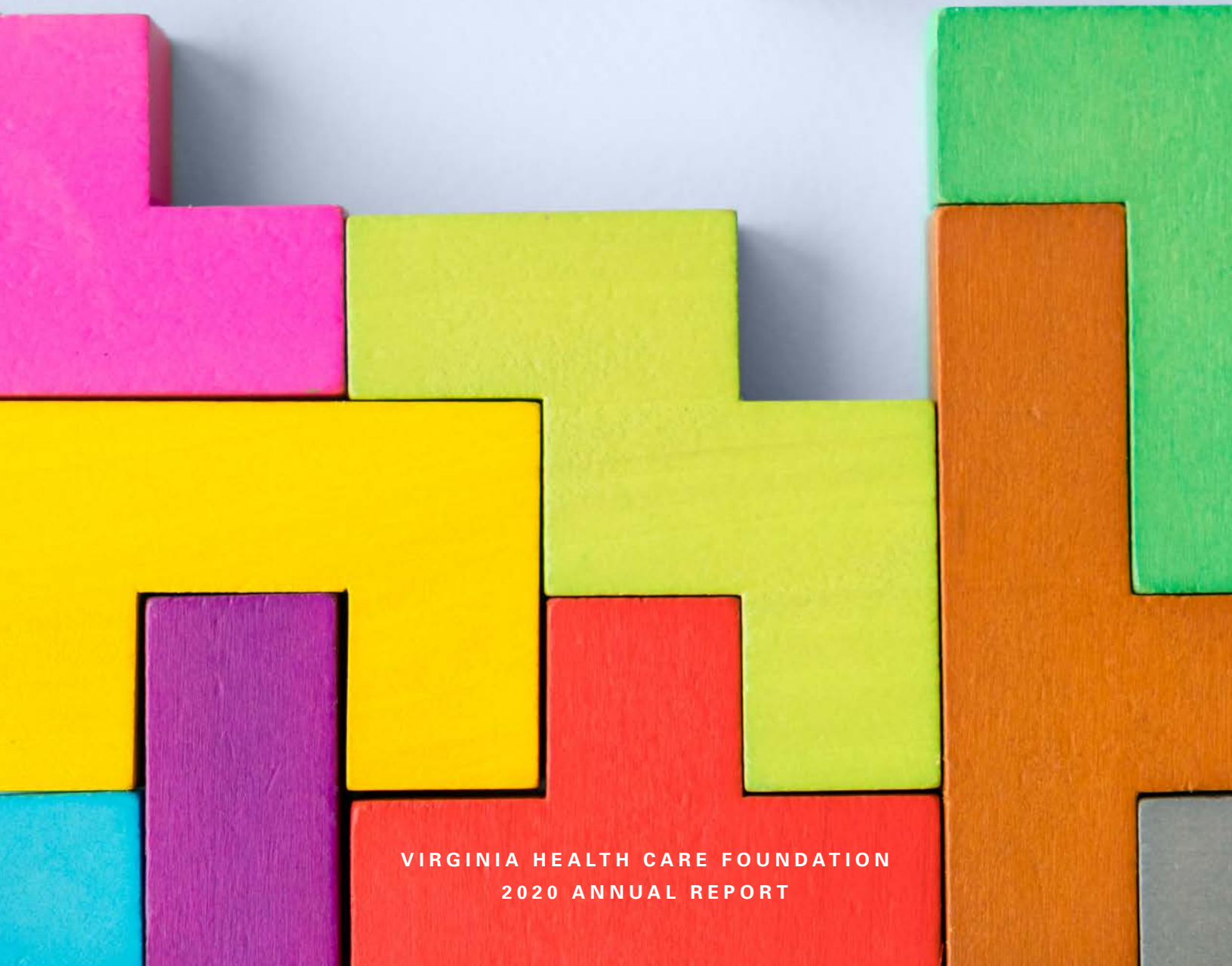


WHEN SOMETHING IS MISSING...

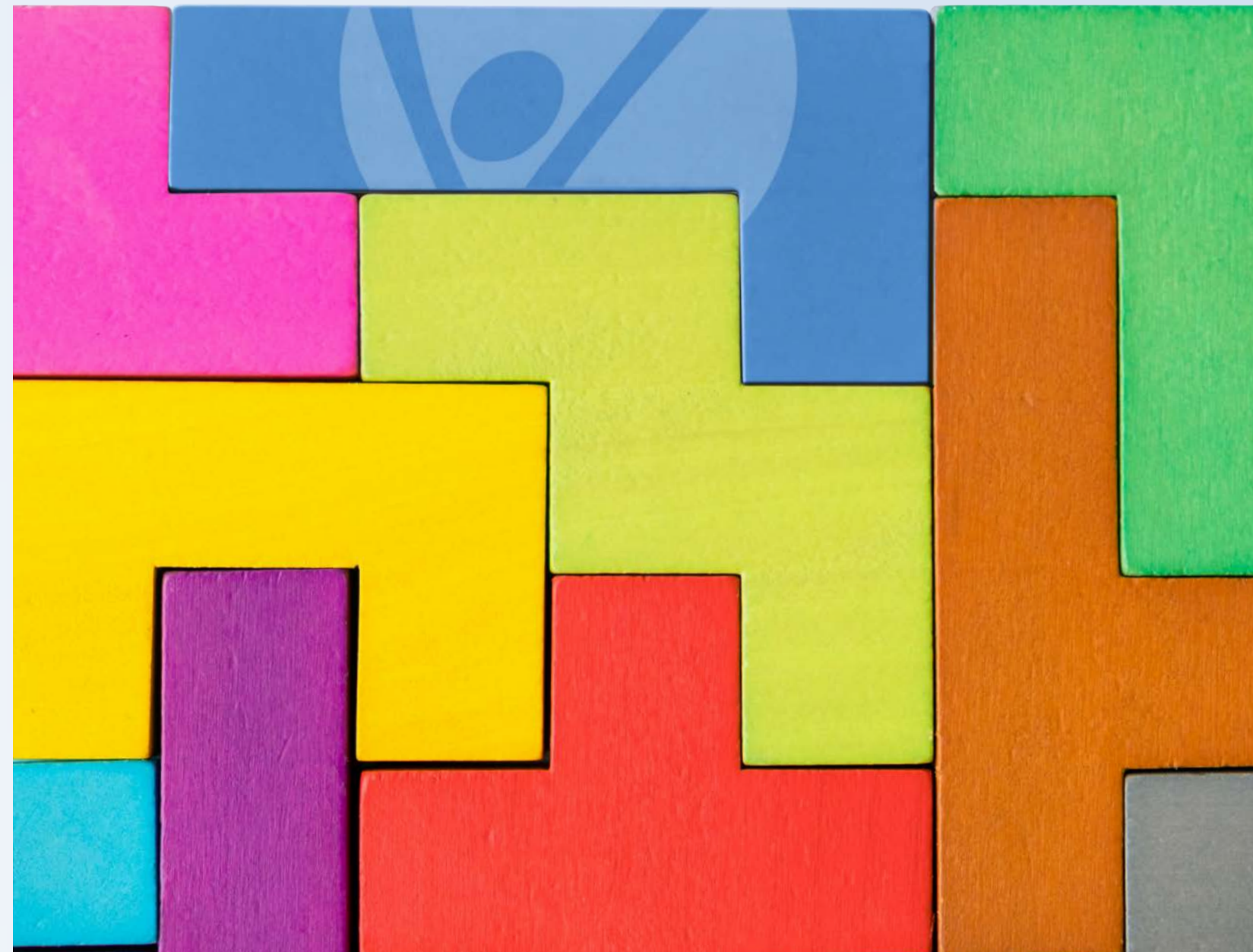


**VIRGINIA HEALTH CARE FOUNDATION
2020 ANNUAL REPORT**

WE FIND SOLUTIONS.

For nearly three decades, VHCF
has viewed the **BARRIERS** to
health care faced by vulnerable
Virginians as **CALLS TO ACTION.**

The Foundation is an integral part of the Commonwealth's
strategy to improve access to care for the uninsured and
medically underserved – designing and implementing impactful
solutions to help address the challenges of the times...



What's missing?

Mental health services

COVID-19. Job loss. Anxiety. Depression. More Virginians than ever are facing mental health challenges. But help is hard to find, particularly for the 2 in 5 Virginians who live in mental health professional shortage areas.

SOLUTION VHCF grants have enabled 47 mental

health professionals to be hired by health safety net

practices in these underserved parts of the state. In FY20

VHCF, awarded \$1 million to provide **tele-mental health**

services and add behavioral health

providers to these areas via its **Making**

Brighter Days Possible initiative.

