

# COMMUNITY IMPACT & HEAT STUDY

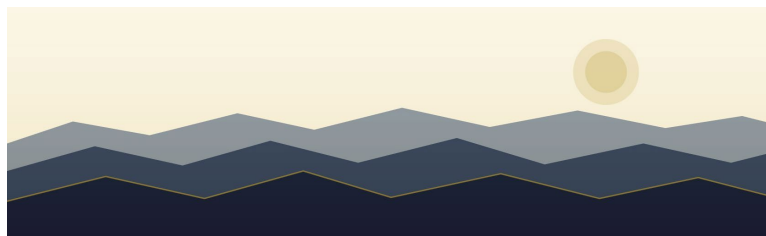
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## Shenandoah County & Frederick County, Virginia

### ***Human & Economic Assessment of Federal Funding Changes on the Nonprofit Safety Net of the Northern Shenandoah Valley***

*A framework that measures both the human impact on residents and the economic impact on communities when funding conditions change.*

*Prepared for nonprofit leaders, boards, funders, elected officials, and community stakeholders in the Northern Shenandoah Valley.*



Version 1.0 | June 2026

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***“Every number tells a story, and every story counts.”***

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## Executive Summary

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### **BOTTOM LINE UP FRONT**

Without proactive planning, some of the nonprofits this community depends on may not survive the next five years in their current form. Which will survive depends far more on the choices their own leaders make this year than on anything decided in Washington.

Federal funding cuts now underway will strain nonprofits across the Northern Shenandoah Valley. The organizations that share administrative strength rather than face this alone can significantly reduce overhead and come through stronger. Clean financials lead to clean audits, clean audits strengthen the Form 990, and a strong 990 builds the donor confidence that sustains an organization when grants fall away. Fiscal discipline compounds over time, and the potential results of improved financial systems are substantial.

### **What Is Changing**

A series of federal funding changes, set in motion by the One Big Beautiful Bill Act of 2025 and related actions, is reducing support for Medicaid, SNAP, AmeriCorps, and the Social Services Block Grant. These changes arrive in waves through 2028 rather than all at once, which makes their cumulative effect easy to underestimate in any single budget year.

### **Who Is Affected**

Across the region, roughly four in ten households live below the ALICE threshold, 41% in Shenandoah County and about 33% in Frederick County, meaning they earn above the poverty line but cannot reliably cover the basic cost of living. The nonprofits that serve them, 1,056 registered tax-exempt organizations, form a safety net that is now under direct financial pressure. Health coverage, food assistance, and the staff who deliver these services are the most exposed. The Kaiser Family Foundation (KFF), a nonpartisan health policy research organization, estimates that 260,000 Virginians will lose health coverage under the Medicaid changes.

### **The Local Economic Stakes**

Nonprofits are among the region's significant employers. If federal cuts reduce nonprofit employment in the two counties, the estimated annual economic output loss ranges from roughly \$16 to \$21 million in a conservative scenario to \$31 to \$42 million in a moderate scenario, depending on the depth of the reductions. These are illustrative planning figures, not predictions, but they show that nonprofit funding does more than support charities. It supports local jobs and spending that circulate through the wider community, so its loss is felt well beyond the organizations themselves.

### **The Path Forward**

The organizations most likely to come through this period intact are not necessarily the largest or best funded. They are the ones whose leaders begin planning now, while options are still available. The most powerful lever available is shared administrative infrastructure.

When nonprofits share back-office functions, they can significantly reduce administrative overhead. Some studies report reductions approaching 50%, which frees scarce dollars for mission work. Other proven models include fiscal sponsorship, co-location, strategic alliances, pooled funding, and, where it fits, merger.

**Five Actions for the Next 90 Days**

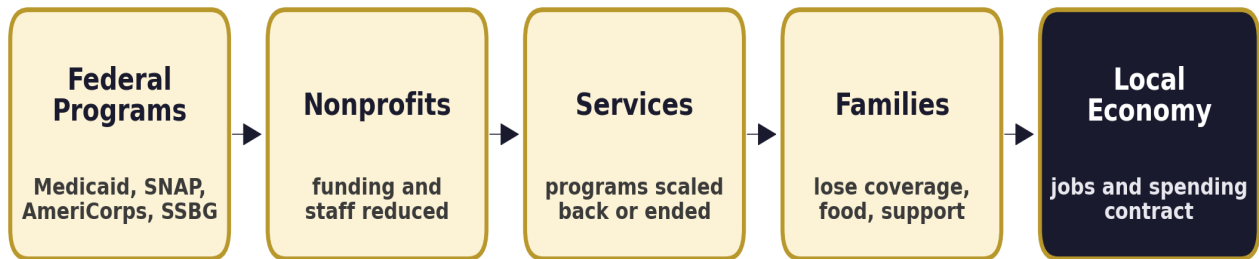
1. Run a one-page funding-risk review: identify every revenue source and flag what is federal, state, or otherwise exposed.
2. Calculate cash runway: know how long the organization could keep operating if its largest funding source stopped.
3. Have the candid conversation: bring leadership together around the assessment questions in this report before circumstances force the discussion.
4. Brief the board: put collaboration, shared services, and alliance models on the agenda as normal strategy, not crisis response.
5. Reach out to one peer organization about what sharing a function, a space, or a back office might look like.

