Board of Visitors

FINANCE AND UNIVERSITY RESOURCES COMMITTEE
MARCH 21, 2025, 9:15 A.M.
THE HONORABLE BENJAMIN LAMBERT, III BOARD ROOM
1213 EAST CLAY STREET
RICHMOND, VIRGINIA

MEETING MINUTES

DRAFT

COMMITTEE MEMBERS PRESENT
Mr. Anthony Bedell, *Chair*
Mr. P2 Sandhu, *Vice Chair*
Mr. Steve DeLuca
Dr. Siobhan Dunnavant
Mr. Peter Ferrell
Ms. Ellen Fitzsimmons
Dr. Kenneth Lipstock
Mr. Randy Reynolds
Mr. C.J. Sailor

OTHER BOARD MEMBERS PRESENT
Dr. Dale Jones
Dr. Clifton Peay

OTHERS PRESENT
Dr. Michael Rao, *President*
Dr. Meredith Weiss, *Senior Vice President for Finance and Administration and CFO*
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 for VCU and VCU Health*
Ms. Jessica Bryant, *Senior Director, Strategic Initiatives, Administration*
VCU Finance and Budget leadership team
VCU Presidential Cabinet

CALL TO ORDER
Mr. Anthony Bedell, Chair of the Finance and University Resources Committee, called the meeting to order at 9:20 a.m.

The public was able to view the open session of the meeting via livestream and the recording can be found here: https://vcu.mediaspace.kaltura.com/channel/Board+of+Visitors/256000903

OPEN SESSION ACTION ITEMS

Mr. Bedell noted that the meeting minutes from December 13, 2024 had been provided to the committee in advance for review. He asked the committee members if they had any changes to the minutes, and hearing none, asked Dr. Meredith Weiss, Senior Vice President and CFO, to briefly present the other action items.

Dr. Weiss presented information for the approval to execute multiple term contracts for professional architectural and engineering services as well as for a construction services contract for the 901 West Franklin Street renovation. On a motion duly made and seconded the following items: 1) December 13, 2024 meeting minutes; 2) Approval to Execute Term Contracts, Professional Architectural and Engineering Services; and 3) Construction Services Contract Approval, 901 West Franklin Street Renovation were approved unanimously.

The December 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.

GOVERNMENT RELATIONS UPDATE

Ms. Karah Gunther, Vice President for External Affairs and Health Policy for VCU and VCU Health System, started with an update on federal advocacy and recent federal actions of note to VCU and VCU Health System. Mr. Matt Conrad, Vice President for Government and External Relations for VCU and VCU Health System, then provided an update on legislative and budget outcomes from the 2025 session of the Virginia General assembly.

FINANCE OVERVIEW AND TREASURY UPDATE

Dr. Meredith Weiss, Senior Vice President for Finance and Administration and Chief Financial Officer, provided an overview of the operating budget, including an update on the current budget and discussed factors contributing to the development of the FY26 budget.

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

DEVELOPMENT AND ALUMNI RELATIONS UPDATE

Mr. Davenport, Vice President for Development and Alumni Relations, presented on the state of philanthropy in the U.S. and what that means for VCU as the university prepares for the public launch of its comprehensive campaign in September. He presented an analysis of current trends in philanthropy and how these trends are informing VCU's fundraising strategy to maximize the success of the campaign.

A copy of the items 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 (VCU) Board of Visitors (BOV) convened in closed session to discuss the award of a public contract and involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body as permitted by Section 2.2-3711.A(29) of the Virginia Freedom of Information Act; the potential acquisition of certain real property to further the educational purposes and research opportunities of the university where discussion in open session would adversely affect the university's bargaining position and negotiating strategy, as permitted by Section 2.2-3711.A(3) of the Virginia Freedom of Information Act; and for the discussion of gifts, bequests and fund-raising activities of the university, namely the Named Funds and Spaces Report, the Approved Named Funds over $50,000 Report, and other notable and significant gifts report as permitted by Section 2.2-3711.A(9) of the Virginia Freedom of Information Act.

RECONVENED SESSION

Following the closed session, the public was invited to return to the meeting. Mr. Sandhu 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 BOV of VCU 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**
Mr. Anthony Bedell, *Chair*	X	
Mr. P2 Sandu, *Vice Chair*	X	
Mr. Steven DeLuca	X	
Dr. Siobhan Dunnavant	X	
Mr. Peter Ferrell	X	
Dr. Kenneth Lipstock	X	
Mr. Randy Reynolds	X	
Mr. Todd P. Haymore, *Rector*	X	

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

On a motion duly made and seconded the committee approved to recommend to the board of visitors the approval of financing for a property acquisition and the named funds over $50,000 as discussed in closed session.

REPORTS FOR INFORMATIONAL PURPOSES

Mr. Bedell noted the second quarter performance analysis, FURC Dashboard, FY24 Financial Statements and Internal Control Report, VCU Health Financial Report, VCU Intercollegiate

Athletics Programs and Treasurer's Report were included in the pre-read materials. A copy of the items is attached hereto as ***Attachment D*** and is made a part hereof.

OTHER BUSINESS
None

ADJOURNMENT
There being no further business, Mr. Bedell adjourned the meeting at 10:35 a.m.

DRAFT

Attachment A

Approval to Execute Multiple Term Contracts
Professional Architectural/Engineering Services

Background

VCU seeks Board of Visitors (BOV) approval to execute multiple, five-year term contracts for professional architectural and engineering (A/E) services, allowing the university to retain a network of prequalified vendors. These pre-negotiated term contracts are critical to VCU Facilities Management operations and allow for prompt engagement of an A/E firm to provide feasibility studies, cost studies and designs of small capital, non-capital, and maintenance reserve projects when timeliness is necessary. These term contracts are replacing existing A/E term contracts set to expire in April 2025.

In preparation, VCU Procurement Services, in collaboration with VCU Facilities Management, completed a formal request for proposal (RFP) process in compliance with competition requirements. The RFP resulted in the selection of 22 firms for contracts through April 2030.

Considerations

The Delegation of Signatory Authority Policy requires that all agreements in which the value exceeds or can be reasonably expected to exceed $5M receive BOV approval. These contracts, collectively, are anticipated to exceed $5M.

Following a comprehensive evaluation of capabilities, the RFP committee determined that the following contractors are the most qualified to perform the services in the disciplines noted and, if approved, will be awarded a contract.

- **General architectural services:** Ayers Saint Gross; Glave & Holmes Architecture; Hanbury; KEi Architects; PSH+; RRMM

- **Full service A/E services:** Baskervill; Page

- **Building envelope**: Raymond Engineering; WDP

- **Mechanical, electrical and plumbing engineering services:** 2rw; Affiliated Engineers; CMTA; Engineers Plus; Wiley Wilson

- **Geotechnical engineering services:** Froehling & Robertson

- **Civil, erosion and sediment control, stormwater management, surveying and geographic information systems services:** H&B Surveying; Timmons Group

- **Structural engineering services:** Dunbar
- **Landscape architecture services:** Fall Line
- **Traffic and parking consulting services:** Kimley Horn

Cost and funding

Cost of the services depends on type, scale and scope. Sources of funding vary by project and may include state-appropriated funding, debt, university or auxiliary funds. VCU limits spending with each firm to $1M per year.

Recommendation

Approve the execution of multiple term contracts for construction services beginning in April 2025.

RESOLUTION OF THE BOARD OF VISITORS
OF VIRGINIA COMMONWEALTH UNIVERSITY

APPROVAL FOR PURCHASE CONTRACTS 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 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 the Delegation of Signatory Authority policy, as amended on May 10, 2019, to approve and execute contracts with a total actual or anticipated expenditure value of up to $5 million;

WHEREAS, the University has numerous professional architectural and engineering services contracts, covering nine disciplines, for Facilities Management (Facilities), which manages facility renovations, construction, maintenance and repairs.

WHEREAS, since these various contracts will expire April 30, 2025, the Requests for Proposal (RFP) planning process was initiated in June 2024 with the relevant solicitation being posted statewide on August 21, 2024.

WHEREAS, the University completed the RFP evaluation process and is ready to award several discipline-specific contracts;

WHEREAS, the University anticipates that these contracts, collectively, will exceed $5 million over the course of the contract term ("Subject Contracts");

WHEREAS, executing contracts for these specialized services is necessary to support Facilities' mission of campus sustainability and facilities stewardship which has lasting impact on the University's mission of creating a safe learning and working environment for the University's students, faculty, staff and;

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

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY, that the Board approves the execution of the Subject Contracts and any required renewals; and

BE IT FURTHER RESOLVED, that the Board authorizes the President or the President's designee to sign any contract amendments or documents necessary to implement the anticipated expenditure, in accordance with the Delegation of Signatory Authority policy; and

BE IT FURTHER RESOLVED, that this Resolution will take effect immediately upon its adoption.

Construction Services Contract Approval

901 West Franklin Street Renovation

Background

VCU seeks Board of Visitors (BOV) approval to execute a construction services contract for the 901 West Franklin Street Renovation. Located at the corner of Franklin and Shafer streets, the original building was constructed as a home between 1882 and 1892 and is currently used as office space. Additions on the south and west ends of the building were added in the early 20th century.

There have been no significant restorative efforts performed on this facility in recent history. Normal aging and degradation of building material is contributing to moisture infiltration issues that need to be addressed. This renovation project includes tuckpointing (i.e., repairing the mortar joints between the bricks of the entire building), replacing the roof, and adding a fall protection system to the roof.

In December 2024, the BOV approved an amendment to the 2024-2030 Six-Year Capital Plan to include this capital project, authorized its initiation at a cost not to exceed $7M, and approved project plans.

Considerations

Woodland Construction was selected following a competitive procurement process. The project is anticipated to begin in 2025 and will take approximately one year to complete.

Costs and funding

The construction cost is estimated at $5.5M. The project will be funded by state-appropriated maintenance reserve funds.

Recommendation

Approve the request to execute a construction services contract with Woodland Construction at a cost not to exceed $5.5M.

RESOLUTION OF THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY

APPROVAL FOR PURCHASE CONTRACTS 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 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 the Delegation of Signatory Authority policy, as amended on May 10, 2019, to approve and execute contracts with a total actual or anticipated expenditure value of up to $5 million;

WHEREAS, the University seeks Board of Visitors approval to execute a contract for construction services for the 901 West Franklin Street Renovation;

WHEREAS, the University issued a Request for Proposal to solicit construction services for tuckpointing (i.e., repairing the mortar joints between the bricks of the entire building), replacing the roof, and adding a fall protection system to the roof;

WHEREAS, the University is negotiating a contract with Woodland Construction with an estimated cost of $5.5M (Subject Contract);

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

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY, that the Board approves the execution of the Subject Contracts and any required renewals; and

BE IT FURTHER RESOLVED, that the Board authorizes the President or the President's designee to sign any contract amendments or documents necessary to implement the anticipated expenditure, in accordance with the Delegation of Signatory Authority policy; and

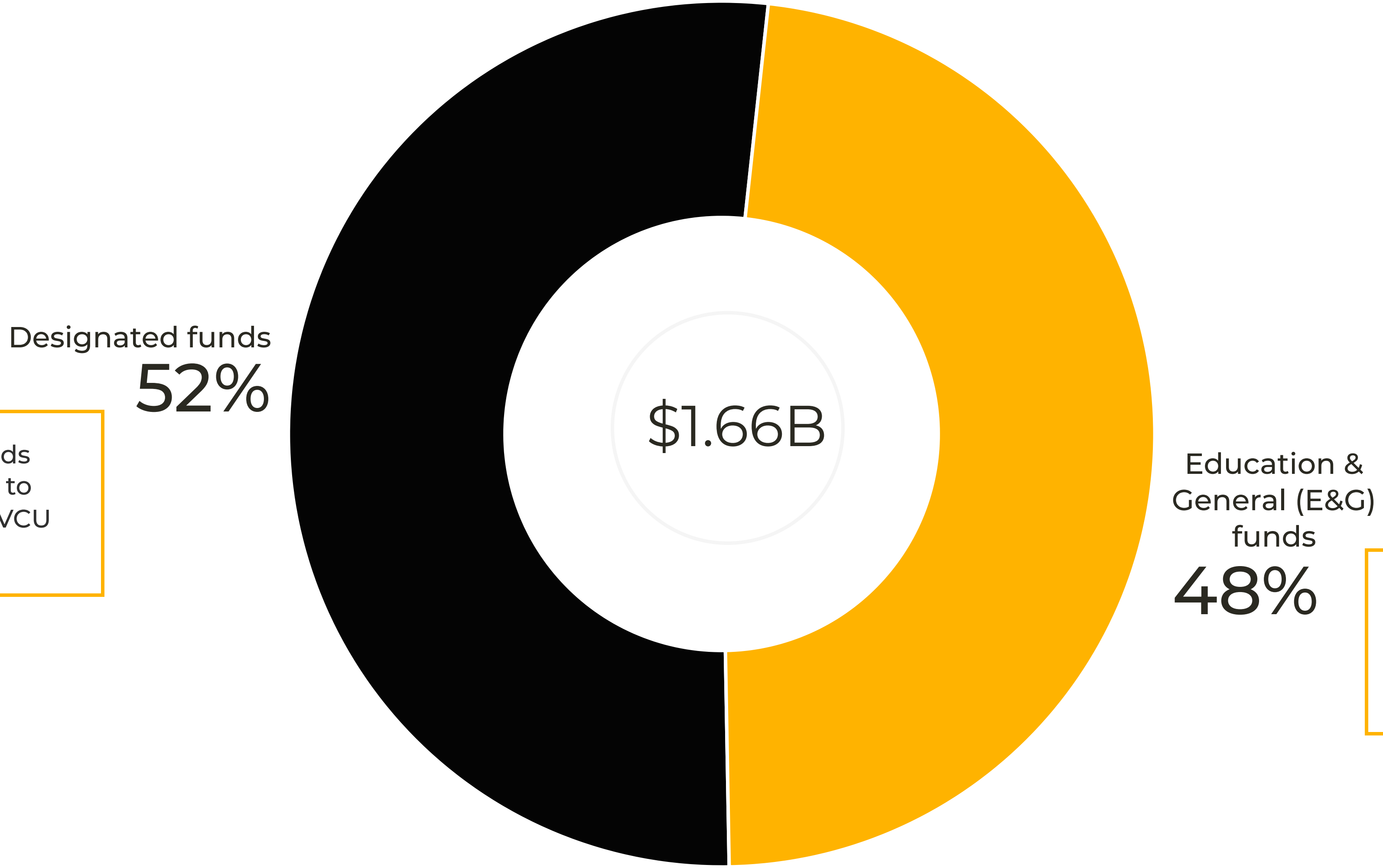
BE IT FURTHER RESOLVED, that this Resolution will take effect immediately upon its adoption.

Attachment B

Finance & budget update

Dr. Meredith Weiss, Senior Vice President for Finance and Administration and Chief Financial Officer

VCU FY2025 all funds operating budget

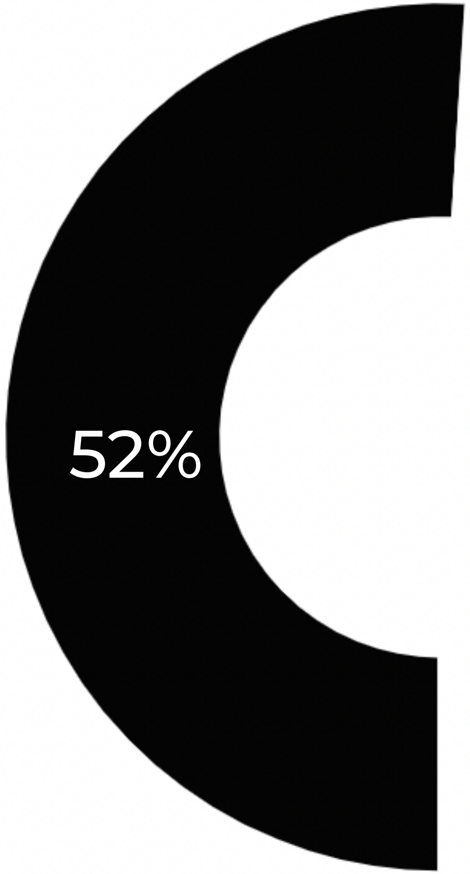


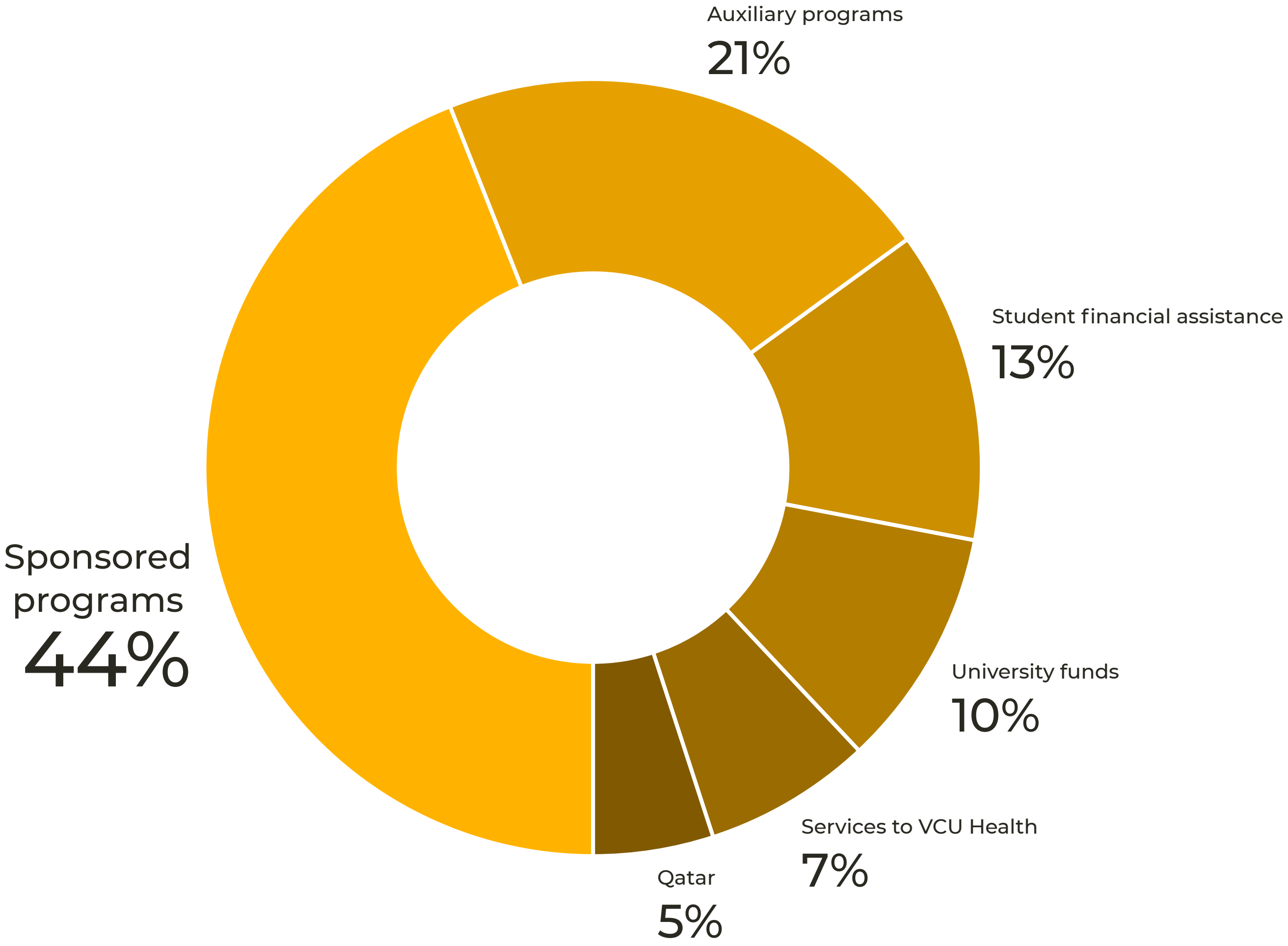
Designated funds are ***designated*** to support specific VCU operations

E&G funds are ***committed*** to academic programs & support services

Designated funds - 52%

Designated funds are ***designated*** to **support specific VCU operations**

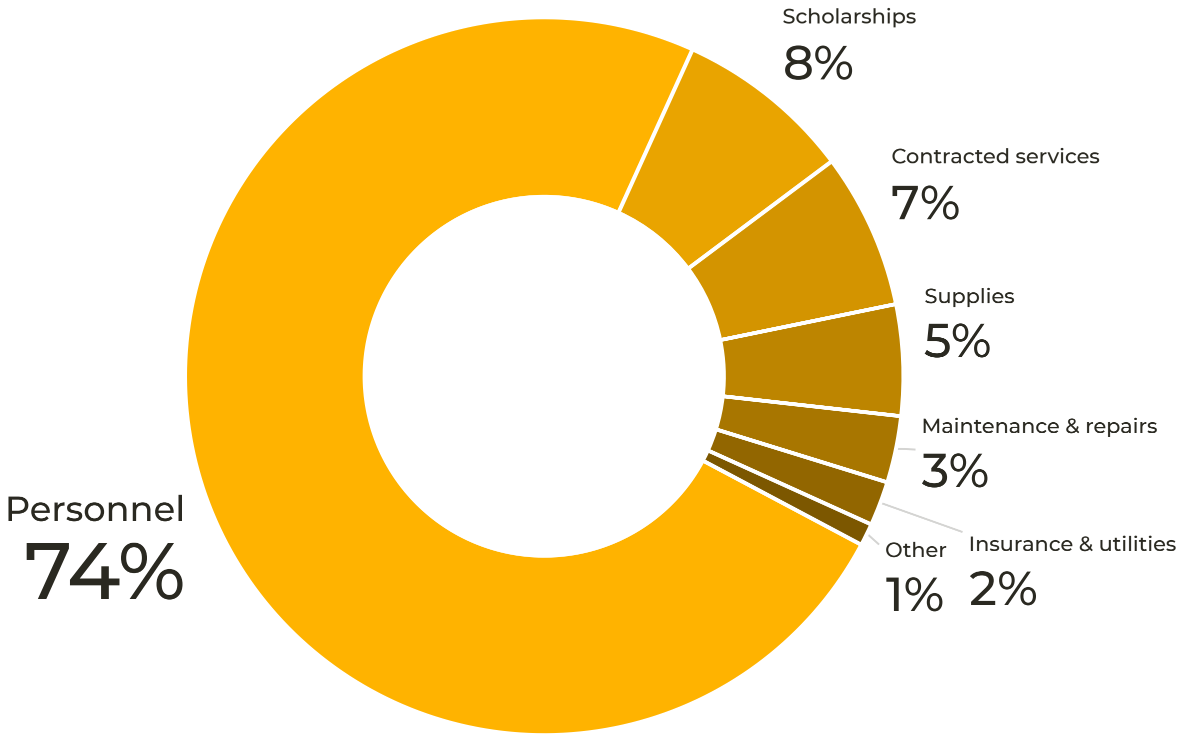


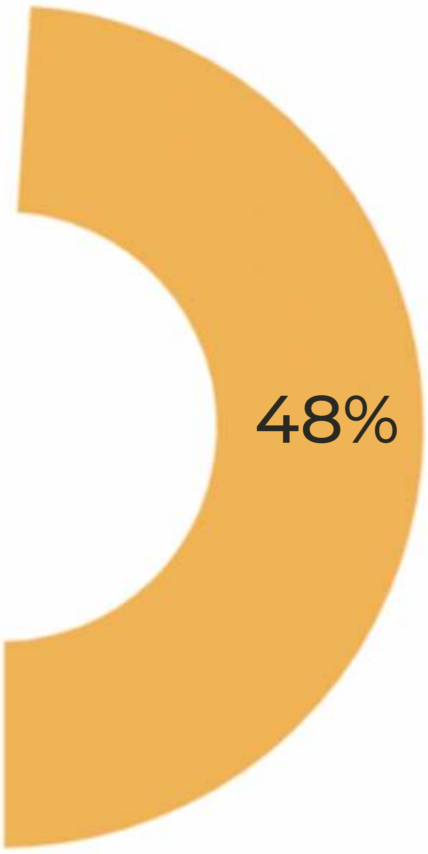


Education & General (E&G) funds - 48%

E&G funds are ***committed*** to **academic programs & support services**

Tuition & fees (58%), state funding (39%), other (3%)





VCU is on the rise

Strategic alignment of resources drives VCU's value & impact

Top 20% global university; 25 academic programs ranked in top 50 nationally; 3 programs ranked in top 50 for best online programs

Top 50 public research university

One of 85 public R1 universities with the Carnegie Classification's community engagement designation

Top-producing institution for Fulbright scholars

One of two NCI-designated Comprehensive Cancer Centers in Virginia

VCU is on the leading edge of academic innovation

Increasing the value and return on investment of a VCU degree by uniquely preparing students for the future of work

Newly created academy of interdisciplinary innovation*

First-in-class academy that networks university-wide faculty talent to deliver rapid degree and certificate prototyping, stackable credentials, and competency-based education to innovate at speeds rarely, if ever, seen in higher education.

Experiential learning

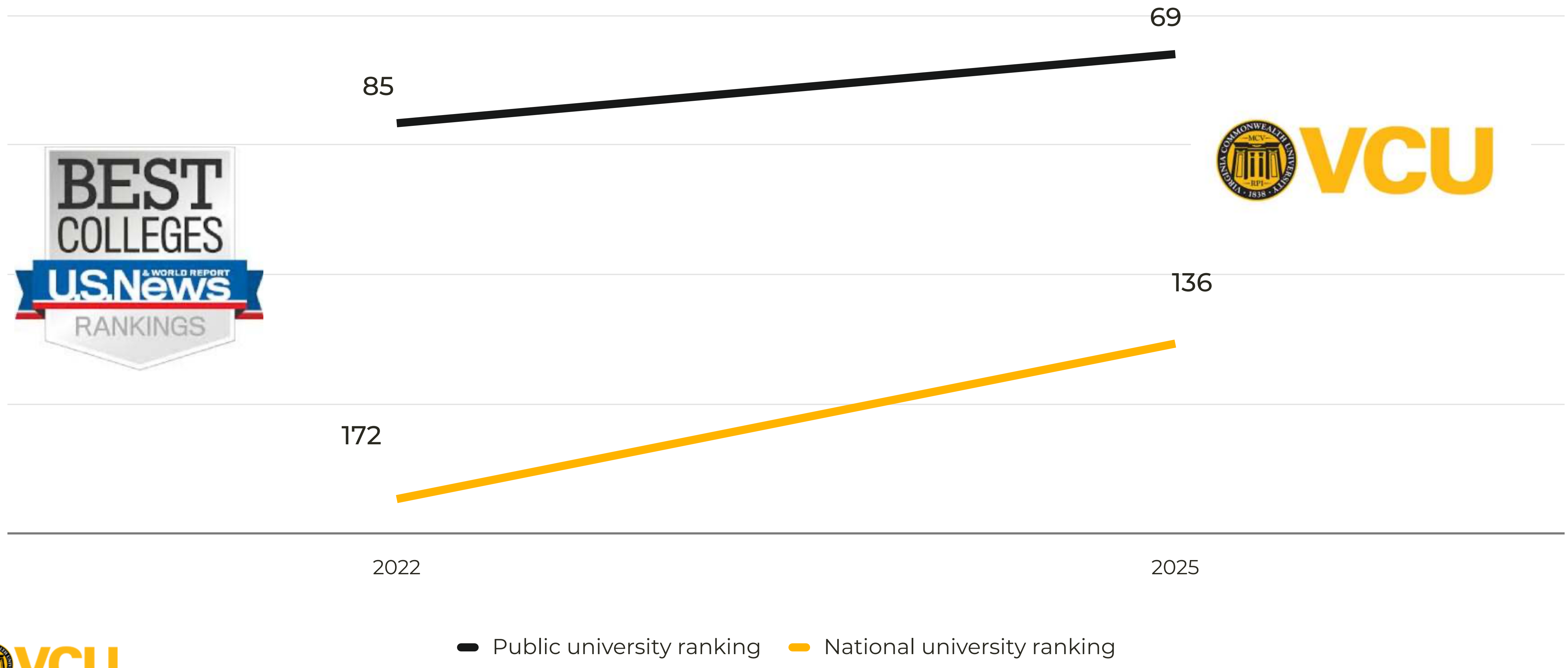
Credit-bearing internships, entrepreneurial programs, and industry projects and partnerships, as well as credit for prior learning through portfolio development.

Research and problem-solving skills that distinguish VCU students in their careers

Every Ram's a Researcher

*Pending SCHEV approval; realigned $8.7M

VCU rises in U.S. News & World Report rankings

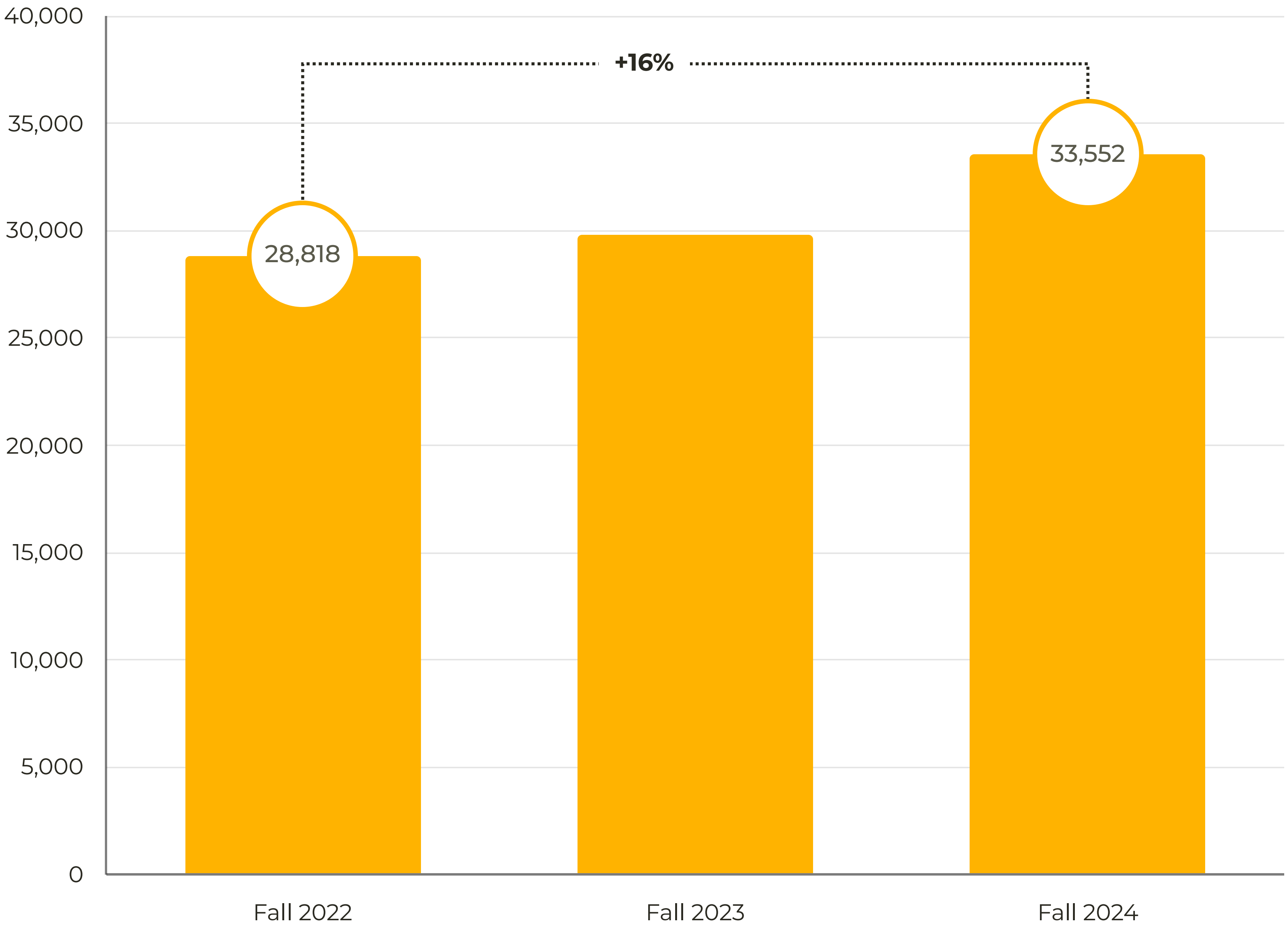


Applications are increasing since fall 2022

16% increase in all applications

25% increase in master's applications

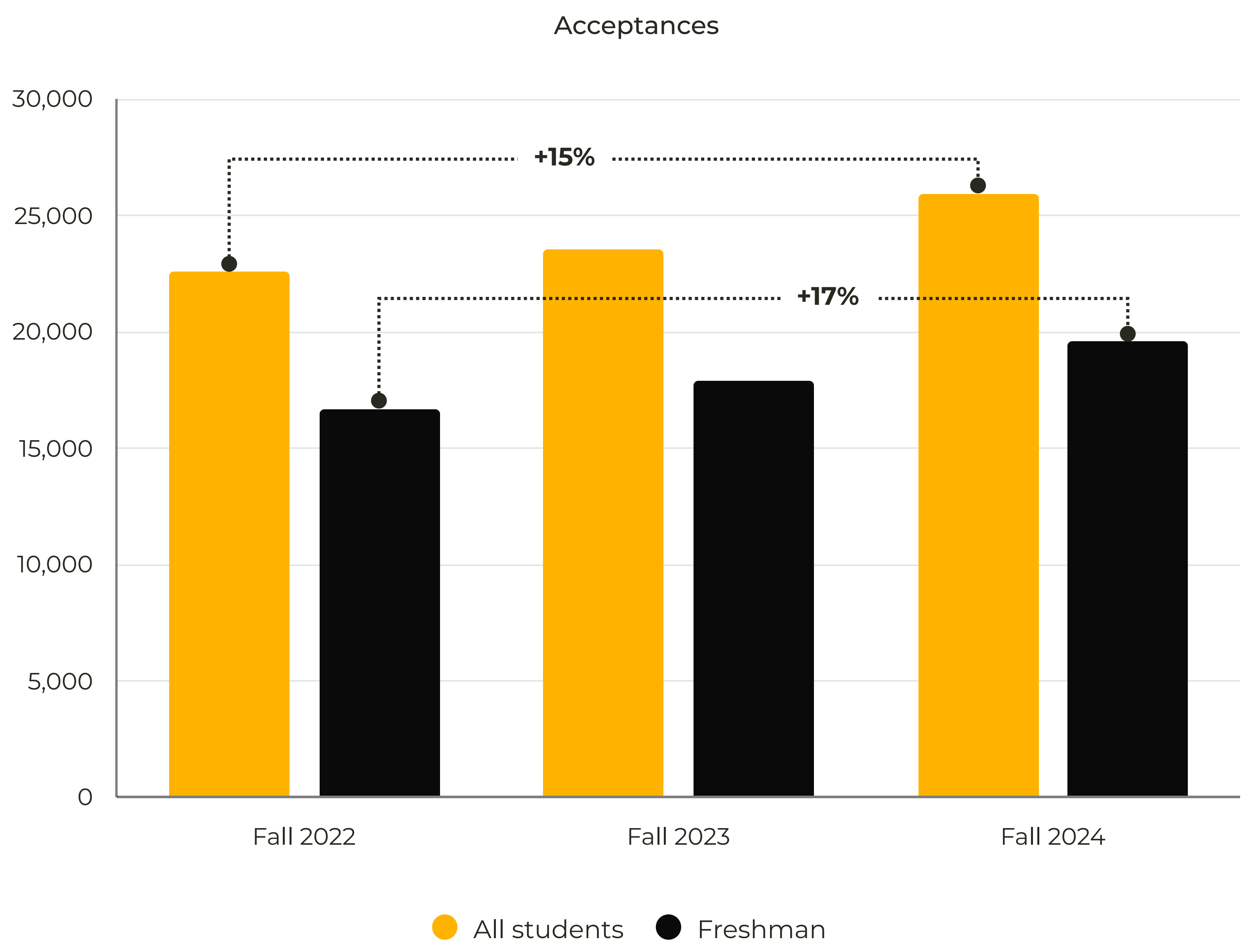
26% increase in doctoral applications



Acceptances are increasing while increasing selectivity

Acceptances are up 17% for freshman and 15% for all students

Freshmen acceptance rate 2030 goal is 75% with 30,000 applications generated



Enrollment is growing

Projected enrollment to reach 30K enrolled students (headcount) by fall 2028; a 1.01% growth per year

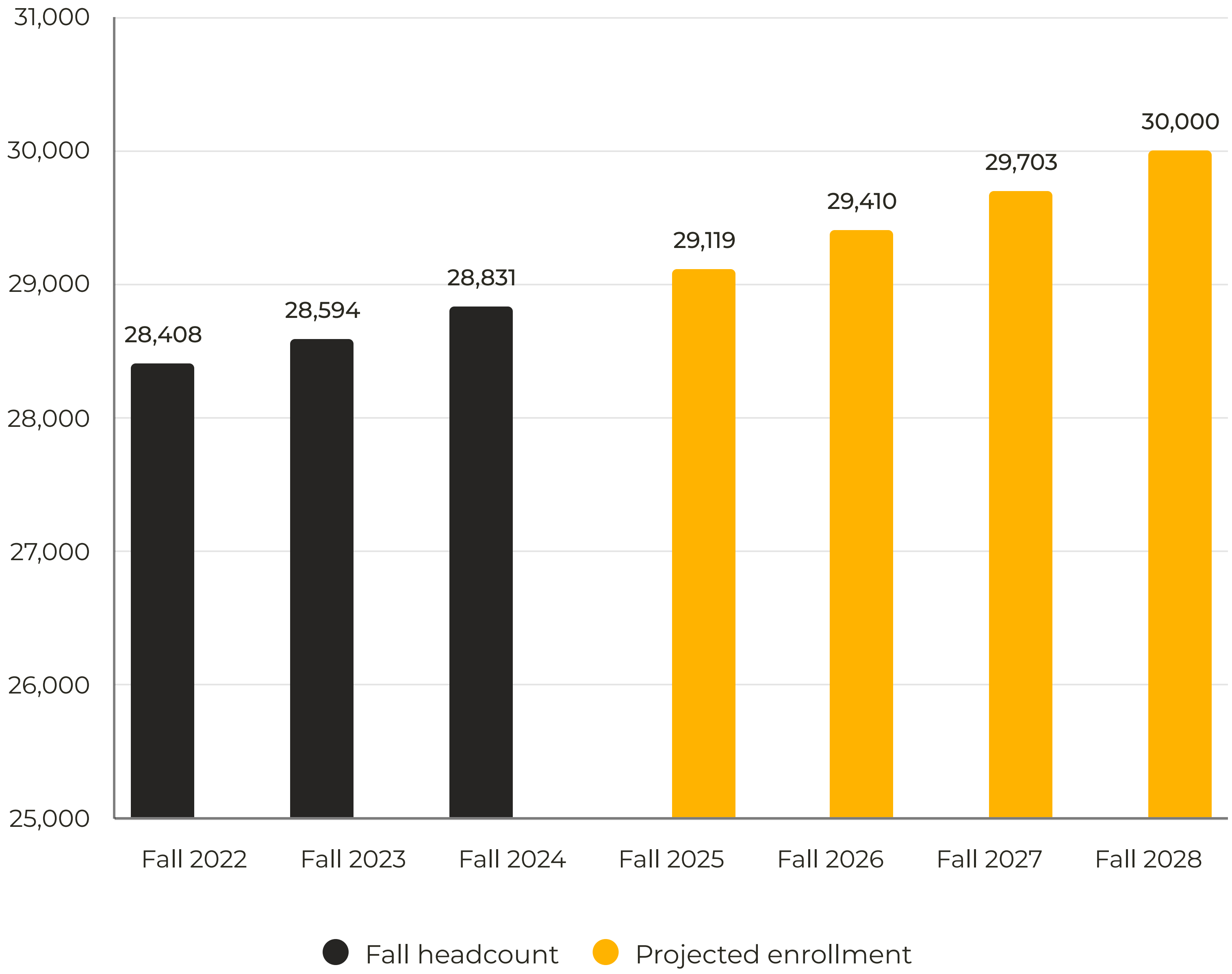
39% increase in online student enrollment from fall 2023 to 2024

13% increase in international student enrollment from fall 2023 to 2024

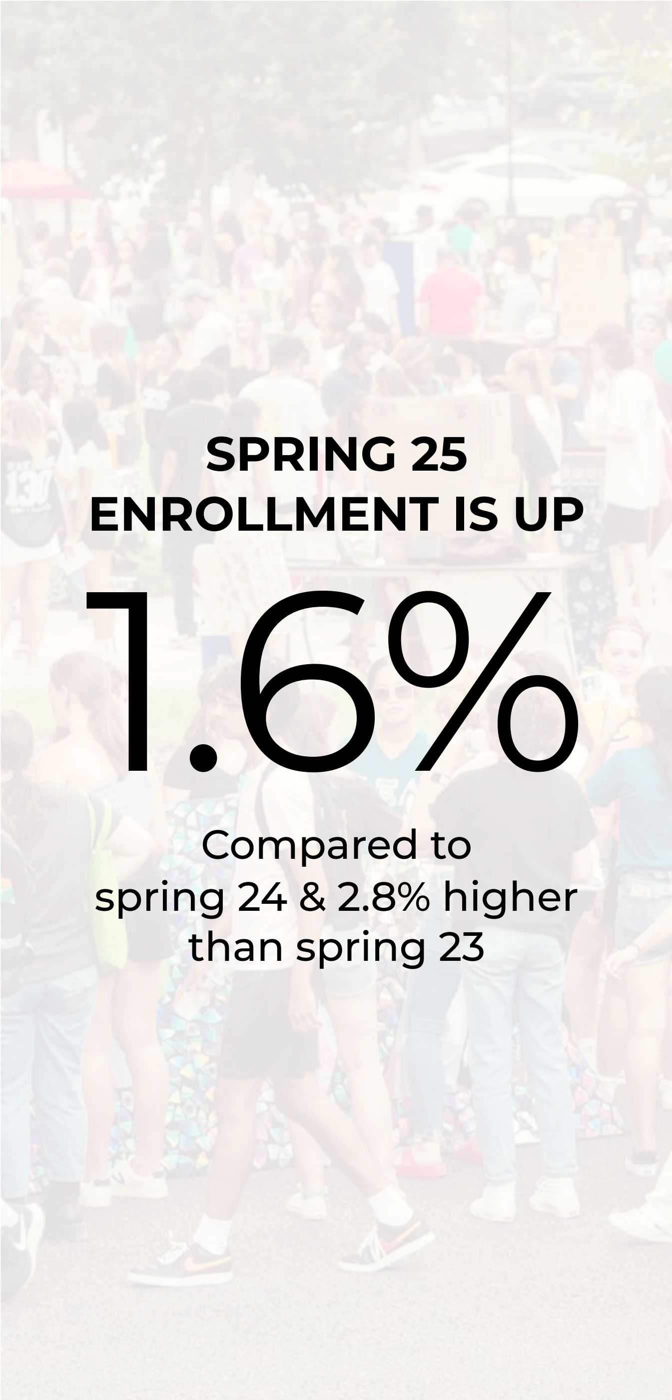
3% increase in out-of-state enrollment from fall 2023 to 2024

2% increase in continuing UG enrollment from fall 2023 to 2024

1.9% increase in new, degree-seeking student enrollment since fall 2022



Students are drawn to VCU's increasing value



SPRING 25 ENROLLMENT IS UP

1.6%

Compared to spring 24 & 2.8% higher than spring 23

FRESHMAN SPRING RETENTION IS OVER

95.1%

A 10-year high

FALL 25 FRESHMAN

APPLICATIONS

UP 7.4%

ACCEPTANCES

UP 6.5%

OFFERS ACCEPTED

UP 10.2%

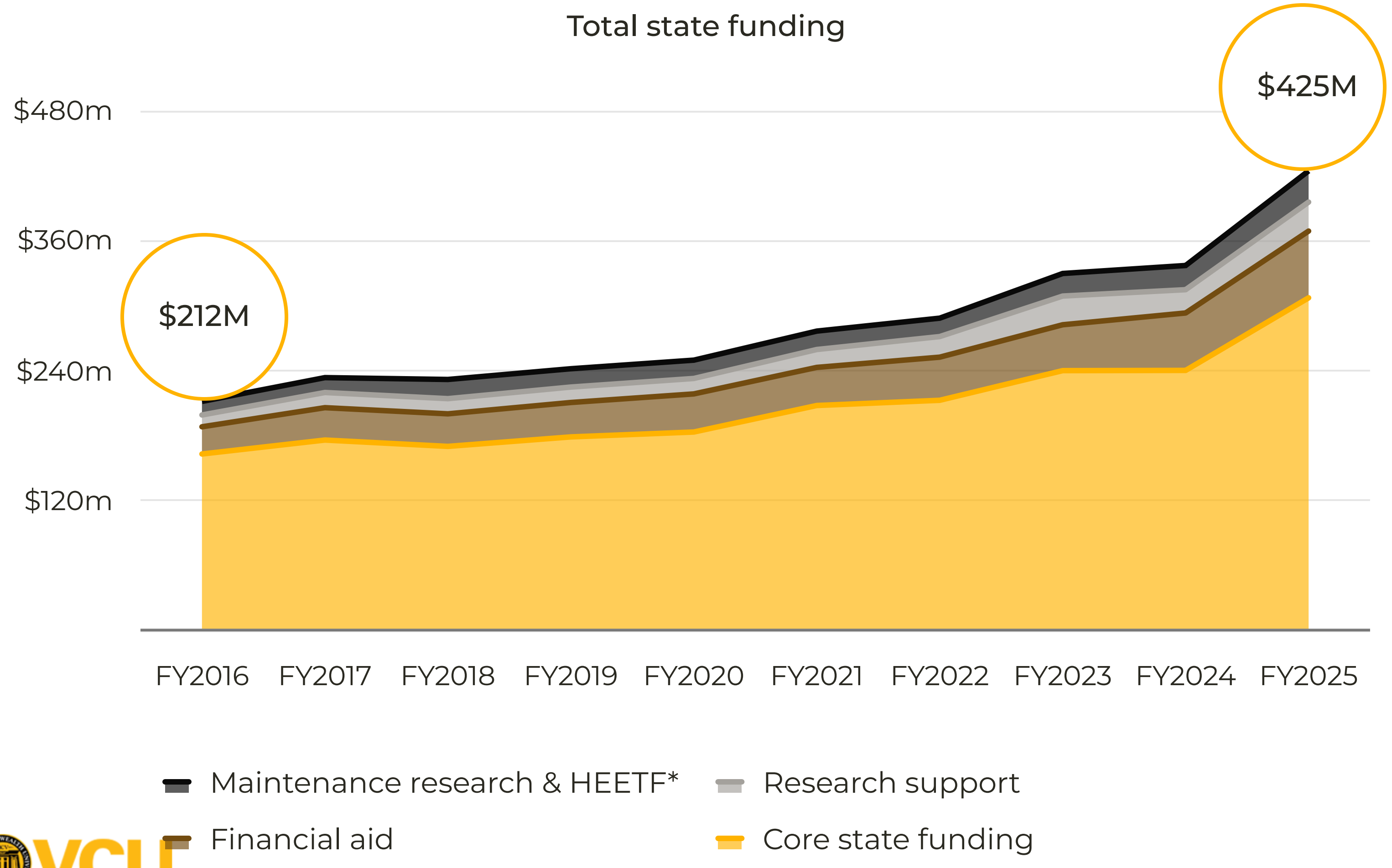
OUT-OF-STATE APPLICATIONS

UP 8.7%

As of 2/27/25

Virginia invests in VCU

Overall, VCU has seen 100% growth in state support over the past 10 years



Breakdown of growth in state support:

- 88% in core state support
- 145% in student aid
- 145% in research support
- 127% in maintenance reserve & other equipment support

*Higher Education Equipment Trust Fund

State support & tuition revenue trend

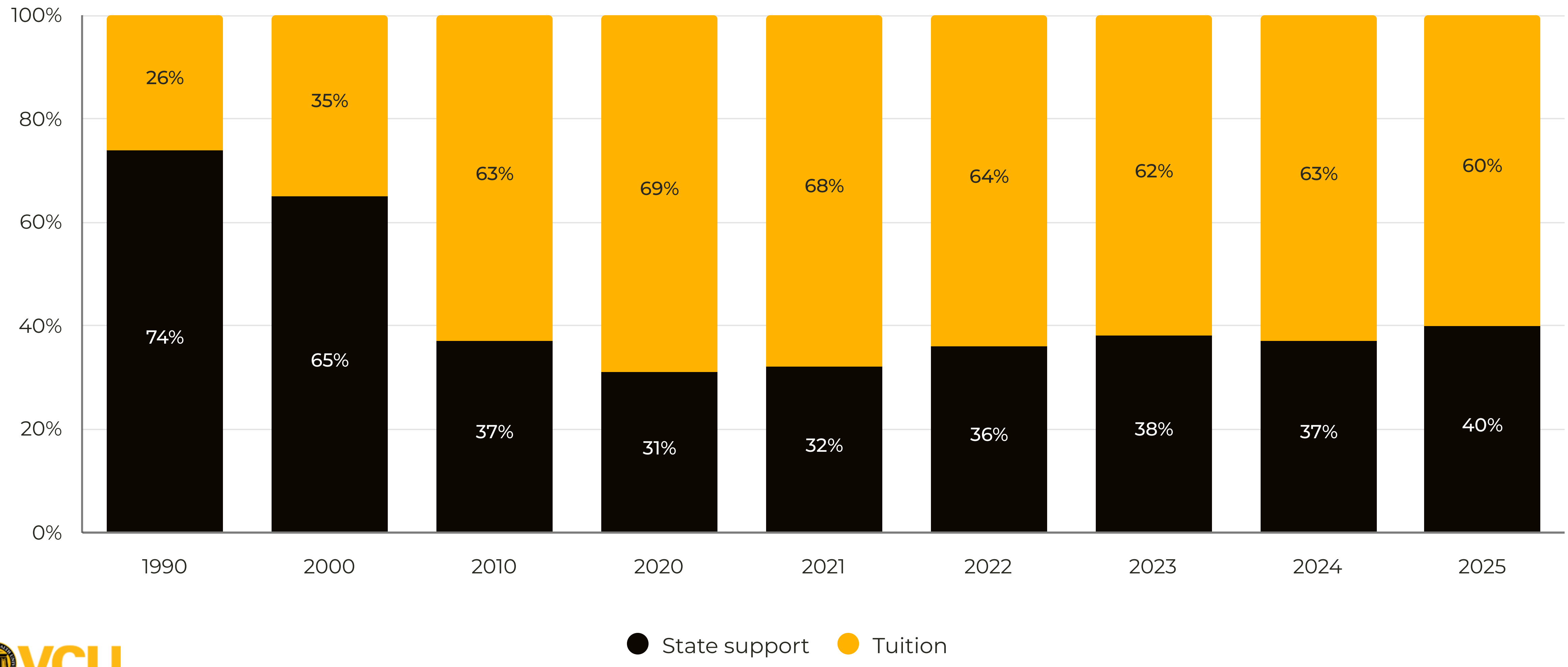


Chart excludes all other E&G sources of revenue

Source: Virginia Department of Planning & Budget & VCU financial information

The Joint Legislative Audit and Review Commission 2024 Spending and Efficiency in Higher Education report found that increasing state general fund appropriations have helped minimize the growth in student costs.

