

**COMMUNITY FOUNDATION**  
*of Central Florida*

**Consolidated Financial Statements and  
Supplementary Information**  
Years Ended April 30, 2012 and 2011

**CFR**  
**CROSS, FERNANDEZ & RILEY, LLP**  
*Accountants & Consultants*

# Community Foundation of Central Florida, Inc.

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## Independent Auditors' Report

Board of Directors  
Community Foundation of Central Florida, Inc.

We have audited the accompanying consolidated statements of financial position of Community Foundation of Central Florida, Inc.; N. Donald Diebel, Jr., MD Good Samaritan Fund, Inc.; Lake Community Foundation, Inc.; and Isleworth Community Trust, Inc. (collectively, the "Foundation") as of April 30, 2012 and 2011, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Foundation at April 30, 2012 and 2011, and the consolidated results of their activities and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits of the basic consolidated financial statements were performed for the purpose of forming an opinion on these statements taken as a whole. The Foundation's Management's Discussion and Analysis on Pages 4 through 11 is presented for purposes of additional analysis and to highlight certain information in the basic consolidated financial statements; they are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Cross, Fernandez & Riley, LLP*

Certified Public Accountants

August 30, 2012

# Community Foundation of Central Florida, Inc.

## Management's Discussion and Analysis

The Community Foundation of Central Florida (the "Foundation") offers this Management's Discussion and Analysis to help readers further understand the Foundation's financial activities during the fiscal year from May 1, 2011 to April 30, 2012 (our 2012 fiscal year). The discussion and analysis should be read in conjunction with the 2012 financial statements and report of independent certified public accountants.

### **What is the Community Foundation of Central Florida?**

The Community Foundation of Central Florida is a grantmaking foundation that works to improve the quality of life in Central Florida. We support current needs and work to find long-term solutions to social problems in Central Florida. Central Florida includes the seven county region surrounding and centered in Orlando. The Foundation holds more than 400 charitable funds that support a wide range of nonprofit organizations. The Foundation's activities can be split into the following segments:

- Endowed – provides a perpetual pool of capital to address social problems
- Non-Endowed – total value can be used to help address social problems
- Operations – includes Foundation personnel and costs to operate the Foundation
- Supporting Organizations – includes the following organizations whose activity is consolidated with the Foundation for financial reporting purposes as the Foundation appoints a majority of the board members:
  - N. Donald Diebel, Jr., MD Good Samaritan Fund, Inc.
  - Lake Community Foundation, Inc.
  - Isleworth Community Trust, Inc.
- Eliminations – removes intercompany transactions

## Condensed April 30, 2012 Combining Statement of Financial Position (000's)

	Endowed	Non- Endowed	Operations	Supporting Organizations	Eliminations	Total
<b>Assets</b>						
Cash and Equivalents	614	2,494	128	87	-	3,323
Investments	38,303	11,920	-	3,322	-	53,545
Other Assets	241	-	77	62	(263)	117
<b>Total Assets</b>	<b>39,158</b>	<b>14,414</b>	<b>205</b>	<b>3,471</b>	<b>(263)</b>	<b>56,985</b>
<b>Liabilities</b>						
Operating Payables	-	-	255	29	(263)	21
Grants Payables	394	609	4	-	-	1,007
Funds held for Agencies	9,112	1,994	-	-	-	11,106
Other Liabilities	653	-	-	2,030	-	2,683
<b>Total Liabilities</b>	<b>10,159</b>	<b>2,603</b>	<b>259</b>	<b>2,059</b>	<b>(263)</b>	<b>14,817</b>
<b>Net Assets</b>						
Unrestricted	27,403	11,811	(54)	1,412	-	40,572
Temporarily Restricted Net Assets	1,596	-	-	-	-	1,596
<b>Total Net Assets</b>	<b>28,999</b>	<b>11,811</b>	<b>(54)</b>	<b>1,412</b>	<b>-</b>	<b>42,168</b>
<b>Total Liabilities and Net Assets</b>	<b>39,158</b>	<b>14,414</b>	<b>205</b>	<b>3,471</b>	<b>(263)</b>	<b>56,985</b>

**Condensed April 30, 2012 Combining Statement of Activities (000's)**

	<b>Endowed</b>	<b>Non- Endowed</b>	<b>Operations</b>	<b>Supporting Organizations</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenues</b>						
Contributions	220	4,611	50	2	-	4,883
Investments	(605)	112	-	(166)	-	(659)
Impairment loss on land	-	-	-	(1,646)	-	(1,646)
Administrative Revenue	-	-	852	-	(756)	96
Other Income	26	27	147	37	(174)	63
<b>Total Revenues</b>	<b>(359)</b>	<b>4,750</b>	<b>1,049</b>	<b>(1,773)</b>	<b>(930)</b>	<b>2,737</b>
<b>Expenses</b>						
<b>Grants</b>						
Grants Expenses	905	2,974	-	10	(174)	3,715
<b>Operating Expenses</b>						
Grantmaking	-	-	338	-	-	338
Development and Donor Relations	-	-	259	-	-	259
Finance and Administration	-	-	347	232	-	579
Administrative Expenses	535	221	-	-	(756)	-
Investment Expenses	78	7	67	-	-	152
<b>Total Operating Expenses</b>	<b>613</b>	<b>228</b>	<b>1,011</b>	<b>232</b>	<b>(756)</b>	<b>1,328</b>
<b>Total Expenses</b>	<b>1,518</b>	<b>3,202</b>	<b>1,011</b>	<b>242</b>	<b>(930)</b>	<b>5,043</b>
<b>Change in Net Assets</b>	<b>(1,877)</b>	<b>1,548</b>	<b>38</b>	<b>(2,015)</b>	<b>-</b>	<b>(2,306)</b>

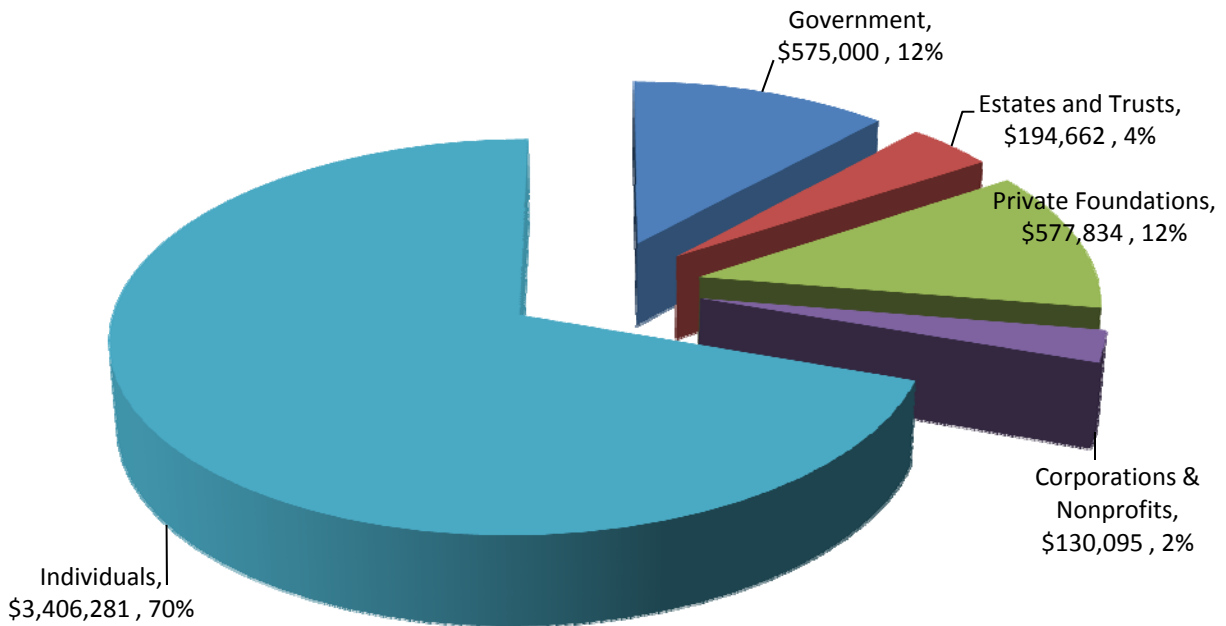
# Community Foundation of Central Florida, Inc.

## Management's Discussion and Analysis

### Where did our contributions come from?

The Foundation received contributions from a variety of sources. Most notably, the Foundation received approximately \$3.4 million from individuals representing 70% of 2012 contributions.

### Total Contributions by Source



# Community Foundation of Central Florida, Inc.

## Management's Discussion and Analysis

### Our Investment Approach

The Foundation invests assets to provide permanent charitable resources as well as to support current grantmaking needs.

