

STAUNTON AUGUSTA WAYNESBORO
COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE
CENTRAL BLUE RIDGE

FINANCIAL STATEMENTS

December 31, 2009

STAUNTON AUGUSTA WAYNESBORO
COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE
CENTRAL BLUE RIDGE

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Staunton Augusta Waynesboro
Community Foundation
d/b/a Community Foundation of the
Central Blue Ridge
Staunton, Virginia

We have audited the accompanying statements of financial position of Staunton Augusta Waynesboro Community Foundation d/b/a Community Foundation of the Central Blue Ridge as of December 31, 2009 and 2008, and the related statements of activities 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. The prior year summarized comparative information has been derived from Staunton Augusta Waynesboro Community Foundation's 2008 financial statements and, in our report dated June 11, 2009, we expressed an unqualified opinion on those financial statements.

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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Staunton Augusta Waynesboro Community Foundation d/b/a Community Foundation of the Central Blue Ridge as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

ELMORE, HUPP & COMPANY, P.L.C.

Staunton, Virginia

June 9, 2010

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Elmore
& Company

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
STATEMENTS OF FINANCIAL POSITION
December 31, 2009
(Summarized Totals for 2008)

ASSETS

	2009	2008
Cash and cash equivalents	\$ 627,677	\$ 593,654
Marketable securities	7,766,018	6,023,703
Interest receivable	16,562	4,230
Land - held for sale	331,270	331,270
Interest in limited liability companies	380,636	294,750
Prepaid expenses	1,840	1,145
Security deposit	600	-
Pledges receivable	9,426	42,982
Property and equipment, net	7,551	8,613
Bequests receivable	981,520	250,000
	\$ 10,123,100	\$ 7,550,347

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 14,407	\$ 5,069
Deferred income	40,317	33,649
Annuities payable	-	43,302
Payable to beneficiary	331,270	331,270
Agency funds	472,988	379,626
	858,982	792,916

NET ASSETS

Unrestricted	926,621	487,803
Temporarily restricted	5,471,009	4,124,660
Permanently restricted	2,866,488	2,144,968
	9,264,118	6,757,431
TOTAL NET ASSETS	\$ 10,123,100	\$ 7,550,347

See notes to financial statements.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
STATEMENTS OF ACTIVITIES
Year Ended December 31, 2009
(Summarized Totals for 2008)

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	2009 TOTALS	2008 TOTALS
PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS					
Contributions	\$ 425,430	\$ 256,329	\$ 731,520	\$ 1,413,279	\$ 254,298
Forfeiture of grants	-	1,222	-	1,222	2,834
Interest and dividends	42,273	168,357	-	210,630	290,129
Management fees	67,199	(62,458)	-	4,741	5,631
Services and equipment	18,989	-	-	18,989	24,107
Gain (loss) from pass-through entities	-	94,886	-	94,886	(28,246)
Change in measurement value of gift annuities	37,602	-	-	37,602	-
Net realized and unrealized gain (loss) on marketable securities	197,047	1,133,661	-	1,330,708	(2,864,819)
Net assets released from restrictions:					
Donor released restrictions	10,000	-	(10,000)	-	-
Satisfaction of program restrictions	245,648	(245,648)	-	-	-
	<u>1,044,188</u>	<u>1,346,349</u>	<u>721,520</u>	<u>3,112,057</u>	<u>(2,316,066)</u>
TOTAL PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS					
EXPENSES					
Program expenses:					
Grants and donor directive funds	331,784	-	-	331,784	479,128
Workshops and events	32,835	-	-	32,835	19,972
	<u>364,619</u>	<u>-</u>	<u>-</u>	<u>364,619</u>	<u>499,100</u>
Administrative and development:					
Compensation and benefits	113,366	-	-	113,366	137,494
Printing and reproduction	6,892	-	-	6,892	7,406
Investment manager fees	22,752	-	-	22,752	19,350
Professional services	18,489	-	-	18,489	34,641
Fundraising	27,237	-	-	27,237	4,840
Bad debt on pledges	19,135	-	-	19,135	-
Office supplies and equipment	10,399	-	-	10,399	12,003
Postage	1,108	-	-	1,108	2,035
Utilities	1,166	-	-	1,166	1,079
Rent	8,100	-	-	8,100	10,116
Insurance	2,674	-	-	2,674	2,536
Development	532	-	-	532	6,818
Travel and training	1,555	-	-	1,555	4,502
Miscellaneous	4,244	-	-	4,244	2,461
Depreciation	3,102	-	-	3,102	6,454
	<u>240,751</u>	<u>-</u>	<u>-</u>	<u>240,751</u>	<u>251,735</u>
TOTAL ADMINISTRATIVE AND DEVELOPMENT					
	<u>605,370</u>	<u>-</u>	<u>-</u>	<u>605,370</u>	<u>750,835</u>
TOTAL EXPENSES					
CHANGES IN NET ASSETS	<u>438,818</u>	<u>1,346,349</u>	<u>721,520</u>	<u>2,506,687</u>	<u>(3,066,901)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>487,803</u>	<u>4,124,660</u>	<u>2,144,968</u>	<u>6,757,431</u>	<u>9,824,332</u>
NET ASSETS AT END OF YEAR	<u>\$ 926,621</u>	<u>\$ 5,471,009</u>	<u>\$ 2,866,488</u>	<u>\$ 9,264,118</u>	<u>\$ 6,757,431</u>

