

Board of Trustees Report

January 20, 2026



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Finance

FY26 – November Results for the Villa

- November reported \$116 thousand ahead of budget, bringing the year-to-date ahead of budget by \$660 thousand.
- Through November, the annual fund is reporting 165% of its year-to-date budget and 58% of its annual budget!
- Total revenue is reporting 3% under budget year-to-date, but slightly ahead of the prior year.
- Total expenses are 9.5% below budget and comparable to the prior year.
- Employee costs remain the driving factor in expense savings with 66% of the year-to-date expense budget savings related to wages and benefits, 92% for the month of November alone.
- HUD has created much uproar and confusion by releasing a Notice of Funding Opportunity (NOFO), only one year in to a two year grant, which significantly changes the funded priorities. Our extraordinary Flagler team is monitoring and responding as new information becomes available. There have been several class action suits against HUD that are still working their way through the court system and there is still a chance that Congress steps in and requires HUD to honor the original 2-year grant cycle. Also to be noted, this does not affect our state funding.

Audits – FY25

- Following the government shutdown, the Federal OMB Audit Compliance Supplement was issued; therefore the audit for the Housing Corp. was able to be completed. Forvis Mazars performed this audit remotely primarily with Landmark Properties. There was one internal control issue related to not accruing a June 2025 expense, which had been paid in July 2025. The expense was for sidewalk replacement and was a material dollar amount for their calculations; therefore a material weakness in internal control was noted. The material nature of the entry was not communicated until December.
- The audit for the Villa was presented at the November Finance Committee meeting in draft form. Since November, the lease and sublease have been finalized between the Villa and the Housing Success Center, LLC. The leases are necessary in order to facilitate the tax credit process. Lease accounting for generally accepted accounting principles requires a leased asset and a lease liability to be recorded on the Lessee side of the transaction. The Villa stand-alone statements will be adjusted to record the sublease and the entire transaction will be eliminated through the consolidation process. The consolidated statements as presented in November will remain unchanged.
- Keiter has also performed the Cost Certification audit, which is in their quality control review process, for the historic tax credits for the Housing Success Center, LLC. They will also complete the tax return for that entity.

Budget – FY27

- The budget process has begun for FY2027. Service leaders are preparing their budget assumptions/needs and meetings will begin mid-February.

Financial Statements

ST. JOSEPH'S VILLA
12/15/2025
FY 2026 SUMMARY OPERATIONS REPORT
FOR FIVE MONTHS ENDED NOVEMBER 30, 2025 - PRELIMINARY - UNAUDITED

