



A Community Legacy Becomes a Community Reality
Annual Report 2007

Message from our Board

Serving as Board Chair and Vice Chair for the Obici Healthcare Foundation during its initial year of existence has been an honor and a challenge. Our fellow board members have brought a remarkable level of knowledge, passion, integrity and dedication to the extensive process of forming the Foundation. Together we created a solid and cohesive mission which you will find in this annual report. We have made certain that Obici Healthcare Foundation's values were a reflection of Amedeo Obici's dream of providing healthcare to Suffolk and the surrounding communities served by Louise Obici Memorial Hospital which he founded and dedicated in memory of his wife.

In this first annual report, you will find an article on how Obici Healthcare Foundation was established from the merger of Louise Obici Memorial Hospital and Sentara Hospital on March 31, 2006. We urge you to read it to better understand how this wonderful Foundation is now continuing the generous legacy of Amedeo and Louise Obici to our community.

One of our first responsibilities was to find an Executive Director to help operate and manage the Foundation. After an extensive search we were fortunate to engage Michael Beachler, effective January 1, 2007. Mr. Beachler came with significant expertise in health philanthropy and assisting smaller communities improve health care for the medically indigent.

We made a few grants in the fiscal year ending March 31, 2007. Subsequently, during the summer of 2007, we solicited grant proposals from the community and have obtained many fine project applications. In late September 2007 the Board awarded 30 grants to the most promising of these proposals, which are also listed in this annual report. We think you will find our board making sincere efforts to initiate and respond to health care needs. Our effort will be to connect individuals, programs, organizations and funding to improve healthcare in our community.

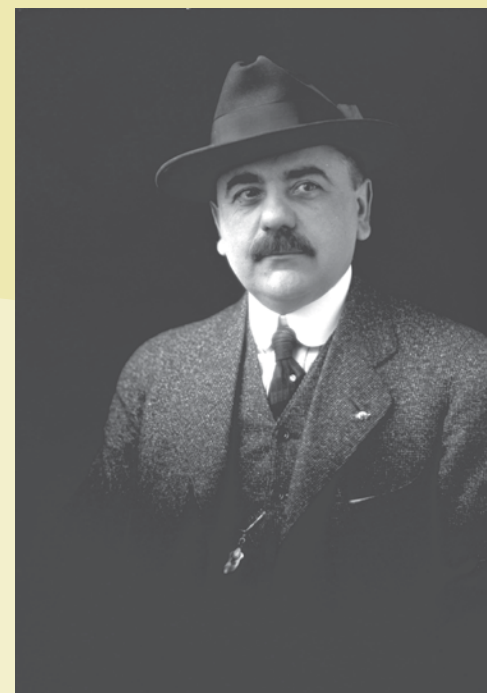
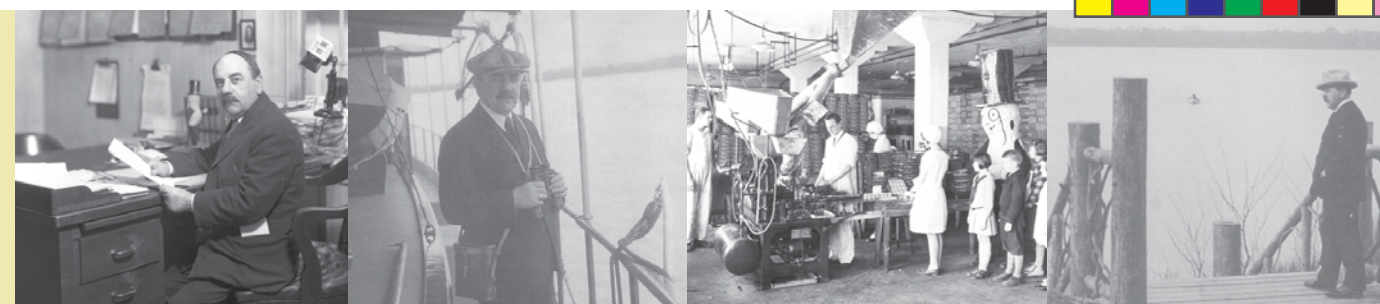
We believe that during this first year we have established a firm base upon which our Foundation will build. Working with many others we will be a positive force for improving the health status of residents of our community for generations to come.