Net price & borrowing per student has significantly declined

Family Income	FY19 Net Price	FY23 Net Price	$ Change	% Change
$0-$29.9k	$16,768	$12,830	-$3,938	-23%
$30k-$47.9k	$17,529	$13,612	-$3,917	-22%
$48k-$74.9k	$20,868	$16,455	-$4,413	-21%
$75k-$109.9k	$24,684	$20,633	-$4,051	-16%
$110k and above	$28,155	$28,474	$319	1%

Tuition & mandatory fees	$14,490	$15,642	$1,152	8%
Financial aid (Federal, state & institution per UG student)	$9,962	$13,996	$4,034	40%
Mean reported debt at graduation	$30,593	$29,833	-$760	-2.0%

Source: IPEDS Data Element SFA2223 for net price; SCHEV for student debt & aid

VCU completed the examination of all JLARC recommended efficiencies

	VCU	VT	W&M	UVA	GMU	JMU	ODU
Organizational structure: Review & implement changes	Complete	Complete	Partially completed	Not complete	Not complete	Partially completed	Partially completed
Supervisors & managers: Review policies & span of control	Complete	Complete	Partially completed	Not complete	Complete	Complete	Not complete
Auxiliaries: Review revenue to reduce reliance on student fees	Complete	Complete	Complete	Complete	Complete	Complete	Not complete
Instruction: Conduct institution-wide academic faculty workload assessment	Complete	Not complete	Complete	Complete	Complete	Complete	Complete

Complete — Partially completed — Not complete

Source: JLARC Report. (2024). Figure 6-2

VCU is one of Virginia's most efficient institutions

VCU spends less than its national peers as compared to other Virginia schools & colleges (based on total spending per full-time student FTE compared to national peers).

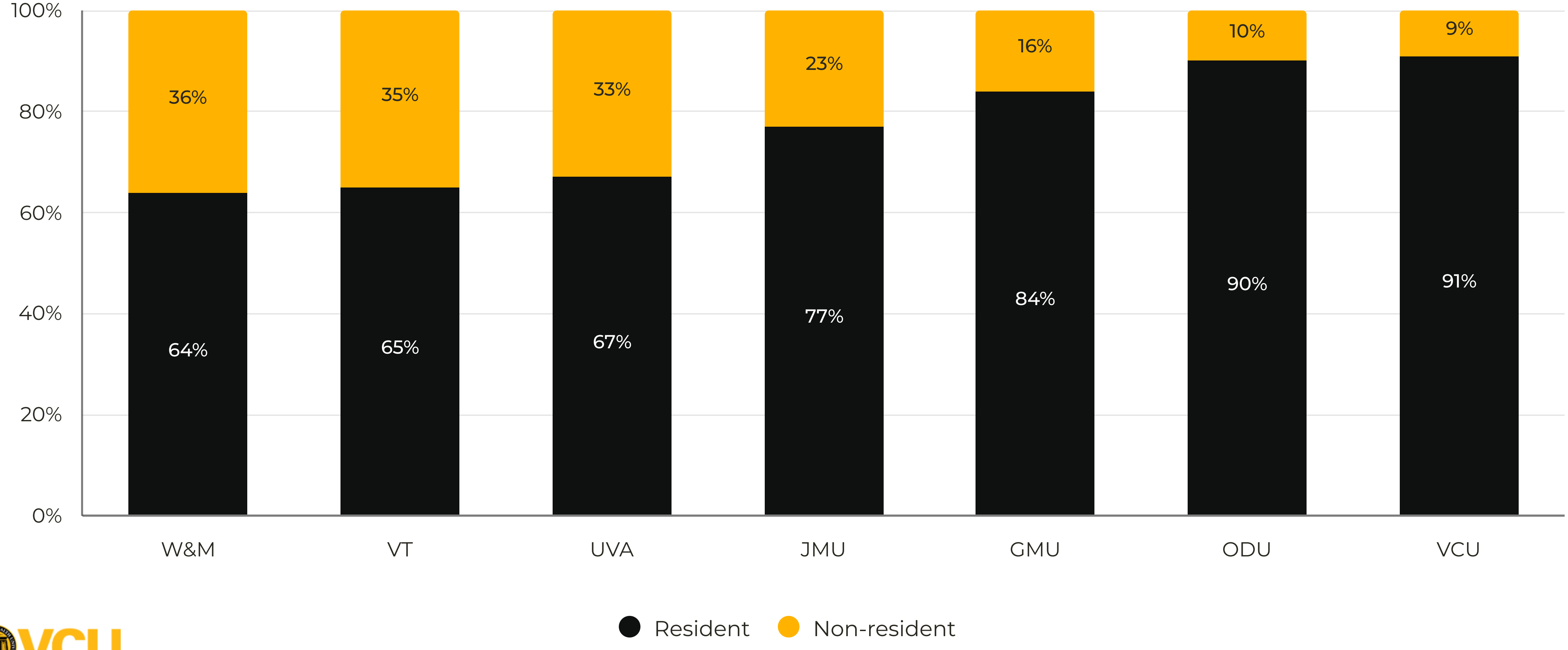
$95M in cuts & realignments over the past 10 years

Higher	LU (+13%)	W&M (+9%)	UVA (+6%)			
About the Same	CNU (0%)	NSU (-1%)	RU (-3%)	VSU (-4%)		
Lower	GMU (-11%)	JMU (-14%)	VT (-16%)	ODU (-21%)	UMW (-23%)	**VCU (-30%)**

Source: JLARC Report. (2024). Figure 4-1

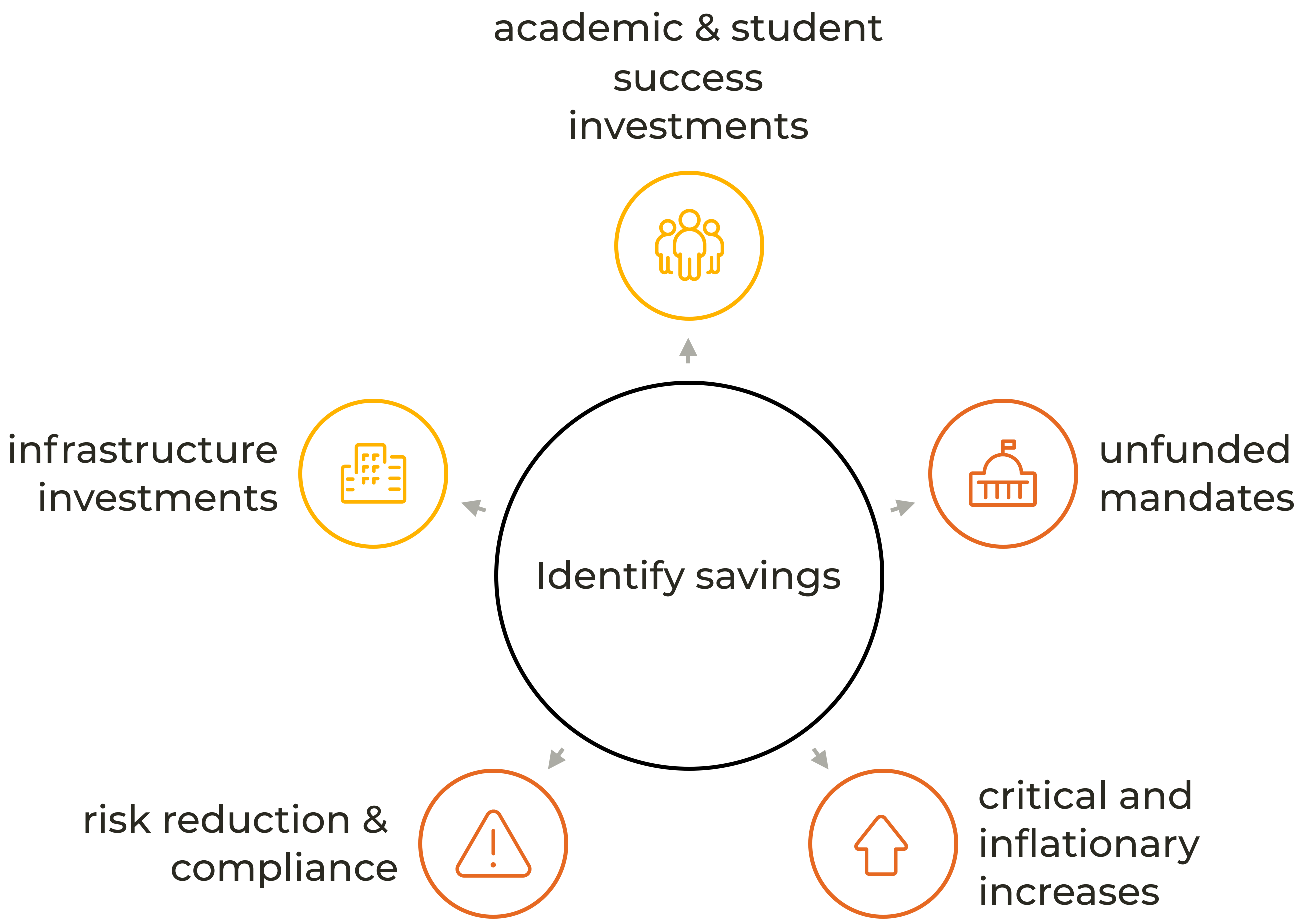
VCU serves a high percentage of resident students

Undergraduate FTE by residency



Source: State Council for Higher Education of Virginia. *Higher Ed Data Center*. Fall 2024 Enrollment

Savings are invested to drive student success or realigned to support baseline operations



Mandated, critical & inflationary costs
Investments to strengthen the value of a VCU degree

E&G funds

Est. military waivers FY26 (unfunded) $24.6M

State salary increases*: $16M

3% state mandated faculty & staff increases
51% is state funded
49% is university funded

Critical & inflationary costs: $9.7M

Compliance & operational support
Faculty promotions & fringe
Maintenance & service contracts
(e.g., facilities, academic & IT)

$50.3M

Academy of interdisciplinary innovation $8.7M

First-in-class academy that networks university-wide faculty talent to deliver rapid degree and certificate prototyping, stackable credentials, and competency-based education to innovate at speeds rarely, if ever, seen in higher education.
(funded by cuts & realignments)

Proposed new investments: $8.6M

Launch & grow new academic programs
Implement NISS** student success & retention program:

- Advising
- Reducing time to degree
- Student financial counseling

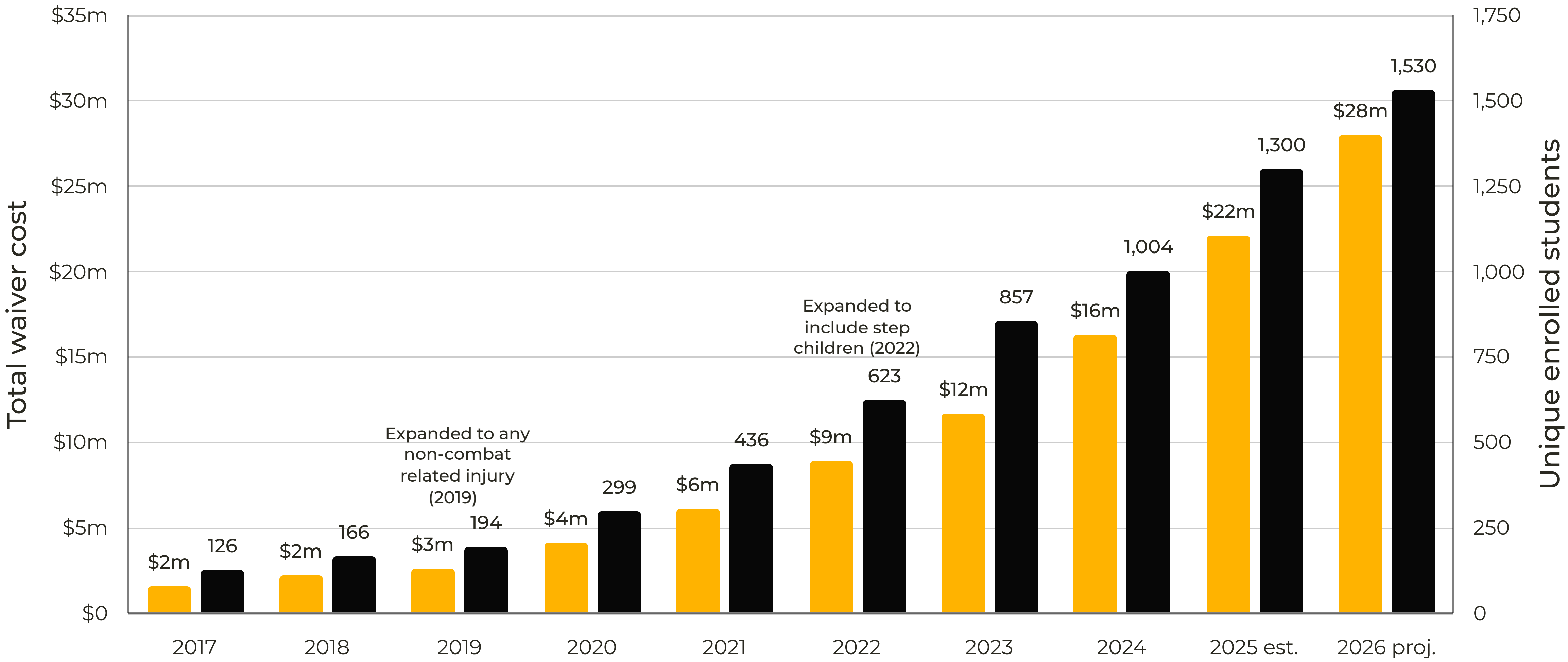
Expand student internships & learning experiences
Hire Convergence Labs faculty

$17.3M

*estimated pending legislative outcomes; ** National Institute for Student Success

VMSDEP military waiver increases

2017 to 2026 (est.)



Align & grow Educational & General funds to further advance the value of a VCU degree

Enrollment growth & retention

1% = $4.5M

Realignment & efficiency

1% E&G cut = $6.4M

VMSDEP $18M
New academy $8.7M

State support

$16.1M* General Assembly

VMSDEP* $8.1M
Salary increases $8M
Operating* $0

Tuition

1% = $4.5M

*Estimated pending legislative outcomes; $10.8M is also estimated to be provided in one-time funds

Appendix

2024-25 budget sources summary

(in thousands)

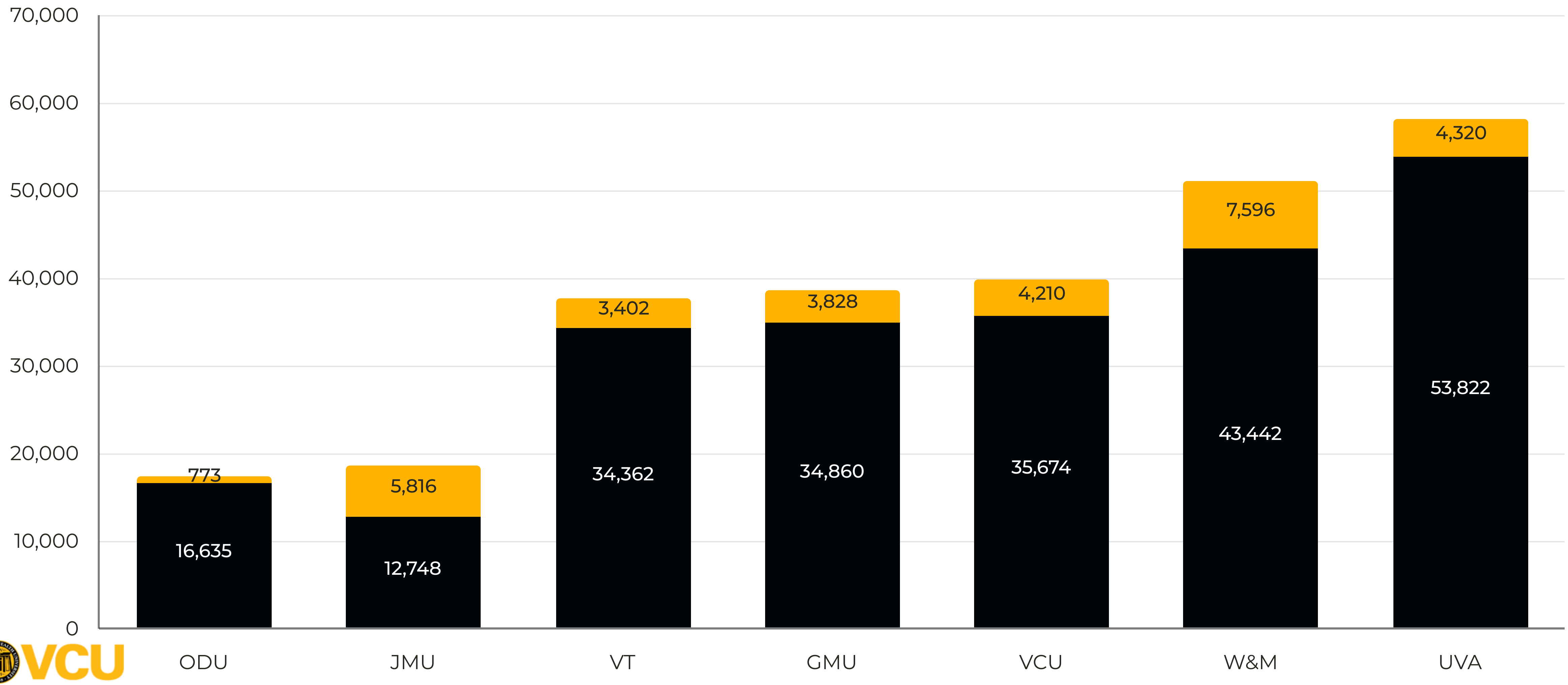
FY 2024-2025 sources	Tuition, fee & state funds (E&G)	Grants and contracts (sponsored programs)	Auxiliary Enterprises (Housing & Dining)	Qatar Hospitals univ. funds	Student financial assistance	Total university
State general fund						
Direct appropriations	$305,224	$26,763	-	-	$61,664	$393,651
Non-general funds						
Student tuition & fees	$460,799	-	$68,240	-	-	$529,039
Grants & contracts	-	$368,988	-	-	$52,078	$421,066
Gifts & Investment earnings	$100	-	$5,551	$72,000	-	$77,651
Sales & services	$6,410	-	$102,551	$115,829	-	$224,790
Other sources	$2,448	-	$150	$13,590	-	$16,188
Total non-general funds	**$469,757**	**$368,988**	**$176,492**	**$201,419**	**$52,078**	**$1,268,734**
Transfers in (out)	$14,034	-14,034	-	-	-	-
Total university sources	**$789,015**	**$381,717**	**$176,492**	**$201,419**	**$113,742**	**$1,662,385**

2024-25 budget uses summary

(in thousands)

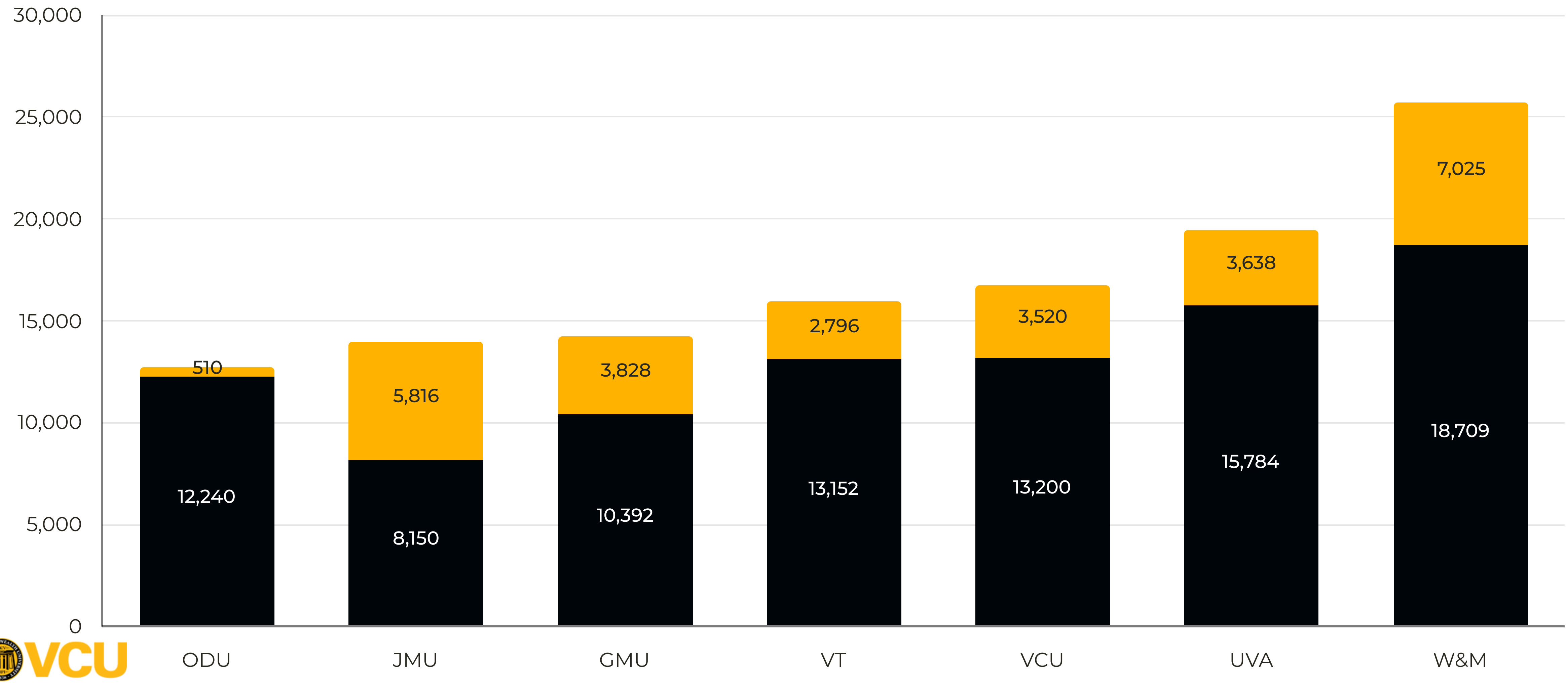
FY 2024-2025 Uses	Tuition, fee & state funds (E&G)	Grants & contracts (sponsored programs)	Auxiliary Enterprises (Housing & Dining)	Qatar Hospitals univ. funds	Student financial assistance	Total university
Instruction	$283,076	$40,650	-	$49,710	-	$373,436
Research	$34,771	$330,569	-	$36,171	-	$401,511
Public service	$6,923	-	-	$3,095	-	$10,018
Academic support	$199,044	$489	-	$16,358	-	$215,891
Student services	$17,968	$107	-	$1,038	-	$19,113
Institutional support	$103,268	$2,745	-	$6,905	-	$112,918
Operation & maintenance of plant	$80,136	$3,201	-	$1,712	-	$85,049
Scholarship & fellowship	$51,822	$1,716	-	$15,189	$113,742	$182,469
Auxiliary enterprises	-	-	$176,492	-	-	$176,492
Hospital services	-	-	-	$71,241	-	$71,241
Subtotal uses	**$777,008**	**$379,477**	**$176,492**	**$201,419**	**$113,742**	**$1,648,138**
Transfers in (out)	-	-	-	-	-	-
Contingency & reserves	$12,007	$2,240	-	-	-	$14,247
Total university uses	**$789,015**	**$381,717**	**$176,492**	**$201,419**	**$113,742**	**$1,662,385**

Non-resident undergraduate tuition & fees FY 2025



Source: Each school website

Resident undergraduate tuition & fees FY 2025

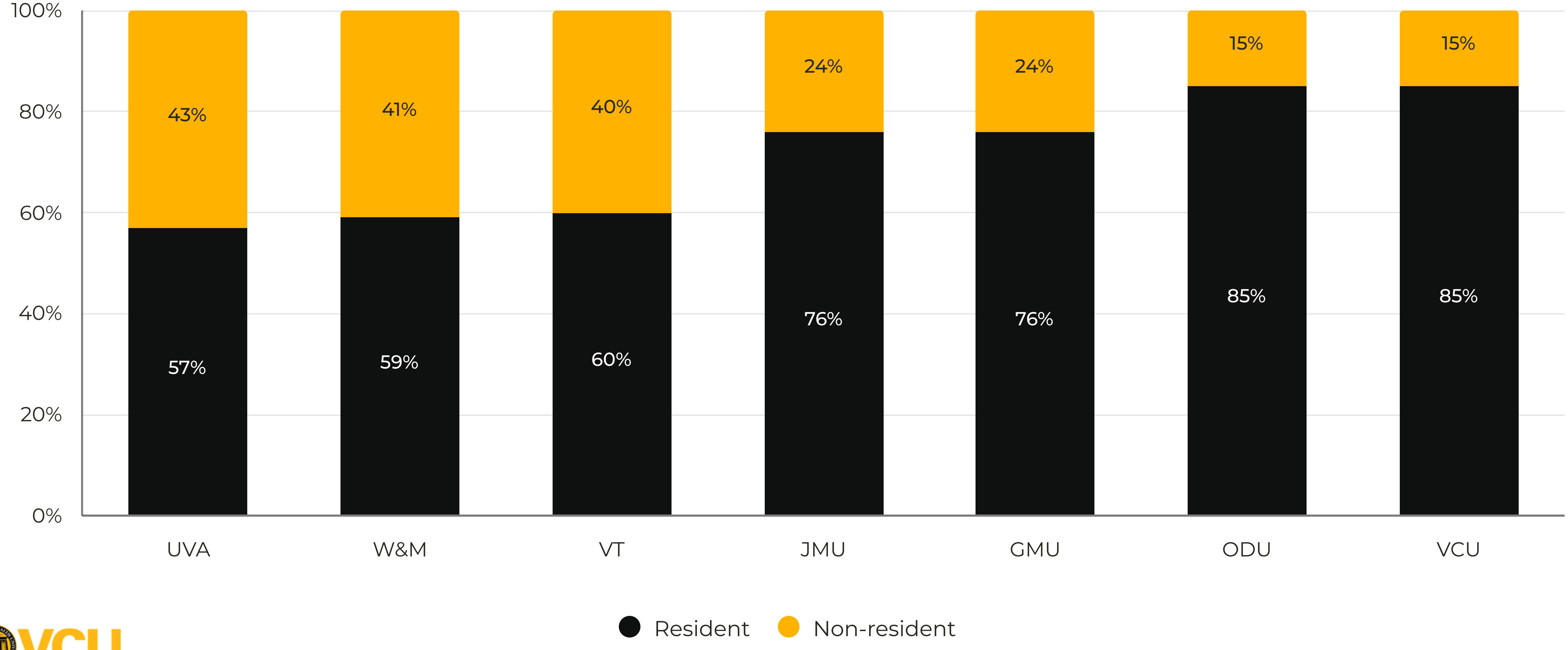


VCU

Source: Each school website

VCU serves a high percentage of resident students

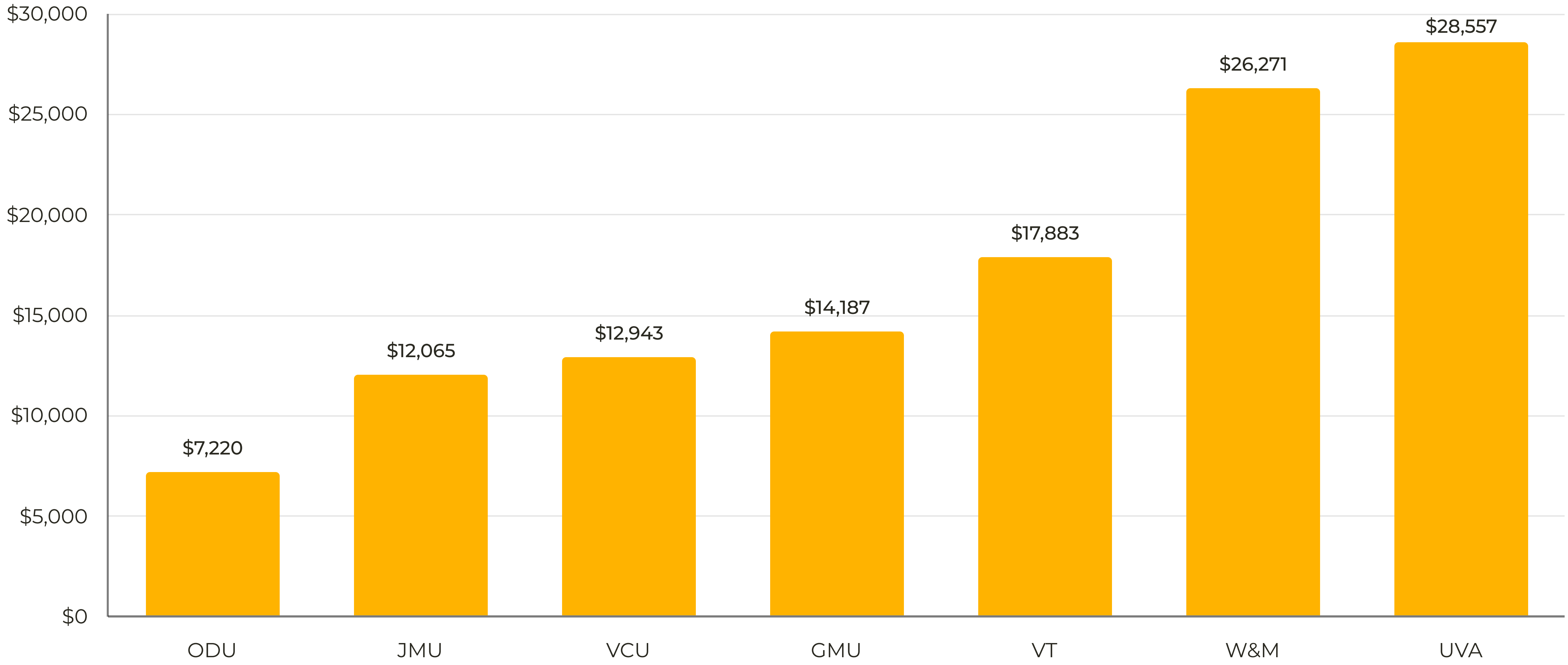
Total student FTE by residency



VCU

Total undergraduate tuition revenue net of waivers per student FY24

Virginia R1 and Tier III institutions



Source: Respective institution six-year plans submitted to SCHEV in 2024

Virginia Military Survivors & Dependents Education Program

Provided to qualifying spouses, children and step-children of qualifying veterans for up to eight semesters (undergraduate to doctoral) of tuition and mandatory fees

A qualifying veteran is someone who was killed in action, became missing in action, was taken prisoner of war, or was totally and permanently disabled or at least 90% disabled

Waivers are applied before any other eligible federal and state aid

Currently 86% are undergraduate and 14% are graduate students*

VCU VMSDEP students are enrolled in all of VCU's schools and colleges with the majority in Humanities and Sciences (42%), Business (17%) and Arts (14%)*

*Based on FY 2024 for VCU

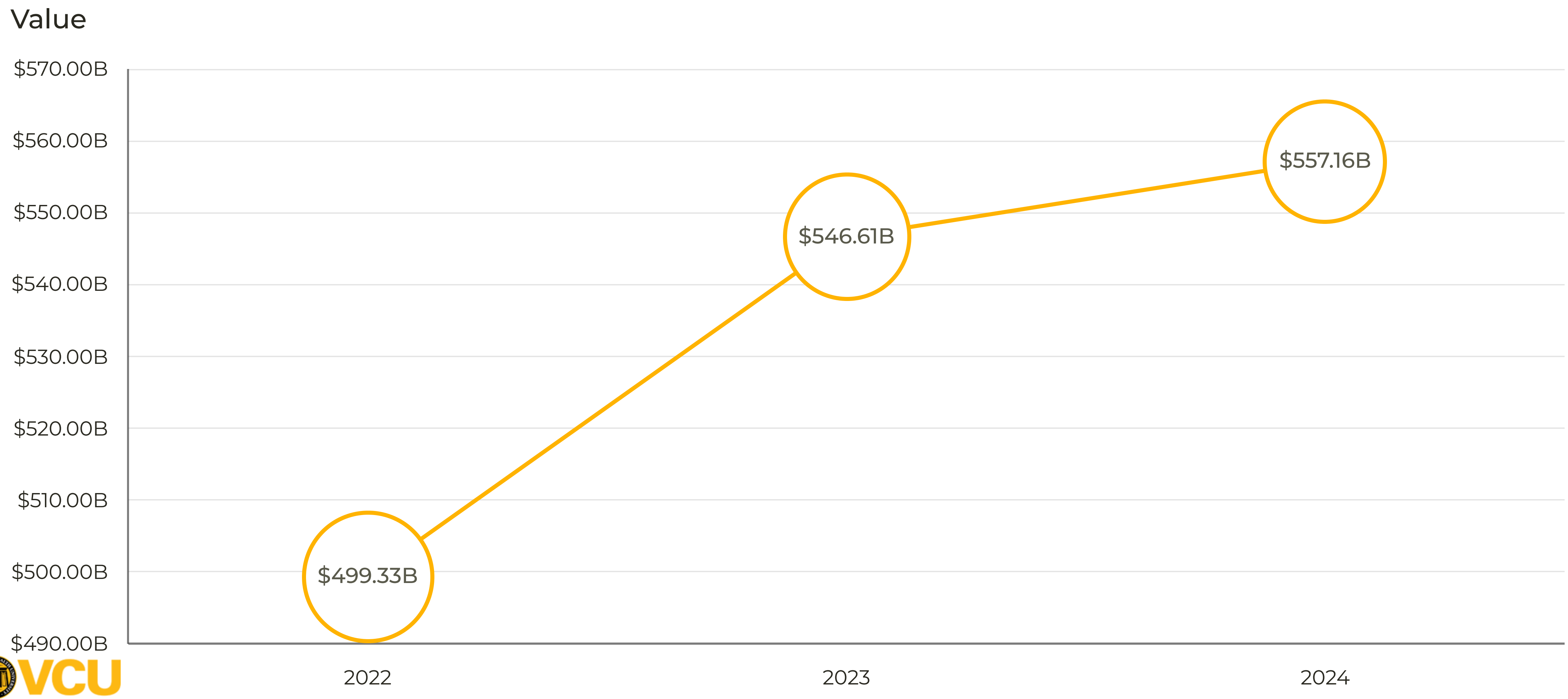
Attachment C

Development and Alumni Relations Update

Mr. Jay Davenport, Vice President for Development and Alumni Relations

VCU

Total philanthropy in U.S. 2022-24



Five sectors hit all-time highs

Education

Human services

Health

Environment & animals

Arts, culture & humanities

Giving to foundations continues to rise

- **Significant growth rate at 10.8%**

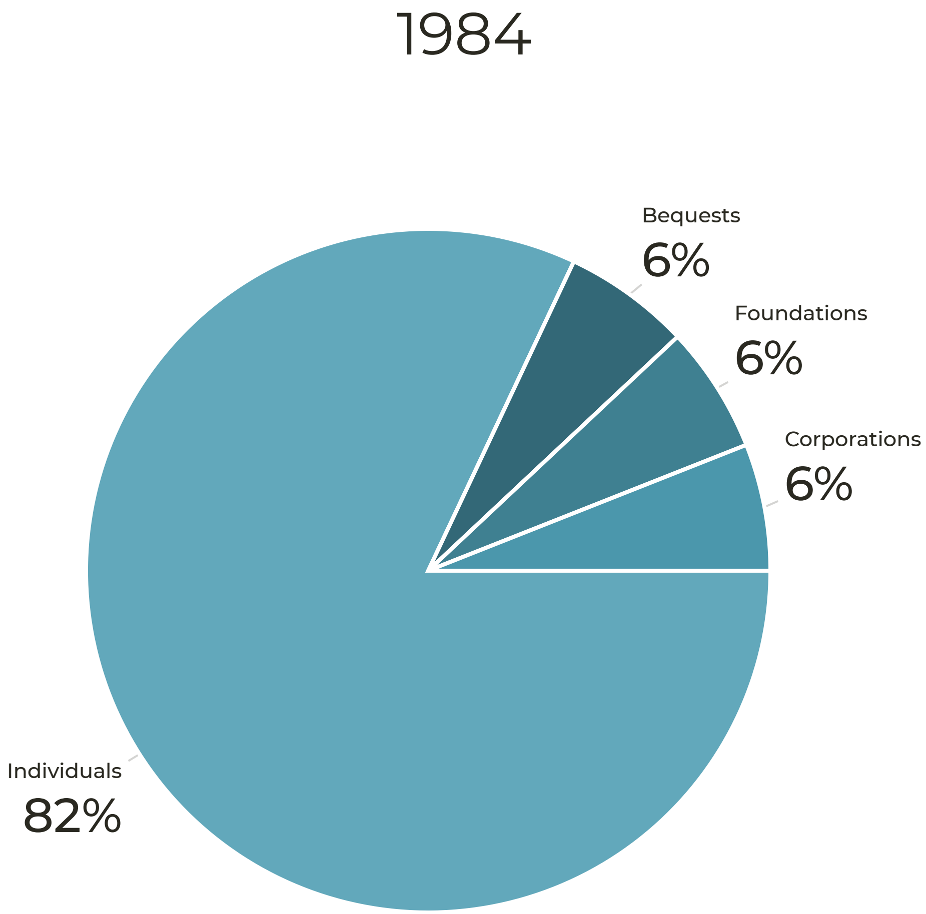
  Fueled, in part, by investments from donors in community foundation-held donor advised funds

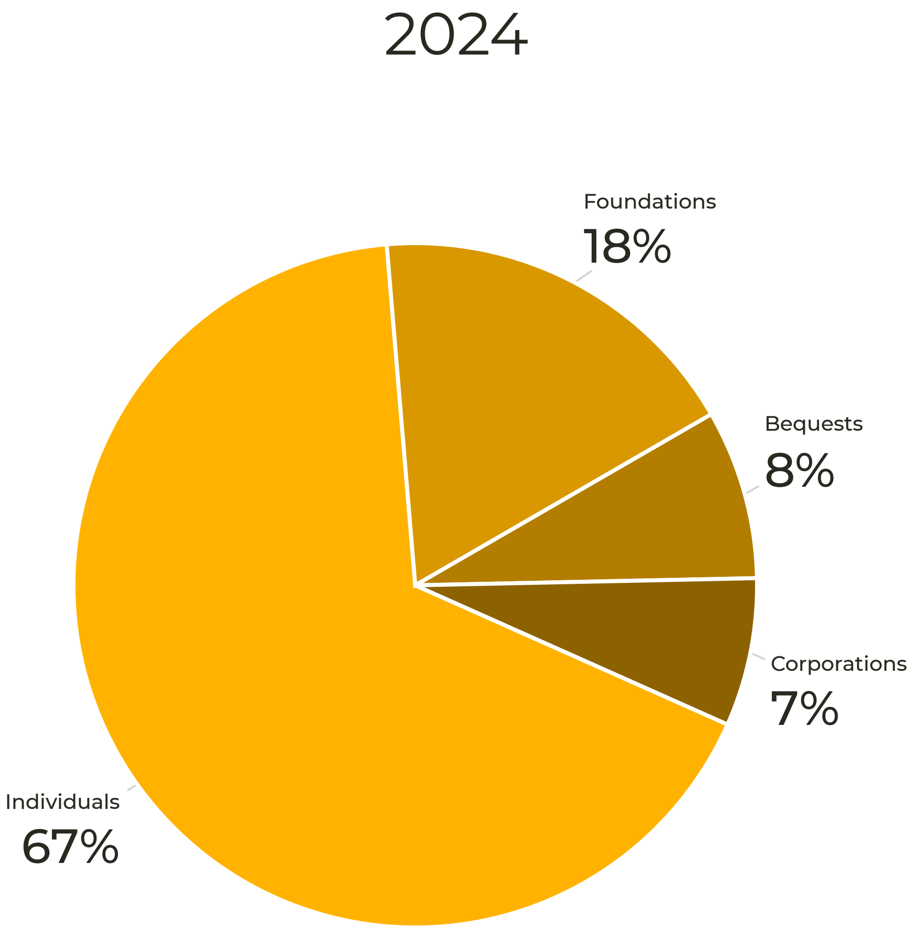
- **Public-society giving rose 7.2% ($62.81 billion)**

  Includes several large financial institution-managed donor advised funds

This growth is instructive on how donors are giving now in anticipation of future philanthropic investments.

