



**VIRGINIA COMMONWEALTH UNIVERSITY
BOARD OF VISITORS
FINANCE AND UNIVERSITY RESOURCES COMMITTEE
December 8, 2023
10:30 a.m.
James Branch Cabell Library
901 Park Avenue – Room 303
Richmond, VA**

AGENDA

COMMITTEE MEMBERS PRESENT

Anthony Bedell, Chair
H. Benson Dendy III, Vice Chair
Mr. Steven DeLuca
Mr. Peter Farrell
Ms. Ellen Fitzsimmons
Mr. P2 Sandhu

COMMITTEE MEMBERS ABSENT

Ms. Rooz Dadabhoy

OTHERS PRESENT

Dr. Michael Rao, President
Ms. Tricia Perkins, Associate Vice President for Finance and University Controller
Mr. David Allen, Assistant Vice President, Office of Budget, Analysis and Financial Planning
Mr. Jay Davenport, Vice President for Development & Alumni Relations
Mr. Matthew Conrad, Vice President for Government and External Relations for VCU and VCU Health
Ms. Karah Gunther, Vice President for External Affairs and Health Policy
Ms. Erin Wilson, Board & Operations Assistant, Office of the President
Staff and students from VCU and VCUHS
Members of the media

CALL TO ORDER

Anthony R. Bedell, Chair of the Finance and University Resources Committee, called the meeting to order at 10:32 a.m.

ACTION ITEMS

Mr. Bedell recognized Karol Kain Gray for her years of service and leadership, and congratulated her on her upcoming retirement. He then reviewed the items for action, noting that the items listed - the Approval of Minutes from September 2023 for the Finance and University Resources Committee, the Finance and University Resources Committee dashboard, and the Actalent PO renewal – had been provided to the Committee in advance for review. He asked the Committee members if they had any changes to minutes or questions about the dashboard or Actalent PO Renewal. Hearing none, on a motion duly made and seconded, the following items: 1) Minutes of September 15, 2023 Finance and University Resources Committee meeting; 2) Finance and University Resources Committee dashboard; and 3) Actalent PO Renewal were approved unanimously.

The minutes are posted at <https://bov.vcu.edu/meetings/minutes/>. A copy of the other actions items is attached hereto as **Attachment A** and is made a part hereof.

REPORTS

The Associate Vice President for Finance and University Controller Patricia Perkins and Assistant Vice President, for the Office of Budget, Analysis and Financial Planning David Allen presented the Finance and Budget update. Ms. Perkins presented the university's cash position, which has remained fairly constant over the past three years. The university is now staying in the \$600M range, ending fiscal year 23 at \$666M. The \$17M increase over fiscal year 22 is primarily driven by unrealized gains on the university's investments, funding for the Liver Institute and capital projects, and offset by lower balances in auxiliaries and sponsored awards. 70% of that balance is designated for specific uses.

Ms. Perkins then presented a snapshot of the 23 financial statements. The university expects to have the full audited statements in late December or early January. VCU did receive an unmodified opinion which is the best audit opinion that can be issued with no material weaknesses in internal control. There were two management findings, one to improve oversight over third party IT service providers and a second to improve our security awareness training. Ms. Perkins then explained that VCU's net position increased by \$99.6M - \$37M million of that is related to funds that are restricted for capital projects, research, and scholarships. \$64M is unrestricted net position, which is primarily driven by decreases in VCU's pension liability and unrealized gains on investments.

Next, Ms. Perkins provided a summary of the university's related entity financial statements for fiscal year 23. Again, the related entities received unmodified opinions with no management findings. The performance in fiscal year 23 was largely driven by unrealized gains on the investments as of June 30.

Finally, Ms. Perkins presented an overview of endowments that the committee requested at the September meeting, using a summary prepared by the treasurer. The summary of the endowments includes not only VCU, but also all of the related entities as well as the health system, which totaled \$2.6B.

Mr. Allen then presented the budget update. He presented projections for tuition revenue moving into next year and explained some expectations for the upcoming budget cycle for fiscal year 25. The four-year tuition revenue trend, specifically focusing on 2024 projections, is positive. The university is

projecting to end the year up about \$2.9M over budget amounts. At the start of this fiscal year, undergraduate projections were expected to be around \$280M. Much of the growth from the previous year was a result of the 3% tuition rate increase. VCU had a conservative enrollment expectation moving into this year, so it is good news from a fiscal perspective as well as for students that the university experienced growth in our freshman class, and that retention is up. Much of this funding will be returned to the schools and colleges that generated it which falls in line with the overall budget model, which incentivizes schools and colleges to see enrollment growth. This is also very important because VCU had about \$25M in budget cuts. The university's graduate and first professional enrollment has been fairly stable over the years. VCU is pursuing some efforts to increase graduate enrollment.

Mr. Allen then explained that the budget cycle for 2025 will begin in a couple of weeks when the Governor announces the budget. In early January, the General Assembly (GA) will reconvene working from the governor's budget and other legislative priorities. This process will provide expectations for what VCU's budget will look like next year which is very important for many reasons, one of which is funding for financial aid as well as hope that the university's military waiver needs will be recognized for funding. VCU has very high hopes that the requests for additional funding for VMSDEP will receive traction, not only from the GA, but from the Governor's office as well. The cost for VCU is expected to grow to a cost of about \$18M/year, so any state support for this is very important.

Mr. Allen then reviewed anticipated expenses, including expected salary increases that are funded 49% by the state and 51% by the university. He then reviewed reoccurring costs such as utilities, inflation and contractual expenses which maintenance contracts, IT service contracts and continued support of deferred maintenance. Additionally, VCU will have a utility rate inflationary cost of about \$1.5M that is expected which is actually positive news because \$6M in utility rate increases was budgeted.

Next, he reviewed the university's critical needs which are continued support of the university's academic units, as well as support for student success, explaining that funding for these areas provide direct assistance to students which impact retention rates and increase support for students. Approximately \$2M is anticipated as the cost for that. Another critical need is the university's continued support for faculty around cluster hires, which supports VCU's academic mission and the research enterprise. Moving into next fiscal year. Right now, for FY 25, VCU is anticipating approximately \$33M in costs; however, it will be heavily impacted by what the state does.

Finally, Mr. Allen reviewed other areas of revenue and metrics for consideration in the next budget cycle by going over enrollment scenarios, explaining that a 1% increase in enrollment or a 1% increase in tuition would generate about \$4.1M. In addition, the budget office works closely with enrollment management and admissions group to understand expectations for the student population, looking at undergraduate enrollment and retention. He explained that for every 1% increase in retention generates approximately \$1.5M, emphasizing that it is not only important to focus on bringing in new students, but also retaining the students that we already have.

A copy of the items presented is attached hereto as **Attachment B** and is made a part hereof.

Next, the Vice President for Government and External Relations for VCU and VCU Health Matt Conrad and the Vice President for External Affairs and Health Policy Karah Gunther presented the Government Relations update. Mr. Conrad noted that budget season starts much earlier for the university government relations office, and kicked off by attending both the house and senate budget retreats earlier in the year. Mr. Conrad noted that there are 52 new legislators who are new to their seats. This change marks a third of the governing body, which provides a fantastic opportunity to advance the shared missions of the university and health system. The Governor and his team are signaling that they are softening to the university's and health system's priorities, but the team is cautious. The university is very fortunate that its institutional priorities are set in the Six Year Plan, which are all drawn directly from the plan that the board approved. To wit, those priorities include requesting that the state fully fund the military waivers; requesting increased support for financial aid and faculty salaries; requesting support for the Commonwealth's only School of Dentistry; and submitting a suite of research priorities that include Massey, Pauley and Rice Rivers Center.

Ms. Gunther then shared an update about the health system's legislative efforts, which include budget priorities that are shared with the university which are for dentistry and research. In addition, they will advocate to maintain type 1 state teaching hospital, and bolstering state trauma funding. VCU Health is one of the largest trauma centers in the Commonwealth. Recent legislative actions have diminished that funding, so effort will be aimed at restoring it. Ms. Gunther explained that various small legislative actions inadvertently diminished the fees that were being collected that served as the funding source, and that VCU Health, in conjunction with all of the hospitals in the state, are working to promote this and ensure that it is prioritized.

Next, the Vice President for Development and Alumni Relations, Jay Davenport, presented the Development and Alumni Relations Update. First, Mr. Davenport reported that Development and Alumni Relations (DAR) is preparing to launch the next phase of the campaign in fiscal 2025. DAR and Enterprise Marketing & Communications are working together, along with the tri-chairs to brand and name the campaign, and are working through some preliminary ideas.

Mr. Davenport reported that last year was 4th time in 40 years that nationwide fundraising went down 10%; but VCU and VCU Health are doing great. To date, fundraising is at \$112M, whereas last year at the same time, that amount was at \$108M. He explained that VCU has the biggest decrease of donors in the Major Giving category, because VCU has 50% of its alumni that have graduated in the last 15 years so they are still younger and those households are most likely to be significantly impacted by inflation at this time. He then reviewed the definitions of the different funding levels - principal gifts, major gifts and primary gifts, along with an overview of what those donor categories typically pay for.

Mr. Davenport then presented the new endowment reports that are sent to donors. The reports are fully online, and the DAR team has gotten very positive feedback about the information that is shared in these reports. The team is very pleased to report that the average view time for the report is 8.5 minutes – which is remarkable.

He continued by noting areas where DAR is working to grow, which include corporate relations, foundations and planned gifts. For the first time ever, VCU has a planned gift office. DAR is noticing

lots of retired faculty who are interested in giving gifts as well. The team is looking for additional ideas for how to motivate more university-wide support.

Mr. Davenport explained that his office looks at institutional leaders across the country to see what they are doing, so that VCU DAR can enhance their methods. The office looks both within and outside of higher education, to some of the largest organizations, to identify creative ways that VCU can adapt to achieve its vision.

A copy of the items presented is attached hereto as **Attachment C** and is made a part hereof.

