

What starts as a spark?



VIRGINIA HEALTH CARE FOUNDATION 2026 IMPACT REPORT

innovation partnership results

Every meaningful change begins with a **SPARK**.

An idea. A new partnership. A bold solution.

As a statewide public/private partnership, the **Virginia Health Care Foundation** has transformed sparks into sustainable solutions which advance our vision that all who live in Virginia will be able to obtain the health care they need.

In 2026, our impact continued to be guided by that same vision. Building on our core programs and initiatives, *VHCF focused on expanding school-based health care, launching a maternal mental health initiative, and continuing to connect more Virginians to health coverage.*

As we look ahead, VHCF will continue to seek out new sparks that will light the way for more innovation and partnerships that lead to lasting **RESULTS**.





VHCF's **Nurture Now** network of six school-based health centers has provided 1,200 medical and behavioral health visits annually. This work is made possible through the generous support of the Collis Warner Foundation, Humana, Dominion Energy, and Carilion Clinic through VHCF's *Brighter Days Ahead* mental health initiative.

innovation

Nurture Now

School-Based Medical and Behavioral Health Care

"This work is so meaningful for me because it's the community where I grew up and where I am raising my family. *It's a full-circle moment for me, being from this area, growing up in this school system.*

I'm most proud of being part of something bigger. The Carroll County School District made this happen. The leadership at Tri-Area made this happen. My coworkers made this happen.

Our **Nurture Now** school-based health center is a consistent presence. **The students see us every day, and they trust us. We are providing the services that we promise to provide.**

And in return, we've seen so much success with our student body here in Carroll County. They have access to services they need, which they may not have had if the school-based health center had not been here because we are in such a rural area.

And now, absenteeism is down by about half. Students are missing less school and are able to get their care at school. **They're building more self-esteem, more autonomy."**

—Hailie Cushman, LPC, MEd

Carroll County High School Therapist

Tri-Area Community Health, Southwest Virginia

partnership

It Takes a Village

Maternal Mental Health Care

"A lot of moms come to me and say, '**I thought I was alone.**' I'm supposed to just adjust. I just had a baby, and I'm supposed to be happy."

It makes a difference when moms are able to really connect with themselves and stop denying that piece of themselves that says they're not okay.

The moms I serve may not have gotten the help they needed if *It Takes a Village* had not been started. What gives me hope is seeing more clients reaching out for help.

I'm grateful for the opportunity to touch lives that may not have had the chance to be seen or heard."

—Arielle Shipp, LPC

Perinatal Outpatient Licensed Clinician

The Up Center, Hampton Roads, Virginia



Since launching in September 2025, ***It Takes a Village*** has provided more than 1,000 counseling visits to mothers across Virginia.





Project Connect has helped enroll more than 170,000 Virginians in Medicaid statewide, including more than 120,000 children, through a 25-year partnership with the Virginia Department of Medical Assistance Services.

results

Project Connect

Medicaid Outreach and Enrollment

"The main thing when it comes to outreach is to actually be out in the community. **We engage. We answer questions. We educate.**

When families get Medicaid coverage for the first time, it's like night and day. It changes their lives. It puts them at ease knowing that now if their baby gets sick, or their child is sick, they can be seen.

If Project Connect didn't exist, there would be a lot of families who would not be applying at all. They're extremely thankful for our outreach specialists.

They trust us to help them."

—Eduardo Mantilla-Torres

*Outreach Manager, Neighborhood Health
Northern Virginia*



2026 Chairman's Letter

FOR MORE THAN THREE DECADES, the **Virginia Health Care Foundation** has identified and pursued opportunities to improve access to health care for uninsured and medically underserved Virginians. Whether through innovative approaches, practical solutions to unmet needs, or new partnerships, VHCF has remained focused on one objective: working alongside our partners to strengthen Virginia's health care system and expand access to care.



THAT MISSION has never been more important. **This year marked the 30th edition of VHCF's *Profile of Virginia's Uninsured*, which showed the first increase in Virginia's uninsured rate in more than a decade, rising from a historic low of 7.6% to 8.1%.** These findings reinforce the need for practical, collaborative solutions that help more Virginians obtain and maintain the health coverage that enables them to access the care they need. This was our focus in FY2026 and will continue to be.

2026 Programmatic Impact

- **Investing more than \$3 million statewide** to expand access to care for 42,000 Virginians through more than 100,000 medical, dental, behavioral health, pharmacy, and vision care visits.
- **Strengthening Virginia's health care workforce by training 200 providers** through 14,000 hours of clinical training in safety-net settings.
- **Helping more than 384,000 uninsured Virginians obtain 5.7 million prescriptions** valued at over \$12.7 billion through VHCF's *The Pharmacy Connection* software, since inception.
- **Providing 24 clinics with more than \$16.4 million in free medicines, through Rx Partnership.** This program allowed 11,717 unduplicated patients to obtain more than 126,000 prescriptions.



