

Financial Statements
Years Ended
December 31, 2008 and 2007

Beazley Foundation, Incorporated

Beazley Foundation, Incorporated

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Accountants' Report

Board of Directors
Beazley Foundation, Incorporated

We have reviewed the accompanying statement of financial position of *Beazley Foundation, Incorporated* as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of *Beazley Foundation, Incorporated*.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As discussed in Note 2, the financial statements include alternative investments valued at \$1,442,834, whose values have been estimated by the management of the Beazley Foundation in absence of readily ascertainable market values. Because of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would have been used had a ready market for these investments existed, and the differences could be material.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The supplementary information for the year ended December 31, 2008 included on pages 12-20, is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Goodman & Co L.P.

Norfolk, Virginia
July 2, 2010

Beazley Foundation, Incorporated

Statements of Financial Position

December 31,	2008	2007
Assets		
Investments, held by broker trustee		
Cash equivalents	\$ 5,381,160	\$ 2,213,958
U.S. government securities	-	149,953
Mutual funds and corporate securities	34,952,430	61,237,255
	<u>40,333,590</u>	<u>63,601,166</u>
Assets held by Foundation		
Cash and cash equivalents	527,141	997,552
Investments, managed by Foundation	1,508,678	1,219,826
Distributions receivable on investments	31,338	70,065
Prepaid excise taxes	21,570	-
Prepaid expenses	4,561	4,271
Property and equipment - net	307,750	311,206
Cash surrender value of life insurance	15,008	14,074
Annuity	-	457
Deferred tax asset - excise tax	217,436	-
Deferred tax asset - unrelated business taxable income	145,908	84,926
	<u>2,779,390</u>	<u>2,702,377</u>
	<u>\$ 43,112,980</u>	<u>\$ 66,303,543</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 36,988	\$ 26,849
Gifts and grants payable	687,729	1,011,701
Deferred compensation	1,659,887	1,502,668
Excise taxes payable	-	42,559
Deferred tax liability - excise tax	-	52,154
Total liabilities	<u>2,384,604</u>	<u>2,635,931</u>
Net assets - unrestricted	<u>40,728,376</u>	<u>63,667,612</u>
	<u>\$ 43,112,980</u>	<u>\$ 66,303,543</u>

See accompanying notes and accountants' report

Beazley Foundation, Incorporated

Statements of Activities

Years Ended December 31,	2008	2007
Changes in unrestricted net assets		
Revenues, gains and losses		
Net realized gain (loss) on sale of investments	\$ (8,247,406)	\$ 7,409,714
Interest and dividends	2,386,700	1,491,246
Net unrealized loss on investments	(13,414,352)	(3,769,532)
Other	(233,288)	40,193
	<u>(19,508,346)</u>	<u>5,171,621</u>
Expenses		
Program services:		
Gifts and grants	2,410,326	3,460,458
Charitable program expenses	401,550	371,602
Administrative expenses	905,338	739,959
Income and excise tax expense (benefit)	(286,324)	12,370
	<u>3,430,890</u>	<u>4,584,389</u>
Change in unrestricted net assets	(22,939,236)	587,232
Unrestricted net assets - beginning of year	63,667,612	63,080,380
Unrestricted net assets - end of year	\$ 40,728,376	\$ 63,667,612