**Key takeaway:** The funding environment will be turbulent for the next several years, but turbulence is survivable with preparation. The work of the next budget cycle is less about predicting exactly what leaders in Washington will do and more about building the financial systems and partnerships that let an organization adapt quickly and efficiently.

**HEAT Snapshot: The Region at a Glance**

<p><b>41%</b> of Shenandoah County households live below the ALICE threshold<sup>4</sup></p>	<p><b>33%</b> of Frederick County households live below the ALICE threshold<sup>4</sup></p>
<p><b>1,056</b> registered tax-exempt organizations across the two counties<sup>5</sup></p>	<p><b>\$160.2M</b> in reported annual nonprofit income<sup>5</sup></p>
<p><b>260,000</b> Virginians projected to lose health coverage<sup>10</sup></p>	<p><b>\$16M–\$42M</b> estimated annual economic output impact<sup>16</sup></p>

## How Federal Funding Cuts Reach the Local Economy



## About This Report

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This report was prepared as a community planning and public education resource for nonprofit organizations, elected officials, civic leaders, board members, funders, and community members in Shenandoah and Frederick Counties, Virginia. Its purpose is to help the people who lead these organizations navigate one of the most significant shifts in federal funding the nonprofit sector has faced in a generation, and to come through it more strongly.

It was prepared by Golden Ledger Consulting, a Shenandoah Valley fractional CFO firm that works with nonprofits on financial planning, forecasting, and organizational sustainability. The HEAT framework (Human and Economic Assessment Tool), looks at federal funding changes through two lenses at once: the human effect on the people these organizations serve, and the economic effect on the local communities that depend on them.

The report covers four stages:

1. Who lives here and what is changing in federal funding.
2. The effects on coverage, local providers, and the regional economy.
3. A pathway forward: how to open the conversation inside your organization, how to build a board ready to navigate change, and the practical models that let organizations share strength rather than face this alone.
4. Appendices with the methodology, the full source list, the terms of use, and a note about the author.

Figures in this report are drawn from federal and state agencies, U.S. Census data, nonprofit sector research, academic publications, and other publicly available sources. Each statistic carries a reference number that corresponds to the numbered source list in Appendix C. Estimates are clearly labeled, and a full methodology and limitations statement appear in Appendix A.

Individual readers will likely read the report differently. For example, nonprofit leaders and boards may move quickly through Parts I, II, and III and spend their time in The Pathway Forward, which lays out concrete options and first steps. Elected officials and funders may focus on Part II and Part III, which document the funding timeline and the local economic stakes.

## Voices from Our Valley

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The quotes below are drawn from public statements, news interviews, and testimony given by regional leaders and Virginia officials. They are presented as documented public records. The individuals quoted have not reviewed or endorsed this report.

*“From cutting its observation unit at Winchester Medical Center to ending contracts for certain workers there and at five other locations, Valley Health is making changes to reduce its spending amid federal Medicaid and Medicare reimbursement cuts and anticipated additional financial strains caused by the One Big Beautiful Bill Act.”*

Mark Nantz, President and CEO, Valley Health | Virginia Mercury, April 17, 2026

*“My former colleagues and the next governor will have to find the money to pay for these costs or make the incredibly difficult decision to cut benefits or raise taxes.”*

Congresswoman Jennifer McClellan, U.S. House of Representatives | SNAP impact forum, August 2025

*“It is difficult to imagine a scenario in which any organization, whether a hospital or something outside of health care, eventually loses 15, 20, 25, 30% of revenue, and that organization continues to function and exist in the same fashion it did prior to absorbing that very significant financial hit.”*

Julian Walker, VP of Communications, Virginia Hospital and Healthcare Association | July 2025

While these perspectives come from different corners of the region’s healthcare and public-policy landscape, they point to a common concern: organizations are being asked to do more with steadily fewer resources.

## I. Who Lives Here

Understanding who the funding cuts affect locally is the foundation of all that follows.

### Demographics

Indicator	Shenandoah County, VA	Frederick County, VA
Estimated Population (2025)	~45,800	~108,000
County Seat	Woodstock	Winchester
Median Household Income	\$64,437	~\$84,600 (est.)
Median Age	42.9 years	~40 years
Families in Poverty	8.7%	~6.5% (est.)
Children in Poverty	~12.3%	~9% (est.)
Adults 65+ (higher Medicaid use)	~20%	~14%
Rural Designation	Yes	Partially

County demographic figures are drawn from the U.S. Census Bureau, with population projections from Virginia Demographics and uninsured rates from the Virginia Health Care Foundation.<sup>1,2,3</sup>

### The ALICE Population (Asset Limited, Income Constrained, Employed)

The framework captures households that earn above the federal poverty line but cannot afford the basic cost of living. ALICE households are the working people who make this Valley function: farm workers, retail employees, home health aides, restaurant staff. They do not appear in poverty statistics, but they are one emergency away from needing the exact services this study examines.<sup>4</sup>

The figures below show how widely the strain is felt across the region by household type, and how it concentrates in particular communities.

