

# Financial Highlights

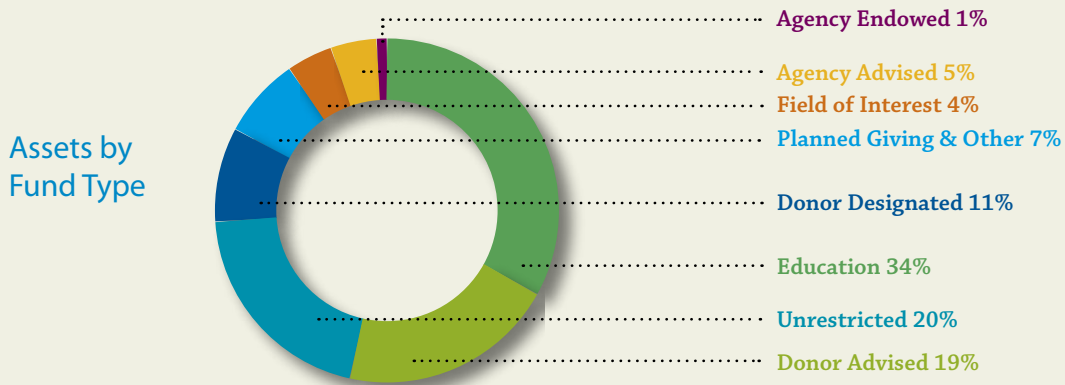
	2005	2006	2007	2008	2009
Total Assets <sup>1</sup>	\$101,539,892	\$114,259,713	\$125,920,083	\$121,829,942	\$87,043,263
Operating Expenses <sup>2</sup>	\$1,057,632	\$1,135,431	\$1,182,578	\$1,279,213	\$1,425,057
Operating Expenses as a Percentage of Total Assets	1.0%	1.0%	.9%	1.0%	1.6%
Contributions <sup>3</sup>	\$7,125,697	\$9,845,805	\$9,787,234	\$9,204,346	\$8,991,649
Grants <sup>4</sup>	\$5,341,394	\$6,364,073	\$7,638,160	\$10,105,790	\$8,672,804

<sup>1</sup> Includes trust assets owned by Bank of America for which the Community Foundation provides grantmaking services.

<sup>2</sup> Does not include investment management fees.

<sup>3</sup> Includes fees received from Bank of America for providing grantmaking services.

<sup>4</sup> Includes grants from trust assets owned by Bank of America for which the Community Foundation provides grantmaking services; excludes student loans.



## Distributions FY 2009

Competitive (Discretionary) Grants	\$871,913
Bank of America Competitive Grants	\$882,900
Donor Advised and Designated Grants	\$4,832,476
Scholarships and Loans*	\$2,700,515
<b>Total</b>	<b>\$9,287,804</b>

\*Includes loans granted of \$615,000.

## Assets by Fund Type

	No. of Funds	Fund Balance
Education	115	\$23,888,407
Donor Advised	175	13,127,531
Unrestricted	24	13,687,331
Donor Designated	45	7,329,998
Planned Giving & Other	32	4,630,054
Field of Interest	24	2,535,917
Agency Advised	74	3,665,009
Agency Endowed	30	731,109
<b>Total</b>	<b>519</b>	<b>\$69,595,357</b>
Bank of America Trust Assets		\$17,447,907

## Investment Program

Under the supervision of the Investment Committee (see pg 19), the assets of the Community Foundation are pooled into a number of diversified investment portfolios. Each of these portfolios assumes a risk level consistent with the varying provisions of each of the charitable funds it holds regarding how and when the income and/or principal is to be expended.

The Community Foundation's primary investment goal for funds invested for the long term is the generation of maximum, long-term total return within levels of risk determined to be prudent by the Committee. Such investment is designed to achieve the total return necessary to preserve the principal of the funds after deductions for expenses, inflation, and the distributable amounts prescribed by the distribution policy of the Foundation. Ideally, the Committee seeks to achieve net returns greater than those of a composite benchmark comprised of those indices identified by the Committee as most appropriate for each portfolio.

