

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

Audited Financial Statements
Year Ended March 31, 2011
(With Summarized Financial Information
for the Year Ended March 31, 2010)

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, 2011, 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's summarized comparative information included in the statements of activities and statements of functional expenses has been derived from the Foundation's 2010 financial statements and, in our report dated August 16, 2010, 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 the Foundation as of March 31, 2011, 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.

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

Ridgeland, Mississippi
August 16, 2011

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Statements of Financial Position

March 31, 2011 and 2010

	2011	2010 (As Restated)
ASSETS		
Current assets		
Cash	\$ 60,435	\$ 48,702
Money market funds	2,319,961	2,264,698
Contribution receivable - charitable lead trust, current portion	94,988	88,707
Total current assets	<u>2,475,384</u>	<u>2,402,107</u>
Investments in marketable securities	24,471,122	22,536,392
Contribution receivable - charitable lead annuity trust, less current portion	388,634	483,622
Cash surrender value of life insurance policy	71,642	63,418
Equipment and furnishings, net of accumulated depreciation	704	1,503
Total assets	<u>\$ 27,407,486</u>	<u>\$ 25,487,042</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Amounts held for others under agency transactions	\$ 4,107,264	\$ 3,780,555
Grants payable	2,500	10,805
Total current liabilities	<u>4,109,764</u>	<u>3,791,360</u>
Net assets		
Unrestricted	12,734,022	11,826,532
Temporarily restricted	10,563,700	9,869,150
Total net assets	<u>23,297,722</u>	<u>21,695,682</u>
Total liabilities and net assets	<u>\$ 27,407,486</u>	<u>\$ 25,487,042</u>

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
 Statements of Activities
 Year Ended March 31, 2011
 (With Summarized Financial Information for the Year Ended March 31, 2010)

	Unrestricted Funds	Temporarily Restricted Funds	Total All Funds	
			2011	2010 (As Restated)
Revenue, gains and other support				
Contributions	\$ 596,938	\$ 160,311	\$ 757,249	\$ 3,858,462
Interest and dividends	155,345	178,027	333,372	323,624
Realized gains (losses) on investments	338,025	(220,662)	117,363	(719,441)
Unrealized gains on investments	1,319,736	1,418,808	2,738,544	6,145,762
Miscellaneous income	4,122	30,550	34,672	710
Administrative fees for agency funds	27,934	-	27,934	18,998
Net assets released from restrictions				
Satisfaction of program restrictions	872,484	(872,484)	-	-
Total revenue, gains and other support	3,314,584	694,550	4,009,134	9,628,115
Expenses				
Program services	2,285,268	-	2,285,268	2,748,487
Management and general	89,105	-	89,105	98,884
Fund raising	32,721	-	32,721	34,587
Total expenses	2,407,094	-	2,407,094	2,881,958
Change in net assets	907,490	694,550	1,602,040	6,746,157
Net assets, beginning of year (as restated)	11,826,532	9,869,150	21,695,682	14,949,525
Net assets, end of year	\$ 12,734,022	\$ 10,563,700	\$ 23,297,722	\$ 21,695,682

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Statements of Functional Expenses

Year Ended March 31, 2011

(With Summarized Financial Information for the Year Ended March 31, 2010)

	Program Services	Management and General	Fund Raising	Total Expenses	
				2011	2010
Direct expenses					
Grants and scholarships	\$ 1,749,319	\$ -	\$ -	\$ 1,749,319	\$ 2,149,968
Events	93,308	-	-	93,308	130,732
Conferences and meetings	3,723	-	-	3,723	7,429
Investment and management fees	65,634	-	-	65,634	74,051
Total direct expenses	1,911,984	-	-	1,911,984	2,362,180
Allocated expenses					
Accounting and legal	1,500	28,500	-	30,000	35,000
Bank fees	4,124	-	-	4,124	4,443
Contract labor	-	-	-	-	1,500
Depreciation	671	72	56	799	2,541
Dues and subscriptions	6,086	652	507	7,245	3,941
Employee benefits	22,423	2,402	1,869	26,694	27,283
Insurance	1,767	189	147	2,103	5,285
Marketing and sponsorships	18,392	1,971	1,533	21,896	-
Meals and entertainment	396	42	33	471	771
Miscellaneous	15,563	1,292	944	17,799	4,999
Payroll taxes	17,965	1,925	1,497	21,387	24,817
Postage	4,869	522	406	5,797	6,696
Printing	10,522	1,283	1,027	12,832	17,579
Rent	16,440	16,440	-	32,880	32,880
Salaries and wages	232,946	31,635	23,007	287,588	330,347
Software hosting	14,002	1,500	1,167	16,669	14,143
Supplies	2,657	363	281	3,301	3,930
Telephone	2,961	317	247	3,525	3,623
Total allocated expenses	373,284	89,105	32,721	495,110	519,778
Total	\$ 2,285,268	\$ 89,105	\$ 32,721	\$ 2,407,094	\$ 2,881,958