CLOSED SESSION

On motion made and seconded, the Finance and University Resources Committee of the Virginia Commonwealth University Board of Visitors convened into closed session under Section 2.2-3711 (A)(9) for the discussion of gifts, bequests, and fund-raising activities of the University, namely the Named Funds Report, the Approved Named Funds under \$50,000 Report, and other notable and significant gifts. The motion was approved unanimously.

RECONVENED SESSION

Following the closed session, the public was invited to return to the meeting. Anthony R. Bedell called the meeting to order. On a motion duly made and seconded the following resolution of certification was approved by a roll call vote:

Resolution of Certification

BE IT RESOLVED, that the Board of Visitors of Virginia Commonwealth University certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Board.

Vote	Aye	Nay	Other
Mr. Anthony R. Bedell, Chair	X		
Mr. H. Benson Dendy III, Vice Chair	X		
Ms. Rooz Dadabhoy			Not present
Mr. Steven DeLuca	X		
Mr. Peter Farrell	X		
Ms. Ellen Fitzsimmons	X		
Mr. P2 Sandhu	X		

All members present responding affirmatively, the resolution of certification was adopted.

MISCELLANEOUS REPORTS

Anthony R. Bedell noted the Sources and Uses Funding/Revenue and Expense Summary, Treasurer's Report, and VCU Health System and Financial Operations update that were included in the pre-read materials. A copy of the items is attached hereto as **Attachment D** and is made a part hereof.

ADJOURNMENT

There being no further business, Anthony R. Bedell adjourned the meeting at 11:19 a.m.

Finance and University Resources Committee
Dashboard Metrics for Annual Review

ATTACHMENT A

Area/Metric	Target/Goal	Actual	Notes
FINANCE			
<i>Supply Chain Diversity</i>			
1. Percentage of discretionary spend with minority-owned businesses	5.50%	7.70%	Goals for FY '24/Actual for FY '23
2. Percentage of discretionary spend with woman-owned businesses	5.50%	2.30%	Goals for FY'24/Actual for FY '23
<i>Bond Ratings</i>			
Moody's		Aa3	<i>Rating reaffirmed March 2023 VCU is at the minimum rating required to achieve Tier III status</i>
S&P		AA-	<i>Rating reaffirmed September 2023 VCU is at the minimum rating required to achieve Tier III status</i>
<i>Debt Ratio</i>			
	Debt Policy sets 4% limit (annual debt service / Operating Exp)		FY2023 2.87% (Preliminary)
<i>Investment Performance</i>		<i>Benchmark</i>	<i>One year as of December 31, 2023</i>
Short-term tier	1.55%	2.72%	
Long-term tier	11.20%%	10.13%	
<i>Budget to Actual Performance</i>		<i>Target/Goal</i>	<i>Actual</i>
			<i>Notes</i>
Revenues	For FY23: *Q1 - 36%, Q2 - 66%, Q3 - 84%, , Q4 - 100%	FY23 Q4 - \$1,460M (95.41% of budget)	Q4 ended close to budget across the enterprise. Q1 is on target for revenues.
	For FY24: Q1 - 36%, Q2 - 66%, Q3 - 84%, , Q4 - 100%	FY24 Q1 - \$548,638 (36.81% of budget)	
Expenses	For FY23: *Q1 - 28%, Q2 - 49%, Q3 - 78%, , Q4 - 100%	FY23 Q4 - \$1,471M (96.13% of budget)	Q4 ended close to budget for expenditures. Q1 is slightly ahead for spending but expect spending to slow in Q2.
	For FY24: *Q1 - 29%, Q2 - 49%, Q3 - 78%, , Q4 - 100%	FY24 Q1 - 469,185 (31.48% of budget)	
	(*based on 10-year averages)		

DEVELOPMENT & ALUMNI RELATIONS			
<i>Increase Annual Giving & Alumni Engagement</i>			
Progress to Campaign Goal	Preliminary campaign goal: \$1B	\$780,242,305 Actual Dollars Raised (78.0% progress towards goal)	Current FY dollars raised: \$112,223,095 Same Time Last Year: \$107,989,573 Percentage Change: 3.9%
Primary Giving by Household/Entity (< \$50,000)		FYTD24: \$3,982,273	Same Time Last Year: \$3,982,152 Percentage Change: 0.0%
Major Giving by Household/Entity (\$50,000 - \$999.9K)		FYTD24: \$8,246,807	Same Time Last Year: \$9,454,951 Percentage Change: -12.8%
Principal Giving by Household/Entity (\$1M+)		FYTD24: \$99,994,015	Same Time Last Year: \$94,552,470 Percentage Change: 5.8%
Donors		FYTD24: 6,788	Same Time Last Year: 7,182 Percentage Change: -5.5%
New Donors		FYTD24: 1,487	Same Time Last Year: 1,328 Percentage Change: 12.0%
GOVERNMENT RELATIONS PRIORITIES			
Reduce Financial Impact of Military Waivers (VMSDEP)			
Increase Undergraduate financial aid			
Increase funding for faculty salaries			
Increase state support for University research priorities			
Secure authorization for School of Dentistry planning			

**To: The Board of Visitors Virginia Commonwealth University
Finance and University Resources Committee**

From: Office of Procurement

Date: November 29, 2023

Subject: Actalent Scientific, LLC

Recommendation:

It is recommended that the Board approve further purchases under the existing contract with Actalent Scientific, LLC (“Actalent”) and the anticipated renewals through April 2026.

Background:

Actalent Scientific, LLC (Actalent), founded in 1983 and formerly known as Aerotek, is an Engineering and Science Staffing company which supports strategic staffing and recruitment efforts of clinical and scientific organizations and institutions.

VCU entered into its relationship with Actalent prior to April 2021. The contract was necessary to address specialized research credentials and personnel shortages originating during COVID which still persist today. Currently, Actalent provides contract staff to fill clinical research positions, primarily at the Massey Cancer Center and the School of Medicine.

The most recent agreement, signed in April 2021, included annual renewal options and a final expiration date of April 2026. The original anticipated expenditures were projected to not exceed \$5 million. To date, the total actual contract expenditures have exceeded \$5 million. These costs are associated with unanticipated and continuing shortages of specialized research and clinical personnel. At the current rate of spending and if all renewals are exercised, the projected spend on this agreement will be \$ 18.9 million through April of 2026.

Discussion:

Actalent’s personnel fills critical gaps in staffing for key research projects in the Massey Cancer Center and the School of Medicine. Actalent’s specialized temporary staff ensures continuity and excellence in the University’s research endeavors while scaling resource demands for growth. The clinical expertise of Actalent’s staff enhances audit and inspection readiness—a necessity in clinical research.

Maintaining our business relationship with Actalent is necessary for the University to maintain its agility in research staffing, minimize administrative costs, and expedite key research activities. Actalent’s local field office also allows for more direct oversight and responsiveness to VCU’s evolving needs.

University Impact:

Continued engagement with Actalent will not only sustain research quality, integrity, and compliance but also facilitates the efficient administration of new clinical trials, thereby generating tangible benefits for both VCU patients and students.

RESOLUTION OF THE BOARD OF VISITORS OF
VIRGINIA COMMONWEALTH UNIVERSITY

APPROVAL FOR ADDITIONAL PURCHASES
EXCEEDING \$5 MILLION

WHEREAS, pursuant to Title § 23.1 of the *Code of Virginia*, the Board of Visitors of Virginia Commonwealth University (the Board) has broad legal authority to make regulations and policies concerning Virginia Commonwealth University (the University);

WHEREAS, the Board has the authority to approve and execute of agreements with outside entities that bind the University;

WHEREAS, under the Board's discretion the Board delegated authority to the University's Office of the President, as outlined in Delegation of Signatory Authority policy, as amended on May 10, 2019, to approve and execute contracts a total actual or anticipated expenditure value under \$5 million;

WHEREAS, on April 1, 2021, the University entered into a two-year agreement with the option of three one-year renewals with Actalent Scientific, LLC (Actalent) for which Actalent provides staff augmentation services for vital clinical research positions in Massey Cancer Center and the School of Medicine;

WHEREAS, upon review of the Actalent agreement, Procurement has determined that the actual expenditures of the current contract will exceed \$5 million; with projected total costs of \$19 million over the life of the contract;

WHEREAS, the University recognizes an increased need for the services provided by Actalent and that Actalent's services strongly support the University's mission of becoming the premier urban research university and assists in successfully fulfilling its research obligations;

WHEREAS, the actual expenditures and additional costs for the proposed expansion of services will exceed the University's Office of the President's delegated authority for approval and execution of contracts; and

WHEREAS, any renewal or new agreement will require Board approval;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

1. The Board approves additional purchases under the existing Actalent Scientific, LLC contract.
2. The Board authorizes the appropriate University officials to sign any contract amendments or documents necessary to implement the anticipated additional expenditures, in accordance with the Delegation of Signatory Authority policy.
3. This Resolution will take effect immediately upon its adoption.

