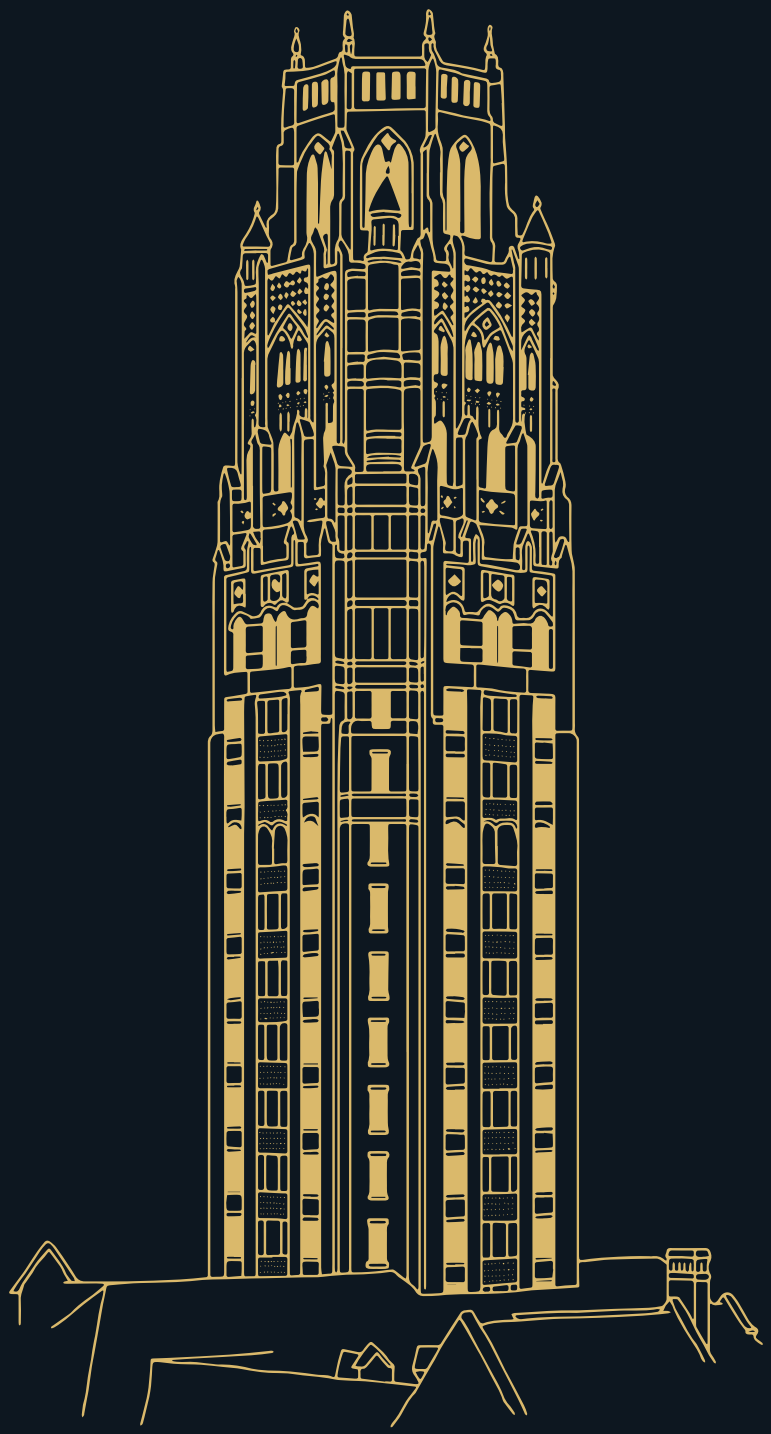

Vanderbilt Financial Report

• 2026 •

2026 FINANCIAL REPORT

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VANDERBILT UNIVERSITY

Letter from Chancellor Daniel Diermeier

I am pleased to report that fiscal 2026 was another year of financial strength for Vanderbilt University. Our financial success provides a consistent, firm foundation for our bold ambition. We are stronger than at any time in our history, and we are seizing opportunities to invest in our future.

As of year-end, our endowment, established by Cornelius Vanderbilt with his founding gift in 1873, stands at $12.7 billion, with an annual return of 21.1%. This enduring resource supports our mission in countless ways, from advancing pioneering discovery and attracting world-class faculty to expanding educational opportunity through Opportunity Vanderbilt, our nationally recognized need-based, no-loan financial aid program.