- **Accelerating the licensure of a total of 544 behavioral health professionals** through VHCF's **Boost!** and **Psychiatric Nurse Practitioner Scholarship** programs.
- **Providing more than 4,000 new patient visits and more than \$200,000 in discounted equipment** and supplies through VHCF's proven **Sign Up, Pay Down** recruitment program and Patterson Dental programs.
- **Leveraging every dollar for maximum impact.** For every dollar invested, the Foundation

has generated an impressive return of \$11, which includes cash donations, health services, and other valuable in-kind support.

None of this work happens alone. **Every accomplishment highlighted in this report reflects the dedication of our partners across the Commonwealth.** Together with the General Assembly, the Governor's Administration, state agencies, health care providers, community organizations, philanthropic partners, and local leaders, VHCF continues to identify opportunities where we can add

value and translate innovative ideas into lasting solutions.

We celebrated these partnerships at our annual **Cheers for Champions** celebration, where more than 240 health care leaders, policymakers, providers, and community partners gathered to recognize the individuals and organizations expanding access to care across Virginia. VHCF was honored to have Secretary of Health and Human Resources Marvin B. Figueroa and members of the General Assembly present awards recognizing this year's honorees.



Top: Delegate Keith Hodges

Middle: Kristen Gilliam and Maureen Neal

Bottom: Jack Siegel, Deputy Secretary of Health and Human Resources Lauryn Walker, Deputy Secretary of Health and Human Resources Toni Blue, Secretary of Health and Human Resources Marvin Figueroa, Rachel Rees, Hope Richardson, Emma Ford, and Joanna Fowler

As a public/private partnership, VHCF remains nimble, tracking changes in Virginia’s health care landscape and identifying opportunities to respond.

We are already leading efforts to help eligible Virginians maintain Medicaid coverage, while investing in Virginia’s rural health care infrastructure through two initiatives:

Medicaid Outreach and Enrollment

For nearly 30 years, our statewide network of **Project Connect** outreach workers has helped more than **170,000 Virginians** enroll in Medicaid, while our signature **SignUpNow (SUN)** program has trained **more than 20,000** health care, community-based, and social services professionals on Medicaid eligibility and enrollment.

Building on that foundation, in partnership with the Department of Medical Assistance Services, VHCF is expanding **Project Connect** across the Commonwealth and launching **SUNLight**, a new training initiative designed to equip frontline staff with the knowledge and tools they need to help Virginians navigate new eligibility and renewal requirements and stay covered.



Rural Health Care Transformation

VHCF was honored to be selected as a key implementation partner for **Virginia Rural Vitality**, the Commonwealth’s Rural Health Transformation Program, and to lead its Provider Interoperability and Provider Productivity initiatives.

This is an unprecedented opportunity to make a real difference in the lives of rural Virginians. During FY26, VHCF completed a comprehensive rural health assessment to identify opportunities to strengthen technology, connectivity,

cybersecurity, and health information exchange. Those findings will guide implementation and help ensure these investments respond to the needs of rural communities across Virginia over the five-year duration of the program.

As VHCF prepares to celebrate its 35th anniversary in 2027, we do so with pride in what has been accomplished and confidence in our ability to meet the significant challenges that lie ahead.

Through our programs, VHCF has helped more than **950,000 Virginians** obtain the health care they need. We look forward to building that legacy by helping even more Virginians access the care they need in the years ahead.

Sincerely,
Jeff Ricketts
VHCF Chairman





Thank you for
lighting the spark!

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

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**Thank you to all who
contributed through
the Commonwealth of
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of Behavioral Health &

