



**BBB[®] Foundation of Northwest Florida
2005 Annual Report**

Our Mission

To provide educational programs and services that advance the Foundation's charitable purpose and support the Better Business Bureau in its efforts to inform consumers, promote truth-in-advertising and encourage charity accountability.

About the Foundation

The Better Business Bureau Foundation of Northwest Florida, Inc. is a 501 (c)(3) non-profit organization and serves as the education and community outreach arm of the Better Business Bureau of Northwest Florida.

The Foundation's three areas of focus include educating consumers, monitoring local advertising and working with local charitable organizations to promote standards for charitable accountability.

Consumer Education

Consumer education is paramount to a safe and ethical marketplace. By providing information and educational opportunities to consumers and the business community,

the BBB Foundation is encouraging these groups to take a proactive approach to prevent scams and fraud before they occur. Materials and information provided by the BBB are transferable tools that our community can use and pass on to others to build a network of educated consumers. It is our hope that this network becomes more empowered to stop fraud and unethical business practices while promoting use of the BBB and its services.

To reach out to consumers and build this network, the BBB Foundation held more than a dozen presentations in 2005 for senior citizens, civic organizations and students. The BBB Foundation also participated in several consumer expos and business trade shows to interact one on one with consumers and answer questions about the BBB and the services provided.

For 2005, the BBB Foundation reached more than 970 consumers and businesses through presentations, community expos and business trade shows.

Advertising Review

A need to foster public confidence in truthful marketplace advertising led to

the formation of the organizations that today are called Better Business Bureaus. Although Bureaus are now engaged in a broad spectrum of activities designed to protect and inform the consumer, and resolve marketplace disputes, the monitoring of advertising remains a key part of the BBB's overall mission.

The BBB Code of Advertising (for non-Internet advertising practices) and the BBB Code of Online Business Practices (for Web sites and other Internet forms of advertising and commerce) are based on broad principles of truth and accuracy and provide a guide for companies to use when questions arise. Locally, the BBB Foundation regularly monitors advertising for adherence to these principles as well as compliance with local, state and federal regulations relating to advertising. When questionable advertising is noted, the advertiser is contacted and requested to substantiate the claims that are being made, and to voluntarily comply with the guidelines.

Untruthful or misleading advertising is harmful to consumers and to other advertisers as well. While the BBB is not an enforcement arm, it does seek to level the playing field for all advertisers through voluntary cooperation and self-regulation. Most advertisers recognize the value of truthful and non-deceptive advertising, resulting in a high level of cooperation with the BBB efforts.

In 2005, the Better Business Bureau Foundation conducted a total of 23 advertising review cases, including seven challenges initiated by the Foundation, fifteen by consumers and one by a business competitor (see fig. 1).

Charity Review

The merger of the National Charities Information Bureau and the Council of Better Business Bureaus' Foundation and its Philanthropic Advisory Service resulted in the formation of the BBB Wise Giving Alliance in March, 2001. After a three-year



period, drawing on independent research on donor expectations, professional and technical assistance from a variety of philanthropic experts, and numerous comments from donors and charities,

the BBB Wise Giving Alliance issued the new standards for Charity Accountability March 3, 2003.

The Better Business Bureau Foundation of Northwest Florida began its charity review and reporting September 2003. The voluntary review of non-profit organizations focuses on the way charities govern their organization, spend their money, the truthfulness of their representations and their willingness to disclose basic information to the public.

As evidence more donors are turning to the Better Business Bureau Foundation for information on local charities, 3,796 donors contacted the BBB Foundation to request charity reports on local non profits in 2005 compared to 3,245 inquiries in 2004. This represents a one-year increase of 17 percent.

	BBB	Consumer	Competitor	Total
Member	0	4	0	4
Non-Member	7	11	1	19
Total Opened	7	15	1	23
Closed	7	15	1	23
Open	0	0	0	0

Fig. 1 - Advertising review activity for Jan. 1 - Dec. 31 2005

Thank you to our 2005 Board of Directors for their support of our efforts to educate and inform consumers and businesses.

