Form **990** Department of the Treasury Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047 **2008** **Open to Public Inspection**

SCANNED MAR 1 1 2010

A For the 2008 calendar year, or tax year beginning 7/1/2008 **, and ending** 6/30/2009

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ Amended return ☐ Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization: Meridian Community College Foundation

Doing Business As

Number and street (or P O box if mail is not delivered to street address): 910 Highway 19 North | Room/suite

City or town, state or country, and ZIP + 4: Meridian MS 39307-5801

D Employer identification number 23-7086275

E Telephone number (601) 484-8612

G Gross receipts $ 1,214,475

F Name and address of principal officer: Kathy Brookshire 910 Highway 19 N, Meridian, MS 39307

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☒ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www mcc cc ms us

K Type of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1979

M State of legal domicile MS

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities

To provide educational assistance to students through scholarships and enhancing performance of faculty and staff by providing grants for post-graduate study and career improvements Additional detail on Sch O

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	35
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	35
5	Total number of employees (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	1,015,991	818,006
	9	Program service revenue (Part VIII, line 2g)	0	0
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	261,362	229,483
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,177	2,416
	12	Total revenue–add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,279,530	1,049,905
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	787,122	660,104
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 51,605		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	186,977	204,568
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	974,099	864,672
	19	Revenue less expenses Subtract line 18 from line 12	305,431	185,233

			Beginning of Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	10,501,116	8,915,467
	21	Total liabilities (Part X, line 26)	264,477	195,193
	22	Net assets or fund balances Subtract line 21 from line 20	10,236,639	8,720,274

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Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

▶ Kathy Brookshire — 2/16/10

Signature of officer — Date

▶ Kathy Brookshire Secretary

Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ▶ ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ | EIN ▶ | Phone no ▶

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

Part III **Statement of Program Service Accomplishments** (see instructions)

1 Briefly describe the organization's mission
To provide educational assistance to students through scholarships and enhancing performance of faculty and staff by providing grants for post-graduate study and career improvements and attracting private donations and grants for the college

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 385,830 including grants of $ 0) (Revenue $ 0)
Scholarships and awards - awarded on the basis of academic performance, financial need and career goals

4b (Code) (Expenses $ 53,037 including grants of $ 0) (Revenue $ 0)
Faculty/Staff programs and grants - awarded for educational travel, post-graduate study and career improvements
These are awarded to Faculty/Staff of Meridian Community College

4c (Code) (Expenses $ 27,000 including grants of $ 0) (Revenue $ 0)
Lifetime Quest Program - Community development program for learning in retirement

4d Other program services (Describe in Schedule O)
(Expenses $ 203,304 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ► $ 669,171 *(Must equal Part IX, Line 25, column (B))*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		X
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8	X	
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? *If "Yes," complete Schedule F, Part I*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part*	18		X
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		X
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	X	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K If "No," go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		X
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30	X	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Line	Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	1a	23			
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?			3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		X
b	If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a	Did the organization solicit any contributions that were not tax deductible?			6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?			7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g	X	
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h	X	
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				

Part VI **Governance, Management, and Disclosure** *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

For each "Yes" response to lines 2–7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O See instructions

			Yes	No
1a	Enter the number of voting members of the governing body — 1a: 35			
b	Enter the number of voting members that are independent — 1b: 35			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9a	Does the organization have local chapters, branches, or affiliates?	9a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	11		X

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a		X
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b		
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c		
13	Does the organization have a written whistleblower policy?	13		X
14	Does the organization have a written document retention and destruction policy?	14		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision			
a	The organization's CEO, Executive Director, or top management official?	15a	X	
b	Other officers or key employees of the organization? Describe the process in Schedule O (see instructions)	15b	X	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ MS

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ Diane Delk (601) 484-8612
M C C, 910 Hwy 19 N, Meridian, MS 39307-5801

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

[X] Check this box if the organization did not compensate any officer, director, trustee, or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Tony Pompelia President	1	X		X				0	0	0
Jeff McCoy Vice Pres	1	X		X				0	0	0
R Alan Lamar Treasurer	1	X		X				0	0	0
Kathy Brookshire Secretary	36	X		X				0	0	0
Jimmy Alexander Director	1	X						0	0	0
B B Archer Director	1	X						0	0	0
Jonathan Bell Director	1	X						0	0	0
David Buckner Director	1	X						0	0	0
Jamie Cater Director	1	X						0	0	0
Sheryl Davidson Director	1	X						0	0	0
Doug Deweese Director	1	X						0	0	0
Tommy Dulaney Director	1	X						0	0	0
Hardy P Graham, Sr Director	1	X						0	0	0
Jerry Greene Director	1	X						0	0	0
Tim Hogan Director	1	X						0	0	0
Clay Holladay Director	1	X						0	0	0
Neil Johnson Director	1	X						0	0	0

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Tony McDaniel Director	1	X						0	0	0
Mark McPhail Director	1	X						0	0	0
J Robert Malone Director	1	X						0	0	0
Tom Maynor Director	1	X						0	0	0
Joel Payne Director	1	X						0	0	0
Joe Charles Sanders Director	1	X						0	0	0
Rev Dr Tom Sikes Director	1	X						0	0	0
Donnie Smith Director	1	X						0	0	0
Robert Smith Director	1	X						0	0	0
Lee K Thornton Director	1	X						0	0	0
Judy Warden Director	1	X						0	0	0
M L Waters Director	1	X						0	0	0
Alex Weddington Director	1	X						0	0	0
1b Total ►								0	0	0

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ► 0

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
		0
		0
		0
		0
		0

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ► 0

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts							
1a	Federated campaigns	1a	0				
b	Membership dues	1b	0				
c	Fundraising events	1c	0				
d	Related organizations	1d	0				
e	Government grants (contributions)	1e	0				
f	All other contributions, gifts, grants, and similar amounts not included above	1f	818,006				
g	Noncash contributions included in lines 1a-1f $ 92,399						
h	**Total.** Add lines 1a–1f ▶			818,006			
Program Service Revenue			Business Code				
2a				0			
b				0			
c				0			
d				0			
e				0			
f	All other program service revenue			0			
g	**Total.** Add lines 2a–2f ▶			0			
Other Revenue							
3	Investment income (including dividends, interest, and other similar amounts) ▶			238,170			
4	Income from investment of tax-exempt bond proceeds ▶			0			
5	Royalties ▶			0			
		(i) Real	(ii) Personal				
6a	Gross Rents						
b	Less rental expenses						
c	Rental income or (loss)	0	0				
d	Net rental income or (loss) ▶			0			
7a	Gross amount from sales of assets other than inventory	(i) Securities 1,368	(ii) Other 154,500				
b	Less cost or other basis and sales expenses	1,368	163,187				
c	Gain or (loss)	0	-8,687				
d	Net gain or (loss) ▶			-8,687			
8a	Gross income from fundraising events (not including $ 0 of contributions reported on line 1c) See Part IV, line 18	a	2,431				
b	Less direct expenses	b	15				
c	Net income or (loss) from fundraising events ▶			2,416			
9a	Gross income from gaming activities See Part IV, line 19	a	0				
b	Less direct expenses	b	0				
c	Net income or (loss) from gaming activities ▶			0			
10a	Gross sales of inventory, less returns and allowances	a	0				
b	Less cost of goods sold	b	0				
c	Net income or (loss) from sales of inventory ▶			0			
	Miscellaneous Revenue		Business Code				
11a				0			
b				0			
c				0			
d	All other revenue			0			
e	**Total.** Add lines 11a–11d ▶			0			
12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶			1,049,905	0	0	0

