

COMMUNITY FOUNDATION OF THE
CENTRAL BLUE RIDGE

FINANCIAL STATEMENTS

December 31, 2024

COMMUNITY FOUNDATION
OF THE CENTRAL BLUE RIDGE

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CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1- 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-21

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Foundation of the
Central Blue Ridge
Staunton, Virginia

Opinion

We have audited the accompanying financial statements of Community Foundation of the Central Blue Ridge (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of the Central Blue Ridge as of December 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation of the Central Blue Ridge and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of the Central Blue Ridge's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Foundation of the Central Blue Ridge's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of the Central Blue Ridge's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Community Foundation of the Central Blue Ridge's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

EMORE, HUFF & COMPANY, P.C.

Staunton, Virginia
December 2, 2025

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
STATEMENT OF FINANCIAL POSITION
December 31, 2024
(Summarized Totals for 2023)

ASSETS

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,774,187	\$ 1,945,899
Marketable securities	44,145,799	43,658,801
Interest receivable	41,020	45,058
Interest in limited liability company	39,505	122,877
Prepaid expenses	1,475	1,126
Security deposit	1,000	1,000
Property and equipment, net	3,437	4,445
Operating lease - right-of-use asset, (net)	25,099	9,290
Bequests receivable	-	50,000
Contributions receivable	<u>29,251</u>	<u>72,435</u>
	<u>\$ 49,060,773</u>	<u>\$ 45,910,931</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Grants payable	\$ 5,033	\$ 16,565
Accounts payable and accrued expenses	48,707	34,995
Lease liability	25,099	9,290
Agency funds	<u>7,418,035</u>	<u>5,978,249</u>
	<u>7,496,874</u>	<u>6,039,099</u>
NET ASSETS		
Without donor restrictions	13,761,105	13,831,544
With donor restrictions	<u>27,802,794</u>	<u>26,040,288</u>
TOTAL NET ASSETS	<u>41,563,899</u>	<u>39,871,832</u>
	<u>\$ 49,060,773</u>	<u>\$ 45,910,931</u>

See notes to financial statements.

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024
(Summarized Totals for 2023)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2024 TOTALS	2023 TOTALS
PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS				
Contributions	\$ 749,236	\$ 1,174,723	\$ 1,923,959	\$ 1,539,967
Services	43,987	-	43,987	36,562
Grants	-	-	-	133,500
Investment return, net	1,142,593	1,973,038	3,115,631	4,491,853
Management fees	267,958	(239,862)	28,096	21,473
Income (loss) from limited liability company	-	(8,132)	(8,132)	52,409
Miscellaneous income	11,547	-	11,547	13,740
Net assets released from restrictions:				
Satisfaction of program restrictions	1,137,261	(1,137,261)	-	-
	<u>3,352,582</u>	<u>1,762,506</u>	<u>5,115,088</u>	<u>6,289,504</u>
TOTAL PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS				
EXPENSES				
Program services:				
Philanthropy:				
Grants	2,412,472	-	2,412,472	2,858,860
Scholarships	264,129	-	264,129	297,981
Educational awards	131,610	-	131,610	135,164
Workshops and events	157,588	-	157,588	294,662
	<u>2,965,799</u>	<u>-</u>	<u>2,965,799</u>	<u>3,586,667</u>
Support services:				
Management and general:				
Administration	189,052	-	189,052	186,919
Professional services	114,636	-	114,636	101,788
Office expense	57,469	-	57,469	60,592
Occupancy	25,499	-	25,499	17,885
Marketing	-	-	-	536
Miscellaneous	2,615	-	2,615	1,775
Depreciation	1,008	-	1,008	1,194
	<u>390,279</u>	<u>-</u>	<u>390,279</u>	<u>370,689</u>
	<u>66,943</u>	<u>-</u>	<u>66,943</u>	<u>87,819</u>
Fundraising:				
	<u>457,222</u>	<u>-</u>	<u>457,222</u>	<u>458,508</u>
TOTAL ADMINISTRATIVE AND DEVELOPMENT				
	<u>3,423,021</u>	<u>-</u>	<u>3,423,021</u>	<u>4,045,175</u>
TOTAL EXPENSES				
	<u>(70,439)</u>	<u>1,762,506</u>	<u>1,692,067</u>	<u>2,244,329</u>
CHANGES IN NET ASSETS				
	<u>13,831,544</u>	<u>26,040,288</u>	<u>39,871,832</u>	<u>37,627,503</u>
NET ASSETS AT BEGINNING OF YEAR				
	<u>\$ 13,761,105</u>	<u>\$ 27,802,794</u>	<u>\$ 41,563,899</u>	<u>\$ 39,871,832</u>

