VCU Foundation

# Virginia Commonwealth University Foundation

## Financial Report

June 30, 2026

BROWNEDWARDS
certified public accountants

# Virginia Commonwealth University Foundation

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Virginia Commonwealth University Foundation

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BROWNEDWARDS
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# Independent Auditor's Report

Board of Trustees
Virginia Commonwealth University Foundation
Richmond, Virginia

## Opinion

We have audited the accompanying financial statements of Virginia Commonwealth University Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 Virginia Commonwealth University Foundation as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

We conducted our audit 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 Virginia Commonwealth University Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Virginia Commonwealth University 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 Virginia Commonwealth University 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 Virginia Commonwealth University 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.

## Report on Summarized Comparative Statements

We have previously audited the Foundation’s June 30, 2025 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 10, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2026, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Colonial Heights, Virginia
October 8, 2026

# Financial Statements

# Virginia Commonwealth University Foundation

## Statement of Financial Position

**June 30, 2026, with Comparative Totals as of June 30, 2025**

| | Without Donor Restrictions | With Donor Restrictions | Totals 2026 | Totals 2025 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 5,462,878 | $ 33,503,378 | $ 38,966,256 | $ 37,853,387 |
| Contributions receivable, less allowance for uncollectible receivables 2026 $317,626; 2025 $273,341 | - | 9,204,803 | 9,204,803 | 4,763,929 |
| Investments | 66,767,800 | 128,329,508 | 195,097,308 | 154,999,028 |
| Interfund obligations | 25,637 | (25,637) | - | - |
| Due from Virginia Commonwealth University | - | - | - | 691 |
| Due from Virginia Commonwealth University affiliated foundations | 18,424 | 27,066 | 45,490 | 5,618 |
| Beneficial interest in charitable remainder trusts | - | 795,414 | 795,414 | 758,608 |
| Other assets | - | 8,066 | 8,066 | 8,066 |
| Total assets | **$ 72,274,739** | **$ 171,842,598** | **$ 244,117,337** | **$ 198,389,327** |

# Virginia Commonwealth University Foundation

## Statement of Financial Position

**June 30, 2026, with Comparative Totals as of June 30, 2025**

| | Without Donor Restrictions | With Donor Restrictions | Totals 2026 | Totals 2025 |
|---|---|---|---|---|
| **LIABILITIES AND NET ASSETS** | | | | |
| LIABILITIES | | | | |
| Accounts payable | $ 16,404 | $ - | $ 16,404 | $ 17,714 |
| Due to Virginia Commonwealth University | - | 799,820 | 799,820 | 1,077,476 |
| Due to Virginia Commonwealth University affiliated foundations | 11,378 | 188,710 | 200,088 | 207,594 |
| Deposits held for Virginia Commonwealth University | 41,863,433 | - | 41,863,433 | 35,034,437 |
| Deposits held for VCU Real Estate Foundation | 16,941,880 | - | 16,941,880 | 13,627,980 |
| Deposits held for VCU Intellectual Property Foundation | 2,241,633 | - | 2,241,633 | 1,810,687 |
| Annuity payment liability | - | 290,096 | 290,096 | 299,567 |
| Total liabilities | 61,074,728 | 1,278,626 | 62,353,354 | 52,075,455 |
| **NET ASSETS** | | | | |
| Without donor restrictions | | | | |
| Undesignated | 3,347,881 | - | 3,347,881 | 2,401,554 |
| Board designated | 7,852,130 | - | 7,852,130 | 6,411,178 |
| | 11,200,011 | - | 11,200,011 | 8,812,732 |
| With donor restrictions | | | | |
| Purpose restrictions | - | 99,641,604 | 99,641,604 | 76,852,569 |
| Perpetual in nature | - | 70,922,368 | 70,922,368 | 60,648,571 |
| | - | 170,563,972 | 170,563,972 | 137,501,140 |
| Total net assets | 11,200,011 | 170,563,972 | 181,763,983 | 146,313,872 |
| Total liabilities and net assets | **$ 72,274,739** | **$ 171,842,598** | **$ 244,117,337** | **$ 198,389,327** |

The Notes to Financial Statements are an integral part of this statement.