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	591,452	591,452		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	68,652	68,652		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	0			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	0			
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9	Other employee benefits	0			
10	Payroll taxes	0			
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	0			
c	Accounting	9,605		9,605	
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	0			
12	Advertising and promotion	6,500		6,500	
13	Office expenses	0			
14	Information technology	0			
15	Royalties	0			
16	Occupancy	0			
17	Travel	0			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	3,623		3,623	
20	Interest	51,605			51,605
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	14,129	0	14,129	0
23	Insurance	0			
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Brokerage Fees and Bank Charges	715		715	
b	Hostessing	41,095	5,573	35,522	
c	Office Support	45,000		45,000	
d	Dues	2,560		2,560	
e	Supplies	4,736	3,494	1,242	
f	All other expenses Salary Supplement to Meridian	25,000		25,000	
25	**Total functional expenses.** Add lines 1 through 24f	864,672	669,171	143,896	51,605
26	**Joint Costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing			1	
	2	Savings and temporary cash investments		135,461	2	302,035
	3	Pledges and grants receivable, net		205,462	3	96,130
	4	Accounts receivable, net		700	4	410
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		140,455	8	0
	9	Prepaid expenses and deferred charges		4,900	9	1,000
	10a	Land, buildings, and equipment cost basis	10a 884,151			
	b	Less accumulated depreciation Complete Part VI of Schedule D	10b 37,525	860,755	10c	818,626
	11	Investments–publicly traded securities		8,958,331	11	7,444,591
	12	Investments–other securities See Part IV, line 11		0	12	0
	13	Investments–program-related See Part IV, line 11		195,052	13	207,030
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		0	15	45,645
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		10,501,116	16	8,915,467
Liabilities	17	Accounts payable and accrued expenses		32,610	17	18,745
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow account liability Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		50,000	23	0
	24	Unsecured notes and loans payable		0	24	0
	25	Other liabilities Complete Part X of Schedule D		181,867	25	176,448
	26	**Total liabilities.** Add lines 17 through 25		264,477	26	195,193
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		1,099,538	27	1,024,440
	28	Temporarily restricted net assets		1,559,214	28	1,399,120
	29	Permanently restricted net assets		7,577,887	29	6,296,714
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		10,236,639	33	8,720,274
	34	Total liabilities and net assets/fund balances		10,501,116	34	8,915,467

Part XI Financial Statements and Reporting

				Yes	No
1	Accounting method used to prepare the Form 990 [ ] Cash [X] Accrual [ ] Other				
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		X
b	Were the organization's financial statements audited by an independent accountant?		2b	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		3a		X
b	If "Yes," did the organization undergo the required audit or audits?		3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization	Employer identification number
Meridian Community College Foundation	23-7086275

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☒ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).** (see instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the organizations the organization supports

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S? Yes	(vi) No	(vii) Amount of support
Meridian Comm Colleg	64-6035781	5	X				X		0
									0
									0
									0
									0
Total									0

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	714,593	664,404	890,120	1,015,991	818,006	4,103,114
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0			0
3 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0			0
4 **Total** Add lines 1-3	714,593	664,404	890,120	1,015,991	818,006	4,103,114
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						4,103,114

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	714,593	664,404	890,120	1,015,991	818,006	4,103,114
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	176,204	192,530	241,722	256,553	238,170	1,105,179
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	0	0	0			0
11 **Total support.** Add lines 7 through 10						5,208,293

12 Gross receipts from related activities, etc (see instructions) | 12 |

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14	Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	78 78%
15	Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	81 79%

16a **33 1/3% support test–2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☒

b **33 1/3% support test–2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10%-facts-and-circumstances-test–2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

b **10%-facts-and-circumstances test–2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a ,or 17b, check this box and see instructions ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	0	0	0			0
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	0	0	0			0
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0			0
5 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0			0
6 **Total.** Add lines 1-5	0	0	0	0	0	0
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						0
c Add lines 7a and 7b	0	0	0	0	0	0
8 **Public support** (Subtract line 7c from line 6)						0

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	0	0	0	0	0	0
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						0
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	0	0	0	0	0	0
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	0	0	0			0
13 **Total support.** (Add lines 9, 10c, 11, and 12)						0

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	0 00%
16	Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	0 00%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f))	17	0 00%
18	Investment income percentage from **2007** Schedule A, Part IV-A, line 27h	18	0 00%

19a **33 1/3% support tests–2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests–2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

► Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the Organization: Meridian Community College Foundation

Employer Identification number: 23-7086275

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Gerry Purvis Director	1	X						0	0	0
Tommy McDonald Director	1	X						0	0	0
C D Smith Director	1	X						0	0	0
Russell Thompson Director	1	X						0	0	0
Vel Young Director	1	X						0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0

MERIDIAN COMMUNITY COLLEGE FOUNDATION 23-7086275
IRS FORM 990
PART X, Lines 10a and 10b
DEPRECIATION SCHEDULE
F/Y/E JUNE 30, 2009

	Cost	Life	Accum Depr	Current Yr Exp	Accum Depr	Fund
Land Improvements	14,500 00	20	2,718.75	725.00	3,443.75	1001
Bldg - Magnolia Hall	62,768 00	40	5,884 49	1,569.20	7,453.69	1001
Bldg - Chapel	473,382.18	40	14,793.19	11,834 55	26,627.74	2545
Total	550,650.18		23,396.43	14,128.75	37,525.18	

Year	
2005	1,720.64
2006	2,294.20
2007	5,252 84
2008	14,128.75
2009	14,128.75
Total Accumulation Depreciation	37,525 18

Part X, Lines 10a and 10b (990) - Land, Buildings, and Equipment

	Category or Item	Land	Buildings	Leasehold Improve-ments	Equipment	Other	Check if Investment Asset	Check if Asset Disposed	Cost/Other Basis	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Disposals/ Adjustments	Beginning Balance	Ending Balance
									884,151	23,396	37,525	-28,000	860,755	818,626
1	Residential lots - Broadmoor	X					X		13,500	0			13,500	13,500
2	Residential lots - Entrekin & Rosenbaum	X					X		82,689	0		-28,000	82,689	54,689
3	Real Estate	X					X		223,000	0			223,000	223,000
4	Land	X					X		14,312	0			14,312	14,312
5	Land Improvements					X	X		14,500	2,719	3,444		11,781	11,056
6	Magnolia Hall		X				X		62,768	5,884	7,453		56,884	55,315
7	Chapel		X				X		473,382	14,793	26,628		458,589	446,754
8									0	0			0	0
9									0	0			0	0
10									0	0			0	0
11									0	0			0	0
12									0	0			0	0
13									0	0			0	0
14									0	0			0	0
15									0	0			0	0
16									0	0			0	0
17									0	0			0	0
18									0	0			0	0
19									0	0			0	0
20									0	0			0	0
21									0	0			0	0
22									0	0			0	0
23									0	0			0	0
24									0	0			0	0
25									0	0			0	0
26									0	0			0	0
27									0	0			0	0
28									0	0			0	0
29									0	0			0	0
30									0	0			0	0
31									0	0			0	0
32									0	0			0	0
33									0	0			0	0
34									0	0			0	0
35									0	0			0	0
36									0	0			0	0
37									0	0			0	0
38									0	0			0	0
39									0	0			0	0
40									0	0			0	0
41									0	0			0	0
42									0	0			0	0
43									0	0			0	0
44									0	0			0	0
45									0	0			0	0
46									0	0			0	0
47									0	0			0	0
48									0	0			0	0
49									0	0			0	0
50									0	0			0	0
51									0	0			0	0
52									0	0			0	0
53									0	0			0	0
54									0	0			0	0