See accompanying notes and accountants' report

Beazley Foundation, Incorporated

Statements of Cash Flows

Years Ended December 31,	2008	2007
Cash flows from operating activities		
Change in net unrestricted assets	\$ (22,939,236)	\$ 587,232
Adjustments to reconcile to net cash from operating activities:		
Depreciation	27,526	24,623
Net realized loss (gain) on sale of investments	8,247,406	(7,409,714)
Net unrealized loss on investments	13,414,352	3,769,532
Net gain (loss) from partnership investments	(287,423)	28,232
Deferred excise tax benefit	(330,572)	(75,324)
Change in:		
Distributions receivable on investments	38,727	92,346
Cash surrender value of life insurance	(934)	(940)
Prepaid expenses	(290)	1,811
Accounts payable and accrued expenses	10,139	(77,583)
Excise taxes payable	(64,129)	39,215
Gifts and grants payable	(323,972)	80,826
Deferred compensation	157,219	(82,792)
Net cash from operating activities	(2,051,187)	(3,022,536)
Cash flows from investing activities		
Proceeds from sale of investments	25,019,907	34,444,855
Purchases of investments	(19,976,612)	(31,018,058)
Purchases of property and equipment	(24,070)	(19,969)
Partnership distributions	374,416	755,730
Investment in partnerships	(646,120)	(635,000)
Proceeds from annuity	457	4,853
Net cash from investing activities	4,747,978	3,532,411
Net change in cash and cash equivalents	2,696,791	509,875
Cash and cash equivalents - beginning of year	3,211,510	2,701,635
Cash and cash equivalents - end of year	\$ 5,908,301	\$ 3,211,510
Cash and cash equivalents are presented as follows:		
Cash and equivalents, held by bank and broker trustee	\$ 5,381,160	\$ 2,213,958
Cash and equivalents held by Foundation	527,141	997,552
	\$ 5,908,301	\$ 3,211,510
Supplemental disclosure of cash flow information		
Cash paid for excise and income taxes	\$ 108,377	\$ 69,555

See accompanying notes and accountants' report

Beazley Foundation, Incorporated

Notes to Financial Statements

December 31, 2008 and 2007

1. Organization and Nature of Activities

Beazley Foundation, Incorporated (Foundation) was organized by Fred W. Beazley, Marie C. Beazley and their son, Fred W. Beazley, Jr., who contributed the Foundation's original assets to further the cause of charity, education and religion.

2. Summary of Significant Accounting Policies

Financial Statements

Financial statements of not-for-profit organizations report net assets as permanently restricted, temporarily restricted, and unrestricted based on the existence or absence of donor contributed assets which have temporary or permanent restrictions applicable to them. At December 31, 2008 and 2007, all of the Foundation's assets have been classified as unrestricted.

Basis of Accounting

The Foundation uses the accrual basis of accounting.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates and assumptions.

Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at fair market value with unrealized gains and losses included in the statements of activities.

Investments in limited liability companies operating commercial rental properties are reported at historical cost adjusted for results of operations, additional contributions, and distributions. This method is necessary due to the lack of a readily determinable fair value of the companies or their underlying assets.

Cash Equivalents

The Foundation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost if purchased or at estimated fair market value at time of acquisition if acquired by gift.

Depreciation is provided on a straight-line basis over the following estimated useful lives:

Building and improvements	5 - 40 years
Equipment and furnishings	5 - 10 years
Vehicle	5 years

Gifts and Grants

Unconditional promises to make gifts and grants are recorded when they are communicated to the recipient and conditional promises to make gifts and grants are recorded once the condition imposed by the Foundation has been met. Gifts and grants are reported for tax purposes on the cash basis.

Deferred Compensation

Deferred compensation represents the estimated present value of future payments required under deferred compensation arrangements using appropriate accrual estimates, a 7% discount factor, and a 5% cost of living adjustment.

Excise Taxes

The Foundation is a private foundation under Internal Revenue Service regulations and thus is required to pay a 1% or 2% excise tax on its net investment income and to make annual charitable distributions of 5% of the average market value of its investment assets in order to avoid additional taxation.

Excise taxes are provided for the effects of transactions reported in the financial statements, and consist of taxes currently due plus deferred taxes related to unrealized losses/gains on investments reported for financial statements. The deferred tax asset/liability represents the future tax return consequences of those losses/gains when realized.

Concentration of Credit Risk

Financial instruments which potentially subject the Foundation to concentration of credit risk consist principally of temporary cash investments. The Foundation places its temporary cash investments with high credit quality financial institutions. At December 31, 2008 and 2007, the Foundation had temporary cash investments on deposit in excess of the FDIC insured limit at a single financial institution of \$399,841.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through July 2, 2010, the date the financial statements were available to be issued.