See notes to financial statements.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
STATEMENTS OF CASH FLOWS
Year Ended December 31, 2009
(Summarized Totals for 2008)

	2009	2008		2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ 2,506,687	\$ (3,066,901)			
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
Non-cash contributions	(16,398)	-			
Loss (gain) from pass-through entities	(94,886)	28,246			
Dividends reinvested	(94,148)	(27,241)			
Loss (gain) on marketable securities	(1,330,708)	2,864,819			
Change in measurement value of gift annuities	(37,602)	-			
Depreciation	3,102	6,454			
Contributions restricted for endowment	(731,520)	(25,000)			
Increase in prepaid expenses	(695)	(1,145)			
Decrease (increase) in interest receivable	(12,332)	4,504			
Decrease (increase) in pledges receivable	33,556	(42,982)			
Decrease (increase) in bequests receivable	(731,520)	350,000			
Increase in security deposit	(600)	-			
Increase in agency funds, net of marketable securities gains and losses	9,126	8,346			
Decrease in annuities payable	(5,700)	(15,682)			
Increase in accounts payable and accrued expenses	9,338	658			
Decrease in deferred income, net of marketable securities gains and losses	(708)	(1,092)			
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(495,008)	82,984			
CASH FLOWS FROM INVESTING ACTIVITIES					
Distributions from investments in limited liability companies	9,000	12,068			
Purchase of property and equipment	(1,540)	(3,503)			
Purchase of marketable securities	(7,011,901)	(1,730,370)			
Proceeds from sale of marketable securities	6,801,952	527,668			
NET CASH USED IN INVESTING ACTIVITIES	(202,489)	(1,194,137)			
CASH FLOWS FROM FINANCING ACTIVITIES					
Contributions restricted for endowment			\$ 731,520	\$ 25,000	
NET CASH PROVIDED BY FINANCING ACTIVITIES			731,520	25,000	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			34,023	(1,086,153)	
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			593,654	1,679,807	
END OF YEAR			\$ 627,677	\$ 593,654	

See notes to financial statements.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Staunton Augusta Waynesboro Community Foundation d/b/a Community Foundation of the Central Blue Ridge, located in Staunton, Virginia, is organized under the laws of the Commonwealth of Virginia for the purpose of developing a permanent endowment to provide for the enrichment of the quality of life in the communities of Staunton and Waynesboro and the counties of Augusta, Nelson and Highland through assessing and responding to the changing community needs and to serve as a mechanism for donors at all levels of charitable giving to aid in supporting the community.

Public Support and Revenue

Contributions not subject to donor restrictions are available for unrestricted purposes.