Diversification of investments is one of the Committee's primary strategies for fulfilling the Foundation's responsibilities. Since the selection and weighting of asset classes is one of the primary

determinants of both investment return and volatility, the selection of those classes and the allocations among them are regularly and carefully considered and monitored by the Investment Committee.

A portfolio consisting mainly of Vanguard Group mutual funds and a number of non-traditional investment partnerships, and a diversified portfolio managed by Bank of America, make up about two-thirds of the Community Foundation's assets. Managers of other portfolios, all of which serve at the pleasure of the Investment Committee, include American Funds, RBC Dain Rauscher, and Trillium Asset Management Corporation.

The Committee retains Timothy W. Dempsey of DHK Financial Advisors, Inc., Portsmouth, New Hampshire, as an independent advisor for help in the setting of investment policy, asset allocation, performance measurement and benchmarking, and the selection of investment managers.

Copies of the Community Foundation's Investment Policy and Operating Principles are available upon request.

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## 2008-2009 Investment Committee Commentary

Most of our fifteen portfolios equaled or exceeded their benchmarks for the fiscal year ended March 31, 2009, but we were not immune to the drastic downturn in the values of all public equity markets that occurred from October, 2008 to March, 2009. For the fiscal year, we incurred a 28.5% decrease in our total assets, nearly all of which came as a result of unrealized losses on our investments.

Our Global Growth Portfolio, which now holds almost \$32 million, incurred investment losses of 27.8% during the fiscal year, yet its performance still managed to exceed its blended benchmark by one percentage point for the one, three, and five year periods. Our other common portfolios as well as our recommended and non-component

portfolios also did well against their respective benchmarks, but like our Global Growth Portfolio, were not immune to market losses. This year was the worst period in the history of the U.S. and Global Markets since the Great Depression.

Based on these results, it might be tempting to start making wholesale changes to try to turn these disappointing results around. However, our experienced and knowledgeable Investment Committee believes strongly that, for the long-term, we are far better off adopting a consistent strategy and "staying the course." Over time, this strategy has proven far more effective for institutions like the Community Foundation than in continually trying to react to market volatility.

*(continued on next page)*

A more complete analysis of the performance of our five common portfolios can be found under the financial section of our website at [www.communityfoundation.org](http://www.communityfoundation.org) (in the *About Us* tab).

Finally, the Committee would like to personally thank Kent Faerber for his leadership in recruiting, assembling, and maintaining a very able committee over the years, and we look forward to working with our new President Ron Ancrum.

### Funds Assisted in Grantmaking

The Community Foundation advises and assists in grantmaking, serving as a centralized clearinghouse for grant applications, notification of awards, distribution of funds, and monitoring and evaluation of grants for a number of trust funds held by Bank of America. These funds are not controlled by the Community Foundation, are not included in the audited financial statements, and total \$17,447,907.

Total funds under management or available for charitable purposes: \$87,043,263.

### Statements of Financial Position

March 31, 2009 and 2008

	2009	2008
<b>Assets</b>		
Cash and money market funds	\$ 3,360,319	\$ 2,671,447
Investments	58,576,598	85,163,521
Assets held under charitable trusts	3,276,863	5,624,383
Contributions receivable, net	1,190,360	657,294
Note receivable	543,501	561,853
Loans receivable, net	2,649,484	2,447,666
Prepaid expenses	26,673	28,950
Property and equipment, net	16,932	34,822
<b>Total Assets</b>	<b>\$69,640,730</b>	<b>\$97,189,936</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 45,374	\$ 18,811
Liability under unitrust agreements	2,027,486	3,782,345
Agency funds	3,723,031	4,972,436
<b>Total Liabilities</b>	<b>5,795,891</b>	<b>8,773,592</b>
<b>Net Assets</b>		
Unrestricted	19,301,779	28,329,632
Temporarily restricted	39,852,656	55,396,308
Permanently restricted	4,690,404	4,690,404
<b>Total Net Assets</b>	<b>63,844,839</b>	<b>88,416,344</b>
<b>Total Liabilities and Net Assets</b>	<b>\$69,640,730</b>	<b>\$97,189,936</b>

*A complete set of audited financial statements is available upon request.*