3. Investments

Investments held by brokers consist of the following:

	2008		2007	
	Cost	Market	Cost	Market
Cash equivalents	\$ 5,381,160	\$ 5,381,160	\$ 2,213,958	\$ 2,213,958
U.S. government securities	-	-	149,953	149,953
Mutual funds and corporate securities	45,410,967	34,952,430	58,509,533	61,237,255
	<u>\$ 50,792,127</u>	<u>\$ 40,333,590</u>	<u>\$ 60,873,444</u>	<u>\$ 63,601,166</u>

Investment management fees of \$11,110 and \$124,085 were paid to investment managers during 2008 and 2007, respectively.

Investments managed by the Foundation consist of the following:

	2008		2007	
	Cost	Market	Cost	Market
Tidewater Holdings Co., LLC 1.456% limited interest	\$ (150,252)	\$ (150,252)	\$ (125,740)	\$ (125,740)
Fairfield Associates, LLC 2.3716% limited interest	(93,676)	(93,676)	(57,752)	(57,752)
Elmhurst Associates LLC 6.8301% limited interest	2,380	2,380	2,404	2,404
Lumber River Associates, LLC 14.5517% limited interest	92,484	92,484	118,699	118,699
Freedom Industrial Associates, LLC 2.396%	45,423	45,423	-	-
Atlanta-Durham Holdings, LLC 1.6129032% limited interest	64,743	64,743	121,806	121,806
Atlanta-Dallas Holdings, LLC 1.570434% limited interest	102,947	102,947	151,222	151,222
Steele Creek Associates, LLC 16.3607% limited interest	29,847	29,847	91,320	91,320
Nashville-Dallas Holdings, LLC 1.677% limited interest	158,359	158,359	209,780	209,780
Development Fund, LLC, 3.7237% limited interest	230,635	230,635	189,957	189,957
Lynnhaven Parkway Associates, LLC 5.4379% limited interest	23,594	23,594	34,768	34,768
Southwood Associates, LLC 12.4352% limited interest	57,086	57,086	88,842	88,842
HG Hamptons Holdings Co., LLC 1.0169% limited interest	81,949	81,949	152,485	152,485
Virginia Multifamily Holdings, LLC 1.3143149%	190,969	190,969	-	-
Lakeshore Preston Holdings, LLC 0.9628% limited interest	93,610	93,610	169,472	169,472
RCC Olde Towne Marketplace, LLC 10.7846% limited interest	12,517	12,517	72,563	72,563

Waterman's Holdings, LLC 2.25454% limited interest	157,421	157,421	-	-
Kitty Hawk Associates, LLC 8.4159% limited interest	49,734	49,734	-	-
HGI Opportunity Fund III, Inc. .967742% limited interest	93,064	93,064	-	-
Townebank - 2000 shares of Series A 8% non-cumulative convertible preferred stock	200,000	265,844	-	-
	<u>\$ 1,442,834</u>	<u>\$ 1,508,678</u>	<u>\$ 1,219,826</u>	<u>\$ 1,219,826</u>

The limited liability companies represent entities which have invested in various real estate developments and activities.

4. Property and Equipment

Property and equipment used for charitable and administrative purposes consist of the following:

	<u>2008</u>	<u>2007</u>
Land	\$ 58,946	\$ 58,946
Buildings and improvements	518,386	495,554
Equipment and furnishings	162,333	161,096
Vehicle	44,546	44,546
	<u>784,211</u>	<u>760,142</u>
Less - accumulated depreciation	<u>(476,461)</u>	<u>(448,936)</u>
	<u>\$ 307,750</u>	<u>\$ 311,206</u>

5. Pension Plan

The Foundation has a money purchase pension plan which covers all employees. An employee becomes eligible after one year of service and 100% vested after three years of participation. Contributions to the plan are calculated annually at 10% of eligible wages. Contributions were \$50,212 and \$33,067 in 2008 and 2007, respectively.

6. Deferred Compensation

Previously, the Foundation had deferred compensation agreements with employees. These plans are still in existence for five former officer-trustees or their surviving spouses, one current employee, and the immediate past President who is now serving as a trustee. The agreements call for monthly cash payments from the date of retirement for their lifetime and their spouses' lifetime are being partially funded by an annuity. At December 31, 2008, six deferred compensation participants or their surviving spouses were receiving benefits under these agreements.

The provision for deferred compensation was \$332,778 and \$132,304 in 2008 and 2007, respectively. A total of \$175,559 and \$173,322 was paid to participants during 2008 and 2007, respectively. The Foundation distributed \$180,281 in 2009.

