COMMUNITY FOUNDATION OF
CENTRAL GEORGIA, INC.
Macon, Georgia
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC.
Macon, Georgia

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BUTLER, WILLIAMS & WYCHE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
915 HILL PARK
MACON, GEORGIA 31201

November 13, 2009

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Foundation of Central Georgia, Inc.

We have audited the accompanying consolidated statements of financial position of Community Foundation of Central Georgia, Inc. (a nonprofit organization) as of June 30, 2009 and 2008, and the related consolidated statements of activities and cash flows for the years 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 audits.

We conducted our audits 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Central Georgia, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Butler, Williams & Wyche, LLP

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC.
Macon, Georgia

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash and cash equivalents	$ 6,264,576	$ 8,808,409
Investments, at market value	30,617,670	35,655,363
Interest and dividends receivable	63,494	70,111
Contributions receivable, net	1,138,622	1,326,754
Prepaid expenses	12,166	25,133
Donated real property, at appraised fair value	2,338,900	2,066,900
Office equipment, renovations & CIP	233,752	192,899
Accumulated depreciation	(105,120)	(76,408)
Collections	12,000	12,000
Assets held in split interest agreements	5,580,762	7,578,407
TOTAL ASSETS	$ 46,156,822	$ 55,659,568
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 6,448	$ 2,043
Grants payable	389,000	-
Accrued annual leave	7,945	5,107
Agency endowments	3,939,351	4,325,185
Liabilities under split interest agreements	3,558,134	4,961,252
TOTAL LIABILITIES	7,900,878	9,293,587
NET ASSETS		
Unrestricted	34,981,181	42,306,978
Temporarily restricted	3,159,669	3,943,909
Permanently restricted	115,094	115,094
TOTAL NET ASSETS	38,255,944	46,365,981
TOTAL LIABILITIES AND NET ASSETS	$ 46,156,822	$ 55,659,568

The accompanying notes are an integral part of these statements.

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC.
Macon, Georgia

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2009 and 2008

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT				
Contributions & pledges	$ 3,167,484	$ 1,138,622	$ -	$ 4,306,106
Interest and dividends	1,410,763	-	-	1,410,763
Net unrealized and realized gains (loss) on marketable securities	(9,053,232)	-	-	(9,053,232)
Special event revenue net of related expenses of $3,704 and $152,131	(3,704)	-	-	(3,704)
Project safe neighborhood grant	-	180,216	-	180,216
Management fees	26,728	(8,464)	-	18,264
Miscellaneous income	13,631	-	-	13,631
Change in value of split interest agreements	-	(581,306)	-	(581,306)
Net assets released from restrictions:				
Satisfaction of time restrictions related to split interest agreements	6,338	(6,338)	-	-
Satisfaction of program restrictions related to federal grant	180,216	(180,216)	-	-
Decrease in contributions receivable due to receipt of assets	1,326,754	(1,326,754)	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	$ (2,925,022)	$ (784,240)	$ -	$ (3,709,262)
EXPENSES				
Program services:				
Grants	3,480,255	-	-	3,480,255
Other	173,109	-	-	173,109
Supporting services:				
Management and general	560,968	-	-	560,968
Fundraising	186,443	-	-	186,443
TOTAL EXPENSES	4,400,775	-	-	4,400,775
CHANGE IN NET ASSETS	(7,325,797)	(784,240)	-	(8,110,037)
NET ASSETS-BEGINNING OF YEAR	42,306,978	3,943,909	115,094	46,365,981
NET ASSETS-END OF YEAR	$ 34,981,181	$ 3,159,669	$ 115,094	$ 38,255,944

The accompanying notes are an integral part of these statements.