See notes to financial statements.

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024
(Summarized Totals for 2023)

	PROGRAM SERVICES	SUPPORT SERVICES			2024	2023
		MANAGEMENT AND GENERAL	FUND RAISING			
Grants	\$ 2,211,518	\$ -	\$ -	\$ 2,211,518	\$ 2,670,707	
Scholarships	235,055	-	-	235,055	270,212	
Educational awards	110,000	-	-	110,000	110,000	
Workshops	41,396	-	-	41,396	48,664	
Event expense	82,046	-	-	82,046	219,730	
Salaries and taxes	285,784	147,909	22,483	456,176	436,513	
Development	-	13,863	-	13,863	12,779	
Printing	-	-	9,226	9,226	11,362	
Occupancy and repairs	-	11,249	-	11,249	5,285	
Professional fees	-	114,636	20,949	135,585	134,825	
Office supplies	-	10,553	-	10,553	19,744	
Postage	-	2,527	581	3,108	2,512	
Computer support	-	21,205	-	21,205	19,304	
Taxes and licenses	-	400	-	400	400	
Subscriptions	-	23,184	-	23,184	19,456	
Rent	-	14,250	-	14,250	12,600	
Depreciation	-	1,008	-	1,008	1,194	
Advertising and marketing	-	-	13,704	13,704	25,015	
Miscellaneous	-	2,615	-	2,615	1,775	
Insurance	-	8,739	-	8,739	5,946	
Employee benefits	-	18,141	-	18,141	17,152	
TOTAL EXPENSES	\$ 2,965,799	\$ 390,279	\$ 66,943	\$ 3,423,021	\$ 4,045,175	

See notes to financial statements.
6

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024
(Summarized Totals for 2023)

	2024	2023		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			CASH FLOWS FROM FINANCING ACTIVITIES		
Change in net assets	\$ 1,692,067	\$ 2,244,329	(Decrease)increase in agency funds,	\$ 1,439,786	\$ 2,310,082
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			net of gains and losses		
Non-cash contributions	(424,551)	(177,686)	NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>1,439,786</u>	<u>2,310,082</u>
Income (loss) from limited liability company	8,372	(52,409)	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,828,288</u>	<u>(45,852)</u>
Dividends reinvested	(386,778)	(291,444)	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,945,899</u>	<u>1,991,751</u>
(Gain) loss on marketable securities	(2,221,778)	(3,893,088)	END OF YEAR	<u>\$ 4,774,187</u>	<u>\$ 1,945,899</u>
Depreciation	1,008	1,194			
Decrease (increase) in prepaid expenses	(349)	48			
Decrease (increase) in interest receivable	4,038	(17,477)			
Decrease (increase) in bequests receivable	50,000	552,943			
Decrease (increase) in contributions receivable	43,184	(23,261)			
Increase (decrease) in accounts payable and accrued expenses	2,180	(27,499)			
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(1,232,607)</u>	<u>(1,684,350)</u>	SUPPLEMENTAL INFORMATION		
CASH FLOWS FROM INVESTING ACTIVITIES			Non-cash contributions of marketable securities	\$ 424,551	\$ 177,686
Distribution from investment in limited liability company	75,000	25,000			
Purchase of marketable securities	(3,694,340)	(9,299,640)			
Proceeds from sale of marketable securities	6,240,449	8,603,056			
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>2,621,109</u>	<u>(671,584)</u>			

See notes to financial statements.