# Virginia Commonwealth University Foundation

## Statement of Activities and Changes in Net Assets

### Year Ended June 30, 2026, with Comparative Totals for the Year Ended June 30, 2025

| | Without Donor Restrictions | With Donor Restrictions | Totals 2026 | Totals 2025 |
|---|---|---|---|---|
| OPERATING REVENUES | | | | |
| Contributions | $ - | $ 17,880,854 | $ 17,880,854 | $ 20,194,347 |
| Administrative fees | 365,490 | - | 365,490 | 363,270 |
| Other revenue | - | 2,793 | 2,793 | 56,485 |
| Interest income | 1,549,827 | 1,833 | 1,551,660 | 1,444,076 |
| Net assets released from restrictions | 11,067,138 | (11,067,138) | - | - |
| Total operating revenue | 12,982,455 | 6,818,342 | 19,800,797 | 22,058,178 |
| OPERATING EXPENSES | | | | |
| Program | 10,622,119 | - | 10,622,119 | 11,180,743 |
| Management and general | 747,122 | - | 747,122 | 650,918 |
| Fundraising | 356,950 | - | 356,950 | 110,608 |
| Total operating expenses | 11,726,191 | - | 11,726,191 | 11,942,269 |
| Changes in net assets from operations | 1,256,264 | 6,818,342 | 8,074,606 | 10,115,909 |
| OTHER CHANGES IN NET ASSETS | | | | |
| Net investment return | 1,131,015 | 25,846,913 | 26,977,928 | 12,634,732 |
| Write off of uncollectible contributions receivable | - | (151,117) | (151,117) | (948,735) |
| Change in value of annuity agreements | - | (36,563) | (36,563) | (36,495) |
| Change in value of charitable remainder trusts | - | 36,806 | 36,806 | (76,290) |
| Changes in net assets before transfers | 2,387,279 | 32,514,381 | 34,901,660 | 21,689,121 |
| Transfers from Virginia Commonwealth University affiliated foundations | - | 548,451 | 548,451 | 22,209 |
| Changes in net assets | 2,387,279 | 33,062,832 | 35,450,111 | 21,711,330 |
| NET ASSETS | | | | |
| Beginning | 8,812,732 | 137,501,140 | 146,313,872 | 124,602,542 |
| Ending | **$ 11,200,011** | **$ 170,563,972** | **$ 181,763,983** | **$ 146,313,872** |

The Notes to Financial Statements are an integral part of this statement.

# Virginia Commonwealth University Foundation

## Statement of Functional Expenses

**Year Ended June 30, 2026, with Comparative Totals for the Year Ended June 30, 2025**

| | Program | Management and General | Fundraising | Totals 2026 | Totals 2025 |
|---|---|---|---|---|---|
| Distributions to and in support of Virginia Commonwealth University | $ 10,575,436 | $ - | $ 300,729 | $ 10,876,165 | $ 11,124,592 |
| Personnel | 46,683 | 532,928 | 52,745 | 632,356 | 588,415 |
| Professional fees | - | 104,118 | - | 104,118 | 99,727 |
| Other expenses | - | 110,076 | 3,476 | 113,552 | 129,535 |
| | **$ 10,622,119** | **$ 747,122** | **$ 356,950** | **$ 11,726,191** | **$ 11,942,269** |

The Notes to Financial Statements are an integral part of this statement.

