

Piedmont CASA Review Team Question

1. How have you used your 2009/10 Surplus?

At the end of each fiscal year, Piedmont CASA first places four month's operating reserves in its primary checking account for operating expenses.

Any excess revenues beyond the four-month reserves have historically been placed in the Quasi-Endowment account at the Charlottesville Area Community Foundation. Because our financial advisors recommended retaining a larger portion of savings in cash accounts, we have placed these funds in a VNB Money Market account.

In August 2010, we purchased our new, permanent home – 818 East High Street. We drew \$400,000 from those cash reserves to pay toward the building purchase and financed the balance of the price with a short term, interest only loan. As a condition of the loan, we placed \$100,000 in a CD as security for the interest payments.