University Cash Position

Karol Kain Gray, SVP and CFO

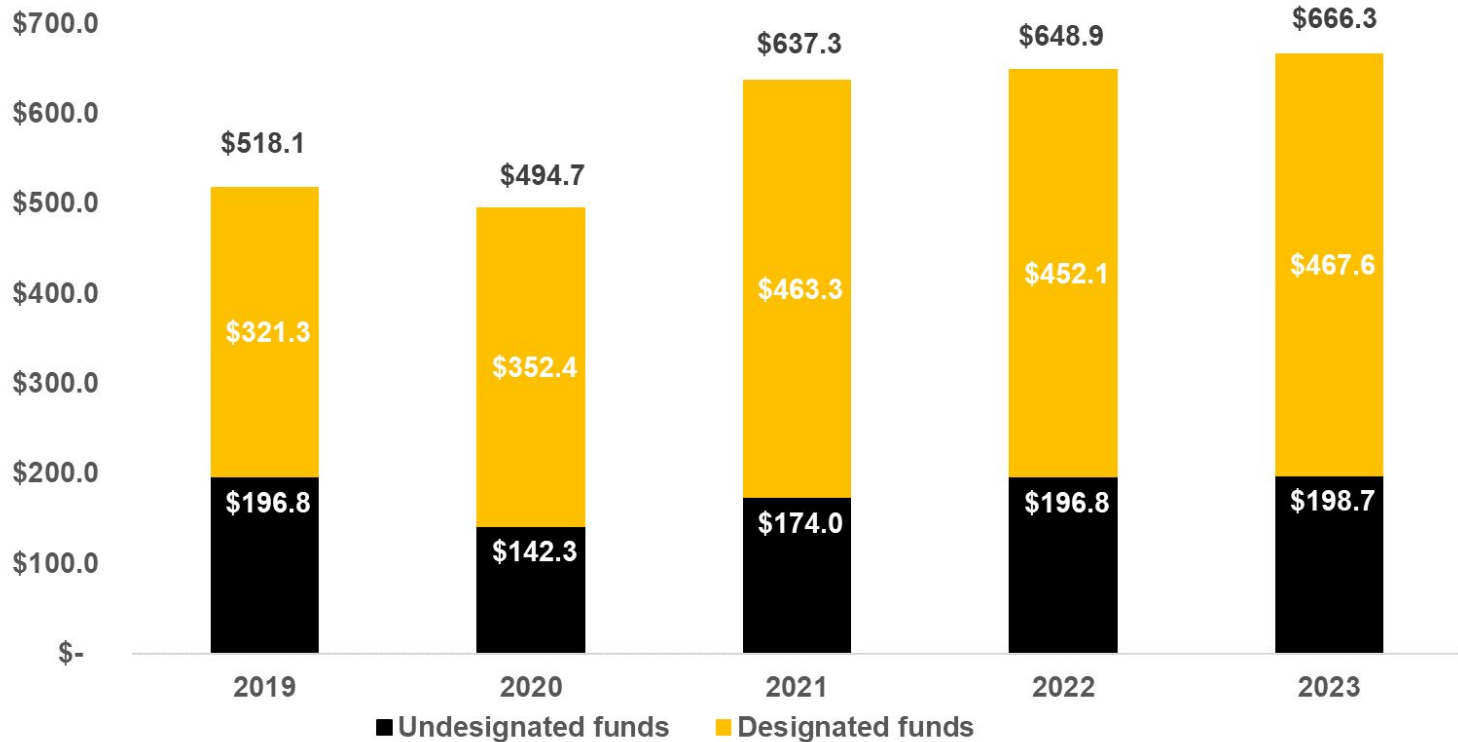
December 9, 2023



VCU

Cash and Investments - Five Year Trend

As of June 30
(in Millions)



FY23 Virginia Commonwealth University Financial Statements

Karol Kain Gray, SVP and CFO

December 8, 2023



Financial Statement Summary

VCU

as of June 30

(in Millions)

Assets and Deferred Outflows	2023	2022	\$ Change	% Change
Cash and Investments	\$ 666.3	\$ 648.9	\$ 17.4	2.7%
Receivables and Other Assets	\$ 362.2	\$ 340.4	\$ 21.8	6.4%
Capital Assets	\$ 1,395.1	\$ 1,385.6	\$ 9.4	0.7%
Deferred Outflows	\$ 88.7	\$ 103.0	\$ (14.3)	-13.9%
Total Assets and Deferred Outflows	\$2,512.3	\$2,478.0	\$ 34.3	1.4%
Total Liabilities and Deferred Inflows	\$ 1,316.6	\$ 1,381.8	\$ (65.2)	-4.7%
Total Net Position	\$ 1,195.7	\$ 1,096.1	\$ 99.6	9.1%
Total Liabilities, Deferred Inflows and Net Position	\$2,512.3	\$2,478.0	\$ 34.3	1.4%
Beginning Net Position	1,096.2	950.9	145.3	15.3%
Revenues	1,438.1	1,364.8	73.3	5.4%
Expenses	1,338.5	1,219.5	119.0	9.8%
Change in Net Position	\$ 99.6	\$ 145.3	\$ (45.7)	-31.5%

FY 23 VCU Related Entities Financial Statement Summary

Karol Kain Gray, SVP and CFO

December 8, 2023



VCU

Financial Statement Summary

VCU Related Entities
as of June 30
(in Millions)

	MCV Foundation	VCU Foundation	VCU Real Estate Foundation	VCU School of Business Foundation	VCU College of Engineering Foundation	Dentistry@ VCU	FY23 Total	FY22 Total
Assets:								
Cash	\$ 31.8	\$ 24.8	\$ 1.8	\$ 5.7	\$ 1.0	\$ 5.7	\$ 70.8	\$ 82.1
Investments & Endowments	844.8	117.5	0.8	59.0	75.5	15.3	1,112.9	1,021.3
PPE	1.4	-	85.0	19.5	30.0	-	135.9	138.2
Receivables and Other	15.2	5.8	10.8	1.5	0.9	5.1	39.3	44.1
Total Assets	893.2	148.1	98.4	85.7	107.4	26.1	1,358.9	1,285.7
Liabilities	6.9	42.7	46.9	29.0	66.1	13.0	204.6	214.9
Net Position	886.3	105.4	51.5	56.7	41.3	13.1	1,154.3	1,070.8
Total Liabilities and Net Position	\$ 893.2	\$ 148.1	\$ 98.4	\$ 85.7	\$ 107.4	\$ 26.1	\$ 1,358.9	\$ 1,285.7
Beginning Net Position	820.1	96.1	48.0	51.9	42.6	12.0	1,070.7	1,146.3
Revenues	102.9	21.5	11.0	11.3	11.3	19.4	177.4	13.0
Expenses	36.7	12.2	7.5	6.5	12.6	18.3	93.8	88.6
Change in Net Position	\$ 66.2	\$ 9.3	\$ 3.5	\$ 4.8	\$ (1.3)	\$ 1.1	\$ 83.6	\$ (75.6)

General Comments

- All related entities received unmodified opinions
- No management letter comments
- Change in net position largely due to increase in market value of investments as of June 30

ONE VCU Endowment Summary

Presented by Karol Kain Gray, SVP and CFO

December 8, 2023

VCU Endowments

Market Value Fiscal Years 2019 - 2023

Entity	FY2019	FY2020	FY2021	FY2022	FY2023
VCU Glasgow Endowment	48,399,845	46,938,876	61,003,497	51,461,563	53,396,915
VCU Quasi Endowment	95,657,068	92,400,522	120,799,495	118,420,550	123,697,239
VCU Health System	1,193,264,199	1,117,113,865	1,532,377,803	1,289,849,414	1,392,048,278
MCV Foundation	497,343,600	514,488,003	721,426,712	692,383,139	742,754,044
VCU Foundation	86,753,278	87,573,385	118,692,166	110,083,928	120,667,292
VCU Engineering Foundation	73,506,695	71,955,194	94,500,046	76,471,333	75,472,096
VCU Business Foundation	47,595,578	47,279,097	62,216,510	54,364,483	59,082,640
	\$2,042,520,263	\$1,977,748,942	\$2,711,016,229	\$2,393,034,411	\$2,567,118,504
Funds Held in Trust by Others for SOM	14,657,354	14,588,973	18,622,427	15,497,434	15,452,835
Total Endowment Assets	\$2,057,177,617	\$1,992,337,915	\$2,729,638,656	\$2,408,531,845	\$2,582,571,339

Additional \$20 million contributed to the VCU Quasi during Fiscal 2021



VCU Board of Visitors

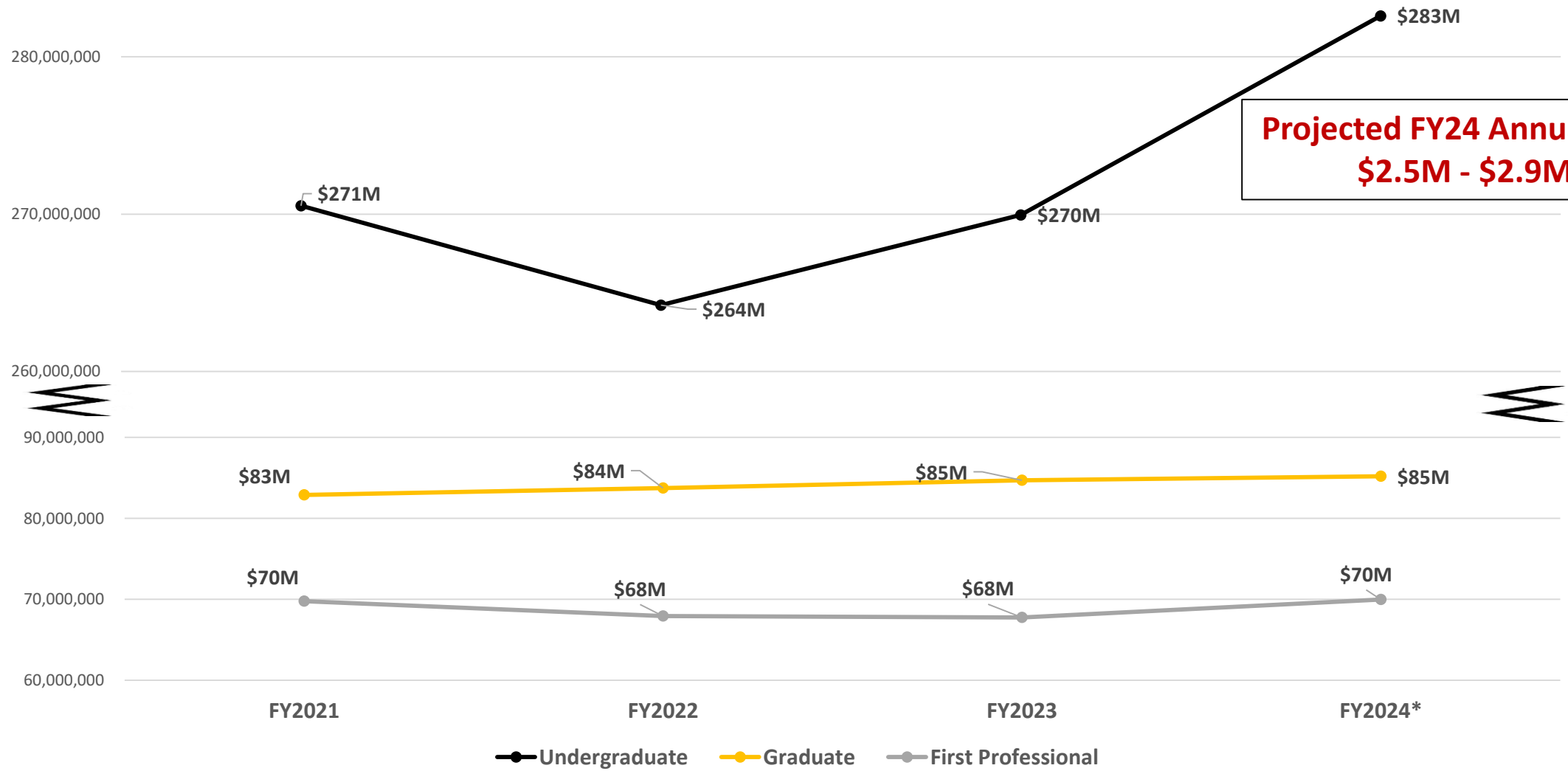
Finance and University Resources Committee

