

We are not playing games.





At the Virginia Health Care Foundation, **we're filling the gaps** in Virginia's healthcare workforce...



With scholarships to produce more Psychiatric Nurse Practitioners.



I was looking for a way to become a psychiatric nurse practitioner without adding to my student debt. When **I learned about VHCF's *Psych NP Scholarship* through a Google search**, I was so grateful to have found it. I called VHCF and it was a perfect fit!

After earning my degree and working at my local community health center, I was promoted to be Director of Psychiatric Services. **Now I'm overseeing the delivery of mental health services to a population I care about at 20 different sites!**

We have already helped 1,070 patients so far this year!" ~Pethree Nissley, FNP-C, PMHNP-BC, Southern Albemarle

VHCF has awarded 70 Psych NP scholarships with 56% to people of color.

By attracting dentists to Virginia’s dental safety net with substantial employment incentives.



My heart was with Safety Net dentistry, but with three kids at home, my budget said, ‘no way!’ I love to work as part of a team and deal with the whole patient, not just another veneer or crown.

The signing bonus from VHCF’s *Sign Up, Pay Down* initiative helped bridge the gap between what our Roanoke dental safety net practice could pay and the area average. It made all the difference.” ~Dr. Nadar Burpee, DDS, Roanoke

5 Medicaid dental practices hired a dentist in FY24 with the help of VHCF’s *Sign Up, Pay Down* initiative.





By eliminating financial barriers to licensure for counselors and social workers.



I knew I needed to become licensed to be able to make a significant impact. Getting there was tough. I took on multiple jobs to pay for my supervisory hours. It was very stressful.

The *Boost 200* program enabled me to complete my required supervision much more quickly and provided test prep for my licensing exam.

Now, I am a Licensed Clinical Social Worker, helping others move forward every day. Just like *Boost 200* helped me.” ~Shauntai Wright, LCSW, Norfolk

VHCF's *Boost 200* program grew to 263 masters-prepared therapists in FY24.

With grants to help safety net organizations
“grow their own” licensed therapists.



ust a few years ago, I wasn’t sure where I could be
of most use to others. Then, **a VHCF grant enabled
SCAN to hire me as a bilingual children’s therapist.**

I received the clinical hours and supervision required
for licensure and became certified in play therapy. It
all opened my eyes and set me on a path to helping
traumatized children find a way back to normalcy.

**Now I’m in my dream position, helping children
process their pain.** There’s no better future than that.”

~Lorena Bunnan Castro, MSW, Richmond

**VHCF has funded 10
therapists who obtained
supervision required
for licensure from their
safety net employers.**





Our Donors Are A Force

JULY 1, 2023 – JUNE 30, 2024

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**Deceased*

***at The Community Foundation for a greater Richmond*

Special Thank You To Our Public Sector Partners

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

Thanks to All Who Contributed Through the Commonwealth of Virginia

Workplace Charitable Campaigns

Thank you to all our generous donors. The list above reflects gifts of \$100 or more received between July 1, 2023, and June 30, 2024. 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.



At the Virginia Health Care Foundation (VHCF), **we don't play games** when it comes to achieving our mission of increasing access to primary health care for uninsured and medically underserved Virginians.

Our work has multiple facets. Two key components are connecting the uninsured with health insurance coverage and expanding the capacity and scope of services of Virginia's health safety net practices. Neither can be meaningful, however, if there are too few licensed health providers to diagnose and treat patients.

Virginia is experiencing a shortage of many types of health providers. It is particularly acute among behavioral health professionals. VHCF is devoting substantial resources and taking a multi-pronged approach to increase the number of these valuable providers and the availability of mental health services.

Addressing Virginia’s Mental Health Crisis

The mental health consequences of the pandemic and various social stressors are visible everywhere. Demand for behavioral health (BH) services has skyrocketed, while all of Virginia has become a federally-designated Mental Health Professional Shortage Area.

The situation is especially problematic for children and youth. Mental Health America’s new report ranks Virginia 27th in the number of youth with at least one major depressive episode in the past year; 26th in youth with serious thoughts of suicide; and an alarming 31st in the number of youth flourishing.

To help address this crisis, VHCF created its \$2 million **Brighter Days Ahead** initiative in FY24. Its most significant component

is increasing the number of sites where children can obtain needed treatment by helping establish school-based health centers that will provide mental health services.

These **Nurture Now: Helping Children Shine** grants are targeted to schools with a significant number of children who rely on the federal free/ reduced-price meal programs. The participating schools are in Rockbridge, Carroll, and Appomattox counties, and the City of Colonial Heights. Three are in rural localities. Two offer medical treatment in addition to mental health services. VHCF is funding therapists at all four centers.

Using a free-standing health or mental health entity to operate the centers allows each school to focus on teaching, while the pressing need for BH services



is addressed by those with healthcare expertise and systems.

VHCF’s *Nurture Now* grants and the *Brighter Days Ahead* initiative, of which they are a part, are made possible by the Collis Warner Foundation, Humana, Sentara Healthcare, Carilion Clinic, Dominion Energy, The Claude Moore Charitable Foundation and The Anne Mullen Orrell Charitable Trust, Bank of America, N.A. Trustees.