George Y. Birdsong
George Y. Birdsong
Chairman



J. Samuel Glasscock
J. Samuel Glasscock
Vice Chairman



Amedeo Obici
The Obici Story

The story of Amedeo Obici is one born of an Italian immigrant's hard work and ambition. Mr. Obici came from humble beginnings, but at the time of his death, his company, the Planters Nut and Chocolate Company, had become a brand known worldwide.

Amedeo Voltejo Obici was born in the small town of Oderzo, Italy, near Venice, to Pietro Lodovico Obici and Luigia Carolina Sartor Obici. His father died unexpectedly when Amedeo was seven years old, a tragic event that forced his mother to sell the family business. It was Luigia's brother, Vittorio Sartor, who suggested that young Amedeo come to live with him in Scranton, Pennsylvania. At age 11, Amedeo boarded a steamer bound for America.

He spoke no English, and upon arriving in New York City, instructions tied to his overcoat said he was to go to his uncle's home.

Amedeo Obici's new life started in Scranton, where he learned English during night school and worked during the day. His various jobs included working at a cigar factory, a fruit stand, as a hotel bellhop and for a local politician. By 1895, seven years after his arrival, he had saved enough money to bring his mother and two siblings to the United States. Mr. Obici used the rest of his savings to purchase his own fruit stand and a peanut roaster. He developed a new way to take away the peanut skins, and dubbing himself "The Peanut Specialist," he started peddling peanuts by horse and wagon.

In 1906, Mr. Obici convinced his friend Mario Peruzzi to join him in forming Planters Peanut Company in nearby Wilkes-Barre. His future was now firmly linked to the peanut, and two years later the company was incorporated as Planters Nut and Chocolate Company. The peanut and candy business quickly proved a great success for the two Italian Americans.

While keeping the company headquarters in Wilkes-Barre, the manufacturing side of Planters moved to Suffolk, Virginia in 1913. The move cut out the middlemen and put the company in the heart of the area from which most of their peanuts were bought. It was also in Suffolk where the famous Mr. Peanut was born. The enduring character was created by 13-year old Anthony Gentile, who entered his drawing in a logo contest sponsored by Obici. A company artist then refined the drawing, adding the monocle, cane and top hat.

Amedeo Obici married Louise Musante in Scranton and the couple moved to Suffolk around 1920. In 1924 they purchased the Bay Point Farms estate, where they relocated, remodeled and expanded an 1870s farmhouse and raised dairy cows.

The Obicis became generous neighbors in their new hometown. Although the couple could not have children of their own, they often held events at Bay Point Farms for local children. Civic groups and the military were invited for visits to their home and a clubhouse was built on their estate to be used by Planters' employees for their recreation.

After his wife's death in 1938, Mr. Obici decided to build a hospital as a lasting memorial to her. He died in 1947 and in 1951 Louise Obici Memorial Hospital was built from a trust funded by him. The fund he left also made possible the construction of a new hospital in 2002 and the establishment of the Obici Healthcare Foundation in 2006. Amedeo Obici was the area's most important philanthropist, a man who came to his new homeland with nothing, built a successful business and generously shared his success with his Suffolk neighbors.

Mission

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.

History

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 decided to build a hospital in Suffolk as a lasting memorial to her. The hospital would also continue his philanthropy in the community by providing Suffolk area citizens with quality healthcare.

For about three decades, proceeds from the Obici trust funded new equipment and building expenses for the hospital. In 1985, the Obici Foundation was officially established to oversee the funds Amedeo Obici left for the benefit of the hospital. During the late 1980s and 1990s, the Obici Foundation continued to fund hospital renovation and equipment projects and funded some small community outreach projects designed to improve health and health care for the medically indigent. 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 was merged into Sentara Healthcare in 2006, the assets of the Obici Foundation were transferred to a new entity, the Obici Healthcare Foundation. As a result of the merger agreement, the assets of the new Foundation were more than tripled and it was relieved of the obligation to provide direct support to the hospital.

