



Gainesville Community
Foundation, Inc.

Name Changed to:
Community Foundation of
North Central Florida, Inc.
As of April 2012

Financial Statements
And
Independent Auditors' Reports
December 31, 2011 and 2010

KATTELL AND COMPANY, P.L.

A professional accounting firm serving the nonprofit community

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CONTENTS

Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3 - 4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 13

Kattell and Company, P.L.

Serving the Nonprofit Community

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Gainesville Community Foundation, Inc.
Gainesville, Florida

We have audited the accompanying statements of financial position of Gainesville Community Foundation, Inc. (the Corporation) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 financial statements referred to above present fairly, in all material respects, the financial position of Gainesville Community Foundation, Inc., as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Kattell and Company, P.L.

September 20, 2012
Gainesville, Florida

“Not everything that counts can be counted, and not everything that can be counted counts.”
- Albert Einstein

Statements of Financial Position
December 31, 2011 and 2010
Gainesville Community Foundation, Inc.

Assets	2011	2010
Cash and Equivalents:		
Checking	\$ 200,505	\$ 110,930
Money Market	98,550	102,687
Certificates of Deposit	30,940	51,438
Total Cash and Equivalents	329,995	265,055
Investments in Securities:		
SunTrust Investment Account	2,401	2,531
UBS/ML Investment Account	207,874	205,987
Fidelity Investment Accounts	5,353,016	4,623,317
Total Investments	5,563,291	4,831,835
Pledges Receivable	105,260	516,594
Employee Loans	--	5,100
Prepaid Rent	1,650	1,650
Office Furniture and Equipment, Net	5,778	6,288
Mortgage Receivable, Net	540,310	543,248
Interest in Gatorade Trust	3,736,974	3,363,500
Land - Patient's Park	90,000	90,000
Total Assets	\$ 10,373,258	\$ 9,623,270
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 4,293	\$ 4,554
Agency Funds Payable	1,624,775	1,511,070
Total Liabilities	1,629,068	1,515,624
Net Assets:		
Unrestricted	893,306	686,688
Temporarily Restricted	466,401	467,088
Permanently Restricted	7,384,483	6,953,870
Total Net Assets	8,744,190	8,107,646
Total Liabilities and Net Assets	\$ 10,373,258	\$ 9,623,270

See accompanying notes.

Statement of Activities
For the Year Ended December 31, 2011
Gainesville Community Foundation, Inc.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>Support and Revenues:</u>				
Contributions	\$1,120,980	\$ 155,535	\$ 137,000	\$1,413,515
Royalty Income – Gatorade Trust	618,704	--	--	618,704
Other Investment Income:				
Interest on Deposits	426	56	--	482
Interest and Dividends from Investments	76,710	2,394	--	79,104
Interest on Mortgage Receivable	43,353	--	--	43,353
Fund Administration Fee	16,354	--	--	16,354
Reclassifications:				
Donor Restriction Released	27,042	--	(27,042)	--
Satisfaction of Purpose Restrictions	153,172	(153,172)	--	--
Total Support and Revenues	2,056,741	4,813	109,958	2,171,512
<u>Expenses:</u>				
Program Services:				
Grants	1,407,519	--	--	1,407,519
Expenses	59,645	--	--	59,645
Allocated Overhead	42,874	--	--	42,874
Total Program Expenses	1,510,038	--	--	1,510,038
Supporting Activities:				
General and Administrative	101,906	--	--	101,906
Fundraising	106,960	--	--	106,960
Total Expenses	1,718,904	--	--	1,718,904
Change in Net Assets before Gains and Losses	337,837	4,813	109,958	452,608
Gain/(Loss) on Investments	(131,219)	--	(52,819)	(184,038)
Gain/(Loss) on Interest in Gatorade Trust	--	--	373,474	373,474
Loss on Uncollectable Pledges	--	(5,500)	--	(5,500)
Change in Net Assets	206,618	(687)	430,613	636,544
Net Assets, January 1, 2011	686,688	467,088	6,953,870	8,107,646
Net Assets, December 31, 2011	\$ 893,306	\$ 466,401	\$7,384,483	\$8,744,190

See accompanying notes.