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Statements of Cash Flows

Years Ended March 31, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Change in net assets	\$ 1,602,040	\$ 6,746,157
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	799	2,541
Loss on disposal of assets, net	-	3,829
Realized (gains) losses on investments	(117,363)	719,441
Unrealized gains on investments	(2,738,543)	(6,145,762)
Changes in assets and liabilities		
Contribution receivable - charitable lead trust	88,707	82,842
Grants payable	(8,305)	(281,682)
Increase in cash surrender value of life insurance policy	(8,224)	(961)
Amounts held for others under agency transactions	(57,427)	1,196,051
Net cash provided by (used in) operating activities	(1,238,316)	2,322,456
Cash flows from investing activities		
Proceeds from sale of investments	8,374,463	7,105,529
Purchase of investments	(7,069,151)	(9,974,643)
Net cash provided by (used in) investing activities	1,305,312	(2,869,114)
Net increase (decrease) in cash and cash equivalents	66,996	(546,658)
Cash and cash equivalents, beginning of year	2,313,400	2,860,058
Cash and cash equivalents, end of year	\$ 2,380,396	\$ 2,313,400
Cash and cash equivalents consist of		
Cash	\$ 60,435	\$ 48,702
Money market funds	2,319,961	2,264,698
Total	\$ 2,380,396	\$ 2,313,400
Supplemental disclosures of cash flow information		
Noncash operating activity		
Reclassification to agency funds	\$ -	\$ (199,319)

See accompanying notes.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2011 and 2010

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 fund's objective is to maintain fair market value at \$1 per share.

Investments

Investments in equity securities 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 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, 2011 and 2010

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 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. 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.

In accordance with ASC Topic 740, the Foundation has determined that there are no significant uncertain tax positions as of March 31, 2011 and 2010. All tax periods after 2006 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 or unconditionally promised.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2011 and 2010

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. 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 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. See Note 8 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, 2010, from which the summarized information was derived.

Restatement

During 2011, the Foundation reclassified net assets of \$2,647,118 from unrestricted to temporarily restricted net assets that were erroneously classified in fiscal year ended March 31, 2010. The reclassification of net assets and the resulting restatement was the result of management's monitoring and review of net asset classes to ensure the Foundation properly maintains their net assets per donors' intent. The reclassification of agency funds was reported in the prior year as a net asset reclassification of \$199,319 from unrestricted and temporarily restricted net assets to amounts held for others under agency transactions, but is included in this restatement in order to provide the appropriate beginning net asset balance for summarized financial information for the year ended March 31, 2010. These changes are reported as a correction of an error. The restatement had no effect on the prior year change in net assets.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

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 \$35,093 and \$40,958 as a contribution in 2011 and 2010, respectively.

