

Virginia Early Childhood Foundation



2007 ANNUAL REPORT



The Virginia Early Childhood Foundation is pleased to be the new home for “Smart Beginnings.” Whenever you see the logo above, you know that the initiative, program, or media that displays it represents Virginia’s comprehensive effort to make certain that all young children, ages birth to 5, have access to high quality early care and education.

All Virginians want our youngest children to have Smart Beginnings, so they can become engaged citizens who contribute to our economy, strengthen our communities, nurture healthy families, and build our quality of life.

www.smartbeginnings.org

The Virginia Early Childhood Foundation is grateful to all those dedicated Virginians who contributed to our founding. These include members of the former Virginia Early Learning Council, Governor Warner and Governor Kaine, the Virginia General Assembly, our very dedicated Board of Directors, and especially to Kathy Glazer, Executive Director of the Governor’s Working Group on Early Childhood Initiatives, who tirelessly nurtured us during our infancy. It was their vision and commitment that gave birth to the Foundation and our mission to foster Smart Beginnings for all young children in Virginia, and through them a vital future for the Commonwealth.

A Letter from the Chairman

September 29, 2007

Dear Citizens of the Commonwealth:

It has been my honor to serve as the first Chair of the Virginia Early Childhood Foundation's Board of Directors; I am exceptionally proud of this organization's accomplishments to date. I come to this position not as an early childhood professional, but as a business person, recognizing the importance of a highly skilled and productive workforce to the economic vitality of Virginia. If we are to continue to grow as a state in an increasingly competitive global economy, we cannot afford to lose 20% or more of our citizenry every year to future joblessness and low paying jobs—simply because they entered kindergarten unprepared. Unfortunately, a growing body of scientific research informs us that this will too often be the case if we fail to ensure that all families with young children have access to high quality care and education. I am confident that the investments we make now in the earliest years of our youngest citizens will have a significant impact on Virginia's workforce and on our future economy.

Patterned after the successful model of the Virginia Health Care Foundation, the Virginia Early Childhood Foundation is a public-private partnership led by a diverse board including business, civic, education and government leaders from around the state. This Board has worked tirelessly in its first year of existence. I am pleased to say that even though the Foundation is in its infancy, we are beginning to make substantial progress. In particular, one of the greatest strengths of the Foundation is the creation through our competitive grants program of multiple local coalitions. Each coalition is headed by a leadership council made up of a diverse set of local leaders who bring strong credibility to the efforts in that community. Each grant requires a local match, thus dollars invested in the Foundation are leveraged and compounded by local public and private resources.

Of course, the progress made by the Foundation thus far has only occurred because of the generosity of our public and private investors. First and foremost, we thank the General Assembly of the Commonwealth of Virginia for providing the Foundation's initial funding through the 2006 Appropriations Bill. Federal infant and toddler earmark funds were also awarded to us through the Virginia Department of Social Services. In addition, we are pleased to have five prominent Virginia corporations on our growing list of private supporters: Capital One, Dominion Resources, Ferguson Enterprises, Freddie Mac Foundation, and Virginia Natural Gas. Thank you to each of these partners for recognizing the importance of this initiative and for the faith they have placed in the Foundation.

I am proud to have played a leadership role in raising understanding of the importance and benefits of investing in Virginia's youngest citizens. Along with Scott Hippert, President of the Virginia Early Childhood Foundation, and the entire Board of Directors of the Foundation, I am pleased to present this first annual Progress Report outlining the Foundation's accomplishments to date.

Sincerely,



Paul O. Hirschbiel, Jr.
Chair, Board of Directors
Virginia Early
Childhood Foundation

A Letter from the President

September 29, 2007

Dear Citizens of the Commonwealth:

It has been an honor to serve as President of the Virginia Early Childhood Foundation during these first few months of operations. The level of commitment demonstrated by Virginia's public and corporate leadership to increasing our economic prosperity and quality of life by investing in our youngest Virginians is truly inspiring. Virginia is not only participating in a national awakening in regards to the long-term benefits of Smart Beginnings, but we are leading the way by our can-do spirit, our success in creating locally-driven initiatives that contribute to statewide systems, our commitment to highly effective solutions that produce results, and a clear understanding that investments in Smart Beginnings will draw significant returns in social and economic well-being.

This report was written to cover a start-up period in which a highly dedicated Board of Directors took the lead to create a strong foundation by facilitating a grant process for local communities, finding a qualified staff to put the mechanics of our work into place, and raising private-sector funds to match public investments. Upon my arrival in late March, I worked to continue the board's efforts and to get a staff and office fully functioning. On May 1st, the Foundation awarded our first grants to sixteen Virginia jurisdictions that are building local systems with local solutions that contribute to a unified statewide system designed to provide high-quality early care and education to all young Virginians.

A smart beginning, with public and private support, is now in place to build an effective and results-oriented early care and education system for the Commonwealth. Since the end of last fiscal year, additional progress to achieve our mission has been accomplished. The local coalitions and leadership councils that we support are implementing effective solutions that reflect local culture and statewide goals. The Virginia Early Childhood Foundation is bringing these grantees together in learning communities to share their approaches, challenges and successes. And we are collaborating with state agencies, nonprofits, corporations, and localities to implement a comprehensive statewide plan for high-quality early care and education that produces results and accountability.

