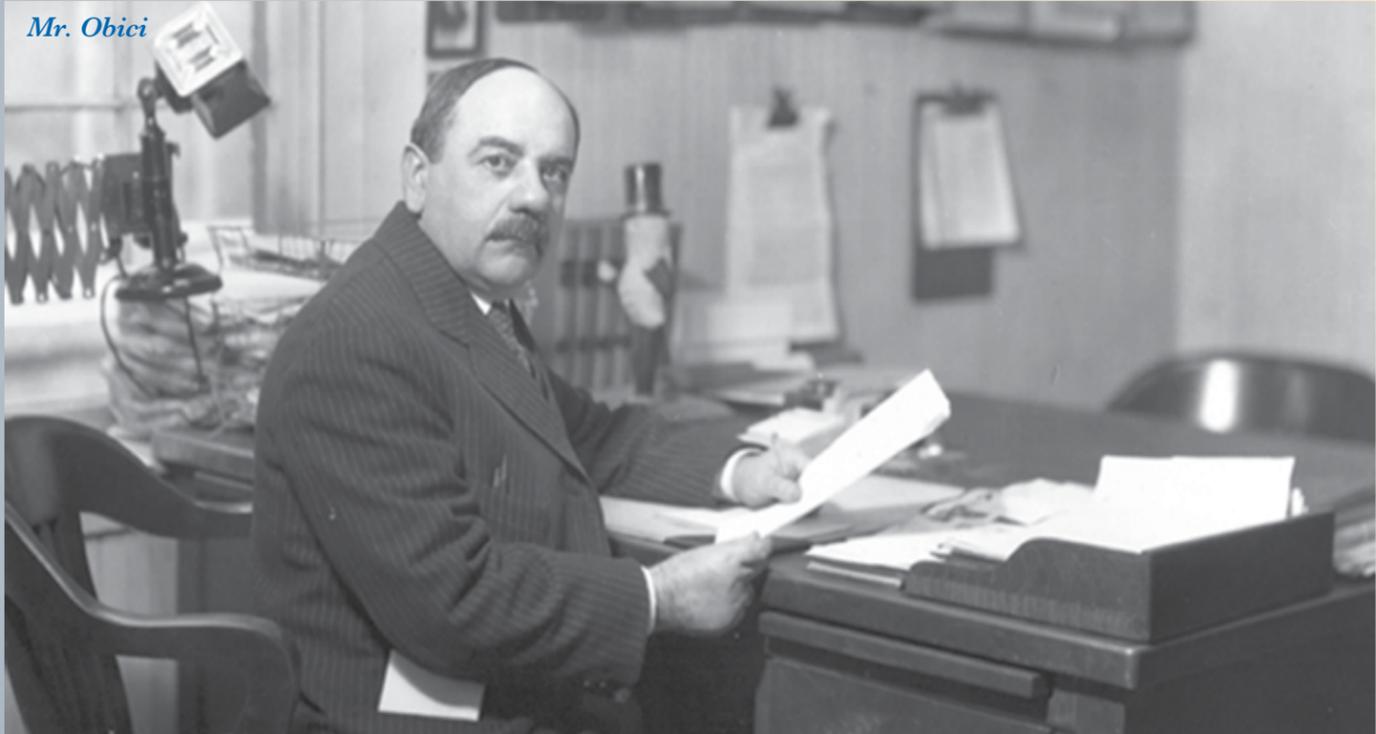


Obici Healthcare Foundation: A Legacy of Caring



ANNUAL REPORT 2008

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The Obici Story

The seeds of the Obici Healthcare Foundation were planted in the mid-1940s by Amedeo Obici, founder of Planters Peanuts. After the death of his wife, Louise Musante Obici in 1938, Mr. Obici built a hospital in Suffolk as a lasting memorial to her. The hospital continued his philanthropy in the community by providing Suffolk area citizens with quality healthcare.

In 1985, the Obici Foundation was officially established, and funding of hospital equipment and building expenses continued as it had in previous decades. The Foundation used a substantial portion of the trust funds to help build a new, modern hospital in Suffolk, which opened in 2002.

When the hospital merged into Sentara Healthcare in 2006, the assets of the Obici Foundation more than tripled and were transferred to a new entity, the Obici Healthcare Foundation. The Foundation became a new, independent entity unrelated to any other health organization. The mission changed from directly supporting the hospital to improving the health status of local citizens. Today, the Obici Healthcare Foundation works to address the unmet needs of the medically indigent and uninsured and supports programs that have the primary purpose of preventing illness and disease.

Message from our Board

The second year in the life of the Obici Healthcare Foundation has been a busy one for both staff and Board. We have reviewed, helped to shape and monitored many grant proposals. Staff also organized the initial conference for Foundation grantees in March, 2008. The conference not only helped the grantees sharpen their skills, but enabled all of us to appreciate their dedication and enthusiasm in trying to improve the health status of our citizens.

So far, the Foundation has approved 47 grants totaling \$10 million. Though these grants are addressing a number of healthcare needs, we are even more aware that many additional needs are unmet. For example an estimated 23,500 people in our service area are without health insurance and many more are underinsured.

Many people simply go without seeing a doctor or use the hospital emergency room for their primary healthcare. However that method of treatment is insufficient and does not maintain the best level of health. Our area needs a better method of delivering a basic standard of healthcare to all.

It is the mission of the Foundation to help improve the health status of the people living in our service area. This is not an easy task and it is the task of all of us. Most of our health problems are the result of the natural process of human life, but some are due to unhealthy lifestyles.

We sometimes eat too much, often eat the wrong things, don't exercise enough and sometimes we engage in risky behaviors. All of us must act responsibly to improve our own health and the health of our community. We welcome the opportunity to work with others in this effort.



