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990-PF

Return of Private Foundation
or Section 4947(a)(1) Nons exempt Charitable Trust
Treated as a Private Foundation

OMB No. 1545-0047

1997

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy other reporting requirements.

For calendar year 1997, or tax year beginning

, 1997, and ending

, 19

FILMEIT JUN 23 1998

Use the IRS label.
Otherwise, please print or type.
See Specific Instructions

Name of organization: **The Community Foundation, Inc.**

23 : 7033813

No. and street (or P.O. box number if mail is not delivered to street address) Room/suite: **P. O. Box 924**

City or town, state, and ZIP + 4: **Jackson, Mississippi 39205-0924**

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nons exempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 18,257,613**

J Accounting method: Cash Accrual
 Other (specify) _____
(Part I, column (c) must be on cash basis.)

A Employer identification number: **23 : 7033813**

B State registration number (see instruction F): **N/A**

C If exemption application is pending, check here:

D 1. Foreign organizations, check here:
2. Organizations meeting the 80% test, check here and attach contribution:
3. If private foundation status was terminated under section 507(b)(4), check here:
4. If the foundation is in a 60-month transition under section 507(d)(2), check here:

E If address changed, check here:

Analysis of Revenue and Expenses (The total of amounts in column (b), (c), and (d) may not necessarily equal the amount in column (a) (see page 3 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for creditable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	342,853			
	2 Contributions from split-interest trusts		-0-		
	3 Interest on savings and temporary cash investments	287,263	287,263	N/A	
	4 Dividends and interest from securities	-0-	-0-		
	5a Gross rents	-0-	-0-		
	b (Net rental income or (loss))				
	6 Net gain or (loss) from sale of assets not on line 10	12,458,794			
	7 Capital gain net income (from Part IV, line 2)		12,458,794		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)	-0-				
11 Other income (attach schedule)	-0-	-0-			
12 Total. Add lines 1 through 11	13,088,910	12,746,057	N/A		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	-0-	-0-		-0-
	14 Other employee salaries and wages	-0-	-0-		-0-
	15 Pension plans, employee benefits	-0-	-0-		-0-
	16a Legal fees (attach schedule)	-0-	-0-		-0-
	b Accounting fees (attach schedule)	-0-	-0-		-0-
	c Other professional fees (attach schedule)	-0-	-0-		-0-
	17 Interest	-0-	-0-		-0-
	18 Tuition (attach schedule) (see page 13 of the instructions)	6,917	-0-		-0-
	19 Depreciation (attach schedule) and depletion	-0-	-0-		-0-
	20 Occupancy	-0-	-0-		-0-
	21 Travel, telephone, and postage	-0-	-0-		-0-
	22 Printing and publications	-0-	-0-		-0-
	23 Other expenses (attach schedule)	09	-0-		-0-
	24 Total operating and administrative expenses. Add lines 13 through 23	7,126	-0-	N/A	-0-
	25 Contributions, gifts, grants paid	255,000			255,000
26 Total expenses and disbursements. Add lines 24 and 25	262,126	-0-	N/A	255,000	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	12,826,784				
b Net investment income (if negative, enter -0-)		12,746,057			
c Adjusted net income (if negative, enter -0-)			N/A		

For Paperwork Reduction Act Notice, see the Instructions.

OMB No. 1545-0047

Form 990-PF (1997)