KAROL KAIN GRAY

Senior Vice President & CFO

December 8, 2023

4 Year Tuition Revenue Trend and 2024 Projection



2025 Projected Cost Growth

New Critical Needs & Historical Inflationary Costs Per Year

- VMSDEP cost projected to growth (**\$4.4M**)
- Potential Future Salary Increase (VCU Share 2% Salary Increases Cost **\$10.2M**)
- Full Year Cost for additional 2% Salary Increase (**\$2.8M**)
- Continued Investment in Financial Aid (**\$3M**)
- Inflation & Contractual Cost (**\$5-6M**)
- Utility Rate Inflationary Costs (**\$1.5M**)
- Academic and Student Success (**\$2M**)
- Faculty Cluster Hires (**\$2-3M**)

**\$32.9M Currently
Projected for New
Needs**

Key Revenue Financial Metrics

Each 1% change in:

Undergraduate Enrollment or Tuition Generates **\$2.8M**

Graduate Enrollment or Tuition Generates **\$850k**

First Professional Enrollment or Tuition Generates **\$445k**

All Levels 1% Enrollment or Tuition Increase Generates \$4.1M

1% Increase in Retention Generates

\$ Generated from 1% Increase in Retention	Freshman to Sophomore	Sophomore to Junior	Junior to Senior	Total Tuition Growth
In-State & Out of State	540,494	517,498	458,173	\$ 1,516,165



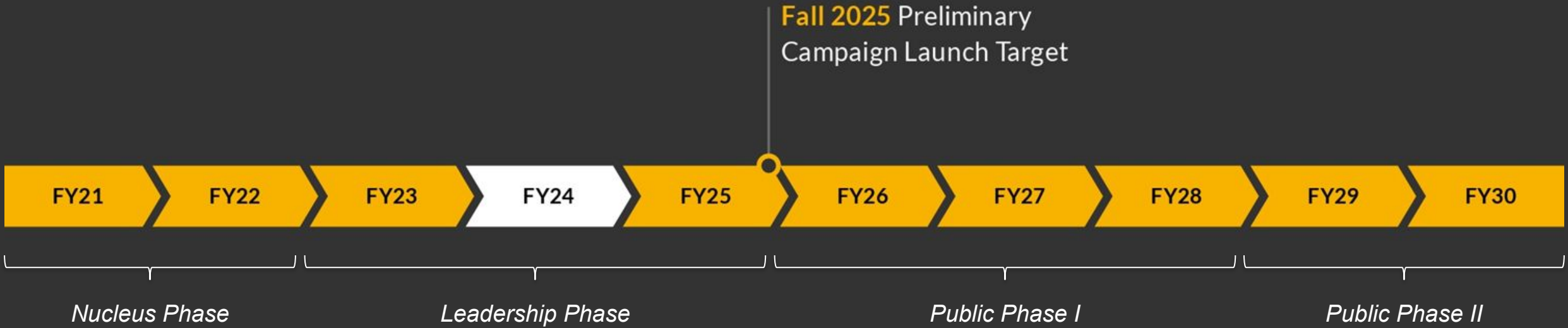
Board of Visitors

Jay Davenport, Vice President, Development and Alumni Relations
December 8, 2023



VCU

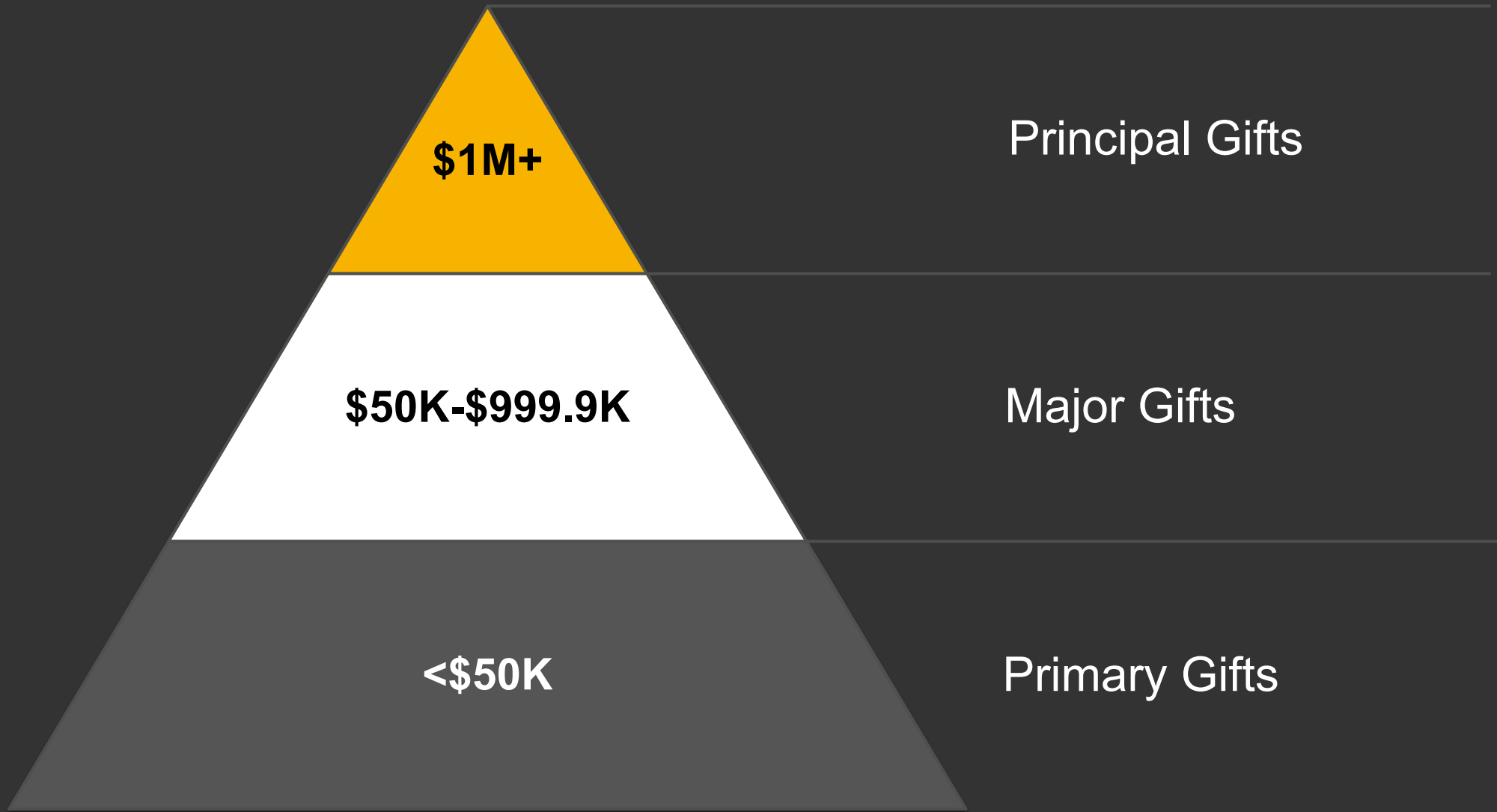
WE ARE THE UNCOMMON.