Our financial position is strengthened by sound financial stewardship and by the extraordinary generosity of our alumni and friends. Building on the historic success of the Dare to Grow campaign, philanthropic support is fueling investments that will benefit Vanderbilt for generations to come.

This strong foundation means we can make strategic investments to expand Vanderbilt's impact. We are advancing the College of Connected Computing and strengthening our leadership in artificial intelligence. With the launch of the Institute for Quantum Innovation in Chattanooga, we will place Vanderbilt and Tennessee at the forefront of one of the world's most promising technological frontiers. We are expanding our national presence through our new campuses in New York City, West Palm Beach and San Francisco. And we are developing more partnerships to broaden Nashville's innovation economy and we are investing in our people, our students and our campus at home.

These investments reflect a simple conviction: financial strength is not an end in itself. It is what allows us to pursue opportunities that others cannot and to stay focused on our mission despite the widespread uncertainty facing higher education today. At a moment when many of our peers are pulling back, Vanderbilt is moving forward - bolstered by our sustained growth and ambitious strategic vision. Together, these assets position us not to simply navigate change but to shape the future of higher education.

Grounded in our shared values and common purpose, we are rapidly progressing in our mission to make Vanderbilt the great university of the 21st century.

Daniel Diermeier
Chancellor

Vanderbilt University Statistics

	2025/2026	2024/2025	2023/2024	2022/2023	2021/2022
STUDENTS					
Undergraduate	7,366	7,221	7,152	7,151	7,111
Graduate and professional	6,220	6,354	6,304	6,559	6,685
Total fall enrollment	13,586	13,575	13,456	13,710	13,796
Undergraduate admissions					
Applied	48,658	45,409	45,313	46,377	47,152
Accepted	2,592	2,662	2,844	3,093	3,368
Enrolled	1,635	1,630	1,622	1,619	1,626
Selectivity	5.3%	5.9%	6.3%	6.7%	7.1%
Yield	63.1%	61.2%	57.0%	52.3%	48.3%
Degrees conferred					
Baccalaureate	1,847	1,830	1,855	1,820	1,715
Master's	1,702	1,532	1,634	1,797	1,674
M.D.	97	83	95	104	99
Other doctoral	728	739	769	796	735
Total degrees conferred	4,374	4,184	4,353	4,517	4,223
Undergraduate six-year graduation rate	93.1%	92.6%	93.5%	92.6%	92.6%
Undergraduate tuition	$ 67,934	$ 65,008	$ 61,618	$ 58,130	$ 54,840
% increase over prior year	4.5%	5.5%	6.0%	6.0%	3.9%
FACULTY AND STAFF [1]					
Full-time faculty	1,481	1,499	1,542	1,514	1,465
Full-time staff	5,182	5,129	4,879	4,700	4,362
Part-time faculty	252	276	299	282	271
Part-time staff	699	675	639	547	370
Total faculty and staff	7,614	7,579	7,359	7,043	6,468
GRANT AND CONTRACT FUNDING (in thousands)					
Government sponsors	$ 212,432	$ 233,888	$ 209,597	$ 209,608	$ 181,007
Private sponsors	31,178	35,825	32,949	31,454	22,540
Facilities and administrative cost recovery	73,425	80,334	77,062	75,241	68,277
Total grants and contracts	$ 317,035	$ 350,047	$ 319,608	$ 316,303	$ 271,824
ENDOWMENT					
Market value (in thousands)	$ 12,700,437	$ 10,856,984	$ 10,247,728	$ 9,684,196	$ 10,206,068
Endowment return	21.1%	9.9%	9.2%	-2.0%	-4.4%
Endowment per student	$ 934,818	$ 799,778	$ 761,573	$ 706,360	$ 739,785
Endowment payout	4.4%	4.8%	4.7%	4.2%	3.5%

[1] On April 29, 2016, Vanderbilt University ("VU") and Vanderbilt University Medical Center ("VUMC") became two separate legal entities. Vanderbilt transferred clinical services operations, post-graduate training programs, and clinical department research activities, along with related assets and liabilities, to VUMC as a newly incorporated Tennessee not-for-profit corporation in exchange for $1,230 million of consideration. In addition to the faculty employed by VU for all the years presented, some employees of VUMC held VU faculty appointments. These additional VUMC-employed, VU faculty comprised:

VUMC-employed, VU faculty appointments	2025/2026	2024/2025	2023/2024	2022/2023	2021/2022
Full-time	2,584	2,724	3,053	3,044	3,018
Part-time	118	113	118	184	160
Total	2,702	2,837	3,171	3,228	3,178

Financial Overview

FINANCIAL OVERVIEW

Vanderbilt University ended fiscal 2026 in a position of financial strength, with solid operating performance, continued growth in net assets, and significant investments in its people, programs, facilities, and infrastructure. Although operating results declined to $160 million in fiscal 2026 from $217 million in fiscal 2025, the university maintained positive net operating performance and increased net assets without donor restrictions by $1,093 million, driven by strong investment returns and increased philanthropic support offset by strategic capital investments. Together, these results demonstrate Vanderbilt's financial resilience and capacity to support student access, academic excellence, research growth, and long-term institutional priorities.

OPERATING REVENUES

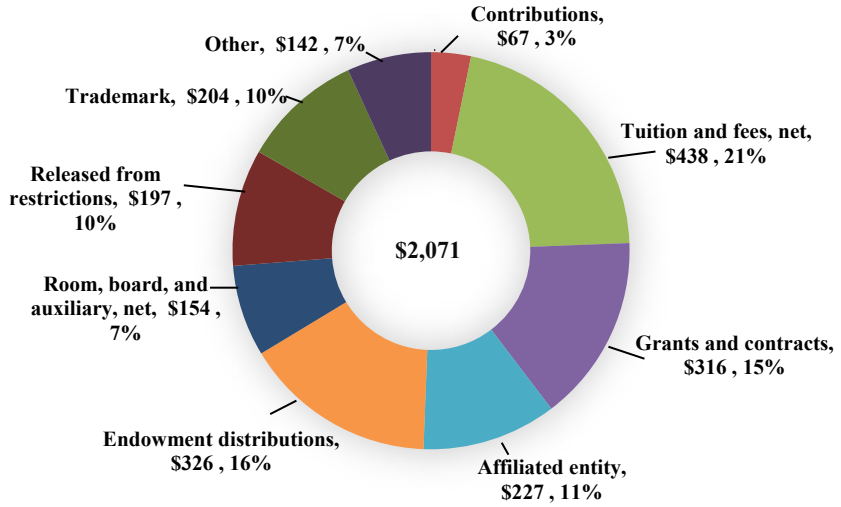
Vanderbilt's operating revenues without donor restrictions for the years ended June 30, 2026, and June 30, 2025, were as follows:

(in millions)		2026		2025
Tuition and educational fees, net	$	438	$	420
Government grants and contracts		212		233
Private grants and contracts		31		36
F&A cost recovery		73		80
Contributions		67		46
Endowment distributions		326		330
Room, board, and other auxiliary services, net		154		158
Trademark, license, and royalty revenue		204		163
Affiliated entity revenue		227		213
Other sources		142		143
Net assets released from restrictions		197		195
Total operating revenue	**$**	**2,071**	**$**	**2,017**

Operating revenues without donor restrictions increased $54 million, or 3%, to $2,071 million in fiscal 2026 compared to $2,017 million in fiscal 2025. Tuition and educational fees, net, increased $18 million primarily due to planned rate increases and higher enrollment in fiscal 2026. Contributions increased $21 million driven by payments received on existing gifts and unrestricted bequests. Revenue from the Trademark License Agreement ("TML") between Vanderbilt and VUMC accounted for most of the $41 million increase in trademark, license, and royalty revenue. Affiliated entity revenue increased $14 million primarily due to the addition of 200 Vanderbilt University Police Department full-time equivalents under service-level agreements with VUMC.

Operating Revenues without Donor Restrictions by Type (Fiscal 2026)

(in millions)