Percent of giving by category





Total giving to all categories

*Inflation-adjusted numbers	2019	2020	2021	2022	2023
Religion	$153.09B	$150.44B	$152.04B	$147.32B	$145.81B
Human services	$69.73B	$82.47B	$88.70B	$87.39B	$88.84B
Education	$74.28B	$71.61B	$78.16B	$82.21B	$87.69B
Public society benefit	$46.17B	$52.69B	$69.11B	$58.57B	$62.81B
Health	$47.45B	$51.58B	$56.20B	$54.21B	$56.58B
International affairs	$29.41B	$30.91B	$42.05B	$30.43B	$29.94B
Arts, culture & humanities	$23.55B	$22.70B	$23.49B	$23.70B	$25.26B
Environment & animals	$15.90B	$17.74B	$20.36B	$20.40B	$21.20B

VCU results FY22-24

Individuals (alumni and friends)

FY22: $153,873,199

FY23: $74,426,912

FY24: $93,119,762

Foundations

FY22: $47,011,643

FY23: $72,111,638

FY24: $49,432,309

Corporations

FY22: $8,224,885

FY23: $31,927,012

FY24: $30,754,108

Bequests

FY22: $14,148,560

FY23: $31,927,012

FY24: $30,754,108

Core VCU strengths remain strong

Three of the top eight categories are VCU strengths

Education

Health

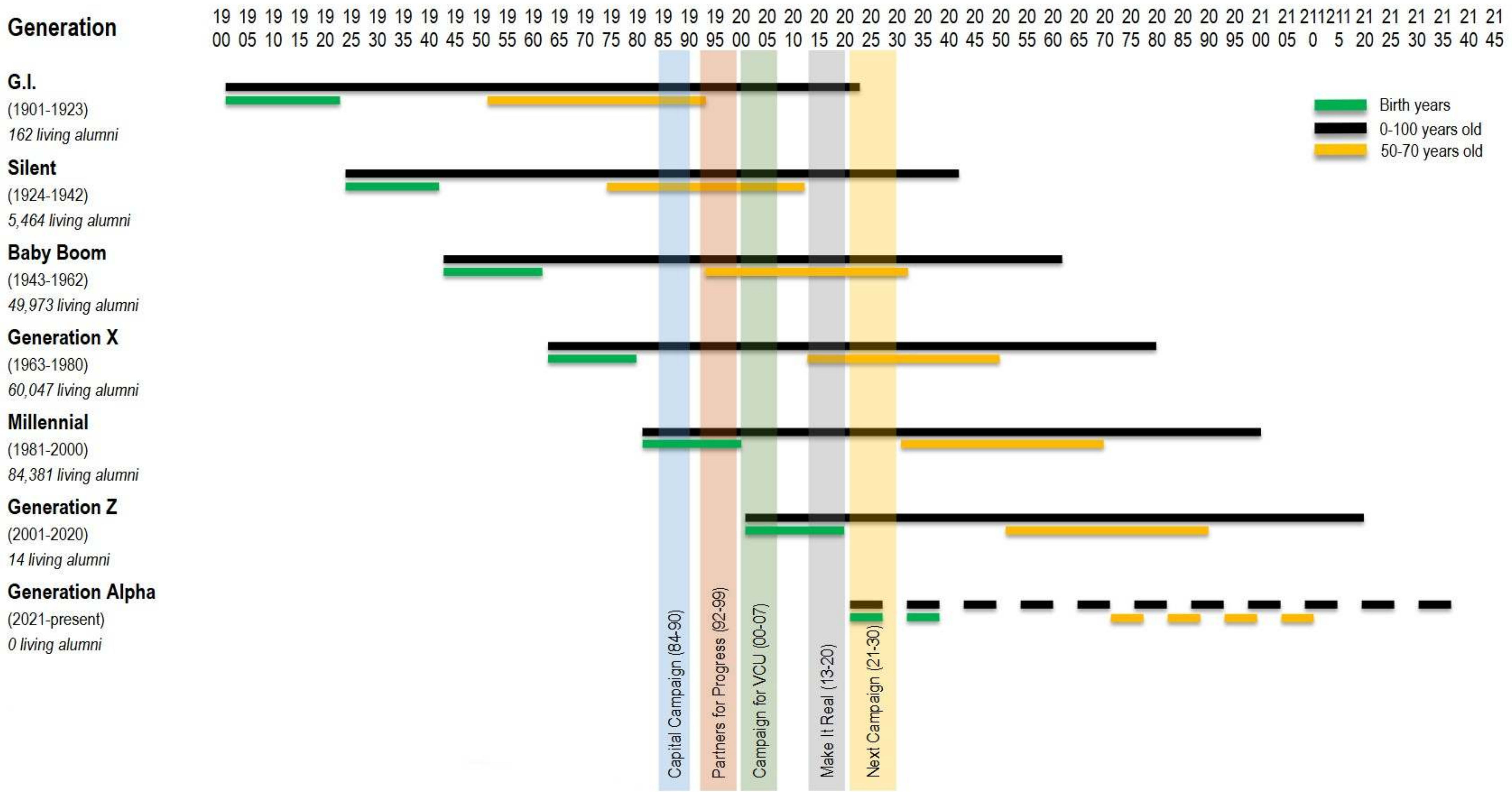
Arts, culture and humanities

Launching in September 2025, VCU's upcoming comprehensive campaign will **build on these strengths.**

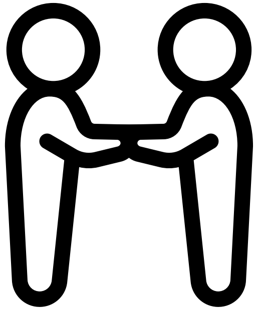
DAR has aligned the campaign around **individuals, foundations** and **corporate support.**

The six generations of VCU alumni

DAR has aligned the campaign to maximize relationships with VCU generations



Focus on major and principal giving



- Trends track more substantial economic recovery among corporations, stocks and individuals with appreciated assets than the average base-level donor.
- Development enterprises must activate **relationship-based major and principal gift programs** focused on **high-touch, high-ask philanthropy**.
- Focusing on the most likely next big gifts will be an important determinant of near-term health and success for nonprofits.

VCU

Focus on bequests

- Bequest giving consistently represents 9-10% of annual philanthropy.

- More than 77 million Americans are older than 60*, representing a large portion of the population for whom estate planning is likely a strong consideration.

  **U.S. Census Bureau*

- Americans older than 70 hold more than 30% of the country's wealth and have added $14 trillion to their net worth since 2019.*

  **Bloomberg*

Looking ahead

Economic optimism creates space for aspirational asks

- As **inflation fell** from 6.1% to 3.1% and **wages grew** over the course of 2023, **giving increased.**
- Last year's giving data signaled that **donors are once again focused on changing the world through philanthropy.**
- Fundraisers and leaders need to recognize these changes as **opportunities** to engage donors in **substantive conversations** about **meaningful philanthropy.**
- Donors whose financial considerations have rebounded have an opportunity to **aid continued recovery among other segments of the economy** and to **invest in helping nonprofits restore and grow their impact** by giving to ensure continued program growth.

Tax policy *favorable* for philanthropy

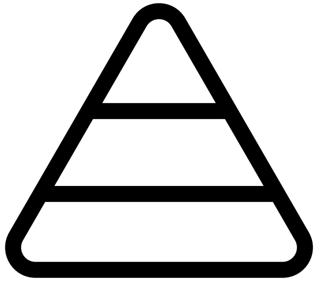
- Congress' review of the Tax Cut and Jobs Act should continue favorable tax treatment that will benefit individuals and corporations.

- **Continuing the current tax environment will enable donors to plan with guidelines they are familiar with and have planned for.**

- Benefits should continue if the TCJA is renewed as is and could **improve** if tax benefits are enhanced.

Investments in base- and mid-level giving are critical to long-term health

- Along with securing near-term sources of philanthropy, **nonprofits must begin investing in growing their base- and mid-level giving programs to cultivate relationships with and retain these donors.**
- Amid worry about declining donor counts, nonprofits that thoughtfully build programs focused on retention and upgrading existing donors are beginning to see those trends slow and even reverse.
- Building loyalty equals stable revenue now AND future transformational giving as these donors age into their prime giving years.



VCU

Philanthropy and the recent NIH discussion

Fundraising in our current campaign is donor-directed, supporting specific projects and priorities selected by academic leadership and unit directors

- There is not a "pool" of donated dollars that is unclaimed and available for repurposing to support the proposed reductions in NIH support.
- Pledges to VCU and VCU Health since 2021 will be paid out over 5-7 years and are available for spending in FY27-29.

Philanthropy and the recent NIH discussion

- 72% of donations received since 2021 were "expendable donations" and have already been spent on student scholarships, department support or research funding.
- 18% of donations received since 2021 have been restricted to university endowments, such as future scholarship accounts, faculty chairs and program funds.
- 10% of donations received since 2021 have been restricted to facility improvements, such as the CoStar Center for Arts and Innovation and the VCU Athletic Village.

Discussion

Attachment D

VCU Finance and Administration

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FY2025 Q2 Financial Performance Analysis *Dollars in Millions*

SOURCES/USES *(in millions)*	**FY2024-25 Full Budget**	**FY2024-25 YTD @ Q2**	**Projected Year-End Actuals**	**Projected YE $ Budget Variance**	**Projected YE % Budget Variance**
SOURCES					
Net Tuition and Fees (E&G)	$461	$421	$466	$5	1%
State Appropriations	$305	$164	$305	$0	0%
Other E&G Income	$67	$41	$87	$20	30%
Auxiliary Student Fees	$68	$66	$69	$1	1%
Other Auxiliary Income	$108	$85	$105	-$3	-3%
Sponsored Programs and Research	$379	$174	$376	-$3	-1%
University Funds	$86	$41	$108	$22	27%
Student Financial Assistance	$114	$56	$115	$1	1%
Hospital Services	$72	$41	$66	-$6	-9%
Total Operating Sources	$1,660	$1,090	$1,697	$37	2%
USES					
Academic Programs (E&G)	$432	$218	$447	$14	3%
Academic Support (E&G)	$400	$209	$402	$2	0%
Auxiliary Enterprises	$176	$80	$161	-$16	-9%
Sponsored Programs and Research	$379	$183	$386	$8	2%
University Funds	$86	$61	$118	$32	38%
Student Financial Assistance	$114	$59	$115	$1	1%
Hospital Services	$72	$23	$66	-$6	-9%
Total Operating Uses	$1,660	$833	$1,694	$35	2%
Net Operating Sources & Uses	-	$257	$3	$2	

Finance and University Resources Committee
Dashboard Metrics for Quarterly Review - March 2025

Finance

Area/Metric	Target/Goal/Benchmark	Actual/Outcome	Information/Notes
Bond ratings (AA- credit rating is minimum to achieve Tier III designation)			
Moody's	Aa Category	Aa3	Rating reaffirmed December 2024, met goal
S&P	AA Category	AA-	Rating reaffirmed February 2025, met goal
Debt ratio (Debt policy requires 6% limit based on debt ratio)			
Calculated debt ratio	Threshold is S&P (6%) or Moody's rating group median (4.3%; FY2023) Annual debt service/operating expense (as defined by each S&P and Moody's)	FY2024 debt ratio is 3.19% (estimated); S&P calculation not available	Current estimated debt ratio is within debt policy expectations. S&P and Moody's use different methods to calculate debt ratios.
Investment performance (calculated over previous 12 months as of December 31, 2024)			
Short-term tier	4.87%	5.32%	Short-term tier investments are in fixed income assets and are managed by external managers. Performance exceeds benchmark. See treasurer's report for more detail.
Long-term tier	12.43%	13.51%	Long-term tier investments include the Quasi endowment and Glasgow endowment under the management of VCIMCO. Performance under benchmark. See treasurer's report for more detail.
Quarterly review of budget to actual performance			
Revenues	For FY2025**:** Q1 - 36%**, Q2 - 66%**, Q3 - 88%, Q4 - 100%	For FY2025**:** Q2 - As of the end of the second quarter, we have collected 66% of our budget.	Revenues continue to trend positively, projecting a 5% increase over FY2024 year-end revenues. Revenues include tuition, state funds, research, gifts, housing, dining, financial aid and other operating funds.
Expenses	For FY2025: Q1 - 29%, **Q2 - 50%**, Q3 - 84%, Q4 - 100%	For FY2025: Q2 - As of the end of the first quarter, we have accounted for 50% of our budget.	Expenses follow increased revenue, projecting a 6.1% increase over year-end FY2024 expenses, with a resulting surplus of $3M. Expenses include academic, personnel, research, financial aid and

			other categories. See quarterly performance analysis for further information.
Certified Suppliers			
1. Percentage of discretionary spend with suppliers certified by Virginia DSBSD	40%	31%	Goals for FY2025/Actual for FY2024
2. Percentage of discretionary spend with suppliers certified by all certifying entities	52%	36%	Goals for FY2025/Actual for FY2024

Development & Alumni Relations[1]

Campaign progress

Primary giving by household/entity (< $50,000)

Major giving by household/entity ($50,000 - $999.9K)

Principal giving by household/entity ($1M+)

Donors

New donors

Government Relations Priorities

Reduce financial impact of military waivers (VMSDEP)

Increase funding to support and expand academic programming and enrollment in the health sciences

Increase undergraduate financial aid

Increase general fund for faculty salaries and academic programs

Increase state support for university research priorities

Secure funding for acquisition and upfit of the Altria CRT Building

[1] Information is discussed during closed session under Section 2.2-3711(A)(9) of the Virginia Freedom of Information Act for the discussion of gifts, bequests, and fundraising activities of the University.

VCU | Virginia Commonwealth University™

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

June 30, 2024

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MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024
(unaudited)

Virginia Commonwealth University's Management Discussion and Analysis (MD&A) provides a discussion and overview of the financial performance during the fiscal year ended June 30, 2024, with comparative information presented for the fiscal year ended June 30, 2023. While maintaining its financial health is crucial to the long-term viability of the University, the primary mission of a public institution of higher education is to provide education, research and public service.

This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with the accompanying financial statements and notes. The financial statements, notes and this discussion are the responsibility of management.

Understanding the Financial Statements

The MD&A focuses on VCU and is intended to foster a greater understanding of VCU's financial activities. Since this presentation includes summarized formats, it should be read in conjunction with the financial statements which have the following four components:

Statement of Net Position presents a snapshot of VCU's assets and liabilities under the accrual basis of accounting at the end of each fiscal year presented. The Statement of Net Position helps the reader understand the type and amounts of assets available to support operations, how much VCU owes to vendors and bond holders and the net position delineated based upon their availability for future expenditures.

Statement of Revenues, Expenses and Changes in Net Position presents VCU's revenues and expenses categorized between operating, non-operating and other related activities. The Statement of Revenues, Expenses and Changes in Net Position reports VCU's operating results for each fiscal year presented.

Statement of Cash Flows (SCF) provides information about VCU's sources (receipts) and uses (payments) of cash during the fiscal year. The SCF classifies sources and uses of cash into four categories, assists in determining whether VCU has the ability to generate future net cash flows to meet its obligations as they come due and in determining the need for external financing.

Notes to the Financial Statements (Notes) provide additional information to clarify and expand on the financial statements.

The MD&A provides objective analysis of VCU's financial activities based on currently known facts, decisions and conditions. The MD&A discusses the current year's results in comparison to the prior year. To see discussions relating to the prior year, refer to last year's annual financial report on VCU's website.

Statement of Net Position

The term "Net Position" refers to the difference between total assets and deferred outflows to total liabilities and deferred inflows, as an indicator of VCU's financial condition. Changes in net position that occur over time indicate improvement or deterioration in VCU's financial condition.

Assets and liabilities are generally measured using current values with capital assets as the one notable exception because they are stated at historical cost less an allowance for depreciation/amortization.

Condensed Statement of Net Position

as of June 30,	2024	2023, as restated	$ Change	% Change
Current and other assets	$1,234,955,360	$1,029,010,283	$205,945,077	20%
Capital assets – net	1,413,403,508	1,404,860,842	8,542,666	1%
Deferred outflows	119,127,092	88,745,166	30,381,926	34%
Total assets and deferred outflows	2,767,485,960	2,522,616,291	244,869,669	10%
Current liabilities	258,352,867	281,642,065	(23,289,198)	(8%)
Noncurrent liabilities	912,937,787	912,362,433	575,354	0%
Deferred inflows	81,480,242	121,839,142	(40,358,900)	(33%)
Total liabilities and deferred inflows	1,252,770,896	1,315,843,640	(63,072,744)	(5%)
Net Position:				
Net investment in capital assets	957,255,334	921,749,643	35,505,691	4%
Restricted	438,112,755	252,177,702	185,935,053	74%
Unrestricted	119,346,975	32,845,306	86,501,669	263%
Total net position	$1,514,715,064	$1,206,772,651	$307,942,413	26%

Total university assets and deferred outflows increased by $244.9 million or 10% during fiscal year 2024, bringing the total to $2,767.5 million at year-end. University assets increased due to an additional $174.2M in appropriations available for capital projects to which includes a new Arts and Innovation building. Other investments grew by $51.9M which included an additional $20M gift towards the new Liver Institute. As part of our continued growth in research, sponsors account receivable increased by $12.7M in the current year.

Total university liabilities and deferred inflows decreased by $63.1 million or 5% during fiscal year 2024. Current liabilities decreased due to a reduction of payroll related liabilities and the payoff of short-term debt. Deferred inflows decreased $40.4M, which was driven by changes in assumptions, proportions and investment experience relating to pensions and other post-employment benefits. Additionally, pension obligations and other post-employment benefits increased by $39.7M. However, this was offset by a decrease in long-term liabilities by $36.6M. The reduction in long-term liabilities is a result of debt reductions and the reinstitution of carry-forward leave limits.

Per GASB statement 100, changes in accounting principal do not require prior year restatement since we do not present comparative statements. Therefore, fiscal year ended June 30, 2023 does not include the $7.3M adjustment for implementation of Implementation Guide 2021-1, Question 5.1 See footnote 1, section AB for additional details.

Total Net Position

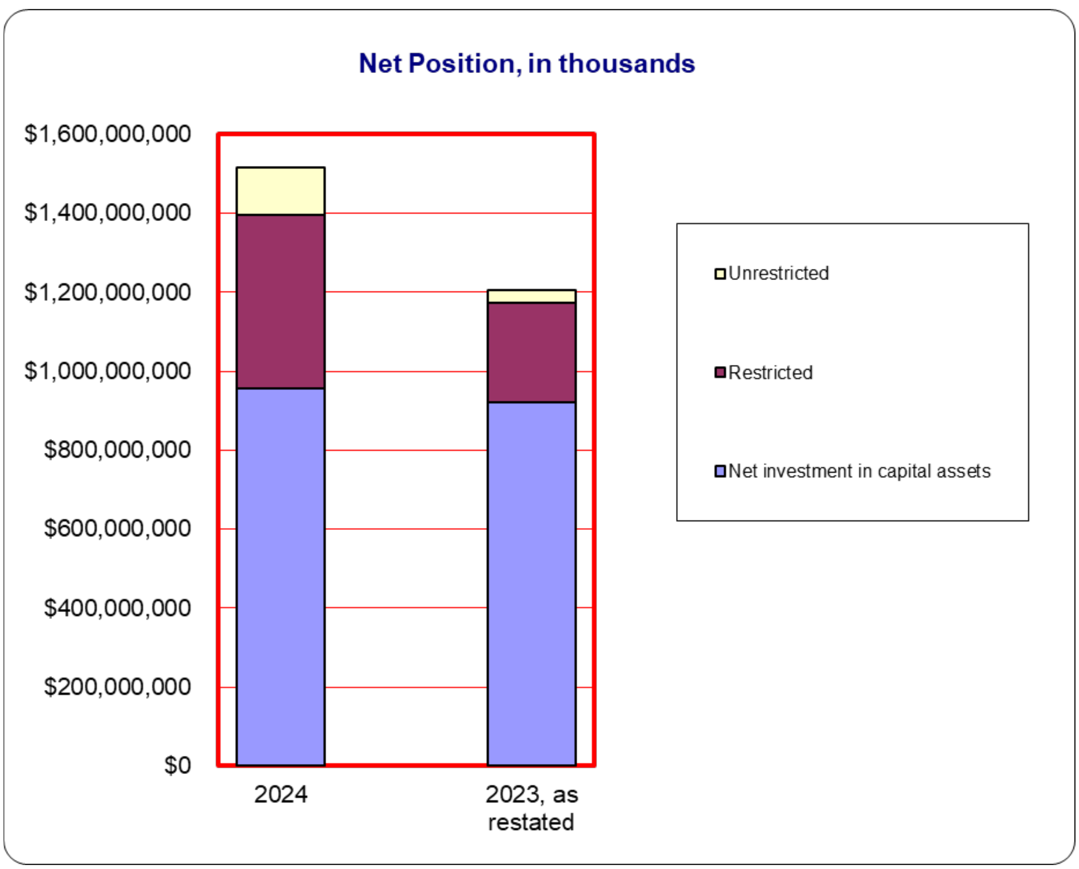
Net position is divided into three major categories:

Net investments in capital assets represent the University's total investment in capital assets, net of accumulated depreciation, amortization and related debt.

Restricted net assets are divided into two categories: nonexpendable and expendable. The corpus of nonexpendable restricted assets is only available for investment purposes. Expendable restricted assets are available for expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets.

Unrestricted net position is available resources to the University for any lawful purpose.

The following graph and table illustrate the changes in the make-up of net position, between 2024 and 2023:



Total Net Position				
as of June 30,	2024	2023, as restated	$ Change	% Change
Net investment in capital assets	$957,255,334	$921,749,643	$35,505,691	4%
Restricted	438,112,755	252,177,702	185,935,053	74%
Unrestricted	119,346,975	32,845,306	86,501,669	263%
Total net position	$1,514,715,064	$1,206,772,651	$307,942,413	26%

The fiscal year ending June 30, 2023, was restated to reflect a change in accounting principle and error corrections associated with capital assets. This change increased net invested in capital assets by $18.4M. See footnote 1, section AB for additional details. Restricted net assets growth is due to the $174.2M in capital appropriations received from the Commonwealth of Virginia.

Changes in unrestricted net position are attributable changes in pension and other post-employment benefits related adjustments to include deferred inflows and outflows. Additionally, increased investment returns had a positive impact on unrestricted net position.

Statement of Revenues, Expenses and Changes in Net Position

Due to the classification of certain revenues as non-operating revenue, VCU shows a loss from operations. State appropriations, while budgeted for operations, are considered non-operating revenues according to the Governmental Accounting Standards Board (GASB) 35 standards and are reflected accordingly in the non-operating section of the Statement of Revenues, Expenses and Changes in Net Position, even though these funds are used solely for operating purposes.

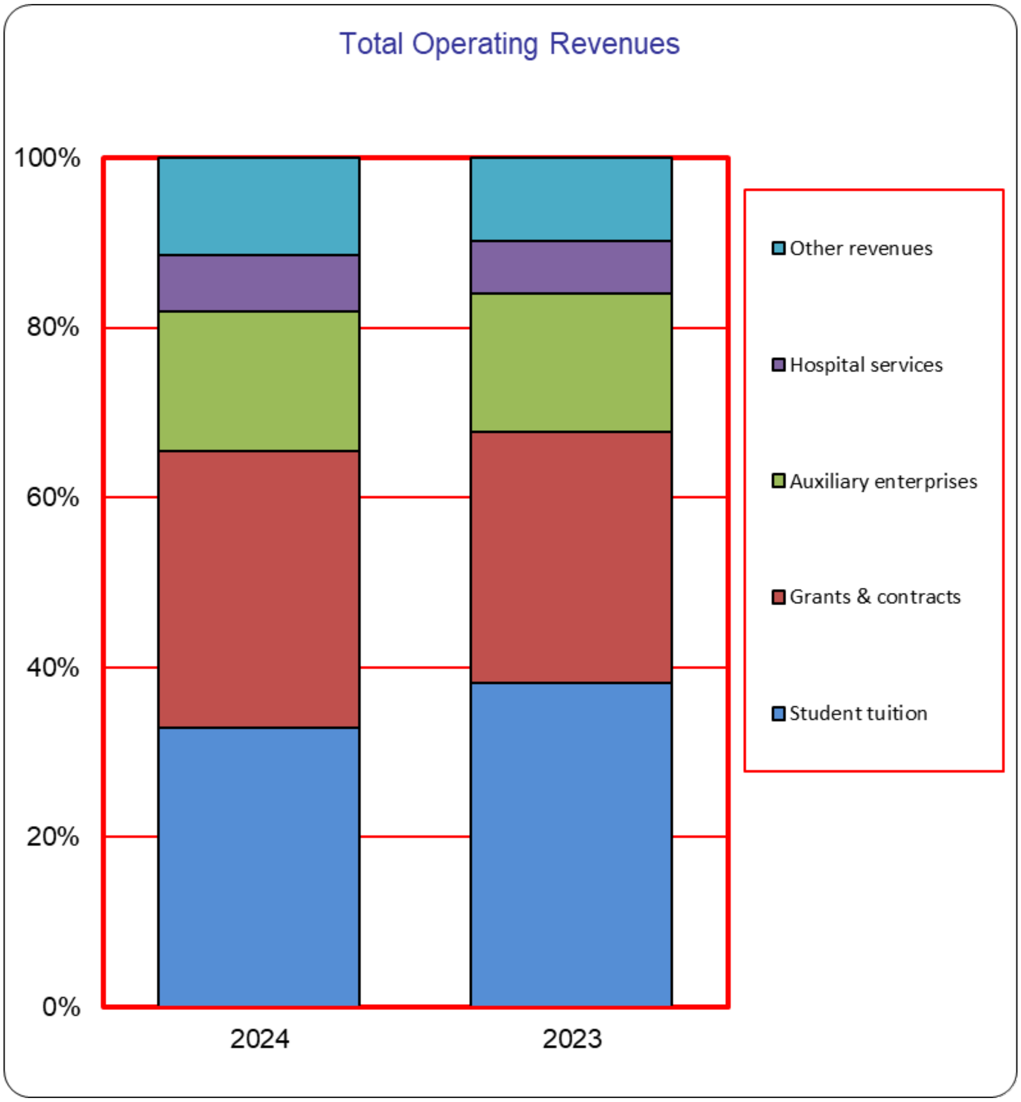
The following is a summarized schedule of the revenues and expenses for the University:

Condensed Statement of Revenues, Expenses and Changes in Net Position				
For the Year Ended June 30,	2024	2023, as restated	$ Change	% Change
Operating revenue	$891,367,830	$858,409,113	$32,958,717	4%
Operating expense	1,359,721,882	1,311,949,958	47,771,924	4%
Operating loss	(468,354,052)	(453,540,845)	(14,813,207)	(3%)
Non-operating revenues, net of expenses	550,738,410	489,652,739	61,085,671	12%
Other revenues (expenses)	218,247,573	72,793,587	145,453,986	200%
Increase in net position	300,631,931	108,905,481	191,726,450	176%
Net position - beginning of year	1,214,083,133	1,097,867,170	116,215,963	11%
Net position - end of year	$1,514,715,064	$1,206,772,651	$307,942,413	26%

The growth in non-operating revenues is due to a $42.9M increase in state appropriations coupled with increased investment income of $30.5M. These increases are off-set by the decrease in federal CARES Act/COVID funding. The additional $174.2M is capital appropriations is included on in the Other Revenues (expense) line item.

Revenues

Operating revenues increased $33 million, or 4%, in 2024 compared to the prior year.



Total Operating Revenues

For the Year Ended June 30,	2024	2023	$ Change	% Change
Student tuition	$293,641,345	$328,102,121	($34,460,776)	(11%)
Grants & contracts	290,084,756	252,896,545	37,188,211	15%
Auxiliary enterprises	145,923,380	140,073,447	5,849,933	4%
Hospital services	59,711,044	53,580,828	6,130,216	11%
Other revenues	102,007,305	83,756,172	18,251,133	22%
Total operating revenues	$891,367,830	$858,409,113	$32,958,717	4%

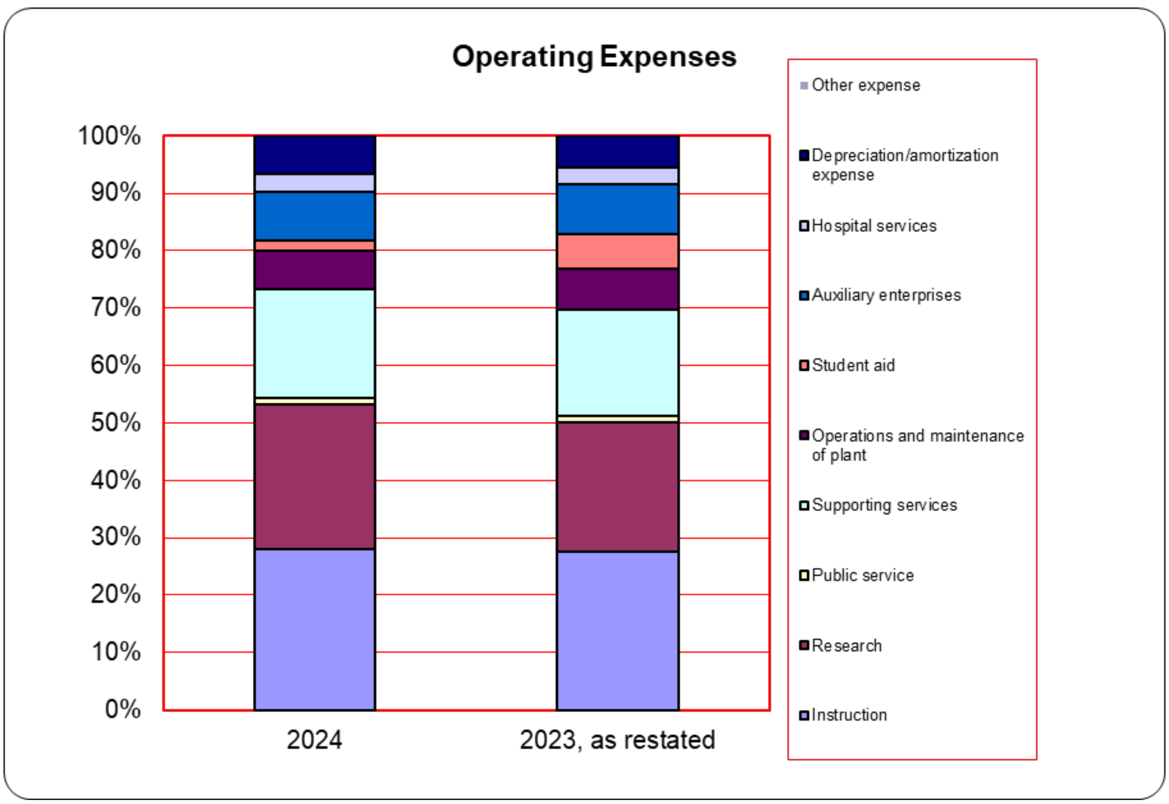
Student Tuition and fees increased by $17.3M however, this is offset by increased scholarship allowances. The method used to calculate scholarship allowances changed from The Alternative Method of calculating the estimated discount, as prescribed in NACUBO Advisory 2000-05 to a method that looks at detail by student and term. This method takes advantage of modern student information systems which are more capable of matching student aid with student charges.

As a premier urban research institution and part of its mission, the University has been consistently growing its grant and contracts revenues. VCU's research and innovation team has been able to announce that it has now passed $500M in sponsored research funding through years of work in various disciplines as well as transdisciplinary and collaborate efforts within and across the campuses.

Hospital support services and clinical support attributed to the remainder of the increased revenues.

Expenses

Operating expenses increased $47.8 million, or 4%, over 2024 to $1.4 billion. The following chart summarizes operating expenses by functional classification:



Operating Expenses by Function				
For the Year Ended June 30,	2024	2023, as restated	$ Change	% Change
Instruction	$379,738,652	$362,660,368	$17,078,284	5%
Research	344,552,819	295,435,271	49,117,548	17%
Public service	14,868,050	13,937,738	930,312	7%
Supporting services	257,776,847	243,019,537	14,757,310	6%
Operations and maintenance of plant	90,408,357	94,461,643	(4,053,286)	(4%)
Student aid	22,919,991	78,812,586	(55,892,595)	(71%)
Auxiliary enterprises	116,639,884	112,311,621	4,328,263	4%
Hospital services	43,938,026	38,528,570	5,409,456	14%
Depreciation/amortization expense	88,824,909	72,782,624	16,042,285	22%
Other expense	54,347	-	54,347	0%
Total operating expenses	$1,359,721,882	$1,311,949,958	$47,771,924	4%

Increased research and hospital services expenses are directly correlated to the increased grants and contact revenues and hospital revenues, respectively. The decrease in student aid is tied to the method of calculating scholarship allowances. The new method resulted in a $53M increase in scholarship allowances, netted with tuition and fee revenues, which correlates to a $53M decrease in student aid.

Public services expenses increased by $844k in salaries and benefits, $656k in travel which was offset by decreases in supplies.

Capital projects that transitioned from construction in progress contributed to the increase in depreciation and amortization expenses as well as increased capital asset additions. Restatements to the prior fiscal year dramatically decreased depreciation/amortization expense causing an inflated change between the two fiscal years.

Increases in supporting services are mostly in the academic support area. These are a result of an increase in spending on salaries and benefits along with the increased cost of skilled services.

Capital Assets and Related Financing Activities

Capital Assets

At June 30, 2024, VCU had $2.559 billion in capital assets, less accumulated depreciation of $1.146 billion, for net capital assets of $1.413 billion. VCU is committed to a comprehensive program of capital initiatives in support of the University’s strategic plan.

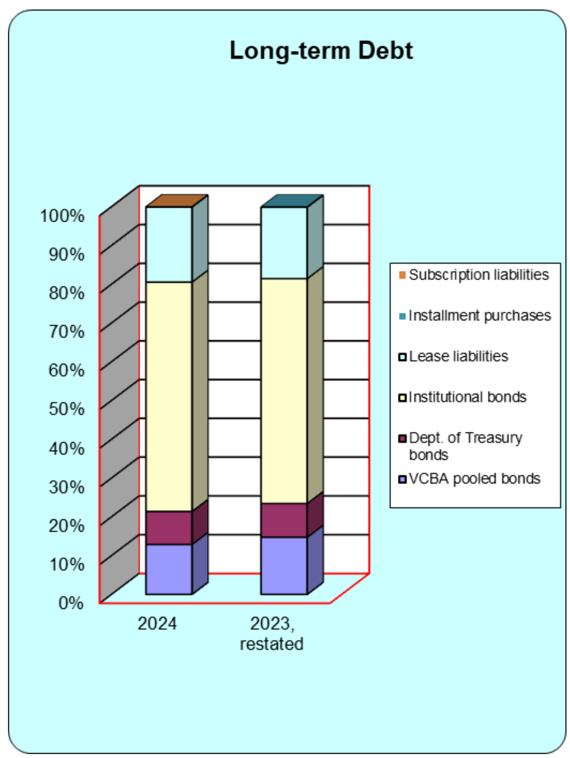
Capital Assets, Net as of June 30,	2024	2023, as restated	$ Change	% Change
Land	$93,762,019	$84,927,811	$8,834,208	10%
Land improvements and infrastructure	3,304,220	3,181,331	122,889	4%
Buildings	1,054,646,456	1,055,278,068	(631,612)	(0%)
Equipment	120,086,137	111,998,936	8,087,201	7%
Intangible (computer software)	543,704	899,659	(355,955)	(40%)
Library books	3,939,944	4,276,803	(336,859)	(8%)
Construction in progress	24,093,038	35,391,948	(11,298,910)	(32%)
Lease fixed assets	96,522,745	98,692,908	(2,170,163)	(2%)
Subscription based IT arrangements	16,505,245	17,523,859	(1,018,614)	(6%)
Total	$1,413,403,508	$1,412,171,323	$1,232,185	0%

During the fiscal year, land was purchased for an Arts and Innovation building and space for a new Technology center. The new Technology Operations Center was completed and moved from construction in process to depreciable capital assets along with a few smaller renovations thus decreasing construction in progress by $11.3M.

Debt

At June 30, 2024, the University had $526.4 million in long-term debt outstanding.

Dept. of Treasury bonds were issued in the current year to refund Series 2013B debt. Throughout the year, the University entered into new lease commitments for equipment, parking lots and buildings totaling $7.8M. New subscription-based technology arrangements totaled $6.5M. Overall decrease in long term debt is a result of annual principal payments greater than new debt acquired.



Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement assists users in assessing the University's ability to generate net cash flows, meet its obligations as they come due and its need for external financing.

The statement is divided into four sections:

1. Cash used by operating activities shows operating cash flows of the University.
2. Cash provided by noncapital financing activities reflects cash received and disbursed for purposes other than operating, investing and capital financing. GASB requires general appropriations from the Commonwealth and noncapital gifts be shown as cash flows from noncapital financing activities.
3. Cash used by capital and related financing activities presents cash used for the acquisition and construction of capital and related items. Plant fund and related long-term debt activities (except depreciation and amortization), as well as gifts to endowments, are included in cash flows from capital financing activities.
4. Cash provided by investing activities reflects cash generated from investments which included purchases, proceeds and interest.

The following is a summary Statement of Cash Flows for the University for the years ended June 30, 2024 and 2023. For more detailed information, see the accompanying Statement of Cash Flows.

as of June 30,	2024	2023	$ Change	% Change
Cash provided (used) by:				
Operating activities	($442,095,141)	($433,465,350)	($8,629,791)	2%
Noncapital financing activities	515,929,947	462,757,806	53,172,141	11%
Capital and related financing activities	(99,122,216)	(48,127,360)	(50,994,856)	106%
Investing activities	20,924,390	33,404,150	(12,479,760)	(37%)
Net increase (decrease) in cash	(4,363,020)	14,569,246	(18,932,266)	(130%)
Cash and cash equivalents, beginning of year	$100,993,446	86,424,200	14,569,246	17%
Cash and cash equivalents, end of year	$96,630,426	$100,993,446	($4,363,020)	(4%)

The increase in non-capital financing activities is mostly due to the increased spending on the purchase of capital assets which is offset by decreased debt proceeds.

Economic Outlook

The following are known facts and circumstances that will affect future financial results:

State appropriations increased by $84.85M in the following areas:

- Operating Funding - $55.3M
- Virginia Military Survivors and Dependents Education Program (VMSDEP) - $11.7M
- Research Funding - $2.75M
- Financial Aid - $8.6M

- HEETF - \$3.0M
- Maintenance Reserve - \$3.5M

The VCU Board of Visitor's approved a 2.7% increase in tuition for FY25 which is expected to yield an additional \$15M in revenue.

The General Assembly approved a 3% salary increase for faculty and staff effective for the first payroll of FY25.

Fall 2024 enrollment increased by 237 students or roughly 1% over the previous year. VCU enrolled 4,275 freshmen students in Fall 2024, the second largest freshman class in the last five years.

Spring 2025 Point-in-time Admissions Highlights

- Freshman applications (+20%) and offers accepted (+100%) over spring 2024.
- Transfer applications (+11%) and offers accepted (+45%) over spring 2024.
- Master's applications (+75%) and offers accepted (+106%) over spring 2024.
- Doctoral applications (+30%) and offers accepted (+24%) over spring 2024.

Other positive enrollment trends are:

- Increased online program enrollment (+39%) over 2023.
- New degree-seeking enrollment (+1.9%) since 2022.
- Undergraduate retention: 1-year (85.5%), 2-year (75.7%), and transfer (87%)

VCU is being recognized nationally and internationally:

- A top 50 public research institution as ranked by NSF
    - In FY24 VCU's sponsored awards were \$506M, exceeding \$500M for the first time ever
    - This represents an 86% increase over the last 6 years: a 9 percent increase over last year
- 23 academic programs in top 50
- Top 20% of global universities
- Comprehensive Cancer Status
- Community Engaged University
- Higher Education Excellence in Diversity award from Insight into Diversity magazine five years in a row
- Top producing institution for Fulbright scholars

VCU is 1 of only 3 universities in the state to receive the Top Producing recognition under the Carnegie Classification for doctoral institutions. The other recipients in the state were the University of Virginia (Main Campus) and William and Mary.

Increasing support from the Commonwealth coupled with enrollment and tuition increases is allowing the university the flexibility to strategically align resources to drive student success and grow research and innovation.

FINANCIAL STATEMENTS

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2024

	University	VCU Health System Authority
Current assets:		
Cash and cash equivalents (Note 2)	$ 92,172,614	$ 340,400,083
Short-term investments (Note 2)	316,015,400	-
Accounts receivable:		
Student and other, Net of allowance of $6,530,615 (Note 4)	20,481,046	-
Sponsors	70,148,272	-
Patient, Net of allowance of $141,405,748	-	484,193,539
Third-party and non-patient	-	163,443,423
Contributions and gifts, Net of allowance of $1,055,496 (Note 5)	5,000,000	-
Due from University/component units	6,735,914	-
Due from VCBA	10,564,721	-
Loans receivable, current portion	2,084,081	-
Current portion of assets whose use is limited (Note 2)	-	8,000,000
Other assets	2,972,617	93,056,954
Total current assets	526,174,665	1,089,093,999
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2)	4,457,812	113,473
Endowment investments (Note 2)	44,429,492	-
Other investments (Note 2)	252,931,090	74,612,393
Contributions and gifts, Net of discounts and allowance of $4,875,578 (Note 5)	41,561,417	-
Loans and Other receivable, Net of allowance of $923,850 (Note 4)	21,534,100	15,948,298
Due from University/component units	116,079,378	-
Appropriations available - capital projects	210,263,557	-
Assets whose use is limited, less current portion (Note 2)	-	1,654,600,718
Other long-term assets	-	8,444,387
Post Employment Benefits (Note 15)	17,523,849	-
Non-depreciable capital assets (Note 6)	117,855,057	60,739,674
Depreciable and amortizable capital assets (Note 6)	1,295,548,451	1,705,214,642
Total non-current assets	2,122,184,203	3,519,673,585
Total assets	2,648,358,868	4,608,767,584
Deferred outflows (Note 1U)	119,127,092	22,836,879
Total assets and deferred outflows	2,767,485,960	4,631,604,463

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2024, continued

	MCV Foundation	VCU Foundation
Current assets:		
Cash and cash equivalents (Note 2)	$ -	$ 4,886,468
Short-term investments (Note 2)	128,631,000	-
Accounts receivable:		
Student and other	-	1,708
Contributions and gifts, Net of allowance of $1,055,496 (Note 5)	2,297,000	2,732,937
Due from University/component units	-	4,861
Other assets	122,000	9,066
Total current assets	131,050,000	7,635,040
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2)	10,011,000	28,401,870
Endowment investments (Note 2)	319,499,000	54,819,112
Other investments (Note 2)	498,217,000	78,112,660
Contributions and gifts, Net of discounts and allowance of $4,875,578 (Note 5)	4,791,000	2,697,005
Loans and Other receivable	531,000	-
Other long-term assets	4,689,000	-
Non-depreciable capital assets (Note 6)	217,000	-
Depreciable and amortizable capital assets (Note 6)	1,172,000	-
Total non-current assets	839,127,000	164,030,647
Total assets	970,177,000	171,665,687

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2024, continued

	VCU Real Estate Foundation	VCU School of Business Foundation
Current assets:		
Cash and cash equivalents (Note 2)	$ 1,794,415	$ 7,170,879
Accounts receivable:		
Student and other	359,746	224,739
Contributions and gifts, Net of allowance of $1,055,496 (Note 5)	-	376,518
Due from University/component units	110,216	3,627
Other assets	5,500	197,494
Total current assets	2,269,877	7,973,257
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2)	-	2,997,621
Endowment investments (Note 2)	-	24,046,446
Other investments (Note 2)	1,706,261	38,122,611
Contributions and gifts, Net of discounts and allowance of $4,875,578 (Note 5)	-	882,832
Due from University/component units	11,994,563	-
Non-depreciable capital assets (Note 6)	23,459,518	-
Depreciable and amortizable capital assets (Note 6)	55,113,225	18,144,994
Total non-current assets	92,273,567	84,194,504
Total assets	94,543,444	92,167,761

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2024, continued

		VCU College of Engineering Foundation		Dentistry@ VCU
Current assets:				
Cash and cash equivalents (Note 2)	$	1,102,525	$	5,535,600
Accounts receivable:				
Student and other		100		74,242
Patient		-		5,153,895
Contributions and gifts, Net of allowance of $1,055,496 (Note 5)		124,452		-
Due from University/component units		400		-
Other assets		26,730		132,080
Total current assets		1,254,207		10,895,817
Noncurrent assets:				
Restricted cash and cash equivalents (Note 2)		100,514		-
Endowment investments (Note 2)		16,681,846		-
Other investments (Note 2)		59,068,378		18,806,052
Contributions and gifts, Net of discounts and allowance of $4,875,578 (Note 5)		1,707		-
Non-depreciable capital assets (Note 6)		4,307,317		-
Depreciable and amortizable capital assets (Note 6)		23,270,398		-
Total non-current assets		103,430,160		18,806,052
Total assets		104,684,367		29,701,869

	Eliminations	Total
Current assets:		
Cash and cash equivalents (Note 2)	$ -	$ 453,062,584
Short-term investments (Note 2)	-	444,646,400
Accounts receivable:		
Student and other, Net of allowance of $6,530,615 (Note 4)	(1,191,383)	19,950,198
Sponsors	-	70,148,272
Patient, Net of allowance of $141,405,748	-	489,347,434
Third-party and non-patient	-	163,443,423
Contributions and gifts, Net of allowance of $1,055,496 (Note 5)	-	10,530,907
Due from University/component units	(6,855,018)	-
Due from VCBA	-	10,564,721
Loans receivable, current portion	-	2,084,081
Current portion of assets whose use is limited (Note 2)	-	8,000,000
Other assets	(2,072,143)	94,450,298
Total current assets	(10,118,544)	1,766,228,318
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2)	-	46,082,290
Endowment investments (Note 2)	-	459,475,896
Other investments (Note 2)	177	1,021,576,622
Contributions and gifts, Net of discounts and allowance of $4,875,578 (Note 5)	-	49,933,961
Loans and Other receivable, Net of allowance of $923,850 (Note 4)	(9,119,351)	28,894,047
Due from University/component units	(128,073,941)	-
Appropriations available - capital projects	-	210,263,557
Assets whose use is limited, less current portion (Note 2)	-	1,654,600,718
Other long-term assets	-	13,133,387
Post Employment Benefits (Note 15)	-	17,523,849
Non-depreciable capital assets (Note 6)	-	206,578,566
Depreciable and amortizable capital assets (Note 6)	(63,048,991)	3,035,414,719
Total non-current assets	(200,242,106)	6,743,477,612
Total assets	(210,360,650)	8,509,705,930
Deferred outflows (Note 1U)	-	141,963,971
Total assets and deferred outflows	(210,360,650)	8,651,669,901

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2024, continued

	University	VCU Health System Authority
Current liabilities:		
Accounts payable and accrued liabilities (Note 8)	100,175,244	273,092,989
Unearned revenue (Note 9)	65,885,476	-
Due to University/component units	110,216	-
Long-term liabilities - current portion (Note 12)	92,181,931	92,297,616
Total current liabilities	258,352,867	365,390,605
Noncurrent liabilities:		
Funds held for others (Note 11)	12,914,782	-
Other	-	47,554,054
Long-term liabilities (Note 12)	497,947,926	752,612,371
Pension obligations (Note 14)	291,440,909	12,974,591
Post Employment Benefits (Note 15)	110,634,170	3,778,033
Total noncurrent liabilities	912,937,787	816,919,049
Total liabilities	1,171,290,654	1,182,309,654
Deferred Inflows (Note 1U)	81,480,242	48,344,713
Total liabilities and deferred inflows	1,252,770,896	1,230,654,367
Net investment in capital assets	957,255,334	1,169,350,578
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	6,191,537	-
Departmental uses	63,508,614	24,299,026
Expendable:		
Scholarships and fellowships	7,113,650	-
Research	129,181,773	-
Departmental uses	19,998,654	4,855,858
Loans	3,026,943	-
Capital projects	209,091,584	-
Unrestricted:	119,346,975	2,202,444,634
Total net position	$ 1,514,715,064	$ 3,400,950,096

The accompanying notes to financial statements are an integral part of this statement.