Part X, Line 13 (990) - Investments - Program Related

	Check one box to indicate how investments are listed	207,030	195,052	207,030
X	Cost	Book value	Beginning	Ending
	End of year market value (FMV)			
	Description		Cost	Cost
1	Northwood Country Club Stock	2,500	2,500	2,500
2	Life Insurance Policies	17,887	11,871	17,887
3	Steel Sculpture - donated	5,000	5,000	5,000
4	Oil Portraits	15,159	14,699	15,159
5	Art works - Homer Casteel	1	1	1
6	Artwork donated to MCC Foundation	166,483	160,981	166,483
7			0	0
8			0	0
9			0	0
10			0	0
11				0
12				0
13				0
14				0
15				0
16				0
17				0
18				0
19				0
20				0

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization	Employer identification number
Meridian Community College Foundation	23-7086275

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of certified historic structure

☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► ____

4 Number of states where property subject to conservation easement is located ► ____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ► ____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ► $ ____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► $ 5,500

(ii) Assets included in Form 990, Part X ► $ 186,643

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► $ ____

b Assets included in Form 990, Part X ► $ ____

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a [X] Public exhibition
b [ ] Scholarly research
c [X] Preservation for future generations
d [ ] Loan or exchange programs
e [ ] Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? [ ] Yes [X] No

Part IV **Trust, Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? [ ] Yes [ ] No

b If "Yes," explain the arrangement in Part XIV and complete the following table

			Amount
c	Beginning balance	1c	
d	Additions during the year	1d	
e	Distributions during the year	1e	
f	Ending balance	1f	0

2a Did the organization include an amount on Form 990, Part X, line 21? [ ] Yes [X] No

b If "Yes," explain the arrangement in Part XIV

Part V **Endowment Funds.** Complete if organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	7,577,887				
b	Contributions	234,248				
c	Investment earnings or losses	-1,203,483				
d	Grants or scholarships	216,825				
e	Other expenditures for facilities and programs	73,896				
f	Administrative expenses	21,217				
g	End of year balance	6,296,714				

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ► 2%

b Permanent endowment ► 98%

c Term endowment ► %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

			Yes	No
(i)	unrelated organizations	3a(i)		X
(ii)	related organizations	3a(ii)		X
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI **Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10

	Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a	Land	333,501	0		305,501
b	Buildings	536,150	0	34,081	502,069
c	Leasehold improvements	0	0	0	0
d	Equipment	0	0	0	0
e	Other	14,500	0	3,444	11,056
Total.	Add lines 1a–1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c))* ►				818,626

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products	0	
Closely-held equity interests	0	
Other	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
Total (Column (b) should equal Form 990, Part X, col (B) line 12.) ▶	0	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Northwood Country Club Stock	2,500	C
Life Insurance Policies	17,887	F
Steel Sculpture - donated	5,000	C
Oil Portraits	15,159	C
Art works - Homer Casteel	1	C
Artwork donated to MCC Foundation	166,483	C
	0	
	0	
	0	
	0	
Total (Column (b) should equal Form 990, Part X, col (B) line 13.) ▶	207,030	

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Educational Trust - loan receivables	45,645
	0
	0
	0
	0
	0
	0
	0
	0
	0
Total. *(Column (b) should equal Form 990, Part X, col (B) line 15.)* ▶	45,645

Part X Other Liabilities. See Form 990, Part X, line 25

(a) Description of liability	(b) Amount
Federal income taxes	0
Annuity # 1 Liability	23,201
Annuity # 2 Liability	24,214
Annuity # 3 Liability	61,339
Annuity # 4 Liability	21,490
Annuity # 5 Liability	18,728
Annuity # 6 Liability	27,476
	0
	0
	0
	0
Total (Column (b) should equal Form 990, Part X, col (B) line 25.) ▶	176,448

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,049,905
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	864,672
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	185,233
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4–8	9	0
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	185,233

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	1,049,920
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	1,049,920
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	-15		
c	Add lines **4a** and **4b**			4c	-15
5	Total revenue Add lines 3 and **4c.** (This should equal Form 990, Part I, line 12)			5	1,049,905

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	864,687
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d	15		
e	Add lines **2a** through **2d**			2e	15
3	Subtract line **2e** from line **1**			3	864,672
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines 3 and **4c.** (This should equal Form 990, Part I, line 18)			5	864,672

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Part III Line 4 A gallery of art by the late Homer Casteel, former art instructor is housed

Part III Line 4 in our library Other works of art are hung in prominent places over our

Part III Line 4 campus Art students' creativity is inspired and knowledge of different types

Part III Line 4 of art is increased by the exposure to the collections

Part V Line 4 Of the over 100 endowment funds 11 of them are for Faculty or Staff enhance-

Part V Line 4 ments The others are to provide scholarships to students of Meridian

Part V Line 4 Community College or recent graduates of the college

Part XIV Supplemental Information *(continued)*

Part V Line 4 There are 2 teaching chair endowments which have

Part V Line 4 recipients that have the honor for a specified number of years

Part V Line 4 The amount available to be used from each endowment is carefully

Part V Line 4 spent according to the criteria stated in the endowment agreement

Part XII Line 4b Expenses related to the Big Band Bash reported on Line 8b of Part VIII

Part XII Line 4b which are deducted from the ticket sales reported on Line 8a

Part XIII Line 2d Expenses related to the Big Band Bash reported on Line 8b of Part VIII

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the U.S.

▶ Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.

OMB No 1545-0047
2008
Open to Public Inspection

Name of the organization: Meridian Community College Foundation
Employer identification number: 23-7086275

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000 Check this box if no one recipient received more than $5,000 Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . . ▶ [ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Meridian Community College 910 Highway 19 N Meridian, MS 3	64-6035781		367,955	0			Scholarships
Meridian Community College 910 Highway 19 N Meridian, MS 3	64-6035781		27,000	0			Lifetime Quest Progra
Meridian Community College 910 Highway 19 N Meridian, MS 3	64-6035781		10,100	0			Arts & Letters Prograi
Meridian Community College 910 Highway 19 N Meridian, MS 3	64-6035781		42,064	0			Various Depts Suppo
Meridian Community College 910 Highway 19 N Meridian, MS 3	64-6035781		144,333	0			Nursing Dept Support
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			

2 Enter total number of section 501(c)(3) and government organizations ▶ 1

3 Enter total number of other organizations ▶ 0

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

(HTA)