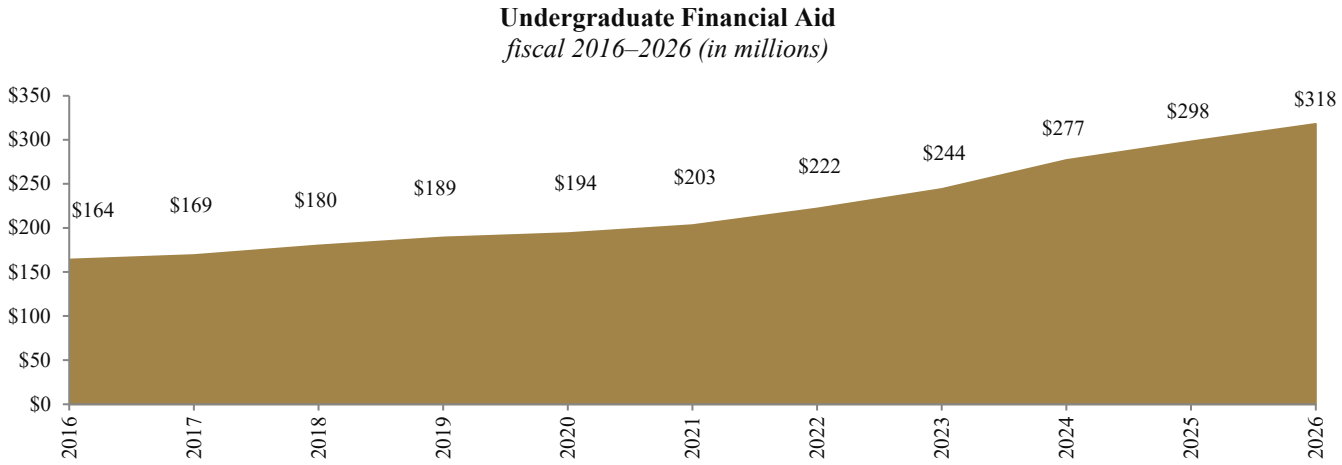


TUITION, ROOM, AND BOARD

As part of Vanderbilt's commitment to student access and affordability, the university provides substantial financial aid to students and their families. In fiscal 2026, Vanderbilt provided $449 million in support to its students for tuition, room, and board as shown in the table below.

	Undergraduate	Professional	Graduate	Total
Student count	*7,366*	*4,036*	*2,184*	*13,586*
(in millions)				
Tuition and fees	$ 513	$ 240	$ 70	$ 823
Financial aid[1]	(254)	(71)	(60)	(385)
Tuition and fees, net	**$ 259**	**$ 169**	**$ 10**	**$ 438**
Room and board	114	-	-	114
Financial aid[1]	(64)	-	-	(64)
Room and board, net	**$ 50**	**$ -**	**$ -**	**$ 50**
Total financial aid[1]	**$ 318**	**$ 71**	**$ 60**	**$ 449**
Average financial aid per student[2]	**$ 43,000**	**$ 18,000**	**$ 27,000**	**$ 33,000**

[1] Financial aid excludes Pell Grants of $11 million as these amounts represent agency funds.
[2] Rounded to the nearest thousand.



In fiscal 2026, undergraduate aid represented 51% of gross tuition, room and board, and educational fees and has grown 94% since fiscal 2016. The university's Opportunity Vanderbilt no-loan initiative, launched in fiscal 2009, remains central to this support and expanded in fiscal 2025 to provide full-tuition scholarships to admitted students of families whose annual income is $150,000 or less. This initiative has contributed to Vanderbilt's upward trajectory by supporting student access, academic excellence, and student success. Through fiscal 2026, generous donors committed $722 million in gifts and pledges to support undergraduate financial aid. Fiscal 2026 undergraduate aid was funded by operations ($188 million), endowment distributions and gifts ($124 million), and external agencies ($6 million) excluding Pell Grants of $11 million.

GRANTS AND CONTRACTS

Direct grant revenue decreased by $26 million, or 10%, to $243 million in fiscal 2026 from $269 million in fiscal 2025. Government grants and contracts revenue decreased by $21 million, or 9%, to $212 million in fiscal 2026 from $233 million in fiscal 2025, reflecting lower federal funding across most agencies excluding the Department of Energy which increased $1 million. Private grants and contracts revenue decreased $5 million, or 14%, over the same period to $31 million in fiscal 2026 from $36 million in fiscal 2025.

As shown in the following table, the largest source of direct government grant and contract revenue was the Department of Health and Human Services (primarily the National Institutes of Health, or NIH).

Grants and Contracts Revenues by Funding Source

(in millions)		2026	%		2025	%
Department of Health and Human Services	$	121	57%	$	131	56%
National Science Foundation		26	12%		28	12%
Department of Education		22	10%		24	10%
Department of Defense		14	7%		17	7%
Department of Energy		9	4%		8	4%
Department of Homeland Security		-	0%		3	2%
Other government agencies		20	10%		22	9%
Total government grants and contracts by funding source	**$**	**212**	**100%**	**$**	**233**	**100%**

Sponsored research and project awards represent research funding commitments not yet expended by Vanderbilt and include multiyear grants and contracts from government sources, foundations, associations, and corporations. Such awards totaled $301 million as of June 30, 2026, and $340 million as of June 30, 2025, as shown in the following table.

