

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

Audited Financial Statements
Year Ended March 31, 2015
(With Summarized Financial Information
for the Year Ended March 31, 2014)

CONTENTS

Independent Auditor's Report	1 – 2
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Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 18
Independent Auditor's Report on Supplementary Information	19
Schedules of Operations	20
Schedules of Contribution Income	21

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, 2015, 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, 2015, 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, 2014 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 12, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Home LLP". The signature is written in a cursive, flowing style.

Ridgeland, Mississippi
July 30, 2015

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Statements of Financial Position

March 31, 2015 and 2014

	2015	2014
ASSETS		
Current assets		
Cash	\$ 250,986	\$ 145,798
Money market funds	3,989,320	3,489,947
Contribution receivable - charitable lead annuity trust, current portion	61,375	116,628
Total current assets	4,301,681	3,752,373
Investments in marketable securities	33,694,756	32,561,614
Contribution receivable - charitable lead annuity trust, less current portion	-	61,375
Cash surrender value of life insurance policies	72,109	79,230
Equipment and furnishings, net of accumulated depreciation	4,419	2,711
Total assets	<u>\$ 38,072,965</u>	<u>\$ 36,457,303</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Amounts held for others under agency transactions	\$ 5,794,883	\$ 5,494,516
Total current liabilities	5,794,883	5,494,516
Net assets		
Unrestricted	16,366,434	16,264,722
Temporarily restricted	15,911,648	14,698,065
Total net assets	32,278,082	30,962,787
Total liabilities and net assets	<u>\$ 38,072,965</u>	<u>\$ 36,457,303</u>

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
 Statements of Activities
 Year Ended March 31, 2015
 (With Summarized Financial Information for the Year Ended March 31, 2014)

	Unrestricted Funds	Temporarily Restricted Funds	Total All Funds	
			2015	2014
Revenue, gains and other support				
Contributions	\$ 1,923,786	\$ 2,493,182	\$ 4,416,968	\$ 2,250,202
Interest and dividends	450,218	701,774	1,151,992	940,251
Realized gains (losses) on investments	(32,144)	767,122	734,978	287,715
Unrealized gains (losses) on investments	(49,222)	(570,822)	(620,044)	2,043,334
Miscellaneous income	20	12,527	12,547	8,790
Administrative fees for agency funds	39,467	-	39,467	32,424
Net assets released from restrictions- Satisfaction of program restrictions	2,190,200	(2,190,200)	-	-
Total revenue, gains and other support	4,522,325	1,213,583	5,735,908	5,562,716
Expenses				
Program services	4,285,817	-	4,285,817	2,972,603
Management and general	97,450	-	97,450	93,955
Fundraising	37,346	-	37,346	34,492
Total expenses	4,420,613	-	4,420,613	3,101,050
Change in net assets	101,712	1,213,583	1,315,295	2,461,666
Net assets, beginning of year	16,264,722	14,698,065	30,962,787	28,501,121
Net assets, end of year	\$ 16,366,434	\$ 15,911,648	\$ 32,278,082	\$ 30,962,787

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Statements of Functional Expenses

Year Ended March 31, 2015

(With Summarized Financial Information for the Year Ended March 31, 2014)

	Program Services	Management and General	Fund Raising	Total Expenses	
				2015	2014
Direct expenses					
Grants and scholarships	\$ 2,390,798	\$ -	\$ -	\$ 2,390,798	\$ 1,940,256
Program expenses	1,309,199	-	-	1,309,199	470,420
Conferences and meetings	5,274	-	-	5,274	6,068
Investment and management fees	164,748	-	-	164,748	159,391
Total direct expenses	3,870,019	-	-	3,870,019	2,576,135
Allocated expenses					
Accounting and legal	1,612	30,619	-	32,231	32,500
Bank fees	3,869	-	-	3,869	2,839
Depreciation	692	74	58	824	384
Dues and subscriptions	5,224	560	435	6,219	7,214
Employee benefits	25,133	3,413	2,482	31,028	27,976
Insurance	5,220	559	435	6,214	5,003
Marketing and sponsorships	53,035	6,426	4,998	64,459	55,934
Meals and entertainment	1,459	156	122	1,737	487
Miscellaneous	2,628	282	219	3,129	2,075
Payroll taxes	17,451	2,370	1,724	21,545	20,572
Postage	3,637	390	303	4,330	5,371
Printing	14,796	1,804	1,444	18,044	15,448
Rent	16,440	16,440	-	32,880	32,880
Salaries and wages	232,327	31,551	22,946	286,824	278,555
Software hosting	15,974	1,712	1,331	19,017	17,466
IT consulting	6,941	-	-	6,941	13,468
Supplies	3,105	424	328	3,857	2,656
Telephone	6,255	670	521	7,446	4,087
Total allocated expenses	415,798	97,450	37,346	550,594	524,915
Total	\$ 4,285,817	\$ 97,450	\$ 37,346	\$ 4,420,613	\$ 3,101,050

