“Programs which promote the growth and development of young children are the best investment for developing the human capital necessary for economic growth.”

– A Report by the World Bank
Dear Citizens of the Commonwealth,

We are pleased to share this report of the progress made by the Virginia Early Childhood Foundation during our fiscal year that ended June 30th, 2008. The quotation on our cover clearly states that early childhood development is the foundation of human capital formation. We firmly believe this, not just because it is from the World Bank, but because long-term economic and scientific studies prove that investing in children early in life strengthens their chances of success in school and in the workplace, while helping them become healthy, contributing members of their communities.

This 2008 Annual Report presents the steady progress made by the Foundation during the last fiscal year. It was the first full year of operations for the Foundation and this report covers our second year of funding from the FY2007 General Assembly appropriation. We are pleased to report that public funds have been used effectively to support local efforts to build early childhood delivery systems and leadership across the Commonwealth. These funds have been matched with private sector resources raised by the Foundation and with local investments made by public and private sector supporters in our Smart Beginnings communities around Virginia. What is even more astonishing is the fact that because of our modest investments in their communities, Smart Beginnings coalitions have been able to obtain and leverage resources nearly four times greater than our investments. This clearly demonstrates the broad commitment that citizens and leaders from all sectors of Virginia have made to this investment in human capital.

We are also pleased to report that the Foundation has strengthened its staff expertise and is offering increased levels of technical assistance to Smart Beginnings coalitions. At the same time, we are providing leadership to a variety of statewide initiatives, including a pilot of a Quality Ratings and Improvement System (QRIS) that will ultimately serve to help parents make educated choices regarding the early learning settings where they place their children. We also expect the QRIS to dramatically improve the quality of early care and education environments across Virginia.

In a very short time, the Virginia Early Childhood Foundation has made tremendous progress towards the creation of strong early childhood systems to improve the school readiness of our youngest Virginians. By partnering with the public and private sectors, and with their increased support, we will continue to invest in Virginia’s human capital and future success.

Sincerely,

Scott L. Hippert
President

Paul O. Hirschbiel
Chair

A Letter from the Chairman and President
The Virginia Early Childhood Foundation is a public-private partnership led by a diverse board including business, civic, education, health, human services, and government leaders representing all sectors and regions of the Commonwealth. It was created in December 2005 to address significant challenges that impact the economy, social fabric, and quality of life in the Commonwealth by improving the school readiness of young children ages birth to five years. For instance, in many Virginia communities, one in three children arrive at school not prepared to meet the requirements of kindergarten. This means they will most likely remain behind throughout school and into adulthood.

**Nonprofit and Nonpartisan**
While the Foundation works in partnership with state government, it operates independently under the governance of its 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.

**Support for Community Efforts**
We provide competitive grants and technical assistance to coalitions of early childhood stakeholders and leadership councils that commit themselves to improving the school readiness of young children in their communities. This builds the capacity and infrastructure in local communities for the delivery of high quality early childhood services, and supports parents in their role as a child's primary teacher and caregiver.

**Strategic**
The Foundation leads, coordinates, and supports collaborative efforts to build a statewide comprehensive system of high quality early childhood care, education, human services and health services. This system is based on common goals, local solutions, and parent involvement. The Foundation also promotes 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. As a part of these efforts, it spotlights best practice models that produce successful results, while also stimulating proactive, innovative approaches to early care and education.

**Best Practices**
The Foundation encourages statewide best practices through technical assistance and supports an early childhood learning community. In all our work, the Foundation maximizes the effective and efficient use of both public and private resources. Finally, the Foundation maintains a commitment to measurable outcomes at both the state and local levels.

"Virginia is moving toward a more complex delivery system. The Virginia Early Childhood Foundation will make early childhood services available to a much larger group of children than had previously been the case."

Dr. Thomas R. Morris
Virginia Secretary of Education
Over the past year, sixteen grant recipients worked to improve school readiness in their region. The Foundation has forged new partnerships, awarded new grants, and watched projects succeed. In addition, our innovative and results-oriented approaches towards improving school readiness received national attention. The following are a few additional 2008 milestones to report:

**2008 Highlights and Successes**

The National Governors Association Center for Best Practices Highlighted Virginia in a Report Regarding Best Practices in Public-Private Partnerships:
The Office of Early Childhood Development and the Foundation collaborated with publication editors to highlight and share Virginia's accomplishments. The Foundation is being used as a best practice model as additional states look to maximize funding and achieve positive outcomes for young children.