Sponsored Program Awards

(in millions)		2026		2025
Government awards	$	259	$	289
Private awards		42		51
Total sponsored research and project awards	**$**	**301**	**$**	**340**

PHILANTHROPY

Vanderbilt reports contributions revenue within the consolidated financial statements based on U.S. GAAP. This basis for measurement differs from guidelines established by the Council for Advancement and Support of Education (CASE). CASE guidelines focus on philanthropic support from private resources (primarily gifts and foundation grants) to benefit the public.

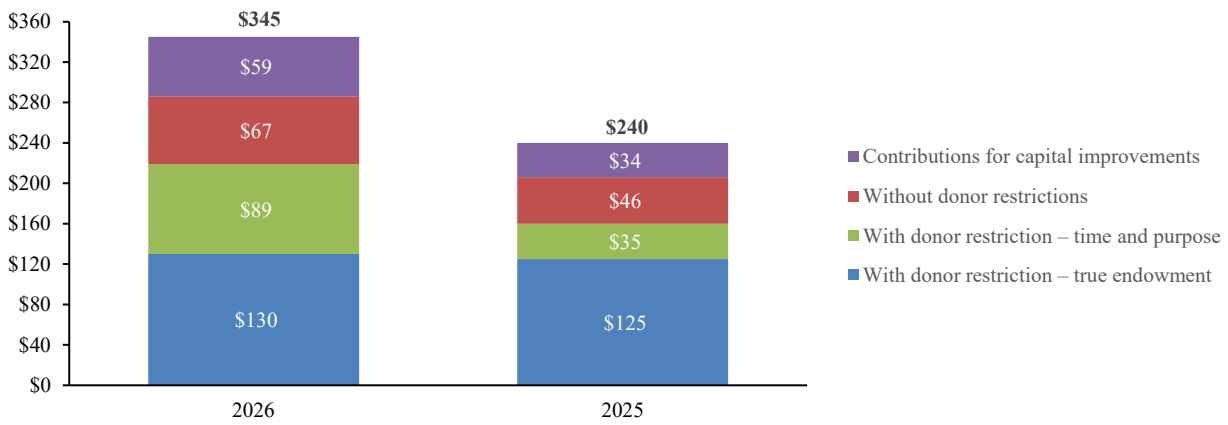
GAAP to CASE Reconciliation

(in millions)		2026		2025
Contributions revenue				
Without donor restrictions	$	67	$	46
With donor restriction – time and purpose		89		35
With donor restriction – true endowment		130		125
Total contributions revenue		286		206
Total contributions for capital improvements		59		34
Total consolidated GAAP contributions revenue	**$**	**345**	**$**	**240**
Net (increase) decrease in contributions receivable	$	(60)	$	(42)
Grants and similar agreements meeting CASE guidelines (gifts per CASE standards)		17		19
Other		-		1
Total CASE reported gifts (cash basis)	**$**	**302**	**$**	**218**

Vanderbilt reported $345 million in consolidated contributions revenue, including pledges and contributions for capital improvements, which is $105 million higher than the $240 million fiscal 2025 level due to several large contributions received in fiscal 2026 in support of the comprehensive campaign, capital projects, and expanding campus network.

Consolidated Contributions (GAAP Basis)

(in millions)



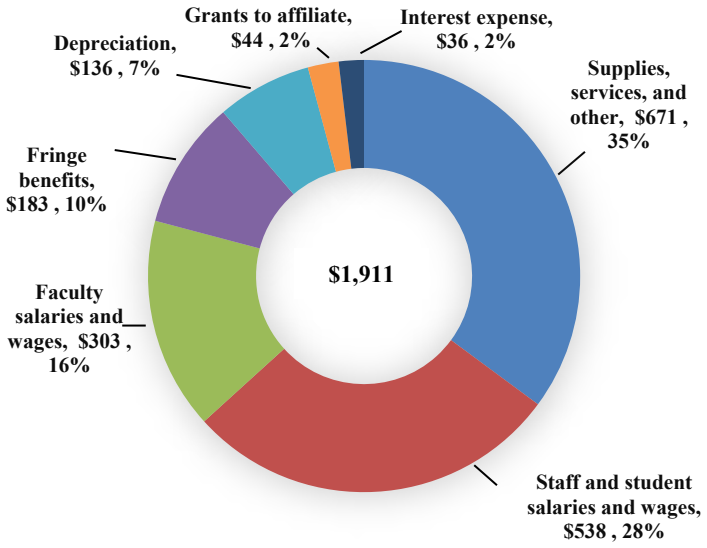
OPERATING EXPENSES

(in millions)		2026		2025
Salaries, wages, and benefits	$	1,024	$	976
Supplies, services, and other		671		636
Interest expense		36		30
Depreciation		136		117
Grants to affiliate		44		41
Total operating expenses	**$**	**1,911**	**$**	**1,800**