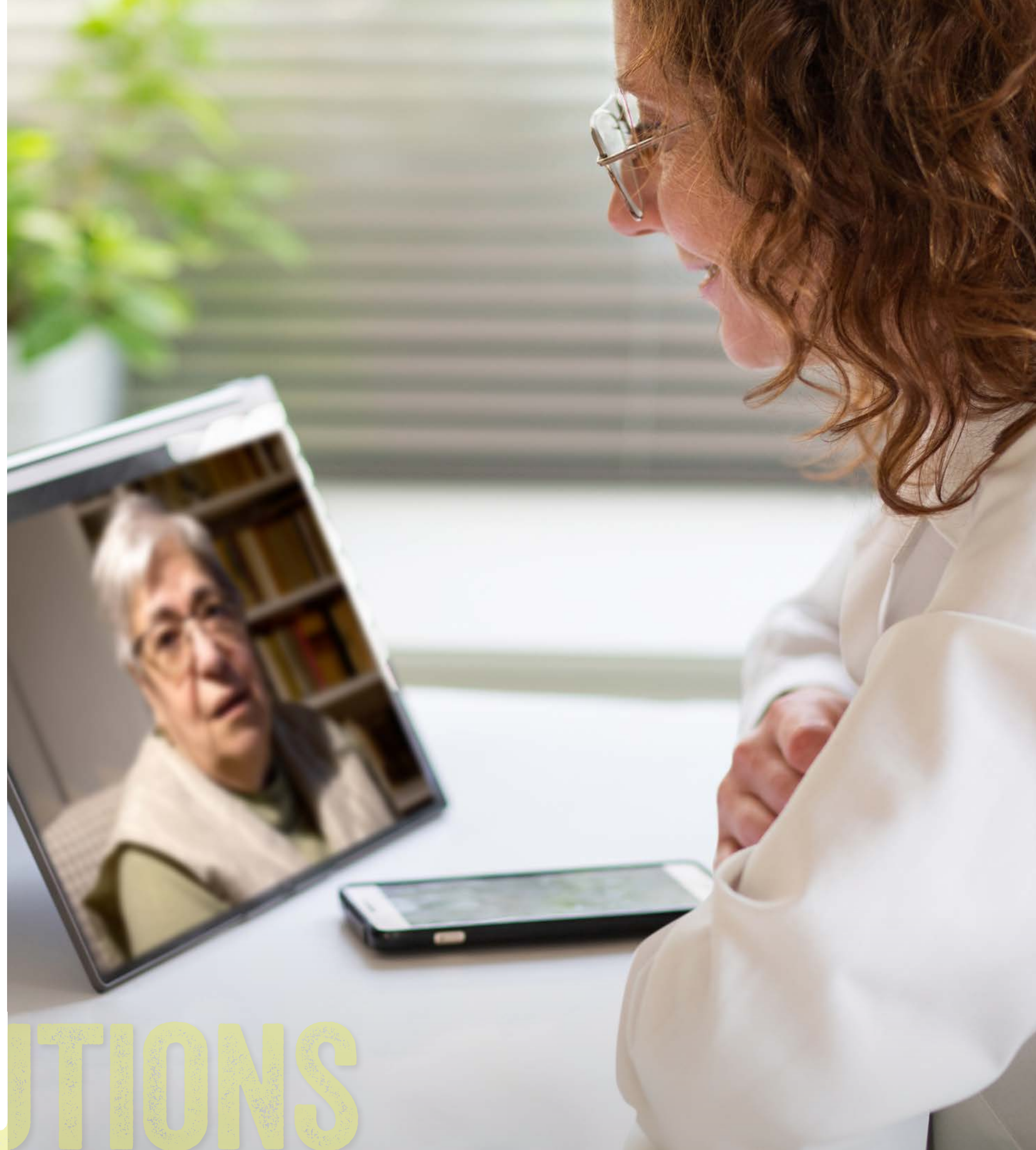
FACT: VHCF-funded

behavioral health providers

have treated 16,300

patients via 146,552 visits.

MISSING



WE FIND SOLUTIONS

WE FIND SOLUTIONS



What's missing? Affordable prescription medicines for at-risk Virginians

MISSING

Prescriptions to treat invisible killers, like diabetes and hypertension, can seem like unaffordable luxuries when paychecks are cut or stop altogether.

SOLUTION VHCF's groundbreaking program, **The Pharmacy Connection (TPC)**, has been coming to the rescue for more than 20 years. It streamlines the delivery of free chronic disease medicines to the uninsured. Used by health safety net practices and hospitals, VHCF's **TPC** program is a lifesaver for many Virginians.

FACT: More than 351,000 sick uninsured Virginians have obtained more than 5.3 million prescription medications through TPC.

WE FIND SOLUTIONS

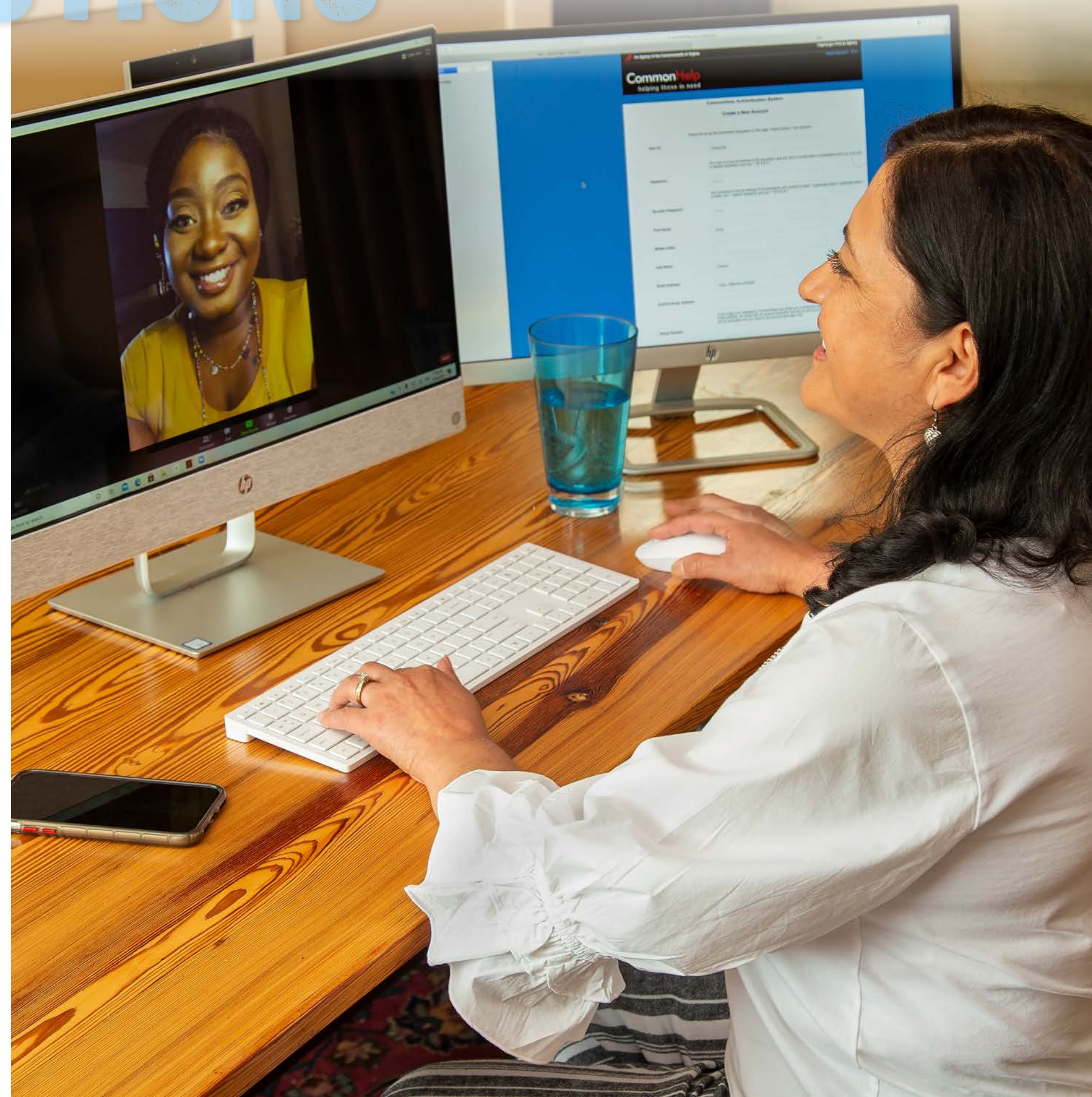
What's missing? Health insurance coverage in a pandemic with record unemployment

Unexpected. Unprepared. Unbelieving. Hundreds of thousands of working Virginians suddenly became jobless and uninsured. Many had no way to pay for needed health care.

MISSING

SOLUTION 23 VHCF-funded Medicaid outreach workers throughout the state sprang to action, delivering both information and 1:1 application assistance. Most of the newly uninsured had no idea that comprehensive Medicaid coverage, including COVID-19 testing and services, was available to them and their families.

FACT: VHCF outreach workers With the outreach workers' help, **helped 8,100+ uninsured Virginians enroll in Medicaid or FAMIS coverage in FY20.** many obtained health insurance and peace of mind.





What's missing? Enough providers to meet the demand in Virginia's healthcare safety net.

The number of patients has increased everywhere! Medicaid expansion led more patients to community health centers. COVID-19 brought thousands of the newly unemployed to free clinics. The virus also reduced the number of volunteer providers, since many are over 60 years of age or older.

MISSING

SOLUTION VHCF grants helped add 31 new providers to community

health centers and hybrid clinics statewide in FY20. Initially intended to address the influx of newly eligible Medicaid patients, the additional staff and telemedicine advances funded by these grants became essential as the economic consequences of COVID-19

created far greater need for health services. **FACT: VHCF-funded providers treated nearly 35,000 patients via 91,000 visits in FY20.**

VHCF'S PARTNERS HELP BUILD SOLUTIONS

JULY 1, 2019 - JUNE 30, 2020

PREMIER PARTNERS

(\$300,000 - \$999,999)

Sentara/Optima Health
Tobacco Region Revitalization
Commission
Williamsburg Health Foundation

LEADERSHIP PARTNERS

(\$100,000 - \$299,999)

Carilion Clinic
The August Heid Trust

DISTINGUISHED PARTNERS

(\$40,000 - \$99,999)

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BalladHealth
Claude Moore Charitable Foundation
Danville Regional Foundation
Delta Dental of Virginia
Patterson Dental
Queen of Virginia Skill &
Entertainment, LLC
The Harvest Foundation

SUPPORTING PARTNERS

(\$10,000 - \$39,999)

DentaQuest
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Keiter
J. Kevin King
Magellan Cares Foundation
Mary Washington Healthcare
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Virginia Association of Health Plans

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Patient First

Pfizer
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Virginia Dental Association

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(\$100 - \$2,999)

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Cupron, Inc.
Norwood and Marguerite Davis Fund*
Mark S. & Jonadell P. Dray in memory
of Karen M. Hudson
Barbara Dunn
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The Honorable John A. Gibney, Jr.
John H. & Margaret C. Hager Fund*
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Howell Dentistry
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Karen M. Hudson
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Sigma Nu Fraternity – University of
Lynchburg
R. Gordon Smith
Marsha Sompayrac in memory of
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Mr. & Mrs. James M. Turner, Jr.
Mark Vaughn
Virginia Information Technologies
Agency COVID-19 CVC
Fundraising Challenge
Mr. & Mrs. D. Eugene Webb, Jr.
David Wofford in memory of Karen
M. Hudson

**at The Community Foundation for a
greater Richmond*

SPECIAL THANKS TO OUR PUBLIC SECTOR PARTNERS

Virginia Department of Health
Virginia Department of Medical
Assistance Services
Virginia Department of Social Services
Centers for Medicare & Medicaid
Services

THANKS TO ALL WHO CONTRIBUTED THROUGH WORKPLACE CHARITABLE CAMPAIGNS

Commonwealth of Virginia Campaign
(CVC 20062)
United Way of Greater Richmond
& Petersburg
United Way of Greater Charlottesville

*The list above reflects gifts over \$100 received
between July 1, 2019 and June 30, 2020. We
have taken great care to ensure the accuracy
of this list and deeply regret any errors or
admissions. Should corrections be necessary,
please contact Kimberly Separ at (804) 828-5804.*





EFFECTIVE. RESOURCEFUL. INNOVATIVE. NIMBLE.

These are traits the **Virginia Health Care Foundation** has employed over the years to help more than 700,000 uninsured and medically underserved Virginians obtain needed health care. These characteristics were in full display during FY20.