An Additional $250,000 Supported Virginia’s Infant and Toddlers:
In 2007, the Department of Social Services awarded new funds to the Virginia Early Childhood Foundation. These federal funds earmarked for infant and toddler services were awarded to three organizations; Smart Beginnings Charlottesville/Albemarle, Fairfax County School Readiness Collaborative, and Smart Beginnings South Hampton Roads.

Quality Rating Improvement System (QRIS) Pilot:
With support from Capital One, the Virginia Early Childhood Foundation, Governor’s Working Group on Early Childhood Initiatives, and Child Development Resources piloted Virginia’s first statewide QRIS. Known as Virginia’s Star Quality Initiative, nearly 200 preschool classrooms across 14 pilot communities were observed by trained and reliable Star Quality Raters. Virginia’s QRIS is particularly notable among other states for its emphasis on measuring the quality of interactions among children and staff, which research shows is closely linked to improved school readiness. The Foundation will continue to support the QRIS pilot and foster its expansion in 2009.

Over 50 Organizations Endorsed Virginia’s Plan for Smart Beginnings:
The purpose of the Plan is to build and sustain a system to support parents and families as they prepare their children to arrive at kindergarten healthy and ready to succeed. The Plan includes five goal areas: Governance and Financing, Parent Support and Education, Early Care and Education, Health, and Public Engagement. Public and private sector leaders have identified outcomes toward which all efforts contribute, which will ultimately help create an integrated database for collecting measurements of progress in those areas.

New Smart Beginnings Website Launched:
Launched in Fall 2007, www.smartbeginnings.org has become Virginia’s leading provider of information and resources for parents with young children, employers, community leaders, and early childhood professionals. Over 15,000 Virginians visited the website, spending over 1,000 hours learning about early childhood development and Smart Beginnings initiatives.

Mentoring by Smart Start’s National Technical Assistance Center (NTAC):
This two year grant, awarded to the Commonwealth of Virginia, quickly and effectively established Virginia’s Smart Beginnings initiative and provided leadership training and technical assistance to grantees. Last year, four workshops were held. In addition, the Foundation supported local Smart Beginnings leaders to join us at the National Smart Start Conference in April and hosted workshops specific to Virginia.

Capital One Strengthened Virginia’s Public Awareness Initiatives:
Capital One provided the Foundation with $115,000 of in-kind support. Their professional services resulted in a stronger logo and visual identity for the initiative. In addition, they produced a school readiness video series and advertising templates for use by Smart Beginnings partners throughout the Commonwealth.
In May 2007, the Virginia Early Childhood Foundation awarded over $2.4 million in Smart Beginnings Partnership, Planning and Sustaining grants to sixteen community coalitions and leadership councils. Partnership and Sustaining grants are now in the second year of their initiatives, and funding will continue to June 2009. Planning Grants were complete by June 2008 and the newly formed coalitions hope to receive additional funding to further implement the strategic plans they have developed.

Additional Investment to Support Infants and Toddlers
Smart Beginnings Charlottesville/Albemarle, Fairfax County School Readiness Collaborative, and Smart Beginnings South Hampton Roads were awarded a total of $250,000 to strengthen services for infants and toddlers in their regions. These were federal funds, provided to the Foundation by the Virginia Department of Social Services.

Quality Ratings and Improvement System
With support from Capital One, a $75,000 grant was awarded to Child Development Resources of Williamsburg to coordinate a pilot of Virginia’s new Quality Ratings and Improvement System, Virginia’s Star Quality Initiative. Many public and private agencies collaborated in this effort, including most Smart Beginnings coalitions across the Commonwealth.
Four Partnership Grants of up to $500,000 each were awarded in May 2007 to local coalitions that had successfully completed strategic planning, leadership development, and systems-building activities. Halfway through their implementation period, these Smart Beginnings Partners report significant achievements in a variety of areas:

### Richmond Region
#### Early Childhood Leadership Council
- Chesterfield County
- Hanover County
- Henrico County
- City of Petersburg
- City of Richmond

**Contact:**
Barbara Couto Sipe
804-771-5869
coutob@yourunitedway.org

#### Home Visiting Collaboration:
The City of Richmond is piloting a Home Visiting Referral Center. The center provides a consolidated entry point to services. As a result, more families will be served by home visiting programs.

#### Quality Child Care:
Three quality improvement programs are collaborating to improve the quality of early care and education. The STAR Project provides mentoring, technical assistance and financial incentives to programs working to improve quality. These providers will be rated using Virginia’s Star Quality Initiative standards.

