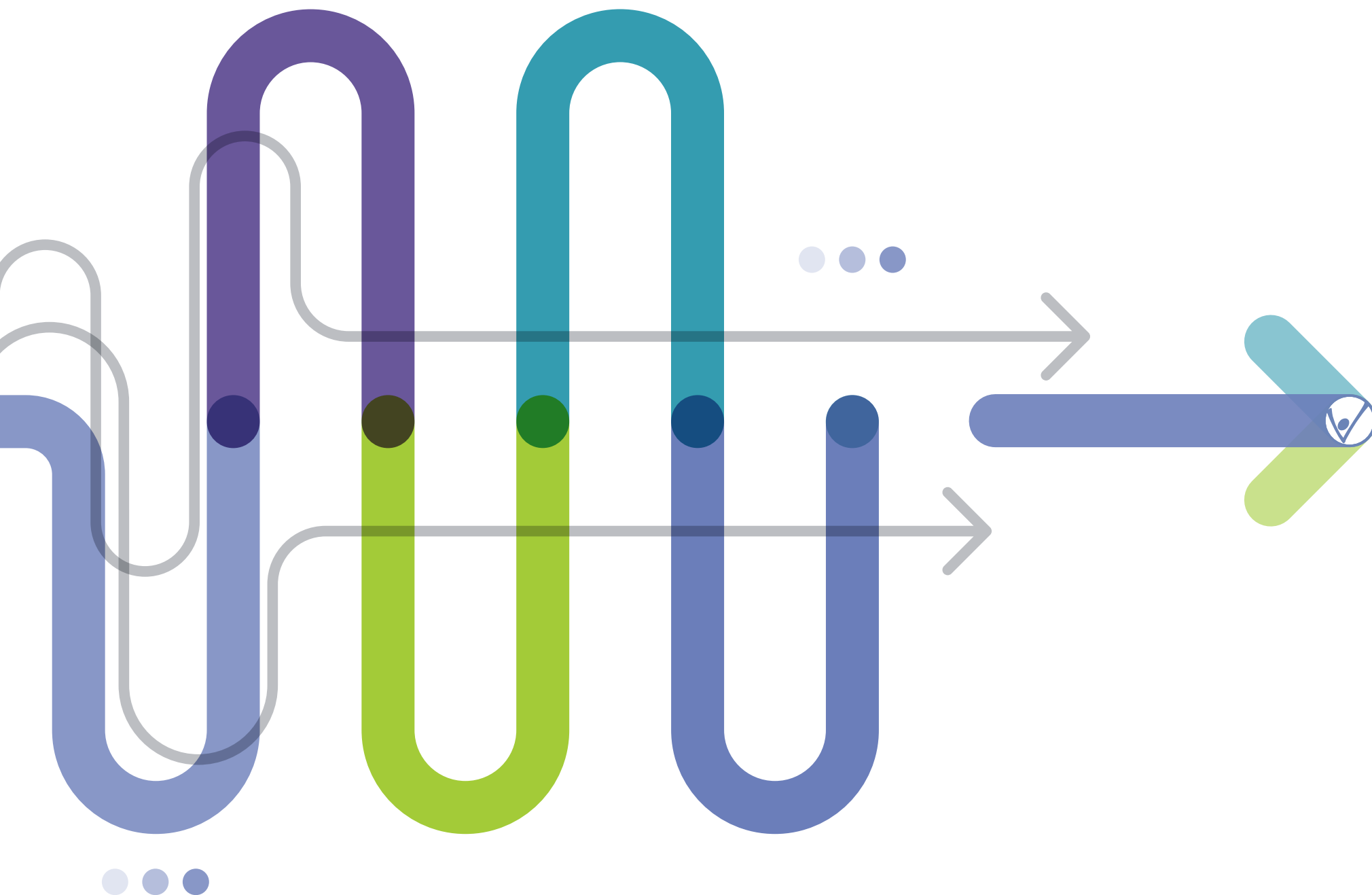


responsive. results-driven. **READY FOR WHAT'S**





Change isn't the only *constant*.

So is the **Virginia Health Care Foundation**.

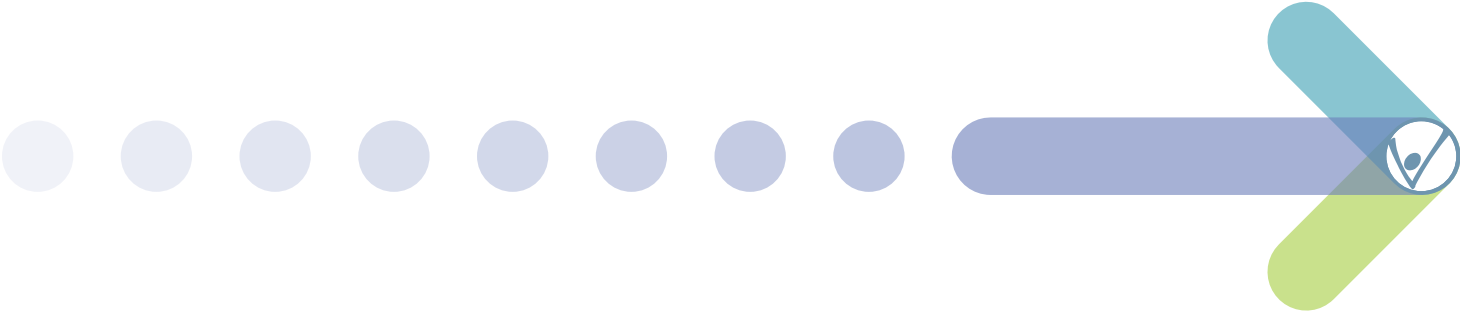
For more than three decades, the Foundation has been bridging gaps with **SUSTAINABLE SOLUTIONS** that increase access to primary care for uninsured and medically underserved Virginians.

