

TAXABLE YEAR

2009

California Exempt Organization Annual Information Return

FORM

199

month day year month day year

Calendar Year 2009 or fiscal year beginning **07/01/09**, and ending **06/30/10**.

A First Return Filed?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	B Type of organization Exempt under Section 23701	D (insert letter)	CORP #
			IRC Section 4947(a)(1) trust <input type="checkbox"/>		1892880

Corporation/Organization Name LEGACY ENDOWMENT THE COMMUNITY FOUNDATION	FEIN 33-0620685
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Address
P.O. BOX 2710

City FALLBROOK	State CA	ZIP Code 92088-2710
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<p>C Amended Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>D Are you a subordinate/affiliate in a group exemption?</p> <p>(a) Is this a group filing for affiliates? See General Instruction L <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(b) If "Yes," enter the number of affiliates</p> <p>(c) Are all affiliates included? (If "No," attach a list. See instructions.) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(d) Is this a separate return filed by an organization covered by a group ruling? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(e) Federal Group Exemption Number</p> <p>(f) Is a roster of subordinates attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>E Final return?</p> <p><input type="checkbox"/> Dissolved <input type="checkbox"/> Surrendered (Withdrawn)</p> <p><input type="checkbox"/> Merged/Reorganized (attach explanation)</p> <p>If a box is checked, enter date</p> <p>F Check the box if the organization filed the following federal forms or schedule:</p> <p>(1) <input type="checkbox"/> 990T (2) <input type="checkbox"/> 990PF (3) <input type="checkbox"/> (Schedule H) 990</p> <p>G If organization is exempt under R&TC Section 23701d and is exclusively religious, educational, or charitable, and is supported primarily (50% or more) by public contributions, check box. See General Instruction F. No filing fee is required <input checked="" type="checkbox"/></p>	<p>H Accounting method used (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other</p> <p>I If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If "Yes," complete and attach form FTB 3509, Political or Legislative Activities by Section 23701d Organizations <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>J Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? If "Yes," complete an explanation and attach copies of revised documents <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>K Is the organization exempt under R&TC Section 23701g? If "Yes," enter amount of gross receipts from nonmember sources \$</p> <p>L Is the organization under audit by the IRS or has the IRS audited in a prior year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>M Is the organization a Limited Liability Company? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>N Did the org. file Form 100 or Form 109 to report taxable inc.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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Part I Complete Part I unless not required to file this form. See General Instructions B and C.

Receipts and Revenues	1 Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	1,984,569	00
	2 Gross dues and assessments from members and affiliates	2		00
	3 Gross contributions, gifts, grants, and similar amounts received.	3	105,149	00
	4 Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$25,000, see General Instruction C.	4	2,089,718	00
	5 Cost of goods sold	5		00
	6 Cost or other basis, and sales expenses of assets sold	6	1,647,674	00
	7 Total costs. Add line 5 and line 6	7	1,647,674	00
	8 Total gross income. Subtract line 7 from line 4	8	442,044	00
Expenses	9 Total expenses and disbursements. From Side 2, Part II, line 18	9	674,622	00
	10 Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	-232,578	00
Filing Fee	11 Filing fee \$10 or \$25. See General Instruction F	11		00
	12 Total payments	12		00
	13 Penalties and Interest. See General Instruction J	13		00
	14 Use tax. See General Instruction K	14		00
	15 Balance due. Add line 11, line 13, and line 14. Then subtract line 12 from the result	15		00

Sign Here	Signature of officer	Title	Date	<input type="checkbox"/> Telephone <input type="checkbox"/> Preparer's SSN/PTIN P00018099 <input type="checkbox"/> FEIN 26-0283164 <input type="checkbox"/> Telephone 760-728-8393
Paid Preparer's Use Only	Preparer's signature RICHARD F. LEVERING, CPA	Date 02/14/11	Check if self-employed <input checked="" type="checkbox"/>	
	Firm's name (or yours, if self-employed) and address LEVERING & HVASTA CPAS, LLP PO BOX 400 FALLBROOK, CA 92088-0400	May the FTB discuss this return with the preparer shown above? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No		

LEGACY ENDOWMENT

33-0620685

Part II Organizations with gross receipts of more than \$25,000 and private foundations regardless of amount of gross receipts — complete Part II or furnish substitute information. See Specific Line Instructions.