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Statements of Cash Flows

Years Ended March 31, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 1,315,295	\$ 2,461,666
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	824	384
Realized gains on investments	(734,978)	(287,715)
Unrealized losses (gains) on investments	620,044	(2,043,334)
Non-cash contributions	-	(130,602)
Changes in assets and liabilities		
Contribution receivable - charitable lead annuity trust	116,628	108,916
Decrease (increase) in cash surrender value of life insurance policies	7,121	(1,946)
Amounts held for others under agency transactions	327,636	476,920
Net cash provided by operating activities	<u>1,652,570</u>	<u>584,289</u>
Cash flows from investing activities		
Purchase of equipment and furnishings	(2,532)	(2,010)
Net change in money market funds	(499,373)	322,833
Proceeds from sale of investments	12,734,762	7,030,102
Purchase of investments	<u>(13,780,239)</u>	<u>(7,985,429)</u>
Net cash used in investing activities	<u>(1,547,382)</u>	<u>(634,504)</u>
Net increase (decrease) in cash and cash equivalents	105,188	(50,215)
Cash, beginning of year	<u>145,798</u>	<u>196,013</u>
Cash, end of year	<u>\$ 250,986</u>	<u>\$ 145,798</u>

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2015 and 2014

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 and commodities 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 and commodities. 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, 2015 and 2014

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. 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.

Contributions

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

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2015 and 2014

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, 2014, 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 \$7,172 and \$14,884 as a contribution in 2015 and 2014, respectively.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2015 and 2014

NOTES TO FINANCIAL STATEMENTS

Note 2. Continued

The status of the amounts recorded under the charitable lead annuity trust is as follows at March 31, 2015 and 2014:

	2015	2014
Remaining quarterly payments	\$ 61,900	\$ 185,700
Less: discount at 6.5 percent	525	7,697
Present value of amounts receivable	61,375	178,003
Current portion of present value	61,375	116,628
Long-term portion of present value	\$ -	\$ 61,375

The balance of the charitable lead annuity trust receivable at March 31, 2015 is \$61,900 and is due to be received in full in the year ending March 31, 2016.

Note 3. Investments in Marketable Securities

The details of investments in marketable securities at March 31, 2015 were as follows:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Equity securities	\$ 21,598,870	\$ 27,721,025	\$ 6,122,155
Fixed income securities	5,777,462	5,932,476	155,014
Commodities	41,277	41,255	(22)
	<u>\$ 27,417,609</u>	<u>\$ 33,694,756</u>	<u>\$ 6,277,147</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, 2015.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2015 and 2014

NOTES TO FINANCIAL STATEMENTS

Note 3. Continued

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 450,218	\$ 701,774	\$ 1,151,992
Realized gains (losses)	(32,144)	767,122	734,978
Unrealized losses	(49,222)	(570,822)	(620,044)
	<u>\$ 368,852</u>	<u>\$ 898,074</u>	<u>\$ 1,266,926</u>

During the fiscal year ending March 31, 2015, investments with total fair market values of \$1,595,447 were contributed to the Foundation. These contributed investments were subsequently sold and the resulting proceeds of the sales are included in contributions on the statement of activities.

