



THE
VIRGINIA G.
PIPER
CHARITABLE TRUST



ANNUAL REPORT 2003



TABLE OF CONTENTS	
TRUSTEES' MESSAGE	2
PRESIDENT'S MESSAGE	4
GRANTS	
CORNERSTONE	11
HEALTHCARE AND MEDICAL RESEARCH	11
CHILDREN	11
ELDERLY	18
EDUCATION	19
ARTS AND CULTURE	20
RELIGION	22
PIPER FELLOWS	22
OTHER	22
FINANCIAL STATEMENTS	28

The Virginia G. Piper Charitable Trust is the legacy of a remarkable philanthropist who was committed to making her community more humane, compassionate and creative. Virginia Critchfield, born in 1911, grew up in Chicago. She was intellectually curious, creative, musical and known for her grace and good spirits. Grounded in the solid, unpretentious ideals of the Midwest, she learned about philanthropy from her first husband, Paul V. Galvin, the founder of Motorola. During their life together they lived in Evanston, Illinois and focused their philanthropy in the Midwest. They also began to spend significant time in Arizona when Motorola expanded its operations into the Southwest. When he died in 1959, Paul left Virginia the opportunity to become the conscientious

steward of his philanthropy and to preserve the tradition of giving he had established. She eagerly accepted this responsibility, and it became her life's work for the next 40 years.

In 1969, she married Kenneth M. Piper, Vice President of Human Resources at Motorola, and moved to Paradise Valley, Arizona. Their life was happy and fulfilling as Virginia began to explore opportunities for philanthropy in her newly adopted state. After Ken's death in 1975, Virginia plunged herself even more deeply into philanthropy. She continued to focus on the core areas that Paul Galvin had devoted himself to during his lifetime: healthcare and medical research, children, the elderly, education, the arts and religious institutions—areas of interest she carried directly to her own charitable trust.



VIRGINIA G. PIPER

Virginia was a woman with a purpose. She did not simply write checks to worthy organizations; she went on site visits and asked hard questions about construction plans, strategic goals and programmatic priorities. She handled all of her own correspondence, spending hours at her desk writing to scholarship recipients, gently but clearly turning down many requests for funding, and happily following the progress of organizations she had funded.

The hallmarks of her life were her Catholic faith, philanthropic commitment and personal compassion. In reflecting on her work, she observed, "For me, managing the stewardship of charitable giving is a moment-to-moment dignified responsibility of a truly high calling in human affairs and human relations."

Virginia lived in Paradise Valley until her death in 1999.



MESSAGE FROM THE TRUSTEES

THE BEGINNING

In the summer of 1999, following Virginia Piper's death in June, we as Trustees began to build the foundation that she had envisioned. We knew she wanted it to serve the community where she had lived for nearly 30 years and to focus on six core areas: healthcare and medical research, children, the elderly, education, arts and culture, and religious institutions. As personal friends, as a family member, and as avid supporters of her work, we had the opportunity to witness Virginia's stewardship over the years. Now we had the great privilege to become stewards ourselves.

The next 12 months saw critical elements of the Trust take shape—securing office space, structuring the Trust's investment portfolio and launching a national search for a CEO. We mourned the loss of Trustee Robert A. Williams, Jr. and welcomed Arthur DeCabooter as the fourth Trustee. We announced the appointment of Judy Jolley Mohraz, President of Goucher College, as the first President and CEO of the Trust in June 2000.

What transcended all of these important milestones was our conviction that we must follow Virginia's lead not only in the values she embodied but also in her approach to grantmaking which represented disciplined work as well as a sense of high calling. Her investments were always strategic, and she took delight in grant recipients' ability to deliver better services or a finer performance.

On December 7, 2000, to honor Virginia on her birthday, we awarded a total of \$41 million in Cornerstone Grants to eight organizations she was particularly devoted to in her lifetime—the Boys and Girls Clubs of Scottsdale, Brophy College Preparatory, The Phoenix Symphony, the Roman Catholic Diocese of Phoenix, Scottsdale Center for the Arts, Scottsdale Healthcare, Society of St. Vincent de Paul and Xavier College Preparatory. The grants were an opportunity to recognize the excellence of these institutions while strengthening them for continued roles of leadership in the community.

LISTENING AND LEARNING

Virginia's extraordinary ability to listen and to learn about new programs and promising organizations was unequalled. We recognized that we, too, had to listen to the needs of the community before grantmaking guidelines could take shape. Over the fall and winter of 2000-2001 the Trust held 13 Community Conversations, drawing together a cross section of more than 200 leaders in education, health, arts and culture, children's services and

the elderly from across the Valley. Out of those meetings, patterns and themes emerged that helped determine the principal focus for the early years of grantmaking. The Trust went back to the community in the summer of 2001, now strengthened by a full staff, to present the guidelines with the goal of making the grantmaking process as clear as possible.

In addition, the community conversations with nonprofit executives convinced us that the Trust should provide sabbaticals for overworked but gifted leaders throughout the charitable community. As a result, the Trust announced the Piper Fellows Program and five fellows were selected in 2001 and two more in 2002. This program recognizes the contribution of exemplary nonprofit executives and helps them maintain their professional vitality and effective leadership.



JAMES D. BRUNER

GRANTMAKING FOR THE EARLY YEARS

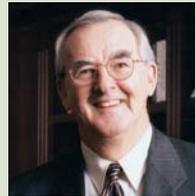
While mindful of the six core areas, the Trust has identified strategic initiatives that cut across the core areas and address critical points in the life cycle: early childhood, adolescence and old age. In the realm of arts and culture, the Trust believed it could best invest in efforts to strengthen organizational infrastructure.

These initiatives are becoming better developed each year as collaborations arise and the Trust partners with local, regional, state and national organizations. We also put a premium on evaluating our grantmaking activities and the overall operations of our organization, seeing it as essential to effective grantmaking and positive, long lasting change.

With the Trust's investment of over \$69 million in the past three years, we hope to help children flourish, youth succeed and the elderly to lead active fulfilling lives. We are committed to expanding quality healthcare and providing opportunities for arts and culture to nurture all of our community's residents.



PAUL N. CRITCHFIELD



ARTHUR W. DECABOOTER



LAURA R. GRAFMAN

LOOKING TOWARD THE FUTURE

Through her generosity, Virginia Piper touched the lives of thousands of people. Because of thoughtful planning, her legacy will continue far into the future. As Trustees, we feel Virginia's presence all the time. Hers is a legacy of great strength and great values, and we are working diligently to pass all of that along to those with whom we come in contact. Virginia would have expected nothing less.



MESSAGE FROM THE PRESIDENT

Virginia Piper witnessed a massive transformation of her community over the nearly three decades that she lived in Maricopa County. Arriving in the early 1970s, she settled in a county with less than a million residents. By the time of her death in 1999, Maricopa County boasted a population of over three million. This phenomenal growth was matched by the increasingly rich ethnic and cultural diversity of a border region. In those same decades, small East Valley farming communities like Mesa exploded into cities larger than the city of Pittsburgh. In the West Valley, fertile agricultural land grew houses rather than crops. And Phoenix, the largest of the 27 cities and towns of the county, became the sixth largest city in the nation.