2008			
Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
$ 6,468,491	$ 84,158	$ -	$ 6,552,649
905,738	-	-	905,738
(3,081,973)	-	-	(3,081,973)
22,139	-	-	22,139
-	282,740	-	282,740
33,782	(3,009)	-	30,773
21,257	-	-	21,257
-	(248,320)	-	(248,320)
11,440	(11,440)	-	-
282,740	(282,740)	-	-
3,124,191	(3,124,191)	-	-
$ 7,787,805	$ (3,302,802)	$ -	$ 4,485,003
2,380,553	-	-	2,380,553
154,298	-	-	154,298
469,582	-	-	469,582
174,885	-	-	174,885
3,179,318	-	-	3,179,318
4,608,487	(3,302,802)	-	1,305,685
37,698,491	7,246,711	115,094	45,060,296
$ 42,306,978	$ 3,943,909	$ 115,094	$ 46,365,981

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC.
Macon, Georgia

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2009 and 2008

	2009				
	Program Services		Supporting Services		
	Grants	Other	Management and General	Fundraising	Total
Communications	$ -	$ -	$ -	$ 23,300	$ 23,300
Computer related expenses	-	10,824	18,041	7,216	36,081
Contract labor	-	-	-	-	-
Depreciation	-	8,614	14,356	5,742	28,712
Development	-			9,010	9,010
Dues	-	3,568	5,946	2,379	11,893
Grants	3,480,255	-	-	-	3,480,255
Health insurance	-	9,918	14,708	9,603	34,229
Insurance-other	-	274	8,003	266	8,543
Investment management fees	-	-	268,202	-	268,202
Legal and professional	-	6,930	13,676	4,620	25,226
Mileage reimbursement	-	828	1,381	551	2,760
Miscellaneous	-	-	291	-	291
Office supplies	-	3,256	5,426	2,171	10,853
Payroll taxes	-	7,055	10,462	6,830	24,347
Postage	-	1,346	2,244	898	4,488
Property taxes	-	-	11,980	-	11,980
Publications	-	120	200	80	400
Rent	-	6,084	10,139	4,056	20,279
Repairs and maintenance	-	-	5,098	-	5,098
Retirement plan	-	8,145	12,077	7,885	28,107
Salaries	-	103,078	152,849	99,790	355,717
Staff expenses	-	-	773	-	773
Telephone	-	1,519	2,531	1,012	5,062
Training and seminars	-	442	738	295	1,475
Travel	-	1,108	1,847	739	3,694
	$ 3,480,255	$ 173,109	$ 560,968	$ 186,443	$ 4,400,775

The accompanying notes are an integral part of these statements.

2008				
Program Services		Supporting Services		
Grants	Other	Management and General	Fundraising	Total
$ -	$ -	$ -	$ 21,592	$ 21,592
-	4,797	7,995	3,198	15,990
-	1,182	1,476	1,133	3,791
-	6,993	11,656	4,662	23,311
-			17,185	17,185
-	3,507	5,845	2,338	11,690
2,380,553	-	-	-	2,380,553
-	6,480	8,089	6,211	20,780
-	270	2,972	258	3,500
-	-	244,899	-	244,899
-	7,858	16,552	5,239	29,649
-	415	691	277	1,383
-	-	706	-	706
-	2,826	4,711	1,884	9,421
-	6,490	8,101	6,221	20,812
-	1,459	2,432	973	4,864
-	-	7,727	-	7,727
-	225	375	150	750
-	5,908	9,847	3,939	19,694
-	423	706	282	1,411
-	7,271	9,077	6,969	23,317
-	92,200	115,102	88,378	295,680
-	-	634	-	634
-	2,306	3,843	1,537	7,686
-	1,752	2,920	1,168	5,840
-	1,936	3,226	1,291	6,453
$ 2,380,553	$ 154,298	$ 469,582	$ 174,885	$ 3,179,318

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC.
Macon, Georgia

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ (8,110,037)	$ 1,305,685
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	28,712	23,311
(Increase) decrease in:		
Prepaid expenses	12,967	(6,324)
Contributions receivable	188,132	3,984,991
Increase (decrease) in:		
Accounts payable	4,405	(96)
Payroll taxes payable	-	(1,229)
Accrued annual leave	2,838	(116)
Agency endowments	(385,834)	(3,445,707)
Grants payable	389,000	-
Marketable securities received as contributions	(1,529,922)	(5,832,018)
Real property received as contributions	(272,000)	(517,400)
Net unrealized and realized gains on marketable securities	9,053,232	3,081,973
NET CASH PROVIDED BY OPERATING ACTIVITIES	(618,507)	(1,406,930)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in interest and dividends receivable	6,617	47,338
Purchases of marketable securities	(31,689,924)	(22,178,981)
Proceeds from sale of marketable securities	29,204,307	26,474,758
Purchases of equipment & construction in progress	(77,435)	(89,085)
Disposal of equipment	36,582	1,050
(Increase) decrease in assets under split interest agreements	1,997,645	(531,574)
Increase (decrease) in liabilities under split interest agreements	(1,403,118)	(150,496)
NET CASH (USED)/PROVIDED BY INVESTING ACTIVITIES	(1,925,326)	3,573,010
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,543,833)	2,166,080
BEGINNING CASH AND CASH EQUIVALENTS	8,808,409	6,642,329
ENDING CASH AND CASH EQUIVALENTS	$ 6,264,576	$ 8,808,409