7. Excise and Income Tax

Federal excise and income tax expense on net investment income is as follows:

	<u>2008</u>	<u>2007</u>
Excise tax percentage	<u>2%</u>	<u>1%</u>
Excise tax currently due	\$ 44,248	\$ 87,694
Deferred excise and income tax expense	<u>(330,572)</u>	<u>(75,324)</u>
	<u>\$ (286,324)</u>	<u>\$ 12,370</u>

The tax effects of temporary differences that give rise to significant portions of the net deferred tax asset at December 31, 2008 are presented below:

	<u>2008</u>	<u>2007</u>
Deferred tax assets:		
Unrelated business taxable income	\$ 144,291	\$ 83,309
Disabled access credit	1,617	1,617
	<u>145,908</u>	<u>84,926</u>
Unrealized losses (gains) on investments	<u>217,436</u>	<u>(52,154)</u>
	<u>\$ 363,344</u>	<u>\$ 32,772</u>

The deferred tax liability - excise tax results from the recognition of unrealized gains and losses in the financial statements on investments held by or on behalf of the Foundation. Unrealized gains or losses are not subject to federal excise tax expense or benefit until these investments are sold and the gains and losses are realized.

The deferred tax asset - unrelated business taxable income results from the losses that are being carried forward and which are associated with unrelated business taxable income generated by the Foundation's investments in various rental real estate limited liability companies. The income from these investments is subject to unrelated business taxable income tax and limited by passive activity rules, which limit the amount of losses deductible in any year to the extent of income generated in that year. Any excess loss is then carried forward until such time as the sufficient income is generated to absorb the loss or until the activity is disposed.

In order to avoid additional excise tax, the Foundation is required to make minimum annual distributions for charitable purposes based on income and the average market value of assets held during each tax year. Qualifying distributions in excess of minimum annual distributions may be carried forward for a specific period to reduce future minimum annual distribution requirements.

A summary of distribution requirements for 2008 and 2007 are as follows:

	<u>2008</u>	<u>2007</u>
Undistributed (over distributed) income from prior year	\$ (1,061,252)	\$ 108,104
Distributable amount	2,673,817	3,108,079
Qualifying distributions made	<u>(3,123,096)</u>	<u>(4,277,435)</u>
Over distributed income to be credited to next year's distributable amount	<u>\$ (1,510,531)</u>	<u>\$ (1,061,252)</u>

8. Fair Value Measurements

Effective January 1, 2008, the Foundation adopted the provision of FASB Statement No. 157, *Fair Value Measurements* (SFAS 157), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. SFAS 157 establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. SFAS 157 expands disclosures about instruments measured at fair value. SFAS 157 applies to the other accounting pronouncements that require or permit fair value measurements and, accordingly, SFAS 157 does not require any new fair value measurements. Adopting SFAS 157 did not have a material impact on the Foundation's financial position and results of operations.

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Primarily consists of alternative investments (principally limited partnership interests in absolute return, hedge, private equity, real estate, and natural resources funds), representing the Foundation's ownership interest in the net asset value (NAV) of the respective partnerships. Investments held by the partnerships consist of marketable securities as well as securities that do not have readily determinable fair values. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on historical cost, appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques are used to maximize the use of observable inputs and minimize the use of unobservable inputs.

This is the valuation methodology used for assets measured at fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of December 31, 2008:

Assets	Level 1	Level 2	Level 3	Total Fair Value
Investments:				
Cash equivalents	\$ 5,908,301	\$ -	\$ -	\$ 5,908,301
Preferred stock	265,844	-	-	265,844
Mutual funds	34,952,430	-	-	34,952,430
Investment in limited liability companies operating commercial rental properties	-	-	1,242,834	1,242,834
Total investments	\$ 41,126,575	\$ -	\$ 1,242,834	\$ 42,369,409

The following table is a rollforward of the statement of financial position amounts for financial instruments classified by the Foundation within Level 3 of the valuation hierarchy defined above:

	<u>Investments</u>
Fair value January 1, 2008	\$ 1,219,826
Capital contributions	646,120
Results from operations	(287,423)
Distributions	(374,416)
Accrued distributions – prior year	70,065
Accrued distributions – current year	<u>(31,338)</u>
Fair value December 31, 2008	<u>\$ 1,242,834</u>

9. Estate of Fred W. Beazley

The Foundation is the residual beneficiary of the Fred W. and Marie C. Beazley Trust and Emergency Fund which was established on behalf of certain members of the Beazley family. The balance, if any, to be received by the Foundation after distributions to the family is not determinable at the present time.

