

# We're putting the bounce back!



# Depression is deflating. Panic disorders and anxiety are paralyzing.

Behavioral health care can be a godsend. But, for too many Virginians, there's nowhere to turn.

VHCF is helping change that by increasing the number of mental health professionals and expanding the sites offering care.

See how we're paving the way for **Brighter Days Ahead...**

increasing the number of mental health professionals

expanding the sites offering care





### **Eliminating financial barriers to licensure for counselors and social workers**

“Let’s just say I know where my clients are coming from. I’ve been there, and it can be a dark place. That’s why I got my MSW and am working so hard to become licensed—so I can give them the appropriate support for change.

The training and credentialing were costing me, though. I took on extra hours and positions to pay for my supervision, leaving no remnants of time for my kids, my wife, or myself. I was almost at a breaking point when **Boost 200** came to the rescue.

**VHCF has enrolled 203 masters-prepared therapists in its Boost 200 program.**

Today, I look at the individuals I’m counseling and know that they see themselves in me. **I feel grateful that I get to see firsthand the positive results of our work together.** ~Corey Tolliver, MSW, Richmond City







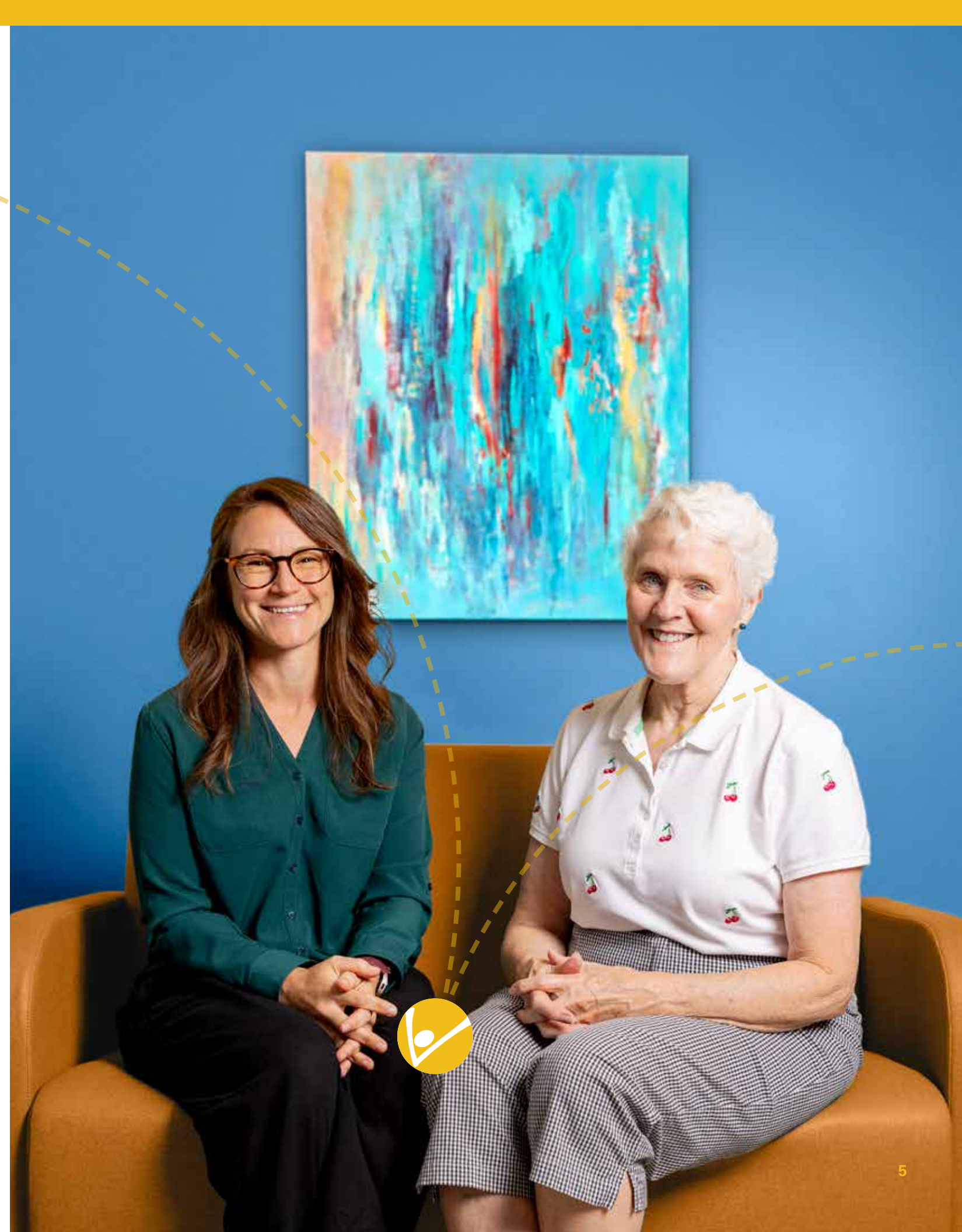
### Producing more Psychiatric Nurse Practitioners via scholarships

"I was scared and had suicidal thoughts when I first met with Colleen. My medicines weren't working and I had given up hope. She found a prescription that worked for me and continues to help me. **She turned my life around.**" ~Ms. R., patient

VHCF awarded 14 Psych NP scholarships in FY23, with half to people of color.

"I felt pulled toward becoming a Psychiatric Nurse Practitioner when I saw so many patients with pain and trauma. Getting the scholarship was huge. Now, I am helping my patients cross the bridge and take charge of their lives again.

**This is important work, since there is no one else. The only private psychiatrists on the Eastern Shore retired before I arrived.**" ~Collen Forst, Psych NP, Northampton County







**Increasing the number of sites offering mental health services**

“If you’ve never lived in a small community, you wouldn’t understand. It’s not just that I can provide mental health services that weren’t available before. It’s that my patients can get them without stigma if someone sees their car here—everything’s under one roof. They can even tell people they’re coming to see Pam, because there’s another Pam here with the medical side.

VHCF funding enabled 10 sites to add or expand mental health services in FY23.

**Breaking down that reluctance to seek care is a big reason we’ve been so effective in helping address long-ignored needs, issues, and traumas.** By integrating counseling with medical care here, we are helping people live free and fulfilling lives.” ~Pam Hylton, LPC, Patrick County





### Helping safety net organizations “grow their own” licensed therapists

“I came to work here for the clinical supervision New Horizons provided, but I stayed because I love our mission and commitment to integrated health care. **It’s stretched**

In FY23, VHCF funded 8 therapists, who obtained supervision required for licensure from safety net organizations.

**me professionally, providing really cool opportunities to grow and move into new roles.**

Here, we don’t see a child as a diagnosis. We see each one as a human being—and we’re here for them.” ~Julia Scales, LCSW, Roanoke

“Before Julia, the backlog of children needing outpatient behavioral healthcare was bad and the shortage of licensed therapists made it almost impossible to hire someone.