Consolidated operating expenses increased $111 million to $1,911 million in fiscal 2026 from $1,800 million in fiscal 2025. The primary drivers were a $48 million increase in salaries, wages, and benefits, reflecting merit increases and higher fringe benefit costs, and a $35 million increase in supplies, services, and other expenses, driven by student-athlete revenue sharing and higher professional services fees. Depreciation expense increased $19 million due to the Central Utilities Initiative and investments in athletics facilities.

Operating Expenses by Type (Fiscal 2026)

(in millions)



OTHER CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

(in millions)	2026	2025
Change in appreciation of endowment, net of distributions	$ 937	$ 280
Change in appreciation of other investments, net of distributions	(19)	-
Capital contributions and releases from restriction	63	36
Nonoperating net asset reclassifications	(50)	-
Other nonoperating activity	2	-
Total changes from nonoperating	**$ 933**	**$ 316**

Fiscal 2026 nonoperating activity primarily consisted of a change in appreciation of endowment, net of distributions of $937 million, an increase of $657 million compared to fiscal 2025. The change in endowment value resulted from a 21.1% investment return, partially offset by distributions equal to 4.4% of the endowment during fiscal 2026, compared to a 9.9% investment return and 4.9% of the endowment utilized for distributions during fiscal 2025. Beginning in fiscal 2026, following the passage of the One Big Beautiful Bill Act, the change in appreciation of endowment, net of distributions, is presented net of $121 million in net investment income tax expense with the offset recorded in accounts payable and accrued liabilities.

The negative $19 million change in appreciation of other investments, net of distributions, reflects Vanderbilt's absorption of Anchor Impact in fiscal 2026 which had previously served as the third-party Name, Image, Likeness ("NIL") collective for athletics.

Releases from restrictions for capital contributions totaled $63 million in fiscal 2026 compared to $36 million in fiscal 2025. Releases from restrictions for capital contributions occurred at the time the asset or building was placed into service and included $43 million related to athletics facilities, $12 million for housing projects, $6 million for the College of Arts and Science, $1 million for the Owen Graduate School of Management renovations, and $1 million for the Law School renovations.

The $50 million in nonoperating net asset reclassifications represents net investment income tax expense related to restricted net asset classes. Because these taxes are paid with funds without donor restrictions, a reclassification is needed to accurately reflect the impact in the Statement of Activities.

SUMMARY OF FINANCIAL POSITION

Vanderbilt's summarized Statements of Financial Position as of June 30, 2026, and June 30, 2025, were as follows:

(in millions)	2026	2025
ASSETS		
Cash and cash equivalents	$ 1,065	$ 1,143
Accounts and contributions receivable, net	416	345
Investments	12,735	10,879
Right of use assets, operating leases	15	27
Right of use assets, finance lease	47	-
Property, plant, and equipment, net	2,618	2,400
Prepaid expenses and other assets	126	107
Total assets	**$ 17,022**	**$ 14,901**
LIABILITIES		
Payables and accrued liabilities	$ 560	$ 421
Deferred revenue	53	53
Deferred trademark revenue	1,653	1,702
Long-term debt and commercial paper	964	982
Securities sold short	500	509
Lease liabilities, operating leases	16	29
Lease liabilities, finance lease	43	-
Total liabilities	**3,789**	**3,696**
NET ASSETS		
Without donor restrictions	7,448	6,355
With donor restrictions	5,785	4,850
Total net assets	**13,233**	**11,205**
Total liabilities and net assets	**$ 17,022**	**$ 14,901**

Vanderbilt's total assets increased $2,121 million, or 14%, from fiscal 2025 to fiscal 2026. Cash and cash equivalents decreased $78 million, or 7%, primarily related to a decrease in university bank cash.

