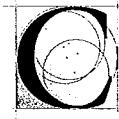


**THE JEWISH FOUNDATION OF MEMPHIS**  
**COMBINED FINANCIAL STATEMENTS**  
**YEARS ENDED**  
**DECEMBER 31, 2008 AND 2007**

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# CANNON & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
The Jewish Foundation of Memphis  
Memphis, Tennessee

## Independent Auditor's Report

We have audited the accompanying combined statements of financial position of *The Jewish Foundation of Memphis* and subsidiary as of December 31, 2008 and 2007, and the related combined statements of activities, functional expenses and statements of 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 audit.

We conducted our audits in accordance with United States of America generally accepted auditing standards. 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 audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Jewish Foundation of Memphis and subsidiary as of December 31, 2008 and 2007, and the results of its operations and changes in net assets for the years then ended in conformity with generally accepted accounting principles of the United States of America.

*Cannon & Company*

Certified Public Accountants

Memphis, Tennessee  
August 25, 2009

**THE JEWISH FOUNDATION OF MEMPHIS**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2008 AND 2007**

**ASSETS**

	<b>2008</b>	<b>2007</b>
Cash and Cash Equivalents	\$ 348,294	\$ 238,129
Contributions Receivable	2,996	2,996
Investments	11,644,254	18,284,678
Investments-Temporarily Restricted	827,063	1,275,875
Charitable Remainder Trust-Temporarily Restricted	380,330	526,452
Furniture, Equipment and Leasehold Improvements Net of Accumulated Depreciation of \$66,369 and \$61,753	81,554	83,460
Cash Surrender Life Insurance	611,690	553,907
Total Assets	<b>\$ 13,896,181</b>	<b>\$ 20,965,497</b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 10,519	\$ 9,364
Grants and Contributions Payable	100	
Assets Held for Others	4,713,342	7,604,023
Annuity Liability	93,310	102,113
Liability Under Trust Agreement-Temporarily Restricted	213,375	303,527
Total Liabilities	<b>5,030,646</b>	<b>8,019,027</b>

**NET ASSETS**

Unrestricted:		
Donor Advised	7,871,517	11,447,670
Temporarily Restricted	994,018	1,498,800
Total Net Assets	<b>8,865,535</b>	<b>12,946,470</b>
Total Liabilities and Net Assets	<b>\$ 13,896,181</b>	<b>\$ 20,965,497</b>

The accompanying notes form an integral part of these financial statements.

**THE JEWISH FOUNDATION OF MEMPHIS  
COMBINED STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008		2007		Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	
<b>REVENUES AND OTHER SUPPORT</b>					
Public Support	\$ 2,243,709	\$ 26,264	\$ 2,269,973	\$ 34,555	\$ 3,531,430
Donated Facilities	14,035		14,035	3,443	3,443
Interest Dividends	415,795	49,917	465,712	81,038	270,226
Realized Capital Gains (Losses)	(1,125,536)	(110,283)	(1,235,819)	109,688	882,191
Unrealized Capital Gains (Losses)	(2,678,929)	(382,299)	(3,061,228)	(102,949)	(316,128)
Change in Trust	(19,916)		(19,916)	(160)	(160)
Fees and Cash Value of Life Insurance	184,893		184,893	166,130	166,130
Other Income	8,803		8,803	8,525	8,525
Total Unrestricted Revenues and Gains	<u>(957,146)</u>	<u>(416,401)</u>	<u>(1,373,547)</u>	<u>122,332</u>	<u>4,545,657</u>
Net Assets Released From Restriction	88,381	(88,381)	97,077	(97,077)	4,545,657
Total Unrestricted Revenues, Gains, and Other Support	<u>(868,765)</u>	<u>(504,782)</u>	<u>(1,373,547)</u>	<u>25,255</u>	<u>4,545,657</u>
<b>EXPENSES</b>					
Program Expenses	2,380,976		2,380,976	3,702,570	3,702,570
Management and General	195,642		195,642	194,201	194,201
Fundraising Expenses	130,770		130,770	122,331	122,331
Total Expenses	<u>2,707,388</u>		<u>2,707,388</u>	<u>4,019,102</u>	<u>4,019,102</u>
<b>CHANGE IN NET ASSETS</b>	<u>(3,576,153)</u>	<u>(504,782)</u>	<u>(4,080,935)</u>	<u>25,255</u>	<u>526,555</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>11,447,670</u>	<u>1,498,800</u>	<u>12,946,470</u>	<u>1,473,545</u>	<u>12,419,915</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 7,871,517</u>	<u>\$ 994,018</u>	<u>\$ 8,865,535</u>	<u>\$ 1,498,800</u>	<u>\$ 12,946,470</u>

The accompanying notes form an integral part of these financial statements.