**Bringing in Julia as a pre-licensure sped her development as a therapist and trained her in our integrated health care model.** It also showed her what she could achieve if she stayed. And she did! A win for her, for New Horizons, and for those children.” ~David Gofman, LPC, Roanoke







# Virginia Health Care Foundation Donors

JULY 1, 2022 – JUNE 30, 2023

## Leadership Partners

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

Carilion Clinic  
 Claude Moore Charitable Foundation  
 Inova Health System  
 Patterson Dental  
 Sentara Health  
 The Anne Mullen Orrell Charitable Trust, Bank of America, N.A., Trustee

## Distinguished Partners

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

DentaQuest  
 Riverside Health System  
 United Concordia Dental  
 Williamsburg Health Foundation

## Supporting Partners

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

Aetna Better Health of Virginia  
 Drs. Clavio & Jill Ascari  
 Ronnie Braswell Keiter  
 Andrea Keys  
 Magellan Cares Foundation  
 Mary Washington Healthcare  
 Merck & Company Inc.  
 Gil & Charlotte Minor  
 PATH Foundation  
 PhRMA  
 The Community Foundation for a Greater Richmond  
 United Healthcare  
 Virginia Association of Health Plans

## Contributing Partners

(\$3,000 - \$9,999)

Anthem HealthKeepers Plus  
 Lois Beck  
 Bob & Liz Blue  
 D4 Practice Solutions  
 Davenport & Company  
 May & Charles Fox  
 Johanna & Karl Gattusa  
 Susan & John House  
 Mr. & Mrs. R. Walter Jones, IV  
 Medical Society of Virginia  
 Patient First  
 The Titmus Foundation  
 Virginia Hospital & Healthcare Association

## Friends

(\$100 - \$2,999)

Anonymous (2)  
 Jean Clary Bagley  
 Sandra Johnson Bailey  
 Dr. & Mrs. Lawrence E. Blanchard, III  
 Jeffery Bloom  
 Roger L. Boeve  
 Sandra D. Bowen  
 Dr. & Mrs. Robert Brager  
 Diane Brown  
 Thomas R. Byrd  
 Christopher M. Carney  
 Darleen Cavin  
 Drs. Mark & Rhonda Clark  
 Judy Collins & Joe Teefey  
 Alison & Nick Conte  
 Kipton Currier  
 Mr. & Mrs. Ben J. Davenport, Jr.  
 Barbara Dunn  
 John F. Fick, III  
 Patrick W. Finnerty

Kester & Caroline Freeman, Jr.  
 Sherry Gernhofer  
 Suzanne Gore  
 Hal E. Greer  
 Richard Grossman  
 John H. & Margaret C. Hager Fund\*  
 Ellen McCloy Hall  
 Mr. & Mrs. Bernard L. Henderson, Jr.  
 Dr. & Mrs. Charlie W. Hill, Jr.  
 Ralph L. Howell, DDS  
 Laura & Andy Hughes  
 Anna Healy James & Thomas Rhys James  
 Clarion E. Johnson, MD  
 Lisa K. Johnson, MD  
 Karen Kimsey  
 Jane Kusiak  
 The Honorable John E. Littel  
 Brian Macnamara  
 Peter & Kerry Mellette  
 Mr. & Mrs. T. Carter Melton, Jr.\*  
 John & Chris Milliken  
 Dr. Regina M. Milteer  
 The Honorable William C. Mims  
 William L. Murray  
 Jonathan Myers  
 Lynn Newcomb  
 The Honorable John H. O'Bannon, III  
 Dr. Augustus A. Petticolas, Jr.  
 Philip M. Reilly  
 Jeff Ricketts  
 Leo H. Ross  
 Janet Scagnelli  
 Showalter Family Fund\*

R. Gordon Smith  
 Sally Southard  
 Dr. Robert B. Stroube  
 The Praxis Foundation  
 Mr. Noel Taylor  
 Mr. Daryl Tinsley  
 Mr. & Mrs. James M. Turner, Jr.  
 Bob & Margi Vanderhye  
 Katie & Gene Webb

\*at The Community Foundation for a greater Richmond

## Special Thank You To Our Public Sector Partners

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

## Thanks to All Who Contributed Through Workplace Charitable Campaigns

Commonwealth of Virginia Campaign

Thank you to all our generous donors. The list above reflects gifts of \$100 or more received between July 1, 2022 and June 30, 2023. We have taken great care to ensure the accuracy of this list and deeply regret any errors or omissions. Should corrections be necessary, please contact Kimberly Separ at (804) 587-0515.



# What a year!

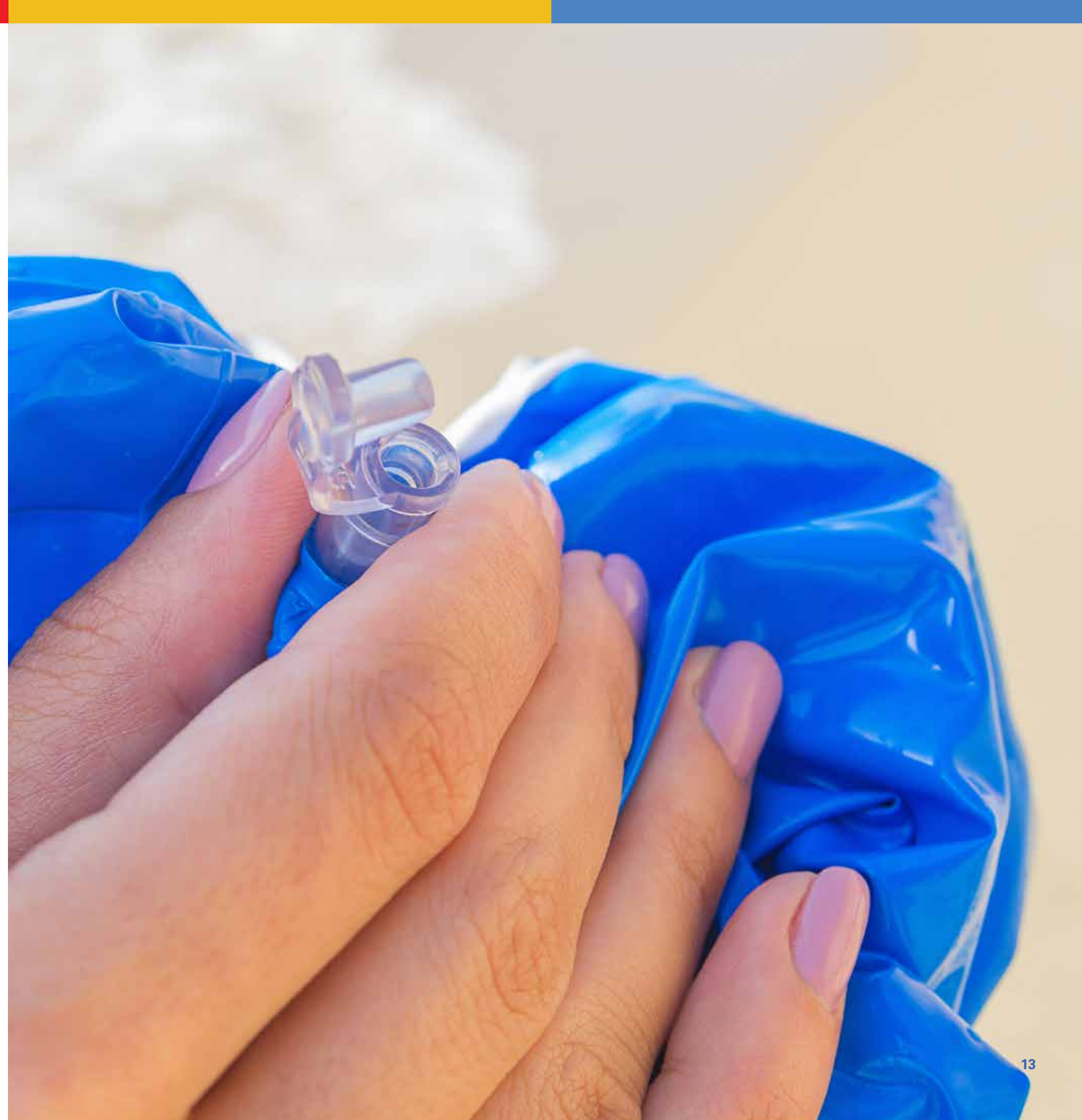
The Commonwealth has emerged from the pandemic to face multiple obstacles to the availability of healthcare, and at the Virginia Health Care Foundation (VHCF), we are rising to meet the challenges.



Skyrocketing demands for mental health services have exacerbated the already serious shortage of behavioral health (BH) professionals to address them. A very competitive market has made it even more difficult to recruit dentists to practice in underserved communities. Many Virginians still eligible for Medicaid coverage are likely to lose their health insurance as the state engages in a federally required eligibility process that was waived during the pandemic.