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Scholarships	21	17,875	0		
Faculty Staff Course Grants	19	13,341	0		
Faculty Staff Summer Travel Grants	3	7,500	0		
Faculty Staff Awards	17	5,500	0		
Teaching Chair Awards	2	13,468	0		
Nursing Instructors Continuing Ed	12	7,655	0		
Scholastic, Art & Literary Awards	42	3,313	0		

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

► To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

OMB No 1545-0047
2008
Open To Public Inspection

Name of the organization: Meridian Community College Foundation
Employer identification number: 23-7086275

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art—Works of art	X	1	5,500	invoice
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X	2	2,413	Market Value
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution (historic structures)				
14	Qualified conservation contribution (other)				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ► (______________)		See Attached	89,986	Statement
26	Other ► (______________)			0	
27	Other ► (______________)			0	
28	Other ► (______________)			0	

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement — **29** — 0

			Yes	No
30 a	During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	X	
32 a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32		X
b	If "Yes," describe in Part II			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part I, Lines 25-28 (Sch M (990)) - Other Types of Property

	Non-Cash Contribution	Description	Number of Contributions	Revenues Reported on 990, Pt VIII, Line 1g	Method of Determining Revenues
1	X	Radio Ads	1	1,500	Cost of Ads
2	X	Loans Receivable	1	50,540	Amount due on collectible
3	X				loans
4	X	Treadmill	1	4,500	invoice
5	X	Commissioned Exec Desk	1	4,513	invoice
6	X	Large 2 page Newspaper Ad	1	5,000	cost of ad
7	X	professional services	1	4,605	discounted invoice
8	X	gift certificates	1	4,500	pizza gift certificates
9	X	construction trades program	1	2,758	assistance with students
10	X	annuity liabilities annual adj	6	5,419	adjustment to annuity liab
11					based on donor age
12	X	professional photographs	1	461	invoice
13	X	instrumental music supplies	1	355	invoice
14	X	door prizes for annual party	4	335	retail value of items
15					
16					
17					
18					
19					
20					

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization	Employer identification number
Meridian Community College Foundation	23-7086275

Form 990 Part 1 Section Summary Line 1 In 1996 The Meridian Community College Foundation Board of Directors voted to underwrite a tuition scholarship program for local high school graduates

Realizing that the local economy & workforce will be increased by students obtaining training necessary to be prepared to enter the work arena, The Tuition Guarantee Program was instituted The student must graduate from a local city, county, private high school or approved home school program to be eligible for The Tuition Guarantee Program The student must sign a contract with MCC The student must take the ACT Exam and apply for Federal Financial Aid The MCC Foundation guarantees to provide a tuition scholarship for the student if the financial aid awarded does not cover tuition cost The student is guaranteed this scholarship for 4 consecutive semesters as long as they maintain a C average and have given the college permission to send copies of their grades to their parents

Meridian Community College is a 1 county community college in Mississippi

The Foundation's Board of Directors are our volunteer fundraisers

Form 990 Part VII Section A The Director of Institutional Advancement, Administrative Assistant, Accountant & the Program Coordinator for The MCC Foundation are all paid employees of Meridian Community College The MCC Foundation paid $45,000 to Meridian Community College for office support during the year ending June 30, 2009

Form 990 Part X Line 10 Land included in an endowment was adjusted to current market value A house was built on it by students and sold The fund was reimbursed for the value of the land Due to the downturn in the economy no profit was realized from the sale of the house

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Meridian Community College Foundation

Employer identification number: 23-7086275

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
			0	0	
			0	0	
			0	0	
			0	0	
			0	0	
			0	0	

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
Meridian Community College 64-6035781 910 Highway 19 N, Meridian, MS 39307	Community College	MS	170(b)(1)(A)(vi)		N/A

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.
(HTA)

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner? Yes	(J) No
					0	0			0		
					0	0			0		
					0	0			0		
					0	0			0		
					0	0			0		
					0	0			0		
					0	0			0		

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
					0	0	%
					0	0	%
					0	0	%
					0	0	%
					0	0	%
					0	0	%
					0	0	%

Part V Transactions With Related Organizations

		Line	Yes	No
Note.	Complete line 1 if any entity is listed in Parts II, III, or IV			
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to other organization(s)	1b	X	
c	Gift, grant, or capital contribution from other organization(s)	1c		X
d	Loans or loan guarantees to or for other organization(s)	1d		X
e	Loans or loan guarantees by other organization(s)	1e		X
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	X	
n	Sharing of paid employees	1n	X	
o	Reimbursement paid to other organization for expenses	1o	X	
p	Reimbursement paid by other organization for expenses	1p		X
q	Other transfer of cash or property to other organization(s)	1q		X
r	Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(A) Name of other organization(s)	(B) Transaction type (a–r)	(C) Amount involved
(1)	Meridian Community College	b	623,125
(2)	Meridian Community College	m	5,000
(3)	Meridian Community College	n	40,000
(4)	Meridian Community College	o	40,812
(5)			0
(6)			0

MERIDIAN COMMUNITY COLLEGE FOUNDATION
MERIDIAN, MISSISSIPPI
FINANCIAL STATEMENTS

June 30, 2009 and 2008

(With Independent Auditors' Report Thereon)

- CONTENTS –

KEMP, WILLIAMS, STEVERSON & BERNARD, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Randy J. Kemp, CPA/ABV, CVA
Mary G. Williams, CPA
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Meridian, Mississippi 39301

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Mississippi Society of CPAs

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Meridian Community College Foundation
Meridian, Mississippi 39301

We have audited the accompanying statements of financial position of Meridian Community College Foundation (a nonprofit organization), as of June 30, 2009 and 2008, and the related statements of activities and changes in net assets 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Meridian Community College Foundation 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 U.S. generally accepted accounting principles.

Kemp, Williams, Steverson & Bernard, P.A.

KEMP, WILLIAMS, STEVERSON & BERNARD, P.A.
Certified Public Accountants

November 16, 2009
Meridian, Mississippi

MERIDIAN COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2009 and 2008

	2009	2008
ASSETS		
Cash	$ 218,380	$ 54,736
Certificates of deposit	83,655	80,725
Investments	7,444,591	8,958,331
Educational trust - loans receivable	45,645	-
Pledge receivables	96,130	205,462
Construction in progress	-	140,455
Property and equipment, net	818,626	860,755
Other assets	208,440	200,652
Total assets	$ 8,915,467	$ 10,501,116
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 18,745	$ 32,610
Notes payable - BankPlus	-	50,000
Annuity liabilities	176,448	181,867
Total liabilities	195,193	264,477
Net assets:		
Unrestricted	1,024,440	1,099,538
Temporarily restricted	1,399,120	1,559,214
Permanently restricted	6,296,714	7,577,887
Total net assets	8,720,274	10,236,639
Total liabilities and net assets	$ 8,915,467	$ 10,501,116