	Dollars Raised	Recognized Donors	New Donors	Principal Giving by Household/Entity	Major Giving by Household/Entity	Primary Giving by Household/Entity
FYTD24	\$112.2M	6,788	1,487	\$100.0M	\$8.2M	\$4.0M
Same Time Last Year	\$108.0M	7,182	1,328	\$94.6M	\$9.5M	\$4.0M
Percentage Change	3.9%	-5.5%	12.0%	5.8%	-12.8%	0.0%
Campaign Total (FY21-FYTD24)	\$780.2M	46,822	17,745	\$634.6M	\$101.9M	\$43.8M

Report date: 11/27/2023







Principal Gifts \$1M+

- Principal gifts
- Transformational gifts
- Presidential advancement





Major Gifts \$50K-\$999.9K



- Students
- Research
- Faculty
- Community



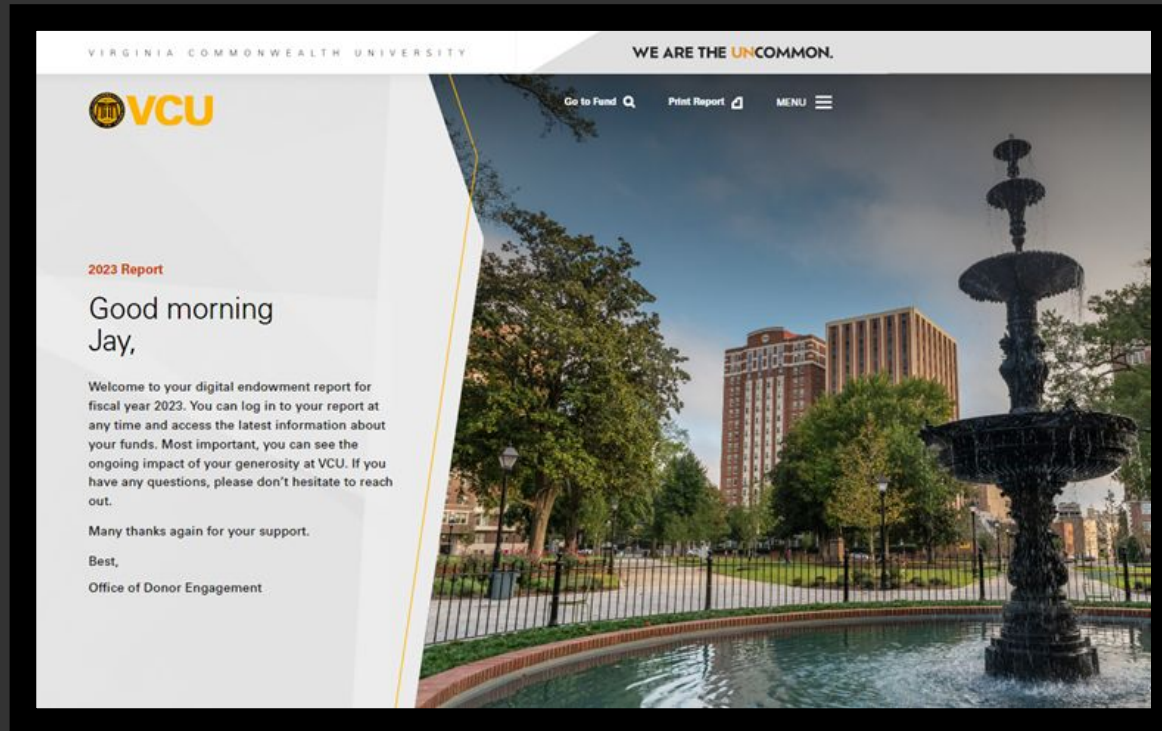
Primary Gifts <\$50K



support.vcu.edu

- Immediate use funds
- Crowdfunding
- VCU Giving Day
- Online donations

Endowment Reports – Monroe Park Campus



“I don’t believe I’ve ever received a report like this. I love it - it is AWESOME. Great job!”

“Thank you so much for this update and for your stewardship of these funds. Most of Murry’s waking moments were geared toward how to help his students succeed. We are grateful that this part of his legacy continues to reflect that goal.”

“Thank you for sending this link to the online report. I especially enjoyed reading the personal statements of the two most recent scholarship recipients. It is exactly this kind student that I had hoped to support.”

“Thank you for sharing this updated information on my mother’s scholarship. We are grateful to always learn about the recipient of these funds”

- 612 reports built in Overture
- Average report view time 08:31 minutes

Areas to Grow



Corporations



Foundations



Planned gifts

Discussion

- Ideas for university-wide support
- DAR units you have questions about
- Areas to improve within DAR

**Quarterly Report
FY2023 4th Quarter Report**

ATTACHMENT D

Dollars in Thousands

	<u>Actuals</u>				<u>Budget</u>	<u>Actuals</u>	<u>Historical</u>
	<u>FY22 Q4</u>	<u>FY23 Q4</u>	<u>\$ Change</u>	<u>% Change</u>	<u>BoV Book</u>	<u>FY22 YE</u>	<u>Forecast</u>
Revenue							
Tuition and Fees E&G	433,446	434,667	1,221	0.3%	448,691	433,400	434,667
State General Fund E&G	224,223	252,492	28,269	12.6%	251,121	224,223	252,492
Other Income E&G	67,347	72,051	4,704	7.0%	60,882	67,347	72,051
Educational and General Programs	725,016	759,210	34,194	4.7%	760,694	724,970	759,209
University and Student Health Fee	59,353	61,166	1,813	3.1%	65,116	59,353	61,166
Other Auxiliary Income	85,195	92,774	7,580	8.9%	95,774	85,195	92,774
Auxiliary Enterprises	144,548	153,941	9,393	6.5%	160,890	144,548	153,941
Sponsored Programs	278,511	263,555	(14,956)	-5.4%	364,862	278,511	263,555
FACR	37,901	40,783	2,882	7.6%	38,365	37,901	40,783
University Funds	161,244	94,489	(66,755)	-41.4%	66,333	161,244	94,489
Student Financial Assistance	95,323	107,301	11,979	12.6%	90,921	95,323	107,301
Hospital Services	37,686	40,669	2,983	7.9%	48,158	37,686	40,669
Total Revenue	1,480,229	1,459,948	(20,281)	-1.4%	1,530,223	1,480,183	1,459,948
Expenses							
Academic Programs E&G	410,301	427,516	17,216	4.2%	417,028	410,301	427,516
Support Programs E&G	307,058	364,862	57,803	18.8%	343,666	314,893	364,862
Educational and General Programs	717,359	792,378	75,019	10.5%	760,694	725,193	792,378
Auxiliary Enterprises	144,676	159,525	14,849	10.3%	160,890	144,676	159,525
Sponsored Programs	259,597	268,178	8,581	3.3%	364,862	259,597	268,178
FACR	28,942	19,998	(8,944)	-30.9%	38,365	21,107	19,998
University Funds	71,738	85,750	14,013	19.5%	66,333	71,738	85,750
Student Financial Assistance	94,700	105,184	10,484	11.1%	90,921	94,700	105,184
Hospital Services	38,211	39,906	1,694	4.4%	48,158	38,211	39,906
Total Expenses	1,355,222	1,470,919	115,697	8.5%	1,530,223	1,355,222	1,470,919
Net	125,007	(10,971)	(135,978)	-108.8%	-	124,961	(10,971)

Quarterly Report
FY2024 1st Quarter Report
Dollars in Thousands

	<u>Actuals</u>				<u>Budget</u>	<u>Actuals</u>	<u>Historical</u>
	<u>FY23 Q1</u>	<u>FY24 Q1</u>	<u>\$ Change</u>	<u>% Change</u>	<u>BoV Book</u>	<u>FY23 YE</u>	<u>Forecast</u>
Revenue							
Tuition and Fees E&G	205,586	216,007	10,421	5.1%	444,804	434,667	456,700
State General Fund E&G	60,002	70,058	10,055	16.8%	264,531	252,492	275,435
Other Income E&G	11,491	27,239	15,747	137.0%	66,651	72,051	74,173
Educational and General Programs	277,079	313,303	36,224	13.1%	775,986	759,210	806,308
University and Student Health Fee	32,519	34,932	2,412	7.4%	65,053	61,166	67,250
Other Auxiliary Income	39,739	44,152	4,413	11.1%	97,633	92,774	100,686
Auxiliary Enterprises	72,258	79,084	6,826	9.4%	162,686	153,941	167,935
Sponsored Programs	64,946	78,792	13,846	21.3%	301,618	263,555	298,432
FACR	14,841	2,268	(12,574)	-84.7%	38,966	40,783	44,916
University Funds	11,597	18,486	6,889	59.4%	72,267	94,489	86,768
Student Financial Assistance	37,274	44,996	7,722	20.7%	87,137	107,301	134,355
Hospital Services	10,647	11,710	1,062	10.0%	51,900	40,669	50,054
Total Revenue	488,644	548,638	59,995	12.3%	1,490,560	1,459,948	1,588,769
Expenses							
Academic Programs E&G	109,900	114,635	4,735	4.3%	388,906	427,516	427,699
Support Programs E&G	109,715	117,869	8,154	7.4%	387,080	339,672	395,379
Educational and General Programs	219,615	232,504	12,889	5.9%	775,986	767,188	823,078
Auxiliary Enterprises	40,711	55,645	14,934	36.7%	162,686	159,525	157,265
Sponsored Programs	79,128	80,311	1,184	1.5%	301,618	268,178	274,973
FACR	9,748	13,337	3,589	36.8%	38,966	45,188	35,856
University Funds	14,454	23,565	9,111	63.0%	72,267	85,750	98,093
Student Financial Assistance	40,588	52,691	12,103	29.8%	87,137	105,184	134,355
Hospital Services	9,426	11,132	1,706	18.1%	51,900	39,906	50,329
Total Expenses	413,670	469,185	55,514	13.4%	1,490,560	1,470,919	1,573,947
Net	74,973	79,454	4,480	6.0%	-	(10,971)	14,821