#### Early Intervention:
The Richmond region has identified children with special needs as a focus of attention. Medical Home Plus sponsored two statewide conferences, Include Me and Therapeutic Child Care work with child care professionals to improve services for children with special physical, emotional, and behavioral health needs.

#### Public Awareness and Commitment:
The School Readiness Committee, Richmond Region Leadership Council, Early Childhood Development Coalition, Petersburg Alliance for Children and Families, and Success By 6 has increased the level of school-readiness awareness. Partners planned and participated in a Regional Forum for School Readiness in May 2008.

Success By 6 is staffed by the Greater Richmond Chamber and United Way of Greater Richmond & Petersburg

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### Smart Beginnings
#### Charlottesville/Albemarle
- Albemarle County
- City of Charlottesville

**Contact:**
Miriam Rushfin
434-972-1702
mrushfin@unitedwaytja.org

**Local Collaboration:**
Business, education, and community leaders have joined in support of school readiness initiatives across the region. This leadership council, which includes many high profile community leaders, serves as a model for other communities.

#### Quality Rating System (QRS):
Provider participation has increased by 100% and includes nearly one third of local child care centers and preschools in the region. Charlottesville/Albemarle is aligning its QRS with Virginia’s Star Quality Initiative pilot, which is supported by the Foundation.

#### Developmental Screenings:
The group has partnered with 6 child care centers and over 25 pediatricians with a goal of providing universal early development screenings. This effort has identified 26 special needs children and an additional 17 children for early prevention programs.

#### Family Liaisons:
Charlottesville City Schools and Charlottesville Social Services now provide greater support for families with at-risk preschoolers. In Albemarle County, a bilingual family support worker reaches isolated Spanish-speaking parents with young children.

---

Dr. Robert Pianta,  
Dean, UVA Curry School of Education  
Chair, Smart Beginnings Charlottesville/Albemarle Leadership Council

“We want to knit together a program that caters to all kids in the community. This grant will act as a model that can be used by other areas of the state.”

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“Smart Beginnings Partnership Grants

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**Smart Beginnings Greater Roanoke**

Botetourt County  
Craig County  
Franklin County  
City of Roanoke  
Roanoke County  
City of Salem  
Town of Vinton  

Contact:  
Marnie Andrew  
540-383-0700 x225  
mandrew@roanokechamber.org  

**Success By 6 Coalition of the Shenandoah Valley**

City of Harrisonburg  
Page County  
Rockingham County  

Contact:  
Pat Kennedy  
540-568-2557  
kennedypa@cisat.jmu.edu  

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**Early Education:**

A workgroup of 20 professionals formed to improve the quality of child care in the region. The group is implementing a professional development curriculum based on the Competencies for Early Childhood Development, Milestones of Child Development, and Professional Development Career Lattice. It is also using new technologies to make training opportunities accessible to outlying areas.

**Parent Education:**

Parent workshops, home visits, and community literacy experiences are taking resources to families where they live and work. Through collaborative efforts, the community is providing increased resources, training, education, and materials to parents. Through these educational efforts, families have increased understanding of early childhood development and created more developmentally rich learning environments for children.

**Public Engagement:**

Local marketing professionals are working to increase awareness of the importance of early childhood education. They are creating a one-stop website for parents, educators, and business affiliations to provide information, resources, and opportunities for learning.

**Transition to Kindergarten:**

The group has aligned public and private curriculum and purchased materials for private 4-year-old classrooms.

**One-Stop Service Delivery:**

A one-stop service center, known as the Success by 6 Academy, now coordinates 17 local programs to better serve families and children. An inter-agency database and common referral system will serve as a model for other localities.

**Professional Development:**

Providers have begun to use the Competencies for Early Childhood Development and Virginia's Professional Development Career Lattice to improve the quality of child care in the region.

**Expansion:**

Two adjoining jurisdictions have approached Success by 6 of the Shenandoah Valley and may join the partnership.

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“This approach has allowed us to maximize resources and harness many volunteer hours and expertise to benefit children in the community.”

Marnie Andrew, Program Manager  
Smart Beginnings Greater Roanoke
Sustaining grantees have successfully completed planning, leadership, and systems-building activities and have fully implemented their local strategic plan for improving school readiness for young children and their families. Grant awards, of up to $100,000 over a 24-month period, help sustain these initiatives while greater local support is secured. Grantees from the fiscal year that began in July 2007 have completed the first year of their grant and report significant achievements in a variety of areas:

### Kids First Coalition

**James City County**

**City of Williamsburg**

**York County**

Contact: Sheri Osborne  
757-566-2849  
sherio@cdr.org

### School Readiness Collaborative

**Fairfax County**

Contact: Betsi Closter  
703-324-8053  
betsi.closter@fairfaxcounty.gov

### Local Collaboration:

Child Development Resources served as the fiscal agent and lead agency, bringing a strong history of fiscal stewardship and administration of programs at the local, national, and state level. The coalition works with child care providers from a cross section of service delivery models including commercial centers, faith based programs, college preschools, and family care providers. Increased community awareness has created a broad base of support for a comprehensive service system.