Producing More Licensed Behavioral Health Professionals

A key to assuring the availability of mental health services is increasing the number of licensed BH professionals. A 2021 VHCF Assessment showed a significant shortage of all types of licensed BH professionals.

70 More Psychiatric Nurse Practitioners

One of the most compelling shortages is among Psychiatric Nurse Practitioners (Psych NPs):

58 of Virginia’s 133 localities have none. They are the only BH professionals, other than psychiatrists, who are trained and licensed to prescribe the psychotropic medicines needed to manage an array of mental health conditions. 35 localities have no psychiatrist or Psych NP. Additionally, 71% of psychiatrists licensed and practicing in Virginia are age 55 or older, and Virginia has no psychiatrists under the age of 40.

VHCF established a Psych NP Scholarship Program in 2017 that pays full tuition and required fees for qualified NPs to obtain a post-masters Psych NP Certificate. We are proud that we have awarded 70 scholarships over the past 7 years with 56% going to people of color. In return, the newly licensed Psych NPs commit to work for two years in Virginia’s healthcare safety



VHCF’s Psychiatric Nurse Practitioner Scholarship Program FY24 graduates from top left: Carey Dean (Rockingham), Crystal Baker (Chesapeake), Sheree Savage-Artis (Hampton), Carla Davis (Newport News), Karen Fields-Sykes (Hampton), Monica Friedline (Fauquier), Heather Blair (Kentucky), Clementine Sekyere (Richmond), Heather Bragg (Montgomery), Sara Swanson (Franklin), Curtis Hodges (Montgomery), Tanya Reynolds (Prince William), Dana Stallings (Isle of Wight), Sarah Yowell (Madison), Stephanie Porter (Amherst).

net or a public service setting upon graduation. More than half (61%) are already credentialed and practicing throughout the state.

200 More Licensed Therapists (Boost 200)

Many Masters of Social Work (MSW) and Masters of Counseling (MC) graduates are interested in becoming licensed therapists, but cannot afford to pay the substantial cost of the clinical supervision required to do so. Given high student debt, inflation-driven living expenses, and the low salaries available to therapists with only Masters degrees, many who want to become licensed never make it.

VHCF’s **Boost 200** program was created to remove the financial barriers to licensure for these greatly needed therapists. Funded by the General Assembly



as a pilot in 2022, it pays for the required supervision of 100 MSWs and 100 MCs in return for their commitment to provide therapy in Virginia for two years after they become licensed. Participants in the program were selected to address identified shortages in the therapist workforce: 75% are people of color; 10% are bilingual.

A portion of this first Boost 200 cohort became licensed during FY24. The rest of the 200 will be licensed by the end of FY25. Boost 200 has proven so successful that the Governor, the General Assembly, and several private funders have allocated funding for additional slots. Heading into FY25 with a total of 338 Boost slots, we are now calling the program *Boost 200+*!

Interest in participating in the program and the demand for mental health services continues to be high.

Filling the Dental Void
Dentistry is another area of great unmet demand. Many dentists retired early during the pandemic. At the same time, Virginia’s Medicaid program started covering dental services for more than 700,000 adults. The confluence of these events has created a shortage of dentists in many parts of the state, and a very competitive market for recruiting greatly needed dentists



to **Virginia’s Dental Safety Net** (DSN) practices.

In response, VHCF worked in concert with three leading dental insurers to create a \$40,000 package of employment incentives. The resulting **Sign Up, Pay Down** initiative enabled five rural DSN practices to hire a new dentist in FY24 in return for a two-year service commitment.

United Concordia Dental Company and DentaQuest, a Sun Life Company, provided funds for five \$20,000 signing bonuses, and the Delta Dental of Virginia Foundation underwrote \$20,000 in student loan repayment for each of the five dentists hired.

Another VHCF-initiated partnership designed to reduce oral health related costs is the DSN discount program offered by Patterson Dental. This 17-year collaboration is available to all 100 DSN

practices in the state. In FY24, it saved \$585,000 in costs.

Addressing Health Safety Net Workforce Needs
Virginia’s Health Safety Net (HSN) practices are experiencing many of the workforce challenges prevalent throughout the health industry – employee burnout, frequent turnover, and in the case of Virginia’s free and charitable clinics, a significant loss of volunteers.



To improve the mental health and well-being of Virginia’s HSN providers, VHCF partnered with the Virginia Community Healthcare Association and the Virginia Association of Free and Charitable Clinics in FY24 to make the **SafeHaven** program available to more than 1,900 paid HSN providers and teams and their

families. Developed by the Medical Society of Virginia, this thoughtful and innovative initiative provides an array of counseling, coaching, and other desired services to address the many causes of stress. The service most frequently utilized was by parents seeking guidance related to their children’s mental health.