George Y. Birdsong
Chairman



J. Samuel Glasscock
Vice Chairman

Executive Director's Message

During its first 20 months, the Obici Healthcare Foundation has experienced tremendous growth. In addition to making 47 healthcare grants, much of our effort has been devoted to educating the healthcare community about the mission and focus of the Foundation, and learning about the programs and challenges of our grantees. Highlighted in this report are grantees that are taking innovative approaches, such as the telemedicine grant to the Roanoke Chowan Community Health Center. Also featured are interesting and unique partnerships involving both traditional health agencies as well as grassroots agencies, such as the ACCESS AIDS Care Center described on p.8. We are confident that the experience of our first grants will provide some important lessons for future grantmaking.

We are also learning by bringing grantees together. Our first grantee conference was held on March 19th and 20th at the Suffolk Center for Cultural Arts. This conference was attended by over 100 grantees, speakers, foundation staff and trustees. The conference provided an opportunity for participants to personally share their ideas with other grantees, foundation staff and trustees, to hear inspiring and educational presentations by leading healthcare authorities.

In November of 2007, our Board selected strategic priority grantmaking areas. The first priority area is improving access to basic health care for the medically indigent. This population includes the uninsured, Medicaid, FAMIS (Virginia's health insurance program for low-income children above Medicaid eligibility levels) and the underinsured. The Foundation is also very interested in reducing infant mortality and teenage pregnancy rates, as many of our service communities have extremely high rates as compared to other Virginia communities.

The Foundation's second major strategic priority is combating obesity. This is both a national and regional epidemic. The Foundation is in the process of working with not-for-profit agencies to address obesity. We have funded some innovative pilot efforts, such as the Healthy Lifestyles project of the Suffolk Family YMCA featured in this report.

The third major strategic priority involves service to vulnerable populations. Vulnerable populations include individuals with substance abuse and behavioral health problems and individuals or families affected by homelessness, child abuse or domestic violence.

The Foundation believes that a multi-pronged approach is needed to make meaningful differences in these very complex, and some would say, intractable problems.

These problems took a long time to develop and involve not only medical issues but also a complex web of social, economic, cultural and environmental factors. As H.L. Mencken said "There is always an easy solution to every human problem—neat plausible and wrong." Working closely with our community partners, we will seek to find the right solutions by identifying and investing in best practices and programs and adapting those best practices to local circumstances. We will also need to keep our short term expectations realistic and recognize that it will take some time to make progress.

Over the next few years, we look forward to working with our existing community partners as well as forging new partnerships, always searching for the right solutions rather than the easy ones.



Douglas C. Naismith,
Interim Executive Director

Foundation supports program with life-changing results

“I love it!”

This was Sylvia Copeland’s enthusiastic reaction to the Suffolk YMCA’s Healthy Lifestyles program, which is sponsored by the Obici Healthcare Foundation.

Sylvia has good reason to be in love with the Healthy Lifestyles program, because the broad range of physical activities, nutrition classes and the compassionate staff are responsible for her losing several inches and 17 pounds in just 3 months.

These encouraging outcomes don’t stop with Sylvia. Her daughter Jashania and cousin Brittany also lost a significant amount of weight. These two 13 year olds dropped 15 and 22 pounds, respectively.

“The Healthy Lifestyles program is great for me and the kids. We are more active instead of sitting around the house playing video games,” Sylvia explained.

Several workout stations at the YMCA are equipped with big-screen televisions placed in front of bicycles. Video game controllers are mounted on the

bike handle bars. The game starts when the peddling begins. Other fun ways to exercise include yoga, swimming lessons, circuit training on various types of weight lifting machines and step aerobics.

“Instructors motivate us with helpful ways to change eating habits,” Sylvia pointed out. “We used to eat out everyday and consume a lot of junk food. I had a pack of chocolate cookies daily.” Now, the family makes daily trips to the YMCA, and they stay for three to four hours.

Visual aids, such as food models, reinforce portion control. Rubbery yet realistic looking mock-ups of cereal, vegetables and meats show the amount of food that should be eaten during a meal. Through association, participants learn that a serving size of meat should not be larger than a deck of cards and fruit should not be larger than a tennis ball.

Armed with this new information, Sylvia now prepares food at home and has healthier snacks. “I eat meals like you’re supposed to with smaller portion sizes.”

Since the program is so enjoyable and productive, Sylvia

and her young relatives come to the YMCA everyday. “I feel a whole lot better since I lost the weight.”

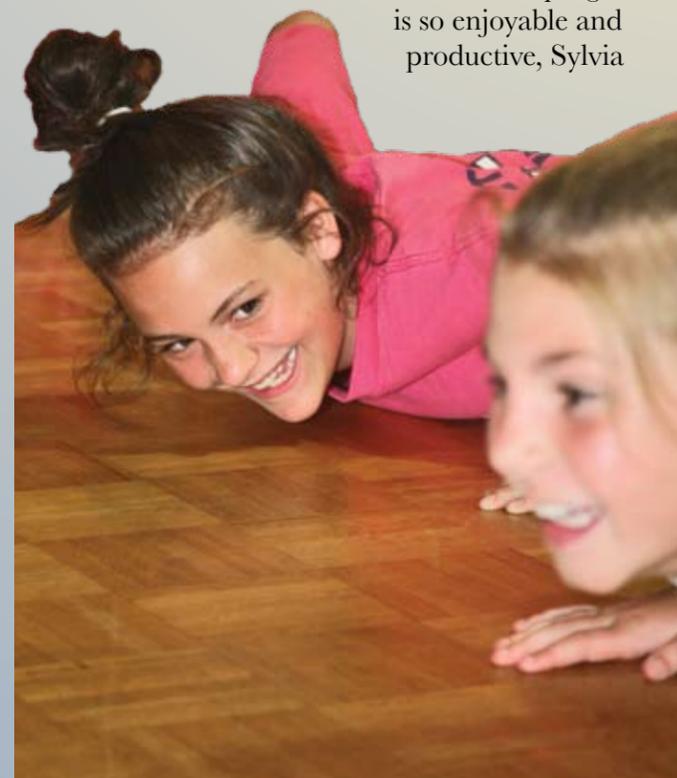
The YMCA offers the Healthy Lifestyles program to members of Tabernacle Baptist Church and students at Mt. Zion Elementary and King’s Fork Middle Schools. Eighty-three persons have participated in the program during the first ten months of operation.