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	•	1		00	
	2	Interest	•	2		00	
	3	Dividends	•	3	198,954	00	
	4	Gross rents	•	4		00	
	5	Gross royalties	•	5		00	
	6	Gross amount received from sale of assets (See Instructions) SEE STATEMENT 1	•	6	1,768,338	00	
	7	Other income. Attach schedule SEE STATEMENT 2	•	7	17,277	00	
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1		8	1,984,569	00	
	9	Contributions, gifts, grants, and similar amounts paid. Attach schedule SEE STATEMENT 3	•	9	519,247	00	
	10	Disbursements to or for members	•	10		00	
	11	Compensation of officers, directors, and trustees. Attach schedule SEE STATEMENT 4	•	11	0	00	
	Expenses and Disbursements	12	Other salaries and wages	•	12	47,867	00
		13	Interest	•	13		00
		14	Taxes	•	14		00
		15	Rents	•	15	10,188	00
		16	Depreciation and depletion (See instructions)	•	16	6,253	00
		17	Other. Attach schedule SEE STATEMENT 5	•	17	91,067	00
		18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9		18	674,622	00

Schedule L Balance Sheets

	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		430,452	•	592,319
2 Net accounts receivable			•	
3 Net notes receivable			•	
4 Inventories			•	
5 Federal and state government obligations			•	
6 Investments in other bonds. STMT 6			•	1,457,525
7 Investments in stock. STMT 7		7,382,319	•	6,218,551
8 Mortgage loans (number of loans _____)			•	
9 Other investments			•	
10 a Depreciable assets	31,269		31,269	
b Less accumulated depreciation	(12,508)	18,761	(18,761)	12,508
11 Land			•	
12 Other assets. STMT 8		3,336	•	
13 Total assets		7,834,868		8,280,903
Liabilities and net worth				
14 Accounts payable			•	
15 Contributions, gifts, or grants payable			•	
16 Bonds and notes payable			•	
17 Mortgages payable			•	
18 Other liabilities. STMT 9		23,063		65,910
19 Capital stock or principle fund			•	
20 Paid-in or capital surplus. Attach reconciliation			•	
21 Retained earnings or income fund		7,811,805	•	8,214,993
22 Total liabilities and net worth		7,834,868		8,280,903

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$25,000

1	Net income per books	•	629,279	7	Income recorded on books this year not included in this return. Attach schedule SEE STMT 12	•	897,826
2	Federal income tax	•		8	Deductions in this return not charged against book income this year. Attach schedule SEE STMT 13	•	376,297
3	Excess of capital losses over capital gains	•		9	Total. Add line 7 and line 8		1,274,123
4	Income not recorded on books this year. Attach schedule SEE STMT 10	•	206,370	10	Net income per return. Subtract line 9 from line 6		-232,578
5	Expenses recorded on books this year not deducted in this return. Attach schedule STMT 11	•	205,896				
6	Total. Add line 1 through line 5		1,041,545				

2009 Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W. **FORM 199**

Corporation name LEGACY ENDOWMENT THE COMMUNITY FOUNDATION	California corporation number 1892880
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Part I Election To Expense Certain Property Under IRC Section 179

1 Maximum deduction under Section 179 for California	1	
2 Total cost of Section 179 property placed in service	2	
3 Threshold cost of Section 179 property before reduction in limitation	3	
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-	5	
(a) Description of property		
(b) Cost (business use only)		
(c) Elected cost		
6		
7 Listed property (elected Section 179 cost)	7	
8 Total elected cost of Section 179 property. Add amounts in column (c), line 6 and line 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from prior taxable years	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2010. Add line 9 and line 10, less line 12	13	

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Depreciation method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
14							
15 Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h)						15	

Part III Summary

16 Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g)	16	
17 Total depreciation claimed for federal purposes from federal Form 4562, line 22	17	
18 Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.)	18	

Part IV Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Amortization allowed or allowable in earlier years	(e) R&TC Section (see instructions)	(f) Period or percentage	(g) Amortization for this year
19 SEE STATEMENT 14						6,253
20 Total. Add the amounts in column (g)						6,253
21 Total amortization claimed for federal purposes from federal Form 4562, line 44						21
22 Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12						22