# Virginia Commonwealth University Foundation

## Statements of Cash Flows

### Years Ended June 30, 2026 and 2025

| | 2026 | 2025 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Changes in net assets | $ 35,450,111 | $ 21,711,330 |
| Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities | | |
| Net realized losses on investments | 26,172 | 11,088 |
| Net unrealized gains on investments | (27,005,745) | (12,806,128) |
| Adjustment to beneficial interest in CRT | (36,806) | 76,290 |
| Contributions and other support restricted for endowment | (10,236,075) | (4,831,537) |
| Donated securities | (612,826) | (2,511,519) |
| Write off of uncollectible contributions receivable | 151,117 | 948,735 |
| Changes in operating assets | | |
| Contributions receivable | (3,024,512) | (263,603) |
| Amounts due from Virginia Commonwealth University | 691 | - |
| Amounts due from VCU affiliated foundations | (39,872) | 260 |
| Other assets | - | 1,000 |
| Changes in operating liabilities | | |
| Accounts payable | (1,310) | 4,083 |
| Amounts due to Virginia Commonwealth University | (277,656) | 124,375 |
| Amounts due to VCU affiliated foundations | (7,506) | 195,640 |
| Annuity payment liability | (9,471) | (9,536) |
| Net cash provided by (used in) operating activities | (5,623,688) | 2,650,478 |
| **INVESTING ACTIVITIES** | | |
| Purchase of investment securities | (12,699,836) | (12,744,167) |
| Proceeds from sale of investments | 13,718,188 | 15,096,616 |
| Net cash provided by investing activities | 1,018,352 | 2,352,449 |
| **FINANCING ACTIVITIES** | | |
| Receipt of contributions restricted to endowment | 5,718,205 | 4,309,786 |
| Net cash provided by financing activities | 5,718,205 | 4,309,786 |
| Net change in cash and cash equivalents | 1,112,869 | 9,312,713 |
| **CASH AND CASH EQUIVALENTS** | | |
| Beginning | 37,853,387 | 28,540,674 |
| Ending | **$ 38,966,256** | **$ 37,853,387** |

# Virginia Commonwealth University Foundation

## Statements of Cash Flows

**Years Ended June 30, 2026 and 2025**

| | 2026 | 2025 |
|---|---|---|
| **SUPPLEMENTAL SCHEDULE OF NONCASH OPERATING AND INVESTING ACTIVITIES** | | |
| Gifts of noncash investments in satisfaction of prior year contributions receivable balances | **$ 2,950,391** | **$ 502,632** |
| Increase in deposits liability for Virginia Commonwealth University offset by increase in investment assets | **$ 6,828,996** | **$ 2,855,007** |
| Increase in deposits liability for VCU Real Estate Foundation offset by increase in investment assets | **$ 3,313,900** | **$ 1,633,417** |
| Increase in deposits liability for VCU Intellectual Property Foundation offset by increase in investment assets | **$ 430,946** | **$ 209,324** |

# Virginia Commonwealth University Foundation

## Notes to Financial Statements

**June 30, 2026**

## Note 1 – Nature of Organization and Significant Accounting Policies

### *Nature of Organization*

Virginia Commonwealth University Foundation (the "Foundation") is a Virginia corporation that functions as a nonprofit charitable foundation solely to assist, support, and foster Virginia Commonwealth University (the "University") in all proper ways that may from time to time be approved by the trustees of the Foundation with the guidance of the University. The Foundation manages and distributes current and endowed gifts for schools, departments, and programs throughout the University, with major emphasis on programs for the Monroe Park Campus.

A summary of the Foundation's significant accounting policies follows:

### *Basis of Accounting*

The Foundation's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) on an accrual basis. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

### *Comparative Financial Statements*

These financial statements include summarized comparative prior-year information in the statement of financial position and the statement of activities and changes in net assets and functional expenses. The prior year balances are not presented by net asset class and do not contain sufficient detail to conform with GAAP. Therefore, this information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2025.

### *Cash and Cash Equivalents*

For purposes of reporting the statements of cash flows, the Foundation includes all cash accounts and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents on the accompanying statement of financial position. Cash and cash equivalents held by investment managers are reported with investments. At times, the Foundation may have cash in excess of insured limits. The Foundation's cash is in institutions whose credit ratings are monitored by management to minimize the concentration of credit risk. At June 30, 2026, the Foundation had cash balances and cash investments that exceeded insurance limits.

### *Contributions Receivable*

Unconditional promises to give that are expected to be collected or paid within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are made. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included in support or expenses until the conditions are substantially met. The Foundation provides an allowance for doubtful accounts equal to estimated pledge defaults. The estimated defaults are based on historical collection experience together with a review of the current status of the existing receivables.