Statement of Activities
For the Year Ended December 31, 2010
Gainesville Community Foundation, Inc.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>Support and Revenues:</u>				
Contributions	\$ 93,661	\$ 195,611	\$ 1,217,500	\$ 1,506,772
Royalty Income – Gatorade Trust	556,775	--	--	556,775
Other Investment Income:				
Interest on Deposits	965	348	--	1,313
Interest and Dividends from Investments	49,271	6,998	--	56,269
Interest on Mortgage Receivable	43,582	--	--	43,582
Fund Administration Fee	4,864	--	--	4,864
Reclassifications:				
Donor Restriction Released	10,810	--	(10,810)	--
Satisfaction of Purpose Restrictions	223,920	(223,920)	--	--
Total Support and Revenues	983,848	(20,963)	1,206,690	2,169,575
<u>Expenses:</u>				
Program Services:				
Grants	982,774	--	--	982,774
Expenses	34,383	--	--	34,383
Allocated Overhead	15,757	--	--	15,757
Total Program Expenses	1,032,914	--	--	1,032,914
Supporting Activities:				
General and Administrative	72,791	--	--	72,791
Fundraising	99,988	--	--	99,988
Total Expenses	1,205,693	--	--	1,205,693
Change in Net Assets before Gains and Losses	(221,845)	(20,963)	1,206,690	963,882
Gain/(Loss) on Investments	219,943	--	--	219,943
Gain/(Loss) on Interest in Gatorade Trust	--	--	(276,500)	(276,500)
Loss on Uncollectable Pledges	--	(37,550)	--	(37,550)
Change in Net Assets	(1,902)	(58, 513)	930,190	869,775
Net Assets, January 1, 2010	688,590	525,601	6,023,680	7,237,871
Net Assets, December 31, 2010	\$ 686,688	\$ 467,088	\$ 6,953,870	\$ 8,107,646

See accompanying notes.

Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010
Gainesville Community Foundation, Inc.

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 636,544	\$ 869,775
Adjustments:		
Net (Gain)/Loss on Investments	184,038	(219,943)
(Gain)/Loss on Interest in Gatorade Trust	(373,474)	276,500
Contributions Restricted to Long-Term Investment:		
Change in Pledge Receivable	--	(500,000)
Cash Contributions During the Year	(137,000)	(717,500)
Loan Discount Amortization	(4,923)	(4,769)
Depreciation Expense	3,008	3,450
Changes In:		
Pledges Receivable	11,334	40,799
Employee Loans	5,100	(2,583)
Accounts Payable	(261)	1,583
Agency Funds	113,705	1,024,666
	<u>438,071</u>	<u>771,978</u>
Net Cash Provided by (Used in) Operating Activities	438,071	771,978
Cash Flows from Investing Activities:		
Securities Purchased	(2,366,834)	(2,377,446)
Securities Sold	1,451,340	598,031
Mortgage Loan Collections	7,861	7,478
Office Furniture and Equipment Purchased	(2,498)	(3,463)
	<u>(910,131)</u>	<u>(1,775,400)</u>
Net Cash Provided by (Used In) Investing Activities	(910,131)	(1,775,400)
Cash Flows from Financing Activities:		
Contributions Restricted to Long-Term Investment:		
Change in Pledge Receivable	400,000	--
Cash Contributions During the Year	137,000	717,500
	<u>537,000</u>	<u>717,500</u>
Net Cash Flows from Financing Activities	537,000	717,500
Net Change in Cash and Equivalents	64,940	(285,922)
Cash, Beginning of Year	<u>265,055</u>	<u>550,977</u>
Cash, End of Year	<u>\$ 329,995</u>	<u>\$ 265,055</u>

See accompanying notes.

Notes to Financial Statements
December 31, 2011 and 2010
Gainesville Community Foundation, Inc.

NOTE 1 – Summary of Significant Accounting Policies

Entity

Gainesville Community Foundation, Inc. (the Corporation) is a nonprofit corporation organized under the Florida Not-For-Profit Corporation Act. The mission of the Corporation is to promote and sustain philanthropy among the citizens of Gainesville and the surrounding area. The Corporation:

- Serves as a leader, catalyst and center for education on philanthropy,
- Strives to broaden the base of philanthropic giving,
- Provides flexible and cost-effective strategies for donors,
- Builds and preserves an endowment to address the changing needs of the community,
- Promotes and facilitates partnerships among nonprofit organizations, and
- Works toward measurable community improvement through strategic grant-making.