While Virginia did not regularly crisscross the 9200 square mile county, she understood that the needs of this region were growing exponentially along with the population. She embraced new visions of nonprofit leaders to make this a stronger, more livable community. She supported the first family health center in North Scottsdale at a time when few residents ventured as far north in the desert as Shea Boulevard. She directed a major gift to South Scottsdale for an afterschool program for low-income children when most people did not yet understand how poverty and distress could exist in a suburb recognized for its affluence. She helped establish an African American church in South Phoenix. Her fingerprints were on innovative fundraising ideas for nonprofits as they mounted ambitious campaigns to bring expanded services and new structures to the Valley.

She was a partner, an educator and a committed community problem solver as well as a philanthropist. And she offered her own form of technical assistance as she pressed organizations to reach new standards of performance and embrace more effective practices.

At the charitable trust that bears her name, we will follow her lead. The beauty of a place-based foundation is that it can knit itself into the community through direct, hands on engagement. The Trust can convene, educate and work as a catalyst for change as well as award grants. To serve in these capacities, however, we must understand community issues and forge relationships of trust. We must build collaborations with other foundations, community organizations, businesses and the public sector.

A COMMUNITY PARTNER

In the Community Conversations held prior to developing the grantmaking initiatives, we heard that community interventions were overwhelmingly reactive, particularly to crises. Far fewer dollars were invested in



THE VIRGINIA G. PIPER CHARITABLE TRUST STAFF FROM LEFT TO RIGHT: MARY JANE RYND, KARIN BISHOP, AUDREY BEARDSLEY, ANGELICA DELGADILLO, MICHELLE KILEY, JUDY JOLLEY MOHRAZ, WAYNE PARKER, CAROL KRATZ, IVELISSE LOPEZ-GONZALEZ, LYNN HOFFMAN, MARILEE DAL PRA, LESLEE OYEN



prevention. We learned that planning and informed public policy is especially difficult in the Valley because of the highly transient population and the lack of comprehensive baseline data.

Agencies wanted fundraising, marketing and technology assistance, program evaluation, endowment, challenge grants and multi-year grants. They hoped we would not focus solely on new programs or fund programs that smacked of the “flavor of the year.”

We have tried to remember those admonitions as the Trust made 389 grants by the end of the 2003 fiscal year. We are also hopeful that the areas we have chosen to concentrate our early years of grantmaking on will serve as building blocks for a stronger, healthier community.



EARLY CHILDHOOD

We can think of no preventive efforts that have a greater return on investment than early childhood programs to support the healthy physical, social and intellectual development of infants and young children. Whether it is a program that better trains pediatric residents to understand developmental issues in the babies they treat or it is a program that works with parents anxious to help their children get ready to succeed in preschool and kindergarten, we believe we are investing not only in the

future of these individuals but also in the economic and social well-being of this community. The Trust sees a direct line between this early childhood initiative and efforts to improve the state’s disturbingly low high school graduation rate.



YOUTH

At few points in life are humans more vulnerable than during adolescence. Healthy or unhealthy choices made in these years can determine how individuals will fare for the rest of their lives. While the hours in school are important, we recognize that the out-of-school hours offer special opportunities for academic and social mentoring. Those experiences can reinforce strong self images and encourage productive goals. As troubling statistics reveal, those hours can also lead to risky behavior and unfortunate decisions. The Trust looks for organizations and programs that will enrich preteen and teenagers’ lives and offer them the opportunity to mature through safe, affirming and healthy experiences.



ELDERLY

A philosophy of prevention marks this initiative as the Trust seeks to support programs to help older citizens maintain independence and civic engagement. We recognize that centers serving seniors will look different as people live longer and remain more active. Consequently, we are especially pleased with the work of a variety of community organizations that are rethinking what older citizens need and what new “Life Options Centers” will offer. As a result of this collaborative work, we believe Maricopa County may offer models for the rest of the nation in the coming years.



ARTS AND CULTURE

Initially the Trust will support projects that strengthen the fiscal stability of arts and culture organizations. We are pleased with the grants we have made in marketing, technology, strategic planning and fund development. We are even more hopeful about the result of the collaborative efforts with three other foundations to establish a Maricopa Regional Arts and Culture

Task Force. This Task Force of community leaders will recommend strategies to position the arts squarely in the economic development plan for the region and create a new regional vision for the arts and culture sector.

THEMES THAT TRANSCEND INITIATIVE AREAS

Through all of these initiative areas, we look for opportunities for the Trust to collaborate in the same way we encourage nonprofits to forge strategic partnerships. We focus on evaluating the effectiveness of our own work at the same time that we undertake evaluations of many of our grants.

Most importantly, we look for opportunities that have long-term, transformational potential in a community that is at a pivotal moment in its development. Given the unflagging growth projected throughout



Maricopa County—best estimates suggest Maricopa will be home to nearly five million people by 2025—the community faces choices today that will determine whether it can compete nationally and internationally in the economic realm.

Together, the public, private and philanthropic sectors can develop the services and infrastructure to ensure that this is a community where intellectual and creative capital flourish, and all residents have the opportunity to thrive. Or we can witness the emergence of an unmanageable community recognized neither for its quality of life nor its economic competitiveness. We believe the choice is clear and the needs are urgent. The Trust wants to be a partner in defining the future of this community—it is our home, and this is the Trust’s calling.



Good Shepard Villa
resident utilizes
community library



GRANTS AWARDED





Crockett Elementary
School Head Start
Program participants

CORNERSTONE

Boys & Girls Clubs of Scottsdale

www.bgcs.org
December 2000
\$1,000,000 to support the Virginia G. Piper Gymnasium at the Thunderbird Unit at Greyhawk and increase the Virginia G. Piper Endowment of the Boys & Girls Clubs of Scottsdale.

Brophy College Preparatory

www.brophyprep.org
December 2000
\$5,000,000 to support The Virginia G. Piper Center for Math and Science.

The Phoenix Symphony

www.phoenixsymphony.org
December 2000
\$3,000,000 to endow the Virginia G. Piper Music Director's Chair.

Roman Catholic Church of Phoenix

www.diocesephoenix.org
December 2000
\$10,000,000 to support the Virginia G. Piper Chapel at the new downtown Diocesan Center and projects that serve the needs of youth in the community.

Scottsdale Center for the Arts

www.scottsdalearts.org
December 2000
\$1,000,000 to endow the 800-seat Virginia G. Piper Theater.

Scottsdale Healthcare Foundation

www.shc.org
December 2000
\$15,000,000 to support the Virginia G. Piper Cancer Center at Scottsdale Healthcare Home of the Arizona Cancer Center, Greater Phoenix Area.

Society of St. Vincent de Paul

www.stvincentdepaul.net
December 2000
\$1,000,000 to support the Virginia G. Piper Dental Clinic.

Xavier College Preparatory

www.xcp.org
December 2000
\$5,000,000 to support the Virginia G. Piper Performing Arts Center.