A year already packed with new initiatives and ambitious goals for existing programs required an immediate shift when the COVID-19 pandemic struck.

In the face of significant human and economic devastation, VHCF pivoted quickly to provide additional support and troubleshooting, ensuring continuation of many VHCF-funded services through remote or socially-distanced modes.

At the same time, we added several new services and augmented others to help address some of the pandemic's many ripple effects. The health-related consequences of lost jobs and health insurance along with disparate impact of COVID-19 on people of color made our work even more important.

Through it all, we considered each barrier to care a call to action and embraced the challenge.



COVERAGE IS CRITICAL

More than 1 million Virginians (over 25% of Virginia’s pre-COVID-19 workforce) lost their jobs as a result of the lockdowns to contain the virus. Many of them have lost their health insurance, too. Fortunately, about 33% of these individuals are eligible for Medicaid coverage thanks to the state’s recent expansion of eligibility. Unfortunately, many don’t know that this option is available.

Pre-pandemic, VHCF had already assembled and trained a team of 23 Medicaid outreach workers throughout the state with funding from a host of partners.* They were actively promoting the new Medicaid coverage and providing 1:1 application assistance when COVID-19 appeared.

As the importance of conducting business remotely became clear, VHCF’s outreach workers adapted quickly, adopting socially distanced and virtual techniques, and helping their local referral partners adjust, as well.

As a result, more than 8,100 Virginians were enrolled in Medicaid

through these efforts in FY20—a record for VHCF outreach workers!

Recognizing the limitations of broadband in some rural areas of the state, VHCF conducted a Medicaid marketing campaign in Southside and Southwest Virginia



with generous funding from Optima Health. The campaign used traditional marketing techniques such as billboards and radio ads along with digital messaging. In addition, the Foundation’s **SignUpNow** trainings taught more than 700 health and human services personnel how to help their patients/clients apply for coverage.

*The Tobacco Region Revitalization Commission, the Harvest Foundation, the Danville Regional Foundation, Sentara Healthcare, the Virginia Department of Medical Assistance Services, and the Centers for Medicare and Medicaid Services.

NEED FOR MENTAL HEALTH SERVICES SKYROCKETS

A significant need for mental health services existed in Virginia long before COVID-19. That need has grown exponentially due to the many stressors of the pandemic. Some people are experiencing depression and anxiety related to job loss or their business’s financial challenges. Others, especially essential workers, are anxious about being infected and spreading the illness to their loved ones. Various frontline providers are experiencing PTSD as their patients die without families present. The growing awareness of racial injustice and health inequities is having an impact, as well.

Whatever the cause, the need for mental health services has never been greater. To help provide some relief to behavioral health providers and their team members, VHCF created and launched a **Behavioral Health Hub** listserv as a venue for the behavioral



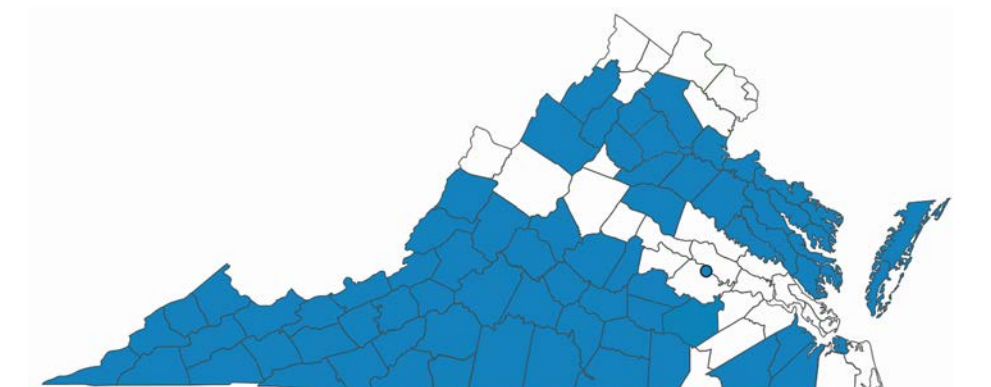
health community to share resources, tips, and thoughts related to self-care and the delivery of behavioral health services during the pandemic. Nearly 1,000 people have been receiving regular communications from the Hub about a range of topics, including wellness strategies, identifying signs of burnout, leadership tips for supporting the mental health of employees, and a racial trauma toolkit.

VHCF also collaborated with a number of state agencies and provider associations to develop **FrontlineWellnessVA**. This is a free online resource designed to provide relief, comfort and perspective to stressed frontline personnel, including

clinical, operations and support staff. The site offers multiple wellness resources and self-care practices. www.FrontlinewellnessVA.org

In addition to these new pandemic-related initiatives, VHCF continued to promote and provide tools for implementing a trauma informed approach to delivering healthcare services. The resilience cards VHCF developed in partnership with the nationally recognized Community Resilience Initiative have proven to be an effective tool to help counselors and other trained staff engage and guide adult patients in addressing trauma and developing personal resilience plans. Nearly 1,000 decks

VIRGINIA'S MENTAL HEALTH PROFESSIONAL SHORTAGE AREAS





Six recipients of VHCF's Psychiatric Nurse Practitioner Scholarship Program graduated in FY20 and will practice in Virginia's healthcare safety net. They are, from top left: Petherie Nissley (Nelson County), Jackie Williams (Henrico County) and Ruhi Lakhani (Fairfax County) and bottom from left to right: Gwen Davis (Loudoun County), Rose Joyner (Hanover County) and Carol Booth (Henrico County).

of these cards are now being used in more than 100 organizations throughout the state.

In the midst of unprecedented need for mental health services, the shortage of behavioral health professionals in Virginia has never been more concerning. State and federal data show that 67% of Virginia localities are designated as mental health professional shortage areas. To address this problem, VHCF has focused on increasing the number of

Psychiatric Mental Health Nurse Practitioners (Psych NPs) via a special scholarship program.

The Foundation pays full tuition and required fees for any nurse practitioner who returns to school for a post masters Psych NP certificate with the understanding the new Psych NP will work for two years in Virginia's healthcare safety net upon graduation. In FY20, VHCF awarded 11 new scholarships. During the year, six previous scholarship recipients graduated and obtained Psych NP certification. This initiative has been so

successful that VHCF officially adopted it as a permanent program in FY20.

INNOVATIVE MODELS FOR DELIVERING MENTAL HEALTH SERVICES

VHCF also implemented two additional initiatives to increase access to mental health services. The new **Making Brighter Days Possible** initiative funded the addition of behavioral health professionals in several mental health shortage areas and the technology needed to extend their availability to additional

areas via tele-mental health. It also was designed to elevate the degree of behavioral health integration in the health safety net practices that were funded. This proved to be incredibly timely given the COVID-19 pandemic, enabling many patients to safely obtain support during this time of increased stress. A generous \$1 million grant from Sentara/Optima Health made this initiative possible.

Defeating the Deadly Double: Depression and Diabetes (DDD) is another special VHCF initiative that encouraged and facilitated an integrated approach to care between medical providers and behavioral health professionals. Although it is widely acknowledged that depression and diabetes are often related, few medical practices routinely screen diabetic patients for depression. Multi-disciplinary teams from the

five participating health safety net practices focused on ensuring that each diabetic patient was screened for depression and treated appropriately during the two-year grant period.

The results were affirming. Of the targeted patients enrolled in DDD for at least 12 months, 50% reduced their levels of depression and 54% improved their hemoglobin A1c scores! One of the teams noted they had "seen lives change dramatically". Furthermore, the final evaluations by the participating teams indicated that all had significantly advanced the level of collaboration and behavioral health integration for their DDD patients.

The results and feedback on this initiative were so positive that VHCF is making plans to launch DDD 2.0 with a new group of grantees in the future.

HELPING VIRGINIA'S HEALTH AND DENTAL SAFETY NET PRACTICES

Over the years, VHCF has invested more than \$55 million to expand the number of health safety net practices and the scope of services they provide. When VHCF was established, only 33 free clinics and community health centers existed and they only offered medical care. That number has grown to 258 practice sites today. Most have added some amount of dental and/or mental health services with many having full-fledged programs.

The Foundation continued to invest in the growth of Virginia's healthcare safety net in FY20 by helping establish dental safety net clinics in two additional localities (Wythe and Washington counties). It also funded





CUMULATIVE EFFECT OF TPC:

\$6.3 Billion Value of free medications

351,026 Patients served

5,325,772 Prescriptions filled

31 additional dentists, behavioral health professionals, and medical providers throughout the state. Each met an important local need prior to COVID-19 and had to reconfigure their practices to serve patients during the pandemic.

Virtual visits via telemedicine became the preferred method of diagnosing and treating patients for medical and behavioral health visits. Some dental programs started using tele-dentistry.

While many medical and behavioral health services could be offered safely upon re-opening by adjusting protocols and using PPE, dental safety net practices faced significant challenges. Many safety net patients are “essential workers”, who cannot work remotely or avoid public contact and many dental services generate aerosol that may transmit the COVID-19 virus from contagious asymptomatic patients.

VHCF’s long-standing **ToothTalk** listserv became a vibrant venue for dentists and other dental thought leaders to stay up-to-date on CDC and ADA guidelines for dealing with COVID-19. Several dedicated dental safety net dentists regularly provided

information almost daily about a range of topics including utilization of tele-dentistry and program and facility changes needed to re-open and operate safely.

Some dental safety net operations have not yet reopened. Others are reopening incrementally. New approaches and business models are being explored. Given all of this, VHCF is focusing its attention on supporting the re-opening and effective functioning of Virginia’s dental safety net.

MAXIMIZING THE AVAILABILITY OF FREE MEDICINES

The eagerness with which the world waits for a vaccine or treatment for COVID-19 underscores the life-saving

importance of prescription medicines. Fortunately, there are cures and effective treatments for many common chronic diseases, however the costs are often high.

VHCF has developed several approaches to helping uninsured Virginians obtain needed prescriptions. To expedite and maximize utilization of free medicines through Patient Assistance Programs (PAPs), VHCF created **The Pharmacy Connection (TPC)** software. Over the years, it has evolved to a sophisticated web-based product used by health safety net organizations and hospitals throughout the Commonwealth and beyond. VHCF also created a TPC web app several years ago, which providers use to determine if there are free medicines that could be effective in treating a patient. It also helps them identify the lowest cost medicine, if a generic must be purchased.

Since its creation, TPC has generated \$6.3 billion (Average Wholesale Price) worth of free prescription medicines for more than 351,000 uninsured Virginians. In FY20 alone, more than 96,000 ninety day prescriptions were filled for 22,460 patients via TPC.

