

**MISSISSIPPI SCHOOL FOR MATHEMATICS
AND SCIENCE FOUNDATION
FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANTS' REVIEW REPORT
DECEMBER 31, 2010 AND 2009**

MISSISSIPPI SCHOOL FOR MATHEMATICS AND SCIENCE FOUNDATION

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Review Report	1
Statements of Net Assets - Modified Cash Basis - December 31, 2010 and 2009	2
Statement of Activities - Modified Cash Basis - For the Year Ended December 31, 2010	3 - 4
Statement of Activities - Modified Cash Basis - For the Year Ended December 31, 2009	5 - 6
Notes to Financial Statements	7 - 9



T. E. LOTT & COMPANY, PA
CERTIFIED PUBLIC ACCOUNTANTS

QUALITY • INTEGRITY • SERVICE • PROFESSIONALISM • SINCE 1926

Alabama Society of Certified Public Accountants

Mississippi Society of Certified Public Accountants

Registered with Public Company Accounting Oversight Board

American Institute of Certified Public Accountants

Member of Center for Public Company Audit Firms

Member of Employee Benefit Plan Audit Quality Center

Member of Governmental Audit Quality Center

Private Companies Practice Section



T.E. Lott, CPA (1926-1971)
T.E. Lott, Jr. CPA
Charles M. Hawkins, CPA, CBA
John F. Prince, CPA
Nellah F. Taylor, CPA
Jeffrey H. Read, CPA
Thomas J. Buckley, CPA
Vivian L. Yeatman, CPA
Bobby G. Shaw, CPA, CBA
Debby H. Gray, CPA, CPC
Clayton H. Richardson, III, CPA, CVA
J. Michael Prince, CPA
Mark A. Vickers, CPA, CVA
Stewart R. Greene, CPA
J.H. Kennedy, Jr., CPA
Samuel A. Bray, CPA
Frank F. Gray, CPA
Leslie W. Wood, CPA
Lawrence E. Wilson, CPA
Kristy A. Tunnell, CPA, CITP
Louisa L. Russell, CPA
Cheryl G. Nelson, CPA
Julie M. Melvin, CPA
Matthew S. Sasser, CPA
J. Mark Ward, CPA
W. Matthew Turner, CPA
Joshua B. Shaw, CPA
Katherine W. Little, CPA



COLUMBUS

221 North Seventh St.
P.O. Box 471
Columbus, MS 39703-0471
Tel: 662.328.5387
Fax: 662.329.4993

STARKVILLE

106 B South Washington St.
P.O. Box 80282
Starkville, MS 39759-0282
Tel: 662.323.1234
Fax: 662.323.1284

TUSCALOOSA

6834 Hwy 69 South
Tuscaloosa, AL 35405
Tel: 205.759.4195
Fax: 205.759.1018

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Mississippi School for Mathematics
and Science Foundation
Columbus, Mississippi

We have reviewed the accompanying statements of net assets - modified cash basis of Mississippi School for Mathematics and Science Foundation (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities - modified cash basis for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Foundation's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note A.

Columbus, Mississippi
July 7, 2011

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2010

See Independent Accountants' Review Report

<i>CHANGES IN NET ASSETS</i>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<i>REVENUE</i>			
Contributions	\$ 40,226	\$ 95,985	\$ 136,211
Grants	173,415	-	173,415
Dividends and interest	9,241	-	9,241
Net assets released from restrictions	73,395	(73,395)	-
Unrealized gain on investments (Note D)	14,317	-	14,317
	<u>310,594</u>	<u>22,590</u>	<u>333,184</u>
<i>EXPENSES</i>			
<i>Program services:</i>			
Scholarships and awards	3,100	-	3,100
Room and board	37,102	-	37,102
Student activities	36,292	-	36,292
Student supplies	14,641	-	14,641
Travel - activities	2,689	-	2,689
Equipment	104,648	-	104,648
Speakers and teachers	2,600	-	2,600
Camps	4,401	-	4,401
Insurance	1,169	-	1,169
Reimbursable expenses	547	-	547
	<u>207,189</u>	<u>-</u>	<u>207,189</u>
<i>Support services:</i>			
Administrative salaries	66,000	-	66,000
Employee benefits	5,500	-	5,500
Contract labor	4,307	-	4,307
Investment fees	957	-	957
Office supplies	1,186	-	1,186
Postage	455	-	455
Printing and copying	904	-	904