“Since the program works for a lot of people, the YMCA needs to keep it,” said Sylvia, who is a member of Tabernacle Baptist Church.

HAVIN’ A BALL – Children attending the Suffolk YMCA’s Healthy Lifestyles program participate in a full range of afterschool activities designed to make exercise and good nutrition enjoyable learning experiences.



Congratulations! – Sylvia Copeland has good reason to celebrate. Since joining the Suffolk YMCA’s Healthy Lifestyles program, she lost 17 pounds in only 3 months. Her daughter’s weight dropped 15 pounds and her cousin lost 22 pounds in the same timeframe.



Technology Closes Health Care Gap, Improves Access in Rural Community

Gates County residents now have access to high-tech equipment that monitors risk factors for cardiovascular disease and diabetes from the comfort of their own homes.

Roanoke Chowan Community Health Center (RCCHC) received an Obici Healthcare Foundation grant to implement the Telehealth Network in Gates County, NC. The recent expansion into this rural community replicates the successful model they pioneered in 2006. RCCHC was the first federally qualified health center in the nation to implement a community-based Telehealth network.

The RCCHC Telehealth Network allows patients to take daily blood pressure, pulse, glucose, weight and blood oxygen level readings at home. Devices used to record these results automatically send radio signals to a portable, purse-size kiosk.

Patients also use the kiosk to answer a few

questions pertaining to their condition (e.g., “Are you dizzy?”, “Have you eaten anything today?” etc.). Once all this data is entered into the kiosk, then the information is sent via a secured telephone line to the RCCHC corporate office in Ahoskie, NC.

The Telehealth nurse reviews these data, provides feedback to patients with abnormalities and makes the data available online to the patients’ primary care physician. Currently, project staff monitors 23 Gates County clients.

Telehealth services will be accessible to a larger audience once renovations to the Gates County Community Center are complete. Patients who monitor their health information at the center swipe an identification

card containing contact and health information through an electronic reader mounted on top of a kiosk. Blood pressure cuffs, scales, glucometers and pulse oximeter monitors located onsite transmit results directly to the center.

“When making Telehealth services available, we are looking for the sickest patients,” said RCCHC CEO Kim Schwartz. “This approach was the best way to see if the program works. Participants are 95% compliant with the service.”

Patients are released from the Telehealth network in 60-90 days. They are also released when their conditions stabilize and discharge planning guidelines are being met (e.g., taking scheduled medications and adhering to exercise and nutrition protocols). Afterward, staff returns Telehealth equipment to the center and it is made available to other patients.

“The outcomes of the RCCHC Telehealth network are phenomenal,” noted Bonnie Britton, chief nursing officer.

Health center staff report a 71% decrease in hospitalizations and a 69% reduction in emergency room visits among Telehealth patients.

“Total hospital charges dropped 81% while the monitors were in the home. Moreover, hospital charges decreased 88% during the six months after the monitors were removed,” Schwartz noted.

“Total hospital charges dropped 81% while the monitors were in the home.”

–Kim Schwartz
RCCHC Executive Director



Suffolk SISTAs: 'Takin' it to the Street'

In 2007, leaders at the AIDS Care Center for Education and Support Services (ACCESS AIDS Care) formed a partnership with the Suffolk Christian Fellowship Center. ACCESS AIDS Care is an AIDS service organization, while the Suffolk Christian Fellowship is a minority-run, faith-based institution.

Together, they created Suffolk SISTAs as a response to data collected in 2005 that revealed a large number of syphilis cases in Suffolk. The partnership between these two organizations formed a strategy to reach the most vulnerable population for acquiring HIV – young African American women.

According to Irma Hinkle, M.S.W., "Syphilis can increase the risk of acquiring HIV by as much as 500%." Hinkle is the ACCESS AIDS Care program director.

Having the prevention of HIV/AIDS and other sexually transmitted diseases as its primary purpose, Suffolk SISTAs uses a combination of strategies to reach out to young African American women – street outreach, peer-led group education and community involvement.

ACCESS AIDS Care conducted a community assessment to learn more about the target population. They launched outreach efforts in area businesses that cater to this group of women. Valuable information was collected in grocery stores, clothiers, nail salons and beauty parlors.

Surveys revealed that 90% of the women were sexually active. Many survey participants reported engaging

in protective sex occasionally; however, their partners' refusal to use protection was a main reason for not engaging in safer sex more often.

The ACCESS AIDS Care outreach specialist made nearly 1,300 contacts during the first 6-month reporting period. In addition to data collection, street outreach gave this worker an opportunity to raise awareness about HIV and other STDs and recruit participants for the group session called Suffolk SISTAs.

Suffolk SISTAs have a motto: SISTA Love is Strong; SISTA Love is Safe; and SISTA Love is Surviving.

This peer-led group instills a sense of ethnic and gender pride. Facilitated by Suffolk Christian Fellowship Center, Suffolk SISTAs is an intensive 5-session series followed by two booster sessions within 60 days of series completion. The booster sessions provide reinforcement for sustaining behavior changes.