The status of the amounts recorded under the charitable lead annuity trust are as follows at March 31, 2011 and 2010:

	2011	2010
Remaining quarterly payments	\$ 557,100	\$ 680,900
Less: discount at 6.5 percent	<u>73,478</u>	<u>108,571</u>
Present value of amounts receivable	483,622	572,329
Current portion of present value	<u>94,988</u>	<u>88,707</u>
Long-term portion of present value	<u>\$ 388,634</u>	<u>\$ 483,622</u>

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

Within one year	\$ 123,800
Two to five years	<u>433,300</u>
	<u>\$ 557,100</u>

Note 3. Investments in Marketable Securities

The details of investments in marketable securities at March 31, 2011 were as follows:

	Cost	Fair Value	Unrealized Appreciation
Equity securities	\$ 16,175,937	\$ 20,065,906	\$ 3,889,969
Fixed income securities	4,160,206	4,278,016	117,810
Commercial deposits	<u>127,200</u>	<u>127,200</u>	-
	<u>\$ 20,463,343</u>	<u>\$ 24,471,122</u>	<u>\$ 4,007,779</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, 2011.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 3. Continued

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 155,345	\$ 178,027	\$ 333,372
Realized gains (losses)	338,025	(220,662)	117,363
Unrealized gains	1,319,736	1,418,808	2,738,544
	<u>\$ 1,813,106</u>	<u>\$ 1,376,173</u>	<u>\$ 3,189,279</u>

The details of investments in marketable securities at March 31, 2010 were as follows:

	Cost	Fair Value	Unrealized Appreciation
Equity securities	\$ 17,742,842	\$ 18,599,536	\$ 856,694
Fixed income securities	3,778,120	3,890,529	112,409
Commercial deposits	46,327	46,327	-
	<u>\$ 21,567,289</u>	<u>\$ 22,536,392</u>	<u>\$ 969,103</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 statements of activities for the year ended March 31, 2010 (as restated).

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 195,577	\$ 128,047	\$ 323,624
Realized losses	(267,860)	(451,581)	(719,441)
Unrealized gains	3,607,257	2,538,505	6,145,762
	<u>\$ 3,534,974</u>	<u>\$ 2,214,971</u>	<u>\$ 5,749,945</u>

During 2010, investments of \$2,423,942 were contributed to the Foundation. Investments were subsequently sold and are included in proceeds from sale of investments on the statements of cash flows.

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

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 4. Continued

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.

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 measured at fair value are summarized below as of March 31, 2011 and 2010. There have been no changes in the valuation methodologies used at March 31, 2011 and 2010.

Money market funds (Level 1): Valued at net asset value as determined by fair market value of all securities owned by the fund.

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

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

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

Commercial deposits (Level 2): Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 4. Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of March 31, 2011:

	Level 1	Level 2	Level 3
Money market funds	\$ 2,319,961	\$ -	\$ -
Equity securities			
Mutual funds	16,203,004	-	-
Common stocks	2,951,927	-	-
Preferred stocks	910,975	-	-
Fixed income securities			
Mutual funds	3,584,670	-	-
Limited partnership	-	152,598	-
Bonds	-	540,748	-
Commercial deposits	-	127,200	-
Total assets at fair value	<u>\$ 25,970,537</u>	<u>\$ 820,546</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of March 31, 2010:

	Level 1	Level 2	Level 3
Money market funds	\$ 2,264,698	\$ -	\$ -
Equity securities			
Mutual funds	18,025,611	-	-
Common stocks	573,925	-	-
Preferred stocks	-	-	-
Fixed income securities			
Mutual funds	3,416,522	-	-
Limited partnership	-	183,265	-
Bonds	-	290,742	-
Commercial deposits	-	46,327	-
Total assets at fair value	<u>\$ 24,280,756</u>	<u>\$ 520,334</u>	<u>\$ -</u>

Note 5. Amounts Held for Others Under Agency Transactions

At March 31, 2011 and 2010, the Foundation was the intermediary for agency endowment funds with a combined value of \$4,107,264 and \$3,780,555, respectively. The following table summarizes activity in such funds during the years ended March 31, 2011 and 2010:

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.
Years Ended March 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 5. Continued

	2011	2010
Agency endowment fund balances at April 1	\$ 3,780,555	\$ 1,524,468
Contributions	160,796	1,317,617
Reclassification to unrestricted funds	-	199,319
Investment income	74,703	42,635
Realized loss on investments	(55,112)	(137,174)
Unrealized gain on investments	439,247	997,892
Management fees and grants paid on behalf of fund(s)	(292,925)	(164,202)
Agency endowment fund balances at March 31	<u>\$ 4,107,264</u>	<u>\$ 3,780,555</u>

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 2011 and 2010. 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. Endowment net asset composition by type of fund as of March 31, 2011 and 2010 included \$10,563,700 and \$9,869,150 of temporarily restricted endowment funds, respectively.