Tax Exempt Status

The Corporation is tax exempt under Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business taxable income. Therefore, no provision for income taxes is reflected in the accompanying financial statements. In addition, The Corporation qualifies for the charitable contributions deduction and has been classified by the Internal Revenue Service as an organization that is not a private foundation. The Corporation is operated exclusively for charitable, scientific and educational purposes. The Corporation holds no uncertain tax positions and, therefore, has no policy for evaluating them. The Corporation's Form 990, *Return of Organization Exempt from Income Taxes*, is subject to examination by the IRS, generally for three years after the date filed.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting. The Corporation does not present a statement of functional expenses because it is not considered a voluntary health and welfare organization.

Cash and Cash Equivalents

Cash consists of cash on hand and deposits in federally insured banks.

Investments and Investment Policies

All investment securities have readily determinable fair values and are reported at fair value.

The Corporation's investment objective is to develop an investment portfolio that has a good probability of providing 5% distributions and maintaining its purchasing power, taking into account the impact of inflation. The Corporation recognizes there will be investment risk in order to achieve returns in excess of the "risk-free" rate of return of instruments such as Treasury Bills. Investment risk takes many forms, including interest rate risk, default risk, and market risk. However, the greater risk is not being able to achieve the goals and objectives of the portfolio. Absent specific donor restrictions to the contrary, the Corporation provides the following three alternatives for investment of assets:

1. Short-term assets will be held in cash, certificates of deposit, money market funds, treasuries, and short-term high quality fixed-income funds.
2. Assets which are planned to be held for a longer term will be invested in a portfolio consisting of approximately 60% equities and 40% fixed-income.
3. Assets which are planned to be held permanently will be invested in a portfolio consisting of approximately 80% equities and 20% fixed-income.

Pledges Receivable

Pledges Receivable consists of commitments from members of the Gainesville Area Women's Giving Circle and another donor. They are expected to be fully collected in the subsequent year and no allowance for uncollectible contributions has been recorded.

Office Furniture and Equipment

The Corporation capitalizes office furniture and equipment costing more than \$500. Depreciation is computed using the straight-line method over estimated useful lives of five years.

Land

Land is reported at cost or, if donated, at the approximate fair value at the date of donation.

Notes to Financial Statements
December 31, 2011 and 2010
Gainesville Community Foundation, Inc.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Accounting for Net Assets

The Corporation's net assets, the excess of assets over liabilities, are reported in three mutually exclusive classes:

- **Permanently Restricted.** Those net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions which do not expire by passage of time or can not be fulfilled by actions of the Corporation.
- **Temporarily Restricted.** Those net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions which expire by passage of time or are fulfilled by actions of the Corporation.
- **Unrestricted.** Those net assets that are neither permanently nor temporarily restricted. The Corporation has elected to separately display the portion of its unrestricted net assets that are donor advised funds in Note 10. These amounts are not donor restricted; however, the Corporation intends to honor donor advice that does not conflict with the Corporation's charitable purposes.

(Please note that the above are accounting definitions that should be used and understood only in the context of these financial statements. They are not legal definitions and should not be used to interpret legal requirements or limitations.)

Endowment Funds

Generally accepted accounting principles define an endowment fund as an established fund of cash, securities or other assets to provide income for the maintenance of a not-for-profit organization (NPO). The use of the assets of the fund may be permanently or temporarily restricted based on 1) the presence or absence of donor restrictions, or 2) the provisions of state law. In addition, the Board of a NPO may earmark a portion of its unrestricted net assets as a board-designated endowment to be invested to provide income for the NPOs operations and programs. The Corporation does not currently hold any board designated endowments.

Florida recently passed the Florida Uniform Prudent Management of Institutional Funds Act, which becomes effective July 1, 2012. This new law may impact the Organization's management of its endowment funds and may require reclassification of certain net assets. However, for the year ended December 31, 2011, Florida had no laws governing the operation or maintenance of endowment funds.