HEALTHCARE AND MEDICAL RESEARCH

The Beatitudes Campus of Care

www.beatitudescampus.org
February 2002
\$500,000 for a challenge grant to support a campaign to renovate the organization's retirement community.

The Crisis Pregnancy Centers of Tucson

www.wpctucson.com/cpc
August 1999
\$5,000 toward its annual fund.

The Crisis Pregnancy Centers of Tucson

www.wpctucson.com/cpc
June 2002
\$30,000 to support programs for pregnant and parenting women in the Tucson area.

Human Services Campus, L.L.C.

www.maricopa.gov/fmd/reports/hscdoc020125.pdf
November 2002
\$1,000,000 to support a major community collaborative project to develop a multi-agency service delivery model for homeless and low-income people.

Mission of Mercy

(602) 424-7171
February 2002
\$100,000 to support an existing mobile clinic which provides medical services to people with no access to healthcare and to establish a new clinic in 2002.

Mobile C.A.R.E.

(773) 890-7130
June 2002
\$50,000 to strengthen mobile medical services for children with asthma in Chicago, Illinois.

Phoenix Children's Hospital Foundation

www.phoenixchildrens.com
February 2002
\$2,000,000 to support a capital campaign for the new Children's Hospital.

The Translational Genomics Research Institute (TGen)

www.tgen.org
April 2002
\$5,000,000 to support a statewide public/private collaboration to establish The Translational Genomics Research Institute (TGen) and to attract the International Genomics Consortium.

The Tremble Clefs Arizona Chapter, National Parkinson's Foundation

(480) 838-4658
February 2002
\$32,000 to support a choral music program to assist Parkinson's patients strengthen their voices and participate in positive social opportunities.

CHILDREN

AIDS Project Arizona

www.apaz.org
February 2002
\$75,000 to strengthen programs for social and educational assistance to children in families affected by HIV.

Alhambra School District

www.alhambra.k12.az.us
February 2002
\$10,000 to support a program in the Alhambra School District to transport children to Society of St. Vincent de Paul for preventive and restorative dental care.

Alhambra School District

www.alhambra.k12.az.us
February 2003
\$10,000 to continue support of a program to transport children to Society of St. Vincent de Paul for preventive and restorative dental care.

All-Star Kids Tutoring

www.askt.org

June 2002

\$10,000 to strengthen an afterschool tutoring program that provides reading support to at-risk elementary school children in the Valley.

American Heart Association

www.americanheart.org

November 2002

\$100,000 to implement the CPR in Schools Program in 15 public schools in Maricopa County.

Arizona Community Foundation

www.azfoundation.org

June 2002

\$100,000 to provide a portion of the matching funds for the Child Abuse Prevention License Plate Program which provides funding to agencies serving children and families.

Arizona Friends of Foster Children Foundation

www.affcf.org

February 2002

\$60,000 to support enrichment courses, field trips, extracurricular activities, tutoring, mentoring and other opportunities for youth in foster care.

Arizona Humane Society

www.azhumane.org

November 2002

\$25,000 to support the Stardust Equestrian Therapy Program, an alternative therapeutic opportunity for youth.

Arizona Humanities Council

www.azhumanities.org

June 2002

\$50,000 to support Motherhead, a family literacy program serving children ages 6-12 in Maricopa County.

Arizona Recreation Center for the Handicapped

www.archaz.org

February 2002

\$200,000 in support of a capital campaign for a recreation and sports complex in Alhambra, providing programs for developmentally, physically and emotionally disabled individuals.

Arizona State University

www.asu.edu

February 2002

\$100,000 in support of a collaborative effort headed by ASU's Infant Child Research Program to make at-risk preschoolers better prepared to learn when they enter school.

Association for Supportive Child Care

www.asccaz.org

February 2002

\$150,000 to strengthen organizational development efforts in order to expand programs improving the quality of child care in Arizona.

Association of Arizona Food Banks

www.azfoodbanks.org

December 2001

\$225,000 to support transportation needs for The Arizona Gleaning Project to acquire and deliver 15 million pounds of donated fresh produce to food banks in Maricopa County.

Back-To-School Clothing Drive Association

www.backtoschoolclothing

drive.com

June 2002

\$30,000 to support a program that provides school uniforms for children of low-income families in the Valley.

Big Brothers Big Sisters of Central Arizona

www.bbbsaz.org

February 2002

\$300,000 toward the recruitment of hundreds of new volunteers to serve as one-on-one mentors for youth throughout Maricopa County.

Boys & Girls Clubs of Metropolitan Phoenix

www.bgclubs-phx.org

August 2002

\$500,000 to renovate the pool area of the Rosenzweig Branch into a teen center and support afterschool and summer teen programming.

Boys & Girls Clubs of Scottsdale

www.bgcs.org

November 2002

\$750,000 to support a capital campaign to build a new club in Fountain Hills and develop a leadership program that will be implemented in all its clubs.

Boys & Girls Clubs of the East Valley

www.clubzona.org

February 2002

\$500,000 to support a capital campaign for a new Boys and Girls Club in Gilbert that will expand programs for teens in the East Valley.

Camp Fire Council of Greater Arizona

www.campfireaz.org

June 2002

\$5,000 to support the Council's Counselor-in-Training program.

Camp Fire Council of Greater Arizona

www.campfireaz.org

March 2003

\$250,000 to support a capital campaign to renovate and repair Camp Wamatochick, Arizona's oldest continually-operated youth camp.

Centro Adelante Campesino, Inc.

(623) 583-9830

February 2002

\$35,000 to support a new tutoring and mentoring program in Surprise that pairs retired citizens with Hispanic youth.

The children from Centro Adelante Campesino benefit from both mentoring and tutoring provided by Surprise and Sun City retirees.



Chandler Christian Community Center

(480) 963-1423

June 2002

\$10,000 to purchase a replacement vehicle to pick up food from stores, churches and schools, and deliver it to children and families in Chandler.

Chandler Unified School District No. 80

ww2.chandler.k12.az.us

February 2002

\$75,000 to support a capital campaign for a new facility in Chandler that provides basic medical care and afterschool education programs for low-income youth and their families.

Chicanos Por La Causa, Inc.

www.cplc.org

February 2002

\$255,000 to enhance comprehensive youth development and prevention programs in low-income Latino communities.

Children's Action Alliance

www.azchildren.org

July 2002

\$50,000 to support a planning grant to determine the feasibility of creating a quality child care rating system in Maricopa County.

Community Services of Arizona

www.csaz.org

February 2002

\$115,000 to support the establishment of a development department to strengthen programs and social services provided to children and the elderly.

Esperanca, Inc.

www.esperanca.org

February 2002

\$300,000 for a challenge grant to support a campaign to provide health services to children in the West Valley.

Foundation for Blind Children

www.the-fbc.org

June 2002

\$250,000 to support a capital campaign to build an East Valley facility that will house an early intervention program for infants and preschoolers who are blind or visually impaired.

Foundation for Blind Children

www.the-fbc.org

January 2003

\$25,000 to complete a capital campaign to build an East Valley facility that will house an early intervention program for infants and preschoolers who are blind or visually impaired.