As a statewide public/private partnership, we tackle some of the Commonwealth's most pressing healthcare challenges—from **initiatives to address health profession shortages to grants that increase access to essential prescription medicines**.

WE INNOVATE.

WE PARTNER.

WE GET RESULTS.



RETURN ON INVESTMENT

11:1

For every dollar spent, VHCF leverages \$11 in cash, health services, and other in-kind contributions

WORTH OF MEDICATION

\$11B

To date, *The Pharmacy Connection* has provided 378,084 uninsured Virginians with vital medication at no cost

IN CUMULATIVE SAVINGS

\$3.5 M

VHCF's partnership with **Patterson Dental** provides dental safety net practices with deep discounts on supplies and services

1,200 children

received school-based medical and behavioral health care in the first year of the *Nurture Now: Helping Kids Shine* initiative

\$2.2 million

invested in health access grants in FY25

89% sustainability rate

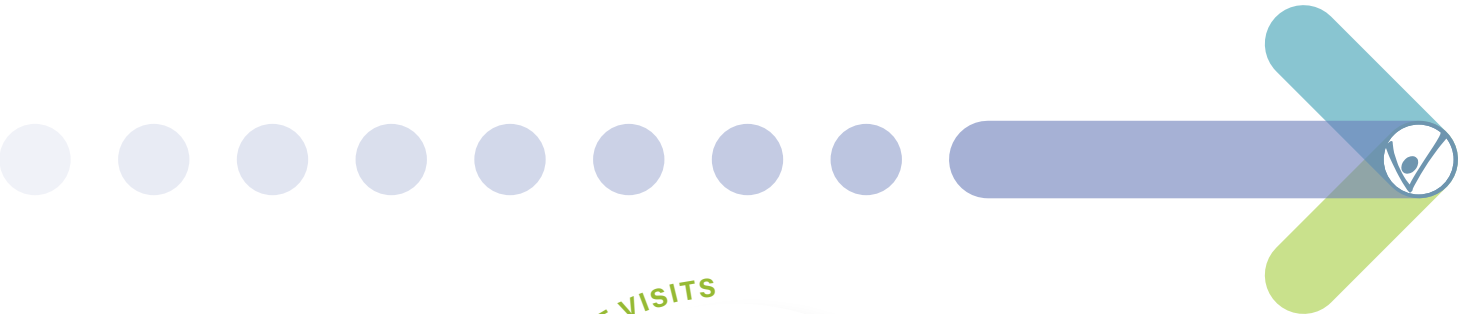
in grant investments to expand access to primary care for uninsured and medically underserved Virginians



Our community and students are able to receive counseling during the school day. This helps parents and families who don't have transportation or aren't sure where to get services. We are able to guide families through the referral process. The counseling services [made possible by Nurture Now] have been a blessing to our school community."

Mary Sherry
Director of Student Services
Appomattox Public Schools





4.1M

PATIENT VISITS

To date, VHCF's programs have **increased access** to medical, dental, and behavioral health services for uninsured and underserved Virginians

165,169

VIRGINIANS ACCESSING COVERAGE

Since 1999, **Project Connect** has helped eligible Virginians enroll in state-sponsored health insurance

20,228

PROFESSIONALS TRAINED

Over the last 26 years, VHCF's **SignUpNow** Workshops have educated participants on the "ins and outs" of the Medicaid/FAMIS programs

223 licensed behavioral health professionals

are providing care to Virginians today—the cumulative result of VHCF's *Boost!* and Psychiatric-Mental Health Nurse Practitioner Scholarship initiatives through FY25

151 students in health professions

were trained in FY25 by VHCF grantees in medically underserved areas

49 providers

were hired to grow Virginia's health care safety net (physicians, nurse practitioners, dentists, and licensed therapists) in FY25



I'm so grateful to be part of this program, allowing me to obtain excellent clinical supervision and offering support I wouldn't have otherwise. Thank you!"

Dan Cimo, LCSW
Boost! Graduate
Norfolk, Virginia



I could not have become a Psych NP without the VHCF scholarship. Not only is my education affecting change within the rural population I serve, but I serve as a resource for my primary care and specialty colleagues. I have advocated to raise awareness surrounding mental health screenings, removing the stigma about asking patients difficult questions, and made prescribing and managing mental health medications less intimidating."