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	-0-	-0-	-0-
	2 Savings and temporary cash investments	5,430,829	18,257,613	18,257,613
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
	5 Grants receivable	-0-	-0-	-0-
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 14 of the instructions)	-0-	-0-	-0-
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
	8 Inventories for sale or use	-0-	-0-	-0-
	9 Prepaid expenses and deferred charges	-0-	-0-	-0-
	10a Investments—U.S. and state government obligations (attach schedule)	-0-	-0-	-0-
	b Investments—corporate stock (attach schedule)	-0-	-0-	-0-
	c Investments—corporate bonds (attach schedule)	-0-	-0-	-0-
	11 Investments—land, buildings, and equipment basis ▶			
Less: accumulated depreciation (attach schedule) ▶	-0-	-0-	-0-	
12 Investments—mortgage loans	-0-	-0-	-0-	
13 Investments—other (attach schedule)	-0-	-0-	-0-	
14 Land, buildings, and equipment basis ▶				
Less: accumulated depreciation (attach schedule) ▶	-0-	-0-	-0-	
15 Other assets (describe ▶)	-0-	-0-	-0-	
16 Total assets (to be completed by all filers—see page 15 of the instructions)	5,430,829	18,257,613	18,257,613	
Liabilities	17 Accounts payable and accrued expenses	-0-	-0-	
	18 Grants payable	-0-	-0-	
	19 Deferred revenue	-0-	-0-	
	20 Loans from officers, directors, trustees, and other disqualified persons	-0-	-0-	
	21 Mortgages and other notes payable (attach schedule)	-0-	-0-	
	22 Other liabilities (describe ▶)	-0-	-0-	
23 Total liabilities (add lines 17 through 22)	-0-	-0-		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	24 Unrestricted	-0-	-0-	
	25 Temporarily restricted	-0-	-0-	
	26 Permanently restricted	-0-	-0-	
	Organizations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	-0-	-0-	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	-0-	-0-	
	29 Retained earnings, accumulated income, endowment, or other funds	5,430,829	18,257,613	
30 Total net assets or fund balances (see page 15 of the instructions)	5,430,829	18,257,613		
31 Total liabilities and net assets/fund balances (see page 15 of the instructions)	5,430,829	18,257,613		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	5,430,829
2 Enter amount from Part I, line 27a	2	12,826,784
3 Other increases not included in line 2 (itemize) ▶	3	-0-
4 Add lines 1, 2, and 3	4	18,257,613
5 Decreases not included in line 2 (itemize) ▶	5	-0-
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	18,257,613

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kinds of property sold (e.g., real estate 2-story brick warehouse, or common stock, 200 shs. M.C. Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a 50,000 shs. Union Planters Corp.	D	11-17-97	11-17/20-97
b 50,000 shs. Union Planters Corp.	D	12-08-97	12-08/09-97
c 50,000 shs. Union Planters Corp.	D	12-16-97	12-16 -97
d 50,000 shs. Union Planters Corp.	D	12-22-97	12-22/29-97
e 500 shs. Realnetworks, Inc.	P	11-20-97	12-29 -97

(a) Gross sales price minus expense of sale	(f) Depreciation allowed (or allowable)	(g) Cost or other basis	(h) Gain or (loss) (e) plus (f) minus (g)
a 3,036,923.56		85,713.24	2,951,210.32
b 3,284,284.06		85,713.24	3,198,570.82
c 3,278,804.35		85,713.24	3,193,091.11
d 3,240,948.01		85,713.24	3,155,234.77
e 6,937.26		6,250.00	687.26

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/89

(i) FMV as of 12/31/89	(j) Adjusted basis as of 12/31/89	(k) Excess of col. (i) over col. (j), if any	(l) Gain (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { if gain, also enter in Part I, line 7 " (loss), enter -0- in Part I, line 7 }	2	12,458,794.28
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 11 and 16 of the instructions). If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 16 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
1996	251,000.00	5,238,404.55	.0479
1995	245,000.00	5,142,652.39	.0476
1994	268,401.91	5,108,536.72	.0525
1993	268,679.95	5,293,929.91	.0508
1992	258,295.77	5,406,699.54	.0478

2 Total of line 1, column (d)	2	.2466
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.0493
4 Enter the net value of noncharitable-use assets for 1997 from Part X, line 5	4	6,233,215
5 Multiply line 4 by line 3	5	307,298
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	127,461
7 Add lines 5 and 6	7	434,759
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 16.	8	255,000

Part VI Excise Tax on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 16 of the instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling letter: _____ (attach copy of ruling letter if necessary—see instructions)				
b Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b				
c All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of line 27b				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		254,921	14
3	Add lines 1 and 2		254,921	14
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		-0-	
5	Tax on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		254,921	14
6 Credits/Payments:				
6a	1997 estimated tax payments and 1996 overpayment credited to 1997	6,000	00	
6b	Exempt foreign organizations—tax withheld at source			
6c	Tax paid with application for extension of time to file (Form 2758)			
6d	Backup withholding erroneously withheld			
7	Total credits and payments. Add lines 6a through 6d	6,000	00	
8	Enter any PENALTY for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		-0-	
9	TAX DUE. If the total of lines 5 and 8 is more than line 7, enter AMOUNT OWED		248,921	14
10	OVERPAYMENT. If line 7 is more than the total of lines 5 and 8, enter the AMOUNT OVERPAID			
11	Enter the amount of line 10 to be: Credited to 1998 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>			