In keeping with Mr. Obici's concern for the delivery of health care, the Obici Healthcare Foundation's mission is to improve the health status of residents of Suffolk and the surrounding communities. This will be accomplished by addressing the unmet needs of the medically indigent and uninsured and by supporting programs which will prevent and reduce illness and disease.

The Foundation is an independent entity unrelated to any other health organization. It is governed by an independent board composed of citizens living in the service area of the Louise Obici Memorial Hospital. This service area includes the cities of Suffolk and Franklin; the County of Isle of Wight; Surry, Dendron and Elberon in Surry County; Waverly and Wakefield in Sussex County; Courtland, Boykins, Ivor, Sedley and Newsoms in Southampton County; and Gates County, North Carolina.

Quality health care is not only the desire, but the responsibility of all of us. By working with others, the Obici Healthcare Foundation can help the community to prevent and reduce illness and disease and help those in need to secure adequate medical care. A healthier community will be the enduring legacy of Amedeo Obici, one of Suffolk's strongest community leaders and its most renowned philanthropist.

Message from our Executive Director



Michael Beachler

Michael Beachler
Executive Director

It is an incredible privilege to serve as the initial Executive Director of the Obici Healthcare Foundation. Working with the Board to build an organization from scratch has been an exhilarating experience. The Board is comprised of a dedicated group of community leaders who care deeply about both the Foundation's mission as well as honoring the memory of Amedeo Obici.

The communities we serve face tremendous opportunities as well as some significant challenges. The Western Tidewater region is growing twice as fast as the rest of Virginia and the prospects for continual growth of jobs in the area look quite promising. It is a region with both a considerable history and many talented individuals

who are committed to improving the health and welfare of their communities.

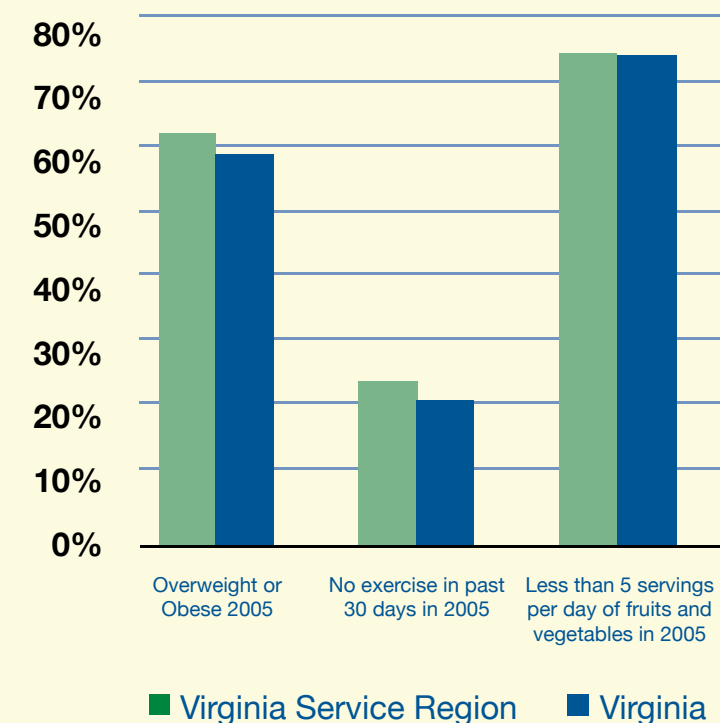
At the same time, the community health assessment that the Foundation commissioned earlier this year found that our communities are poorer and less educated than many other Virginia communities. Too many of our residents are uninsured or under insured and many do not receive the care they need because of financial, sociocultural and other barriers. Many of our localities have age-adjusted death rates for heart disease, cancer and other chronic diseases that are well above the state average. And an estimated 61% of adults were classified as overweight and obese. Those rates are also well above state averages.

Over time, this Foundation has the potential to make a major difference in improving health and health care in the communities that we serve. Many of the region's most pressing health problems are long-standing ones, so we will have to be patient. While our resources appear large, they are actually quite modest in comparison to the resources already com-

mitted to health care by both the public and private sectors. This means we will have to be selective in choosing the major health problems we address and strategic in how we invest the Foundation's resources. We will also need to leverage additional resources wherever possible. This is the only way that foundations can hope to make a real difference in their communities.