To further ensure the availability of free and low-cost medicines, the



Medication Assistance Caseworkers (MACs) of VHCF’s **RxRelief Virginia** (RxR Va) initiative used TPC to help uninsured patients obtain needed medicines. In FY20, RxR Va’s 49 MACs helped more than 12,000 chronically ill uninsured patients fill 58,185 prescriptions with free medicines valued at more than \$104 million (Average Wholesale Price).

The MACs of the Greater Williamsburg Medication Assistance Program (GWMAP) filled nearly 7,500 prescriptions for the patients they helped in FY20. GWMAP is funded by the Williamsburg Health Foundation and administered by VHCF.

The **Rx Partnership (RXP)**, an organization VHCF helped establish 17 years ago, continued to make free PAP medicines available to the 19 free clinics with licensed pharmacies. The clinics obtain medicines quickly by ordering them in bulk from five participating pharmaceutical companies (GlaxoSmithKline, Merck, Novartis, AbbVie, and Pfizer). In the past three years, RXP has also instituted two programs designed to supply generic medicines to free clinics at low cost. Through all of these programs combined, RXP helped 7,910 free clinic patients obtain needed medicines in FY20.

11:1 LEVERAGE

Throughout the many challenges of living and working safely during the COVID-19 pandemic and working double time to help the legions of newly unemployed, VHCF’s role and responsibility as a public/private partnership has been front-of-mind. It leads us to constantly look for ways to leverage the dollars VHCF receives to produce the greatest return – from both a human and financial perspective.

Exemplary stewardship is one of the Foundation’s core values. This approach has enabled VHCF to leverage an average of \$11 in cash, health services, and other in-kind

contributions for every one dollar expended since inception, while maintaining low administrative costs (just 9.4% in FY20).

THE NEXT CALL TO ACTION

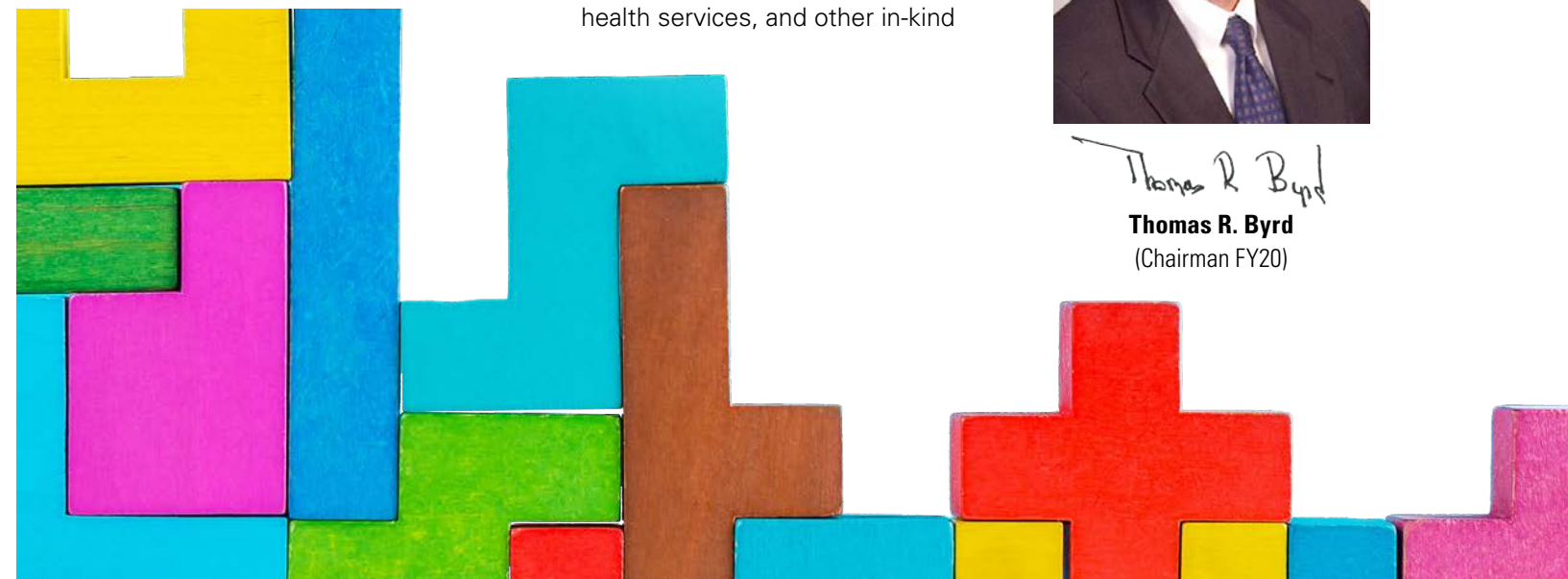
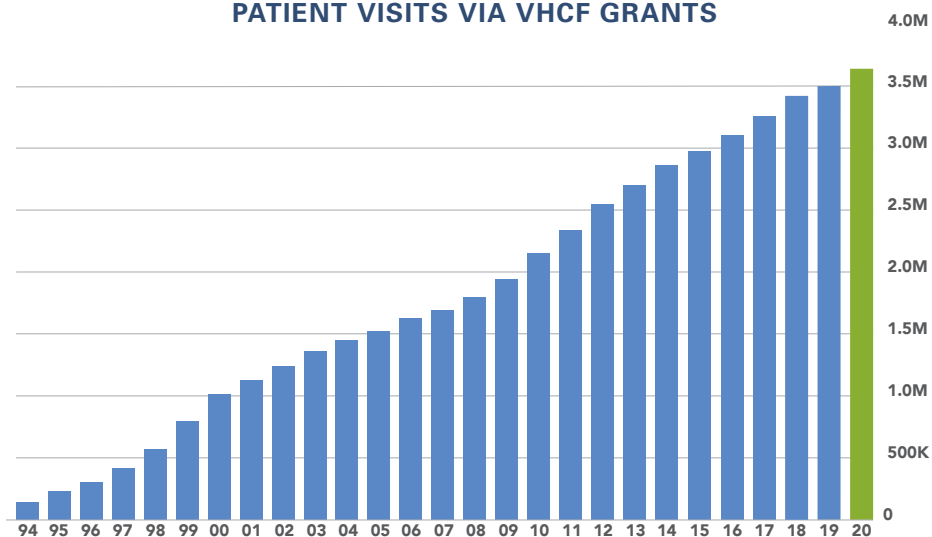
One thing that has been reinforced by COVID-19 is the lack of certainty in life. We didn’t know the coronavirus was coming. We don’t know when it will stop dominating our lives. We don’t know when or how well the economy will recover. And, we don’t know the long-term impact the pandemic will have on those who survived the virus, or those indirectly affected by it personally or professionally.

Amidst this world of uncertainty, however, there is one thing that does remain—the Virginia Health Care Foundation will continue to find and implement solutions that remove barriers to access, until all Virginians are able to obtain the health care they need.



Thomas R. Byrd
Thomas R. Byrd
(Chairman FY20)

PATIENT VISITS VIA VHCF GRANTS



VHCF SUPPORT FOR VIRGINIA'S HEALTHCARE SAFETY NET

(1992-2020)

STATEWIDE

- Central VA Lions Hearing Aid Bank *
- MCV School of Dentistry Mobile Dental Clinic 🏥
- UVA Nurse Practitioner Telemedicine Initiative 📺
- RxPartnership Rx
- Virginia Association of Free and Charitable Clinics * * *
- Virginia Dental Association/Foundation 🏥 🏥 🏥 🏥
- Virginia Community Healthcare Association * 📺 * 📺

NORTHERN VIRGINIA

- Alexandria Community Services Board 🏥
- Arlington Community Services Board 🏥
- Arlington Free Clinic + + 🏠 🏠
- Fairfax Medical Care for Children Project +
- Fauquier Free Clinic 🏥
- GPW Health Center + 🏥 🏥 +
- HealthWorks for Northern Virginia – Herndon + +
- HealthWorks for Northern Virginia – Leesburg +
- Inova Partnership for Healthier Communities 🏥 🏥 🏥 🏥
- Inova Pediatric Center + +
- Marymount University Physical Therapy at Arlington Free Clinic +
- Neighborhood Health + 🏥 🏥 Rx + 🏥 + + 🏥 + 🏥 +
- Northern VA Dental Clinic 🏥 🏥
- Northern VA Family Service
 - Loudoun + Rx
 - Prince William/Manassas + Rx Rx
- NOVA ScriptsCentral +
- Potomac Hospital
- Prince William County Community Services Board 🏥
- Stafford County Public Schools 🏥
 - In partnership with Stafford County Department of Social Services 🏥
- Youth For Tomorrow 🏥

CENTRAL VIRGINIA

- Access Now + +
- Blue Ridge Medical Center 🏠 + * + Rx + 🏥 🏥
- Bon Secours Richmond Health System 🏥
 - Care-A-Van Mobile Medical Clinic + +
- Capital Area Health Network 🏥
- Center for Healthy Hearts + Rx 🏠

- Central Virginia Health Services, Inc. 🏥 Rx
- Caroline Children's Dental Program 🏥 🏥
- Charles City Regional Health Services Rx
- Hopewell-Prince George Community Health Center 🏥 🏥
- King William-Dawn Community Doctors Rx
- Petersburg Health Care Alliance + 📺 / 🏥
- Charlottesville Area Dental Access 🏥
- Charlottesville Free Clinic 🏥 🏠 + 🏥 🏥 Rx
- Chesterfield Health District 🏥
- Children's Hospital of Richmond at VCU 🏥
- ChildSavers 🏥
- CrossOver Healthcare Ministry * 🏥 + Rx 🏥 🏥 Rx
- Daily Planet Health Services Rx 🏥
- Free Clinic of Central Virginia/MedsHelp + Rx 🏥 Rx 🏥 🏥
- Goochland Cares + 🏥
- Hayes E. Willis Health Center + 🏥
- Health Brigade Rx + 🏥
- Henrico Area Mental Health & Development Services 🏥
- Henrico County Public Schools 🏥
- Irvin Gammon Craig Health Center + + Rx
- Jefferson Area CHIP *
- Johnson Health Center 🏥 🏥 🏥 🏥
 - Amherst Community Health Center 📺 / 🏥
- Lloyd F. Moss Free Clinic + 🏥 🏥 *
- Louisa County Resource Council + 🏥
- Richmond City Health District + + + + 🏥
- Senior Connections Rx
- United Way – Thomas Jefferson Area 🏥 🏥 Rx 🏥
- Virginia Commonwealth University Health System 🏥 🏥
- Virginia Treatment Center for Children 🏥 🏥
- Vision to Learn 🏥