### Quality, Accessibility and Inclusiveness:

Need-based training and technical assistance through course credits and increased registration of family care homes has improved the quality of care in the region. Various training curriculum are in place for the project focus areas of early literacy, management in child care centers, school readiness, and inclusion of children with special needs.

### Access to Health Resources:

The Williamsburg region focused its attention on improving access to child development and health resources for families and providers. This has ensured increased school readiness for all children.

### Building Relationships:

The Office for Children, Fairfax County Public Schools, Fairfax County Head Start, Northern Virginia Community College, and Fairfax Futures has collaborated with child care professionals to design early learning programs that set the stage for future success in school. Neighborhood School Readiness Teams also build relationships and communication channels so children and their families will experience smooth transitions into kindergarten.

### Parent Involvement:

Initiatives have helped parents support their child’s learning and development at home, at child care, and when they enter elementary school. This includes a partnership with the Fairfax County Public Library in order to reach families in their own neighborhoods.

### Mental Health:

Resources have assisted early childhood professionals as they respond to children’s challenging behaviors and support social and emotional development. These resources include both training and child care health consultant services.
**Smart Beginnings South Hampton Roads**

City of Chesapeake  
City of Norfolk  
City of Portsmouth  
City of Suffolk  
City of Virginia Beach

Contact:  
Lisa Howard  
757-226-8826  
lhoward@smartbeginningshr.org

**Local Collaboration:**  
The organization was formed by business and community leaders and is a nonprofit organization that serves as a model for others across Virginia. The initiative seeks to maximize the potential of every child in the region and ensure access to high-quality early care and education.

**Professional Development:**  
A career advancement tool has been developed to help early care and education professionals make progress in their training and education. This has been adopted by the Commonwealth of Virginia. In addition, an economic impact and workforce study of the early care and education industry in South Hampton Roads has served as a powerful tool to build awareness within the region. Mentorship programs have also improved the quality of 48 child care centers and family child care homes.

**Education and Public Awareness:**  
Linking parents with community resources, partners have distributed over 54,000 Community Connections Resource Guides. In addition, a two-year regional early childhood print and media campaign has greatly improved public awareness in the region and serves as a model for other communities.

“The biggest benefit for us is in being part of a larger, statewide movement and being a part of the Smart Beginnings network. Opportunities for collaboration and coordination of efforts have increased exponentially.”

Carla Javier  
Kids First Coalition
Planning Grants of $50,000 were awarded to nine Smart Beginnings coalitions in May 2007. These grantees have spent the past year engaged in strategic planning, leadership development, and systems-building activities. These 12-month grants help local coalitions to 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, and transition to kindergarten activities.

### Planning Grant Recipients

<table>
<thead>
<tr>
<th>Location</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandria and Arlington</td>
<td>Karen Hughes (703) 549-0111</td>
</tr>
<tr>
<td>Franklin City and Southampton</td>
<td>Barbara Mease (757) 562-6806</td>
</tr>
<tr>
<td>Fredericksburg Area: Fredericksburg, Spotsylvania and Stafford</td>
<td>Melissa Terry (540) 373-0041</td>
</tr>
<tr>
<td>Hopewell and Prince George</td>
<td>Bernetta Quinn (804) 458-9271</td>
</tr>
<tr>
<td>Lynchburg Area: Amherst, Appomattox, Bedford, Bedford City, Campbell, and Lynchburg</td>
<td>Gayle Lucado (434) 455-6914</td>
</tr>
<tr>
<td>Martinsville and Henry County</td>
<td>Sheryl Agee (276) 638-3946</td>
</tr>
<tr>
<td>Newport News and Hampton</td>
<td>Belinda Willis (757) 870-6161</td>
</tr>
<tr>
<td>New River Valley Area: Montgomery, Floyd, Giles, Pulaski and Radford</td>
<td>Katy Irene St. Marie (540) 558-8652</td>
</tr>
<tr>
<td>Orange County</td>
<td>Ruth Anne Paisley (540) 672-5484</td>
</tr>
</tbody>
</table>
The Virginia Early Childhood Foundation Board of Directors has approved five new grants to support additional Smart Beginnings activities over a 24-month period, beginning July 2008. In November 2008, the Foundation will award additional Smart Beginnings grants.