California Statements

Statement 1 - Form 199, Part II, Line 6 - Gross Amount Received from Sale of Assets

Description	How Received	Whom Sold	Date Acquired	Date Sold	Gross Proceeds	Cost & Expense	Depr	Net Basis
POOLED SECURITIES								
PURCHASE			VARIOUS	VARIOUS	\$1,768,338	\$1,647,674	\$	\$1,647,674
TOTAL					<u>\$1,768,338</u>	<u>\$1,647,674</u>	<u>\$ 0</u>	<u>\$1,647,674</u>

Statement 2 - Form 199, Part II, Line 7 - Other Income

<u>Description</u>	<u>Amount</u>
MISCELLANEOUS	\$ 1,653
TRUSTEE FEE INCOME	15,624
TOTAL	\$ <u>17,277</u>

California Statements

Statement 3 - Form 199, Part II, Line 9 - Contributions, Gifts, Grants, and Similar Amounts

Activity No.	Class	Name			Address	
City	State	Zip	Relationship	Status	Property Information	Amount
EL CAJON	CA	92019	ST. MADELINE SOPHIE'S CENTER		2119 EAST MADISON AVENUE	100,000
ESCONDIDO	CA	92025-4848	CABIN BY THE LAKE		235 W. 5TH AVE. STE A	225,899
FALLBROOK	CA	92028	STROMSOE BOYS' & GIRLS' FUND		566 E. ALVARADO STREET	10,792
FALLBROOK	CA	92088-2710	YOUNT SCHOLARSHIP FUND		C/O LEGACY, P.O. BOX 2710	2,608
FREDERICK	MD	21701	JAMES HOPSON FUND		816 APACHE COURT	458
FALLBROOK	CA	92088-1913	RIDEGCREST FUND		P.O. BOX 1913	156
LA JOLLA	CA	92037	BURNHAM / SANFORD INSTITUTE		10901 NORTH TORREY PINE ROAD	8,428
ESCONDIDO	CA	92025	ELIZABETH HOSPICE		150 WEST CREST STREET	13,186
FALLBROOK	CA	92088-0314	BOYS & GIRLS CLUB OF NORTH COUNTY		P.O. BOX 314	122,120
CARLSBAD	CA	92010	TRAUMA INTERVENTION PROGRAMS OF		2560 ORION WAY	1,060
FALLBROOK	CA	92088-2701	FALLBROOK LAND CONSERVANCY		P.O. BOX 2701	1,060
FALLBROOK	CA	92028	FALLBROOK FOOD PANTRY		1042 SOUTH MISSION	5,400
FALLBROOKL	CA	92028	FALLBROOK HOSPITAL AUXILIARY		624 E. ELDER STREET	2,120
FALLBROOK	CA	92028	FALLBROOK PEOPLE TO PEOPLE		1094 S. MAIN STREET	2,120
FALLBROOK	CA	92028	FALLBROOK SENIOR CITIZENS SERVICE		399 HEALD LAND	4,240
FALLBROOK	CA	92088	FOUNDATION FOR SENIOR CARE		P.O. BOX 2155	4,240
VISTA	CA	92081	THE ANGELS DEPOT		1495 POINSETTIA AVE., STE 151	2,120

California Statements

Statement 3 - Form 199, Part II, Line 9 - Contributions, Gifts, Grants, and Similar Amounts (continued)

Activity No.	Class	Name			Address	
City	State	Zip	Relationship	Status	Property Information	Amount
			REDWOOD SENIOR HOMES		1151 S. REDWOOD STREET	
ESCONDIDO	CA	92025				4,240
.	CA	.	SCHOLARSHIPS TO VARIOUS		.	4,500
.	CA	.	SCHOLARSHIPS TO VARIOUS		.	4,500
SUBTOTAL						\$ 519,247
TOTAL						\$ 519,247

Statement 4 - Form 199, Part II, Line 11 - Officer Compensation

Name	Address				Avg Hrs	Compensation Amount
City	State	Zip	Title			
PHIL DELANEY			PRESIDENT		8.00	
ROY ANSELL			VICE-PRES		11.00	
KAREN ESTES					2.00	
JON FRANDELL					5.00	
MARK HVASTA			TREASURER		6.00	
BILL LEWIS					4.00	
ALEX IRVING					2.00	