If the Foundation receives contributions with donor stipulations that limit the use of the donated asset over a period of time, the contribution is reported as temporarily restricted support. When a donor restriction expires, that is when the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Endowment contributions consist of gifts which are permanently restricted by the donor. Income and investment earnings generated from these funds are designated as temporarily restricted until the donor restriction is accomplished.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Cash and Cash Equivalents

The Foundation considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Marketable Securities

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. Unrealized gains and losses are included in the change in net assets.

Property and Equipment

It is the Foundation's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over estimated useful lives.

Bequests Receivable

Bequests receivable are from two individuals' estates.

Deferred Income

Deferred income consists principally of funds received from the termination of a trust during 2007. However, court approval is still pending. Therefore, the Foundation will not recognize income until such time of court approval.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Reclassification

The classification of certain amounts within the financial statements for the year ended December 31, 2008 have been changed to be consistent with the classification adopted by the Foundation in 2009.

Income Taxes

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

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most significant estimate is bequests receivable. The amounts shown in the statements of financial position are estimates of the future amounts receivable by the Foundation, based on available information. It is reasonably possible that the estimated amount of the receivable will differ from the amount ultimately received.

Summarized Prior Year Information

The financial statements include summarized comparative information from the prior year, which is not presented by net asset class and does not include sufficient detail to conform with generally accepted accounting principles. This information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2008, from which the comparative information was extracted.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Interest in Limited Liability Companies

This investment consists of ownership interests in limited liability companies. Under the equity method, the Foundation's share in earnings or losses of these companies is reflected in results of operations.

Agency Funds

The Foundation has accepted funds, which have been invested in its investment pool, from charitable organizations. These funds, including allocable investment income and gains and losses, realized and unrealized, are reflected as liabilities in the statements of financial position.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK AND FINANCIAL INSTRUMENTS

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of temporary cash investments and bequests receivable.

The Foundation places its temporary cash investments with high-credit-quality financial institutions. At times, such investments may be in excess of FDIC insurance limits. The Foundation has not experienced any losses in such accounts.

Bequests receivable are from two individuals' estates. The Foundation does not expect any difficulty in realizing the bequests.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes as of December 31, 2009:

Augusta County Public Schools Fund	\$ 1,152
Augusta Regional SPCA Endowment Fund	31
A. P. Boxley, Jr. and Rachel Barksdale Boxley Memorial Endowment	43,108
Buddy Bosserman Scholarship	1,075
Caroline E. Roberts Memorial Flower	16,359
Christopher DeWitt "Chris" Rockwell Scholarship	5,317
Croushorn Endowment Fund	20,317
Ethel Driver Memorial Scholarship	86,513
Edward L. Dodge Memorial Scholarship	9,426
Morgan R. Funk Memorial Scholarship	6,929
A. Gordon Houff Memorial Scholarship	21,484
John W. Green Memorial Scholarship	17,814
H. Dunlop "Buz" Dawbarn Award	190,202
Dawbarn II	757,691
Lindsey Ree Hyson Memorial Scholarship	63,051
Jack McKee Personal Pass Through Fund	24,750
Cecil G. Layman, Jr. Scholarship Fund	613
Kelling Unrestricted Endowment Fund	70,616
S. M. Lucente Memorial Fund	608
Warren & Jean Mundy Unrestricted Fund	71,644
V. Francis & Susan S. Reynolds Scholarship	1,000
Louis & Emily M. Spilman Scholarship Fund	7,269
INVISTA - Waynesboro Scholarship	11,048
J. B. "Gus" Stombock Memorial	81,777
J. B. "Gus" Stombock Family	1,656,285
Martin Lightsey Scholarship for Technical Education	86,966
Loesch-Augusta Regional Free Clinic Endowment	26,265
Lucy Coyner Endowment	212,834
Coyner Endowment for the Elderly	107,573
Montebello Scholarship	54,382
N. Carroll and Grace B. Guynn Scholarship	32,054
Fritz Stout Memorial Scholarship	11,127
Smyth Educational Award	169,119
Tyler James Grimm Memorial Scholarship	10,631
Stuarts Draft Academic Boosters Club	10,752
Swett's "Welcome to Stuarts Draft" Sign	47,604
Waynesboro Rotary Club Foundation Fund	2,068
Waynesboro Family YMCA Endowment	9,940
Leo A. Thralls Endowment Fund	37,844
Waynesboro High School Alumni Endowment	5,732
Roy B. Martin Memorial Endowment	272,003
L. Dal and Jane Simmons Unrestricted	582,540
High Country Associates	363,261
WS Properties	17,376
R. S. Yeago	12,280
Meadows Fund for the Intellectually Handicapped	42,549
Paul Flanagan Scholarship Fund	24,236
Nelson County Current Fund	1,822
Kenneth L. Jones Memorial Scholarship Fund	14,513
Jamin Award Fund	5,036