## *Investments*

Alternative investments include investments in limited partnerships (hedge funds, private equity, and publicly-traded securities). Alternative investment interests are stated at fair value based on the financial statements and other information received from the general partners of such entities. Fair value is the estimated net realizable value of holdings priced at quoted market value (where market quotations are available), historical cost, or other estimates including appraisals. The Foundation believes that the stated value of its alternative investments was a reasonable estimate of its fair value as of June 30, 2026. However, alternative investments are not marketable and some of the alternative investments have underlying investments that do not have quoted market values. The estimated value is subject to uncertainty and could differ had a ready market existed for these alternative investments. Such differences could be material. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements as unrealized gain (loss) on investments.

Net Asset Value (NAV) is used as a practical expedient for certain commingled funds, privately held investments, and securities held in partnership format for which a readily determinable fair value is not available, unless the Foundation believes such NAV calculation is not measured in accordance with fair value. These values may differ significantly from values that would have been used had a readily available market existed for such investments, and that difference could be material to the change in net assets of the Foundation.

Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

## *Revenue Recognition*

All contributions and investment income are available for without restriction unless specifically restricted by the donor. Amounts received and investment income earned that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases donor nets assets with restrictions.

## *Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence of or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net assets without donor restrictions** – Net assets available for use in general operations and not subject to donor restrictions. As of June 30, 2026, the governing board has designated a portion of assets without donor restrictions as a board-designated quasi-endowment.

**Net assets with donor restrictions** – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Net assets with donor restrictions at June 30, 2026, consist of contributions with restrictions that support student, faculty, and programmatic initiatives within the University.

### *Functional Allocation of Expenses*

The costs of program and supporting activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### *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.

### *Measure of Operations*

The Foundation reports as changes in net assets from operations all activities, except for investment income or loss and the change in value of split interest agreement obligations with beneficiaries.

### *Income Taxes*

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the *Internal Revenue Code (IRC).* However, income from certain activities not directly related to the Foundation's tax-exempt purpose may be subject to taxation as unrelated business income. The Foundation incurred $-0- of unrelated business income tax expense from an investment partnership on its most recent filed return for the year ended June 30, 2026. The tax expense is included in investment return on the statement of activities and changes in net assets.

The Foundation includes penalties and interest assessed by income taxing authorities in operating expenses, if applicable.

In addition, the Foundation qualifies for the charitable contribution deduction under *IRC* Section 170(b)(1)(A)(iv) and has been classified as an organization other than a private foundation under *IRC* Section 509(a)(1).

### *Reclassification*

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported total assets, liabilities, net assets or changes in net assets.

## Note 2 – Contributions Receivable

Contributions receivable as of June 30, 2026 are expected to be received as follows:

| | | |
|---|---|---|
| Receivable in less than one year | $ | 5,338,722 |
| Receivable in one year to five years | | 4,444,018 |
| Less discount | | (260,311) |
| Less allowance for uncollectible receivables | | (317,626) |
| | **$** | **9,204,803** |

Discount rates ranging from 0.054% to 5.549% were used in determining the present value of the contributions receivable.

## Note 3 – Investments

The Foundation's pooled investments consist of both endowed funds (see Note 8) and unrestricted funds, as well as funds held on behalf of the University (see Note 7) and its affiliates. Assets of various funds are pooled for investment purposes. Equity of individual funds in the pooled investments is maintained using the "market value method." Under the market value method, units of participation are assigned when dollars enter the pool based upon the most recently determined market value of units. The market value of units of participation is calculated monthly.

Pooled assets at June 30, 2026, are summarized below:

| | Cost | Fair Value | Gross Unrealized Losses | Gross Unrealized Gains |
|---|---|---|---|---|
| Cash and cash equivalents | $ 6,750,962 | $ 6,750,962 | $ - | $ - |
| Alternative investments | 68,866,021 | 188,346,346 | - | 119,480,325 |
| | **$ 75,616,983** | **$ 195,097,308** | **$ -** | **$ 119,480,325** |

The number of units of participation in the pooled investments at June 30, 2026 was 1,085,361.73514, with a $179.753258 value per unit.