Getting Ready Grants
A new grants program was launched in 2008 for communities and regions that have been successful in their initial planning but require additional time to develop their comprehensive strategic plans. With funding of up to $100,000 over two years, these initiatives will continue developing their long-term plans for systems-building and sustainability, while implementing programs in at least one of the competency areas of the Getting Ready Model.

<table>
<thead>
<tr>
<th>Getting Ready Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Smart Beginnings Rappahannock Area</strong></td>
</tr>
<tr>
<td>Caroline County</td>
</tr>
<tr>
<td>Fredericksburg City</td>
</tr>
<tr>
<td>King George County</td>
</tr>
<tr>
<td>Spotsylvania County</td>
</tr>
<tr>
<td>Stafford County</td>
</tr>
</tbody>
</table>

| **Smart Beginnings Virginia Peninsula** |
| City of Hampton | Belinda Willis |
| City of Newport News | 757-870-6161 |
| | Bjhw3@cox.net |

<table>
<thead>
<tr>
<th><strong>Partnership Grants</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Smart Beginnings Western Tidewater</strong></td>
</tr>
<tr>
<td>Franklin City</td>
</tr>
<tr>
<td>Isle of Wight County</td>
</tr>
<tr>
<td>Southampton County</td>
</tr>
</tbody>
</table>

| **Smart Beginnings Martinsville & Henry County** |
| Henry County | Sheryl Agee |
| Martinsville City | 276-403-5963 |
| | sheryl@unitedwayofhcm.org |

| **Central Virginia Success By 6 and Smart Beginnings** |
| Amherst County | Gayle C. Lucado |
| Appomattox County | 434-455-6914 |
| Campbell County | Gayle.lucado@unitedwaycv.org |
| Bedford City | |
| Bedford County | |
| Lynchburg City | |
Achieving Smart Beginnings’ goals is dependent in large part upon the resources and leadership provided by both public and private partners. Recognizing the social and economic benefits, these entities have come together in support of investments in our youngest citizens that will produce a competitive workforce, strong economy, and improved quality of life for all Virginians.

2008 public funding for the Foundation was 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 funds and in-kind donations were contributed by corporations, foundations, and individuals to the Virginia Early Childhood Foundation. Smart Beginnings grant recipients secured cash matches at the local level and reported additional funds leveraged to support their early childhood initiatives.

Investments from the 2007 General Assembly appropriation support grants awarded in May 2007. Some of these funds have been deferred to FY2009 to support the completion of those grants. Actual audited financial statements for FY2008 begin on page 12 of this report.
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 that have supported the Foundation since its creation in 2006 until the printing of this publication.

**Government Support**
Virginia General Assembly
Virginia Department of Social Services

**Corporations and Foundations**
Capital One
 Dominion Resources
 Ferguson Enterprises
 Freddie Mac Foundation
 Robins Foundation
 National Governors Association
 The Norfolk Foundation
 Norfolk Southern Corporation
 SunTrust Mid-Atlantic Foundation
 Virginia Natural Gas
 Wachovia

**Board and Individual Support**
Kenneth E. Ampy
Terry & Bill Anderson
Peter A. Blake
Katherine E. Busser
W. Iyles Carr
Thomas Chewning
Glenda Coefield
Ben J. Davenport, Jr.
Allison Cryor DiNardo
Dr. Mark Embilidge
Kristina V. Friar
William and Birgitta Friar
Jodi S. Gidley
Kathy Glazer
Hon. Patrick O. Gottschalk
Paul O. Hirschbiel
Maurice A. Jones
Reginald N. Jones
Scott L. Hippert
Mark Keeler
Patricia Kennedy
Melissa King and Family
Dr. Colleen A. Kraft
Rob Krupicka
Angelica and Henry Light
Henry P. Linginfelter
Sherrie Lookner
Virginia McLaughlin

**In-Kind Support**
Astyra Corporation
Blue Ridge PBS
Capital One
Keith Fabry Reprographic Solutions
The McCormick Group
National Technical Assistance Center
Number One Design
Sun Trust
United Way of Greater Richmond and Petersburg

**Corporate Partners**
The following corporations and foundations have committed over $100,000 to support the initiatives of the Foundation:

*Virginia Natural Gas*
believes in giving back to the communities we serve
to make them a better place to live and work
for our customers and our employees. We support Smart Beginnings because their educational programs set the stage for all future learning. This is a short-term educational program and a long-term community development program.