Through the first 6 months of their grant award, the program reached 11 women. Evaluation data

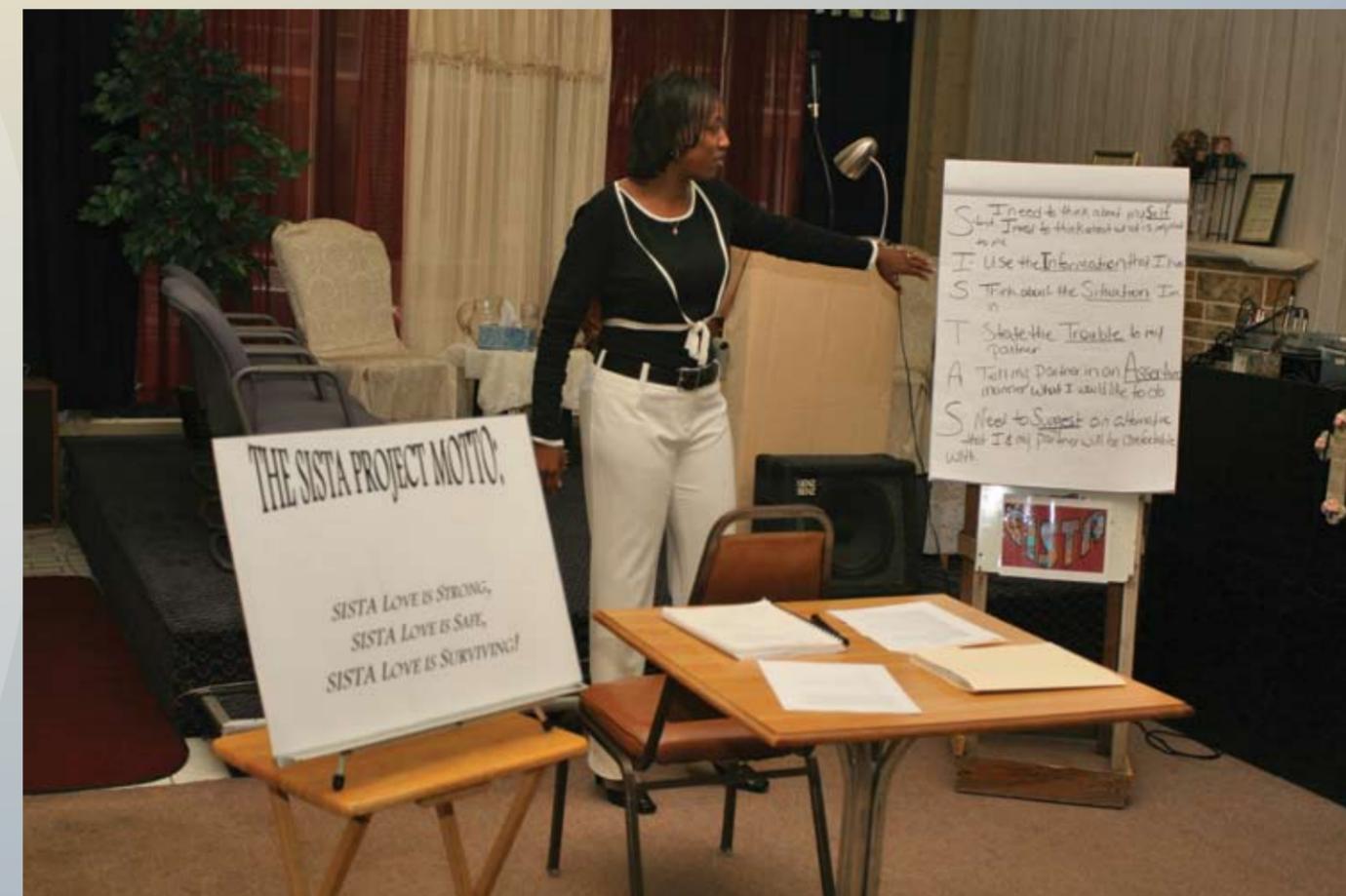
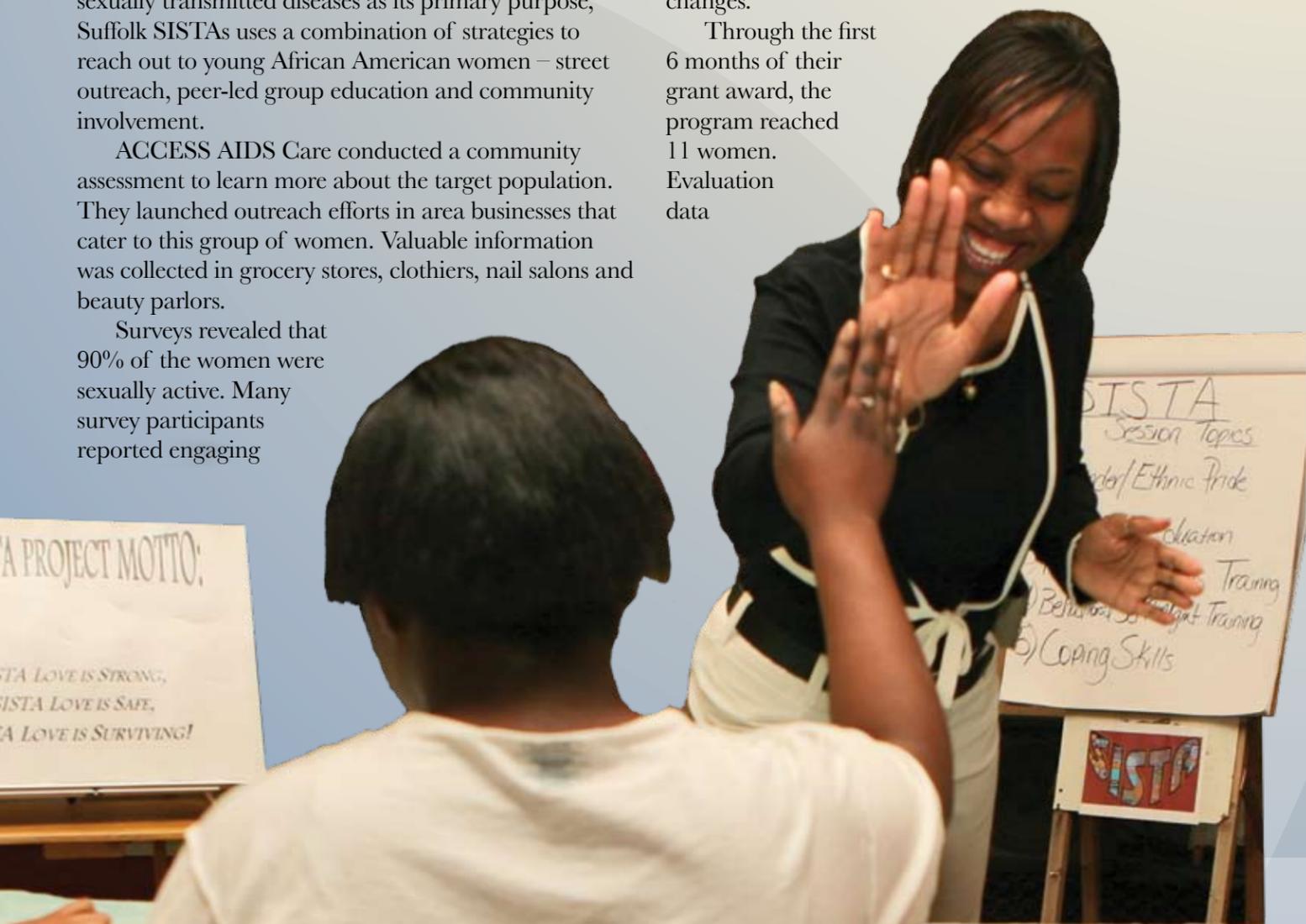
demonstrated that individuals who completed the intervention increased their perception of risk, increased feelings of confidence to engage in safer behavior and greater intention to resist unsafe sex in the future. Based on behavioral change theory, these key attitude adjustments are precursors to permanently changing the way that people behave.