The Foundation maintains investments in various money market funds and alternative investments that are at risk to loss of principal. The Foundation holds money market investments in various custodial accounts with its custodian, Truist Bank. The custodial accounts are monitored; however, there is no guarantee that the custodian will not become insolvent. The Foundation believes that in the event of insolvency of its custodian, some of the Foundation's assets may be unavailable for a period of time but that it would ultimately have a full recovery of its assets.

### *VCU Investment Management Company*

Beginning in July 2016, the Foundation transitioned its portfolio to the VCU Investment Management Company ("VCIMCO") as its investment advisor. VCIMCO is a nonprofit, nonstock corporation organized under Virginia law for exclusively charitable and educational purposes within the meaning of Section 501(c)(3) of the *IRC*. VCIMCO was set up to advise the University and its affiliated foundations on the management of its investments. The Foundation is also a limited partner in two funds managed by VCIMCO: The Ram Fund, LP and The Ram Private Assets Fund, LP (see Note 4).

## Note 4 – Fair Value Measurements

Accounting standards establish a framework for measuring fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

**Level 1** – Quoted prices are available in active markets for identical investments as of the reporting date.

**Level 2** – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

**Level 3** – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The classification of assets by level within the valuation hierarchy as of June 30, 2026, is as follows:

| | | Fair Value Measurements at Reporting Date Using | | |
|---|---|---|---|---|
| | June 30, 2026 | Level 1 | Level 2 | Level 3 | Measured at NAV |
| Assets | | | | | |
| Cash and cash equivalents | $ 6,750,962 | $ 6,750,962 | $ - | $ - | $ - |
| Alternative investments | | | | | |
| Real estate | 264,310 | - | - | 264,310 | - |
| The Ram Private Assets Fund LP | 41,813,419 | - | - | - | 41,813,419 |
| The Ram Fund LP | 146,268,617 | - | - | - | 146,268,617 |
| Total investments | **$ 195,097,308** | **$ 6,750,962** | **$ -** | **$ 264,310** | **$ 188,082,036** |
| Beneficial interest in charitable remainder unitrusts | **$ 795,414** | **$ -** | **$ -** | **$ 795,414** | **$ -** |

The Foundation's interest in the real estate funds is considered a Level 3 valuation in the fair value hierarchy. The investment is valued using the Foundation's pro rata share of member's equity in the partnerships and is then adjusted for fair value using an unrealized incentive allocation. The unrealized incentive allocation is a projection based on the estimated fair value of the assets and liabilities of the partnership, and any preferred returns payable to the members. The reconciliation of activity for Level 3 investments for fiscal year 2026 is as follows:

| Level 3 Assets | Real Estate Funds |
|---|---|
| Beginning balance at July 1, 2025 | $ 486,162 |
| Return of capital | (63,841) |
| Realized loss on disposition | (29,565) |
| Unrealized losses | (128,446) |
| Ending balance at June 30, 2026 | **$ 264,310** |

The amount of total losses for the period included in the statement of activities and changes in net assets attributable to the change in unrealized losses relating to Level 3 assets still held at the reporting date is $128,446.

The Foundation's beneficial interest in charitable remainder unitrusts is considered a Level 3 valuation in fair value hierarchy. The beneficial interest is valued using the fair value of the trust assets, actuarial assumptions about the donors' life expectancy, and a discount rate.

For investments in entities that calculate net asset value or its equivalent whose fair value is not readily determinable, the following table provides information about the liquidity of these investments. The fair values of these investments have been estimated using net asset value per share of the investments, unless noted. Management is not aware of any factors that would impact net asset value as of June 30, 2026.