Franciscan Renewal Center

www.thecasa.org

February 2002

\$25,000 to support a program to address the cultural, educational and generational barriers facing Hispanic and Latino families through improved communication.

Golden Gate Community Center

(602) 233-0017

June 2002

\$20,466 to assist in the transition of new leadership for the organization in West Phoenix.

Goodwill Industries of Central Arizona

www.goodwillaz.org

June 2002

\$127,541 to assist in the renovation and enhancement of the Youth Services Department in Phoenix.

HomeBase Youth Services

www.hbys.org

February 2002

\$75,000 to support the development of the Learning Center to strengthen educational services and improve the lives of homeless and runaway youth.

Homeward Bound

www.homewardbound.info

August 2002

\$100,000 to challenge individual donors to provide funding for children's services.

Improving Chandler Area Neighborhoods

http://icanonline.tripod.com

February 2002

\$30,000 to support afterschool mentoring programs to encourage low-income and minority youth to stay in school and avoid gang involvement.

Johns Hopkins University

www.jhu.edu

June 2002

\$137,300 to establish a Center for Talented Youth site at Arizona State University and to develop a special preparatory outreach program aimed at underserved minority students.

Make-A-Wish Foundation of Central & Southern Arizona

www.wish.org/centralaz

February 2003

\$50,000 to purchase a donor management software system to expand the donor and volunteer base.

Marcus House

(602) 222-9966

June 2002

\$20,000 to support a shelter for abused, neglected and abandoned children under the age of five in Maricopa County.

Maricopa County Department of Public Health Services

www.maricopa.gov/

public_health

February 2002

\$124,867 to support collaboration between 35 public and private agencies in South Phoenix to promote prenatal and early childhood prevention services in at-risk areas.

Maricopa Health Foundation

www.maricopa.gov /
medcenter/foundation/mhf
November 2002
\$72,072 to support planning efforts to develop a model of healthcare delivery that integrates early childhood development practices.

Mesa Public Schools

www.mesa.k12.az.us
June 2002
\$14,464 to support the development of a parent education program for the Pre-Kindergarten Program promoting parental involvement in preparing children for school.

Most Holy Trinity Parish

(602) 944-3375
February 2002
\$160,000 to support a capital campaign for a youth center that will increase afterschool mentoring and tutoring programs to youth.

The Neighborhood Christian Clinic

(602) 258-6008
February 2002
\$150,000 to support a capital campaign for a community health clinic, providing medical care and dental services for low-income families.

Neighborhood Ministries, Inc.

www.nmaz.org
June 2002
\$10,000 to support a program in Central Phoenix which assists inner-city youth complete school.

New Arizona Family, Inc.

(602) 248-7864
August 2002
\$77,800 to implement a parenting curriculum for pregnant/parenting women in substance abuse treatment and to renovate a nursery.

New Life Center

www.newlifectr.org
February 2002
\$75,000 in support of children's counseling programs specifically designed for child victims of domestic violence.

New Song Center for Grieving Children & Those Who Love Them

www.thenewsongcenter.org
February 2002
\$20,000 to support enhanced programs in grief training and grief counseling for children who have lost a family member.

Osborn School District Educational Foundation, Inc.

www.osbornnet.org
February 2002
\$60,200 to provide afterschool programs for elementary students at Montecito Community School.

Parents Anonymous of Arizona

www.parentsanon.org
February 2002
\$114,708 to support development efforts in order for the organization to expand its volunteer list and to enhance services designed to strengthen families.

Phoenix Day Child and Family Learning Center

www.phoenixday.org
June 2002
\$327,452 to support a capital campaign to complete renovations of the facility in Central Phoenix that offers child care and family health services.

Phoenix Indian Center, Inc.

www.phxindcenter.org
November 2002
\$60,000 to support Project Infinity, a mentoring program for Native American youth.

Phoenix Zoo

www.phoenixzoo.org
June 2002
\$300,000 to support a capital project to create the 'Enchanted Forest' that is designed to stimulate children's imagination and appreciation of the natural world.

PREHAB of Arizona

www.prehab.org
February 2002
\$100,000 to support the renovation of the Youth Development Center to provide afterschool and summer programs for homeless youth aged 13-17 who reside at La Mesita shelter.

Recording for the Blind & Dyslexic

www.rfbd.org
July 2002
\$109,805 to support increased outreach efforts aimed at disabled students with visual, physical or learning disabilities to help them succeed in school.

Rocky Mountain Mutual Housing Association, Inc., Arizona Office

www.rmmha.org
August 2002
\$252,179 to support a Community Technology Center for children to secure computer training, tutoring and life skills.

Rosie's House: A Music Academy for Children

www.rosieshouse.org
February 2002
\$90,000 to strengthen afterschool music and education programs for youth in Central Phoenix.

Scottsdale Prevention Institute

www.spi-az.org
August 2002
\$100,000 to support family strengthening and Motherhead programs at the Paiute Neighborhood Center.



Busy Beatitudes Hair Salon offers campus residents convenient beauty services.



Southwest Human Development

www.swhd.org

February 2002

\$44,341 to develop a program to prepare Head Start teachers to teach English to their non-English speaking students.

The Suicide Prevention Center, Inc.

www.impact-spc.com

February 2002

\$9,980 to strengthen development efforts in order for the Center to support its programs in counseling and crisis management for adults and youth.

Teach for America, Phoenix

www.teachforamerica.org

June 2002

\$150,000 to train an additional 25 corps members to teach in low-income public schools in Maricopa County during a two-year program.

TERROS, Inc. (Home/Court Advantage Collaborative)

www.terros.org

February 2002

\$225,000 to support collaboration between state agencies and human service providers in South Phoenix to address the needs of children of substance-addicted parents.

Touchstone Community, Inc.

www.touchstonebh.org

February 2002

\$84,000 to establish a model program to provide afterschool educational services for youth development for students attending charter schools.

Tumbleweed Center for Youth Development

www.tumbleweed.org

June 2002

\$225,000 to provide centralized educational and job development services for homeless children in Phoenix.

United Cerebral Palsy of Central Arizona

www.ucpofaz.org

February 2002

\$350,000 to support a capital campaign for a new facility, including an early childhood learning center.

Valle del Sol, Inc.

www.valledelsol.com

June 2002

\$164,000 to establish a year-round culture and arts program for high-risk elementary students aged 6-12 in the Murphy School District.

Valley of the Sun YMCA

www.valleyymca.org

November 2002

\$1,000,000 to support the expansion of the childcare facilities, create a teen center at Scottsdale/Paradise Valley YMCA, and support an early education quality improvement project for all Valley branches.

Valley Youth Theatre

www.vyt.com

February 2002

\$90,000 to support the Literacy and The Arts program to stimulate an appreciation for reading and the arts in young people.

Volunteer Center of Maricopa County

www.volunteerphoenix.org

November 2002

\$135,333 to develop an improved approach to capacity building in the volunteer management infrastructure of nonprofit organizations.

West Valley Child Crisis Center, Inc.

www.wvccc.org

February 2002

\$250,000 to support a capital campaign for a new facility to address the needs of child abuse victims.