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2010

See Independent Accountants' Review Report

<i>CHANGES IN NET ASSETS</i> (Continued)	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<i>EXPENSES</i> (Continued)			
<i>Support services</i> (Continued)			
Miscellaneous	\$ 394	\$ -	\$ 394
Conferences, conventions and meetings	1,875	-	1,875
Taxes and licenses	4,649	-	4,649
Travel	3,619	-	3,619
	<u>89,846</u>	<u>-</u>	<u>89,846</u>
Total expenses	<u>297,035</u>	<u>-</u>	<u>297,035</u>
Increase in net assets	13,559	22,590	36,149
Net assets at beginning of the year	<u>190,258</u>	<u>85,785</u>	<u>276,043</u>
Net assets at end of the year	<u>\$ 203,817</u>	<u>\$ 108,375</u>	<u>\$ 312,192</u>

The accompanying notes are an integral part of this statement.

STATEMENTS OF NET ASSETS - MODIFIED CASH BASIS

DECEMBER 31, 2010 AND 2009

See Independent Accountants' Review Report

	<u>2010</u>	<u>2009</u>
<i>ASSETS</i>		
<i>CURRENT ASSETS</i>		
Cash and cash equivalents	\$ 93,375	\$ 79,609
Investments (Note D)	<u>218,817</u>	<u>196,434</u>
Total current assets	<u>312,192</u>	<u>276,043</u>
Total Assets	<u>\$ 312,192</u>	<u>\$ 276,043</u>
 <i>LIABILITIES AND NET ASSETS</i>		
 <i>LIABILITIES</i>		
	\$ -	\$ -
 <i>NET ASSETS</i> (Notes A-2 and F)		
Unrestricted	203,817	190,258
Temporarily restricted	<u>108,375</u>	<u>85,785</u>
Total Liabilities and Net Assets	<u>\$ 312,192</u>	<u>\$ 276,043</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2009

See Independent Accountants' Review Report

<i>CHANGES IN NET ASSETS</i>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<i>REVENUE</i>			
Contributions	\$ 58,217	\$ 62,865	\$ 121,082
Dividends and interest	10,777	-	10,777
Net assets released from restrictions	43,716	(43,716)	-
Unrealized gain on investments (Note D)	27,968	-	27,968
	<u>140,678</u>	<u>19,149</u>	<u>159,827</u>
<i>EXPENSES</i>			
<i>Program services:</i>			
Scholarships and awards	24,874	-	24,874
Science fair	3,422	-	3,422
Student activities	9,334	-	9,334
Student supplies	11,480	-	11,480
Sponsorships - science competition	3,649	-	3,649
Speakers and teachers	1,950	-	1,950
Camps	6,893	-	6,893
Insurance	1,169	-	1,169
Investment fees	1,036	-	1,036
	<u>63,807</u>	<u>-</u>	<u>63,807</u>
<i>Support services:</i>			
Administrative salaries	66,000	-	66,000
Employee benefits	5,500	-	5,500
Contract labor	4,956	-	4,956
Office supplies	1,594	-	1,594
Postage	161	-	161
Printing and copying	532	-	532
Miscellaneous	291	-	291