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Virginia Department of

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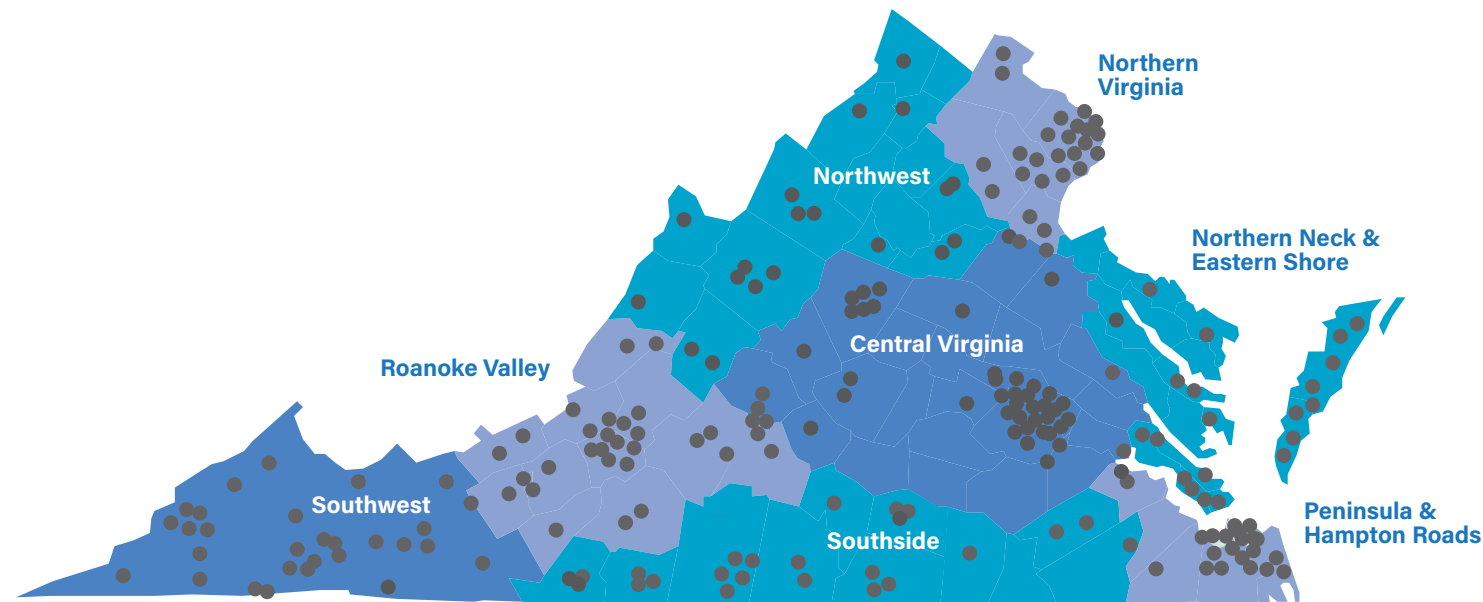
Virginia Department of

Medical Assistance

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, 2025, and June 30,
2026. 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
us at (804) 828-5804.*



VHCF Grants Awarded

1992 - 2026

Statewide

- Central VA Lions Hearing Aid Bank
- MCV School of Dentistry Mobile Dental Clinic
- UVA Nurse Practitioner Telemedicine Initiative
- RxPartnership
- 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
- Northern Virginia Dental Clinic
- Northern Virginia Family Service
 - Loudoun
 - Prince William/Manassas
- 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
 - Prince William County
 - Fauquier County
- The Women's Center

Central Virginia

- Access Now
- Blue Ridge Medical Center
- Bon Secours Richmond Health System
 - Care-A-Van Mobile Medical Clinic
- Capital Area Health Network
- Central Virginia Health Services, Inc.
- Caroline Children's Dental Program
- Charles City Regional Health Services
- Hopewell-Prince George Community Health Center
- King William-Dawn Community Doctors
- Petersburg Health Care Alliance
- Petersburg/Hopewell School-Based Dental Clinics
- Charlottesville Area Dental Access
- Charlottesville Free Clinic
- Chesterfield Health District
- Children's Hospital of Richmond at VCU
- ChildSavers
- Community Access Network
- CrossOver Healthcare Ministry
- Daily Planet Health Services
- FIVE18 Family Services

- Fredericksburg Christian Health Center
 - Free Clinic of Central Virginia/MedsHelp
 - Free Clinic of Powhatan
 - Goochland Cares
 - Goochland Powhatan Community Services
 - Greater Richmond SCAN
 - Hayes E. Willis Health Center
 - Health Brigade
 - Henrico Area Mental Health & Development Services
 - Henrico County Public Schools
 - Irvin Gammon Craig Health Center
 - 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
 - United Way of Greater Charlottesville
 - Virginia Commonwealth University Health System
 - Virginia Treatment Center for Children
 - Vision to Learn
 - YWCA Richmond
- Northern Neck and Eastern Shore
- Accomack County School-Based Dental Program
 - Bay Aging
 - Central Virginia Health Services, Inc. - Westmoreland Medical Center
 - Eastern Shore Community Services Board

