

What happens when you  
can't take the next step?



**Depression.  
Anxiety.  
Panic Attacks.**

Making **mental health services**  
**more available & affordable** for  
all is at the heart of each Virginia  
Health Care Foundation program...



VIRGINIA HEALTH  
CARE FOUNDATION



**W**hen my daughter died suddenly, the pain was so deep that I just shoved it down inside me. I never grieved. I just kept going, kept pushing, kept working, because I was on my own and had to survive.

It got to the point where I was afraid to go to sleep, for fear I wouldn't wake up. I avoided going to the clinic, because I couldn't handle learning that something was wrong with me. So when they told me I had high blood pressure, I just broke. I was crying so hard. The nurse practitioner said "you need to come with me right now and meet our counselor, Mary." I didn't want to, but she insisted.

**My first session with Mary was the most important day of my life.**

She eased my anxieties, taught me ways to cope and got me treatment that helped bring my blood pressure down, too.

I'm a cook, and people would see me smiling at them. They had no idea of my suffering. But now my smiles are real, because I found someone to listen and help."

VHCF grants have helped 17,000 patients obtain needed mental health services.



Ms. E, Patient, Bradley Free Clinic (Roanoke)





**W**e are on the front lines, helping people who have been without care for so long. Their mental health has been battered. Many have lost a job, a loved one, a home. Lost hope that things could ever change.

**You wouldn't believe the relief in their eyes when I tell them they are eligible for Medicaid coverage and help them apply.**

They almost don't believe it's real.

Medicaid's mental health services enable them to rebuild and strengthen their lives – to look forward to the future. I'm proud I'm able to help them get there."

**In FY21, VHCF-funded application assisters helped 8,791 Virginians enroll in Medicaid or FAMIS coverage.**



Hyrcania Valentin, Patient Access Associate,  
Partnership for Healthier Communities (Loudoun)





**D**epression, anxiety, and other mental health disorders are powerful. They keep you down and make you feel helpless. Medication and therapy can help change that, but behavioral health medicines are typically expensive. This has resulted in many of our patients having skipped these critical treatments, until they have come to us.

**The Pharmacy Connection has been a godsend.** It helps us obtain some of the prescription medicines our uninsured patients need for their behavioral health conditions free of charge. This has made a significant difference and enabled them to change their lives for the better.”

**The Pharmacy Connection obtained 83,000+ prescriptions for patients in FY21 with a value of \$900 million.**



**Rachel R. Waller, MD, FACP, Medical Director, Health Brigade (Richmond)**





**A**lmost from my first days as a nurse, I knew I wanted to focus on mental health care. I saw how much my patients were suffering, beyond medical issues, and I wanted to help them.

The answer was to become a Psychiatric Nurse Practitioner, but I couldn't afford the tuition with a wife and baby at home. It was my finances or my dream – until I found out about the VHCF scholarships.

Now, I'm the only on-site psychiatric provider in three counties. The need is huge, but so is the appreciation. Plus, I can see and feel the positive impact I'm making. **I am able to change lives, just like the scholarship helped change mine."**

VHCF awarded 10 Psych NP scholarships in FY21; half were to people of color.



# VHCF's Donors Help Provide a Step Up

JULY 1, 2020 - JUNE 30, 2021



## Premier Partners

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

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Williamsburg Health Foundation

## Leadership Partners

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

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\*at The Community Foundation for a greater Richmond

\*\*at The Community Foundation for Northern Virginia

## Special Thank You To Our Public Sector Partners

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

## Thanks to All Who Contributed Through Workplace Charitable Campaigns

Commonwealth of Virginia Campaign

*The list above reflects gifts of \$100 or more received between July 1, 2020 and June 30, 2021. 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.*



**W**hile there is still much to be discovered about the workings of the human brain, **we know that a person's mental health is integral to physical health and well-being.**

FY21 brought a tsunami of stressors that challenged the equilibrium of all of us. From the fear and loss caused by the COVID-19 pandemic to the focus on racial health disparities and inequities, the need for mental health services skyrocketed in Virginia.

There was a 400% increase in the number of Virginians reporting symptoms of depression and anxiety and other indicators of unaddressed mental health issues soared.

At the Virginia Health Care Foundation (VHCF), we responded with a number of special behavioral health initiatives; an in-depth review of VHCF's programs and priorities; and **a new strategic plan that focuses even more attention and resources on increasing access to basic mental health services.** We also committed to continuing other VHCF initiatives as long as they are effective, add value, and serve a proportionate number of people of color.

For VHCF, a banner year of need stimulated a banner year of productivity and creativity...





### A Multi-pronged Approach to Increasing Mental Health Services

The availability of basic mental health services in Virginia was a problem prior to the pandemic. The surge in demand since the pandemic has greatly exacerbated it. With two-thirds of Virginia designated as a mental health professional shortage area (MHPSA) and hospital community health needs assessments throughout the

state citing inadequate access to behavioral health services as the top unmet need, there is no single solution.

Recognizing the many facets of the problem, VHCF has targeted its resources to two endeavors – increasing the number of licensed behavior health professionals in Virginia and expanding the number and types of sites offering behavioral health services.

### More Behavioral Health Professionals

It is startling to discover the significant numbers of those in all five licensed behavioral health professions who are



at or nearing retirement age (55+ years of age). This ranges from 61% (psychiatrists) to 32% (Licensed Professional Counselors). Among Psychiatric Mental Health Nurse Practitioners (Psych NPs), of whom only 217 are practicing in Virginia, 60% are age 50+. It is also concerning that the percent of behavioral health professionals of color in the state is significantly lower in each of the five behavioral health professions than their proportion to the population as a whole.

