

*“The greatest use of a life is
to spend it on something
that will outlast it.”*

William James

*Our 2008 Annual Report
To the Community*



— *Mission Statement* —

To provide individuals and organizations with opportunities to invest in the Virginia Peninsula and improve its quality of life.



*Confirmed in Compliance with National Standards
For U.S. Community Foundations*

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— 2008 Annual Report to the Community —

Dear Friends,

January 2009

There is a quiet crisis growing in the United States as well as here on the Virginia Peninsula – the plight of the nonprofit sector that cares for those hurting most from the economic recession. The evaporation of personal wealth has decimated charitable contributions; state and local budget shortfalls are costing nonprofits their most generous supporters; and the human need for charitable nonprofit assistance is skyrocketing as nonprofit resources shrink.

Locally, nonprofit endowment asset values have decreased an average of 22% to 30% over the past year. While the Foundation has limited financial resources to assist through direct grants, we are providing valuable services to our local nonprofits in terms of free financial and investment management, administrative assistance, and serving as fiduciary agents for numerous community projects on a pro bono basis. To ensure the Foundation's continued success we have pared our own budget and streamlined operations, further enabling us to continue our support of other Peninsula charitable operations. Helping our local nonprofits attain financial sustainability through permanent endowments has never been more important than now.

When times are good, we prepare for a recession. When times are difficult, we prepare for growth. As the Foundation looks for ways to respond to the charitable crisis in our community, we ask you to join us by establishing a Fund today or contributing to one of our many existing funds. Our personalized donor service will assist you in making your charitable donations count where they are needed most. After all, it is a wise person that seeks to find their joy while living.



A handwritten signature in black ink that reads "Richard J. Pearce".

Richard J. Pearce
President of the Board



A handwritten signature in black ink that reads "Jana L. Murphy".

Jana L. Murphy
Executive Director

— *Table of Contents* —

Letter from the President of the Board and the Executive Director	3	Hunter B. Andrews Legacy Society	9
Our Vision for the Future of our Community	5	For Professional Advisors – <i>When Does Choosing the Community Foundation Make Sense?</i>	10
Our Board of Directors & Staff	5	2008 Financial Summary and Highlights	11
2008, the Year in Review	6	Component Funds	12
What We Can Do for Donors	6	<i>Unrestricted Fund</i>	
Giving Through Your Community Foundation	7	<i>Field of Interest Funds</i>	
How to Create a Fund with The Peninsula Community Foundation of Virginia	8	<i>Designated Funds</i>	
		<i>Donor Advised Funds</i>	
		<i>Scholarship Funds</i>	
		<i>Agency Endowment Funds</i>	
		Grant Making	14
		Applying for a Grant	14

Thank you for taking the time to review our 2008 Annual Report!
The Peninsula Community Foundation of Virginia is proud of its 2008 results in the face of a challenging economic climate; however, the trends for 2009 indicate that all Peninsula charities and non-profits will struggle to meet the ongoing needs of their clients. Please consider making a gift to an existing fund, or starting your own fund with a tax-deductible contribution today!



— *Our Vision for the Future of our Community* —

We strive to be an outstanding resource for organized philanthropy throughout the Virginia Peninsula. The Foundation acts as a conduit for Peninsula citizens who share a common goal of bringing excellence to our community through well-managed charitable giving. Through these partnerships, we serve as a catalyst for positive change and provide donors with opportunities to improve our community's quality of life. We diligently protect donors' charitable gifts with a vigorous approach to financial accountability.