## **Challenging? Absolutely! Impossible? Not at all.**

For the past 31 years VHCF has viewed barriers to healthcare for uninsured and underserved Virginians as problem-solving opportunities and responded with innovation, partnership, and results.





## Multi-pronged Approach to Addressing Virginia's Mental Health Crisis

The data is clear. Virginia is in the midst of a mental health crisis. Mental Health America ranks Virginia 34<sup>th</sup> in access to mental health services and 39<sup>th</sup> in availability of the BH workforce. Most alarmingly, Virginia is ranked 48<sup>th</sup> out of 50 states for youth mental health. 96% of Virginia localities are federally designated mental health professional shortage areas (MHPSAs).

The current shortage of licensed BH professionals is likely to become an even more significant problem with coming retirements, an inadequate replacement pipeline, and a misalignment in the race/ethnicity of the current BH workforce and the population of Virginia. VHCF has documented the extent of this problem in its



Assessment of the Capacity of Virginia's Licensed BH Workforce.

The consequences of such limited access to BH services are clear, as well. Localities with one or no BH professionals have higher suicide rates and higher than average numbers of local residents reporting poor mental health days each month. For many of the uninsured and medically underserved Virginians, who are



at the heart of VHCF's mission, their life circumstances make them particularly vulnerable to these conditions.

While telehealth was a godsend for many during the pandemic and continues to be a helpful tool, a large portion of Virginia's MHPSAs also have limited broadband capacity and utilization.

There is no silver bullet to increase the availability of mental health services, but there are many effective methods that, when



combined, will lead to significant progress in a relatively short time. VHCF is implementing many of them in a multi-pronged approach to the problem.

### More Therapists via Boost 200

To help address the tremendous shortage of licensed therapists, VHCF has developed **Boost 200**, a pilot program funded by the General Assembly.



The initiative pays the cost of required supervision of 100 Masters of Social Work and 100 Masters of Counseling graduates, removing a significant impediment to licensure for many who have the aptitude and desire to become therapists, but cannot afford the fees. In return, Boost 200 participants must commit to practicing in Virginia for two years after they become licensed.

Priority has been given to graduates who will help address identified shortages by working in one of Virginia's MHPSAs, are fluently bilingual, and/or are people of color. Boost 200 has put 203 therapists in the field to help treat mental health conditions now and will yield 200 more licensed therapists in Virginia over the next two years.

### More Psych NPs via Scholarships

Virginia has an alarming shortage of Psychiatric Nurse Practitioners (Psych NPs): 51 of Virginia's 133 localities have none; 35 localities have no trained prescriber of psychotropic medicines.

To help address this issue, VHCF initiated a **Psychiatric NP Scholarship Program** six years ago. It pays the full tuition and all required fees for nurse practitioners who return to school for a post-masters Psych NP



VHCF's Psychiatric Nurse Practitioner Scholarship Program FY23 graduates from top left: Ituny Alao (Washington, DC), Augustina Nyeche (Chesterfield), Mishell Ellis (Spotsylvania), Donna Gravely (Collinsville), Ogochukwu Obiekwe (Henrico), Michelle Hoffman (Williamsburg), Jen Bainum (Virginia Beach), and Erin Bartko (Fairfax).

certificate. In return, the newly licensed Psych NPs agree to work for two years in Virginia's healthcare safety net, a public service setting, or a MHPSA upon graduation. VHCF has awarded a total of 56 scholarships since inception, with more than half to people of color.

### Incentivizing "Grow Your Own"

The Foundation is also making grants to a variety of community-based organizations to hire pre-licensure therapists in return for those organizations providing the supervision required for licensure of those therapists. In many cases, when the pre-licensurees have a good experience, they stay after they become licensed.

### More Sites Where Mental Health Services Are Available

Even with more BH professionals, there is a paucity of sites where Virginians can obtain needed mental health services. In FY23, VHCF encouraged organizations to add BH to their scope of services and awarded nearly \$1 million in grants to do so. A number of





Virginia's  
Mental Health  
Professional  
Shortage Areas



these new grantees serve specific populations in need of therapy, including much needed services for children and adolescents.

College students are a special population with documented increases in anxiety, depression and increased suicides. To help address this challenge, VHCF served as a consultant to the State Council of Higher Education for Virginia for its pilot program funded by the General Assembly in FY23. Six university student health centers received grants to hire pre-licensure therapists who counsel college students. In return, student health center staff are providing those pre-licensurees with the supervision required for licensure.

The state's healthcare safety net is another focus area. Multiple factors have resulted in stress and burnout among many staff of community health centers and free clinics. VHCF is partnering with the Virginia Community Healthcare Association and the Virginia Association of Free and Charitable

Clinics to make the Medical Society of Virginia's mental health and well-being initiative, "Safe Haven", available to them.

**Even More...**

Some barriers to the availability of mental health services are not as visible. They reside in state regulatory systems and protocols and can add months of delay to becoming licensed and available to help those seeking treatment. VHCF is working with state leaders and professional and regulatory associations and boards to remove them.



**Expanding Virginia's Dental and Health Safety Nets**

While VHCF is devoting significant attention to increasing the mental health and well-being of Virginians, investment in the growth of the state's health and dental safety net practices continues.

During the pandemic, an unusually high number of dentists retired early. At the same time, Virginia's Medicaid program made dental coverage available to adults for the first time (220,000+ adults utilized dental services in FY23). The combination of these events has resulted in a shortage of dentists and a very competitive market. The for-profit dental sector is offering high salaries and financial inducements. This competition poses a real recruitment challenge for Virginia's dental safety net practices, which typically treat the uninsured and significant numbers of those with Medicaid coverage.



VHCF outreach workers sporting their new "Assisterhood is Powerful" t-shirts at a meeting about Medicaid renewals.

To help address recruiting challenges, VHCF collaborated with three leading dental companies to create the **Sign Up, Pay Down** initiative. It provided a \$40,000 recruitment package to help each of five dental safety net practices in dental professional shortage areas hire new dentists in return for a two-year service commitment.

United Concordia Dental Company led the way by issuing VHCF a \$50,000 challenge grant for dental safety net signing bonuses. It was matched with \$50,000 from DentaQuest. The Delta Dental of Virginia Foundation collaborated by directing \$100,000 from its dental loan repayment program to the initiative.

The dental safety net discount program, which is the result of VHCF's 16-year partnership with Patterson Dental, continued to be

available to all 101 Virginia dental safety net clinics in FY23 and generated cost savings of \$152,000.

VHCF also helped fund the salaries and benefits of 28 health professionals in Virginia's community health centers and free and charitable clinics in FY23, bringing its total investment in the health and dental safety net to more than \$66 million over the years.

**Assisterhood Is Powerful!**

Making sure that all Virginians have health insurance to pay for their care is a critical part of the Foundation's mission. VHCF has led private sector efforts to maximize the enrollment of those eligible for state-sponsored health insurance (Medicaid/FAMIS) for the past 23 years.

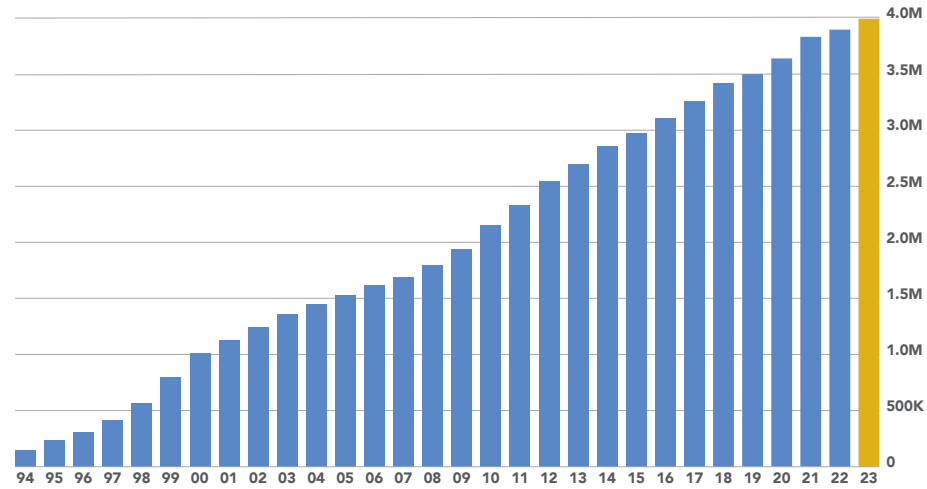


During the pandemic, annual renewals of eligibility for this important coverage were not required by the federal government. VHCF's corps of 20+ outreach workers could focus solely on assisting eligible Virginians with new applications for Medicaid coverage (6,424 enrolled in FY23 alone). The cumulative effect was that the number and rate of uninsured Virginians dropped to its lowest point ever (8%).