One year from now I will report to you on further progress made by the Virginia Early Childhood Foundation and the local coalitions and leadership councils that are participating in our work. We have a long way to go, and much more support will be needed from both the public and corporate sectors. As efforts increase and support grows, I promise that the Virginia Early Childhood Foundation will provide strong leadership to make certain that all young children in the Commonwealth get smart beginnings that will allow them to become successful citizens who will ensure a vital future for Virginia and our nation.

I am grateful to be part of this important work and look forward to helping shape Virginia's future by working to provide the opportunities needed for all children to get a healthy and successful start in life. Thank you for your generous and ongoing support.

Sincerely,



Scott L. Hippert
President
Virginia Early
Childhood Foundation

A Smart Beginning for All Children

Background

The Virginia Early Childhood Foundation was created to address significant challenges that impact our economy, social fabric, and quality of life. At a time when major corporations are expecting record numbers of baby boomer retirements, our next generation of citizens, workers, and leaders must be ready to fill their shoes. But in some Virginia communities, one in three children arrive at kindergarten not ready to learn or succeed, meaning they will most likely remain behind throughout school and into adulthood. This is something we can fix. Virginians have chosen to proactively address this challenge, and to do it right for the sake of our children and our economic prosperity.

The facts speak for themselves

Scientific data show that by age five over 85% of the human brain is developed. What goes into the brain in those early years builds the infrastructure for all future cognitive, social, emotional and physical development.¹ At the same time, economic data from the Federal Reserve prove that investments in children in their first five years of life produce a compound annual, inflation-adjusted rate of return of up to 18%. Economic gains include increased educational attainment, higher employment rates, and greater home ownership. The figures also reflect less dependence on public assistance and lower rates of incarceration. Over time, investing \$1 at the front end will save an average of \$7 to \$9, or more, in the future.²

Virginia Facts

- Approximately \$90 million is spent each year on children who repeat grades K-3.³ It is smarter and ultimately less costly to make sure that children in the first five years are developing the skills to make them successful for the next twelve to sixteen years instead of trying to “fix” them later.
- Sixty-two percent (330,000) of Virginia’s children ages 0-5 live in families in which all of the adults are working.⁴ Affordable high-quality early care and education is not always available to these working families.
- Nationally, 49% of children who start kindergarten unprepared are from middle or upper income families.⁵
- All children are at risk when high quality early care and education is not available.

Smart Beginnings’ long-term success requires a sustained effort, commitments from both the public and private sectors, involvement of informed parents who are the primary teachers of their children, and communities that provide leadership and collaboration to address the smart beginnings of our youngest citizens. By doing this right, the Commonwealth and its citizens will experience tremendous long-term prosperity. The Virginia Early Childhood Foundation shares a leadership role in creating this strong foundation.



“The continual enhancement of skills over time is essential to sustained growth in economic well-being, and research indicates that early childhood development is critical to the life-long development of skills.”



Jeffrey Lacker
President,
Federal Reserve Bank
of Richmond

Smart Beginnings The Commonwealth's Response

By creating the Virginia Early Childhood Foundation, Virginia is addressing the challenges facing young children and their families, and is participating in a national effort to strengthen our economy, increase productivity, and lay the foundation for responsible citizenship. Over the past four years, there have been important milestones leading to the launch of the Virginia Early Childhood Foundation:

October 2003	"Education for A Lifetime Initiative" is announced by Governor Warner.
March 2005	The Virginia Department of Social Services uses federal Child Care Development Funds (CCDF) to support a first round of Smart Beginnings Grants ("Early Childhood Partnership Grants") to three localities (Fairfax County; South Hampton Roads; and Williamsburg, James City County, and York County).
May 2005	Corporate, education, faith-based and government leaders form an early childhood task force—the "Virginia Early Learning Council."
October 2005	The Virginia Early Learning Council releases its report to Governor Warner, outlining goals for early childhood in Virginia. One of the recommendations is the creation of a state level nonprofit entity to lead early care and education initiatives.
December 2005	The Virginia Early Childhood Foundation (Foundation) is incorporated.
March 2006	The Foundation is designated a 501(c) 3 tax-exempt non-profit entity by the IRS.
June 2006	The Board of Directors holds its first meeting; officers are elected, Bylaws and Articles of Incorporation are approved, committee chairs are appointed, and an Executive Committee is formed.
October 2006	The Board holds a retreat to develop a strategic plan and elects 13 new members.
December 2006	Request for Applications (RFA) is announced by the Board, starting the second round of Smart Beginnings Grants.
January 2007	The Board approves a mission statement and continues to work on the Strategic Plan.
April 2007	The Board appoints Scott Hippert as President and Caroline Smith is introduced as Program Director. The Board approves recommendations for 4 new Smart Beginnings Partnership grants and 9 new Smart Beginnings Planning Grants and approves the Strategic Plan. The United Way of Greater Richmond and Petersburg loans temporary office space and administrative support.
May 2007	The Foundation opens an office in the historic Bookbindery Building on W. Broad Street in Richmond; Mary Williams is hired as Office Manager. Two-year sustaining grants are approved by the Executive Committee and awarded to the original 3 Smart Beginnings grantees.
June 2007	The Board holds its fifth meeting; one new member is elected; President Hippert announces that the Foundation infrastructure, fiscal management procedures, and staff are in place. Terry Anderson is hired as Director of Advancement, and Kristina Friar as Communications Coordinator.