West Valley Child Crisis Center, Inc.

www.wvccc.org

June 2002

\$125,000 to encourage a collaborative venture by three child crisis centers to develop standardized assessment criteria to meet the needs of children placed in shelter care and to share resources.

Youth ETC

www.youthetc.org

June 2002

\$100,000 to expand a model violence prevention program to serve pre-kindergarten children in the Glendale School District.

ELDERLY

Alzheimer's Association Arizona Chapter - Greater Phoenix Region

www.alzdsww.org

February 2002

\$238,200 to support efforts to train caregivers, professionals and volunteers about the needs of people affected by dementia.

Animals Benefit Club of Arizona, Inc.

www.animalsbenefitclub.com

February 2002

\$32,136 to support the training of individuals to provide animal therapy in healthcare facilities for seniors.

Arizona Center for the Blind and Visually Impaired, Inc.

www.acbvi.org

February 2002

\$125,000 to support a capital campaign for a facility to consolidate programs and improve access to services.

Beatitudes Center D.O.A.R., Inc.

www.centerdoar.org

February 2002

\$225,000 to support Volunteer Interfaith Caregivers Program (VICaP) to increase its volunteer base which provides assistance to homebound seniors.

Community C.A.R.E. Connections, Inc.

www.4ccc.org
February 2002
\$75,175 to support the installation of 100 computers in homes of seniors and senior care facilities to reduce isolation and encourage independence.

Community C.A.R.E. Connections, Inc.

www.4ccc.org
February 2003
\$40,000 to support the Technical Assistance for Seniors Homebound Program.

Crosier Community of Phoenix

(602) 224-0434
February 2002
\$15,000 to provide a telecommunications system for this elderly community.

First United Methodist Church of Mesa

www.fumcmesa.org
February 2002
\$30,000 to plan the development of affordable housing and an assisted living facility as part of the church's program for Mesa seniors.

Good Shepherd Villa

www.good-sam.com
August 2002
\$170,000 to establish a "Wellness in Aging" program for residents and community members.

Interfaith Community Care

www.interfaithcommunitycare.org
February 2002
\$150,000 to support a for-pay Private Care Management program to provide seniors with in-depth assessments of needs and to link them to appropriate services.

Libraries for the Future

www.lff.org
February 2002
\$102,100 to support a collaborative effort between Libraries for the Future and Civic Ventures to develop a model to utilize libraries as sites for integrated community service opportunities and other activities for seniors.

Marc Center

www.marccenter.com
June 2002
\$200,000 to support a capital campaign to construct a building for programs serving children and seniors with disabilities in the East Valley.

Mesa Senior Services Incorporated

www.mesaseniorservices.com
February 2002
\$50,000 to support an outreach program to link homebound and isolated seniors to improved services.

Mountain View Lutheran Church

(480) 893-2579
June 2002
\$18,000 to provide in-home assessments and case management to assist elderly persons in Ahwatukee remain in their homes.

Senior Services of Fountain Hills, Inc.

(480) 816-5888
February 2002
\$30,000 to provide new equipment and furniture for the organization's expanded senior facility and to deliver meals to homebound seniors.

Solecito Services, Inc.

www.nonprofitnet.com/ssi
February 2002
\$5,000 to acquire new wheelchairs and walkers for the organization to loan to West Valley residents.

Stardust Non-Profit Building Supplies Inc.

www.stardustbuilding.org
November 2002
\$50,000 to support a project to increase the number of senior households provided with home repair and safety enhancements.

Visiting Nurse Service of New York

www.vnsny.org
February 2002
\$75,000 to support a survey to help local nonprofits learn more about the needs and demographics of seniors living in the Valley.

EDUCATION

National Cathedral School for Girls

www.ncs.cathedral.org
January 2002
\$100,000 to support a capital campaign for the National Cathedral School for Girls in Washington, DC.

Peoria Unified School District No.11

www.peoriaud.k12.az.us
February 2002
\$10,000 to support a program in the Ira A. Murphy Elementary School to provide computers and educational materials to help parents encourage the healthy development of their children.

Scottsdale Community College

www.sc.maricopa.edu
February 2002
\$250,000 to expand the existing endowed scholarship fund originally established by Mrs. Piper.



HomeBase Youth Services offers homeless and runaway youth an opportunity to complete GED program requirements.

ARTS AND CULTURE

Actors Theatre

www.atphx.org

June 2002

\$221,438 to assist Actors Theatre in realizing its strategic planning goals by fostering board development, strengthening management and establishing marketing initiatives.

Arizona Commission on the Arts

www.arizonaarts.org

August 2002

\$5,000 to support a forum focusing on coordinating ticketing services for arts organizations.

Arizona Opera

www.azopera.com

February 2002

\$250,000 to support a campaign to stabilize the organization and increase its capacity to support itself.

Arizona Science Center

www.azscience.org

February 2002

\$250,000 to support a campaign to provide resources crucial to the organization's strategic growth.

Arizona Theatre Company

www.aztheatreco.org

November 2002

\$241,777 to support enhanced marketing, development and ticketing technology, including collaborative efforts with the Herberger Theater on ushering and expanded volunteer opportunities.

Ballet Arizona

www.balletaz.org

February 2002

\$200,000 to support the Keep Arizona Dancing campaign to stabilize the organization and increase its capacity to support itself.

The Black Theatre Troupe, Inc.

www.blacktheatretroupe.org
February 2003
\$100,000 to support the development of a marketing plan to build the audience base and increase earned revenue capacity.

Challenger Learning Center of Arizona

www.azchallenger.org
February 2002
\$80,206 toward the establishment of a development department to strengthen the organization's education and space programs.

Childsplay, Inc.

www.childsplayaz.org
February 2002
\$200,000 to strengthen development efforts in order to attract wider youth and family audiences.

East Valley Children's Theatre

www.evct.org
June 2002
\$5,000 to strengthen its marketing capacity.

Fountain Hills Community Theater

www.fountainhillstheater.com
June 2002
\$59,900 to support the development of a capital campaign for a youth theater in Fountain Hills.

Heard Museum

www.heard.org
June 2002
\$200,000 to create an audience initiative designed to draw more local residents and families with children to the Heard Museum on a year-round basis.

KJZZ/KBAQ

www.kjzz.org
February 2002
\$250,000 to support a capital campaign for a new broadcasting station and establish a matching fund to increase nonprofit promotional messages.



Dancers with Ballet Arizona prepare for an upcoming production

Mesa Arts and Entertainment Alliance, Inc.

http://isw03.cityofmesa.org/arts/newmac/default.asp
November 2002
\$500,000 to support a capital campaign for a new Mesa Arts Center, a large public/private collaboration to create a complex for performing arts, galleries and outdoor spaces.

National Arts Strategies

www.artsstrategies.org
March 2002
\$5,000 for a tuition grant for Mary Ann Pulk, Executive Director of Phoenix Boys Choir, to participate in the National Arts Strategies and Stanford Graduate School of Business Executive Program for Nonprofit Leaders.

National Arts Strategies

www.artsstrategies.org
December 2002
\$5,000 for a tuition grant for Frank Jacobson, President and CEO of Scottsdale Cultural Council, to participate in the National Arts Strategies and Stanford Graduate School of Business Executive Program for Nonprofit Leaders.