Who Is Struggling Across the Region	Share of Households
All households below the threshold (two-county average)	Nearly 4 in 10
Households with children, below the threshold	More than 40%
Senior households below the threshold	More than 1 in 3

### Where It Concentrates: Frederick County Households Below Threshold

Frederick County overall (baseline)	33%
Middletown	68%
Shawneeland	51%
Stephens City	46%
Bruce town	44%

### Where It Concentrates: Shenandoah County Households Below Threshold

Shenandoah County overall	41%
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## The Nonprofit Ecosystem

The nonprofit sector is essential infrastructure in Shenandoah Valley. The organizations at risk of losing funding are among the largest employers, service providers, and economic anchors in both counties. Together they represent a substantial and irreplaceable part of the local economic and social fabric. These organizations employ thousands of Valley residents, purchase from local vendors, and hold contracts with county and state governments. When grant funding is cut, the loss ripples outward: jobs are lost, vendors go unpaid, services end, and ultimately the taxpayers and county governments are left to absorb unmet needs. These figures represent roughly one registered organization for every 146 residents across the two counties.<sup>5</sup> The counts include all 501(c) categories. Winchester is an independent city and is reported separately; its organizations are not included in the Frederick County totals unless specifically noted.

Nonprofit Sector Statistics	Shenandoah	Frederick	Combined
Registered Tax-Exempt Organizations (2025)	506	550	1,056
Total Reported Assets	\$196.7M	\$371.9M	\$568.6M
Total Reported Annual Income	\$63.7M	\$96.5M	\$160.2M
Winchester City 501(c)(3)s (est.)	—	400+	400+

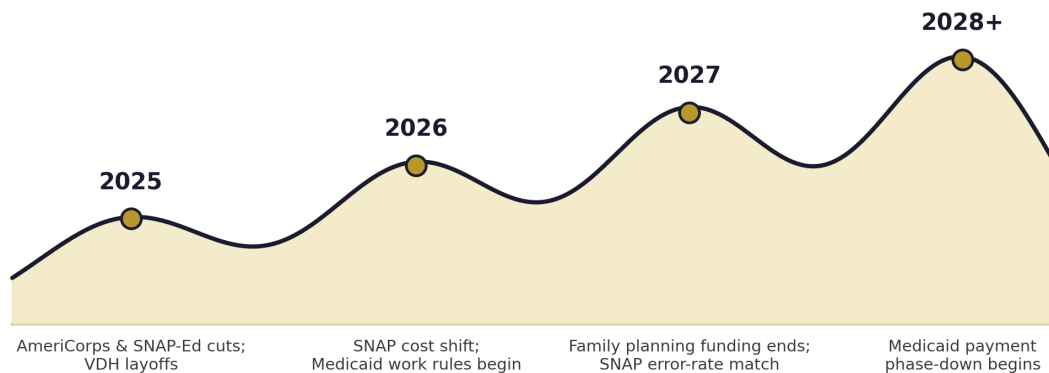
## II. The Funding Landscape

The One Big Beautiful Bill Act (H.R. 1), signed July 4, 2025, restructures SNAP, Medicaid, AmeriCorps, and Social Services Block Grants at the same time.<sup>6</sup> It increases demand for nonprofit services while reducing the funding that sustains them.

### The Rolling Timeline of Cuts

One of the most important features of this situation is its sequence. Unlike a single funding event, these changes arrive in waves, each one landing before organizations have recovered from the last.

**Federal Cuts Arrive in Waves, Not All at Once**



Date / Period	Event	Status
April 28, 2025	AmeriCorps grants terminated, 15 of 23 programs in Virginia. “Cease all activities immediately.”	<b>COMPLETE</b>
Sept 30, 2025	SNAP-Ed nutrition education eliminated nationally (about \$7.5M in Virginia alone)	<b>COMPLETE</b>
Late 2025	Virginia Department of Health loses \$219M in COVID-era grants; hundreds of VDH employees laid off	<b>COMPLETE</b>
Through Nov 2025	Approximately 23,500 federal jobs lost statewide in Virginia during 2025 (BLS data)	<b>COMPLETE</b>
Oct 1, 2026	SNAP administrative cost split shifts from 50/50 to 75% state and 25% federal (about \$90M to Virginia)	<b>IMMINENT</b>
Dec 31, 2026	Medicaid work requirements begin: 80 hours per month documentation for adults aged 19 to 64	<b>IMMINENT</b>
Dec 31, 2026	Medicaid eligibility re-checks required every 6 months, previously annual	<b>IMMINENT</b>
2027–2028	Family planning nonprofits lose Medicaid funding for 10 years	<b>UPCOMING</b>
Oct 1, 2027	States with SNAP error rates above 6% must match 5-15% of benefit costs (Virginia rate: 11.5%)	<b>UPCOMING</b>
2028+	Medicaid state-directed payment phase-down begins, with significant projected impact on Virginia hospitals	<b>UPCOMING</b>