Smart Beginnings Carrying Out Important Work

The Virginia Early Childhood Foundation

is an innovative venture that pairs public and private funding and leadership to innovatively address the needs of Virginia's youngest citizens.

Goals

The Virginia Early Childhood Foundation leads, coordinates, and supports collaborative efforts to build a statewide comprehensive system of high quality early childhood care, education, and health services that is based on common goals, local solutions, and parent involvement. Through the Smart Beginnings initiative, the Foundation brings an intelligent, measurable, and results-oriented approach to investments to increase school readiness.

- **Infrastructure**
Work in partnership with state government to provide competitive grants and technical assistance to local coalitions and leadership councils formed to build capacity and infrastructure in local communities for delivery of quality early care and education programs.
- **Communication**
Promote a vigorous and persistent public awareness initiative to build a clear understanding of the long-term economic and social benefits of investments in high-quality early care and education.
- **Innovation**
Stimulate proactive, innovative approaches to early care and education that produce successful results and spotlight best practice models. Encourage statewide best practices through technical assistance and learning communities.
- **Evaluation and Accountability**
Maintain a commitment to measurable outcomes at both the state and local levels. Participate in national and statewide efforts to identify effective evaluation strategies and to implement these throughout Virginia. Track outcomes for both local initiatives and state-level results.

Organization

The Virginia Early Childhood Foundation is a non-profit organization and is intentionally nonpartisan. While it is a partner with state government, it operates independently under the governance of a board of directors. This independence puts the Foundation in a position to provide long-term continuity and sustainability to early care and education initiatives in Virginia.



Vision

All children in Virginia enter kindergarten healthy and ready to succeed in school and life.

Mission

To provide collaborative leadership to foster Smart Beginnings for all young children in Virginia and through them a vital future for the Commonwealth.

// Dominion believes that the prosperity and the quality of life for Virginia, its citizens and its businesses depend on both a well-educated and highly motivated workforce. Solid evidence shows that the best way to ensure such a workforce is to make wise investments in our youngest citizens."



Thomas N. Chewning
Vice President and CFO
Dominion Resources, Inc.

// Providing all of Virginia's young children with Smart Beginnings will contribute to the strength and success of families, communities and our nation. The Freddie Mac Foundation firmly believes that investing in our young children is among the smartest investments we can make. We strongly support the work of the Virginia Early Childhood Foundation."



Cheryl S. Clarke
Director of
Foundation Giving
Freddie Mac Foundation

Resources

Achieving Smart Beginnings' goals is dependent in large part upon the resources and leadership provided by both public and private partners. Recognizing both the social and economic benefits, these entities have come together to support investments in our youngest citizens that will produce a competitive workforce, strong economy, and high quality of life for all Virginians.

Public funding for the Foundation is appropriated by the General Assembly through General Funds allocated to the Virginia Department of Social Services (VDSS) and through federal infant and toddler earmarked funds, which are also allocated through VDSS. Private funding comes from contributions made by corporations, foundations, and individuals.

The Foundation's corporate partners (as of the printing of this report):

Capital One

Dominion Resources

Ferguson Enterprises, Inc.