NORTHERN NECK AND EASTERN SHORE

- Accomack County School-Based Dental Program 🏥 🏥
- Bay Aging *
- Central Virginia Health Services, Inc. – Westmoreland Medical Center + 🏥 + +
- Eastern Shore Community Services Board 🏥
- Eastern Shore Rural Health System + Rx 🏥 🏥 *
- Atlantic Community Health Center 🏠
- Eastville Community Health Center 🏠

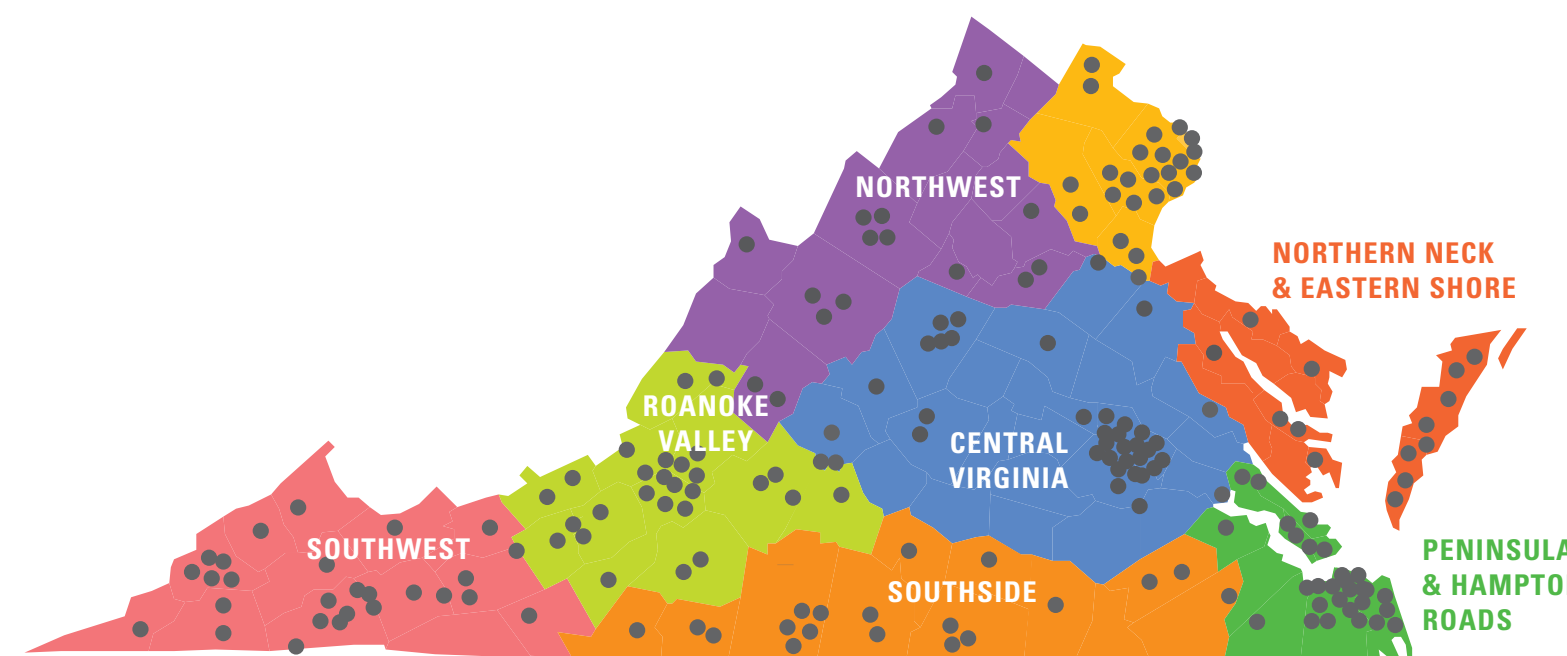
- Franktown Community Health Center 🏥
- Onley Community Health Center + +
- Eastern VA Telemedicine Network 📺
- Gloucester-Mathews Care Clinic Rx Rx 🏠
- Ledwith-Lewis Free Clinic Rx +
- Middle Peninsula Northern Neck Community Services Board 🏥
- Northampton County School-Based Dental Program 🏥
- Northern Neck-Middlesex Free Clinic + 🏥 🏥 🏥

PENINSULA AND HAMPTON ROADS

- Access Partnership 🏥 🏥
- Beach Health Clinic + + Rx
- Catholic Charities of Eastern Virginia Rx 🏥
- Chesapeake Care Clinic 📺 🏥
- Chesapeake Health Department 🏥
- CHIP of South Hampton Roads * 🏥 🏥
- Colonial Behavioral Health Rx
- Community Free Clinic of Newport News 🏥 Rx
- Consortium for Infant and Child Health 🏥 🏥
- Hampton Ecumenical Lodgings and Provisions, Inc. (HELP Free Clinic) Rx
- Hampton Roads Community Health Center (Norfolk) 🏥
 - East Ocean View Medical & Dental Center 📺 / 🏥
 - Park Place Medical Center 📺 / 🏥
- Horizon Health Services – Surry Medical Center 🏠
- Jewish Family Services of Tidewater 🏥
- Lackey Clinic Rx Rx 🏠 🏠 Rx 🏥 🏥
- Maryview Foundation Healthcare Center + Rx
- Norfolk Department of Public Health 🏥 🏥
- Olde Towne Medical and Dental Center + 🏥 Rx 🏠 🏥
- Peninsula Agency on Aging MedTran Project *
- The Planning Council 🏥 🏥
- Sentara Medical Group 🏥
- Southeastern Virginia Health System + Rx 🏥
- Stoneybrook Physicians Rx
- Virginia Beach Family Medical Center Rx
- The STOP Organization 🏥 🏥
- Western Tidewater Free Clinic Rx 🏥 🏥

SOUTHSIDE

- Central Virginia Health Services, Inc.
 - Charlotte Primary Care + + 📺 / 🏥
 - Southside Community Health Center 🏠



- Danville-Pittsylvania Community Services 📺 / 🏥 🏥 🏥
- Halifax Regional Development Foundation, Inc. Rx 🏥 🏥
- Horizon Health Services – Waverly Medical Center 🏠
- Lake Country Area Agency on Aging 🏠
- Martinsville/Henry County Coalition for Health & Wellness Rx 🏥 🏥 🏥 *
- Piedmont Access to Health Services (PATHS) Rx 🏥
 - PATHS Community Dental Center – Boydton 🏥
- Pittsylvania County Community Action, Inc. 🏥
- Southern Dominion Health System Rx
 - Lunenburg Community Health Center 🏠 * 🏥
- Stony Creek Community Health Center +
- VCU Health Community Memorial Hospital + 🏥 Rx 🏠 🏥
- Virginia Legal Aid Society 🏥
- Virginia Western Community College Telemedicine Dental Hygiene Initiative 📺 / 🏥

SOUTHWEST

- Ballad Health – Norton Medication Assistance Program Rx
- Bland County Medical Clinic 🏠 🏥
- Bland Ministry Center: Big Walker Dentistry 🏥
- Brock Hughes Free Clinic + + 🏠
- Clinch River Health Services 🏠 +
- Cumberland Plateau Health District 🏥
- The Health Wagon + +
- Lenowisco Health District + Rx *
- Lonesome Pine Office on Youth 🏥
- Mel Leaman Free Clinic +
- Mission Dental of Virginia: Appalachian Highlands Community Dental Center 🏥
- Mt. Rogers Medication Assistance Program Rx
- Mountain Empire Older Citizens, Inc. Rx
- Norton Community Hospital *
- People, Inc. of Southwest Virginia * 🏥

- Southwest VA Community Health Systems, Inc. 🏠 +
 - Meadowview Health Clinic 🏠 +
 - Southwest Virginia Regional Dental Center 🏥
 - Tazewell Community Health Center 🏥
 - Twin City Medical Center – Bristol Telemedicine 📺
- Southwest Virginia Legal Aid Society, Inc. 🏥
- Stone Mountain Health Services 🏥
- Clinchco Dental Center 🏥
- Konnarock Family Health Center +
- Tri-Area Community Health at Laurel Fork 🏥 📺 / 🏥
- UVA/Southwest VA Alliance for Telemedicine 📺

ROANOKE VALLEY

- Alleghany Highlands Community Services Board 🏥
- Bedford Community Health Foundation
 - Bedford Children's and Adult Dental Clinic 🏥
 - Bedford Ride Program *
- Bradley Free Clinic + 🏥 +
- Carilion Clinic
 - Pediatric Dental Program 🏥 🏥
 - Pediatric Practices 🏥 🏥
- Carilion Giles Memorial Hospital 🏥 Rx
- CHIP of Roanoke Valley * 🏥
- Community Health Center of the New River Valley + 🏥 🏥
 - Giles Community Health Center +
 - Radford/Pulaski Community Health Center 🏠 🏥
- Free Clinic of Franklin County Rx + + +
- Johnson Health Center
 - Bedford Community Health Center 📺 / 🏥
 - Rustburg Community Health Center 📺 / 🏥
- New Horizons Healthcare Rx 🏥 * 🏥 +
- Mental Health Association of the New River Valley 🏥
- Monroe Health Center – Craig County Health Center + +
- New River Valley Medication Assistance Program Rx

- New River Valley Senior Services MedRide *
- Radford University 🏥 🏥 🏥 🏥
- Rescue Mission of Roanoke + 🏠
- Tri-Area Community Health Rx
 - Tri-Area Community Health Center at Ferrum + 📺 / 🏥 🏥
 - Tri-Area Community Health Center at Floyd + 📺 / 🏥

NORTHWEST

- Augusta Health Foundation Rx
- Augusta Regional Medical & Dental Clinic + + 🏥 🏥 🏥
- Blue Ridge Area Health Education Center * 🏥
- Harrisonburg Community Health Center + 🏥 🏠 🏥
- Harrisonburg-Rockingham Free Clinic 🏠 + +
- Highland Medical Center 🏠 Rx 🏥
- Orange County Free Clinic + + Rx
- Piedmont Regional Dental Clinic 🏥 🏥
- Rappahannock-Rapidan Community Services Board Rx
- Rockbridge Area Community Services 🏥
- Rockbridge Area Health Center + 🏥 🏥 🏥 🏥
- Shenandoah Community Health Clinic + + Rx 🏥 🏥
- Sinclair Health Clinic + 🏥 Rx 🏥 *
- St. Luke Community Clinic +

- KEY**
- 🏥 Application Assistance for Medicaid/FAMIS
 - 🏥 Behavioral Health
 - 🏠 Building/Renovation
 - 🏥 Dental
 - * Other Type of Grant
 - + Medical Care
 - Rx Medication Assistance
 - 📺 Technology
 - 🏥 Vision

VHCF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

Assets	2020	2019
Current assets:		
Cash and cash equivalents	\$ 791,094	\$ 1,892,339
Investments	12,452,072	12,824,771
Government appropriations receivable	5,725,714	5,725,714
Interest receivable	18,938	18,645
Contributions receivable, current portion	1,449,240	719,332
Prepaid expenses	22,215	29,921
Total current assets	20,459,273	21,210,722
Contributions receivable, net of current portion	75,000	125,000
Property and equipment, net	20,035	23,522
Total assets	\$ 20,554,308	\$ 21,359,244
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 100,531	\$ 113,350
Accrued rent	8,835	7,544
Grants payable, current portion	4,263,456	4,444,300
Total current liabilities	4,372,822	4,565,194
Grants payable, net of current portion	884,444	928,685
Total liabilities	5,257,266	5,493,879
Net assets:		
Without donor restrictions	6,923,253	6,936,771
With donor restrictions	8,373,789	8,928,594
Total net assets	15,297,042	15,865,365
Total liabilities and net assets	\$ 20,554,308	\$ 21,359,244

Audited financial statements and report in its entirety available upon request.