VHCF is taking several steps to help address these problems. It has focused on increasing the number of Psych NPs via a special scholarship program, which pays full tuition and required fees for any nurse practitioner who returns to school for a post-masters

Psych NP certificate. In return, the new Psych NP agrees to work for two years in Virginia's healthcare safety net or another public service setting, upon graduation.

In FY21, VHCF awarded 10 new scholarships, resulting in a total of 35 scholarships awarded since inception. Twenty-one have already graduated and are practicing as Psych NPs; 55% of all

scholarships have been given to people of color.

To help address the shortage of Licensed Clinical Social Workers and Licensed Professional Counselors, VHCF has created a new category in its grant guidelines aimed at accelerating their licensure. Masters prepared candidates for these professions must provide over 3,000 hours of therapy under supervision

to become licensed. Many must pay for the supervision themselves. This is a significant impediment. VHCF is now giving grants to pay the salary and benefits of those with a Masters in Social Work or Counseling, in return for the grantee organization providing the weekly supervision required for licensure.

As part of VHCF's enhanced focus on increasing the

number of licensed behavioral professionals in Virginia, the Foundation has also started conducting research for a Virginia Behavioral Health Workforce Assessment. This can provide both a baseline with which to measure future progress and the data needed to target behavioral health workforce funding to localities, where the number of providers is insufficient.



*VHCF's Psychiatric Nurse Practitioner Scholarship Program FY21 graduates. They are, from top left: Trina Berry (Norfolk), LaToya Kearney (Chesapeake), Erin Palmer (Clinton), Gerlene Glover (Chesterfield), Laura Simpson (Lexington), Geunjae Lee (Monterey), Erin Morris (Elkton), Vanessa Fowlkes (Richmond), and Colleen Forst (Cape Charles).*



## More Sites with Mental Health Services

A frequent challenge for many, whether uninsured or insured, is a dearth of available mental health services. In response, VHCF helped support the salary and benefits of 15 licensed behavioral health professionals in Virginia's healthcare safety net and other nonprofit organizations in FY21. *Making Brighter Days Possible*, a special initiative that paid for some of these professionals, advanced the degree of behavioral health integration in the health safety net practices that were funded. It also provided the technology needed to extend their services to unserved areas via telehealth. This was critical for safely reaching and treating stressed patients during the pandemic. A generous \$1 million grant from Sentara/Optima Health made this initiative possible.

VHCF combined this multi-pronged approach in *Conquering the Consequences of COVID-19*, a special mental health initiative launched in FY21. It provided grants



to hire more mental health professionals in MHPSAs and it also provided \$190,000 to repay student loans of five behavioral health professionals so they could work in health safety net practices on Virginia's Eastern Shore, in Hampton Roads, and proximate to the Lynchburg area. This leveraged an additional \$190,000 in federal funds and added needed capacity to several MHPSAs.

## Increasing Medicaid Coverage

Health insurance is essential to one's well-being. It provides the peace of mind that results from knowing coverage is there when needed. More importantly, it pays for treatment, including mental health services, when it is required.

One of VHCF's longstanding guiding principles is that affordable, comprehensive

health insurance coverage is the optimal way to guarantee access to needed health care for all Virginians. As such, the Foundation has led private sector efforts to maximize enrollment of those eligible for state-sponsored health insurance (Medicaid/FAMIS) for 21 years.

VHCF's corps of 22 outreach workers had another banner year in FY21, successfully assisting 8,791 individuals with enrollment, despite

the challenges of working virtually and within pandemic protocols. It is noteworthy that 30% of these FY21 enrollees live in Southside or Southwest Virginia, the two regions of the Commonwealth with the highest rates of uninsured. We are grateful to the partners who help fund this work, with special thanks to the Tobacco Region Revitalization Commission and the donors\* that provided matching funds. In total, VHCF-funded assisters have enrolled more than 133,500 in Virginia's Medicaid & FAMIS programs.

VHCF's **SignUpNow** trainings also had a banner year, as they adopted a new virtual format and trained more than 1,000 health and human services personnel to help their patients/clients apply for Medicaid/FAMIS coverage.

\*Danville Regional Foundation, Harvest Foundation, Sentara Healthcare, Department of Medical Assistance Services

## Helping Virginia's Health and Dental Safety Net Practices

For a portion of the 648,000 Virginians who are still



*Dr. Giles gives a patient a dental goody bag funded by DentaQuest at Daily Planet Health Services in Richmond.*

uninsured, Virginia's healthcare safety net provides a medical home and some peace of mind. VHCF has invested \$57.2 million over the years to help increase the number of free clinics and community health centers in the Commonwealth and to expand the services they offer. Only 33 existed when VHCF was established in 1992. There are 258 practice sites today. A majority now offer dental and/or behavioral health services, in addition to medical care.

In FY21, VHCF grants helped fund 35 health professionals in health safety net practices. This included 8 dentists and

2 dental hygienists. They were among those in Virginia's dental safety net (DSN) practices, who successfully navigated the safety challenges of the pandemic. Many dental services generate aerosol that may transmit the COVID-19 virus from contagious asymptomatic patients. This led many DSN sites to limit their services to emergency cases.

As the COVID-19 vaccines became more available in the later part of FY21, more DSN practices began offering their pre-pandemic array of services. They also started preparing for an anticipated influx of adult patients now

able to pay for dental care as a result of the new Medicaid adult dental coverage, which became effective July 1, 2021. This will be a game-changer for many, improving the ability to manage chronic diseases like diabetes and COPD, preventing premature deliveries of newborns, and producing relief for those suffering from a history of severe tooth decay and the associated pain.