Freddie Mac Foundation

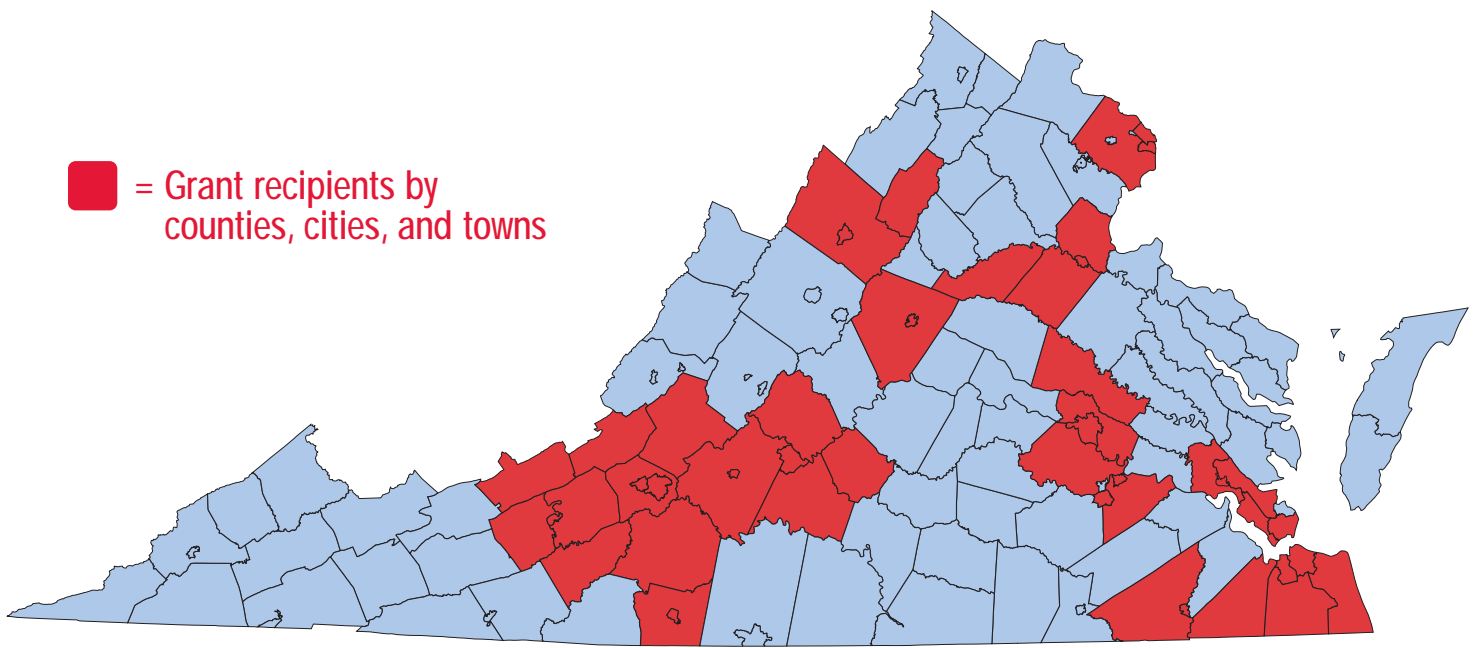
Virginia Natural Gas



Inside the "Gus Bus" mobile literacy center, Success By 6 Coalition, Shenandoah Valley.

Smart Beginnings At the Local Level

Smart Beginnings Grants



Community and Regional Initiatives

In May 2007, the Virginia Early Childhood Foundation awarded more than \$2.4 million in Smart Beginnings partnership, planning, and sustaining grants to sixteen community coalitions and leadership councils to support their work over the next two years. These grants bring local and regional stakeholders together to create or strengthen a comprehensive infrastructure that provides a coordinated, cost-effective means for families to support their children's growth and development and to access a comprehensive system of health services and high quality early care and education, thereby improving children's preparedness for school.

Smart Beginnings Partnership Grants

Four Smart Beginnings Partnership Grants totaling \$1.7 million were awarded to the following coalitions to plan, develop, establish, expand, or improve the quality of early childhood care and education programs for young children:

Family Engagement

Partnership for Children Charlottesville/Albemarle County

To support child and family preparation for school readiness with a system of community resources

- Develop a comprehensive and coordinated system of partnerships between local social services, home visiting programs, and schools
- Provide family support services in elementary school districts with the greatest challenges, including growing refugee and immigrant populations

Success By 6 Coalition of the Shenandoah Valley

Harrisonburg City and
Rockingham and Page Counties

To support children and families' preparation for school readiness with a system of community resources

- Develop a Success By 6 Academy to strengthen, enhance, and expand services for the area's most at-risk families
- Build a cohesive system that offers families a unique supportive opportunity to gain the skills necessary to help their children enter school ready to learn

Provider Engagement

To expand the local child care quality rating system and increase early developmental screenings community-wide

- Guide improvements in local centers and day care homes applying the local "Seal of Good Child Care" quality rating system
- Reach and sustain high levels of quality through provider training and program assistance through self-assessments, quality improvement plans, and evaluations
- Identify children with special needs before they arrive at school through early screenings and partnerships with physicians and child care providers

To strengthen provider knowledge and skills and create a seamless transition to kindergarten

- Develop a Success By 6 Academy for providers that will incorporate and coordinate with the state's proposed Quality Rating System and Career Lattice
- Use the Smart Beginnings Professional Competencies to help providers develop an individual professional growth plan
- Align curricula across child care centers and family child care providers
- Purchase curriculum materials that align with the public school system for private pre-school's 4 year old classrooms
- Create a formalized transition to kindergarten plan

Public Engagement

To increase community and employer awareness and the importance of early childhood experiences

- Educate parents, providers and the community on the importance of early childhood experiences and availability of area resources through the local School Readiness Leadership Council

Increase community awareness of the importance of early childhood experiences

- Develop and implement a targeted media campaign to educate parents, providers, and the community

**For more information,
contact:**

Jon Nafziger
(434) 972-1701
jnafziger@UnitedWayTJA.org

Pat Kennedy
(540) 568-2557
kennedpa@jmu.edu

Richmond Region Early Childhood Leadership Council

Richmond and Petersburg Cities and Henrico, Hanover, and Chesterfield Counties

To support parents in their role as their child's first teacher

- Develop a coordinated system among Richmond City home visiting programs by streamlining the referral and intake process
- Build and promote additional parent education opportunities accessible to all Richmond City families with young children

To strengthen provider knowledge and capacity to provide high quality early childhood experiences overall and particularly for children with special needs

- Offer providers and parents an opportunity to learn about early childhood experiences for children with special needs
- Expand best practice programs serving children with behavioral and emotional challenges at risk of expulsion and other children with special needs
- Reach and sustain high levels of quality as identified by a local quality rating system

To increase community and employer awareness and the importance of early childhood experiences