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 17 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.</i>		X
c Did the organization file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization: <input type="checkbox"/> \$ -0- (2) On organization managers: <input type="checkbox"/> \$ -0-		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers: <input type="checkbox"/> \$ -0-		
2 Has the organization engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		X
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes.</i>		X
4a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument; or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the organization have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part IV.</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 17 of the instructions) <input type="checkbox"/> Mississippi		
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation.</i>	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(g)(3) or 4942(j)(5) for calendar year 1997 or the taxable year beginning in 1997 (see instructions for Part XIV on page 23)? <i>If "Yes," complete Part XIV.</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>		X
11a Did anyone request to see either the organization's annual return or its exemption application (or both)?		X
b If "Yes," did the organization comply pursuant to the instructions? (See General Instruction Q.)		N/A
12 The books are in care of <input type="checkbox"/> W. K. Paine Telephone no <input type="checkbox"/> 601-362-6899 Located at <input type="checkbox"/> 5317 Hanging Moss Road, Jackson, Mississippi ZIP code <input type="checkbox"/> 39206		
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 .—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <input type="checkbox"/> 13		

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1 Self-dealing (section 4941):

a During the year did the organization (either directly or indirectly):

- (1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes No
- (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes No
- (6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) Yes No

b If any answer is "Yes" to 1a(1)–(6), did ANY of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 18 of the instructions)? Yes No

Organizations relying on a current notice regarding disaster assistance check here

c Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 1997? Yes No

2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):

a At the end of tax year 1997, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 1997? Yes No
If "Yes," list the years ▶ 19 , 19 , 19 , 19

b Are there any years listed in 2a for which the organization is NOT applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to ALL years listed, answer "No" and attach statement—see page 18 of the instructions.) Yes No

c If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in 2a, list the years here.
▶ 19 , 19 , 19 , 19

3 Taxes on excess business holdings (section 4943):

a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes No

b If "Yes," did it have excess business holdings in 1997 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 1997.) Yes No

4 Taxes on investments that jeopardize charitable purposes (section 4944):

a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes? Yes No

b Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 1997? Yes No

5 Taxes on taxable expenditures (section 4945) and political expenditures (section 4955):

a During the year did the organization pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)–(5), did ANY of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 18 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
If "Yes," attach the statement required by Regulations section 53.4945-5(d).

	Yes	No
1b		N/A
1c		X
2b		N/A
3b		N/A
4a		X
4b		X
5b		N/A

Part IX-B Summary of Program-Related Investments (see page 20 of the instructions)

Describe any program-related investments made by the foundation during the tax year:		Amount
1	N/A	
2		
3		

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 20 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
	a Average monthly fair market value of securities	1a	641
	b Average of monthly cash balances	1b	6,327,497
	c Fair market value of all other assets (see page 21 of the instructions)	1c	-0-
	d Total (add lines 1a, b, and c)	1d	6,328,138
	e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	-0-
3	Subtract line 2 from line 1d	3	6,328,138
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 21 of the instructions)	4	94,922
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,233,215
6	Minimum investment return. Enter 5% of line 5	6	311,661

Part XI Distributable Amount (see page 21 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	311,661
2a	Tax on investment income for 1997 from Part VI, line 5	2a	254,921.14
2b	Income tax for 1997 (This does not include the tax from Part VI)	2b	-0-
	c Add lines 2a and 2b	2c	254,921
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	56,740
4a	Recoveries of amounts treated as qualifying distributions:	4a	
	b Income distributions from section 4947(a)(2) trusts	4b	
	c Add lines 4a and 4b	4c	-0-
5	Add lines 3 and 4c	5	56,740
6	Deduction from distributable amount (see page 22 of the instructions)	6	-0-
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	56,740

Part XII Qualifying Distributions (see page 22 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
	a Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	255,000
	b Program-related investments—total of lines 1-3 of Part IX-B	1b	-0-
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	-0-
3	Amounts set aside for specific charitable projects that satisfy the:		
	a Suitability test (prior IRS approval required)	3a	-0-
	b Cash distribution test (attach the required schedule)	3b	-0-
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	255,000
5	Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 22 of the instructions)	5	-0-
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	255,000

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 22 of the instructions)