**THE JEWISH FOUNDATION OF MEMPHIS**  
**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2008**

	<u>Support Services</u>			Total Functional Expenses
	Program	Management and General	Fund Raising	
<b>OPERATING EXPENSES</b>				
Salaries	\$ 48,625	\$ 82,225	\$ 81,019	\$ 211,869
Employee Benefits and Payroll Taxes	7,095	11,998	11,822	30,915
Professional and Consulting Fees		19,575		19,575
Printing and Publications			17,428	17,428
Telephone		1,319	3,958	5,277
Conferences and Travel		981	1,522	2,503
B'nai Tzedek	11,943			11,943
Programming and Outreach	1,841			1,841
Occupancy	1,196	3,166	1,603	5,965
Donated Facilities	2,814	7,450	3,771	14,035
Postage & Shipping		2,101	2,101	4,202
Supplies		5,846		5,846
Entertainment			1,064	1,064
Computer		6,241		6,241
Dues and Subscriptions		886	1,209	2,095
Insurance			4,161	4,161
Miscellaneous			1,112	1,112
Total Operating Expenses	73,514	141,788	130,770	346,072
<b>NON OPERATING EXPENSES</b>				
Grants to Selected or Designated Organizations	2,278,937			2,278,937
Investment Management Fees		37,265		37,265
Interest Expense		-		-
Disbursements to Trust Beneficiaries	28,525			28,525
Annuity Payments		11,973		11,973
Depreciation		4,616		4,616
Total Non Operating Expenses	2,307,462	53,854	-	2,361,316
Total Functional Expenses	\$ 2,380,976	\$ 195,642	\$ 130,770	\$ 2,707,388

The accompanying notes form an integral part of these financial statements.

**THE JEWISH FOUNDATION OF MEMPHIS**  
**COMBINED STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED**  
**YEAR ENDED DECEMBER 31, 2007**

	<u>Support Services</u>			<u>Total</u>
<u>Program</u>	<u>Management</u>	<u>Fund</u>	<u>Functional</u>	
	<u>and General</u>	<u>Raising</u>	<u>Expenses</u>	
<b>OPERATING EXPENSES</b>				
Salaries	\$ 46,750	\$ 78,552	\$ 78,220	\$ 203,522
Employee Benefits and Payroll Taxes	6,361	10,688	10,643	27,692
Professional and Consulting Fees		17,450		17,450
Printing and Publications			19,562	19,562
Telephone		989	2,966	3,955
Conferences and Travel		3,608		3,608
B'nai Tzedek	10,582			10,582
Programming and Outreach	10,524			10,524
Occupancy	2,243	8,334	2,604	13,181
Donated Facilities	586	2,177	680	3,443
Postage & Shipping		3,426	3,426	6,852
Supplies		4,627		4,627
Entertainment			830	830
Computer		4,320		4,320
Dues and Subscriptions		745	1,060	1,805
Insurance			2,340	2,340
Total Operating Expenses	77,046	134,916	122,331	334,293
<b>NON OPERATING EXPENSES</b>				
Grants to Selected or Designated Organizations	3,586,040			3,586,040
Investment Mangement Fees		44,183		44,183
Interest Expense		738		738
Disbursements to Trust Beneficiaries	39,484			39,484
Annuity Payments		11,973		11,973
Depreciation		2,391		2,391
Total Non Operating Expenses	3,625,524	59,285	-	3,684,809
Total Functional Expenses	\$ 3,702,570	\$ 194,201	\$ 122,331	\$ 4,019,102

The accompanying notes form an integral part of these financial statements.