Treasurer's Report

As of September 30, 2023

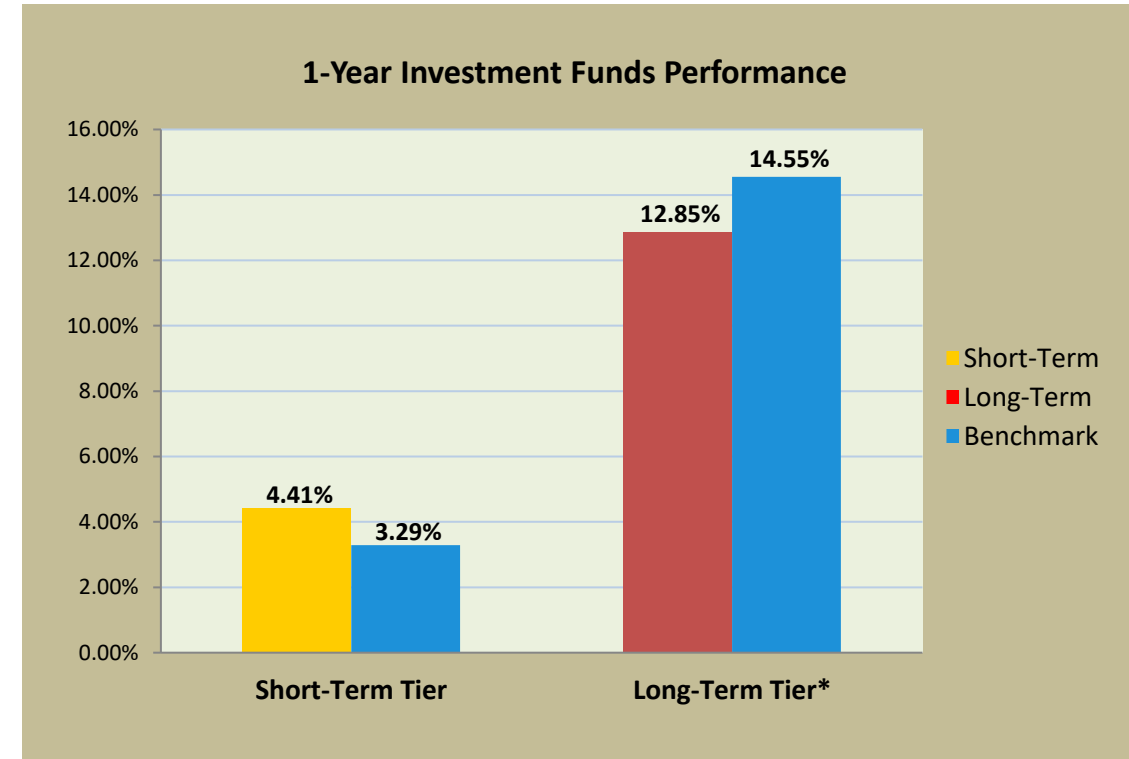
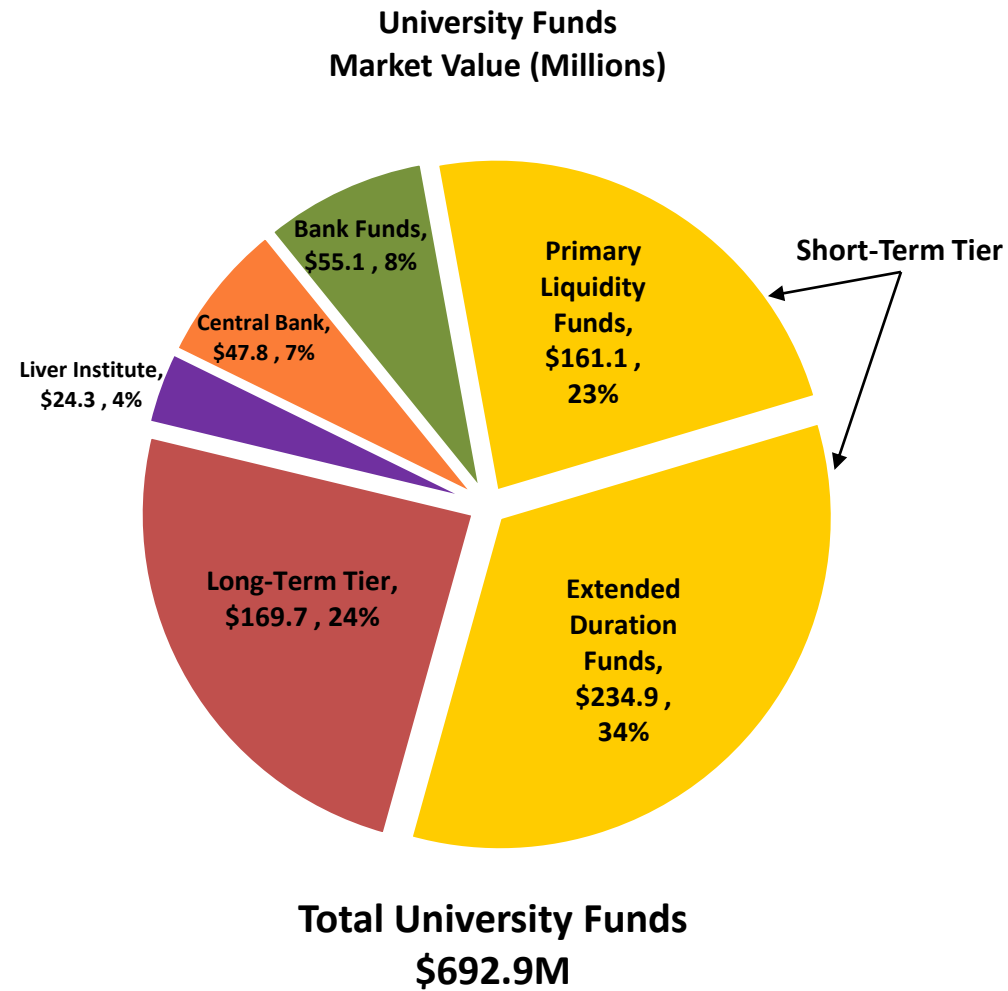
Finance and University Resources Committee

Karol Kain Gray

December 8, 2023



Total University Funds Overview for the Period Ending September 30, 2023



* Long-Term Tier benchmark applies only to VCIMCO; VCIMCO manages 99.7% of the LT MV at 9/30/2023.

Short-Term Tier Performance Summary As of September 30, 2023

Performance Summary (Net of Fees)

	Market Value (M)	Current Allocation	1 Month	QTD	FYTD	1 Year	Annualized		
							3 Years	5 Years	Since 7/2009
Primary Liquidity Funds / Payden & Rygel	\$161.1	40.7%	1.03%	1.94%	1.94%	5.28%	1.86%	1.85%	0.91%
<i>iMoneyNet MM All Taxable</i>			0.40%	1.20%	1.20%	4.21%	1.57%	1.48%	0.65%
Extended Duration Funds / Merganser	\$234.9	59.3%	0.04%	0.95%	0.95%	3.86%	-0.25%	1.54%	1.41%
<i>BofA ML US Corp & Govt 1-3 Year Blended¹</i>			-0.03%	0.78%	0.78%	2.85%	-0.71%	1.22%	3.69%
Total Operating Funds	\$396.0	100.0%	0.42%	1.33%	1.33%	4.41%	0.60%	1.88%	1.29%
<i>Short-Term Tier Composite²</i>			0.14%	0.94%	0.94%	3.29%	0.16%	1.53%	1.37%

¹ BofA ML US Corp & Gov 1-3 Year Blended Index = Citi 6-Month T-Bill 7/31/2009 to 2/28/2010; BofA ML US Corp & Govt 1-3 Year AAA-A 3/31/2010 to 4/30/2016;
BofA ML Treasury 1-5 Year 5/31/2016 to 3/31/2017, BofA ML US Corp & Govt 1-3 year 4/30/2017 to present

² Short-Term Tier Composite = Weighted Average of iMoneyNet MM All Taxable/BofA ML US Corp & Gov 1-3 Year Blended Index

Long-Term Tier Performance Summary Estimated as of September 30, 2023

VCU Long-Term Tier									
Estimated September 30, 2023	Mkt Value (M)	% Allocation	Since Inception						
			4/30/2016	5 Years	3 Years	1 Year	CYTD	FYTD	3 Mos
VCIMCO Funds	\$169.1	100.0%	6.80%	6.84%	8.01%	12.82%	9.27%	1.16%	1.16%
<i>Long-Term Policy Benchmark¹</i>			<i>6.24%</i>	<i>4.76%</i>	<i>3.64%</i>	<i>14.55%</i>	<i>6.63%</i>	<i>-3.33%</i>	<i>-3.33%</i>
Equity	\$102.3	60.5%	8.77%	7.56%	7.75%	14.53%	12.30%	0.39%	0.39%
<i>MSCI All Country World</i>			<i>8.77%</i>	<i>6.46%</i>	<i>6.89%</i>	<i>20.80%</i>	<i>10.06%</i>	<i>-3.40%</i>	<i>-3.40%</i>
Credit and Absolute Return	\$44.1	26.1%	6.60%	8.41%	12.11%	15.68%	9.84%	2.98%	2.98%
<i>Bloomberg US Corporate High Yield</i>			<i>4.10%</i>	<i>2.96%</i>	<i>1.76%</i>	<i>10.28%</i>	<i>5.86%</i>	<i>0.46%</i>	<i>0.46%</i>
Real Assets	\$13.9	8.2%	0.77%	-1.94%	9.88%	11.19%	4.16%	-1.18%	-1.18%
<i>Long-Term Real Estate Benchmark²</i>			<i>0.94%</i>	<i>-0.64%</i>	<i>-1.76%</i>	<i>0.05%</i>	<i>-5.52%</i>	<i>-5.14%</i>	<i>-5.14%</i>
Treasuries	\$0.0	0.0%	-0.04%	0.47%	-4.01%				
<i>Bloomberg US Treasury</i>			<i>1.73%</i>	<i>3.43%</i>	<i>-4.41%</i>				
Cash and Equivalents	\$8.8	5.2%							
VCU Long-Term Tier	\$169.7		6.67%	6.78%	7.95%	12.85%	9.22%	1.15%	1.15%

Total VCU Long-Term Tier includes residual investments held by JP Morgan.

JP Morgan valuation is based on manager reporting. Totals may not sum due to rounding. Past performance is not predictive of future results.

Returns for periods greater than one year are annualized. Performance is estimated based on best available data as of October 5, 2023.

Performance includes reporting by 54 of 55 underlying private investments, which, with cash, represent 99.7% of Ram Private Assets Fund's net asset value as of June 30, 2023.

¹ As of 7/1/2021, 70% MSCI All Country World, 30% Bloomberg US Aggregate; prior to 7/1/2021, 65% MSCI All Country World, 25% Bloomberg US Aggregate, 10% MSCI All Country World Real Estate

² As of 6/1/2023, MSCI ACWI IMI Core Real Estate Index; prior to 6/1/2023, MSCI All Country World Real Estate.