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Beazley Foundation, Inc.

Supplementary Information

Years Ended December 31, 2008 and 2007

Beazley Foundation, Incorporated

Gifts and Grants Awarded

Years Ended December 31,	2008	2007
The Academy of Music	\$ 42,000	\$ 43,285
ACCESS College Foundation	75,000	95,000
African American Historical Society of Portsmouth, Inc.	25,000	-
An Achievable Dream	50,000	-
Angel Flight of Virginia	20,000	-
Atlantic Shores Christian Schools	25,000	25,000
Barrier Island Museum	-	25,000
Boy Scout Troop 207	-	1,500
Boys & Girls Club of Southeast Virginia	-	100,000
Brighton's Solid Rock, Inc.	50,000	-
Camp Holiday Trails	5,000	5,000
Cape Henry Collegiate School	-	25,000
Cavalier Manor Little League, Inc.	-	500
Cerebral Palsy of Virginia	-	15,000
Chesapeake Bay Academy	50,000	50,000
Chesapeake Bay Foundation	35,000	-
Chesapeake Care Free Clinic	-	17,293
Chesapeake, City of, First Judicial Circuit of Virginia	2,000	-
Chesapeake Health Foundation	-	100,000
Chesapeake Service Systems, Inc.	42,000	20,000
Child and Family Services of Eastern Virginia	-	20,000
Children's Center, The	-	34,220
CHIP/Healthy Families Chesapeake	-	37,528
Christ the King School	-	50,000
Christopher Academy	17,000	-
Christopher Newport University	-	10,000
Churchland Baptist Church	-	50
Churchland Middle School	1,500	-
Cornerstone Christian School	9,000	27,000
Crispus Attucks Cultural Center, Inc.	-	10,000
Eastern Virginia Medical School	10,000	10,000
Ecumenical Family Shelter (The Dwelling Place)	20,000	-
Edmarc Hospice for Children	3,715	50,000
Elizabeth River Project, The	-	50,000
Emily Green Shores	7,500	-
Equi-Kids Therapeutic Riding Program	-	25,000
Foodbank of Southeastern Virginia	5,000	14,000
ForKids, Inc.	71,000	-
Foundation Center	500	1,500
Friends of the Portsmouth Juvenile Court	-	8,370
General Douglas MacArthur Foundation	-	25,000
Genieve Shelter, The	-	25,000
Girl Scout Council of Colonial Coast	-	7,500
Subtotal	<u>566,215</u>	<u>927,746</u>

(Continued)

See accountants' report.

