



REPORT TO THE COMMUNITY

Dear Friends:

The year 2010 has been one of transition for The Alleghany Foundation. In December 2009, our beloved executive director, Beth Webb, passed away unexpectedly at age 44. Beth and our all-volunteer board of directors had just put the finishing touches on a long-term strategic plan that would guide the future work of the Foundation when Beth's own future was cut tragically short. We continue to miss her deeply.

The Alleghany Foundation also mourned the passing of two former board members during 2010, Mr. James I. Dill and Mr. John G. Sanders, each a Director Emeritus. Jim Dill had served on The Foundation Board of Directors from 1996 to 2008, and John Sanders served from 1996 to 2006. Also this year, Dr. Wallace C. Nunley became Director Emeritus, having served from 1996 to 2010. These three former board members dedicated a combined thirty-six years of service to not only the Foundation but to our entire community. We truly appreciate their service.

We are fortunate that Ward Robens, Jr. stepped out of retirement to lead once again the work of the Foundation. Under his leadership and the very capable support of staff member Catherine Leonard, the Foundation began implementing the tenants of the plan – sharpening the focus of its grant awards to create maximum impact in the community, reaching out to engage the community in the Foundation's mission, and launching a nationwide search for its first full-time director.

The Alleghany Foundation awarded nearly \$4.3 million in grants to 22 area organizations during the May and November grant cycles, the highest total ever awarded in one year. From health and wellness initiatives to economic development to public safety, 36 grants were awarded to improve quality of life for citizens of the Alleghany Highlands. The following are among the most notable awards:

- Alleghany Highlands YMCA: Thanks to a \$1.1 million grant, the debt was retired on this highly utilized 37,000 sq. ft. community asset that strives to improve the health and wellness of all our citizens.
- Dabney S. Lancaster Community College: A \$203,743 grant needed to support the wind turbine maintenance program, the first in the Mid-Atlantic region.
- Masonic Theatre Preservation Foundation: A \$750,000 matching grant committed funds to help with the first-floor renovations of this historic landmark.
- Alleghany Highlands Economic Development Corporation: A \$258,771 grant over three years supported the salary of an executive director to help create a favorable business climate for new and relocating companies.
- Olde Town Covington's Farmer's Market Project: An \$84,000 grant provided for the construction of a permanent outdoor facility to support the local foods system. Seventeen architectural students from Virginia Tech's design/build LAB studio class designed and constructed the market utilizing donated material from a building that belonged to the Masonic Theater in Clifton Forge.

As we look back over 15 years of Foundation history, we can be proud of the cumulative impact of these funds that were generated from the sale of the hospital to HCA Corporation in 1995. More than \$33 million has made a significant difference in the lives of our citizens – from health and wellness programs like the Free Clinic and YMCA, to improving economic development opportunities, to recreation facilities that draw thousands of visitors to our region each year, to historic preservation and beautification projects that help us take pride in both our past and our future.

While transition is never easy, it is often the gateway to even greater growth. Our goal in the coming years is to support the strategic work of innovative organizations that will propel the Alleghany Highlands forward to achieve broader success, resulting in a sum even greater than its parts. Such was the guiding vision of our founders, and it still holds true today.

Charles Kahle
Foundation President



2010 FUNDED ORGANIZATIONS

Alleghany Highlands Arts & Crafts Center	\$32,068	Charles P. Jones Memorial Library	\$6,500
Alleghany Highlands Chamber of Commerce and Tourism	\$445,000	City of Covington	\$40,000
Alleghany Highlands Drug Task Force	\$39,785	Dabney S. Lancaster Community College	\$215,563
Alleghany Highlands Economic Development Corporation	\$396,271	Diabetes Education Support Group	\$6,500
Alleghany Highlands Free Clinic	\$166,563	Garth Newel Music Center	\$9,280
Alleghany Highlands YMCA	\$1,492,500	Jackson River Enterprises	\$96,207
Alleghany Historical Society	\$21,875	Joint School Systems – Alleghany County Public Schools	\$260,316
Bath Animal Welfare Foundation	\$46,409	Masonic Theatre Preservation Foundation	\$750,000
Bear Trust International	\$9,848	Olde Town Covington, Inc.	\$84,000
C&O Historical Society	\$68,000	Special Olympics – Area 18	\$58,697
C.O.P.E. Food Pantry	\$5,000	The Izaak Walton League of America	\$4,000
		Total:	<u><u>\$4,254,682</u></u>

FINANCIAL REPORT

THE ALLEGHANY FOUNDATION STATEMENTS OF FINANCIAL POSITION

Years Ended December 31, 2010 and 2009

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash	\$ 494,572	\$ 389,223
Interest and dividends receivable	154,038	240,707
Federal excise taxes receivable	50,704	113,004
Investment proceeds receivable	1,450,000	2,526,044
Net equipment and leasehold improvements	3,994	6,451
Total Current Assets	\$ 2,153,308	\$ 3,275,429
INVESTMENTS	\$ 60,434,431	\$ 56,761,244
TOTAL ASSETS	\$ \$62,587,739	\$ 60,036,673
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Deferred federal excise taxes	\$ 188,941	\$ 137,981
Other accrued expenses	33,532	29,659
Grants payable	3,497,118	2,372,584
Total Current Liabilities	3,719,591	2,540,224
Unrestricted net assets	58,868,148	57,496,449
TOTAL LIABILITIES AND NET ASSETS	\$ \$62,587,739	\$ 60,036,673