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2024, continued

	MCV Foundation	VCU Foundation
Current liabilities:		
Accounts payable and accrued liabilities (Note 8)	4,150,000	21,558
Due to University/component units	-	957,128
Long-term liabilities - current portion (Note 12)	965,000	-
Short-term liabilities	190,000	-
Total current liabilities	5,305,000	978,686
Noncurrent liabilities:		
Funds held for others	273,000	-
Due to University/component units	2,143,000	45,775,356
Other	1,077,000	309,103
Total noncurrent liabilities	3,493,000	46,084,459
Total liabilities	8,798,000	47,063,145
Net investment in capital assets	1,389,000	-
Restricted for:		
Nonexpendable:		
Departmental uses	325,319,000	55,932,440
Expendable:		
Departmental uses	563,211,000	29,527,897
Unrestricted:	71,460,000	39,142,205
Total net position	$ 961,379,000	$ 124,602,542

The accompanying notes to financial statements are an integral part of this statement.

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2024, continued

	VCU Real Estate Foundation	VCU School of Business Foundation
Current liabilities:		
Accounts payable and accrued liabilities (Note 8)	286,863	57,134
Unearned revenue	2,490,776	131,270
Due to University/component units	2,966,123	1,619,062
Short-term liabilities	8,610,125	-
Total current liabilities	14,353,887	1,807,466
Noncurrent liabilities:		
Due to University/component units	23,021,642	23,895,800
Other	676,977	-
Total noncurrent liabilities	23,698,619	23,895,800
Total liabilities	38,052,506	25,703,266
Net investment in capital assets	43,992,102	5,107,710
Restricted for:		
Nonexpendable:		
Departmental uses	-	25,099,995
Expendable:		
Departmental uses	-	23,158,143
Unrestricted:	12,498,836	13,098,647
Total net position	$ 56,490,938	$ 66,464,495

The accompanying notes to financial statements are an integral part of this statement.

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2024, continued

	VCU College of Engineering Foundation	Dentistry@ VCU
Current liabilities:		
Accounts payable and accrued liabilities (Note 8)	487,684	1,033,851
Unearned revenue	-	1,932,738
Due to University/component units	1,202,489	-
Long-term liabilities - current portion (Note 12)	473,297	-
Total current liabilities	2,163,470	2,966,589
Noncurrent liabilities:		
Due to University/component units	55,635,122	11,343,831
Long-term liabilities (Note 12)	3,715,341	-
Total noncurrent liabilities	59,350,463	11,343,831
Total liabilities	61,513,933	14,310,420
Net investment in capital assets	1,637,605	-
Restricted for:		
Nonexpendable:		
Departmental uses	16,687,308	-
Expendable:		
Departmental uses	8,616,549	-
Unrestricted:	16,228,972	15,391,449
Total net position	$ 43,170,434	$ 15,391,449

The accompanying notes to financial statements are an integral part of this statement.

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2024, continued

	Eliminations	Total
Current liabilities:		
Accounts payable and accrued liabilities (Note 8)	-	379,305,323
Unearned revenue (Note 9)	(2,072,143)	68,368,117
Due to University/component units	(6,855,018)	-
Long-term liabilities - current portion (Note 12)	(5,289,409)	180,628,435
Short-term liabilities (Note 10)	-	8,800,125
Total current liabilities	(14,216,570)	637,102,000
Noncurrent liabilities:		
Funds held for others (Note 11)	-	13,187,782
Due to University/component units	(161,814,751)	-
Other	-	49,617,134
Long-term liabilities (Note 12)	(56,993,721)	1,197,281,917
Pension obligations (Note 14)	-	304,415,500
Post Employment Benefits (Note 15)	-	114,412,203
Total noncurrent liabilities	(218,808,472)	1,678,914,536
Total liabilities	(233,025,042)	2,316,016,536
Deferred Inflows (Note 1U)	(10,310,734)	119,514,221
Total liabilities and deferred inflows	(243,335,776)	2,435,530,757
Net investment in capital assets	(1,730,861)	2,177,001,468
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	-	6,191,537
Departmental uses	-	510,846,383
Expendable:		
Scholarships and fellowships	-	7,113,650
Research	-	129,181,773
Departmental uses	-	649,368,101
Loans	-	3,026,943
Capital projects	-	209,091,584
Unrestricted:	34,705,987	2,524,317,705
Total net position	$ 32,975,126	$ 6,216,139,144

The accompanying notes to financial statements are an integral part of this statement.

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended June 30, 2024

		University		VCU Health System Authority
Operating revenues:				
Student tuition and fees, Net of scholarship allowances of $195,814,905	$	293,641,345	$	-
Federal grants and contracts		225,814,980		-
State grants and contracts		18,856,097		-
Local grants and contracts		1,572,508		-
Nongovernmental grants and contracts		43,841,171		-
Sales and services of educational departments		62,380,761		-
Auxiliary enterprises:				
Sales and services		95,501,135		-
Student fees, Net of scholarship allowances of $13,965,029		50,422,245		-
Hospital services		59,711,044		3,543,303,820
Other revenues		39,626,544		-
Total operating revenues		891,367,830		3,543,303,820
Operating expenses:				
Instruction		379,738,652		-
Research		344,552,819		-
Public service		14,868,050		-
Supporting services:				
Academic support		138,615,999		-
Student services		20,189,774		-
Institutional support		98,971,074		-
Operations and maintenance of plant		90,408,357		-
Student aid		22,919,991		-
Auxiliary enterprises		116,639,884		-
Hospital services		43,938,026		3,118,943,564
Depreciation/amortization expense		88,824,909		126,173,144
Other expenses		54,347		-
Total operating expenses		1,359,721,882		3,245,116,708
Operating gain/(loss)		(468,354,052)		298,187,112
Non-operating revenues (expenses):				
State appropriations (Note 24)		377,376,357		-
Federal Funding: CARES Act/COVID19		23,484		2,607,018
Gifts		76,664,603		12,707,900
Investment income, Net of investment expense		68,252,737		213,763,781
Interest on capital asset-related debt		(18,091,177)		(33,715,873)
Pell revenue		38,020,747		-
Other		8,491,659		(73,674,284)
Net non-operating revenues		550,738,410		121,688,542
Income (loss) before other revenues and expenses		82,384,358		419,875,654
Other Revenues (expenses)				
Additions to permanent endowments		16,148		-
Capital appropriations		217,856,341		-
Capital gifts and grants		375,084		-
Increase (decrease) in beneficial interest in trusts		-		1,646,812
Increase (decrease) in net position		300,631,931		421,522,466
Net position - Beginning of year, as restated (Note 1)		1,214,083,133		2,979,427,630
Net position - End of year	$	1,514,715,064	$	3,400,950,096

The accompanying notes to financial statements are an integral part of this statement.

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended June 30, 2024, continued

	MCV Foundation	VCU Foundation	VCU Real Estate Foundation
Operating revenues:			
Other revenues	$ 11,799,000	$ 1,626,888	$ 11,768,339
Total operating revenues	11,799,000	1,626,888	11,768,339
Operating expenses:			
Supporting services:			
Academic support	49,585,000	-	-
Institutional support	6,758,000	-	-
Operations and maintenance of plant	-	-	3,150,599
Student aid	8,685,000	-	-
Depreciation/amortization expense	134,000	-	3,326,562
Other expenses	-	11,956,318	165,587
Total operating expenses	65,162,000	11,956,318	6,642,748
Operating gain/(loss)	(53,363,000)	(10,329,430)	5,125,591
Non-operating revenues (expenses):			
Gifts	18,702,000	17,840,427	-
Investment income, Net of investment expense	92,982,000	11,184,565	1,472,464
Interest on capital asset-related debt	-	-	(1,597,897)
Other	394,000	-	-
Net non-operating revenues	112,078,000	29,024,992	(125,433)
Income (loss) before other revenues and expenses	58,715,000	18,695,562	5,000,158
Other Revenues (expenses)			
Additions to permanent endowments	16,336,000	570,485	-
Increase (decrease) in beneficial interest in trusts	-	(62,693)	-
Other	-	(14,608)	-
Increase (decrease) in net position	75,051,000	19,188,746	5,000,158
Net position - Beginning of year	886,328,000	105,413,796	51,490,780
Net position - End of year	$ 961,379,000	$ 124,602,542	$ 56,490,938

The accompanying notes to financial statements are an integral part of this statement.

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended June 30, 2024, continued

	VCU School of Business Foundation	VCU School of Engineering Foundation	Dentistry@ VCU
Operating revenues:			
Other revenues	$ 3,440,987	$ 4,042,130	$ 21,579,990
Total operating revenues	3,440,987	4,042,130	21,579,990
Operating expenses:			
Instruction	918,541	-	-
Depreciation/amortization expense	1,341,017	2,324,611	-
Other expenses	3,586,852	8,297,189	20,362,911
Total operating expenses	5,846,410	10,621,800	20,362,911
Operating gain/(loss)	(2,405,423)	(6,579,670)	1,217,079
Non-operating revenues (expenses):			
Gifts	1,608,753	729,630	-
Investment income, Net of investment expense	9,304,760	8,744,224	1,114,618
Interest on capital asset-related debt	(419,744)	(1,099,012)	-
Net non-operating revenues	10,493,769	8,374,842	1,114,618
Income (loss) before other revenues and expenses	8,088,346	1,795,172	2,331,697
Other Revenues (expenses)			
Additions to permanent endowments	1,645,319	61,889	-
Increase (decrease) in net position	9,733,665	1,857,061	2,331,697
Net position - Beginning of year	56,730,830	41,313,373	13,059,752
Net position - End of year	$ 66,464,495	$ 43,170,434	$ 15,391,449

The accompanying notes to financial statements are an integral part of this statement.

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended June 30, 2024, continued

	Eliminations	Total
Operating revenues:		
Student tuition and fees, Net of scholarship allowances of $195,814,905	$ (841,251)	$ 292,800,094
Federal grants and contracts	-	225,814,980
State grants and contracts	-	18,856,097
Local grants and contracts	-	1,572,508
Nongovernmental grants and contracts	-	43,841,171
Sales and services of educational departments	(558,630)	61,822,131
Auxiliary enterprises:		
Sales and services	69,280	95,570,415
Student fees, Net of scholarship allowances of $13,965,029	-	50,422,245
Hospital services	(56,520,383)	3,546,494,481
Other revenues	(44,995,866)	48,888,012
Total operating revenues	(102,846,850)	4,386,082,134
Operating expenses:		
Instruction	(168,846)	380,488,347
Research	(2,988,748)	341,564,071
Public service	(425)	14,867,625
Supporting services:		
Academic support	(43,474,049)	144,726,950
Student services	(1,335)	20,188,439
Institutional support	(6,912)	105,722,162
Operations and maintenance of plant	(1,375,769)	92,183,187
Student aid	-	31,604,991
Auxiliary enterprises	(85,193)	116,554,691
Hospital services	(80,089,826)	3,082,791,764
Depreciation/amortization expense	(6,510,539)	215,613,704
Other expenses	(27,904,864)	16,518,340
Total operating expenses	(162,606,506)	4,562,824,271
Operating gain/(loss)	59,759,656	(176,742,138)
Non-operating revenues (expenses):		
State appropriations (Note 24)	-	377,376,357
Federal Funding: CARES Act/COVID19	-	2,630,502
Gifts	(66,506,508)	61,746,805
Investment income, Net of investment expense	-	406,819,149
Interest on capital asset-related debt	3,848,028	(51,075,675)
Pell revenue	-	38,020,747
Other	-	(64,788,625)
Net non-operating revenues	(62,658,480)	770,729,260
Income (loss) before other revenues and expenses	(2,898,824)	593,987,123
Other Revenues (expenses)		
Additions to permanent endowments	-	18,629,841
Capital appropriations	-	217,856,341
Capital gifts and grants	(375,084)	-
Increase (decrease) in beneficial interest in trusts	-	1,584,119
Other	-	(14,608)
Increase (decrease) in net position	(3,273,908)	832,042,816
Net position - Beginning of year, as restated (Note 1)	36,249,034	5,384,096,328
Net position - End of year	$ 32,975,126	$ 6,216,139,144

The accompanying notes to financial statements are an integral part of this statement.

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

	University
Cash flows from operating activities:	
Tuition and fees	$ 292,211,144
Grants and contracts	273,621,281
Auxiliary enterprise charges	145,386,480
Sales and services of education departments	62,380,761
Hospital services charges	58,071,031
Payments to suppliers	(381,778,325)
Payments to employees	(932,473,418)
Loans issued to students	5,711
Direct lending receipts	202,056,114
Direct lending disbursements	(202,783,279)
Custodial receipts	59,442,448
Custodial disbursements	(61,318,456)
Collection of loans to students	611,064
Other receipts (payments)	42,472,303
Net cash used by operating activities	(442,095,141)
Cash flows from noncapital financing activities:	
State appropriations	377,376,357
Federal Funding CARES Act/COVID19	23,484
Insurance recoveries	1,569,339
Pell revenue	38,020,747
Gifts	98,940,020
Net cash provided by noncapital financing activities	515,929,947
Cash flows from capital and related financing activities:	
Proceeds from issuance of note payable	529,039
Bond proceeds disbursed to VCUREF	110,216
Capital gifts	375,084
State appropriations for capital assets	45,124,294
Purchase of capital assets	(85,714,031)
Principal paid on capital-related debt	(41,273,855)
Interest paid on capital-related debt	(18,272,963)
Net cash used by capital financing activities	(99,122,216)
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	844,621
Investment income	1,487,584,906
Purchases of investments	(1,467,505,137)
Net cash provided by investing activities	20,924,390
Net decrease in cash	(4,363,020)
Cash and cash equivalents - Beginning of year	100,993,446
Cash and cash equivalents - End of year	$ 96,630,426

VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

RECONCILIATION OF NET OPERATING EXPENSES TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating gain/(loss)	$	(468,354,052)
Adjustments to reconcile net gain/(loss) to net cash used by		
Operating activities:		
Depreciation/amortization expense		88,824,909
Provision for uncollectible accounts		(2,086,715)
Changes in assets, liabilities, deferred inflows and deferred outflows:		
Receivables		(10,710,470)
Other assets		698,315
Deferred outflows of resources - pension and other post employment benefits		(31,631,137)
Accounts payable and other liabilities		(7,475,489)
Unearned revenue		(3,963,568)
Custodial funds		(2,603,173)
Compensated absences and deferred compensation		(2,977,177)
Deposits		(905,132)
Other liabilities		(4,267,000)
Deferred inflows of resources - pension and other post employment benefits		(42,659,983)
Pension obligations and other post employment benefits		46,015,531
Net cash used by operating activities	$	(442,095,141)

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Loss on disposal of capital assets	$	(222,462)
Amortization of bond premium and discount	$	(2,400,102)
Unrealized gain/(loss) on investments	$	51,771,457
Amortization of deferral on debt defeasance	$	(1,172,324)
Retainage Payable	$	(722,253)
Capital assets acquired through the assumption of a liability (long-term leases and SBITAs)	$	(14,404,995)
Proceeds from bond refunding	$	523,839
VRS Special Contributions	$	6,272,551

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Virginia Commonwealth University (VCU) is supported by the Commonwealth of Virginia to serve the Richmond area, the state and the nation through teaching, research, service and patient care. The VCU Health System supports the University's health care education, research and patient care mission.

VCU is a public research university located in Richmond, the state capital of Virginia. Founded in 1838 as the medical department of Hampden-Sydney College, VCU became the Medical College of Virginia in 1854. In 1968, the General Assembly merged MCV with the Richmond Professional Institute, founded in 1917, to create Virginia Commonwealth University.

Today, more than 28,000 students pursue over 200 degree and certificate programs through VCU's 13 schools and 5 colleges. VCU is designated as a research university with very high research activity by the Carnegie Foundation. A broad array of university-approved centers and institutes of excellence, involving faculty from multiple disciplines in public policy, biotechnology and health care discoveries, supports the University's research mission. Twenty-nine programs are ranked by U.S. News & World Report as among the best in the country.

VCU and VCU Health System Authority's accounting policies conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), including all applicable GASB pronouncements. The accounting policies of the Medical College of Virginia Foundation, Virginia Commonwealth University Foundation, Virginia Commonwealth University Real Estate Foundation, Virginia Commonwealth University School of Business Foundation, Virginia Commonwealth University College of Engineering Foundation and Dentistry@VCU conform with the generally accepted accounting principles as prescribed by the Financial Accounting Standards Board (FASB).

The accompanying financial statements are prepared in accordance with generally accepted accounting principles as prescribed by GASB Statement 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* and GASB Statement 35 *Basic Financial Statements and Management's Discussion and Analysis of Public College and Universities.* Because the University is a component unit of the Commonwealth of Virginia, it is included in the Annual Comprehensive Financial Report of the Commonwealth.

A. Reporting Entity

The accompanying financial statements include the accounts of all organizational units of Virginia Commonwealth University and the Virginia Commonwealth University Intellectual Property Foundation, a component unit which is blended (consolidated) with University operations. These statements are presented as stand-alone statements of the University.

The Virginia Commonwealth University Intellectual Property Foundation functions as a nonprofit charitable foundation solely to assist inventors, mainly from VCU, in licensing and patenting technologies. The sole purpose of this foundation is to promote, encourage and aid scientific investigation and research and to manage intellectual property developed at VCU for the benefit of the University.

In accordance with GASB Statement 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement 61, *The Financial Reporting Entity Omnibus*, amendments to GASB Statement 14, the financial statements include the Medical College of Virginia Foundation, Virginia Commonwealth University Foundation, Virginia Commonwealth University Real Estate Foundation, Virginia Commonwealth University College of Engineering Foundation, Virginia Commonwealth University School of Business Foundation, Dentistry@VCU and Virginia Commonwealth University Health System Authority which are presented discretely in the accompanying financial statements. Statement 39 provides additional guidance to determine whether certain organizations, for which the University is not financially accountable, should be reported as component units. Generally, it requires that an organization that raises and holds economic resources for the direct benefit of the University be reported as a component unit. As a result, where in the past the University presented summary financial information of certain of its foundations in the notes to the financial statements, the University is required under Statement 39 to include selected foundations in the body of its financial statements.

Virginia Commonwealth University Health System Authority (the Authority) is a public corporate body and political subdivision of the Commonwealth of Virginia created and established by an Act of the General Assembly of the Commonwealth of Virginia during 1996. The Authority is tax-exempt as an integral part of the Commonwealth of Virginia.

The Authority's principal activity is the operation of the Medical College of Virginia Hospitals (VCUMC), Medical College of Virginia Associated Physicians (MCVAP), Community Memorial Hospital, Inc. and subsidiaries (CMH), Tappahannock Hospital (TAPP), Children's Hospital (Children's), Virginia Children's Care Network (VCCN), Ambulatory Surgical Center (ASC), University Health Services, Inc. (UHS) and Aries Insurance Services, Ltd. (ARIES). Each of these component units are blended into the Authority for purposes of financial statement reporting.

VCUMC is an approximately 800-bed teaching hospital, which provides inpatient, outpatient and emergency care services primarily to patients in the Commonwealth of Virginia.

MCVAP, formed in 1991 as a non-stock, not-for-profit charitable educational organization with the Authority as sole corporate member, functions as the group practice plan for those physicians and health care professionals who have faculty appointments in the VCU School of Medicine (SOM).

CMH located in South Hill, Virginia, is a not for profit healthcare facility. CMH provides inpatient, outpatient, emergency care and long-term care of residents of Southside Virginia. CMH Physician Services, LLC (CMHP) is a component unit of CMH and operates outpatient clinics in South Hill, Clarksville, and Chase City, Virginia. CMHP is organized as a single member limited liability company, of which CMH is the sole member. CMHP is disregarded for tax purposes. Community Memorial Foundation (CMH Foundation), a component unit of CMH, was established to solicit, administer, and distribute funds to support the charitable purpose of CMH.

TAPP, located in the eastern neck of Virginia, is a not-for-profit healthcare facility. TAPP is a 67-bed hospital which provides services ranging from traditional hospital care to intensive care. In January 2021, the Authority purchased TAPP from Riverside Hospital.

Children's was created in 1920 and is a Virginia not-for-profit corporation. The 47-bed hospital provides pediatric specialty care to both inpatients and outpatients. On January 1, 2021, the outpatient therapy service and operating room from Children's now operate under the license of VCUMC. The dental clinic is still operated on site and is part of the overall business of Children's.

VCCN was created in April 2020 as a single member limited liability company in the Commonwealth of Virginia. It is the first clinically integrated network for VCUHSA. The network was established to improve the health of Virginia's children by improving access to medical services, coordinating care, enhancing communication and professional satisfaction, and expanding opportunities for quality, safety, research and education.

ASC was created in May 2021 as a single member limited liability company in the Commonwealth of Virginia. The ASC was created to provide ambulatory surgical services to preserve and restore the health of patients in the Richmond community, Virginia and beyond.

UHS is a not-for-profit, non-stock, tax-exempt corporation, which was incorporated on January 26, 1995 to support the educational, scientific, and charitable purpose and activities of the University and, in particular, the activities of the SOM and VCUMC. These activities include, but are not limited to, activities undertaken pursuant to Section 23-50.16B of the Code of Virginia. UHS is the sole member of UHS Professional Education Programs, Inc. (UHS PEP), which was also created in 1995 for the purpose of providing educational programs for VCUMC physicians and other physicians within and outside of Virginia.

ARIES is a wholly owned captive insurance company domiciled in the Cayman Islands, which was incorporated in May 2018 to manage certain insurance risks and reduce insurance costs to the companies that comprise the Authority. Polices may cover, but not limited to, health care professional liability, general liability, medical professional liability, commercial automobile liability, affiliated miscellaneous liability, worker compensation, excess umbrella coverage and related risks of the Authority and certain affiliates.

The Medical College of Virginia Foundation (MCV Foundation) is a not-for-profit corporation organized to aid, strengthen and extend the work, services and objectives of the MCV Campus of the University. This mission is achieved by receiving contributions, investing and managing funds, disbursing current funds and a portion of the total return on endowment and providing information about the activities of the MCV Campus and the MCV Foundation. The MCV Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c) (3).

The Virginia Commonwealth University Foundation (VCU Foundation) is a Virginia corporation, which functions as a nonprofit charitable foundation solely to assist, support, and foster VCU in all proper ways that may, from time to time, be approved by the trustees of the VCU Foundation with the guidance of VCU. The VCU Foundation manages and distributes current and endowment gifts for schools, departments and programs throughout VCU with major emphasis on programs for the Monroe Park Campus. The VCU Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c) (3).

The Virginia Commonwealth University Real Estate Foundation is a Virginia corporation, which functions as a nonprofit charitable foundation solely to assist and support VCU by holding and managing real estate for its benefit. The Virginia Commonwealth University Real Estate Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c) (3). This foundation includes additional subsidiaries: 535 West Broad Street LLC, 501 West Broad Street LLC, 916-918 Grace LLC, Sunshine RVA LLC, 1609 Sherwood LLC and Venture Development LLC.

The Virginia Commonwealth University College of Engineering Foundation is a Virginia corporation, which functions as a nonprofit charitable foundation solely to provide financial and other support to the College of Engineering for the benefit of VCU. The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c) (3).

The Virginia Commonwealth University School of Business Foundation is a Virginia corporation, which functions as a nonprofit charitable foundation solely to provide financial and other support to the School of Business for the benefit of VCU. The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c) (3).

Dentistry@VCU, was incorporated on June 26, 1991 and commenced operations on January 1, 1992 as a non-stock, non-profit organization to support the education, research, service and patient care mission of the School of Dentistry of Virginia Commonwealth University. The financial statements include Dentistry@VCU, Dentistry – VCU

Continuing Education, LLC, VCU Diagnostic Services, LLC, VCU Dental Faculty Practice, LLC and VCU Oral-Facial Surgery and Services, LLC which are wholly-owned subsidiaries of Dentistry@VCU. The entity is exempt from federal income taxes under Internal Revenue Code Section 501(c) (3).

The University also benefits from a number of organizations that exist mainly to support the various purposes and activities of the University and the Authority. The assets of these affiliated organizations, which are separately incorporated and managed by their own Boards, are not included in these statements. The affiliated organizations are listed below and are described in Note 12:

- Virginia Biotechnology Research Park Partnership Authority
- VCU Investment Management Company (VCIMCO)

Complete financial statements for the foundations can be obtained by writing the VCU Controller's Office, P.O. Box 843035, Richmond, VA 23284-3035.

B. Basis of Accounting

The financial statements of the University have been prepared using the economic resources measurement focus and the accrual basis, including depreciation expense relating to capitalized fixed assets. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has incurred. All significant intra-agency transactions have been eliminated.

Revenues, as reflected on the Statement of Revenues, Expenses and Changes in Net Position, include all exchange and non-exchange transactions earned in which all eligibility requirements have been satisfied, if measurable and probable for collections. Unearned revenue represents revenue collected, but not earned, as of June 30, 2024. This is primarily composed of revenue for grants and contracts and tuition and fees. Revenues for the summer term are prorated on the basis of student class days occurring before and after June 30.

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States, require 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Allowance for Uncollectible Receivables

The allowance for uncollectible receivables is based on management's evaluation of the collectability of individual receivables. Receivables are charged against the allowance when deemed to be uncollectible. Added to the allowance is subsequent recoveries.

D. Lease Receivable

The University determines if an arrangement contains a long-term lease at the inception of a contract and the lease classification is determined at the commencement date. Short-term leases with an initial term of 12 months or less, including all renewal options, are not recorded on the Statement of Net Position and are recognized as inflows of resources in the period to which the payments relate. The University's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under some lease agreements, the University may receive variable payments based on future performance by the lessee. These variable payments are not included in the measurement of the lease receivable and are recognized as inflows of resources in the period to which those payments relate. Any component of the variable payments that is fixed in substance is included in the measurement of the lease receivable.

A deferred inflow of resources is recorded at the commencement of a lease in an amount equal to the initial recording of the lease receivable. This is amortized on a straight-line basis over the term of the lease.

E. Pledges Receivable

Unconditional gifts are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional gifts expected to be collected within one year are recorded at their net realizable value. Unconditional gifts expected to be collected in future years are recorded at the net present value of the estimated future cash flows.

Donations or contributions of land, buildings, equipment and gifts-in-kind except contributed services are recorded at fair market value when received or pledged, if earlier.

F. Investments

Investments in open-end mutual funds, debt securities and equity securities that have readily determinable fair values are carried at fair value. The fair values of marketable equity securities, bonds and other investments are based on quoted market prices. Investments held in the liquidity fund of the University are reported as current assets with the remaining investments reported as noncurrent assets.

G. Inventories

Inventories are valued at the lower of cost (generally determined on the first-in, first-out method) or market.

H. Investment Income

Investment income, including net realized and unrealized gains or losses on investment transactions and investment expense, is recorded as non-operating revenue.

It is the practice of the VCU Foundation, MCV Foundation, Virginia Commonwealth University College of Engineering Foundation and Virginia Commonwealth School of Business Foundation to appropriate for distribution a set percentage of the average market value of endowment funds to be utilized for the purpose of the fund as stipulated by the donor and/or established by the Foundation. Distributions from underwater funds are prohibited.

I. Accrued Compensated Absences

University full-time classified, part-time classified and faculty employed on or after January 1, 1999, who are also active members of the Virginia Retirement System (VRS), are covered under the "Virginia Sickness and Disability Program" (VSDP). The plan provides for sick leave, family and personal leave, short-term disability benefits and long-term disability benefits. Full-time classified, part-time classified and faculty employed prior to January 1, 1999, who are active members of VRS, participate in VSDP under one of two options or remain under the traditional sick leave program in which classified employees and twelve-month faculty earn 5 hours of leave each pay period regardless of the length of state service and nine-month faculty accrue 48 hours per semester. One VSDP option permitted eligible employees to convert accumulated sick leave balances to short-term disability credits. The other allowed for the conversion of sick leave balances to VRS service credit. The University was not required to currently fund the cost of conversion to VRS service credit. Enrollment in the VSDP is irrevocable and no additional enrollments are planned. Under VSDP, unused VSDP sick leave and family and personal leave balances do not carry forward from one year to the next and employees are not paid for unused balances upon termination. The converted short-term disability credits of classified employees are payable upon termination in accordance with the Commonwealth of Virginia's sick leave payout policy discussed below. Faculty who converted sick leave balances to short-term disability credits are not compensated for these balances at termination.

Full-time and part-time, twelve-month faculty and classified employees earn annual leave based upon the number of years of continuous state service. Faculty and classified employees carry forward annual leave balances from one year to the next based on the years of service. Upon termination, the payout of unused annual leave balances is subject to the maximum payout policy for each category of employee.

University and academic professionals earn paid leave, university leave, based on their length of employment with the University. The equivalent of one year's leave accrual can be carried over. Upon termination, all leave earned, but not used, is paid to the employee.

Employees who are not subject to the overtime provisions of the Fair Labor Standards Act may be eligible to earn compensatory leave. Leave is earned on an hour-for-hour basis for having worked additional hours in a workweek, holidays or scheduled days off. Compensatory leave may be used for paid time off and is payable upon termination.

Accrued compensatory leave lapses, within 12 months from the date it is earned, and once lapsed may not be used or paid upon termination.

The University records a liability for all unused university leave, annual, non-VSDP sick and compensatory leave, unused short-term disability credits, as well as related fringe benefits. Compensatory and university leave balances are paid in full upon termination. Annual leave balances are paid in full up to a maximum number of hours, depending upon length of service. Non-VSDP sick leave and short-term disability credits are payable upon employment termination and are limited to 25 percent of the value accumulated or $5,000, whichever is less, under the Commonwealth of Virginia's sick leave pay-out policy for employees with 5 or more years of service.

The Authority records a liability for all paid time off and related payroll taxes expected to be paid.

J. Capital Assets

Capital assets are stated at cost or, if donated, at acquisition value; however, transfers between related reporting entities are recorded at the carrying value at time of transfer.

Equipment costing $5,000 or more with a useful life of 2 or more years is capitalized. Infrastructure assets are included in the financial statements and are depreciated. The threshold to capitalize right to use, lease and subscription assets is a value of $50,000 and greater with a term of 12 months or greater. Bulk purchases of capital assets under the normal $5,000 capitalizing threshold are capitalized if they are over $50,000 for computers, servers, electronic equipment, office furniture and dental equipment.

The University and the Authority record depreciation on property, plant and equipment, including capital finance purchases and excluding land and construction in progress, computed over the estimated useful lives of the assets based on the straight-line method. For the University a ½ year of depreciation is recognized in the year of acquisition. The general range of estimated useful lives is 5 to 50 years for buildings and fixtures and 5 to 50 years for equipment. The estimated useful life of library books is 5 years and 5 to 10 years for intangible assets. The general range of estimated useful lives is 5 to 40 years for land improvements and infrastructure. Expenditures for construction in progress are capitalized as incurred and reflected in net investment in plant.

Right to use, lease and subscription assets are initially measured at the sum of lease payments made prior to the commencement of the lease term or subscription, less any incentives, indirect costs that are ancillary charges necessary to place the leased asset into service and the net present value of future lease payments. Long-term leases are capitalized and the lease term includes renewal options that are reasonably certain of being exercised. These assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The VCU College of Engineering Foundation, VCU School of Business Foundation and VCU Foundation record the acquisition of real estate at cost, or if donated, at fair market value at the time of donation; however, transfers between related reporting entities are recorded at the carrying value at time of transfer. Depreciation is provided for properties that are actively rented, using the straight-line method, at rates adequate to amortize the cost of the property over its estimated useful life. The estimated lives of these properties are between 10 and 40 years.

The VCU Real Estate Foundation records the acquisition of equipment at cost, or if donated, at fair market value at the time of donation; however, transfers between related reporting entities are recorded at the carrying value at time of transfer. Depreciation is computed using the straight-line method over the estimated lives of the equipment. The estimated useful lives for equipment are between 5 and 20 years.

The MCV Foundation records property and equipment at cost for purchased items and at fair value for donated items; however, transfers between related reporting entities are recorded at the carrying value at time of transfer. Acquisitions of fixed assets, with a cost less than $5,000, are expensed as acquired. Depreciation is computed on a straight-line basis over the estimated useful life of the asset. The estimated useful lives range between 3 and 10 years.

K. Hospital Services

In addition to the services provided by the Authority to patients, the University provides facilities, graduate medical education, clinical support and administrative support to hospitals. The revenues and expenditures necessary to provide the services are classified as hospital services.

L. Charity Care

The Authority provides care to patients who meet certain criteria under its indigent care policy without charge or at amounts less than its established rates. Since the Authority does not pursue collection of charges determined to qualify as uncompensated care from the patients, they are not reported as revenue. The costs of providing these services are included in the Authority's operating expenses. Medicaid reimburses the Authority for a substantial portion of its costs of providing services to Medicaid and indigent patients. The Authority's estimated costs for the services provided for this care, net of reimbursement from the Commonwealth of Virginia, approximated $19,189,000 in 2024.

M. Net Patient Service Revenue

Net patient service revenue is reported in hospital services at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive adjustments under payment agreements with third-party payers and include estimated retroactive adjustments due to ongoing and future audits, reviews and investigations. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as adjustments and settlements become known or as years are no longer subject to such audits, reviews, appeals and investigations. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The effect of these settlement adjustments was to increase the Authority's net patient service revenue by approximately $170,812,000 in 2024. Estimated settlements due to and from third-party payers include amounts that are currently under appeal with various federal and state agencies. Net patient service revenue includes an estimate of uncollectable charges which is a deduction from gross revenue. The Authority's estimated cost associated with these charges is approximately $197,223,000 for the year ended June 30, 2024.

A summary of the payment arrangements with major third-party payers follows:

- <u>Anthem</u> – Inpatient acute care services rendered to Anthem subscribers are paid at prospectively determined rates per discharge or discounted rates. Outpatient services rendered to Anthem subscribers are paid at discounted rates or applicable fee schedule. The rates can be subject to retroactive adjustments based on quality standards or calculations above a predetermined charge increase percentage.

- <u>Medicare</u> – Inpatient acute care services and defined capital costs rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates may vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient non-acute services, certain outpatient services and education related to Medicare beneficiaries are paid based on prospectively determined rates and a discounted cost payment methodology. The Authority is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Authority and audits thereof by the Medicare fiscal intermediary. The Authority's Medicare cost reports have been final audited by the Medicare fiscal intermediary through June 30, 2016.

- <u>Medicaid</u> – Inpatient acute care services rendered to Medicaid program beneficiaries are paid at a per diem rate and APDRG (rates per discharge) prospective payment system on an interim basis but eventually settle to a percentage of cost. Outpatient services rendered to Medicaid program beneficiaries are paid on prospectively determined rates and a cost reimbursement methodology. In addition to inpatient and outpatient services provided to Medicaid program beneficiaries, Medicaid reimburses the Authority most of its costs related to services provided to indigent patients and its education mission which resulted in total Medicaid and indigent reimbursement to the Authority of approximately $791,260,000 in 2024. The Authority's Medicaid cost reports have been audited by the Medicaid program representative through June 30, 2020.

N. Uncollectible Patient Accounts

A provision for uncollectible accounts is recorded during the period in which collection is considered doubtful.

O. Net Position

GASB standards require the classification of net position into three components: net investment in capital assets, amounts that are restricted and amounts that are unrestricted. These classifications are defined as follows:

- Net investment in capital assets represents the net value of capital assets less the debt incurred to acquire or construct the asset. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are included in this component.
- Nonexpendable restricted consists of gifts that have been received for endowment purposes, the corpus of which cannot be expended.
- Expendable restricted represents restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets may be restricted through external constraints imposed by grantors, contributors or creditors through bond covenants.
- Unrestricted is the net amount of assets, deferred outflows of resources, related liabilities and deferred inflows of resources that do not have external restrictions on the use of the funds.

Unexpended appropriations for capital projects are included in expendable restricted net position as they are not available for general operating purposes.

When an expense is incurred and both restricted and unrestricted resources are available that are properly chargeable to the restricted resources, the University's policy is to apply the expense towards restricted resources before unrestricted resources.

The Authority's investment balances include resources restricted for debt service under bond indenture agreements, by donors, including amounts held by CMH Foundation, and unrestricted resources appropriated or designated by the Board of Directors for quasi-endowment, capital acquisition, medical malpractice program, workers' compensation programs and other designated purposes are reported as assets whose use is limited and are carried at fair value.

The Authority's restricted net position consists principally of beneficial interests in perpetual trust funds established by split interest agreements. Split interest agreements are trust agreements established by donors under which the Authority receives benefits that are shared with other beneficiaries. The trust agreements established by donors provide for a third party to hold the trust assets. These trusts do not permit donors to revoke their charitable contributions. Trust assets of approximately $21,512,000 are restricted by donors for VCUMC in perpetuity and are included in assets whose use is limited at June 30, 2024 at fair value.

P. Scholarship Allowances and Student Aid

Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

Financial aid to students is no longer reported in the financial statements under the alternative method as previously prescribed by the National Association of College and University Business Officers (NACUBO). Under the new calculation method adopted in fiscal year 2024, these amounts are computed on a detail by student, data aggregated for the entire fiscal year, basis.

This change effects tuition allowances which are displayed on the financial statements netted against tuition and fee revenue and student aid expense. The change in measurement methodology will result in a more accurate estimate because the previous method resulted in the calculated expense being inflated. The alternative method backed into the discount, by subtracting a derived expense from total aid. This overstated expense estimate causes the discount to be correspondingly overstated. Today we have student information systems that are more capable of matching student aid with student charges, using ordering rules for applying aid that are based upon institutional policy and associating aid with the academic term applicable. This change also prepares the University for anticipated changes to GASB revenue recognition guidance.

Q. Revenue and Expense Classifications

Operating revenues include activities that have the characteristics of exchange transactions such as: (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship allowances; and (3) federal, state, and nongovernmental grants and contracts.

Non-operating revenues include activities that have the characteristics of non-exchange transactions such as gifts, and other revenue sources that are defined as non-operating revenues by GASB 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB 34, such as state appropriations and investment and interest income.

Non-operating expenses include interest on debt related to the purchase of capital assets and losses on the disposal of capital assets. All other expenses are classified as operating expenses.

R. Noncurrent Cash and Investments

Cash and investments that are externally restricted to make debt service payments, reserve funds, or purchase or construct capital and other noncurrent assets are classified as noncurrent assets in the Statement of Net Position.

S. Cash and Cash Equivalents

Cash represents cash with the Treasurer of Virginia, on deposit, in receivable and undeposited receipts. This classification includes all highly liquid investments with an original maturity of 90 days or less.

T. Discounts, Premiums and Bond Issuance Costs

Notes and bonds payable on the Statement of Net Position are reported net of related discounts and premiums which are amortized over the life of the note or bond. Bond issue costs are expensed as incurred.

U. Deferred Outflows and Deferred Inflows

Deferred outflows of resources are defined as the consumption of net assets applicable to a future reporting period. The deferred outflows of resources have a positive effect on net position similar to assets. Deferred inflows of resources are defined as the acquisition of net assets applicable to a future reporting period. The deferred inflows of resources have a negative effect on net position similar to liabilities.

The composition of deferred outflows and inflows of resources at June 30, 2024 for the University is summarized as follows:

	Other Post Employment Benefits	Pension Related	Gain / Loss on Debt Refunding	Leases	Total
At June 30, 2024					
Deferred outflows of resources	$28,276,432	$84,905,204	$5,945,456	-	$119,127,092
Deferred inflows of resources	$35,441,918	$30,960,310	$1,046,546	$14,031,468	$81,480,242

The composition of deferred outflows and inflows of resources at June 30, 2024 for the Authority is summarized as follows:

	Pension and Other Post Employment Benefits Related	Gain / Loss on Debt Refunding	Interest Rate Swap Agreements	Leases	Total
At June 30, 2024					
Deferred outflows of resources	$3,507,377	$18,116,263	$1,213,239	-	$22,836,879
Deferred inflows of resources	$10,948,798	$21,366,430	-	$16,029,485	$48,344,713

V. Pensions

The Virginia Retirement System (VRS) State Employee Retirement Plan and the Virginia Law Officers' System (VaLORS) Retirement Plan are single employer pension plans that are treated like cost-sharing plans. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS State Employee Retirement Plan and the VaLORS Retirement Plan; and the additions to/ deductions from the VRS State Employee Retirement Plan's and the VaLORS Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

W. VRS Disability Insurance Program

The Virginia Retirement System (VRS) Disability Insurance Program (Virginia Sickness and Disability Program) is a single employer plan that is presented as a multiple-employer, cost-sharing plan. The Disability Insurance Program was established pursuant to §51.1-1100 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Disability Insurance Program is a managed care program that provides sick, family and personal leave and short-term and long-term disability benefits for State Police Officers, state employees, and VaLORS employees. For purposes of measuring the net Disability Insurance Program OPEB Liability (asset), deferred outflows of resources and deferred inflows of resources related to the Disability Insurance Program OPEB, and Disability Insurance Program OPEB expense, information about the fiduciary net position of the VRS Disability Insurance Program OPEB Plan and the additions to/deductions from the VRS Disability Insurance Program OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

X. Line of Duty Act Program

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) is a multiple-employer, cost-sharing plan. The Line of Duty Act Program was established pursuant to §9.1-400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Line of Duty Act Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. For purposes of measuring the net Line of Duty Act Program OPEB Liability, deferred outflows of resources and deferred inflows of resources related to the Line of Duty Act Program OPEB, and Line of Duty Act Program OPEB expense, information about the fiduciary net position of the VRS Line of Duty Act Program OPEB Plan and the additions to/deductions from the VRS Line of Duty Act Program OPEB Plan's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Y. State Employee Health Insurance Credit Program

The Virginia Retirement System (VRS) State Employee Health Insurance Credit Program is a single employer plan that is presented as a multiple-employer, cost-sharing plan. The State Employee Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The State Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired state employees. For purposes of measuring the net State Employee Health Insurance Credit Program OPEB Liability, deferred outflows of resources and deferred inflows of resources related to the State Employee Health Insurance Credit Program OPEB, and the State Employee Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the VRS State Employee Health Insurance Credit Program; and the additions to/deductions from the VRS State Employee Health Insurance Credit Program's fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Z. Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life

Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB Liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

AA. State Health Plans Program for Pre-Medicare Retirees

Pre-Medicare Retiree Healthcare is a single-employer defined benefit Other Post Employment Benefits (OPEB) plan that is treated like a cost-sharing plan for financial reporting purposes. This program was established by Title 2.2, Chapter 28 of the Code of Virginia for retirees who are not yet eligible to participate in Medicare. It is the same health insurance program offered to active employees and managed by the Virginia Department of Human Resource Management. After retirement, the University no longer subsidizes the retiree's premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, retiree rates are effectively lower than what might otherwise be available outside of this benefit.

AB. Recently Adopted Accounting Pronouncements

GASB Statement No. 100, Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Accounting changes are changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. Error corrections consist of mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were issued. This statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods as well as disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature.

The implementation of Implementation Guide 2021-1, question 5.1, which addresses the bulk purchase of assets below capitalization thresholds, resulted in increases of capital assets by $15.8M and accumulated depreciation by $8.5M.

Beginning net position has been restated for both GASB 87, Leases and GASB 96, Subscription Based Technology Arrangements. This change resulted in $11.4M decrease in capital assets, $15.8M decrease in accumulated depreciation and a $745,546 decrease in liabilities.

Additionally, restatements have been made to construction in progress. This restatement resulted in a $5.4M increase in construction in progress and $5k increase in prepaid expenses.

See summary of changes below:

Ending net position as of 6/30/23	$1,195,704,584
Change in accounting principal	
Implementation of Implementation Guide 2021-1, Question 5.1	7,310,482
Error corrections	
GASB 87, leases	1,344,986
Construction in progress expenses	5,886,512
GASB 96, subscription based technology arrangements	3,836,568
Restated beginning net position as of 7/1/23	$1,214,083,133

Individual line items affected:	
Other assets	$527,078
Nondepreciable capital assets	5,359,435
Depreciable and amortizable capital assets	11,746,491
Total assets	$17,633,003
Liabilities	
Long-term liabilities - current portion	$701,957
Long-term liabilities	43,588
Total liabilities	$745,545
Net invested in Capital assets	$18,378,549

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

All cash of the University, except as described below, is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et seq. of the Code of Virginia or covered by federal depository insurance. As of June 30, 2024, the carrying value of deposits totaled $92,972,119 and the account balances reported by the depositories or custodial financial institutions totaled $112,446,194. Of this total $1,071,674 is covered by federal depository insurance, $91,317,920 is collateralized in accordance with the Virginia Security for Public Deposits Act and $20,056,600 is held in support of VCU Qatar in Qatar.

Investments

Professional investment managers manage the University's investments. The University's investments are governed by an Investment Policy, adopted by its Board of Visitors. The primary investment objective is to provide a framework for prudent investment management, while allowing for sufficient flexibility to capture investment opportunities as they may occur. The investment policy is monitored by its Finance and University Resources Committee. Short-Term Tier investment managers may invest in the following types of investments: direct obligations of the United States, obligations unconditionally guaranteed by the United States, non-negotiable CD's and time deposits, negotiable CD's and bank deposit notes, repurchase agreements, banker's acceptances, commercial paper, money market funds, corporate debt, municipal securities, asset-backed securities with AAA ratings by at least two nationally recognized rating agencies (one of which must be either Standard & Poor's or Moody's Investors Service), and International Bank for Reconstruction and Development, Asian Development Bank, and African Development Bank obligations. In accordance with the Investment Policy, the Long-Term Tier consists of gifts, local funds, and non-general fund reserves and balances that are endowments or have been designated by the Board to be treated as endowment ("quasi-endowments") and is invested in accordance with the Virginia Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), Chapter 11 (§ 64.2-1100 et seq.) of Title 64.2 of the Code of Virginia, as amended; and § 23-50.10:01 of the Code of Virginia, as amended, concerning the University's investment of endowment funds, endowment income, and gifts. The University engaged VCIMCO as its investment advisor for the Long-Term Tier in the year ending June 30, 2016. Long-Term Tier assets are invested in the Ram Fund, LP and the Ram Private Assets Fund, LP and are managed by VCIMCO. Given the uncertain and continuously evolving nature of investment markets, no static list of security types, asset classes, or definitions of investment management strategies can continuously express prudent practice. Therefore, in the process by which investment decisions are developed, analyzed, adopted and executed VCIMCO must satisfy relevant standards of care. However, based upon the University's risk tolerance together with capital market risk and return estimates, the Board sets a strategic asset allocation designed to achieve the objectives stated in the Investment Policy Statement. The strategic asset allocation is prudently diversified across asset classes. VCIMCO invests the Long-Term tier in keeping with the parameters of the Strategic Asset Allocation below.