#### Endowed - Permanent Grantmaking

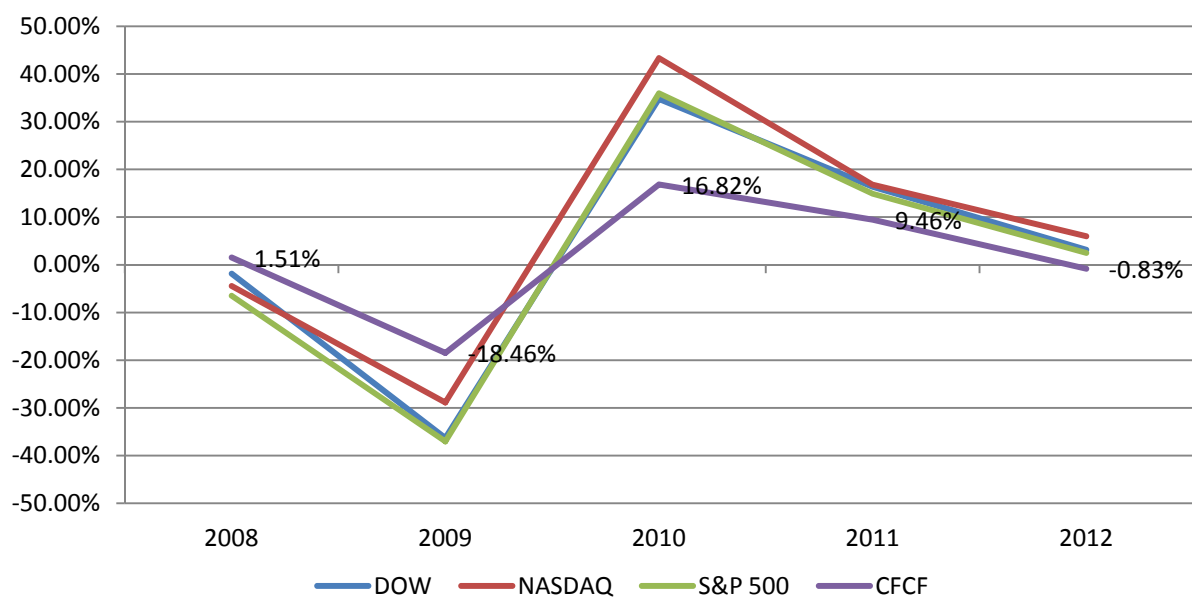
The Foundation invests permanent endowment assets with a goal of preserving and enhancing the real purchasing power while providing a relatively predictable, stable and constant stream of earnings. The value of grants from permanent endowments is calculated as 4% of the average market value of invested assets over the preceding 20 quarters.

#### Non-Endowed - Current Grantmaking

Based on grantmaking plans, assets are invested to provide liquidity and balance with a reasonable level of expected appreciation over full market cycles. We have four portfolios in place - cash, short-term, intermediate, and long-term - to align with grantmaking strategy.

The graph below shows how the Foundation's investment approach compares against selected market indicators. The Foundation's approach is designed to mitigate volatility while preserving and enhancing the real purchasing power.

### Investment Returns vs. Major U.S. Market Indicators



# Community Foundation of Central Florida, Inc.

## Management's Discussion and Analysis

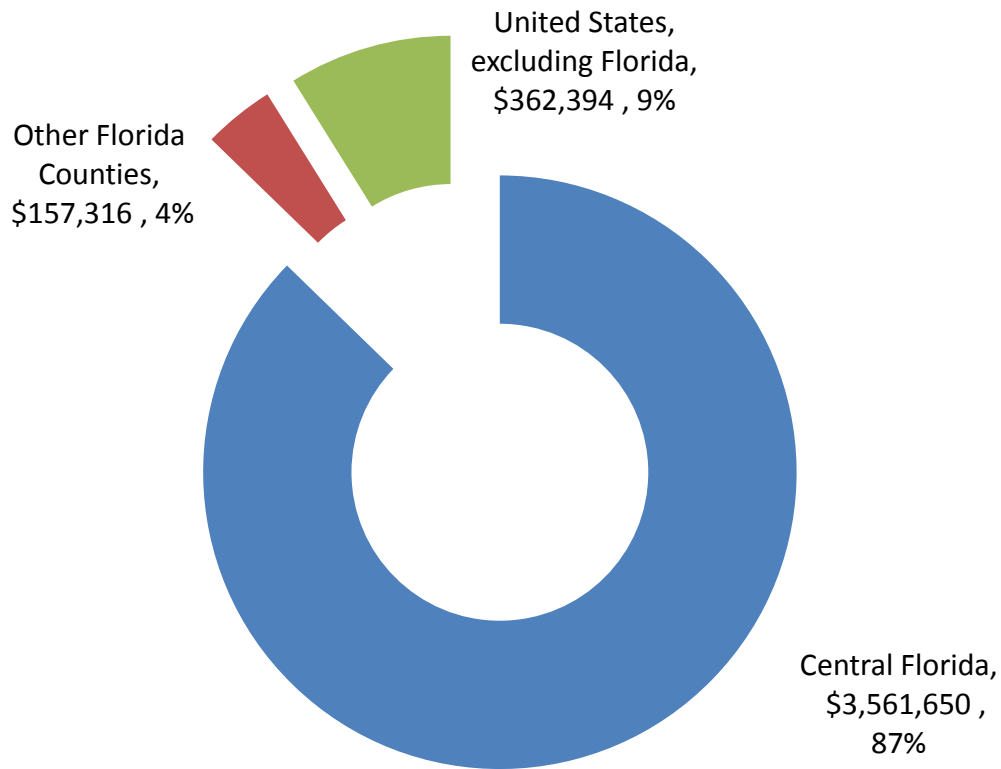
### Where did our grants go?

The Foundation's grants can be divided between location and social sector.

#### Geographic Distribution

The Foundation awarded approximately \$4 million in grants in 2012. In 2012, 87% of total grants, or \$3,561,650, went to nonprofit organizations located in Central Florida. In addition, \$157,316 was granted in Florida outside of the seven county Central Florida region and \$362,394 was granted within the United States but outside of Florida.

### Geographic Distribution of Grants



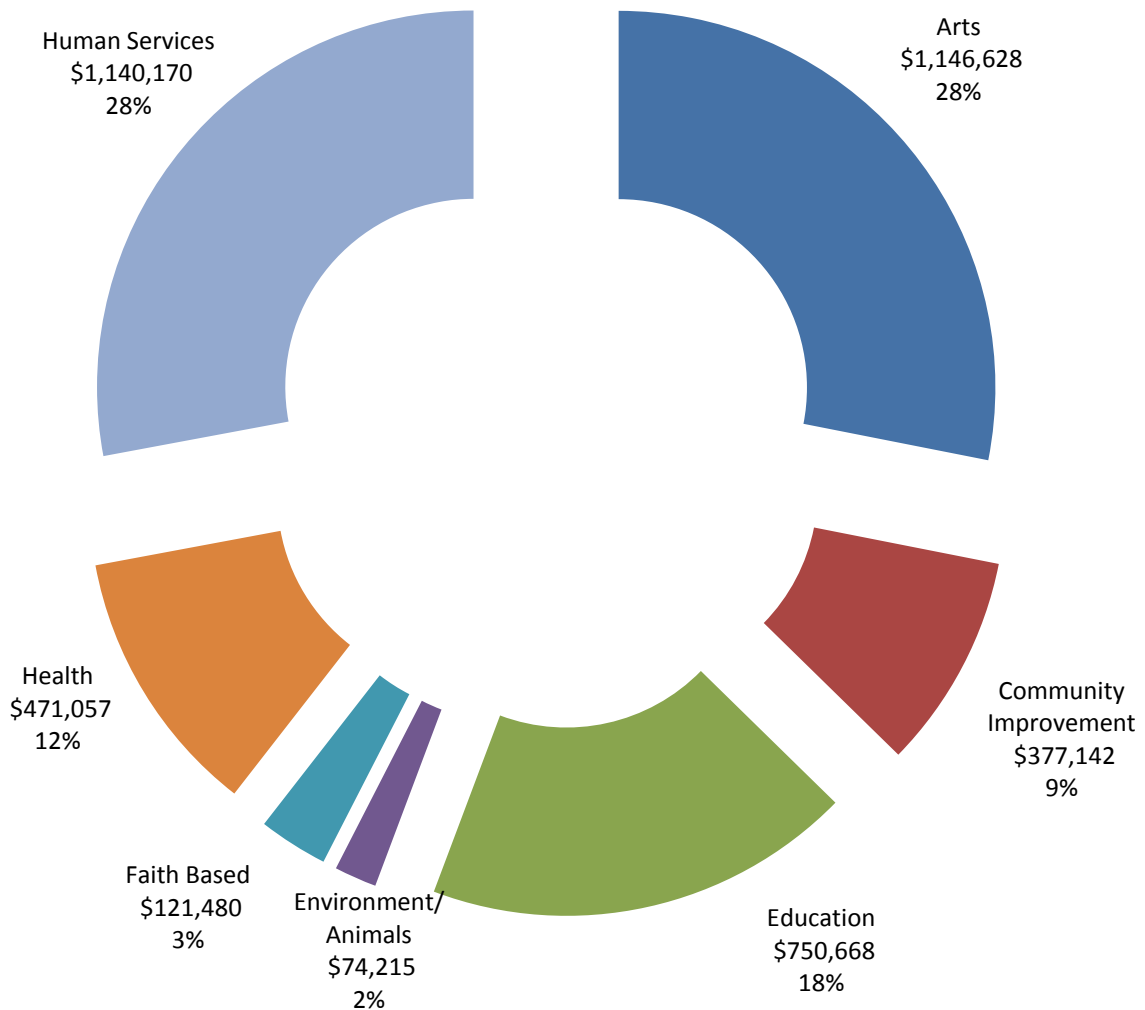
# Community Foundation of Central Florida, Inc.

## Management's Discussion and Analysis

### Social Sector Distribution

Out of the approximate \$4 million in grants, the Arts received the most support at \$1,146,628 with Human Services receiving \$1,140,170. Our grants cover all of the social sectors and vary in allocation from year to year.

### Social Sector Distribution of Grants



# Community Foundation of Central Florida, Inc.

## Management's Discussion and Analysis

The Supplemental Information includes a list of grants made by the Foundation during the fiscal years ended April 30, 2012 and 2011.

We would like to thank the Foundation's Board of Directors for their strategic leadership and commitment to Central Florida. Their volunteer service is reflected in the growth and strength of the Foundation. The Foundation's professional staff implements the strategy established by the Board and we are grateful for their dedication to making Central Florida a great place to live.