- Eastern Shore Rural Health System
- Atlantic Community Health Center
- Eastville Community Health Center
- Franktown Community Health Center
- Onley Community Health Center
- Gloucester-Matthews Care Clinic
- Ledwith-Lewis Free Clinic
- 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
- Chesapeake Care Clinic
- Chesapeake Health Department
- CHIP of South Hampton Roads
- Colonial Behavioral Health
- Community Free Clinic of Newport News
- Consortium for Infant and Child Health
- Hampton Ecumenical Lodgings and Provisions, Inc. (HELP Free Clinic)
- 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
- Maryview Foundation Healthcare Center
- Norfolk Department of Public Health
- Olde Towne Medical and Dental Center
- Peninsula Agency on Aging MedTran Project
- The Planning Council
- Sentara Medical Group
- Southeastern Virginia Health System
- Stoneybrook Physicians
- Virginia Beach Family Medical Center
- The STOP Organization
- Western Tidewater Free Clinic

Southside

- Central Virginia Health Services, Inc.
 - Charlotte Primary Care
 - Southside Community Health Center
- Connect Health + Wellness
- MHC Community Dental Clinic
- Danville-Pittsylvania Community Services
- Halifax Regional Development Foundation, Inc.
- Horizon Health Services - Waverly Medical Center

- Lake Country Area Agency on Aging
- Piedmont Access to Health Services (PATHS)
- PATHS Community Dental Center - Boynton
- Pittsylvania County Community Action, Inc.
- Southern Dominion Health System
- Lunenburg Community Health Center
- SDHS Family Dentistry
- SDHS Community Pharmacy
- Stony Creek Community Health Center
- Tri-Area Community Health
 - Patrick County Family Practice
 - Patrick County High School Clinic
- VCU Health Community Memorial Hospital
- Virginia Legal Aid Society
- Virginia Western Community College Telemedicine Dental Hygiene Initiative

Southwest

- Ballad Health-Norton Medication Assistance Program
- 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
- Lonesome Pine Office on Youth
- Mel Leaman Free Clinic
- Mission Dental of Virginia: Appalachian Highlands Community Dental Center
- Mt. Rogers Medication Assistance Program
- Mountain Empire Older Citizens, Inc.
- 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
- 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
- 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
- Johnson Health Center
 - Bedford Community Health Center
 - Rustburg Community Health Center
- New Horizons Healthcare
- Mental Health Association of the New River Valley
- Monroe Health Center - Craig County Health Center
- New River Valley Medication Assistance Program
- New River Valley Senior Services MedRide
- Radford University
- Rescue Mission of Roanoke
- Tri-Area Community Health
 - Tri-Area Community Health Center at Ferrum
 - Tri-Area Community Health Center at Floyd

Northwest

- ARROW Project
- Augusta Health Foundation
- Augusta Regional Dental Clinic
- Bath Community Hospital
- Blue Ridge Area Health Education Center
- Healthy Community Health Centers
- Highland Medical Center
- Orange County Free Clinic
- Piedmont Regional Dental Clinic
- Rappahannock-Rapidan Community Services Board
- Rockbridge Area Community Services
- Rockbridge Area Health Center
- Shenandoah Community Health Clinic
- Sinclair Health Clinic
- St. Luke Community Clinic
- Youth for Tomorrow: Rappahannock

Key

- Application Assistance for Medicaid/FAMIS
- Behavioral Health
- Dental
- Medical Care
- Medication Assistance/Pharmacy
- Other Type of Grant
- Technology
- Vision

VHCF Consolidated Statements of Financial Position

June 30, 2026 and 2025

Assets	2026	2025
Current assets:		
Cash and cash equivalents	\$ 3,281,067	\$ 3,658,549
Investments	19,353,886	17,930,882
Government appropriations receivable	5,230,571	5,180,571
Interest receivable	74,401	64,283
Grants receivable	767,769	690,363
Contributions receivable	207,000	47,500
Prepaid expenses	36,049	33,521
Total current assets	28,950,743	27,605,669
Right-of-use operating lease asset, net	569,799	577,057
Property and equipment, net	102,126	35,094
Total assets	\$ 29,622,668	\$ 28,217,820
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 279,433	\$ 226,541
Deferred Revenue	81,361	81,434
Operating lease liability, current portion	187,347	144,270
Grants payable, current portion	4,191,688	3,803,056
Total current liabilities	4,739,829	4,255,301
Operating lease liability, net of current portion	405,969	445,351
Grants payable, net of current portion	904,848	864,645
Total liabilities	6,050,646	5,565,297
Net assets:		
Without donor restrictions	14,460,631	13,923,297
With donor restrictions	9,111,391	8,729,226
Total net assets	23,572,022	22,652,523
Total liabilities and net assets	\$ 29,622,668	\$ 28,217,820