The vast majority of the Corporation's endowment assets (89%) are held in donor advised funds. The remainder are held in four field of interest funds and in one general endowment. The Corporation currently has no policy regarding the appropriation of endowment assets for expenditure. Rather, the Corporation looks to the fund agreements and receives advice from donors regarding distributions to be made.

Contributions

- **Measurement.** Contributions are measured at fair value at the date of donation.
- **Donor Restrictions.** The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. However, donor-restricted contributions whose restrictions are met within the same fiscal year are reported as unrestricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions."
- **Contributed Services.** Contributions of services are recognized when received if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Although the Corporation received significant contributions of time from its Board of Directors, none of these services were recorded since they did not meet the criteria for recognition.

Notes to Financial Statements
December 31, 2011 and 2010
Gainesville Community Foundation, Inc.

NOTE 1 – Summary of Significant Accounting Policies (concluded)

Expense Classifications

Direct expenses are assigned to the various functional categories based on the purpose achieved by each expense. Overhead expenses are allocated to more than one functional category in accordance with an estimate of the relative benefit received by the expenses. Overhead expenses consist mainly of certain personnel, occupancy and office costs. Expenses are classified in the following functional categories:

- **Program Grants** – contributions made to entities which promote charitable activities.
- **Program Expenses** – the amounts consist of the expenditure of funds in accordance with donor stipulations or in furtherance of field of interest objectives.
- **Allocated Overhead** – expenses that can be reasonably allocated to programmatic activities. These expenses are allocated based on an estimate of the amount of staff time devoted to programmatic activities.
- **General and Administrative** – all expenses required to conduct the affairs of the Corporation which are not allocable to other functional areas.
- **Fundraising Expenses** – expenses relating to fund-raising and public relations efforts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 vary from the estimates that were used.

NOTE 2 – Deposit Credit Risk

The Corporation held \$142,701 and \$152,081 in excess of FDIC insurance coverage as of December 31, 2011 and 2010, respectively.

NOTE 3 – Office Furniture and Equipment

Office furniture and equipment is reported net of \$10,671 and \$8,773 in accumulated depreciation at December 31, 2011 and 2010, respectively.

NOTE 4 – Land – Patient’s Park

The Corporation received a donation of approximately 18 acres of land in northwest Gainesville, Florida. The Donor restricted the property to perpetual use as a public park and has pledged to pay all operating costs of the park, including insurance, taxes, and maintenance.

NOTE 5 – Interest in Gatorade Trust

The Corporation holds one unit of interest in the Gatorade Trust (the Trust). This unit entitles the Corporation to a proportionate share of the income from the Trust. Income from the Trust is recognized as royalty revenue when received. The donor of the Trust directed that 12% of royalties are unrestricted and that 88% should be added to a donor advised fund. The Corporation may sell its unit only with the approval of two-thirds of the remaining interests in the Trust.

The fair value of the Corporation’s interest is estimated each year and any changes are reported as a change in the interest – see Note 7 for more details. Any differential between projected earnings and actual earnings will have a direct affect on estimated fair value.

Notes to Financial Statements
December 31, 2011 and 2010
Gainesville Community Foundation, Inc.

NOTE 6 – Investments

The following provides a summary of amounts held:

	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
At December 31, 2011			
SunTrust	\$ 1,257	\$ 1,144	\$ 2,401
Merrill Lynch	199,690	8,184	207,874
Fidelity	5,334,987	18,029	5,353,016
Total	<u>\$ 5,535,934</u>	<u>\$ 27,357</u>	<u>\$ 5,563,291</u>
At December 31, 2010			
SunTrust	\$ --	\$ 2,531	\$ 2,531
Merrill Lynch	200,210	5,777	205,987
Fidelity	4,617,555	5,762	4,623,317
Total	<u>\$ 4,817,765</u>	<u>\$ 14,070</u>	<u>\$ 4,831,835</u>

Investments are held as follows:

	<u>2011</u>	<u>2010</u>
Common Stock:		
Merrill Lynch	\$ 3,214	\$ 2,241
Mutual Funds – Fixed Income:		
Merrill Lynch	76,794	73,203
Fidelity	2,250,777	2,151,351
Mutual Funds – Equities:		
SunTrust	1,257	--
Merrill Lynch	119,682	124,766
Fidelity	3,084,210	2,466,204
Total Investments	<u>\$ 5,535,934</u>	<u>\$ 4,817,765</u>

Net return on investment consists of the following:

	<u>2011</u>	<u>2010</u>
Interest and Dividends	\$ 116,658	\$ 53,034
Investment Fees	(15,035)	(9,360)
Net Gain/(Loss)	(249,864)	367,953
Total Return on Investments	<u>\$ (148,241)</u>	<u>\$ 411,627</u>

These amounts are reported in the financial statements as follows:

	<u>2011</u>	<u>2010</u>
Interest and Dividends	\$ 79,104	\$ 56,269
Investment Fees – General and Administrative Expenses	(13,754)	(9,360)
Net Gain/(Loss) – Statement of Activities	(184,038)	219,943
Change in Agency Payable:		
Interest and Dividends	37,554	26,355
General and Administrative Expenses	(1,281)	(2,045)
Net Gain/(Loss)	(65,826)	120,465
Total Return on Investments	<u>\$ (148,241)</u>	<u>\$ 411,627</u>

Notes to Financial Statements
December 31, 2011 and 2010
Gainesville Community Foundation, Inc.

NOTE 7 – Fair Value Measurements

Assets measured at fair value on a recurring basis include Investments in Securities and Interest in Gatorade Trust.

The fair value of the Corporation's Investments in Securities is determined by reference to quoted prices in active markets for identical assets and other relevant information generated by market transactions. According to generally accepted accounting principles, this method of valuation uses Level 1 inputs.

The fair value of the Interest in Gatorade Trust is determined by obtaining a certified valuation every three years. A valuation was obtained for December 31, 2010 and the amount recorded at that date reflects the value determined. The valuation is based, in part, on an estimate of future royalty receipts. For the years when an a valuation is not obtained, the Corporation estimates future royalty receipts and applies a multiplier (6.04 for 2011) to estimate the value at which the Corporation would be able to transfer its interest. Any differential between projected and actual royalty receipts will have a direct affect on estimated fair value. This method of valuation uses Level 3 inputs, as that term is defined in generally accepted accounting principles.

The level of inputs used and the fair value measurement for assets valued on a recurring basis are as follows:

2011	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Marketable Securities	\$ 5,563,291	\$ --	\$ 5,563,291
Interest in Gatorade Trust	--	3,736,974	3,736,974
Total	<u>\$ 5,563,291</u>	<u>\$ 3,736,974</u>	<u>\$ 9,300,265</u>
2010	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Marketable Securities	\$ 4,831,835	\$ --	\$ 4,831,835
Interest in Gatorade Trust	--	3,363,500	3,363,500
Total	<u>\$ 4,831,835</u>	<u>\$ 3,363,500</u>	<u>\$ 8,195,335</u>

Changes in the valuation of Interest in Gatorade Trust, if any, are reported on the Statement of Activities as Gain/(Loss) on Interest in Gatorade Trust.

NOTE 8 – Mortgage Receivable

The Corporation loaned \$800,000 to a local charity during 2006. The charity used the proceeds to purchase a facility to house its operations. The Corporation obtained a promissory note that is secured by the purchased property. The note calls for monthly payments of \$3,858 at a 5% fixed rate of interest for forty years. Future cash flows are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 8,155	\$ 38,136	\$ 46,291
2013	8,681	37,610	46,291
2014	9,125	37,166	46,291
2015	9,592	36,699	46,291
2016	9,979	36,312	46,291
2017-2021	58,566	172,889	231,455
2022-2026	75,165	156,290	231,455
2027-2031	96,469	134,986	231,455
2032-2036	123,758	107,697	231,455
2037-2041	158,925	72,530	231,455
2042-2046	205,916	27,358	233,274
Totals	<u>\$ 764,331</u>	<u>\$ 857,673</u>	<u>\$ 1,622,004</u>