The accompanying notes are an integral part of these financial statements

MERIDIAN COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenues, and Reclassifications				
Contributions	$ 312,442	$ 273,747	$ 234,248	$ 820,437
Interest and dividends	18,496	42,256	177,418	238,170
Gain (loss) on sale of assets	-	(8,687)		(8,687)
Net assets released from restrictions				
Satisfaction of purpose restrictions	572,502	(572,502)		
Total public support, revenues, and reclassifications	903,440	(265,186)	411,666	1,049,920
Expenses:				
Scholarships	385,830	-	-	385,830
Awards	5,130	-	-	5,130
Faculty/staff programs	53,037	-	-	53,037
Annuity interest expense	51,605	-	-	51,605
Other program expenses	206,176	-	-	206,176
Management and general	143,896	-	-	143,896
Donations to Meridian Community College	19,013	-	-	19,013
Total expenses	864,687	-	-	864,687
Other income:				
Unrealized holding gains (losses) on marketable securities available for sale	(121,590)	(199,107)	-	(320,697)
Excess (deficiency) of revenues over expenses before capital additions	(82,837)	(464,293)	411,666	(135,464)
Capital additions:				
Unrealized holding gains (losses) on marketable securities available for sale - endowment funds	-	-	(1,380,901)	(1,380,901)
Excess (deficiency) of revenues over expenses after capital additions	(82,837)	(464,293)	(969,235)	(1,516,365)
Net assets, beginning of year	1,099,538	1,559,214	7,577,887	10,236,639
Prior period adjustment	-	45,000	(45,000)	-
Fund transfers in (out)	7,739	259,199	(266,938)	-
Net assets, end of year	$ 1,024,440	$ 1,399,120	$ 6,296,714	$ 8,720,274

The accompanying notes are an integral part of these financial statements

MERIDIAN COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenues, and Reclassifications				
Contributions	$ 349,031	$ 455,825	$ 214,972	$ 1,019,828
Interest and dividends	17,100	63,035	176,418	256,553
Gain (loss) on sale of assets	-	4,809		4,809
Net assets released from restrictions				
Satisfaction of purpose restrictions	684,827	(684,827)		
Total public support, revenues, and reclassifications	1,050,958	(161,158)	391,390	1,281,190
Expenses:				
Scholarships	379,823	-	-	379,823
Awards	3,230	-	-	3,230
Faculty/staff programs	53,757	-	-	53,757
Annuity interest expense	51,610	-	-	51,610
Other program expenses	63,011	-	-	63,011
Management and general	135,472	-	-	135,472
Donations to Meridian Community College	288,856	-	-	288,856
Total expenses	975,759	-	-	975,759
Other income:				
Unrealized holding gains (losses) on marketable securities available for sale	(10,906)	(123,085)	-	(133,991)
Excess (deficiency) of revenues over expenses before capital additions	64,293	(284,243)	391,390	171,440
Capital additions:				
Unrealized holding gains (losses) on marketable securities available for sale - endowment funds	-	-	(392,766)	(392,766)
Excess (deficiency) of revenues over expenses after capital additions	64,293	(284,243)	(1,376)	(221,326)
Net assets, beginning of year	1,032,399	1,563,651	7,861,915	10,457,965
Fund transfers in (out)	2,846	279,806	(282,652)	-
Net assets, end of year	$ 1,099,538	$ 1,559,214	$ 7,577,887	$ 10,236,639

The accompanying notes are an integral part of these financial statements

MERIDIAN COMMUNITY COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
For the years ended June 30, 2009 and 2008

		2009		2008
Cash flows from operating activities:				
Excess/(deficiency) revenues over expenses	$	(1,516,365)	$	(221,326)
Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities:				
Depreciation		14,128		14,128
(Gain)/loss on sale of assets		8,687		(4,809)
Decrease in accounts receivable		290		6,222
Decrease in educational trust - loans receivable		4,895		-
(Increase)/decrease in pledge receivables		109,332		(97,735)
Decrease in accounts payable		(13,865)		(13,975)
(Increase)/decrease in prepaid expense		3,900		(3,900)
Interest and dividends restricted for reinvestment		(42,256)		(63,035)
Interest and dividends restricted for long-term investment		(177,418)		(176,418)
Unrealized holding (gains)/losses on securities		1,701,598		526,757
Cash contributions restricted for endowments		(234,248)		(214,972)
Non-cash contributions		(92,399)		(61,775)
Non-cash expenses		28,065		33,643
Net cash used by operating activities		(205,656)		(277,195)
Cash flows from investing activities:				
Proceeds from sale of assets		359,318		76,999
Interest and dividends restricted for reinvestment		42,256		63,035
Purchase of investments		(381,208)		(251,651)
Construction in progress costs		-		(47,278)
Purchase of assets		(12,732)		(14,312)
Net cash provided/(used) by investing activities		7,634		(173,207)
Cash flows from financing activities:				
Proceeds from contributions restricted for:		234,248		214,972
Investments in endowments		234,248		214,972
Other financing activities:				
Interest and dividends restricted for long-term investments		177,418		176,418
Proceeds from issuance of debt		-		50,000
Payments on notes payable		(50,000)		(50,000)
		127,418		176,418
Net cash provided by financing activities		361,666		391,390
Net increase/(decrease) in cash		163,644		(59,012)
Cash at beginning of year		54,736		113,748
Cash at end of year	$	218,380	$	54,736

The accompanying notes are an integral part of these financial statements

MERIDIAN COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2009 and 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business Activities

The Meridian Community College Foundation is a nonprofit organization organized for the purpose of assisting individuals in pursuing their collegiate education and training by providing scholarships and awards to individuals on the basis of academic achievement and need. Meridian Community College Foundation provides leadership in attracting private investment to Meridian Community College. The Foundation is exempt from federal income tax in accordance with Section 501(c)(3) of the Internal Revenue Code.

Reporting Entity

For financial reporting purposes, the Foundation is considered to be a component unit of Meridian Community College.

Basis of Accounting

The accounts are maintained and the financial statements are presented on the accrual basis of accounting.

Fund Accounting

To ensure observance of donor limitations and restrictions placed on the use of resources available to the Meridian Community College Foundation, its accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. The activities of the Meridian Community College foundation are reported in the following self-balancing fund groups:

Unrestricted net assets

Unrestricted net assets includes the general activities of the organization. The board can use the fund as it chooses to carry out the purposes for which the Foundation exists. All unrestricted contributions, gifts and income are recorded in this fund. Except for transactions involving one of the other categories of funds, all transactions of the organization are included in this fund.

Temporarily restricted net assets

Temporarily restricted net assets includes contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations.

Permanently restricted net assets

Permanently restricted net assets includes contributions and other inflows donated with the stipulations that they be invested to provide a permanent source of income and only the income earned on these investments may be expended.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition
The Foundation generally recognizes gifts as revenue when notified of an unconditional promise to give.

Donated assets
Donated assets are recorded at fair market value at the date of gift.

Cash
The Foundation recognizes all demand deposit accounts as cash and cash equivalents. It is the policy of the Foundation to consider money market accounts with brokers as other short-term investments.

Property and equipment
Property and equipment are recorded at cost or approximate market value at date acquired, if acquired by gift. Property and equipment consisted of the following at June 30:

	2009	2008
Land	$305,501	$333,501
Land improvements	14,500	14,500
Buildings and improvements	536,150	536,150
	856,151	884,151
Less: accumulated depreciation	(37,525)	(23,396)
	$818,626	$860,755

Depreciation is recorded on all depreciable capital assets on a straight-line basis over the following estimated useful lives:

Asset	Years
Land Improvements	20
Buildings and improvements	40

Depreciation expense amounted to $14,128 and $14,128 at June 30, 2009 and 2008, respectively.