VHCF CONSOLIDATED STATEMENTS OF ACTIVITIES

June 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Government appropriations	\$ -	\$ 4,580,571	\$ 4,580,571	\$ -	\$ 4,580,571	\$ 4,580,571
Contributions	210,439	677,227	887,666	278,957	3,129,998	3,408,955
Contract revenue	-	1,654,501	1,654,501	-	841,438	841,438
Investment income, net	263,148	-	263,148	405,537	-	405,537
Unrealized net (loss)/gain on investments	(144,516)	-	(144,516)	448,101	-	448,101
Other income	276,836	13,154	289,990	240,926	180,123	421,049
Total support and revenue	605,907	6,925,453	7,531,360	1,373,521	8,732,130	10,105,651
Net assets released from restriction	7,480,258	(7,480,258)	-	7,120,257	(7,120,257)	-
Expenditures:						
Program services - grants	7,338,122	-	7,338,122	7,473,193	-	7,473,193
Supporting services:						
Management and general	555,885	-	555,885	509,566	-	509,566
Fundraising	205,676	-	205,676	242,402	-	242,402
Total expenditures	8,099,683	-	8,099,683	8,225,161	-	8,225,161
Change in net assets	(13,518)	(554,805)	(568,323)	(285,309)	(35,146)	(320,455)
Net assets, beginning of year	6,936,771	8,928,594	15,865,365	6,668,154	7,316,721	13,984,875
Net assets, end of year	\$ 6,923,253	\$ 8,373,789	\$ 15,297,042	\$ 6,936,771	\$ 8,928,594	\$ 15,865,365

Audited financial statements and report in its entirety available upon request.

SO MANY VIRGINIANS HAVE LOST THEIR JOBS & INSURANCE DUE TO COVID-19.



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The **VIRGINIA HEALTH CARE FOUNDATION** (VHCF) is a public/private partnership dedicated to increasing access to primary health care for uninsured and medically underserved Virginians. Initiated by the General Assembly and its Joint Commission on Health Care in 1992, the Foundation has helped more than 700,000 uninsured Virginians obtain the health care they need.

VHCF MISSION: VHCF's mission is to increase access to primary health care for uninsured and medically underserved Virginians.

VHCF VISION: All Virginians will have access to the health care they need.

OUR ORGANIZATIONAL VALUES

1. EXEMPLARY STEWARDSHIP:

We are laser-focused, creative, and efficient in getting the most value out of limited resources and leveraging what we have for the greatest benefit and return. We invest for the long term, maximizing the sustainability of the organizations we fund. We constantly evaluate the impact of our actions, and hold ourselves and our grantees accountable for demonstrating results to our donors and the citizens of Virginia.

2. DRIVE FOR EXCELLENCE:

We are energetic and enthusiastic in the pursuit of our mission and are tenacious in our commitment to achieve extraordinary results. We are action-oriented and effective. We strive to use best practices in everything we do.

3. INTEGRITY:

We hold ourselves to the highest standards of professionalism and accountability. We do all things for the benefit of our mission. Our decisions are data driven. We are honest in our words, actions, and results. We do what we say we are going to do.

4. CATALYST FOR CHANGE:

We never rest on our laurels. We are progressive and entrepreneurial in our thinking, always seeking new and innovative ways to deliver our services, add value to our constituencies, and move our mission forward.



**VIRGINIA
HEALTH CARE
FOUNDATION**

707 E Main St | Suite 1350
Richmond, VA 23219
(804) 828-5804



**VIRGINIA
HEALTH CARE
FOUNDATION**

Financial Statements

June 30, 2020 and 2019



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VIRGINIA HEALTH CARE FOUNDATION

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees
Virginia Health Care Foundation
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Virginia Health Care Foundation (the "Foundation"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virginia Health Care Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

A handwritten signature in black ink, appearing to read "Keita", with a long, sweeping horizontal stroke extending to the right.

August 31, 2020
Glen Allen, Virginia

VIRGINIA HEALTH CARE FOUNDATION

Statements of Financial Position June 30, 2020 and 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 791,094	\$ 1,892,339
Investments	12,452,072	12,824,771
Government appropriations receivable	5,725,714	5,725,714
Interest receivable	18,938	18,645
Contributions receivable, current portion	1,449,240	719,332
Prepaid expenses and other assets	<u>22,215</u>	<u>29,921</u>
Total current assets	20,459,273	21,210,722
Contributions receivable, net of current portion	75,000	125,000
Property and equipment, net	<u>20,035</u>	<u>23,522</u>
Total assets	<u>\$ 20,554,308</u>	<u>\$ 21,359,244</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 100,531	\$ 113,350
Accrued rent	8,835	7,544
Grants payable, current portion	<u>4,263,456</u>	<u>4,444,300</u>
Total current liabilities	4,372,822	4,565,194
Grants payable, net of current portion	<u>884,444</u>	<u>928,685</u>
Total liabilities	<u>5,257,266</u>	<u>5,493,879</u>
Net assets:		
Without donor restrictions	6,923,253	6,936,771
With donor restrictions	<u>8,373,789</u>	<u>8,928,594</u>
Total net assets	<u>15,297,042</u>	<u>15,865,365</u>
Total liabilities and net assets	<u>\$ 20,554,308</u>	<u>\$ 21,359,244</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Activities Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Government appropriations	\$ -	\$ 4,580,571	\$ 4,580,571
Contributions	210,439	677,227	887,666
Grant revenue	-	1,654,501	1,654,501
Investment income, net	263,148	-	263,148
Unrealized net loss on investments	(144,516)	-	(144,516)
Other income	276,836	13,154	289,990
Total support and revenue	605,907	6,925,453	7,531,360
Net assets released from restriction	7,480,258	(7,480,258)	-
Expenditures:			
Program services - grants	7,338,122	-	7,338,122
Supporting services:			
Management and general	555,885	-	555,885
Fundraising	205,676	-	205,676
Total expenditures	8,099,683	-	8,099,683
Change in net assets	(13,518)	(554,805)	(568,323)
Net assets, beginning of year	6,936,771	8,928,594	15,865,365
Net assets, end of year	\$ 6,923,253	\$ 8,373,789	\$ 15,297,042

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Activities Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Government appropriations	\$ -	\$ 4,580,571	\$ 4,580,571
Contributions	278,957	3,129,998	3,408,955
Grant revenue	-	841,438	841,438
Investment income, net	405,537	-	405,537
Unrealized net gain on investments	448,101	-	448,101
Other income	240,926	180,123	421,049
Total support and revenue	1,373,521	8,732,130	10,105,651
Net assets released from restriction	7,120,257	(7,120,257)	-
Expenditures:			
Program services - grants	7,473,193	-	7,473,193
Supporting services:			
Management and general	509,566	-	509,566
Fundraising	242,402	-	242,402
Total expenditures	8,225,161	-	8,225,161
Change in net assets	268,617	1,611,873	1,880,490
Net assets, beginning of year	6,668,154	7,316,721	13,984,875
Net assets, end of year	\$ 6,936,771	\$ 8,928,594	\$ 15,865,365

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Functional Expenses
Year Ended June 30, 2020

	Program Services - Grants	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ -	\$ 253,618	\$ 168,592	\$ 422,210
Employee benefits/payroll taxes	-	74,980	35,083	110,063
 Total salaries and related expenditures	 -	 328,598	 203,675	 532,273
Grants	5,191,433	-	-	5,191,433
RX Partnership	105,000	-	-	105,000
The Pharmacy Connection	336,430	-	-	336,430
Medicaid Assistance Program	242,646	-	-	242,646
Strategic Initiatives	668,685	-	-	668,685
Medicaid/FAMIS Outreach and Enrollment	424,817	-	-	424,817
Grantee Technical Assistance	54,568	-	-	54,568
Grantmaking	247,418	-	-	247,418
Dental Opportunities Initiative	67,125	-	-	67,125
Contractual services	-	64,261	-	64,261
Office rent	-	56,898	-	56,898
Telephone and fax	-	5,673	-	5,673
Supplies	-	3,324	-	3,324
Computer software and supplies	-	5,683	-	5,683
Printing and copying	-	21,211	-	21,211
Postage	-	3,575	-	3,575
Travel	-	1,705	-	1,705
Meeting/conference costs	-	16,999	165	17,164
Special events	-	3,149	590	3,739
Miscellaneous	-	6,239	-	6,239
Insurance	-	19,870	-	19,870
Subscriptions, fees and dues	-	5,636	1,246	6,882
 Total expenditures before depreciation and amortization	 7,338,122	 542,821	 205,676	 8,086,619
 Depreciation and amortization of property and equipment	 -	 13,064	 -	 13,064
 Total expenditures	 <u>\$ 7,338,122</u>	 <u>\$ 555,885</u>	 <u>\$ 205,676</u>	 <u>\$ 8,099,683</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Functional Expenses Year Ended June 30, 2019