Respectfully Submitted,



Mark Brewer, CAP®  
President & CEO



Meghan Warrick, CPA  
Executive Vice President & Chief Financial Officer

# Community Foundation of Central Florida, Inc.

## Consolidated Statements of Financial Position

<i>April 30,</i>	2012	2011
<b>Assets</b>		
Cash and cash equivalents	\$ 3,322,876	\$ 3,256,373
Contributions receivable, net	1,053	388,384
Prepaid expenses and other assets	115,650	123,844
Investments (Notes 2 and 4)	52,305,626	53,734,722
Receivables from charitable remainder unitrusts (Note 3)	1,180,713	1,298,984
Assets held in charitable remainder annuity trusts (Note 3)	58,601	81,929
	<b>\$56,984,519</b>	<b>\$58,884,236</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and other liabilities	\$ 20,897	\$ 25,327
Grants payable	1,007,382	759,575
Lines of credit payable (Note 4)	2,029,591	1,997,591
Liabilities under split interest agreements (Note 3)	653,100	630,192
Funds held for agencies (Note 5)	11,105,906	10,997,564
<b>Total liabilities</b>	<b>14,816,876</b>	<b>14,410,249</b>
<b>Commitments (Note 6)</b>		
<b>Net assets (Note 3):</b>		
Unrestricted net assets:		
Undesignated	25,321,729	26,359,960
Designated	15,250,121	16,446,342
Temporarily restricted net assets	1,595,793	1,667,685
<b>Total net assets</b>	<b>42,167,643</b>	<b>44,473,987</b>
	<b>\$56,984,519</b>	<b>\$58,884,236</b>

*See accompanying notes to consolidated financial statements.*

# Community Foundation of Central Florida, Inc.

## Consolidated Statements of Activities

Year ended April 30,	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues, support, gains and (losses):</b>						
Contributions and bequests	\$ 4,770,587	\$ 113,285	\$ 4,883,872	\$2,126,465	\$ 31,636	\$2,158,101
Interest and dividends	853,117	–	853,117	696,472	–	696,472
Unrealized gains (losses) on investments	(2,100,538)	–	(2,100,538)	3,675,900	–	3,675,900
Realized gains on investments	773,727	–	773,727	688,875	–	688,875
Impairment loss on land, buildings and development costs (Notes 2 and 9)	(1,646,314)	–	(1,646,314)	–	–	–
Change in value of split interest agreements	–	(185,177)	(185,177)	–	202,448	202,448
Administrative fees, net	95,505	–	95,505	96,088	–	96,088
Other income	62,737	–	62,737	48,835	–	48,835
Release of restrictions (Note 3)	–	–	–	180,326	(180,326)	–
<b>Total revenues, support, gains and (losses)</b>	<b>2,808,821</b>	<b>(71,892)</b>	<b>2,736,929</b>	<b>7,512,961</b>	<b>53,758</b>	<b>7,566,719</b>
<b>Grant expenses:</b>						
Total grants to beneficiaries	4,081,360	–	4,081,360	2,538,928	–	2,538,928
Less: distributions from funds held for agencies	(365,593)	–	(365,593)	(345,310)	–	(345,310)
Total grant expense	3,715,767	–	3,715,767	2,193,618	–	2,193,618
<b>Operating expenses:</b>						
Grantmaking	338,415	–	338,415	335,720	–	335,720
Development and donor relations	258,577	–	258,577	290,415	–	290,415
Finance and administration	730,514	–	730,514	709,500	–	709,500
Total operating expenses	1,327,506	–	1,327,506	1,335,635	–	1,335,635
<b>Total expenses</b>	<b>5,043,273</b>	<b>–</b>	<b>5,043,273</b>	<b>3,529,253</b>	<b>–</b>	<b>3,529,253</b>
<b>Change in net assets</b>	<b>(2,234,452)</b>	<b>(71,892)</b>	<b>(2,306,344)</b>	<b>3,983,708</b>	<b>53,758</b>	<b>4,037,466</b>
<b>Net assets, beginning of year</b>	<b>42,806,302</b>	<b>1,667,685</b>	<b>44,473,987</b>	<b>38,822,594</b>	<b>1,613,927</b>	<b>40,436,521</b>
<b>Net assets, end of year</b>	<b>\$40,571,850</b>	<b>\$1,595,793</b>	<b>\$42,167,643</b>	<b>\$42,806,302</b>	<b>\$1,667,685</b>	<b>\$44,473,987</b>

See accompanying notes to consolidated financial statements.

# Community Foundation of Central Florida, Inc.

## Consolidated Statements of Cash Flows

<i>Year ended April 30,</i>	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (2,306,344)	\$ 4,037,466
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	39,216	44,033
Net unrealized and realized losses (gains) on investments	1,326,811	(4,364,775)
Gain on disposal of office equipment	–	(310)
Impairment loss on land, buildings and development costs	1,646,314	–
Cash provided by (used for):		
Contributions receivable	387,331	1,918,567
Prepaid expenses	(10,262)	(2,508)
Receivables and assets from split interest agreements	141,599	(162,335)
Accounts payable and other liabilities	(4,430)	5,739
Grants payable	247,807	115,076
Amounts held for others	–	(283,218)
Liabilities under split interest agreements	22,908	(14,841)
Funds held for agencies	108,342	1,403,754
Net cash provided by operating activities	<b>1,599,292</b>	2,696,648
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(4,659)	(1,535)
Purchase of investments	(11,772,263)	(10,590,807)
Proceeds from sale of investments	10,212,133	7,196,793
Net cash used for investing activities	<b>(1,564,789)</b>	(3,395,549)
<b>Cash flows from financing activities:</b>		
Net borrowings (payments) on lines of credit	32,000	(92,739)
Net increase (decrease) in cash and cash equivalents	<b>66,503</b>	(791,640)
Cash and cash equivalents, beginning of year	<b>3,256,373</b>	4,048,013
Cash and cash equivalents, end of year	<b>\$ 3,322,876</b>	\$ 3,256,373
Cash paid for interest	<b>\$ 93,907</b>	\$ 95,261

*See accompanying notes to consolidated financial statements.*

# Community Foundation of Central Florida, Inc.

## Consolidated Statements of Functional Expenses

Year ended April 30,	2012				2011			
	Grantmaking	Development and Donor Relations	Finance and Administration	Total	Grantmaking	Development and Donor Relations	Finance and Administration	Total
Salaries and wages	\$182,441	\$126,938	\$203,377	\$ 512,756	\$180,276	\$150,595	\$125,197	\$ 456,068
Rent and maintenance	17,693	16,108	71,028	104,829	19,174	17,646	70,611	107,431
Professional services	3,224	2,372	40,836	46,432	–	6,880	50,416	57,296
Insurance	53,938	37,693	64,714	156,345	52,334	43,934	39,731	135,999
Interest	–	–	93,907	93,907	–	–	95,261	95,261
Investment management fees	–	–	152,929	152,929	–	–	150,690	150,690
Payroll taxes	9,548	6,629	11,616	27,793	11,684	9,751	8,637	30,072
Property taxes	–	–	7,359	7,359	–	–	11,309	11,309
Software support services	57,187	13,455	10,136	80,778	54,013	12,356	4,322	70,691
Depreciation and amortization	8,877	6,203	24,136	39,216	12,181	10,225	21,627	44,033
Miscellaneous	1,745	1,220	5,815	8,780	1,834	1,539	4,007	7,380
Utilities	3,762	2,629	18,659	25,050	3,927	3,296	14,640	21,863
Meetings and conferences	–	11,873	12,585	24,458	–	5,998	6,779	12,777
Marketing	–	33,250	111	33,361	297	28,000	3,407	31,704
Dues and subscriptions	–	–	4,634	4,634	–	–	2,117	2,117
Copy and outside printing	–	131	1,720	1,851	–	141	938	1,079
Office supplies	–	–	5,460	5,460	–	–	6,977	6,977
Unfulfilled contributions receivable	–	–	–	–	–	–	91,351	91,351
Postage	–	76	1,492	1,568	–	54	1,483	1,537
	<b>\$338,415</b>	<b>\$258,577</b>	<b>\$730,514</b>	<b>\$1,327,506</b>	<b>\$335,720</b>	<b>\$290,415</b>	<b>\$709,500</b>	<b>\$1,335,635</b>

See accompanying notes to consolidated financial statements.

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

### 1. Summary of Significant Accounting Policies

#### **Nature of Operations**

Community Foundation of Central Florida, Inc. (the “Foundation”) is a non-profit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Community Foundation was incorporated in 1993 to attract and administer charitable funds for the benefit of the Central Florida area.

#### **Principles of Consolidation**

The consolidated financial statements of the Foundation include the activity of the Community Foundation of Central Florida, Inc. and its Supporting Organizations: the N. Donald Diebel, Jr., MD Good Samaritan Fund, Inc.; the Lake Community Foundation, Inc. and its wholly-owned subsidiary, Lake Eustis Properties, LLC; and the Isleworth Community Trust, Inc. The Supporting Organizations are organizations described in 509(a)(3) of the Internal Revenue Code. The Community Foundation of Central Florida, Inc. appoints a majority of the directors of each of the Supporting Organizations. Therefore, the financial statements are presented on a consolidated basis. All significant interorganization balances and transactions have been eliminated in consolidation.

#### **Liquidity**

Assets are presented in the accompanying consolidated statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

#### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents include checking and money market accounts. The credit risk associated with cash equivalents is low due to the credit quality of the issuers of the financial instruments.

#### **Concentration of Credit Risk**

The Foundation’s financial instruments that are exposed to concentrations of credit risk include cash and cash equivalents, which are held with various financial institutions. Such accounts do at times exceed federally insured limits. Management believes these institutions have strong credit ratings and that the credit risk related to these deposits is minimal. The Foundation has not experienced any losses on such accounts.

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

At April 30, 2012, all non-interest bearing cash balances were fully insured due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning January 1, 2013, insurance coverage will revert to \$250,000 per depositor at each financial institution, and non-interest bearing cash balances may again exceed federally insured limits.

