsequent events have been evaluated by management through December 26, 2015. The financial statements were available for issue on December 31, 2015.