Property, plant, and equipment, net, increased by $218 million, or 9%. During fiscal 2026, Vanderbilt placed into service $424 million of assets consisting of $356 million of current-year capital additions and $68 million transferred from construction in progress. This increase was partially offset by $42 million of asset retirements, a $68 million decrease in construction in progress, and a $96 million net increase in accumulated depreciation, reflecting $136 million of depreciation expense reduced by approximately $40 million of accumulated depreciation removed for retired assets.

Investments increased $1,856 million, or 17%, to $12,735 million in fiscal 2026 from $10,879 million in fiscal 2025. The endowment, net of securities sold short, returned 21.1%, and its value increased to $12,700 million in fiscal 2026 from $10,857 million in fiscal 2025 after distributions supporting operations and the addition of new gifts and quasi-endowments.

The right of use assets, finance lease represents the campus lease in New York City between Vanderbilt Chelsea Holdings, LLC, a consolidated subsidiary of Vanderbilt University, and the General Theological Seminary of the Protestant Episcopal Church. The 99-year lease officially commenced in September 2025 and, under the agreement terms, effectively transfers control of the campus to Vanderbilt thereby qualifying it as a finance lease.

Total liabilities increased $93 million from fiscal 2025 to fiscal 2026 primarily due to a $121 million deferred tax liability on net investment income, recorded in accounts payable and accrued liabilities, and a $43 million finance lease liability recorded for the New York City campus lease held by Vanderbilt Chelsea Holdings, LLC. The deferred tax liability was recorded in fiscal 2026 following the passage of the One Big Beautiful Bill Act. These increases were partially offset by decreases in deferred trademark revenue of $49 million, long-term debt and commercial paper of $18 million, operating lease liabilities of $13 million, and the fair value of securities sold short of $9 million. The fair value of open short positions, recorded as a liability, was $500 million in fiscal 2026. The university records an unrealized gain or loss for

the difference between the proceeds received and the value of the open short position. Through short sales, the university assumes the market risk that the value of the securities sold short may exceed the proceeds received.

Cash and Liquidity

Vanderbilt continues to invest operating assets in a conservative, diversified manner to ensure adequate security and liquidity under a variety of stress scenarios. Investments, along with cash and cash equivalents, provide liquidity support for Vanderbilt's operations. Of these combined amounts, based on prevailing market conditions as of June 30, 2026, $1,064 million of liquid assets were available on a same-day basis and an additional $4,357 million was available within 30 days. This strong liquidity position contributes to the university's ability to satisfy potential liquidity risks. Vanderbilt maintains the highest short-term ratings from the major credit rating agencies.

To provide supplemental liquidity support, Vanderbilt maintains three separate lines of credit in the amounts of $250 million, $100 million, and $40 million with three different banks. These lines of credit may be drawn upon for general purposes.

Capital Expenditures

Maintaining Vanderbilt's historic campus, which dates back to 1873, and investing in its capital assets are essential to advancing the university's mission. Over the past decade, Vanderbilt has increasingly focused on revitalizing the campus and enhancing the student experience through ongoing investment in infrastructure, academic facilities, athletics facilities, and residential colleges. These investments support FutureVU, Vanderbilt's land-use planning initiative, which is designed to ensure the campus is prepared to meet the daily needs of students, faculty, and staff as they carry out the university's mission and values.

Capital Projects

(in millions)		2026		2025
Academic	$	118	$	73
Housing projects		73		11
Infrastructure projects		73		87
Athletics projects		52		104
Minor capital expenditures		39		82
Administrative support		13		3
Property acquisitions		-		76
Total capital projects	**$**	**368**	**$**	**436**

During fiscal 2026, Vanderbilt University invested $368 million in capital projects as compared to $436 million in fiscal 2025. The fiscal 2026 investment included $356 million of capital additions and approximately $12 million of project-related operating expenses that Vanderbilt did not capitalize as property and equipment. These investments supported several significant projects, including:

- Construction of Stevenson Center 6, a state-of-the-art science building that will provide shared space for the College of Arts and Science, the School of Engineering, and the School of Medicine Basic Sciences.
- Construction of the Roberts Academy and Dyslexia Center at Vanderbilt, a new academy for students with dyslexia and an innovative center for outreach and research.
- Expansion of the residential college program, enhancing the living and learning experience for upper-division students.
- Renovations and additions to Vanderbilt's New York campus.
- Upgrades to utilities and infrastructure supporting the Central Utilities Initiative.
- Renovations and additions to athletics facilities, including the football stadium south end zone, and baseball and tennis facilities, enhancing the experience for student-athletes and fans.

