

**COMMUNITY FOUNDATION OF
GREATER JACKSON, INC.**

Audited Financial Statements

Year Ended March 31, 2009

(With Summarized Financial Information
for the Year Ended March 31, 2008)

CONTENTS

Independent Auditor's Report	1
------------------------------	---

Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6 – 15
Independent Auditor's Report on Supplementary Information	16
Schedules of Operations	17
Schedules of Contribution Income	18



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Community Foundation of Greater Jackson, Inc.
Jackson, Mississippi

We have audited the accompanying statement of financial position of Community Foundation of Greater Jackson, Inc. (the "Foundation") as of March 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information included in the statements of activities and statements of functional expenses has been derived from the Foundation's 2008 financial statements and, in our report dated September 30, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 audit provides 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 Community Foundation of Greater Jackson, Inc. as of March 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Horne LLP

Jackson, Mississippi
August 5, 2009

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Statements of Financial Position

March 31, 2009 and 2008

	2009	2008
ASSETS		
Current assets		
Cash	\$ 245,902	\$ 6,359,940
Money market funds	2,614,156	1,541,616
Contribution receivable - charitable lead trust, current portion	82,842	77,364
Unconditional promises to give, current portion	-	3,375
Total current assets	<u>2,942,900</u>	<u>7,982,295</u>
Investments in marketable securities	13,380,240	14,739,746
Contribution receivable - charitable lead trust, less current portion	572,329	655,171
Unconditional promises to give, less discount and current portion	-	41,441
Cash surrender value of life insurance policy	62,457	62,945
Equipment and furnishings, net of accumulated depreciation	7,873	6,039
Total assets	<u>\$ 16,965,799</u>	<u>\$ 23,487,637</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Amounts held for others under agency transactions	\$ 1,524,468	\$ 1,967,638
Grants payable	292,487	17,903
Total current liabilities	<u>1,816,955</u>	<u>1,985,541</u>
Net assets		
Unrestricted	10,032,716	13,801,172
Temporarily restricted	5,116,128	7,700,924
Total net assets	<u>15,148,844</u>	<u>21,502,096</u>
Total liabilities and net assets	<u>\$ 16,965,799</u>	<u>\$ 23,487,637</u>

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
 Statements of Activities
 Year Ended March 31, 2009
 (With Summarized Financial Information for the Year Ended March 31, 2008)

	Unrestricted Funds	Temporarily Restricted Funds	Total All Funds	
			2009	2008
Revenue, gains and other support				
Contributions	\$ 1,638,784	850,463	2,489,247	\$ 8,702,804
Interest and dividends	324,425	297,559	621,984	384,391
Capital gain distributions	16,811	10,920	27,731	820,483
Realized gains (losses) on investments	(1,193,282)	(443,951)	(1,637,233)	204,447
Unrealized gains (losses) on investments	(2,526,747)	(2,477,796)	(5,004,543)	(2,191,473)
Miscellaneous income	88,981	-	88,981	100,141
Administrative fees for agency funds	7,010	-	7,010	20,833
Net assets released from restrictions				
Satisfaction of program restrictions	821,991	(821,991)	-	-
Total revenue, gains and other support	(822,027)	(2,584,796)	(3,406,823)	8,041,626
Expenses				
Program services	2,760,738	-	2,760,738	3,436,360
Management and general	138,847	-	138,847	98,127
Fund raising	46,844	-	46,844	44,329
Total expenses	2,946,429	-	2,946,429	3,578,816
Change in net assets	(3,768,456)	(2,584,796)	(6,353,252)	4,462,810
Net assets, beginning of year	13,801,172	7,700,924	21,502,096	17,039,286
Net assets, end of year	\$ 10,032,716	\$ 5,116,128	\$ 15,148,844	\$ 21,502,096

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
 Statements of Functional Expenses
 Year Ended March 31, 2009
 (With Summarized Financial Information for the Year Ended March 31, 2008)