Beazley Foundation, Incorporated

Gifts and Grants Awarded

Years Ended December 31,	2008	2007
Subtotal forward	\$ 566,215	\$ 927,746
Girls, Inc.	-	54,525
Habitat for Humanity of South Hampton Roads, Inc.	50,000	-
Hampton Roads Committee of 200+ Men, Inc.	15,000	15,000
Hampton University	-	50,000
Help and Emergency Response	5,418	-
Historic St. Luke's Church	6,200	-
Hoffler Creek Wildlife Foundation	35,000	10,000
Holiday House	50,000	50,000
Hope House Foundation	25,000	60,000
Horizons - Hampton Roads Student Enrichment Program	5,000	-
Howard and Georgeanna Jones Institute for Reproductive Medicine Foundation	60,800	-
Ida Barbour Early Learning Center	15,000	2,500
Jacob's Ladder	36,850	36,850
Lee's Friends	-	8,000
Lynchburg College	-	10,000
Make-A-Wish Foundation of Eastern Virginia	-	12,500
National Institute for Learning Disabilities	15,000	-
National Maritime Center Foundation	-	20,000
National Ovarian Cancer Coalition	50	-
Nauticus	35,000	-
Norfolk Botanical Gardens	-	50,000
Norfolk Christian Schools	50,000	-
Norfolk Collegiate School	100,000	-
Norfolk Senior Center	-	25,000
Norfolk State University	-	50,000
Onesimus Ministries of Norfolk, Inc., The	8,589	10,000
Park Place Child Life Center	20,000	20,000
Park Place School	15,000	15,000
Park View Baptist Church	1,800	-
Philanthropy Roundtable	5,000	-
Places and Programs for Children, Inc.	-	69,896
Portsmouth Catholic Elementary School	49,700	-
Portsmouth Christian Schools	48,500	47,696
Portsmouth Humane Society	50	-
Portsmouth Museums	100,000	100,000
Portsmouth Public Schools - First College/TCC	-	18,372
Portsmouth Public Schools - Operation Biotechnology Institute Initiative	1,000	-
Portsmouth Public Schools - Sports	89,500	16,500
Portsmouth Schools Foundation	-	94,000
Portsmouth Self Sufficiency Project	-	68,879
Portsmouth Service League	1,250	1,250
Presbyterian Homes and Family Services, Inc.	25,000	-
Project Lifesaver International, Inc.	30,950	-
Railroad Museum of Virginia, Inc.	-	125,000
Salvation Army	44,604	-
Subtotal	<u>1,511,476</u>	<u>1,968,714</u>

(Continued)

See accountants' report.

Beazley Foundation, Incorporated

Gifts and Grants Awarded

Years Ended December 31,	2008	2007
Subtotal forward	\$ 1,511,476	\$ 1,968,714
Samaritan House	-	25,000
Seton Youth Shelters	25,000	-
Shenandoah University	-	5,000
Society for American Baseball Research	-	1,500
Society of St. Andrew	5,000	7,000
Southeast 4-H Educational Center	25,000	20,000
Southeastern Council of Foundations	11,500	6,000
Southampton Academy	-	20,000
Starbase-Atlantis	17,000	26,800
St. Mary's Home for Disabled Children	-	25,000
St. Matthew's School	5,000	-
Stonebridge School	11,000	20,000
Suffolk Center for Cultural Arts	-	1,500
Suffolk Foundation	-	10,945
Suffolk Meals on Wheels	5,000	7,500
Suffolk Shelter for the Homeless	-	25,000
Tidewater Chapter of the American Guild of Organists	-	1,500
Tidewater Community College Educational Foundation	15,000	15,000
Tidewater Drillers 10U Baseball	-	1,000
Tidewater Pastoral Counseling Services	20,000	7,500
Tidewater Winds	7,500	7,500
United Way of South Hampton Roads	40,000	30,000
Union Mission Ministries, The	125,000	125,000
Virginia Air and Space Museum	52,350	-
Virginia Aquarium and Marine Science Center	50,000	-
Virginia Arts Festival	-	7,500
Virginia Beach Rescue Squad Foundation	25,000	-
Virginia College Fund	50,000	50,000
Virginia Foundation for Independent Colleges	-	625,000
Virginia Legal Aid Society	-	50,000
Virginia Living Museum	25,000	-
Virginia Maritime Heritage Foundation	-	8,000
Virginia Sports Hall of Fame	50,000	-
Virginia Supported Housing	-	25,000
Virginia Wesleyan College	-	10,000
Virginia Zoological Society	125,000	125,000
Volunteer Hampton Roads	22,500	102,500
Western Tidewater Free Clinic	-	25,000
WHRO Foundation	48,000	-
Williams School, The	-	75,000
YMCA of South Hampton Roads	125,000	-
Zion Baptist Church	14,000	-
Total	\$ 2,410,326	\$ 3,460,458

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Beazley Foundation, Incorporated

Charitable Program Expenses

Years Ended December 31,	2008	2007
Beazley Senior Center		
Salaries and wages	\$ 224,802	\$ 205,000
Group insurance	58,138	53,646
Program supplies	44,314	37,759
Utilities	19,544	20,362
Payroll taxes	17,197	15,683
Repairs and maintenance	12,946	15,056
Depreciation	12,488	9,889
Other insurance	5,859	7,390
Office supplies	3,062	4,029
Taxes and licenses	2,595	2,396
Miscellaneous	605	392
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	\$ 401,550	\$ 371,602