Net Exposure %	Range	Target
Equity	40-80	65
Real Assets	0-20	5
Credit	5-45	10
Governmental Bonds	0-25	5
Cash/Residual	0-25	15

There are redemption rights which contain certain restrictions with respect to rights of withdrawals from the Fund as provided in the VCIMCO agreement. The effective date of any such redemption will occur on the last business day of such calendar quarter. A redemption request must be received no later than 120 days prior to the applicable redemption date. The General Partner may in its discretion apply a limit to any quarterly redemption requests by a Limited Partner (the "Quarterly Redemption Ceiling") in excess of twenty percent (20%) of the Limited Partner's total capital account. If a Limited Partner makes consecutive quarterly redemption requests, the Quarterly Redemption Ceiling will automatically adjust so that the Limited Partner may redeem its entire capital account balance in five (5) quarterly redemptions, which will be equal in amount (before considering the change in net asset value of the Fund over the period of such redemptions).

Effective, June 26, 2023, the General Partner amended the redemption rights of the Limited Partners to reduce the 120-day notice period described above to 90 days. Additionally, the General Partner has further reduced the notice period of a "Standing Redemption Request" to 30 days. Such Standing Redemption Request is not to exceed 7.5% of a partners' capital account balance on an annual basis.

In 2022, the University received a gift to fund a new liver institute. Rockefeller Capital Management was engaged to manage the funds until they are fully expended. The investment policy allows for an independent manager to invest funds designated for a specific purpose or institute outside of the manner outlined in the investment policy, on the condition that any such investments, whether short term or long term, must still comply with relevant law (including the Uniform Prudent Management of Institutional Funds Act, as applicable).

The Authority's investments are governed by an Investment Policy Statement, adopted by its Board of Directors. In accordance with this policy, VCUMC's investment portfolio assets may be invested in numerous asset classes, with risk parameters established on the underlying exposure to equity, real assets, credit, government bonds and cash.

For management purposes, endowment funds and funds internally designated to function as an endowment, except the Glasgow Trust, are held in the investment pools of the VCU Foundation, VCU School of Business Foundation, VCU College of Engineering Foundation and MCV Foundation. These funds remain the property of the University. The investment pools consist of cash equivalents, bonds, preferred and common stocks, fixed asset instruments, hedge funds and real estate. The University's equity in the investment pools is based on units or shares in the investment pools. The University's share of the investments is shown as a Due from Component Unit on the Statement of Net Position.

The University received $31.230 million from the Margaret Branch Glasgow Trust on January 4, 2012 and $4.057 million from the Arthur Glasgow Trust on February 6, 2012. Additional contributions of $1.339 million and $8.036 million were received during fiscal years 2015 and 2013, respectively. This endowment is managed by VCIMCO. Net appreciation of the Margaret Glasgow Trust is recorded in the restricted-expendable net position to reflect the fact that the net appreciation must be spent in accordance with the stipulations set forth in the underlying endowment agreement. The Arthur Glasgow Trust placed no restrictions on spending so the net appreciation is recorded as unrestricted net position. As of June 30, 2024, net appreciation for the Glasgow Trust was $6,832,177.

The Glasgow Trust is governed by the University's Investment Policy and as part of the Long-Term Tier is governed by a spending policy, which is meant to maintain the purchasing power of the

Long-Term Tier, with the goal of providing a predictable and sustainable level of income. Under this policy, spending for a given year equals the trailing three-year quarterly average market values of the Long-Term Tier multiplied by the long-term spending rate of 4.5% in addition to a 1% administrative fee.

If investment funds fall "underwater," the payout and distribution shall be in compliance with Virginia Uniform Prudent Management of Institutional Funds Act, determining what portion of investment funds is appropriate for expenditure or accumulation as the University and VCIMCO determine is prudent for the uses, benefits, purposes, and duration for which the investment funds were established.

The University's deposits and investments may be subject to the following risks:

- Custodial Credit Risk – This is the risk that in the event of the failure of a depository financial institution or financial counterparty, the agency will not be able to recover the value of its deposits or investments or recover collateral securities that are in the possession of an outside third party. The University had a minimal indirect exposure to custodial risk through its investments in the Short-Term Tier with U.S. Bank and the Long-Term Tier with VCU Investment Management Company, ("VCIMCO") as of June 30, 2024.
- Interest Rate Risk – Interest rate risk is the risk that interest rate changes will adversely affect the fair value of an investment. The University holds investments where fair value may be adversely affected by changes in interest rates. The University invests in accordance with its Investment Policy, which establishes appropriate levels of interest rate exposure for each fixed-income fund through the use of a duration methodology. In accordance with the Investment Policy, the short-term tier consists of the University's operating funds and operating revenues, and is invested in accordance with the Virginia Investment of Public Funds Act, Chapter 45 (§ 2.2-4500 et seq.) of Title 2.2 of the Code of Virginia, as amended. Within the short-term tier, there are target durations for two funds, as outlined in the chart below.

	Target Duration
Primary liquidity pool	9 months or less
Extended duration fund	
Short duration portfolio	Per applicable benchmark
Intermediate duration portfolio	Per applicable benchmark
Long duration portfolio	Per applicable benchmark

The Primary Liquidity Fund and Extended Duration Fund investment managers' maximum duration is limited to +10% of the target duration or the applicable benchmark duration. Applicable benchmarks for the Extended Duration Fund include such benchmarks as the BofA ML 1-3 year US Treasury Index, BofA ML 1-3 year Govt/Corp Index, Barclays 1-3 Year Government Bond Index, Barclays US Treasury

Intermediate Index, Barclays US Intermediate Government Index, Barclays US Intermediate Gov/Credit Bond Index, Barclays US Aggregate Treasury Index, Barclays U.S. Aggregate Government Index, Barclays US Aggregate Bond Index, or other benchmark(s) that more appropriately reflects the investment manager(s) style within this portfolio.

The Authority's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. At June 30, 2024 the Authority had $130,862k in fixed income investments, whose value could fluctuate over time due to interest rate fluctuations.

- Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University holds investments which carry varying levels of credit risk. The University invests in accordance with its Investment Policy, which establishes appropriate levels of credit risk though the use of minimum credit rating restrictions for individual securities in each fixed income fund in accordance with the Virginia Investment of Public Funds Act. The Authority's investment portfolio is monitored and evaluated on a quarterly basis by the Authority's investment advisor and Finance Committee of the Board of Directors to ensure credit risk is kept at an appropriate level.
- Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of investments in a single issuer of fixed income securities. As of June 30, 2024, the University does not have investments in any one issuer (excluding investments issued or explicitly guaranteed by the U.S. Government and mutual fund or pool investments) representing 5 percent or more of its total investments. Each individual portfolio within the Primary Liquidity Fund and the Extended Duration Fund will be diversified with no more than 3 percent of the value of the respective portfolios invested in the securities or individual trusts of any single issuer under normal market circumstances. This limitation shall not apply to the U.S. Government, an agency thereof, or U.S. Government sponsored enterprises, securities fully insured and/or fully guaranteed by the U.S. Government, or money market funds.
- Foreign Currency Risk – This is the risk that investments denominated in foreign currencies may lose value due to adverse fluctuations in the value of the U.S. dollar relative to foreign currencies. The University may, at times, be exposed to limited amounts of currency risk through its investments in VCU Investment Management Company, ("VCIMCO").

As of June 30, 2024, the University held the following investments:

	Rating Agency	Credit Rating	6/30/2024	Investment Maturities (in years) <1	1 to 5	6 to 10	>10
Investments measured at fair value							
U.S. Treasury and agency securities		N/A	$90,793,707	$51,678,684	$39,115,023	-	-
Commercial Paper	Moody's	P-1	3,797,583	3,797,583	-	-	-
	S&P	A-1+	1,099,257	1,099,257	-	-	-
Corporate notes	Moody's	Aa2	2,526,001	1,989,522	536,479	-	-
	Moody's	Aa3	1,054,658	-	1,054,658	-	-
	Moody's	A1	16,446,990	2,611,334	13,835,656	-	-
	Moody's	A2	1,714,773	1,180,053	534,720	-	-
	Moody's	A3	2,376,948	1,354,842	1,022,106	-	-
Corporate bonds	Moody's	Aaa	3,991,270	-	3,991,270	-	-
	Moody's	Aa1	250,770	-	250,770	-	-
	Moody's	Aa2	2,686,943	1,811,101	512,570	-	363,272
	Moody's	Aa3	2,732,262	-	2,644,483	-	87,779
	Moody's	A1	16,287,050	2,254,504	13,437,182	-	595,364
	Moody's	A2	22,186,190	6,012,110	14,767,424	-	1,406,656
	Moody's	A3	18,701,132	397,460	16,652,340	-	1,651,332
	S&P	A+	200,000	200,000	-	-	-
	Moody's	Baa1	3,360,807	2,266,042	198,140	-	896,625
	Moody's	Baa2	1,406,455	-			1,406,455
	Moody's	Baa3	840,225	-			840,225
Non-U.S. Government and agency bonds	Moody's	Aa2	1,282,801	1,282,801	-	-	-
	Moody's	A2	1,885,200	-	1,885,200	-	-
Asset backed securities	Moody's	Aaa	62,786,102	37,465	41,721,026	1,837,699	19,189,912
	S&P	AAA	33,609,932	1,246,585	29,849,949	-	2,513,398
Agency mortgage backed securities	Moody's	Aaa	29,640,387	2,551,132	10,305,130	8,673,166	8,110,959
Money market funds and certificates of deposit	Moody's	Aaa	558,779	558,779	-	-	-
	Moody's	P-1	1,850,643	1,850,643	-	-	-
Exchange traded funds			9,126,115	-	-	-	-
Equity			26,048,089	-	-	-	-
Other investments measured at net asset value (NAV):							
Alternative investments		N/A	293,306	-	-	-	-
Ram Private Assets Fund, LP		N/A	33,582,491	-	-	-	-
Ram Fund, LP		N/A	220,259,116	-	-	-	-
Total			$613,375,982	$84,179,897	$192,314,126	$10,510,865	$37,061,977

N/A – Investments are not subject to credit risk.

As of June 30, 2024, the Authority held the following investments, which includes assets whose use is limited:

		Investments Maturities (in years)			
Investment Type:	Fair Value	<1	1-5	6-10	>10
Cash and cash equivalents	$14,576,000	-	-	-	-
U.S. Treasury notes	11,626,425	1,505,006	5,537,798	2,110,196	2,473,425
Asset backed securities	62,178,837	-	18,730,465	15,793,321	27,655,051
Agency backed mortgages	15,110,049	1,013,894	2,393,219	87,067	11,615,869
Money market funds	22,226,907	22,226,907	-	-	-
Corporate bonds, notes and municipal securities	41,947,174	11,019,938	17,801,993	2,698,380	10,426,863
Beneficial interest in perpetual trust	21,512,484	N/A	N/A	N/A	N/A
Equity interest in foundation	5,526,322	N/A	N/A	N/A	N/A
Index funds	64,284,654	N/A	N/A	N/A	N/A
Marketable equity securities	62,584,134	N/A	N/A	N/A	N/A
Real estate	2,930,318	N/A	N/A	N/A	N/A
Investment companies	1,412,709,673	N/A	N/A	N/A	N/A
Total	$1,737,212,977	$35,765,745	$44,463,475	$20,688,964	$52,171,208

N/A-Investment maturity not applicable to type of investments noted.

As of June 30, 2024, the credit quality ratings for the Authority's fixed income investments were 42% AAA (asset back securities, money market funds, corporate bonds and mortgage backed securities), 6% AA (asset-back securities and corporate bonds), 27% A (asset back securities, corporate and municipal bonds) and 25% below A (asset backs securities and corporate bonds).

As of June 30, 2024, the foundations held the following investments:

Investment Type:	Medical College of Virginia Foundation	VCU Foundation	VCU Real Estate Foundation	VCU School of Business Foundation	VCU College of Engineering Foundation	Dentistry@ VCU
US Treasury and agency securities	$92,139,000	-	-	-	-	$2,282,676
Municipal obligations	118,000					-
Common & preferred stocks	77,734,000	4,819	-	349,925	-	10,332,130
Corporate bonds	14,861,000	-	-	-	-	5,878,618
Fixed Income	-	-	1,706,261	-	-	-
Mutual funds	-	-	-	-	-	312,628
Mortgage and Asset backed securities	43,647,000	-	-	-	-	-
Alternative investments						
Real estate funds	3,305,000	608,429	-	293,270	-	-
Private equity	252,932,000	-	-	-	-	-
Hedge funds						
Hedged equities	134,479,000	-	-	-	-	-
Long only equities	217,912,000	-	-	-	-	-
Long/short equities	-	-	-	-	2,559,379	-
Event driven/merger arbitrage	-	-	-	22,966	-	-
Relative value	-	-	-	2,158	-	-
Absolute strategies	104,401,000	-	-	-	-	-
Other assets						
Ram Fund Private Assets Fund, LP	-	22,412,625	-	4,792,738	12,797,689	-
Ram Fund, LP	-	109,071,000	-	56,708,000	60,393,156	-
Life income investment	3,389,000	834,899	-	-	-	-
Short term investment and money market	1,430,000	-	-	-	-	-
Total	$946,347,000	$132,931,772	$1,706,261	$62,169,057	$75,750,224	$18,806,052

Fair value measurements are categorized within the fair value hierarchy established by generally accepted accounting principles.

Level 1: Inputs are quoted prices in active markets for identical assets.

Level 2: Inputs are significant other observable inputs. These can include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full contractual term of the assets or liabilities.

Level 3: Inputs are significant unobservable inputs. These can require management's judgement or estimation of assumptions that market participants would use in pricing the assets or liabilities. Therefore, the values are determined using factors that involve considerable judgement and interpretations, including but not limited to private and public comparable, discounted cash flow models and fund manager estimates.

The University establishes the fair value of its investments in funds that do not have a readily determinable fair value by using net asset value (NAV) per share, or its equivalent, as reported by the external fund manager when NAV per share is calculated as of the measurement date in a manner consistent with FASB's measurement principles for investment companies. The classifications of fair value measurements within the valuation hierarchy as of June 30, 2024 are as follows:

University

Investment Type:	Total	Level 1	Level 2	Level 3	Investments measured at the NAV
U.S. Treasury and agency securities	$90,793,707	$90,793,707	-	-	-
Commercial Paper	4,896,840	-	4,896,840	-	-
Corporate notes	24,119,370	-	24,119,370	-	-
Corporate bonds	72,643,104	-	72,643,104	-	-
Non-U.S. Government and agency bonds	3,168,001	-	3,168,001	-	-
Asset backed securities	96,396,034	-	96,396,034	-	-
Agency mortgage backed securities	29,640,387	-	29,640,387	-	-
Money market funds and certificates of deposit	2,409,422	558,779	1,850,643	-	-
Exchange traded funds	9,126,115	9,126,115	-	-	-
Equity	26,048,089	26,048,089	-	-	-
Other assets					
Alternative investments	293,306	-	-	-	293,306
Ram Private Assets Fund, LP	33,582,491	-	-	-	33,582,491
Ram Fund, LP	220,259,116	-	-	-	220,259,116
Total	$613,375,982	$126,526,690	$232,714,379	$0	$254,134,913

Authority

Investment Type:	Total	Level 1	Level 2	Level 3	Investments Measured at the NAV
Investments by fair value level					
Cash and cash equivalents	$14,576,000	$14,576,000	-	-	-
Beneficial trust	21,512,484	-	-	21,512,484	-
Beneficial interest in foundation	5,526,322	-	-	5,526,322	-
Debt securities					
US treasury notes	11,626,425	11,626,425	-	-	-
Asset backed securities	62,178,837	-	62,178,837	-	-
Agency backed mortgages	15,110,049	-	15,110,049	-	-
Corporate bonds and notes	41,829,375	-	41,829,375	-	-
Municipal securities	117,799	-	117,799	-	-
Equity securities					
Consumer cyclical	2,191,906	2,191,906	-	-	-
Consumer discretionary	3,000,182	3,000,182	-	-	-
Consumer staples	2,376,241	2,376,241	-	-	-
Financials	12,599,926	12,599,926	-	-	-
Health care	6,987,498	6,987,498	-	-	-
Industrials	7,617,529	7,617,529	-	-	-
Information technology	15,405,012	15,405,012	-	-	-
Energy	5,898,545	5,898,545	-	-	-
Material	4,655,581	4,655,581	-	-	-
Telecommunication	1,851,714	1,851,714	-	-	-
Real estate investment trust	2,930,318	2,930,318	-	-	-
Equity mutual funds & EFT's	64,284,654	64,284,654	-	-	-
Money market funds	22,226,907	22,226,907	-	-	-
Investments measured at NAV					
Equity long only hedge funds	199,679,038	-	-	-	199,679,038
Equity long/short hedge funds	67,089,198	-	-	-	67,089,198
Event-driven hedge funds	14,403,376	-	-	-	14,403,376
Relative value/credit	868,480	-	-	-	868,480
Absolute strategies funds	42,467,879	-	-	-	42,467,879
Private investments	202,420,003	-	-	-	202,420,003
Multi-strategy investment fund	885,781,699	-	-	-	885,781,699
Total	$1,737,212,977	$178,228,438	$119,236,060	$27,038,806	$1,412,709,673

MCV Foundation

Investment Type:	June 30,2024	Level 1	Level 2	Level 3	Measured at NAV
US Treasury and agency securities	$92,139,000	$5,536,000	$86,603,000	-	-
Municipal obligations	$118,000	-	$118,000	-	-
Common & preferred stocks	77,734,000	54,316,000	12,968,000	-	10,450,000
Corporate bonds	14,861,000	-	14,861,000	-	-
Asset backed securities	43,647,000	-	43,647,000	-	-
Alternative investments					
Real estate funds	3,305,000	-	-	1,386,000	1,919,000
Private equity	252,932,000	-	-	252,932,000	-
Hedge funds					
Long only equities	217,912,000	-	93,970,000	7,016,000	116,926,000
Hedged equities	134,479,000	-	-	35,697,000	98,782,000
Absolute strategies	104,401,000	-	-	26,200,000	78,201,000
Life income investment	3,389,000	-	-	-	3,389,000
Short term investment and money market	1,430,000	1,430,000	-	-	-
Total	$946,347,000	$61,282,000	$252,167,000	$323,231,000	$309,667,000

VCU Foundation

Investment Type:	June 30,2024	Level 1	Level 2	Level 3	Measured at NAV
Common & preferred stocks	$4,819	$4,819	-	-	-
Alternative investments					
Real estate funds	608,429	-	-	608,429	-
Other assets					
Ram Fund Private Assets Fund, LP	22,412,625	-	-	-	22,412,625
Ram Fund, LP	109,071,000	-	-	-	109,071,000
Life income investment	834,899	-	-	834,899	-
Total	$132,931,772	$4,819	$0	$1,443,328	$131,483,625

VCU Real Estate Foundation

Investment Type:	June 30,2024	Level 1	Level 2	Level 3	Measured at NAV
Fixed Income	$1,706,261		$1,706,261		
Total	$1,706,261	$0	$1,706,261	$0	$0

VCU School of Business Foundation

Investment Type:	June 30,2024	Level 1	Level 2	Level 3	Measured at NAV
Common & preferred stocks	$349,925	$349,925	-	-	-
Alternative investments					
Real estate funds	293,270	-	-	293,270	-
Hedge funds					
Event driven/merger arbitrage	22,966	-	-	-	22,966
Relative value	2,158	-	-	-	2,158
Ram Fund Private Assets Fund, LP	4,792,738	-	-	-	4,792,738
Ram Fund, LP	56,708,000	-	-	-	56,708,000
Total	$62,169,057	$349,925	$0	$293,270	$61,525,862

VCU College of Engineering Foundation

Investment Type:	June 30,2024	Level 1	Level 2	Level 3	Measured at NAV
Hedge funds					
Long/short equities	$2,559,379	-	-	-	$2,559,379
Other assets					
Ram Fund Private Assets Fund, LP	12,797,689	-	-	-	12,797,689
Ram Fund, LP	60,393,156	-	-	-	60,393,156
Total	$75,750,224	$0	$0	$0	$75,750,224

Dentistry@VCU

Investment Type:	June 30,2024	Level 1	Level 2	Level 3	Measured at NAV
US Treasury and agency securities	$2,282,676	$2,282,676	-	-	-
Common & preferred stocks	10,332,130	10,332,130	-	-	-
Corporate bonds	5,878,618	-	5,878,618	-	-
Mutual and money market funds	312,628	312,628	-	-	-
Total	$18,806,052	$12,927,434	$5,878,618	$0	$0

For investments in entities that calculate net asset value or its equivalent whose fair value is not readily determinable, the following tables provide information about the liquidity of these investments as of June 30, 2024:

University

Investment Type:	June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Alternative investments	$293,306	$102,163	N/A	N/A
Ram Private Assets Fund, LP	33,582,491	20,392,653	N/A	N/A
Ram Fund, LP	220,259,116	-	Quarterly	90 days
Total	$254,134,913	$20,494,816		

Authority

Investment Type:	June 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity long only hedge funds	$199,679,038	-	Annually/quarterly/monthly/daily	14-90 days
Equity long/short hedge funds	67,089,198	-	Annually/semi annually/quarterly	45-90 days
Event-driven hedge funds	14,403,376	-	Annually	60-90 days
Relative value/credit	868,480	-	N/A	N/A
Absolute strategies funds	42,467,879	-	Annually/semi annually/quarterly	60-180 days
Private investments	202,420,003	120,501,591	N/A	N/A
Multi-strategy investment fund	885,781,699	-	Quarterly /Monthly	120 days
Total	$1,412,709,673	$120,501,591		

MCV Foundation

Investment Type:	June 30,2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedged equities	$98,782,000	-	Annually/Illiquid	N/A
Real estate funds	1,919,000	541,012,000	Illiquid	N/A
Absolute strategies	78,201,000	-	Annually/Semi annually/ Quarterly/other	15-120 days/N/A
Domestic equity	19,607,000	-	Every 3 yrs/Daily	3-60 days
Global equity	21,939,000		Quarterly	60-90 days
International equity	85,830,000		Every 2 yrs/Annually	14-120 days
Life income investment	3,389,000	-	Annually/quarterly/other	N/A
	$309,667,000	$541,012,000		

*Also includes certain assets that are only liquid upon sale of investment

VCU Foundation

Investment Type:	June 30,2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Ram Fund Private Assets Fund, LP	$22,412,625	-	N/A	N/A
Ram Fund, LP	109,071,000	-	Quarterly	30 days
Total	$131,483,625	$0		

VCU School of Business Foundation

Investment Type:	June 30,2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Event driven/merger arbitrage	$22,966	-	N/A	N/A
Relative value	2,158	-	N/A	N/A
Ram Fund Private Assets Fund, LP	4,792,738	-	N/A	N/A
Ram Fund, LP	56,708,000	-	Quarterly	30 days
Total	$61,525,862	$0		

VCU College of Engineering Foundation

Investment Type:	June 30,2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Long/Short Equities	$2,559,379	-	N/A	N/A
Ram Fund Private Assets Fund, LP	12,797,689	-	N/A	N/A
Ram Fund, LP	60,393,156	-	Quarterly	30 days
Total	$75,750,224	$0		

3. JOINT VENTURES AND EQUITY INVESTMENTS

Investment in 7th and Marshall Corporation

Included in other long-term assets on the accompanying Statement of Net Position is a capital contribution to 7th and Marshall Corporation of $500,000. UHS and The Doorways (formerly known as Hospital Hospitality House, Inc.) are the sole members of the 7th and Marshall Corporation, a not-for-profit corporation formed to support the charitable, educational and scientific activities of UHS and The Doorways. The investment is carried at $341,162.

Rehab Institute JV, LLC

Sheltering Arms Rehab Institute is a joint venture between Sheltering Arms Hospital and VCU Health System for the purpose of combining inpatient rehabilitation programs of Sheltering Arms and VCU Health System, to provide comprehensive and innovative physical rehabilitative inpatient care for people who have sustained a stroke, brain injury, spinal cord injury or similar illnesses and injuries. As of June 30 2024, investment is carried at $491,199.

Joint Venture with BAYADA Home Health Care

VCU Health at Home by Bayada, collaboration with BAYADA Home Health Care. VCUHSA is a minority partner (49%) with an initial capital contribution of $1,813,000. The investment is carried at $1,807,982.

HealthEco CPP SPV I, LLC

UHS is a minority partner (45%) in HealthEco CCP SPV I, LLC with an initial capital contribution of $1,000,000. HealthEco is the holder of Kallaco equity securities. The investment is carried at $970,221.

4. LEASE RECEIVABLE

The University is the lessor in various contracts leasing out land, office space, retail space, and ATM space. Initial terms range from 1-50 years and may contain rent escalation clauses, annual open market rent reviews and outperformance payments. As of June 30 2024, the University's other receivables include lease receivables of $14,863,737. Within the fiscal year, the University received $1,873,883 in fixed rent revenues and $484,735 in interest revenue related to space leases. Of these amounts $10,310,734 of the receivables and $1,163,386 of the revenues were eliminated on the consolidated financial statements due to the leases being with component units.

Variable payments based on future performance are not included in the lease receivable. These payments are recognized as inflows of resources in the period which those payments relate. The University has leases which include percentage of sales, tiered royalties and out-performance agreements. In the year ending June 30, 2024 the University received $1,377,269 in royalty payments from its dining services provider, $122,663 from its snack provider and $16,886 in out-performance payments associated with a ground lease.

5. CONTRIBUTION RECEIVABLE

University:

Receivable in less than one year	$5,000,000
Receivable in one year or more	45,000,000
	50,000,000
Less:	
Discounts	(3,438,583)
Net contribution receivable	$46,561,417

Discount rate of 1.62% was used in determining the present value of the contributions receivable.

MCV Foundation:

Receivable in less than one year	$2,460,000
Receivable in one to five years	5,302,000
Receivable in more than five years	377,000
	8,139,000
Less:	
Discounts	(513,000)
Allowances	(538,000)
Net contribution receivable	$7,088,000

Discount rate of 4.51% was used in determining the present value of the contributions receivable.

VCU Foundation:

Receivable in less than one year	$2,879,777
Receivable in one year or more	3,135,813
	6,015,590
Less:	
Discounts	(278,937)
Allowances	(306,711)
Net contribution receivable	$5,429,942

Discount rate between 0.054% to 5.549% were used in determining the present value of the contributions receivable.

VCU School of Business Foundation:

Receivable in less than one year	$380,991
Receivable in one to five years	973,736
	1,354,727
Less:	
Discounts	(79,471)
Allowances	(15,906)
Net contribution receivable	$1,259,350

Discount rate between 0.29% to 4.25% were used in determining the present value of the contributions receivable.

VCU College of Engineering Foundation:

Receivable in less than one year	$874,625
Receivable in one to seven years	12,000
	886,625
Less:	
Discounts	(9,115)
Allowances	(751,351)
Net contribution receivable	$126,159

Discount rate between 0.87% to 2.09% were used in determining the present value of the contributions receivable.

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

University:	Beginning Balance, as restated	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$84,927,811	8,834,208	-	$93,762,019
Construction in progress	35,391,948	31,542,934	42,841,844	24,093,038
Total nondepreciable capital assets	120,319,759	40,377,142	42,841,844	117,855,057
Depreciable capital assets:				
Land improvements and infrastructure	24,308,926	682,307	-	24,991,233
Buildings	1,713,200,581	42,132,724	-	1,755,333,305
Equipment	367,817,581	34,229,342	8,778,636	393,268,287
Intangible assets	15,308,502	-	382,764	14,925,738
Library books	100,844,928	1,302,165	440,702	101,706,391
Right to use intangible assets:				
Leased parking lots	3,965,002	748,642	217,006	4,496,638
Leased buildings	114,044,153	6,112,476	2,466,804	117,689,825
Leased equipment	-	939,672	-	939,672
Subscription based IT arrangements	22,586,492	6,604,205	1,444,584	27,746,113
Total depreciable/amortizable capital assets	2,362,076,165	92,751,533	13,730,496	2,441,097,202
Less accumulated depreciation/amortization for:				
Land improvements and infrastructure	21,127,595	559,418	-	21,687,013
Buildings	657,922,513	42,764,336	-	700,686,849
Equipment	255,824,920	25,933,428	8,576,198	273,182,150
Intangible assets	14,408,843	334,931	361,740	14,382,034
Library books	96,568,125	1,639,024	440,702	97,766,447
Leased parking lots	1,367,482	745,839	217,006	1,896,315
Leased buildings	17,948,765	9,040,376	2,466,804	24,522,337
Leased equipment	-	184,738	-	184,738
Subscription based IT arrangements	5,062,633	7,622,819	1,444,584	11,240,868
Total accumulated depreciation/amortization	1,070,230,876	88,824,909	13,507,034	1,145,548,751
Total depreciable/amortizable capital assets, net	1,291,845,289	3,926,624	223,462	1,295,548,451
Total capital assets - net	$1,412,165,048	$44,303,766	$43,065,306	$1,413,403,508
Less Leased buildings & parking lots on component units	62,403,800	1,337,766	5,266,788	58,474,778
Total capital assets - net, after eliminations	$1,349,761,248	$42,966,000	$37,798,518	$1,354,928,730

Authority:	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$25,466,942	-	42,746	$25,424,196
Construction in progress	109,592,506	45,908,670	120,185,698	35,315,478
Total nondepreciable capital assets	135,059,448	45,908,670	120,228,444	60,739,674
Depreciable capital assets:				
Land improvements	6,984,481	-	74,766	6,909,715
Buildings	2,068,751,107	34,524,450	521,078	2,102,754,479
Equipment	728,337,983	80,719,184	3,519,903	805,537,264
Intangible assets	264,629,667	4,942,064	-	269,571,731
Total depreciable capital assets	3,068,703,238	120,185,698	4,115,747	3,184,773,189
Right to use assets:				
Leased land	436,239	-	-	436,239
Leased buildings	69,398,679	9,777,796	-	79,176,475
Leased equipment	1,863,196	5,055,775	-	6,918,971
Subscription based IT arrangements	56,678,537	17,103,059	-	73,781,596
Total right to use capital assets	128,376,651	31,936,630	-	160,313,281
Less accumulated depreciation/amortization for:				
Land improvements and infrastructure	5,694,724	356,060	74,752	5,976,032
Buildings	732,991,992	40,514,588	455,265	773,051,315
Equipment	581,572,158	37,311,874	3,108,466	615,775,566
Intangible assets	140,518,156	16,740,867	-	157,259,023
Leased land	367,463	-	-	367,463
Leased buildings	27,930,053	10,267,761	-	38,197,814
Leased equipment	1,863,196	1,052,556	-	2,915,752
Subscription based IT arrangements	26,399,425	19,929,438	-	46,328,863
Total accumulated depreciation/amortization	1,517,337,167	126,173,144	3,638,483	1,639,871,828
Total depreciable capital assets, net	1,679,742,722	25,949,184	477,264	1,705,214,642
Total capital assets - net	$1,814,802,170	$71,857,854	$120,705,708	$1,765,954,316

MCV Foundation:	Beginning Balance	Additions	Reductions	Ending Balance
Land	$217,000	-	-	$217,000
Total nondepreciable capital assets	217,000	-	-	217,000
Depreciable capital assets:				
Property and equipment	3,212,000	129,000	-	3,341,000
Less accumulated depreciation	2,035,000	134,000	-	2,169,000
Total depreciable capital assets, net	1,177,000	(5,000)	-	1,172,000
Total capital assets - net	$1,394,000	($5,000)	$0	$1,389,000

VCU Real Estate Foundation:	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$26,817,567	1,172,784	4,735,038	$23,255,313
Construction in progress	266,155	4,488,412	4,550,362	204,205
Total nondepreciable capital assets	27,083,722	5,661,196	9,285,400	23,459,518
Depreciable capital assets:				
Buildings	91,212,113	3,374,042	3,031,217	91,554,938
Equipment	3,211,450	-	-	3,211,450
Total depreciable capital assets	94,423,563	3,374,042	3,031,217	94,766,388
Less accumulated depreciation	36,469,984	3,301,578	118,399	39,653,163
Total depreciable capital assets, net	57,953,579	72,464	2,912,818	55,113,225
Total capital assets - net	$85,037,301	$5,733,660	$12,198,218	$78,572,743

VCU Collage of Engineering Foundation:	Beginning Balance	Additions	Reductions	Ending Balance
Total nondepreciable capital assets	$4,307,317	-	-	$4,307,317
Total depreciable capital assets, net	25,592,457	2,552	2,324,611	23,270,398
Total before eliminations	29,899,774	2,552	2,324,611	27,577,715
Less included on University	4,574,213	-	-	4,574,213
Total capital assets - net	$25,325,561	$2,552	$2,324,611	$23,003,502

VCU School of Business Foundation:	Beginning Balance	Additions	Reductions	Ending Balance
Total nondepreciable capital assets	-	-	-	-
Total depreciable capital assets, net	19,484,931	-	1,339,937	18,144,994
Total capital assets - net	$19,484,931	$0	$1,339,937	$18,144,994

GASB 42, *Accounting and Reporting for the Impairment of Capital Assets and for Insurance Recoveries,* effective for periods beginning after December 15, 2004, requires disclosure of insurance recoveries for circumstances other than impairment of capital assets. Fiscal year 2024 insurance recoveries of $1,569,331 are reported as other non-operating income by the University.

7. FUNDS HELD IN TRUST BY OTHER

Under the provisions of the wills of certain benefactors, the University's portion of principal sums with market values of $16,708,758 at June 30, 2024, was held in trust by others. These assets are not included in the University's balance sheet.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following as of June 30, 2024:

	Vendor payable	Retainage payable	Accrued wages	Interest payable	Settlements due to third parties	Total
University	$24,012,293	$722,255	$73,622,513	$1,818,183	-	$100,175,244
Authority	135,462,824	-	77,068,053	10,489,525	50,072,587	273,092,989
MCV Foundation	3,493,000	-	657,000	-	-	4,150,000
VCU Foundation	21,558	-	-	-	-	21,558
VCU Real Estate Foundation	129,071	-	-	157,792	-	286,863
VCU School of Business	57,134	-	-	-	-	57,134
VCU College of Engineering	306,824	-	-	180,860	-	487,684
Dentistry@VCU	207,822	-	826,029	-	-	1,033,851
					Total	$379,305,323

9. UNEARNED REVENUE

Unearned revenue consisted of the following as of June 30, 2024:

Prepaid tuition and fees	$16,181,580
Grants and contracts	31,008,870
Other cash advances	18,695,026
	$65,885,476

10. SHORT TERM DEBT

Commercial Paper Program

On May 10 2019, the Board of Visitors approved the short-term financing of capital projects with commercial paper. This commercial paper financing program gives the University access to finance or refinance up to $75M for capital projects that have either been authorized by the Board or by appropriate legislation enacted by the General Assembly and for which the incurrence of indebtedness has been authorized. As of June 20, 2024, the University had no outstanding commercial paper.

Revolving Credit

At the beginning of the fiscal year, the University had a $75M line of credit to support the risk of a failed commercial paper rollover. JP Morgan Chase provided the line at 0.20% annual cost. On June 24, 2024 the University entered into a revolving credit agreement with Bank of America which replaced the line of credit with JP Morgan Chase. The maximum principal amount of this credit facility is $75,000,000 as authorized by resolutions adopted by the Board of Visitors of the University on May 10, 2024. The new facility has a 3yr term ending June 24, 2027 with a rate of 0.38%. In the event of default, all amounts under the agreement become forthwith due and payable.

	Beginning Balance	Additions	Reductions	Ending Balance
Tax-exempt	$4,234,000	-	$4,234,000	$0
Taxable	$4,267,000	-	$4,267,000	$0
Total	$8,501,000	$0	$8,501,000	$0

11. FUNDS HELD IN TRUST

At June 30, 2024, the University held deposits for others, which are composed of the following:

	Funds Held for Others
Federal loan programs	$11,268,380
Student organizations and others	1,646,402
Total	$12,914,782

12. LONG TERM LIABILITIES

Long term liabilities consist of bonds, notes payable, installment purchases, leased assets, subscription-based IT arrangements, delayed compensation, compensated absences and estimated losses on malpractice claims.

Bonds Payable

The Commonwealth of Virginia may issue bonds for agencies and institutions of the Commonwealth. The University has received a portion of the proceeds of specific bonds to fund capital construction. The University recognizes a liability associated with its share of the bonds and remits principal and interest payments related to this liability to the Treasurer of Virginia.

Section 9(c) bonds are general obligation bonds issued by the Commonwealth on behalf of the University, which are secured by the net revenues of the completed project and the full faith, credit and taxing power of the Commonwealth. These bonds carry interest rates of 0.55% to 5.00% and are due through fiscal year 2037.

On February 14th,2024, the Treasury Board issued General Obligation Refunding Bonds, Series 2024B in the amount of $516,000. These bonds were used to refund Series 2013B and carry an interest rate of 2.59%. This transaction resulting in deferred refunding of $4,000, $7,000 present value of savings from cash flows and $122 in additional cash proceeds.

Section 9(d) bonds, are limited obligations of the University, payable from pledged general revenues. They can be issued either by the Commonwealth or the University, carry interest rates of 0.48% to 5.50% and are due through fiscal year 2051. Included in the total General Revenue Pledge Bonds are outstanding bonds payable in the amount of $25,808.011, which will be repaid by the VCU Real Estate Foundation.

Callable Bonds

Series 2015B bonds are callable by the bondholder, TD Bank, with a put date of November 1, 2030. The amount outstanding at the put date will be $2,470,907. The University can request an extension no sooner than 180 days but no later than 60 days prior to the put date, and the bank, at its discretion, can choose to extend or not, with new proposed terms. If the bank exercises the put provision, the University will be required to make a principal payment in the amount referenced above. However, on or prior to the put date, it is the University's intention to either negotiate with the bank to extend the put date on the existing bonds, or to refinance the bonds in their entirety. Letters of credit and liquidity facilities supporting this issuance are not needed because there is a single put date in the future and it is not continuously callable by the bank/bondholder. There are no take out agreements, but per the terms noted above, the University intends to either request an extension or refinance these bonds on or prior to the put date. Thus, there are no fees paid for these types of facilities. Since the put date is greater than 1 year from the fiscal year end, these bonds are included in long-term liabilities.

Six University obligations are issued through private placement with the lenders:

The Series 2015A and 2015B bonds are issued with TD Bank, N.A. as the bondholder. The interest rate is subject to revision if the University's ratings change to less than A+ (Standard and Poor's) or A1 (Moody's Investors Service). Conditions of default include: failure to pay principal or interest; inability to fulfill the obligations of the agreements; receivership not remedied or stayed on appeal within 60 days; upon an order or decree with the consent of the University to adjust claims of creditors; ratings drop below BBB+ (Standard and Poor's) or Baa1 (Moody's Investor Service); or the occurrence or continuance of any default of any obligation over $10 million. The Trustee may enforce terms of the agreements, bring suit or take other actions for the general representation of the bondholder. Both Series may be redeemed at a premium based on US Treasury rates at any time. The Series 2015B has an automatic put of the bonds on November 1, 2030; with notification of no more than 180 days nor less than 60 days, the University can request an extension of the obligation with a new interest rate. Extension of the obligation beyond that put date is at the Lender's discretion.

The Series 2021A bonds are issued with Capital One Public Funding, LLC as the bondholder. The interest rate is subject to change if the bonds are deemed taxable in which case the bonds can be optionally redeemed by the University at 100% without premium. Conditions of default include: failure to pay principal or interest; inability to fulfill the obligations of the agreements; receivership not remedied or stayed on appeal within 60 days; or upon an order or decree with the consent of the University to adjust claims of its creditors. The Trustee may enforce terms of the agreements, bring suit or take other actions for the general representation of the bondholder. The bonds may be redeemed at the option of the University on or after May 1, 2030 at 100% of par without any premium.

The Series 2022A, Series 2022B and Series 2023A bonds are issued with SouthState Bank, N.A. as the bondholder. Conditions of default include: failure to pay principal or interest; inability to fulfill the obligations of the agreements; failure to institute corrective action within 30 days of notice that the unenhanced long-term debt rating is below BBB- (by Standard & Poor's or Baa3 by Moody's), receivership not remedied or stayed on appeal within 60 days; or upon an order or decree with the consent of the University to adjust claims of its creditors. The bonds are subject to mandatory tender for purchase by the University in full prior to maturity on December 16, 2042 at the purchase price equal to the amount of outstanding principal of the bonds, together with all unpaid interest. However, if no Event of Default, as defined in the agreement, has occurred and is continuing on that date, then the tender date shall automatically be extended to May 1, 2048, the final maturity of the bonds, without further action by the University or lender. A trustee may be appointed and such trustee may enforce terms of the agreement, bring suit, or take other actions for the general representation of the bondholder. The Series 2022A and 2022B bonds may be redeemed at the option of the University on or after December 2024 at the indicated percentage (price) of par as follows:

Redemption Period	Price
To December 16, 2024	103%
Dec. 17, 2024 – Dec. 16, 2026	102%
Dec. 17, 2026 – Dec. 16, 2027	101%
Dec. 17, 2027 - thereafter	100%

The Series 2023A bonds may be redeemed at the option of the University at the indicated percentage (price) of par as follows:

Redemption Period	Price
To Feb. 1, 2025	103%
Feb. 2, 2025 – Feb. 1, 2027	102%
Feb. 2, 2027 – Feb. 1, 2028	101%
Feb. 2, 2028 - thereafter	100%

Virginia College Building Authority

The Virginia College Building Authority (VCBA) issues Educational Facilities Revenue Bonds (Public Higher Education Financing Program). As a participating institution in this program, the University issued a note payable to the VCBA. This note, along with the notes of other institutions, is held by the VCBA as security for the Educational Facilities Revenue Bonds. For accounting purposes, the financing arrangement is considered to represent a note payable.

Leases and Subscription-Based Information Technology Arrangements (SBITAs)

The University is party to several real estate leases, equipment leases and Subscription-Based Information Technology Arrangements (SBITAs). Real estate leases include buildings, space within buildings, parking lots, and green space, with terms ranging from 3-43 years for the buildings and 3-

10 years for parking lots. Equipment leases range in term from 2-6 years. SBITAs represent the university's obligation to pay vendors for access to their information technology, typically with terms ranging from 2-10 years. Both leases and SBITAs often include various options to extend.

The liabilities for both leases and SBITAs are measured at the present value of payments expected to be made during their respective terms. This measurement includes, if required by the agreement: fixed payments, variable payments that are fixed in substance, amounts reasonably certain to be required under residual value guarantees, the exercise price of purchase options if reasonably certain to be exercised, payments for penalties for terminating the agreement, lease or subscription incentives, and other payments reasonably certain to be required based on an assessment of all relevant factors.

The present value calculation uses the discount rate implicit in the agreement when available. If unavailable, the University uses its internal borrowing rate. Variable payments not included in the initial measurement of the lease or SBITA liability are recognized as outflows of resources in the period to which those payments relate. For leases, these may include rate changes based on market rates at the time of renewal or future rate changes set by the Board of Visitors. For SBITA's, these may include payments based on usage of underlying assets or additional licenses. In addition to agreements that have both a fixed and variable rate portion, the University is also party to several leases and SBITAs whose payments are completely variable due to factors such as varying rates, number of assets, or number of users. These payments, along with all other variable payments, are recognized as outflows of resources based upon the provisions of the respective contracts. In the fiscal year ending June 30, 2024, approximately $350k of variable costs related to lease arrangements and $2.4M of variable costs related to SBITA's were recognized as outflows of resources.

The University is also a party to a lease, sublease type arrangement where it acts as paymaster. The University collects lease revenues from students and then remits the revenues back to the owner of the residential facilities. The variable lease payments remitted in the fiscal year ending June 30, 2024 totaled $12,963,032. Since the University is only acting as payments the revenues and related expense is not included in the consolidated financial statements.

The changes in long-term liabilities are as shown below. Beginning balances have been restated for corrections related to GASB 87 and GASB 96.

University:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General revenue pledge bonds	$ 217,320,285	-	(4,657,507)	$ 212,662,778	$ 3,780,000
General revenue pledge bonds - Direct Placement	96,949,356	-	(5,816,346)	91,133,010	5,973,873
Commonwealth of Virginia revenue bonds	47,157,046	529,039	(3,938,944)	43,747,141	3,296,000
Total bonds payable	$361,426,687	529,039	(14,412,797)	$347,542,929	13,049,873
Notes Payable:					
Virginia College Building Authority	79,889,556	-	(13,704,402)	66,185,154	12,765,000
Lease liabilities	99,764,752	7,795,124	(8,105,011)	99,454,865	8,534,167
Subscription based technology arrangements	13,966,777	6,504,199	(7,671,626)	12,799,350	5,929,529
Installment purchases	708,030	-	(281,200)	426,830	219,545
Total long-term debt	$555,755,802	$14,828,362	($44,175,036)	$526,409,128	$40,498,114
Compensated absences	59,262,457	62,359,838	(64,803,270)	56,819,025	48,056,199
Deferred compensation	4,624,766	2,063,462	(1,864,060)	4,824,168	1,550,082
Pension liability, net	254,213,955	37,226,954	-	291,440,909	-
Other post employment benefits liability	110,928,828	1,782,878	-	112,711,706	2,077,536
Total	$984,785,808	$118,261,494	($110,842,366)	$992,204,936	$92,181,931

Authority:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General revenue pledge bonds	$ 541,193,718	211,336,446	(120,595,448)	$ 631,934,716	$ 14,807,296
Notes payable	161,333,766	-	(101,265,406)	60,068,360	938,975
Lease liabilities	47,338,741	14,833,572	(11,077,059)	51,095,254	10,809,465
Subscription based technology arrangements	26,122,305	17,103,059	(20,967,148)	22,258,216	13,356,805
Total long-term debt	$775,988,530	$243,273,077	($253,905,061)	$765,356,546	$39,912,541
Claims Payable - Estimated losses on malpractice claims and workers compensation	37,480,256	7,915,283	(10,227,173)	35,168,366	8,000,000
Compensated absences	40,859,366	91,383,031	(87,916,344)	44,326,053	44,326,053
Pension liability, net	14,768,926	12,974,591	(14,768,926)	12,974,591	-
Other post employment benefits liability	4,804,365	3,837,055	(4,804,365)	3,837,055	59,022
Total	$873,901,443	$359,383,037	($371,621,869)	$861,662,611	$92,297,616

MCV Foundation:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 1,935,000	-	(970,000)	$ 965,000	$ 965,000

Collage of Engineering Foundation:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 4,649,904	-	(461,266)	$ 4,188,638	$ 473,297

Long-term debt matures as follows:

University

Fiscal Year	Revenue Bonds	Revenue Bonds Direct Placement	Notes Payable	Installment Purchases	Leases	Subscription-based Technology Arrangements	Total
2025	$7,076,000	$5,973,873	$12,765,000	$219,545	$8,534,167	$5,929,529	$40,498,114
2026	9,245,159	5,600,365	12,165,000	86,838	7,962,179	4,679,008	39,738,549
2027	14,632,778	4,637,072	11,920,000	89,824	7,384,885	1,426,529	40,091,088
2028	15,603,390	4,759,334	12,115,000	30,623	7,745,550	565,506	40,819,403
2029	18,617,997	4,882,162	5,070,000	-	7,924,032	159,642	36,653,833
2030-2034	97,366,377	18,368,751	5,970,000	-	34,105,793	39,136	155,850,057
2035-2039	15,790,000	19,731,453	2,625,000	-	11,589,975	-	49,736,428
2040-2044	-	19,975,000	-	-	9,056,853	-	29,031,853
2045-2049	56,785,000	7,205,000	-	-	3,594,528	-	67,584,528
2050-2054	11,840,000	-	-	-	467,063	-	12,307,063
2055-2059	-	-	-	-	562,810	-	562,810
2060-2064	-	-	-	-	527,030	-	527,030
Premium	9,453,218	-	3,555,154	-	-	-	13,008,372
Total	$256,409,919	$91,133,010	$66,185,154	$426,830	$99,454,865	$12,799,350	$526,409,128

Authority:

Fiscal Year	Revenue Bonds	Revenue Bonds Direct Placement	Notes Payable	Leases	Subscription-based Technology Arrangements	Total
2025	$7,125,000	$7,682,296	$938,975	$10,809,465	$13,356,805	$39,912,541
2026	7,540,000	7,925,692	972,372	10,667,917	7,485,780	34,591,761
2027	7,865,000	8,194,447	1,006,956	9,794,524	1,227,847	28,088,774
2028	8,235,000	8,438,568	1,042,770	7,550,554	187,784	25,454,676
2029	8,615,000	8,708,062	1,080,287	4,694,428	-	23,097,777
2030-2034	81,300,000	18,301,132	6,003,000	7,578,366	-	113,182,498
2035-2039	103,560,000	-	7,150,000	-	-	110,710,000
2040-2044	206,850,000	-	8,515,000	-	-	215,365,000
2045-2049	52,065,000	-	10,141,000	-	-	62,206,000
2050-2054	64,175,000	-	12,077,000	-	-	76,252,000
2055-2059	14,450,000	-	11,141,000	-	-	25,591,000
Unamortized discount	(2,344,020)	-	-	-	-	(2,344,020)
Premium	13,248,539	-	-	-	-	13,248,539
Total	$572,684,519	$59,250,197	$60,068,360	$51,095,254	$22,258,216	$765,356,546

- The direct placement debt of the Authority includes event of default provisions that could change the timing of the repayment of outstanding amounts to become immediately due. Generally, these provisions would take effect if the Authority were to become insolvent, or become unable to adhere to its covenant requirements.

MCV Foundation

Fiscal Year	Notes Payable
2025	$ 965,000
	-
Total	$965,000

College of Engineering Foundation

Fiscal Year	Notes Payable
2025	$ 473,297
2026	3,715,341
	-
Total	$4,188,638

A summary of future interest requirements is as follows:

University

Fiscal Year	Revenue Bonds	Revenue Bonds Direct Placement	Notes Payable	Installment Purchases	Leases	Subscription-based Technology Arrangements	Total
2025	$8,815,802	$3,150,055	$1,984,449	$9,581	$2,777,372	$457,969	$17,195,227
2026	8,490,787	2,981,323	1,570,743	5,679	2,525,592	264,653	15,838,776
2027	8,005,591	2,819,369	1,161,709	2,693	2,302,813	85,033	14,377,208
2028	7,436,679	2,696,640	763,556	216	2,079,416	30,347	13,006,854
2029	6,925,334	2,570,273	436,878	-	1,845,826	8,108	11,786,419
2030-2034	26,105,147	11,078,703	811,008	-	6,104,195	1,564	44,100,618
2035-2039	15,989,276	7,774,148	160,275	-	3,003,805	-	26,927,504
2040-2044	14,666,213	3,575,526	-	-	1,500,247	-	19,741,985
2045-2049	12,101,786	702,997	-	-	469,758	-	13,274,541
2050-2054	553,224	-	-	-	261,638	-	814,862
2055-2059	-	-	-	-	165,890	-	165,890
2060-2064	-	-	-	-	55,931	-	55,931
Total	$109,089,838	$37,349,033	$6,888,618	$18,169	$23,092,483	$847,674	$177,285,815

Authority

Fiscal Year	Revenue Bonds	Revenue Bonds Direct Placement	Notes Payable	Leases	Subscription-based Technology Arrangements	Total
2025	$26,002,500	$757,096	$2,087,425	$1,014,061	$560,796	$30,421,878
2026	25,620,180	640,558	2,054,028	773,805	170,861	29,259,432
2027	25,221,456	520,149	2,019,444	539,794	25,313	28,326,156
2028	24,804,022	396,210	1,983,360	342,822	6,315	27,532,729
2029	24,367,448	268,386	1,947,000	227,071	-	26,809,905
2030-2034	111,503,387	136,318	9,129,000	164,369	-	120,933,074
2035-2039	85,569,513	-	7,982,000	-	-	93,551,513
2040-2044	67,337,290	-	6,617,000	-	-	73,954,290
2045-2049	20,438,574	-	4,991,000	-	-	25,429,574
2050-2054	8,230,200	-	3,055,000	-	-	11,285,200
2055-2059	-	-	804,000	-	-	804,000
Total	$419,094,570	$2,718,717	$42,669,257	$3,061,922	$763,285	$468,307,751

13. FACULTY EARLY RETIREMENT INCENTIVE PLAN

The University established the Virginia Commonwealth University Faculty Early Retirement Incentive Plan for Faculty (Plan) to provide a financial early retirement incentive for certain tenured faculty that will facilitate the release of tenured faculty resources for budget reallocation or reduction in accordance with the University Strategic Plan goals, changes in enrollment and other University needs. Tenure is a permanent appointment granted to associate professors and professors, which continues until the faculty member leaves the University, is dismissed for cause or is terminated due to a financial crisis.

The Plan provides an annuity for five years from the date of retirement equal to 20% of the average University salary of the faculty members eligible to participate in the Plan, not to exceed 30% of the participant's base annual salary from University resources at the time the agreement was signed. In addition, the University provides a health care benefit supplement until the participant becomes Medicare eligible (currently age 65) if the participant retires, or up to 18 months of COBRA benefits if the participant does not retire.

As of June 30, 2024, 61 faculty members were enrolled in the plan. Payments during fiscal year 2024 were $1,864,060. The present value of the future plan payment schedule follows:

Fiscal Year	Plan Obligations
2025	$1,550,082
2026	1,347,749
2027	989,925
2028	676,413
2029	243,482
2030	16,517
Total	$4,824,168

14. PENSIONS AND RETIREMENT PLANS

University

Pension Plan Description

All full-time, salaried permanent employees of state agencies are automatically covered by the VRS State Employee Retirement Plan or the VaLORS Retirement Plan upon employment. These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS State Employee Retirement Plan – Plan 1, Plan 2, and Hybrid; and two different benefit structures for covered employees in the VaLORS Retirement Plan – Plan 1 and Plan 2. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

<table>
<tr><th colspan="3">Retirement Plan Provisions by Plan Structure</th></tr>
<tr><th>Plan 1</th><th>Plan 2</th><th>Hybrid Retirement Plan</th></tr>
<tr><td>About Plan 1

Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</td><td>About Plan 2

Same as Plan 1.</td><td>About the Hybrid Retirement Plan

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.

• The defined benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.

• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.

• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</td></tr>
<tr><td>Eligible Members</td><td>Eligible Members</td><td>Eligible Members</td></tr>
</table>

Employees are in Plan 1 if their membership date is before July 1, 2010, they were vested as of January 1, 2013, and they have not taken a refund.	Employees are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund, or their membership date is prior to July 1, 2010, and they were not vested as of January 1, 2013.	Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Full-time permanent, salaried state employees.* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014
Hybrid Opt-In Election VRS Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.	**Hybrid Opt-In Election** Same as Plan 1.	***Non-Eligible Members** Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Members of the Virginia Law Officers' Retirement System (VaLORS) Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.
Retirement Contributions State employees, excluding state elected officials, and optional retirement plan participants, contribute 5% of	**Retirement Contributions** Same as Plan 1.	**Retirement Contributions** A member's retirement benefit is funded through mandatory and voluntary contributions made by the

their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments.		member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	**Service Credit** Same as Plan 1.	**Service Credit** **Defined Benefit Component:** Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement,

		if the employer offers the health insurance credit. **<u>Defined Contributions Component:</u>** Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** **<u>Defined Benefit Component:</u>** Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. **<u>Defined Contributions Component:</u>** Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100%

		vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distributions not required, except as governed by law.
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** **Defined Benefit Component:** See definition under Plan 1 **Defined Contribution Component:** The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions

Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier **VRS:** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. **VaLORS:** The retirement multiplier for VaLORS employees is 1.70% or 2.00%.	**Service Retirement Multiplier** **VRS:** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. **VaLORS:** The retirement multiplier for VaLORS employees is 2.00% applied to hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement.	**Service Retirement Multiplier** **Defined Benefit Component:** **VRS:** The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. **VaLORS:** Not applicable. **Defined Contribution Component:** Not applicable.
Normal Retirement Age **VRS:** Age 65. **VaLORS:** Age 60.	**Normal Retirement Age** **VRS:** Normal Social Security retirement age. **VaLORS:** Same as Plan 1.	**Normal Retirement Age** **Defined Benefit Component:** **VRS:** Same as Plan 2. **VaLORS:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions

		upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. VaLORS: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**Earliest Unreduced Retirement Eligibility** VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90. VaLORS: Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** Defined Benefit Component: VRS: Same as Plan 2. VaLORS: Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. VaLORS: Age 50 with at least five years of service credit.	**Earliest Reduced Retirement Eligibility** VRS: Age 60 with at least five years (60 months) of service credit. VaLORS: Same as Plan 1.	**Earliest Reduced Retirement Eligibility** Defined Benefit Component: VRS: Same as Plan 2. VaLORS: Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to	**Cost-of-Living Adjustment (COLA) in Retirement** Defined Benefit Component: Same as Plan 2. Defined Contribution Component:

increase (up to 4%) up to a maximum COLA of 5%. **Eligibility:** For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. **Exceptions to COLA Effective Dates:** The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member Is involuntarily separated from	2%), for a maximum COLA of 3%. **Eligibility:** Same as Plan 1. **Exceptions to COLA Effective Dates:** Same as Plan 1.	Not applicable. **Eligibility:** Same as Plan 1 and Plan 2. **Exceptions to COLA Effective Dates:** Same as Plan 1 and Plan 2.

employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.		
Disability Coverage For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.	**Disability Coverage** For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	**Disability Coverage** State employees (including Plan 1 and Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VSDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.

Purchase of Prior Service	Purchase of Prior Service	Purchase of Prior Service
Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Same as Plan 1.	**Defined Benefit Component:** Same as Plan 1, with the following exception: • Hybrid Retirement Plan members are ineligible for ported service. **Defined Contribution Component:** Not applicable.

Contributions

The contribution requirement for active employees is governed by § 51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each state agency's contractually required employer contribution rate for the fiscal year ended June 30, 2024, was 14.46% of covered employee compensation for employees in the VRS State Employee Retirement Plan. For employees in the VaLORS Retirement Plan, the contribution rate was 24.60% of covered employee compensation. These rates were the final approved General Assembly rate which were based on an actuarially determined rates from an actuarial valuation as of June 30, 2021. The actuarially determined rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the state agency to the VRS State Employee Retirement Plan were $45,555,097 and $40,461,880 for the years ended June 30, 2024, and June 30, 2023, respectively. Contributions from the state agency to the VaLORS Retirement Plan were $1,563,681 and $1,521,754 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $73.0 million to the VRS State plan and $6.6 million to VaLORS. These special payments were authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and are classified as special employer contributions. The University proportionate share for the VRS State Employee Retirement Plan and for the VaLORS

Retirement Plan are reflected in the Other Non-operating expenses line item of our financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the University reported a liability of $280,500,715 for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of $10,940,194 for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The University's proportion of the Net Pension Liability was based on the University's actuarially determined employer contributions to the pension plans for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the University's proportion of the VRS State Employee Retirement Plan was 5.54382% as compared to 5.36606% at June 30, 2022. At June 30, 2023, the University's proportion of the VaLORS Retirement Plan was 1.69112% as compared to 1.68707% at June 30, 2022.

For the year ended June 30, 2024, the University recognized pension expense of $25,253,775 for the VRS State Employee Retirement Plan and $2,757,243 for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2022 and June 30, 2023 a portion of the pension expense was related to deferred amounts from changes in proportion and differences between University contributions and the proportionate share of University contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$27,487,313	($8,102,758)
Net difference between projected and actual earnings on pension plan investments	-	(20,097,368)
Change in assumptions	3,705,590	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,593,523	(2,760,184)
Employer contributions subsequent to the measurement date	47,118,778	-
Total	$84,905,204	($30,960,310)

The $47,118,778 reported as deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	
FY 2025	($4,664,667)
FY 2026	(11,999,761)
FY 2027	22,763,390
FY 2028	727,154
	$6,826,116

Actuarial Assumptions

The total pension liability for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

	State Employee Retirement Plan	**VaLORS Retirement Plan**
Inflation	2.50%	2.50%
Salary increases, including Inflation	3.5% – 5.35%	3.5% – 4.75%
Investment rate of return	6.75% percent, net of pension plan investment expenses, including inflation	6.75% percent, net of pension plan investment expenses, including inflation
Mortality rates		
Pre-Retirement	Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years.	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-Retirement	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females.	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years.	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors	Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females.	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

	State Employee Retirement Plan	**VaLORS Retirement Plan**
Mortality Rates (pre-retirement, post retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all	Increased rates at some younger ages, decreased at age 62, and changed final retirement from 65 to 70
Withdraw Rates	Adjusted rates to better fit experience at each year age	Adjusted rates to better fit experience at each year age

	and service through 9 years of service	and service through 9 years of service
Disability Rates	No change	No change
Salary Scale	No change	No change
Line of Duty Disability	No change	No change
Discount Rate	No change	No change

Net Pension Liability

The net pension liability (NPL) is calculated separately for each plan and represents that particular plan's total pension liability determined in accordance with GASB Statement No. 67, less that plan's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan are as follows (amounts expressed in thousands):

	State Employee Retirement Plan	VaLORS Retirement Plan
Total pension liability	$28,411,528	$2,577,980
Plan fiduciary net position	23,351,827	1,931,061
Employers' net pension liability (asset)	$5,059,701	$646,919
Plan fiduciary net position as a percentage of the total pension liability	82.19%	74.91%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategie	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

* On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the state agency for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 102% of the actuarially determined contribution rate. From July 1, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the University’s proportionate share of the VRS State Employee Retirement Plan and VaLORS Retirement Plan net pension liabilities using the discount rate of 6.75%, as well as what the University’s proportionate share of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
University's proportionate share of the VRS State Employee Retirement Plan Net Pension Liability	$467,428,690	$280,500,715	$124,056,401
University's proportionate share of the VaLORS Retirement Plan Net Pension Liability	$16,725,296	$10,940,194	$6,214,404

Pension Plan Fiduciary Net Position

Detailed information about the VRS State Employee Retirement Plan’s Fiduciary Net Position or the VaLORS Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

Included in accounts payable and other liabilities is an outstanding liability as of June 30, 2024 of $2,717,613 due to VRS.

Optional Retirement Plans

Full-time faculty and certain administrative staff are eligible to participate in other retirement plans. These are fixed-contribution programs where the retirement benefits received are based upon the employer (5.4%) and employee (5%) contributions (all of which are paid by the University for faculty hired before July 1, 2010) plus interest and dividends. For faculty hired on or after July 1, 2010, the 5% employee contribution is paid by the employee and the employer contribution, paid by the University, is 8.5%. The two providers are TIAA-CREF and Fidelity. The total pension expense for fiscal year 2024 related to these optional retirement plans was $26,760,722. Included in accounts payable and other liabilities is an outstanding liability as of June 30, 2024 of $1,561,728 related to these plans.

Additionally, certain employees of Virginia Commonwealth University are participating in The Select Plan. The Select Plan is a 401(a) defined contribution plan and participation is limited to executives (Dean and above) by invitation. It is primarily designed to continue defined contributions at the regular other retirement plan percentages of salary (as applicable depending upon the faculty member's plan) for executives whose base salaries exceed the compensation maximum for the other retirement plan. Total pension expense related to The Select Plan for fiscal year 2024 was $354,726. Included in accounts payable and other liabilities is an outstanding liability as of June 30, 2024 of $80,789 related to this plan.

Individual contracts issued under these optional plans provide for full and immediate vesting of both the University's and the employee's contributions. Contributions to other retirement plans were calculated using the base salary $294,365,344 in fiscal year 2024. Total pension costs under these plans were $27,115,448in fiscal year 2024. Included in accounts payable and other liabilities is an outstanding liability as of June 30, 2024 of $1,642,516.91 related to these plans.

Deferred Compensation Plan (DCP)

The Deferred Compensation Plan (DCP) gives full and part-time faculty and staff who contribute at least $10 each pay period through the Tax Deferred Annuity Program (TDA) a matching contribution of 50%, up to a maximum of $20 each pay period, of the amount faculty and staff contribute through the TDA Program. The Deferred Compensation Plan is a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code. Total employer contributions under the Deferred Compensation Plan including both VRS and other retirement plan participants, were approximately $1,752,306 for the fiscal year ending 2024.

Authority

VCUMC Virginia Retirement System Plan (VRS Plan)

Prior to July 1, 1997, employees of VCUMC were employees of the Commonwealth of Virginia (the Commonwealth). These employees were eligible to participate in a defined benefit pension plan administered by the Virginia Retirement System (VRS). After July 1, 1997, employees could choose to remain in the VRS Plan or enroll in the VCUMC Authority Defined Contribution Plan (the Plan). A description of the VRS pension plan, contributions, actuarial assumptions, net pension liability, long-term expected rate of return and discount rate can be found under the University's section described previously. Contributions from VCUMC to the VRS Plan were $1,589,334 and $1,745,203 for the years ended June 30, 2024 and 2023, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

VCUMC reported a liability of $12,974,591 for its proportionate share of the Net Pension Liability for the year ended June 30, 2024. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that as of June 30, 2022, and rolled forward to the measurement date of June 30,

2023. VCUMC's proportion of the Net Pension Liability was based on VCUMC's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contribution for all participating employers. At June 30, 2023, VCUMC's proportion of the VRS Plan was 0.25643% as compared to 0. 32542% at June 30, 2022.

VCUMC recognized pension income of ($4,010,257) for the Plan for the year ended June 30, 2024. At June 30, 2024, VCUMC reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$1,260,250	$374,794
Net difference between projected and actual earnings on pension plan investn	-	908,047
Change in assumptions	171,402	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	5,597,063
Employer contributions subsequent to the measurement date	1,589,334	-
Total	$3,020,986	$6,879,904

Deferred outflows of resources related to employer contributions subsequent to the measurement date totaling $1,589,334 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
FY25	($3,813,370)
FY26	(2,338,061)
FY27	670,332
FY28	32,847
	($5,448,252)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the VCUMC's proportionate share of the Plan's net pension liability using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
The VCUMC's proportionate share of the VRS state employee retirement plan net pension liability	$21,620,965	$12,974,591	$5,738,242

VCUHS Retirement Plan (VCUHS 401(A) Plan)

The VCUMC Authority Defined Contribution Plan (the Plan) was amended and restated effective January 1, 2002 and is now referred to as the VCUHS Retirement Plan (VCUHS 401(a) Plan). All employees, excluding house staff, working at least 20 hours a week in a benefit-eligible position are eligible to participate in the VCUHS 401(a) Plan. Per the VCUHS 401(a) Plan document as approved by the Authority's Board of Directors, VCUMC contributes up to 10% of the participant's salary to the VCUHS 401(a) Plan not to exceed the lesser of (a) the amount in accordance with Code 415(d), or (b) one hundred percent (100%) of the Participant's Compensation for such limitation year. Contributions are a function of the employee's age plus years of service per the table below. Total contributions to the VCUHS 401(a) Plan for the year ended June 30, 2024 was approximately $44,436,000. VCUMC shall have the right at any time, and without the consent of any party, to terminate the VCUHS 401(a) Plan in its entirety. Any changes to the provisions of the VCUHS 401(a) Plan, including the contribution requirements, must be approved in writing by the Authority's Board of Directors.

Age Plus Years of Service	Employer Contribution 401(a) Plan
65+	10%
55-65	8
45-55	6
35-45	4
<35	2

VCUMC also sponsors the VCUHS Savings Plan (VCUHS 457(b) Plan), a savings plan that represents employee contributions and employees may also receive a 2% matching contribution in their VCUHS 401(a) Plan based on their 457(b) contribution.

VCUMC has also established the HCP Plan. All persons hired as a health care provider on or after July 1, 1993 and prior to July 1, 1997 and working at least 35 hours of service per week are eligible to participate in the HCP Plan. All significant provisions of the HCP Plan, including the contribution requirements, are similar to the VCUHS 401(a) Plan. Total contributions to the HCP Plan for the year ended June 30, 2024 was approximately $20,000.

MCVAP

MCVAP sponsors the MCVAP 401(a) Retirement Plan (the 401(a) Plan), a noncontributory, defined contribution plan, which covers substantially all full-time clinical provider employees of MCVAP and the MCVAP 403(b) Salary Deferral Plan (the 403(b) Plan), a salary deferral plan that represents physician contributions. Contributions to the 401(a) Plan by MCVAP, as determined annually at the discretion of the Board of Directors, were approximately $30,743,000 for the year ended June 30, 2024.

MCVAP also participates in the VCUHS 401(a) Plan, which covers all benefited nonclinical provider employees of MCVAP; the VCUHS Savings Plan (VCUHS 457(b) Plan), a savings plan that represents employee contribution and the MCVAP 403(b) Supplemental Plan (the 403(b) Highly Compensated Plan), a noncontributory defined contribution plan for highly compensated employees. The VCUHS 401(a) Plan contributions (as a percentage of the employee's salary) are a function of the employee's age plus years of service per the table below. MCVAP employees may contribute to the VCUHS 457(b) Savings Plan. Employees may also receive a 2% matching contribution in their VCUHS 401(a) Plan based on their 457(b) contribution. Contributions to the VCUHS 401(a) Plan for the year ended June 30, 2024 was approximately $7,356,000.

Age Plus Years of Service	Employer Contribution VCUHS 401(a) Plan
65+	10%
55-65	8
45-55	6
35-45	4
<35	2

CMH and CMHP

CMH participants in the VCUHS 401(a) Plan and retirement plan expense was approximately $2,410,000 for the year ending June 30, 2024. Providers who were employees of CMHP participate in the MCVAP0401(a) Retirement Plan. Those plan expenses were $1,072,000 for the year ending June 30, 2024.

Children's

Children's has a noncontributory defined benefit pension plan (Pension Plan) covering substantially all Children's employees prior to the plan being frozen in June 2010. The Pension Plan provides benefits that are based on the five consecutive years for which an employee's compensation is highest. Children's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as Children's may determine to be appropriate from time to time. Effective June 30, 2010, Children's froze all future benefit accruals for those who were active plan participants and closed the plan to new participants.

The Pension Plan's fair value of plan assets of $746k as of June 30, 2024, is recorded in net pension liability on the accompanying consolidated statements of net position. The Pension Plan's liability was $0 as of June 30, 2024. Children's participants in the VCUHS 401(a) Plan and retirement plan expense was approximately $458,000 for the year ended June 30, 2024.

15. OTHER POST-EMPLOYMENT BENEFITS

The University participates in post-employment benefit programs that are sponsored by the Commonwealth and administered by the Virginia Retirement System (VRS) or the Department of Human Resources Management. These programs include the Group Life Insurance Program, Retiree Health Insurance Credit Program, Line of Duty Act Program, Virginia Sickness and Disability Program and the Pre-Medicare Retiree Healthcare Program. Prior to July 1, 1997, employees of VCUMC were employees of the Commonwealth of Virginia and also automatically covered by the Retiree Health Insurance Credit and the Pre-Medicare Retiree Healthcare Programs. After July 1, 1997, new employees are not eligible for the programs. For these employees, hired before July 1, 1997 VCUMC participates in the Retiree Health Insurance Credit Program and for those who remain in the VRS Plan and continued enrollment in the state health benefits program remain eligible for the Pre-Medicare Retiree Healthcare Program. The specific information about each program is described below:

Plan Descriptions

GROUP LIFE INSURANCE (GLI) PROGRAM: All full-time, salaried permanent employees of state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. The University deducts these premiums from members' paychecks and pays the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

HEALTH INSURANCE CREDIT (HIC) PROGRAM: All full-time, salaried permanent employees of state agencies are automatically covered by the VRS State Employee Health Insurance Credit Program. VCUMC employees hired prior to July 1, 1997 are also automatically covered by the plan. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which the University pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

LINE OF DUTY ACT (LODA) PROGRAM: All paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the Line of Duty Act Program (LODA). As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in FY 2012. The University's contributions are determined by VRS's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

VIRGINIA SICKNESS AND DISABILITY (VSDP) PROGRAM: All full-time and part-time permanent salaried state employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) hired on or after January 1, 1999, are automatically covered by the Disability Insurance Program (VSDP) upon employment. The Disability Insurance Program also covers state employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for disability retirement. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

PRE-MEDICARE RETIREE HEALTHCARE (PMRH) PROGRAM: The Commonwealth provides a healthcare plan established by Title 2.2, Chapter 28 of the Code of Virginia for retirees who are not yet eligible to participate in Medicare. VCUMC employees who elected to remain in the VRS Plan and continued enrollment in the State Health Benefits Program remain eligible for the program. This fund is reported as part of the Commonwealth's Healthcare Internal Service Fund. Benefit payments are recognized when due and payable in accordance with the benefit terms. Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes and is administered by the Department of Human Resource Management. There were approximately 3,551 retirees and 92,780 active employees in the program as of June 30, 2023. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits.

Plan Provisions

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: • City of Richmond

- City of Portsmouth
- City of Roanoke
- City of Norfolk
- Roanoke City School Board

Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The benefits payable under the Group Life Insurance Program have several components.

- **Natural Death Benefit**: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- **Accidental Death Benefit:** The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions:** In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
  - Accidental dismemberment benefit
  - Seatbelt benefit
  - Repatriation benefit
  - Felonious assault benefit
  - Accelerated death benefit option

Reduction in Benefit Amounts

The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,254 as of June 30, 2024.

STATE EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS

Eligible Employees

The State Employee Retiree Health Insurance Credit Program was established January 1, 1990, for retired state employees covered under VRS, SPORS, VaLORS and JRS who retire with at least 15 years of service credit.

Eligible employees are enrolled automatically upon employment. They include:

- Full-time and part-time permanent salaried state employees covered under VRS, SPORS, VaLORS and JRS.

Benefit Amounts

The State Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:

- **At Retirement**: For State employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount.
- **Disability Retirement:** For State employees, other than state police officers, who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP), the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher.

For State police officer employees with a non-work-related disability who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP) the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher.

For State police officers with a work-related disability, there is no benefit provided under the State Employee Retiree Health Insurance Credit Program if the premiums are being paid under the Virginia Line of Duty Act. However, they may receive the credit for premiums paid for other qualified health plans.

Health Insurance Credit Program Notes:

- The monthly Health Insurance Credit benefit cannot exceed the individual's premium amount.
- Employees who retire after being on long-term disability under VSDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.

LINE OF DUTY ACT PROGRAM (LODA) PLAN PROVISIONS

Eligible Employees

The eligible employees of the LODA Program include paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under VRS, SPORS, or VaLORS.

Benefit Amounts

LODA provides death and health insurance benefits for eligible individuals:

- **Death:** The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows:
    - $100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after.
    - $25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date.
    - An additional $20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.
- **Health Insurance:** The LODA program provides health insurance benefits.
    - The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.

DISABILITY INSURANCE PROGRAM (VSDP) PLAN PROVISIONS

Eligible Employees

The Virginia Sickness and Disability Program (VSDP), also known as the Disability Insurance Trust Fund was established January 1, 1999 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities.

Eligible employees are enrolled automatically upon employment. They include: • Full-time and part-time permanent salaried state employees covered under VRS, SPORS and VaLORS (members new to VaLORS following its creation on October 1, 1999, have been enrolled since the inception of VSDP). • State employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for VRS disability retirement. • Public college and university faculty members who elect the VRS defined benefit plan. They may participate in VSDP or their institution's disability program, if offered. If the institution does not offer the program or the faculty member does not make an election, he or she is enrolled in VSDP.
Benefit Amounts The Virginia Sickness and Disability Program (VSDP) provides the following benefits for eligible employees: • **Leave:** Sick, family and personal leave. Eligible leave benefits are paid by the employer. • **Short-Term Disability:** The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. The benefit provides income replacement beginning at 100% of the employee's pre-disability income, reducing to 80% and then 60% based on the period of the disability and the length of service of the employee. Short-term disability benefits are paid by the employer. • **Long-Term Disability (LTD):** The program provides a long-term disability benefit beginning after 125 workdays of short-term disability and continuing until the employee reaches his or her normal retirement age. The benefit provides income replacement of 60% of the employee's pre-disability income. If an employee becomes disabled within five years of his or her normal retirement age, the employee will receive up to five years of VSDP benefits, provided he or she remains medically eligible. Long-term disability benefits are paid for by the Virginia Disability Insurance Program (VSDP) OPEB Plan. • **Income Replacement Adjustment:** The program provides for an income replacement adjustment to 80% for catastrophic conditions. • **VSDP Long-Term Care Plan:** The program also includes a self-funded long-term care plan that assists with the cost of covered long-term care services.
Disability Insurance Program (VSDP) Plan Notes: • Employees hired or rehired on or after July 1, 2009, must satisfy eligibility periods before becoming eligible for non-work-related short-term disability benefits and certain income-replacement levels. • A state employee who is approved for VSDP benefits on or after the date that is five years prior to his or her normal retirement date is eligible for up five years of VSDP benefits. • Employees on work-related short-term disability receiving only a workers' compensation payment may be eligible to purchase service credit for this period if retirement contributions are not being withheld from the workers' compensation payment. The rate will be based on 5.00% of the employee's compensation.
Cost-of-Living Adjustment (COLA) • During periods an employee receives long-term disability benefits, the LTD benefit may be increased annually by an amount recommended by the actuary and approved by the Board.   o Plan 1 employees vested as of 1/1/2013 – 100% of the VRS Plan 1 COLA (The first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-

U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%).
    - Plan 1 employees non-vested as of 1/1/2013, Plan 2 and Hybrid Plan employees – 100% of the VRS Plan 2 and Hybrid COLA (The first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%).
- For participating full-time employees taking service retirement, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement.
    - 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%
- For participating full-time employees receiving supplemental (work-related) disability benefits, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement.
    - 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%.

Pre-Medicare Retiree Healthcare (PMRH) Plan Provisions

Eligible Employees

For a retiree to be eligible for the PMRH Plan, the participant must be a retiring state employee who is eligible for either a monthly benefit from the Virginia Retirement System (VRS) or one of the Commonwealth's qualified Optional Retirement Plans (ORP).

Following are eligibility requirements for Virginia Retirement System retirees:

- You are a retiring state employee who is eligible for a monthly retirement benefit from the Virginia Retirement System (VRS), and
- You start receiving (do not defer) your retirement benefits immediately upon retirement*, and
- Your last employer before retirement was the Commonwealth of Virginia, and
- You were eligible for (even if you were not enrolled in) coverage as an active employee in the State Health Benefits Program until your retirement date (not including Extended Coverage/COBRA), and
- You enroll no later than 31 days from your retirement date.

*For VRS retirees, this means that your employing agency reported a retirement contribution or leave without pay status for retirement in the month immediately prior to your retirement date. Some faculty members may also be eligible if they are paid on an alternate pay cycle but maintain eligibility for active coverage until their retirement date.

Effective January 1, 2017**, following are eligibility requirements for Optional Retirement Plan retirees:

- You are a terminating state employee who participates in one of the qualified Optional Retirement Plans, and
- Your last employer before termination was the Commonwealth of Virginia, and

- You were eligible for (even if you were not enrolled in) coverage in the State Employee Health Benefits Program for active employees at the time of your termination, and
- You meet the age and service requirements for an immediate retirement benefit under the non-ORP Virginia Retirement System plan that you would have been eligible for on your date of hire had you not elected the ORP, and
- You enroll in the State Retiree Health Benefits Program no later than 31 days from the date you lose coverage (or lose eligibility for coverage) in the State Health Benefits Program for active employees due to your termination of employment.

**This change applies to ORP terminations effective January 1, 2017, or later. Eligibility for those who terminated employment prior to January 1 should be determined based on the policy in place at the time of their termination.

Contributions

GLI PROGRAM: The contribution requirements for the Group Life Insurance Program are governed by § 51.1-506 and § 51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to the University and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the University were $3,314,463 and $3,022,890 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. Our proportionate share is reflected in the Other Non-operating expenses line item of our financial statements.

HIC PROGRAM: The contribution requirement for active employees is governed by § 51.1-1400(D) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to the University by the Virginia General Assembly. Each state agencies' contractually required employer contribution rate for the year ended June 30, 2024, was 1.12% of covered employee compensation for employees in the VRS State Employee Health Insurance Credit Program. This rate was the approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the University to the VRS State Employee Health Insurance Credit Program were $6,906,389 and $6,313,197 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions from VCUMC to the HIC Plan were $327,050 and $323,126 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $8.5 million which was applied to the Health Insurance Credit Plan for state employees. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. Our proportionate share is reflected in the Other Non-Operating Expenses of our financial statements.

LODA PROGRAM: The contribution requirements for the LODA Program are governed by § 9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to the University by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2024 was $830.00 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021, and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the University were $71,466 and $62,047 for the years ended June 30, 2024 and June 30, 2023, respectively.

VSDP PROGRAM: The contribution requirements for the Disability Insurance Program (VSDP) are governed by § 51.1-1140 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to the University by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the Disability Insurance Program (VSDP) for the year ended June 30, 2024 was 0.61% of covered employee compensation. This rate was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits payable during the year, with an adjustment to amortize the accrued OPEB assets. Contributions to the Disability Insurance Program (VSDP) from the University were $1,921,327 and $1,705,338 for the years ended June 30, 2024 and June 30, 2023, respectively.

PMRH PROGRAM: The University does not pay a portion of the retirees' healthcare premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, this generally results in a higher rate for active employees. Therefore, the University effectively subsidizes the costs of the participating retirees' healthcare through payment of the employer's portion of the premiums for active employees.

Liabilities, Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Programs

At June 30, 2024, the University and VCUMC reported the following net liabilities (assets) of for its proportionate share of the total OPEB liability for each of the OPEB programs.

University	Liabilities (Assets)	VCUMC	Liabilities (Assets)
GLI	$28,782,203	HIC	$3,092,583
HIC	$56,483,096	PMRH	$744,472
LODA	$1,874,444		
VSDP	($17,523,849)		
PMRH	$25,571,964		

These liabilities were measured as of June 30, 2023. The total OPEB Liability used to calculate each OPEB liability for GLI, HIC, LODA, and VSDP was determined by an actuarial valuation as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The PMRH OPEB Liability was determined by an actuarial valuation as of June 30, 2022. The University's proportionate share of the GLI, HIC, LODA and VSDP liabilities was based on the University's actuarially determined employer contributions to each program for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. VCUMC's proportion of the Net HIC Plan OPEB Liability was based on VCUMC's actuarially determined employer contributions to the HIC Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. The University's and VCUMC's proportion of the PMRH OPEB liability was based on their calculated healthcare premium contributions, to include the December premium holiday amounts, as a percentage of the total employer's calculated healthcare premium contributions for all participating employers.

At June 30, 2023, the University's proportionate shares were:

GLI State Employees	2.37312% as compared to 2.34718% at June 30, 2022
GLI VaLORS	0.02677% as compared to 0.02649% at June 30, 2022
HIC State Employees	6.79850% as compared to 6.69765% at June 30, 2022
HIC VaLORS	0.07609% as compared to 0.07543% at June 30, 2022
LODA	0.46756% as compared to 0.38298% at June 30, 2022
VSDP State Employees	5.42445% as compared to 5.27384% at June 30, 2022
VSDP VaLORS	0.12321% as compared to 0.12258% at June 30, 2022
PMRH	7.26642% as compared to 6.99335% at June 30, 2022

At June 30, 2023, VCUMC's proportionate shares were:

HIC	0.37640% as compared to 0.46588% at June 30, 2022
PMRH	0.21155% as compared to 0.25415% at June 30, 2022

For the year ended June 30, 2024, the University and VCUMC recognized the following expenses for these programs:

University	Expenses	VCUMC	Expenses
GLI	$1,556,832	HIC	($319,476)
HIC	$9,455,079	PMRH	($1,005,366)
LODA	$246,586		
VSDP	$282,083		
PMRH	($11,478,929)		

Since there was a change in proportionate share between measurement dates, a portion of these expenses was related to deferred amounts from changes in proportion.

At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to the programs from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
GLI	Differences between expected and actual experience	$2,874,639	($873,687)
	Net difference between projected and actual earnings on program investments	-	(1,156,632)
	Change in assumptions	615,232	(1,994,144)
	Changes in proportionate share	777,095	(412,541)
	University contributions subsequent to the measurement date	3,314,463	-
	Total	$7,581,429	($4,437,004)
HIC	Differences between expected and actual experience	$1,331	($3,608,123)
	Net difference between projected and actual earnings on State plan investments	147,412	
	Change in assumptions	1,334,705	
	Changes in proportionate share	1,500,908	(679,621)
	University contributions subsequent to the measurement date	6,906,389	-
	Total	$9,890,745	($4,287,744)
LODA	Differences between expected and actual experience	$99,985	($352,956)
	Net difference between projected and actual earnings on plan investments	-	(5,484)
	Change in assumptions	416,336	(386,520)
	Changes in proportionate share	462,297	(411,005)
	University contributions subsequent to the measurement date	71,466	-
	Total	$1,050,084	($1,155,965)

VSDP	Differences between expected and actual experience	$1,263,022	($2,411,160)
	Net difference between projected and actual earnings on plan investments	-	(480,469)
	Change in assumptions	60,122	(192,697)
	Changes in proportionate share	202,238	(638,024)
	University contributions subsequent to the measurement date	1,921,327	-
	Total	$3,446,709	($3,722,350)
PMRH	Difference between actual and expected experience	$655,957	($6,181,628)
	Changes in assumptions	-	(15,657,227)
	Changes in proportion	3,624,170	-
	Sub Total	4,280,127	(21,838,855)
	Amounts associated with transactions subsequent to the measurement date	2,027,337	-
	Total	$6,307,464	($21,838,855)

At June 30, 2024, VCUMC reported deferred outflows of resources and deferred inflows of resources related to the programs from the following sources:

		Deferred Outflows of Resources	**Deferred Inflows of Resources**
HIC	Differences between expected and actual experience	$73	($197,553)
	Net difference between projected and actual earnings on State plan investments	8,071	-
	Change in assumptions	73,078	-
	Changes in proportionate share	-	(1,864,114)
	VCUMC contributions subsequent to the measurement date	327,050	-
	Total	$408,272	($2,061,667)
PMRH	Difference between actual and expected experience	$19,097	($179,965)
	Changes in assumptions	-	(455,827)
	Changes in proportion	-	(1,371,435)
	Sub Total	19,097	(2,007,227)
	Amounts associated with transactions subsequent to the measurement date	59,022	-
	Total	$78,119	($2,007,227)

The preceding amounts reported as deferred outflows of resources related to each program, resulting from the University's and VCUMC's contributions and amounts associated with transactions subsequent to the measurement date, will be recognized as a reduction of each programs net liability (asset) in the fiscal year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB programs will be recognized in each program's expense in future reporting periods as follows:

University

Year Ended June 30	GLI	HIC	LODA	VSDP	PMRH
FY 2025	($15,339)	($112,516)	($13,920)	($928,042)	($8,849,660)
FY 2026	(1,092,148)	(555,070)	(13,748)	(1,071,464)	(4,861,707)
FY 2027	459,233	(341,299)	2,435	4,696	(2,865,097)
FY 2028	139,493	(257,809)	(12,111)	(67,561)	(1,231,158)
FY 2029	338,723	(36,694)	(14,922)	1,909	248,896
Thereafter	-	-	(125,080)	(136,507)	-
	($170,038)	($1,303,388)	($177,346)	($2,196,969)	($17,558,726)

VCUMC

Year Ended June 30	HIC	PMRH
FY 2025	($723,837)	($773,702)
FY 2026	(539,723)	(545,472)
FY 2027	(381,136)	(386,541)
FY 2028	(276,687)	(229,288)
FY 2029	(59,062)	(53,127)
	($1,980,445)	($1,988,130)

Actuarial Assumptions (GLI, HIC, VSDP, LODA)

The total OPEB liability for the VRS Programs was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including Inflation:	
General state employees	3.50% – 5.35% (N/A LODA)
Teachers	3.50% – 5.95% (N/A LODA)
SPORS employees	3.50% – 4.75% (N/A LODA)
VaLORS employees	3.50% – 4.75% (N/A LODA)
JRS employees	4.00% (N/A LODA)
Locality - General employees	3.50% – 5.35% (N/A LODA)
Locality - Hazardous duty employees	3.50% – 4.75% (N/A LODA)
Investment rate of return*	GLI, HIC, and VSDP: 6.75%, net of OPEB plan investment expenses, including inflation LODA: 3.86%, including inflation
Medical cost trend rates assumption (LODA ONLY)	
Under age 65	7.00% – 4.75%
Ages 65 and older	5.25% – 4.75%
Year of ultimate trend rate (LODA Only)	
Under age 65	Fiscal year ended 2028
Ages 65 and	Fiscal year ended 2023

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return.

Mortality Rates (GLI, HIC, VSDP, LODA)

Pre-Retirement	
General State Employees (GLI, HIC, VSDP, LODA)	Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years.
Teachers (GLI)	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% rate for males
JRS Employees (GLI, HIC)	Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years.
SPORS Employees (GLI, HIC, VSDP, LODA), VaLORS Employees (GLI, HIC, VSDP, LODA), Largest 10 Locality Employers – Hazardous Duty Employees (GLI),	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Largest 10 Locality Employers – With Public Safety Employees (LODA) Non-Largest 10 Locality Employers – With Public Safety Employees (LODA)	
Largest 10 Locality Employers – General Employees (GLI), Non-Largest 10 Locality Employers – General Employees (GLI)	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement	
General State Employees (GLI, HIC, VSDP, LODA)	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females.
Teachers (GLI)	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
JRS Employees (GLI, HIC)	Pub-2020 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males and females set back 2 years.
SPORS Employees (GLI, HIC, VSDP, LODA), VaLORS Employees (GLI, HIC, VSDP, LODA), Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Largest 10 Locality Employers – With Public Safety Employees (LODA), Non-Largest 10 Locality Employers – With Public Safety Employees (LODA),	Pub-2010 Amount weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% rates for females set forward 3 years.
Largest 10 Locality Employers – General Employees (GLI), Non-Largest 10 Locality Employers – General Employees (GLI)	Pub-2010 Amount weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement	
General State Employees (GLI, HIC, VSDP, LODA)	Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years.

Teachers (GLI)	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally, 110% of rates for males and females.
SPORS Employees (GLI, HIC, VSDP, LODA), VaLORS Employees (GLI, HIC, VSDP, LODA), Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Largest 10 Locality Employers – With Public Safety Employees (LODA), Non-Largest 10 Locality Employers – With Public Safety Employees (LODA)	Pub-2010 Amount Weighted General Disabled Rates projected generationally, 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
JRS Employees (GLI, HIC)	Pub-2010 Amount Weighted General Disabled Rates projected generationally.
Largest 10 Locality Employers – General Employees (GLI), Non-Largest 10 Locality Employers – General Employees (GLI)	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors	
General State Employees (GLI, HIC, VSDP, LODA)	Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females.
Teachers (GLI)	Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
SPORS Employees (GLI, HIC, VSDP, LODA), VaLORS Employees (GLI, HIC, VSDP, LODA), Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Largest 10 Locality Employers – With Public Safety Employees (LODA), Non-Largest 10 Locality Employers – With Public Safety Employees (LODA)	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
JRS Employees (GLI, HIC), Largest 10 Locality Employers – General Employees (GLI),	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Non-Largest 10 Locality Employers – General Employees (GLI)	

Mortality Improvement Scale	
All employee classifications	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	
General State Employees (GLI, HIC, VSDP, LODA), Teachers (GLI), SPORS Employees (GLI, HIC, VSDP, LODA), VaLORS Employees (GLI, HIC, VSDP, LODA), Largest 10 Locality Employers – General Employees (GLI), Non-Largest 10 Locality Employers – General Employees (GLI), Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Largest 10 Locality Employers – With Public Safety Employees (LODA) Non-Largest 10 Locality Employers – With Public Safety Employees (LODA)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality improvement Scale MP-2020.
JRS Employees (GLI, HIC)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality improvement Scale MP-2020.

Retirement Rates	
General State Employees (GLI, HIC, VSDP, LODA), Teachers (GLI),	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid;

Largest 10 Locality Employers – General Employees (GLI), Non-Largest 10 Locality Employers – General Employees (GLI)	changed final retirement age from 75 to 80 for all.
SPORS Employees (GLI, HIC, VSDP, LODA)	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70.
VaLORS Employees (GLI, HIC, VSDP, LODA)	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70.
JRS Employees (GLI, HIC)	Decreased rates at for ages 60-66 and 70-72
Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Largest 10 Locality Employers – With Public Safety Employees (LODA) Non-Largest 10 Locality Employers – With Public Safety Employees (LODA)	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.

Withdrawal Rates	
General State Employees (GLI, HIC, VSDP, LODA), Teachers (GLI), VaLORS Employees (GLI, HIC, VSDP, LODA), Largest 10 Locality Employers – General Employees (GLI), Non-Largest 10 Locality Employers – General Employees (GLI),	Adjusted rates to better fit experience at each year age and service through 9 years of service
SPORS Employees (GLI, HIC, VSDP, LODA)	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
JRS Employees (GLI, HIC)	No change
Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Largest 10 Locality Employers – With Public Safety Employees (LODA)	Decreased rates.
Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI), Non-Largest 10 Locality Employers – With Public Safety Employees (LODA)	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty.

