

# Challenging Times, Prudent Management

The Community Foundation of Greater New Britain seeks to maximize dollars available for making grants – and to ensure that the charitable dollars entrusted to the Foundation are available to continue this work tomorrow and in perpetuity. Robust development efforts and a diversified investment strategy enable the Foundation to meet both these objectives.

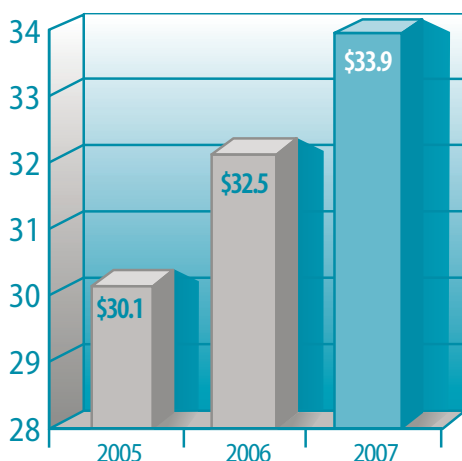
The Foundation's assets are professionally managed in two pools, the CFGNB Trust and the Corporate Portfolio. Both funds have a long-term time horizon and are structured with the objective of achieving returns in excess of the targeted spending policy, costs and inflation. Total assets as of December, 2007 were \$33.9 million, up from \$32.5 million in the prior year. (See *Total Assets Chart*.)

The Foundation's Finance and Investments Committee recommends investment policy to the board of directors, monitors the investment managers and their performance, and periodically reviews the Foundation's spending policy. In January, 2007, the Foundation further diversified its

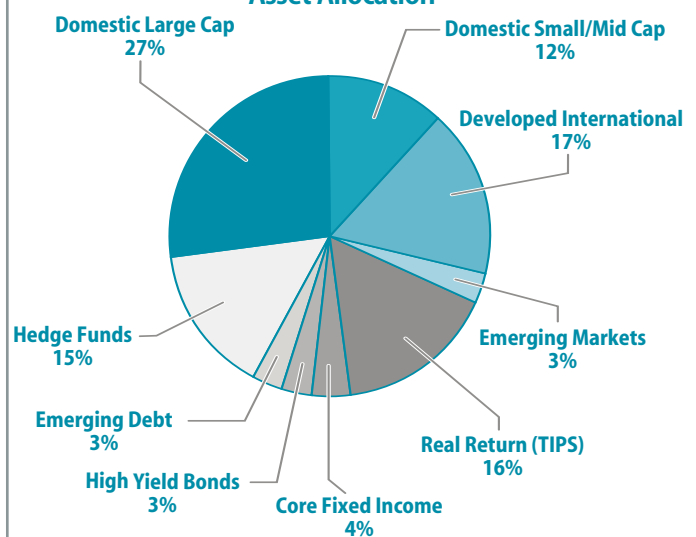
asset allocation with two strategic moves offering greater diversity and enhanced protection: 1) The Foundation invested 15 percent of its assets in a fund of hedge funds, offering a higher return than bonds with lower risks and correlations than equities, and; 2) The Foundation shifted its fixed income emphasis from core bonds to TIPS (Treasury Inflation Protected Securities). (See *Asset Allocation Chart*.) These two changes contributed significantly to the stabilization of returns during the particularly difficult market environment in the second half of the year; while the S&P 500 returned 5.49 percent, the hedge funds returned 8.02 percent and the TIPS inflation indexed bonds returned 12.02 percent, resulting in overall portfolio growth of 7.02 percent. (See *Annualized Investment Return Chart*.)

Gifts and grants to the Foundation in 2007 rose to \$979,583, supporting a range of endowed and unendowed funds and activities. Foundation grants and scholarships also increased to \$825,947. (See *Foundation Grants and Scholarships Chart*.)