As a tool to help promote the availability of this greatly needed new coverage, VHCF partnered with DentaQuest and Patterson Dental Supply Company to provide 26,000 "goody bags" of oral hygiene



*A team from Patterson Dental preparing some of the 26,000 dental goody bags they assembled and shipped pro bono.*



products to 54 DSN sites throughout Virginia. Each bag has an information card about the new Medicaid dental coverage. The bags are being distributed to new and former dental patients who can benefit from either the new coverage or the contents of the bags.

### Prescription Assistance for the Uninsured

Few things are more critical to treating an illness than prescription medicines. Recognizing their vital importance, VHCF made medication assistance a priority early on and has developed several initiatives over the years to maximize the amount of free and low-cost medicines available to uninsured Virginians.

To maximize utilization of the free chronic disease medicines offered by the brandname pharmaceutical companies Patient Assistance Programs (PAPs), VHCF created **The Pharmacy Connection (TPC)**. It is a web-based software that expedites access to variety of needed medicines



#### CUMULATIVE EFFECT OF TPC:

**355,355** Patients served

**5.4 million** Prescriptions filled

**\$7.2 billion** Value of free medications

for those with chronic diseases, including anxiety, depression, and other mental health conditions. In fact, 153 behavioral health medicines are available via TPC.

VHCF is constantly improving this software. When some of the most frequently prescribed PAP medicines became unavailable, VHCF added discounted generic medicines to TPC. The Foundation also created a TPC app that providers can use while they are in an exam room to determine whether a free or low cost medicine is available to help the patient they are seeing.

When Virginia expanded its Medicaid eligibility criteria two years ago, VHCF included the new Medicaid application in TPC to facilitate more enrollments. TPC has generated \$7.2 billion in free medicines for more than

355,000 sick uninsured Virginians, since its inception 22 years ago.

While TPC is a valuable tool, it is only productive if there is someone to use it. To that end, VHCF funds Medication Assistance Caseworkers (MACs) via its **Rx Relief Virginia** initiative. They use TPC to help uninsured patients from local health safety net organizations, hospitals, and

some community service boards obtain needed medicines. In FY21, these MACs helped fill more than 51,000 prescriptions with medicines valued at \$104 million (average wholesale price). MACs of the Greater Williamsburg Medication Assistance Program (GWMAP) filled more than 7,200 prescriptions for their patients. GWMAP was funded by the Williamsburg Health Foundation and administered by VHCF.

The **Rx Partnership** (RxP), an organization VHCF helped establish 18 years ago, continues to make free medicines available to the 18 free clinics with licensed

pharmacies. These clinics obtain medicines in bulk directly from five participating pharmaceutical companies (GlaxoSmithKline, Merck, Novartis, AbbVie, and Pfizer). In the past several years, RxP has also instituted two programs designed to supply generic medicines to other free clinics at a low cost. Through all of these programs combined, RxP helped 4,034 free clinic patients fill 14,816 prescriptions with a value of \$10.9 million in FY21.

### 11 to 1 Leverage

As a public/private partnership, VHCF takes its responsibility to leverage taxpayer dollars seriously and is always looking for opportunities

to do so. The value of free medicines and the additional federal dollars drawn down by providing matching funds for behavioral health loan repayment are just two examples. VHCF constantly embraces opportunities that meet its mission, while adding extra value. It also keeps its core value of exemplary stewardship front of mind at all times.

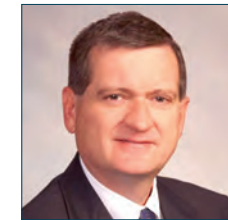
It is this approach that has enabled the Foundation to leverage an average of more than \$11 in cash, health services, and other in-kind contributions for every \$1 expended since its inception. VHCF's sound stewardship resulted in administrative costs of only 10% in FY21.

### Aligning with State Priorities

Virginia is in the midst of a significant mental health crisis in both the public and private sectors. Simply put, the need and demand for mental health services far exceeds the available capacity to meet them. All have agreed that it is a priority to tackle this issue. Success will

require collaboration of the state, the behavioral health guilds and regulators, and full engagement of the private sector.

We at VHCF are committed to be active and productive participants in this endeavor and to bring the Foundation's nimble and creative approach to the development and implementation of solutions. ■

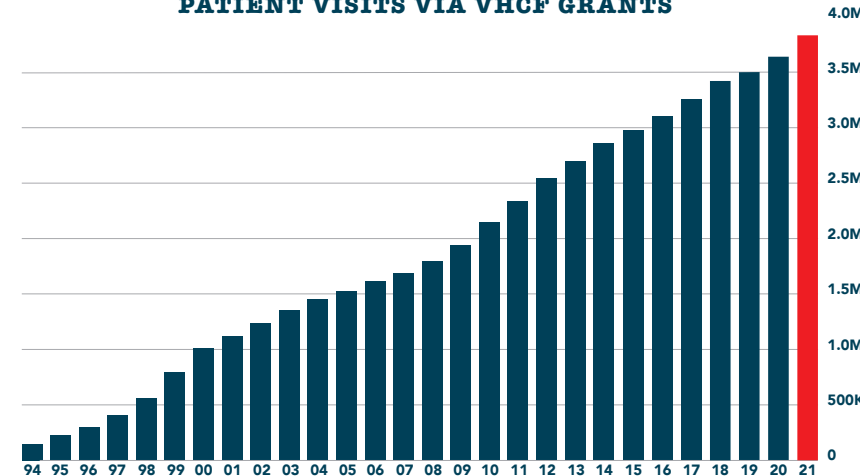


*Thomas R. Byrd*  
**Thomas R. Byrd**  
(Chairman FY21)



*John E. Littel*  
**John E. Littel**  
(Chairman FY22)

