



**ANNUAL REPORT OF THE
EXECUTIVE DIRECTOR
FOR FISCAL YEAR 2021
1 MAY 2020 TO 30 APRIL 2021**

In accord with the Job Description for the RHLCT Executive Director, which references a written annual report from the Executive Director to the Board of Trustees, the undersigned submits his first annual report covering the fiscal year 2021 from May 1, 2020 through April 30, 2021.

The Ruth and Hal Lauanders Charitable Trust (“RHLCT”) started the fiscal year with a governing body of five (5) co-trustees and one employee, its Executive Director Jeffrey J. Fairfield. Sadly, RHLCT ended the fiscal year with a four (4) person governing body following the death of Jack Webb, an original RHLCT co-trustee, in January 2021.

A summary of the highlights of Fiscal Year 2021 follow.

Governance and Mission.

- Until January 2021, the Board of Trustees (“BOT”) consisted of five individuals comprised of four (4) family co-trustees and one (1) non-family co-trustee. The number of family co-trustees fell to three (3) with the passing of Jack Webb.
- The BOT met on six (6) occasions relying on Zoom video conferencing as a virtual platform. Board meetings in June 2020, October 2020, and March 2021 were each two (2) days. Single day meetings were held in August 2020 and December 2020. The Board also met in November 2020 to receive a quarterly performance report from its investment advisor, Bernstein Global Wealth Management (“Bernstein”).
- The BOT amended the RHLCT By-laws to amplify and expand the process for the selection of successor co-trustees. The amended by-law imposes term limits on successor co-trustees.
- Pursuant to the RHLCT by-laws as amended, the BOT elected Whitney Webb and Art Anselene to serve as Successor Co-Trustees for a term of three (3) years commencing on 1 May 2021.

- The BOT elected Cathy as the Chairman of the BOT for a two (2) year term commencing on 1 May 2021.
- The BOT elected Eugenie as Secretary of the BOT for a two (2) year term commencing on 1 May 2021.
- The BOT established a standing committee named the Committee on the Ruth Launder's Annual Legacy Grant. The committee is tasked with advising the BOT on the parameters of an annual Board Level grant in memory of Ruth Launder's.
- The Chairman of the BOT appointed a working group to craft a Statement of Purpose for RHLCT. With the advice of this working group, the BOT adopted the following as the RHLCT Statement of Purpose: *"Our purpose is to leverage the RHLCT to create a lasting collective impact on the world while maintaining a commitment to learn about the causes that are important to us."*
- The Chairman of the BOT appointed a working group to craft a revised Mission Statement for RHLCT. With the tutelage of Danielle Oristian York of 2164, Inc., the facilitation firm RHLCT engaged in March 2020, both the working group and the BOT continued the search for clearer charitable mission.
- In conjunction with its approval of the ground lease transaction for Land Bay D2, the BOT formally acknowledged promotion of the supply of affordable housing as one of the charitable purposes of the Trust.
- The BOT amended the RHLCT Travel, Lodging, and Expense Reimbursement Policy to authorize subject to conditions reimbursement of expenses incurred and paid for a transportation service or a lodging accommodation not used or consumed due to a medical or family emergency.
- The BOT ratified the appointment of three (3) new members to the Trustees Advisory Body ("TAB"): Alysson Cozart, John W. ("Jack") Fehrs, Jr., and Lee Lonnes. Mr. Lonnes subsequently resigned from the TAB in July 2020.
- Danielle Oristian York of 2164 Inc. led a facilitation process relying on the members of the working groups on a Statement of Purpose and Statement of Mission, in search for shared values and an agreed and more narrowly focused charitable purpose. The BOT voted to accept a contract proposal from 2164 Inc. for Phase III facilitation services.

Grantmaking.

- RHLCT awarded and funded grants totaling \$553,000. Trustee discretionary grants totaled \$375,000 while Board Level grants totaled \$178,000. Two (2) Board Level grants were awarded upon recommendation of the TAB; a grant of \$75,000 was distributed to Urban Food Growers in Chicago and a \$50,000 grant was distributed to Adopt-A-Native-Elder in Salt Lake City.

