

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

Audited Financial Statements
Year Ended March 31, 2013
(With Summarized Financial Information
for the Year Ended March 31, 2012)

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Community Foundation of Greater Jackson, Inc. (the "Foundation") which comprise the statement of financial position as of March 31, 2013, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's March 31, 2012 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 28, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Home LLP".

Ridgeland, Mississippi
August 20, 2013

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Statements of Financial Position

March 31, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash	\$ 196,013	\$ 137,883
Money market funds	3,812,780	2,835,081
Contribution receivable - charitable lead trust, current portion	108,916	101,715
Total current assets	<u>4,117,709</u>	<u>3,074,679</u>
Investments in marketable securities	28,728,041	24,714,017
Contribution receivable - charitable lead annuity trust, less current portion	178,003	286,919
Cash surrender value of life insurance policy	77,284	74,750
Equipment and furnishings, net of accumulated depreciation	1,085	163
Total assets	<u>\$ 33,102,122</u>	<u>\$ 28,150,528</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Amounts held for others under agency transactions	\$ 4,601,001	\$ 4,220,533
Grants payable	-	5,755
Total current liabilities	<u>4,601,001</u>	<u>4,226,288</u>
Net assets		
Unrestricted	15,744,204	12,467,525
Temporarily restricted	12,756,917	11,456,715
Total net assets	<u>28,501,121</u>	<u>23,924,240</u>
Total liabilities and net assets	<u>\$ 33,102,122</u>	<u>\$ 28,150,528</u>

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
 Statements of Activities
 Year Ended March 31, 2013
 (With Summarized Financial Information for the Year Ended March 31, 2012)

	Unrestricted Funds	Temporarily Restricted Funds	Total All Funds	
			2013	2012
Revenue, gains and other support				
Contributions	\$ 3,728,662	\$ 1,226,929	\$ 4,955,591	\$ 2,901,901
Interest and dividends	385,318	412,047	797,365	495,443
Realized gains on investments	298,106	80,309	378,415	325,766
Unrealized gains (losses) on investments	279,322	781,110	1,060,432	(635,888)
Miscellaneous income	5,151	11,858	17,009	4,400
Administrative fees for agency funds	32,179		32,179	29,918
Net assets released from restrictions				
Satisfaction of program restrictions	1,212,051	(1,212,051)	-	-
Total revenue, gains and other support	5,940,789	1,300,202	7,240,991	3,121,540
Expenses				
Program services	2,546,181	-	2,546,181	2,390,824
Management and general	87,982	-	87,982	78,959
Fundraising	29,947	-	29,947	25,239
Total expenses	2,664,110	-	2,664,110	2,495,022
Change in net assets	3,276,679	1,300,202	4,576,881	626,518
Net assets, beginning of year	12,467,525	11,456,715	23,924,240	23,297,722
Net assets, end of year	\$ 15,744,204	\$ 12,756,917	\$ 28,501,121	\$ 23,924,240

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Statements of Functional Expenses

Year Ended March 31, 2013

(With Summarized Financial Information for the Year Ended March 31, 2012)