THE ALLEGHANY FOUNDATION STATEMENTS OF ACTIVITIES

Years Ended December 31, 2010 and 2009

	2010	2009
UNRESTRICTED REVENUE, GAINS, AND LOSSES		
Realized gain (loss) on sale of investments (net)	\$ 1,598,006	\$ (1,738,504)
Interest and dividend income	783,064	969,098
Unrealized gain on investments (net)	2,874,167	11,450,447
Net income (loss) from equity substitutes	717,314	(318,769)
Other investment income	-	356
Other income	87,456	-
Total Unrestricted Revenue, Gains, and Losses	6,060,007	10,362,628
EXPENSES		
Management and Administrative Expenses		
Salary and benefits	49,368	54,134
Investment fees	257,889	164,923
Consulting fees	15,497	4,129
General	162,544	147,324
Federal excise tax provision	82,056	137,455
Total Management and Administrative Expenses	567,354	507,965
Program Expenses		
Net grants	4,120,954	1,825,265
Total Expenses	4,688,308	2,333,230
Increase in Unrestricted Net Assets	1,371,699	8,029,398
BEGINNING UNRESTRICTED NET ASSETS	57,496,449	49,467,051
ENDING UNRESTRICTED NET ASSETS	\$ 58,868,148	\$ 57,496,449

This information was compiled from an independent audit report for 2010 prepared by Brown, Edwards & Company, L.L.P.

FUNDED ORGANIZATIONS (since inception)

Alleghany County	Clifton Forge Little League, Inc.
Alleghany County Public Schools	Clifton Forge Main Street, Inc.
Alleghany County United Fire and Rescue Association	Clifton Forge Nursery School, Inc.
Alleghany Health District	Clifton Forge Public Library
Alleghany Highlands Arts & Crafts Center	Covington City Public Schools
Alleghany Highlands Arts Council	Dabney S. Lancaster Community College
Alleghany Highlands Chamber of Commerce and Tourism	Diabetes Education Support Group
Alleghany Highlands Community Services Board	Garth Newel Music Center
Alleghany Highlands Drug Task Force	Jackson River Enterprises
Alleghany Highlands Economic Development Authority	Jackson River Technical Center
Alleghany Highlands Economic Development Corporation	Joint School Systems – Alleghany County Public Schools and Covington City Public Schools
Alleghany Highlands Free Clinic	Local Office on Aging
Alleghany Highlands Genealogical Society	Masonic Theatre Preservation Foundation
Alleghany Highlands YMCA	Mill Mountain Theatre
Alleghany Highlands Youth Soccer Association	Mountain Soil and Water Conservation District
Alleghany Historical Society	Olde Town Covington, Inc.
Alleghany Humane Society	Rockbridge Area Community Services Board
Alleghany Mountain Radio	Safehome Systems, Inc.
American Diabetes Association	Science Museum of Western Virginia
American Red Cross	Scott Hill Foundation, Inc.
Appalfoiks of America	Shenandoah Autism Center
Art Museum of Western Virginia	Southwest Virginia AHEC
Bath Animal Welfare Foundation	Southwest Virginia Second Harvest Foodbank
Bath County	Special Olympics – Area 18
Bath County Health Department	The Izaak Walton League of America
Bath County Historical Society	Total Action Against Poverty
Bear Trust International	Town of Clifton Forge
Blue Ridge Public Television	Town of Iron Gate
C.O.P.E. Food Pantry	Unified Human Services Transportation System (RADAR)
C&O Historical Society	Virginia Hunters Who Care
Charles P. Jones Memorial Library	West Virginia School of Osteopathic Medicine
City of Covington	Western Virginia Emergency Medical Service Council

THE ALLEGHANY FOUNDATION BOARD & STAFF

Charles W. Kahle, <i>President</i>	Dr. Michele K. Ballou	Dr. Wallace C. Nunley, <i>Director Emeritus</i>
Patrick H. Winston, Jr., <i>Vice-President</i>	James R. Eller	James I. Dill, Deceased, <i>Director Emeritus</i>
William J. Withrow, <i>Treasurer</i>	Jack A. Hammond	John G. Sanders, Deceased, <i>Director Emeritus</i>
Harrison L. Fridley, <i>Secretary</i>	George J. Kostel	Ward H. Robens, Jr., <i>Interim Executive Director</i>
	George C. Snead, Jr.	Catherine Leonard, <i>Secretary</i>
	James D. Snyder	
	Anne L. Wright	

FOR MORE INFORMATION ON THIS REPORT. PLEASE CONTACT:



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