The annual renewal requirement resumed in the last quarter of FY23. VHCF worked closely with Virginia's Department of Medical Assistance Services and Department of Social Services to promote it to key stakeholders throughout the state via "Renewals are Coming!" buttons, a special "Renewal" edition of its **SignUpNow** newsletter, multiple community presentations, and training more than 1,500 personnel from community-based organizations via 27 SignUpNow workshops.



**Patient Visits via VHCF Grants**



VHCF outreach workers are now assisting with renewals, creating awareness in their service areas, and providing valuable feedback to the state as problems are identified.

**Prescription Assistance for Uninsured Virginians**

For Virginians with chronic diseases and those who lose Medicaid coverage or are already uninsured, one of their greatest fears is not being able to afford the medicines that help them manage their illnesses.

VHCF has long recognized the critical need to maximize the availability of free and low-cost prescription medicines and made it a priority to do so. The Foundation’s most significant prescription assistance initiative has been **The Pharmacy Connection** (TPC), a proprietary web-based software that expedites access to the free

medicines available from the brandname pharmaceutical companies’ patient assistance programs.

As a result of continuous improvements since its launch 26 years ago, TPC now also includes low-cost and discounted generic medicines, eyeglasses, and certain medical equipment. The website also includes Virginia’s Medicaid application to facilitate enrollment and coverage of needed medicines.

TPC has now generated more than \$9.1 billion (Average Wholesale Price) in free medicines for more than 366,000 Virginians. More than

\$1 billion of those medicines were obtained in FY23 alone.

VHCF also funds medication assistance caseworkers (MACs) via its **Rx Relief Virginia** initiative. They are employed by local health safety net practices, nonprofit organizations, and some rural hospitals. Their sole focus is using TPC to obtain needed medicines for their patients. These MACs helped fill nearly 52,000 prescriptions valued at \$120 million in FY23. They also successfully helped 415 Virginians apply for Medicaid.



In addition, VHCF led the development of the **Rx Partnership** (RxP) 20 years ago. RxP has evolved significantly and served 30 health safety net clinics in FY23 with free medicines from

**Cumulative Effect of TPC:**

- 366,721 Patients served
- 5.5 million Prescriptions filled
- \$9.1 billion Value of free medications

GlaxoSmithKline, Merck, Abbvie, and Pfizer. It also purchased and distributed generic medicines to the clinics. All combined, RxP helped 8,342 unduplicated patients obtain 51,306 prescriptions with a value of \$15.3 million in FY23.

**11:1 Leverage**

As a public/private partnership, VHCF identifies and creates opportunities to leverage state dollars to meet its mission. The Foundation’s entrepreneurial spirit and nimble approach have produced a significant return to the Commonwealth. Since its inception, VHCF has generated an average of more than \$11 in cash, health services and other in-kind contributions for every \$1 expended.

VHCF’s good stewardship resulted in administrative costs of only 9.1% in FY23. The Foundation’s practice

of directing its health access grants to those with viable sustainability plans continues to pay off: 89% of them operate at or above their prior level of performance for at least three years after “graduating” from VHCF funding.

**Aligning with State Priorities**

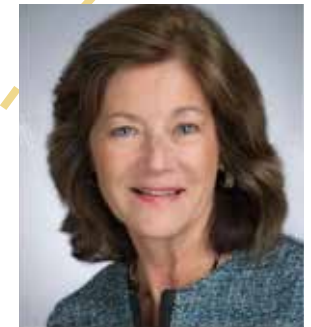
The post-pandemic environment is presenting a host of challenges on many fronts, as new attitudes and rapidly changing demographics shape evolving norms. This is certainly true in the world of healthcare, which is grappling with significant workforce shortages and related service delivery and revenue issues.

At VHCF, we know that we all work better, learn better, and live better when we have our physical and mental health and the resources to maintain them. As a result, we have applied ourselves

to developing and implementing meaningful and innovative solutions in conjunction with the state and other key stakeholders.

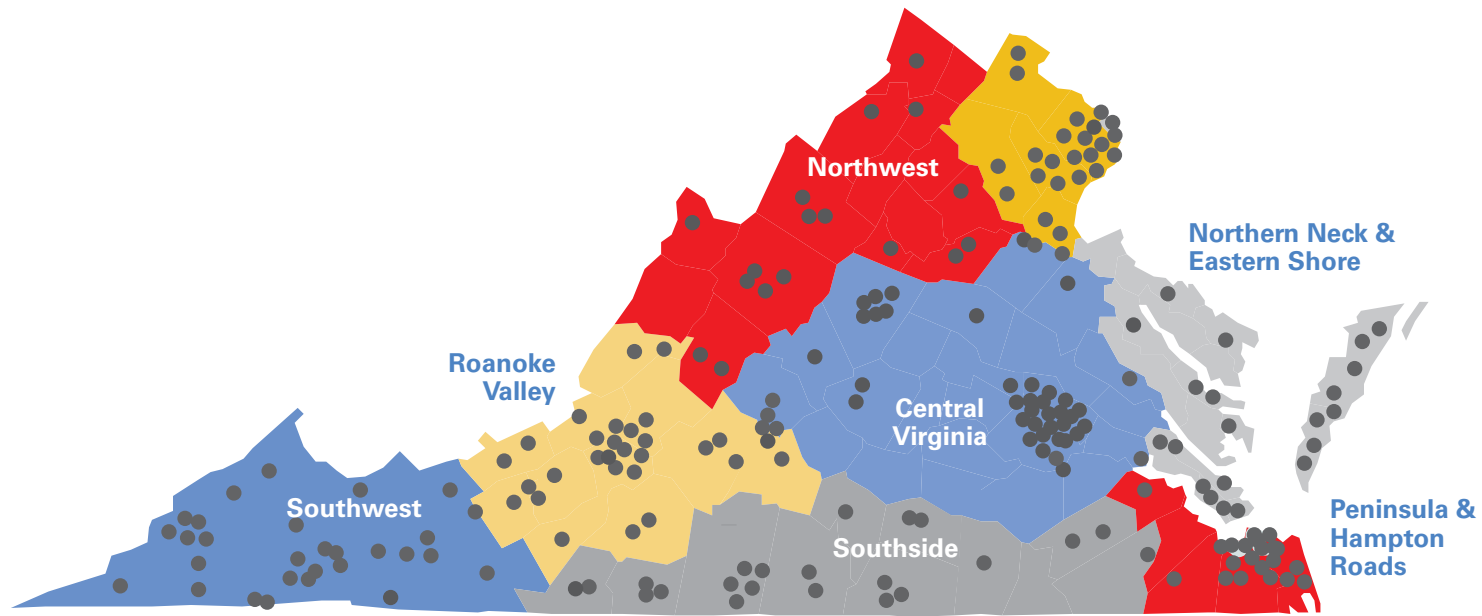
*We aim to put some “bounce” back into the lives of uninsured and medically underserved Virginians and the organizations they turn to for the healthcare they need.*