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

VHCF Consolidated Statements of Activities

June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Government appropriations	\$ -	\$ 5,230,571	\$ 5,230,571	\$ -	\$ 5,180,571	\$ 5,180,571
Contributions	471,613	1,033,950	1,505,563	538,725	433,465	972,190
In-kind contributions	11,900	-	11,900	13,354	-	13,354
Grant revenue	-	2,774,499	2,774,499	-	2,047,676	2,047,676
Investment income, net	1,325,502	8,571	1,334,073	881,323	4,912	886,235
Unrealized net gain on investments	97,577	599	98,176	934,031	4,799	938,830
Other income	302,040	-	302,040	633,589	-	633,589
Total support and revenue	2,208,632	9,048,190	11,256,822	3,001,022	7,671,423	10,672,445
Net assets released from restriction	8,666,025	(8,666,025)	-	8,180,093	(8,180,093)	-
Expenditures:						
Program services – grants	9,518,330	-	9,518,330	8,030,193	-	8,030,193
Supporting services:						
Management and general	646,822	-	646,822	657,365	-	657,365
Fundraising	172,171	-	172,171	181,744	-	181,744
Total expenditures	10,337,323	-	10,337,323	8,869,302	-	8,869,302
Change in net assets	537,334	382,165	919,499	2,311,813	(508,670)	1,803,143
Net assets, beginning of year	13,923,297	8,729,226	22,652,523	11,611,484	9,237,896	20,849,380
Net assets, end of year	\$ 14,460,631	\$ 9,111,391	\$ 23,572,022	\$ 13,923,297	\$ 8,729,226	\$ 22,652,523

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

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Help us spark what’s next!

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.

VHCF VISION

All who live in Virginia will be able to obtain the health care they need.

VHCF VALUES

Exemplary Stewardship
Drive for Excellence
Catalyst for Change
Integrity

ABOUT VHCF

Initiated by the General Assembly and its Joint Commission on Health Care in 1992, the Foundation has helped more than 950,000 uninsured Virginians obtain the health care they need.



PROFILE OF VIRGINIA'S UNINSURED

Read VHCF's Annual Profile,
providing details about
Virginia's uninsured, by region
and key demographics



SIGNUPNOW WORKSHOPS

Learn about **Medicaid** policies,
get enrollment training,
and have your eligibility
questions answered in
our latest workshops



RURAL HEALTH TRANSFORMATION

Find out more about VHCF's
Rural Health Transformation
grant opportunities



VIRGINIA **HEALTH CARE** FOUNDATION

Financial Statements

June 30, 2026 and 2025



4401 Dominion Boulevard
Glen Allen, Virginia 23060
Tel: 804.747.0000
www.keitercpa.com

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, 2026 and 2025, 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, 2026 and 2025, 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 of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 of America, 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 18, 2026
Glen Allen, Virginia

VIRGINIA HEALTH CARE FOUNDATION

Statements of Financial Position June 30, 2026 and 2025

<u>Assets</u>	<u>2026</u>	<u>2025</u>
Current assets:		
Cash and cash equivalents	\$ 3,281,067	\$ 3,658,549
Investments	19,353,886	17,930,882
Government appropriations receivable	5,230,571	5,180,571
Interest receivable	74,401	64,283
Grants receivable	767,769	690,363
Contributions receivable	207,000	47,500
Prepaid expenses and other assets	<u>36,049</u>	<u>33,521</u>
Total current assets	28,950,743	27,605,669
Right-of-use operating lease asset, net	569,799	577,057
Property and equipment, net	<u>102,126</u>	<u>35,094</u>
Total assets	<u>\$ 29,622,668</u>	<u>\$ 28,217,820</u>
 <u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 279,433	\$ 226,541
Deferred revenue	81,361	81,434
Operating lease liability, current portion	187,347	144,270
Grants payable, current portion	<u>4,191,688</u>	<u>3,803,056</u>
Total current liabilities	4,739,829	4,255,301
Operating lease liability, net of current portion	405,969	445,351
Grants payable, net of current portion	<u>904,848</u>	<u>864,645</u>
Total liabilities	<u>6,050,646</u>	<u>5,565,297</u>
Net assets:		
Without donor restrictions	14,460,631	13,923,297
With donor restrictions	<u>9,111,391</u>	<u>8,729,226</u>
Total net assets	<u>23,572,022</u>	<u>22,652,523</u>
Total liabilities and net assets	<u>\$ 29,622,668</u>	<u>\$ 28,217,820</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Activities Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Government appropriations	\$ -	\$ 5,230,571	\$ 5,230,571
Contributions	471,613	1,033,950	1,505,563
In-kind contributions	11,900	-	11,900
Grant revenue	-	2,774,499	2,774,499
Investment income, net	1,325,502	8,571	1,334,073
Unrealized net gain on investments	97,577	599	98,176
Other income	302,040	-	302,040
	<u>2,208,632</u>	<u>9,048,190</u>	<u>11,256,822</u>
Total support and revenue			
	<u>2,208,632</u>	<u>9,048,190</u>	<u>11,256,822</u>
Net assets released from restriction	<u>8,666,025</u>	<u>(8,666,025)</u>	<u>-</u>
Expenses:			
Program services	9,518,330	-	9,518,330
Supporting services:			
Management and general	646,822	-	646,822
Fundraising	172,171	-	172,171
	<u>10,337,323</u>	<u>-</u>	<u>10,337,323</u>
Total expenses			
	<u>10,337,323</u>	<u>-</u>	<u>10,337,323</u>
Change in net assets	537,334	382,165	919,499
Net assets, beginning of year	<u>13,923,297</u>	<u>8,729,226</u>	<u>22,652,523</u>
Net assets, end of year	<u>\$ 14,460,631</u>	<u>\$ 9,111,391</u>	<u>\$ 23,572,022</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Activities, Continued 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			
Net assets released from restriction	<u>8,180,093</u>	<u>(8,180,093)</u>	<u>-</u>
Expenses:			
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 expenses			
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 Functional Expenses Year Ended June 30, 2026