Barbara Mease
Lori M. Morris, Bruhn-Morris
Family Foundation
Dr. Thomas R. Morris
Dr. Novella J. Rufin
Hon. Marilyn B. Tavenner
Susie and Buford Scott
Caroline Smith
J. Scott Wilfong
Mary Williams
Danielle H. Yarber

Jodi S. Gidley, President
Virginia Natural Gas
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, 2008. The following statements are taken directly from the auditor’s report.

### Independent Auditor’s Report

The following statements are taken directly from the auditor’s report.

### Statement of Financial Position

**June 30, 2008**

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents (note 1.e and 10)</td>
<td>$1,808,124</td>
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<tr>
<td>Other Assets</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
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<td>Equipment, Furniture and Fixtures</td>
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<tr>
<td>Accumulated Depreciation</td>
<td>$(2,179)</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 1,824,079</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td></td>
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<tr>
<td>Accounts Payable</td>
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<td>Accrued Vacation</td>
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<tr>
<td><strong>Total Current Liabilities</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
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<tbody>
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<td>Unrestricted</td>
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<tr>
<td>Temporarily Restricted for Future Use (note 11)</td>
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<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>1,494,228</strong></td>
</tr>
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<table>
<thead>
<tr>
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## Statement of Activities
For the Year Ended June 30, 2008

<table>
<thead>
<tr>
<th>Public Support and Revenue</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total (Memo Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions (note 6 &amp; 9)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals</td>
<td>6,235</td>
<td>-</td>
<td>6,235</td>
</tr>
<tr>
<td>Board Contributions</td>
<td>41,883</td>
<td>-</td>
<td>41,883</td>
</tr>
<tr>
<td>Corporations</td>
<td>378,000</td>
<td>-</td>
<td>378,000</td>
</tr>
<tr>
<td>Foundations</td>
<td>70,000</td>
<td>-</td>
<td>70,000</td>
</tr>
<tr>
<td>Inkind Contributions</td>
<td>115,835</td>
<td>-</td>
<td>115,835</td>
</tr>
<tr>
<td>Total Received Directly</td>
<td>$ 611,953</td>
<td>-</td>
<td>$ 611,953</td>
</tr>
<tr>
<td>Total Public Support</td>
<td>$ 611,953</td>
<td>-</td>
<td>$ 611,953</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Grants (note 11)</td>
<td>1,897,442</td>
<td>886,071</td>
<td>2,783,513</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>73,784</td>
<td>-</td>
<td>73,784</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$ 1,971,226</td>
<td>$ 886,071</td>
<td>$ 2,857,297</td>
</tr>
</tbody>
</table>

| Net Assets Released from Restrictions | 50,000 | (50,000) | - |

| Total Support and Revenue | $ 2,633,179 | $ 836,071 | $ 3,469,250 |

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>1,842,830</td>
<td>-</td>
<td>1,842,830</td>
</tr>
<tr>
<td>Total Program Services</td>
<td>$ 1,842,830</td>
<td>-</td>
<td>$ 1,842,830</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supporting Services</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Raising</td>
<td>126,367</td>
<td>-</td>
<td>126,367</td>
</tr>
<tr>
<td>Management and General</td>
<td>172,385</td>
<td>-</td>
<td>172,385</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$ 2,141,582</td>
<td>-</td>
<td>$ 2,141,582</td>
</tr>
</tbody>
</table>

| Change in Net Assets       | 491,597      | 836,071                | 1,327,668          |
| Net Assets, Beginning     | 116,560      | 50,000                 | 166,560            |
| Net Assets, Ending        | $ 608,157    | $ 886,071              | $ 1,494,228        |
## Statement of Functional Expenses
For the Year Ended June 30, 2008