	Program Services	Management and General	Fund Raising	Total Expenses	
				2009	2008
Accounting and legal	\$ 3,273	\$ 62,178	\$ -	\$ 65,451	\$ 26,352
Advertising	-	-	-	-	10,000
Bank fees	4,636	-	-	4,636	4,005
Events	162,081	-	-	162,081	67,019
Conferences and meetings	11,549	-	-	11,549	8,957
Consultation and website development	79,911	-	-	79,911	-
Contract labor	15,230	-	-	15,230	11,070
Depreciation	2,487	266	207	2,960	3,771
Dues and subscriptions	3,850	413	321	4,584	6,200
Employee benefits	31,276	3,331	2,590	37,197	54,657
Equipment repair and maintenance	462	50	39	551	3,733
Grants and scholarships	1,925,876	-	-	1,925,876	2,695,880
Non-grant charitable disbursement	-	-	-	-	6,478
Insurance	3,162	339	263	3,764	5,243
Investment and management fees	56,571	-	-	56,571	41,958
Meals and entertainment	6,098	653	508	7,259	26,252
Miscellaneous	5,151	553	430	6,134	27,460
Payroll taxes	24,287	2,602	2,024	28,913	21,863
Postage	9,843	1,054	820	11,717	16,098
Printing	33,921	4,235	3,294	41,450	32,831
Promotions	985	-	-	985	1,879
Property development	-	-	-	-	37,347
Rent	16,440	16,440	-	32,880	32,880
Salaries and wages	330,721	44,031	34,246	408,998	413,081
Software consultation and training	8,950	-	-	8,950	-
Software hosting	16,037	1,718	1,336	19,091	13,395
Supplies	4,624	628	489	5,741	5,154
Telephone	3,317	356	277	3,950	5,253
Total	\$ 2,760,738	\$ 138,847	\$ 46,844	\$ 2,946,429	\$ 3,578,816

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Statements of Cash Flows

Years Ended March 31, 2009 and 2008

	2009	2008
Cash flows from operating activities		
Change in net assets	\$ (6,353,252)	\$ 4,462,810
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	2,960	3,771
Realized (gains) losses on investments	1,637,233	(204,447)
Unrealized (gains) losses on investments	5,004,544	2,191,473
Contribution of investments	-	(928,787)
Contribution of equipment and furnishings	(4,000)	-
Changes in assets and liabilities		
Contribution receivable - charitable lead trust	77,364	72,248
Unconditional promises to give	44,816	8,801
Grants payable	274,584	(12,097)
(Increase) decrease in cash surrender value of life insurance policy	488	(62,945)
Amounts held for others under agency transactions	314,154	(355,135)
Net cash provided by operating activities	998,891	5,175,692
Cash flows from investing activities		
Purchases of equipment and furnishings	(794)	-
Proceeds from sale of investments	10,750,661	6,156,319
Purchase of investments	(16,790,256)	(7,050,285)
Net cash used in investing activities	(6,040,389)	(893,966)
Net increase (decrease) in cash and cash equivalents	(5,041,498)	4,281,726
Cash and cash equivalents, beginning of year	7,901,556	3,619,830
Cash and cash equivalents, end of year	\$ 2,860,058	\$ 7,901,556
Cash and cash equivalents consist of		
Cash	\$ 245,902	\$ 6,359,940
Money market funds	2,614,156	1,541,616
Total	\$ 2,860,058	\$ 7,901,556

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2009 and 2008

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Community Foundation of Greater Jackson (the "Foundation") is a nonprofit, community corporation created by and for the people of Hinds, Rankin and Madison Counties to help charitable donors establish permanent giving funds that reflect individual philanthropic interests while also making a long-term, positive impact on the community.

Basis of Presentation

The Foundation's financial statements are presented on the accrual basis and report information regarding its financial position and activities according to three classes of net assets: (1) unrestricted net assets, (2) temporarily restricted net assets and (3) permanently restricted net assets.

Use of Estimates

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with maturity when purchased of three months or less to be cash equivalents.

Investments

Investments in equity securities with readily determined fair values and all investments in debt securities are measured at fair value in the financial statements. Investment income or loss, including realized and unrealized gains and losses on investments, interest and dividends, is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or by law.

Equipment and Furnishings

Equipment and furnishings are stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated lives of the assets.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2009 and 2008

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

Amounts Held for Others Under Agency Transactions

The Foundation accounts for amounts held for others under agency transactions in accordance with Statement of Financial Accounting Standard No. 136, *Transfers of Assets to a Not-For-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others* ("SFAS 136"). This statement establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor. SFAS 136 specifically requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as "amounts held for others under agency transactions".

Net Assets

Restricted net assets are those which have been restricted by donors outside of the Foundation. The restriction may be temporary or permanent, depending upon the terms of the gift. 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 statements of activities as net assets released from restriction. Gifts whose restrictions are met in the same reporting period are reported as unrestricted gifts.

Contributions

Contributions are recognized as revenue when they are received or unconditionally promised.

