BATTS, MORRISON, WALES & LEE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Jessie Ball duPont Fund
Jacksonville, Florida

We have audited the accompanying statements of assets and fund balance arising from cash transactions – modified cash basis of Jessie Ball duPont Fund ("the Fund") for the years ended December 31, 2008 and 2007, and the related statements of revenues collected, grants and expenses paid and changes in fund balance – modified cash basis for the years then ended. These financial statements are the responsibility of the Fund'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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note B, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and fund balance arising from cash transactions – modified cash basis of Jessie Ball duPont Fund as of December 31, 2008 and 2007, and its revenues collected, grants and expenses paid and changes in fund balance – modified cash basis for the years then ended, in conformity with the modified cash basis of accounting.

Batts, Morrison, Wales & Lee, P.A.

BATTS, MORRISON, WALES & LEE, P.A.

Orlando, Florida
October 21, 2009

JESSIE BALL DUPONT FUND

STATEMENTS OF ASSETS AND FUND BALANCE
ARISING FROM CASH TRANSACTIONS – MODIFIED CASH BASIS

ASSETS

	December 31, 2008	December 31, 2007
ASSETS		
Cash and cash equivalents	$ 9,988,683	$ 41,092,512
Investments – at estimated fair value:		
Common and preferred stocks	106,423,778	188,390,896
U.S. government agency securities	41,205,643	8,800,691
Corporate bonds	40,271,549	51,697,826
Limited partnership interests	20,084,434	3,735,000
Hedge funds	11,494,960	14,601,000
Asset-backed securities	—	18,420,790
Total investments	219,480,364	285,646,203
Other assets	152,206	208,778
Total assets	**$229,621,253**	**$ 326,947,493**

FUND BALANCE

FUND BALANCE	**$229,621,253**	**$ 326,947,493**

JESSIE BALL DUPONT FUND

STATEMENTS OF REVENUES COLLECTED, GRANTS AND
EXPENSES PAID AND CHANGES IN FUND BALANCE – MODIFIED CASH BASIS

	For The Years Ended December 31, 2008	2007
REVENUES COLLECTED:		
Interest	$ 2,844,396	$ 3,224,132
Dividends	5,692,390	6,488,634
Distributions and other	228,281	126,078
Total revenues collected	8,765,067	9,838,844
GRANTS AND EXPENSES PAID:		
Grants paid	13,935,104	13,339,605
Supporting services qualifying:		
Audit fees	48,170	47,750
Communications	92,784	104,733
Corporate co-trustee fees	326,013	372,135
Custodial fee	145,503	156,695
Depreciation expense	19,822	38,262
Employment taxes	55,484	43,346
Employee fringe benefits	214,719	171,721
Individual co-trustees' fees	180,000	147,500
Legal fees	15,159	32,330
Occupancy	158,658	169,624
Professional association fees	54,371	50,983
Professional meetings and development	147,541	66,454
Program consulting fees and travel	210,937	463,625
Salaries	886,978	699,347
Technology and other office expenses	109,720	115,156
Trustee and staff travel expenses	236,177	174,699
Total supporting services qualifying	2,902,036	2,854,360
Supporting services non-qualifying:		
Federal and state tax expense	195,045	285,116
Investment fees	1,062,265	1,066,543
Total supporting services	4,159,346	4,206,019
Total grants and expenses paid	18,094,450	17,545,624
Deficit of grants and expenses paid over revenues collected before net gains (losses) on securities	(9,329,383)	(7,706,780)
Net gains (losses) on securities	(87,996,857)	20,637,602
Excess of revenues collected and net gains on securities over grants and expenses paid (deficit of grants and expenses paid over revenues collected and net losses on securities)	**(97,326,240)**	**12,930,822**
FUND BALANCE – Beginning of year	**326,947,493**	**314,016,671**
FUND BALANCE – End of year	**$229,621,253**	**$ 326,947,493**

The Accompanying Notes are an Integral
Part of These Financial Statements

NOTE A – NATURE OF ORGANIZATION

The Jessie Ball duPont Fund ("the Fund") was established by the Last Will and Testament of its founder and contributor, Jessie Ball duPont, on November 1, 1976. The Fund is organized as a nonprofit charitable trust and began operations on November 1, 1976, exclusively for religious, charitable, literary and educational purposes. The principal of the trust shall be held perpetually with all income distributed to various charitable institutions or for specified charitable purposes, as defined by the Last Will and Testament.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation
The accompanying financial statements have been prepared on the modified cash basis accounting. That basis differs from generally accepted accounting principles in the following respects:

- Revenues are recognized when received rather than when earned.
- Expenses are recognized when paid rather than when the obligation is incurred.

Reporting of expenses
The Fund reports amounts paid (including administrative expenses) as "supporting services qualifying" in the accompanying financial statements if all or a substantial portion of the amounts may be included as qualifying distributions for purposes of meeting the Fund's minimum distribution requirement described in Note D. Otherwise, amounts paid are included as "supporting services non-qualifying" in the accompanying financial statements.

Cash and cash equivalents
The Fund considers all investment instruments purchased with original maturities of three months or less to be cash equivalents.

Investments
Investments in securities that are traded on national or international securities exchanges are carried at fair value, based upon quoted market prices provided by external investment managers and the Fund's custodian and accepted by the Fund's management.