<table>
<thead>
<tr>
<th></th>
<th>Programs</th>
<th>Fund Raising</th>
<th>Management and General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries (note 4)</td>
<td>198,195</td>
<td>95,793</td>
<td>64,361</td>
<td>358,349</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>30,127</td>
<td>13,684</td>
<td>54,434</td>
<td>98,245</td>
</tr>
<tr>
<td><strong>Total Staff Compensation</strong></td>
<td><strong>$ 228,322</strong></td>
<td><strong>$ 109,477</strong></td>
<td><strong>$ 118,795</strong></td>
<td><strong>$ 456,594</strong></td>
</tr>
<tr>
<td>Professional Fees and Contract Services</td>
<td>54,414</td>
<td>1,044</td>
<td>13,125</td>
<td>68,583</td>
</tr>
<tr>
<td>Supplies</td>
<td>3,966</td>
<td>1,827</td>
<td>2,374</td>
<td>8,167</td>
</tr>
<tr>
<td>Telephone</td>
<td>2,533</td>
<td>977</td>
<td>1,436</td>
<td>4,946</td>
</tr>
<tr>
<td>Postage</td>
<td>1,245</td>
<td>308</td>
<td>1,126</td>
<td>2,679</td>
</tr>
<tr>
<td>Occupancy (notes 3)</td>
<td>12,196</td>
<td>4,569</td>
<td>6,081</td>
<td>22,846</td>
</tr>
<tr>
<td>Printing and Publications</td>
<td>6,589</td>
<td>2,789</td>
<td>2,355</td>
<td>11,733</td>
</tr>
<tr>
<td>Travel</td>
<td>20,651</td>
<td>1,133</td>
<td>5,490</td>
<td>27,274</td>
</tr>
<tr>
<td>Meetings</td>
<td>3,867</td>
<td>-</td>
<td>3,628</td>
<td>7,495</td>
</tr>
<tr>
<td>Membership Dues</td>
<td>168</td>
<td>230</td>
<td>1,336</td>
<td>1,734</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>88</td>
<td>435</td>
<td>1,356</td>
<td>1,879</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,487</td>
<td>260</td>
<td>922</td>
<td>2,669</td>
</tr>
<tr>
<td>Grants to Others</td>
<td>1,365,456</td>
<td>-</td>
<td>-</td>
<td>1,365,456</td>
</tr>
<tr>
<td>Special Events</td>
<td>25,350</td>
<td>512</td>
<td>10,716</td>
<td>36,578</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>663</td>
<td>2,806</td>
<td>3,645</td>
<td>7,114</td>
</tr>
<tr>
<td>Inkind Expenses</td>
<td>115,835</td>
<td>-</td>
<td>-</td>
<td>115,835</td>
</tr>
<tr>
<td><strong>Total Expenses before Depreciation</strong></td>
<td><strong>$ 1,842,830</strong></td>
<td><strong>$ 126,367</strong></td>
<td><strong>$ 172,385</strong></td>
<td><strong>$ 2,141,582</strong></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 1,842,830</strong></td>
<td><strong>$ 126,367</strong></td>
<td><strong>$ 172,385</strong></td>
<td><strong>$ 2,141,582</strong></td>
</tr>
</tbody>
</table>
Statement of Cash Flows  
Year Ended June 30, 2008

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
</tr>
<tr>
<td>Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>Increase (Decrease) in Accounts Receivable</td>
</tr>
<tr>
<td>Increase (Decrease) in Other Assets</td>
</tr>
<tr>
<td>Increase (Decrease) in Accounts Payable</td>
</tr>
<tr>
<td>Increase (Decrease) in Accrued Vacation</td>
</tr>
<tr>
<td>Increase (Decrease) in Accrued Wages</td>
</tr>
<tr>
<td>Increase (Decrease) in Refundable Advances</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Operating Activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Equipment Purchases</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Investing Activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Financing Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Increase (Decrease) in Cash and Cash Equivalents</strong></td>
</tr>
<tr>
<td>Cash and Cash Equivalents, Beginning</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, Ending (note 1e)</strong></td>
</tr>
</tbody>
</table>
Thank you for your support!

The Virginia Early Childhood Foundation challenges local communities to match grant funds with local public and private resources. The following local partners contributed both required cash match and leveraged funds to support local Smart Beginnings initiatives:

- Albemarle County
- Alexandria Department of Human Services
- American Bulldog Construction
- Arc of the Piedmont
- Arlington Community Foundation
- Bank of America
- Barnes Technology
- Batten Educational Achievement Fund
- BB&T
- Blue Ridge Public Broadcasting
- Boeing
- Shirley & Cabell Brand
- Laura Brennan
- Cameron Foundation
- Campagna Center
- Capital AHEC
- Capital One
- Carilion Foundation
- CarMax
- Charlottesville City Schools
- Charlottesville/Albermarle Commission on Children and Families
- Child & Family Connection
- Child & Family Services of Eastern Virginia
- ChildCare Connection
- Children, Youth & Family Services
- Citizens and Farmer’s Bank
- City of Charlottesville
- City of Hopewell
- City of Richmond
- City of Roanoke
- City of Williamsburg
- College of William & Mary Campus Childcare
- Cox Communications
- Davis & Co.
- Dominion Enterprises
- Dominion Resources
- Fairfax County
- Fairfax County Public Library
- Fairfax Futures
- Foundation for Roanoke Valley
- Franklin City Council
- Freddie Mac
- Freedom Baptist Day School
- Hand in Hand Resource Mothers
- Hantzmon Wiebel
- Harrisonburg City Public Schools
- Healthy Families of the Blue Ridge
- Henry County Public Schools
- U.S. Dept. of Housing and Urban Development Community Development Block Grant
- Jackson Foundation
- James City County Department of Social Services
- James Madison University
- Kiwanis International
- Lacy Rae Foundation
- Landmark Communications Foundation
- Martinsville City Public Schools
- McDonald’s Restaurant
- Meador Foundation
- Elizabeth, Ann & Wistar Morris
- Network for Latino People
- New Bridges Immigrant Resource Center
- Norfolk Foundation
- Orange County
- Page County Public Schools
- Portsmouth Community Foundation
- Preschool Partners of the Virginia Peninsula
- Rappahannock United Way
- Richmond Hope Therapy Center
- Riverside Foundation
- Roanoke Regional Business Council
- Robins Foundation
- Ronald McDonald House Charities
- Jeanne Roper
- Safe Kids Central Shenandoah Valley
- Sentara Health Foundation
- Jane-Ashley Skinner
- Southampton City Council
- State Farm Insurance
- Strategic Analysis
- Strong Families Great Youth Coalition
- Target
- Thurman Foundation
- Towne Bank
- Training and Technical Assistance Center
- United Way—Thomas Jefferson Area
- United Way of Central Virginia
- United Way of Harrisonburg and Rockingham County
- United Way of Greater Richmond & Petersburg
- United Way of Greater Williamsburg
- United Way of Henry County & Martinsville
- United Way of Roanoke Valley
- USAA
- Virginia Board for People with Disabilities
- Virginia National Bank
- The Virginian-Pilot
- Valley Association for the Education of Young Children
- Wachovia
- WHSV—TV3
- Williams Mullen
- Williamsburg Honda Dodge
- Williamsburg Community Foundation
- Williamsburg - James City County Schools
- Williamsburg Montessori School
- Williamsburg Regional Library
- XPEDX
- York County Public Library
- York County Department of Social Services

“"The Obici Healthcare Foundation supports Smart Beginnings efforts in Franklin City, Southampton and Isle of Wight because they provide us with a valuable opportunity to improve the health and well-being of our community’s most vulnerable young children.”

Michael Beachler
Executive Director,
Obici Healthcare Foundation
The Virginia Early Childhood Foundation is governed by an independent board of directors. Currently, the board of directors includes corporate, education, faith-based, and government leaders from across the state of Virginia. Next year, the Board of Directors of the Virginia Early Childhood Foundation will grow to include Democratic and Republican leaders from the Virginia General Assembly. These members will serve as ex officio members while they remain in office.

Thank you to the following members of the Board of Directors who served during FY2008:

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Virginia Beach, Virginia

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The Freddie Mac Foundation  
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Richmond, Virginia

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Norfolk, Virginia

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Richmond, Virginia

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Richmond, Virginia

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Norfolk, Virginia

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Pediatric and Adolescent Health Partners  
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Executive Director, The Cameron Foundation  
Petersburg, Virginia

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Dean, School of Education,  
College of William and Mary  
Williamsburg, Virginia

Lori M. Morris  
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Alexandria, Virginia

Dr. Thomas R. Morris  
Secretary of Education  
Richmond, Virginia

Dr. Novella J. Ruffin  
Asst. Professor & Child Development Specialist  
Virginia Cooperative Extension,  
Virginia State University  
Petersburg, Virginia

The Honorable Marilyn B. Tavenner  
Secretary of Health & Human Resources  
Richmond, Virginia

J. Scott Wilfong  
Chairman, President, & CEO,  
SunTrust Bank - Greater Washington  
Washington D.C.

Danielle H. Yarber  
Vice President & General Manager,  
XPEDX Roanoke  
Salem, Virginia

“The Virginia Early Childhood Foundation embraces Virginia’s regional diversity. While Fairfax and Henry County might share the same goals, they have a very different infrastructure. The Foundation lets communities set their own agenda and provides supports to ensure success.”

Ben J. Davenport, Jr.  
Chairman,  
First Piedmont Corporation

References

Young, Mary Eming.  
Early Childhood Development From Measurement to Action: A Priority for Growth and Equity.  