## **SNAP, AmeriCorps, and Block Grants**

### **SNAP Food Assistance**

Across the two counties, several thousand families rely on SNAP, and roughly two-thirds of them include children. Under the new work requirements, many of these families will see reduced benefits while local food pantries absorb the rising need.<sup>7</sup>

### **AmeriCorps**

*“Pursuant to this notice of termination, all activities related to your grant should cease immediately.”*

Kathy Spangler, Director of Serve Virginia, sent to grant recipients on April 28, 2025.

Nearly \$400 million in AmeriCorps grants were terminated nationally in spring 2025, Virginia lost 15 of 23 subgrantee programs, and more than 155 AmeriCorps members received an immediate cease-and-desist.<sup>8</sup>

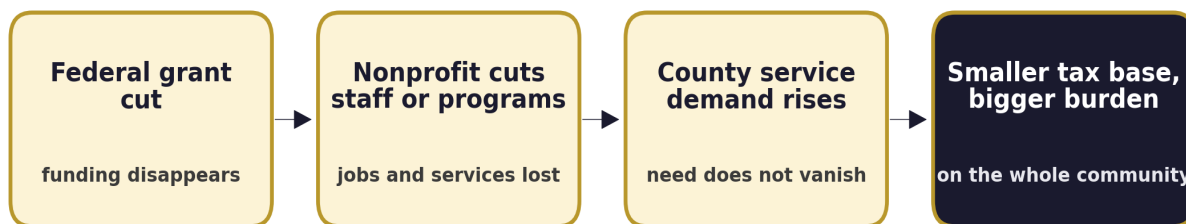
### **Social Services Block Grant (SSBG)**

SSBG partially funds services delivered through local DSS departments, including case managers, domestic violence advocates, and adult protective services. Virginia passes SSBG funds directly to counties, which makes local departments responsible for any shortfall. SSBG funding has eroded over the long term, falling by roughly 40% over the past 15 years, from \$2.8 billion to \$1.7 billion nationally, a decline that predates the current changes but leaves counties with less cushion to absorb them.<sup>9</sup>

### III. The Effects: Coverage, Providers, and the Local Economy

The chain reaction described below causes significant effects that every nonprofit leader in this region should understand: people lose health coverage, local providers come under strain, and the regional economy loses jobs and spending.

#### How One Funding Cut Ripples Outward



#### Coverage Loss and Local Providers

The most reliable figures come from KFF (Kaiser Family Foundation), a nonpartisan health policy research organization, and from the Congressional Budget Office. KFF estimates that 260,000 Virginians will lose health coverage because of the Medicaid changes, with Virginia among the states most affected in the country.<sup>10</sup> Virginia law also contains a provision requiring its Medicaid expansion to be reevaluated if the federal matching rate falls below established thresholds, which puts coverage for the expansion population at heightened risk if federal support declines.<sup>11, 12</sup>

Coverage loss does not reduce the need for care; it shifts that care to emergency rooms and free clinics, which cost more and are already stretched. Valley Health has announced that it will close the observation unit at Winchester Medical Center as of July 1, 2026, and is restructuring physician staffing contracts across its six hospitals, citing Medicaid and Medicare cuts and the One Big Beautiful Bill Act directly.<sup>13</sup> Virginia free clinics saw a 51% increase in patients between 2022 and 2024, before these cuts took full effect.<sup>14</sup>

#### Economic and Employment Impact

Using the two counties combined \$160.2 million in annual nonprofit income, and assuming personnel expenses represent roughly 65% of nonprofit operating budgets (the midpoint of the 60 to 70% range typical of service organizations), the sector likely supports between 1,500 and 2,400 full-time-equivalent positions. The range reflects salary uncertainty: the Virginia statewide nonprofit average wage<sup>15</sup> is pulled upward by the large, higher-paying nonprofit sector in Northern Virginia, so wages in the rural Shenandoah Valley likely sit below the state average, which places the local workforce toward the higher end of this range. The scenarios below apply national workforce-reduction rates to that local base, using a wage assumption consistent with the rural Valley rather than the higher statewide average. They are illustrative planning scenarios, not predictions.