### **Contributions Receivable**

Unconditional contributions are recorded when the promise to contribute is made. Conditional contributions are recorded when the Foundation has substantially met the conditions of the contribution. The Foundation evaluates the collectability of all contributions receivable and establishes an allowance for doubtful accounts as deemed necessary. At April 30, 2012 and 2011, all contributions receivable were due in less than one year and were evaluated and deemed collectible.

### **Investments**

The Foundation's investment portfolio is managed by outside investment managers who invest according to the investment guidelines established by the Investment Committee and approved by the Board of Directors of the Foundation. The Foundation employs an independent investment consultant to monitor manager performance and provide assistance to the Investment Committee. Amounts paid to the investment managers and independent investment consultants are included in investment management fees on the consolidated statements of functional expenses. Realized and unrealized gains and losses are included in the consolidated statements of activities. Investments also include \$1,009,579 and \$916,964 held for charitable gift annuities as of April 30, 2012 and 2011, respectively.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by endowment while seeking to preserve and enhance the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective.

The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term objective is to attain an average annual real total return equal to the annual spending rate, net of all investment, management and administrative fees, over the long term (rolling ten to twenty-year periods). Actual returns in any given year may vary from this amount.

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The overall portfolio is to be both diversified by asset class (i.e., equities, fixed income, alternatives) and within asset classes (i.e., equities – by economic sector, industry, company size, geography; fixed income – bond maturity, mortgages, cash equivalents; alternative investments – investment partnerships, absolute return hedge funds, hedged equity hedge funds, commodities, private equity funds). The goal of this diversification strategy is to help ensure that no single industry, sector, class or company has a disproportionate or inappropriate impact on the portfolio.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, for grant making purposes. The 2012 and 2011 spending policy amount available for distribution from a fund was four percent (4%) of the fund's average market value of invested assets over the preceding 20 quarters. A fund must be invested for at least 12 months before it can distribute. If the fund has been invested for at least 4 quarters but not 16 quarters at the time of the valuation date, the calculation shall be based on all quarters for which market value information is available.

### **Fair Value of Financial Instruments**

Accounting standards define fair value, establish a framework for measuring fair value, establish a fair value hierarchy based on the quality of inputs used to measure fair value, and require expanded disclosures about fair value measurements.

Accounting standards establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Each level is defined as follows:

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

*Level 1* – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.

*Level 2* – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

*Level 3* – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include cash, contributions receivable due within one year, accounts payable and other liabilities, and grants payable. The fair value of the lines of credit is estimated based on current rates that would be available for debt of similar terms which is not significantly different from its stated value.

The Foundation's Level 1 financial assets consist of investments as identified in Note 2 and are valued based on quoted market prices.

The Foundation's Level 2 investments include those shown in Note 2. The fair value of these investments is determined based on the net asset value of the investment, as provided by the investment manager. Level 2 financial assets also include amounts held under split-interest agreements as further discussed in Note 1 (Investments).

The Foundation's Level 3 investments include those shown in Note 2. The fair value of the Hedge Fund of Funds, Absolute Return Pool and Private Equity Fund of Funds are based on the net asset value of the related funds. These investments have liquidity restrictions, as described further in Note 2. Land and building fair values were established by appraisals when the assets were contributed. Development costs are capitalized as incurred.

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

### **Split Interest Agreements**

Assets held in charitable remainder trusts and charitable gift annuities included in investments are recorded at fair value when received. The present value of the estimated future payments to the named beneficiaries is recorded as a “liability under split interest agreements.” The difference between these amounts is recorded as temporarily restricted contributions. Income earned on trust assets and charitable gift annuities, including realized and unrealized gains and losses, and adjustments to the liability to reflect amortization of the discount and changes in actuarial assumptions are recorded as “change in value of split interest agreements” in the consolidated statements of activities. Upon death of the beneficiaries, the assets, net of any related liabilities, are released from restriction and reclassified to unrestricted net assets.

If the Foundation is not the trustee and does not exercise control over the assets contributed to the trust, the assets, less liabilities for estimated future payments to named beneficiaries, are recorded as receivables from charitable remainder unitrusts and temporarily restricted contributions. Adjustments to the net receivable to reflect changes in the fair value of the assets and changes in actuarial assumptions are recorded as “change in value of split interest agreements” in the consolidated statements of activities.

### **Property and Equipment and Depreciation**

Property and equipment is recorded at cost, if purchased and at fair market value on the date received, if donated. Depreciation for property and equipment is computed using the straight-line method over the estimated useful lives of the assets which range from three to ten years. Depreciation for leasehold improvements is computed using the straight-line method over the shorter of the estimated useful life of the improvements or the term of the lease.

### **Contributions and Bequests**

The Foundation records unconditional promises to give as contribution revenue. The Bylaws of the Foundation include a Variance Provision and Powers of Modification giving the Board of Directors power to vary the use of funds if the intent expressed by a donor would result in contrary use. Accordingly, contributions and bequests received by the Foundation are reported as unrestricted revenue and unrestricted net assets, except for contributions under split interest agreements which are recorded as temporarily restricted revenue and net assets.

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

### **Grants to Beneficiaries**

Unconditional grants to beneficiaries are recognized when they are approved by the Foundation's Board of Directors and the funds have been appropriated. Conditional grants are recognized when all conditions of the grant are satisfied by the grantee. All grants payable as of April 30, 2012 and 2011 are unconditional and are payable in less than one year.

### **Income Taxes**

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code. In addition, the Foundation was determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Foundation is subject to the accounting standards on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Management evaluated the tax positions for the Foundation and concluded that the Foundation has taken no uncertain income tax positions that require adjustments to the financial statements to comply with the provisions of this guidance. The Foundation is no longer subject to income tax examinations for tax years before 2008, which is the standard statute of limitations look-back period.

### **Use of Estimates**

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

### **Reclassifications**

Certain items in the 2011 financial statements have been reclassified to conform to the 2012 presentation.

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

### 2. Investments

The fair value of investments in the table below was measured using input guidance and valuation techniques as provided for in the accounting standards. The input or methodology used for valuation of securities is not necessarily an indication of the risk associated with investing in those securities.

Investments, stated at fair value, consist of the following:

<i>April 30,</i>	<b>2012</b>	2011
<b>Level 1 Investments:</b>		
Equity Securities:		
Small Cap Equities	\$ 1,295,362	\$ 1,427,077
Mutual Funds:		
Large Cap Equity	9,617,211	4,146,779
Small Cap Equity	1,760,212	1,915,754
International Equity	4,506,764	5,442,222
Emerging Market	1,848,880	2,143,786
Fixed Income	7,211,933	7,183,588
High Yield	360,073	349,459
Inflation Protected	2,201,277	2,014,016
Global Bond	418,722	373,450
Commodity	1,875,308	2,114,042
<b>Total Level 1 Investments</b>	<b>31,095,742</b>	27,110,173
<b>Level 2 Investments:</b>		
Investment Partnerships:		
Large Cap Equity (a)	4,006,981	7,547,873
International Equity (b)	3,567,009	3,806,644
High Yield Fixed Income (c)	1,577,412	1,508,311
Global Bond (d)	1,695,559	1,584,505
<b>Total Level 2 Investments</b>	<b>10,846,961</b>	14,447,333
<b>Level 3 Investments:</b>		
Hedge Fund of Funds (e)	3,464,774	3,444,331
Absolute Return Pool (f)	3,439,189	3,452,492
Private Equity Fund of Funds (g)	136,999	-
Land, buildings, and development costs held for development (h)	3,321,961	5,280,393
<b>Total Level 3 Investments</b>	<b>10,362,923</b>	12,177,216
<b>Total Investments</b>	<b>\$ 52,305,626</b>	\$ 53,734,722

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

- (a) As of April 30, 2012, this investment partnership includes a mix of aggressive growth, moderate growth, growth and income, and capital preservation styles and are managed according to the related investment policy statements.
- (b) This investment partnership is a long only international equity strategy that follows a growth at a reasonable price investment approach. It offers monthly redemptions with a 5 business day notice.
- (c) This investment partnership is a high yield strategy that seeks to outperform on a risk adjusted basis by focusing on valuation, downside protection and portfolio diversification. It offers monthly redemptions with a 30 day notice.
- (d) This investment partnership is a value-oriented global fixed income strategy. The investment approach is based on the analysis of inflation, real interest rates and real exchange rates, supplemented by an assessment of sovereign financial balances. It offers monthly redemptions with a 10 business day notice.
- (e) This investment is a fund of hedge funds focused primarily on long/short equity hedge funds. The strategy tends to invest in underlying managers with modest leverage and low volatility. This investment has three tranches subject to a 3 year lockup period that expires December 31, 2012, August 31, 2013 and June 30, 2014 and requires a 60 day notice.
- (f) This investment is a fund of hedge funds overseen by a non-profit investment organization. The fund's strategies have historically favored value oriented, equity and multi-strategy styles. This investment has two tranches subject to a 3 year lockup period that expires on December 31, 2012 and December 31, 2013. Redemption on December 31 requires 100 day notice and early redemptions within the lockup period permitted after 3 year lockup, subject to 20% gate.
- (g) This investment is a private equity fund of funds and is comprised of a series of multi-manager, long-term investment partnerships. These partnerships enable eligible organizations to access private investment strategies, including venture capital, buyouts, foreign private equity, real estate, and resource related investments. The fund term is 12 years with 5 consecutive one-year extensions at the discretion of the General Partner.
- (h) Land, building and development costs primarily relate to investments that are managed by Lake Eustis Properties, LLC. Certain land and building assets were contributed with the restriction that all future income generated from these assets be used 25% for indigent healthcare programs in a defined service area and 75% for the Lake Eustis Institute. As further discussed in Note 9, the Foundation recorded an impairment loss on land, buildings and development costs during 2012 based on a land sale occurring subsequent to year end.