The following table sets forth a summary of the Foundation's assets valued at net asset value per share, or its equivalent, as of June 30, 2026:

| | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|---|---|---|---|---|
| The Ram Private Assets Fund, LP | $ 41,813,419 | $ - | N/A | N/A |
| The Ram Fund, LP | 146,268,617 | - | Quarterly | 30 Days |
| | **$ 188,082,036** | **$ -** | | |

### *The Ram Fund, LP*

The Ram Fund, LP (the "Ram Fund") is a limited partnership organized under the laws of the Commonwealth of Virginia. The Ram Fund was organized as a pooled investment vehicle for the purpose of investing the assets of the University and its affiliated organizations in the investment strategies pursued by the Ram Fund. The investment manager of the Ram Fund is VCIMCO.

The Ram Fund invests via a mix of active and passive investment managers and strategies across a diversified group of asset classes including global equity, fixed income (treasuries and credit), real assets, and cash. Investments and investment managers included in the fund employ strategies primarily involving marketable securities.

Redemptions from the Ram Fund may be done quarterly and require a 30-day notice with an effective date on the last day of such calendar quarter. The general partner may, in its discretion, apply a limit to any quarterly redemption request in excess of 20% of the total capital account balance of the limited partner's interest. A limited partner may redeem its entire capital account balance in five quarterly redemptions.

### *The Ram Private Assets Fund, LP*

The Ram Private Assets Fund, LP (the "Private Assets Fund") is a limited partnership organized under the laws of the Commonwealth of Virginia. The Private Assets Fund was organized as a pooled investment vehicle for the purpose of investing the assets of the University and its affiliated organizations in the investment strategies pursued by the Private Assets Fund. The investment manager of the Private Assets Fund is VCIMCO.

The Private Assets Fund invests in active investment managers employing strategies primarily in the illiquid asset classes, including private equity, venture capital, private debt, real estate, infrastructure and natural resources. Due to the illiquid nature of these strategies, the contracted investment period for these investments is typically greater than five years.

Redemptions from the Private Assets Fund are at the discretion of the general partner. The general partner shall make a good faith effort to effect a redemption of a limited partner's interest upon the termination of such limited partner's advisory agreement, or in certain extraordinary circumstances, as defined in the partnership agreement.

### *Real Estate Funds*

The Foundation is a limited partner in three real estate investment partnerships. Pursuant to its limited partnership agreements as of June 30, 2026, the Foundation had unfunded commitments of $147,062.

## Note 5 – Charitable Remainder Annuity Agreements

The Foundation has entered into various agreements providing for gift contributions for the benefit of certain funds in exchange for a life gift annuity agreement from the Foundation to the grantors. The Foundation is obligated to pay the grantors various quarterly installments for the remainder of their lives. There are a total of five agreements with five donors at year-end. The present value of these annuities at June 30, 2026, is $290,096 and is included on the statement of financial position as annuity payment liability.

## Note 6 – Charitable Remainder Unitrust Agreements

The Foundation is a remainder beneficiary of two charitable remainder unitrust agreements.

The contribution portion of an agreement is recognized as revenue when the Foundation has the unconditional right to receive benefits under the agreement and is measured at fair value using the current discount rate. During the term of the agreement, any changes in actuarial assumptions are recognized as "change in value of charitable remainder trust" in the statement of activities and changes in net assets.

The fair value of the Foundation's interest in the two trust agreements is $795,414 at June 30, 2026. The discount rate used in calculating the value was 5% for 2026. The net appreciation in the value of the trust agreements was $36,806.

## Note 7 – Deposits Held for Virginia Commonwealth University

These funds, including all income earned net of expenses, are owned by Virginia Commonwealth University.

Deposits held for Virginia Commonwealth University consist of the following amounts:

| | |
|---|---|
| University deposits, beginning of year | $ 35,034,437 |
| Add | |
| Contributions, net | 3,233 |
| Investment income | 16,897 |
| Unrealized gain on investments | 8,370,959 |
| Net realized gain on investment transactions | 24,468 |
| Less | |
| Advisory and administrative fees | (387,161) |
| Disbursements to the University | (1,199,400) |
| University deposits, end of year | **$ 41,863,433** |

## Note 8 – Endowment

The Foundation's endowment consists of approximately 525 individual funds established for purposes that support the University. The endowment is comprised of donor-restricted endowment funds and board-designated endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

*Interpretation of Relevant State Law*

The Board of Trustees of the Foundation has interpreted the Commonwealth of Virginia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date, of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor-restricted endowment funds – original donor-restricted gift amount net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The portion of a donor-restricted endowment fund not classified as original donor-restricted amounts is classified as accumulated investment gains net assets until appropriated for expenditure by the Foundation 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 donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Foundation and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Foundation; and
- The investment policies of the Foundation.