*We’re pleased to report that we are making good progress!*



*Margaret G. Vanderhye*  
**Margaret G. Vanderhye**  
VHCF Chairman





## VHCf Health Access Grants (1992-2023)

### 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
- Northern Virginia Dental Clinic
- Northern Virginia 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
- Bon Secours Richmond Health System
  - Care-A-Van Mobile Medical Clinic
- Capital Area Health Network
- Center for Healthy Hearts
- Central Virginia Health Services, Inc.
  - 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
  - Petersburg/Hopewell School-Based Dental Clinics
- Charlottesville Area Dental Access
- Charlottesville Free Clinic
- Chesterfield Health District
- Children's Hospital of Richmond at VCU
- ChildSavers
- Community Access Network
- CrossOver Healthcare Ministry
- Daily Planet Health Services Rx
- Fredericksburg Christian Health Center

- Free Clinic of Central Virginia/MedsHelp Rx
  - Goochland Cares
  - Greater Richmond SCAN
  - 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
    - James River Dental Center
  - Lloyd F. Moss Free Clinic
  - Louisa County Resource Council
  - ReadyKids
  - Richmond City Health District
  - Safe Harbor
  - Senior Connections Rx
  - United Way of Greater Charlottesville
  - Virginia Commonwealth University Health System
  - Virginia Treatment Center for Children
  - Vision to Learn
  - YWCA Richmond
- ### 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
- 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
- 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
- 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
  - 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
- MHC Community Dental Clinic
- 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
  - SDHS Family Dentistry
- Stony Creek Community Health Center
- Tri-Area Community Health
  - Patrick County Family Practice
- 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
  - Healing Hands Health
  - 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
    - Tri-Area Community Health at Laurel Fork
    - Tri-Area Community Health at Grayson
  - 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
- Family Service of Roanoke Valley
- 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

- ARROW Project
- 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
- Medical Care
- Medication Assistance
- Other Type of Grant
- Technology
- Vision



## VHCF Consolidated Statements of Financial Position

June 30, 2022 and 2023

Assets	2023	2022
Current assets:		
Cash and cash equivalents	\$ 3,664,286	\$ 1,266,400
Investments	14,208,060	13,279,595
Government appropriations receivable	4,630,571	5,775,714
Interest receivable	36,686	15,066
Grants receivable	1,439,647	519,885
Contributions receivable, current portion	74,000	63,000
Prepaid expenses and other assets	29,648	28,918
Total current assets	24,082,898	20,948,578
Contributions receivable, net of current portion	25,000	35,000
Right-of-use operating lease asset, net	182,839	-
Property and equipment, net	64,906	37,899
<b>Total assets</b>	<b>\$ 24,355,643</b>	<b>\$ 21,021,477</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 144,065	\$ 83,508
Deferred revenue	78,305	79,205
Accrued rent	-	23,599
Operating lease liability, current portion	115,277	-
Grants payable, current portion	3,321,116	3,425,271
Total current liabilities	3,658,763	3,611,583
Operating lease liability, net of current portion	84,954	-
Grants payable, net of current portion	896,084	663,429
Total liabilities	4,639,801	4,275,012
Net assets:		
Without donor restrictions	10,432,624	9,344,566
With donor restrictions	9,283,218	7,401,899
Total net assets	19,715,842	16,746,465
<b>Total liabilities and net assets</b>	<b>\$24,355,643</b>	<b>\$21,021,477</b>

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

## VHCF Consolidated Statements of Activities

June 30, 2022 and 2023

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Government appropriations	\$ -	\$ 4,630,571	\$ 4,630,571	\$ -	\$ 4,630,571	\$ 4,630,571
Contributions	361,312	483,133	844,445	317,919	721,600	1,039,519
In-kind contributions	24,749	-	24,749	25,216	-	25,216
Grant revenue	-	4,741,149	4,741,149	-	1,306,258	1,306,258
Investment income, net	84,647	678	85,325	836,350	4,668	841,018
Unrealized net gain on investments	840,461	4,267	844,728	(2,096,048)	(10,638)	(2,106,686)
Other income	286,867	-	286,867	277,467	-	277,467
Total support and revenue	1,598,036	9,859,798	11,457,834	(639,096)	6,652,459	6,013,363
Net assets released from restriction	7,978,479	(7,978,479)	-	6,570,994	(6,570,994)	-
Expenditures:						
Program services – grants	7,717,708	-	7,717,708	5,718,704	-	5,718,704
Supporting services:						
Management and general	595,321	-	595,321	588,705	-	588,705
Fundraising	175,428	-	175,428	126,128	-	126,128
Total expenditures	8,488,457	-	8,488,457	6,433,537	-	6,433,537
Change in net assets	1,088,058	1,881,319	2,969,377	(501,639)	81,465	(420,174)
Net assets, beginning of year	9,344,566	7,401,899	16,746,465	9,846,205	7,320,434	17,166,639
<b>Net assets, end of year</b>	<b>\$10,432,624</b>	<b>\$ 9,283,218</b>	<b>\$ 19,715,842</b>	<b>\$ 9,344,566</b>	<b>\$ 7,401,899</b>	<b>\$ 16,746,465</b>

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

### VHCF Board of Trustees

The Honorable Margaret G. Vanderhye  
(Chairman FY23)  
Christopher M. Carney  
(Chairman)\*  
Judith B. Collins, NP  
Nicholas C. Conte  
Anna Healy James  
Lisa K. Johnson, MD  
Brian Macnamara  
Regina M. Milteer, MD, FAAP  
William L. Murray  
The Honorable John O'Bannon, MD  
Augustus A. Petticolas, Jr., DDS  
Jeff Ricketts

\*Through 2022

### VHCF Board of Advisors

Jean Clary Bagley  
LuAnn L. Bennett  
Lawrence E. Blanchard, III, MD  
Robert M. Blue  
Roger L. Boeve  
Thomas R. Byrd  
Mark W. Clark, MD, MPH  
The Honorable Jean W. Cunningham  
Ben J. Davenport, Jr.  
Norwood H. Davis, Jr.  
John F. Fick, III  
May H. Fox  
Kester S. Freeman, Jr.  
Richard L. Grier  
Ellen McCloy Hall  
Charlie W. Hill

Ralph L. Howell, Jr., DDS, MAGD  
S. Anderson Hughes  
Clarion E. Johnson, MD  
Jane Norwood Kusiak  
George A. Levicki, DDS  
Lemuel E. Lewis  
T. Carter Melton, Jr.  
The Honorable William C. Mims  
G. Gil Minor, III\*\*  
Bruce Randolph Murray  
Philip M. Reilly  
R. Gordon Smith  
Thomas G. Snead, Jr.  
Karla M. Sorensen  
Sally W. Southard  
James M. Turner, Jr.

\*\*Deceased May 2023

### VHCF Staff

Deborah D. Oswalt  
*Executive Director*

Rachel L. Rees  
*Deputy Director*

Kimberly A. Bemberis  
*Director of Administration & Technology*

Lisa M. Hueston  
*The Pharmacy Connection Program Manager*

Denise Daly Konrad  
*Director of Strategic Initiatives*

Liana Judy  
*Medication Assistance Program Officer*

Andrea L. Lancaster  
*Chief Program & Impact Officer*

Anne McPherson  
*Special Assistant to the Foundation*

Alan Nicholas  
*Health Access Program Officer*

Kari L. Parkhurst  
*Grants Operations & Website Administrator*

Trinette Randolph  
*Boost 200 Program Manager*

Emily R. Roller  
*Director of Health Insurance Initiatives*

Norma A. Ryan  
*Application Specialist*

Kimberly R. Separ  
*Fund Development Manager*

Cornelia Sullivan-Dews  
*Controller*

# The ball is in your court.

# THANK YOU!



**VHCF Mission:** VHCF is dedicated to increasing access to primary health care, including behavioral and oral health services, for uninsured and medically underserved Virginians.

Initiated as a public/private partnership 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 Vision:** All who live in Virginia will be able to obtain the health care they need.