Scenario	FTE Positions at Risk	Annual Payroll Impact	Economic Output Loss
<b>Conservative (10%)</b>	~240 positions	~\$10.4M/year	\$15.6M–\$20.8M
<b>Moderate (20%)</b>	~480 positions	~\$20.8M/year	\$31.2M–\$41.6M
<b>High (30%)</b>	~720 positions	~\$31.2M/year	\$46.8M–\$62.4M

Output figures apply the standard Bureau of Economic Analysis labor income multiplier of 1.5 to 2.0; every dollar of lost nonprofit payroll removes \$1.50 to \$2.00 from the regional economy.<sup>16</sup>

### The Annual Cost in Summary

The table below consolidates the documented economic effects for both counties combined. It reflects the annual economic cost while these cuts remain in place. Beyond these wage and output effects, the same cuts ripple outward in ways this table does not assign a dollar figure to: rising demand for county services as needs go unmet, and a smaller local tax base as employment and spending contract.

Impact Category	Annual, Conservative	Annual, Moderate
Direct nonprofit payroll lost (component of output below)	~\$10.4M	~\$20.8M
Total economic output loss (multiplier applied)	\$15.6M–\$20.8M	\$31.2M–\$41.6M
<b>TOTAL ESTIMATED ANNUAL ECONOMIC OUTPUT LOSS</b>	<b>~\$16M–\$21M</b>	<b>~\$31M–\$42M</b>

## IV. The Pathway Forward

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### Start With a Candid Conversation

The hardest step is often the first conversation, the one where a leadership team looks honestly at its own finances and its own future. It is an uncomfortable conversation, but the organizations that have it early, by choice, are in a far stronger position than those that put it off until they are forced to. The path through this period is not only about finding new money. It is also about using the money already in the system more effectively by working together, and that begins with an open, honest look at where an organization stands.

A useful first session brings the leadership team together around a few direct questions.

- What percentage of our funding comes from federal or state sources that are now at risk?
- If our largest grant disappeared tomorrow, how many months could we operate?
- Which of our functions are truly core to our mission, versus administrative tasks another organization could handle?
- Where in this community do we already overlap with another organization doing similar work?

A second session can move from assessment to scenario planning. Rather than predicting a single future, the executive director or a finance lead prepares an analysis of three: holding steady, tightening, and a worst case. For each, the group reviews what it would actually do, which programs it would protect, and which partnerships it would explore. Scenario planning turns a frightening unknown into a set of plans a board can act on.

For decades, the default response to a community need has been to start a new nonprofit. The result, visible in the 1,056 registered organizations across these two counties, is a landscape of many small groups, each carrying the full cost of its own back office and competing for the same shrinking grants. A well-run nonprofit spends between 20% to 30% of its revenue on administration and overhead. A 2025 study found that nonprofits sharing administrative infrastructure cut that overhead by roughly half, freeing those dollars for the work itself.<sup>17</sup>

*“Nonprofits should look to their left and to their right, get to know their neighbors and the broader nonprofit community, and find their synergistic capabilities.”*

Mike Guevremont, Board of Supervisors, Frederick County, VA | June 2026 <sup>27</sup>

## **Why Board Effectiveness Is One of the Most Overlooked Drivers of Community Stability**

When a federal grant ends or a major contract is cut, the decision about what happens next is not made by the staff who run the programs but by the Board of Directors.

A board that meets quarterly, reviews a comprehensive financial packet, and has already talked through what it would do if its largest funder disappeared will be able to move quickly: approve a reserve draw, greenlight a conversation with a peer organization about sharing a back office, or restructure a program before it runs out of cash.

A board that has not had those conversations will spend its first three meetings just trying to understand the numbers, and in a funding crisis those weeks are the difference between adapting and closing. That is why board effectiveness, more than funding levels alone, often decides whether a Valley nonprofit and the services it provides survive a hard year.

No restructuring succeeds without a board that is ready for it. The research on nonprofit consolidations is blunt on this point: the organizations on solid footing heading into the years ahead will be there because they have boards that are change-ready, change-capable, and change-resilient.<sup>18</sup> The failures usually trace back not to bad finances but to boards that could not align on a path or could not move quickly enough.

Building that kind of board starts before any specific decision is on the table. It means recruiting members who bring financial and strategic experience, not only program passion. It means giving the board accurate financial information regularly, so that a funding shock is met with understanding rather than panic. And it means leadership raising the possibility of collaboration, alliance, or shared services as a normal strategic option long before it becomes an emergency. A board that has already discussed these ideas in calm times will act with confidence when the moment comes. A board hearing them for the first time in a crisis will hesitate, and hesitation is expensive.

In the current environment, the single most useful thing a board can do is build its own financial fluency. A board that reads its financial statements with confidence, understands the organization's reserves and runway, and knows which revenue is most exposed will recognize trouble early and respond with judgment rather than fear. That fluency requires regular, clear financial reporting and a willingness to ask direct questions. Boards that build this habit now will be the ones still standing when the organizations around them are forced into reaction mode.

## **Models for Shared Strength**

The options below are arranged from the lightest touch to the most structural, starting with simple shared services and ending with a full merger. An organization does not need to climb the whole ladder. Many find that one or two steps deliver most of the savings without giving up independence. The right choice depends on a group's mission, culture, and finances, and the conversation is best had openly with the partner organizations a group already trusts.