Monitoring Report as of November 30, 2023 (Preliminary)

Cash and Investments			
	Quarter Ended	(in millions)	
	9/30/2023	As of 11/24/2023	As of 11/30/2023
Bank Funds			
Bank of America Checking	\$ 28.33	\$ 49.23	\$ 63.96
Restricted Cash Funds	24.87	31.95	25.00
Unspent Bond Proceeds	15.80	11.78	11.83
Less: Outstanding Checks - Bank of America ^A	(13.90)	(16.80)	(19.59)
Total Bank Funds	\$ 55.10	\$ 76.17	\$ 81.20
Short-Term Tier			
Primary Liquidity Fund (Payden & Rygel)	\$ 161.06	\$ 101.05	\$ 86.19
Extended Duration Fund (Merganser)	234.93	236.18	237.15
Total Short-Term Tier (VCIMCO)	\$ 395.99	\$ 337.23	\$ 323.34
Long-Term Tier ^B			
Ram Fund + PA Fund	\$ 118.63	\$ 94.96	\$ 94.96
Central Bank Capital Reserve (VCIMCO)	36.68	35.98	35.98
Central Bank Unrestricted (VCIMCO)	11.15	10.94	10.94
Total Long-Term Tier (VCIMCO)	\$ 166.46	\$ 141.89	\$ 141.89
Glasgow Endowment ^B			
Total Glasgow Endowment (VCIMCO)	\$ 51.04	\$ 40.10	\$ 40.09
Liver Institute ^{BC}			
	\$ 24.27	\$ 23.76	\$ 25.20
Total University Funds:	\$ 692.85	\$ 619.14	\$ 611.72
<i>Indicates restricted funds</i>			
Comparative Federal Interest Rate:	As of	As of	As of
	9/30/2023	11/24/2023	11/30/2023
1-year	5.46	5.27	5.16
10-year	4.59	4.47	4.37
^A At FYE, the Controller's Office also adjusts the University's cash position with additional current year cash accruals.			
^B Updated monthly.			
^C Brunckhorst Gift for Liver Institute, received to date \$30MM of \$100MM; includes the distribution to the Institute of \$2.75MM on 9/19/2022 and \$3.34MM on 9/18/2023.			

Monitoring Report as of November 30, 2023 (Preliminary- continued)

Debt			
	As of FY 2023	(in millions) Quarter Ended 9/30/2023	As of 11/30/2023
VCU Long-Term Debt:			
Outstanding Bonds			
VCBA 9d	\$ 72.69	\$ 61.25	\$ 61.25
VCBA 9d balances covered by Financing Agreements	\$ 2.45	\$ 1.38	\$ 1.38
VCU 9c	\$ 45.54	\$ 45.54	\$ 45.54
VCU 9d	\$ 238.31	\$ 238.31	\$ 238.31
VCU 9d balances covered by Financing Agreements	\$ 66.93	\$ 66.93	\$ 64.35
	\$ 425.92	\$ 413.41	\$ 410.83
Debt Ratio:			
Debt Ratio (preliminary)	2.87%		
Estimated Unaudited Debt Ratio (excludes leases and installment purchases)		2.98%	2.98%
	As of FY 2023	(in millions) Quarter Ended 9/30/2023	As of 11/30/2023
VCU Commercial Paper (JP Morgan):			
Current Outstanding [Refinanced- shown for historical comparison]:			
[ICA, Parking ICA, Tech Ops] - Tax-Exempt	\$4.23	\$0.00	\$0.00
REF Broad & Belvidere Renovation - Taxable	\$4.27	\$4.27	\$4.27
Subtotal	\$8.50	\$4.27	\$4.27
Anticipated Future Draws (FY 2024)	-	-	\$0.00
Commercial Paper Program Authorization:	\$75.00	\$75.00	\$75.00
Projected Available Commercial Paper Balance:	\$66.50	\$70.73	\$70.73
Next Taxable Commercial Paper Put Date :			12/5/2023
Taxable Effective Interest Rate Rate ^D :			5.45%
^D Total cost of CP program also includes \$193K for ongoing standby liquidity facility, rating agency surveillance, and paying agent fees.			

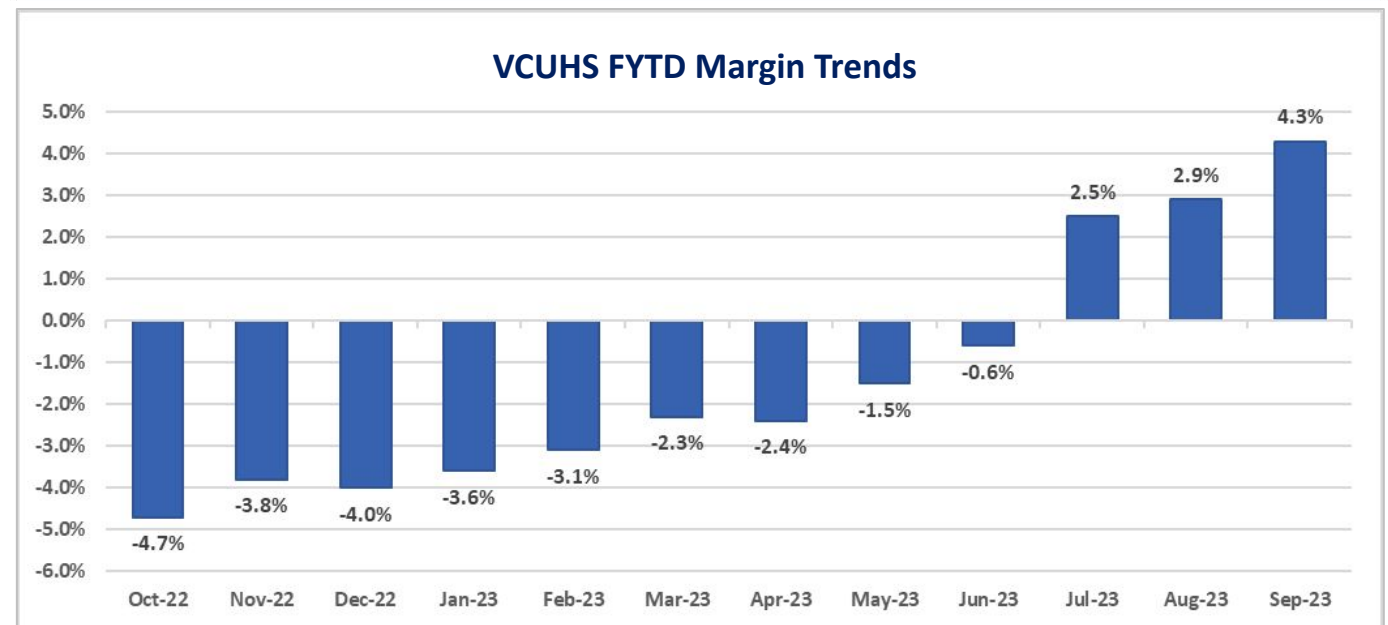
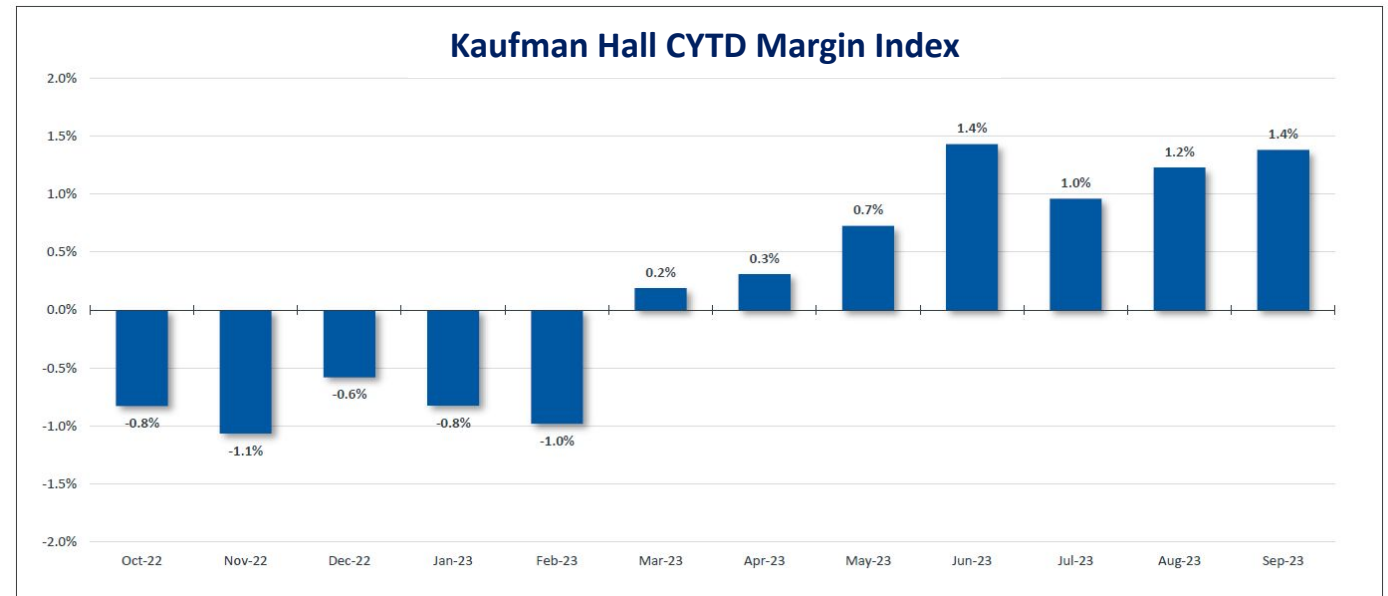
**FY 2024 Strategic Finance Update:
Four months ending October 31, 2023**