The details of investments in marketable securities at March 31, 2014 were as follows:

	Cost	Fair Value	Unrealized Appreciation
Equity securities	\$ 20,137,359	\$ 27,253,359	\$ 7,116,000
Fixed income securities	5,091,737	5,263,504	171,767
Commodities	41,277	44,751	3,474
	<u>\$ 25,270,373</u>	<u>\$ 32,561,614</u>	<u>\$ 7,291,241</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, 2014.

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 433,109	\$ 507,142	\$ 940,251
Realized gains	101,596	186,119	287,715
Unrealized gains	890,530	1,152,804	2,043,334
	<u>\$ 1,425,235</u>	<u>\$ 1,846,065</u>	<u>\$ 3,271,300</u>

During the fiscal year ended March 31, 2014, investments with total fair market values of \$579,487 were contributed to the Foundation. Of that amount, a portion of the contributed investments were subsequently sold for \$544,927 and those proceeds are included in contributions on the statement of activities. The remaining contributed investments were included in year-end net assets as investments in marketable securities on the statement of net assets. The fair market value of those investments was \$45,580 at March 31, 2014.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2015 and 2014

NOTES TO FINANCIAL STATEMENTS

Note 3. Continued

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 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.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2015 and 2014

NOTES TO FINANCIAL STATEMENTS

Note 4. Continued

Assets measured at fair value, on a recurring basis, are summarized below as of March 31, 2015 and 2014. There have been no changes in the valuation methodologies used at March 31, 2015 and 2014.

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 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.

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, 2015:

	Level 1	Level 2	Level 3
Money market funds	\$ 3,989,320	\$ -	\$ -
Equity securities			
Mutual funds	23,210,353	-	-
Common stocks	4,510,672	-	-
Commodities	41,255	-	-
Fixed income securities			
Mutual funds	5,834,130	-	-
Bonds	-	98,346	-
Total assets at fair value	\$ 37,585,730	\$ 98,346	\$ -

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of March 31, 2014:

	Level 1	Level 2	Level 3
Money market funds	\$ 3,489,947	\$ -	\$ -
Equity securities			
Mutual funds	22,207,228	-	-
Common stocks	5,046,131	-	-
Commodities	44,751	-	-
Fixed income securities			
Mutual funds	4,919,587	-	-
Bonds	-	343,917	-
Total assets at fair value	\$ 35,707,644	\$ 343,917	\$ -

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2015 and 2014

NOTES TO FINANCIAL STATEMENTS

Note 5. Amounts Held for Others Under Agency Transactions

At March 31, 2015 and 2014, the Foundation was the intermediary for agency funds with a combined value of \$5,794,883 and \$5,494,516, respectively. The following table summarizes activity in such funds during the years ended March 31, 2015 and 2014:

	2015	2014
Agency fund balances at April 1	\$ 5,494,516	\$ 4,601,001
Contributions	624,414	576,661
Investment income	247,913	180,708
Realized gain on investments	306,982	39,614
Unrealized gain (loss) on investments	(393,938)	376,981
Management fees and grants paid on behalf of fund(s)	(485,004)	(280,449)
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Agency fund balances at March 31	<u>\$ 5,794,883</u>	<u>\$ 5,494,516</u>

Note 6. Endowment Net Assets

The Foundation's endowment consists of approximately 100 individual funds established for a variety of purposes. Its endowment includes both donor-restricted and donor-advised endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the original gift amount of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as temporarily restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The donor-restricted endowment fund is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2015 and 2014

NOTES TO FINANCIAL STATEMENTS

Note 6. Continued

Endowment net asset composition by type of fund as of March 31, 2015 and 2014 included \$15,911,648 and \$14,698,065 of temporarily restricted endowment funds, respectively. Changes in temporarily restricted endowment net assets for the years ended March 31, 2015 and 2014 are as follows:

	Year Ended March 31,	
	2015	2014
Endowment net assets, beginning of year	\$ 14,698,065	\$ 12,756,917
Investment return		
Interest and dividends	701,774	507,142
Net appreciation	196,300	1,338,923
Total investment return	898,074	1,846,065
Contributions and other income	2,505,709	1,310,758
Net assets released	(2,190,200)	(1,215,675)
Endowment net assets, end of year	\$ 15,911,648	\$ 14,698,065

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. The overall, long-term investment goal of the Foundation is to achieve an annualized total return (net of fees and expenses), through appreciation and income, greater than the rate of inflation (as measured by the Domestic Consumer Price Index) plus management fees and distribution needs, thus protecting the assets against inflation. The Foundation expects its endowment funds to provide an average rate of return of approximately 7 percent annually. Actual returns in a given year may vary from this amount.

