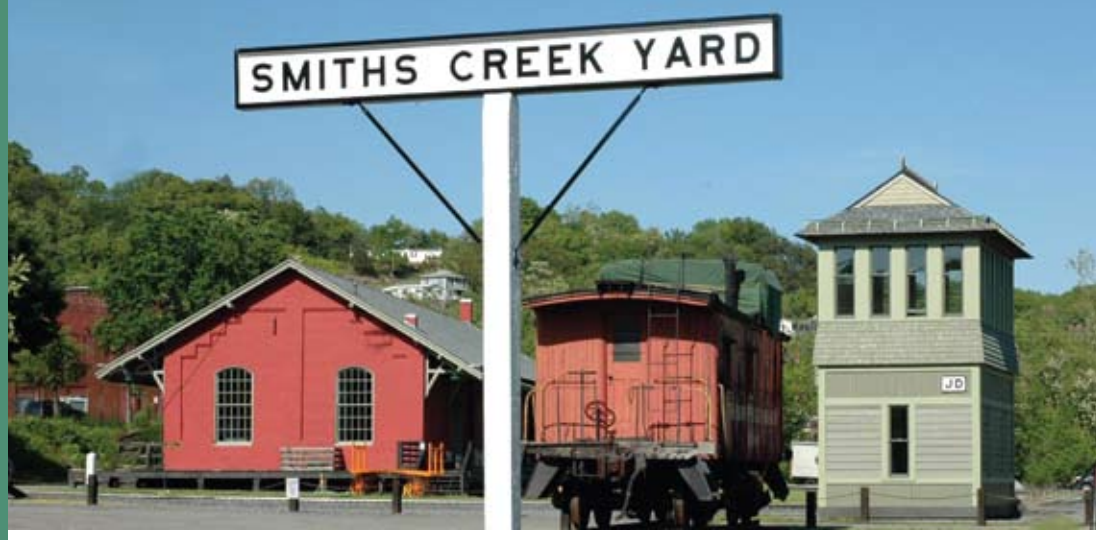


THE ALLEGHANY FOUNDATION ANNUAL REPORT 2008



REPORT TO THE COMMUNITY

The Allegheny Highlands is rich in history, incomparable natural beauty and resources, and people who care deeply about friends, family and community. The grants awarded by The Allegheny Foundation, since its inception in 1995, total more than \$28 million and speak to our commitment to the well-being and prosperity of the citizens of the Highlands.

Heritage, regional tourism, economic growth, and quality of life were focuses of a number of our most recent grants:

Clifton Forge was called "The Heart of the C&O Railway" during its heyday in the mid-1900s. A C&O division headquarters, it was here that locomotives were serviced and readied for the trip west over the Allegheny Mountains and east beyond the Blue Ridge. The C&O Historical Society is building the C&O Railway Heritage Center dedicated to telling the story of the C&O Railroad, as well as the importance it played in Clifton Forge's history. The Center offers interpretive and educational programs in its recently renovated freight depot visitors' center, which was funded in part by The Allegheny Foundation and features restored rolling stock, including a dining car which is utilized by agencies for meetings and catered functions. Designed to attract visitors from our region and beyond, the depot itself serves as a community center. A signal tower at the former Smith Creek Yard, restored with funds from The Allegheny Foundation, is a favorite vantage point for watching trains pass through our scenic valley.



The C&O Railway's presence was also felt in Covington, where both passenger and freight depots served the area. The Allegheny Historical Society recently stabilized and renovated the C&O Freight Depot building that serves as an annex to the Society's visitor center and museum, which is housed in the 1908 C&O Passenger Depot that was part of the Society's depot renovation project. The once dilapidated structures now serve as a gathering place for citizens, a link to the region's history, and a tourist attraction. The restored Passenger Depot won a Community Heritage Award from the Valley Conservation Council last year. Both projects benefited from Allegheny Foundation grants.

Jackson River Enterprises has been able to expand its recycling efforts, build a storage facility, and provide continued employment opportunities for adults with disabilities thanks to Foundation funding. Not only does this Covington-based community rehabilitation facility provide workforce training, sheltered

employment, and job placement that helps integrate hundreds of citizens into mainstream community life; its efforts make our region a little greener: JRE is the primary provider of recycling services in the Allegheny Highlands. Funds provided by The Allegheny Foundation have greatly increased the number of recycling bins placed throughout the community for public use.

The Allegheny Humane Society has cared for thousands of homeless, abused or abandoned animals in Allegheny County, Covington, and Clifton Forge for over 30 years. Thanks to funding from the Allegheny Foundation, its new shelter in Low Moor means more animals will get a second chance for adoption, and fewer unwanted ones will add to the stray population.



Note: Projects funded (see other side) reflect grants awarded from November 2007 through December 2008. The Allegheny Foundation has adopted a January 1 through December 31 fiscal-year model that took effect on January 1, 2008.