The following schedule summarizes the endowment net asset composition by type of fund as of June 30, 2026:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Board-designated endowment funds | $ 5,720,853 | $ - | $ 5,720,853 |
| Donor-restricted endowment fund | | | |
| Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor | - | 70,922,368 | 70,922,368 |
| Accumulated investment gains | - | 57,823,635 | 57,823,635 |
| Total endowment net assets | **$ 5,720,853** | **$ 128,746,003** | **$ 134,466,856** |

The following schedule summarizes the changes in endowment net assets for the year ended June 30, 2026:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Endowment net assets, beginning of year | $ 4,155,121 | $ 98,034,222 | $ 102,189,343 |
| Reclassification of amounts converted by donors to endowment | - | 1,694,025 | 1,694,025 |
| Net investment return | 1,131,015 | 23,848,231 | 24,979,246 |
| Funds designated for quasi-endowment | 612,000 | - | 612,000 |
| Contributions and other income | - | 8,873,559 | 8,873,559 |
| Appropriation of endowment assets for expenditure | (177,283) | (3,771,087) | (3,948,370) |
| Other changes | | | |
| Uncollectible contributions receivable | - | (1) | (1) |
| Change in value of annuity agreements | - | (2,715) | (2,715) |
| Change in value of charitable remainder trusts | - | 20,966 | 20,966 |
| Transfer from VCU affiliated foundation | - | 48,803 | 48,803 |
| | 1,565,732 | 30,711,781 | 32,277,513 |
| Endowment net assets, end of year | **$ 5,720,853** | **$ 128,746,003** | **$ 134,466,856** |

### *Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. As of June 30, 2026, there were no funds with deficiencies.

### *Return Objectives and Risk Parameters*

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to earn a real total return that is at least equal to the annual spending rate plus inflation as measured by the Consumer Price Index, while assuming a moderate level of risk. Actual returns in any given year may vary from this amount.

### *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation, which includes equity funds, fixed income instruments, hedge funds, and limited liability partnerships in order to minimize risks while achieving total return objectives.

### *Spending Policy*

For the year ended June 30, 2026, the Foundation has a policy of appropriating for distribution each year up to 5.25% of the twelve-quarter average market value of endowment fund units as of December 31 of the preceding calendar year.

Distributions from underwater funds are prohibited. Distributions from such funds are reactivated when the account grows sufficiently to allow for a distribution while maintaining the donor's original corpus.

In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specific term as well as to provide additional real growth through new gifts and investment return.

## Note 9 – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

| | |
|---|---|
| Subject to expenditure for specified purpose | |
| Scholarships and other University departmental uses | $ 20,233,739 |
| Building projects | 17,118,172 |
| Promises to give, net – the proceeds from which have been restricted by donors for | |
| Scholarships and other University departmental uses | 2,254,697 |
| Building projects | 1,034,349 |
| Beneficial interests in charitable remainder trusts | 657,313 |
| Assets held under split-interest (annuity) agreements, net of liability | 485,830 |
| | 41,784,100 |
| Endowments | |
| Accumulated investment gains subject to appropriation and expenditure when a specified event occurs | |
| Restricted by donors for scholarships and departmental uses | 57,823,635 |
| Corpus subject to endowment spending policy and appropriation | |
| Scholarships and other University departmental uses | 64,790,811 |
| Unconditional promises to give, net – restricted in perpetuity for endowment | 5,915,757 |
| | 70,706,568 |
| Not subject to spending policy or appropriation | |
| Assets held under split-interest (annuity) agreements, net of liability | 77,699 |
| Beneficial interests in charitable remainder trust | 138,101 |
| | 215,800 |
| Total endowments | 128,746,003 |
| | **$ 170,530,103** |

## Note 10 – Economic Dependency

For the year ended June 30, 2026, approximately 41% of total gross contributions receivable represents promises to give from one donor.