The accompanying notes are an integral part of these statements.

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The mission of the Community Foundation of Central Georgia, Inc. is to enhance the quality of life for the people of Central Georgia. The Foundation receives gifts and bequests from individuals, families, businesses and organizations. These gifts and bequests make up the funds of the Foundation. The income generated by the investments of the funds is used to make grants to qualified agencies and institutions serving the residents of Central Georgia.

Cash and Cash Equivalents

Cash and cash equivalents as reported on the Consolidated Statements of Financial Position consist of cash, money market funds, and U.S. Treasury notes with a maturity of September 30, 2009, or earlier.

Investments

Effective July 1, 2008, the Foundation adopted Financial Accounting Standards Board (FASB) Statement No. 157, *Fair Value Measurements*, including FSP FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*, which defines fair value, establishes a framework for measuring fair value, and requires enhanced disclosures about fair value measurements. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement dated (i.e. the exit price).

Investments are reflected on the Consolidated Statements of Financial Position at fair value with changes in unrealized gains and losses resulting from changes in fair value reflected in the Consolidated Statements of Activities.

Publicly traded investments in active markets are reported at fair market value based on current quoted market prices.

Investments for which observable market prices in active markets do not exist are reported at fair value, as determined in good faith by management.

See Note B, Investments, for further discussion relating to FASB Statement No. 157 and the Foundation's investments.

Property and Equipment

Office equipment is recorded on the basis of cost or estimated fair value on the date of gift if received through donation. If the donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided using the straight-line method over the estimated useful lives of three to thirty years. Depreciation expense in fiscal year ends ended June 30, 2009 and 2008 was $28,712 and $23,311, respectively.

NOTE A - CONTINUED.

Collections

Works of art, historical treasures and similar assets donated to the Foundation are recorded at their estimated fair market value on the date of the gift. They are not depreciated because their economic benefit is used up so slowly that their estimated useful lives are extraordinarily long.

Public Support and Revenue

Support from contributions is recognized when donations and unconditional promises to give are received by the Foundation. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value using a risk-free interest rate. All non-cash contributions are recognized at their fair market value on the date received. Gifts of cash and other assets are reported as restricted support if they are received with time restrictions such as split interest agreements, contributions receivable, and unconditional promises to give. When the stipulated time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statements of Activities as net assets released from restrictions.

Financial Statement Presentation

The Foundation's financial statements are presented in accordance with the Statement of Financial Accounting Standard (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* and the Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Under these statements, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets, defined below.

Unrestricted net assets - Net assets whose use is not subject to restrictions and are associated with the principal mission of the Organization.

Temporarily restricted net assets - Net assets whose use is limited by donor-imposed stipulations that will be met through satisfying time or purpose restrictions specified by the donor. Upon lapse of these restrictions, the net assets will be reclassified as unrestricted.

Temporarily restricted net assets consist of the following at June 30:

	2009	2008
Contributions Receivable, net	$ 1,138,622	$ 1,326,754
Split Interest Agreements	$ 2,022,628	$ 2,617,155
Interfund payables related to Split Interest Agreements	(1,581)	-
Total temporarily restricted net assets	$ 3,159,669	$ 3,943,909

NOTE A - CONTINUED.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

As of June 30, 2009 and 2008, permanently restricted net assets are restricted to:

Ray Memorial Fund - permanent endowment	$ 115,094

Income earned on the Ray Memorial Fund endowment was designated to be paid in equal shares to the South Georgia Methodist Home for the Aging, Inc., the Methodist Home of the South Georgia Conference, Inc. and the Corporation of Mercer University.