THE JEWISH FOUNDATION OF MEMPHIS  
COMBINED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2008 AND 2007

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>2008</u>	<u>2007</u>
Change in Net Assets	\$ (4,080,935)	\$ 526,555
<b>Adjustments to Reconcile Change in Net Assets To Net Cash Provided by (Used in) Operating Activities</b>		
Depreciation Expense	4,616	2,391
Donated Marketable Securities	30,110	127,520
(Gain)/Loss on Sale of Investments	1,578,429	(1,371,175)
Net Unrealized (Gain)/Loss on Investments	4,554,956	481,438
(Increase) Decrease in Other Assets	99,668	(158,651)
Increase (Decrease) in Accounts Payable and Accrued Expenses	1,156	2,060
Increase (Decrease) in Grants and Contributions Payable	100	(58,270)
Increase (Decrease) in Assets Held for Others	(2,890,681)	768,958
Increase (Decrease) in Annuity Liability	(8,803)	(8,525)
Increase (Decrease) in Liability Under Trust Agreement	(90,153)	(48,037)
Net Cash Provided by (Used In) Operating Activities	<u>(801,537)</u>	<u>264,264</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds From Sale of Investments	10,032,943	11,148,102
Purchase of Fixed Assets	(2,710)	(77,532)
Purchase of Investments	(9,118,531)	(11,389,416)
Net Cash Provided by (Used in) Investing Activities	<u>911,702</u>	<u>(318,846)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>110,165</b>	<b>(54,582)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>238,129</u>	<u>292,711</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 348,294</u>	<u>\$ 238,129</u>
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Interest Paid	\$ -	\$ 738

The accompanying notes form an integral part of these financial statements.

**THE JEWISH FOUNDATION OF MEMPHIS**  
**COMBINED NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying combined financial statements include the accounts of the Jewish Foundation of Memphis and JFM Realty, Inc. both of which are under common control. Significant interorganization transactions and balances have been eliminated.

The Jewish Foundation of Memphis (the "Foundation") was established in late 1995 to provide the resources necessary to meet the future challenges and needs of agencies, synagogues and schools in the Memphis Jewish community. JFM Realty, Inc. was established in January, 2000 to solicit contributions of real estate for the benefit of the Foundation.

Donors may contribute to the following types of funds: Unrestricted Funds – Philanthropic (Donor Advised) Funds – unrestricted funds for which the donor or a designee has reserved the right to make non-binding distribution recommendations to the Board; Agency Funds – those restricted for the sole use of the named beneficiary; Designated Funds – those established to provide support to a specific agency, synagogue, school or program specified by the donor; those from which distributions are directed by a specified committee for future community support.

The combined financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with the provision of Statement of Financial Accounting Standard No. 117, "*Financial Statement of Not-for-Profit Organizations.*"

The preparation of the 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 and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the estimated liability for the Charitable Remainder Unitrust and the Charitable Gift Annuity.

Unconditional promises to give are recorded as revenues at the time an unconditional promise is received from a donor. Allowance for doubtful accounts are based on management past experience. No allowance was needed for 2008 and 2007.

Contributions are recorded at estimated fair value at the date of donation. With respect to publicly traded equity securities, fair values are deemed to be the average of high and low quoted trading prices on the date of the gift. It is the Foundation's policy to show restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Investments are carried at fair value as stated by the quoted market price at year end. Securities are held in custodial investment accounts administered by certain major financial institutions. The investment administrators are responsible for custody and investment management and disburse funds on instructions from the Board. Interest and dividend income are recorded on the accrual basis. Realized gains and losses on the sales of securities are calculated on the basis of specific identification of the securities sold.

Investments include various types of debt and equity securities among a mixture of companies in diverse markets. Investments are exposed to several risks, such as interest rate, market and credit risks. Due to the risks associated within certain investments, it is at least reasonably possible that changes to the value of the investments will occur in the near term and that such changes could materially affect the amounts reported in the Foundations financial statements.

Unconditional promises to give that are expected to be collected in future years, such as charitable remainder trusts, are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributions and grants are approved by the Foundation's Board of Directors (the "Board") and for accounting purposes, such distributions are recognized as expenses in the period an unconditional promise to give is made.

**THE JEWISH FOUNDATION OF MEMPHIS**  
**COMBINED NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

Donated facilities and professional services are recorded as contributions in the accompanying statements at their estimated values at the date of receipt.

