CREATING AN ENDURING SOURCE OF FUNDS FOREVER DEDICATED TO THE GOOD OF BERMUDA

ANNUAL REPORT 2015–16

WE’RE in it for GOOD

<table>
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<tr>
<th>Grants through donor &amp; central funds</th>
<th>$1,692,487 in grants &amp; disbursements facilitated</th>
<th>ETERNITY GIFTS</th>
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</thead>
<tbody>
<tr>
<td>Applications processed</td>
<td>$7.53 million total assets under management (June 30, 2016)</td>
<td>LEGACY GIVING</td>
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<td>Active funds &amp; programmes under management</td>
<td>Tracking &amp; analysing local giving data</td>
<td>FISCAL SPONSORSHIPS</td>
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<td>New funds in 2016</td>
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MESSAGE FROM THE CHAIRMAN & THE CEO

Dear Bermuda Community Foundation Partners,

The Foundation turned three in January, 2017—and we are happy to report that it’s still growing strong. Starting something new is always risky, but the way the Foundation is progressing is affirming early belief that this was the right model to secure a long-term future for Bermuda’s social sector. We won’t see the full benefits for another decade and a half, but we are heading in the right direction.

The model is not ground-breaking—the oldest community foundation is 102 years old—but it’s a novel concept for Bermuda where traditionally the private, government and corporate sectors have provided support for nonprofits.

Globally we are the new kid on the block, but we know we are holding our own in terms of progress. As part of a worldwide network, it’s encouraging to see how the community foundation movement continues to grow. Since the Bermuda Community Foundation (BCF) was established, community foundations have launched in Italy, Germany and Turkey. Looking at this network of more than 1300 similar organisations, it becomes increasingly clear that the model is tried and tested and it works.

But we do understand that many in our own community still need information, and we are making a concerted effort to keep donors and the social sector apprised. Our outreach efforts continue to grow, because there is nothing more harmful to a new concept than misunderstanding. It’s impossible for people to value what they don’t understand.

It will be a continuing process, because what we are now is not what we will be in, say, 20 years. Today, we are still building the endowment and given community needs, we are to a degree at times acting like a short-term charitable donor. But small donations for short-term assistance—and in some case urgent “fixes”—will not be the end game for the Bermuda Community Foundation. When we are fully formed, the invested funds will be directed towards strategic philanthropy designed to make inroads into some of our community’s greatest challenges, ultimately decreasing the need for actual “charity”. And this is how the Foundation will eventually have an impact on life in Bermuda.

Over the past year, we have:

◆ accomplished groundbreaking work through donor programmes and funds in addition to the Vital Signs Project research that will provide clearer data on the quality of life in Bermuda, specific fields of interest and grantmaking;
◆ been managing programmes and sponsorship funds for people who want to undertake special projects but don’t have the necessary infrastructure support;
◆ worked with donors to refine their giving strategies.

The BCF has also come through a tough accreditation process with flying colours. Against the six key community foundation accreditation markers, we performed well, achieving some major milestones:

1. Definition and Governance

   ◆ Accreditation by the UKCF Quality Assurance Panel, whose standards are at the highest international level, confirms that the BCF meets the highest criteria for performance, ethical and governance standards.
   ◆ “Meeting the Quality Accreditation Standards benchmarks is a rigorous, comprehensive process and in some areas, Bermuda’s community foundation is performing at what we consider beacon status levels”, says Gerald Coteman, representing the Accreditation Committee of UKCF.

2. Finance & Risk

   ◆ In the process of completing our 2015 audit representing the first full year of operation for BCF;
undergoing the extensive anti-money laundering and terrorist financing reporting processes.

3. Philanthropy & Donor Development

◆ Delivered two types of workshops to build philanthropic capacity in the sector—the donor-focused “Assessing grant applications”, and for nonprofits “Crafting a successful grant application”
◆ Approved the first grants from donor-directed funds at BCF and the BCF central endowment fund.