In August 2008, the Financial Accounting Standards Board issued Staff Position No. FAS 117-1, *Endowments of Not-for-Profit organization: Net Assets Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* (FAS 117-1). FAS 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FAS 117-1 also improves disclosures about an organization's endowment funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Georgia adopted UPMIFA effective July 1, 2008. The Foundation has adopted FAS 117-1 for the year ended June 30, 2009. The Board of Directors, on the advice of legal counsel, has determined that the majority of the Foundation's net assets do not meet the definition of endowment under UPMIFA. The Foundation is governed subject to the **Governing Documents for the Foundation** and most contributions are subject to the terms of the **Governing Documents**. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation.

Under the terms of the **Governing Documents**, the Board of Directors has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions not classified as temporarily restricted or permanently restricted are classified as unrestricted net assets for financial statement purposes.

Temporarily restricted net assets consist of irrevocable charitable trusts, lead trusts, restricted contributions receivable, and the remaining portion of donor-restricted endowment funds that are not classified as permanently restricted net assets. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

NOTE A - CONTINUED.

Permanently restricted net assets represent the fair value of the original gift as of the gift date and the original value of subsequent gifts to donor-restricted endowment funds.

There was no effect on the Foundation's financial statements as of June 30, 2009 as a result of adopting FAS No. 117-1.

Endowment assets are invested pursuant to the Foundation's investment policy. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The Foundation's investment policy statement establishes a payout rate for distribution upon approval of the Foundation's Board of Directors.

In addition, the Foundation is required to present a Consolidated Statements of Cash Flows and a Consolidated Statements of Functional Expenses. The Consolidated Statement of Functional Expenses allocates expenses between two categories or "functions." These functions are program services, which are grants made in support of the Foundation's mission and related expenses, and supporting services, which are general, administrative and fundraising expenses. During the year ended June 30, 2009 and 2008, the Foundation made grants totaling $3,480,255 and $2,380,553, respectively, for various community needs. Certain costs have been allocated between program services and supporting services based on estimates made by management.

Funds Due to Other Organizations for Agency Endowments

The Foundation has adopted Statement of Financial Accounting Standard No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others (*FAS 136). FAS 136 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. FAS 136 specifically requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency endowments.

The Foundation maintains variance power and legal ownership of agency endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with FAS 136, a liability has been established for the present value of the future payments expected to be made to the not-for-profit organizations, which is generally equivalent to the fair value of the funds. All financial activity for the year ended June 30, 2009 related to these funds is not reflected in the Consolidated Statements of Activities and has been classified as a liability in the Consolidated Statements of Financial Position.

NOTE A - CONTINUED.

Use of Estimates

The preparation of financial statements in conformity 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 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.

Income Taxes

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

NOTE B – INVESTMENTS.

Investments are summarized as follows at June 30:

	2009		2008	
	Cost	Fair Market Value	Cost	Fair Market Value
Stocks, Bonds and Mutual Funds	$ 37,689,136	$ 30,617,670	$ 30,331,968	$ 35,655,363

Fair Value Measurement
In September 2006, the Financial Accounting Standards Board (FASB) issued Statement No. 157, *Fair Value Measurements* (SFAS No. 157). This Standard is intended to increase consistency and comparability in fair value measurements by defining fair value, establishing a framework for measuring fair value, and expanding disclosures about fair value measurements. SFAS No. 157 applies to other accounting pronouncements that require or permit fair value measurements. SFAS No. 157 became effective for financial statements issued for fiscal years beginning after November 15, 2007. The Foundation has adopted the provisions of SFAS No. 157 for the year ending June 30, 2009.

SFAS No. 157 establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

NOTE B - CONTINUED.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. Valuation adjustments are not applied to Level I instruments. Since valuations are based on quoted prices that are readily available in an active market, valuation of these products does not entail a significant degree of judgment.

Level II – Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Fair value is determined through the use of models or other valuation methodologies.

Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The fair value of each financial instrument in the table below was measured using SFAS No. 157 input guidance and valuation techniques. The following table sets forth carrying amounts and estimated fair values for financial instruments at June 30, 2009:

	Level I	Total
Fixed income	$ 1,838,845	$ 1,838,845
Equity funds	15,928,962	15,928,962
Mutual funds	12,167,650	12,167,650
Other	682,213	682,213
Total Investments	$ 30,617,670	$ 30,617,670

NOTE C – CONTRIBUTIONS RECEIVABLE

Unconditional contributions are recorded when the promise to contribute is made. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions received with donor-imposed restrictions (including those for acquisition of long-lived assets) that are met within the same year as received are reported as revenues of the unrestricted net asset class.

Unconditional contributions and pledges outstanding are generally due as follows:

	2009	2008
Unconditional promises expected to be collected in:		
Less than one year	$ 518,883	$ 1,326,754
One to five years	741,613	-
Total unconditional contributions	1,260,496	1,326,754
Less present value discount at rates of 1%	(23,138)	-
Less allowance for doubtful accounts	(98,736)	-
Contributions receivable, net	$ 1,138,622	$ 1,326,754

NOTE D – RENT

During the year ended June 30, 2008, the Foundation entered into a new operating lease for office space. The lease term is for 36 months beginning April 1, 2008. The lease calls for monthly payments of $1,677.42 for the first twelve months, $1,727.43 for the second twelve months, and $1,778.79 for the third twelve months. The total lease expense for the years ended June 30, 2009 and 2008 was $20,279 and $19,694, respectively.

Minimum future lease payments under operating leases at June 30, 2009 are as follows:

2010	$ 20,883
2011	16,009
Total minimum future lease payments	$ 36,892

NOTE E – DONATED PROPERTY, AT APPRAISED FAIR VALUE

The Foundation currently holds land located on Shurling Drive in Macon, Georgia. The property was received by donation and is held for resale. The land is recorded at $49,500 which is its appraised fair value on the date of donation.

During the year ended June 30, 2006, the Foundation received a contribution of property located in Glynn County, Georgia. The property is held for resale and is recorded at $1,500,000 which is its appraised fair value on the date of donation.

During the year ended June 30, 2008, the Foundation received an additional donation of property located on Jennifer Drive in Macon, Georgia. The property is held for resale and is recorded at $517,400 which is its appraised fair value on the date of donation.

During the year ended June 30, 2009, the Foundation received two additional donations of property. One donation consisted of a timeshare at Alpine Crest Resort in Helen, Georgia. The other donation consisted of property located on 3710 Overlook Drive in Macon, Georgia. Both properties are held for resale and recorded at $4,000 and $268,000, respectively, which are their appraised value on the date of donation.

NOTE F – ANNUITY OBLIGATIONS

The Foundation has a responsibility to meet annuity obligations. However, where annuity contracts have been purchased, no liability has been recorded since these contracts effectively satisfy these obligations.

NOTE G – SPLIT INTEREST AGREEMENTS

Charitable Remainder Split Interest Agreements

During the year ended June 30, 1999, a donor established a charitable remainder trust with the Foundation as the trustee and remainder beneficiary. Under terms of the split interest agreement, the donor is to receive 7% of the net fair market value of the trust assets as of the first day of each taxable year to be paid in equal quarterly installments until the donor's death. At the time of the donor's death, $100,000 is to be distributed to the Girl Scouts of Historic Georgia, Inc. with the remaining trust assets to be retained by the Foundation. Based on the donor's life expectancy and a discount rate at 2.8% and 3.8% at June 30, 2009 and 2008, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $17,766 and $30,948, respectively. The present value of amounts to be paid to the donor and to the Girl Scouts of Historic Georgia, Inc. is estimated to be $137,376 and $121,277, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $155,142 and $152,225, respectively.

NOTE G – SPLIT INTEREST AGREEMENTS – CONTINUED.

During the year ended June 30, 2004, two charitable remainder unitrusts were established with the Foundation as the trustee and remainder beneficiary. Under the first trust agreement, the donor is to receive 7% of the fair market value of the trust assets as of the first day of each taxable year to be paid annually until the donor’s death. At the time of the donor’s death, the trust is to terminate and the remaining trust assets are to be maintained at the Foundation in a designated fund. Based on the donor’s life expectancy and a discount rate 2.8% and 3.8% at June 30, 2009 and 2008, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $24,139 and $30,950, respectively. The present value of amounts to be paid to the donor over the donor’s lifetime is estimated to be $18,955 and $26,140, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $43,094 and $57,090, respectively.