Dana Stallings, DNP, APRN, FNP-C, PMHNP-BC, CDCES, BC-ADM
Psych NP Scholar Graduate
Franklin, Virginia

responsive, results-driven.
READY FOR WHAT'S NEXT!

The past year was both transformative and inspiring for the **Virginia Health Care Foundation**. Together with its partners, the Foundation **expanded access to healthcare across the Commonwealth, strengthened the health workforce, and connected thousands of Virginians with vital healthcare and services.**



As both a grantmaking organization and the innovator behind *The Pharmacy Connection*, VHCF continues to pair innovation with accountability, delivering practical solutions while ensuring every dollar is wisely invested. That responsiveness to Virginia's evolving health needs, coupled with a results-oriented approach, has defined the Foundation's success for more than three decades.

FY25 was also a moment of significant transition. After 33 years of extraordinary service,

founder and Executive Director **Debbie Oswalt** retired. Debbie's vision for venture philanthropy ensured that VHCF's investments would deliver sustainable, long-term impact. Thanks to her leadership, 89% of VHCF funding initiatives continue beyond the Foundation's funding. We celebrated her legacy at *Cheers for Our Champion, Debbie O!* with Founding Chairman **Senator Mark Warner** and countless other past and current leaders and partners.

Her vision and values not only shaped the Foundation but also created a culture of innovation and persistence that will guide VHCF for decades to come. After a national search, the Board found the ideal successor in **Rachel Rees**, VHCF's Deputy Director of more than a decade, and she started as the Foundation's new Chief Executive Officer on February 1st. Rachel is already guiding VHCF with steady hands and fresh vision.

Group Photo: Past and present VHCF staff gathered at Cheers for Our Champion, Debbie O! to honor her remarkable legacy. Pictured: Debbie Oswalt (center left) and Rachel Rees (center right). Photo of Debbie and Senator Warner: The Senator congratulates Debbie on her 33 years of dedicated service to the Foundation.



FY25 HIGHLIGHTS:

Even with navigating this leadership milestone, the accomplishments of FY25 are many and are more than just numbers. They represent Virginians gaining coverage, children receiving care, and communities strengthened, such as:

- **Project Connect** enrolled 8,685 Virginians in state-sponsored health coverage, including more than 2,000 rural residents;
- **Nurture Now: Helping Kids Shine** established new school-based health centers in Rockbridge, Carroll, Amherst, and Colonial Heights, providing behavioral health and medical

care to 1,200 children through VHCF's mental health initiative, **Brighter Days Ahead**, made possible through the generous support of the Collis Warner Foundation, Humana, Dominion Energy, and Carilion Clinic;

- **Sign Up, Pay Down** placed five new dentists in underserved communities in partnership with United Concordia Dental Company and Delta Dental of Virginia Foundation;
- **Boost!** supported more than 400 practicing counselors and social workers on the path to licensure, with 142 licensed at the end of FY25;
- VHCF's **Psychiatric-Mental Health Nurse Practitioner Scholarship** has awarded a total of 81 scholarships, with 63% of the scholars already graduated and licensed providing care across the Commonwealth;
- **SafeHaven**, a mental health support program for providers, assisted more than 350 clinicians in FY25 in partnership with the Medical Society of Virginia, Virginia Community Healthcare Association, and the Virginia Association of Free and Charitable Clinics;

- **The Pharmacy Connection** delivered more than 82,745 prescriptions valued at \$248 million to 18,465 Virginians in FY25. Since inception, 387,084 uninsured Virginians have received free brand-name medications valued at over \$11 billion (average wholesale price) through this flagship program;
- In addition, VHCF helped launch **Rx Partnership** (RxP) 22 years ago. Last year, RxP provided 31 clinics with over \$23.1 million in medication value including free medicines from GlaxoSmithKline, Merck & Co., Abbvie, and Pfizer and low-cost purchased generics. RxP helped 11,270 patients obtain 62,427 prescriptions.
- For every dollar spent, VHCF leverages \$11 in cash, health services, and other in-kind contributions demonstrating strong financial stewardship.



FY26 LOOKING AHEAD!

Building on this strong performance, the Foundation is ready for what's next. Several initiatives are already in motion, and VHCF is eager to build on this momentum in FY26. Priorities include:

- **Expanding Maternal Behavioral Healthcare Access:** Launching **It Takes a Village**, VHCF's new statewide initiative, made possible by the General Assembly, aimed at expanding behavioral healthcare in maternal health deserts and low-income communities.
- **Supporting Medicaid/FAMIS Outreach and Enrollment Efforts:** Partnering with key organizations to help eligible



Virginians enroll in and retain state-sponsored health coverage and provide timely updates on health policy changes.

- **Advancing Health Access Programs and Initiatives:** Sustaining flagship efforts to expand access to primary care and essential medications for uninsured and medically underserved Virginians.