4. Grantmaking & Community Investment

◆ The strategy at this stage is to do a lot with little. In this context, we have focused on capacity-building grants, supporting development and assisting in design of the Nonprofit Executive Leadership Capacity Building and IT Leader Study Tour.

5. Community Engagement & Communications

◆ Commissioned reports on the state of early childhood in Bermuda, race relations and the history of the Diversity Institute of Bermuda
◆ Launched the ‘constructive social conversation’ blog, TalkWell Bermuda
◆ Funded a donor forum on public education transformation, culminating in a field visit by Dr Jeremiah Newell (Mobile Education Foundation) to support development of Bermuda’s National Education Plan.

6. Vision and Corporate Assessment

◆ Refined grant-making processes and increased capacity to execute specific investor requests
◆ Served as the community philanthropy representative on the Bermuda National Standards Committee, which certifies and accredits nonprofits.
◆ In response to a request from a major community donor, provided advice and data which resulted in a material change in their strategic approach to philanthropy.

For 2017, our primary objectives will be to:
◆ Produce Bermuda’s first Vital Signs comprehensive report on key quality of life indicators. Using statistics and opinions to provide a community ‘health check’ on what is going well and where more work needs to be done. BCF will use this report to determine areas of work that need our support and how best to fund local organisations delivering important services.
◆ Populate GiveBermuda.org with updates on critical social issues and the nonprofits that are addressing them
◆ Review and streamline our grantmaking support programmes to improve operational efficiencies, ensuring our expertise and resources are allocated in valuable ways.

As an independent, philanthropic organisation, the BCF provides an effective vehicle for fund holders and philanthropists to provide a legacy for the long-term betterment of their community. Even in these early days, we are attracting and developing endowment funds by helping donors fulfill their philanthropic interests. We are also providing leadership in identifying and addressing significant community charitable priorities.

Your support is much appreciated and highly valued; thank you.


P E T E R  D U R H A G E R , C H A I R M A N

Giving by strategic area

Youth Achievement and Community-Based Education
$842,597
Strategy: Ensuring that community members, particularly youth living at or below the poverty line, have access to enriching educational and extracurricular opportunities that encourage career interests, mentoring relationships and the development of leadership skills.

Arts for All and Bermuda’s Heritage
$36,500
Strategy: Advancing arts and culture initiatives—investment organisations that provide access, enlightenment and enjoyment for people of all ages, backgrounds and abilities to artistic, cultural and historical programming—in schools, community centres, museums, institutes and public spaces.

A Caring Community
$475,067
Strategy: Support for programmes, services and research that improve the lives of families, seniors, the disabled and other vulnerable residents (including animals) who face immediate or longer-term threats of hunger, homelessness, isolation or unmet health and social needs.

Charitable Infrastructure, Community Development & Capacity Building
$221,927
Strategy: Stabilizing and strengthening Bermuda’s nonprofit organisations and neighbourhoods with personal and community development programmes, sports and recreation, community empowerment, and planned growth initiatives.

The Green and Blue Community
$116,396
Strategy: Protecting and enhancing the environment, both marine and terrestrial, for the health and enjoyment of the community. This includes preservation, education and advocacy programmes aimed at short and long term conservation of Bermuda’s land, sea and their biodiversity.

BCF reviewed 196 grant applications resulting in upwards of 126 grants.

Donor funding:
- Resourced the human service sector with $86,500 to go towards providing critical social services such as food, emergency shelter and counselling
- Helped to create an employment database that will see an increase in 1,000 future jobseekers
- Enabled eight nonprofits and entrepreneurs to gain a small business management qualification
- Helped more than eight unemployed and under-employed people into jobs and better employment
- Improved the health and well-being of seniors, people with mental health challenges and people with disabilities
- Improved the performance outcomes of students by providing free breakfast

SUPPORT BY CORE MISSION

450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0

Animal Protection & Welfare
Arts & Culture
Civil Rights/Liberties
Community improvement & capacity building
Early childhood development
Education or Literacy
Environmental
Health
Housing
Human Services
International
Job training/career development
Mental Health & Crisis intervention
Organizational development & training
Recreational & Youth
Religious/Other
Youth Development

= 2014–15
= 2015–16
Supporting effective responses to local needs is at the core of most community foundations’ work.