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RESTRICTIONS ON NET ASSETS (continued)

VAE Fund	\$	5,968
Vector Ind. Endowment Fund		92
Peter Veglahn Memorial Scholarship Fund		20,659
Valley Program for Aging Services		100,616
VPC Endowment Fund		5,234
Friends of the Waynesboro Public Library Fund		574
Community Scholarship for Excellence		11,283
		\$ 5,471,009

Endowment Fund

The Foundation's Board of Directors has interpreted Virginia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation's Board of Directors classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation's Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund, the purposes of the Foundation and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the Foundation, and the investment policies.

The primary investment objective of the Endowment Fund is to provide returns that cover the Foundation's defined spending rate, which includes the annual administrative fee, and exceed inflation (provide real growth in spending). There will be some inevitable volatility in principal value that will be experienced from pursuing this objective that will affect the stability of the payout.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RESTRICTIONS ON NET ASSETS (continued)

To assist the Foundation in gauging the success of the return on investments, the Foundation shall employ as its investment return goal the following formula:

5yr Annualized CPI + Spending Rate (4%) + Average Administrative Fee (1%)

The target return is based on a trailing five-year calculation. This is the time period used to judge whether or not the portfolio is meeting its objective. Each individual year may be more or less than the target.

Permanently restricted net assets are available for the following purposes as of December 31, 2009:

Community Foundation Administrative Endowment	\$	600,192
Augusta Regional SPCA Endowment Fund		150
Lewis M. Coiner Unrestricted Endowment Fund		10,556
Community Scholarship for Excellence Fund		10,426
Croushorn Endowment Fund		120,680
H. Dunlap "Buz" Dawbarn Award Fund		390,528
H. D. Dawbarn Fund II - Estate		700,000
Paul Flanagan Scholarship Fund		6,444
N. Carroll and Grace Gynn Scholarship Fund		74,803
Cecil G. Layman, Jr. Scholarship Fund		9,665
Loesch - Augusta Regional Free Clinic Fund		10
Samuel Matthew Lucente Memorial Fund		1,000
Jean Y. & John M. Moore Unrestricted Fund		10,000
Penland Endowed Fund		731,520
V. Francis & Susan S. Reynolds Scholarship Fund		50,000
Christopher Dewitt Rockwell Memorial Scholarship Fund		12,345
ShenanArts Endowment Fund		10,863
L. Dal and Jane F. Simmons Unrestricted Fund		10,416
Louis & Emily M. Spilman Scholarship Fund		50,000
J. B. "Gus" Stombock Memorial Little League Fund		10,948
J. B. "Gus" Stombock Memorial Unrestricted Fund		10,092
Waynesboro High School Alumni Endowment Fund		20,850
R. S. Yeago, Jr. Scholarship Fund		25,000
		\$ 2,866,488

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - MARKETABLE SECURITIES

Investments as of December 31, 2009, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Available-for-sale:			
Equity securities	\$ 6,438,399	\$ 7,766,018	\$ 1,327,619
	<u>\$ 6,438,399</u>	<u>\$ 7,766,018</u>	<u>\$ 1,327,619</u>