- Educate employers, parents, providers, and the community on the importance of early childhood experiences and the availability of area resources
- Provide websites for Richmond region information, resources, and activities regarding early childhood development

Barbara Couto Sipe
(804) 771-5869

coutob@yourunitedway.org

Roanoke Area Building Children's Futures

Roanoke and Salem Cities, the Town of Vinton, and Roanoke, Botetourt, Craig, & Franklin Counties

To support children and families' preparation for school readiness with a system of community resources

- Promote children's physical well being and motor, emotional, and cognitive development through the monthly home visiting program Helpful Opportunities for Parents to Excel (HOPE)
- Home visitors will share FAMIS and Medicaid information and educate parents about important health and nutrition concepts and other available family services
- Collaborate with pediatricians to expand the Reach Out and Read (ROR) program
- Provide parent meetings and workshops conducted by Building Children's Futures speakers' bureau experts
- Ensure that parents from a variety of geographic areas and circumstances have access to parent meetings and workshops

To expand the professional development system

- Continue to expand Building Children's Futures' comprehensive professional development system
- Using Building Children's Futures media partners Blue Ridge PBS and Roanoke Valley TV, broadcast taped training sessions for providers
- Develop and hone the most effective combination of professional development, mentoring/coaching and supportive services in 10 pilot sites
- Track each pilot program with ongoing evaluation by a team of experts from Virginia Tech to assess the effectiveness of the model

To implement a multi-media marketing schedule covering all Building Children's Futures activities

- Market all Building Children's Futures activities through television, radio, and print media to help build awareness of and involvement in the services provided
- Create a Building Children's Futures website with information and all program components as well as links to all partner organizations and activities

Beth Doughty

(540) 983-0700 # 222

bdoughty@roanokechamber.org

“ Receiving this grant showcases what good things can happen when the local business community joins together with non-profits and governmental agencies to make a difference. Our coalition being awarded this grant demonstrates how much everyone here understands that early childhood education provides the building blocks for a productive workforce and vigorous economy.”

Pat Kennedy

Project Director

Success By 6 Academy

Harrisonburg

“ More families will be served, families will be enrolled more quickly in a program that is right for them, duplicated efforts will be avoided and resources will be used more efficiently.”

Saphira S. Baker

Deputy Chief Administrative Officer

for Human Services

City of Richmond

Smart Beginnings Planning Grants

Nine Smart Beginnings Planning Grants totaling \$450,000 were awarded to the following coalitions to form leadership councils, conduct community needs assessments, develop an early childhood strategic plan, build interagency collaboration, develop community engagement campaigns, and jumpstart initiatives for high-quality childcare, home visiting, early learning, provider training, transitioning children to kindergarten, etc.:

For more information, contact:

<p>Alexandria and Arlington Region</p>	<p>Establish permanent council to target quality, availability, and staff development.</p>	<p>Karen Hughes (703) 549-0111 #117 khughes@campagnacenter.org</p>
<p>Hopewell and Prince George</p>	<p>Working with Hampton Healthy Families to establish a social services and health partnership to address social and health issues in children.</p>	<p>Bernetta Quinn (804) 458-9271 ext. 4 bquinn@ci.hopewell.va.us</p>
<p>Orange County</p>	<p>Build a leadership council; long term strategic planning; collaboration; development of a consistent message; and plan to address gaps in services.</p>	<p>Ruth Anne Paisley (540) 672-5484 rpaisley@orangecova.com</p>
<p>Newport News and Hampton</p>	<p>Community partners engaged in community mapping. Development of a leadership council. Community needs include child care resource and referral, family literacy, and provider mentoring and improved quality.</p>	<p>Belinda Willis (757) 870-6161 Belinda@BHWillis.com</p>
<p>Martinsville and Henry County</p>	<p>Build a strong leadership council to connect all entities serving families; improve quality; better support parents; provide health services and train caregivers.</p>	<p>Sheryl Agee (276) 638-3946 Sheryl.Agee@unitedway.org</p>
<p>Franklin City and Southampton</p>	<p>Will hire staff to coordinate agencies and programs and to organize a local leadership council; facilitate a needs assessment and strategic plan.</p>	<p>Barbara Mease (757) 562-6806 #308 bmease@thechildrenscenter.cc</p>
<p>New River Valley Area— Montgomery, Floyd, Giles, Pulaski, and Radford</p>	<p>Hire staff and develop program materials; form a leadership council and conduct a community needs assessment—priorities are infant care, training curriculum, and provider-mentoring program.</p>	<p>Kathy Irene St. Marie (540) 558-8652 vicc@valleyinterfaithchildcarecenter.org</p>
<p>Lynchburg Area— Amherst, Appomattox, Bedford, Bedford City, Campbell, and Lynchburg</p>	<p>Broaden membership and community support and implement fundraising strategies. Determine means of centralized coordination to address community needs.</p>	<p>Gayle Lucado (434) 455-6914 gayle.lucado@unitedwaycv.org</p>
<p>Fredericksburg Area— Fredericksburg, Spotsylvania, and Stafford</p>	<p>Build stronger organization and coordinate programs; develop skills for evaluating success and marketing early childhood; potential pilot site for proposed state quality ratings system.</p>	<p>Melissa Terry (540) 373-0041 x19 mterry@rappahannockunitedway.org</p>