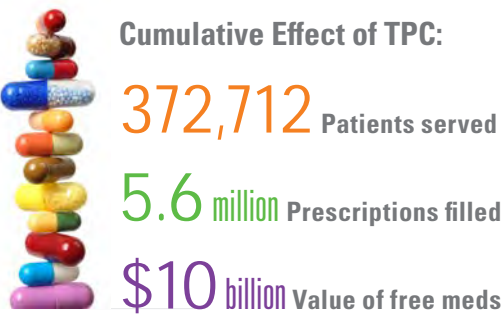
In another effort to help reduce provider burnout, VHCF funded 43 medical, dental and behavioral health providers throughout the broader healthcare safety net in FY24. The Foundation’s investment in Virginia’s community health centers and free and hybrid clinics over the years now totals more than \$68 million.

\$10 Billion in Free Rx
Just as a sufficient health workforce is essential to diagnosing and treating illness, prescription medicines are integral to curing or managing those illnesses.



VHCF has long recognized the vital importance of access to prescription medicines and has made medication assistance for uninsured Virginians a priority. 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. In FY24, the value of free medicines generated by TPC surpassed \$10 billion Average Wholesale Price (AWP), representing more than 5.6 million prescriptions for nearly 373,000 Virginians.

As a result of continuous improvements since its launch 27 years ago, TPC now also includes low-cost and discounted generic medicines, eyeglasses, medical supplies, and certain medical



equipment. TPC also includes Virginia’s Medicaid application to facilitate enrollment and coverage of needed medicines for eligible Virginians.

TPC is a valuable tool, but it is only productive if there is someone to use it. To that end, VHCF has funded Medication Assistance Caseworkers (MACs) for the past 17 years via its **RxRelief Virginia** initiative. Their sole focus is using TPC to obtain needed medicines for their patients. These MACs are employed by local health safety net practices, nonprofit organizations, and some rural hospitals. They filled more than 54,000 ninety-day prescriptions in FY24 valued at \$145.6 million (AWP), and 38% of the patients they served in FY24 were new.

In addition, VHCF helped launch **Rx Partnership** (RxP) 21 years ago to provide free brandname medicines to the uninsured free clinic patients. RxP has evolved as the availability of free and low-cost medicines has changed. In FY24, RxP provided 31 clinics with more than \$21.4 million in free medicines from GlaxoSmithKline, Merck, Abbvie, and Pfizer and low-cost generic medications. It helped

10,349 unduplicated patients obtain 59,750 prescriptions.

The Foundation’s medication assistance programs have helped hundreds of thousands of Virginians avoid the all too common dilemma of having to choose between their medicines and food or other necessities.

Health Insurance for 150,000+

FY24 was a challenging one for anyone engaged with Virginia’s Medicaid program. Much of it was spent redetermining eligibility for the 2.1 million Virginians who had been covered for up to three years during the pandemic without any renewal requirement.

Virginia’s Department of Medical Assistance Services and VHCF’s 21 Medicaid Outreach Workers were well prepared when the

time came to start reviewing eligibility again. Virginia’s Department of Social Services, the Medicaid Managed Care Organizations, and various advocacy and stakeholder groups also spread the word that renewals were required.

VHCF’s **Project Connect** (PC) outreach workers enrolled 8,515 Virginians in Medicaid in FY24, renewing nearly 1,900. VHCF also hosted 17 **SignUpNow** workshops and trained 1,050 staff members of community-based organizations on how to help people apply or renew.

With all of these enrollments, VHCF’s Project Connect outreach workers surpassed the milestone of 150,000 Virginians enrolled over the 25 years VHCF has led Virginia’s private sector Medicaid enrollment work!

11:1 Leverage

As a public/private partnership, we at VHCF understand the importance of aligning with state priorities related to our mission, leveraging a significant return on the investment of taxpayer dollars, and being effective stewards of all Foundation resources.

It is not an accident that VHCF has generated an average of more than \$11 in cash, health services, and other in-kind contributions for every dollar expended since its inception. Nor is it by chance that 89% of initiatives funded by VHCF’s health access grants are operating at or above their prior level of performance for at least three years after “graduating” from VHCF funding.

These accomplishments are the result of VHCF’s entrepreneurial approach to all of its work and its

INNOVATION. PARTNERSHIP. RESULTS.



deliberate focus on the long-term sustainability of its grant-funded projects. Another indication of VHCF’s good stewardship is its low administrative costs, which were only 7.5% in FY24.

Innovation. Partnership. Results.

The Foundation’s mantra of “Innovation. Partnership. Results.” guides and permeates all that we undertake, including our multiple initiatives to help fill the gaps and grow Virginia’s healthcare workforce.