### OUR ORGANIZATIONAL VALUES

↑  
Guess what's under here?

#### 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 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





[vhcf.org](http://vhcf.org) 707 E Main St | Suite 1350 | Richmond, VA 23219 | (804) 828-5804



We're  
putting  
the  
bounce  
back!



VIRGINIA  
HEALTH CARE  
FOUNDATION



**VIRGINIA  
HEALTH CARE  
FOUNDATION**

Financial Statements

June 30, 2023 and 2022



4401 Dominion Boulevard  
Glen Allen, Virginia 23060  
Tel: 804.747.0000  
[www.keitercpa.com](http://www.keitercpa.com)



# VIRGINIA HEALTH CARE FOUNDATION

## Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying financial statements of the Virginia Health Care Foundation (the "Foundation"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Virginia Health Care Foundation as of June 30, 2023 and 2022, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



August 17, 2023  
Glen Allen, Virginia

## VIRGINIA HEALTH CARE FOUNDATION

### Statements of Financial Position June 30, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 3,664,286	\$ 1,266,400
Investments	14,208,060	13,279,595
Government appropriations receivable	4,630,571	5,775,714
Interest receivable	36,686	15,066
Grants receivable	1,439,647	519,885
Contributions receivable, current portion	74,000	63,000
Prepaid expenses and other assets	<u>29,648</u>	<u>28,918</u>
Total current assets	24,082,898	20,948,578
Contributions receivable, net of current portion	25,000	35,000
Right-of-use operating lease asset, net	182,839	-
Property and equipment, net	<u>64,906</u>	<u>37,899</u>
Total assets	<u>\$ 24,355,643</u>	<u>\$ 21,021,477</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 144,065	\$ 83,508
Deferred revenue	78,305	79,205
Accrued rent	-	23,599
Operating lease liability, current portion	115,277	-
Grants payable, current portion	<u>3,321,116</u>	<u>3,425,271</u>
Total current liabilities	3,658,763	3,611,583
Operating lease liability, net of current portion	84,954	-
Grants payable, net of current portion	<u>896,084</u>	<u>663,429</u>
Total liabilities	<u>4,639,801</u>	<u>4,275,012</u>
Net assets:		
Without donor restrictions	10,432,624	9,344,566
With donor restrictions	<u>9,283,218</u>	<u>7,401,899</u>
Total net assets	<u>19,715,842</u>	<u>16,746,465</u>
Total liabilities and net assets	<u>\$ 24,355,643</u>	<u>\$ 21,021,477</u>

See accompanying notes to financial statements.



**VIRGINIA HEALTH CARE FOUNDATION**

Statements of Activities  
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Government appropriations	\$ -	\$ 4,630,571	\$ 4,630,571
Contributions	361,312	483,133	844,445
In-kind contributions	24,749	-	24,749
Grant revenue	-	4,741,149	4,741,149
Investment income, net	84,647	678	85,325
Unrealized net gain on investments	840,461	4,267	844,728
Other income	286,867	-	286,867
	<u>1,598,036</u>	<u>9,859,798</u>	<u>11,457,834</u>
 Total support and revenue			
	<u>1,598,036</u>	<u>9,859,798</u>	<u>11,457,834</u>
 Net assets released from restriction	<u>7,978,479</u>	<u>(7,978,479)</u>	<u>-</u>
 Expenditures:			
Program services	7,717,708	-	7,717,708
Supporting services:			
Management and general	595,321	-	595,321
Fundraising	175,428	-	175,428
	<u>8,488,457</u>	<u>-</u>	<u>8,488,457</u>
 Total expenditures			
	<u>8,488,457</u>	<u>-</u>	<u>8,488,457</u>
 Change in net assets	<u>1,088,058</u>	<u>1,881,319</u>	<u>2,969,377</u>
 Net assets, beginning of year	<u>9,344,566</u>	<u>7,401,899</u>	<u>16,746,465</u>
 Net assets, end of year	<u>\$ 10,432,624</u>	<u>\$ 9,283,218</u>	<u>\$ 19,715,842</u>

See accompanying notes to financial statements.

**VIRGINIA HEALTH CARE FOUNDATION**

Statements of Activities, Continued  
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Government appropriations	\$ -	\$ 4,630,571	\$ 4,630,571
Contributions	317,919	721,600	1,039,519
In-kind contributions	25,216	-	25,216
Grant revenue	-	1,306,258	1,306,258
Investment income, net	836,350	4,668	841,018
Unrealized net loss on investments	(2,096,048)	(10,638)	(2,106,686)
Other income	277,467	-	277,467
Total support and revenue	(639,096)	6,652,459	6,013,363
Net assets released from restriction	6,570,994	(6,570,994)	-
Expenditures:			
Program services	5,718,704	-	5,718,704
Supporting services:			
Management and general	588,705	-	588,705
Fundraising	126,128	-	126,128
Total expenditures	6,433,537	-	6,433,537
Change in net assets	(501,639)	81,465	(420,174)
Net assets, beginning of year	9,846,205	7,320,434	17,166,639
Net assets, end of year	\$ 9,344,566	\$ 7,401,899	\$ 16,746,465

See accompanying notes to financial statements.



**VIRGINIA HEALTH CARE FOUNDATION**

Statements of Functional Expenses  
Year Ended June 30, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ -	\$ 261,250	\$ 98,043	\$ 359,293
Employee benefits/payroll taxes	-	60,055	12,801	72,856
 Total salaries and related expenditures	 -	 321,305	 110,844	 432,149
Grants	4,856,157	-	-	4,856,157
RX Partnership	155,000	-	-	155,000
The Pharmacy Connection	331,276	-	-	331,276
Medication Assistance Program	211,609	-	-	211,609
Strategic Initiatives	309,869	-	-	309,869
Medicaid/FAMIS Outreach and Enrollment	414,995	-	-	414,995
Grantee Technical Assistance	72,658	-	-	72,658
Grantmaking	257,888	-	-	257,888
Boost 200	777,310	-	-	777,310
Psychiatric Nurse Practitioner Scholarships	330,946	-	-	330,946
Contractual services	-	110,056	686	110,742
Office rent	-	41,003	-	41,003
Telephone and fax	-	3,998	157	4,155
Supplies	-	3,197	327	3,524
Computer software and supplies	-	11,464	3,942	15,406
Printing and copying	-	5,617	295	5,912
Postage	-	4,717	417	5,134
Meeting/conference costs	-	22,653	-	22,653
Special events	-	-	57,098	57,098
Travel	-	4,389	953	5,342
Miscellaneous	-	1,930	-	1,930
Insurance	-	26,473	-	26,473
Subscriptions, fees and dues	-	12,397	709	13,106
 Total expenditures before depreciation and amortization	 7,717,708	 569,199	 175,428	 8,462,335
 Depreciation and amortization of property and equipment	 -	 26,122	 -	 26,122
 Total expenditures	 <u>\$ 7,717,708</u>	 <u>\$ 595,321</u>	 <u>\$ 175,428</u>	 <u>\$ 8,488,457</u>

See accompanying notes to financial statements.