We will be working with the Board over the next few months to identify the major priority areas where we will focus the bulk of our grant making resources and energy. Foundation staff have found that this community has many fine leaders who work very hard to serve their neighbors. Many of these leaders have already provided us with valuable information to help us select our strategic priorities. We will continue to seek the community's counsel and work hard to provide both the resources and the tools to allow all of us to work smarter and more collaboratively. We look forward to this marvelous journey to improve the health status of residents of this region.

ADULT OVERWEIGHT, OBESITY, EXERCISE AND NUTRITION ESTIMATES



In 2005, there were an estimated 73,000+ adults in our Virginia service area who could be classified as overweight or obese.

Community Health Outreach to Vulnerable Populations: *Our First Grantee*

The Foundation's first grantee, Sentara Obici Hospital's Community Health Outreach Program (CHOP), has been working to improve the health status of adults with diabetes or heart failure and young mothers and their infants since 1997. This multi-faceted effort was first funded by the former Obici Foundation from 1997 through 2006. When the merger of the Louise Obici Memorial Hospital and Sentara occurred in March 2006, the newly formed Obici Healthcare Foundation decided to continue funding this quiet but promising program.

The program's community case management component strives to improve the quality of life for adults suffering from heart failure and diabetes. Outreach nurses treat not just the illness, but related needs of patients. Trips to the grocery to show what foods individuals can consume given their condition and budget, explanations of how to track salt and fluid consumption and contacting family, friends, churches and agencies to ensure the patient has food are some of responsibilities the nurses assume. The nurse case managers have provided services to nearly 1200 chronically ill adults since the program began in 1998.

The CHOP program also offers diabetes education services to the community. A certified diabetes educator offers group and gestational diabetes classes to move these adults toward self management of their disease. Meal planning, medications and the use of blood glucose meters are all discussed. Pregnant women with gestational diabetes learn why their pregnancy is causing high blood sugar and how to manage it through diet. The program also offers a diabetes support group for diabetics, their families,

and their friends so they have a place to share their experiences and concerns. For those with additional questions, individual counseling is available.

A third component is the healthy families program, which targets first time moms giving birth at Sentara Obici Hospital. Screenings and assessments are conducted which identify new mothers from Suffolk and Isle of Wight County who are overburdened or stressed. Those families are eligible to receive weekly visits from a Western Tidewater Health District family support worker.

In-home follow-up is available until the child is between 3 and 5 years old. The program helps children have a healthy start in life, ensures they live in a safe and supportive environment and teaches moms good parenting skills. The link with the local health department also introduces the new family to the possibility of community based services.

Whether starting out life or reaching the home stretch, the Community Health Outreach Program helps local residents achieve the healthiest life possible through education and support.

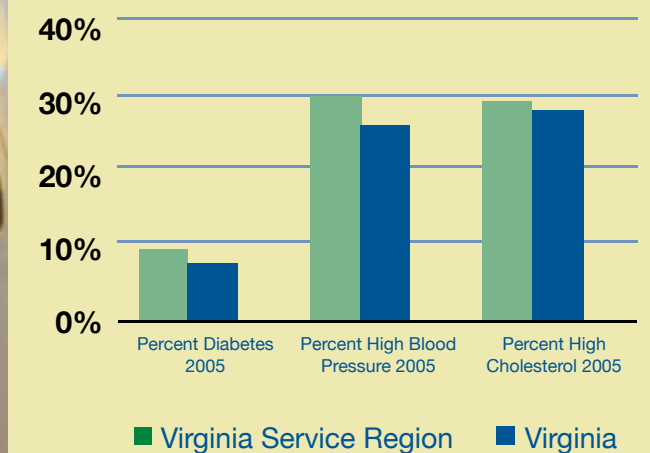
“The nurse case managers visit homes as often as needed, and these visits add a critically important social component to the program.”

The nurses have found that their patients follow their medical advice simply because someone cares that they do.”