National Healthcare Optic

October 2023 Kaufman Hall Flash Report

National Key Takeaways

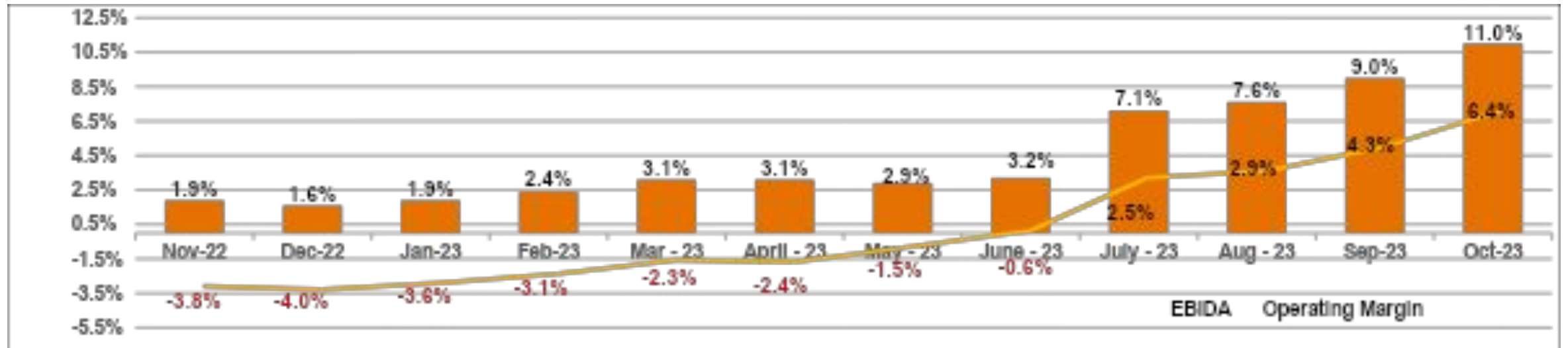
- **Hospital performance** in September declined slightly compared to August. Results still show improvement over 2022.
- **Bad debt and charity care** remain elevated year-over-year. Partly due to ongoing Medicaid redetermination process, resulting in at least 9.5 million people disenrolled.
- **Labor expenses** increased, though overall expenses softened as volumes decreased. Labor expenses and workforce issues continue to challenge health systems.



VCUHS – Consolidated Operating Margin & Liquidity

For the four months ending October 31, 2023, as well as 12-month Trending Performance

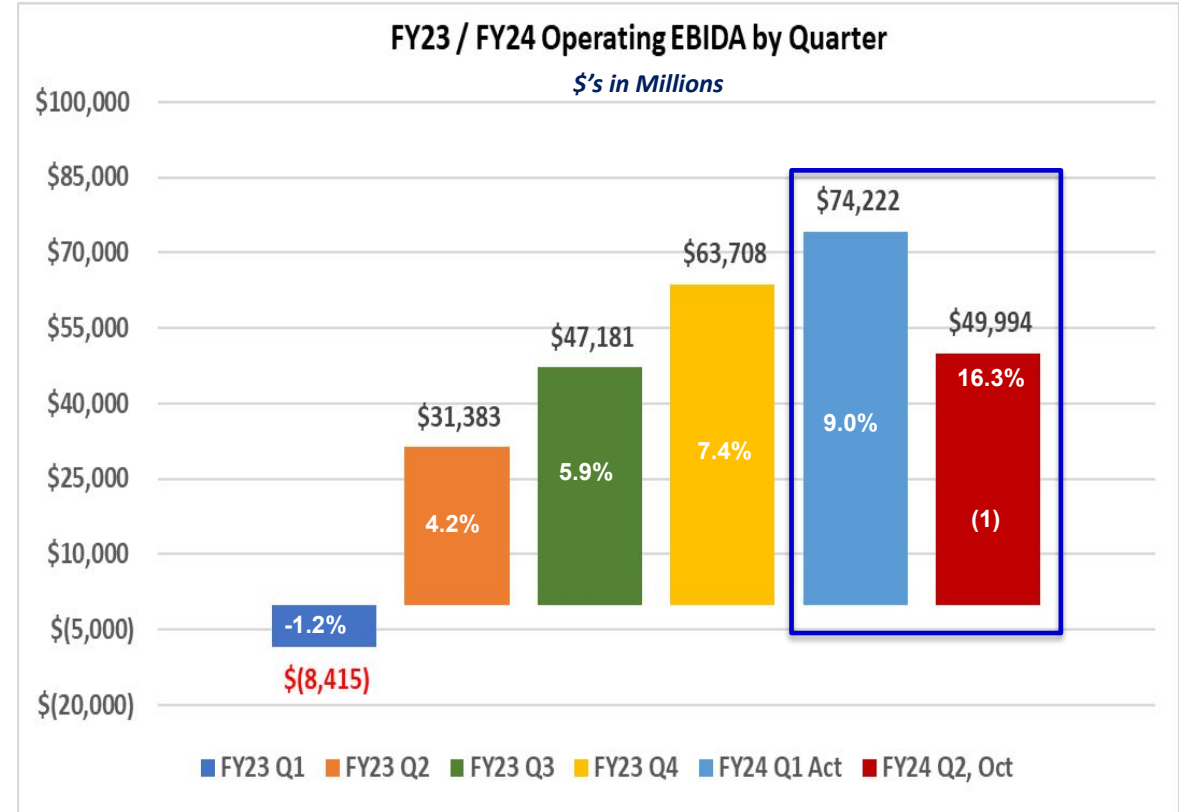
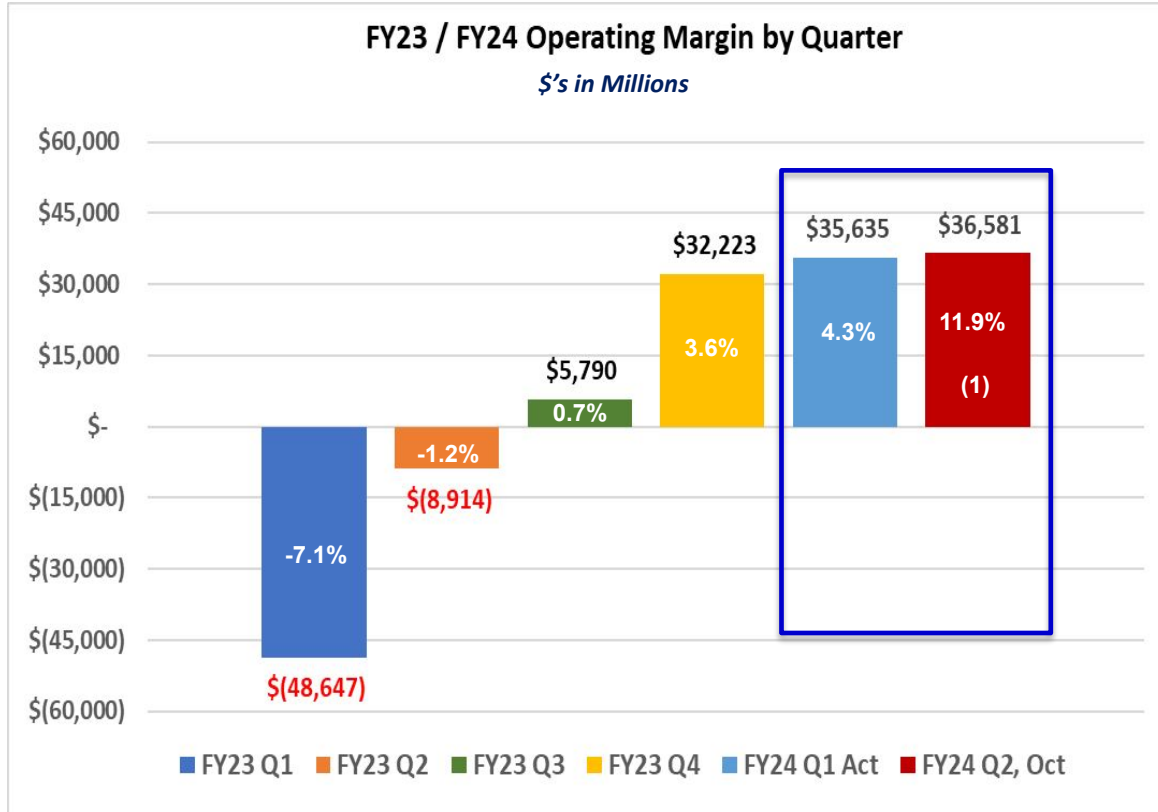
	Actual FY21	Actual FY22	Actual FY23	Budget FY24	Oct YTD FY24	2022 S&P AA- Medians
Total Operating Revenue (\$s in 000s)	\$ 2,553,422	\$ 2,870,972	\$ 3,063,278	\$ 3,212,218	\$ 1,129,475	N/A
Income for Operations(\$s in 000s)	\$ 46,774	\$ (53,321)	\$ (19,549)	\$ 44,602	\$ 72,216	N/A
Operating Margin %	1.8%	-1.9%	-0.6%	1.3%	6.4%	-0.9%
EBIDA %	6.3%	3.5%	4.4%	5.0%	11.0%	5.0%
Debt to Capitalization	18.6%	21.7%	20.6%	19.4%	20.0%	28.1%
Days Cash on Hand	338.7	234.0	225.2	228.6	223.0	233
Unrestricted Cash to Debt	337%	221%	238%	254%	244%	214%
Maximum Annual Debt Service Coverage	4.9	2.3	3.4	3.4	7.1	3.4



VCUHS – Operating Performance Trends

FY23 / FY24 by Quarter

VCUHS continues to deliver on significant FY24 operating performance improvement in both Operating Margin and Operating EBIDA, grounded in solid improvement trajectory informed by FY23 Operation Rebound.



Note (1): FY24 Q2, Oct includes \$24.9M for Medicare 340B repayment, as well as \$2.1M of FEMA revenue associated with COVID related claims for FY20-22. Excluding these one-time favorable items, operating margin for Oct was \$9.5M or 3.4% and Operating EBIDA was \$23.0M or 8.2%, and exceeding budget on both fronts by 18.4% and 26.1% respectively.