Our vision for the future includes:

- Being recognized throughout the Peninsula as a valuable resource for donors, financial advisors, and other nonprofit organizations in our service area
- Continuing to build permanent resources to provide for our community's ongoing needs
- Offering donors a range of charitable options allowing them to invest in our region in an effective and lasting way
- Managing charitable gifts in a prudent and efficient manner for the long-term benefit of our community
- Assisting other area nonprofit organizations in building their own endowment assets to ensure financial stability and continuity of service
- Continuing to develop a diverse and knowledgeable board of directors to guide the Foundation

— *Our Board of Directors & Staff* —

RICHARD J. PEARCE
President

GREGORY F. LAWSON
Vice President

SHEILA S. NOLL
Secretary

GORDON L. GENTRY, JR.
Treasurer

Charles R. Amory, Jr.
Jack L. Ezzell

Gerald R. Brink
Manfred C. Freeman, Jr.
Michael A. Monteith

Marshall A. Cross, MD
Anne Shuford Haggett
Alan S. Witt

Lawrence G. Cumming
Anna V.B. McNider

Jana L. Murphy
Executive Director

Donna M. Francis
Community Relations Coordinator

— 2008, the Year in Review —

- Attended the 6th Annual “Foundations on the Hill” in Washington, D.C. in March 2008
- Added one new Board member – Anne Shuford Haggett
- Published our 4th Annual Report to the Community in April 2008
- Hosted our most successful fundraiser to-date, the 4th Annual PCFVA Golf Challenge, on August 18, 2008, at the Kiln Creek Golf Club and Resort; net proceeds exceeded \$31,000 for our Unrestricted Fund
- Assisted the Newport News Police Department’s second successful *Gun Buy Back* program
- Increased named funds to 24
- Hosted “*Foundation Accountability in Action: Assessing Your Practices*” lunch and seminar for attorneys and CPA’s allowing attendees to earn continuing education credits; program presented by the Southeast Council on Foundations
- Administered the inaugural Ferguson Family Scholarship awards with nearly 150 applicants from around the United States
- Continued to upgrade our web site, periodically highlighting and promoting partnerships with other community non-profit organizations
- After assessing charitable giving trends, selected and met with four other Peninsula charitable organizations to form a fundraising partnership for 2009
- Streamlined select office and administrative operations in a cost-cutting effort, ensuring continued viability

— What We Can Do for Donors —

As a **public charitable 501(c)(3) non-profit organization**, we offer donors many distinct advantages, beginning with **preferred tax status**. A gift to the Peninsula Community Foundation provides the **maximum tax advantages** to the extent allowed by law. We have no excise taxes and no minimum payout requirements.

At the appropriate time, Peninsula Community Foundation of Virginia submits a single tax filing for all funds, which **relieves donors of filing separate tax returns**. With minimum administrative costs we are able to **ensure that more of each donor’s dollars actually benefits the community**, and we are free of many of the costs and restrictions placed on private foundations.

— Giving Through Your Community Foundation —

We believe it is our job to **help you stay informed** and to provide **opportunities to interact** with other donors. We also know that in this day of information overload, sometimes you want to **cut through to the most important items** and move forward.

That is why **we make giving easy**. We are continually looking for ways to streamline our operations to **make your giving experience simple, yet rewarding**. You decide your level of involvement, whether as an active participant with a Donor Advised Fund or a Designated Fund. In the alternative, you might prefer to contribute to a Field of Interest Fund, which benefits a particular issue of personal importance to you or your family.

Contributions to the Foundation's Unrestricted Fund or to an already existing fund can be in any amount. An individual, named fund may be established with a minimum of \$5,000, adding future contributions in any amount.

We are available for one-on-one discussions to explore your individual interests and charitable giving needs.

- **Do you want to know more about community needs so that you can give more effectively?**
- **Would you enjoy collaborating with other like-minded donors?**
- **How much do you want to be involved in the giving process?**
- **Are you working on an estate plan that includes charitable giving?**

We can also help you when you want to include your family in the discussions to encourage a giving strategy spanning several generations.