- **Growing the Behavioral Health Workforce:** Expanding workforce development efforts to increase the number of licensed behavioral health providers across the Commonwealth.

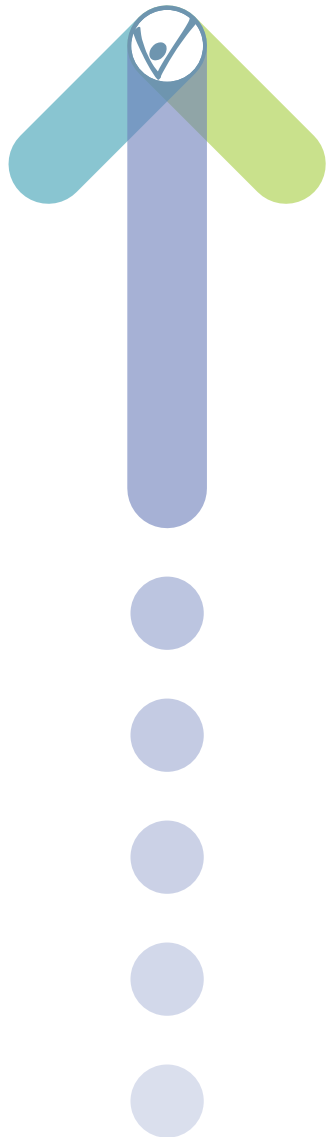
The Foundation is proud of FY25's results but even more committed to the work ahead. With enduring partnerships, a clear mission, and strong leadership, VHCF will remain responsive to community needs, results-oriented in its impact, and fully prepared for **WHAT'S NEXT** to drive toward a healthier Virginia.

Sincerely,
Jeff Ricketts





thank you



VHCF DONORS

JULY 1, 2024 - JUNE 30, 2025

Premier Partners

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

Collis Warner Foundation
Humana
Patterson Dental

Leadership Partners

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

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

Distinguished Partners

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

Estate of the Late C. Wayne Taylor, through Richmond Friends Meeting (Quakers)
The Cameron Foundation
Jenkins Foundation
United Concordia Dental
Williamsburg Health Foundation

Supporting Partners

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

DentaQuest
Dominion Energy
Merck
Mary Washington Healthcare
Richmond Memorial Health Foundation
The Community Foundation for a greater Richmond
UnitedHealthcare
Virginia Association of Health Plans
Emory E. Williams

Contributing Partners

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

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Liz & Bob Blue
Ronnie Braswell
Davenport Asset Management
Equality Health
May & Charles Fox
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Keiter
Mercer Government
Medical Society of Virginia
Dr. Regina M. Milteer
PhRMA
Patient First
Potomac Radiation Oncology Center
The Titmus Foundation
Virginia Hospital & Healthcare Association
Katie & Gene Webb
Dr. Leanne Yanni & Mr. Will Caudle

Friends

(\$100 - \$2,999)

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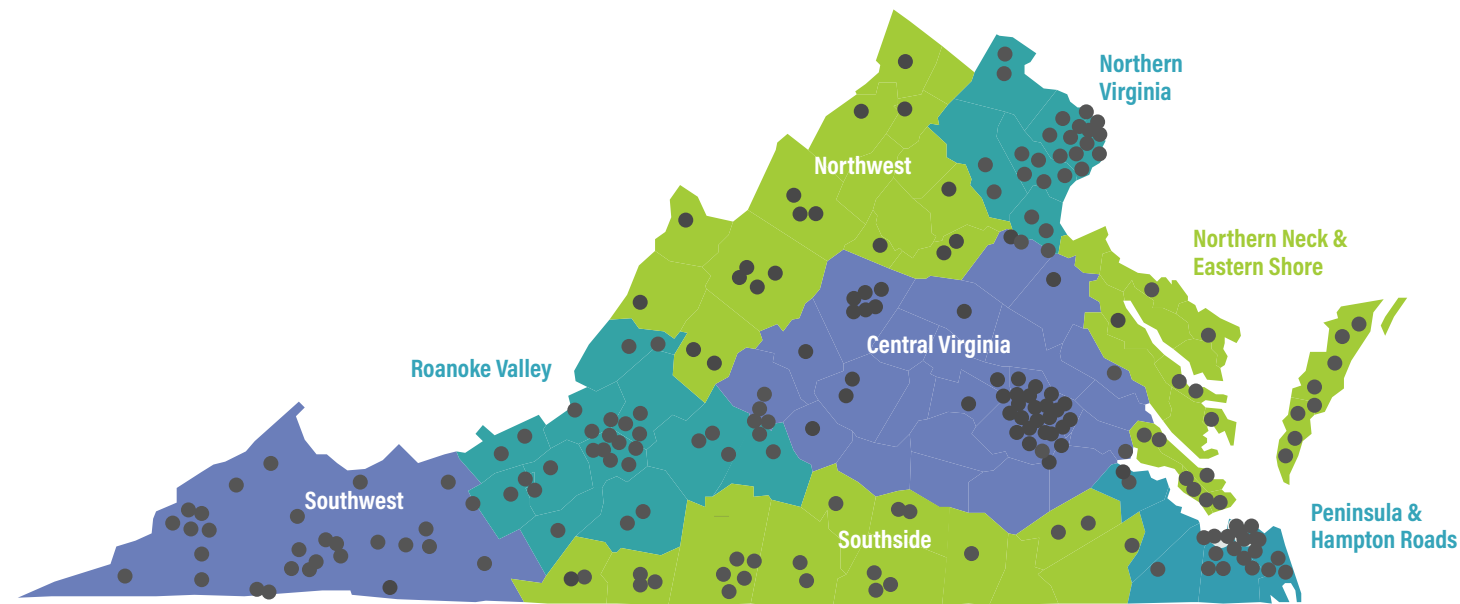
Thank you to all who contributed through the Commonwealth of Virginia Campaign.