### **Shared Back-Office Services**

Several organizations share bookkeeping, payroll, human resources, and compliance functions while each keeps its own identity, board, and 501(c)(3) status. This can take the form of a management service organization, a jointly owned service entity, or a simple shared-staffing arrangement. It is the lightest-touch option and often the fastest to produce savings, because administration is where small organizations duplicate each other most.<sup>19</sup>

### **Fiscal Sponsorship**

A larger, established 501(c)(3) serves as the administrative home for smaller projects or organizations, handling financial management, legal compliance, and reporting in exchange for a fee that typically runs around 7% to 9% of budget, well below the 20% to 30% a small organization spends operating alone. This suits emerging or very small efforts that should not carry the full cost of independence.<sup>20</sup>

### **Co-Location and Nonprofit Centers**

Two or more organizations share physical space, reception area, meeting rooms, technology, and some programming. Surveyed nonprofit centers have generally offered below-market rent and modest per-organization savings, along with the harder-to-measure benefit of organizations that refer clients to one another working under one roof. For organizations whose work does not require a storefront, the same logic points toward moving staff to a remote or hybrid working model in order to decrease or eliminate rent overhead entirely, freeing those dollars for programs while a small, shared space or co-location site handles the occasional need to meet in person.

### **Strategic Alliances and Administrative Consolidation**

Short of a full merger, organizations formally combine specific functions, such as a shared finance director or joint purchasing, while remaining legally independent. In one widely cited case, two organizations adopted a parent-subsidiary structure specifically so they could consolidate administration without losing a major grant that capped award size per organization. Structure can be designed around funding realities, not against them.<sup>21</sup>

### **Mergers**

The most structural option is a full merger into a single organization. Literature is consistent on two points: mergers work best as a deliberate strategy pursued from strength rather than a last-minute rescue, and success depends far more on mission fit, leadership chemistry, and community trust than on the balance sheet. Consolidations that struggle

usually do so because of poor cultural alignment, not poor finances. A merger can reduce duplication and stabilize operations, but it is slow, it carries real transaction costs, and it is not the right answer for every organization.

## Pooled and Collaborative Funding

On the revenue side, funders and donors increasingly combine resources into a single pooled fund that a coalition of organizations can draw on, rather than each organization chasing the same grants separately. In Minnesota, the Saint Paul & Minnesota Foundation created the MN Forward pooled fund in direct response to federal funding shifts and reserved at least 30% of its awards for rural-led work.<sup>22</sup> A regional pooled fund organized around the Northern Shenandoah Valley, with a similar rural set-aside, is the kind of structure local funders and a community foundation could build together.

Each of these models trades some independence for shared strength. That trade is not always worth making, and the right answer depends on an organization's mission, culture, and finances. But in an environment where overhead strains every budget and grant dollars are shrinking, the organizations that share structure are likely to be the ones still standing in five years.

## First Steps in the Next 90 Days

None of this requires having every answer today. It requires starting. The following steps are achievable for almost any organization within a single quarter, and each one builds readiness for whatever comes next.

- **Run a one-page funding-risk review.** List every revenue source and mark which are federal, state, or otherwise exposed. This single page will tell you more about your real position than any grant report.
- **Calculate your cash runway.** Know how many months your organization could operate if your largest funding source stopped. If you do not know this number, it is the first thing to find out.
- **Have candid conversations.** Block 90 minutes on the calendar for the leadership team to work through the assessment questions in this report. Do it before circumstances force the discussion.
- **Find your closest peers.** Identify the two or three organizations in this region doing work closest to yours. These are not competitors. They are your most natural partners for shared services or deeper collaboration.
- **Brief your board.** Put collaboration, shared services, and alliance models on a board agenda as a normal strategic topic, not a crisis response. Begin building the change-readiness you will want later.
- **Reach out.** Have a single exploratory conversation with one peer organization about what sharing a function, a space, or a back office might look like. That first conversation is the hardest one to start, but it costs nothing to reach out.

A leader who takes even a few of these steps in 90 days has traded worry for momentum, and momentum is often what carries an organization through a difficult season.

## **Working Together as a Community**

Some of the most effective steps are one's organizations take together rather than alone. Options worth exploring with peers and local funders include:

- Taking part in a regional nonprofit roundtable to share information and coordinate planning.
- Exploring shared-service opportunities such as joint administrative support, with peer organizations.
- Reviewing funding-risk exposure together, so organizations facing the same federal and state changes can learn from one another's analysis.
- Holding a board financial readiness session to put these questions in front of the people responsible for the organization's long-term health.

The organizations that emerge strongest from this period will not necessarily be the largest or best funded. They will be the ones that understand their numbers, build strong partnerships, and make intentional decisions before circumstances force them to. The opportunity is not simply to survive the next funding cycle, but to help build a stronger nonprofit ecosystem for the Shenandoah Valley.