#### PATIENT VISITS VIA VHCF GRANTS



# VHCF Health Access Grants

(1992-2021)

## 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 🦷
- The Women's Center 🦷

## 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 \*
  - Amherst Community Health Center 📄 🦷
- Lloyd F. Moss Free Clinic + 🦷 🦷 \*
  - Louisa County Resource Council + 🦷
- Richmond City Health District + + + + + 🦷 🦷
- Senior Connections Rx
- United Way of Greater Charlottesville 🦷 🦷 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 🦷

## Roanoke Valley

- 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 🦷
  - Tri-Area Community Health at Laurel Fork 📄 🦷 / 🦷
  - Tri-Area Community Health at Grayson +
- UVA/Southwest VA Alliance for Telemedicine 📄
- 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 + 🦷 🦷

## Southside

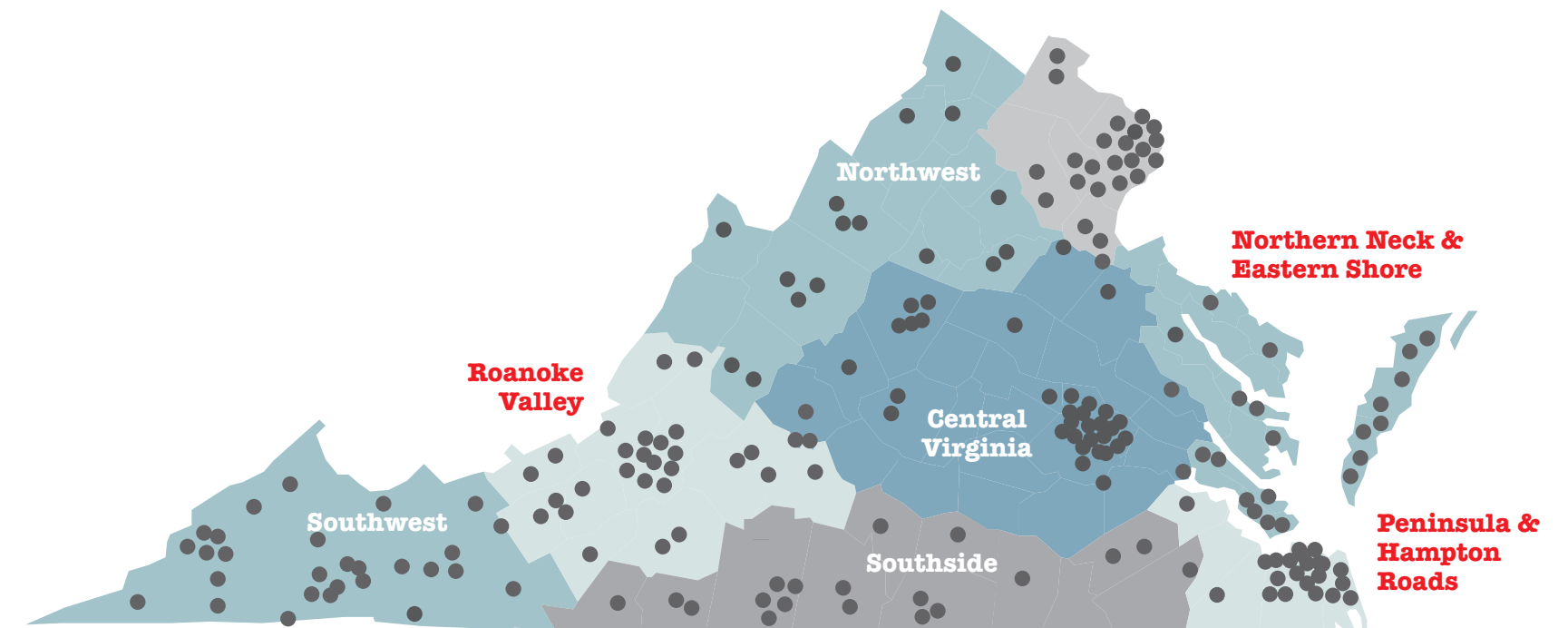
- Giles Community Health Center +
- Radford/Pulaski Community Health Center 🏠 🦷
- Free Clinic of Franklin County Rx + + + +
- Johnson Health Center
  - Bedford Community Health Center 📄 🦷 / 🦷
  - Rustburg Community Health Center 📄 🦷 / 🦷
- New Horizons Healthcare Rx 🦷 \* 🦷 + 🦷 🦷
- Mental Health Association 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 \* 🦷
- Healthy Community Health Centers + 🦷 🦷 🦷
- 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, 2021 and 2020

Assets	2021	2020
Current assets:		
Cash and cash equivalents	\$ 1,460,223	\$ 791,094
Investments	14,545,240	12,452,072
Government appropriations receivable	5,725,714	5,725,714
Interest receivable	19,208	18,938
Contributions receivable, current portion	446,901	1,449,240
Prepaid expenses and other assets	17,647	22,215
Total current assets	22,214,933	20,459,273
Contributions receivable, net of current portion	35,000	75,000
Property and equipment, net	48,578	20,035
<b>Total assets</b>	<b>\$22,298,511</b>	<b>\$20,554,308</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 90,950	\$ 100,531
Deferred Revenue	77,244	-
Accrued rent	27,062	8,835
Grants payable, current portion	4,108,682	4,263,456
Total current liabilities	4,303,938	4,372,822
Grants payable, net of current portion	827,934	884,444
Total liabilities	5,131,872	5,257,266
Net assets:		
Without donor restrictions	9,846,205	6,923,253
With donor restrictions	7,320,434	8,373,789
Total net assets	17,166,639	15,297,042
<b>Total liabilities and net assets</b>	<b>\$22,298,511</b>	<b>\$20,554,308</b>