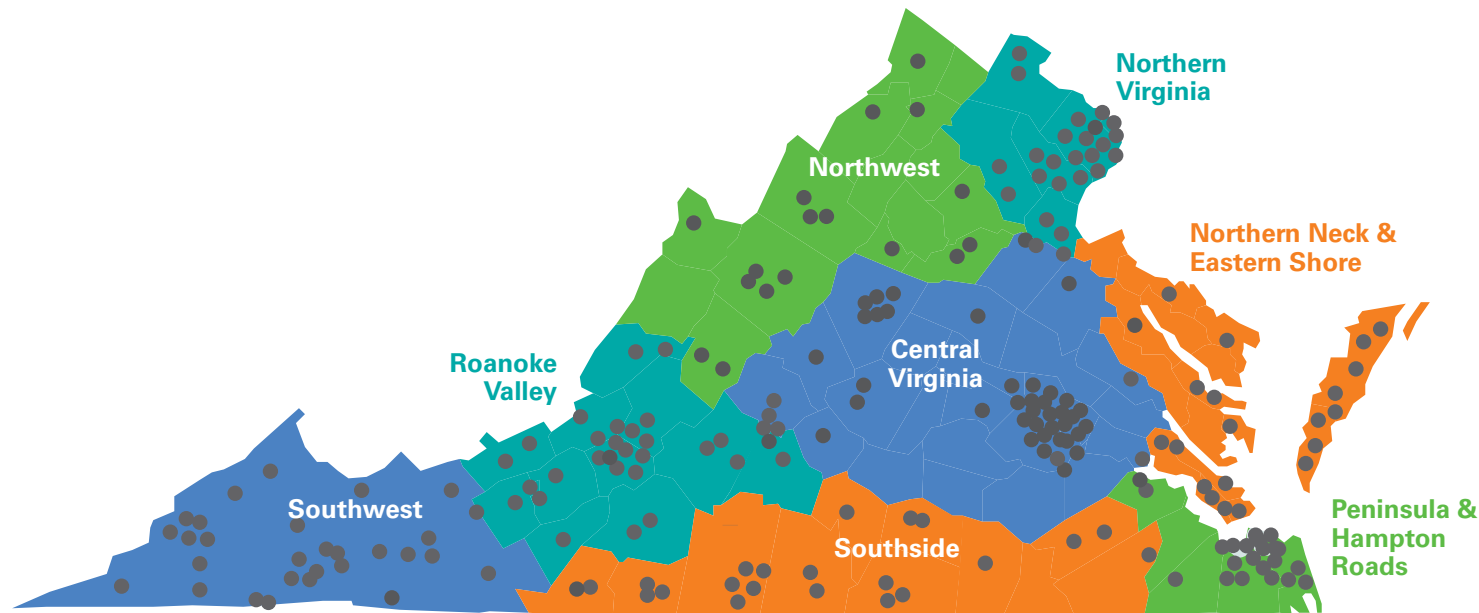
Throughout Virginia and across every demographic indicator, we see the need for more mental health services, more sites that welcome the uninsured and underserved, and more behavioral health professionals to provide needed treatment. **At VHCF, we will continue to be active and productive partners with the many dedicated public and private stakeholders who are working to address this troubling health workforce shortage.**

For too many vulnerable Virginians, the availability of needed treatment is a barrier too high. Success is essential, if we are to fulfill VHCF’s vision of assuring that all Virginians are able to obtain the healthcare they need!



Margaret G. Vanderhye
Margaret G. Vanderhye
VHCF Chairman





VHCF Health Access Grants

(1992-2024)

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 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 + + ✱ + Rx + 🏥
Bon Secours Richmond Health System 🏥
• Care-A-Van Mobile Medical Clinic + + 🏥
Capital Area Health Network 🏥
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 + 🏠 / 🏥 🏥
• Petersburg/Hopewell School-Based Dental Clinics 🏥
Charlottesville Area Dental Access 🏥
Charlottesville Free Clinic 🏥 + + + 🏥 🏥 Rx
Chesterfield Health District 🏥
Children’s Hospital of Richmond at VCU 🏥
ChildSavers 🏥 🏥
Community Access Network 🏥
CrossOver Healthcare Ministry ✱ 🏥 + Rx 🏥
• Rx + 🏥 🏥 🏥
Daily Planet Health Services Rx 🏥 +
Five18 Family Services 🏥
Fredericksburg Christian Health Center 🏥
Free Clinic of Central Virginia/MedsHelp + Rx 🏥 Rx 🏥

Free Clinic of Powhatan 🏥
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 🏥 🏥 Rx 🏥
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 🏥 🏥
Bacon Street Youth & Family Services 🏥
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 +
Connect Health + Wellness Rx 🏥 🏥 ✱ ✱
• MHC Community Dental Clinic 🏥
Danville-Pittsylvania Community Services 🏠 / 🏥
•
Halifax Regional Development Foundation, Inc. Rx 🏥 🏥

Horizon Health Services – Waverly Medical Center +
Lake Country Area Agency on Aging +
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 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
- 🏥 Dental
- + Medical Care
- Rx Medication Assistance
- ✱ Other Type of Grant
- 🏠 Technology
- 🏠 Vision