**Total Assets (in millions)**

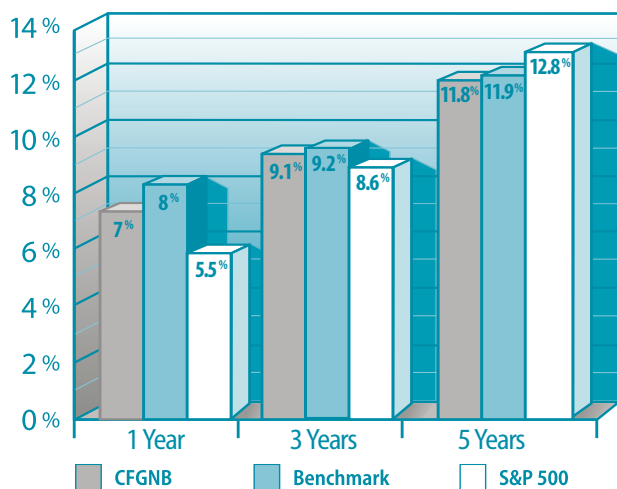


**Asset Allocation\***



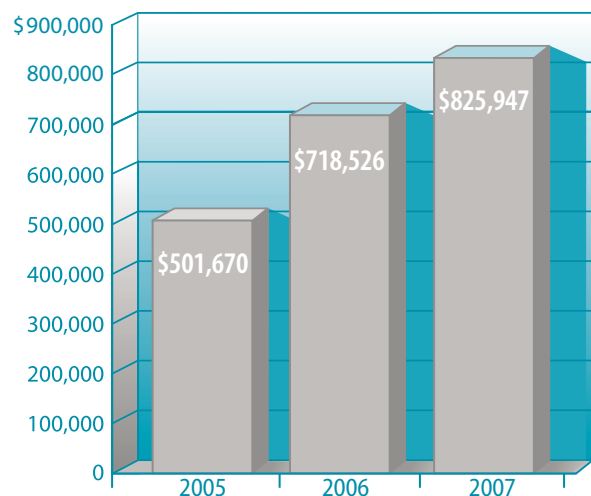
\* Equities = Teal; Fixed Income = Silver.

**Annualized Investment Return\***



\* Ending 12/31/07.

**Foundation Grants and Scholarships**



# Community Foundation of Greater New Britain and Affiliates

## Audited Financial Summary

The Foundation's financial statements are prepared under strict policies and procedures overseen by the Foundation's independent Audit Committee and the Board of Directors. The statements were audited by Whittlesey and Hadley, P.C., which issued an unqualified opinion on the financial statements for the year ended December 31, 2007.

For copies of the Foundation's complete financial statements or IRS Form 990, please call (860) 229-6018.

### Statement of Financial Position

	<u>December 31, 2007</u>	<u>December 31, 2006</u>
<b>ASSETS:</b>		
Current Assets	\$ 1,342,209	\$ 1,883,329
Net Property and Equipment	607,691	625,053
Investments	31,513,936	29,529,479
Split-Interest Agreements	438,668	498,979
<b>Total Assets</b>	<b>\$ 33,902,504</b>	<b>\$ 32,536,840</b>
<b>LIABILITIES AND NET ASSETS:</b>		
Accounts payable and accrued expenses	\$ 40,993	\$ 43,980
Grants payable	333,141	271,952
Liabilities under split interest agreements	186,999	220,078
Other liabilities	60,972	60,859
Total liabilities	622,105	596,869
Net Assets	33,280,399	31,939,971
<b>Total Liabilities and Net Assets</b>	<b>\$ 33,902,504</b>	<b>\$ 32,536,840</b>

### Statement of Activities

<b>REVENUES:</b>		
Contributions	\$ 892,764	\$ 433,259
Net Investment Return	2,048,773	3,587,888
Discovery Collaboratives	86,819	87,147
Other Revenue	75,597	327,413
<b>Total Revenues</b>	<b>\$ 3,103,953</b>	<b>\$ 4,435,707</b>
<b>GRANTS AND EXPENSES:</b>		
Grants and Scholarships	\$ 825,947	\$ 718,526
Discovery Collaboratives	126,832	124,903
Program Services	130,036	121,482
Management and Development	680,710	666,449
<b>Total Grants and Expenses</b>	<b>\$ 1,763,525</b>	<b>\$ 1,631,360</b>
<b>INCREASE IN NET ASSETS</b>	<b>\$ 1,340,428</b>	<b>\$ 2,804,347</b>