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

# VHCF Consolidated Statements of Activities

June 30, 2021 and 2020

	2021			2020		
	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	267,332	916,691	1,184,023	210,439	677,227	887,666
Contract revenue	-	577,553	577,553	-	1,654,501	1,654,501
Investment income, net	862,631	-	862,631	263,148	-	263,148
Unrealized net gain on investments	1,791,878	-	1,791,878	(144,516)	-	(144,516)
Other income	175,778	-	175,778	276,836	13,154	289,990
Total support and revenue	3,097,619	6,074,815	9,172,434	605,907	6,925,453	7,531,360
Net assets released from restriction	7,128,170	(7,128,170)	-	7,480,258	(7,480,258)	-
Expenditures:						
Program services - grants	6,569,256	-	6,569,256	7,338,122	-	7,338,122
Supporting services:						
Management and general	610,780	-	610,780	555,885	-	555,885
Fundraising	122,801	-	122,801	205,676	-	205,676
Total expenditures	7,302,837	-	7,302,837	8,099,683	-	8,099,683
Change in net assets	2,922,952	(1,053,355)	1,869,597	(13,518)	(554,805)	(568,323)
Net assets, beginning of year	6,923,253	8,373,789	15,297,042	6,936,771	8,928,594	15,865,365
<b>Net assets, end of year</b>	<b>\$ 9,846,205</b>	<b>\$ 7,320,434</b>	<b>\$ 17,166,639</b>	<b>\$ 6,923,253</b>	<b>\$ 8,373,789</b>	<b>\$ 15,297,042</b>

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

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Rachel L. Rees  
*Deputy Director*

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*Medication Assistance Program Officer*

Kimberly A. Bemberis  
*Director of Administration & Technology*

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*Research Analyst*

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*Grants Operations &  
Website Administrator*

Emily R. Roller  
*Health Insurance Program Manager*

Norma A. Ryan  
*Application Specialist*

Kimberly R. Separ  
*Fund Development Manager*

Cornelia Sullivan-Dews  
*Controller*

# Times like these require all to step-up.



# THANK YOU!

The **Virginia Health Care Foundation** (VHCF) is a public/private partnership dedicated to increasing access to primary health care including oral and behavioral health services, 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 800,000 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.

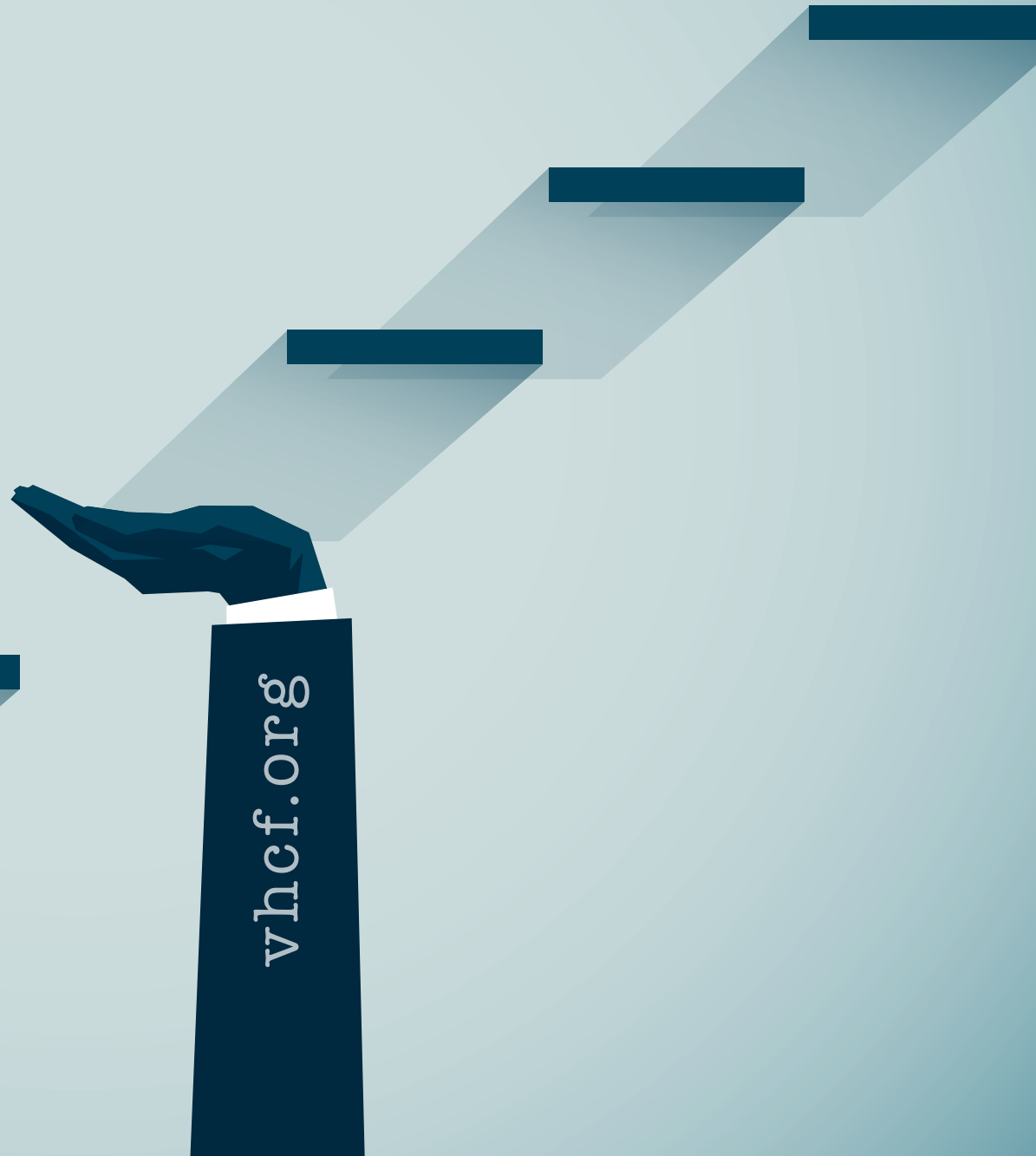
AT VHCF WE ARE COMMITTED TO DIVERSITY, EQUITY, AND INCLUSION.