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The 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, Highland and Nelson 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.

Basis of Accounting and Presentation

The Foundation has prepared its financial statements on the accrual basis of accounting. In accordance with the accounting principles generally accepted in the United States of America the Foundation reports its financial position and operating activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

With donor restrictions - Net assets subject to donor-imposed stipulations that may be temporary or permanent in nature. Stipulations that are temporary in nature expire either by passage of time or fulfillment by action of the Foundation. Stipulations that are permanent in nature require amounts to be held in perpetuity.

Public Support and Revenue

Contributions and grants received or donor promises to give are recorded as revenues without donor restrictions or with donor restrictions. Contributions are considered without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

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

restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

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.

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 marketable securities with readily determinable fair values and debt securities are reported at fair value (Level 1 as defined by FASB Accounting Standards Codification 820-10, Fair Value Measurements and Disclosures). Net gains and losses (including unrealized) are reported in the statement of activities. Investments are made according to the investment policy adopted by the Foundation's Board of Directors. Outside parties are contracted by the Foundation for the purpose of providing investment management.

Investments received by gift are recorded at their fair value at the date of the gift. The Foundation's policy is to liquidate all gifts of investments as soon as possible after receipt, taking into consideration the impact on market price.

Investments are exposed to various risks such as interest rate, market and credit risks. It is reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect the amounts reported.

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

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

Property and Equipment

It is the Foundation's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value on the date of donation. Such donations are reported as increases in net assets without donor restrictions 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 are recorded as revenue when the Foundation receives notification that the court declares the will valid and an estimate is reasonably determinable.

Contribution Receivable

Unconditional promises to give are recorded as revenue when the Foundation receives notification and an estimate is reasonably determinable.

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.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class.

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

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

Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Interest in Limited Liability Company

This investment consists of ownership interest in a limited liability company. Under the equity method, the Foundation's share in earnings or losses of this company is reflected in the statement of activities.

Agency Funds

The Foundation has accepted funds from unaffiliated charitable organizations which have been invested in its investment pool. The Foundation maintains legal ownership of agency funds, and as such, continues to report the funds as assets of the Foundation. The fair value of the funds, including allocable net investment income, is reflected as a liability in the statement of financial position. No contribution revenue is recognized for the period in which the agency funds are received.

Functional Expenses

The costs associated with the Foundation's providing various charitable services to the community, including both programmatic services and related support services, have been reported on a functional basis. The costs associated with each of the services provided to the community have been allocated to program and support services and have been determined by management based on a human resources allocation framework for all charitable activities performed by the Foundation, and done on an equitable and directly correlated basis, determined by a method of allocation based on time and effort contributed.

Advertising

Advertising costs are expensed in the period incurred and totaled \$13,704 for the year ended December 31, 2024.

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

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

Leases

The Foundation accounts for leases in accordance with Accounting Standards Codification ("ASC") Topic 842, Leases which was adopted on January 1, 2022, applying a modified retrospective transition approach as of the effective date of adoption. There were no material impacts of adoption.

The Foundation enters into contractual arrangements for the utilization of certain non-owned assets, primarily real estate, which are evaluated as operating leases upon commencement and are accounted for accordingly. Specifically, under ASC 842, a contract is or contains a lease when, (1) the contract contains an explicitly or implicitly identified asset and (2) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract in exchange for consideration. The Foundation assesses whether an arrangement is or contains a lease at inception of the contract. For all contractual arrangements deemed to be leases (other than short-term leases), as of the lease commencement date, the Foundation recognizes on the statement of financial position a liability for the obligation related to the lease and a corresponding asset representing the right to use the underlying asset over the period of use.

For leases that qualify as short-term leases, the Foundation has elected, for all classes of underlying assets, to not apply the statement of financial position recognition requirements of ASC 842, and instead recognizes the lease payments in the statement of activities on a straight-line basis over the lease term.