Investments
Investments are recorded at fair value. The fair values of all investments other than real estate are based on quoted market prices and other observable inputs such as quoted prices for similar assets, quoted prices in inactive markets, or inputs corroborated by observable market data. The Foundation's real estate investments are also carried at fair value based on appraisal values at the date of receipt. Both realized and unrealized gains and losses are reflected in the accompanying statements of activities based on restrictions put in place by the donor.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value of Financial Instruments
The carrying amounts at June 30, 2009 and 2008 for cash and cash equivalents, investments, pledges receivable, accounts payable, and annuity liabilities approximate their fair values. See note 10 for investments.

Other assets
Other assets at June 30, 2009, and 2008 consist of the following:

	2009	2008
Northwood Country Club Stock	$ 2,500	$ 2,500
Life insurance policies	17,888	11,871
Steel sculpture	5,000	5,000
Cartmell oil portraits	15,159	14,699
Donations of artwork	166,483	160,982
Accounts receivable	410	700
Prepaid expense	1,000	4,900
	$208,440	$200,652

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

Pledge Receivables
Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Pledge receivables at June 30, 2009 and 2008 amounted to $96,130 and $205,642, respectively and are due in less than one year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Recent Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109* (FIN 48). FIN 48 clarifies the accounting for uncertainty in tax positions and requires that the Foundation recognize in its financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. In December 2008, the FASB issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises.* FSP FIN 48-3 permits an entity within its scope to defer the effective date of FIN 48 to its annual financial statements for fiscal years beginning after December 15, 2008. The Foundation has elected to defer the application of FIN 48 to the year beginning July 1, 2009, and the adoption of FIN 48 is not anticipated to have an impact to the Foundation's financial statements.

Effective July 1, 2008, the Foundation adopted Statement of Financial Standards (SFAS) No. 157, *Fair Value Measurements* (SFAS No. 157), which defines fair value, establishes an enhanced framework for measuring fair value and expands disclosures about fair value measurements. In conjunction with the adoption of SFAS No. 157, the Foundation elected to early adopt the measurement provisions of Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to certain investments in funds that do not have readily determinable fair values including private equity investments, hedge funds, real estate, and other funds. This guidance amends SFAS No. 157 and permits, as a practical expedient, for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent. Net asset value, in many instances may not equal fair value that would be calculated persuant to SFAS No. 157. The Foundation's adoption of SFAS No. 157 did not have a significant impact on the Foundation's determination of fair value in the financial statements but did result in expanded footnote disclosures in note 11 to the financial statements.

Effective July 1, 2008, the Foundation adopted SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – including an amendment of FASB Statements No. 115* (SFAS NO. 159). SFAS No. 159 gave the Foundation the irrevocable option to report most financial assets and financial liabilities at fair value on an instrument-by-instrument basis, with changes in fair value reported in earnings. The Foundation did not elect the fair value option in regard to items not previously recorded at fair value; therefore, the adoption of this statement had no impact on the financial position or results of operations of the Foundation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Recent Accounting Pronouncements - Continued

In August 2008, the FASB issued Staff Position (FSP) No. 117-1, *Endowments of Non-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds* (FSP 117-1). FSP 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 UPMIFA and expands disclosures about an organization's endowment funds whether or not the organization is subject to UPMIFA. FSP 117-1 is effective for fiscal years ending after December 15, 2008. As of June 30, 2009, the state of Mississippi had not yet adopted UPMIFA. The Foundation adopted the disclosure provisions of FSP 117-1 during the year ended June 30, 2009.

Subsequent Events

In connection with the preparation of the financial statements and in accordance with the recently issued SFAS No. 165, *Subsequent Events,* the Foundation evaluated subsequent events after the balance sheet date of June 30, 2009 through November 16, 2009 which was the date the financial statements were available to be issued.

Reclassifications

Certain financial statements amounts at June 30, 2008 have been reclassified to be consistent with the June 30, 2009 presentation.

NOTE 2 TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows at June 30:

	2009	2008
Purpose restriction accomplished:		
Scholarship programs	$246,815	$226,683
Awards	2,400	625
Faculty/staff programs	53,037	53,757
Annuity interest expense	51,605	51,610
Other program services	196,161	51,351
Management and general	12,484	11,945
Donations to Meridian Community College	10,000	288,856
	$572,502	$684,827

Net assets were temporarily restricted for the following purposes at June 30:

	2009	2008
Scholarships	$ 321,936	$ 238,710
Awards	12,781	10,647
Faculty/staff programs	29,330	32,500
Annuity liabilities	192,599	355,129
Capital support – Meridian Community College	647,832	697,505
Other program services	194,642	224,723
	$1,399,120	$1,559,214

MERIDIAN COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
For the years ended June 30, 2009 and 2008

NOTE 3 PERMANENTLY RESTRICTED NET ASSETS

Net assets were permanently restricted for the following purposes at June 30:

	2009	2008
Scholarships	$3,579,093	$4,054,456
Awards	10,157	12,381
Faculty/staff programs	1,163,227	1,446,066
Other program services	1,544,237	2,064,984
	$6,296,714	$7,577,887

NOTE 4 ANNUITY LIABILITIES

The Foundation is obligated pursuant to the terms of two (2) separate charitable remainder annuity trust agreements established by a donor-program of the Foundation to pay the donor annual sums of $9,000 per trust agreement (paid quarterly) for the life of the donor. Pursuant of these agreements, $100,000 gifts were made on March 1, 1995 and April 15, 1997, respectively. The donor's charitable deduction for federal income tax purposes was $56,886 and $57,492, respectively in 1995 and 1997. The annuity liabilities are to be revalued annually on the donor's date of birth with Internal Revenue Service rate tables, based on the donor's attained age and the payout rates.

The Foundation is also obligated pursuant to the terms of another charitable remainder annuity trust agreement established by a donor-program of the Foundation to pay the donors an annual sum of $8,078 per trust agreement (paid monthly) for the lives of the donors. Pursuant of this agreement a $115,400 gift was made in February 2000. The donors' charitable deduction for federal income tax purposes was $35,838 in 2000. The annuity liability is to be revalued annually with Internal Revenue Service rate tables, based on the donors' attained ages and the payout rates.

The Foundation is obligated pursuant to the terms of a fourth charitable remainder annuity trust agreement established by a donor-program of the Foundation to pay the donor annual sums of $8,027 per trust agreement (paid quarterly) for the life of the donor. Pursuant of this agreement a $100,338 gift was made in February 2002. The donor's charitable deduction for federal income tax purposes was $69,549 in 2002. The annuity liability is to be revalued annually with Internal Revenue Service rate tables, based on the donor's attained age and the payout rates.

The Foundation is obligated pursuant to the terms of a fifth charitable remainder annuity trust agreement established by a donor-program of the Foundation to pay the donor annual sums of $6,500 per trust agreement (paid quarterly) for the life of the donor. Pursuant of this agreement a $100,000 gift was made in October 2004. The donor's charitable deduction for federal income tax purposes was $76,658 in 2004. The annuity liabiity is to be revalued annually with Internal Revenue Service rate tables, based on the donor's attained age and the payout rates.