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Beazley Foundation, Incorporated

Administrative Expenses

Years Ended December 31,	2008	2007
Deferred compensation expense	\$ 332,778	\$ 90,530
Salaries and wages	331,650	318,024
Group insurance	64,441	61,147
Pension plan contribution	50,212	45,992
Professional services	19,315	21,375
Payroll taxes	18,628	17,872
Office supplies	15,042	5,730
Depreciation	15,038	14,734
Travel	11,880	5,528
Utilities	10,809	9,969
Staff development	8,268	6,353
Repairs and maintenance	7,913	4,778
Investment management fees	6,425	124,085
Property taxes	6,018	5,375
Other insurance	5,379	7,112
Miscellaneous	1,542	1,355
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	\$ 905,338	\$ 739,959

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Beazley Foundation, Incorporated

Gifts and Grants - Cash Basis

Years Ended December 31,	2008	2007
Academy of Music, The	\$ 42,000	\$ 43,285
ACCESS College Foundation	75,000	95,000
African American Historical Society of Portsmouth, Inc.	25,000	-
An Achievable Dream	50,000	-
Angel Flight of Virginia	20,000	-
Atlantic Shores Christian Schools	25,000	25,000
Barrier Islands Museum	-	25,000
Boy Scout Troop 207	-	1,500
Boys & Girls Club of Southeast Virginia	-	100,000
Brighton's Solid Rock, Inc.	50,000	-
Camp Holiday Trails	5,000	5,000
Cape Henry Collegiate School	-	25,000
Cavalier Manor Little League, Inc.	-	500
Cerebral Palsy of Virginia	-	15,000
Chesapeake Bay Academy	50,000	50,000
Chesapeake Bay Foundation	35,000	-
Chesapeake Care Free Clinic	-	17,293
Chesapeake, City of, First Judicial Circuit of Virginia	2,000	-
Chesapeake Health Foundation	-	100,000
Chesapeake Service Systems, Inc.	42,000	20,000
Child and Family Services of Eastern Virginia	-	20,000
Children's Center, The	-	34,220
CHIP/Health Families Chesapeake	-	37,528
Christopher Academy	17,000	-
Christopher Newport University	-	10,000
Christ the King School	-	50,000
Churchland Baptist Church	-	50
Churchland Middle School	1,500	-
Cornerstone Christian School	9,000	27,000
Crispus Attucks Cultural Center, Inc.	-	10,000
Eastern Virginia Medical School	10,000	10,000
Ecumenical Family Shelter (The Dwelling Place)	20,000	-
Edmarc Hospice for Children	3,715	50,000
Elizabeth River Project, The	-	50,000
Emily Green Shores	7,500	-
Equi-Kids Therapeutic Riding Program	-	25,000
Foodbank of Southeastern Virginia	5,000	14,000
ForKids, Inc.	71,000	-
Foundation Center	500	1,500
Friends of the Portsmouth Juvenile Court	-	8,370
General Douglas MacArthur Foundation	-	25,000
Genieve Shelter, The	-	25,000
Girl Scout Council of Colonial Coast	-	7,500
Girls, Inc.	-	54,525
Habitat for Humanity of South Hampton Roads, Inc.	50,000	-
Subtotal	616,215	982,271

(Continued)
See accountants' report.