Special Thank You To Our Public Sector Partners

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

Heartfelt thanks to Sandee Bailey, Sharon Brager, and Jonathan Hendler for their talent and many contributions to the Foundation's work.

Thank you to all our generous donors. The list above reflects gifts of \$100 or more received between July 1, 2024, and June 30, 2025. 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 Kathryn Zapach at (804) 828-5804.



VHCF GRANTS

1992 – 2025

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 ✱✱✱🦷🦷
- Culmore 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 🦷
- 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 🦷🦷🦷🦷
- Bath Community Hospital 🦷
- 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 🦷 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, 2025 and 2024

Assets	2025	2024
Current assets:		
Cash and cash equivalents	\$ 3,658,549	\$ 4,837,642
Investments	17,930,882	16,123,528
Government appropriations receivable	5,180,571	4,680,571
Interest receivable	64,283	49,847
Grants receivable	690,363	278,158
Contributions receivable	47,500	533,500
Prepaid expenses	33,521	21,842
Total current assets	27,605,669	26,525,088
Right-of-use operating lease asset, net	577,057	115,103
Property and equipment, net	35,094	27,279
Total assets	\$ 28,217,820	\$ 26,667,470
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 226,541	\$ 238,742
Deferred Revenue	81,434	79,616
Operating Lease Liability, current portion	144,270	97,059
Grants payable, current portion	3,803,056	3,830,678
Total current liabilities	4,255,301	4,246,095
Operating lease liability, net of current portion	445,351	27,238
Grants payable, net of current portion	864,645	1,544,757
Total liabilities	5,565,297	5,818,090
Net assets:		
Without donor restrictions	13,923,297	11,611,484
With donor restrictions	8,729,226	9,237,896
Total net assets	22,652,523	20,849,380
Total liabilities and net assets	\$ 28,217,820	\$ 26,667,470

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

VHCF Consolidated Statements of Activities

June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Government appropriations	\$ -	\$ 5,180,571	\$ 5,180,571	\$ -	\$ 4,680,571	\$ 4,680,571
Contributions	538,725	433,465	972,190	469,526	2,200,000	2,669,526
In-kind contributions	13,354	-	13,354	22,900	-	22,900
Grant revenue	-	2,047,676	2,047,676	-	1,375,697	1,375,697
Investment income, net	881,323	4,912	886,235	1,213,006	6,551	1,219,557
Unrealized net gain on investments	934,031	4,799	938,830	729,568	3,739	733,307
Other income	633,589	-	633,589	465,284	-	465,284
Total support and revenue	3,001,022	7,671,423	10,672,445	2,900,284	8,266,558	11,166,842
Net assets released from restriction	8,180,093	(8,180,093)	-	8,311,880	(8,311,880)	-
Expenditures:						
Program services – grants	8,030,193	-	8,030,193	9,283,884	-	9,283,884
Supporting services:						
Management and general	657,365	-	657,365	563,128	-	563,128
Fundraising	181,744	-	181,744	186,292	-	186,292
Total expenditures	8,869,302	-	8,869,302	10,033,304	-	10,033,304
Change in net assets	2,311,813	(508,670)	1,803,143	1,178,860	(45,322)	1,133,538
Net assets, beginning of year	11,611,484	9,237,896	20,849,380	10,432,624	9,283,218	19,715,842
Net assets, end of year	\$ 13,923,297	\$ 8,729,226	\$ 22,652,523	\$ 11,611,484	\$ 9,237,896	\$ 20,849,380

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

Jeff Ricketts (*Chair*)
Regina Milteer, MD, FAAP
(*Vice-Chair*)
Nicholas C. Conte (*Treasurer*)
Marvin Figueroa
Anna Healy James
Lisa K. Johnson, MD
William L. Murray
The Honorable John O'Bannon, MD
Tonya Parris-Wilkins, DDS
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will be able to obtain the
health care they need.

Exemplary Stewardship
Drive for Excellence
Catalyst for Change
Integrity

Initiated by the General Assembly and its Joint Commission on Health Care in 1992, the Foundation has helped more than 900,000 uninsured Virginians obtain the health care they need.