NOTE 4 ANNUITY LIABILITIES - CONTINUED

The Foundation is obligated pursuant to the terms of a sixth charitable remainder annuity trust agreement established by a donor-program of the Foundation to pay the donor annual sums of $11,000 per trust agreement (paid quarterly) for the life of the donor. Pursuant of this agreement a $100,000 gift was made in February 2007. The donor's charitable deduction for federal income tax purposes was $71,475 in 2007. The annuity liabiity is to be revalued annually with Internal Revenue Service rate tables, based on the donor's attained age and the payout rates.

At June 30, 2009, the annuity liabilities amounted to $176,448 (annuity #1: $23,201; annuity #2: $24,214; annuity #3: $61,339; annuity #4: $21,490; annuity #5: $18,728 and annuity #6: $27,476.) At June 30, 2008 the annuity liabilities amounted to $181,867.

The Foundation's promise to make the payments to the donor pursuant to the agreement is unsecured and in no way contingent upon future earnings with respect to the property transferred to the Foundation.

NOTE 5 CONCENTRATION OF CREDIT RISK

The Foundation maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2009 and 2008 the Foundation did not have cash in excess of the insurance limit.

The Foundation maintains a significant portion of its investments with one brokerage firm.

NOTE 6 TUITION GUARANTEE PROGRAM

The Foundation sponsors a Tuition Guarantee Program to encourage area-wide attendance based on academic eligibility. This program cost the Foundation approximately $84,360 for the year ended June 30, 2009, and $93,805 for the year ended June 30, 2008. The Tuition Guarantee covers tuition only. However, the Meridian Community College Foundation also awards scholarships based on ACT scores which can be used to help pay fees and purchase books. The cost of this additional program was $41,550 for the year ended June 30, 2009 and $45,600 for the year ended June 30, 2008.

NOTE 7 COMMITMENTS

The Board of Directors approved a commitment of $10,000 to Meridian Community College which was paid during the fiscal years of June 30, 2009 and 2008. They also approved for an additional $10,000 to be paid during the fiscal year June 30, 2010. The Foundation is assisting the College in paying for a new electronic sign. The contribution to the College will be made after an analysis of available funds is prepared each year.

NOTE 8 NON-CASH CONTRIBUTIONS

The Foundation receives a variety of non-cash contributions. For the year ended June 30, 2009 and 2008, non-cash contributions totaled $92,399 and $61,775, respectively and were included in revenue.

For the year ended June 30, 2009, the Foundation received $28,527 in non-cash contributions that were included in revenues and expensed in the statement of activities. Following is a summary of these items:

Supplies	$ 816
Professional Services	4,605
Advertising	6,500
Donated to MCC	9,013
Hostessing	4,835
Trade Programs	2,758
	$28,527

For the year ended June 30, 2009, the Foundation received $63,872 in non-cash contributions that were included in revenues in the statement of activities and assets on the statement of financial position. Following is a summary of these items:

Investments	$ 7,832
Educational trust loans	50,540
Donated art	5,500
	$63,872

For the year ended June 30, 2008, the Foundation received $33,643 in non-cash contributions that were included in revenues and expensed in the statement of activities. Following is a summary of these items:

Supplies and office products	$ 125
Professional Services	13,836
Donated to MCC	12,695
Hostessing	4,183
Trade Programs	2,804
	$33,643

For the year ended June 30, 2008, the Foundation received $28,132 in non-cash contributions that were included in revenues in the statement of activities and assets on the statement of financial position. Following is a summary of these items:

Donated art and/or furniture	$ 8,889
Investments	19,243
	$28,132

NOTE 9 CONTINGENCIES

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

NOTE 10 INVESTMENTS

The Foundation's investments recorded at market value consist of the following at June 30, 2009 and 2008:

June 30, 2009	Cost	Market	Unrealized Appreciation (Depreciation)
The Common Fund – Intermediate	$ 17,653	$ 6,037	$ (11,616)
The Common Fund – Equity	3,888,438	6,798,202	2,909,764
The Common Fund – Short Term	3,039	3,039	-
Corporate Stocks	391,878	360,031	(31,847)
Mutual Funds	10,000	10,000	-
Vanguard Wellesley	102,099	97,239	(4,860)
Vanguard Morgan Growth	16,546	14,353	(2,193)
AmSouth Shared Investment	193,333	155,690	(37,643)
	$4,622,986	$7,444,591	$2,821,605

June 30, 2008	Cost	Market	Unrealized Appreciation (Depreciation)
The Common Fund – Intermediate	$ 17,488	$ 6,504	$ (10,984)
The Common Fund – Equity	3,704,567	8,101,540	4,396,973
The Common Fund – Short Term	27,430	27,430	-
Corporate Stocks	382,248	493,678	111,430
Mutual Funds	10,000	10,000	-
Vanguard Wellesley	95,535	100,729	5,194
Vanguard Morgan Growth	16,546	20,505	3,959
AmSouth Shared Investment	193,333	197,945	4,612
	$4,447,147	$8,958,331	$4,511,184

NOTE 11 FAIR VALUE MEASUREMENT

The Foundation adopted SFAS No. 157 on July 1, 2008 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. SFAS No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents the financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2009.

June 30, 2009	Level 1	Level 2	Level 3	Total
Corporate bonds	$ 63,206	$ -	$ -	$ 63,206
Certificates of deposit	83,655	-	-	83,655
Other short-term investments	9,076	124	-	9,200
Corporate fixed income	3,014,601	82,676	-	3,097,277
Equity securities	4,031,376	72,890	-	4,104,266
Mutual funds	170,642	-	-	170,642
	$7,372,556	$ 155,690	$ -	$ 7,528,246

NOTE 12 NET ASSET CLASSIFICATION OF ENDOWMENT FUNDS

The Foundation adopted FASB Staff Position (FSP) SFAS No. 117-1 *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds* as of July 1, 2008. This standard, which is effective for years ending after December 31, 2008 provides guidance on the net asset classification of donor restricted endowment funds and related disclosures. FSP 117-1 also provides guidance relative to net asset classification of funds subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). When adopted by the state of domicile, UPMIFA requires a number of management assessments, including:

NOTE 12 NET ASSET CLASSIFICATION OF ENDOWMENT FUNDS - CONTINUED

- Determination as to whether a donor intended an endowment to maintain its purchasing power or as a fixed sum,
- The classification of endowment earnings, and
- The ability to spend corpus of an endowment.

The State of Mississippi has not adopted UPMIFA. The Foundation's Board of Directors has determined its donor agreements to provide for the preservation of the fair value of the original gift as of the date of the donor restricted endowment funds. As a result, the Foundation classifies as permanently restricted net assets the original gift donated to the permanent endowment and the original value of subsequent gifts and other income. On an annual basis the percentage of earnings to be utilized from permanently restricted endowments is classified in temporarily restricted net assets until the amounts are appropriated for expenditure in accordance with the donor memorandums of agreement.

The Foundation has established policies to achieve the overall, long-term investment goal of achieving an annualized total return, through appreciation and income, greater than the rate of inflation plus any distribution needs, thus protecting the assets against inflation. The Board and Joint Committee on Investments agree that investing in securities with higher return expectations outweighs their short-term volatility risk. As a result, the majority of assets are invested in equity or equity-like securities. Fixed income securities are used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Cash is not a strategic asset of the portfolio, but is a residual to the investment process and used to meet short-term liquidity needs. The primary performance objective of the Foundation is to achieve a total return, net of investment management fees and expenses, in excess of inflation and the spend rate.