Beazley Foundation, Incorporated

Gifts and Grants - Cash Basis

Years Ended December 31,	2008	2007
Subtotal forward	\$ 616,215	\$ 982,271
Hampton Roads Committee of 200+ Men, Inc.	15,000	15,000
Hampton University	-	50,000
Help and Emergency Response (H.E.R.)	5,418	-
Historic St. Luke's Church	6,200	-
Hoffler Creek Wildlife Foundation	35,000	10,000
Holiday House	50,000	50,000
Hope House Foundation	25,000	60,000
Horizons - Hampton Roads Student Enrichment Program	5,000	-
Howard and Georgeanna Jones Institute for Reproductive Medicine Foundation	60,800	-
Ida Barbour Early Learning Center	15,000	2,500
Jacob's Ladder	36,850	36,850
Lee's Friends	-	8,000
Lynchburg College	-	10,000
Make-A-Wish Foundation of Eastern Virginia	-	12,500
Nansemond-Suffolk Academy	-	125,000
National Institute for Learning Disabilities	15,000	-
National Maritime Center Foundation	-	20,000
National Ovarian Cancer Coalition	50	-
Nauticus	35,000	-
Norfolk Botanical Gardens	-	50,000
Norfolk Christian Schools	50,000	-
Norfolk Collegiate School	100,000	-
Norfolk Senior Center	-	25,000
Norfolk State University	-	50,000
Onesimus Ministries of Norfolk, Inc., The	8,589	10,000
Park Place Child Life Center	20,000	20,000
Park Place School	15,000	15,000
Park View Baptist Church	1,800	-
Philanthropy Roundtable	5,000	-
Places and Programs for Children, Inc.	-	69,896
Portsmouth Catholic Elementary School	49,700	-
Portsmouth Christian Schools	48,500	47,696
Portsmouth Humane Society	50	-
Portsmouth Museums	100,000	100,000
Portsmouth Public Schools - First College/TCC	-	18,372
Portsmouth Public Schools - Operation Biotechnology Institute Initiative	1,000	-
Portsmouth Public Schools - Sports	-	16,500
Portsmouth Schools Foundation	89,500	94,000
Portsmouth Self Sufficiency Project	-	68,879
Portsmouth Service League	1,250	1,250
Presbyterian Homes and Family Services, Inc.	25,000	-
Project Lifesaver International, Inc.	30,950	-
Railroad Museum of Virginia, Inc.	-	125,000
Salvation Army	44,604	-
Samaritan House	-	25,000
Subtotal	<u>1,511,476</u>	<u>2,118,714</u>

(Continued)
See accountants' report.

Beazley Foundation, Incorporated

Gifts and Grants - Cash Basis

Years Ended December 31,	2008	2007
Subtotal forward	\$ 1,511,476	\$ 2,118,714
Seton Youth Shelter	25,000	-
Shenandoah University	-	5,000
Society for American Baseball Research	-	1,500
Society of St. Andrew	5,000	7,000
Southeast 4-H Educational Center, Inc.	25,000	20,000
Southeastern Council of Foundations	11,500	6,000
Southampton Academy	-	20,000
Starbase-Atlantis	17,000	26,800
St. Mary's Home for Disabled Children	-	25,000
St. Matthew's School	5,000	-
Stonebridge School	11,000	20,000
Suffolk Center for Cultural Arts	-	1,500
Suffolk Foundation	-	10,945
Suffolk Meals on Wheels	5,000	7,500
Suffolk Shelter for the Homeless	-	25,000
Tidewater Chapter of the American Guild of Organists	-	1,500
Tidewater Community College	213,972	-
Tidewater Community College Educational Foundation	-	309,174
Tidewater Drillers 10U Baseball	-	1,000
Tidewater Pastoral Counseling Services	20,000	7,500
Tidewater Winds	7,500	7,500
United Way of South Hampton Roads	40,000	30,000
Union Mission Ministries, The	125,000	125,000
Virginia Air and Space Museum	52,350	-
Virginia Aquarium and Marine Science Center	50,000	-
Virginia Arts Festival	-	7,500
Virginia Beach Rescue Squad Foundation	25,000	-
Virginia College Fund	50,000	50,000
Virginia Foundation of Independent Colleges	125,000	125,000
Virginia Legal Aid Society	-	50,000
Virginia Living Museum	25,000	-
Virginia Maritime Heritage Foundation	-	8,000
Virginia Sports Hall of Fame	50,000	-
Virginia Supported Housing	-	25,000
Virginia Wesleyan College - Scholarship	-	10,000
Virginia Zoological Society	125,000	125,000
Volunteer Hampton Roads	22,500	102,500
Western Tidewater Free Clinic	-	25,000
WHRO Foundation	48,000	-
Williams School, The	-	75,000
YMCA of South Hampton Roads - (returned)	125,000	-
Zion Baptist Church	14,000	-
Total	\$ 2,734,298	\$ 3,379,633

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