PROGRAM		ACTUAL*	FY2026 BUDGET*	F/(U) VAR	FY2025 ACTUAL*	FY26-FY25 F/(U) VAR
CHILDREN'S EDUCATIONAL SERVICES	REVENUE	1,491,331	1,683,447	(192,116)	1,723,537	(232,206)
	EXPENSE	(1,474,617)	(1,641,498)	166,881	(1,393,170)	(81,447)
	INDIRECT	(140,615)	(170,912)	30,296	(124,170)	(16,445)
	SUB-TOTAL	(123,901)	(128,962)	5,061	206,197	(330,098)
AUTISM EDUCATIONAL SERVICES	REVENUE	3,956,314	4,138,200	(181,886)	3,906,335	49,979
	EXPENSE	(2,507,940)	(2,889,763)	381,823	(2,503,091)	(4,849)
	INDIRECT	(138,554)	(168,208)	29,654	(181,857)	43,303
	SUB-TOTAL	1,309,819	1,080,229	229,591	1,221,387	88,433
FLAGLER HOUSING & HOMELESS SERVICES	REVENUE	1,339,778	1,323,407	16,371	1,204,465	135,313
	EXPENSE	(1,179,573)	(1,202,046)	22,473	(1,045,585)	(133,988)
	INDIRECT	(155,555)	(181,376)	25,821	(134,705)	(20,850)
	SUB-TOTAL	4,650	(60,015)	64,664	24,175	(19,526)
COMMUNITY TRAINING AND SUPPORT SERVICES	REVENUE	19,500	20,833	(1,333)	10,975	8,525
	EXPENSE	(29,996)	(27,439)	(2,557)	(52,529)	22,533
	INDIRECT	(5,273)	(6,362)	1,089	0	(5,273)
	SUB-TOTAL	(15,769)	(12,967)	(2,802)	(41,554)	25,785
DEVELOPMENTAL DISABILITIES SERVICES	REVENUE	657,396	638,283	19,113	584,506	72,890
	EXPENSE	(643,706)	(656,323)	12,617	(704,755)	61,050
	INDIRECT	(62,809)	(75,988)	13,179	(66,974)	4,164
	SUB-TOTAL	(49,119)	(94,029)	44,910	(187,223)	138,104
DAY TREATMENT SERVICES	REVENUE	258,575	312,036	(53,461)	514,019	(255,444)
	EXPENSE	(327,675)	(348,069)	20,393	(549,882)	222,206
	INDIRECT	(39,110)	(46,019)	6,909	(89,177)	50,067
	SUB-TOTAL	(108,211)	(82,052)	(26,159)	(125,040)	16,829
BEHAVIORAL HEALTH SERVICES	REVENUE	1,482,503	1,512,745	(30,242)	1,200,076	282,427
	EXPENSE	(1,356,137)	(1,349,783)	(6,355)	(1,208,820)	(147,318)
	INDIRECT	(98,985)	(118,356)	19,371	(76,191)	(22,794)
	SUB-TOTAL	27,380	44,606	(17,225)	(84,935)	112,315
CLIENT SUPPORT SERVICES	REVENUE	41,519	34,035	7,484	25,454	16,065
	EXPENSE	(313,646)	(335,372)	21,726	(271,020)	(42,626)
	INDIRECT	44,875	29,676	15,199	52,945	(8,070)
	SUB-TOTAL	(227,252)	(271,661)	44,409	(192,621)	(34,631)
AGENCY SUPPORT SERVICES	REVENUE	365,190	249,500	115,690	402,196	(37,006)
	EXPENSE	(1,336,277)	(1,679,368)	343,091	(1,429,369)	93,091
	INDIRECT	596,028	737,545	(141,517)	620,128	(24,100)
	SUB-TOTAL	(375,059)	(692,323)	317,264	(407,044)	31,985
* TOTAL REVENUE		9,612,106	9,912,486	(300,380)	9,571,563	40,542
TOTAL EXPENSE		(9,169,567)	(10,129,660)	960,093	(9,158,220)	(11,347)
TOTAL INDIRECT		(0)	0	(0)	0	(0)
TOTAL OPERATIONS		442,539	(217,174)	659,713	413,343	29,196

* Actual and Budgeted revenue does not include the subsidy to the Villa of \$.951 million for FY2026 and \$.999 million for FY2025

Advancement

FY26 Progress

Annual Giving:	\$662,651
Private Grants:	\$1,206,875
Government Grants:	\$1,842,234
Speaking/Training:	\$12,700
Total:	\$3,700,585

Annual Giving

- The annual fund has raised \$629,061 (87% of \$720,000 goal) thus far in FY26.
- On Giving Tuesday, we launched the 2x the Good Challenge, raising \$281,718 for the annual fund in the month of December. We've updated Larry on the results and look forward to seeing what his gift will be this year!
- We have distributed/reserved \$89,577.19 in NAP credits, leaving \$13,048.12 remaining for the fiscal year.
- Tax Mailing will hit mailboxes this week and in February, we will send a stewardship Valentine to our annual donors.

Grants and Major Gifts

- Thus far in FY26, we have received \$1,206,875 in private grants and major gifts for Flagler, CATS, Mental Health, and capital projects. We received 2 six-figure grants in December: \$200,000 from the Kenan Charitable Trust, and \$300,000 from the Schaberg Foundation. Each will be split to be used both this year and in FY27.
- Pending requests as of 1/10 total \$330,000 and include: Memorial Foundation for Children, Hunter Trust, Nunnally Trust, Gwathmey Trust, Peachtree House Foundation, June Guthrie Foundation, Kiwanis Foundation, Rock Foundation, and 3 individual major donors. We also have a pending LOI with Bon Secours for an increased request to support Flagler and the start of its next chapter!
- In December, Jenny and Elizabeth hosted Jeff Galanti, Executive Director of the Red Gates Foundation, for a tour of Cottage 5 (which they supported). We discussed submitting a request for a second gift this year and are in the planning stages of strategizing our approach. We are also working to schedule a site visit with the new Executive Director of the Cabell Foundation, Emily Schott.