Smart Beginnings Sustaining Grants

Three Smart Beginnings Sustaining Grants totaling \$300,000 were awarded to the following local coalitions:

For more information, contact:

Kids First Coalition

Williamsburg, James City
and York Counties

- Child health activities including screening, parent forums, linkages to health services, transportation to appointments, home visits, and immunizations
- Program quality will be improved through family home registration, directors' group, scholarships, and encouraging participation in Quality Rating System
- Public education will support Quality Rating System through materials and speakers' bureau

Sheri Osborne
(757) 566-3300
sherio@cdr.org

School Readiness Collaborative

Fairfax County

- Continue certificate-training program. Work on articulation, new courses, and scholarships
- Address mental health issues with new course, "warm line," and curriculum
- Partner with library
- Transition activities: guides for professionals, experiences for children, use of new form to share information and evaluation of literacy in kindergarten
- Use Early Learning Guidelines with parents and providers
- Sponsor Leadership Forum and School Readiness Symposium
- Support future Quality Rating System initiative

Judith Rosen
(702) 324-8103
judith.rosen@fairfaxcounty.gov

South Hampton Roads Smart Beginnings

Chesapeake, Norfolk, Portsmouth,
Suffolk, and Virginia Beach

- Extensive public awareness campaign including
 - Task force to implement a public engagement plan
 - Establish a speakers' bureau
 - Business Council will develop a business engagement plan
 - Launch Smart Beginnings South Hampton Roads (SBSHR) website, www.smartbeginningsshr.org

Lisa Howard
(757) 226-8826
lhoward@smartbeginningsshr.org

Smart Financial Beginnings

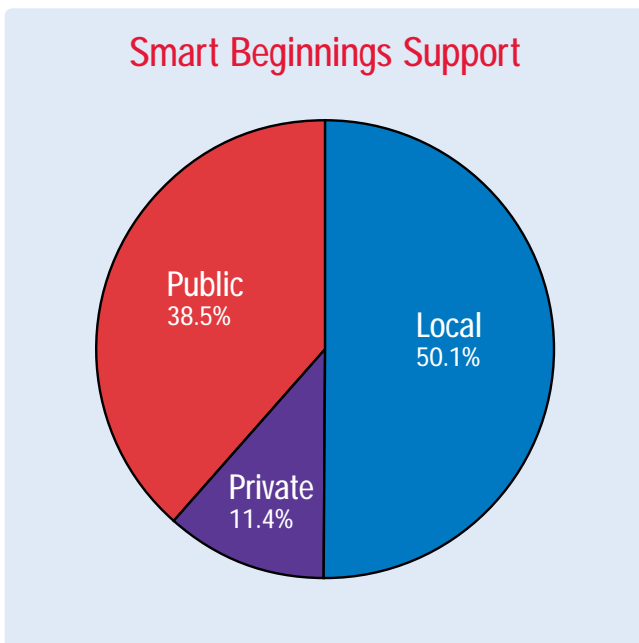
The Virginia Early Childhood Foundation uses public investments to leverage additional government, corporate, foundation, and private funds to provide Smart Beginnings grants to local and regional initiatives, and to support the operations of the Foundation.

While funding for the Foundation was approved by the General Assembly to begin in July 2006, it was spring of 2007 when the organization was staffed and operational. The financial statements reflected in this progress report, and in the certified audit for the year ending June 30, 2007, demonstrate a short year of start-up operations, fundraising and grants awarded to local and regional Smart Beginnings coalitions. The major expenditures related to those awarded grants will be made in fiscal years 2008 and 2009.

Although not part of the funding that goes directly to the Foundation, it is noteworthy that the sixteen local coalitions have leveraged over \$1.6 million from local corporate and civic partners for their work on projects funded by the Smart Beginnings Grants.

Financial Statement Highlights

This financial report reflects a period when the Virginia Early Childhood Foundation put a strong financial foundation in place to support the activities of our grantees over the next two years. The figures listed below indicate the categories of primary funding committed to or received directly by the Foundation. The figures also show the amount of local contributions leveraged by grantee coalitions that participate in Smart Beginnings. These figures provide an accounting of the income and support for the Smart Beginnings initiatives from the Foundation's start in 2005 through FY '07. The auditor's statements on pages 14–15 of this report demonstrate support for fiscal year 2007 (July 1, 2006 through June 30, 2007).



Public Support Received*	\$ 1,250,000
Corporate Partners	200,000
Individuals/Family Foundations	89,125
In-Kind Contributions	54,000
Interest Revenue	28,333
Local Committed Support	1,627,346

Total Support \$ 3,248,804

*The Virginia General Assembly appropriated an additional \$1.5 million, which was received in July 2007. These funds support grant awards and operating expenses that extend into FY '09.

Actual financial figures for fiscal-year 2006–2007 begin on page 14 of this report.