Virginia Savage, Community Health Outreach Program Director

Barbara Morris, RN, visits her patients in their homes on a regular basis.

ADULT CHRONIC DISEASE ESTIMATES



In 2005, in our Virginia Service area, there were an estimated 11,500+ adults with diabetes; 36,000+ adults with high blood pressure; and 35,700+ with high cholesterol.

Western Tidewater Free Clinic: *Our Second Grantee*

Uninsured, low income residents from Suffolk, Franklin, Isle of Wight and Southampton Counties now have another option for health care – the Western Tidewater Free Clinic. With health care premiums rising at an astronomical rate compared to wages, the Clinic's opening is a blessing to the area. It opened its doors in June 2007 to local residents, and offers medical care and mental health services to qualified individuals between 19 and 64 years of age.

Most of the visits to the new clinic are from clients who work, but have no health coverage. Instead of making a high cost hospital emergency room visit, eligible residents now get their treatment for free. The Clinic has found that 85% of its patients are being treated for chronic diseases such as diabetes, high blood pressure or depression. Many cases are medically challenging because patients have gone for years without adequate treatment. To further help these clients, the Clinic is preparing to offer educational seminars about diabetes and hypertension.

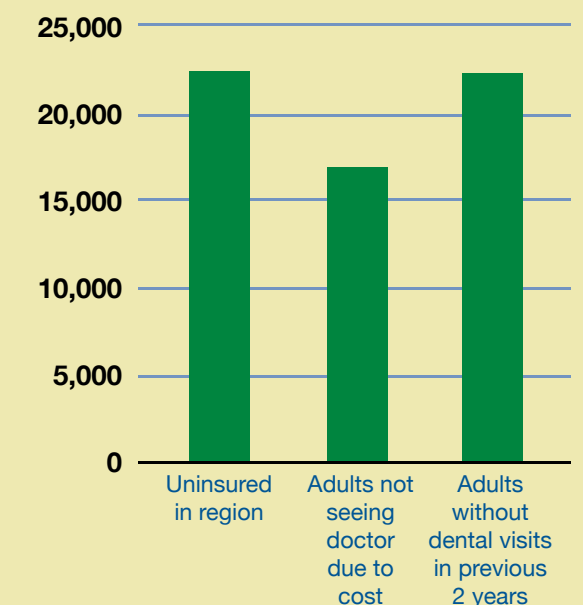
The Clinic's offerings don't stop there, however. Mental health counseling is offered. A recent Virginia Healthcare Foundation grant will allow the Clinic to obtain free and low cost prescription drugs for many patients by accessing the programs offered by pharmaceutical companies. The clinic is also working to add a laboratory and dental clinic.

"I am humbled daily by the strength and gratitude of our patients, many of whom have been years without medication for diabetes and hypertension. Their commitment to 'get well' so they can parent their children, maintain their employment and give back to their community is inspiring."

*April Knight, Executive Director
Western Tidewater Free Clinic*

The generosity of the local community helps keep the clinic running. Fifteen volunteer physicians see patients on clinic nights while those who need specialty care are treated by 15 specialists at their offices. There are also 30 nurses who help staff the Clinic and 35 general volunteers who perform eligibility confirmations, answer phones and provide office assistance.

SUMMARY OF MAJOR FINANCIAL BARRIERS TO CARE IN THE FOUNDATION'S SERVICE AREA



Volunteer physician, Dr. Barakat talks with one of the many patients that visit WTFC on a regular basis.