Under the second agreement, the donor is to receive 8% of the fair market value of the trust assets as of the first day of each taxable year to be paid in equal quarterly installments until the donor’s death. At the time of the donor’s death, the trust is to terminate and the remaining trust assets are to be maintained at the Foundation in an unrestricted fund and a scholarship fund. Based on the donor’s life expectancy and a discount rate at 2.8% and 3.8% at June 30, 2009 and 2008, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $164,147 and $216,486, respectively. The present value of amounts to be paid to the donor over the donor’s lifetime is expected to be $51,987 and $80,551, respectively, and is recorded as a liability under the split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $216,134 and $297,037, respectively.

During the year ended June 30, 2005, three additional charitable remainder unitrusts were established with the Foundation as the trustee and remainder beneficiary. Under the first trust agreement, the donor is to receive 6% of the fair market value of the trust assets as of the first day of each taxable year to be paid monthly until the donor's death. At the time of the donor's death, the trust is to terminate and the remaining trust assets are to be maintained at the Foundation in a donor advised fund. Based on the donor's life expectancy and a discount rate at 2.8% and 3.8% at June 30, 2009 and 2008, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $264,774 and $343,769, respectively. The present value of amounts to be paid to the donor over the donor's lifetime is estimated to be $87,826 and $121,438, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidates Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $352,600 and $465,207, respectively.

Under the second agreement, the donor and spouse are to receive 7% of the fair market value of the trust assets as of the first day of each taxable year to be paid quarterly until their death. At the time of the donor and spouse’s death, the trust is to terminate and the remaining trust assets are to be maintained at the Foundation in a donor advised fund. Based on their life expectancy and a discount rate at 2.8% and 3.8% at June 30, 2009 and 2008, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $69,782 and $69,096, respectively. The present value of the amount to be paid to the donor and spouse over their lifetimes is estimated to be $75,868 and $83,484, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $145,650 and $152,580, respectively.

NOTE G – SPLIT INTEREST AGREEMENTS – CONTINUED.

Under the third agreement, the donor is to receive 7.6% of the fair market value of the trust assets as of the first day of each taxable year to be paid monthly until the death. At the time of the donor death, the trust is to terminate and 90% of the trust's assets are to be paid to other charities with the remaining 10% to be maintained at the Foundation in donor advised fund. Based on the life expectancy and a discount rate at 2.8% and 3.8% at June 30, 2009 and 2008, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $60,064 and $46,468, respectively. The present value of the amount to be paid to the donor over the lifetime and to other charities at the death is estimated to be $1,277,121 and $1,733,783, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $1,337,185 and $1,780,251, respectively.

During the year ended June 30, 2006, the Foundation became the trustee and remainder beneficiary of six additional trusts that were set up under a donor's will. One trust was established as a charitable remainder annuity unitrust and five trusts were established as charitable remainder unitrusts. Under the terms of the annuity trust, the beneficiary specified by the donor is to receive equal shares of an annuity amount equal to 5% of the initial net fair market value of the trust assets to be paid in quarterly installments until the death of the beneficiary. Under the terms of the five charitable remainder trusts, the beneficiaries specified by the donor are to receive 6% of the fair market value of the trusts' assets as of the first day of each taxable year to be paid in quarterly installments until the death of each beneficiary. For all six trusts, at the time of each beneficiary's death, the trusts are to terminate and the remaining trust assets are to be maintained at the Foundation in a designated fund.

Based on each beneficiary's life expectancy and a discount rate at 2.8% and 3.8% at June 30, 2009 and 2008, respectively, the present value of future benefits expected to be received by the Foundation from all six trusts is estimated to be $726,675 and $985,479, respectively. The present value of amounts to be paid to the beneficiaries over their lifetimes is estimated to be $1,163,228 and $1,554,079, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to these split interest agreements recorded at their fair market value of $1,889,903 and $2,539,558, respectively.