By identifying high need areas, strong performance and thoughtful approaches to addressing social problems, BCF facilitated over 70 grants to nonprofits—and directly supported three active programme fund committees to deliver on their goals.

Adding to Knowledge and Civic Discourse—Community foundations are often a source of new information, ideas and solutions needed for social innovation. They can help citizens understand larger trends and identify problems, conduct sophisticated research and analysis and serve as a catalyst or forum for discussion and debate.

On launching the new online donations and social information platform, we held information sessions for nonprofits, sharing our philosophy on shared infrastructure, evidence-based work using GiveBermuda.org to ultimately deepen sector knowledge.

Emerging community foundations with modest annual incomes and more established philanthropies are proving that even small monetary awards can have an outsized influence.

Training, technical assistance, consultative services, research, site visits, benchmarking—these are among the tools provided by community foundations to enhance the capabilities of nonprofit organisations and governmental entities and thus strengthen civil society.

Nonprofit Executive Leadership Programme. Pilot project funding for this innovative and necessary programme for emerging leaders of nonprofits.

Community foundations are often a source of new information, ideas and solutions needed for social innovation. They can help citizens understand larger trends and identify problems, conduct sophisticated research and analysis and serve as a catalyst or forum for discussion and debate.

“Zero to Three: What further role can philanthropy and government play to support early childhood development?” With donor support, we published this report on early childhood in Bermuda, race relations and the history of the Diversity Institute of Bermuda.

Cushioned from both political pressure and bottom-line expectations, community foundations are well positioned to risk backing creative new ideas, experimental programmes and bold social ventures.

The Integrated Grants Management System is now one of the foundation’s two tools for gathering information on the good work nonprofits are doing. GiveBermuda.org has also been launched and will serve as a platform for sharing social issue information on Bermuda with donors and nonprofits.

Strengthening Capacities

Emerging community foundations with modest annual incomes and more established philanthropies engaged in grassroots grant-making are proving that even small monetary awards can have an outsized influence.

Small grants for youth development initiatives, a reading festival, a music festival—all help to round out support to broad-based community initiatives.

As top-down decision making is often counterproductive, identification and development of grassroots leaders who can contribute to the crafting, resourcing and execution of civic betterment plans is a necessity.

The Nonprofit Executive Leadership Programme yields multiple outcomes! The need to train innovative emerging and new leaders is becoming a reality as the sector matures.
Education is a preeminent concern of the community foundation movement. At every step along the path from early childhood to productive citizenry, foundations can be counted on to offer educators and mentors programmatic, administrative and technological support. Dedicated to ensuring every child achieves at the highest level, they are advocates or catalysts of education reform.

Funders interested in education convened and later funded the Public Education Transformation initiative, culminating in a field visit by Harvard graduate, Dr. Jeremiah Newell (Mobile Education Foundation), to support the development of Bermuda’s National Education Plan.

‘Community foundations do not exclusively focus on solving problems. They also look for ways to help their communities make the most of advantageous moments’
Endowments, also known as legacy and eternity gifts, are customised to closely match or meet a benefactor’s charity giving requirements, through a component fund structure. The varied charitable interests and causes, mapped together, begin to create a patchwork of sustainable funding vehicle for the social sector. Funding for similar causes is sometimes grouped together to narrate the support for charitable areas. Consequently, where funding gaps and trends emerge in areas of priority and need, investment returns from the central endowment fund can begin to augment and fill these gaps. As the endowment grows, the capacity for larger-scale funding increases.