The Board of Trustees and Investment Committee believe that investing in securities with higher return expectations outweighs their short-term volatility risk. As a result, the majority of endowment assets will be invested in equity or equity-like securities. Fixed income securities will be used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2015 and 2014

NOTES TO FINANCIAL STATEMENTS

Note 6. Continued

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value for the previous 12 months. 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. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 1 percent annually. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of March 31, 2015 and 2014:

	2015	2014
Art	\$ 1,819,408	\$ 1,740,294
Catholic church and other non-profits	253,702	254,103
Children's Cancer Clinic	439,842	422,193
Community enrichment	2,379,725	2,130,954
Educational purposes	5,028,709	4,996,450
Episcopal Diocese operations	458,807	454,671
Journalism awards	126,730	86,134
Library	3,029	4,809
Mid-South Foundation purposes	354,336	340,118
Mission work	94,728	27,112
Museums	645,116	635,180
Musicians	419,653	220,030
Scholarships	1,845,720	1,833,860
Special needs	895,460	882,923
Underprivileged children	207,394	205,406
Women's issues	174,232	12,030
Other	765,057	451,798
	<hr/>	<hr/>
	\$ 15,911,648	\$ 14,698,065

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2015 and 2014

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 fiscal 2015 and 2014 for operating leases was \$32,880 in each year.

Future net minimum rental payments required under the operating lease agreement total \$12,330, all of which is due and payable in the year ending March 31, 2016.

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 \$250,000 limit for cash, by the Securities Investor Protection Corporation ("SIPC"). At March 31, 2015, the Foundation had approximately \$32,443,305 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, 2015 and 2014 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 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 \$8,605 and \$8,357 in 2015 and 2014, respectively.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2015 and 2014

NOTES TO FINANCIAL STATEMENTS

Note 12. Subsequent Events

The Foundation has evaluated subsequent events through July 30, 2015, 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, 2015, and have issued our report thereon, dated July 30, 2015, 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. We have not performed any procedures with respect to the audited financial statements subsequent to July 30, 2015.

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
July 30, 2015

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Schedules of Operations

March 31, 2015, 2014, 2013, 2012, and 2011

	2015	2014	2013	2012	2011
Total revenues, gains and other	\$ 5,735,908	\$ 5,562,716	\$ 7,240,991	\$ 3,121,540	\$ 4,009,134
Unrealized (gains) losses on investments	620,044	(2,043,334)	(1,060,432)	635,888	(2,738,544)
Realized (gains) losses on investments	(734,978)	(287,715)	(378,415)	(325,766)	(117,363)
Adjusted revenues	5,620,974	3,231,667	5,802,144	3,431,662	1,153,227
Total expenses	(4,420,613)	(3,101,050)	(2,664,110)	(2,495,022)	(2,407,094)
Change in net assets, net of market effect	<u>\$ 1,200,361</u>	<u>\$ 130,617</u>	<u>\$ 3,138,034</u>	<u>\$ 936,640</u>	<u>\$ (1,253,867)</u>

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) and realized losses (gains).

See independent auditor's report on supplementary information.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Schedules of Contribution Income

March 31, 2015, 2014, 2013, 2012, and 2011

	2015	2014	2013	2012	2011
Contributions	\$ 4,416,968	\$ 2,250,202	\$ 4,955,591	\$ 2,901,901	\$ 757,249
Less nonrecurring contributions	(989,943)	-	(2,928,006)	(1,000,000)	-
Adjusted contributions	<u>\$ 3,427,025</u>	<u>\$ 2,250,202</u>	<u>\$ 2,027,585</u>	<u>\$ 1,901,901</u>	<u>\$ 757,249</u>

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

See independent auditor's report on supplementary information.