The Internal Revenue Service has classified the Foundation as exempt from federal income taxes under Section 501(c)(3) of the United States Revenue Code.

For purposes of the statements of cash flows, the Foundation considers cash on hand and in savings and checking accounts, certificates of deposit and treasury bills with maturities of 90 days or less to be cash equivalents. The cash and cash equivalents balance excludes cash held in the long-term investment portfolio.

Furniture and equipment purchased are stated at cost, and property and equipment donated are recorded at management's estimated fair value at date of gift. Depreciation is computed on the straight-line method over the following estimated useful lives:

	Years
Computer Equipment	5
Software	3
Furniture	7
Leasehold Improvements	39

The Foundation did not have any components of comprehensive income. Thus, net income and comprehensive income are the same.

Certain items in the 2007 report have been reclassified to conform to the current year classification. Such reclassifications had no effect on previously reported net income.

The Foundation receives gifts of beneficial interest in a trust that is held by others. Under the terms of the trust the Foundation has the irrevocable right to receive a changing percentage of the income earned on the trust assets until 2 years past the death of the named beneficiaries. At the end of the two years the Foundation will receive a designated percentage of the trust assets. At the time of receipt a gift is recorded based on the fair value of the assets contributed to the trust (or the portion thereof that benefits the Foundation). Annual distributions from the trust are reported as unrestricted income based upon donor designations. The beneficial interest is reported at fair value, with the change in fair value reported as an increase or decrease in temporality restricted net assets. The beneficial interest is included in cash surrender life insurance on the statement of financial position.

Effective January 1, 2008, the Company adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157), which provides a framework for measuring fair value under generally accepted accounting principles. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. SFAS 157 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

**THE JEWISH FOUNDATION OF MEMPHIS**  
**COMBINED NOTES TO FINANCIAL STATEMENTS-CONTINUED**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

There are three general valuation techniques that may be used to measure fair value, as described below:

- A) **Market Approach** – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;
- B) **Cost Approach** – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- C) **Income Approach** – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

During the year ended 2008, the Company had no investments subject to FASB 157 and had no investments in derivatives. Management has not elected the fair value option for certain financial assets and financial liabilities under FASB 159 since those assets were not affected by changes in management's risk management and investment strategy.

**NOTE 2 - CHARITABLE REMAINDER UNITRUST**

During 1999, an individual established a charitable remainder unitrust for which the Foundation was named the trustee. A specified percent of the net fair market value of the assets of trust shall be paid to the designated beneficiaries in equal installments during their lives.

Upon death of the surviving recipient, the trust will terminate and the trustee will receive all the principal and income of the trust. The grantor has reserved the right to designate a beneficiary for no more than 50 percent of trust assets or to add an additional remainderman.

The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded in the statement of activities as a temporarily restricted contribution in the period the trust is established. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using a discount rate of 3.8% and 5.2% for the years ended December 31, 2008 and 2007, respectively, and applicable mortality tables.

The Foundation is also named as beneficiary under certain trusts administered by others. The assets of those trusts are not included in the statement of financial position since the trusts are revocable or the beneficiary may be changed at the decision of the respective grantors.

**NOTE 3 -- CHARITABLE GIFT ANNUITY**

In 2003, the Foundation entered into an annuity trust agreement whereby the Foundation agreed to provide a specified rate of return to the annuitants over their lives. Any remaining assets became the property of the Foundation.

The obligation was recorded at the present value of the expected future distributions. The difference between the fair value of the assets received and the liability to the donor was recognized as contribution revenue. On an annual basis the Foundation revalues the liability based on applicable mortality tables and discount rates.

**THE JEWISH FOUNDATION OF MEMPHIS**  
**COMBINED NOTES TO FINANCIAL STATEMENTS-CONTINUED**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 4 - INVESTMENTS**

Investments at December 31, 2008 and 2007 are made up of the following:

	<u>2008</u>	<u>2007</u>
<b>Cash Held in Long-Term Investment Portfolio</b>		
Cash	\$ 24,774	\$ 513,795
Government	714,168	636,219
<b>Equities</b>		
Common Stocks	362,710	661,119
Mutual Funds	8,141,894	12,913,595
<b>Fixed Income</b>		
Bonds	<u>3,227,771</u>	<u>4,835,825</u>
<b>Total</b>	<u>\$ 12,471,317</u>	<u>\$ 19,560,553</u>

The above balances include \$827,063 and \$1,275,875 of investments that are temporarily restricted for the years ended December 31, 2008 and 2007, respectively.