Board of Directors



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Vice Chairman

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Secretary/Treasurer

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Robert M. Hayes

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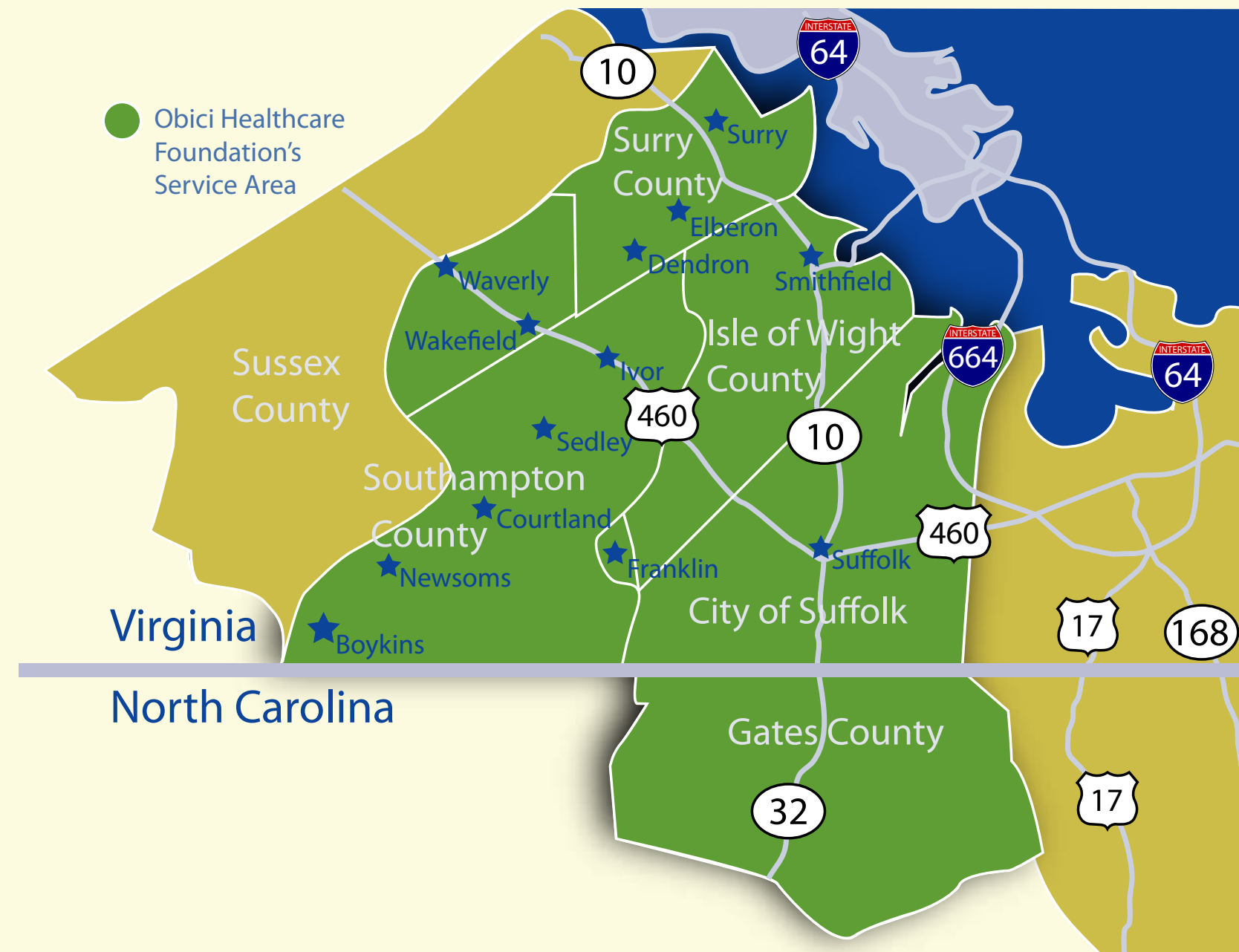
B.J. Willie

Rosemary Check *Ex Officio*

Service Area

The Foundation is a new independent entity unrelated to any other health organization. It is governed by an independent board composed of citizens living in the previous service area of the Louise Obici Memorial Hospital. This service area includes the cities of Suffolk and Franklin;

Isle of Wight County; Surry, Dendron and Elberon in Surry County; Waverly and Wakefield in Sussex County; Courtland, Boykins, Ivor, Sedley and Newsoms in Southampton County; and Gates County, North Carolina.