For the year ended June 30, 2026, approximately 34% of total contribution revenue for the year came from one donor.

## Note 11 – Allocation of Functional Expenses

The statement of functional expenses includes personnel expenses that are attributed to both program services and supporting functions. Therefore, these expenses are allocated based on an estimate of time and effort.

## Note 12 – Board-Designated Funds

The Board of Trustees has designated certain net assets without donor restrictions for long-term purposes. These board-designated funds are intended to support the financial stability and sustainability of the Foundation.

### *Endowment Distribution Reserve*

The Board of Trustees has designated net assets without donor restrictions as an Endowment Distribution Reserve. This reserve is intended to provide a buffer against market volatility, ensuring the Foundation can maintain consistent support of its programs and activities even in challenging market conditions, while protecting the long-term health of the endowment. It serves as a safeguard to prevent the forced liquidation of investments to meet distribution requirements during times of market downturns. The timing and amount of distributions from the endowment reserve are subject to careful consideration by the Board and governed by the Investment Policy and Endowment Spending Policy. To preserve liquidity and minimize risk, the reserve is invested in a low-risk money market fund and is reported under cash and cash equivalents on the statement of financial position. As of June 30, 2026, the balance of the reserve is $1,931,277.

### *Quasi-Endowments*

The Board of Trustees has designated net assets without donor restrictions to establish Quasi-Endowment funds. These funds are invested alongside donor-restricted endowments to provide long-term support for the Foundation and its programs. Distributions from the Quasi-Endowments are generally made in accordance with the Foundation's Endowment Spending Policy; however, the board retains discretion to authorize additional distributions or other uses of these funds. As of June 30, 2026, the invested balance of the general unrestricted Quasi-Endowment is $4,967,247.

During fiscal year 2026, the Board of Trustees established the VCU Student Compass Fund as a board-designated Quasi-Endowment to advance student success and support pathways to graduation. The board approved a total Quasi-Endowment designation of $1 million, to be funded over the next 3 years, with an initial investment of $612,000 during fiscal year 2026. As of June 30, 2026, the invested balance of the VCU Student Compass Fund board-designated fund is $753,606.

During the initial growth period of the VCU Student Compass Fund Quasi-Endowment, the board separately designated $150,000 of current funds to provide immediate support for the initiative during fiscal years 2026 to 2028. These funds are not invested as part of the Quasi-Endowment and are intended to provide $50,000 of annual support. During fiscal year 2026, the Foundation distributed $50,000 from this current use designation.

### *Support for Development Campaign Efforts*

During fiscal year 2025, the Board of Trustees designated $500,000 of net assets without donor restrictions to establish a fund to support the operational costs of the Foundation's upcoming fundraising campaign. The purpose of this designation is to ensure resources are available to cover campaign-related expenses on a reimbursement basis. The fund is expected to be utilized over a three-year period, coinciding with the public launch of the campaign, in fiscal years 2026 through 2028. In fiscal year 2026, the Foundation distributed $300,000 of the designated funds, with $200,000 remaining funds available for expenditure.

The Board retains the authority to modify or remove these designations in the future based on the financial needs and objectives of the Foundation. Both the Endowment Reserve and the Board Designated-Endowments are intended to further the mission of the Foundation by ensuring financial flexibility and sustainability over time.

## Note 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, consists of cash and cash equivalents of $2,428,302, and amounts due from Virginia Commonwealth University affiliated foundations of $18,424, that total $2,446,726 as of June 30, 2026. Donor-restricted funds are not available for general expenditure.

In addition, the Foundation maintains three board-designated funds, described in Note 12. While these funds are not intended to support general expenditures and are designated for specific long-term purposes, the Board retains the discretion to make these funds available for use if necessary. As of June 30, 2026, board-designated funds total $7,852,130.

## Note 14 – Subsequent Events

Management has evaluated events through October 8, 2026, the date which the financial statements were available for issue.