

Board of Trustees Report

February 3, 2026



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Finance

FY26 – December Results for the Villa

- December reported \$186 thousand ahead of budget, bringing the year-to-date ahead of budget by \$845 thousand.
- Through December, the Annual Fund is reporting approximately 91% of its annual budget for the year!
- Total revenue is reporting 3% under budget year-to-date, but slightly ahead of the prior year. Total expenses are 10% below budget and slightly behind the prior year.
- Employee costs remain the driving factor in expense savings with 69% of the year-to-date expense budget savings related to wages and benefits. The Villa is budgeted to spend 78.7 cents in employee costs for every dollar of revenue earned. The Villa overall is doing more with less, spending just 74 cents for every dollar of revenue earned. Fee based services are seeing employee savings to budget, however are spending a higher percentage in employee costs due in part to continued increased wages.

Audits – FY25

- 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 issued the Cost Certification audit, 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 budget meetings will begin mid-February.

Financial Statements

ST. JOSEPH'S VILLA
FY 2026 SUMMARY OPERATIONS REPORT
FOR SIX MONTHS ENDED DECEMBER 31, 2025 - PRELIMINARY - UNAUDITED

1/13/2026

PROGRAM		ACTUAL*	FY2026 BUDGET*	F/(U) VAR	FY2025 ACTUAL*	FY26-FY25 F/(U) VAR
CHILDREN'S EDUCATIONAL SERVICES	REVENUE	1,791,949	2,052,094	(260,145)	2,074,067	(282,117)
	EXPENSE	(1,740,293)	(1,966,872)	226,579	(1,656,419)	(83,874)
	INDIRECT	(170,942)	(205,474)	34,532	(154,389)	(16,553)
	SUB-TOTAL	(119,285)	(120,252)	966	263,259	(382,544)
AUTISM EDUCATIONAL SERVICES	REVENUE	4,619,169	4,791,600	(172,431)	4,528,685	90,484
	EXPENSE	(2,946,886)	(3,442,920)	496,034	(2,924,792)	(22,094)
	INDIRECT	(169,089)	(200,835)	31,746	(230,712)	61,623
	SUB-TOTAL	1,503,194	1,147,845	355,349	1,373,181	130,013
FLAGLER HOUSING & HOMELESS SERVICES	REVENUE	1,591,546	1,567,960	23,586	1,503,018	88,528
	EXPENSE	(1,403,292)	(1,440,218)	36,926	(1,275,387)	(127,905)
	INDIRECT	(187,119)	(217,012)	29,893	(167,252)	(19,868)
	SUB-TOTAL	1,135	(89,270)	90,404	60,380	(59,245)
COMMUNITY TRAINING AND SUPPORT SERVICES	REVENUE	24,700	25,000	(300)	22,575	2,125
	EXPENSE	(35,234)	(33,132)	(2,102)	(63,022)	27,788
	INDIRECT	(6,468)	(7,502)	1,035	0	(6,468)
	SUB-TOTAL	(17,002)	(15,634)	(1,368)	(40,447)	23,445
DEVELOPMENTAL DISABILITIES SERVICES	REVENUE	764,096	773,727	(9,631)	669,493	94,603
	EXPENSE	(748,041)	(781,522)	33,481	(815,375)	67,334
	INDIRECT	(76,770)	(91,194)	14,425	(85,690)	8,921
	SUB-TOTAL	(60,715)	(98,990)	38,275	(231,572)	170,858
DAY TREATMENT SERVICES	REVENUE	321,994	380,531	(58,537)	607,913	(285,920)
	EXPENSE	(392,281)	(418,442)	26,161	(638,855)	246,574
	INDIRECT	(48,251)	(54,588)	6,337	(112,526)	64,275
	SUB-TOTAL	(118,538)	(92,499)	(26,039)	(143,467)	24,929
BEHAVIORAL HEALTH SERVICES	REVENUE	1,763,668	1,819,359	(55,692)	1,424,530	339,138
	EXPENSE	(1,619,164)	(1,612,994)	(6,170)	(1,519,639)	(99,525)
	INDIRECT	(121,099)	(141,448)	20,349	(93,126)	(27,973)
	SUB-TOTAL	23,405	64,917	(41,513)	(188,236)	211,640
CLIENT SUPPORT SERVICES	REVENUE	46,372	40,242	6,130	32,088	14,284
	EXPENSE	(398,022)	(393,026)	(4,996)	(350,349)	(47,673)
	INDIRECT	68,255	30,666	37,589	77,827	(9,572)
	SUB-TOTAL	(283,394)	(322,117)	38,723	(240,433)	(42,961)
AGENCY SUPPORT SERVICES	REVENUE	678,296	513,500	164,796	633,351	44,944
	EXPENSE	(1,600,317)	(2,002,235)	401,918	(1,749,054)	148,737
	INDIRECT	711,482	887,388	(175,907)	765,868	(54,387)
	SUB-TOTAL	(210,540)	(601,347)	390,807	(349,835)	139,295
* TOTAL REVENUE		11,601,789	11,964,014	(362,225)	11,495,720	106,069
TOTAL EXPENSE		(10,883,530)	(12,091,361)	1,207,831	(10,992,891)	109,362
TOTAL INDIRECT		(0)	0	(0)	0	(0)
TOTAL OPERATIONS		718,260	(127,347)	845,606	502,829	215,431