Unconditional promises to give represent amounts committed by donors that have not been received by the Foundation. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Those that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, using the Foundation's risk-free interest rate in the year the promises are received. Amortization of the discount is included in contribution revenue. The Foundation establishes a valuation allowance against future contributions receivable to provide for amounts estimated to be non-collectible.

The Foundation 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. 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.

Contributions of services are recognized if the services received (a) create or enhance nonfinancial 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.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2009 and 2008

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income Taxes

The Foundation is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled \$-0- and \$10,000 for 2009 and 2008, respectively.

Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended March 31, 2008, from which the summarized information was derived.

Fair Value Disclosures

Newly effective accounting standards establish a hierarchy in which financial assets and liabilities recorded at fair value. These standards require an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Directly or indirectly observable inputs other than Level 1 prices, such as quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates); or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2009 and 2008

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

assets and liabilities would include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as for which the determination of the fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Assets and liabilities measured at fair value are summarized below:

	Fair Value Measurements Using			
	Fair Value at March 31, 2009	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments	\$ 13,380,240	\$ 13,380,240	\$ -	\$ -
Charitable lead annuity trust	655,171	-	-	655,171
Total	\$ 14,035,411	\$ 13,380,240	\$ -	\$ 655,171

The valuation techniques used to measure fair value for the items in the table above are as follows:

- Investments – The fair value of investments are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).
- Charitable Lead Annuity Trust – The Foundation is the beneficiary of a charitable lead annuity trust. Under the terms of the agreement, the Foundation is to receive quarterly payments of \$30,950 over a period of 16 years through September 2015. The present value of these quarterly payments were recorded as a contribution in the year ended March 31, 2000, discounted at 6.5 percent.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2009 and 2008

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

The following table sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the year ended March 31, 2009:

	Charitable Lead Annuity Trust	
Balance, beginning of year	\$	732,535
Realized gains/(losses)		-
Interest credited		46,436
Unrealized gains/(losses)		-
Collections		<u>(123,800)</u>
Balance, end of year	\$	<u>655,171</u>

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on previously reported net assets or change in net assets.

Note 2. Charitable Lead Annuity Trust

The Foundation is the beneficiary of a charitable lead annuity trust. During the years ended March 31, 2009 and 2008, respectively, \$82,842 and \$72,248 of the amount received was recorded as a reduction in the receivable. The Foundation also recorded amortization of the discount on the estimated present value of the receivable in the amount of \$46,436 and \$51,552 as a contribution in 2009 and 2008, respectively.

The status of the amounts recorded under the charitable lead annuity trust are as follows at March 31, 2009 and 2008:

	2009		2008	
Remaining quarterly payments	\$	804,700	\$	928,500
Less: discount at 6.5 percent		<u>149,529</u>		<u>195,965</u>
Present value of amounts receivable		655,171		732,535
Current portion of present value		<u>82,842</u>		<u>77,364</u>
Long-term portion of present value	\$	<u>572,329</u>	\$	<u>655,171</u>

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2009 and 2008

NOTES TO FINANCIAL STATEMENTS

Note 2. Continued

The charitable lead annuity trust is scheduled to be received as follows:

Within one year	\$	123,800
Two to five years		495,200
Over five years		<u>185,700</u>
	\$	<u>804,700</u>

Note 3. Unconditional Promises to Give

As a result of the Women's Fund, initiated in 2002, and the Annual Fund Campaign, initiated at the inception of the Foundation, the Foundation had received unconditional promises to give. During 2008, the Women's Fund organized as a separate not-for-profit organization, resulting in the Foundation granting the remaining pledge receivables relating to the Women's Fund Organization. Accordingly, the pledge receivable balance as of March 31, 2009 and 2008 were as follows:

	2009	2008
Receivable in less than one year	\$ -	\$ 3,375
Receivable in one to five years	-	<u>45,100</u>
Total unconditional promises to give	-	48,475
Less discounts to net present value at 5 percent	-	<u>3,659</u>
Net unconditional promises to give	\$ -	\$ <u>44,816</u>

Note 4. Investments in Marketable Securities

The details of investments in marketable securities at March 31, 2009 were as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity mutual funds	\$ 14,881,916	\$ 9,731,554	\$ (5,150,362)
Fixed income mutual fund	2,400,018	2,197,734	(202,284)
Common stock	<u>2,279,588</u>	<u>1,450,952</u>	<u>(828,636)</u>
	\$ 19,561,522	\$ 13,380,240	\$ (6,181,282)

Amounts shown as cost include reinvested dividends.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2009 and 2008

NOTES TO FINANCIAL STATEMENTS

Note 4. Continued

Investment return is classified in the statement of activities based on the donor's requirements for invested funds. The following schedule summarizes the investment return and its classification in the statement of activities for the year ended March 31, 2009.