National Arts Strategies

www.artsstrategies.org
December 2002
\$5,000 for a tuition grant for Steve Martin, Managing Director of Childsplay, Inc., to participate in the National Arts Strategies and Stanford Graduate School of Business Executive Program for Nonprofit Leaders.

Phoenix Art Museum

www.phxart.org
February 2002
\$75,000 to plan the expansion of the Museum's Web site and the accessibility of educational programs and online exhibits.

Phoenix Family Museum

www.phoenixfamilymuseum.com
February 2002
\$105,000 to strengthen development efforts at a museum where children and families can experience hands-on exhibits and educational activities.

Phoenix Theatre

www.phoenixtheatre.net
February 2002
\$150,000 to support development efforts to strengthen the Theatre's capacity to support performances and educational programs.

Scottsdale Cultural Council

www.scottsdalearts.org
July 2000
\$27,500 to underwrite Scottsdale Center for the Arts Virginia G. Piper Steinway Concert Series for 2000-2001.

Scottsdale Cultural Council

www.scottsdalearts.org
July 2001
\$39,500 to underwrite Scottsdale Center for the Arts Virginia G. Piper Steinway Concert Series for 2001-2002.

Scottsdale Cultural Council
www.scottsdalearts.org
August 2002
\$39,500 to underwrite
Scottsdale Center for the Arts
Virginia G. Piper Steinway
Concert Series for 2002-2003

Scottsdale Cultural Council
www.scottsdalearts.org
March 2003
\$39,500 to underwrite
Scottsdale Center for the Arts
Virginia G. Piper Steinway
Concert Series for 2003-2004.

Semaphor DanceWorks, Inc.
February 2002
\$5,000 to support outreach
programs to provide modern
dance performances and
acting workshops to new
audiences.

Symphony of the West Valley
(623) 972-4484
February 2003
\$125,000 to support a
marketing and development
plan to increase its donor base.

Theater Works
www.theaterworks.org
June 2002
\$100,000 to assist in program
planning to respond to the
growing needs for performing
arts in the West Valley.

**West Valley Fine Arts
Council**
www.wvfac.org
February 2002
\$250,000 to support a capital
campaign for a new arts
facility in the West Valley.

RELIGION

**Collaboration for a
New Century**
www.thecollab.org
December 2001
\$12,500 to support the 2002
Leadership Summit.

**Collaboration for a
New Century**
www.thecollab.org
February 2003
\$12,500 to support the 2003
Leadership Summit.

Loyola University Chicago
www.luc.edu
February 2002
\$500,000 to support renovation
of The Ann Ida Gannon, BVM,
Center for Women and
Leadership at Piper Hall.

**Roman Catholic Church of
Phoenix**
www.diocesephoenix.org
March 2000
\$200,000 in support of the 2000
Charity and Development
Appeal.

**Roman Catholic Church of
Phoenix**
www.diocesephoenix.org
February 2001
\$200,000 in support of the 2001
Charity and Development
Appeal.

**Roman Catholic Church of
Phoenix**
www.diocesephoenix.org
March 2002
\$200,000 in support of the 2002
Charity and Development
Appeal.

**Roman Catholic Church of
Phoenix**
www.diocesephoenix.org
February 2003
\$500,000 in support of the 2003
Charity and Development
Appeal.

PIPER FELLOWS

**Area Agency on Aging
Region 1**
www.aaaphx.org
November 2001
\$35,559 in support of Mary
Lynn Kasunic's sabbatical as a
Piper Fellow and related staff
development.

Arizona Science Center
www.azscience.org
November 2001
\$37,432 in support of Chey
Humphrey's sabbatical as a
Piper Fellow and related staff
development.

**Big Brothers Big Sisters of
Central Arizona**
www.bbbsaz.org
November 2001
\$23,485 in support of Linda
Searfoss' sabbatical as a Piper
Fellow.

Centro de Amistad, Inc.
(480) 839-2926
November 2001
\$22,465 in support of Santino
Bernasconi's sabbatical as a
Piper Fellow.

**Foundation for Blind
Children**
www.the-fbc.org
December 2002
\$30,000 in support of Chris
Tompkins' sabbatical as a
Piper Fellow.

**Girl Scouts—Arizona
Cactus-Pine Council, Inc.**
www.girlscoutsaz.org
November 2001
\$25,675 in support of Tamara
Woodbury's sabbatical as a
Piper Fellow and related staff
development.

**Society of St. Vincent de
Paul**
www.stvincentdepaul.net
December 2002
\$16,814 in support of Janice
Ertl's sabbatical as a Piper
Fellow.

OTHER

**American Red Cross Central
Arizona Chapter**
www.arizonaredcross.org
September 2001
\$100,000 to support the victims
of the New York terrorist
attacks of September 11, 2001.

**Arizona Community
Foundation**
www.azfoundation.org
November 2000
\$10,000 toward the Arizona
Grantmakers Forum Fund.

Childsplay actor
prepares for a
recent production
of *Charlotte's Web*.





**Santino Bernasconi, President
and CEO of Centro de Amistad,
Piper Fellows recipient**



Chevy Humphrey, Executive Vice President & COO of Arizona Science Center, Piper Fellows recipient

Arizona Community Foundation

www.azfoundation.org
 April 2002
 \$50,000 to support training and technical assistance for nonprofit agencies utilizing a new computerized system for prospective donors.

Arizona Grantmakers Forum

www.arizonagrantmakersforum.org
 February 2002
 \$5,000 to assist the Arizona Grantmakers Forum in providing information and coordination among funders of nonprofit agencies.

Arizona Grantmakers Forum

www.arizonagrantmakersforum.org
 February 2003
 \$5,000 to assist the Arizona Grantmakers Forum in providing information and coordination among funders of nonprofit agencies.

Arizona Institute for Public Life

www.azinstitute.org
 January 2003
 \$10,000 to support the Monsignor Ryle Leadership Development Fund.

Arizona Town Hall

www.aztownhall.org
 February 2002
 \$25,000 to support semi-annual conferences addressing public policy issues.

The Community Forum

February 2002
 \$25,000 to plan an Arizona association to support nonprofit organizations in Maricopa County.

Community Information & Referral

www.cirs.org
 June 2002
 \$20,000 to provide matching funds to develop a management information system for agencies serving homeless children, adults, families and the elderly in Maricopa County.

Fresh Start Women's Foundation

www.fswf.org
 February 2002
 \$250,000 to support the organization's Women's Resource Center to provide assistance to unemployed women and victims of domestic violence.

St. Luke's Health Initiatives

www.slhi.org
 September 2002
 \$10,000 to support a half-day workshop on civic engagement.

The Salvation Army

www.salvationarmycares.com
 June 2002
 \$25,000 to provide supplies for the victims of the 2002 Rodeo-Chediski fire in Northern Arizona.

Trust Initiated Grants

\$829,353

Grants to Organizations Virginia Piper Historically Supported

\$754,000



Student from the Foundation for Blind Children responds to teacher's question.