VHCF Consolidated Statements of Financial Position

June 30, 2023 and 2024

Assets	2024	2023
Current assets:		
Cash and cash equivalents	\$ 4,837,642	\$ 3,664,286
Investments	16,123,528	14,208,060
Government appropriations receivable	4,680,571	4,630,571
Interest receivable	49,847	36,686
Grants receivable, current portion	278,158	1,439,647
Contributions receivable, current portion	533,500	74,000
Prepaid expenses	21,842	29,648
Total current assets	26,525,088	24,082,898
Contributions receivable, net of current portion	-	25,000
Right-of-use operating lease asset, net	115,103	182,839
Property and equipment, net	27,279	64,906
Total assets	\$ 26,667,470	\$ 24,355,643
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 238,742	\$ 144,065
Deferred revenue	79,616	78,305
Operating lease liability, current portion	97,059	115,277
Grants payable, current portion	3,830,678	3,321,116
Total current liabilities	4,246,095	3,658,763
Operating lease liability, net of current portion	27,238	84,954
Grants payable, net of current portion	1,544,757	896,084
Total liabilities	5,818,090	4,639,801
Net assets:		
Without donor restrictions	11,611,484	10,432,624
With donor restrictions	9,237,896	9,283,218
Total net assets	20,849,380	19,715,842
Total liabilities and net assets	\$ 26,667,470	\$ 24,355,643

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

VHCF Consolidated Statements of Activities

June 30, 2023 and 2024

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Government appropriations	\$ -	\$ 4,680,571	\$ 4,680,571	\$ -	\$ 4,630,571	\$ 4,630,571
Contributions	469,526	2,200,000	2,669,526	361,312	483,133	844,445
In-kind contributions	22,900	-	22,900	24,749	-	24,749
Grant revenue	-	1,375,697	1,375,697	-	4,741,149	4,741,149
Investment income, net	1,213,006	6,551	1,219,557	84,647	678	85,325
Unrealized net gain on investments	729,568	3,739	733,307	840,461	4,267	844,728
Other income	465,284	-	465,284	286,867	-	286,867
Total support and revenue	2,900,284	8,266,558	11,166,842	1,598,036	9,859,798	11,457,834
Net assets released from restriction	8,311,880	(8,311,880)	-	7,978,479	(7,978,479)	-
Expenditures:						
Program services - grants	9,283,884	-	9,283,884	7,717,708	-	7,717,708
Supporting services:						
Management and general	563,128	-	563,128	595,321	-	595,321
Fundraising	186,292	-	186,292	175,428	-	175,428
Total expenditures	10,033,304	-	10,033,304	8,488,457	-	8,488,457
Change in net assets	1,178,860	(45,322)	1,133,538	1,088,058	1,881,319	2,969,377
Net assets, beginning of year	10,432,624	9,283,218	19,715,842	9,344,566	7,401,899	16,746,465
Net assets, end of year	\$ 11,611,484	\$ 9,237,896	\$ 20,849,380	\$ 10,432,624	\$ 9,283,218	\$ 19,715,842

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

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Will you help us make Virginia 'force-full'?



VHCF MISSION

VHCF is a public/private partnership dedicated to increasing access to primary health care, including behavioral and oral 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 850,000 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.



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now. Thank you!

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

INNOVATION.
PARTNERSHIP.
RESULTS.





VIRGINIA HEALTH CARE FOUNDATION

Financial Statements

June 30, 2024 and 2023



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Glen Allen, Virginia 23060
Tel: 804.747.0000
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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, 2024 and 2023, 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, 2024 and 2023, 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 12, 2024
Glen Allen, Virginia

VIRGINIA HEALTH CARE FOUNDATION

Statements of Financial Position June 30, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 4,837,642	\$ 3,664,286
Investments	16,123,528	14,208,060
Government appropriations receivable	4,680,571	4,630,571
Interest receivable	49,847	36,686
Grants receivable	278,158	1,439,647
Contributions receivable, current portion	533,500	74,000
Prepaid expenses and other assets	<u>21,842</u>	<u>29,648</u>
Total current assets	26,525,088	24,082,898
Contributions receivable, net of current portion	-	25,000
Right-of-use operating lease asset, net	115,103	182,839
Property and equipment, net	<u>27,279</u>	<u>64,906</u>
Total assets	<u>\$ 26,667,470</u>	<u>\$ 24,355,643</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 238,742	\$ 144,065
Deferred revenue	79,616	78,305
Operating lease liability, current portion	97,059	115,277
Grants payable, current portion	<u>3,830,678</u>	<u>3,321,116</u>
Total current liabilities	4,246,095	3,658,763
Operating lease liability, net of current portion	27,238	84,954
Grants payable, net of current portion	<u>1,544,757</u>	<u>896,084</u>
Total liabilities	<u>5,818,090</u>	<u>4,639,801</u>
Net assets:		
Without donor restrictions	11,611,484	10,432,624
With donor restrictions	<u>9,237,896</u>	<u>9,283,218</u>
Total net assets	<u>20,849,380</u>	<u>19,715,842</u>
Total liabilities and net assets	<u>\$ 26,667,470</u>	<u>\$ 24,355,643</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Activities Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Government appropriations	\$ -	\$ 4,680,571	\$ 4,680,571
Contributions	469,526	2,200,000	2,669,526
In-kind contributions	22,900	-	22,900
Grant revenue	-	1,375,697	1,375,697
Investment income, net	1,213,006	6,551	1,219,557
Unrealized net gain on investments	729,568	3,739	733,307
Other income	465,284	-	465,284
	<u>2,900,284</u>	<u>8,266,558</u>	<u>11,166,842</u>
Total support and revenue			
	<u>2,900,284</u>	<u>8,266,558</u>	<u>11,166,842</u>
Net assets released from restriction	<u>8,311,880</u>	<u>(8,311,880)</u>	<u>-</u>
Expenditures:			
Program services	9,283,884	-	9,283,884
Supporting services:			
Management and general	563,128	-	563,128
Fundraising	186,292	-	186,292
	<u>10,033,304</u>	<u>-</u>	<u>10,033,304</u>
Total expenditures			
	<u>10,033,304</u>	<u>-</u>	<u>10,033,304</u>
Change in net assets	1,178,860	(45,322)	1,133,538
Net assets, beginning of year	<u>10,432,624</u>	<u>9,283,218</u>	<u>19,715,842</u>
Net assets, end of year	<u>\$ 11,611,484</u>	<u>\$ 9,237,896</u>	<u>\$ 20,849,380</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Activities, Continued 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 loss 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	1,088,058	1,881,319	2,969,377
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 Functional Expenses Year Ended June 30, 2024