— *How to Create a Fund with The Peninsula Community Foundation of Virginia, Inc.* —

There are just four steps to creating your own component fund at the Foundation. Here is what you need to consider in becoming a philanthropist on the Virginia Peninsula:

1. **Decide WHEN to Give** – You can create your fund now, establish it in your Will (and become a member of the Hunter B. Andrews Legacy Society) or create it through a trust arrangement that benefits your family as well as charity. Tax deductions are earned at the time of your gift, while grants awarded from your fund will continue to help the community in the future.
2. **Decide WHAT to Give** – Almost any kind of asset can be used to start your fund, such as cash, publicly traded securities, real estate, life insurance, tangible personal property, and private foundation assets. We can also discuss other options with you, such as bequests, charitable remainder trusts, charitable lead trusts, and charitable gift annuities.
3. **Choose the NAME of Your Fund** – Most of our funds are named for the donor or the donor’s family. Every grant made from this fund will carry this name. Also, if you prefer to remain anonymous, you may choose a name accordingly.
4. **Choose a TYPE of Fund** – We offer a variety of funds that are flexible to meet donor needs and charitable interests. *Full descriptions of the following funds may be found on pages 10 and 11.*
 - ♦ **Foundation Unrestricted Funds**
 - ♦ **Field of Interest Funds**
 - ♦ **Donor Advised Funds**
 - ♦ **Designated Funds**
 - ♦ **Scholarship Funds**
 - ♦ **Agency Endowment Funds**

After you determine the answers to these questions, the Peninsula Community Foundation of Virginia will prepare a fund agreement that outlines your charitable intent. Once you sign the agreement and make your initial gift, the fund is officially established. This simple process can be accomplished in a short period of time, depending on your needs and the complexity of the gift.

— *Hunter B. Andrews Legacy Society* —

No matter your station in life or your financial means, charitable bequests can make a permanent difference. The late State Senator Hunter B. Andrews is a preeminent example of a visionary leader whose philanthropic gifts will endure forever. As a founding partner of the Peninsula Community Foundation of Virginia, Inc., Mr. Andrews was the embodiment of vision, leadership, generosity, and an unwavering commitment to the state and the community where he made his home. Few can match the vigor with which he championed higher education opportunities for all Virginians during his lifetime.

Mr. Andrews and his wife, Cynthia, became the epitome of our cover quote: “The greatest use of a life is to spend it on something that will outlast it ...” when they took steps before his passing to provide for the establishment of The Hunter B. and Cynthia Andrews Endowment Fund for the Hampton History Museum through the Peninsula Community Foundation of Virginia, Inc. Through their largesse, Hampton’s historic heritage will be nurtured and protected for years, long outlasting their generous philanthropic gesture.

During a commencement address at the University of Virginia on May 18, 1997, Mr. Andrews challenged the graduates to think of future generations. *“In a very real sense, ensuring that those who come behind us will have the same opportunities that you and I have had is in question. We need your commitment to ensure that this experience and others like it remain alive. I expect you to look for ways to give something back.”*

We are, indeed, indebted to Mr. and Mrs. Andrews and the inspiring example they set in leading the way. In honor of Mr. Andrews’ memory, we have established The Hunter B. Andrews Legacy Society to recognize those who have arranged a planned gift to the Foundation.

We recognize the charter members of the Hunter B. Andrews Legacy Society;

Gerald R. Brink
The Late Herbert V. Kelly, Sr.
J.W. Whiting Chisman, Jr.
Gordon L. Gentry, Jr.
Gregory F. Lawson
Thomas N. Hunnicutt

Legacy Society members help us look ahead to improving life for generations to come. These deferred contributions can be unrestricted, or they can be designated to meet your special giving goals. If you have made a deferred gift to the Foundation and are not included in the list above, please let us know so you can be added as an Andrews Legacy Society donor. If you are thinking about making a legacy gift, we can provide more information to help you make an informed giving decision.

— *For Professional Advisors* —

When Does Choosing the Community Foundation Make Sense?

As a professional advisor, you are instrumental in helping your clients select a giving option that best aligns with their personal motivation, philanthropic objectives, and financial goals. More than 70% of Americans give to charity during their lifetimes. That's where **you**, as a legal or financial advisor, come in.

As a trusted professional, you have a unique opportunity to help your clients meet their financial, personal and business goals, while guiding them in achieving their philanthropic and charitable mission.