California Statements

Statement 4 - Form 199, Part II, Line 11 - Officer Compensation (continued)

<u>Name</u>	<u>Address</u>				<u>Avg Hrs</u>	<u>Compensation Amount</u>
	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Title</u>		
DOMINICK ARENA					2.00	
WILLIAM METCALF					4.00	
PETER FELLIOS					3.00	
TOTAL						<u>0</u>

Statement 5 - Form 199, Part II, Line 17 - Other Expenses

<u>Description</u>	<u>Amount</u>
LICENCES & FEES	\$ 3,101
MARKETING	581
MISCELLANEOUS	319
PAYROLL PROCESSING	1,302
PAYROLL TAXES	3,916
ACCOUNTING	35,475
INVESTMENT MANAGEMENT	35,101
POSTAGE / MAILINGS	596
PRINTING / COPYING	385
COMPUTER SERVICES	753
INTERNET SERVICE	724
MEMBERSHIPS	1,369
TELEPHONE	981
OFFICE EXPENSE	2,933
INSURANCE	3,531
TOTAL	<u>\$ 91,067</u>

Statement 6 - Form 199, Schedule L, Line 6 - Investments in Other Bonds

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
FIXED INC SECURITIES - MERRILL LYNCH	\$	\$ 1,195,201
FIXED INC SECURITIES - VANGUARD		262,324
TOTAL	<u>\$ 0</u>	<u>\$ 1,457,525</u>

Statement 7 - Form 199, Schedule L, Line 7 - Investments in Stock

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
BANC OF AMERICA SECURITIES ACCOUNTS	\$ 6,551,665	\$
MERRILL LYNCH - EXCELSIOR HEDGE FUND		322,736
VANGUARD SECURITIES	830,654	655,534
MERRILL LYNCH SECURITIES ACCOUNTS		5,240,281
TOTAL	<u>\$ 7,382,319</u>	<u>\$ 6,218,551</u>

Statement 8 - Form 199, Schedule L, Line 12 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DUE FROM LEGACY CRT FUNDS	\$ 3,336	\$
TOTAL	<u>\$ 3,336</u>	<u>0</u>

California Statements

Statement 9 - Form 199, Schedule L, Line 18 - Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
CHARITABLE CONTRIBUTIONS PENDING	\$ 22,623	\$ 65,910
PAYROLL TAXES PAYABLE	440	
TOTAL	<u>\$ 23,063</u>	<u>\$ 65,910</u>

Statement 10 - Form 199, Schedule M-1, Line 4 - Income Not Recorded on Books

<u>Description</u>	<u>Amount</u>
DONOR ADVISED FUND INCOME REPORTED ON TAX RETURN	\$ 206,370
TOTAL	<u>\$ 206,370</u>

Statement 11 - Form 199, Schedule M-1, Line 5 - Expenses Recorded on Books

<u>Description</u>	<u>Amount</u>
CRT EXPENSES REPORTED ON CRT TAX RETURNS	\$ 116,836
TRUSTEE FEE EXPENSE RECLASS	89,060
TOTAL	<u>\$ 205,896</u>

Statement 12 - Form 199, Schedule M-1, Line 7 - Income Recorded on Books

<u>Description</u>	<u>Amount</u>
CRT INCOME REPORTED ON CRT TAX RETURNS	\$ 173,000
NET UNREALIZED GAINS	635,766
TRUSTEE FEE INCOME RECLASS	89,060
TOTAL	<u>\$ 897,826</u>

Statement 13 - Form 199, Schedule M-1, Line 8 - Deductions Not Charged Against Book Income

<u>Description</u>	<u>Amount</u>
DONOR ADVISED FUNDS EXPENSES REPORTED ON TAX RETURN	\$ 376,297
TOTAL	<u>\$ 376,297</u>

California Statements

Indirect Depreciation

Statement 14 - Form 3885, Part IV - Amortization Detail Information

Description	Date Acquired	Cost / Basis	Prior Amortization	Code Section	Period or %	Current Amortization
FIMS SOFTWARE	7/01/07	\$ 31,269	\$ 12,508	0	5.00	\$ 6,253
TOTAL		\$ 31,269	\$ 12,508			\$ 6,253