VIRGINIA HEALTH CARE FOUNDATION

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VIRGINIA HEALTH CARE FOUNDATION

Financial Statements

June 30, 2025 and 2024



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VIRGINIA HEALTH CARE FOUNDATION

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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, 2025 and 2024, 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, 2025 and 2024, 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 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 13, 2025
Glen Allen, Virginia

VIRGINIA HEALTH CARE FOUNDATION

Statements of Financial Position June 30, 2025 and 2024

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents	\$ 3,658,549	\$ 4,837,642
Investments	17,930,882	16,123,528
Government appropriations receivable	5,180,571	4,680,571
Interest receivable	64,283	49,847
Grants receivable	690,363	278,158
Contributions receivable	47,500	533,500
Prepaid expenses and other assets	<u>33,521</u>	<u>21,842</u>
Total current assets	27,605,669	26,525,088
Right-of-use operating lease asset, net	577,057	115,103
Property and equipment, net	<u>35,094</u>	<u>27,279</u>
Total assets	<u>\$ 28,217,820</u>	<u>\$ 26,667,470</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 226,541	\$ 238,742
Deferred revenue	81,434	79,616
Operating lease liability, current portion	144,270	97,059
Grants payable, current portion	<u>3,803,056</u>	<u>3,830,678</u>
Total current liabilities	4,255,301	4,246,095
Operating lease liability, net of current portion	445,351	27,238
Grants payable, net of current portion	<u>864,645</u>	<u>1,544,757</u>
Total liabilities	<u>5,565,297</u>	<u>5,818,090</u>
Net assets:		
Without donor restrictions	13,923,297	11,611,484
With donor restrictions	<u>8,729,226</u>	<u>9,237,896</u>
Total net assets	<u>22,652,523</u>	<u>20,849,380</u>
Total liabilities and net assets	<u>\$ 28,217,820</u>	<u>\$ 26,667,470</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Activities Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Government appropriations	\$ -	\$ 5,180,571	\$ 5,180,571
Contributions	538,725	433,465	972,190
In-kind contributions	13,354	-	13,354
Grant revenue	-	2,047,676	2,047,676
Investment income, net	881,323	4,912	886,235
Unrealized net gain on investments	934,031	4,799	938,830
Other income	633,589	-	633,589
	<u>3,001,022</u>	<u>7,671,423</u>	<u>10,672,445</u>
Total support and revenue			
	<u>3,001,022</u>	<u>7,671,423</u>	<u>10,672,445</u>
Net assets released from restriction	<u>8,180,093</u>	<u>(8,180,093)</u>	<u>-</u>
Expenditures:			
Program services	8,030,193	-	8,030,193
Supporting services:			
Management and general	657,365	-	657,365
Fundraising	181,744	-	181,744
	<u>8,869,302</u>	<u>-</u>	<u>8,869,302</u>
Total expenditures			
	<u>8,869,302</u>	<u>-</u>	<u>8,869,302</u>
Change in net assets	2,311,813	(508,670)	1,803,143
Net assets, beginning of year	<u>11,611,484</u>	<u>9,237,896</u>	<u>20,849,380</u>
Net assets, end of year	<u>\$ 13,923,297</u>	<u>\$ 8,729,226</u>	<u>\$ 22,652,523</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Activities, Continued 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 Functional Expenses Year Ended June 30, 2025