Smart Beginnings in Building Support

Direct Support

The Virginia Early Childhood Foundation implemented a strategic fundraising plan that began in the last months of fiscal year 2007. In addition to the funds raised in the July 1, 2006 through June 30, 2007 fiscal year, the Foundation has raised significant private funds in the early months of fiscal year 2008 (which started July 1, 2007). The direct support listed below combines with funds raised by local grantees to demonstrate this initiative is a true public and private partnership.

The Virginia Early Childhood Foundation expresses deep appreciation to the generous contributors that support Smart Beginnings initiatives through their contributions to the Foundation. The following reflects direct contributions received by the Foundation from its founding in 2005 through the fiscal year ending on June 30, 2007. This list also acknowledges those contributions received from July 1, 2007 until the printing of this publication:

Government Support

Virginia General Assembly
Virginia Department of Social Services

Corporate Partners

 **Capital One**[®]

 **Dominion**[®] **

 **FERGUSON**[®] *

 **Freddie Mac**[®]
FOUNDATION[™] **

 **Virginia Natural Gas**
An AGL Resources Company

Board and Individual Support

Kenneth E. Ampy
Terry and Bill Anderson**

Peter A. Blake
Katherine E. Busser
W. Lyles Carr
Thomas Chewning
Ben J. Davenport, Jr.
Allison Cryor DiNardo
Kathy Glazer

Paul O. Hirschbiel
Scott L. Hippert**
Dr. Colleen A. Kraft
Angelica D. Light
Henry P. Linginfelter

Lori M. Morris, *Bruhn-Morris Family Foundation*
The Honorable Thomas R. Morris
Dr. Novella J. Ruffin
J. Scott Wilfong
Danielle H. Yarber

In-Kind Support

Astyra Corporation
Capital One
The McCormick Group
Number One Design
United Way of Greater Richmond and Petersburg

* Received prior to July 1, 2006

** Received after June 30, 2007

Independent Auditor's Report

The Virginia Early Childhood Foundation contracted with Larry Saunders & Associates, Certified Public Accountants, LLC to conduct its year-end audit for the fiscal year ending June 30, 2007. The following statements of financial position are taken directly from the auditor's report.

Virginia Early Childhood Foundation
Statement of Financial Position
June 30, 2007

ASSETS

Current Assets	
Cash and Cash equivalents (note 1.e and 10)	\$ 1,227,971
Accounts Receivable	500
Other Assets	<u>3,390</u>
Total current assets	1,231,861
Equipment, Furniture, and Fixtures	10,760
Accumulated depreciation	<u>-</u>
Total assets	<u>\$ 1,242,621</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	31,162
Payroll withholdings	1,996
Accrued Wages	5,824
Accrued Vacation	4,075
Deferred Revenue (note 11)	<u>1,033,003</u>
Total current liabilities	<u>1,076,060</u>

NET ASSETS

Unrestricted	116,561
Temporarily restricted (Note 9) for use in future years	<u>50,000</u>
Total net assets	<u>166,561</u>
Total liabilities and Net Assets	<u>\$ 1,242,621</u>

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL (MEMO ONLY)
PUBLIC SUPPORT AND REVENUE			
Public Support			
Contributions (note 6 & 9)			
Individuals	\$ 39,075	-	\$ 39,075
Corporations	50,000	50,000	100,000
Foundations	50,000	-	50,000
Inkind Contributions	54,000	-	54,000
Total received directly	<u>193,075</u>	<u>50,000</u>	<u>243,075</u>
Total public support	<u>193,075</u>	<u>50,000</u>	<u>243,075</u>
Revenue			
Government Grants	-	216,997	216,997
Interest Revenue	<u>28,285</u>	<u>47</u>	<u>28,333</u>
Total revenue	<u>28,285</u>	<u>217,044</u>	<u>245,330</u>
Net assets released from restrictions	<u>217,044</u>	<u>(217,044)</u>	<u>-</u>
Total support and revenue	<u>438,404</u>	<u>50,000</u>	<u>488,405</u>
Expenses			
Program services	<u>286,823</u>	-	<u>286,823</u>
Total program services	<u>286,823</u>	<u>-</u>	<u>286,823</u>
Supporting services			
Fund Raising	11,942	-	11,942
Management and general	<u>123,128</u>	-	<u>123,128</u>
Total expenses	<u>421,893</u>	<u>-</u>	<u>421,893</u>
Change in net assets	16,511	50,000	66,511
Net assets, beginning	<u>100,050</u>	-	<u>100,050</u>
Net assets, ending	<u>\$ 116,561</u>	<u>50,000</u>	<u>\$ 166,561</u>

Virginia Early Childhood Foundation
Statement of Activities
For the Year Ended June 30, 2007

	Programs	Fund Raising	Management and General	Total
Salaries (note 4)	\$ 23,169	5,634	37,544	\$ 66,347
Fringe Benefits	1,700	401	14,324	16,425
Total staff compensation	24,869	6,035	51,868	82,771
Professional fees and contract services	4,090	-	9,201	13,291
Supplies	1,115	271	2,325	3,711
Telephone	821	199	1,713	2,733
Postage	284	69	591	944
Occupancy (notes 3)	2,124	496	4,460	7,079
Equipment rental and maintenance	-	-	99	99
Printing and publications	339	113	1,150	1,602
Travel	693	202	706	1,601
Meetings	2,446	-	4,126	6,572
Membership dues	-	-	150	150
Recruitment	-	-	4,927	4,927
Relocation	4,462	-	1,922	6,384
Computer Services	558	135	1,162	1,855
Furniture and Equipment	6,656	2,219	6,331	15,206
Insurance	370	90	773	1,233
Grants to Others	216,997	-	-	216,997
Other Expenses	-	614	124	738
Inkind Expense	21,000	1,500	31,500	54,000
Total expenses before depreciation	286,823	11,942	123,128	421,893
Depreciation	-	-	-	-
Total expenses	\$ 286,823	11,942	123,128	\$ 421,893