Leases have remaining lease terms of up to approximately .75 years. Certain lease agreements contain options to extend the agreement. The lease term used to calculate the right-of-use asset and lease liability at commencement includes the impacts of options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option.

When determining whether it is reasonably certain that the Foundation will exercise an option at commencement, the Foundation considers various existing economic factors, including real estate strategies, the nature, length, and terms

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

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

of the agreement, as well as the uncertainty of the condition of leased asset at the end of the lease term. Based on these determinations, the Foundation generally concludes that the exercise of renewal options would not be reasonably certain in determining the lease term at commencement. Assumptions made at the commencement date are re-evaluated upon occurrence of certain events requiring a lease modification.

The discount rate used to calculate the present value of the future minimum lease payments is the rate implicit in the lease, when readily determinable. As the rate implicit in the lease is not readily determinable for most leases, the Foundation uses the private company practical expedient option which allows the Foundation to use the risk-free rate.

Lease-related expense is recorded and included in the operating expenses of rent on the statement of activities.

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 donors and is expected to be received within one year of promise.

NOTE 3 - RESTRICTIONS ON NET ASSETS

The Foundation policy allows annual distribution up to 4% of each individual Fund's three-year average market value, calculated at the beginning of each year using the trailing twelve (12) quarter-average values, unless otherwise directed by

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RESTRICTIONS ON NET ASSETS (continued)

the Fund agreement. Net assets with donor restrictions are available for the following purposes or periods:

Subject to expenditure for specified purposes:	
Animal welfare	\$ 1,005,725
Arts and culture	463,229
Community beautification	300,742
Community welfare - general	8,257,259
Conservation	1,285,586
Education	1,060,238
Educational awards	1,714,225
Food and shelter	322,654
Health	338,670
Human services	2,094,253
Scholarships	5,980,615
Youth enrichment	961,440
Donor-restricted endowments - perpetual-in-nature	<u>4,018,158</u>
Total net assets with donor restrictions	<u>\$ 27,802,794</u>

Endowment Fund

The Foundation is subject to Virginia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, therefore, classifies amounts in donor-restricted endowment funds as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Foundation's Board of Directors has interpreted 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 would consider the funds to be underwater if the fair value of the funds is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The funds are not currently underwater.

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RESTRICTIONS ON NET ASSETS (continued)

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 fund assets: the duration and preservation of the fund, the purposes of the Foundation and the 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 Foundation's investment policies.

The Foundation's primary investment objective for endowment funds is to provide returns that cover the Foundation's defined spending rate, 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.

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. The return for each individual year may be more or less than the target.

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RESTRICTIONS ON NET ASSETS (continued)

Net assets with donor restrictions that are perpetual-in-nature consist of the following:

Christopher DeWitt Rockwell Memorial Scholarship	\$ 12,345
Community Foundation Administrative Endowment	634,810
Community Scholarship for Excellence	10,426
Croushorn Endowment Fund	120,680
Douglas Guynn Charitable Fund	74,803
Doyle O. & Lelia Jane Bateman Scholarship Fund	356,942
Frances Bell Rolston Scholarship	119,548
Gene Wood Memorial Family YMCA Youth Fund	25,046
H. Dunlop "Buz" Dawbarn Award Fund	390,527
H. Dunlop Dawbarn Fund II	700,000
J. B. "Gus" Stombock Memorial Little League Fund	10,948
J. B. "Gus" Stombock Memorial Unrestricted Fund	10,092
L. Dal & Jane Simmons Unrestricted Fund	10,416
Lewis M. Coiner Unrestricted Endowment Fund	10,556
Loesch - Augusta Regional Free Clinic Fund	10
Louis & Emily M. Spilman Scholarship	50,000
Maurice H. & Wilma C. Baylor Fund	344,536
Paul Flanagan Scholarship	6,444
Penland Endowment Fund	823,316
R. S. Yeago, Jr. Scholarship	25,000
Rose S. & Boyd W. Thompson, Jr. Scholarship Fund	200,000
ShenanArts Endowment Fund	10,863
V. F. and Susan S. Reynolds Scholarship	50,000
Waynesboro High School Alumni Scholarship	<u>20,850</u>
 Total endowments	 <u>\$ 4,018,158</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework of measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This 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

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - FAIR VALUE MEASUREMENTS (continued)

(Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024.