Changes in temporarily restricted endowment net assets for the years ended March 31, 2011 and 2010 are as follows:

	Year Ended March 31, 2011	Year Ended March 31, 2010 (As Restated)
Endowment net assets, beginning of year	\$ 9,869,150	\$ 5,333,167
Investment return		
Interest and dividends	178,027	128,047
Net appreciation	1,198,146	2,086,924
Total investment return	1,376,173	2,214,971
Contributions and other income	190,861	3,375,238
Net assets released	(872,484)	(1,054,226)
Endowment net assets, end of year	<u>\$ 10,563,700</u>	<u>\$ 9,869,150</u>

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of March 31, 2011 and 2010:

	2011	2010 (Restated)
Art	\$ 129,784	\$ 105,278
Catholic church and other non-profits	222,115	204,313
Children's Cancer Clinic	323,691	388,212
Community enrichment	1,385,654	1,291,294
Educational purposes	4,413,441	4,106,938
Episcopal Diocese operations	375,065	338,213
Journalism awards	37,531	33,914
Library	15,816	14,152
Mid-South Foundation purposes	260,673	230,658
Mission work	23,945	22,141
Museums	605,832	553,799
Musicians	139,162	122,503
Parks and recreation	19,510	20,004
Scholarships	1,450,420	1,371,331
Special needs	850,295	778,999
Underprivileged children	192,446	176,687
Other	118,320	110,714
	<hr/> \$ 10,563,700	<hr/> \$ 9,869,150 <hr/>

Note 8. Operating Leases

The Foundation leases its office facilities under a long-term, non-cancelable operating lease agreement. During June 2011 the Foundation exercised a two-year extension option. The renewed lease term expires December 31, 2013. Total rent expense for 2011 and 2010 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
2012	\$ 16,440
2013	16,440
2014	12,330
	<hr/> \$ 45,210 <hr/>

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Years Ended March 31, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

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, 2011, the Foundation had approximately \$23,210,631 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, 2011 and 2010 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

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, 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 \$8,628 and \$3,118 in 2011 and 2010, respectively.

Note 12. Subsequent Events

The Foundation has evaluated subsequent events through August 16, 2011, the date the financial statements were available to be issued.



**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.

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

Ridgeland, Mississippi
August 16, 2011

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Schedules of Operations

March 31, 2011, 2010, 2009, 2008 and 2007

	2011	2010	2009	2008	2007
Total revenues, gains and other	\$ 4,009,134	\$ 9,628,115	\$ (3,406,823)	\$ 8,041,626	\$ 4,029,554
Unrealized (gains) losses on investments	(2,738,544)	(6,145,762)	5,004,543	2,191,473	(299,978)
Realized (gains), losses on investments	(117,363)	719,441	1,637,233	(204,447)	(254,967)
Capital gain distributions	-	-	(27,731)	(820,483)	(408,498)
Adjusted revenues	1,153,227	4,201,794	3,207,222	9,208,169	3,066,111
Total expenses	(2,407,094)	(2,881,958)	(2,946,429)	(3,578,816)	(2,990,888)
Change in net assets, net of market effect	\$ (1,253,867)	\$ 1,319,836	\$ 260,793	\$ 5,629,353	\$ 75,223

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 accountant's report on supplementary information.

COMMUNITY FOUNDATION OF GREATER JACKSON, INC.

Schedules of Contribution Income

March 31, 2011, 2010, 2009, 2008 and 2007

	2011	2010	2009	2008	2007
Contributions	\$ 757,249	\$ 3,858,462	\$ 2,489,247	\$ 8,702,804	\$ 2,391,246
Less nonrecurring contributions	-	(3,114,118)	-	(5,978,945)	-
Adjusted contributions	<u>\$ 757,249</u>	<u>\$ 744,344</u>	<u>\$ 2,489,247</u>	<u>\$ 2,723,859</u>	<u>\$ 2,391,246</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 accountant's report on supplementary information.