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 324,425	\$ 297,559	\$ 621,984
Capital gain distributions	16,811	10,920	27,731
Realized gains (losses)	(1,193,282)	(443,951)	(1,637,233)
Unrealized losses	(2,526,747)	(2,477,796)	(5,004,543)
	<u>\$ (3,378,793)</u>	<u>\$ (2,613,268)</u>	<u>\$ (5,992,061)</u>

The details of investments in marketable securities at March 31, 2008 were as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity mutual funds	\$ 11,223,502	\$ 10,937,111	\$ (286,391)
Fixed income mutual fund	2,603,147	2,603,457	310
Common stock	1,335,302	1,199,178	(136,124)
	<u>\$ 15,161,951</u>	<u>\$ 14,739,746</u>	<u>\$ (422,205)</u>

Amounts shown as cost include reinvested dividends.

Investment return is classified in the statement of activities based on the donor's requirements for invested funds. The following schedule summarizes the investment return and its classification in the statement of activities for the year ended March 31, 2008.

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 240,740	\$ 143,651	\$ 384,391
Capital gain distributions	395,483	425,000	820,483
Realized gains (losses)	229,233	(24,786)	204,447
Unrealized losses	(1,028,382)	(1,163,091)	(2,191,473)
	<u>\$ (162,926)</u>	<u>\$ (619,226)</u>	<u>\$ (782,152)</u>

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2009 and 2008

NOTES TO FINANCIAL STATEMENTS

Note 5. Investment in Limited Partnership

During the year ended March 31, 2001, the Foundation received thirteen donations of limited partnership interest in the Cove Apartments & Racquet Club, Ltd., a residential apartment complex located in Oxford, Mississippi. The donated limited partnership interest represented approximately 92 percent of the total partnership interest. The remaining interest included a 7 percent limited partnership interest and a 1 percent general partnership interest. During fiscal year ended March 31, 2008, the Cove Apartments & Racquet Club, Ltd. was sold. The Foundation received approximately \$1.2 million for its interest in the partnership.

Note 6. Amounts Held for Others Under Agency Transactions

At March 31, 2009 and 2008, the Foundation was the intermediary for nine agency endowment funds with a combined value of \$1,524,469 and \$1,967,638, respectively. The following table summarizes activity in such funds during the year ended March 31, 2009.

	2009	2008
Agency endowment fund balances at April 1	\$ 1,967,638	\$ 2,039,180
Contributions	347,128	125,000
Investment income	82,528	191,618
Realized loss on investments	(69,928)	(8,012)
Unrealized loss on investments	(658,630)	(291,605)
Management fees and grants paid on behalf of fund(s)	(144,268)	(88,543)
Agency endowment fund balances at March 31	<u>\$ 1,524,468</u>	<u>\$ 1,967,638</u>

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of March 31, 2009 and 2008:

	2009	2008
Children's Cancer Clinic	\$ 258,387	\$ 387,628
Catholic church and other non-profits	143,003	228,693
Community enrichment	638,502	688,419
Educational purposes	2,291,223	3,598,810
Episcopal Diocese operations	223,146	411,286
Historic preservation	7,743	11,796
Hurricane	-	45,425
Journalism awards	22,603	40,965
Library	9,599	14,546

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2009 and 2008

NOTES TO FINANCIAL STATEMENTS

Note 7. Continued

	2009	2008
Mission work	\$ 15,584	\$ 24,666
Mid-South Foundation purposes	153,533	230,210
Museums	23,986	35,983
Musicians	79,170	116,152
Parks and recreation	3,090	3,327
Scholarships	928,499	1,522,320
Underprivileged children	33,726	45,635
Other	284,334	295,063
	<u>\$ 5,116,128</u>	<u>\$ 7,700,924</u>

Note 8. Leases

The Foundation leases its office facilities under a long-term, non-cancelable operating lease agreement. The Foundation entered into a new lease agreement effective January 1, 2005 and expiring December 2009. Total rent expense for 2009 and 2008 for all operating leases was \$32,880 and \$32,880, respectively.