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BBB Foundation of Northwest Florida, Inc.

Forward Thinking

As the BBB Foundation continues its mission to provide educational programs and services, focus must also be placed on increasing community outreach and building recognition of the BBB Foundation as a resource. To this end, the BBB Foundation has developed strategic goals to increase awareness of the Foundation's efforts to inform consumers, promote truth-in-advertising and encourage charity accountability. Current and new initiatives to further the Foundation's focus include the following:

Silver Sleuth Program - Silver Sleuths is an innovative volunteer program that helps older adults identify and avoid fraudulent business practices. Silver Sleuths are volunteers over the age of 55 working in conjunction with the BBB to combat schemes targeting older adults. Once a Silver Sleuth signs up as a volunteer, training is provided by BBB personnel to identify deceptive advertising and trade practices.

Financial Youth Literacy Program - An

interactive financial and consumer education workshop designed especially for teens. Participants learn to identify the advantages and disadvantages of using credit, recognize the ways careless cell phone handling can lead to financial problems and fraud, understand how handling money wisely can help avoid future financial and legal problems, and identify ways to guard against identity theft.

Senior Care Solutions - Brochures and programs for seniors that focus on housing, home improvement and home equity fraud, choosing elder care professionals, home care options, long-term insurance, Medicare and managed care, estate planning and wills, living trusts and funerals.

Identity Theft Seminars - As one of the fastest growing white-collar crimes in the United States, consumers repeatedly contact the Better Business Bureau with questions regarding this crime. To assist in educating consumers, the BBB Foundation, in conjunction with the Council of Better Business Bureaus, has developed a presentation covering the topic of identity theft, how to prevent it and what steps consumers can take should they become



a victim. Though the Better Business Bureau cannot prosecute identity thieves or recover financial loss, our close ties to the Federal Trade

Commission allow the Foundation to point victims in the right direction and position the BBB as a leader in consumer information and a resource for those seeking guidance.

Expos and Trade Shows - In an effort to interact with consumers and businesses seeking information or services, the BBB Foundation is developing marketing, promotional and educational materials to distribute at expos, trade shows and other community gatherings to increase awareness of Better Business Bureau services and educate consumers on a variety of topics affecting the marketplace.

Scams Against Seniors - Older Americans are the fastest growing segment of the population to be victimized by identity fraud and Internet schemes. To protect elderly consumers, the BBB Foundation has developed a presentation and brochure to

provide elderly consumers with information on recognizing and preventing fraud. Topics covered in the presentation and brochure include foreign lotteries, home repair scams, phishing, telemarketing schemes, phony charities and discount medical plans.

Wise Giving Guide - Published quarterly in the member newsletter *Lighthouse*, the BBB Foundation's Wise Giving Guide is provided to help donors make more informed giving decisions. The guide includes a compilation of the latest evaluation conclusions completed by the Foundation. The guide also provides information on charities that are working toward or have already met the 20 Standards for Charity Accountability as well as groups participating in the BBB's Charity Seal program. The guide also identifies charities that have chosen not to disclose information.

Torch Awards - To honor outstanding organizations whose commitment to ethical business practices helps to uphold a fair marketplace, the BBB Foundation will host its first Torch Award for Marketplace Ethics. Businesses in four categories determined by number of employees and one non-profit will receive awards based on demonstration of ethical management practices, customer and vendor relations, sales and communications practices, and reputation.

Student Ethics Scholarships - In conjunction with the Torch Award for Marketplace Ethics, nine high school students will be selected as BBB Student Ethics Scholarship winners and receive \$1,000 scholarships to the college of their choice. Students will be required to write an essay outlining why personal integrity is important and how they translate that belief into everyday actions.