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ -	\$ 261,503	\$ 108,727	\$ 370,230
Employee benefits/payroll taxes	-	64,477	22,227	86,704
 Total salaries and related expenditures	-	325,980	130,954	456,934
Grants	4,306,244	-	-	4,306,244
RX Partnership	205,000	-	-	205,000
The Pharmacy Connection	484,927	-	-	484,927
Medication Assistance Program	267,905	-	-	267,905
Strategic Initiatives	267,488	-	-	267,488
Medicaid/FAMIS Outreach and Enrollment	410,388	-	-	410,388
Grantee Technical Assistance	118,397	-	-	118,397
Grantmaking	321,889	-	-	321,889
Boost!	1,255,545	-	-	1,255,545
Psychiatric Nurse Practitioner Scholarships	392,410	-	-	392,410
Contractual services	-	134,618	900	135,518
Office rent	-	50,714	-	50,714
Telephone and fax	-	4,013	168	4,181
Supplies	-	5,023	146	5,169
Computer software and supplies	-	25,868	4,912	30,780
Printing and copying	-	5,035	272	5,307
Postage	-	6,503	211	6,714
Meeting/conference costs	-	26,641	42	26,683
Special events	-	-	42,869	42,869
Travel	-	6,705	524	7,229
Miscellaneous	-	3,565	-	3,565
Insurance	-	29,982	-	29,982
Subscriptions, fees and dues	-	11,663	746	12,409
 Total expenditures before depreciation and amortization	8,030,193	636,310	181,744	8,848,247
 Depreciation and amortization of property and equipment	-	21,055	-	21,055
 Total expenditures	<u>\$ 8,030,193</u>	<u>\$ 657,365</u>	<u>\$ 181,744</u>	<u>\$ 8,869,302</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Functional Expenses, Continued 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!	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 Cash Flows Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,803,143	\$ 1,133,538
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	21,055	26,163
Cash contributions restricted for endowment	(16,465)	-
Net investment income reinvested	(373,233)	(354,974)
Net realized and unrealized gain on investments	(1,434,121)	(1,585,429)
Change in assets and liabilities:		
Government appropriations receivable	(500,000)	(50,000)
Interest receivable	(14,436)	(13,161)
Grants and contributions receivable	73,795	726,989
Prepaid expenses and other assets	(11,679)	7,806
Operating lease assets and liabilities, net	3,370	(8,198)
Accounts payable and accrued expenses	(12,201)	94,677
Deferred revenue	1,818	1,311
Grants payable	<u>(707,734)</u>	<u>1,158,235</u>
Net cash (used in) provided by operating activities	<u>(1,166,688)</u>	<u>1,136,957</u>
Cash flows from investing activities:		
Purchase of property and equipment	(28,869)	(29,839)
Disposal of property and equipment	-	41,303
Proceeds from sales of investments	2,521,250	2,871,952
Purchase of investments	<u>(2,521,250)</u>	<u>(2,847,017)</u>
Net cash (used in) provided by investing activities	<u>(28,869)</u>	<u>36,399</u>
Cash flow provided by financing activities:		
Contributions restricted for endowment	<u>16,465</u>	<u>-</u>
Net change in cash and cash equivalents	(1,179,092)	1,173,356
Cash and cash equivalents, beginning of year	<u>4,837,642</u>	<u>3,664,286</u>
Cash and cash equivalents, end of year	<u>\$ 3,658,549</u>	<u>\$ 4,837,642</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>\$ 138,544</u>	<u>\$ 120,942</u>
Operating lease asset obtained in exchange for lease liability	<u>\$ 630,278</u>	<u>\$ 43,307</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 \$26,815 at June 30, 2025 and \$23,998 at June 30, 2024, 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 \$212,494 in 2025 and \$127,823 in 2024 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, 2025 and 2024 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 or allowance for doubtful pledges at June 30, 2025 or 2024.

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 \$242,484 during 2025 and \$237,537 during 2024 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 \$2,625 as of June 30, 2025 and \$0 as of June 30, 2024. Contract liabilities include deferred revenue which amounted to \$81,434 at June 30, 2025 and \$79,616 at June 30, 2024. At July 1, 2023, there were contract assets of \$950 and contract liabilities amounted to \$78,305.

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 2025 and 2024, the Foundation received professional services at no charge from outside organizations (see Note 15). These services, valued by the donors at approximately \$13,354 in 2025 and \$22,900 in 2024, 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 2025 and 2024.

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, 2025 and 2024. The Foundation is not currently under audit by any tax jurisdiction.

Subsequent Events: Management has evaluated subsequent events through August 13, 2025, 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash on deposit	\$ 2,654,386	\$ 3,615,818
Money market funds	<u>1,004,163</u>	<u>1,221,824</u>
	<u>\$ 3,658,549</u>	<u>\$ 4,837,642</u>

4. Investments:

The costs and fair values of investments as of June 30, 2025 and 2024 are summarized as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Money market funds	\$ 940,822	\$ 940,822	\$ 1,146,734	\$ 1,146,734
U.S. Treasury Bills	349,757	353,888	223,546	223,546
Securities	7,180,162	11,819,625	6,977,721	10,759,758
Corporate bonds	<u>4,803,396</u>	<u>4,816,547</u>	<u>4,057,611</u>	<u>3,993,490</u>
	<u>\$ 13,274,137</u>	<u>\$ 17,930,882</u>	<u>\$ 12,405,612</u>	<u>\$ 16,123,528</u>

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

	<u>2025</u>	<u>2024</u>
Interest income, net	\$ 390,944	\$ 367,435
Net realized gains	<u>495,291</u>	<u>852,122</u>
	<u>\$ 886,235</u>	<u>\$ 1,219,557</u>
Net unrealized gains	<u>\$ 938,830</u>	<u>\$ 733,307</u>

Investment income includes advisory fees totaling \$85,680 for 2025 and \$78,650 for 2024.