- The Trust's real estate subsidiary, Arrowbrook Centre, LLC paid \$737,314 to the County of Fairfax for the general support of its public schools pursuant to zoning proffers. Arrowbrook Centre, LLC also paid the Washington Metropolitan Airports Authority (MWAA) \$244,127 to acquire permanent and temporary construction easements necessary for a public facility pedestrian and bicycle trail. The Trust classified each disbursement as qualifying charitable distributions made to a level of government for a public purpose.
- Total charitable distributions reported on the Trust's 990PF tax return for FY 2021 were \$1,816,335. This sum amounts 6.3% of the value of the Trust's average noncharitable corpus for FY 2021, a slight increase from the prior fiscal year.
- Among the grants awarded were a set of emergency grants, approved and awarded on a simplified application and reporting process, to provide emergency Covid-19 pandemic relief. These Covid-19 relief grants distributed during FY 2021 totaled \$150,000.
- The BOT awarded a \$25,000 Board Level grant to Local Food Hub, Inc. in Charlottesville, Virginia on the recommendation of the Committee on the Ruth Lauanders Annual Legacy Grant.
- The Trust participated in the e-Reporting platform administered by Candid, formerly GuideStar.

Fiduciary Education.

- The Trust renewed its membership in the National Center for Family Philanthropy (NCFP).
- The Executive Director viewed several Webinars produced by NCFP on the topics of "Planning a Family Retreat", "Trust-Based Philanthropy", "Defining and Translating Motivations and Values", and "Effective Governance Principles, Policies and Practices". Several co-trustees viewed these Webinars either in real time or later using an on-demand archiving facility hosted by NCFP.
- The Trust renewed its membership in Exponent Philanthropy ("EP"). Several co-trustees viewed various modules in the EP virtual series on Foundation Basics.
- The TAB produced and hosted a virtual educational module, conducted using Zoom video conferencing, on real estate issues pertinent to the administration of the Trust including the history of the development of Arrowbrook Centre.

Management.

- To accommodate her relocation to Florida due to a change of employment of her spouse, the Trust's administrative assistant transitioned from an employee to an independent contractor but continued to maintain the Trust's financial books and records using a remote digital connection. The transition has saved the Trust over \$1,000 per month in employee wages and payroll taxes.
- The Executive Director wrote and submitted a Self-Assessment Memorandum pursuant to a self-assessment process initiated by the BOT.
- The Executive Director filed the Trust's FY 2020 990PF with IRS in October 2020
- The Executive Director continued the practice of compiling and providing a Board Book to the co-trustees approximately ten (10) days before a Board meeting
- The Executive Director completed and submitted the Exponent Philanthropy Foundation Operations and Management Survey
- The Executive Director communicated, by phone and email, on a regular basis with the Board Chairman
- The corporate office of RHLCT remained open throughout the Covid-19 pandemic with normal operations but with adherence to CDC recommended public health protocols.

Real Estate.

- With the consent of the BOT, Arrowbrook Centre, LLC reached full agreement with SCG Development Partners, LLC on all aspects of the 99-year ground lease transaction for development of Land Bay D2 as a 274-unit affordable apartment building with approximately 37,000 square feet of retail space. The ground lease transaction closed in December 2020. Arrowbrook Centre, LLC received ground rent at closing totaling \$5.475 million, but remitted \$4 million of that sum to SCG as its agreed purchase money for the finished retail space to be conveyed back to the Trust on completion of construction.
- Arrowbrook Centre, LLC closed on the sale of approximately 1.5 acres denoted Land Bay B2 to Pulte Home Company LLC for a gross purchase price of \$5,416,000.
- Arrowbrook Centre, LLC commenced construction of the so-called Arrowbrook segment of HMSAMS (Innovation) Trail, a dual-use pedestrian and bicycle trail located primarily on land under control of the Metropolitan Washington Airports Authority (MWAA) providing better transit connectivity from Arrowbrook Centre to the Innovation Center Metrorail station.

- Arrowbrook Centre, LLC obtained approval from the Fairfax County Planning Commission of a site-wide comprehensive sign plan for Arrowbrook Centre.

Financial.

- At the beginning of the fiscal year, the fair market value of the Trust's liquid corpus was \$19,999,388.
- At the end of the fiscal year, the fair market value of the Trust's liquid corpus was \$29,510,565.
- Dividends, interest, rents, and realized gains on the disposal of assets including land, plus miscellaneous receipts totaled \$9,530,217. This figure represents approximately 32.81% of the Trust's average noncharitable liquid (investable) corpus during the fiscal year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jeffrey J. Fairfield', written over a light blue horizontal line.

Jeffrey J. Fairfield
Executive Director
October 13, 2021