	Program Services - Grants	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ -	\$ 211,614	\$ 136,189	\$ 347,803
Employee benefits/payroll taxes	-	62,141	35,050	97,191
 Total salaries and related expenditures	 -	 273,755	 171,239	 444,994
Grants	5,340,563	-	-	5,340,563
RX Partnership	105,000	-	-	105,000
The Pharmacy Connection	367,959	-	-	367,959
Medicaid Assistance Program	255,469	-	-	255,469
Strategic Initiatives	493,716	-	-	493,716
Medicaid/FAMIS Outreach and Enrollment	479,019	-	-	479,019
Grantee Technical Assistance	76,013	-	-	76,013
Grantmaking	256,738	-	-	256,738
Dental Opportunities Initiative	98,716	-	-	98,716
Contractual services	-	90,091	-	90,091
Office rent	-	46,546	-	46,546
Telephone and fax	-	4,943	38	4,981
Supplies	-	7,936	92	8,028
Computer software and supplies	-	10,986	-	10,986
Printing and copying	-	6,042	2,877	8,919
Postage	-	3,682	1,037	4,719
Travel	-	2,991	-	2,991
Meeting/conference costs	-	17,385	320	17,705
Special events	-	6,370	65,510	71,880
Miscellaneous	-	1,247	-	1,247
Insurance	-	22,158	-	22,158
Subscriptions, fees and dues	-	4,473	1,289	5,762
 Total expenditures before depreciation and amortization	 7,473,193	 498,605	 242,402	 8,214,200
Depreciation and amortization of property and equipment	-	10,961	-	10,961
 Total expenditures	 <u>\$ 7,473,193</u>	 <u>\$ 509,566</u>	 <u>\$ 242,402</u>	 <u>\$ 8,225,161</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Cash Flows Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (568,323)	\$ 1,880,490
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	13,064	10,961
Net investment income reinvested	(229,194)	(216,103)
Net realized and unrealized loss (gain) on investments	100,446	(646,054)
Gain on sale of property and equipment	(150)	-
Change in assets and liabilities:		
Government appropriations receivable	-	(1,145,143)
Interest receivable	(293)	(2,936)
Contributions receivable	(679,908)	(453,766)
Prepaid expenses and other assets	7,706	949
Accounts payable and accrued expenses	(11,528)	(19,465)
Grants payable	<u>(225,085)</u>	<u>190,146</u>
Net cash used in operating activities	<u>(1,593,265)</u>	<u>(400,921)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(9,577)	(9,064)
Proceeds from sale of property and equipment	150	-
Proceeds from sales of investments	3,647,767	3,347,351
Purchase of investments	<u>(3,146,320)</u>	<u>(3,849,998)</u>
Net cash provided by (used in) investing activities	<u>492,020</u>	<u>(511,711)</u>
Net change in cash and cash equivalents	(1,101,245)	(912,632)
Cash and cash equivalents, beginning of year	<u>1,892,339</u>	<u>2,804,971</u>
Cash and cash equivalents, end of year	<u>\$ 791,094</u>	<u>\$ 1,892,339</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements

1. Organization and Business:

Virginia Health Care Foundation (the “Foundation”) is a Virginia not-for-profit entity which was created in June 1992 as a public/private partnership by the Governor of Virginia and the Virginia General Assembly’s Joint Commission on Health Care. The Foundation’s mission is to increase access to primary care for Virginia’s uninsured and medically underserved populations by helping to foster community-based projects that combine the resources of state government, health care professionals, the business sector, local private funds, and revenue from various sources.

During March 2020, a novel strain of coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization. The situation is evolving with various cities and countries around the world responding in different ways to address the outbreak.

There are direct and indirect economic effects developing for various industries and individual companies throughout the world. Management will continue to monitor the impact COVID-19 has on the Foundation and reflect the consequences as appropriate in the Foundation’s accounting and financial reporting.

2. Summary of Significant Accounting Policies:

Basis of Accounting: The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (“GAAP”) as determined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”).

Net Assets: The Foundation is required to report amounts separately by class of net assets as follows:

Net Assets Without Donor Restrictions: Net assets currently available at the discretion of the Board of Trustees for use in the Foundation’s operations, including \$26,549 at June 30, 2020 and 2019, designated by the Board of Trustees to function as an endowment (see Note 12).

Net Assets With Donor Restrictions: Net assets which are stipulated by donors for specific operating purposes, or are restricted to investments in perpetuity, the income from which is expendable in accordance with the conditions of each specific donation. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents: Cash equivalents consist of investments in money market funds. For purposes of the statements of cash flows, the Foundation considers all highly liquid financial instruments not included in the investment portfolio or with original maturities of three months or less to be cash equivalents.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Concentrations of Credit Risk: Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and receivables. At times, these cash and cash equivalent balances are in excess of the FDIC insurance limit.

The Foundation places its short-term investments in a variety of financial instruments and, by policy, limits the amount of credit exposure through diversification and by restricting its investments to highly rated securities.

Investments: Investments in marketable securities are carried at fair value as determined by the investment managers. Unrealized gains and losses are included in the statements of activities. Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain marketable securities and the level of uncertainty related to changes in the value of marketable securities, it is at least reasonably possible that changes in the risks in the near term could materially affect amounts reported on the financial statements.

Property and Equipment: Property and equipment is recorded at cost for purchased items and at fair value on the date of the gift for contributed items. Major repairs and betterments are capitalized and normal maintenance and repairs are charged to expense as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives (generally five years) of the assets.

Fair Value of Financial Instruments: The carrying amounts of cash and cash equivalents; government appropriations receivable; interest receivable; contributions receivable; accounts payable and accrued expenses; and grants payable approximate fair value because of the short-term nature of these financial instruments.

Income Taxes: The Foundation received a favorable determination letter from the Internal Revenue Service on October 22, 1996 stating that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Income from certain activities not directly related to the Foundation's tax exempt purpose is subject to taxation as unrelated business income. The Foundation has no unrelated business income for fiscal years 2020 and 2019.

Management has evaluated the effect of guidance surrounding uncertain income tax positions and concluded that the Foundation has no significant financial statement exposure to uncertain income tax positions at June 30, 2020 and 2019. The Foundation is not currently under audit by any tax jurisdiction.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Contributions: The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the nature of the contribution. When a restriction expires, net assets with donor restrictions are re-classified as net assets without donor restrictions. Unconditional promises to give are recorded when the promise is made. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. There were no conditional promises to give during 2020 or 2019.

Contributions of assets other than cash are recorded at their estimated fair market value at the time of donation.

Donated Services: During 2020 and 2019, the Foundation received professional services at no charge from outside organizations. These services, valued by the donors at approximately \$32,485 in 2020 and \$60,595 in 2019, were recorded as contribution revenue without donor restrictions and recorded as expenditures in the related expense accounts in the accompanying statements of activities.

Grants: The Foundation makes grants to various Virginia not-for-profit organizations to carry out its mission. A grant is recognized as an expense in the year the board of trustees authorizes the grant. Although certain requirements are stipulated for each grant, management has assessed the possibility that those requirements will not be met as remote and, therefore, they are considered to be unconditional. Grants are generally paid within one year of authorization. The Foundation reduced grant expense by \$86,934 in 2020 and \$99,906 in 2019 for grants recognized in prior years that will not be paid. These reductions relate to terminated or reduced grants resulting from the grantees' inability to fulfill the requirements of the grants, and to grantees that did not spend anticipated funding. All of these funds were reallocated to future grants. Management determined the discount on future expected cash flows for grants payable at June 30, 2020 and 2019 was immaterial; therefore, no discount was considered necessary.

Adoption of New Accounting Standard: Effective July 1, 2019, the Foundation adopted Accounting Standards Update ("ASU") 2018-08, "Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made", which presents a new methodology for determining whether a grant or contribution received or made by a not-for-profit entity should be accounted for as an exchange transaction or as a contribution. The Foundation adopted this ASU using the modified retrospective method. Prior periods were not restated. The Foundation's revenues for the year ended June 30, 2020 and its receivables, assets, and liabilities as of June 30, 2020 were not materially different from what would have been recognized under the previous guidance.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events: Management has evaluated subsequent events through August 31, 2020, the date the financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying financial statements.

3. Cash and Cash Equivalents:

Cash and cash equivalents include the following as of June 30, 2020 and 2019:

	2020	2019
Cash on deposit	\$ 238,047	\$ 1,373,115
Money market funds	553,047	519,224
	\$ 791,094	\$ 1,892,339

4. Investments:

The costs and fair values of investments as of June 30, 2020 and 2019 are summarized as follows:

	2020		2019	
	Cost	Fair value	Cost	Fair value
Money market funds	\$ 1,130,344	\$ 1,130,344	\$ 716,256	\$ 716,256
Certificates of deposit	509,613	509,613	1,002,197	1,002,197
U.S. Treasury Bills	669,937	738,292	845,745	879,727
Common stocks	5,563,921	7,848,592	5,472,342	8,001,744
Corporate bonds	2,123,568	2,225,231	2,192,662	2,224,847
	\$ 9,997,383	\$ 12,452,072	\$ 10,229,202	\$ 12,824,771

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

4. Investments, Continued:

Investment income and gains and losses for investments are comprised of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Interest income, net	\$ 219,078	\$ 207,584
Net realized gains	<u>44,070</u>	<u>197,953</u>
	<u>\$ 263,148</u>	<u>\$ 405,537</u>
Net unrealized (losses) gains	<u>\$ (144,516)</u>	<u>\$ 448,101</u>

Investment income includes advisory fees totaling \$67,918 for 2020 and \$63,682 for 2019.

5. Fair Value Measurements:

The FASB has issued guidance for measurement and disclosure of fair value and establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal and most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The levels of the hierarchy are defined as follows:

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

- Level 2 Inputs to the valuation methodology are quoted prices for similar instruments in active and inactive markets; and model driven valuations with significant inputs and drivers derived from observable active markets.

- Level 3 Inputs to the valuation methodology are unobservable for the instrument and significant to the fair value measurement. The Foundation did not have any Level 3 assets or liabilities at June 30, 2020 and 2019.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

5. Fair Value Measurements, Continued:

Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for investments carried or disclosed at fair value:

Money market funds: Valued at the cash balance.

Certificates of deposit: Valued at face value and accrued interest.

U.S. Treasury Bills: Valued at the discount price until maturity.

Securities: Valued at the closing price reported on the active market on which the individual mutual funds and common stocks are traded.

