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### Independent Accountant's Review Report

To the Board of  
Community Foundation of Northwest Florida

We have reviewed the accompanying statement of net assets and liabilities of Community Foundation of Northwest Florida as of December 31, 2011, and the related statement of net assets, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

 CPA PA

Joshua C. Durst, CPA, PA

January 10, 2013

**COMMUNITY FOUNDATION  
OF NORTHWEST FLORIDA**

**REVIEWED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED  
DECEMBER 31, 2011**

**Joshua C. Durst, CPA, PA**

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**Community Foundation of Northwest Florida**

Statement of Net Assets and Liabilities

December 31, 2011

<b>Assets</b>		<b>Unrestricted Funds</b>	<b>Temporarily Restricted Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
Current Assets:					
Cash	\$	89,967	248,391	—	338,358
Investments		324,012	—	863,104	1,187,116
Other Receivables		—	—	—	—
Prepaid Expenses		—	—	—	—
Total Current Assets		<u>413,979</u>	<u>248,391</u>	<u>863,104</u>	<u>1,525,474</u>
 Total Assets		<u><u>413,979</u></u>	<u><u>248,391</u></u>	<u><u>863,104</u></u>	<u><u>1,525,474</u></u>
 <b>Liabilities and Net Assets</b>					
Net Assets					
Unrealized Gains/Losses		12,852		44,238	57,090
Net Assets		<u>401,127</u>	<u>248,391</u>	<u>818,866</u>	<u>1,468,385</u>
Total Net Assets		<u>413,979</u>	<u>248,391</u>	<u>863,104</u>	<u>1,525,474</u>
 Total Liabilities & Net Assets	\$	<u><u>413,979</u></u>	<u><u>248,391</u></u>	<u><u>863,104</u></u>	<u><u>1,525,474</u></u>

The accompanying notes are an integral part of these financial statements

**Community Foundation of Northwest Florida, Inc**

Statements of Changes in Net Assets

For the year ended December 31, 2011

	<u>12/31/2011</u>
Revenue	
Grants	\$ 515,000
Contributions	11,085
Administrative Income	<u>7,982</u>
Total Revenue	534,067
Less expenses:	
Grants and Awards	166,425
Program Services	53,534
General and Administrative Expenses	<u>68,814</u>
Total Expenditures	<u>288,773</u>
Revenue in Excess of Expenditures	245,294
Other Income	
Capital Gain (Loss) on Investments	48,428
Dividend Income	33,801
Interest Income	1,500
Investment Expenses	<u>(13,370)</u>
Total Other Income	70,358
Change in Net Assets	\$ <u>315,652</u>
Net Assets Beginning of Year	<u>1,209,822</u>
Net Assets End of Year	\$ <u><u>1,525,474</u></u>

The accompanying notes are an integral part of these financial statements

**Community Foundation of Northwest Florida**

Statement of Cash Flow

For the year ended December 31, 2011

Reconciliation of change in net assets to net cash provided	<u>2011</u>
by operating activities	
Change in Net Assets	\$ 315,652
Adjustments to reconcile change in net assets to net cash provided by operating activities	
(Decrease)/Increase in:	
Accrued Payroll and Benefit Liabilities	<u>(1,469)</u>
Net cash used in operating activities	314,183
Adjustments to reconcile change in net assets to net cash provided by investing activities	
Increase in Net Investment Value	(17,761)
Net Unrealized Gains and Losses	<u>(19,318)</u>
Net cash used in investing activities	(37,079)
Net (decrease)/increase in cash	<u>277,104</u>
Cash at beginning of period	<u>61,254</u>
Cash at end of period	<u><u>\$ 338,358</u></u>
Supplemental disclosures:	
Cash paid for interest	\$ -
Cash received from income taxes	\$ -

The accompanying notes are an integral part of these financial statements

**COMMUNITY FOUNDATION OF NORTHWEST FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES**

**1. NATURE OF ORGANIZATION**

The Greater Escambia Community Foundation (GECF) was established in 1995 through an initial grant from the D.W. McMillan Foundation. The grant was conditioned on the original board members being able to raise matching funds from the community, and a small group of dedicated volunteers raised the required matching funds. The Articles of Incorporation defined the areas to be served as “Escambia County, Florida, and communities and areas in its vicinity.” Since its formation, the Greater Escambia Community Foundation has limited its activities to Escambia and Santa Rosa Counties. During 2012, the Board of Directors voted to change the name of the Organization to Community Foundation of Northwest Florida (CFNWF). The long range plan is to serve all communities and areas of Northwest Florida.