The Corporation recorded a discount on the date the loan was made. The discount reflects the contribution inherent in the below market rate of the loan. It is computed as the difference between the present value of the loan at the stated interest rate of 5% and the present value of the loan at a fair market rate, estimated to be 8% at the date of the loan. Using the effective interest rate method, the Corporation will amortize the discount into interest income over the life of the loan. The loan is reported on the Statement of Financial Position as:

Unpaid principal	<u>2011</u>	<u>2010</u>
	\$ 764,331	\$ 772,192
Unamortized discount	(224,021)	(228,944)
Net amount reported	<u>\$ 540,310</u>	<u>\$ 543,248</u>

Notes to Financial Statements
December 31, 2011 and 2010
Gainesville Community Foundation, Inc.

NOTE 9 – Agency Funds

The Corporation enters into agreements to hold and invest funds for specified organizations. Amounts provided by the specified organizations and held by the Corporation are accounted for as agency funds payable. Additional amounts provided, earnings, and gains on investments are added to the liability. Any investment fees and losses and any disbursements to the specified organization are subtracted from the liability. The Agencies and their account balances are listed below:

	<u>2011</u>	<u>2010</u>
Alachua Conservation Trust	\$ 502,122	\$ 547,434
Alachua County Public Schools Foundation	272,908	248,410
Guardian Foundation Fund	70,168	--
Historic Melrose Fund	46,580	--
Historic Trust Matheson Museum	217,587	273,530
Meridian Behavioral Healthcare	90,883	--
Meridian-Haynie Trust	383,748	400,692
Reichert House	40,779	41,004
Total	<u>\$ 1,624,775</u>	<u>\$ 1,511,070</u>

NOTE 10 – Unrestricted Net Assets

Unrestricted net assets consist of the following:

	<u>2011</u>	<u>2010</u>
Donor Advised Funds – Endowments in Surplus	\$ 175,877	\$ 216,729
Donor Advised Funds – Endowments in Deficit	(86,208)	(8,221)
Donor Advised Funds – Other	579,649	197,595
General Endowment – Surplus/(Deficit)	21,655	30,426
General Operations	202,333	250,159
Total	<u>\$ 893,306</u>	<u>\$ 686,688</u>

NOTE 11 – Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following funds which support the listed activities:

	<u>2011</u>	<u>2010</u>
Educational Grants:		
Queen of Peace	\$ 175,390	\$ 175,390
School Arts and Music	47,187	44,214
P.K. Yonge Documentary	6,431	6,581
Mary B. Peck Educational Fund	4,758	4,887
Early Learning	14,275	16,448
Health and Human Service Grants:		
Women’s Giving Circle	58,785	80,002
Fisher House	16,948	--
Friends of Tacachale	20,299	17,979
Girls on the Run	21,078	4,082
Youth Development	4,330	6,048
Civic & Community Grants:		
Kincaid Loop	80,859	101,092
Other Grants	16,061	10,365
Total	<u>\$ 466,401</u>	<u>\$ 467,088</u>

Notes to Financial Statements
December 31, 2011 and 2010
Gainesville Community Foundation, Inc.

NOTE 12 – Permanently Restricted Net Assets

Permanently restricted net assets consist of the following.

	<u>2011</u>	<u>2010</u>
Patients' Park Fund (see Note 4)	\$ 90,000	\$ 90,000
Cade Family Fund (see Note 5)	3,736,974	3,363,500
Donor Advised Endowment Funds:		
RL and CG Henderson Fund	639,743	639,743
Maren Funds	1,444,500	1,332,500
John and Peggy Kirkpatrick	35,000	30,000
Anne Laird Spain	50,000	50,000
Noel and Perry McGriff	175,289	175,289
Ryals	37,900	27,900
Matheson Museum Fund	909,329	989,190
Field of Interest Endowments:		
Murphey	5,000	5,000
Youth Development	32,000	32,000
Early Learning	32,000	32,000
A Musical Offering	5,000	5,000
General Endowment Fund	191,748	181,748
Total	\$ 7,384,483	\$ 6,953,870

Earnings on donor advised endowment funds are unrestricted; however, the Corporation receives advisory recommendations from donors regarding their use.