## Preparing Your Financial Records

### Fiscal Discipline Compounds Over Time



*Illustrative comparison based on documented relationships between financial management practices and organizational outcomes; not actual firm data. The benefits noted above draw on the shared-infrastructure, board-effectiveness, and fiscal-sponsorship research cited in Appendix C.*

### A Financial Records Checklist

Before an organization can plan for a tighter funding environment, it needs a clear and current picture of its own finances. The checklist below outlines the records and analyses a nonprofit should have in hand.

#### Core financial statements, current and accurate

- Statement of Financial Position (Balance Sheet): Assets, Liabilities, and Net Assets as of a recent date
- Statement of Activities (Income Statement): Revenue and Expenses for the current and prior year
- Statement of Functional Expenses (SOFE): Allocate expenses between Program, Management and General, and Fundraising costs
- Statement of Cash Flows (SOCF): Cash movement over the period

#### Liquidity and reserves

- Restricted versus Unrestricted Net Assets: The funds that are actually available to spend rather than committed to a donor's purpose
- Operating Reserves and Board-designated Reserve Policy: Operating expenses the organization could cover from reserves measured in months

- Cash runway: the number of months an organization can cover its expenses from cash on hand if its largest funding source stopped today
- A three-scenario cash flow projection (Hold Steady, Tighten Up, and Worst Case), with a break-even point

**Risk and dependency analysis**

- Revenue concentration: the clearest measure of financial fragility is the share of total revenue from the single largest funder and from each funding type
- Federal and state funding dependency: federal revenue, state revenue, and pass-through grants
- Grant and contract compliance: reporting deadlines, drawdown timing, and claw back exposure on current awards
- Monthly Budget-to-Actual Variance: emerging problems surface early
- Funding Gap Analysis that ranks exposures

**Bringing it together**

- Board-ready summary: translates the above into clear findings, recommendations, and next steps the board can act on

## Appendix A: Methodology & Limitations

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This study uses a layered approach to estimate community-level impact from federal funding changes. The methodology is consistent with standard approaches that allocate statewide data to county-level populations.

### Data Sources and Allocation Method

- Population and demographic data come from the U.S. Census Bureau 2023 American Community Survey 5-Year Estimates, the most recent reliable county-level data available.
- SNAP figures come from the Federal Reserve Bank of St. Louis County data, supplemented by statewide Virginia DSS enrollment allocated proportionally. Family counts assume roughly two people per household.
- Medicaid figures come from Virginia DMAS statewide enrollment data, allocated to counties using Census poverty and population estimates.
- Coverage-loss projections come from KFF and Congressional Budget Office modeling, allocated to the two counties by population share.
- Economic multipliers use the standard Bureau of Economic Analysis range of 1.5 to 2.0 for labor income.
- Job-loss estimates are built from the documented two-county nonprofit income base rather than from a separate sample.

### Time Period

This study reflects the policy environment as of June 2026. It covers changes already implemented, such as the AmeriCorps and SNAP-Ed cuts, changes scheduled for near-term implementation, such as Medicaid work requirements, and longer-term structural changes that begin in 2027 and 2028.

### Limitations

Golden Ledger Consulting prepared this study with care and in good faith. It is a community planning and public education resource based on the best available public data. It is not a primary data collection effort or a formal economic model, and it has not been externally peer-reviewed. County-level figures are estimates derived by applying statewide rates proportionally to local population and poverty data, and actual figures may differ. Local primary data from DSS agencies, nonprofit audits, and county budget offices would produce more precise county-level figures. As a matter of editorial standard, the report draws on government data, peer-reviewed research, and established sources, and favors conservative estimates throughout.

### Confidence Levels by Category

Data Category	Confidence	Basis
Demographic data	<b>HIGH</b>	2023 ACS 5-Year Estimates, the federal standard
Coverage-loss projections	<b>HIGH</b>	KFF and CBO modeling, applied proportionally
SNAP enrollment estimates	<b>MODERATE–HIGH</b>	Proportional allocation from federal data
Medicaid enrollment estimates	<b>MODERATE</b>	Proportional allocation from DMAS state data
Job-loss estimates	<b>MODERATE</b>	Two-county income base and national reduction rates
Economic output (multiplier)	<b>MODERATE</b>	Standard BEA labor income multiplier range

Every category in this report meets a moderate or higher confidence standard. The property-tax discussion is presented as a directional effect rather than a numeric estimate, because the precise figures depend on future county budget decisions, and so it is described in the text rather than carried as a confidence-rated data line.

#### A Note on the SNAP and TEFAP Figures

H.R. 1 cut an estimated \$187 billion from SNAP over ten years, the largest reduction in the program's history.<sup>23</sup> TEFAP, the federal commodity program that supplies food banks, was not cut in H.R. 1; its base funding was held flat. The pressure on food banks comes from a combination of flat commodity funding and sharply higher demand as SNAP benefits are reduced. This distinction is stated here so the report does not overstate the TEFAP change.