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ -	\$ 269,282	\$ 101,965	\$ 371,247
Employee benefits/payroll taxes	-	63,205	14,570	77,775
 Total salaries and related expenditures	 -	 332,487	 116,535	 449,022
Grants	5,729,827	-	-	5,729,827
RX Partnership	205,000	-	-	205,000
The Pharmacy Connection	390,405	-	-	390,405
Medication Assistance Program	246,991	-	-	246,991
Strategic Initiatives	278,500	-	-	278,500
Medicaid/FAMIS Outreach and Enrollment	382,408	-	-	382,408
Grantee Technical Assistance	109,807	-	-	109,807
Grantmaking	303,592	-	-	303,592
Boost 200	1,296,065	-	-	1,296,065
Psychiatric Nurse Practitioner Scholarships	341,289	-	-	341,289
Contractual services	-	83,958	800	84,758
Office rent	-	32,829	-	32,829
Telephone and fax	-	4,167	168	4,335
Supplies	-	2,164	230	2,394
Computer software and supplies	-	14,123	4,232	18,355
Printing and copying	-	4,370	876	5,246
Postage	-	6,490	664	7,154
Meeting/conference costs	-	11,383	-	11,383
Special events	-	-	62,040	62,040
Travel	-	3,994	20	4,014
Miscellaneous	-	930	-	930
Insurance	-	27,198	-	27,198
Subscriptions, fees and dues	-	12,872	727	13,599
 Total expenditures before depreciation and amortization	 9,283,884	 536,965	 186,292	 10,007,141
 Depreciation and amortization of property and equipment	 -	 26,163	 -	 26,163
 Total expenditures	 <u>\$ 9,283,884</u>	 <u>\$ 563,128</u>	 <u>\$ 186,292</u>	 <u>\$ 10,033,304</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Functional Expenses, Continued Year Ended June 30, 2023

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
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 Cash Flows Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,133,538	\$ 2,969,377
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	26,163	26,122
Net investment income reinvested	(354,974)	(286,104)
Net realized and unrealized gain on investments	(1,585,429)	(643,290)
Gain on sale of property and equipment	-	(100)
Change in assets and liabilities:		
Government appropriations receivable	(50,000)	1,145,143
Interest receivable	(13,161)	(21,620)
Grants and contributions receivable	726,989	(920,762)
Prepaid expenses and other assets	7,806	(730)
Operating lease assets and liabilities, net	(8,198)	(6,207)
Accounts payable and accrued expenses	94,677	60,557
Deferred revenue	1,311	(900)
Grants payable	<u>1,158,235</u>	<u>128,500</u>
Net cash provided by operating activities	<u>1,136,957</u>	<u>2,449,986</u>
Cash flows from investing activities:		
Purchase of property and equipment	(29,839)	(53,129)
Disposal of property and equipment	41,303	-
Proceeds from sale of property and equipment	-	100
Proceeds from sales of investments	2,871,952	5,491,884
Purchase of investments	<u>(2,847,017)</u>	<u>(5,490,955)</u>
Net cash provided by (used in) investing activities	<u>36,399</u>	<u>(52,100)</u>
Net change in cash and cash equivalents	1,173,356	2,397,886
Cash and cash equivalents, beginning of year	<u>3,664,286</u>	<u>1,266,400</u>
Cash and cash equivalents, end of year	<u>\$ 4,837,642</u>	<u>\$ 3,664,286</u>
Supplemental cash flow information related to leases - Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ 120,942</u>	<u>\$ 112,465</u>
Operating lease asset obtained in exchange for lease liability	<u>\$ 43,307</u>	<u>\$ 287,941</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements

1. Organization and Business:

Virginia Health Care Foundation (the "Foundation") is a Virginia not-for-profit entity which was initiated in June 1992 as a public/private partnership by the Governor of Virginia, the Virginia General Assembly, and its 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 \$23,998 at June 30, 2024 and \$26,179 at June 30, 2023, 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 \$127,823 in 2024 and \$277,774 in 2023 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 all 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, 2024 and 2023 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 2024 or 2023. There was no allowance for doubtful pledges.