**2. BASIS OF PRESENTATION AND ACCOUNTING**

CFNWF’s financial statements are presented in accordance with not-for-profit accounting standards. The financial statements are presented on an accrual basis of accounting, therefore, income is recognized when earned and expenses are recorded as incurred.

**3. CASH AND CASH EQUIVALENTS**

For purposes of the statements of cash flows, all highly liquid investments with a maturity of 3 months or less when purchased are considered to be cash equivalents.

**4. INVESTMENTS**

Investments are stated at fair value based on quoted prices in active markets and consist primarily of equities, U.S. Treasury bills, U.S. Agency notes, and corporate bonds.

**COMMUNITY FOUNDATION OF NORTHWEST FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**5. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 those estimates.

**6. INCOME TAXES**

The corporation is organized under the laws of the State of Florida as a nonprofit corporation and was recognized as such by the State of Florida. The corporation is also recognized by the Internal Revenue Service as a nonprofit corporation under section 501(c) 3 of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the Organization's financial statements. The corporation is required to file Form 990 to the Internal Revenue Service, which has been completed for December 31, 2011.

**7. EVENTS OCCURRING AFTER REPORTING DATE**

CFNWF has evaluated events and transactions that occurred between December 31, 2011 and January 10, 2013, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**NOTE B – CASH AND INVESTMENTS**

At December 31, 2011 the bank held deposits of \$338,358 (before outstanding checks and deposits in transit). These amounts were held in checking, savings, or money market accounts.

**NOTE C – NONCASH INVESTING, FINANCING AND CAPITAL ACTIVITIES**

There were no non cash investing, financing, and capital activities during the year ended December 31, 2011.



**COMMUNITY FOUNDATION OF NORTHWEST FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE D – INVESTMENTS**

Investments are stated at fair value based on quoted prices in active markets and consist primarily of equities, U.S. Treasury bills, U.S. Agency notes, and corporate bonds, as of December 31, 2011 as follows:

	Cost	Fair Value	Unrealized Gains/ (Losses)
Cash management fund	\$ 54,962	\$ 54,962	\$ 0
Equities - common stock and mutual funds	643,542	694,021	50,479
US Agency notes and treasuries	136,150	135,932	(218)
Corporate bonds	<u>295,372</u>	<u>302,201</u>	<u>6,829</u>
	<u>\$1,130,026</u>	<u>\$1,187,116</u>	<u>\$ 57,090</u>

Investment return is summarized as follows:

Interest income	\$ 1,496
Net realized investment income	\$83,728
Unrealized Investment Loss	<u>\$(19,318)</u>
Total unrestricted investment income	\$65,906

Investment revenues are reported net of related investment expenses in the statement of activities. The amount of expenses netted with revenues was \$13,370 for the year ended December 31, 2011.

**NOTE E – COMMITMENTS AND CONTINGENCIES**

**GRANTS**

The Organization directly received \$515,000 from grantor agencies in 2011. The Amounts received or receivable from grantor agencies are were not subject to audit and adjustment by grantor agencies.

**COMMUNITY FOUNDATION OF NORTHWEST FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**NOTE F – RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The Organization is covered by outside insurance for the following exposures:

Officers and Directors,	\$1,000,000 coverage
Employment Practices	\$1,000,000 coverage
Donor Data Loss	\$10,000 coverage

**NOTE G – BUDGET APPROVAL**

The Organization's budget must be approved on an annual basis by its Board of Directors. Each budget is approved prior to the start of the next fiscal year.

**NOTE H – RELATED PARTY TRANSACTIONS**

The Organization contracted for services with two businesses that are related parties of existing Board of Directors during 2011. The business entity, the related board members, and the amounts paid were:

Mort O'Sullivan	Warren Averett LLC	\$4,250
Scott Barrow	Regions Bank	\$13,370