	(a) Corpus	(b) Years prior to 1996	(c) 1996	(d) 1997
1 Distributable amount for 1997 from Part XI, line 7				56,740
2 Undistributed income, if any, as of the end of 1996:				
a Enter amount for 1996 only			253,236	
b Total for prior years: 19____, 19____, 19____		-0-		
3 Excess distributions carryover, if any, to 1997:				
a From 1992				
b From 1993				
c From 1994				
d From 1995				
e From 1996				
f Total of lines 3a through e	-0-			
4 Qualifying distributions for 1997 from Part XII, line 4: ▶ \$ <u>255,000</u>				
a Applied to 1996, but not more than line 2a			253,236	
b Applied to undistributed income of prior years (Election required—see page 23 of the instructions)		-0-		
c Treated as distributions out of corpus (Election required—see page 23 of the instructions)	-0-			
d Applied to 1997 distributable amount				3,764
e Remaining amount distributed out of corpus	-0-			
5 Excess distributions carryover applied to 1997 (If an amount appears in column (d), the same amount must be shown in column (a).)	-0-			-0-
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 1c, and 4e. Subtract line 5	-0-			
b Prior years' undistributed income. Subtract line 4b from line 2b		-0-		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		-0-		
d Subtract line 6c from line 6b. Taxable amount—see page 23 of the instructions		-0-		
e Undistributed income for 1996. Subtract line 4a from line 2a. Taxable amount—see page 23 of the instructions				
f Undistributed income for 1997. Subtract lines 4d and 5 from line 1. This amount must be distributed in 1998.				54,976
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 23 of the instructions).	-0-			
8 Excess distributions carryover from 1992 not applied on line 5 or line 7 (see page 23 of the instructions).	-0-			
9 Excess distributions carryover to 1998. Subtract lines 7 and 8 from line 6a	-0-			
10 Analysis of line 9:				
a Excess from 1993				
b Excess from 1994				
c Excess from 1995				
d Excess from 1996				
e Excess from 1997				

Part XIV Private Operating Foundations (see page 23 of the instructions and Part VII-A, question 9)

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 1997, enter the date of the ruling ▶ N/A
- b** Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year		Prior 3 years		
	(a) 1997	(b) 1996	(c) 1995	(d) 1994	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—Enter % of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 24 of the instructions.)

1 Information Regarding Foundation Managers:

- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

W. K. Paine

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see page 24 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a** The name, address, and telephone number of the person to whom applications should be addressed:

- b** The form in which applications should be submitted and information and materials they should include:

- c** Any submission deadlines:

- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p>a Paid during the year</p> <p>Focus on the Family Colorado Springs, Colorado</p>	<p>N/A</p>	<p>Public</p>	<p>All contributions were for the purpose of supporting the work of the recipient organization.</p>	<p>255,000.00</p>
<p>Total ▶ 3a</p>				<p>255,000.00</p>
<p>b Approved for future payment</p>				
<p>Total ▶ 3b</p>				<p>-0-</p>


2D ■ The Clarion-Ledger ■ Monday, May 11, 1998

**NOTICE OF AVAILABILITY
OF ANNUAL REPORT**

Pursuant to Section 6104 (d) of the Internal Revenue Code, notice is hereby given that the annual report for the calendar year 1997 of The Community Foundation, Inc., a private foundation, is available at the Foundation's principal office for inspection during regular business hours from 9 o'clock a.m. to 4 o'clock p.m. by any citizen who requests it within 180 days after the date of this publication. The Foundation's principal office is located at 5317 Hanging Moss Road, Jackson, Mississippi 39206. Telephone (601) 362-6899. The principal manager of the Foundation is W. K. Paine.

May 11, 1998

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Copy**

 Department of the Treasury
Internal Revenue Service
Rev. Rul. 7713 11 001

PART 1, LINE 1

CONTRIBUTIONS, ETC.

<u>Donor</u>	<u>Address</u>	<u>Amount</u>	<u>Date</u>
W. K. Paine	Jackson, Mississippi	\$372,852.96	11/17-12/22/97

PART 1, LINE 18

TAXES

1996 Excise Tax	\$ 917.02
1997 Excise Tax	6,000.00

PART 1, LINE 23

OTHER EXPENSES

Southeastern Council of Foundation. - dues	\$200.00
Newspaper Notice	9.40