Virginia Early Childhood Foundation
Statement of Functional Expenses
June 30, 2007

Cash Flows From Operating Activities

Change in net assets \$ 66,511

Adjustments to reconcile change in net assets to net cash provided (used) by operating activities

(Increase) decrease in accounts receivable	(500)
(Increase) decrease in other assets	(3,390)
Increase (decrease) in accounts payable	33,158
Increase (decrease) in accrued vacation	4,075
Increase (decrease) in accrued wages	5,824
Increase (decrease) in refundable advances	1,033,003

Net Cash Provided (Used) by Operating Activities 1,138,681

Cash Flows From Investing Activities

Furniture and Equipment purchases (10,760)

Net Cash Provided (Used) by Investing Activities (10,760)

Cash Flows From Financing Activities

Net increase (decrease) in cash and cash equivalents 1,127,921

Cash and cash equivalents, beginning 100,050

Cash and cash equivalents, ending (note 1e) \$ 1,227,971

Virginia Early Childhood Foundation
Statement of Cash Flows
For the Year Ended June 30, 2007

Local Partners and Local Commitment

The \$2.4 million* allocated to local coalitions through the Smart Beginnings Grants leveraged over \$1.6 million in funding for early childhood initiatives through the financial commitment of the following local partners:

Alexandria Department of Human Services	Network for Latino People
Arc of the Piedmont	New Bridges Immigrant Resource Center
Arlington Community Foundation	Orange County
Barnes Technology	Preschool Partners
Blue Ridge PBS	Portsmouth Community Foundation
Campagna Center	Rappahannock United Way
Carilion Foundation	Roanoke Regional Business Council
Charlottesville/Albemarle Commission on Children and Families	Rockingham Memorial Hospital
Charlottesville City Schools	Safe Kids Central Shenandoah Valley
Child and Family Connections	Southampton City Council
ChildCare Connection	State Farm Insurance
Children, Youth and Family Services	Strategic Analysis
City of Hopewell	Strong Families Great Youth Coalition of the Harrisonburg Rockingham Community
City of Richmond	The Norfolk Foundation
Cox Communications	The Norfolk Southern Foundation
Dominion Enterprises	The Virginian-Pilot
Dominion Resources	Towne Bank
Fairfax County	United Way of Central Virginia
Foundation for Roanoke Valley	United Way of Harrisonburg and Rockingham County
Franklin City Council	United Way of Greater Richmond & Petersburg
Freedom Baptist Day School	United Way of Henry County & Martinsville Success By 6
Hand in Hand Resource Mothers	United Way of Roanoke Valley
Harrisonburg City Public Schools	United Way—Thomas Jefferson Area
Henry County Public Schools	Virginia National Bank
James City County Department of Social Services	WHSV—TV3
James Madison University	Williamsburg James City County Public Schools
Jeanne Roper	Williamsburg Regional Library
Lacey Rae Foundation for Children with Disabilities	York County Department of Social Services
Martinsville City Public Schools	
Meador Foundation	

*Note that these are two-year grants that started May 1, 2007; although funds were allocated, they will be disbursed over the two year period ending in April 2009, thus the \$2.4 million has not actually been paid to the sixteen local grantees at the time of this report.

With commitment and resources from a wide array of public and private partners, the work has begun. In every sense of the words, we are proud to report that we are building **Smart Beginnings for our youngest citizens and for the future strength and prosperity of the Commonwealth.**

Virginia Early Childhood Foundation

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Virginia Early Childhood Foundation
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²Rolnick, A.J. & Grunewald, R., Federal Reserve Bank of Minneapolis (2007). Quality Counts. *Education Week* January 4, 2007.

³Kaine, T. (2006). *21st Annual Governor's Conference on Education*.

⁴http://www.kidscount.org/sld/profile_results.jsp?4-48&d=1&c=3&p=5&x=149&y=13

⁵NCES. *The Early Childhood Longitudinal Study, Kindergarten Class of 1998-1999*. Base year Public Use File. First time kindergartners only. Cited in "A Policy Primer: Quality Pre-Kindergarten," Trust for Early Education, Fall 2004.



Staff

Scott Hippert
President

Terry Anderson
Director of Advancement

Glenda Coefield
Finance Coordinator

Caroline Smith
Program Director

Mary Williams
Office Manager

Kristina Friar
Communications Coordinator



www.smartbeginnings.org

The Virginia Early Childhood Foundation

2201 West Broad Street, Suite 109 ■ Richmond, Virginia 23220
804-358-8323 (main) ■ 888-838-8323 (toll free) ■ 804-358-8353 (fax)