VIRGINIA  
**HEALTH CARE**  
FOUNDATION

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vhcf.org



VIRGINIA  
**HEALTH CARE**  
FOUNDATION

Financial Statements

June 30, 2021 and 2020



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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, 2021 and 2020, 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, 2021 and 2020, 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 "Keiter", with a long horizontal flourish extending to the right.

August 26, 2021  
Glen Allen, Virginia

**VIRGINIA HEALTH CARE FOUNDATION**

Statements of Financial Position  
June 30, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 1,460,223	\$ 791,094
Investments	14,545,240	12,452,072
Government appropriations receivable	5,725,714	5,725,714
Interest receivable	19,208	18,938
Contributions receivable, current portion	446,901	1,449,240
Prepaid expenses and other assets	<u>17,647</u>	<u>22,215</u>
Total current assets	22,214,933	20,459,273
Contributions receivable, net of current portion	35,000	75,000
Property and equipment, net	<u>48,578</u>	<u>20,035</u>
Total assets	<u>\$ 22,298,511</u>	<u>\$ 20,554,308</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 90,950	\$ 100,531
Deferred revenue	77,244	-
Accrued rent	27,062	8,835
Grants payable, current portion	<u>4,108,682</u>	<u>4,263,456</u>
Total current liabilities	4,303,938	4,372,822
Grants payable, net of current portion	<u>827,934</u>	<u>884,444</u>
Total liabilities	<u>5,131,872</u>	<u>5,257,266</u>
Net assets:		
Without donor restrictions	9,846,205	6,923,253
With donor restrictions	<u>7,320,434</u>	<u>8,373,789</u>
Total net assets	<u>17,166,639</u>	<u>15,297,042</u>
Total liabilities and net assets	<u>\$ 22,298,511</u>	<u>\$ 20,554,308</u>

See accompanying notes to financial statements.



**VIRGINIA HEALTH CARE FOUNDATION**

Statements of Activities  
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Government appropriations	\$ -	\$ 4,580,571	\$ 4,580,571
Contributions	267,332	916,691	1,184,023
Grant revenue	-	577,553	577,553
Investment income, net	862,631	-	862,631
Unrealized net gain on investments	1,791,878	-	1,791,878
Other income	175,778	-	175,778
Total support and revenue	3,097,619	6,074,815	9,172,434
Net assets released from restriction	7,128,170	(7,128,170)	-
Expenditures:			
Program services - grants	6,569,256	-	6,569,256
Supporting services:			
Management and general	610,780	-	610,780
Fundraising	122,801	-	122,801
Total expenditures	7,302,837	-	7,302,837
Change in net assets	2,922,952	(1,053,355)	1,869,597
Net assets, beginning of year	6,923,253	8,373,789	15,297,042
Net assets, end of year	\$ 9,846,205	\$ 7,320,434	\$ 17,166,639

See accompanying notes to financial statements.

**VIRGINIA HEALTH CARE FOUNDATION**

Statements of Activities, Continued  
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 Functional Expenses  
Year Ended June 30, 2021

	Program Services - Grants	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ -	\$ 283,144	\$ 97,240	\$ 380,384
Employee benefits/payroll taxes	-	77,314	17,759	95,073
 Total salaries and related expenditures	 -	 360,458	 114,999	 475,457
Grants	4,733,895	-	-	4,733,895
RX Partnership	105,000	-	-	105,000
The Pharmacy Connection	308,272	-	-	308,272
Medication Assistance Program	215,340	-	-	215,340
Strategic Initiatives	302,746	-	-	302,746
Medicaid/FAMIS Outreach and Enrollment	393,199	-	-	393,199
Grantee Technical Assistance	55,211	-	-	55,211
Grantmaking	247,898	-	-	247,898
Dental Opportunities Initiative	42,252	-	-	42,252
Psychiatric Nurse Practitioner Scholarships	165,443	-	-	165,443
Contractual services	-	95,169	222	95,391
Office rent	-	67,080	-	67,080
Telephone and fax	-	5,110	-	5,110
Supplies	-	3,084	21	3,105
Computer software and supplies	-	20,061	5,747	25,808
Printing and copying	-	4,476	14	4,490
Postage	-	4,026	269	4,295
Meeting/conference costs	-	9,409	-	9,409
Miscellaneous	-	307	-	307
Insurance	-	22,601	-	22,601
Subscriptions, fees and dues	-	8,710	1,529	10,239
 Total expenditures before depreciation and amortization	 6,569,256	 600,491	 122,801	 7,292,548
 Depreciation and amortization of property and equipment	 -	 10,289	 -	 10,289
 Total expenditures	 <u>\$ 6,569,256</u>	 <u>\$ 610,780</u>	 <u>\$ 122,801</u>	 <u>\$ 7,302,837</u>

See accompanying notes to financial statements.