The final intervention is community involvement through the PUSH Coalition (People United for Suffolk's Health). This grassroots alliance was initially formed in response to the local syphilis outbreak documented in 2005. PUSH strives to reduce incidences of disease within the city by offering health education and referrals to the public.

ACCESS AIDS Care and Suffolk Christian Fellowship Center lead the coalition that includes the Suffolk Health Department, Western Tidewater

Community Services Board, and other service providers invested in the health and wellness of Suffolk citizens. The coalition meets monthly and organizes community awareness activities that have included community health fairs, free HIV testing and a church forum for National Black HIV/AIDS Awareness Day.

"Through the power of community partnerships, we can beat this incurable epidemic," Hinkle concluded.



Tornado: Rebuilding Suffolk

A rare weather event shocked Suffolk residents on April 28 when an EF-3 tornado with winds clocked around 160 mph wove a path of destruction through town. The tornado first struck at 4:04 pm, before most residents were home from work. No deaths occurred, but homes and businesses lay in various stages of devastation, some completely destroyed.



Approximately 480 properties were affected and many residents had immediate needs. The Obici Healthcare Foundation recognized they could help those with healthcare related needs in the community. Within a few days, \$200,000 was authorized to the United Way of South Hampton Roads. A separate grant of \$50,000 was awarded to the Up Center, which provided support to those experiencing emotional challenges following the tornado.

The “phones did not stop ringing until the first to the middle of July,” said Tywana German, the United Way’s Director of Resource Development in Western Hampton Roads.

Foundation funds helped German and the United Way’s immediate emergency response



efforts, including delivery of 124 SMART Box storage containers in the first 96 hours after the tornado. Food and clothing gift cards worth \$500 were distributed to those who requested them, and ten days after the tornado hit, German and her coworkers organized and coordinated a one day, 990 person community clean up event in four separate neighborhoods.

Uninsured individuals with tornado related injuries and one resident who needed inpatient care at a nursing facility were also helped. Short term immediate needs, including food, clothing and shelter expenses were reimbursed for those who requested it. The Foundation’s dollars represented 24% of the total funds spent in this category. At the same time, the Up Center’s Suffolk office began an intensive campaign to provide counseling services to the families impacted by the tornado. A part-time Community Outreach Coordinator worked



closely with a number of area relief agencies, churches, and other local organizations to promote the availability of counseling services.

Both adults and children have been helped by multiple counseling sessions, and the Up Center also received referrals for residents and workers who were in their workplace or traveling in the area when the tornado hit. Slowly these individuals and families have begun to experience post traumatic symptoms, especially when the weather shifts to heavy systems which mimic some of the pre-storm activity seen the day of the tornado.

While many affected have returned to their daily lives, others are struggling with the adjustment of home reconstruction, shifts in family routine, disruptions caused by managing insurance claims, and accessing available resources. As a result of Foundation funding, the Up Center is prepared to continue serving children, adults and families in need, and to collaborate with schools if staff or students need help adjusting to feelings related to the storm.