The following is a reconciliation of the Foundation's Level 3 instruments:

<i>Year ended April 30,</i>	<b>2012</b>	2011
Fair value, beginning of year	<b>\$ 12,177,216</b>	\$ 11,194,631
Realized and unrealized gains (losses) on investments	<b>(133,735)</b>	634,563
Investment expenses	<b>(11,744)</b>	(18,281)
Purchases of investments	<b>127,500</b>	666,303
Proceeds from sale of investments	<b>(150,000)</b>	(300,000)
Impairment loss on land, buildings and development costs	<b>(1,646,314)</b>	—
Fair value, end of year	<b>\$ 10,362,923</b>	\$ 12,177,216

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

### 3. Net Assets

#### Unrestricted

Unrestricted net assets consist of the following undesignated and designated funds:

<i>April 30,</i>	<b>2012</b>	2011
Undesignated from operations	\$ 1,324,076	\$ 3,299,896
Donor undesignated funds	<b>3,935,850</b>	4,104,971
Donor advised funds	<b>11,227,129</b>	9,725,570
Donor advised endowment funds	<b>8,229,400</b>	8,669,598
Community advised funds	<b>605,274</b>	559,925
<b>Total Undesignated</b>	<b>25,321,729</b>	26,359,960
Area of interest funds	<b>5,422,499</b>	5,671,665
Donor designated funds	<b>9,794,254</b>	10,740,979
Special projects fund	<b>33,368</b>	33,698
<b>Total Designated</b>	<b>15,250,121</b>	16,446,342
<b>Total Unrestricted</b>	<b>\$ 40,571,850</b>	\$ 42,806,302

#### Temporarily Restricted

Temporarily restricted net assets consist of the following:

<i>April 30, 2012</i>	<i>Assets Held Under Split Interest Agreements</i>	<i>Liabilities Under Split Interest Agreements</i>	<i>Temporarily Restricted Net Assets</i>
Charitable remainder annuity trusts	\$ 58,601	\$ 50,218	\$ 8,383
Charitable remainder unitrusts	<b>1,180,713</b>	<b>40,307</b>	<b>1,140,406</b>
Charitable gift annuities	<b>1,009,579</b>	<b>562,575</b>	<b>447,004</b>
	<b>\$2,248,893</b>	<b>\$653,100</b>	<b>\$1,595,793</b>
<i>April 30, 2011</i>			
Charitable remainder annuity trusts	\$ 81,929	\$ 61,082	\$ 20,847
Charitable remainder unitrusts	1,298,984	41,205	1,257,779
Charitable gift annuities	916,964	527,905	389,059
	\$2,297,877	\$630,192	\$1,667,685

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

During fiscal year 2011, \$180,326 was released from temporarily restricted net assets due to the passage of time on multi-year pledges.

### **Endowment Funds**

Accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and the types of disclosures about an organization's endowment funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Florida adopted UPMIFA effective July 1, 2012. The Foundation is governed subject to the Articles of Incorporation and Bylaws of the Foundation (Governing Documents). The Bylaws of the Foundation include a variance power. The variance power allows the Board to modify or eliminate any restriction, limitation, or condition on the distribution of funds, including their use for any specified purposes or their distribution to specific organizations if the Board of Directors determines that such restriction, limitation or condition has become in effect unnecessary, incapable of fulfillment, or inconsistent with the proper charitable, religious, scientific, literary, cultural or educational uses and purposes of the Central Florida area. As a result of the variance power, all contributions not classified as temporarily restricted are classified as unrestricted net assets for financial statement purposes.

The Board of Directors, on the advice of legal counsel, has determined that the majority of the Foundation's contributions are subject to the terms of the Foundation's fund agreements and the Foundation's Governing Documents. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation.

Unrestricted endowment net assets consist of donor undesignated, donor advised endowment, area of interest, and donor designated funds. Temporarily restricted endowment net assets consist of charitable remainder annuity trusts, charitable remainder unitrusts, and charitable gift annuities. The investment and spending policy of all endowment funds is discussed in Note 1.

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

Changes in the Foundation's endowment net assets are as follows:

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>
<b>Endowment net assets, April 30, 2010</b>	\$26,175,206	\$1,406,544	\$27,581,750
Interest and dividends	427,782	–	427,782
Net appreciation	3,542,002	202,448	3,744,450
Contributions	595,263	31,636	626,899
Amounts appropriated for expenditure	(870,116)	–	(870,116)
Investment expenses	(80,696)	–	(80,696)
Other changes	(580,560)	27,057	(553,503)
<b>Changes in endowment net assets</b>	<b>3,033,675</b>	<b>261,141</b>	<b>3,294,816</b>
<b>Endowment net assets, April 30, 2011</b>	<b>29,208,881</b>	<b>1,667,685</b>	<b>30,876,566</b>
Interest and dividends	<b>565,513</b>	–	<b>565,513</b>
Net depreciation	<b>(984,851)</b>	<b>(185,177)</b>	<b>(1,170,028)</b>
Contributions	<b>105,438</b>	<b>113,285</b>	<b>218,723</b>
Amounts appropriated for expenditure	<b>(749,855)</b>	–	<b>(749,855)</b>
Investment expenses	<b>(78,335)</b>	–	<b>(78,335)</b>
Other changes	<b>(663,133)</b>	–	<b>(663,133)</b>
<b>Changes in endowment net assets</b>	<b>(1,805,223)</b>	<b>(71,892)</b>	<b>(1,877,115)</b>
<b>Endowment net assets, April 30, 2012</b>	<b>\$27,403,658</b>	<b>\$1,595,793</b>	<b>\$28,999,451</b>

#### 4. Lines of Credit

On December 22, 2005, Lake Eustis Properties, LLC entered into a first mortgage and security agreement with United Southern Bank for \$1,300,000. On November 30, 2006, the agreement converted to a line of credit (“main line” or “main line of credit”) and was increased to \$1,800,000. On December 31, 2011, under the fifth renewal, the main line was amended to \$1,884,000. The main line of credit accrues interest on the outstanding principal balance at the prime rate as established by The Wall Street Journal subject to a 4.50% floor. The prime rate as of April 30, 2012 and 2011 was 3.25%. All accrued interest is paid monthly. Final interest and principal payment is due June 30, 2012.

As of April 30, 2012 and 2011, \$1,814,000 and \$1,884,000, respectively, were outstanding against the main line of credit. The main line is secured by the related real property. On December 31, 2009, two additional lines of credit in the amount of

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

\$125,000 each, for a total of \$250,000 were issued with the same terms and secured property as the main line of credit. Additionally, two former Lake Community Foundation board members have personally guaranteed these additional lines of credit. As of April 30, 2012 and 2011, \$215,591 and \$133,591, respectively, was outstanding against these additional lines of credit. As discussed in Note 9, these two additional lines of credit were paid in full in connection with the June 2012 land sale.

### 5. Funds Held for Agencies

Transfers of assets to the Foundation by other not-for-profit agencies who specify themselves or their affiliates as the beneficiaries are not considered contributions and are recorded as a liability by the Foundation. Funds held for agencies are as follows:

<i>April 30,</i>	<b>2012</b>	<b>2011</b>
A Gift for Teaching Fund	\$ 10,260	\$ 10,527
Adult Literacy League Fund	10,879	11,558
Alzheimer Disease and Related Disorders Fund	15,678	16,679
Arthritis Foundation, Florida Chapter Endowment Fund	435,021	–
American Elasmobranch Society Fund	12,475	12,800
BETA. Center Fund	24,287	25,778
Bagley/College Park Baptist Church Fund	19,873	21,233
Boys & Girls Clubs of Central Florida Fund	29,738	30,361
Caring for Kids Fund	117,664	120,730
Celebration Fund	16,189	16,528
Center for Independent Living Fund	16,296	16,721
Central Florida Women's Resource Center Fund	12,392	12,715
Central Florida Zoological Society Fund	31,112	31,922
Charles "Chuck" Gottschalk Scholarship Fund	9,354	9,981
CHIC Health Legacy Endowment	1,005,183	1,073,384
Children's After School Enrichment Fund	135,068	144,041
Christian Help Fund	13,558	13,911
Christian Service Center for Central Florida Fund	23,107	23,590
Coalition for the Homeless of Central Florida Fund	393,932	300,059
Coalition for the Homeless Non-Endowed Capital Reserve Fund	371,083	173,971
Community Service Center of Orange County Fund	54,532	57,912
Crealde School of Art Endowment Fund	26,531	24,764
DeLeon Springs State Park Fund	10,986	11,272
Dommerich Elementary Endowment Fund	17,507	17,963
Down Syndrome Association of Central Florida Fund	10,246	–
Downtown Orlando Foundation Fund	51,343	54,822
Dr. Joseph Wise Scholarship Fund	9,714	10,373
Dr. William S. Barnes Shepherd's Hope Endowment Fund	421,058	432,028