## Appendix B: Maria's Story

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Maria is a composite character, drawn from the real circumstances of families served by nonprofits in this region. She is not a real individual, and any resemblance to a specific person is coincidental. Her story is included because the numbers in this report are, in the end, about people like her.

### Meet Maria

Maria is 34 years old and lives in Strasburg with her two children, ages 6 and 9. Eight months ago she left an abusive relationship, taking the children with her. They live in a transitional shelter funded through the local Department of Social Services while she works (20 hours/week at \$13/hour) toward permanent housing. She and her children are covered by Medicaid, and the household receives \$742/month in SNAP benefits. She attends weekly counseling through a local nonprofit to recover from the trauma of the past year.

On paper, Maria is doing everything right to start a new life for her family. She is working, her children are in school, and she is rebuilding. What makes her situation fragile is that nearly every support holding her steady is funded by the programs this report describes, and those programs are changing at the same time.

### What the Changes Mean for Maria

Maria's Medicaid coverage is the thread that holds everything else together. Beginning December 31, 2026, she will face an 80-hour-per-month work-and-reporting requirement and a renewal check every six months. At 20 hours a week she meets the hours, but the documentation itself is a hurdle. A missed letter, a paperwork error, or a gap during a hard month can end coverage even for someone who qualifies. People lose coverage not because they are ineligible but because the paperwork is confusing to anyone not trained in government systems.<sup>24</sup>

If she loses coverage, the effects compound quickly. Finding a new primary care provider who takes Medicaid is already difficult, and getting an appointment is harder than it used to be. The average wait for a new-patient appointment reached 31 days in 2025, up 19% in three years,<sup>25</sup> and uninsured patients are offered appointments far less often than insured ones.<sup>26</sup> For Maria, a delay of a month for a sick child or for her own care may lead to an emergency room visit that she cannot pay for.

Her SNAP benefits face their own pressure. The household's \$742 a month works out to be about \$8 per person per day for food. Reductions tied to the new work rules, or a benefit recalculation, would fall directly on the children's meals, and the local food pantry she would turn to is itself facing higher demand as other families lose benefits at the same time. Her counseling depends on a nonprofit whose funding for that position may have run through an AmeriCorps or block-grant stream now cut. And her entire path out of the shelter depends on a DSS-funded case manager who may be carrying a caseload that has just grown because a colleague's position was eliminated.

## **The Arithmetic of Her Month**

Maria's budget leaves no room for emergencies. Her take-home pay covers a portion of rent on a sliding scale, transportation to work and to her children's school, and the costs that SNAP and Medicaid do not. A single unplanned expense, car repair, a co-pay, a missed shift, erases her margin for the month. This is why losing any one support does not simply remove one service. It removes the stability that lets every other piece function, and it raises the real risk that she returns to the situation she escaped, because the alternative becomes homelessness with two children.

Maria is the reason the structural questions in this report are urgent rather than abstract. Every model in the pathway section, every shared back office and every alliance, exists so that the organizations Maria depends on can keep their doors open and their case managers employed through a lean stretch. When a nonprofit lowers its overhead by sharing administration, the savings keep a counselor on staff and a shelter bed available. The case for working together is, in the end, a case made by one family at a time.

## Appendix C: Sources & Bibliography

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Each statistic in this report carries a superscript number that corresponds to the numbered entry below.

**A note on language.** Throughout this report, “estimates” are figures derived by applying statewide rates proportionally to county population and poverty data; they are planning figures, not audited counts. “Projections” are forward-looking scenario calculations based on stated assumptions. “Documented figures” are drawn directly from federal agencies, peer-reviewed research, or official government publications.

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## Appendix D: Legal Disclaimer & Terms of Use

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## Appendix E: About the Author

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### **Mindi Nonnemaker**

*Founder, Golden Ledger Consulting LLC*

Mindi Nonnemaker is the founder of Golden Ledger Consulting, where she provides fractional CFO services to nonprofits and small businesses. She helps mission-driven leaders build audit-ready reporting, realistic forecasting, and cash flow planning that holds up when funding shifts. She brings more than 25 years of experience in accounting operations, financial reporting, treasury management, and audit preparation, including oversight of multi-entity structures and portfolios exceeding \$500 million in assets. Her approach is grounded, judgment-free, and hands-on. Based in the Shenandoah Valley of Virginia, she helps leaders understand the story behind their numbers and turn that understanding into practical decision-making tools for the road ahead. Golden Ledger Consulting LLC is certified as a Women-Owned Small Business and qualifies as a HUBZone business.

Contact: 540-333-9565 | [mnonnemaker@goldenledgerconsulting.com](mailto:mnonnemaker@goldenledgerconsulting.com) | [www.goldenledgerconsulting.com](http://www.goldenledgerconsulting.com) | Strasburg, Virginia 22657

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