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries	\$ -	\$ 260,840	\$ 57,516	\$ 318,356
Employee benefits/payroll taxes	-	62,241	7,643	69,884
 Total salaries and related expenses	 -	 323,081	 65,159	 388,240
Grants	5,739,554	-	-	5,739,554
RX Partnership	255,000	-	-	255,000
The Pharmacy Connection	518,412	-	-	518,412
Medication Assistance Program	252,438	-	-	252,438
Strategic Initiatives	269,812	-	-	269,812
Medicaid/FAMIS Outreach and Enrollment	381,242	-	-	381,242
Grantee Technical Assistance	62,867	-	-	62,867
Grantmaking	345,006	-	-	345,006
Boost!	1,270,517	-	-	1,270,517
Psychiatric Nurse Practitioner Scholarships	348,567	-	-	348,567
Rural Health Transformation	74,915	-	-	74,915
Contractual services	-	164,342	3,970	168,312
Office rent	-	52,650	-	52,650
Telephone and fax	-	3,287	-	3,287
Supplies	-	3,367	59	3,426
Computer software and supplies	-	18,443	4,416	22,859
Printing and copying	-	3,517	-	3,517
Postage	-	4,608	199	4,807
Meeting/conference costs	-	11,390	68	11,458
Special events	-	-	97,395	97,395
Travel	-	6,978	204	7,182
Miscellaneous	-	2,132	-	2,132
Insurance	-	26,384	-	26,384
Subscriptions, fees and dues	-	11,045	701	11,746
 Total expenses before depreciation and amortization	 9,518,330	 631,224	 172,171	 10,321,725
 Depreciation and amortization of property and equipment	 -	 15,598	 -	 15,598
 Total expenses	 <u>\$ 9,518,330</u>	 <u>\$ 646,822</u>	 <u>\$ 172,171</u>	 <u>\$ 10,337,323</u>

See accompanying notes to financial statements.

VIRGINIA HEALTH CARE FOUNDATION

Statements of Functional Expenses, Continued 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	-	64,447	22,227	86,704
 Total salaries and related expenses	 -	 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 expenses 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 expenses	 <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 Cash Flows Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Cash flows from operating activities:		
Change in net assets	\$ 919,499	\$ 1,803,143
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	15,598	21,055
Cash contributions restricted for endowment	(16,793)	(16,465)
Net investment income reinvested	(416,106)	(373,233)
Net realized and unrealized gain on investments	(1,006,898)	(1,434,121)
Change in assets and liabilities:		
Government appropriations receivable	(50,000)	(500,000)
Interest receivable	(10,118)	(14,436)
Grants and contributions receivable	(236,906)	73,795
Prepaid expenses and other assets	(2,528)	(11,679)
Operating lease assets and liabilities, net	10,953	3,370
Accounts payable and accrued expenses	52,892	(12,201)
Deferred revenue	(73)	1,818
Grants payable	<u>428,835</u>	<u>(707,734)</u>
Net cash used in operating activities	<u>(311,645)</u>	<u>(1,166,688)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(82,630)	(28,870)
Proceeds from sales of investments	3,500,954	2,521,250
Purchase of investments	<u>(3,500,954)</u>	<u>(2,521,250)</u>
Net cash used in investing activities	<u>(82,630)</u>	<u>(28,870)</u>
Cash flow provided by financing activities:		
Contributions restricted for endowment	<u>16,793</u>	<u>16,465</u>
Net change in cash and cash equivalents	(377,482)	(1,179,093)
Cash and cash equivalents, beginning of year	<u>3,658,549</u>	<u>4,837,642</u>
Cash and cash equivalents, end of year	<u>\$ 3,281,067</u>	<u>\$ 3,658,549</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>\$ 137,285</u>	<u>\$ 138,544</u>
Operating lease asset obtained in exchange for lease liability	<u>\$ 147,023</u>	<u>\$ 630,278</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 of America ("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 \$43,367 at June 30, 2026 and \$26,815 at June 30, 2025, 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 unlikely and, therefore, they are considered to be unconditional. Grants are generally paid within one year of authorization. The Foundation reduced grant expense by \$124,182 in 2026 and \$212,494 in 2025 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, 2026 and 2025 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. There was no allowance for doubtful pledges at June 30, 2026 or 2025.