The following schedule summarizes the investment return for marketable securities and its classification in the statements of activities for the year ended December 31, 2009.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$ 41,695	\$ 168,357	\$ -	\$ 210,052
Realized and unrealized gains, net	<u>199,725</u>	<u>1,130,983</u>	<u>-</u>	<u>1,330,708</u>
Total investment return	<u>\$ 241,420</u>	<u>\$ 1,299,340</u>	<u>\$ -</u>	<u>\$ 1,540,760</u>

NOTE 5 - LAND - HELD FOR SALE

The Foundation received an undivided interest in real property, which is currently held as available for sale. Proceeds received from the sale are to be distributed to a local high school for enhancement of their athletic program.

NOTE 6 - INTEREST IN LIMITED LIABILITY COMPANIES

The Foundation has a 20% non-voting interest in High Country Associates, LLC, and a 3.34% interest in WS Properties. Both of these investments are accounted for by the equity method. The limited liability companies are pass-through entities for items of income and expense. The Foundation believes that the equity method is a better representation of the Foundation's investment.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - INTEREST IN LIMITED LIABILITY COMPANIES (continued)

Activity from these investments is summarized in the following table.

Balance, December 31, 2008	\$ 294,750
Net income	94,886
Distributions received	<u>(9,000)</u>
Balance, December 31, 2009	<u>\$ 380,636</u>

The carrying value of the Foundation's investments at December 31, 2009 approximates the Foundation's underlying equity in the net assets of the limited liability companies. Assets and liabilities of the limited liability companies from unaudited financial statements totaled \$2,413,631 and \$500,549 respectively, at December 31, 2009. Revenue and net income for the year ended December 31, 2009 were \$850,000 and \$433,164, respectively.

NOTE 7 - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

Equipment and furniture	\$ 19,759
Software	<u>9,229</u>
	28,988
Accumulated depreciation	<u>21,437</u>
	<u>\$ 7,551</u>

NOTE 8 - PLEDGES RECEIVABLE

The Foundation has a receivable pledged by an area business to pay \$10,000. The non-interest bearing receivable was discounted to \$9,426 using an imputed interest factor of 3%. The receivable is net of the \$574 discount. The receivable is expected to be collected and no allowance for uncollectible pledges receivable are included in the financial statements.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - ANNUITIES PAYABLE

The Foundation has established a gift annuity program whereby donors may contribute assets in exchange for the right to receive a fixed dollar annual return during their lifetime. A portion of the transfer is considered to be a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and the present value of the liability for future payments, determined on an actuarial basis is recognized as a contribution at the date of the gift. The liability for annuities payable is based upon actuarial estimates of life expectancy of donors. During 2009, the donors of annuities held by the Foundation passed away. The remaining value of \$37,602 has been included in the statements of activities.

Income earned on annuity investments and distributions paid are credited and charged against unrestricted revenue unless the annuity agreement stipulates to the disposition of any remaining actuarial value.

NOTE 10 - DONATED SERVICES, EQUIPMENT, AND FACILITIES

The Foundation receives a significant amount of donated services from unpaid volunteers who assist in fundraising, projects, programs, and special events. No amounts have been recognized because the criteria for recognition under SFAS No. 116 have not been satisfied.

In-kind contributions are recorded as revenue and expenses at fair market value as follows for the year ended December 31, 2009:

Equipment	\$ 500
Accounting services	<u>18,489</u>
	<u>\$ 18,989</u>

NOTE 11 - MAJOR CONTRIBUTORS

Contributions from two donors represent 84% of total contributions for the year ended December 31, 2009.

STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
d/b/a COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 12 - OPERATING LEASE

The Foundation entered into a one-year lease on August 1, 2009 for office space at the rate of \$600 per month payable at the beginning of the month. The tenant is responsible for general liability insurance. The lease is renewable for one additional twelve-month term at a rate of \$650 per month.

NOTE 13 - SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through June 9, 2010, the date which the financial statements were available to be issued.