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2009

See Independent Accountants' Review Report

<i>CHANGES IN NET ASSETS</i> (Continued)	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<i>EXPENSES</i> (Continued)			
<i>Support services</i> (Continued)			
Conferences, conventions and meetings	\$ 698	\$ -	\$ 698
Taxes and licenses	5,982	-	5,982
Travel	<u>3,894</u>	<u>-</u>	<u>3,894</u>
	<u>89,608</u>	<u>-</u>	<u>89,608</u>
Total expenses	<u>153,415</u>	<u>-</u>	<u>153,415</u>
Increase (decrease) in net assets	(12,737)	19,149	6,412
Net assets at beginning of the year	<u>202,995</u>	<u>66,636</u>	<u>269,631</u>
Net assets at end of the year	<u>\$ 190,258</u>	<u>\$ 85,785</u>	<u>\$ 276,043</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

See Independent Accountants' Review Report

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1. Nature of Activities**

Mississippi School for Mathematics and Science Foundation (the Foundation) is a nonprofit organization designed to provide support for gifted students to attend Mississippi School for Mathematics and Science and financially aid participation in specific school activities.

2. Basis of Presentation

The Foundation records receipts and disbursements on the modified cash basis. Revenue is generally recorded when received rather than when earned. Disbursements are generally recognized when paid rather than when incurred. Investments are carried at fair value (rather than cost), as more fully discussed at Note D. Net assets and revenue and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein, are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to donor imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. Any funds pledged or received for the future year are placed in temporarily restricted accounts until utilized in that school year.

3. Income Taxes

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

4. Functional Expenses

Expenses are charged directly to program or support services categories based on specific identification.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

See Independent Accountants' Review Report

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**5. Use of Estimates**

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of revenue and expenses, together with the allocation of expenses.

6. Subsequent Events

Management has evaluated the effect of subsequent events on these financial statements through July 7, 2011, the date the financial statements were available to be issued.

NOTE B - ECONOMIC DEPENDENCE

The Foundation receives its support from donations of cash, and interest and dividends from marketable securities. A significant reduction in the level of support from these sources, if it were to occur, could have an effect on the Foundation's activities.

NOTE C - DONATIONS

The Foundation occasionally receives donations of marketable securities. The securities are recorded at fair market value at the date of receipt.

NOTE D - INVESTMENTS

The investments are stated at fair value of \$218,817 and \$196,434 at December 31, 2010 and 2009, respectively. Investments consisted primarily of government obligations and equity securities with an original cost of \$216,766; unrealized gain was equal to \$14,317 and \$27,968 for the years ended December 31, 2010 and 2009, respectively.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

See Independent Accountants' Review Report

NOTE E - RESTATEMENT OF NET ASSETS

Unrestricted net assets at the beginning of 2009 have been adjusted to reflect donor restrictions of contributions that were specifically for student room and board. The cumulative effect decreased beginning unrestricted net assets for 2009 by \$17,473. The statements of activities for 2009 and 2010 correctly reflect the contributions as temporarily restricted and all expenditures for the purpose of student room and board that were released from restrictions.

NOTE F - TEMPORARILY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets at December 31, 2010 and 2009 were available for the following purposes:

	<u>2010</u>	<u>2009</u>
Needs, Wants and Wishes	\$ 53,107	\$ 22,827
Room and Board	11,210	18,900
Nissan Foundation	36,820	36,820
Weyerhaeuser Switzerland Trip	2,000	2,000
CERN Switzerland Trip	1,120	1,120
Inspire Conference	240	240
Microtek Science Fair	2,000	2,000
Omnova Foundation	<u>1,878</u>	<u>1,878</u>
	<u>\$ 108,375</u>	<u>\$ 85,785</u>

NOTE G - INCOME TAX STATUS

ASC Topic 740, *Income Taxes*, provides guidance on financial statement recognition and measurement of tax positions taken, or expected to be taken, in tax returns. ASC Topic 740 requires an evaluation of tax positions to determine if the tax positions will more likely than not be sustainable upon examination by the appropriate tax authority. The Foundation at December 31, 2010, had no uncertain tax positions that qualify for disclosure in the financial statements. The Foundation's federal informational returns for the year 2007 and subsequent years remain subject to examination by tax authorities.