	Program Services	Management and General	Fund Raising	Total Expenses	
				2013	2012
Direct expenses					
Grants and scholarships	\$ 2,005,543	\$ -	\$ -	\$ 2,005,543	\$ 1,910,690
Events	99,101	-	-	99,101	115,710
Conferences and meetings	3,593	-	-	3,593	2,195
Investment and management fees	94,528	-	-	94,528	70,256
Total direct expenses	2,202,765	-	-	2,202,765	2,098,851
Allocated expenses					
Accounting and legal	1,647	31,298	-	32,945	30,000
Bank fees	2,848	-	-	2,848	3,042
Depreciation	277	30	23	330	541
Dues and subscriptions	4,943	530	412	5,885	7,801
Employee benefits	15,680	1,680	1,307	18,667	18,183
Insurance	4,032	432	336	4,800	4,567
Marketing and sponsorships	49,040	5,254	4,087	58,381	36,127
Meals and entertainment	870	93	73	1,036	746
Miscellaneous	4,744	509	295	5,548	3,620
Payroll taxes	14,823	1,588	1,235	17,646	15,253
Postage	4,565	489	380	5,434	4,658
Printing	10,953	1,336	1,069	13,358	12,496
Rent	16,440	16,440	-	32,880	32,880
Salaries and wages	186,325	25,303	18,402	230,030	205,419
Software hosting	16,050	1,720	1,337	19,107	13,719
Supplies	6,432	879	679	7,990	2,683
Telephone	3,747	401	312	4,460	4,436
Total allocated expenses	343,416	87,982	29,947	461,345	396,171
Total	\$ 2,546,181	\$ 87,982	\$ 29,947	\$ 2,664,110	\$ 2,495,022

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.Statements of Cash Flows
Years Ended March 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Change in net assets	\$ 4,576,881	\$ 626,518
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	330	541
Realized gains on investments	(378,415)	(325,766)
Unrealized losses (gains) on investments	(1,060,432)	624,622
Changes in assets and liabilities		
Contribution receivable - charitable lead trust	101,715	94,988
Grants payable	(5,755)	3,255
Increase in cash surrender value of life insurance policy	(2,534)	(3,108)
Amounts held for others under agency transactions	54,796	97,633
Net cash provided by operating activities	<u>3,286,586</u>	<u>1,118,683</u>
Cash flows from investing activities		
Purchase of equipment and furnishings	(1,252)	-
Net change in money market funds	(977,699)	(515,120)
Proceeds from sale of investments	7,201,771	6,430,145
Purchase of investments	(9,451,276)	(6,956,260)
Net cash used in investing activities	<u>(3,228,456)</u>	<u>(1,041,235)</u>
Net increase in cash and cash equivalents	58,130	77,448
Cash, beginning of year	<u>137,883</u>	<u>60,435</u>
Cash, end of year	<u>\$ 196,013</u>	<u>\$ 137,883</u>

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2013 and 2012

NOTES TO FINANCIAL STATEMENTS

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

Nature of Operations

The Community Foundation of Greater Jackson, Inc. (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.

Money Market Funds

Money market funds include highly liquid mutual funds that invest in short-term securities. The funds' objectives are to maintain fair market values at \$1 per share.

Investments

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

The Foundation's investments are allocated among equity and fixed income securities. The Foundation desires to maintain a diversified mix of assets and maintains an investment policy that is monitored by management and the Investment Committee.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2013 and 2012

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

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. It is the policy of the Foundation to capitalize all fixed asset purchases with a minimum useful life of one year and a minimum cost of \$500.

Amounts Held for Others Under Agency Transactions

The Foundation accounts for amounts held for others under agency transactions in accordance with Accounting Standards Codification ("ASC") 958-605, *Transfers of Assets to a Not-For-Profit Entity or Charitable Trust That Raises or Holds Contributions for Others* ("ASC 958-605"). This standard establishes requirements 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. ASC 958-605 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.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation has determined that there are no significant uncertain tax positions as of March 31, 2013 and 2012. All tax periods after 2008 remain open to examination by the federal and state taxing jurisdictions to which the Foundation is subject.

Contributions

Contributions are recognized as revenue when they are received.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2013 and 2012

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

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.

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. See Note 10 for discussion of contributed services.

Functional Allocation of Expenses

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

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, 2012, from which the summarized information was derived.

Note 2. Charitable Lead Annuity Trust

The Foundation is the beneficiary of a charitable lead annuity trust. The Foundation recorded amortization of the discount associated with the estimated present value of the receivable in the amount of \$22,085 and \$28,812 as a contribution in 2013 and 2012, respectively.