Investments in alternative structures including limited partnerships, hedge funds and private equity funds are carried at estimated fair value. Estimated fair values for these "alternative investments" are provided by the investee and accepted by the Fund's management. Alternative investments are not readily marketable and are often highly illiquid. The estimated fair values of alternative investments included in the accompanying financial statements are subject to a high degree of uncertainty and the actual fair values could differ materially from the estimated fair values. Management of the Fund believes that the Fund's alternative investments are carried at reasonable estimates of their fair value.

Federal excise tax
The Fund qualifies under Section 501(a) of the Internal Revenue Code ("the Code") as an entity exempt from income taxes and as described in Section 501(c)(3) of the Code. The Fund is a private foundation described in Section 509(a) of the Code. In accordance with applicable provisions of the Code, the Fund is subject to an excise tax of one or two percent on investment income, net of certain related expenses, including realized gains from sales of investments.

Use of estimates
The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of income and expenses during the reporting period. Actual amounts, values and results could differ materially from those estimates.

NOTE C – CONCENTRATION OF RISKS

The Fund's investment securities are exposed to various risks, such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of the 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 changes could materially affect investment account balances and the amounts reported in the accompanying financial statements.

NOTE D – QUALIFYING DISTRIBUTIONS AND FUTURE YEAR GRANT COMMITMENTS

The Fund is a private foundation and is required by Section 4942 of the Code to payout, as qualifying distributions, a minimum of 5% of the Fund's noncharitable assets. In 2008 and 2007, the average fair value for this purpose was $282,451,159 and $320,854,448, respectively. During 2008 and 2007, the Fund paid out qualifying distributions of $16,537,846 and $16,105,301, respectively (approximately 5%).

As of December 31, 2008, the Fund had approved grants totaling approximately $6,140,000 to be paid in subsequent years through 2012.

Excess distributions of approximately $4,350,000 are available for carry over to offset the future years' minimum distribution requirements required by federal tax law for private foundations.

NOTE E – RETIREMENT PLAN

The Fund makes fixed contributions to a Simplified Employee Pension plan for full-time employees. All full-time employees become vested in employer contributions upon the date of their employment. The Fund contributes an amount equal to 12% of the employee's annual salary. Total contributions made by the Fund to the employee accounts during 2008 and 2007 were approximately $103,000 and $84,000, respectively.

NOTE F – TRUSTEE STRUCTURE AND FEES

The governing structure of the Jessie Ball duPont Fund, created by Mrs. duPont's Last Will and Testament and subsequent court order expanding the original number of trustees of four trustees to no more than seven and no fewer than five, includes five individual trustees, each elected by a majority vote of the trustees; a clerical trustee appointed by the Episcopal Bishop of Florida; and a corporate trustee that must be a national financial institution having trust powers selected by a majority vote of trustees. The individual and clerical trustees serve a term of five years, and may succeed themselves for two successive five-year terms; the corporate trustee must be re-elected annually by a majority vote of the trustees, while the individual representing the corporate trustee may serve a total of three, five-year terms. In accordance with Mrs. duPont's Last Will and Testament, the trustees are trustees of Mrs. duPont's estate, which includes the Fund and two additional trusts, and are compensated for their services at a reasonable rate (currently, $30,000 annually, with each trustee committing an average of 40 days per year on Fund business). As corporate trustee, Northern Trust Bank fulfills custodial and certain administrative functions for the Fund, including preparation of the Fund's 990-PF tax return, payroll, grant and administrative expense payments and budget oversight and reconciliation. The corporate trustee fee is set annually by a majority vote of the individual and clerical trustees. For the years ended December 31, 2008 and 2007, the corporate trustee was paid approximately $326,000 and $372,000, respectively, for trustee services, $355,000 and $345,000, respectively, for investment management services and $146,000 and $157,000, respectively, for securities custodian services. The individual representing the corporate trustee is not compensated separately by the Fund.

NOTE G – FAIR VALUE MEASUREMENTS

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (FAS 157) effective January 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. 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 unobservable inputs (Level 3 measurements). Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (such as quoted prices for similar investments)

Level 3 – significant unobservable inputs

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Fund applies discounts for lack of marketability and/or lack of control, when deemed appropriate.

Estimated fair value of certain assets measured on a recurring basis at December 31, 2008 are as follows:

		Estimated Fair Value Measurements at Reporting Date Using		
	Estimated Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common and preferred stocks	$ 106,423,778	$ 106,423,778	$ —	$ —
U.S. government agency securities	41,205,643	41,205,643	—	—
Corporate bonds	40,271,549	40,271,549	—	—
Limited partnership interests	20,084,434	—	—	20,084,434
Hedge funds	11,494,960	—	—	11,494,960
Total	$ 219,480,364	$ 187,900,970	$ —	$ 31,579,394

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, December 31, 2007	$ 18,336,000
Net purchases/(sales)	20,120,380
Net income/(loss)	(1,044,705)
Net gain/(loss)	(5,832,281)
Balance, December 31, 2008	$ 31,579,394

The Fund's other significant financial instrument is cash. For this financial instrument, carrying value approximates fair value.

NOTE H – COMMITMENTS

As of December 31, 2008, the Fund had open private investment funding commitments of approximately $22,000,000 which are expected to be funded as capital calls are made.