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 \$237,537 during 2024 and \$235,814 during 2023 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 \$0 as of June 30, 2024 and \$950 as of June 30, 2023. Contract liabilities include deferred revenue which amounted to \$79,616 at June 30, 2024 and \$78,305 at June 30, 2023. At July 1, 2022, there were contract assets of \$1,595 and contract liabilities amounted to \$79,205.

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: The Foundation accounts for leases in accordance with Accounting Standards Codification ("ASC") Topic 842, *Leases*, under which the right-of-use assets and lease liabilities are initially measured at the present value of future minimum payments, discounted using a risk-free rate (in leases for which the rate implicit in the lease cannot be readily determined) as of the lease commencement date or the date of adoption of ASC 842, whichever is later. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the Foundation's operations. 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 lease term used to calculate the right-of-use assets and lease liabilities includes 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 agreement.

In addition, the Foundation has made an accounting policy election 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.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Donated Services: During 2024 and 2023, the Foundation received professional services at no charge from outside organizations (see Note 15). These services, valued by the donors at approximately \$22,900 in 2024 and \$24,749 in 2023, 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 2024 and 2023.

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, 2024 and 2023. The Foundation is not currently under audit by any tax jurisdiction.

Newly Adopted Accounting Standards: In June 2016, the FASB issued Accounting Standard Update ("ASU") 2016-13, Financial Instruments – Credit Losses (Topic 326), which replaced the incurred loss methodology for estimating credit losses with the current expected credit loss ("CECL") model to estimate credit losses for most financial assets held at amortized cost. The new model requires entities to consider a wide range of information when estimating credit losses, including historical loss information, current conditions, and reasonable and supportable forecasts. Under the CECL model, the allowance for credit losses on financial assets reflects management's estimate of credit losses over the remaining expected life of the assets. The Foundation adopted the new standard effective July 1, 2023. The adoption of the new standard did not have a material impact on the Foundation's financial statements.

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

Subsequent Events: Management has evaluated subsequent events through August 12, 2024, 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.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

3. Cash and Cash Equivalents:

Cash and cash equivalents include the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash on deposit	\$ 3,615,818	\$ 3,583,150
Money market funds	<u>1,221,824</u>	<u>81,136</u>
	<u>\$ 4,837,642</u>	<u>\$ 3,664,286</u>

4. Investments:

The costs and fair values of investments as of June 30, 2024 and 2023 are summarized as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Money market funds	\$ 1,146,734	\$ 1,146,734	\$ 896,878	\$ 896,878
U.S. Treasury Bills	223,546	223,546	398,980	718,124
Securities	6,977,721	10,759,758	6,242,421	9,306,543
Corporate bonds	<u>4,057,611</u>	<u>3,993,490</u>	<u>3,685,172</u>	<u>3,286,515</u>
	<u>\$ 12,405,612</u>	<u>\$ 16,123,528</u>	<u>\$ 11,223,451</u>	<u>\$ 14,208,060</u>

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

	<u>2024</u>	<u>2023</u>
Interest income, net	\$ 367,435	\$ 286,763
Net realized gains (losses)	<u>852,122</u>	<u>(201,438)</u>
	<u>\$ 1,219,557</u>	<u>\$ 85,325</u>
Net unrealized gains	<u>\$ 733,307</u>	<u>\$ 844,728</u>

Investment income includes advisory fees totaling \$78,650 for 2024 and \$70,633 for 2023.

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, 2024 and 2023. |

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.

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, 2024 include the following:

	Fair Value Using		Investments
	Level 1	Level 2	at Fair Value
Assets:			
Money market funds	\$ 1,146,734	\$ -	\$ 1,146,734
U.S. Treasury Bills	-	223,546	223,546
Securities:			
Basic materials	497,601	-	497,601
Closed end mutual funds	619,669	-	619,669
Communication services	1,113,611	-	1,113,611
Consumer cyclical	726,467	-	726,467
Consumer defensive	677,028	-	677,028
Diversified equity	173,002	-	173,002
Energy	384,457	-	384,457
Financials	1,840,445	-	1,840,445
Health care	1,468,712	-	1,468,712
Industrials	818,753	-	818,753
Information technology	2,027,585	-	2,027,585
Real estate investment trusts	241,122	-	241,122
Utilities	171,306	-	171,306
Corporate bonds	-	3,993,490	3,993,490
	<u>\$ 11,906,492</u>	<u>\$ 4,217,036</u>	<u>\$ 16,123,528</u>

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, 2023 include the following:

	Fair Value Using		Investments
	Level 1	Level 2	at Fair Value
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
	<u>\$ 10,203,421</u>	<u>\$ 4,004,639</u>	<u>\$ 14,208,060</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, 2024, the maturity dates or redemption periods and related amounts were as follows:

<u>Year Ending June 30:</u>	<u>Corporate Bonds</u>	<u>U.S. Treasury Bills</u>
2025	\$ 213,072	\$ -
2026	425,805	-
2027	1,036,132	64,924
2028	774,359	158,622
2029	299,625	-
Thereafter	<u>1,244,497</u>	<u>-</u>
	<u>\$ 3,993,490</u>	<u>\$ 223,546</u>