**NOTE 5 - FURNITURE AND FIXTURES**

Major classes of furniture and equipment consist of the following:

	<u>2008</u>	<u>2007</u>
Computer Equipment	\$ 16,061	\$ 13,351
Software	45,426	45,426
Leasehold Improvements	77,532	77,532
Furniture and Fixtures	8,904	8,904
	<u>147,923</u>	<u>145,213</u>
Less Accumulated Depreciation	<u>(66,369)</u>	<u>(61,753)</u>
Net Furniture and Equipment	<u>\$ 81,554</u>	<u>\$ 83,460</u>

**NOTE 6 - ASSETS HELD FOR OTHERS**

Included in investments are assets that have been transferred by outside organizations to the Foundation to include in its investment portfolio. These funds can be used by those organizations upon demand and are thereby presented as a liability to those entities.

	<u>2008</u>	<u>2007</u>
Margolin Hebrew Academy	\$ 2,349,160	\$ 4,217,827
Temple Israel	543,132	899,061
Baron Hirsch Congregation	594,809	614,162
Jewish Family Service, Inc.	625,269	1,061,428
Bomblum Solomon Schechter School	155,021	214,570
Plough Towers	166,381	223,594
Beth Sholom	279,570	373,381
	<u>\$ 4,713,342</u>	<u>\$ 7,604,023</u>

**THE JEWISH FOUNDATION OF MEMPHIS**  
**COMBINED NOTES TO FINANCIAL STATEMENTS-CONTINUED**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 7 - RELATED PARTY TRANSACTIONS**

The Foundation leased office space on a monthly basis from a company in which an officer of the Board of Directors has an ownership interest. Expense incurred under the lease totaled \$0 and \$7,945 for the years ended December 31, 2008 and 2007, respectively. The formal lease agreement expired in November 2006.

**NOTE 8 - RETIREMENT PLAN**

The Foundation has a contributory money purchase retirement plan which is a qualified plan under the Internal Revenue Code. The Foundation's policy is to fund retirement costs accrued. All employees over the age of 18 are eligible to participate in the plan. The amount of the Foundation's annual contribution is equal to a percentage of the participant's yearly compensation. The Foundation's costs with respect to the plan were \$16,105 and \$13,440 for the years ended December 31, 2008 and 2007, respectively.

**NOTE 9 - CONCENTRATIONS**

The Foundation maintains several bank accounts. The Federal Deposit Insurance Corporation (FDIC) insures accounts at such institutions up to \$250,000 and \$100,000 for the years ended December 31, 2008, and 2007, respectively. Cash exceeded federally insured limits by \$0 and \$11,818 for the years ended December 31, 2008 and 2007, respectively.

The Foundation receives its funding from the Jewish community in and around Memphis, Tennessee. This geographical concentration could significantly impact the operations of the Foundation should the economy or financial viability of the donors experience economic problems.

**NOTE 10 - PURCHASE OF AN ANNUITY**

The Foundation purchased a commercial annuity in early 2004 that specified payments consistent with the agreed upon amounts required in Note 3 - Charitable Gift Annuity. The contract does not allow for a cash surrender value nor does it allow for payments to a beneficiary. The contract is insured for \$100,000 per annuitant. Based on the life expectancy of the annuitants, this amount is sufficient to cover the expected distributions. However, in no way has this contract removed the liability from the Foundation.

**NOTE 11 - CONTRIBUTED FACILITIES**

The estimated value of the donated facilities, based on the fair market value of similar property is approximately \$14,035 and \$3,443 for the years ended December 31, 2008 and 2007, respectively.

**NOTE 12 - LINE OF CREDIT**

In August of 2007, the Foundation entered into a \$100,000 line of credit with a bank bearing interest at 1.000 percentage point below prime. The prime rate at December 31, 2008 was 4%. The outstanding balance on the line of credit as of December 31, 2008 was \$0. Interest expense on the line for the year ended December 31, 2008 was \$0.