Grants Awarded

Grants awarded during Fiscal Year ending March 31, 2008

American Cancer Society

South Atlantic Division \$124,526

A Community Mission Manager will be trained as a Patient Navigator during the second year of the grant. In partnership with Sentara-Obici Hospital, this initiative also includes outreach to cancer patients and their caregivers, provision of patient support services to improve access to treatment and establishment of a local cancer resource network. (two years)

American Lung Association of Virginia \$114,436

An Asthma Specialist will implement two asthma educational programs for children with asthma and the adults who care for them. The Specialist trains facilitators to provide education in schools and community settings. (two years)

American Red Cross \$135,086

A community-wide needs assessment will be conducted to identify the current locations of AEDs (automated external defibrillator) and identify the number of trained personnel in Suffolk. Fifty new AEDs will then be placed in businesses and schools in the community and appropriate personnel trained on their use. (two years)

CANDII \$146,263

CANDII, dba ACCESS (Aids Care Center for Education & Support Services) is partnering with Suffolk Christian Fellowship Center and implementing Suffolk SISTAS, a program designed to prevent the spread of HIV and other sexually transmitted diseases in Suffolk. (two years)

Center for Hope and New Beginnings. \$100,500

A Case Manager will reintroduce case management services and implement programs and activities that support residents in their transition from homelessness to self-sufficiency. (one year)

Chesapeake Service Systems Inc. \$150,000

Programming is designed to improve the health and wellness of individuals with developmental disabilities through dietary training, exercise and expanding work opportunities. (two years)

City of Franklin \$89,288

The Smart Beginnings planning grant will identify ways to improve early childhood services in the City of Franklin and Southampton County. (two years)

City of Suffolk \$500,000

Matching capital funds will help build a new Suffolk Health and Human Services building for the Suffolk Department of Health/Western Tidewater Health District and the Suffolk Department of Social Services. (one year)

City of Suffolk \$50,000

The purpose of the Smart Beginnings planning grant is to improve early childhood services in Suffolk. (one year)

Eastern Virginia Medical School. \$131,865

EVMS will create and evaluate a video-based intervention designed to increase safety of children riding in motor vehicles. Videos will be shown in physicians' offices, community health centers and public health departments in Suffolk, Isle of Wight, Franklin and Southampton County. (two years)

Eastern Virginia Medical School Foundation . . . \$240,000

A loan forgiveness program was established for two underrepresented minority physicians who will work in the Foundation's service area for four years. They also agree to provide care to uninsured and underinsured persons. (two years)

Edmarc Hospice Inc. \$100,000

There will be an expansion of the Pediatric Hospice/Palliative Care Program in the Foundation's service area. The holistic approach includes medical care and support services for the terminally ill child and counseling for parents and siblings. (two years)

Genieve Shelter \$500,000

A multi-level intervention will be created to address the health issues associated with domestic violence. Included are prevention and wellness activities and acute and chronic care treatment. Funds will also help build six additional units of transitional housing. (two years)

Hampton Roads Educational

Communications (WHRO) \$168,148

A Project Coordinator will contact Western Tidewater childcare providers and school teachers and present them with educational guides about obesity. Guides will contain the DVD, *Surviving Abundance: Overweight Kids in Crisis*. The guides contain a short call-to-action video, discussion/action strategies, resource information and evaluation materials. (two years)

Horizon Health Services \$150,000

Matching capital funds will help establish a new Federally Qualified Health Center in Surry County. (two years)

Isle of Wight Christian Outreach Program \$31,000

Funding provides rental assistance for this volunteer-led agency serving the medically indigent. (eighteen months)

Let's Talk \$93,188

NED (nutrition, education, effective communication and dance) is a 50-week program for teen boys and girls of the Suffolk and Franklin Boys and Girls Clubs and other community settings. Attendees participate in exercise and nutrition activities. (two years)

Norfolk State University \$149,878

Let's Get Real is a heart risk reduction program involving the university, Chi Eta Phi Sorority (nursing), three churches and Bon Secours Hampton Roads. The curriculum consists of health screenings and culturally specific approaches to nutrition, exercise and genealogy. (two years)

Paul D. Camp Community College \$123,481

Surveys of health care employers in the Foundation's service area will help the College and other educational institutions identify the need for new educational programs. The award also funds the development of an Associates Degree Program in Dental Hygiene. (two years)

Paul D. Camp Community College \$150,000

This grant award funds a full-time Nurse Educator and a four-bed nursing skills laboratory on the PDCCC Hobbs Suffolk campus. It will support the college's licensed practical nurse, registered nurse and advanced certified nursing assistant programs. (two years)

Peninsula Institute for Community Health \$80,300

This planning grant will create a pharmaceutical access network of providers who serve the medically indigent in Suffolk and the surrounding communities. (one year)

Peninsula Institute for Community Health \$400,000

This grant provides start up support for a dental clinic at the Main Street Physicians office in Suffolk. Preventive dental care for children and low-income adults in Suffolk will be offered. (two years)

Roanoke Chowan Community Health Center . . \$195,924

The center's telehealth network will expand in to Gates County, NC. Health care team members will monitor patients with diabetes or heart disease through new in-home monitors and two new community kiosks. (two years)

Sentara Obici Hospital \$950,369

Funds support the Community Health Outreach Program (CHOP) was renewed. This community outreach program improves access to chronic care services for the medically indigent and first-time mothers. (two years)

Southeastern Virginia Areawide

Model Program, Inc. \$146,459

A Medication & Care Access Resource Specialist helps low-income older and disabled Medicare eligible residents of Franklin, Suffolk, Isle of Wight County and Southampton County. Eligible residents enroll in Low-Income Subsidy/Extra Help benefits program, Medicare Part D, Medicaid or the Pharmacy Connection. (two years)

Suffolk Meals on Wheels \$146,932

The hot/cold meal delivery program expands to Isle of Wight, Orbit, Central Hill, Smithfield and surrounding areas. (two years)

The Children's Center \$136,250

A Physical/Occupational Therapist expands infant and toddler therapy services for children in the Western Tidewater area. (two years)

The Up Center \$150,000

The grant supports in-home counseling services for children at-risk of out of home placement. Available services include intensive in-home counseling, family preservation counseling and behavior aide services. (two years)