Earnings on the field of interest endowment funds are restricted to provide funding for specific community initiatives.

Earnings of the General Endowment are neither donor restricted nor donor advised.

The Organization received a donation in which the donor agreement stated that 5% of the Fund per year would be donated to the Matheson Museum. The Organization has recorded the donation as permanently restricted since the donor intends for this fund to exist in perpetuity. The donor agreement states that all income derived from the assets in the Fund will be credited to the Fund and available exclusively for charitable purpose, less the costs of investment and administration.

NOTE 13 – Endowment Funds

Endowment funds are classified into the following net asset categories based on the presence or absence of donor-imposed restrictions:

	<u>2010</u>			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Cade Family Fund	\$ --	\$ --	\$ 3,363,500	\$ 3,363,500
Donor Advised Funds	208,508	--	3,244,622	3,453,130
Field of Interest Funds	--	24,969	74,000	98,969
General Endowment	30,426	--	181,748	212,174
Totals – December 31, 2010	\$ 238,934	\$ 24,969	\$ 6,863,870	\$ 7,127,773

	<u>2011</u>			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Cade Family Fund	\$ --	\$ --	\$ 3,736,974	\$ 3,736,974
Donor Advised Funds	89,670	--	3,291,761	3,381,431
Field of Interest Funds	--	23,541	74,000	97,541
General Endowment	21,655	--	191,748	213,403
Totals – December 31, 2011	\$ 111,325	\$ 23,541	\$ 7,294,483	\$ 7,429,349

Notes to Financial Statements
December 31, 2011 and 2010
Gainesville Community Foundation, Inc.

NOTE 13 – Endowment Funds (concluded)

The changes in endowment fund balances by net asset class are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Balance – December 31, 2009	\$ 41,749	\$ 25,284	\$ 5,933,680	\$ 6,000,713
Investment Income (net of expenses)	77,693	1,031	--	78,724
Net Gain/(Loss)	187,443	8,187	(276,500)	(80,870)
Contributions	5,000	2,785	1,217,500	1,225,285
Grants	(72,951)	(12,318)	(10,810)	(96,079)
Balance – December 31, 2010	\$ 238,934	\$ 24,969	\$ 6,863,870	\$ 7,127,773
Investment Income (net of expenses)	17,511	2,394	--	19,905
Net Gain/(Loss)	(16,509)	(5,383)	373,474	351,582
Contributions	--	26,727	137,000	163,727
Grants	(128,611)	(25,166)	(79,861)	(233,638)
Balance – December 31, 2011	\$ 111,325	\$ 23,541	\$ 7,294,483	\$ 7,429,349

NOTE 14 – Grants to other Organizations

The Corporation makes donations to other charitable organizations as follows:

	<u>2011</u>	<u>2010</u>
Educational	\$ 269,789	\$ 221,000
Animals and Environment	57,875	66,000
Health and Human Services	1,004,355	549,365
Civic and Community	9,000	56,130
Youth	34,000	48,500
Arts and Culture	32,500	37,500
International	--	4,279
Total	<u>\$1,407,519</u>	<u>\$ 982,774</u>

NOTE 15 – Lease

The Corporation rents space for its administrative office under a lease that terminated November 30, 2011 which was extended as a month-to month lease. Lease expense for 2011 and 2010 was \$15,000 each year.

NOTE 16 – Related Party Transactions

The Corporation entered into an Investment Advisor Agreement with a registered investment advisory company that is owned, in part, by a member of the board of directors whose term ended in 2010. Under the terms of the agreement, the Corporation will pay the investment advisor an annual fee of .25% of managed assets. At December 31, 2011 and 2010, the Corporation held investments valued at \$5,353,016 and \$4,623,317, respectively that were managed under this agreement. The Corporation paid \$11,704 during 2011 and \$7,167 during 2010 to the advisory company.

In addition, the Organization paid \$5,299 in 2010 for printing services to a company owned by a board member.

NOTE 17 – Subsequent Events

In April, 2012, the Corporation changed its name to Community Foundation of North Central Florida, Inc. The Corporation evaluated events and transactions for potential recognition or disclosure through September 20, 2012 which is the date the financial statements were available to be issued.