**VIRGINIA HEALTH CARE FOUNDATION**

Statements of Functional Expenses, Continued  
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
Medication 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 Cash Flows Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 1,869,597	\$ (568,323)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	10,289	13,064
Net investment income reinvested	(152,826)	(229,194)
Net realized and unrealized (gain) loss on investments	(2,508,632)	100,446
Gain on sale of property and equipment	(200)	(150)
Change in assets and liabilities:		
Interest receivable	(270)	(293)
Contributions receivable	1,042,339	(679,908)
Prepaid expenses and other assets	4,568	7,706
Accounts payable and accrued expenses	8,646	(11,528)
Deferred revenue	77,244	-
Grants payable	(211,284)	(225,085)
	139,471	(1,593,265)
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	(38,832)	(9,577)
Proceeds from sale of property and equipment	200	150
Proceeds from sales of investments	3,494,340	3,647,767
Purchase of investments	(2,926,050)	(3,146,320)
	529,658	492,020
Net cash provided by investing activities		
Net change in cash and cash equivalents	669,129	(1,101,245)
Cash and cash equivalents, beginning of year	791,094	1,892,339
Cash and cash equivalents, end of year	\$ 1,460,223	\$ 791,094

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.

### 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, 2021 and 2020, 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.

**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.

## VIRGINIA HEALTH CARE FOUNDATION

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**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.

**Grants Payable:** 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 \$326,157 in 2021 and \$86,934 in 2020 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, 2021 and 2020 was immaterial; therefore, no discount was considered necessary.

**Contributions and Grants:** The Foundation recognizes contributions and grants when cash, securities or other assets; an unconditional promise to give; notice of a grant award; or a notification of a beneficial interest is received. Contributions received and grants awarded are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the nature of the contribution or grant. When a restriction expires, net assets with donor restrictions are re-classified as net assets without donor restrictions. Unconditional promises to give or grants are recorded when the promise or award is made. Conditional promises to give or grants – 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 2021 or 2020.

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

## VIRGINIA HEALTH CARE FOUNDATION

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**Revenue Recognition:** During 2014, the FASB issued a new standard for revenue recognition, Accounting Standards Update (“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 Foundation has adopted the standard as of July 1, 2020 under the modified retrospective method resulting in an increase in deferred revenue of \$77,244 and decrease in revenue of \$77,244. Prior periods were not restated.

The Foundation issues user-licenses to organizations nationwide granting them access to The Pharmacy Connection (“TPC”), a web-based software program created by the Foundation. TPC fees include the initial user-license as well as an annual maintenance fee. TPC fees and associated services provided by the Foundation are considered an exchange transaction and revenue is recognized over the contract period upon the transfer of control of the use-license and services to the customer. TPC fees received in advance are deferred until earned. TPC fees amounted to \$154,484 during 2021 and \$241,950 in 2020 and are included in other income on the statements of activities.

A contract asset is the Foundation’s right to consideration in exchange for goods or services the Foundation has transferred to a customer. Contract liabilities represent consideration received from a customer before the Foundation has transferred a good or service to the customer. There were no contract assets as of June 30, 2021 and 2020. Contract liabilities include deferred revenue which amounted to \$77,244 at June 30, 2021. There were no contract liabilities at June 30, 2020.

**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.

**Donated Services:** During 2021 and 2020, the Foundation received professional services at no charge from outside organizations. These services, valued by the donors at approximately \$18,495 in 2021 and \$32,485 in 2020, were recorded as contribution revenue without donor restrictions and recorded as expenditures in the related expense accounts in the accompanying statements of activities.



## VIRGINIA HEALTH CARE FOUNDATION

### Notes to Financial Statements, Continued

#### 2. Summary of Significant Accounting Policies, Continued:

**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 2021 and 2020.

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, 2021 and 2020. The Foundation is not currently under audit by any tax jurisdiction.

**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 26, 2021, 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash on deposit	\$ 1,379,103	\$ 238,047
Money market funds	<u>81,120</u>	<u>553,047</u>
	<u>\$ 1,460,223</u>	<u>\$ 791,094</u>

## VIRGINIA HEALTH CARE FOUNDATION

### Notes to Financial Statements, Continued

#### 4. Investments:

The costs and fair values of investments as of June 30, 2021 and 2020 are summarized as follows:

	2021		2020	
	Cost	Fair value	Cost	Fair value
Money market funds	\$ 713,145	\$ 713,145	\$ 1,130,344	\$ 1,130,344
Certificates of deposit	-	-	509,613	509,613
U.S. Treasury Bills	609,335	651,732	669,937	738,292
Securities	6,591,894	10,693,430	5,563,921	7,848,592
Corporate bonds	<u>2,384,299</u>	<u>2,486,933</u>	<u>2,123,568</u>	<u>2,225,231</u>
	<u>\$ 10,298,673</u>	<u>\$ 14,545,240</u>	<u>\$ 9,997,383</u>	<u>\$ 12,452,072</u>

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

	2021	2020
Interest income, net	\$ 145,877	\$ 219,078
Net realized gains	<u>716,754</u>	<u>44,070</u>
	<u>\$ 862,631</u>	<u>\$ 263,148</u>
Net unrealized gains (losses)	<u>\$ 1,791,878</u>	<u>\$ (144,516)</u>

Investment income includes advisory fees totaling \$72,805 for 2021 and \$67,918 for 2020.