Financial Summary

Statement of Financial Position - March 31, 2007

<u>ASSETS</u>	
<i>Current Assets</i>	
Cash and cash equivalents	\$6,184,841
Restricted cash equivalents	5,218,436
Accrued interest and dividends receivable	95,009
Total current assets	11,498,286
Investments	102,324,930
Furniture and equipment, net	31,477
Other assets	650,000
Total assets	\$114,504,693
<u>LIABILITIES AND NET ASSETS</u>	
<i>Current Liabilities</i>	
Accounts payable and accrued expenses	\$58,153
Healthcare grants payable	404,269
Excise tax payable	75,404
Other liabilities	90,000
Deferred contribution revenue	2,662,435
Total current liabilities	3,290,261
Unrestricted net assets	111,214,432
Total liabilities and net assets	\$114,504,693

Statement of Activities - Year Ended March 31, 2007

<i>Revenues, gains and other support</i>	
Interest and dividends	\$3,982,825
Net realized and unrealized gains on readily marketable investments	2,682,306
Equity in earnings of non-readily marketable investments	5,489,185
Investment income before investment fees	12,154,316
Less investment fees	475,200
Investment income net	11,679,116
Unrestricted contributions	69,487,565
Total revenues, gains and other support	\$81,166,681
<i>Expenses</i>	
Healthcare grants	700,200
Management and general	405,368
Provision for federal excise taxes	175,404
Total expenses	1,280,972
Increase in net assets	79,885,709
Unrestricted net assets, beginning of year	31,328,723
Unrestricted net assets, end of year	\$ 111,214,432

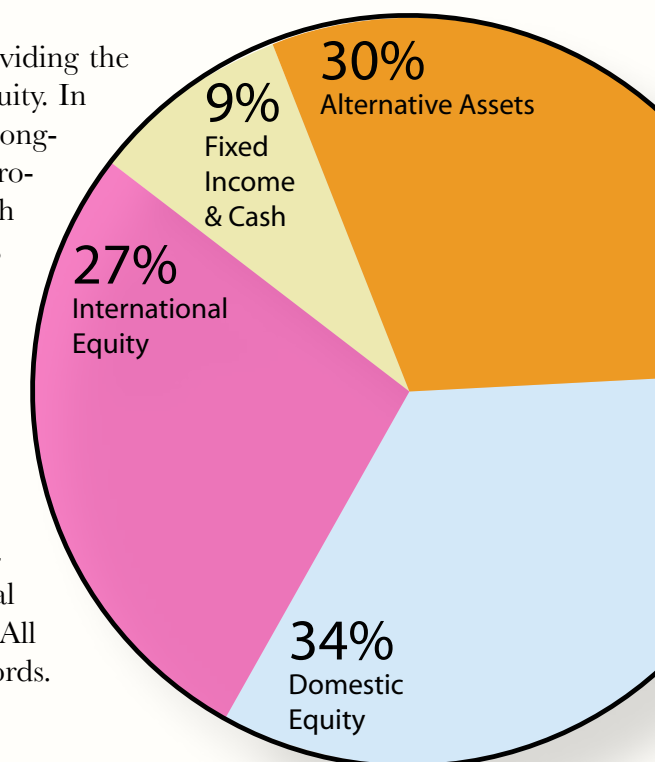
*A copy of the Financial Statements is available upon request and/or at www.obicifhc.org

Investment Review

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, the Foundation has 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.



Asset Allocation as of March 31, 2007



Project Listings

Projects awarded during Fiscal Year Ending March 31, 2007

- Sentara Obici Hospital** \$842,000
Community health outreach program to improve chronic care services for the medically indigent and healthy families program for first time mothers (over 21 months)
- Suffolk Partnership for a Healthy Community**..... \$200,000
Start-up support for the Western Tidewater Free Clinic (one year)