Better Business Bureau Foundation of Northwest Florida, Inc.
Statement of Financial Position
December 31, 2005

Better Business Bureau Foundation of Northwest Florida, Inc.
Statement of Activities and Changes in Net Assets
December 31, 2005

	<u>2005</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 11,353
Total current assets	<u>11,353</u>
Property and equipment	
Office equipment	1,544
Less accumulated depreciation	<u>(128)</u>
Net property and equipment	<u>1,416</u>
Other assets	
Prepaid expenses	134
Intangibles, net of amortization	<u>47</u>
Total other assets	<u>181</u>
Total Assets	<u>\$ 12,950</u>
Liabilities and Net Assets	
Current liabilities:	
Notes payable	\$ 10,000
Total current liabilities	<u>10,000</u>
Total liabilities	10,000
Net Assets:	
Unrestricted Net Assets	<u>\$ 2,950</u>
Total Liabilities and Net Assets	<u>\$ 12,950</u>

	<u>2005</u>
Changes in unrestricted net assets	
Revenue	
Advertising income	\$ 19,299
Contributions	3,485
In-Kind Contributions	90,458
Interest	<u>99</u>
Total unrestricted support and revenues	<u>\$ 113,341</u>
Expenses	
Program services	87,345
General and Administrative	16,999
Fund-raising Expense	<u>7,648</u>
Total Expenses	<u>111,992</u>
Changes in unrestricted net assets	\$ 1,349
Net assets at beginning of year	<u>1,601</u>
Total current liabilities	<u>\$ 2,950</u>

Related Party Transactions

Certain members of the Board of Directors of the Better Business Bureau of Northwest Florida, Inc. also manage the activities of the Foundation. The Bureau funds a large portion of the Foundation's expenses, as the Foundation is not up to full fund-raising capacity. The estimated value of services and facilities rendered and actual expenses paid on behalf of the Foundation by the Bureau are shown as In-Kind contributions in the Statement of Activities. The amount of In-Kind contributions received from the Bureau totaled \$90,458 for the year ended December 31, 2005.

The Foundation owes a note payable in the amount of \$10,000 to the Bureau under terms of a loan agreement dated August 15, 2003. The loan is payable on demand with no interest specified.

Better Business Bureau Foundation of Northwest Florida, Inc.
 Schedule of Functional Expenses
 December 31, 2005

	Program Expenses				Other Functional Expenses			Combined Total
	Charity Review Services	Advertising Review Services	Consumer Education Service	Total Program Expenses	General & Administration	Fund Raising	Total	
Accounting	\$ -	\$ -	\$ -	\$ -	\$ 4,864	\$ -	\$ 4,864	\$ 4,864
Advertising	2,317	2,317	18,536	23,170	-	-	-	23,170
Amortization expense	-	-	-	-	71	-	71	71
Bank charges	-	-	-	-	32	-	32	32
Dues/subscriptions	177	177	178	532	-	-	-	532
Equipment lease	-	-	-	-	55	-	55	55
Expense reimbursement	-	-	30	30	-	50	50	80
Internet services	60	60	61	181	-	-	-	181
Licenses and taxes	-	-	-	-	61	-	61	61
Office supplies	-	-	-	-	419	111	530	530
Pamphlets	-	-	650	650	-	-	-	650
Phone book listing	-	-	-	-	18	-	18	18
Postage & mailing	873	291	291	1,455	-	-	-	1,455
Education	-	-	6,821	6,821	-	-	-	6,821
Rent	-	-	-	-	2,601	-	2,601	2,601
Repairs & maintenance	-	-	-	-	253	-	253	253
Software support	311	311	312	934	-	-	-	934
Staff leasing	17,538	17,538	17,537	52,613	7,966	7,487	15,453	68,066
Telephone	480	479	-	959	-	-	-	959
Utilities	-	-	-	-	531	-	531	531
Depreciation	-	-	-	-	128	-	128	128
Total expenses	<u>\$ 21,756</u>	<u>\$ 21,173</u>	<u>\$ 44,416</u>	<u>\$ 87,345</u>	<u>\$ 16,999</u>	<u>\$ 7,648</u>	<u>\$ 24,647</u>	<u>\$ 111,992</u>



The Better Business Bureau Foundation

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