INDEPENDENT AUDITOR'S REPORT



One Arizona Center
400 E. Van Buren Street
Suite 1100
Phoenix, AZ 85004

Independent Auditors' Report

The Administrative Trustees
The Virginia G. Piper Charitable Trust:

We have audited the accompanying statements of financial position of The Virginia G. Piper Charitable Trust as of March 31, 2003 and 2002, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of The Virginia G. Piper Charitable Trust management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Virginia G. Piper Charitable Trust as of March 31, 2003 and 2002, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

July 18, 2003



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

THE VIRGINIA G. PIPER CHARITABLE TRUST
 STATEMENTS OF FINANCIAL POSITION
 MARCH 31, 2003 AND 2002

	2003	2002
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 22,009	77,638
INVESTMENTS (NOTE 2)	435,364,498	525,918,059
PROPERTY AND EQUIPMENT, NET	950,610	1,034,599
PREPAID EXPENSES AND OTHER ASSETS	109,166	141,000
TOTAL ASSETS	\$ 436,446,283	527,171,296
LIABILITIES AND NET ASSETS		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 348,701	608,126
GRANTS PAYABLE, NET (NOTE 4)	11,970,951	14,675,090
TOTAL LIABILITIES	12,319,652	15,283,216
UNRESTRICTED NET ASSETS	424,126,631	511,888,080
COMMITMENTS AND CONTINGENCIES (NOTES 6, 7 AND 9)		
TOTAL LIABILITIES AND NET ASSETS	\$ 436,446,283	527,171,296

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

THE VIRGINIA G. PIPER CHARITABLE TRUST
STATEMENTS OF ACTIVITIES
MARCH 31, 2003 AND 2002

	2003	2002
REVENUE, GAINS, AND OTHER SUPPORT:		
CONTRIBUTIONS [NOTE 1(G)]	\$ 40,000	38,853
INTEREST, DIVIDENDS, AND OTHER INVESTMENT INCOME (NOTE 2)	16,566,040	16,514,496
INVESTMENT AND BANK FEES	(1,636,980)	(2,396,749)
NET INTEREST, DIVIDENDS, AND OTHER INVESTMENT INCOME	14,929,060	14,117,747
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	14,969,060	14,156,600
EXPENSES AND LOSSES:		
GRANTS TO QUALIFIED NONPROFIT ORGANIZATIONS [NOTE 1(H)]	16,707,813	10,383,140
OCCUPANCY AND OFFICE	538,464	531,230
SALARIES AND EMPLOYEE BENEFITS	1,542,744	1,280,403
OUTSIDE SERVICES	131,444	209,758
MEETINGS AND CONFERENCES	67,751	42,303
FEDERAL EXCISE TAX	333,574	348,044
OTHER EXPENSES	246,473	218,335
TOTAL EXPENSES	19,568,263	13,013,213
NET REALIZED/UNREALIZED LOSSES ON INVESTMENTS (NOTE 2)	83,162,246	565,766
TOTAL EXPENSES AND LOSSES	102,730,509	13,578,979
INCREASE (DECREASE) IN NET ASSETS	(87,761,449)	577,621
NET ASSETS, UNRESTRICTED, AT BEGINNING OF YEAR	511,888,080	511,310,459
NET ASSETS, UNRESTRICTED, AT END OF YEAR	\$ 424,126,631	511,888,080

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

THE VIRGINIA G. PIPER CHARITABLE TRUST
 STATEMENTS OF CASH FLOWS
 MARCH 31, 2003 AND 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
INCREASE (DECREASE) IN NET ASSETS	\$ (87,761,449)	577,621
ADJUSTMENTS TO RECONCILE INCREASE (DECREASE) IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION EXPENSE	182,200	161,895
AMORTIZATION OF DISCOUNT ON GRANTS PAYABLE	831,334	628,240
LOSS ON DISPOSAL OF EQUIPMENT	6,726	1,734
RECEIPT OF CONTRIBUTED INVESTMENT ASSETS	—	(38,853)
RECEIPT OF CONTRIBUTED PROPERTY AND EQUIPMENT	(40,000)	—
NET REALIZED AND UNREALIZED LOSSES ON INVESTMENTS	83,162,246	565,766
INCREASE (DECREASE) IN CASH RESULTING FROM CHANGES IN:		
PREPAID EXPENSES AND OTHER ASSETS	31,834	(36,989)
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	(259,425)	27,813
GRANTS PAYABLE	(3,535,473)	(10,308,824)
NET CASH USED IN OPERATING ACTIVITIES	(7,382,007)	(8,421,597)
CASH FLOWS FROM INVESTING ACTIVITIES:		
SALES/(PURCHASES) OF INVESTMENTS, NET	7,391,315	8,461,698
PURCHASE OF PROPERTY AND EQUIPMENT	(64,937)	(136,546)
NET CASH PROVIDED BY INVESTING ACTIVITIES	7,326,378	8,325,152
NET DECREASE IN CASH AND CASH EQUIVALENTS	(55,629)	(96,445)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	77,638	174,083
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 22,009	77,638

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

THE VIRGINIA G. PIPER CHARITABLE TRUST
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2003 AND 2002

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) ORGANIZATION

The Virginia G. Piper Charitable Trust (the Trust) is a not-for-profit private foundation making grants that support children, the elderly, arts and culture, healthcare and medical research, education, and religious organizations. The Trust was formed in 1995 and was operated under the sole discretion of Virginia G. Piper. After her death in 1999, appointed Administrative Trustees succeeded Mrs. Piper. Fiscal year 2001 was the first year of significant operations, and during fiscal year 2002 staffing was completed and the Trust began actively accepting grant applications.

(b) BASIS OF PRESENTATION

The Trust presents its accounts in accordance with the American Institute of Certified Public Accountants Audit and Accounting Guide for Not-for-Profit Organizations (Audit Guide). Under the Audit Guide, not-for-profit organizations are required to provide a statement of financial position, a statement of activities, and a statement of cash flows which are prepared to focus on the organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Organizations are required to maintain their accounts on the accrual basis of accounting.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Realized and unrealized gains and losses on investments, and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. In the absence of donor stipulations, donor restrictions on the use of income of an endowment fund also extend to the net appreciation on the endowment fund. Gains and investment income that are limited to specific uses by donor-imposed restrictions

are reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the gains and income are recognized. Expirations of temporary restrictions on net assets, i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets. Virginia G. Piper imposed no donor restrictions; therefore, the Trust has no restricted net assets.

(c) MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect the reported amount of assets, liabilities, and net assets and disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates and assumptions affect the reported amounts of revenues, gains and other support, and expenses during the reporting period. On an ongoing basis, the Trust evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Trust believes that the estimates and assumptions are reasonable in the circumstances; however, actual results may differ from these estimates under different future conditions.

(d) CASH EQUIVALENTS

Cash equivalents represent short-term investments with maturities of three months or less at the time of purchase, except for those short-term investments managed by the Trust's investment managers as part of their long-term investment strategies.

(e) INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position as determined by available market prices. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the increase in unrestricted net assets.

(f) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased, or fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives (ranging from 3 to 10 years) of the assets.