The status of the amounts recorded under the charitable lead annuity trust is as follows at March 31, 2013 and 2012:

	2013	2012
Remaining quarterly payments	\$ 309,500	\$ 433,300
Less: discount at 6.5 percent	22,581	44,666
Present value of amounts receivable	286,919	388,634
Current portion of present value	108,916	101,715
Long-term portion of present value	\$ 178,003	\$ 286,919

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2013 and 2012

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 three years	185,700
	\$ 309,500

Note 3. Investments in Marketable Securities

The details of investments in marketable securities at March 31, 2013 were as follows:

	Cost	Fair Value	Unrealized Appreciation
Equity securities	\$ 22,113,353	\$ 26,815,041	\$ 4,701,688
Fixed income securities	1,647,205	1,799,993	152,788
Commodity	96,820	113,007	16,187
	\$ 23,857,378	\$ 28,728,041	\$ 4,870,663

Amounts shown as cost include reinvested dividends.

Investment return is classified in the statements of activities based on the donor's requirements for invested funds. The following schedule summarizes the investment return and its classification in the statements of activities for the year ended March 31, 2013.

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 385,318	\$ 412,047	\$ 797,365
Realized gains (losses)	298,106	80,309	378,415
Unrealized gains (losses)	279,322	781,111	1,060,433
	\$ 962,746	\$ 1,273,467	\$ 2,236,213

During the fiscal year ending March 31, 2013, investments of \$241,103 were contributed to the Foundation. Investments were subsequently sold and are included in proceeds from sale of investments on the statements of cash flows.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2013 and 2012

NOTES TO FINANCIAL STATEMENTS

Note 3. Continued

The details of investments in marketable securities at March 31, 2012 were as follows:

	Cost	Fair Value	Unrealized Appreciation
Equity securities	\$ 17,232,253	\$ 20,550,525	\$ 3,318,272
Fixed income securities	3,930,884	4,105,189	174,305
Commodity	41,277	58,303	17,026
	<u>\$ 21,204,414</u>	<u>\$ 24,714,017</u>	<u>\$ 3,509,603</u>

Amounts shown as cost include reinvested dividends.

Investment return is classified in the statements of activities based on the donor's requirements for invested funds. The following schedule summarizes the investment return and its classification in the statements of activities for the year ended March 31, 2012.

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 199,248	\$ 296,195	\$ 495,443
Realized gains (losses)	428,730	(102,964)	325,766
Unrealized gains (losses)	(720,386)	84,498	(635,888)
	<u>\$ (92,408)</u>	<u>\$ 277,729</u>	<u>\$ 185,321</u>

During the fiscal year ended March 31, 2012, investments of \$16,255 were contributed to the Foundation. Investments were subsequently sold and are included in proceeds from sale of investments on the statements of cash flows.

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and activities.

Note 4. Fair Value Disclosures

ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), establishes a framework for measuring fair value and establishes a hierarchy that categorizes and prioritizes the sources to be used to estimate fair value. ASC 820 also expands financial statement disclosures about fair value measurements. Under ASC 820, fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2013 and 2012

NOTES TO FINANCIAL STATEMENTS

Note 4. Continued

transaction between market participants. ASC 820 also establishes a three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the valuation methodologies in measuring 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 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.

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Management's assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of assets and liabilities being measured and their placement within the fair value hierarchy.

Assets measured at fair value, on a recurring basis, are summarized below as of March 31, 2013 and 2012. There have been no changes in the valuation methodologies used at March 31, 2013 and 2012.

Money market funds (Level 1): Valued at net asset value of shares held by the funds at year-end.

Investments in equity and fixed income securities, except for limited partnership and bonds (Level 1): Valued at the closing price reported on the active market on which the individual securities are traded.

Commodities (Level 1): Valued at the closing price reported on the active market on which the commodities are traded.