Pioneering Gifts—Central Endowment & Operating Funds

In the 1800s when community foundations were established in the United States and in the 1920s, when community foundations were first established in Canada, the founding individuals could not have foreseen the challenges and problems facing communities 90 to 100 years later. The power of an unrestricted gift allows community foundations to provide grants to nonprofit causes working in areas of need that have a profound impact on the community at large. The growth of BCF’s central operating and endowment funds reflect a brand of smart, caring and pioneering giving.

Why? Philanthropy is being called to reinvent itself in a way that is smart and future-focused—the CF concept is not dissimilar to the establishment of what are now Bermuda’s sustaining industries (insurance and reinsurance): to build a Bermuda that holds promise for everyone and will last far into the future.

Founding Gifts—BCF Central Endowment & Operating Funds

- The Atlantic Philanthropies
- RenaissanceRe
- Buchanan Charitable Fund
- Bloomberg Philanthropies

Operating contributions from the XL Foundation, Hemera Foundation, Meritus Trust Company and private individuals and families have also been greatly appreciated.

‘The power of an unrestricted gift allows community foundations to provide grants to nonprofit causes working in areas that have a profound impact on the community at large’

‘Philanthropy is being called to reinvent itself in a way that is smart and future-focused to build a Bermuda that holds promise for everyone and will last far into the future’
**Funds at BCF**

**ENDOWMENTS**

**Legacy Funds**
- CV Zuill Family Fund 2013
- Durhager Family Fund 2013
- National Dance Foundation Designated Fund 2013
- O’Hara Family Fund 2013
- Quig Family Fund 2013
- De Weg Fund 2014
- Joan Darling Memorial Fund 2014
- RenaissanceRe Charity Challenge 2014
- Williams Legacy Fund 2014
- Family Centre (The) Designated Fund 2015
- Toogood Family Fund 2015
- Irene Dale Memorial Fund 2016

**Field-of-Interest Funds**
- BCF Bermuda Youth Development & Football Consortium 2013
- BCF Key Capacity Building for Social Change 2013
- Diversity Initiatives Fund 2013
- Financial Sustainability and Streetwise MBA Project 2013
- BCF Read Write Bermuda Campaign Fund 2014
- Ida James Memorial Fund for Social Work 2014
- Aspen Bermuda Fund 2015
- BCF Gender Project Fund 2015
- BCF Technology Leader Study Tour Fund 2015
- CEO Designated Fund 2016

**Agency Funds**
- Bermuda High School PTA Excellence Prize Fund 2013
- Bermuda Debate Society Agency Fund 2014
- Bermuda Audubon Society Agency Fund 2015
- Family Centre (The) Agency Fund 2015

**Community Investment Funds**
- BCF Critical Community Needs 2013
- BCF Emergency Assistance Programmes Fund 2013
- BCF Medical Assistance Support Programmes Fund 2013
- BCF Memorial Fund 2013
- BCF Scholarships Programme Fund 2013

**OPERATING FUNDS**

**Programme Funds**
- Buechner Society of Bermuda Fund for Family Literacy and Literature 2014
- America’s Cup Endeavour Community Sailing Fund (Legacy) 2015
- CVZ Designated Gifts Fund 2015
- La Leche League Bermuda Agency Fund 2015
- National Dance Foundation Programme Fund 2015
- Red Bull Youth Americas Cup Team BDA 2015
- TEDxBermuda 2015
- A Piece of the Rock 2016
- AP Employee Designated Gift Fund 2016
- Bermuda Principles Legacy Programme Fund 2016
- The Oxford University Bermuda Race & Resistance Conference Fund 2016

**Fiscal Sponsorship and Campaign Funds**
- Bermuda Donor Forum 2015
- BCF Fiscal Sponsorships 2016
- Friends of BCF Fiscal Sponsorships 2016
- Bermuda Environmental and Sustainability Taskforce Campaign 2016
- Stand with Congo Campaign: Hamilton Rotary Club 2016

**Managed Programmes and Advisory Services**
- Early Childhood Development Project and Research Fund 2013
- Hemera Foundation Fund 2013
- Atlantic Philanthropies Fund (The) 2014
- Bridge Charitable Trust Charitable Fund 2014
- RenaissanceRe Charitable Fund 2014
- TalkWell.Org 2015

We work with individuals, families, and organisations having different charitable interests, as well as unique financial circumstances, to create philanthropic opportunities that support the charitable causes important to them. Their funding interests span the sub-sectors, creating an interconnected network of support.