The following is a schedule by year of future minimum rental payments required under the operating lease agreement:

<u>Year Ending</u>	<u>Amount</u>
2009	<u>\$ 32,880</u>

Note 9. Concentrations

The Foundation maintains bank deposits, which are insured in the amount of \$250,000 in 2009 and \$100,000 in 2008 by Federal Depository Insurance Corporation ("FDIC"). At times, such deposits owned by the Foundation may exceed FDIC insured limits. The amounts exceeding FDIC insured limits at years ended March 31, 2009 and 2008 were approximately \$2.5 million and \$7.6 million, respectively.

Note 10. Contributed Services

The facility utilized by the Foundation is provided at a cost that is less than fair rental value. Rental expense for the years ended March 31, 2009 and 2008 includes \$16,440 and \$16,440 of contributed rent, respectively. These amounts are reflected in the accompanying financial statements as contribution revenue and rent expense.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2009 and 2008

NOTES TO FINANCIAL STATEMENTS

Note 10. Continued

Services are contributed to the Foundation by various individuals and organizations. For the year ended March 31, 2009, professional fees of \$4,888, consultation and website development fees of \$79,911 and other miscellaneous fees of \$11,440 were contributed to the Foundation at no charge. For the year ended March 31, 2008, professional accounting fees of \$15,352, photography fees of \$10,000, telephone and internet fees of \$348, printing fees of \$1,000 and other miscellaneous fees of \$21,351 were contributed to the Foundation at no charge. These fees represent the fair value of the services had the Foundation been required to pay for them, and are reflected in the accompanying financial statements as contribution revenue, legal expense, publications, promotions and printing expense.

Note 11. Profit Sharing 401(k) Retirement Plan

Effective May 1, 2007, the Foundation established a safe harbor, contributory 401(k) profit sharing plan (the "Plan") covering substantially all full-time employees. Employees are allowed to contribute a percentage of their annual wages to the Plan as limited by the Internal Revenue Service. The Foundation contributes a safe harbor non-elective contribution of 3 percent and a discretionary age-weighted contribution. The Company's total contributions to the Plan were \$5,024 in 2009.

Note 12. Recent Accounting Pronouncements

In July 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprises' financial statements in accordance with Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the balance sheet interest and penalties, accounting in interim periods, disclosure and transition.

In December 2008, the FASB provided for deferral of the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Foundation has elected this deferral and accordingly will be required to adopt FIN 48 in its 2010 financial statements. Prior to adoption of FIN 48, the Foundation will continue to evaluate its uncertain tax positions and related income tax positions and related income tax contingencies under Statement No. 5, *Accounting for Contingencies*. SFAS No. 5 requires the Foundation to accrue for losses it believes are probable and can be reasonably estimated. Management is currently assessing the impact of FIN 48 on its financial position and results of operations and has not yet determined if the adoption of FIN 48 will have a material effect on its financial statements.



**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

Board of Trustees
Community Foundation of Greater Jackson, Inc.
Jackson, Mississippi

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 17 – 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Horne LLP

Jackson, Mississippi
August 5, 2009

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Schedules of Operations
March 31, 2009, 2008 & 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total revenues, gains and other	\$ (3,406,823)	\$ 8,041,626	\$ 4,029,554
Less: Nonrecurring contributions	-	(5,978,945)	-
Increase in dividends/interest related to nonrecurring contributions	(123,724)	-	-
Plus: Unrealized losses (gains) on investments	5,004,543	2,191,473	(299,978)
Realized (gains), losses on investments	1,637,233	(204,447)	(254,967)
Capital gain distributions	(27,731)	(820,483)	(408,498)
Adjusted revenues	3,083,498	3,229,224	3,066,111
Total expenses	(2,946,429)	(3,578,816)	(2,990,888)
Change in net assets, net of market effect and nonrecurring contributions	<u>\$ 137,069</u>	<u>\$ (349,592)</u>	<u>\$ 75,223</u>

The schedule is presented to provide supplemental information relating to the change of net assets, net of market effect and nonrecurring contributions. Market effects include changes in unrealized losses (gains), realized losses (gains) and capital gain distributions. Nonrecurring contributions are defined as significant, one-time contributions.

See independent accountant's report on supplementary information.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Schedules of Contribution Income

March 31, 2009, 2008 & 2007

	2009	2008	2007
Contributions	\$ 2,489,247	\$ 8,702,804	\$ 2,391,246
Less nonrecurring contributions	-	(5,978,945)	-
Adjusted contributions	<u>\$ 2,489,247</u>	<u>\$ 2,723,859</u>	<u>\$ 2,391,246</u>

The schedule represents a three year comparison of contributions net of nonrecurring contributions. Nonrecurring contributions are defined as significant, one-time contributions.

See independent accountant's report on supplementary information.