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

<i>April 30,</i>	2012	2011
Edgewood Children's Ranch Fund	661,894	702,809
Faver-Dykes State Park Fund	12,320	12,640
Festival of Orchestras Fund	155,236	164,828
Florida Symphony Youth Orchestra Fund	11,157	11,910
Foundation for Osceola Education Fund	83,183	81,014
Foundation for Seminole County Public Schools Fund	11,388	11,626
Gay, Lesbian and Bisexual Center Endowment	16,470	16,797
Girl Scouts of Citrus Council Fund	21,556	22,118
Grove Counseling Center Fund	13,758	14,650
Habitat For Humanity in Seminole County	10,600	10,876
Hands On Orlando Endowment Fund	24,719	25,363
Health Care Center for the Homeless Fund	40,992	43,540
Heart of Florida United Way Fund	1,264,239	1,341,965
Hospice of Lake and Sumter Endowment Fund	14,825	15,211
Hospice of the Comforter Fund	31,057	27,676
J. Darrell Kelley – Ronald McDonald House Fund	13,862	14,223
Jacob R. Rozier, MD Rotary Scholarship Fund	24,891	24,256
Judith Thames Meals on Wheels Fund	193,946	181,593
Junior Achievement of Central Florida Fund	25,151	27,468
Junior League of Greater Orlando Endowment Fund	161,484	165,641
La Amistad Foundation Endowment Fund	131,245	134,664
Lake Louisa State Park Fund	16,981	17,423
Les Ginkle Scholarship Fund	47,714	50,896
Lighthouse Central Florida Endowment Fund	11,173	11,928
Margaret E. Kern Fund (United Way)	224,338	238,197
Mayflower Community Foundation Endowment Fund	494,720	527,255
Mayflower Community Foundation Non-endowed Fund	99,593	100,421
Mental Health Association of Central Florida Fund	13,178	13,521
Messiah Choral Society Endowment Fund	25,395	16,314
Nap Ford Community School Endowment	9,961	–
Negro Spiritual Scholarship Foundation Fund	3,983	4,086
New Hope for Kids Endowment Fund	1,364,460	1,455,209
Noel Bridgett (Guardian Care Center) Fund	17,898	18,364
Orange County Arts and Education Endowment Fund	10,130	10,771
Orange County Migrant Youth Association Fund	71,732	73,601
Orlando Ballet – In Memory of Fernando Bujones	24,348	25,817
Orlando Ballet Fund (formerly Southern Ballet Theatre Fund)	96,211	102,055
Orlando Gay Chorus Fund	17,297	17,748
Orlando Humane Society (SPCA) Fund	25,491	26,155
Orlando Opera Company Fund	3,625	3,867
Orlando Opera Permanent Endowment Heinz & Suze Rehfuss Memorial Fund	57,125	60,793
Orlando Philharmonic – Haserot Fund	25,843	26,516
Orlando Philharmonic Orchestra Fund	181,315	186,038
OPO Endowment II	96,370	102,963
Orlando Philharmonic – Harrison Hollander Fund	65,195	66,894

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

<i>April 30,</i>	<b>2012</b>	<b>2011</b>
Orlando Philharmonic – Stephen Goldman Fund	<b>103,627</b>	106,327
P.A.C.E. School Fund	<b>66,380</b>	67,769
Quest, Inc. Fund	<b>46,685</b>	47,662
Second Harvest Food Bank of Central Florida Fund	<b>199,417</b>	203,591
SENIORS FIRST Foundation Fund	<b>996,203</b>	1,168,207
SENIORS FIRST, Inc. Fund	<b>29,762</b>	31,738
Seniors Fund	<b>25,930</b>	26,473
Seniors First In-Home Services Fund	<b>332,725</b>	387,590
The Scholl Family Endowment Fund	<b>10,317</b>	10,585
United Arts of Central Florida Endowment Fund	<b>10,187</b>	10,830
UCP Memorial Foundation Fund	<b>37,049</b>	38,014
Washington Oaks Garden State Park Fund	<b>14,509</b>	15,455
	<b>\$11,105,906</b>	\$10,997,564

### 6. Commitments

#### Leases

In September 2008, the Foundation signed a new operating lease for office space with its current landlord. The lease agreement began January 1, 2009 and is for a period of six years. As of April 30, 2012, future minimum lease payments required under the operating lease are as follows:

<i>Year ended April 30,</i>	
2013	<b>\$ 83,858</b>
2014	<b>87,212</b>
2015	<b>59,671</b>
	<b>\$ 230,471</b>

Rent expense was \$77,261 and \$74,146 for the years ended April 30, 2012 and 2011, respectively, and is included in rent and maintenance on the consolidated statements of functional expenses.

#### Unfunded Commitment

The Foundation has a total commitment of \$750,000 to an investment in a private equity fund of funds. As of April 30, 2012, \$622,500 was unfunded. Over the next three to five

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

years, the Foundation may be called upon to fund this commitment, as requested by the investment manager.

### 7. Employee Benefit Plan

The Foundation has a defined contribution employee benefit plan (the “Plan”) under the provisions of Section 401(k) of the Internal Revenue Code. All employees who have completed 1,000 hours of service in a 12-month period and attained age 21 are eligible to participate in the Plan. Employee elected deferrals of compensation will be matched by the Foundation by an amount equal to 100% up to 3% of eligible compensation and plus an amount equal to 50% for employee elected deferrals that exceed 3% of eligible compensation but that do not exceed 5% of eligible compensation.

Participants in the Plan are 100% vested in all Foundation contributions. During the years ended April 30, 2012 and 2011, the Foundation contributed approximately \$9,600 and \$8,700, respectively, to the Plan.

### 8. Supporting Organizations

The following is condensed financial information for the N. Donald Diebel, Jr. MD Good Samaritan Fund, Inc.; Lake Community Foundation, Inc. and subsidiary; and the Isleworth Community Trust, Inc.:

N. Donald Diebel, Jr. MD Good Samaritan Fund, Inc.

<i>As of and for the year ended April 30,</i>	<b>2012</b>	2011
<b>Condensed Statements of Financial Position</b>		
Assets	\$ 63,821	\$ 70,908
Liabilities	—	—
<b>Net Assets</b>	<b>\$ 63,821</b>	<b>\$ 70,908</b>
<b>Condensed Statements of Activities</b>		
Revenue	\$ 2,310	\$ 150
Expenses	(9,397)	(4,282)
<b>Change in Net Assets</b>	<b>\$ (7,087)</b>	<b>\$ (4,132)</b>

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

### Lake Community Foundation, Inc. and subsidiary

<i>As of and for the year ended April 30,</i>	<b>2012</b>	2011
<b>Condensed Statement of Financial Position</b>		
Assets	\$ 3,205,463	\$ 5,169,859
Liabilities	2,058,486	2,015,862
Net Assets	\$ 1,146,977	\$ 3,153,997
<b>Condensed Statement of Activities</b>		
Revenue	\$ 32,152	\$ 68,768
(Loss) gain on sale of property	(166,028)	129,306
Impairment loss on land, buildings and development costs	(1,646,314)	–
Expenses	(226,832)	(258,021)
Change in Net Assets	\$ (2,007,022)	\$ (59,947)

### Isleworth Community Trust, Inc.

<i>As of and for the year ended April 30,</i>	<b>2012</b>	2011
<b>Condensed Statement of Financial Position</b>		
Assets	\$ 200,779	\$ 201,595
Liabilities	19	18
Net Assets	\$ 200,760	\$ 201,577
<b>Condensed Statement of Activities</b>		
Revenue	\$ 5,000	\$ 3,000
Expenses	(5,817)	(1,896)
Change in Net Assets	\$ (817)	\$ 1,104

# Community Foundation of Central Florida, Inc.

## Notes to Consolidated Financial Statements

### 9. Subsequent Events

The Foundation has evaluated events and transactions occurring subsequent to April 30, 2012 as of August 30, 2012, which is the date the financial statements were available to be issued. Subsequent events occurring after August 30, 2012 have not been evaluated by management. No material events have occurred since April 30, 2012 that requires recognition or disclosure in the financial statements, except as follows:

The Lake Community Foundation was in negotiations with an unrelated third party for certain land, building and development costs held for development. The sale was not consummated with the unrelated third party due to unsatisfactory financing. The Board of Directors of Lake Community Foundation agreed to convey the same assets under the same terms to an entity that consists of former Lake Community Foundation board members.

In June 2012, these certain land, buildings, and development costs held for development were sold for \$950,000 to an entity that consists of former Lake Community Foundation board members. These land, buildings and development costs held for development were valued at \$2,596,314, resulting in a \$1,646,314 loss on the sale which was recorded as an impairment loss on land, buildings and development costs on the 2012 consolidated statement of activities. Along with the sale, an option to purchase selected land held for development exists.

Connected with the June 2012 sale, a \$400,000 short-term, seller financed note receivable was established, the main line of credit was partially reduced by \$150,000 and the two additional lines, totaling \$250,000, were paid in full. The terms of the main line of credit were amended on June 30, 2012. All principal and interest is due June 30, 2013.

# **Supplementary Information**



## **Independent Auditors' Report on Supplementary Information**

Our audits of the basic consolidated financial statements included in the preceding section of this report were performed for the purpose of forming an opinion on those statements taken as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

*Cross, Fernandez & Kelly, LLP*

Certified Public Accountants

Orlando, Florida  
August 30, 2012

# Community Foundation of Central Florida, Inc.

## Consolidated Schedules of Grants to Beneficiaries

<i>Year ended April 30,</i>	<b>2012</b>	<b>2011</b>
<b>Grant expense:</b>		
<b>Community Foundation of Central Florida Grants:</b>		
24 Hours of Booty	\$ 250	\$ —
Accessible Solutions at Avalon Park	5,000	—
Adult Literacy League	—	1,000
Albin Polasek Foundation	1,000	200
All Saints Episcopal Church	3,529	3,558
All Souls Catholic School	157	162
Alzheimer's Disease and Related Disorders Association	—	15,000
America SCORES Boston	150	—
American Cancer Society	6,786	6,978
American Heart Association - Greater Orlando Division	500	500
American Junior Golf Association	—	1,000
American Lebanese Syrian Association Charities	—	250
American Lung Association of Central Florida	1,500	16,500
American Red Cross of Central Florida	536	537
Americares	—	250
Amyotrophic Lateral Sclerosis Association	1,000	—
Arts and Cultural Alliance of Central Florida	360	370
Association of Fundraising Professionals	2,500	2,500
Avon Product Foundation	—	500
BETA Center	2,288	12,769
Bach Festival Society of Winter Park	6,526	361
Big Brothers Big Sisters of Central Florida	—	1,000
Bishop Grady Villas	—	4,000
Bishop Moore Catholic High School	—	1,000
Bluefield College	60,000	—
Boggy Creek Gang	15,666	2,000
Boy Scouts of America – Central Florida Council	20,200	1,000
Boys & Girls Clubs of Central Florida	2,000	11,500
Bridge to Independence	21,000	16,667
Campus Crusade for Christ	1,200	—
Canine Companions for Independence	—	1,000
Carolinas Healthcare Foundation	240	—
Cashiers Highland Humane Society	100	—
Cat Protection Society	37,863	38,496
Catholic Charities of Central Florida	—	2,022
Central Florida All Star Game	—	1,000
Central Florida Down Syndrome Association	—	1,000
Central Florida Leadership Academy	—	1,000
Central Florida Veterans Memorial Park Foundation	1,000	—