Marketable Securities Available-for-Sale: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - FAIR VALUE MEASUREMENTS (continued)

instruments could result in a different fair value measurement at the reporting date.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Available-for-sale:			
U.S. Treasuries	\$ 4,625,439	\$ 4,625,439	\$ -
Mutual funds:			
Domestic	16,719,662	16,719,662	-
International	2,256,062	2,256,062	-
Exchange traded products:			
Domestic	1,269,001	1,269,001	-
International	3,440,690	3,440,690	-
Corporate stocks:			
Domestic	10,070,954	10,070,954	-
International	942,477	942,477	-
Bond mutual funds:			
Domestic	3,932,214	-	3,932,214
International	99,898	-	99,898
Real estate investment trusts	789,402	-	789,402
Total	<u>\$ 44,145,799</u>	<u>\$ 39,324,285</u>	<u>\$ 4,821,514</u>

NOTE 5 - INTEREST IN LIMITED LIABILITY COMPANY

The Foundation has a 20% non-voting interest in High Country Associates, LLC. This investment is accounted for by the equity method. The limited liability company is a pass-through entity for items of income and expense.

Activity from this investment is summarized in the following table.

Balance, December 31, 2023	\$ 122,877
Net income (loss)	(8,372)
Cash distributions	<u>(75,000)</u>
Balance, December 31, 2024	<u>\$ 39,505</u>

The carrying value of the Foundation's investment at December 31, 2024 approximates the Foundation's underlying equity in the net assets of the limited liability company. Assets and

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - INTEREST IN LIMITED LIABILITY COMPANY (continued)

liabilities of the limited liability company from unaudited financial statements totaled \$167,944 and \$0 respectively, at December 31, 2024. Revenue and net loss for the year ended December 31, 2024 were \$9,655 and \$42,172, respectively.

NOTE 6 - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

Equipment and furniture	\$	17,327
Software		<u>651</u>
Total property and equipment		17,978
Accumulated depreciation		<u>14,541</u>
Net property and equipment	\$	<u><u>3,437</u></u>

NOTE 7 - 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 ASC 958-605-25-16 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, 2024:

Accounting services	\$	35,817
Facility lease-meeting space		2,000
Fundraising		<u>6,170</u>
Total	\$	<u><u>43,987</u></u>

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - LEASE COMMITMENTS

The Foundation has an operating lease for office space. This lease expires on September 30, 2026.

For the year ended 2024, operating cash outflows related to this lease totaled \$14,250 and Right-of-Use Assets obtained in exchange for lease obligations totaled \$25,099.

The maturities of lease liability as of December 31, 2024 were as follows:

Year	Amount
2025	\$ 14,033
2026	11,066

The following summarizes the weighted average remaining lease term and discount rate as of December 31.

	2024
Weighted average remaining lease term	
Operating leases	1.75 years
Weighted average discount rate	
Operating leases	3.96%

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$48,990,257 of financial assets as of December 31, 2024, of which \$21,187,463 is available within one year of the statement of financial position to meet cash needs for general expenditure. Financial assets of \$27,802,794 are unavailable for general expenditures due to donor-imposed time or purpose restrictions. Withdrawal requests from funds held under agency accounts are satisfied from invested resources specifically allocated to such accounts.

COMMUNITY FOUNDATION OF THE CENTRAL BLUE RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - RETIREMENT PLAN

The Foundation maintains a defined contribution retirement plan for substantially all employees. The Foundation matches certain employee contributions and may, at the discretion of the Foundation, make additional contributions. Plan expense for the year ended December 31, 2024 was \$12,821.

NOTE 11 - RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These classifications had no effect on the reported results of operations. An adjustment has been made to the Statement of Activities for the fiscal year ended December 31, 2023.

NOTE 12 - SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through December 2, 2025, the date which the financial statements were available to be issued.