Limited partnership (Level 2): Valued based on proportional interest in net asset value of limited partnership.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2013 and 2012

NOTES TO FINANCIAL STATEMENTS

Note 4. Continued

Bonds (Level 2): Valued based on yields currently available on comparable securities of issues with similar credit ratings.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of March 31, 2013:

	Level 1	Level 2	Level 3
Money market funds	\$ 3,812,780	\$ -	\$ -
Equity securities			
Mutual funds	20,505,531	-	-
Common stocks	6,309,510	-	-
Commodities	113,007	-	-
Fixed income securities			
Mutual funds	1,234,733	-	-
Bonds	-	565,260	-
Total assets at fair value	<u>\$ 31,975,561</u>	<u>\$ 565,260</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of March 31, 2012:

	Level 1	Level 2	Level 3
Money market funds	\$ 2,835,081	\$ -	\$ -
Equity securities			
Mutual funds	17,093,032	-	-
Common stocks	3,427,500	-	-
Commodities	58,303	-	-
Fixed income securities			
Mutual funds	3,728,272	-	-
Limited partnership	-	187,475	-
Bonds	-	219,435	-
Total assets at fair value	<u>\$ 27,142,188</u>	<u>\$ 406,910</u>	<u>\$ -</u>

Note 5. Amounts Held for Others Under Agency Transactions

At March 31, 2013 and 2012, the Foundation was the intermediary for agency endowment funds with a combined value of \$4,601,001 and \$4,220,533, respectively. The following table summarizes activity in such funds during the years ended March 31, 2013 and 2012:

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2013 and 2012

NOTES TO FINANCIAL STATEMENTS

Note 5. Continued

	2013	2012
Agency endowment fund balances at April 1	\$ 4,220,533	\$ 4,107,264
Contributions	176,487	276,293
Investment income	143,164	103,341
Realized gain on investments	27,860	12,083
Unrealized gain on investments	297,811	3,552
Management fees and grants paid on behalf of fund(s)	(264,854)	(282,000)
	<hr/>	<hr/>
Agency endowment fund balances at March 31	\$ 4,601,001	\$ 4,220,533

Note 6. Endowment Net Assets

The endowments associated with the temporary restricted net assets are investments managed to obtain a moderate rate of return. Investment income and other market returns, such as realized and unrealized gains or losses are recognized with the endowment and restricted for specific purposes. The spending policy of the Foundation was 5 percent of average market value during 2013 and 2012. Although not anticipated, the Board of Trustees may modify any restrictions if such restrictions become unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served.

Effective July 1, 2012 the State of Mississippi enacted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Foundation interprets the current state law regarding the treatment of endowments as the preservation of purchasing power and prudent expenditure of endowment funds and related appreciation.

The Foundation has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to support current and future operational needs while seeking to maintain the purchasing power of these endowment assets over the long- term.

Endowment net asset composition by type of fund as of March 31, 2013 and 2012 included \$12,756,917 and \$11,456,715 of temporarily restricted endowment funds, respectively. Changes in temporarily restricted endowment net assets for the years ended March 31, 2013 and 2012 are as follows:

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2013 and 2012

NOTES TO FINANCIAL STATEMENTS

Note 6. Continued

	Year Ended March 31,	
	2013	2012
Endowment net assets, beginning of year	\$ 11,456,715	\$ 10,563,700
Investment return		
Interest and dividends	412,047	296,195
Net appreciation (depreciation)	861,419	(18,466)
Total investment return	1,273,466	277,729
Contributions and other income	1,238,787	1,448,746
Net assets released	(1,212,051)	(833,460)
Endowment net assets, end of year	<u>\$ 12,756,917</u>	<u>\$ 11,456,715</u>

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of March 31, 2013 and 2012:

	2013	2012
Art	\$ 1,567,998	\$ 1,145,881
Catholic church and other non-profits	230,888	215,355
Children's Cancer Clinic	368,930	328,921
Community enrichment	1,641,668	1,364,847
Educational purposes	4,518,322	4,286,732
Episcopal Diocese operations	397,988	361,702
Journalism awards	74,512	36,518
Library	9,655	9,620
Mid-South Foundation purposes	297,209	264,978
Mission work	24,713	23,132
Museums	595,703	584,741
Musicians	81,727	142,029
Scholarships	1,679,855	1,503,202
Special needs	826,082	809,568
Underprivileged children	190,773	184,441
Other	250,894	195,048
	<u>\$ 12,756,917</u>	<u>\$ 11,456,715</u>

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2013 and 2012

NOTES TO FINANCIAL STATEMENTS

Note 8. Operating Leases

The Foundation leases its office facilities under a long-term, non-cancelable operating lease agreement. During June 2013 the Foundation exercised a two-year extension option. The renewed lease term expires December 31, 2015. Total rent expense for 2013 and 2012 for all operating leases was \$32,880 in each year.

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

Year Ending March 31,	Amount
2014	\$ 16,440
2015	12,330
	<hr/> \$ 28,770 <hr/>

Note 9. Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of money market funds and securities at brokerage firms. Balances are insured up to \$500,000, including a \$100,000 limit for cash, by the Securities Investor Protection Corporation. At March 31, 2013, the Foundation had approximately \$28,894,390 in excess of SIPC insured limits.

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 each of the years ended March 31, 2013 and 2012 includes \$16,440 of contributed rent. These amounts are reflected in the accompanying financial statements as contribution revenue and rent expense.

Note 11. Profit Sharing 401(k) Retirement Plan

The Foundation has 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, subject to certain Internal Revenue Service limitations. 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 \$5,203 and \$5,746 in 2013 and 2012, respectively.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2013 and 2012

NOTES TO FINANCIAL STATEMENTS

Note 12. Subsequent Events

The Foundation has evaluated subsequent events through August 20, 2013, the date these financial statements were available to be issued. No subsequent events have occurred that require recognition or disclosure.



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

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

We have audited the financial statements of Community Foundation of Greater Jackson, Inc. (the "Foundation"), as of and for the year ended March 31, 2013, and have issued our report thereon, dated August 20, 2013, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying supplementary information is presented for purposes of additional analysis and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 financial statements as a whole.

Ridgeland, Mississippi
August 20, 2013

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Schedules of Operations

March 31, 2013, 2012, 2011, 2010 and 2009

	2013	2012	2011	2010	2009
Total revenues, gains and other	\$ 7,240,991	\$ 3,121,540	\$ 4,009,134	\$ 9,628,115	\$ (3,406,823)
Unrealized (gains) losses on investments	(1,060,432)	635,888	(2,738,544)	(6,145,762)	5,004,543
Realized (gains) losses on investments	(378,415)	(325,766)	(117,363)	719,441	1,637,233
Capital gain distributions	-	-	-	-	(27,731)
Adjusted revenues	5,802,144	3,431,662	1,153,227	4,201,794	3,207,222
Total expenses	(2,664,110)	(2,495,022)	(2,407,094)	(2,881,958)	(2,946,429)
Change in net assets, net of market effect	\$ 3,138,034	\$ 936,640	\$ (1,253,867)	\$ 1,319,836	\$ 260,793

The schedule is presented to provide supplemental information relating to the change of net assets, net of market effect. Market effects include changes in unrealized losses (gains), realized losses (gains) and capital gain distributions.

See independent auditor's report on supplementary information.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Schedules of Contribution Income

March 31, 2013, 2012, 2011, 2010 and 2009

	2013	2012	2011	2010	2009
Contributions	\$ 4,955,591	\$ 2,901,901	\$ 757,249	\$ 3,858,462	\$ 2,489,247
Less nonrecurring contributions	(2,928,006)	(1,000,000)	-	(3,114,118)	-
Adjusted contributions	<u>\$ 2,027,585</u>	<u>\$ 1,901,901</u>	<u>\$ 757,249</u>	<u>\$ 744,344</u>	<u>\$ 2,489,247</u>

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

See independent auditor's report on supplementary information.