The Up Center \$150,000

Outpatient clinical counseling services are available on a sliding-fee scale for individuals, families, couples and groups. (two years)

Theatre IV \$110,510

There will be 30 performances per year of *Hugs and Kisses*, which is an internationally acclaimed child sexual abuse prevention and early intervention program. (two years)

Virginia Legal Aid Society \$150,000

Health, Education, Advocacy and Law (HEAL) project is a medical/legal collaboration designed to ensure that the basic needs of low-income families are met. (two years)

Western Tidewater Community

Services Board \$149,871

Two full-time clinicians will provide Functional Family Therapy to adolescents with substance abuse problems and their parents. (two years)

Western Tidewater Health

District/Suffolk Health Department \$117,409

A Project Coordinator develops and implements an action plan that targets obesity in Suffolk through research, focus groups and the recruitment of community partners. (two years)

YMCA of South Hampton Roads \$500,000

The grant funds a Project Manager and fitness scholarships to implement an after-school program for Suffolk youth at-risk for obesity. Children will learn about good health, diet and exercise and then engage in fitness activities. Parents will receive nutritional training and also engage in physical fitness. (two years)

Grants awarded during Fiscal Year ending March 31, 2009

Horizon Health Services \$510,035

A new dental site will be created at the Ivor medical facility in Southampton County. Also, the Ivor, Waverly and Surry primary care sites will migrate to an electronic medical record. (two and a half years)

Peninsula Metropolitan YMCA \$497,029

The grant provides family fun and fitness nights; physical and nutrition education; improvements to Isle of Wight County park facilities; equipment and staff; and an expansion of the afterschool activity program. (two years)

Roanoke Chowan Community Health Center . . . \$49,285

A health care needs assessment in Gates County, NC will help plan for additional health care services for the medically indigent. (one year)

Suffolk Partnership for a

Healthy Community \$950,369

Funds support the renewal and expansion of operational support for the Western Tidewater Free Clinic. Matching capital funds will help the Free Clinic build a permanent facility. (two years)

The Up Center \$50,000

The grant funds a Community Outreach Coordinator who will provide counseling services to individuals affected by the April 2008 tornado in Suffolk. (six months)

United Way of South

Hampton Roads \$200,000 authorized

Support was provided for health, food, clothing and shelter costs for individuals affected by the April 2008 tornado in Suffolk. (six months)

Virginia Commonwealth University

School of Dentistry \$295,175

Funds will increase the number of underrepresented minorities and low-income students working as dentists in underserved areas. Initiatives include workshops for health advisors on the dental school application process; a four-week summer program for students who are at least juniors; and a loan forgiveness program. (four years)

Western Tidewater Health

District/Suffolk Health Department \$554,166

An expansion of maternal and child health and family planning services will address teen pregnancy rates, prenatal care and pregnancy outcomes. (two years)

OBICI HEALTHCARE FOUNDATION, INC.

Statement of Financial Position - March 31, 2008 and 2007

ASSETS

Current Assets

	2008	2007
Cash and cash equivalents	\$1,862,578	\$6,184,841
Restricted cash equivalents	2,845,133	5,218,436
Accrued interest and dividends receivable	11,080	95,009
Total current assets	\$4,718,791	\$11,498,286
Investments	\$103,353,400	\$102,324,930
Furniture and equipment, net	46,071	31,477
Other assets	719,027	650,000
Total assets	\$108,837,289	\$114,504,693

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$60,098	\$58,153
Healthcare grants payable	5,076,768	404,269
Excise tax payable		75,404
Other liabilities		90,000
Deferred contribution revenue	2,848,593	2,662,435
Total current liabilities	7,985,459	3,290,261
Unrestricted net assets	100,851,830	111,214,432
Total liabilities and net assets	\$108,837,289	\$114,504,693

Statement of Activities - Years Ended March 31, 2008 and 2007

Revenues, gains and other support

Interest and dividends	\$2,448,678	\$3,982,825
Net realized and unrealized gains (losses) on readily marketable investments	(3,578,237)	2,682,306
Equity in earnings of non-readily marketable investments	987,423	5,489,185
Investment income (loss) before investment fees	(142,136)	12,154,316
Less investment fees	589,236	475,200
Investment income (loss) net	(731,372)	11,679,116
Unrestricted contributions	(322,878)	69,487,565
Total revenues, gains (losses) and other support	\$(1,054,250)	\$81,166,681

Expenses

Healthcare grants	8,500,397	700,200
Management and general	774,952	405,368
Provision for federal excise taxes	33,003	175,404
Total expenses	9,308,352	1,280,972
Increase (decrease) in net assets	(10,362,602)	79,885,709
Unrestricted net assets, beginning of year	111,214,432	31,328,723
Unrestricted net assets, end of year	\$100,851,830	\$111,214,432