Income available for spending is determined by a total return system and is approved by Board of Directors of the Foundation. For the years ended June 30, 2009 and 2008, the Foundation adhered to a spending policy of 5% of endowment earnings above corpus. However, due to market losses, the board amended the spending policy to 4% of endowment earnings above corpus for the year ended June 30, 2010. The objective is to provide relatively stable spending allocations. No portion of the original gift value of the endowed assets will be allocated for spending.

NOTE 12 NET ASSET CLASSIFICATION OF ENDOWMENT FUNDS - CONTINUED

Changes in donor-restricted endowment net assets for the years ended June 30, 2009 and 2008 are as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment net assets (deficit), June 30, 2007	$ -	3,869,991	3,991,924	7,861,915
Contributions to endowment	-	-	214,972	214,972
Appropriation for expenditures	-	(282,652)	-	(282,652)
Investment return:				
Investment income	-	176,418	-	176,418
Net appreciation (depreciation)	-	(392,766)	-	(392,766)
Donor-restricted endowment net assets (deficit), June 30, 2008	-	3,370,991	4,206,896	7,577,887
Contributions to endowment	-	-	234,248	234,248
Appropriation for expenditures	-	(266,938)	-	(266,938)
Prior period adjustment	-	-	(45,000)	(45,000)
Investment return:				
Investment income	-	177,418	-	177,418
Net appreciation (depreciation)	(44,291)	(1,336,610)	-	(1,380,901)
Donor-restricted endowment net assets (deficit), June 30, 2009	$ (44,291)	$ 1,944,861	$ 4,396,144	$ 6,296,714

Due to unfavorable market fluctuations, the Foundation has endowments that have fallen below the original gift value of the funds. At June 30, 2009 and 2008, the fair values of certain permanently restricted investments were below their original contribution by approximately $44,291 and $0, respectively, and these deficiencies have been recorded in unrestricted net assets. Future gains will be used to restore these deficiencies in unrestricted net assets before any net appreciation above the historical cost value of such funds increases temporarily restricted net assets.

KEMP, WILLIAMS, STEVERSON & BERNARD, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Meridian Community College Foundation
Meridian, Mississippi 39301

Our report on our audit of the basic financial statements of Meridian Community College Foundation for June 30, 2009 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Information for the year ended June 30, 2008, is presented for comparative purposes only and was extracted from the financial statements presented by fund for that year, on which an unqualified opinion dated February 9, 2009 was expressed.

Kemp, Williams, Steverson & Bernard, P.A.

KEMP, WILLIAMS, STEVERSON & BERNARD, P.A
Certified Public Accountants

November 16, 2009
Meridian, Mississippi

MERIDIAN COMMUNITY COLLEGE FOUNDATION
SCHEDULE OF FINANCIAL POSITION BY FUND TYPE
June 30, 2009 and 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2009	Totals 2008
ASSETS					
Cash	$ (273,668)	$ 390,791	$ 101,257	$ 218,380	$ 54,736
Certificates of deposit	-	83,655		83,655	80,725
Investments, at market	678,021	625,139	6,141,431	7,444,591	8,958,331
Educational trust - loans receivable	45,645	-	-	45,645	-
Pledge receivables	65,369	28,485	2,276	96,130	205,462
Construction in progress	-	-	-	-	140,455
Property and equipment, net	305,809	461,067	51,750	818,626	860,755
Other assets	203,802	4,638	-	208,440	200,652
Total assets	$ 1,024,978	$ 1,593,775	$ 6,296,714	$ 8,915,467	$ 10,501,116
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	$ 538	$ 18,207	$ -	$ 18,745	$ 32,610
Notes payable - BankPlus	-	-	-	-	50,000
Annuity liabilities	-	176,448	-	176,448	181,867
	538	194,655	-	195,193	264,477
Net assets	1,024,440	1,399,120	6,296,714	8,720,274	10,236,639
Total liabilities and net assets	$ 1,024,978	$ 1,593,775	$ 6,296,714	$ 8,915,467	$ 10,501,116

The accompanying notes are an integral part of these financial statements

MERIDIAN COMMUNITY COLLEGE FOUNDATION
SCHEDULE OF EXPENSES BY FUND TYPE
For the years ended June 30, 2009 and 2008

	June 30, 2009			June 30, 2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Scholarships	$ 139,015	$ 246,815	$ 385,830	$ 153,140	$ 226,683	$ 379,823
Awards	2,730	2,400	5,130	2,605	625	3,230
Faculty/staff programs	-	53,037	53,037	-	53,757	53,757
Annuity interest expense	-	51,605	51,605	-	51,610	51,610
Other program expense	10,015	196,161	206,176	11,660	51,351	63,011
Management and general	131,412	12,484	143,896	123,527	11,945	135,472
Donations to Meridian Community College	9,013	10,000	19,013	-	288,856	288,856
	$ 292,185	$ 572,502	$ 864,687	$ 290,932	$ 684,827	$ 975,759

MERIDIAN COMMUNITY COLLEGE FOUNDATION
SCHEDULE OF OTHER PROGRAM EXPENSES
For the years ended June 30, 2009 and 2008

	2009	2008
Lifetime Quest Program expense and support	$ 27,000	$ 27,251
Arts and Letters Series support	10,100	10,150
Big Band Bash	15	1,660
Various sports expense	5,924	-
Instrumental Music Department	1,993	1,404
Construction Trades Program expense	3,494	4,136
Horticulture program assistanceships and scholarships	500	-
Water Fitness Program expense	200	614
Displaced Homemaker program	212	1,449
Miscellaneous program expenses	-	1,684
Land maintenance costs	-	5,983
MCC Capital support	-	2,200
Social Science Departmental support	467	5,430
Choral Music Department expense	11,508	1,050
Departmental Support	144,763	-
	$ 206,176	$ 63,011

The accompanying notes are an integral part of these financial statements

MERIDIAN COMMUNITY COLLEGE FOUNDATION
SCHEDULE OF MANAGEMENT AND GENERAL EXPENSES
For the years ended June 30, 2009 and 2008

	June 30, 2009			June 30, 2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Advertising	$ 6,500	$ -	$ 6,500	$ 6,000	$ -	$ 6,000
Audit fees (including donated services)	9,605	-	9,605	12,837	-	12,837
Conference expense	96	-	96	2,457	-	2,457
Depreciation	2,294	11,834	14,128	2,294	11,834	14,128
Dues	2,560	-	2,560	2,525	-	2,525
Office Supplies	743	-	743	1,448	-	1,448
Office Support	45,000	-	45,000	40,000	-	40,000
Hostessing	35,522	-	35,522	29,629	-	29,629
Brokerage fees and bank charges	565	150	715	277	6	283
Foundation travel	3,210	-	3,210	604	-	604
Chapel supplies	-	500	500	-	105	105
Other travel expense	317	-	317	456	-	456
Salary supplement	25,000	-	25,000	25,000	-	25,000
	$ 131,412	$ 12,484	$ 143,896	$ 123,527	$ 11,945	$ 135,472