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:

Contributions and Grants, Continued: 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. The Foundation had conditional grants totaling \$1,650,000 as of June 30, 2026, to be received in installments over the next three years, subject to incurring expenses and providing specific deliverables to be approved by the donor. There were no conditional grants as of June 30, 2025.

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 \$244,158 during 2026 and \$242,484 during 2025 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 \$3,190 as of June 30, 2026 and \$2,625 as of June 30, 2025. Contract liabilities include deferred revenue which amounted to \$81,361 at June 30, 2026 and \$81,434 at June 30, 2025. At July 1, 2024, there were no contract assets and contract liabilities amounted to \$79,616.

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.

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Leases, Continued: 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.

Donated Services: During 2026 and 2025, the Foundation received professional services at no charge from outside organizations (see Note 15). These services, valued by the donors at approximately \$11,900 in 2026 and \$13,354 in 2025, were recorded as in-kind contribution revenue without donor restrictions and recorded as expenses 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 expenses 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 2026 and 2025.

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, 2026 and 2025. The Foundation is not currently under audit by any tax jurisdiction.

Subsequent Events: Management has evaluated subsequent events through August 18, 2026, 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, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Cash on deposit	\$ 1,652,104	\$ 2,654,386
Money market funds	<u>1,628,963</u>	<u>1,004,163</u>
	<u>\$ 3,281,067</u>	<u>\$ 3,658,549</u>

4. Investments:

The costs and fair values of investments as of June 30, 2026 and 2025 are summarized as follows:

	<u>2026</u>		<u>2025</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Money market funds	\$ 1,132,461	\$ 1,132,461	\$ 940,822	\$ 940,822
U.S. Treasury Bills	348,590	350,871	349,757	353,888
Securities	7,354,095	12,127,750	7,180,162	11,819,625
Corporate bonds	<u>5,763,818</u>	<u>5,742,804</u>	<u>4,803,396</u>	<u>4,816,547</u>
	<u>\$ 14,598,964</u>	<u>\$ 19,353,886</u>	<u>\$ 13,274,137</u>	<u>\$ 17,930,882</u>

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

	<u>2026</u>	<u>2025</u>
Interest income, net	\$ 425,351	\$ 390,944
Net realized gains	<u>908,722</u>	<u>495,291</u>
	<u>\$ 1,334,073</u>	<u>\$ 886,235</u>
Net unrealized gains	<u>\$ 98,176</u>	<u>\$ 938,830</u>

Investment income includes advisory fees totaling \$87,382 for 2026 and \$85,680 for 2025.

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, 2026 and 2025. |

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, 2026 include the following:

	Fair Value Using		Investments
	Level 1	Level 2	at Fair Value
Assets:			
Money market funds	\$ 1,132,461	\$ -	\$ 1,132,461
U.S. Treasury Bills	-	350,871	350,871
Securities:			
Basic materials	506,835	-	506,835
Closed end mutual funds	537,454	-	537,454
Communication services	584,945	-	584,945
Consumer cyclical	870,842	-	870,842
Consumer defensive	479,315	-	479,315
Diversified equity	245,261	-	245,261
Energy	635,221	-	635,221
Financials	2,175,214	-	2,175,214
Health care	1,531,304	-	1,531,304
Industrials	1,629,570	-	1,629,570
Information technology	2,302,554	-	2,302,554
Real estate investment trusts	304,853	-	304,853
Utilities	324,382	-	324,382
Corporate bonds	-	5,742,804	5,742,804
	<u>\$ 13,260,211</u>	<u>\$ 6,093,675</u>	<u>\$ 19,353,886</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, 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	2,193,713	-	2,193,713
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:

Certain of the Foundation's investments are subject to restrictions on the frequency of redemptions without penalty. At June 30, 2026, 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>
2027	\$ 1,317,083	\$ 190,323
2028	885,977	160,548
2029	262,010	-
Thereafter	<u>3,277,734</u>	<u>-</u>
	<u>\$ 5,742,804</u>	<u>\$ 350,871</u>

6. Grants and Contributions Receivable:

Grants and contributions receivable are \$974,769 and \$737,863 as of June 30, 2026 and 2025, 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 2026 and 2025.