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## Consolidated Schedules of Grants to Beneficiaries

<i>Year ended April 30,</i>	2012	2011
Central Florida Women's Emergency Fund	152	156
Central Florida Young Men's Christian Association	–	1,000
Central Florida Zoological Society	18,727	55,678
Charles Hosmer Morse Foundation	4,202	–
Child Development Center	–	69
Christian Leadership Concepts	1,200	–
Christian Service Center for Central Florida	100	2,469
Christian Sharing Center	8,666	–
City of Winter Park Tree Fund	1,204	1,187
Civic Theatre of Central Florida	–	1,000
Coalition for Outreach	–	4,860
Coalition for the Homeless of Central Florida	379	3,070
College Scholarships – schools to be determined	6,000	10,000
Community Based Care of Central Florida	3,800	–
Community Coordinated Care for Children	185,000	–
Community Foundation of East Central Florida	–	2,574
Community Foundation of Greater Lakeland	10,452	–
Cooperative For Assistance and Relief Everywhere (C.A.R.E)	–	250
Coronado Community United Methodist Church	2,000	1,000
Council on Foundations	4,680	4,480
Covenant House Florida	–	250
Cystic Fibrosis Foundation	–	2,000
Daemion Counseling Center	–	250
Doctors Without Borders USA	20,000	–
Dommerich Foundation	–	4,000
Double Oaks Presbyterian Nursery	–	500
Down Syndrome Association of Central Florida	1,000	–
Drink from the Well	–	2,500
Dr. Phillips Center for the Performing Arts	1,000,000	–
Early Learning Coalition of Orange County	166,625	35,850
Earth Angels United	465	–
Easter Seals of Florida	3,044	27,110
Ekal Vidyalaya Foundation of USA	–	3,650
Escambia Charter School of Excellence	1,000	–
Eugene Education Fund	3,000	2,000
Everett Spruill Foundation for the Arts	2,500	–
Every Kid Outreach	–	500
Family Promise of Greater Orlando	–	10,000
Farmworkers Ministry	10,367	10,000
Fast Start Management	1,000	1,000
Father Flanagan's Girls and Boys Town of Central Florida	200	200

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<i>Year ended April 30,</i>	2012	2011
Figgtree Youth and Recording Studios	7,500	–
First Baptist Church of Windermere	1,000	–
First Baptist Church of Winter Haven	1,500	1,500
First Church of Christ Scientist, Boston, MA	7,349	7,638
First Church of Christ Scientist, Winter Park, FL	2,422	2,433
First Congregational Church of Winter Park	–	1,000
First Presbyterian Church of Orlando	83,500	113,250
First United Methodist Church of Auburndale	–	1,000
First United Methodist Church of Oviedo	404	409
Florida A&M University	–	2,500
Florida A&M University, University Relations	114	124
Florida A&M University (J. Blas)	1,000	–
Florida A&M University (J. Bryant)	1,000	–
Florida A&M University (J. Diaz)	1,000	–
Florida A&M University (S. Guice)	1,000	–
Florida A&M University (D. Jules)	6,000	–
Florida A&M University (K. Lake)	2,500	–
Florida A&M University (K. Lee)	1,000	–
Florida A&M University (G. McCrary)	1,000	–
Florida A&M University (P. Robinson)	1,000	–
Florida A&M University (A. Sans)	1,000	–
Florida A&M University (J. Simmons)	1,000	–
Florida Baptist Family Ministry	600	600
Florida Bar Foundation	455	469
Florida Fellowship Foundation	100	–
Florida Foundation for Special Children	–	2,000
Florida Hospital Foundation	10,000	10,000
Florida Leadership Venture	2,500	–
Florida Philanthropic Network	8,500	3,500
Florida Southern College (J. Jessie)	–	6,000
Florida State University - Student Disability Resource Center	–	10,972
Florida State University (C. Baeza)	1,514	–
Florida State University (D. Seshie)	–	1,500
Florida State University (D. Stern)	1,514	–
Florida Symphony Youth Orchestra	885	904
Fontana Regional Library	250	–
Food Allergy and Anaphylaxis Network	2,000	1,500
Food for the Poor	35,500	5,000
Foundation for Building Community	8,000	5,000
Foundation for Foster Children	3,000	1,000
Foundation for Orange County Public Schools	4,790	15,153

# Community Foundation of Central Florida, Inc.

## Consolidated Schedules of Grants to Beneficiaries

<i>Year ended April 30,</i>	2012	2011
Foundation for Osceola Education	89,177	41,311
Fresh Start Ministries of Central Florida	20,000	5,000
Global Connections Foundation	10,000	10,000
Grace House Pregnancy Resources Center	500	500
Grace Medical Home	4,500	4,000
Grove Counseling Center	1,000	—
Guardian Care Nursing and Rehabilitation Center	114	124
Guiding Eyes for the Blind	—	250
Habitat for Humanity of Winter Park/Maitland	3,250	1,000
Habitat for Humanity Orlando	—	1,000
Harbor House	455	50,469
Health Care Center for the Homeless	—	5,000
Heart of Florida United Way	27,718	32,985
Heart of the City Foundation	1,000	1,000
Highland Cashier Hospital Foundation	—	2,000
Hillsborough Community College (C. Zapata)	—	6,000
Hindu Society of Central Florida	10,000	—
Hindu University of America	—	5
Historical Society of Central Florida	250	—
Holocaust Memorial Resource and Education	—	75,900
Holy Family Catholic Church	500	37,000
Homes for our Troops	8,666	—
Hope Community Center	33,230	—
Hope Horses Helping People	—	1,000
Hopewell United Methodist Church	727	747
Hospice of the Comforter	8,666	—
Housing Authority of the City of Winter Park	—	12,723
Howard Phillips Center for Children and Families	1,419	1,437
Hubbs-Sea World Research Institute	380	391
IDignity	—	1,000
International FOP Association	—	2,000
In Touch Ministries	100	100
Jewish Family Services of Greater Orlando	10,000	20,000
Jones High School Choral Music Program	159	218
Junior Achievement of Central Florida	1,000	1,000
Just in Queso Foundation	250	—
Juvenile Diabetes Research Foundation	5,000	—
Kappa Kappa Gamma Foundation	1,000	—
Kids Beating Cancer	8,666	—
Kingdom Harvest	—	500
Kingsford Elementary School	1,350	—

# Community Foundation of Central Florida, Inc.

## Consolidated Schedules of Grants to Beneficiaries

<i>Year ended April 30,</i>	2012	2011
Lake Highland Preparatory School	7,000	8,000
Lake Wales Art Council	200	500
Lee University (F. Alejandro)	6,000	—
Leukemia and Lymphoma Society of Central Florida	1,831	—
LifeSkills Academy of Orlando	1,000	—
Lighthouse Central Florida	250	1,000
Loaves and Fishes	1,000	—
Lyme Congregational Church	363	374
Make-A-Wish Foundation of America	2,000	750
Make-A-Wish Foundation of Central & Northern Florida	1,000	—
Make-A-Wish of Central & Western North Carolina	50,000	5,300
Make-A-Wish of Georgia and Alabama	3,000	—
March of Dimes	500	—
Mary Lee Depugh Nursing Home Association	22,385	2,452
Matthew's Hope Ministries	1,000	—
Mayflower Retirement Center	3,541	3,537
Mental Health Association of Central Florida	354	364
Meridian Club of Winter Park	6,665	6,853
Miami University	3,736	3,407
Michelee Puppets	1,000	—
Michigan State University	2,000	4,000
Milwee Middle School	—	662
Myers Park Presbyterian Church	—	5,000
Nap Ford Community School	7,760	—
National Audubon Society	2,032	2,090
National House of Hope	2,180	2,179
National Multiple Sclerosis Society	1,000	—
NC IDEA	5,000	—
Negro Spiritual Scholarship Foundation	—	5,000
New Hope for Kids	110,067	209,482
New Image Youth Center	60,000	60,000
New Missions	10,000	—
New York Says Thank You	10,000	—
Nonprofit Center of Northeast Florida	5,000	—
One Hope United	—	563
Orangewood Christian School	—	5,000
Orlando After School All-Stars	25,000	25,000
Orlando Ballet	53,026	3,110
Orlando Community & Youth Trust	162,500	162,500
Orlando Day Nursery Association	1,000	—
Orlando Health Foundation	41,000	26,000