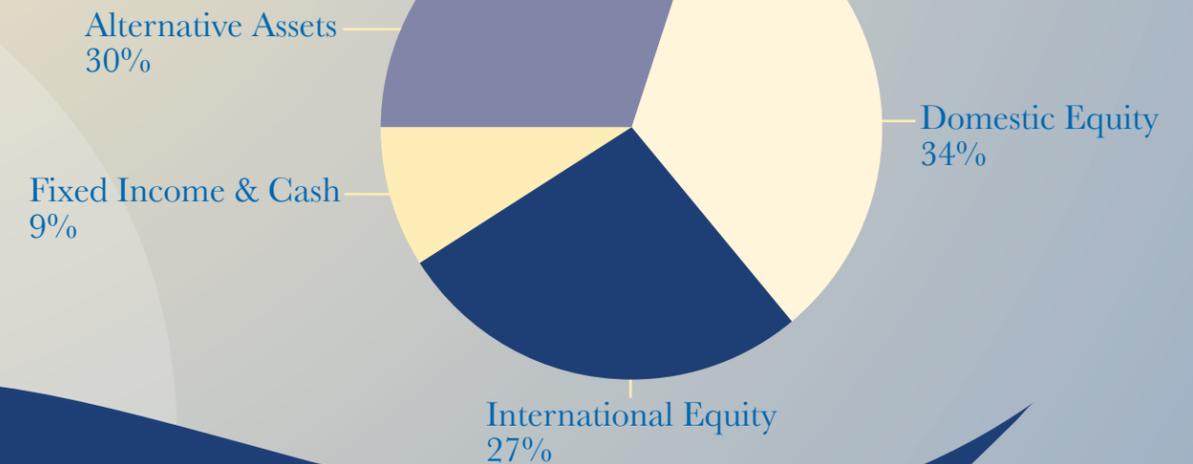
A copy of the Financial Statement is available upon request or at www.obicif.org

Foundation assets are invested with the primary objective of providing the financial support needed to fulfill the Foundation's mission in perpetuity. In order to accomplish this objective, the Foundation strives to achieve a long-term total return sufficient to support its ongoing operations and programs while keeping up with inflation. As a private foundation which must annually distribute five percent of its investment assets in grants and related expenses, this equates to an annual return objective of inflation plus at least five percent over the long term.

The Foundation's investment portfolio receives close attention from an investment committee composed of experienced persons with diverse business backgrounds.

In accordance with the Foundation's Investment Policy, the committee has developed a well-diversified professionally managed securities portfolio designed to meet the investment objectives while minimizing risk. The portfolio includes not only domestic and international stock and bond funds, but also a variety of alternative investments. All assets are invested with outside investment managers with proven records.

March 31, 2008



Board of Directors



George Y. Birdsong
Chairman

J. Samuel Glasscock
Vice Chairman

Henry G. Simpson
Secretary/Treasurer

Richard F. Barry, III



Robert C. Claud

Robert M. Hayes

Lula B. Holland



William G. Jackson, MD

Jeffrey D. Forman, MD

Douglas C. Naismith



Joyce H. Trump

B.J. Willie

Rosemary Check *Ex Officio*

Obici Foundation Staff



Left to right, seated:

Lisa Kelch, *Grants Associate*

Denise Blakney, *Senior Program Officer*

Dana Sorrell, *Administrative Assistant*

Left to right, standing:

Rick Spencer, *Senior Program Officer*

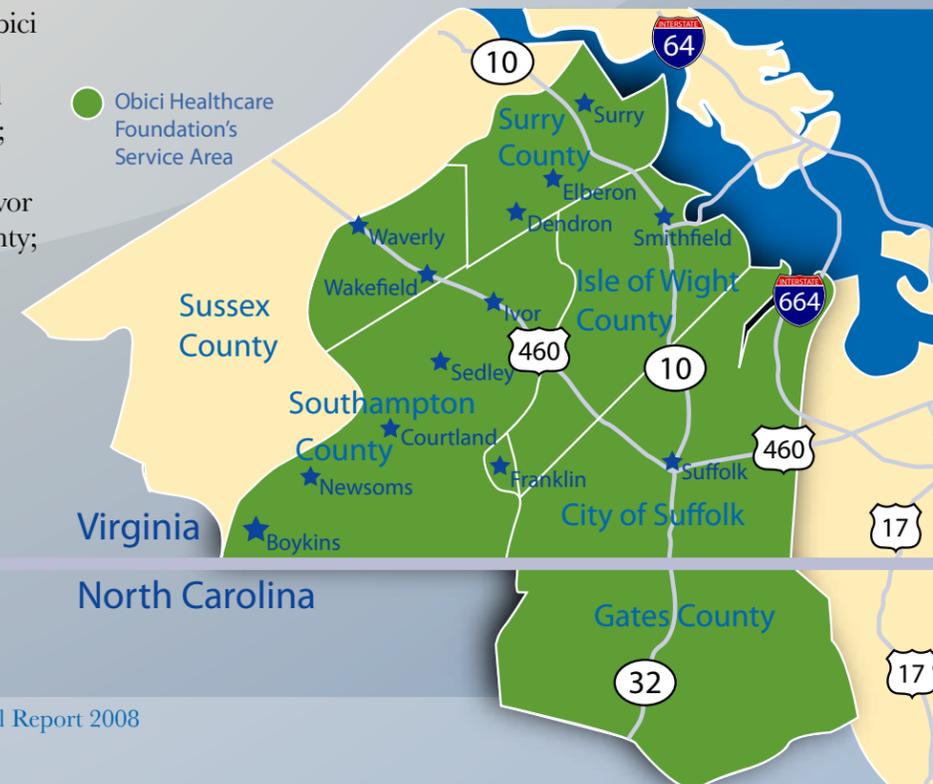
Douglas C. Naismith,

Interim Executive Director

Mike Hammond, *Director of Finance*

Service Area

The Foundation's service area is composed of the previous service area of the Louise Obici Memorial Hospital, which includes the cities of Suffolk and Franklin; Surry, Dendron and Elberon in the eastern half of Surry County; Waverly and Wakefield in Sussex County; Boykins, Newsoms, Courtland, Sedley and Ivor in Southampton County; Isle of Wight County; and Gates County, North Carolina.





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The mission of the Obici Healthcare Foundation is to improve the health status of the people living in the service area by addressing the unmet needs of the medically indigent and uninsured and by supporting programs which have the primary purpose of preventing illness and disease.

This is in keeping with Amedeo Obici's concern for local citizens, which was best illustrated by his decision to build a hospital as a lasting memorial to his wife, Louise, after her death in 1938.