**VIRGINIA HEALTH CARE FOUNDATION**

Statements of Functional Expenses, Continued  
Year Ended June 30, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ -	\$ 271,592	\$ 101,425	\$ 373,017
Employee benefits/payroll taxes	-	69,675	16,188	85,863
 Total salaries and related expenditures	 -	 341,267	 117,613	 458,880
Grants	3,720,543	-	-	3,720,543
RX Partnership	155,000	-	-	155,000
The Pharmacy Connection	311,583	-	-	311,583
Medication Assistance Program	205,985	-	-	205,985
Strategic Initiatives	375,613	-	-	375,613
Medicaid/FAMIS Outreach and Enrollment	399,276	-	-	399,276
Grantee Technical Assistance	84,932	-	-	84,932
Grantmaking	239,177	-	-	239,177
Boost 200	2,225	-	-	2,225
Psychiatric Nurse Practitioner Scholarships	224,370	-	-	224,370
Contractual services	-	87,282	-	87,282
Office rent	-	61,742	-	61,742
Telephone and fax	-	4,960	-	4,960
Supplies	-	3,876	648	4,524
Computer software and supplies	-	9,844	3,347	13,191
Printing and copying	-	6,674	-	6,674
Postage	-	4,151	75	4,226
Meeting/conference costs	-	9,256	-	9,256
Special events	-	-	2,414	2,414
Travel	-	522	542	1,064
Miscellaneous	-	1,063	-	1,063
Insurance	-	23,788	-	23,788
Subscriptions, fees and dues	-	13,898	1,489	15,387
 Total expenditures before depreciation and amortization	 5,718,704	 568,323	 126,128	 6,413,155
 Depreciation and amortization of property and equipment	 -	 20,382	 -	 20,382
 Total expenditures	 <u>\$ 5,718,704</u>	 <u>\$ 588,705</u>	 <u>\$ 126,128</u>	 <u>\$ 6,433,537</u>

See accompanying notes to financial statements.



## VIRGINIA HEALTH CARE FOUNDATION

### Statements of Cash Flows Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 2,969,377	\$ (420,174)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	26,122	20,382
Net investment income reinvested	(286,104)	(196,326)
Net realized and unrealized (gain) loss on investments	(643,290)	1,434,429
Gain on sale of property and equipment	(100)	(200)
Change in assets and liabilities:		
Government appropriations receivable	1,145,143	(50,000)
Interest receivable	(21,620)	4,142
Grants and contributions receivable	(920,762)	(144,044)
Prepaid expenses and other assets	(730)	(3,211)
Operating lease assets and liabilities, net	(6,207)	-
Accounts payable and accrued expenses	60,557	(10,905)
Deferred revenue	(900)	1,961
Grants payable	128,500	(847,916)
	2,449,986	(211,862)
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	(53,129)	(9,703)
Proceeds from sale of property and equipment	100	200
Proceeds from sales of investments	5,491,884	4,859,669
Purchase of investments	(5,490,955)	(4,832,127)
	(52,100)	18,039
Net cash (used in) provided by investing activities		
Net change in cash and cash equivalents	2,397,886	(193,823)
Cash and cash equivalents, beginning of year	1,266,400	1,460,223
Cash and cash equivalents, end of year	\$ 3,664,286	\$ 1,266,400
Supplemental cash flow information related to leases:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 112,465	\$ -
Operating lease asset obtained in exchange for lease liability	\$ 287,941	\$ -

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 \$26,179 at June 30, 2023 and \$24,391 at June 30, 2022, 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. Receivables largely consist of government appropriations. See Note 11 for receivable concentrations.

## 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 \$277,774 in 2023 and \$427,855 in 2022 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, 2023 and 2022 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 2023 or 2022.

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:** The Foundation recognizes revenue from exchange transactions in accordance with FASB guidance contained in *Revenue from Contracts with Customers (Topic 606)*.

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 \$235,814 during 2023 and \$235,652 during 2022 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 contract assets of \$950 as of June 30, 2023 and \$1,595 as of June 30, 2022. Contract liabilities include deferred revenue which amounted to \$78,305 at June 30, 2023 and \$79,205 at June 30, 2022. At July 1, 2021, there were no contract assets and contract liabilities amounted to \$77,244.

**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.

**Leases:** In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes ASC 840 and creates a new topic, ASC 842. ASC 842 requires lessees to recognize a right-of-use asset and a lease liability on the statement of financial position for substantially all leases with a term of 12 months or greater. Leases are classified as either finance or operating, with classification affecting expense recognition in the Foundation’s operations.

The lease liabilities are initially measured at the present value of future lease payments, measured on a discounted basis, as of the lease commencement date or the adoption date, whichever is later. The right-of-use assets are initially measured at the value of the lease liability, adjusted for initial direct lease costs, lease incentives, and prepaid or deferred rent. The Foundation elected to use the risk-free discount rate for any leases for which the rate implicit in the lease was not readily determinable. The right-of-use assets and lease liabilities are calculated to include options to extend or terminate the lease when the Foundation determines that it is reasonably certain it will exercise those options. In making those determinations, the Foundation considers various existing economic and market factors, business strategies as well as the nature, length, and terms of the lease agreements.

## VIRGINIA HEALTH CARE FOUNDATION

### Notes to Financial Statements, Continued

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

##### Leases, Continued:

At July 1, 2022, the Foundation adopted the provisions of ASC 842, using the modified retrospective adoption method. In addition, the Foundation utilized the simplified transition option available in ASC 842, which allows entities to continue to apply the legacy guidance in ASC 840, including its disclosure requirements, in the comparative periods presented in the year of adoption.

Upon adoption of ASC 842, the Foundation elected the transitional package of practical expedients that allow an entity to not reassess (1) whether any expired or existing contracts contain a lease, (2) the lease classification of any expired or existing lease, and (3) initial direct costs for any existing lease, and the use of hindsight in determining the lease term. In addition, the Foundation elected to not record a lease liability and corresponding right-of-use asset for leases with terms of 12 months or less, and to account for lease and non-lease components as a single lease component.

The adoption of ASC 842 resulted in the recognition of an operating lease right-of-use asset of \$287,941 and an operating lease liability of \$311,540 as of July 1, 2022. The standard did not materially impact the Foundation's operations and cash flows.

**Donated Services:** During 2023 and 2022, the Foundation received professional services at no charge from outside organizations (see Note 15). These services, valued by the donors at approximately \$24,749 in 2023 and \$25,216 in 2022, were recorded as in-kind contribution revenue without donor restrictions and recorded as expenditures in the related expense accounts in the accompanying statements of activities.

**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.

**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 2023 and 2022.

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, 2023 and 2022. 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:

**Reclassifications:** Certain prior year balances have been reclassified to conform with the current year presentation.

**Subsequent Events:** Management has evaluated subsequent events through August 17, 2023, 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 statement.

#### 3. Cash and Cash Equivalents:

Cash and cash equivalents include the following as of June 30, 2023 and 2022:

	2023	2022
Cash on deposit	\$ 3,583,150	\$ 1,185,272
Money market funds	81,136	81,128
	\$ 3,664,286	\$ 1,266,400

#### 4. Investments:

The costs and fair values of investments as of June 30, 2023 and 2022 are summarized as follows:

	2023		2022	
	Cost	Fair value	Cost	Fair value
Money market funds	\$ 896,878	\$ 896,878	\$ 1,139,084	\$ 1,139,084
U.S. Treasury Bills	398,980	718,124	-	-
Securities	6,242,421	9,306,543	7,323,164	9,647,370
Corporate bonds	3,685,172	3,286,515	2,677,466	2,493,141
	\$ 11,223,451	\$ 14,208,060	\$ 11,139,714	\$ 13,279,595



## 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>2023</u>	<u>2022</u>
Interest income, net	\$ 286,763	\$ 168,761
Net realized (losses) gains	<u>(201,438)</u>	<u>672,257</u>
	<u>\$ 85,325</u>	<u>\$ 841,018</u>
Net unrealized gains (losses)	<u>\$ 844,728</u>	<u>\$ (2,106,686)</u>

Investment income includes advisory fees totaling \$70,633 for 2023 and \$79,136 for 2022.