Disability Rates	
All employee classifications	No change

Salary Scale	
JRS Employees (GLI, HIC)	Reduce increases across all ages by 0.50%
All other employee classifications	No change

Line of Duty Disability	
All employee classifications	No change

Discount Rate	
GLI, HIC, VSDP	No change
LODA	Increase rate from 3.69% to 3.86%

Actuarial Assumptions (PMRH)

The total Pre-Medicare Retiree Healthcare OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2023. The Department of Human Resource Management selected the economic, demographic and healthcare claim cost assumptions. The actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 7.75 percent for medical and pharmacy and 4.0 percent for dental. The ultimate trend rates used were 4.50 percent for medical and pharmacy and 4.0 percent for dental.

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end the fiscal year in which contributions are reported
Measurement Date	June 30, 2023 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Effective Amortization Period	5.80 years
Discount Rate	3.65%
Projected Salary Increases	5.35% to 3.5% based on years of service from 1 year to 20 years or more
Medical Trend Under 65	Medical & Rx: 7.75% to 4.50% Dental: 4.00%
Year of Ultimate Trend	2033
Mortality	Mortality rates vary by participant status and gender
Pre-Retirement	Pub-2010 Benefits Weighted General Employee Rates projected generationally with a

	Modified MP-2021 Improvement Scale; females set forward 2 years
Post-Retirement	Pub-2010 Benefits Weighted General Healthy Retiree Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for females
Post-Disablement	Pub-2010 Benefits Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; males and females set forward 3 years
Beneficiaries and Survivors	Pub-2010 Benefits Weighted General Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females

Changes of Assumptions: The following actuarial assumptions were updated since the June 30, 2022 valuation based on recent experience:

Retiree Participation	Rate remained at 35%
Spousal Coverage	Rate remained at 20%
Trend Rates	Updated based on economic conditions as of June 30, 2023.
Discount Rate	Increased from 3.54% to 3.65% based on the Bond Buyers Go 20 Municipal Bond Index.

There were no plan changes in the valuation since the prior year.

Net OPEB Liability (Asset)

The net OPEB Liability/Asset (NOL/NOA) for the GLI, HIC, LODA and VSDP programs represents the program's total OPEB Liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the Measurement Date of June 30, 2023, NOL/NOA amounts for each program are as follows (amounts expressed in thousands):

	GLI	HIC	LODA	VSDP
Total OPEB liability	$3,907,052	$1,102,220	$406,211	$318,901
Plan fiduciary net position	2,707,739	280,599	5,311	634,779
Employer's net OPEB liability (asset)	$1,199,313	$821,621	$400,900	($315,878)
Plan fiduciary net position as a percentage of the total OBEB liability	69.30%	25.46%	1.31%	199.05%

The total OPEB Liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB Liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return (GLI, HIC, VSDP)

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Allocation	Arithmetic Long-Term Expected Rate of Return	Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.57%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
	Inflation		2.50%
	*Expected arithmetic nominal return		8.25%

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

** On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Long-Term Expected Rate of Return (LODA)

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.86% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments' 6.75% assumption. Instead, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2023.

Discount Rate (GLI, HIC, VSDP, LODA)

The discount rate used to measure the total OPEB Liability was 6.75% for GLI, HIC and VSDP; 3.86% for LODA. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by the University for the OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 109% of the actuarially determined contribution rate. From July 1, 2023, on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB Liability.

Discount Rate (PMRH)

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date, which is June 30, 2023.

Sensitivity of the Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents the University's and VCUMC's proportionate share of the net GLI, HIC and VSDP OPEB Liabilities (Assets) using the discount rate of 6.75%, as well as what the University's and VCUMC's proportionate share of the OPEB liabilities (assets) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
University's proportionate share of: GLI Net OPEB Liability	$42,664,219	$28,782,203	$17,558,503
University's proportionate share of: HIC Net OPEB Liability	$63,781,190	$56,483,096	$50,224,963
University's proportionate share of: VSDP Net OPEB Liability (Asset)	($16,217,275)	($17,523,849)	($18,675,625)
VCUMC's proportionate share of: HIC State Employees Net OPEB Liability	$3,492,170	$3,092,583	$2,749,935

The following presents the University's proportionate share of the net LODA OPEB liability using the discount rate of 3.86%, as well as what the University's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current rate:

	1.00% Decrease 2.86%	Current Discount Rate 3.86	1.00% Increase 4.86%
University's proportionate share of: LODA Net OPEB Liability	$2,101,698	$1,874,444	$1,682,191

The following presents the University's and VCUMC's proportionate share of the PMRH OPEB liability using the discount rate of 3.65%, as well as what the University's proportionate share of the Pre- Medicare Retiree Healthcare OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1.00% Decrease 2.65%	Current Discount Rate 3.65%	1.00% Increase 4.65%
University's proportionate share of: PMRH OPEB Liability	$27,083,715	$25,571,964	$24,129,016
VCUMC's proportionate share of: PMRH OPEB Liability	$788,483	$744,472	$702,464

Sensitivity of the Proportionate Share of the OPEB Liability to Changes in the Health Care Trend Rate

Because the LODA and PMRH programs contain provisions for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the University's and VCUMC's proportionate share of the liabilities using current health care trend rates as well as one percentage point lower or one percentage point higher than the current rate:

	1.00% Decrease (6.00% decreasing to 3.75%)	Rates (7.00% decreasing to 4.75%)	1.00% Increase (8.00% decreasing to 5.75%)
University's proportionate share of: LODA Net OPEB Liability	$1,589,592	$1,874,444	$2,227,421

	1.00% Decrease (7.00% decreasing to 3.50%)	Trend Rate (8.00% decreasing to 4.50%)	1.00% Increase (9.00% decreasing to 5.50%)
University's proportionate share of: PMRH OPEB Liability	$23,263,274	$25,571,964	$28,250,233

	1.00% Decrease (7.00% decreasing to 3.50%)	Trend Rate (8.00% decreasing to 4.50%)	1.00% Increase (9.00% decreasing to 5.50%)
VCUMC's proportionate share of: PMRH OPEB Liability	$677,260	$744,472	$822,444

Fiduciary Net Position

Detailed information about the GLI, HIC, LODA and VSDP programs is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Payables to the VRS OPEB Programs

Included in the University's accounts payable and other liabilities are the following outstanding liabilities as of June 30, 2024 due to VRS:

GLI	$466,042
HIC	$399,684
VSDP	$106,762

16. COMMITMENTS

The University, Authority and the VCU Real Estate Foundation are party to various construction commitments. As of June 30, 2024, the remaining construction commitments were $15,935,548 for the University and approximately $149,000,000 for the Authority. The University is also party to many architect-engineer contracts that may have significant commitments that have not been evaluated. The Authority's commitments primarily relate to facility and infrastructure, strategic equipment and contingency, and information technology. The VCU Real Estate Foundation held remaining commitments in the amount of $192,400 as June 30, 2024 in connection with leasehold improvements.

The VCU Real Estate Foundation has entered into 12 leases for residential properties located in Doha, Qatar for the purpose of providing housing for faculty and staff of VCU Qatar. The payments are approximately $599,176 (US Dollars) annually based upon the exchange rates as of June 30, 2024. The Qatar Foundation advances the funds to the University and the University makes all rent payments directly to the landlords.

As of June 30, 2024, the University and the Authority are committed to various leases which were excluded from capitalization due to having a calculated asset value of less than the capitalization threshold or a lease period of 12 months or less, including all renewal options regardless of the likelihood of the options being exercised. These outflows of resources are recognized in the periods in which they relate. Additionally, the University and the Authority has leases and subscription-based information technology arrangements which are excluded from liabilities because the term did not start during the fiscal year. For the University, these commitments total $68k for leases and $1.7M for SBITA's. For the Authority, leases total $867k and $28.4M for SBITA's.

17. LITIGATION

The University, Authority and/or individuals acting within their scope of employment on behalf of the University or Authority have been named as a defendant in a number of lawsuits. The final outcome of any of these lawsuits cannot be determined at this time. However, management is of the opinion that any ultimate liability to which the University and Authority may be exposed will not have a material effect upon the entity's financial position.

18. CONTINGENCIES

VCUMC is self-insured for professional liability claims, exclusive of insured excess retentions. There have been malpractice claims asserted against VCUMC by various claimants. The claims are in various stages of processing and some may ultimately be brought to trial. There are also known incidents that have occurred that may result in the assertion of additional claims. In addition, there may be other claims from unreported incidents arising from services provided to patients. Management of VCUMC accrues estimated losses on malpractice claims to the extent they fall within the limits of the VCUMC's self-insurance program or exceed the limits of the excess insurance coverage in place through ARIES at the date of the claim. The undiscounted liability is actuarially determined using industry data and VCUMC's historical experience.

Investments have been set aside based on actuarially determined reserves and are included in assets whose use is limited in the accompanying consolidated statements of net position. At June 30, 2024, the internally restricted funds for VCUMC include $3,903k for claims and related legal expenses for reported and unreported incidents occurring since July 1, 1998.

The Authority believes that its consolidated financial position would not be materially affected by the difference between the amounts recorded and the ultimate cost related to asserted or un-asserted VCUMC claims, if any, as of June 30, 2024.

VCUMC obtains automobile liability insurance and specific coverage of general liability and healthcare professional liability through ARIES. Management does not believe the amount of liability for any claims incurred but unreported as of June 30, 2024 is significant.

Beginning in July 2018, MCVAP obtained insurance coverage for malpractice claims through ARIES. Additionally, ARIES assumed the previously self-insured estimated liabilities from policy years July 2005 through July 2018. Due to coverage moving to ARIES in FY19, there are no estimated losses on malpractice claims for the years ended thereafter.

CMH is exposed to various risks of loss from torts, theft of, damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illness; natural disasters; malpractice; and employee health, dental and accidental benefits. Insurance coverage is provided through ARIES or purchased for claims arising from such matters. CMH can be involved in litigation during the ordinary course of business related to professional liability claims. Management and legal counsel believe all claims should be settled within the limits of insurance coverage. Management does not believe the amount of liability for any claims incurred but unreported as of June 30, 2024 is significant.

Children's obtains insurance coverage for professional liability through ARIES. Management and legal counsel believe all claims should be settled within the limits of insurance coverage. Management does not believe the amount of liability for any claims incurred but unreported as of June 30, 2024 is significant.

UHS and VCCN obtain general liability insurance coverage through ARIES. Management does not believe the amount of liability for any claims incurred but unreported as of June 30, 2024 is significant.

19. INDEMNIFICATIONS

The MCV Foundation has certain obligations to indemnify its current and former officers and directors for certain events or occurrences while the officer or director is, or was serving, at the Foundation's request in such capacities. The maximum liability under these obligations is limited by the Code of Virginia. The Foundation has a director and officer insurance policy that further limits its exposure and enables the Foundation to recover a portion of any future amounts paid.

20. RELATED PARTIES

The financial statements do not include the assets, liabilities or fund balances of affiliated organizations. All of these organizations are separately incorporated entities managed by their own Boards and audited by other independent certified public accounting firms. Each organization is described below.

Virginia Biotechnology Research Park Partnership Authority

The primary purpose of the Virginia Biotechnology Research Park Partnership Authority is to expand knowledge pertaining to scientific and technological research, and development among public and private entities, promote the economic and industrial development of the City of Richmond and the Commonwealth of Virginia. The Authority does not have taxing powers. Operations are funded from lease and ancillary service revenues. The Authority's operations and acquisition and construction of capital assets have been funded by bond issuances, long-term notes payable, line of credit debt, appropriations from the Commonwealth, voluntary assessments from property owners located in the Research Park and contract support payments from VCU.

In November 2011, the Authority entered into a lease agreement with Virginia Commonwealth University for the use of the real property, building and improvements located at 800 East Leigh Street, otherwise known as Biotech Center. Biotech Center is the property from which the Authority conducts the majority of its operations. The rent under the lease agreement was $30 and was paid in a lump sum at the beginning of the lease; therefore, there is no related rent expense represented within these financial statements. The lease term ends November 2041.

VCU Investment Management Company

The VCU Investment Management Company, a non-profit, non-stock corporation, organized under Virginia law for exclusively charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code was formed to advise the University and its affiliated foundations on the management of its investments. Approved by the VCU Board of Visitors and VCU Health Board of Directors in June 2015, the VCU Investment Management Company (VCIMCO) will provide investment and investment management services to VCU, the Authority and affiliated foundations.

21. TRANSACTIONS BETWEEN COMPONENT UNITS

The University and its component units provide services and support to each other so as to avoid duplication of efforts as much as possible.

The VCU Foundation, the VCU School of Business Foundation and the VCU School of Engineering Foundation hold the University's investments that function as endowments, both true and quasi. As of June 30, 2024, the VCU Foundation and the VCU School of Engineering Foundation held University investments of $32,179,430 and $7,961,987, respectively. Additionally, the VCU School of Business Foundation held investments of $1,445,554. The

University has a due from component units for these investments, which is eliminated in the total column.

The VCU Foundation also holds investments for the VCU Intellectual Properties Foundation in the amount of $1,601,363 and for the VCU Real Estate Foundation in the amount of $11,994.563. The MCV Foundation holds investments for the VCU Intellectual Properties Foundation in the amount of $2,143,176. The University has a due from component units for these investments, which is eliminated in the total column.

The VCU School of Engineering Foundation has constructed two buildings with the proceeds of debt issued by the University. The School of Engineering Foundation transfers sufficient funds to the University annually to fund the debt service. The annual transfer is recorded at the University as a gift received. The University includes one of the buildings and the liability on the Statement of Net Position. The VCU School of Engineering Foundation has the phase I building, deferred bond issuance costs, prepaid bond interest, a liability and an accrued contribution to the University on their financial statements which are eliminated in the Statement of Net Position. Additionally, the University leases parking spaces from the Foundation.

The VCU School of Business Foundation has constructed a building with the proceeds of debt issued by the University which is recorded as an asset on the Foundation's Statement of Net Position. The School of Business Foundation transfers sufficient funds to the University annually to fund the debt service. The University has the liability for the outstanding debt on the Statement of Net Position. The VCU School of Business Foundation has deferred issuance costs, a liability and an accrued contribution to the University on their financial statements which are eliminated in the Statement of Net Position.

The MCV Foundation, VCU Foundation, VCU School of Engineering Foundation and VCU School of Business Foundation solicit funds to benefit the University and transfer a portion of those funds to the University to support programs. These transactions have been eliminated from the Statement of Revenues, Expenses and Changes in Net Position from gift revenue and supporting services.

MCV Associated Physicians, a component of the VCU Health System, transfer a portion of their patient revenues to the University to support the academic and research missions. Those transfers are eliminated from hospital services expenses and other operating revenue.

The VCU Real Estate Foundation acquires facilities and rents them to the University and the VCU Health System. Those rental expenses are eliminated from operations and maintenance expenses and other revenues. Additionally, the leased assets and lease liabilities are eliminated in the consolidated statement of net position.

Dentistry@VCU bills and collects patient care revenue that is generated by VCU students, residents and employees to facilitate efficiency in billing and collection processes. The funds are either held in escrow with related earnings or transferred to VCU, less expenses. The University has a due from component units for these investments, which is eliminated in the total column.

The University and the VCU Health System support each other through the sharing of capabilities and resources. Reimbursements of costs are made between the entities to ensure that each entity bears the proper portion of costs. Those transactions are eliminated between the revenue recorded and the expense category so that the expense is included in the expense category that reflects the service delivered to the student or public.

VCU Health System leases property from the University. Due to the nature of the related parties, these leases are recognized in the substance of the transaction rather than merely its legal form. The related receivables and deferred inflows of resources are eliminated in the consolidated statement of net position.

22. NET PATIENT SERVICE REVENUE

The Authority's patient service revenue is as follows for the year ended June 30, 2024:

(in thousands)	
Gross Patient Revenue:	
Inpatient	$5,585,269
Outpatient	5,822,646
Provision for uncompensated care and contractual adjustments	(82,873)
Total VCUMC gross patient service revenue	11,325,042
Less contractual allowances and uncollectable amounts	(7,827,548)
Net patient service revenue VCUMC	$3,497,494

This balance is included in the hospital services line item of the consolidated statement of revenues, expenses, and changes in net position.

23. RISK MANAGEMENT

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; nonperformance of duty; injuries to employees; and natural disasters. The University participates in insurance plans maintained by the Commonwealth of Virginia. The state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, air and watercraft plans. The University pays premiums to each of these departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available in the Commonwealth of Virginia's *Annual Comprehensive Financial Report*. The University also purchases certain contingency insurance coverage related to the VCU School of the Arts in Qatar.

24. STATE APPROPRIATIONS

The University receives state appropriations from the General Fund of the Commonwealth. The Appropriations Act specifies that such unexpended appropriations shall revert at the end of the biennium, as specifically provided by the General Assembly, unless the University meets management standards.

The following is a summary of the state appropriations for the year ended June 30, 2024:

Original Legislative Appropriation:	
Educational and general programs	$279,722,817
Higher education student financial assistance	58,799,286
Higher education research initiative for cancer research item 208	22,500,000
Governor's research initiative for biomedical engineering and regenerative medicine item 208	1,162,500
Parkinson's and movement disorder center item 208	350,000
Supplemental Adjustments:	
Virtual Library of Virginia- VIVA	22,653
Teacher Residency Program	1,664,397
Tech Talent Investment Program	1,345,125
Virginia Military Survivors and Dependent Education Program	1,034,284
Two Year College Transfer Grant Program	743,000
Deaf/Hard of Hearing Family Resource Guide	38,222
Constructive Dialogue Institute	6,667
Special Education Training	87,340
Transformative Learning Experiences	92,449
PBIS of the VTSS	447,000
Higher education equipment trust fund	12,121,530
Higher education equipment trust fund NGF	(401,647)
Capital fee for out of state students	(2,359,266)
Total	$377,376,357

25. DERIVATIVE INSTRUMENT

VCUHSA uses interest rate swap agreements to limit this exposure to rising interest rates on its variable-rate debt. Interest rate differentials to be paid or received as a result of the swap agreements are accrued and recognized as an adjustment of interest expense related to the associated debts. Derivatives are recognized on the statements of net position at their fair value. Fair value is calculated using the zero-coupon method, which considers known and projected contractual cash flows. VCUMC assesses, both at the hedge’s inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items. Changes in fair value of a derivative that are effective and are designated and qualify as cash flow hedges are recorded as deferred inflows or outflows on the accompanying consolidated statements of net position.

In June 2007, VCUMC entered into two interest rate swap agreements in anticipation of the issuance of the Series 2008 tax-exempt bonds. The swaps have a combined initial notional amount of $125,000,000 which declines over time to $15,700,000 at the termination date of July 1, 2037. The nominal amount as of June 30, 2024 was $109,510,000. VCUMC pays a fixed rate of 3.84% and the counterparty pays 67% of SOFR (5.33% as of June 30, 2024). The payments are settled monthly. Payments or receipts under the terms of the swap are recorded as interest expense. As of June 30, 2024, the fair market value of the swap was a liability of $9,910,000 which is included in other liabilities in the accompanying consolidated statements of net position. For the year ended June 30, 2024, the change in fair value of the swaps was $1,213,000.

In June 2013, VCUMC refunded the Series 2008 Bonds using proceeds of the Series 2013A Bonds. At that time, the hedging relationship between the interest rate swap agreements and the Series 2008 bonds was terminated, and the accumulated change in fair value of the interest rate swaps was included in the calculation of the deferred loss on refunding. In June 2013, VCUMC reestablished hedge accounting by designating the Series 2013A Bonds as the hedged debt.

Below are debt service requirements of VCUMC's debt and net receipts/payments on associated derivative instruments. These amounts assume that current variable and reference rates on the hedging instruments will remain the same for their terms. As these rates vary, net receipt/payments on the hedging instruments will vary.

Maturity	Principal	Interest	Hedging Derivative Instruments, Net	Total
2025	$1,760,000	$5,730,912	$353,775	$7,844,687
2026	1,900,000	5,630,592	347,560	7,878,152
2027	1,955,000	5,527,368	341,165	7,823,533
2028	2,030,000	5,420,184	334,525	7,784,709
2029	2,080,000	5,310,360	327,721	7,718,081
2030-2034	43,585,000	21,411,984	1,320,192	66,317,176
2035-2039	56,990,000	4,604,160	281,453	61,875,613
Total	$110,300,000	$53,635,560	$3,306,391	$167,241,951

26. SUBSEQUENT EVENTS

- Subsequent to year-end, the University approved plans to execute a significant lease agreement:
  Stravitz-Sanyal Institute for Liver Disease and Metabolic Health: In October 2024, the University executed a 10-year lease, with two five-year renewal options, for approximately 7,500 square feet in Biotech Building 8. The base rent is $28.85 per square foot annually with a 2.9% annual escalation. Upfit costs are estimated at $7 million, to be primarily funded by a gift from the Barbara Brunckhorst Foundation.

The University anticipates recognizing right-of-use assets and corresponding lease liabilities for this agreement when the University has access to the facilities, in accordance with GASB Statement No. 87, Leases. The associated leasehold improvements will be capitalized as the space is upfitted for its intended use. The total estimated future minimum lease payments for this agreement are approximately $5,755,297 over the lease term. These amounts represent base rent only and do not include additional costs such as operating expenses or taxes, which may be required under the triple net lease arrangements.

- The University entered a contract with the Hourigan Construction Corporation for the construction of the Arts and Innovation Academic building. In no case shall the total compensation to the construction manager (Hourigan Construction Corporation) exceed the guaranteed maximum price of $191,860,496. Of this agreement, $10,107,194 was committed prior to fiscal year end and is reflected in the commitments footnote.

- On July 17, 2024, the Real Estate Foundation entered into an agreement to sell real property totaling $4,000,000 and on August 23, 2024, entered into an agreement to purchase real property for $540,000.

- The MCV Foundation entered a lease agreement on March 28, 2024 with commencement date of September 3,2024. The Foundation gained possession of the space for improvement on July 15, 2024. The lease term is for six years with a right to renew for two additional terms of five years each. Rental payments under the lease are approximately $355,058 per year with an annual increase of 3%. The lease provides for certain incentive in the form of tenant improvements allowances by the lessor.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY

For the 10 Years Ending up to June 30, 2024

University - State Employee

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension liability	5.54%	5.37%	5.42%	5.53%	5.42%	5.26%	5.10%	5.12%	5.10%	4.97%
Employer's proportionate share of net pension liability	$280,500,715	$243,534,340	$196,716,635	$400,932,598	$342,609,132	$284,679,000	$297,415,000	$337,179,000	$312,358,000	$277,982,000
Employer's covered payroll	$281,435,940	$250,678,168	$239,100,966	$245,973,353	$227,265,042	$217,121,483	$204,261,684	$201,682,517	$196,421,847	$191,084,233
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	99.67%	97.15%	82.27%	163.00%	150.75%	131.12%	145.60%	167.18%	159.02%	145.48%
Plan fiduciary net position as a percentage of the total pension liability	82.19%	83.26%	86.44%	72.15%	75.13%	77.39%	75.33%	71.29%	72.81%	74.28%

University - VaLORS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension liability	1.69%	1.69%	1.29%	1.39%	1.28%	1.22%	1.20%	1.15%	1.15%	1.06%
Employer's proportionate share of net pension liability	$10,940,194	$10,679,615	$6,461,689	$10,855,733	$8,910,081	$7,602,000	$7,843,000	$8,914,000	$8,182,000	$7,120,000
Employer's covered payroll	$6,242,620	$5,715,245	$4,318,450	$5,137,042	$4,493,320	$4,243,397	$4,082,915	$4,006,294	$3,900,759	$3,694,440
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	175.25%	186.86%	149.63%	211.32%	198.30%	179.15%	192.09%	222.50%	209.75%	192.72%
Plan fiduciary net position as a percentage of the total pension liability	74.91%	74.41%	78.18%	65.74%	68.31%	69.56%	67.22%	61.01%	62.64%	63.05%

Authority

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension liability	0.26%	0.33%	0.42%	0.50%	0.60%	0.74%	0.79%	0.87%	0.94%	0.94%
Employer's proportionate share of net pension liability	$12,974,591	$14,768,926	$15,054,454	$36,297,461	$37,635,271	$36,496,000	$43,367,000	$52,121,000	$53,472,000	$52,598,000
Employer's covered payroll	$12,032,186	$14,187,470	$17,171,189	$21,048,090	$21,067,304	$24,977,594	$32,650,805	$34,987,924	$38,331,215	$41,277,334
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	107.83%	104.10%	87.67%	172.45%	178.64%	146.11%	132.82%	148.97%	139.50%	127.43%
Plan fiduciary net position as a percentage of the total pension liability	82.19%	83.26%	86.44%	72.15%	75.13%	77.39%	75.33%	71.29%	72.81%	74.28%

SCHEDULE OF EMPLOYER CONTRIBUTIONS
NET PENSION LIABILITY

University: State Employee

Plan for the year ended June 30,	Contractually Required Contribution	Contributions Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	$45,555,097	$45,555,097	$0	$317,392,259	14.4%
2023	$40,461,880	$40,461,880	$0	$281,435,940	14.4%
2022	$36,144,346	$36,144,346	$0	$250,678,168	14.4%
2021	$34,504,990	$34,504,990	$0	$239,100,966	14.4%
2020	$33,135,452	$33,135,452	$0	$245,973,353	13.5%
2019	$30,896,378	$30,896,378	$0	$227,265,042	13.6%
2018	$29,337,693	$29,337,693	$0	$217,121,483	13.5%
2017	$27,649,005	$27,649,005	$0	$204,261,684	13.5%
2016	$28,015,041	$28,015,041	$0	$201,682,517	13.9%
2015	$23,961,950	$23,961,950	$0	$196,421,847	12.2%

University: VaLORS Employee

Plan for the year ended June 30,	Contractually Required Contribution	Contributions Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	$1,563,681	$1,563,681	$0	$6,343,606	24.6%
2023	$1,521,754	$1,521,754	$0	$6,242,620	24.40%
2022	$1,232,008	$1,232,008	$0	$5,715,245	21.6%
2021	$955,841	$955,841	$0	$4,318,450	22.1%
2020	$1,108,315	$1,108,315	$0	$5,137,042	21.6%
2019	$1,011,096	$1,011,096	$0	$4,493,320	22.5%
2018	$893,608	$893,608	$0	$4,243,397	21.1%
2017	$856,350	$856,350	$0	$4,082,915	21.0%
2016	$751,154	$751,154	$0	$4,006,294	18.7%
2015	$684,450	$684,450	$0	$3,900,759	17.5%

Authority

Plan for the year ended June 30,	Contractually Required Contribution	Contributions Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	$1,589,334	$1,589,334	$0	$10,986,010	14.5%
2023	$1,745,203	$1,745,203	$0	$12,032,186	14.5%
2022	$2,058,185	$2,058,185	$0	$14,187,470	14.5%
2021	$2,490,373	$2,490,373	$0	$17,171,189	14.5%
2020	$2,859,065	$2,859,065	$0	$21,048,090	13.6%
2019	$3,114,190	$3,114,190	$0	$21,067,304	14.8%
2018	$3,602,983	$3,602,983	$0	$24,977,594	14.4%
2017	$3,926,430	$3,926,430	$0	$32,650,805	12.0%
2016	$4,761,770	$4,761,770	$0	$34,987,924	13.6%
2015	$4,145,864	$4,145,864	$0	$38,331,215	10.8%

Schedule is intended to show information for 10 years. 2015 was the first year for this presentation. Additional years will be included as they become available.

SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
GROUP LIFE INSURANCE PROGRAM
For the 7 Years Ending up to June 30, 2024

University	2024	2023	2022	2021	2020	2019	2018
Employer's portion of the net GLI OPEB liability (asset)	2.40%	2.37%	2.36%	2.42%	2.37%	2.34%	2.30%
Employer's proportionate share of net GLI OPEB liability (asset)	$28,782,203	$28,581,275	$27,529,429	$40,375,659	$38,559,536	$35,577,000	$34,569,000
Employer's covered payroll	$565,302,663	$516,041,169	$488,185,466	$497,918,770	$464,513,764	$444,778,200	$422,276,388
Employer's proportionate share of the net GLI OPEB liability (asset) as a percentage of its covered payroll	5.09%	5.54%	5.64%	8.11%	8.30%	8.00%	8.19%
Plan fiduciary net position as a percentage of the total GLI OPEB liability (asset)	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. 2024 was the seventh year for this presentation, and additional years will be included as they become available.
The amounts presented have a measurement date of the previous year end.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE PROGRAM

University

Plan for the year ended June 30,	Contractually Required Contribution	Contributions Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	$3,314,463	$3,314,463	$0	$621,943,727	0.5%
2023	$3,022,890	$3,022,890	$0	$565,302,663	0.5%
2022	$2,758,341	$2,758,341	$0	$516,041,169	0.5%
2021	$2,617,410	$2,617,410	$0	$488,185,466	0.5%
2020	$2,603,903	$2,603,903	$0	$497,918,770	0.5%
2019	$2,441,940	$2,441,940	$0	$464,513,764	0.5%
2018	$2,319,624	$2,319,624	$0	$444,778,200	0.5%
2017	$2,193,253	$2,193,253	$0	$422,276,388	0.5%
2016	$2,433,216	$2,433,216	$0	$411,845,386	0.6%
2015	$2,340,317	$2,340,317	$0	$396,819,296	0.6%
2014	$1,808,327	$1,808,327	$0	$382,916,340	0.5%
2013	$1,323,357	$1,323,357	$0	$354,104,353	0.4%
2012	$389,172	$389,172	$0	$345,496,078	0.1%

SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
HEALTH INSURANCE CREDIT PROGRAM
For the 7 Years Ending up to June 30, 2024

University

	2024	2023	2022	2021	2020	2019	2018
Employer's portion of the net HIC OPEB liability (asset)	6.87%	6.77%	6.74%	6.88%	6.79%	6.59%	6.53%
Employer's proportionate share of net HIC OPEB liability (asset)	$56,483,096	$55,483,230	$56,942,057	$63,153,677	$62,650,138	$60,142,000	$59,419,000
Employer's covered payroll	$563,970,397	$512,467,132	$485,870,358	$495,637,268	$462,500,563	$443,037,262	$421,549,820
Employer's proportionate share of the net HIC OPEB liability (asset) as a percentage of its covered payroll	10.02%	10.83%	11.72%	12.74%	13.55%	13.57%	14.10%
Plan fiduciary net position as a percentage of the total HIC OPEB liability (asset)	25.46%	21.25%	19.75%	12.02%	10.56%	9.51%	8.03%

Authority

	2024	2023	2022	2021	2020	2019	2018
Employer's portion of the net HIC OPEB liability (asset)	0.38%	0.47%	0.54%	0.62%	0.69%	0.82%	0.90%
Employer's proportionate share of net HIC OPEB liability (asset)	$3,092,583	$3,816,362	$4,566,178	$5,654,550	$6,373,900	$7,495,000	$8,180,000
Employer's covered payroll	$30,878,721	$35,300,650	$38,961,735	$44,377,314	$49,072,000	$42,434,663	$47,623,512
Employer's proportionate share of the net HIC OPEB liability (asset) as a percentage of its covered payroll	10.02%	10.81%	11.72%	12.74%	12.99%	17.66%	17.18%
Plan fiduciary net position as a percentage of the total HIC OPEB liability (asset)	25.46%	21.52%	19.75%	12.02%	10.56%	9.51%	8.03%

Schedule is intended to show information for 10 years. 2024 was the seventh year for this presentation, and additional years will be included as they become available.
The amounts presented have a measurement date of the previous year end.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE CREDIT PROGRAM

University

Plan for the year ended June 30,	Contractually Required Contribution	Contributions Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	$6,906,389	$6,906,389	$0	$620,491,207	1.1%
2023	$6,313,197	$6,313,197	$0	$563,970,397	1.1%
2022	$5,738,093	$5,738,093	$0	$512,467,132	1.1%
2021	$5,460,793	$5,460,793	$0	$485,870,358	1.1%
2020	$5,782,268	$5,782,268	$0	$495,637,268	1.2%
2019	$5,436,235	$5,436,235	$0	$462,500,563	1.2%
2018	$5,228,683	$5,228,683	$0	$443,037,261	1.2%
2017	$4,951,561	$4,951,561	$0	$421,549,820	1.2%
2016	$4,313,368	$4,313,368	$0	$410,776,125	1.1%
2015	$4,146,910	$4,146,910	$0	$395,699,109	1.0%
2014	$3,818,857	$3,818,857	$0	$381,881,465	1.0%
2013	$3,405,310	$3,405,310	$0	$353,525,732	1.0%
2012	$344,424	$344,424	$0	$344,413,443	0.1%

SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
LINE OF DUTY ACT PLAN
For the 7 Years Ending up to June 30, 2024

University

	2024	2023	2022	2021	2020	2019	2018
Employer's portion of the net LODA OPEB liability (asset)	0.47%	0.38%	0.48%	0.48%	0.43%	0.47%	0.42%
Employer's proportionate share of net LODA OPEB liability	$1,874,444	$1,449,409	$2,136,781	$2,001,016	$1,547,122	$1,486,000	$1,093,000
Employer's covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Employer's proportionate share of the net LODA OPEB liability (asset) as a percentage of its covered-employee payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Plan fiduciary net position as a percentage of the total LODA OPEB liability (asset)	1.31%	1.87%	1.68%	1.02%	0.79%	0.60%	1.30%

Schedule is intended to show information for 10 years. 2024 was the seventh year for this presentation, and additional years will be included as they become available.
The amounts presented have a measurement date of the previous year end.
* The contributions for the Line of Duty Act Program are based on the number of participants in the program using a per capita-based contribution verses a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB Plan.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
LINE OF DUTY ACT PLAN

University

Plan for the year ended June 30,	Contractually Required Contribution	Contributions Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Employee Payroll	Contributions as a % of Covered Employee Payroll
2024	$71,466	$71,466	$0	N/A*	N/A*
2023	$62,047	$62,047	$0	N/A*	N/A*
2022	$52,364	$52,364	$0	N/A*	N/A*
2021	$66,710	$66,710	$0	N/A*	N/A*
2020	$64,931	$64,931	$0	N/A*	N/A*
2019	$57,873	$57,873	$0	N/A*	N/A*
2018	$50,496	$50,496	$0	N/A*	N/A*
2017	$44,822	$44,822	$0	N/A*	N/A*
2016	$48,252	$48,252	$0	N/A*	N/A*
2015	$48,252	$48,252	$0	N/A*	N/A*
2014	$48,021	$48,021	$0	N/A*	N/A*
2013	$35,561	$35,561	$0	N/A*	N/A*
2012	$0	$0	$0	N/A*	N/A*

The contributions for the Line of Duty Act Program are based on the number of participants in the program using a per capita-based contributions versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
VIRGINIA SICKNESS AND DISABILITY PROGRAM
For the 7 Years Ending up to June 30, 2024

University	2024	2023	2022	2021	2020	2019	2018
Employer's portion of the net VSDP OPEB liability (asset)	5.55%	5.40%	5.42%	5.52%	5.39%	5.18%	5.07%
Employer's proportionate share of net VSDP OPEB liability (asset)	($17,523,849)	($15,927,668)	($18,667,436)	($12,185,877)	($10,567,921)	($11,677,000)	($10,418,000)
Employer's covered payroll	$281,085,784	$248,388,290	$234,051,874	$239,275,953	$218,024,883	$203,545,787	$185,049,708
Employer's proportionate share of the net VSDP OPEB liability (asset) as a percentage of its covered payroll	-6.23%	-6.41%	-7.98%	-5.09%	-4.85%	-5.74%	-5.63%
Employer's proportionate share of the net VSDP OPEB liability (asset) as a percentage of its covered payroll	(6.23%)	(6.41%)	(7.98%)	(5.09%)	(4.85%)	(5.74%)	(5.63%)
Plan fiduciary net position as a percentage of the total VSDP OPEB liability	199.05%	195.90%	229.01%	181.88%	167.18%	194.74%	186.63%

Schedule is intended to show information for 10 years. 2023 was the seventh year for this presentation,
and additional years will be included as they become available.
The amounts presented have a measurement date of the previous year end.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
VIRGINIA SICKNESS AND DISABILITY PROGRAM

University

Plan for the year ended June 30,	Contractually Required Contribution	Contributions Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2024	$1,921,327	$1,921,327	$0	$317,905,416	0.6%
2023	$1,705,338	$1,705,338	$0	$281,085,784	0.6%
2022	$1,511,349	$1,511,349	$0	$248,388,290	0.6%
2021	$1,429,849	$1,429,849	$0	$234,051,874	0.6%
2020	$1,476,448	$1,476,448	$0	$239,275,953	0.6%
2019	$1,361,365	$1,361,365	$0	$218,024,883	0.6%
2018	$1,343,402	$1,343,402	$0	$203,545,787	0.7%
2017	$1,221,414	$1,221,414	$0	$185,049,708	0.7%
2016	$1,192,441	$1,192,441	$0	$180,667,862	0.7%
2015	$1,141,021	$1,141,021	$0	$174,915,547	0.7%
2014	$796,824	$796,824	$0	$169,539,538	0.5%
2013	$786,113	$786,113	$0	$174,853,924	0.4%
2012	$0	$0	$0	$181,503,118	0.0%

SCHEDULE OF EMPLOYER'S SHARE OF OPEB LIABILITY
PRE-MEDICARE RETIREES HEALTH PROGRAM
For the 7 Years Ending up to June 30, 2024

University

	2024	2023	2022	2021	2020	2019	2018
Employer's portion of the OPEB liability (asset)	7.27%	6.99%	6.97%	6.96%	6.81%	6.65%	6.48%
Employer's proportionate share of OPEB liability (asset)	$25,571,964	$25,414,914	$31,269,910	$39,570,323	$46,230,342	$66,903,906	$84,150,119
Employer's covered-employee payroll	$666,913,523	$613,189,533	$570,879,223	$506,250,943	$475,713,356	$452,007,927	$437,766,050
Employer's proportionate share of the Retiree Healthcare OPEB liability as a percentage of its covered employee payroll	3.8%	4.1%	5.5%	7.8%	9.7%	14.8%	19.2%

Authority

	2024	2023	2022	2021	2020	2019	2018
Employer's portion of the OPEB liability (asset)	0.21%	0.25%	0.30%	0.35%	0.39%	0.43%	0.47%
Employer's proportionate share of OPEB liability (asset)	$744,472	$923,623	$1,366,448	$1,988,099	$2,655,024	$4,347,621	$6,163,705
Employer's covered-employee payroll	$16,306,000	$18,239,000	$20,981,000	$22,472,000	$18,308,669	$18,552,352	$20,659,339
Employer's proportionate share of the Retiree Healthcare OPEB liability as a percentage of its covered employee payroll	4.6%	5.1%	6.5%	8.8%	14.5%	23.4%	29.8%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only seven years of data are available. Additional years will be included as they become available.
The amounts presented have a measurement date of the previous year end.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

VRS State Employee Pension Plan, Group Life Insurance Program, Health Insurance Credit Program, Line of Duty Act Program and Disability Insurance Program

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General State Employees (VRS, GLI, HIC, LODA, VSDP):

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (VRS, GLI, HIC, VSDP):	No change

Teachers (GLI):

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate:	No change

SPORS Employees (GLI, HIC, LODA, VSDP):

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (VRS, GLI, HIC, VSDP):	No change

VaLORS Employees (VRS, GLI, HIC, LODA, VSDP):

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability (VRS, GLI, HIC, VSDP):	No change
Discount Rate (VRS, GLI, HIC, VSDP):	No change

JRS Employees (GLI, HIC):

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate:	No change

Largest Ten Locality Employers – General Employees (GLI):

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate:	No change

Non-Largest Ten Locality Employers – General Employees (GLI):

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate:	No change

Largest Ten Locality Employers – Hazardous Duty Employees (GLI) and Largest Ten Locality Employers – Public Safety Employees (LODA):

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (GLI):	No change

Non-Largest Ten Locality Employers – Hazardous Duty Employees (GLI) and Non-Largest Ten Locality Employers – Public Safety Employees (LODA):

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Discount Rate (GLI):	No change

Pre-Medicare Retirees Health Program

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms – There have been no changes to the benefit provisions since the prior actuarial valuation.

Changes of assumptions – The following assumptions were updated since the June 30, 2022 valuation based on recent experience:

- Spousal Coverage – rate remained at 20 percent
- Retiree Participation – rate remained at 35 percent

Retiree participation was based on a blend of recent experience and the prior year assumptions.

The trend rates were updated based on economic conditions as of June 30, 2023. Additionally, the discount rate was increased from 3.54% to 3.65% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

December 11, 2024

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
Virginia Commonwealth University

Michael Rao
President, Virginia Commonwealth University

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

Opinions

We have audited the financial statements of the business-type activities and discretely presented component units of **Virginia Commonwealth University**, a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of Virginia Commonwealth University as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units of the University, which are discussed in Note 1. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the component units of the University, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). 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 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 opinions. The financial statements of the component units of the University that were audited by other auditors upon whose reports we are relying were not audited in accordance with Government Auditing Standards.

Emphasis of Matters

Change in Accounting Principle

As discussed in Note 1 of the accompanying financial statements, Virginia Commonwealth University implemented Governmental Accounting Standards (GASB) Statement No. 100, Accounting Changes and Error Corrections and GASB Implementation Guide No. 2021-1 Question 5.1, relating to capitalizing group assets. Our opinions are not modified with respect to these matters.

Correction of 2023 Financial Statements

As discussed in Note 1 of the accompanying financial statements, the fiscal year 2023 financial statements have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

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 the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 GAAS and Government 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 GAAS and Government 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'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Commonwealth University'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements: Management's Discussion and Analysis on pages 2 through 12; the Schedule of Employer's Share of Net Pension Liability, and the

Schedule of Employer Contributions Net Pension Liability on pages 127 through 128; the Schedule of Employer's Share of Net OPEB Liability, and the Schedule of Employer Contributions for the Group Life Insurance Program, Health Insurance Credit Program, Line of Duty Act Plan, and the Virginia Sickness and Disability Program on pages 129 through 136; the Schedule of Employer's Share of OPEB Liability for the Pre-Medicare Retirees Health Program on page 137; and the Notes to the Required Supplementary Information on pages 138 through 144. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2024, on our consideration of Virginia Commonwealth University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. We anticipate releasing that report in January 2025. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University's internal control over financial reporting and compliance.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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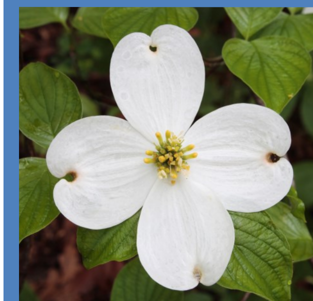


VIRGINIA COMMONWEALTH UNIVERSITY

REPORT ON AUDIT

FOR THE YEAR ENDED

JUNE 30, 2024

Auditor of Public Accounts
Staci A. Henshaw, CPA
www.apa.virginia.gov
(804) 225-3350

AUDIT SUMMARY

We have audited the basic financial statements of Virginia Commonwealth University (University) as of and for the year ended June 30, 2024, and issued our report thereon, dated December 11, 2024. Our report, included in the University's basic financial statements, is available at the Auditor of Public Accounts' website at www.apa.virginia.gov and at the University's website at www.vcu.edu. Our audit found:

- the financial statements are presented fairly, in all material respects;
- one internal control finding requiring management's attention; however, we do not consider it to be a material weakness;
- no instances of noncompliance or other matters required to be reported under Government Auditing Standards; and
- adequate corrective action with respect to prior audit findings and recommendations identified as complete in the Findings Summary included in the Appendix.

Our audit also included testing over the major federal program of the Student Financial Assistance Programs Cluster for the Commonwealth's Single Audit as described in the U.S. Office of Management and Budget Compliance Supplement; and found no internal control findings requiring management's attention or instances of noncompliance in relation to this testing.

In the section titled "Internal Control Finding and Recommendation" we have included our assessment of the conditions and causes resulting in the internal control finding identified through our audit as well as the recommendation for addressing that finding. Our assessment does not remove management's responsibility to perform a thorough assessment of the conditions and causes of the finding and develop and appropriately implement adequate corrective actions to resolve the finding as required by the Department of Accounts in Topic 10205 – Agency Response to APA Audit of the Commonwealth Accounting Policies and Procedures Manual. Those corrective actions may include additional items beyond our recommendation.

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INTERNAL CONTROL FINDING AND RECOMMENDATION

Improve Internal Controls over Financial Reporting for Capital Assets
Type: Internal Control
Severity: Significant Deficiency

Virginia Commonwealth University (University) lacks adequate policies, procedures, and resources necessary for accurate reporting of capital assets in the financial statements. The University needs to strengthen its policies and procedures for properly capitalizing assets; managing disposals; identifying and valuing leases and subscription-based information technology arrangements; conducting physical inventory; and handling other capital asset related matters which are necessary to ensure that financial reporting adheres to Governmental Accounting Standards Board (GASB) standards. Additionally, due to their decentralized structure, the University depends on multiple departments to identify, record, track, and report capital asset activities throughout the year. Therefore, the University relies on the coding within the University's procurement and financial systems to ascertain capital assets, which the various University departments are not using consistently. The absence of sufficient policies, procedures, and resources for the departments responsible for capital assets has led to the following deficiencies:

- Purchasers within University departments are inconsistently coding purchases related to capital assets due to a lack of training and guidance. Proper coding of purchases is essential for accurate evaluation and capitalization by the University Controller's Office. As a result, the Controller's Office capitalized 30 percent of individual equipment additions tested and 63 percent of group purchase asset additions tested at incorrect amounts. The group purchase asset additions capitalized at incorrect amounts were all purchases from fiscal years prior to 2024 that required a retroactive adjustment as a result of the recently issued GASB Implementation Guide 2021-1, question 5.1, related to capitalizing group assets.

- Four custodians at the University did not perform a physical inventory, and 25 out of 157 custodians (16%) at the University failed to complete the physical inventory certification by the deadline established by the University Controller's Office. While the missed deadline established by the Controller's Office for inventory certification did not impact the financial statements, the completion of certifications did not align with established policies. Additionally, we determined that custodians are not consistently or timely updating the capital asset financial system, which is essential for maintaining accurate capital asset information for financial reporting purposes.

- The Controller's Office needs to strengthen its process for identifying, tracking, and promptly reporting construction projects in progress related to capital outlay construction, information technology software, subscription-based information technology arrangements, and constructed equipment assets crossing fiscal years. Additionally, the University lacks a sufficient mechanism for assessing and disclosing in the financial statements the required commitments or subsequent events associated with construction, architectural, engineering, and other service agreements.