7. Property and Equipment, Net:

Property and equipment, net as of June 30, 2026 and 2025 is as follows:

	<u>2026</u>	<u>2025</u>
Equipment	\$ 86,145	\$ 82,274
Leasehold improvements	75,585	15,668
Software	<u>49,938</u>	<u>49,938</u>
	211,668	147,880
Less accumulated depreciation and amortization	<u>(109,542)</u>	<u>(112,786)</u>
Property and equipment, net	<u>\$ 102,126</u>	<u>\$ 35,094</u>

VIRGINIA HEALTH CARE FOUNDATION

Notes to Financial Statements, Continued

8. Leases:

The Foundation is obligated under an operating lease for office space through November 2029, which includes scheduled rent increases at specified intervals during the term of the lease. In 2026, the lease was amended to include additional office space. 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 3.82% and 3.91% at June 30, 2026 and 2025, respectively.

Future minimum lease payments under non-cancellable operating leases as of June 30, 2026 are as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2027	\$ 187,919
2028	197,464
2029	196,011
2030	<u>85,004</u>
Total lease payments	666,398
Less amount representing interest	<u>(73,082)</u>
Total operating lease liability	<u><u>\$ 593,316</u></u>

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

	<u>2026</u>	<u>2025</u>
Operating lease cost	\$ 163,251	\$ 144,011

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, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Purpose restricted - grants	\$ 8,833,829	\$ 8,620,334
Time restricted	157,000	-
Nonprofit Leadership Endowment	<u>120,562</u>	<u>108,892</u>
	<u>\$ 9,111,391</u>	<u>\$ 8,729,226</u>

Net assets released from donor restriction in 2026 and 2025 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 \$64,132 in 2026 and \$87,246 in 2025.

11. Government Appropriations and Other Funding Concentrations:

In the 2026 fiscal year, the Commonwealth of Virginia (the "Commonwealth") designated an appropriation in its biennial budget to the Foundation of \$5,230,571. 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 \$5,230,571 was included as a receivable as of June 30, 2026 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 47% of support and revenue for 2026 and 49% of support and revenue for 2025. These appropriations accounted for 84% of total receivables at June 30, 2026 and 87% of total receivables at June 30, 2025. Two other donors accounted for 25% of support and revenue for 2026. One other donor accounted for 10% of support and revenue for 2025.

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, 2026 and 2025.

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, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted			
endowment funds	\$ -	\$ 120,562	\$ 120,562
Board-designated funds	<u>43,367</u>	<u>-</u>	<u>43,367</u>
Total funds	<u>\$ 43,367</u>	<u>\$ 120,562</u>	<u>\$ 163,929</u>

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>

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, 2026 and 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, July 1, 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	26,815	108,892	135,707
Investment income, net	2,259	9,170	11,429
Board designations	14,293	-	14,293
Contributions	<u>-</u>	<u>2,500</u>	<u>2,500</u>
Net assets, June 30, 2026	<u>\$ 43,367</u>	<u>\$ 120,562</u>	<u>\$ 163,929</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:

	2026	2025
Cash and cash equivalents	\$ 3,281,067	\$ 3,658,549
Government appropriations receivable	5,230,571	5,180,571
Contributions receivable	207,000	47,500
Investments	19,353,886	17,930,882
Interest receivable	74,401	64,283
	<u>28,146,925</u>	<u>26,881,785</u>
Contractual or donor-imposed restrictions:		
State appropriation	(5,230,571)	(5,180,571)
Federal and state contract grant funds	(1,381,864)	(985,810)
Other	(2,221,092)	(2,453,650)
Endowment fund	(163,929)	(135,707)
Investments maturing in more than one year	<u>(4,586,269)</u>	<u>(4,508,317)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 14,563,200</u>	<u>\$ 13,617,730</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. Total salaries and related expenses allocated to Program Services were \$1,721,257 and \$1,674,088 for 2026 and 2025, respectively. 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:

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 2026 and 2025, 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>2026</u>	<u>2025</u>
Services	\$ 10,700	\$ 9,580
Conference fees	-	1,174
Board meeting space	<u>1,200</u>	<u>2,600</u>
	<u>\$ 11,900</u>	<u>\$ 13,354</u>

All donated services 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 are valued at the standard market rates charged for those services to cash-paying customers.