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, 2025 and 2024. |

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, 2025 include the following:

	Fair Value Using		Investments
	Level 1	Level 2	at Fair Value
Assets:			
Money market funds	\$ 940,822	\$ -	\$ 940,822
U.S. Treasury Bills	-	353,888	353,888
Securities:			
Basic materials	366,652	-	366,652
Closed end mutual funds	626,446	-	626,446
Communication services	1,032,958	-	1,032,958
Consumer cyclical	823,539	-	823,539
Consumer defensive	640,306	-	640,306
Diversified equity	221,955	-	221,955
Energy	516,812	-	516,812
Financials	2,193,712	-	2,193,712
Health care	1,539,273	-	1,539,273
Industrials	1,359,334	-	1,359,334
Information technology	2,049,314	-	2,049,314
Real estate investment trusts	279,930	-	279,930
Utilities	169,393	-	169,393
Corporate bonds	-	4,816,547	4,816,547
	<u>\$ 12,760,447</u>	<u>\$ 5,170,435</u>	<u>\$ 17,930,882</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, 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:

Certain of the Foundation's investments are subject to restrictions on the frequency of redemptions without penalty. At June 30, 2025, 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>
2026	\$ 470,588	\$ 191,530
2027	1,158,444	-
2028	834,259	162,358
2029	460,307	-
Thereafter	<u>1,892,949</u>	<u>-</u>
	<u>\$ 4,816,547</u>	<u>\$ 353,888</u>

6. Grants and Contributions Receivable:

Grants and contributions receivable are \$737,863 and \$811,658 as of June 30, 2025 and 2024, respectively. All amounts are expected to be collected within one year, and there was no discount on future expected cash flows from grants and contributions receivable in 2025 and 2024.

7. Property and Equipment, Net:

Property and equipment, net as of June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 82,274	\$ 112,887
Leasehold improvements	15,668	4,987
Software	<u>49,938</u>	<u>49,938</u>
	147,880	167,812
Less accumulated depreciation and amortization	<u>(112,786)</u>	<u>(140,533)</u>
Property and equipment, net	<u>\$ 35,094</u>	<u>\$ 27,279</u>

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

8. Leases:

The Foundation was obligated under an operating lease for office space through March 31, 2025. In 2025, the Foundation entered into a new operating lease for office space through November 2029, which includes scheduled rent increases at specified intervals during the term of the lease. The Foundation also has 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 3.91% and 1.61% at June 30, 2025 and 2024, respectively.

Future minimum lease payments under non-cancellable operating leases as of June 30, 2025 are as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2026	\$ 144,270
2027	148,872
2028	153,649
2029	150,881
2030	<u>62,106</u>
Total lease payments	659,778
Less amount representing interest	<u>(70,157)</u>
Total operating lease liability	<u><u>\$ 589,621</u></u>

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

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 144,011	\$ 112,743
Short-term lease cost	<u>-</u>	<u>5,883</u>
Total operating lease cost	<u><u>\$ 144,011</u></u>	<u><u>\$ 118,626</u></u>

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Purpose restricted - grants	\$ 8,620,334	\$ 9,155,180
Nonprofit Leadership Endowment	<u>108,892</u>	<u>82,716</u>
	<u>\$ 8,729,226</u>	<u>\$ 9,237,896</u>

Net assets released from donor restriction in 2025 and 2024 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 \$87,246 in 2025 and \$78,564 in 2024.

11. Government Appropriations and Other Funding Concentrations:

In the 2025 fiscal year, the Commonwealth of Virginia (the "Commonwealth") designated an appropriation in its biennial budget to the Foundation of \$5,180,571. 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 \$5,180,571 was included as a receivable as of June 30, 2025 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 49% of support and revenue for 2025 and 42% of support and revenue for 2024. These appropriations accounted for 87% of total receivables at June 30, 2025 and 85% of total receivables at June 30, 2024. One other donor accounted for 10% of support and revenue for 2025. There were no other concentrations of support and revenue for 2024.

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. The endowment held by the Foundation was not in a deficit at June 30, 2025 and 2024.

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, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted			
endowment funds	\$ -	\$ 108,892	\$ 108,892
Board-designated funds	<u>26,815</u>	<u>-</u>	<u>26,815</u>
Total funds	<u>\$ 26,815</u>	<u>\$ 108,892</u>	<u>\$ 135,707</u>

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>

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, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, July 1, 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	23,998	82,716	106,714
Investment income, net	2,817	9,711	12,528
Contributions	<u>-</u>	<u>16,465</u>	<u>16,465</u>
Net assets, June 30, 2025	<u>\$ 26,815</u>	<u>\$ 108,892</u>	<u>\$ 135,707</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:

	2025	2024
Cash and cash equivalents	\$ 3,658,549	\$ 4,837,642
Government appropriations receivable	5,180,571	4,680,571
Contributions receivable	47,500	533,500
Investments	17,930,882	16,123,528
Interest receivable	64,283	49,847
	<u>26,881,785</u>	<u>26,225,088</u>
Contractual or donor-imposed restrictions:		
State appropriation	(5,180,571)	(4,680,571)
Federal and state contract grant funds	(985,810)	(1,364,588)
Other	(2,453,650)	(3,109,718)
Endowment fund	(135,707)	(106,714)
Investments maturing in more than one year	<u>(4,508,317)</u>	<u>(4,003,964)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 13,617,730</u>	<u>\$ 12,959,533</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 2025 and 2024, 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>2025</u>	<u>2024</u>
Services	\$ 9,580	\$ 21,700
Conference fees	1,174	-
Board meeting space	<u>2,600</u>	<u>1,200</u>
	<u>\$ 13,354</u>	<u>\$ 22,900</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.