6. Grants and Contributions Receivable:

Grants and contributions receivable are summarized as follows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Unconditional grants and contributions expected to be collected in:		
Less than one year	\$ 811,658	\$ 1,513,647
One year to five years	<u>-</u>	<u>25,000</u>
Total grants and contributions receivable	<u>\$ 811,658</u>	<u>\$ 1,538,647</u>

There was no discount on future expected cash flows from grants and contributions receivable in 2024 and 2023.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

7. Property and Equipment, Net:

Property and equipment, net as of June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 112,887	\$ 110,854
Leasehold improvements	4,987	4,987
Software	<u>49,938</u>	<u>73,472</u>
	167,812	189,313
Less accumulated depreciation and amortization	<u>(140,533)</u>	<u>(124,407)</u>
Property and equipment, net	<u><u>\$ 27,279</u></u>	<u><u>\$ 64,906</u></u>

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. In 2024 the Foundation entered into an operating lease for a copier through October 31, 2029 which includes scheduled payment increases annually during the term of the lease. The weighted average discount rate used in the calculation of operating lease liabilities was 1.61% and 0.37% at June 30, 2024 and 2023, respectively.

Future minimum lease payments under non-cancellable operating leases as of June 30, 2024 are as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2025	\$ 97,059
2026	9,530
2027	10,102
2028	10,708
2029	<u>3,637</u>
Total lease payments	131,036
Less amount representing interest	<u>(6,739)</u>
Total operating lease liability	<u><u>\$ 124,297</u></u>

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

8. Leases, Continued:

The components of lease expense were as follows for the years ended June 30:

	2024	2023
Operating lease cost	\$ 112,743	\$ 106,259
Short-term lease cost	5,883	13,852
Total operating lease cost	<u>\$ 118,626</u>	<u>\$ 120,111</u>

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, 2024 and 2023:

	2024	2023
Purpose restricted - grants	\$ 9,155,180	\$ 9,210,792
Nonprofit Leadership Endowment	<u>82,716</u>	<u>72,426</u>
	<u>\$ 9,237,896</u>	<u>\$ 9,283,218</u>

Net assets released from donor restriction in 2024 and 2023 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 \$78,564 in 2024 and \$70,345 in 2023.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

11. Government Appropriations and Other Funding Concentrations:

In the 2024 fiscal year, the Commonwealth of Virginia (the "Commonwealth") designated an appropriation in its biennial budget to the Foundation of \$4,680,571. 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 \$4,680,571 was included as a receivable as of June 30, 2024 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 42% of support and revenue for 2024 and 40% of support and revenue for 2023. These appropriations accounted for 85% of total receivables at June 30, 2024 and 75% of total receivables at June 30, 2023.

In addition, the Virginia Department of Behavioral Health & Developmental 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 2024 and 2023.

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.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

12. Endowment Fund, Continued:

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, with an original gift amount of \$100,000 and a fair value of \$98,605. In accordance with GAAP, the deficiency of this nature that reduced net assets with donor restrictions was \$1,395 at June 30, 2023. The endowment held by the Foundation was not in a deficit at June 30, 2024.

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.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

12. Endowment Fund, Continued:

Endowment net asset composition by type of fund was as follows as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 82,716	\$ 82,716
Board-designated funds	<u>23,998</u>	<u>-</u>	<u>23,998</u>
Total funds	<u>\$ 23,998</u>	<u>\$ 82,716</u>	<u>\$ 106,714</u>

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	<u>26,179</u>	<u>-</u>	<u>26,179</u>
Total funds	<u>\$ 26,179</u>	<u>\$ 72,426</u>	<u>\$ 98,605</u>

Changes in endowment net assets were as follows for the years ended June 30, 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, July 1, 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	26,179	72,426	98,605
Investment income, net	3,719	10,290	14,009
Fund expenditures	<u>(5,900)</u>	<u>-</u>	<u>(5,900)</u>
Net assets, June 30, 2024	<u>\$ 23,998</u>	<u>\$ 82,716</u>	<u>\$ 106,714</u>

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:

	2024	2023
Cash and cash equivalents	\$ 4,837,642	\$ 3,664,286
Government appropriations receivable	4,680,571	4,630,571
Contributions receivable	533,500	99,000
Investments	16,123,528	14,208,060
Interest receivable	49,847	36,686
	<u>26,225,088</u>	<u>22,638,603</u>
Receivables to be collected in more than one year	-	(25,000)
Contractual or donor-imposed restrictions:		
State appropriation	(4,680,571)	(4,630,571)
Federal and state contract grant funds	(1,364,588)	(2,958,046)
Other	(3,109,718)	(1,621,872)
Endowment fund	(106,714)	(98,605)
Investments maturing in more than one year	<u>(4,003,964)</u>	<u>(3,286,515)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,959,533</u>	<u>\$ 10,017,994</u>

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 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. 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 2024 and 2023, 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>2024</u>	<u>2023</u>
Services	\$ 21,700	\$ 22,050
Conference fees	-	2,000
Board meeting space	<u>1,200</u>	<u>699</u>
	<u>\$ 22,900</u>	<u>\$ 24,749</u>

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.