Ask yourself these questions:

- *Do I have clients who care deeply about the local community?*
- *Do they contribute to more than one charitable cause or organization?*
- *Are they considering the creation of a private or family foundation?*
- *Have they expressed concern about the administrative complexity or expense of a private foundation?*
- *Are they interested in creating a legacy in the community?*
- *Do they want to receive maximum tax advantages for their contributions?*
- *Do they place a priority on sound financial management of their gifts?*

If you answer “yes” to any of these, you have clients who could benefit from knowing more about the Peninsula Community Foundation of Virginia and the charitable fund management we offer. We will help **you** to help your clients by serving as a partner, community resource, and professional charitable consultant.

Like matchmakers of old, professional advisors are called upon to listen closely, interpret carefully, and counsel wisely ... always hoping to recommend a solution that will be the perfect fit.

Over the past decade, the trend in lifetime giving has been the establishment of **Donor Advised Funds**. They offer immediate tax deductions and ongoing involvement in making charitable recommendations. While some donors may be attracted to the prestige of a private foundation, many value the **full-service support** of a community foundation Donor Advised Fund.

We are here to help you build stronger relationships. Studies show that many individuals with high net worth are expecting to talk about giving as they make financial plans with their trusted advisors. They will appreciate the charitable impact and tax advantages achieved with your help and ours. We work *through* you. You stay in control of *your client relationships*; we are here to *help you serve* your clients' charitable giving interests.

— 2008 Financial Summary and Highlights —

- Total net income for 2008 was nearly \$2.4 million
- Net proceeds from our 4th Annual Golf Challenge exceeded \$31,000
- Total assets topped \$3.5 million by the end of 2008, *an increase of more than 64%* over December 31, 2007
- The largest single donation received by the Foundation during 2008 was \$1,000,000

	2007	2008		2007	2008
	Audited	Unaudited		Audited	Unaudited
	Results	Results		Results	Results
ASSETS			LIABILITIES & NET ASSETS		
Current Assets			Liabilities		
Cash and Cash equivalents	\$ 173,579	\$ 265,729	Accounts Payable	\$ 1,207	\$ 0
Certificates of deposit	249,139	260,356	Funds held for others	360,000	270,000
Pledges receivable, less allowance for uncollectible pledges	605,557	290,139	Discount-funds held for others	<u>-70,440</u>	<u>-47,831</u>
Investments	1,103,677	2,707,272	Total Liabilities	<u>290,767</u>	<u>222,169</u>
Prepaid expenses	<u>0</u>	<u>0</u>	Net Assets		
Total Current Assets	<u>2,131,952</u>	<u>3,523,496</u>	Unrestricted	1,116,169	2,381,732
 FIXED ASSETS, Net	 <u>13,335</u>	 <u>9,390</u>	Temporarily restricted	634,112	826,616
 TOTAL ASSETS	 <u>\$2,145,287</u>	 <u>\$3,532,886</u>	Permanently restricted	<u>104,239</u>	<u>102,369</u>
			Total Net Assets	<u>1,854,520</u>	<u>3,310,717</u>
			TOTAL LIABILITIES AND NET ASSETS	<u>\$2,145,287</u>	<u>\$3,532,886</u>

— *Component Funds* —

There are numerous options for giving within the Foundation. Many contributors select the Peninsula Community Foundation of Virginia's Unrestricted Fund, which allows our Board the greatest flexibility and discretion in directing grant resources. Others prefer to designate their gifts for specific purposes that reflect their personal philanthropic interests, and allow these gifts to have a lasting connection with issues or organizations meaningful to them.

Anyone can contribute to *any* established fund at any time.

We can help you select an existing Foundation fund that matches your personal goals or help you establish your own legacy.

Foundation Unrestricted Fund

This unrestricted endowment fund allows for support to be directed where it is most needed now and in the future to meet the ever-changing needs of our community. The Board consults closely with community leaders and organizations in making its grant decisions. Grants are made to local agencies and projects where your generosity will do the most good.

Field of Interest Funds

Each *field of interest* fund supports a broad area of concern such as education, the arts or medical research. The Foundation makes grants to the most appropriate programs or organizations within the particular field of interest specified by the original donor.