#### 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, 2023 and 2022.

## 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.

**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.

Investments measured at fair value on a recurring basis at June 30, 2023 include the following:

	Fair Value Using		Investments at Fair Value
	Level 1	Level 2	
Assets:			
Money market funds	896,878	\$ -	\$ 896,878
U.S. Treasury Bills	-	718,124	718,124
Securities:			
Basic materials	490,251	-	490,251
Closed end mutual funds	723,305	-	723,305
Communication services	809,220	-	809,220
Consumer cyclical	642,999	-	642,999
Consumer defensive	632,706	-	632,706
Diversified Equity	169,562	-	169,562
Energy	538,001	-	538,001
Financials	1,577,108	-	1,577,108
Health care	1,131,726	-	1,131,726
Industrials	699,812	-	699,812
Information technology	1,492,630	-	1,492,630
Real estate investment trusts	285,669	-	285,669
Utilities	113,554	-	113,554
Corporate bonds	-	3,286,515	3,286,515
	\$ 10,203,421	\$ 4,004,639	\$ 14,208,060

## 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, 2022 include the following:

	Fair Value Using		Investments at Fair Value
	Level 1	Level 2	
Assets:			
Money market funds	\$ 1,139,084	\$ -	\$ 1,139,084
Securities:			
Basic materials	369,462	-	369,462
Closed end mutual funds	2,004,877	-	2,004,877
Communication services	755,851	-	755,851
Consumer cyclical	815,793	-	815,793
Consumer defensive	489,678	-	489,678
Energy	433,862	-	433,862
Financials	1,421,536	-	1,421,536
Health care	959,833	-	959,833
Industrials	693,235	-	693,235
Information technology	1,103,629	-	1,103,629
Real estate investment trusts	459,254	-	459,254
Utilities	140,360	-	140,360
Corporate bonds	-	2,493,141	2,493,141
	\$ 10,786,454	\$ 2,493,141	\$ 13,279,595



## 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, 2023, the maturity dates or redemption periods and related amounts were as follows:

Year Ending June 30:	Corporate Bonds	U.S. Treasury Bills
2024	\$ -	\$ 718,124
2025	408,610	-
2026	413,534	-
2027	738,488	-
2028	562,752	-
Thereafter	1,163,131	-
	\$ 3,286,515	\$ 718,124

#### 6. Grants and Contributions Receivable:

Grants and contributions receivable are summarized as follows as of June 30, 2023 and 2022:

	2023	2022
Unconditional grants and contributions expected to be collected in:		
Less than one year	\$ 1,517,004	\$ 590,945
One year to five years	25,000	35,000
Total grants and contributions receivable	\$ 1,542,004	\$ 625,945

There was no discount on future expected cash flows from grants and contributions receivable in 2023 and 2022.

## VIRGINIA HEALTH CARE FOUNDATION

### Notes to Financial Statements, Continued

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

Property and equipment, net as of June 30, 2023 and 2022 is as follows:

	2023	2022
Equipment	\$ 110,854	\$ 102,393
Leasehold improvements	4,987	4,987
Software	73,472	32,168
	189,313	139,548
Less accumulated depreciation and amortization	(124,407)	(101,649)
Property and equipment, net	\$ 64,906	\$ 37,899

#### 8. Leases:

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 discount rate used in the calculation of the operating lease liability at June 30, 2023 was 0.37%. The Foundation also leases a copier and a postage meter under short-term operating leases. Future minimum lease payments under non-cancellable operating leases as of June 30, 2023 are as follows:

Year Ending June 30:	Amount
2024	\$ 115,277
2025	88,069
Total lease payments	203,346
Less amount representing interest	(3,115)
Total operating lease liability	\$ 200,231

The components of lease expense for the year ended June 30, 2023 are as follows:

Operating lease cost:	
Operating lease cost	\$ 106,259
Short-term lease cost	13,852
Total operating lease cost	\$ 120,111

**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, 2023 and 2022:

	2023	2022
Purpose restricted - grants	\$ 9,210,792	\$ 7,334,418
Nonprofit Leadership Endowment	72,426	67,481
	\$ 9,283,218	\$ 7,401,899

Net assets released from donor restriction in 2023 and 2022 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 \$70,345 in 2023 and \$65,156 in 2022.

**11. Government Appropriations and Other Funding Concentrations:**

In the 2023 fiscal year, the Commonwealth of Virginia (the “Commonwealth”) designated an appropriation in its biennial budget to the Foundation of \$4,630,571. 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 \$4,630,571 was included as a receivable as of June 30, 2023 in the accompanying financial statements. The amount of the appropriation is subject to change should the Commonwealth experience a budget shortfall. These appropriations accounted for 40% of support and revenue for 2023 and 77% of support and revenue for 2022. These appropriations accounted for 75% of total receivables at June 30, 2023 and 90% of total receivables at June 30, 2022.

In addition, the Virginia Department of Behavioral Health Services contracted with the Foundation for a onetime multi-year pilot project that accounted for 26% of support and revenue during 2023 and 12% of total receivables at June 30, 2023. There were no additional concentrations of support and revenue and receivables for 2023 and 2022.



## 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.

**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. Due to unfavorable market fluctuations, the endowment held by the Foundation was deemed to be in a deficit at June 30, 2023 and 2022, with an original gift amount of \$100,000 and a fair value of \$98,605 and \$91,872, respectively. In accordance with GAAP, the deficiency of this nature that reduced net assets with donor restrictions was \$1,395 and \$8,128 at June 30, 2023 and 2022, respectively.

**VIRGINIA HEALTH CARE FOUNDATION**

Notes to Financial Statements, Continued

**12. Endowment Fund, 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, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted			
endowment funds	\$ -	\$ 72,426	\$ 72,426
Board-designated funds	26,179	-	26,179
 Total funds	\$ 26,179	\$ 72,426	\$ 98,605

Endowment net asset composition by type of fund was as follows as of June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted			
endowment funds	\$ -	\$ 67,481	\$ 67,481
Board-designated funds	24,391	-	24,391
 Total funds	\$ 24,391	\$ 67,481	\$ 91,872

**VIRGINIA HEALTH CARE FOUNDATION**

Notes to Financial Statements, Continued

**12. Endowment Fund, Continued:**

Changes in endowment net assets were as follows for the years ended June 30, 2023 and 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, July 1, 2021	\$ 26,549	\$ 73,451	\$ 100,000
Investment loss, net	<u>(2,158)</u>	<u>(5,970)</u>	<u>(8,128)</u>
Net assets, June 30, 2022	24,391	67,481	91,872
Investment income, net	<u>1,788</u>	<u>4,945</u>	<u>6,733</u>
Net assets, June 30, 2023	<u>\$ 26,179</u>	<u>\$ 72,426</u>	<u>\$ 98,605</u>

**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:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 3,664,286	\$ 1,266,400
Government appropriations receivable	4,630,571	5,775,714
Contributions receivable	99,000	98,000
Investments	14,208,060	13,279,595
Interest receivable	<u>36,686</u>	<u>15,066</u>
	22,638,603	20,434,775
Receivables to be collected in more than one year	(25,000)	(35,000)
Contractual or donor-imposed restrictions:		
State appropriation	(4,630,571)	(4,630,571)
Federal and state contract grant funds	(2,958,046)	(455,370)
Other	(1,621,872)	(2,248,173)
Endowment fund	(98,605)	(94,000)
Investments maturing in more than one year	<u>(3,286,515)</u>	<u>(2,493,141)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,017,994</u>	<u>\$ 10,478,520</u>

## VIRGINIA HEALTH CARE FOUNDATION

### Notes to Financial Statements, Continued

#### 13. Liquidity and Availability of Financial Assets, Continued:

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.

#### 15. Donated Services and Assets:

The Foundation receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations and fund-raising campaigns. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

During 2023 and 2022, the Foundation received donated services for audit, photography, and design services. The Foundation also received contributions of the use of facilities and access to conferences.

The Foundation received the following in-kind contributions for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Services	\$ 22,050	\$ 21,707
Conference fees	2,000	1,909
Board meeting space	<u>699</u>	<u>1,600</u>
	<u>\$ 24,749</u>	<u>\$ 25,216</u>



## VIRGINIA HEALTH CARE FOUNDATION

### Notes to Financial Statements, Continued

**15. Donated Services and Assets, Continued:**

All donated services and assets were utilized by the Foundation's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets.

Donated services and assets are valued at the standard market rates charged for those services or assets to cash-paying customers.