Corporate bonds: Valued at the present value of the bond's cash flow which includes periodic interest payments and the repayment of principal.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

5. Fair Value Measurements, Continued:

Investments measured at fair value on a recurring basis at June 30, 2020 include the following:

	Fair Value Using		Investments at Fair Value
	Level 1	Level 2	
Assets:			
Money market funds	\$ 1,130,344	\$ -	\$ 1,130,344
Certificates of deposit	-	509,613	509,613
U.S. Treasury Bills	-	738,292	738,292
Securities:			
Closed end mutual funds	971,092	-	971,092
Communication services	520,775	-	520,775
Consumer discretionary	639,587	-	639,587
Consumer staples	620,465	-	620,465
Energy	237,404	-	237,404
Financials	1,308,885	-	1,308,885
Health care	913,524	-	913,524
Industrials	523,397	-	523,397
Information technology	1,260,817	-	1,260,817
Materials	317,349	-	317,349
Miscellaneous	16,126	-	16,126
Real estate investment trusts	389,741	-	389,741
Utilities	129,430	-	129,430
Corporate bonds	-	2,225,231	2,225,231
	\$ 8,978,936	\$ 3,473,136	\$ 12,452,072

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

5. Fair Value Measurements, Continued:

Investments measured at fair value on a recurring basis at June 30, 2019 include the following:

	Fair Value Using		Investments at Fair Value
	Level 1	Level 2	
Assets:			
Money market funds	\$ 716,256	\$ -	\$ 716,256
Certificates of deposit	-	1,002,197	1,002,197
U.S. Treasury Bills	-	879,727	879,727
Securities:			
Closed end mutual funds	697,201	-	697,201
Communication services	398,951	-	398,951
Consumer discretionary	485,360	-	485,360
Consumer staples	715,239	-	715,239
Energy	576,438	-	576,438
Financials	1,543,915	-	1,543,915
Health care	879,398	-	879,398
Industrials	623,709	-	623,709
Information technology	1,107,346	-	1,107,346
Materials	490,370	-	490,370
Miscellaneous	4,696	-	4,696
Real estate investment trusts	388,246	-	388,246
Utilities	90,875	-	90,875
Corporate bonds	-	2,224,847	2,224,847
	\$ 8,718,000	\$ 4,106,771	\$ 12,824,771

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

5. Fair Value Measurements, Continued:

Certain of the Foundation's investments are subject to restrictions on the frequency of redemptions without penalty. At June 30, 2020, the maturity dates or redemption periods and related amounts were as follows:

Year Ended June 30:	Certificates of Deposit	Corporate Bonds	U.S. Treasury Bills
2021	\$ 509,613	\$ 470,667	\$ 172,469
2022	-	337,577	112,733
2023	-	191,979	-
2024	-	277,289	-
2025	-	204,838	156,997
2026	-	108,000	-
2027	-	540,580	-
2028	-	94,301	-
2029	-	-	296,093
	\$ 509,613	\$ 2,225,231	\$ 738,292

6. Contributions Receivable:

Contributions receivable are summarized as follows as of June 30, 2020 and 2019:

	2020	2019
Unconditional contributions expected to be collected in:		
Less than one year	\$ 1,449,240	\$ 719,332
One year to five years	75,000	125,000
Total contributions receivable	\$ 1,524,240	\$ 844,332

There was no discount on future expected cash flows from contributions receivable in 2020 and 2019.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

7. Property and Equipment, Net:

Property and equipment, net as of June 30, 2020 and 2019 is as follows:

	2020	2019
Equipment	\$ 101,500	\$ 110,520
Leasehold improvements	4,987	4,987
Software	-	39,592
	106,487	155,099
Less accumulated depreciation and amortization	(86,452)	(131,577)
Property and equipment, net	\$ 20,035	\$ 23,522

8. Lease Commitments:

The Foundation was obligated under operating leases for office space and equipment that expire on various dates through March 31, 2020. During 2020, the Foundation extended the office space lease through March 31, 2025. The office space lease includes scheduled rent increases at specified intervals during the term of the lease. The Foundation recognizes rent expense on a straight-line basis over the life of the related lease. Total rental expense for operating leases was \$95,027 in 2020 and \$103,787 in 2019. Future minimum lease payments as of June 30, 2020 are as follows:

Year Ended June 30:	Amount
2021	\$ 88,031
2022	109,722
2023	112,465
2024	115,277
2025	88,069
Total	\$ 513,564

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

9. Net Assets with Donor Restrictions:

The following net assets with donor restrictions are available for program development purposes in the following periods subsequent to June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Purpose restricted - grants	\$ 8,300,338	\$ 8,855,143
Endowment	<u>73,451</u>	<u>73,451</u>
	<u>\$ 8,373,789</u>	<u>\$ 8,928,594</u>

Net assets released from donor restriction in 2020 and 2019 were released for program development purposes.

10. Employee Retirement Plan:

The Foundation has an employee retirement plan under Section 403(b) of the IRC. The plan provides for salary reduction contributions by eligible employees and for Foundation contributions, subject to certain limitations. The Foundation's contribution to the plan was \$69,855 in 2020 and \$64,542 in 2019.

11. Government Appropriations:

The Commonwealth of Virginia (the "Commonwealth") designated an appropriation in its biennial budget to the Foundation of \$4,580,571 for the 2020 fiscal year. This appropriation is to be used to fulfill the purpose of the Foundation. The Foundation has elected to record these funds as a receivable when the Commonwealth has completed action on the current budget, which is done on an annual basis. The appropriation of \$4,580,571 along with \$1,145,143 not yet received on the prior year appropriation was included as a receivable as of June 30, 2020 in the accompanying financial statements. The amount of the appropriation is subject to change should the Commonwealth experience a budget shortfall; however, the Foundation has taken this possibility into consideration in its 2020 fiscal year budget. These appropriations accounted for 61% of support and revenue for 2020 and 45% of support and revenue for 2019. These appropriations accounted for 79% of total receivables at June 30, 2020 and 87% of total receivables at June 30, 2019.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

12. Endowment Fund:

During 2017, the Foundation established the *Deborah D. Oswalt Excellence in Nonprofit Leadership Endowment*. The purpose of the endowment is to support the professional development of a nonprofit Executive Director (ED) who has demonstrated commitment to the nonprofit sector and/or for that ED to research or prepare for a new organizational initiative. During 2019, the Board of Trustees approved a resolution to designate \$26,549 of net assets without donor restrictions to the endowment fund bringing the total value of the endowment fund to \$100,000. The endowment fund includes both funds with donor restrictions and funds designated by the Board of Trustees to function as an endowment. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

At June 30, 2020 and 2019, the endowment funds are held solely in cash.

Interpretation of Relevant Law: The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the original gift of the endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) cumulative gains on the donor restricted endowment funds until those amounts appropriated for expenditure are disbursed in accordance with the donor restrictions in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate funds in the endowment fund designated by the Board of Trustees:

- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions

Funds with Deficits: From time to time, the fair value of assets associated with endowment funds may fall below the level that the donor or the UPMIFA requires an organization to retain as a fund of perpetual duration. The endowment held by the Foundation was not in a deficit at June 30, 2020 or 2019.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

12. Endowment Funds, Continued:

Return Objectives and Risk Parameters: At the direction of the Board of Trustees, the Foundation has adopted investment and spending policies that govern all investments of the Foundation. The investment and spending policies attempt to provide a predictable stream of funding to the Foundation to allow for it to meet the mission. The Foundation's investment policy requires a mix of equities (40% - 75%), fixed income (25% - 50%), and cash equivalents (0% - 25%). Five to seven percent of the equities target may be invested in international developed and emerging markets. Investment performance is measured against a weighted average of the target asset allocation benchmarks. The equity portion of the portfolio will be measured against the Standard and Poor's 500 and Russell 1000 Value Stock Index and the fixed income portion of the portfolio will be measured against the Bloomberg Barclays Intermediate Government/Credit Index. The cash portion of the portfolio will be measured against the 90-day Treasury bill index. The Foundation intends to use the same investment policies and intends to produce the same investment results as mentioned above for the endowment fund.

The Foundation expects its endowment fund over time to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

Endowment net asset composition by type of fund was as follows as of June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 73,451	\$ 73,451
Board-designated funds	26,549	-	26,549
Total funds	\$ 26,549	\$ 73,451	\$ 100,000

Endowment net asset composition by type of fund was as follows as of June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 73,451	\$ 73,451
Board-designated funds	26,549	-	26,549
Total funds	\$ 26,549	\$ 73,451	\$ 100,000

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

13. Liquidity and Availability of Financial Assets:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 791,094	\$ 1,892,339
Government appropriations receivable	5,725,714	5,725,714
Contributions receivable	1,524,240	844,332
Investments	12,452,072	12,824,771
Interest receivable	18,938	18,645
	20,512,058	21,305,801
Receivables to be collected in more than one year	(75,000)	(125,000)
Contractual or donor-imposed restrictions:		
State appropriation	(4,580,571)	(4,580,571)
Federal and state contract grant funds	(838,930)	(149,103)
Other	(2,880,532)	(3,945,256)
Endowment fund	(100,000)	(100,000)
Investments maturing in more than one year	(2,320,387)	(3,255,090)
Financial assets available to meet cash needs for general expenditures within one year	\$ 9,716,638	\$ 9,150,781

The Foundation has a policy to structure its financial assets as its general expenditures, liabilities and other obligations come due. Additionally, the Foundation has Board-designated net assets without donor restrictions (see Note 12) that, while the Foundation does not intend to spend for these purposes other than those identified, the amounts could be made available for current operations, if necessary.

14. Functional Expenses:

The statements of functional expenses report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The general and administrative payroll allocation is determined by an estimate of time based on the programs and initiatives planned for the year. Lease expense is allocated based on square footage, by percentage of common areas, square feet of relevant personnel offices and staff time. The following expenses are allocated based on a percentage determined by the total budget expense for each program area divided by the total budget expense for the Foundation: office supplies, computer services, ADP expenses, cafeteria/retirement plan administration, printing & copying, equipment lease/rental and maintenance contracts.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

15. New Accounting Guidance:

Leases: In February 2016, the FASB issued a new accounting standard for leases that will impact both lessees and lessors. The new lease standard will require leases with terms more than 12 months to be recognized on the statement of financial position of lessees by recording a right of use asset with a corresponding obligation to pay rent liability which will be calculated based on the net present value of rental payments. This change is expected to be effective starting with years beginning after December 15, 2021. The Foundation is calculating the impact that this pronouncement will have on its financial statements and determining the best way to account for the new standard.

Revenue Recognition: During 2014, the FASB issued a new standard for revenue recognition, ASU 2014-09, which has been incorporated into FASB guidance as ASC 606. The standard defines a process for evaluating revenue recognition including 1) identify the contract, 2) identify separate performance obligations, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations, and 5) recognize revenue when (or as) the Foundation satisfies a performance obligation. One of the key concepts in the standard is that revenue should be recognized when a customer has control over a good or service. The standard also requires an entity to enhance revenue recognition disclosures in the accounting policy footnote including both quantitative and qualitative information, significant judgments involved in the process, and the amount and timing of remaining performance obligations. The standard is effective for private companies for annual reporting periods beginning after December 15, 2018. Due to the COVID-19 pandemic, the FASB further issued ASU 2020-05 which defers the effective date of ASC 606 to reporting periods beginning after December 15, 2019 for certain entities that had not yet issued their financial statements as of June 3, 2020. The Foundation has elected to defer adoption of ASC 606 in accordance with ASU 2020-05 and is currently evaluating the reporting and economic implications of the new standard.