- ♦ *PCFVA Youth Development Fund* – This *field of interest fund* will make a difference in the lives of our youngest Peninsula citizens. Contributions directed to this fund will ensure a permanent source of funding for programs and services for youth development.
- ♦ *Ferguson Family Fund* – Established in 2007, the *Ferguson Family Fund* provides grants of up to \$5,000 to Ferguson associates nationwide who meet the criteria for assistance. Grants are made in cases of personal or regional disasters or extreme personal hardship.
- ♦ *Circle for Community Excellence Fund* – Established to support the operational programs of the Foundation.

Designated Funds

Designated funds allow a donor to name a specific nonprofit organization to receive support.

- ♦ *Hunter B. and Cynthia Andrews Endowment* – Established for the benefit of the Hampton History Museum to assist in the purchase of new artifacts.

— *Component Funds (continued)* —

Donor Advised Funds

A *donor advised fund* is a *permanently endowed* and unrestricted fund. The fund advisors recommend grant distributions that fulfill the intent of the specific fund. Following are the *donor advised funds* currently being managed by the Foundation to help meet a wide variety of philanthropic needs:

- ◆ *Ernest P. and Georgia S. Buxton Fund*
- ◆ *The Wythe Fund*
- ◆ *Fiscella Family Fund*
- ◆ *Spectrum Communications*
- ◆ *Duval Family Donor Advised Fund*
- ◆ *Allen Iverson Donor Advised Fund*
- ◆ *Tanzania Health & Humanitarian Fund*
- ◆ *Charles and Jesse Hopkins Charitable Fund*
- ◆ *Ferguson Enterprises Community Fund* – Established so that Ferguson Enterprises, Inc. can respond to a wide variety of charitable needs for its nationwide associates, as well as other U.S. charitable organizations.

Scholarship Funds

Scholarship funds may be established by individuals, families, organizations or companies. When establishing a *scholarship fund*, the donor may also define the eligibility guidelines for recipients, including designating a specific field of study or college to be attended.

- ◆ *Ferguson Scholarship Fund* – Established by CEO and Mrs. John Stegeman, the *Ferguson Scholarship Fund* provides renewable scholarship gifts to eligible children of qualified Ferguson Enterprises employees.
- ◆ *Henry Jordan Memorial Scholarship Fund* – Established to provide an annual scholarship to a Warwick High School senior.
- ◆ *P. Hairston Seawell* – Established to fund a female student author at William & Mary University.
- ◆ *Mike Tylavsky Scholarship Fund* – Established in memory of Mike Tylavsky for students of York County School Division.

Agency Endowment Funds

An *agency endowment fund* may be established by a qualified nonprofit organization to help provide a permanent source of revenue that may be used as needed by the organization.

- ◆ *Jr. Achievement of the Virginia Peninsula* – Established to support the programs of the Jr. Achievement on the Virginia Peninsula.
- ◆ *York Foundation for Public Education* – Established in 2007 to enable the YFPE to provide teachers with continuing education grants and support their overall mission, providing long-term sustainability and financial support of York County educational initiatives.
- ◆ *Peninsula Crime Line, Inc.* – Established for the benefit of the Peninsula Crime Line, Inc. to support long-term operational funding.

— *Grant Making* —

Competitive grant awards may come from unrestricted named funds or field of interest funds. Currently, we award grants in six broad areas: arts and culture, civic affairs, education, environment, health and social services. We make grants to tax-exempt, public charities classified as 501(c)(3) organizations and private charities as defined by the IRS, on a case by case basis.

— *Applying for a Grant* —

Letters of proposals for funding are accepted only between March 1st and May 31st each calendar year. If accepted, your organization will be invited to submit a formal application which will be provided to you by the Foundation. Funding decisions will be announced on or after December 1st each calendar year. Competitive grant awards will generally not exceed \$1,000 for each calendar year. Detailed information about our grants is available by visiting our Web site at www.pcfvirginia.org, clicking on “Grants and Scholarships,” and reviewing “*Guidelines for Grantseekers.*” Proposals that do not comply with the criteria in the *Guidelines* will not be eligible for consideration.