Projects awarded during Fiscal Year 2008

- Virginia Legal Aid Society** \$150,000
Health education advocacy and law project for the medically indigent (over two years)
- Peninsula Institute for Community Health** .. \$400,000
Dental services for the medically indigent in Suffolk and surrounding areas (over two years)
- Genieve Shelter** \$500,000
Primary care and mental health services for women affected by domestic violence and their children (over two years)
- City of Suffolk**..... \$500,000
Capital grant to help build a new Suffolk Health and Social Services building (one year)
- Eastern Virginia Medical School Foundation** \$240,000
Loan forgiveness program to improve the diversity of physician workforce and serve the medically indigent (over two years)
- Roanoke Chowan Community Health Center**..... \$195,924
Chronic care telemedicine project in Gates County, NC (over two years)
- Child and Family Services of Eastern Virginia, Inc.** \$150,000
Outpatient mental health services for adults and adolescents (over two years)
- Child and Family Services of Eastern Virginia, Inc.** \$150,000
In-home behavioral health counseling services for children (over two years)
- Horizon Health Services** \$150,000
Capital grant to help build a community health center in Surry (over one year)
- Paul D. Camp Community College** \$150,000
Nursing education expansion program in Suffolk (over two years)
- Western Tidewater Community Services Board**..... \$149,871
Substance abuse counseling for adolescents (over two years)
- Suffolk Meals on Wheels**..... \$146,932
Senior nutrition expansion program into Isle of Wight County (over two years)
- Southeastern Virginia Area-wide Model Program, Inc.** \$146,459
Outreach/medication and care access resource program for elderly residents (over two years)
- The Children's Center** \$136,250
Infant and toddler physical/occupational therapy service expansion project (over two years)
- American Red Cross**..... \$135,086
LifeLine 757 – Community wide needs assessment and placement of automatic external defibrillators (AEDs) (over two years)

- The American Lung Association of Virginia** \$114,436
Open Airways and Asthma 101 program for schools (over two years)
- Paul D. Camp Community College** \$123,481
Dental hygiene program planning and survey of health employers effort (over two years)
- The American Cancer Society South Atlantic Division** \$124,516
Outreach/patient navigator program to improve cancer care (over two years)
- EdMarc Hospice, Inc.** \$100,000
Pediatric hospice palliative care program for children and their families (over two years)
- Center for Hope and New Beginnings** \$100,500
Case management support services for homeless shelter (one year)
- Peninsula Institute for Community Health**.....\$80,300
Pharmaceutical access network planning effort to increase medication access for the medically indigent (one year)
- Isle of Wight Christian Outreach Program**.....\$31,000
Support of rent costs for volunteer-led agency serving the medically indigent (over 18 months)
- City of Suffolk**.....\$50,000
Smart Beginnings planning grant to improve early childhood services (one year)
- YMCA of South Hampton Roads**..... \$500,000
Confronting Obesity: Creating Healthy Lifestyles – after school partnership program to reduce childhood obesity (over two years)
- Hampton Roads Educational Communications (WHRO)** \$168,148
Surviving Abundance: Overweight Kids in Crisis – development of action guides for day care providers and schools (over two years)
- Chesapeake Services Systems, Inc.** \$150,000
Promoting healthy behavior and lifestyles for developmentally disabled adults (over two years)
- Norfolk State University (NSU)** \$149,878
“Let’s Get Real” health and wellness project for adults with chronic health conditions (over two years)
- ACCESS AIDS Care Center for Education and Support Services** \$146,263
Educational outreach program to identify and reduce HIV among women (over two years)
- Eastern Virginia Medical School (EVMS)** \$131,865
Dissemination of educational video to increase booster-seat and rear-seat usage among five to eight-year-old children (over two years)
- Western Tidewater Health District/ Suffolk Health Department** \$117,409
Planning grant to develop an action plan to address physical activity and food intake in Suffolk (over 18 months)
- Theatre IV** \$110,510
Theatre play designed for school audiences called “Hugs and Kisses” addressing child sexual abuse (over two years)
- Let’s Talk**.....\$93,188
Nutrition, education and dance project for teens to reduce obesity (over two years)
- City of Franklin**.....\$89,288
Smart Beginnings planning grant to improve early childhood services (over two years)

Foundation Staff



(Left to Right)
 Dana Sorrell, Administrative Assistant
 Denise Blakney, Senior Program Officer
 Michael Beachler, Executive Director
 Lisa Kelch, Grants Associate
 Mike Hammond, Director of Finance

*Data Source for charts on pages 3, 5, 7, and 11 from Community Health Solution, Inc. Community Health Assessment of the Obici Health Care Foundation June 2007



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