FUNDED ORGANIZATIONS (SINCE INCEPTION)

Allegheny County	American Red Cross	Jackson River Technical Center
Allegheny County Public Schools	Appalorks of America	Local Office on Aging
Allegheny County United Fire and Rescue Association	Art Museum of Western Virginia	Mill Mountain Theatre
Allegheny Health District	Bath County	Mountain Soil and Water Conservation District
Allegheny Highlands Arts & Crafts Center	Bath County Health Department	Rockbridge Area Community Services Board
Allegheny Highlands Arts Council	Bath County Historical Society	Safehome Systems, Inc.
Allegheny Highlands Community Services Board	Bear Trust International	Science Museum of Western Virginia
Allegheny Highlands Economic Development Authority	Blue Ridge Public Television	Scott Hill Foundation, Inc.
Allegheny Highlands Economic Development Corporation	C.O.P.E.	Shenandoah Autism Center
Allegheny Highlands Free Clinic	C&O Historical Society	Southwest Virginia AHEC
Allegheny Highlands Genealogical Society	Charles P. Jones Memorial Library	Southwest Virginia Second Harvest Foodbank
Allegheny Highlands Youth Soccer Association	City of Covington	Special Olympics
Allegheny Highlands YMCA	Clifton Forge Little League	Total Action Against Poverty
Allegheny Historical Society	Clifton Forge Main Street	Town of Clifton Forge
Allegheny Humane Society	Clifton Forge Nursery School	Town of Iron Gate
Allegheny Mountain Radio	Clifton Forge Public Library	Unified Human Services
American Diabetes Association	Covington City Schools	Transportation System (RADAR)
	Dabney S. Lancaster Community College	Virginia Hunters Who Care
	Diabetes Education Support Group	West Virginia School of Osteopathic Medicine
	Greater Allegheny School Health Project	Western Virginia Emergency Medical Service Council
	Jackson River Enterprises	

FINANCIAL REPORT

THE ALLEGHANY FOUNDATION STATEMENTS OF FINANCIAL POSITION December 31, 2008 and 2007

	2008	2007
ASSETS		
Investments	\$ 51,041,847	\$ 64,752,594
Cash	833,448	2,724,442
Interest and dividends receivable	170,423	69,051
Federal excise taxes receivable	124,180	-
Net equipment and leasehold improvements	8,024	6,945
Other prepaid expenses	-	3,618
TOTAL ASSETS	\$ 52,177,922	\$ 67,556,650
LIABILITIES AND NET ASSETS		
Grants payable	\$ 2,541,871	\$ 2,336,549
Accrued excise and income taxes	-	40,643
Investment capital contributions payable	130,000	-
Other accrued expenses	39,000	47,541
Total Liabilities	2,710,871	2,424,733
Unrestricted net assets	49,467,051	65,131,917
TOTAL LIABILITIES AND NET ASSETS	\$ 52,177,922	\$ 67,556,650

THE ALLEGHANY FOUNDATION STATEMENTS OF ACTIVITIES

Year Ended December 31, 2008, and Seven Months Ended December 31, 2007

	2008	2007
Unrestricted Revenue, Gains, and Losses		
Realized gain on sale of investments (net)	\$ 1,881,350	\$ 4,195,922
Interest and dividend income	1,715,509	1,280,518
Unrealized loss on investments (net)	(17,143,368)	(4,714,979)
Net income from equity substitutes	230,426	684,358
Other investment income	9,811	5,464
Total Unrestricted Revenue, Gains, and Losses	(13,306,272)	1,451,283
Expenses and Grants		
General and Administrative Expenses		
Salary and benefits	45,715	21,472
Investment fees	202,237	140,400
Consulting fees	68,565	18,335
General	157,872	105,768
Excise and income taxes	63,723	77,794
Total General and Administrative Expenses	538,112	363,769
Program Expenses		
Grants (net)	1,820,482	1,440,608
Total Expenses and Grants	2,358,594	1,804,377
Decrease in Unrestricted Net Assets	(15,664,866)	(353,094)
Beginning Unrestricted Net Assets	65,131,917	65,485,011
Ending Unrestricted Net Assets	\$ 49,467,051	\$ 65,131,917

2008 FUNDED ORGANIZATIONS

Allegheny County	\$192,000
Allegheny County United Fire and Rescue Association	\$66,000
Allegheny Health District	\$64,225
Allegheny Highlands Arts Council	\$179,640
Allegheny Highlands Economic Development Corporation	\$650,289
Allegheny Highlands Free Clinic	\$367,686
Allegheny Highlands Youth Soccer Association	\$13,485
Allegheny Highlands YMCA	\$703,500
Allegheny Historical Society	\$147,250
Allegheny Humane Society	\$55,000
Bear Trust International	\$6,000
C&O Historical Society	\$327,000
Charles P. Jones Memorial Library	\$8,979
City of Covington	\$52,123
Clifton Forge Main Street	\$40,000
Dabney S. Lancaster Community College	\$289,542
Diabetes Education Support Group	\$20,000
Greater Allegheny School Health Project	\$407,050
Jackson River Enterprises	\$298,777
Local Office on Aging	\$10,000
Mountain Soil and Water Conservation District	\$35,000
Safehome Systems, Inc.	\$1,700
Unified Human Services Transportation System (RADAR)	\$60,000
Virginia Hunters Who Care	\$1,000
	<u>\$3,996,246</u>

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P.O. Box 1176 • StellarOne Bank Building • Covington, VA 24426
Phone: 540-962-0970 • FAX: 540-962-1770
www.alleghanyfoundation.org • allegfnd@aol.com