(g) CONTRIBUTIONS

During fiscal 2002, the Trust received funding from another trust established by Virginia G. Piper during her lifetime. During fiscal 2003, the Trust received a contributed asset (note 10). As of March 31, 2003, no additional contributions are expected.

(h) GRANTS

Grants are reported as an expense and liability of the Trust when approved by the Trust's Administrative Trustees unless conditions imposed on the grantee have not yet been fulfilled. Such conditional grants are recorded when the conditions have been satisfied.

(i) INCOME AND EXCISE TAXES

The Trust is exempt from payment of income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code, except for tax on unrelated business income. There was no unrelated business taxable income during fiscal 2003 and 2002. The Trust must pay an excise tax on net investment income. The Foundation incurred approximately \$334,000 and \$348,000 of excise tax, which represents 2% of net investment income earned during fiscal 2003 and 2002, respectively.

(j) RECLASSIFICATIONS

Certain 2002 amounts have been reclassified to conform to the 2003 financial statements presentation.

(2) INVESTMENTS

A summary of the market value of investments at March 31, 2003 and 2002 follows:

	2003	2002
DOMESTIC EQUITIES	\$ 227,667,674	292,355,160
FOREIGN EQUITIES	9,823,850	7,355,203
CORPORATE BONDS	181,830,845	129,395,727
GOVERNMENT BONDS AND AGENCIES	—	26,567,845
GOVERNMENT MORTGAGE BACKED SECURITIES	—	21,445,521
ASSET BACKED SECURITIES	3,758,122	19,184,383
NON-GOVERNMENT BACKED COLLATERALIZED		
MORTGAGE OBLIGATIONS	4,734,540	11,063,030
SHORT-TERM INVESTMENTS	7,549,467	18,551,190
	\$ 435,364,498	525,918,059

The net realized and unrealized losses for the year ended March 31, 2003 were \$31,419,707 and \$51,742,539, respectively. Interest, dividends, and other investment income of \$16,566,040 are presented net of \$1,389,317 in amortization expense.

The net realized losses and net unrealized gains for the year ended March 31, 2002 were \$9,558,597 and \$8,992,831, respectively. Interest, dividends, and other investment income of \$16,514,496 are presented net of \$880,306 in amortization expense.

(3) PROPERTY AND EQUIPMENT

A summary of property and equipment at March 31, 2003 and 2002 follows:

	2003	2002
LEASEHOLD IMPROVEMENTS	\$ 511,125	503,847
OFFICE FURNITURE AND FIXTURES	624,679	584,679
OFFICE EQUIPMENT	139,759	133,513
COMPUTER SOFTWARE AND WEBSITE	89,763	49,880
	1,365,326	1,271,919
LESS ACCUMULATED DEPRECIATION AND AMORTIZATION	(414,716)	(237,320)
	\$ 950,610	1,034,599

(4) GRANTS PAYABLE

A summary of grants payable at March 31, 2003 and 2002 follows:

	2003	2002
GROSS CONTRIBUTIONS PAYABLE	\$ 12,710,703	16,246,176
LESS UNAMORTIZED DISCOUNT	(739,752)	(1,571,086)
	\$ 11,970,951	14,675,090
THE GROSS AMOUNTS PAYABLE ARE DUE AS FOLLOWS:		
LESS THAN ONE YEAR	\$ 6,424,242	11,897,176
ONE TO FIVE YEARS	6,286,461	4,349,000
	12,710,703	16,246,176

The discount was calculated using a risk-free rate of return, ranging from 2.125% to 5.75%. The discount will be recognized as grants expense as the discount is amortized using an effective yield over the life of the payables.

Cash distributions for grants for the years ended March 31, 2003 and 2002 were \$19,411,952 and \$20,063,724, respectively. Grants totaling \$2,150,000 were not recorded as grants expense or grants payable due to significant conditions that were not satisfied before March 31, 2003.

(5) PROGRAM AND SUPPORT SERVICES – EXPENSES

The Trust incurred expenses in the conduct of the following program and support services for the year:

	2003	2002
PROGRAM SERVICES:		
THE TRUST MAKES GRANTS THAT SUPPORT CHILDREN, THE ELDERLY, THE ARTS, HEALTHCARE AND MEDICAL RESEARCH, EDUCATION, AND RELIGIOUS ORGANIZATIONS	\$ 18,430,191	11,972,254
SUPPORT SERVICES:		
GENERAL AND ADMINISTRATIVE EXPENSES	1,138,072	1,040,959
	\$ 19,568,263	13,013,213

During the years ended March 31, 2003 and 2002, grants were made in the following categories:

	2003	2002
CHILDREN	\$ 6,438,412	3,728,096
ELDERLY	494,470	1,027,611
ARTS AND CULTURE	1,322,114	1,834,706
HEALTHCARE AND MEDICAL RESEARCH	6,025,000	1,347,000
NONSECTARIAN EDUCATIONAL ORGANIZATIONS	60,000	317,000
RELIGIOUS ORGANIZATIONS	1,282,500	916,000
PIPER FELLOWS PROGRAM	93,940	125,677
OTHER	160,043	458,810
	15,876,479	9,754,900
AMORTIZATION OF DISCOUNT ON PRIOR YEAR GRANTS, NET OF CURRENT YEAR DISCOUNT	831,334	628,240
TOTAL GRANTS EXPENSE	\$ 16,707,813	10,383,140

In addition to grants, \$1,722,378 and \$1,589,114 in program support expenses were incurred for the years ended March 31, 2003 and 2002, respectively.

(6) LEASES

The Trust leases its office facilities and certain equipment under noncancelable operating leases, which expire through fiscal 2007. Rent expense in fiscal 2003 and 2002 was \$237,311 and \$229,514, respectively. Future minimum lease payments under the noncancelable leases consist of:

FISCAL YEAR ENDED:

2004	\$	209,888
2005		176,723
2006		9,589
2007		7,403

\$ 403,603

(7) DEFINED CONTRIBUTION PLAN

The Trust has adopted a defined contribution plan covering eligible full-time employees. The Trust contributes 10% of a participant's eligible earnings annually. Retirement contributions expense was \$102,067 and \$82,141 for the years ended March 31, 2003 and 2002, respectively.

(8) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of cash and cash equivalents, grants and accounts payable, and accrued expenses approximates the carrying value because of the short maturity of these instruments. The fair values of investments (note 2) are estimated based on quoted market prices for those or similar instruments.

(9) CONTINGENCIES

Financial instruments that potentially subject the Trust to concentrations of credit risk consist principally of cash and investments. The Trust places its cash and investments with high credit quality financial institutions or brokerage houses and generally limits the amount of credit exposure to the amount in excess of the FDIC insurance coverage limit of \$100,000. From time to time during the year, cash balances at financial institutions exceeded the FDIC insurance coverage limit. The Trust, however, does not anticipate nonperformance by the institutions.

(10) RELATED PARTY TRANSACTION

An Administrative Trustee contributed a painting to the Trust with an appraised value of \$40,000. The receipt of the painting was recorded as contribution revenue and property and equipment for the year ended March 31, 2003.

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