## VIRGINIA HEALTH CARE FOUNDATION

### Notes to Financial Statements, Continued

#### 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, 2021 and 2020.

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, 2021 include the following:

	Fair Value Using		Investments at Fair Value
	Level 1	Level 2	
Assets:			
Money market funds	\$ 713,145	\$ -	\$ 713,145
U.S. Treasury Bills	-	651,732	651,732
Securities:			
Basic Materials	449,732	-	449,732
Closed end mutual funds	1,543,956	-	1,543,956
Communication services	821,336	-	821,336
Consumer cyclical	969,418	-	969,418
Consumer defensive	541,241	-	541,241
Energy	360,891	-	360,891
Financials	2,003,851	-	2,003,851
Health care	979,188	-	979,188
Industrials	823,539	-	823,539
Information technology	1,551,904	-	1,551,904
Real estate investment trusts	518,712	-	518,712
Utilities	129,662	-	129,662
Corporate bonds	-	2,486,933	2,486,933
	\$ 11,406,575	\$ 3,138,665	\$ 14,545,240

## 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
	<u>\$ 8,978,936</u>	<u>\$ 3,473,136</u>	<u>\$ 12,452,072</u>

## 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, 2021, the maturity dates or redemption periods and related amounts were as follows:

Year Ended June 30:	Corporate Bonds	U.S. Treasury Bills
2022	\$ 283,315	\$ 110,782
2023	190,080	-
2024	443,383	-
2025	305,722	151,452
2026	454,844	-
2027	537,388	-
2028	272,201	389,498
	\$ 2,486,933	\$ 651,732

#### 6. Contributions Receivable:

Contributions receivable are summarized as follows as of June 30, 2021 and 2020:

	2021	2020
Unconditional contributions expected to be collected in:		
Less than one year	\$ 446,901	\$ 1,449,240
One year to five years	35,000	75,000
Total contributions receivable	\$ 481,901	\$ 1,524,240

There was no discount on future expected cash flows from contributions receivable in 2021 and 2020.



**VIRGINIA HEALTH CARE FOUNDATION**

Notes to Financial Statements, Continued

**7. Property and Equipment, Net:**

Property and equipment, net as of June 30, 2021 and 2020 is as follows:

	2021	2020
Equipment	\$ 98,937	\$ 101,500
Leasehold improvements	4,987	4,987
Software	32,168	-
	136,092	106,487
Less accumulated depreciation and amortization	(87,514)	(86,452)
Property and equipment, net	\$ 48,578	\$ 20,035

**8. Lease Commitments:**

The Foundation is obligated under an operating lease for office space 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 \$106,259 in 2021 and \$95,027 in 2020. Future minimum lease payments as of June 30, 2021 are as follows:

Year Ended June 30:	Amount
2022	\$ 109,722
2023	112,465
2024	115,277
2025	88,069
Total	\$ 425,533

**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, 2021 and 2020:

	2021	2020
Purpose restricted - grants	\$ 7,246,983	\$ 8,300,338
Endowment	73,451	73,451
	\$ 7,320,434	\$ 8,373,789

Net assets released from donor restriction in 2021 and 2020 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 \$67,212 in 2021 and \$69,855 in 2020.

**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 2021 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, 2021 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 2021 fiscal year budget. These appropriations accounted for 50% of support and revenue for 2021 and 61% of support and revenue for 2020. These appropriations accounted for 92% of total receivables at June 30, 2021 and 79% of total receivables at June 30, 2020.

## 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. 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, 2021 and 2020, the endowment fund includes \$73,451 of funds with donor restrictions and \$26,549 of funds designated by the Board of Trustees. Total value of the endowment fund as of June 30, 2021 and 2020 is \$100,000.

At June 30, 2021 and 2020, 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, 2021 or 2020.



## 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, 2021:

	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, 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

## 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:

	2021	2020
Cash and cash equivalents	\$ 1,460,223	\$ 791,094
Government appropriations receivable	5,725,714	5,725,714
Contributions receivable	481,901	1,524,240
Investments	14,545,240	12,452,072
Interest receivable	19,208	18,938
	22,232,286	20,512,058
Receivables to be collected in more than one year	(35,000)	(75,000)
Contractual or donor-imposed restrictions:		
State appropriation	(4,580,571)	(4,580,571)
Federal and state contract grant funds	(170,782)	(838,930)
Other	(2,495,325)	(2,880,532)
Endowment fund	(100,000)	(100,000)
Investments maturing in more than one year	(2,744,568)	(2,320,387)
Financial assets available to meet cash needs for general expenditures within one year	\$ 12,106,040	\$ 9,716,638

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. Risks and Uncertainties:

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 organizations 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.

#### 16. 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.

**Disclosures of Gifts in Kind:** In September 2020, the FASB issued ASU 2020-07: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which aims to increase transparency of contributed nonfinancial assets, commonly known as gifts in kind, through enhancements to presentation and disclosures and is effective for years beginning after June 15, 2021, with early adoption permitted. With the new ASU, organizations receiving contributions of nonfinancial assets are now required to present such contributions as a separate line item on the statement of activities. Previously these were allowed to be included in the contributions line item. This ASU also adds additional disclosure requirements for these gifts. The previous disclosure requirements were less detailed and primarily related only to contributed services. The new, more detailed requirements are for contributions of all nonfinancial assets, including both goods and services. Under the new guidance, organizations must disclose in their financial statements:

- a.) A disaggregation of the total amount of contributed nonfinancial assets recognized within the statement of activities by category.



## VIRGINIA HEALTH CARE FOUNDATION

### Notes to Financial Statements, Continued

#### 16. New Accounting Guidance, Continued:

##### Disclosures of Gifts in Kind, Continued:

b.) For each such category disaggregated by Part (a):

1. Qualitative information about whether the contributed nonfinancial assets were either “monetized” (sold or held for sale) or “utilized” (used) during the reporting period. If utilized, the organization is required to disclose a description of the programs or activities in which the contributed assets were used.
2. The organization’s policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.
3. A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.
4. A description of the valuation techniques and inputs used to arrive at a fair value measurement, in accordance with Topic 820, Fair Value Measurement.
5. The principal market used to arrive at a fair value measurement if it is a market in which the recipient organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial asset.

The Foundation is currently evaluating the implications of this new standard.