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

St Joseph's Villa Foundation
Portfolio Assets (As of December 31, 2025)

<u>Investment</u>	<u>Market Value</u>
Schwab - Funding ⁽²⁾	\$ 14,532
	<u>\$ 14,532</u>
Brown:	
Schwab - 1184	\$ 2,019,408
Schwab - 2524	\$ 2,350,094
Schwab - 4472	\$ 0
Schwab - 6835	\$ 8,415,370
Schwab - 7192	\$ -
Schwab - Gregg	\$ 378,940
	<u>\$ 13,163,813</u>
Vanguard:	
Main	\$ 15,693,935
Gregg	\$ 461,125
Sub-total	<u>\$ 16,155,060</u>
Alternatives:	
Harbinger Class L ⁽¹⁾	\$ 820
Harbinger Class PE ⁽¹⁾	\$ 4,801
Sub-total	<u>\$ 5,621</u>
Total Invested Balance	<u>\$ 29,339,026</u>
(1) as of September 30, 2021 - no updated balances since	
(2) as of October 31, 2023	
Expenses Due to Villa	\$ (30,873)
Deposits Due from Villa	\$ 5,766
	<u>\$ (25,107)</u>
Total Portfolio	<u>\$ 29,313,919</u>

Full Redemption Schedule for Alternatives

Harbinger Class L	Unknown
Harbinger Class PE	Unknown

St. Joseph's Villa Foundation
Portfolio Overview quarter ended **December 31, 2025**

	Fiscal 1st Quarter	Fiscal 2nd Quarter	Fiscal 3rd Quarter	Fiscal 4th Quarter	Since Inception	Calendar 2025
	7/1/25 - 9/30/25	10/1/25 - 12/31/25	1/1/26 - 3/31/26	4/1/26 - 6/30/26	(A)	1/1/25-12/31/25
Beginning Market Value	27,800,804	29,182,848	29,313,919	29,313,919	23,200,587	26,372,867
Net Flows (Transfers-SJV)		(578,665)			(8,346,886)	(1,178,437)
Total Income/Expenses	(23,149)	(12,834)			(1,016,093)	(29,268)
Gross Earnings	1,405,193	722,569	-	-	15,476,311	4,148,757
Dividends/Capital Gains	127,412	532,788				898,597
Accrued Income						-
Realized	329,667	223,453				877,436
Unrealized	948,114	(33,671)				2,372,724
Ending Market Value	29,182,848	29,313,919	29,313,919	29,313,919	29,313,919	29,313,919

^(A) Beginning Market Value represents initial amount transferred to Brown Advisory accounts \$11,425,643 on 7/10/18
and initial amount transferred to Vanguard accounts \$11,433,735 on 10/12/18
and market value held by Harbinger and Schwab funding 7/1/2018

Advancement

FY26 Progress

Annual Giving:	\$694,621
Private Grants:	\$1,176,000
Government Grants:	\$1,842,234
Speaking/Training:	\$12,700
Total:	\$3,725,555

Annual Giving

- The annual fund has raised \$658,651 (91% of \$720,000 goal) thus far in FY26.
- On Giving Tuesday, we launched the 2x the Good Challenge, raising \$281,718 in unrestricted funds in the month of December.
- We have distributed/reserved \$89,577.19 in NAP credits, leaving \$13,048.12 remaining for the fiscal year.

Grants and Major Gifts

- Thus far in FY26, we have received \$1,176,000 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 1/22 total \$295,000 and include: Memorial Foundation for Children, United Way, Hunter Trust, Nunnally 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!

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 long-time 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!
- 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:
 - **Autism Advocacy Day:** February 3
 - **Housing Advocacy Day:** February 11
 - **Villa Lobby Day:** February 19
 - **Mental Health Advocacy Day**, scheduled for January 26, was canceled due to inclement weather.
- The Villa joined the newly formed Virginia Autism Coalition to help 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 FY25 Annual Report, *A Place to Begin Again*, has been mailed 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.