- The Controller's Office needs to strengthen its process for identifying, assessing, and reporting leases and subscription-based information technology arrangements. We found various leases and subscription-based information technology arrangements components that the Controller's Office did not accurately evaluate for capitalization or expensing.

Management is responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error. The University should develop, execute, and maintain policies and procedures concerning all capital asset areas to ensure compliance with GASB standards and to align with the University's practices. Moreover, the Controller's Office should provide University departments the necessary resources and training on coding capital asset related purchases which will enable the Controller's Office to accurately identify, evaluate, and report pertinent activities. In addition, the University should effectively enforce internal controls, including but not limited to physical inventory. Finally, the University should perform an evaluation over all purchases, agreements, and contracts to ensure it properly captures and reports leases, subscription-based information technology arrangements, construction in progress, capitalizable assets, commitments, and subsequent events.

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

December 11, 2024

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
Virginia Commonwealth University

Michael Rao
President, Virginia Commonwealth University

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities and aggregate discretely presented component units of **Virginia Commonwealth University** as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated December 11, 2024. Our report includes a reference to other auditors who audited the financial statements of the component units of the University, as described in our report on the University's financial statements. The other auditors did not audit the financial statements of the component units of the University in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the component units of the University.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control titled "Improve Internal Controls over Financial Reporting for Capital Assets," which is described in the section titled "Internal Control Finding and Recommendation," that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The University's Response to Findings

We discussed this report with management at an exit conference held on January 31, 2025. Government Auditing Standards require the auditor to perform limited procedures on the University's response to the findings identified in our audit, which is included in the accompanying section titled "University Response." The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Status of Prior Findings

The University has taken adequate corrective action with respect to prior audit findings identified as complete in the Findings Summary included in the Appendix.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

ACS/vks

FINDINGS SUMMARY

Finding Title	Status of Corrective Action*	First Reported for Fiscal Year
Improve IT Service Provider Oversight	Complete	2023
Improve Security Awareness Training	Complete	2023
Improve Internal Controls over Financial Reporting for Capital Assets	Ongoing	2024

* A status of **Complete** indicates adequate corrective action taken by management. **Ongoing** indicates new and/or existing findings that require management's corrective action as of fiscal year end.

Virginia Commonwealth University
Finance and Administration
Controller's Office
Stagg House
912 West Franklin Street
Box 843035
Richmond, Virginia 23284

Ph (804) 828-0388
www.controller.vcu.edu

January 14, 2025

Staci A. Henshaw
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

Dear Ms. Henshaw:

We have reviewed the audit finding and recommendations resulting from the fiscal year 2024 audit by the Auditor of Public Accounts (APA) and discussed during the exit conference.

Virginia Commonwealth University acknowledges and concurs with the audit findings. The following contains the APA finding and management's response to the concerns and issues raised.

Findings of the Auditor:

Improve Internal Controls over Financial Reporting for Capital Assets
Type: Internal Control
Severity: Significant Deficiency

Virginia Commonwealth University (University) lacks adequate policies, procedures, and resources necessary for accurate reporting of capital assets in the financial statements. The University needs to strengthen its policies and procedures for properly capitalizing assets; managing disposals; identifying and valuing leases and subscription-based information technology arrangements; conducting physical inventory; and handling other capital asset related matters which are necessary to ensure that financial reporting adheres to Governmental Accounting Standards Board (GASB) standards. Additionally, due to the decentralized structure, the University depends on multiple departments to identify, record, track, and report capital asset activities throughout the year. Therefore, the University relies on the coding within the University's procurement and financial systems to ascertain capital assets, which the various University departments are not using consistently. The absence of sufficient policies, procedures, and resources for the departments responsible for capital assets has led to the following deficiencies:

- Purchasers within University departments are inconsistently coding purchases related to capital assets due to a lack of training and guidance. Proper coding of purchases is essential for accurate evaluation and capitalization by the University Controller's Office. As a result, the Controller's Office capitalized at incorrect amounts 30 percent of individual equipment additions tested and 63 percent of group purchase asset additions tested. The group purchase asset additions capitalized at incorrect amounts were all purchases from fiscal years prior to 2024 that required a retroactive adjustment as a result of the recently issued GASB Implementation Guide 2021-1, question 5.1, related to capitalizing group assets.

- Four custodians at the University that did not perform a physical inventory, and 25 out of 157 custodians (16%) at the University failed to complete the physical inventory certification by the deadline established by the University Controller's Office. While the missed deadline established by the Controller's Office for inventory certification did not impact the financial statements, the completion of certifications did not align with established policies. Additionally, we determined that custodians are not consistently or timely updating the capital asset financial system, which is essential for maintaining accurate capital asset information for financial reporting purposes.

- The Controller's Office needs to strengthen its process for identifying, tracking, and promptly reporting construction projects in progress related to capital outlay construction, information technology software, subscription-based information technology arrangements, and constructed equipment assets crossing fiscal years. Additionally, the University lacks a sufficient mechanism for assessing and disclosing in the financial statements the required commitments or subsequent events associated with construction, architectural, engineering, and other service agreements.

- The Controller's Office needs to strengthen its process for identifying, assessing, and reporting leases and subscription-based information technology arrangements. We found various leases and subscription-based information technology arrangements components that the Controller's Office did not accurately evaluate for capitalization or expensing.

Management is responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error. The University should develop, execute, and maintain policies and procedures concerning all capital assets areas to ensure compliance with GASB standards and to align with the University's practice. Moreover, the Controller's Office should provide University departments the necessary resources and training on coding capital asset related purchases which will enable the Controller's Office to accurately identify, evaluate, and report pertinent activities. In addition, the University should effectively enforce internal controls, including but not limited to physical inventory. Finally, the University should perform an evaluation over all purchases, agreements, and contracts to ensure it properly captures and reports leases, subscription-based information technology arrangements, construction in progress, capitalizable assets, commitments, and subsequent events.

VCU Response:

The Controller's Office will expand its written procedures to cover the items not currently documented or not well documented. Additional training will be developed for staff who are responsible for purchases of fixed assets as well as custodians within the departments who are responsible for counting and tracking equipment. The chart of accounts will be modified for easier use. Additionally, a new position, Director of Fixed Assets, will be added to the team to provide training, additional oversight and execution of expanded procedures.

Responsible persons: Brian Fowlkes, Associate Controller, Operations, and Heather Seymour, Interim Controller

Completion Date: September 30, 2025

Sincerely,

DocuSigned by:

Heather Seymour

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Heather Seymour
Interim Controller, Virginia Commonwealth University

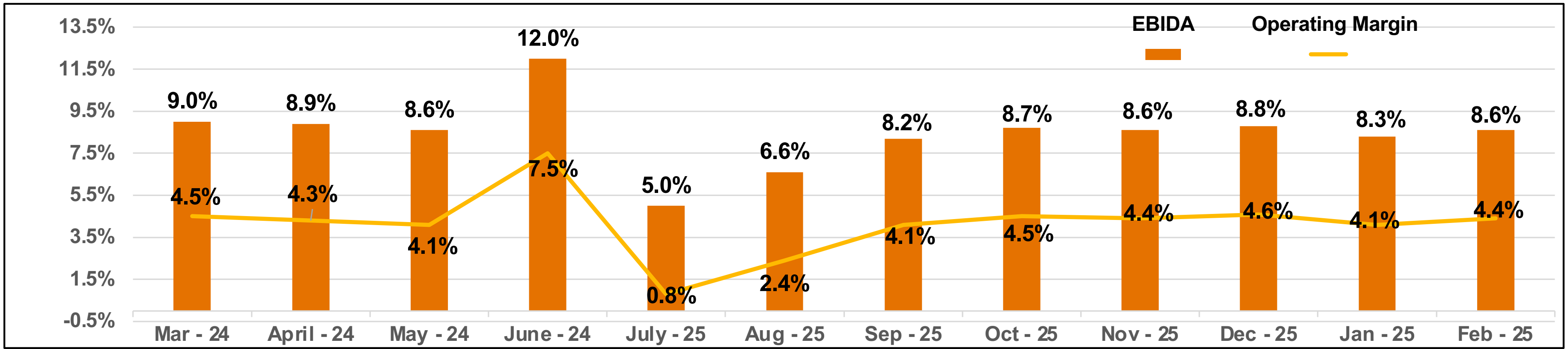
VCU Health Strategic Finance Update:

- Eight months ending February 28, 2025

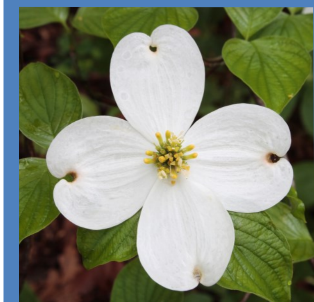
VCUHS – Consolidated Operating Performance

For the eight months ending February 28, 2025, as well as 12-month Trended Performance

($s in 000s)	Actual FY22	Actual FY23	Actual FY24	Budget Feb YTD FY25	Actual Feb YTD FY25	Moodys Aa3 Medians	S&P AA- Medians
Total Operating Revenue	$ 2,778,395	$ 3,063,278	$ 3,545,911	$ 2,365,139	$ 2,450,401	N/A	N/A
Income for Operations	$ (53,321)	$ (19,549)	$ 267,078	$ 105,837	$ 107,966	N/A	N/A
Operating Margin %	-1.9%	-0.6%	7.5%	4.5%	4.4%	1.9%	0.1%
Operating EBIDA	$ 98,357	$ 133,857	$ 426,972	$ 208,990	$ 210,952	N/A	N/A
EBIDA %	3.5%	4.4%	12.0%	8.8%	8.6%	6.1%	5.2%
Debt to Capitalization	21.7%	20.6%	18.5%	17.1%	17.6%	24.0%	25.8%
Days Cash on Hand	234	225	236	262	233	258	238
Unrestricted Cash to Debt	221%	238%	266%	304%	285%	259%	229%
Maximum Annual Debt Service Coverage	2.3	3.4	8.1	6.7	7.0	5.6	3.2



VCU Health



VIRGINIA COMMONWEALTH UNIVERSITY

INTERCOLLEGIATE ATHLETICS PROGRAMS
FOR THE YEAR ENDED
JUNE 30, 2024

Auditor of Public Accounts
Staci A. Henshaw, CPA
www.apa.virginia.gov
(804) 225-3350

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 14, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
Virginia Commonwealth University

Michael Rao
President, Virginia Commonwealth University

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on **Virginia Commonwealth University's** (University) Statement of Revenues and Expenses of Intercollegiate Athletics Programs (Statement) for the year ended June 30, 2024. University management is responsible for the Statement and its compliance with National Collegiate Athletic Association (NCAA) requirements.

University management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether the Statement is in compliance with NCAA Constitution 20.2.4.17.1, for the year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Agreed-Upon Procedures Related to the Statement of Revenues and Expenses of Intercollegiate Athletics Programs

Procedures described below were limited to certain items. For the purpose of this report, and as defined in the agreed-upon procedures, revenue and expense reporting categories require detailed testing if they are greater than or equal to four percent of total revenues or total expenses, as applicable. Based on this defined threshold, we have not performed detailed testing on the following items:

Revenue Reporting Categories:

- Indirect institutional support
- Guarantees
- Media rights
- NCAA distributions
- Conference distributions (non-media and non-football bowl)
- Program, novelty, parking and concession sales
- Athletics-Restricted endowment and investments income
- Other operating revenue

Expense Reporting Categories:

- Guarantees
- Recruiting
- Sports equipment, uniforms, and supplies
- Game expenses
- Fundraising, marketing and promotion
- Spirit groups
- Athletic facility leases and rental fees
- Indirect institutional support
- Medical expenses and insurance
- Membership and dues
- Student-Athlete meals (non-travel)
- Other operating expenses

For purposes of performing these procedures, no exceptions were reported for differences of less than one-tenth of one percent (0.10%) of revenues and expenses, as applicable. We have not investigated any differences and/or reconciling items below the reporting threshold while performing these agreed-upon procedures. We did not perform any procedures over reporting items with zero balances, which have been excluded from the Statement herein. The procedures we performed and associated findings are as follows:

Internal Controls

1. We reviewed the relationship of internal control over intercollegiate athletics programs to internal control reviewed in connection with our audit of the University's financial statements. In addition, we identified and reviewed those controls unique to the Intercollegiate Athletics Department, which were not reviewed in connection with our audit of the University's financial statements.

2. Intercollegiate Athletics Department management provided a current organizational chart. We also made certain inquiries of management regarding control consciousness,

the use of internal audit in the department, competence of personnel, protection of records and equipment, and controls regarding information systems with the Information Technology Department.

3. Intercollegiate Athletics Department management provided us with their process for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the University's intercollegiate athletics programs. We tested these procedures as noted below.

Affiliated and Outside Organizations

4. Intercollegiate Athletics Department management identified all related affiliated and outside organizations and provided us with copies of audited financial statements for each such organization for the reporting period.

5. Intercollegiate Athletics Department management prepared and provided to us a summary of revenues and expenses for or on behalf of the University's intercollegiate athletics programs by affiliated and outside organizations included in the Statement.

6. Intercollegiate Athletics Department management provided to us any additional reports regarding internal control matters identified during the audits of affiliated and outside organizations performed by independent public accountants. We were not made aware of any internal control findings.

Statement of Revenues and Expenses of Intercollegiate Athletics Programs

7. Intercollegiate Athletics Department management provided to us the Statement of Revenues and Expenses of Intercollegiate Athletics Programs for the year ended June 30, 2024, as prepared by the University and shown in this report. We recalculated the addition of the amounts in the Statement, traced the amounts on the Statement to management's trial balance worksheets, and agreed the amounts in management's trial balance worksheets to the Intercollegiate Athletics Department's accounts in the accounting records. Certain adjustments to the Statement were necessary to conform to NCAA reporting guidance. We discussed the nature of adjusting journal entries with management and are satisfied that the adjustments are appropriate.

8. We compared each major revenue and expense account over ten percent of total revenues or total expenses, respectively, to prior period amounts and budget estimates. Variances exceeding ten percent of prior period amounts or budget estimates are explained below:

Line Item	Explanation
Direct institutional support	The direct institutional support revenue increase of $598,533, or 10.13 percent, is attributable to the University providing funding for an additional $200,000 of academic support staff expenses and approximately $400,000 of salary inequity adjustment expenses.
Coaching Salaries, benefits, and bonuses paid by the University and related entities	The increase of $1.13 million, or 16.08 percent, is attributable to two state salary increases and a $500,000 increase related to men's basketball coach buyouts.

Revenues

9. We compared ticket sales revenue by sport and the related number of tickets sold, complementary tickets provided, and unsold tickets from the ticketing system to revenue recorded in the Statement. We reviewed internal controls for the recording, batch closeout and daily reconciliation of ticket sales from the third-party ticketing system. We reviewed total tickets sales generated by the third-party ticketing system and compared the amount recorded in the Statement. Revenue in the Statement was higher by $498,386 due to secondary sales and other online ticket processing services.

10. We obtained documentation of the University's methodology for allocating student fees to intercollegiate athletics programs. We compared student fees reported in the Statement to amounts reported in the accounting records and an expected amount based on fee rates and enrollment. We found a difference of $394,663 which we attribute to the methodology used to estimate student fee revenue compared to actual distributions of student fees to the department.

11. We compared amounts reported in the Statement for direct institutional support to institutional budget transfer documentation and/or other corroborative supporting documentation and noted them to be in agreement with no reportable differences.

12. Intercollegiate Athletics Department management provided us with a listing of all contributions of moneys, goods or services received directly by its intercollegiate athletics programs from any affiliated or outside organization, agency, or group of individuals that constitutes ten percent or more of all contributions received during the reporting period. Except for contributions received from the Virginia Commonwealth University Foundation, an affiliated organization, we noted no individual contribution which constituted more than ten percent of total contributions received for intercollegiate athletics programs. We reviewed contributions from the Virginia Commonwealth

University Foundation, which exceeded ten percent of all contributions, and agreed them to supporting documentation with no reportable differences.

13. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to participation in revenues from royalties, licensing, advertisement, and sponsorships. We inspected the terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation with no reportable differences.

Expenses

14. Intercollegiate Athletics Department management provided us a listing of student aid recipients during the reporting period. Since the University used the NCAA Compliance Assistant software to prepare athletic aid detail, we selected 40 individual student-athletes across all sports and obtained the students' account detail from the University's student information system. We agreed each student's information to the information reported in the NCAA Membership Financial Reporting System via Compliance Assistant. We also ensured that the total aid amount for each sport agreed to amounts reported as financial aid in the student accounting system. We performed a check of selected students' information as reported in the NCAA's Compliance Assistant software to ensure proper calculation of revenue distribution equivalencies and noted no reportable differences.

15. Intercollegiate Athletics Department management provided us with a listing of coaches, support staff, and administrative personnel employed and paid by the University during the reporting period. We selected five coaches, including men's and women's basketball coaches, and five support and administrative personnel, and compared amounts paid during the fiscal year from the payroll accounting system to their contract or other employment agreement document. We found that recorded expenses equaled amounts paid as salary and bonuses and were in agreement with approved contracts or other documentation with no reportable differences.

16. We obtained the Intercollegiate Athletics Department's written recruiting and team travel policies from Intercollegiate Athletics Department management and documented an understanding of those policies. We compared these policies to existing University and NCAA policies and noted substantial agreement of those policies.

17. We selected a sample of five disbursements each for team travel and direct overhead and administrative expenses. We compared and agreed the selected operating expenses to adequate supporting documentation. We found all reviewed amounts to be properly approved, reasonable to intercollegiate athletics, and properly recorded in the accounting records with no reportable differences.

18. We obtained a listing of debt service payments for athletics facilities for the reporting year. We selected a sample of five facility payments included in the Statement, in addition to the two highest facility payments, and agreed them to supporting documentation, with no reportable differences.

19. We obtained an understanding of the University's methodology for charging indirect cost to the athletic department. We evaluated indirect cost charges for reasonableness and noted proper reporting of these charges in the Statement, with no reportable differences.

Other Reporting Items

20. We obtained repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. We recalculated annual maturities reported in the notes to the Statement and agreed total annual maturities and total outstanding athletic-related debt to supporting documentation with no reportable differences.

21. We agreed total outstanding institutional debt to supporting debt schedules and the University's audited financial statements with no reportable differences.

22. We agreed the fair value of athletics-dedicated endowments to supporting documentation provided by the University with no reportable differences.

23. We agreed the fair value of institutional endowments to the audited financial statements of the University with no reportable differences.

24. We obtained a schedule of athletics-related capital expenditures made during the period. We tested all additions to athletics-related capital expenditures to validate existence and accuracy of recording and recalculated totals. We determined an adjustment should be made to decrease athletics-related capital expenditures by $484,372 to properly reflect the amount of construction in progress. Following adjustment, we found athletics-related capital expenditures to be properly stated.

Additional Procedures

25. We compared the sports sponsored by the University, as reported in the NCAA Membership Financial Reporting System, to the Squad List report from the NCAA's Compliance Assistant software. We noted agreement of the sports reported.

26. We compared total current year grants-in-aid revenue distribution equivalencies to total prior year reported equivalencies per the NCAA Membership Financial Report submission and noted no variations exceeding four percent when compared to prior year.

27. We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports identified by the institution met

the minimum requirements for number of contests and minimum number of participants as defined in NCAA Bylaw 20.10.6.3. We ensured that countable sports have been properly identified in the NCAA Membership Financial Reporting System for the purpose of revenue distribution calculations.

28. We compared the current number of sports sponsored to the prior year total reported in the University's NCAA Membership Financial Report submission and noted no variations when compared to prior year.

29. We obtained a listing of student-athletes receiving Pell grant awards from the University's student information system and agreed the total value of these Pell grants to the amount reported in the NCAA Membership Financial Reporting System. We noted agreement of the amounts reported.

30. We compared the total number of Pell grant awards in the current year to the number reported in the prior year NCAA Membership Financial Report submission. We noted no variations greater than 20 grants when compared with the prior year.

We were engaged by University management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit, examination, or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Statement of Revenues and Expenses of Intercollegiate Athletics Programs or any of the accounts or items referred to above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Virginia Commonwealth University and its management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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VIRGINIA COMMONWEALTH UNIVERSITY
STATEMENT OF REVENUES AND EXPENSES OF
INTERCOLLEGIATE ATHLETICS PROGRAMS
For the year ended June 30, 2024

	Men's Basketball	Women's Basketball	Men's Baseball	Other Sports	Non-Program Specific	Total
Operating revenues:						
Ticket sales	$ 2,245,649	$ 38,928	$ 55,178	$ 36,106	$ 138,354	$ 2,514,214
Student fees	-	-	-	-	26,218,979	26,218,979
Direct institutional support	-	-	-	-	6,504,424	6,504,424
Indirect institutional support	-	-	-	-	211,007	211,007
Guarantees	-	-	13,000	9,500	-	22,500
Contributions	2,363,156	39,658	157,970	76,303	164,445	2,801,532
Media rights	-	-	-	-	176,133	176,133
NCAA distributions	707,274	11,000	31,150	7,211	787,743	1,544,378
Conference distributions (non-media and non-football bowl)	30,086	9,040	1,294	53,516	182,038	275,972
Program, novelty, parking, and concession sales	366,950	-	-	-	34,104	401,054
Royalties, licensing, advertisement and sponsorships	2,145,060	-	-	-	924,340	3,069,400
Athletics-Restricted endowment and investments income	13,200	1,200	3,700	32,700	118,971	169,771
Other operating revenue	-	-	-	37,863	1,266,919	1,304,781
Total operating revenues	7,871,374	99,825	262,292	253,198	36,727,456	45,214,144
Operating expenses:						
Athletic student aid	897,821	1,179,495	630,893	5,692,574	236,200	8,636,982
Guarantees	678,954	50,000	13,071	10,344	-	752,369
Coaching salaries, benefits, and bonuses paid by the University and related entities	3,591,346	1,213,116	497,491	2,829,090	-	8,131,043
Support staff/administrative compensation, benefits, and bonuses paid by the university and related entities	667,605	385,825	61,367	138,896	7,440,609	8,694,301
Recruiting	155,510	100,112	19,405	168,697	-	443,724
Team travel	1,369,672	909,125	287,245	1,518,678	-	4,084,719
Sports equipment, uniforms, and supplies	212,853	103,778	124,338	721,712	535,139	1,697,820
Game expenses	187,700	99,400	50,125	87,594	-	424,819
Fundraising, marketing and promotion	-	-	-	-	430,615	430,615
Spirit groups	-	-	-	-	160,913	160,913
Athletic facility leases and rental fees	-	-	137,000	93,291	10,000	240,291
Athletic facility debt service	-	-	-	-	4,324,107	4,324,107
Direct overhead and administrative expenses	237,154	94,363	40,646	130,796	4,887,171	5,390,131
Indirect cost paid to the institution by athletics	-	-	-	-	1,380,893	1,380,893
Indirect institutional support	-	-	-	-	211,007	211,007
Medical expenses and insurance	18,245	28,737	5,952	99,465	169,846	322,245
Memberships and dues	955	1,460	225	7,888	30,634	41,161
Student-Athlete meals (non-travel)	168,413	152,541	42,107	181,978	-	545,039
Other operating expenses	69,868	134,147	43,867	112,318	546,793	906,993
Total operating expenses	8,256,095	4,452,099	1,953,732	11,793,320	20,363,927	46,819,173
Excess (deficiency) of revenues over (under) expenses	$ (384,722)	$ (4,352,274)	$ (1,691,440)	$ (11,540,122)	$ 16,363,529	$ (1,605,029)

Other Reporting Items:	
Total athletics-related debt	$ 36,060,451
Total institutional debt	$ 526,409,128
Value of athletics-dedicated endowments	$ 101,150
Value of institutional endowments	$ 459,475,896
Total athletics-related capital expenditures	$ 867,183

The accompanying Notes to the Statement of Revenues and Expenses of Intercollegiate Athletics Programs are an integral part of this Statement.

VIRGINIA COMMONWEALTH UNIVERSITY
NOTES TO THE STATEMENT OF REVENUES AND EXPENSES OF INTERCOLLEGIATE ATHLETICS PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2024

1. BASIS OF PRESENTATION

The accompanying Statement of Revenues and Expenses of Intercollegiate Athletics Programs has been prepared on the accrual basis of accounting. The purpose of the Statement is to present a summary of revenues and expenses of the intercollegiate athletics programs of the University for the year ended June 30, 2024. The Statement includes those intercollegiate athletics revenues and expenses made on behalf of the University's intercollegiate athletics programs by outside organizations not under the accounting control of the University. Because the Statement presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in financial position or cash flows for the year then ended. Revenues and expenses are directly identifiable with each category presented and are reported accordingly. Revenues and expenses not directly identifiable to a specific sport are reported under the category "Non-Program Specific."

2. ENDOWMENT

The Intercollegiate Athletics Department has one restricted endowment established for the benefit of the Department. The recorded value of the endowment totaled $101,150 at June 30, 2024. The University has entrusted most, including Athletics, endowment funds to the VCU Foundation, an affiliated foundation, for investment in the Foundation's investment pool. Funds transferred to the VCU Foundation are subject to the investment policies of the VCU Foundation. University and component unit endowments totaled $459,475,896 at June 30, 2024.

The Foundation offers no guarantees relating to loss of investment value or rate of return on investments. Further, amounts transferred to the Foundation must remain with the Foundation unless the University Board of Visitors approves the use of these invested funds for specific University purposes.

3. CAPITAL ASSETS

The Intercollegiate Athletics Department follows the same policies and procedures as the University for acquiring capital assets. Capital assets are stated at cost or, if donated, at acquisition value on the date of acquisition. Equipment costing $5,000 or more with a useful life of two or more years is capitalized. Infrastructure assets are included in the financial statements and are depreciated. The threshold for capitalization of right-to-use assets and subscription-based technology arrangements is $50,000. Bulk purchases of capital assets under the normal $5,000 capitalizing threshold are capitalized if they are over $50,000 for computers, servers, electronic equipment, and office furniture. The University records depreciation on property, plant and equipment, excluding land and construction in progress, computed over the estimated useful lives of the assets based on the straight-line method. The general range of estimated useful lives is ten to 40 years for buildings and fixtures and five to 20 years for equipment. The general range of estimated useful lives is ten to 25 years for land improvements and infrastructure. Expenditures for construction in progress are capitalized as incurred. Capital assets at the time of disposal revert to the Commonwealth of Virginia for disposition.

Capital assets also include intangible, right-to-use assets for buildings, equipment, and subscription-based software as defined under GASB Statements No. 87 and 96. These right-to-use assets are amortized straight-line over the lives of their related underlying agreements.

Athletics-related capital assets as of June 30, 2024, were as follows:

Non-depreciable assets	
Land	$ 26,428,446
Total non-depreciable capital assets	$ 26,428,446
Depreciable assets	
Land improvements	$ 5,334,308
Buildings	82,520,661
Equipment	3,917,920
Lease liabilities	1,141,461
Subscription-based technology arrangements	589,809
Total depreciable assets, at cost	$ 93,504,158
Less accumulated depreciation	
Land improvements	$ 5,277,308
Buildings	35,912,302
Equipment	1,866,005
Lease liabilities	139,771
Subscription-based technology arrangements	305,788
Total accumulated depreciation and amortization	$ 43,501,174
Total depreciable capital assets net of accumulated depreciation and amortization	$ 50,002,984
Total capital assets, net of accumulated depreciation and amortization	$ 76,431,430

Total athletics-related capital expenditures for the fiscal year ending June 30, 2024, were $867,183.

4. DEBT REPAYMENT SCHEDULE

General Revenue Pledge Bonds, Series 2015A, were issued to fund the capital construction of a basketball training facility in June 2015, totaling $10,384,615. The bonds carry an interest rate of 2.03 percent and are due May 1, 2030. In November 2018, additional General Revenue Pledge Bonds for Series 2018A were issued in the amount of $6,695,000 in addition for the construction of the basketball training facility. These carry an interest rate of four percent and are due May 2048.

General Revenue Pledge Bonds, Series 2020A, were issued to fund the capital construction of the Sports Medicine Building in June 2020, totaling $285,000. The bonds carry an interest rate of five percent and are due November 1, 2027.

General Revenue Pledge Bonds, Series 2020B, were issued to fund the capital construction of the Athletics Village location #1 (the former Greyhound building) in June 2020, totaling $11,840,000. The bonds carry an interest rate of 3.12 percent and are due November 1, 2050. The University's debt repayment schedule call for a lump sum principal payment in fiscal year 2051. Athletics entered into an internal loan agreement with the University to provide annual funding towards the bond obligation starting in March 2020. This internal loan is due May 1, 2050 and carries an interest rate of 4.039 percent.

General Revenue Pledge Bonds, Series 2022B, were issued to fund the capital construction of the Athletics Village location #3 (the former Bourne building), in December 2022, totaling $8,880,000. The bonds carry an interest rate of 4.85 percent and are due May 1, 2043.

In fiscal year 2019, Athletics entered into a fixed rate internal loan agreement with the University to provide financing for the Siegel Center chiller replacement. In fiscal year 2021, Athletics entered into an internal loan agreement with the University to provide financing for the capital construction of the Athletics Village location #2 (the former Salvation Army facility), totaling $4,261,049.

An installment purchase contract was entered into in March 2015 to acquire capital equipment.

Long-term debt matures as follows:

Fiscal Year	Series 2015A Bonds	Series 2018A Bonds	Series 2020A Bonds	Series 2020B Bonds	Series 2022B Bonds	Internal Loans with University	Installment Purchase	Leases	Subscription-based Technology Arrangements	Total
2025	$ 715,385	$ -	$ -	$ 244,444	$ 285,000	$ 171,814	$ 135,594	$ 25,143	$ 161,282	$ 1,738,661
2026	730,769	-	70,000	254,317	300,000	178,755	-	26,663	153,926	1,714,430
2027	746,154	-	165,000	264,589	315,000	185,977	-	28,244	-	1,704,963
2028	761,538	-	50,000	275,276	330,000	193,490	-	29,886	-	1,640,191
2029	776,923	-	-	286,394	345,000	201,307	-	31,594	-	1,641,218
2030-2034	792,308	-	-	1,615,113	2,000,000	1,135,302	-	186,006	-	5,728,729
2035-2039	-	-	-	1,968,719	2,530,000	1,383,926	-	251,766	-	6,134,412
2040-2044	-	-	-	2,399,742	2,500,000	84,905	-	361,313	-	5,345,961
2045-2049	-	6,695,000	-	2,925,132	-	-	-	133,971	-	9,754,103
2050-2054	-	-	-	657,784	-	-	-	-	-	657,784
Total	$ 4,523,077	$ 6,695,000	$ 285,000	$ 10,891,509	$ 8,605,000	$ 3,535,476	$ 135,594	$ 1,074,586	$ 315,208	$ 36,060,451

A summary of future interest requirements is as follows:

Fiscal Year	Series 2015A Bonds	Series 2018A Bonds	Series 2020A Bonds	Series 2020B Bonds	Series 2022B Bonds	Internal Loans with University	Installment Purchase	Leases	Subscription-based Technology Arrangements	Total
2025	$ 91,818	$ 267,800	$ 14,250	$ 439,908	$ 417,343	$ 142,833	$ 1,017	$ 37,000	$ 11,411	$ 1,423,380
2026	77,296	267,800	12,500	430,035	403,520	135,892	-	36,101	5,572	1,368,716
2027	62,462	267,800	6,625	419,763	388,970	128,670	-	35,148	-	1,309,438
2028	47,315	267,800	1,250	409,076	373,693	121,157	-	34,139	-	1,254,429
2029	31,855	267,800	-	397,958	357,688	113,340	-	33,072	-	1,201,713
2030-2034	16,084	1,339,000	-	1,806,646	1,520,475	437,933	-	147,152	-	5,267,290
2035-2039	-	1,339,000	-	1,453,040	986,005	189,308	-	109,816	-	4,077,169
2040-2044	-	1,339,000	-	1,022,017	310,400	3,430	-	57,091	-	2,731,938
2045-2049	-	1,071,200	-	496,628	-	-	-	3,745	-	1,571,572
2050-2054	-	-	-	26,568	-	-	-	-	-	26,568
Total	$ 326,830	$ 6,427,200	$ 34,625	$ 6,901,640	$ 4,758,093	$ 1,272,564	$ 1,017	$ 493,262	$ 16,983	$ 20,232,213

Total University debt totaled $526,409,128 as of June 30, 2024.

5. CONTRIBUTIONS

During the fiscal year ended June 30, 2024, the University received $2,707,910 of athletics-related contributions from the Virginia Commonwealth University Foundation to support operations. This constituted ten percent or more of total contributions. The majority of these contributions are included in revenue as “contributions,” and additional amounts are included in various revenue and expense lines. Contributions received by the University from the Foundation for athletics -related capital projects are not included in this statement.

6. OPERATING DEFICIT

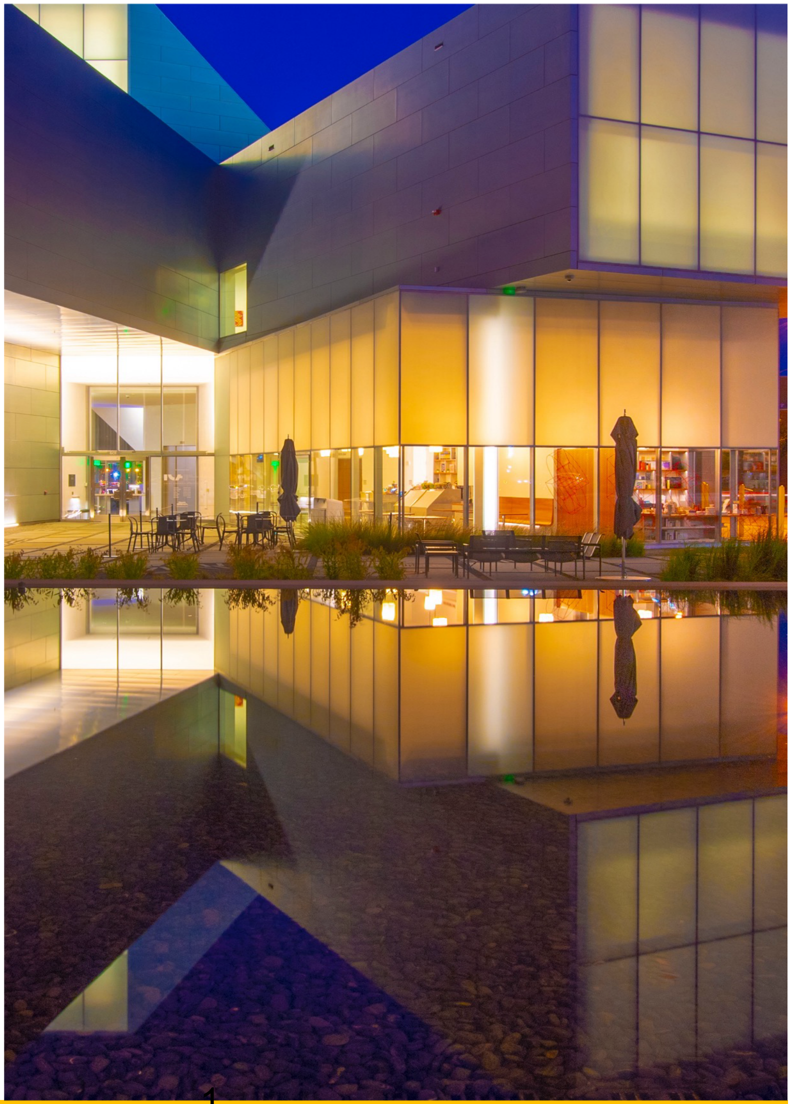
Auxiliary Enterprise Programs are essentially run as businesses and expenses must remain within revenues and accumulated fund balances. The Commonwealth has established guidelines requiring units to set aside an amount from current year operations as a reserve to be used to fund revenue shortfalls and special needs (primarily equipment replacement), facility repairs and renovations. Budget administration policies for Auxiliary Enterprise Programs address the annual operating budget and the use of fund balances for both State and University Auxiliary funds. Within the scope of these policies, the operating deficit in fiscal year ending June 30, 2024, was covered by these reserves.

Treasurer’s Report

As of December 31, 2024

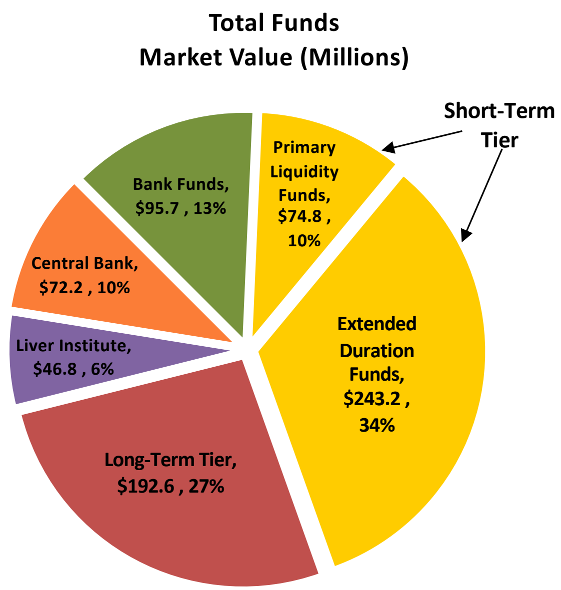
Finance and University Resources Committee

March 21, 2025

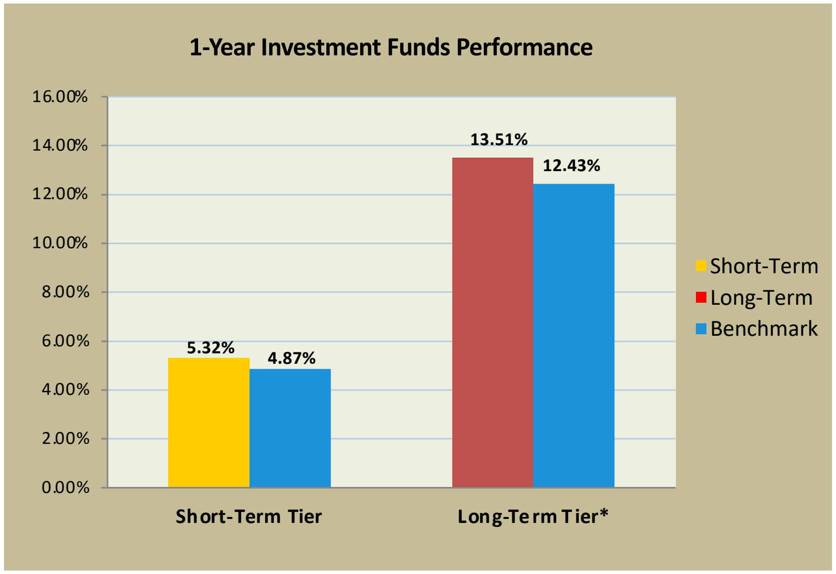


Total University Funds Overview
for the Period Ending December 31, 2024

Approximately 57% managed in interest-bearing cash and fixed income securities; the balance is invested in diversified long-term strategies with a focus on equity securities.



Total University Funds
$725.3M
Does not include VCU Health or Foundations



*Long-term tier for VCIMCO-managed only; VCIMCO manages 99.8% of the long-term market value at 12/31/2024. Total 1-year returns for long-term tier are 13.44%.

Short-Term Tier Performance Summary
As of December 31, 2024

Performance Summary (Net of Fees)

	Market Value (M)	Current Allocation	1 Month	QTD	FYTD	1 Year	Annualized 3 Years	Annualized 5 Years	Annualized Since 7/2009
Primary Liquidity Funds / Payden & Rygel	**$74.8**	**23.5%**	**0.36%**	**1.16%**	**2.54%**	**4.65%**	**3.93%**	**2.51%**	**1.22%**
Primary Liquidity Funds Benchmark [1]			*0.40%*	*1.16%*	*2.46%*	*4.96%*	*3.63%*	*2.24%*	*1.75%*
Extended Duration Funds / Merganser	**$243.2**	**76.5%**	**0.17%**	**0.23%**	**3.22%**	**5.32%**	**2.51%**	**2.12%**	**1.81%**
Extended Duration Funds Benchmark [2]			*0.23%*	*0.01%*	*2.95%*	*4.44%*	*1.68%*	*1.59%*	*3.77%*
Total Operating Funds	**$318.0**	**100.0%**	**0.22%**	**0.61%**	**3.14%**	**5.32%**	**3.20%**	**2.50%**	**1.68%**
Short-Term Tier Composite [3]			*0.28%*	*0.46%*	*2.92%*	*4.87%*	*2.53%*	*2.02%*	*1.72%*

1 Primary Liquidity Funds Benchmark = iMoneyNet Money Fund Prime Retail Index 7/31/2009 to 10/31/2024; BofA 3-Month US T-Bill 11/1/2024 to present

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

3 Short-Term Tier Composite = Weighted Average of Primary Liquidity Funds Benchmark and Extended Duration Funds Benchmark

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Long-Term Tier Performance Summary
Estimated as of December 31, 2024

VCU Long-Term Tier

Estimated December 31, 2024	Mkt Value (M)	% Allocation	Since Inception 4/30/2016	5 Years	3 Years	1 Year	CYTD	FYTD	3 Mos
VCIMCO Funds	**$192.2**	**100.0%**	**7.98%**	**9.46%**	**4.78%**	**13.51%**	**13.51%**	**5.95%**	**0.76%**
Long-Term Policy Benchmark [1]			*7.90%*	*6.88%*	*3.15%*	*12.43%*	*12.43%*	*4.48%*	*-1.61%*
Equity	**$111.7**	**58.1%**	**10.09%**	**10.20%**	**3.18%**	**16.59%**	**16.59%**	**7.86%**	**1.65%**
MSCI All Country World			*10.80%*	*10.05%*	*5.43%*	*17.49%*	*17.49%*	*5.56%*	*-0.99%*
Credit and Absolute Return	**$47.4**	**24.7%**	**8.09%**	**13.05%**	**12.79%**	**15.29%**	**15.29%**	**7.60%**	**1.40%**
Bloomberg US Corporate High Yield			*5.31%*	*4.21%*	*2.91%*	*8.19%*	*8.19%*	*5.47%*	*0.17%*
Real Assets	**$19.5**	**10.1%**	**1.64%**	**3.81%**	**5.45%**	**3.42%**	**3.42%**	**0.29%**	**-3.46%**
Long-Term Real Estate Benchmark [2]			*2.67%*	*-0.80%*	*-5.83%*	*2.22%*	*2.22%*	*5.19%*	*-9.34%*
Treasuries	**$0.0**	**0.0%**	**-0.04%**						
Bloomberg US Treasury			*1.73%*						
Cash and Equivalents	**$13.6**	**7.1%**							
VCU Long-Term Tier	**$192.6**		**7.86%**	**9.45%**	**4.79%**	**13.44%**	**13.44%**	**5.92%**	**0.75%**

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 January 7, 2025.

Performance includes reporting by 66 of 68 underlying private investments, which, with cash, represent 98.8% of Ram Private Assets Fund's net asset value as of September 30, 2024.

[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 February 28, 2025 (Preliminary)

Cash and Investments

	(in millions) Quarter Ended 12/31/2024	As of 2/21/2025	As of 2/28/2025
Bank Funds			
Bank of America Checking	$ 62.93	$ 76.82	$ 66.69
Restricted Cash Funds	38.11	37.40	27.36
Unspent Bond Proceeds	0.74	0.72	0.72
Less: Outstanding Checks - Bank of America [A]	(6.10)	(17.27)	(14.15)
Total Bank Funds	$ 95.69	$ 97.67	$ 80.63
Short-Term Tier			
Primary Liquidity Fund (Payden & Rygel)	$ 74.75	$ 199.83	$ 200.02
Extended Duration Fund (Merganser)	243.23	243.11	244.15
Total Short-Term Tier (VCIMCO)	$ 317.99	$ 442.94	$ 444.17
Long-Term Tier [B]			
Ram Fund + PA Fund	$ 134.95	$ 132.43	$ 132.43
Central Bank Capital Reserve (VCIMCO)	50.27	51.33	51.33
Central Bank Unrestricted (VCIMCO)	21.89	22.35	22.35
Total Long-Term Tier (VCIMCO)	$ 207.11	$ 206.10	$ 206.10
Glasgow Endowment [B]			
Total Glasgow Endowment (VCIMCO)	$ 57.69	$ 57.09	$ 57.09
Liver Institute [B,C]	$ 46.80	$ 47.35	$ 46.88
Total University Funds:	**$ 725.29**	**$ 851.16**	**$ 834.88**

Indicates restricted funds

Comparative Federal Interest Rate:	As of 12/31/2024	As of 2/21/2025	As of 2/28/2025
1-year	4.16%	4.15%	4.08%
10-year	4.58%	4.42%	4.24%

[A] At FYE, the Controller's Office also adjusts the University's cash position with additional current year cash accruals.

[B] Reflects most recent end of month.

[C] Brunckhorst Gift for Liver Institute, received to date \$50MM of \$100MM; includes distributions made to date to the Institute of \$12.73MM.

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Monitoring Report
as of February 28, 2025 (Preliminary)

Debt

VCU Long-Term Debt:	As of FY 2024	(in millions) Quarter Ended 12/31/2024	As of 2/28/2025
Outstanding Bonds			
VCBA 9d	$ 61.25	$ 49.55	$ 49.55
VCBA 9d balances covered by Financing Agreements	$ 1.38	$ 0.32	$ 0.32
VCU 9c	$ 42.30	$ 42.30	$ 42.30
VCU 9d	$ 234.21	$ 234.21	$ 234.21
VCU 9d balances covered by Financing Agreements	$ 61.58	$ 58.88	$ 58.88
	$ 400.72	**$ 385.25**	**$ 385.25**
Debt Ratio:			
Debt Ratio (preliminary)	3.19%		
Estimated Unaudited Debt Ratio (excludes leases & installment purchases)		3.08%	3.08%

VCU Commercial Paper (JP Morgan):	As of FY 2024	(in millions) Quarter Ended 12/31/2024	As of 2/28/2025
Current Outstanding [Refinanced- shown for historical comparision]:			
[ICA] - Tax-Exempt	$4.23	$0.00	$0.00
REF Broad & Belvidere Renovation - Taxable	$4.27	$0.00	$0.00
Subtotal	$8.50	$0.00	$0.00
Anticipated Future Draws (FY 2025)	-	$5.00	$5.00
Commercial Paper Program Authorization:	$75.00	$75.00	$75.00
Projected Available Commercial Paper Balance:	$66.50	$70.00	$70.00

[D] Total cost of CP program also includes $309K for ongoing standby liquidity facility, rating agency surveillance, and paying agent fees.