During the year ended June 30, 2007, a donor established through her will a charitable remainder trust with the Foundation as the trustee and remainder beneficiary. Under terms of the split interest agreement, the beneficiary specified by the donor is to receive 5% of the net fair market value of the trust assets as of the first day of each taxable year to be paid in equal quarterly installments until the beneficiary's death. At the time of the beneficiary's death, the trust is to terminate and the remaining trust assets are to be maintained at the Foundation in a designated fund. Based on the beneficiary's life expectancy and a discount rate of 2.8% and 3.8% at June 30, 2009 and 2008, the present value of future benefits expected to be received by the Foundation is estimated to be $695,281 and $884,946, respectively. The present value of amounts to be paid to the beneficiary is estimated to be $398,445 and $570,414, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $1,093,726 and $1,455,360, respectively.

NOTE H – NET ASSETS

Changes in Endowment Net Assets

For the year ended June 30, 2009	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (21,877)	$ -	$ 115,094	$ 93,217
Interest and dividends, net of investment expense	2,592	-	-	2,592
Net depreciation of investments	(23,266)	-	-	(23,266)
Amounts appropriated for expenditure	(4,965)	-	-	(4,965)
Change in endowment net assets	(25,639)	-	-	(25,639)
Endowment net assets, end of year	$ (47,516)	$ -	$ 115,094	$ 67,578

In addition to endowment net assets, the Foundation also manages other non-endowed funds. The following table summarizes all Foundation net assets as of June 30, 2009.

Total Net Asset Composition

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Assets
Endowment funds	$ (47,516)	$ -	$ 115,094	$ 67,578
Non-Endowment funds:				
Designated	1,581,698	-	-	1,581,698
Donor advised	16,611,991	888,622	-	17,500,613
Field of interest	3,103,027	250,000	-	3,353,027
Scholarship	1,653,735	-	-	1,653,735
Organizational	179,361	-	-	179,361
Unrestricted	11,388,200	-	-	11,388,200
Operating	510,685	-	-	510,685
Total Non-Endowment funds	35,028,697	1,138,622	-	36,167,319
Split interest agreements & Perpetual trusts	-	2,021,047	-	2,021,047
Total net assets	$ 34,981,181	$ 3,159,669	$ 115,094	$ 38,255,944

NOTE H – NET ASSETS – CONTINUED.

Funds with Deficiencies
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the amount of the original donation. In accordance with generally accepted accounting principles, any deficiencies would be reported as a reduction in unrestricted net assets. At June 30, 2009, there was $47,516 in deficiencies reported as a reduction in unrestricted net assets.

NOTE I – RETIREMENT PLAN

The Foundation maintains an Internal Revenue Code section 408(K) Simplified Employee Pension plan for its employees. The Foundation's contribution rate is equal to 8% of the annual gross salaries of participating employees. During the years ended June 30, 2009 and 2008, the Foundation's contribution to the plan totaled $28,107 and $23,317, respectively.

NOTE J – DONATED SERVICES

No amounts have been recognized in the financial statements for donated services; however, the board of directors and other volunteers have donated significant time to the Foundation's mission.

NOTE K – CFCG HOLDINGS, LLC

On May 12, 2005, the Board of the Foundation approved the formation of CFCG Holdings, LLC. CFCG Holdings, LLC is a wholly owned subsidiary of the Foundation and has been set up for the purpose of holding real estate. As of June 30, 2009, this subsidiary owns five pieces of real property it is holding for resale. The Foundation has presented consolidated financial statements as the relationship of these organizations requires consolidation per the Statement of Position (SOP) 94-3, *Reporting of Related Entities by Not-for-Profit Organizations.*

NOTE L – CONCENTRATION OF CREDIT AND MARKET RISK

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash and cash equivalents and marketable securities. Cash and cash equivalents are maintained at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation for up to $250,000.

Deposits may at times exceed federally insured limits and credit exposure is limited to deposits at any one institution in excess of this limit. The Foundation has not experienced any losses on its cash and cash equivalents. Marketable securities do not represent significant concentrations of market risk inasmuch as the Foundation's marketable securities portfolio is diversified among issuers.