For more information and details on donor-advised gift options, go to www.bcf.bm
### The strategy for change

#### INCREASED PHILANTHROPIC RESOURCES AND CAPACITIES

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<th>ROBUST, MULTI-PURPOSE PHILANTHROPIC INFRASTRUCTURE</th>
<th>FIT-FOR-PURPOSE, ADVANCED TECHNOLOGY</th>
<th>PROVEN FUND INVESTMENT STRATEGIES</th>
<th>DEEP SECTOR KNOWLEDGE</th>
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</thead>
<tbody>
<tr>
<td><strong>1. Build and operate the community foundation</strong></td>
<td><strong>2. Fund development/build permanent endowments</strong></td>
<td><strong>5. Online donations and individual campaigns</strong></td>
<td><strong>3. Manage and invest funds</strong></td>
</tr>
<tr>
<td>Platform for structured, sustained giving addresses ever-changing sector and social needs</td>
<td>Planned and legacy gifts become a sustaining nonprofit revenue stream</td>
<td>Simplified, more efficient, more accessible giving and fundraising systems enhance transactions</td>
<td>Donor decisions are influenced by data and metrics; better access to information on social programmes</td>
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<tr>
<td>Pooled investment portfolio yields returns while segregated accounting ensures that funds go to intended purposes</td>
<td>Shared philanthropic services/systems reduce fees; improve efficiencies, increase and diversify investments in effective solutions to problems</td>
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#### Permanence
- Local giving

#### Endurance
- Lasting giving

#### Effectiveness
- Easier giving

#### Quality
- Smarter giving

#### Growth
- More funding

#### Efficiency
- Less waste

Community philanthropy exists as a practice in Bermuda: it positively impacts how giving is done (donor’s philanthropic wishes are respected; giving is impactful); how the philanthropic environment is experienced (accessible, equitable) and how the sector is sustained.
OUR TEAM

BCF Board of Directors
Peter Durhager, Chair
Amanda Outerbridge, Communications
Michael Brace, Investment
Brian O’Hara, Ambassador Relations
Michael Schrum, Treasurer
Nikkita Scott, Technology
Myra Virgil, Assistant Secretary

Investment Committee & Advisory Support
Alexander Cutler, Orbis Investment Management Limited
Todd Fonner
William Gray
Strategic Advisors
Sarah Cooke
Frank Mutch
Cummings V. Zuill
Charles Gosling

BCF Central Endowment & Operating Fund Donors
The Atlantic Philanthropies
Buchanan Charitable Fund
RenaissanceRe
Bloomberg Philanthropies
XL Foundation
Hemera Foundation
Meritus Trust Limited
Bridge Charitable Trust
Walter & Mary Scott Foundation
Michael Brace
Elizabeth Cart
Lisa Dobberteen
Anonymous Individual Contributors

We would also like to acknowledge the
Friends of Bermuda Community Foundation Board
Myra Virgil, President
Robin Masters, Vice President
William “Bill” Holmes, Secretary
Peter Logie, Volunteer Accountant
Sarah Cooke, Volunteer – Advisor

GET IN TOUCH
Bermuda Community Foundation
Sterling House, 16 Wesley Street, 4th Floor, Hamilton, Bermuda HM 11

FOUNDING INVESTORS

The Atlantic Philanthropies
Buchanan Charitable Fund
RenaissanceRe
Bloomberg Philanthropies

With contributions from XL Foundation, Hemera Foundation, and Meritus Trust Limited and private individuals

A community foundation is an independent grantmaking organisation comprised of permanent and component funds established by many donors to carry out their charitable interests for the broader interests of and benefit of local residents and to offer a solution to simply charitable giving.