Planned Giving

- On December 10th we welcomed 30 guests for the annual Archway Society Holiday Luncheon. The event featured an expert panel from Brown Advisory.
- The Luncheon was particularly fruitful as we learned of a new, 7-figure bequest from a longtime friend; another longtime supporter and Committee members shared that they have listed the Villa as a beneficiary of their life insurance policy; and one attendee shared that she had already included the Villa in her will many years ago! It was a more than \$1.5 million event!
- In December we also received documentation for the \$300,000 intention we were notified of over the summer.

Events and Trainings

- John continues to provide supervision and training for Challenge Discovery Projects, and in November, he completed a session with Henrico CASA.
- May 18 – Innsbrook Classic Golf Tournament will be held at the Federal Club. Registration opened last week and committee meetings begin at the end of the month.

Volunteers and Community Engagement

- Season of Hope served 350 families, and we had nearly 100 volunteers support the effort. We received nearly 500 items from our Amazon Wishlist; 200 winter coats thanks to Puritan Cleaners; \$10,000 in gas and grocery gift cards; and 20 community partners held collection drives for food, clothes, and toys.
- Capital One was once again a key partner in this effort both through volunteer service/collection drives and their pro-bono team who designed a new digital process for the initiative. Piggybacking on this success, we have submitted another RFP to Capital One's pro-bono team to help streamline the intake/admissions process for our youth crisis services.

Marketing Communications

- The Virginia General Assembly convened on January 14. Staff will participate in the following advocacy days:
 - **Mental Health Advocacy Day:** January 26
 - **Autism Advocacy Day:** February 3
 - **Housing Advocacy Day:** February 11
 - **Villa Lobby Day:** February 19
- The Villa joined the newly formed Virginia Autism Coalition to coordinate statewide advocacy and strengthen impact alongside key autism service providers. The coalition will host Autism Advocacy Day.
- The Richmond Region Antique Automobile Club of America (AACA) held their 4th annual parade for Villa students and staff – a highlight of the holiday season!
- Our FY26 Annual Report, *A Place to Begin Again*, will be mailed this month to more than 3,100 supporters and community partners.

Operations

Services

- Flagler and Community Based Services successfully moved into the Housing Success Center in December.
- Flagler's federal (HUD) future funding is unknown at this time due to uncertainty with the current administration's priorities and upheaval at HUD. Extensive staff time and energy has been dedicated to managing this situation as appropriate, but we are currently waiting for the court system, as well as HUD, for direction.
- The management team at the Villa is working closely with our Lobbyist and provider organizations in order to advocate for changes to the Governor's proposed budget. The proposed budget of Governor Younkin calls for rate caps to Private Day School, considerable changes to Crisis Services, and more restrictions on Applied Behavioral Analysis programs. Numerous legislative meetings have been carried out to inform law makers to the impact this would create to the Commonwealth.
- The proposed Governor's budget also calls for a 6-month delay in Legacy services.

Human Resources

- An unannounced DBHDS audit was successful and resulted in no HR file violations.
- The FBI's NGI Audit (Next Generation Identification Audit) is a compliance review ensuring agencies accessing the FBI's vast biometric and criminal history database (NGI) follow federal laws, policies, and the National Crime Prevention and Privacy Compact. It checks proper use, dissemination, and handling of Criminal History Record Information (CHRI) and fingerprints, covering areas like application processes, adjudication, and data security for law enforcement, government entities, and tribal organizations, typically occurring within a three-year cycle.
 - This was the first one for the Villa and it resulted in a successful audit with no corrective actions and document findings for misuse and unauthorized dissemination of CHRI.