# Community Foundation of Central Florida, Inc.

## Consolidated Schedules of Grants to Beneficiaries

<i>Year ended April 30,</i>	2012	2011
Orlando Museum of Art	7,315	27,929
Orlando Repertory Theatre	1,500	—
Orlando Science Center	2,451	2,506
Orlando Technical Center	1,000	—
Orlando Union Rescue Mission	20,475	400
Oviedo Cemetery	193	198
Oviedo Women's Club	193	198
PACE-Brantley Hall School	67	69
Pace Center for Girls	588	599
Pandora Genomics	35,000	—
Papa's Dream	—	500
Philanthropy & Nonprofit Leadership Center at Rollins College	2,250	5,000
Pineloch Elementary School	850	1,750
Pisgah Legal Services	6,000	—
Polk State College (M. Chery)	—	6,000
Polk State College (J. Cowart)	—	6,000
Polk State College (L. Floyd)	—	6,000
Polk State College (B. Linkerbach)	6,000	—
Polk State College (J. Tackitt)	—	6,000
Prevent Blindness Florida	6,790	6,983
Primrose Center	1,000	—
Project Hope the People to People Health Foundation	—	250
Pure Water for All Foundation	10,000	—
Quest	—	1,000
Restore Orlando	367	378
Rillip	25,000	—
Robert R. McCormick Tribune Foundation	5,000	6,360
Rock Pink	—	5,000
Rockledge Church of the Nazarene	750	—
Rollins College	77,221	13,512
Ronald McDonald House Charities of Central Florida	1,000	—
Rotary Club of Winter Park Charitable Foundation	4,380	9,200
Runway to Hope	—	5,000
Russell Home for Atypical Children	2,000	6,000
Sanford Burnham Medical Research Institute	18,000	—
Sanford Crisis Pregnancy Center	—	25,000
Save the Manatee Club	250	250
Saving Young Hearts	1,000	—
Second Harvest Food Bank of Central Florida	34,245	27,891
Seminole State College (A. Fernandez)	7,000	—
Seminole State College (K. Rukgaber)	7,000	—

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## Consolidated Schedules of Grants to Beneficiaries

<i>Year ended April 30,</i>	2012	2011
Seniors First	11,806	–
Shepherd's Hope	1,000	101,806
Simeon Resource & Development Center for Men	4,000	–
SPCA of Central Florida	–	6,450
Special Olympics Florida	1,000	1,000
St. Ambrose University	–	25,000
St. Boniface Catholic Church	–	1,000
St. John the Baptist Episcopal Church	114	124
St. Mary Magdalen School	90	92
St. Peter's Catholic Church	2,500	500
Steinway Society of Central Florida	350	–
Steppin Stone Farm	10,000	–
Stetson University	2,000	1,000
Stetson University College of Law	50,000	50,000
Suffolk University	10,000	1,000
Sun System Development Corporation	200,000	–
Supplies to Assist our Students (S.T.A.R.S)	1,000	1,000
Surprise Lake Camp	18,000	–
Sustainable Cambodia	5,900	10,900
Tallahassee Community College (K. Ovalle)	–	6,000
Tampa Bay Beagle Rescue	–	500
Teams Commissioned for Christ International/Nathaniel's Hope	–	–
The Baptist College of Florida (J. Ponder)	6,000	–
The Boone Sport Legacy Board	1,000	1,000
The Carolina's HealthCare Foundation	–	100
The Christ School	7,500	–
The Foundation for Seminole County Public Schools	259	266
The Gathering/USA	5,000	8,500
The Little French School	–	1,500
The Lifespan Foundation	1,245	1,136
The Local Health Council of East Central Florida	–	50,000
The Mustard Seed of Central Florida	–	5,000
The Nature Conservancy, Florida Chapter	1,500	1,250
The Orlando Philharmonic Orchestra	9,103	8,949
The Parent Project for Muscular Dystrophy Research	–	1,500
The Parrot Heads of Central Florida	–	1,600
The Salvation Army – Orlando Area Command	2,000	2,000
Toastmasters Club 1066	878	849
Town of Beech Mountain	1,000	–
Trevecca Nazarene University (E. White)	6,000	–
Trinity Preparatory School	2,250	2,000

# Community Foundation of Central Florida, Inc.

## Consolidated Schedules of Grants to Beneficiaries

<i>Year ended April 30,</i>	2012	2011
UCP of Central Florida	8,184	26,874
United Arts of Central Florida	19,250	88,500
United Global Outreach	1,000	—
United States Fund for UNICEF	—	250
University of Central Florida	—	12,800
University of Central Florida Foundation	30,000	40,200
University of Central Florida (J. Colon)	1,500	—
University of Central Florida (S. McCloud)	1,600	—
University of Central Florida (B. Piccolo)	—	3,500
University of Central Florida (E. Urrea)	1,600	—
University of Florida (G. Bastien)	—	3,500
University of Florida (V. Edmondson)	—	3,500
University of Florida (K. Leader)	—	5,000
University of Florida (J. Liu)	—	3,500
University of Florida Foundation	40,000	30,000
University of Florida Law Center Association	—	1,000
University of Pennsylvania	—	25,000
University of South Florida (A. Yebra)	6,000	—
University of Vermont	—	500
University of Wisconsin Foundation	1,245	1,136
Valencia Community College (N. Baseer)	1,000	—
Valencia Community College (F. Brizeus)	—	1,500
Valencia Community College (K. Bryant)	1,000	—
Valencia Community College (E. Buchner)	1,000	—
Valencia Community College (C. Meyer)	1,000	—
Valencia Community College (J. Salgado)	1,000	—
Valencia Community College (K. Seward)	—	1,000
Vassar College	250	500
Victim Service Center of Orange County	—	6,000
Washington Iowa Betterment Foundation	25,000	—
Washington County Humane Society	6,311	—
Webster University	1,000	—
Welbourne Ave Nursery & Kindergarten	—	3,368
West Orange Habitat for Humanity	3,000	5,000
Winter Park Day Nursery	3,032	14,683
Winter Park High School Band Alumni Association	5,000	—
Winter Park Historical Association	1,200	1,200
Winter Park Library Association	47,170	34,482
Winter Park Memorial Hospital	58,040	59,685
With Open Eyes Foundation	—	200
Women's Club of Winter Park Scholarship Fund	20,375	—

# Community Foundation of Central Florida, Inc.

## Consolidated Schedules of Grants to Beneficiaries

<i>Year ended April 30,</i>	<b>2012</b>	<b>2011</b>
Woodbury Presbyterian Church	<b>1,000</b>	–
World Hope Missions Ministry	–	500
YMCA of Washington Iowa	<b>70,000</b>	–
Young Fathers of Central Florida	–	10,000
Youth Life	<b>1,000</b>	–
Cancelled Grants	<b>(6,218)</b>	(43,305)
<b>Total Community Foundation of Central Florida Grants</b>	<b>3,705,397</b>	<b>2,185,026</b>
<b>Lake Community Foundation Grants:</b>		
Barry James dba Summer Band	–	199
Boy Scouts of America	<b>600</b>	600
Children’s Advocacy Center	–	250
Christian Leadership Conference	–	1,000
Christian Leadership Council	<b>250</b>	–
Community Coach Of Central Florida	–	1,000
Educational Foundation	–	–
Faith Lutheran School	–	500
Florida Hospital Waterman Foundation	<b>1,500</b>	–
Florida Robotics Education	<b>250</b>	–
Good News Jail & Prison Ministry	<b>250</b>	–
Golden Triangle Kiwanis Club	–	300
International Foundation	<b>500</b>	–
It Just Takes One Campaign	–	200
Lake Eustis Institute	<b>500</b>	–
Larry McFadden Ministries	<b>1,000</b>	750
Liberty Counsel	–	2,000
Life Choices of Lake County	<b>3,900</b>	500
LSCC Foundation	<b>500</b>	–
New Beginnings-golf	<b>150</b>	–
Northside Baptist Church	<b>500</b>	–
Spring Creek Elementary School	–	442
Spring Creek Swine Auction	–	151
Umatilla Chamber of Commerce	–	500
Umatilla High School Key Club	<b>250</b>	200
WinShape Camps	<b>220</b>	–
<b>Total Lake Community Foundation Grants</b>	<b>10,370</b>	<b>8,592</b>
<b>Total grant expense</b>	<b>3,715,767</b>	<b>2,193,618</b>

# Community Foundation of Central Florida, Inc.

## Consolidated Schedules of Grants to Beneficiaries

<i>Year ended April 30,</i>	2012	2011
<b>Distributions from Agency Endowments:</b>		
Adult Literacy League	442	449
Alzheimer's Disease and Related Disorders Association	578	554
Bach Festival Society of Winter Park	6,213	—
BETA Center	837	784
Central Florida Women's Resource Center	—	1,001
Christian Service Center for Central Florida	2,181	—
Coalition for the Homeless of Central Florida	—	4,783
College Park Baptist Church	821	831
Community Based Care of Central Florida	—	2,190
Community Vision	40,970	41,636
Dommerich Elementary Endowment	—	996
Downtown Orlando Foundation	2,088	2,108
Edgewood Children's Ranch	26,508	26,874
Festival of Orchestras	—	6,265
Florida After School Alliance	5,316	4,881
Florida Opera Theatre	2,125	—
Florida Symphony Youth Orchestra	1,221	1,233
Foundation for Seminole County Public Schools	—	437
Foundation for Osceola Education	—	806
Friends of DeLeon Springs State Park	—	390
Friends of Washington Oaks Gardens State Park	553	523
Grove Counseling Center	520	503
Health Care Center for the Homeless	1,657	1,683
Heart of Florida United Way	59,225	59,712
Hospice of the Comforter	916	—
Junior Achievement of Central Florida	1,765	—
Lighthouse Central Florida	453	460
Mayflower Retirement Center	19,154	18,585
Mental Health Association of Central Florida	—	478
New Hope For Kids	53,831	54,042
Orlando Ballet	4,694	4,466
PACE-Brantley Hall School	—	2,585
Rotary Club of Winter Park Florida Charitable Foundation	2,799	2,723
Seniors First	125,870	63,953
The Orlando Philharmonic Orchestra	4,124	39,379
United Arts of Central Florida	732	—
<b>Total distributions from agency endowments</b>	<b>365,593</b>	<b>345,310</b>
<b>Total grants to beneficiaries</b>	<b>\$ 4,081,360</b>	<b>\$ 2,538,928</b>