Capital asset balances increase as projects are completed or property and equipment are acquired. During fiscal 2026, $424 million of completed projects and purchased property and equipment was placed into service.

The Board of Trust Executive Committee reviews the university's six-year capital plan annually, while major capital projects are approved individually. The fiscal 2026–2031 capital plan continues to focus on the academic strategic plan and student experience through investments in residential colleges, science buildings, acquisitions, infrastructure, and athletics.

ENDOWMENT

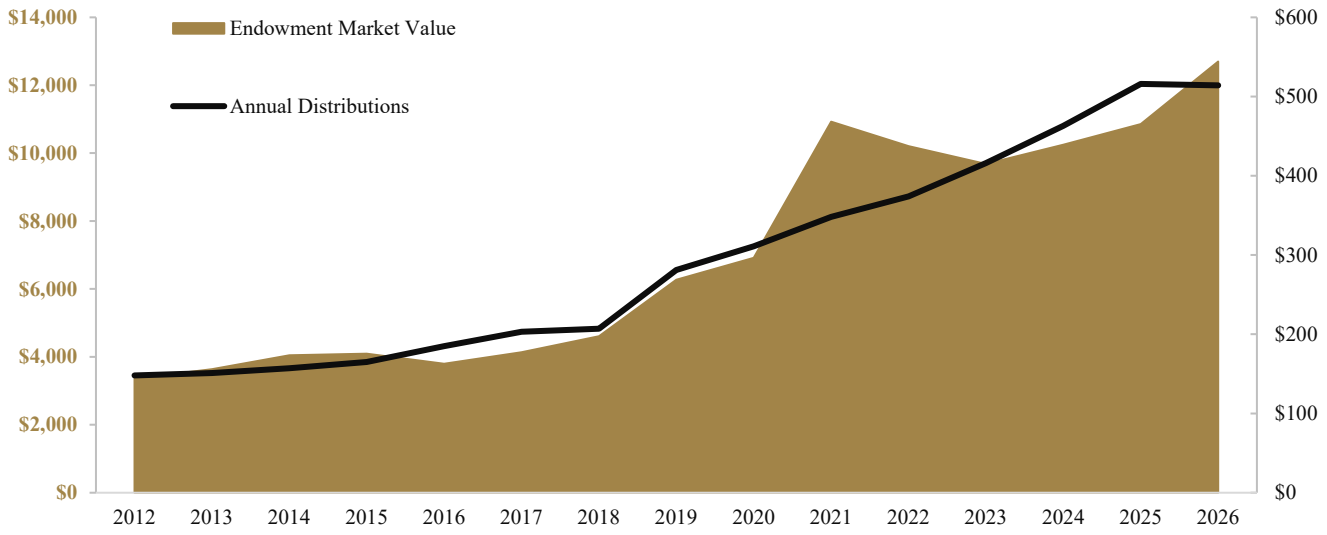
For fiscal 2026, Vanderbilt's endowment portfolio returned 21.4% gross of all internal management costs and the endowment excise tax, 21.1% net of these costs, bringing its 10-year annualized gain to 11.1% for the period ended June 30, 2026. The endowment ended the year with a total market value of $12,700 million, compared to $10,857 million at the end of fiscal 2025. The difference between the investment return and the change in the endowment's absolute value reflects the net impact of new endowment gifts, additions to institutional endowments (quasi-endowments), costs for managing the endowment including internal management costs of $13 million, endowment excise tax expense of $16 million, and the distribution of endowment funds to support university operations. During fiscal 2026, the university added $117 million to the endowment portfolio through new gifts, recapitalizations, and additions to institutional endowments. Endowment distributions totaled $514 million in fiscal 2026, compared to $516 million in fiscal 2025, and supported the university's education, research, and public service missions.

Global equity markets delivered strong gains for the fourth consecutive fiscal year, with U.S. large caps up 22%, U.S. small caps up 41%, and non-U.S. developed markets up 21%. Emerging market equities performed particularly well, finishing the fiscal year up 44%. U.S. bonds returned 4%, largely tracking yields as interest rate movements remained modest across sectors. Commodity prices surged 30% in aggregate, a notable reversal from the prior year's flat performance, driven primarily by gains in gold, copper, and silver. Natural gas was the sole major commodity laggard during the period.

Global capital markets in fiscal 2026 were defined by a massive technology boom, set against a backdrop of sticky inflation and geopolitically driven energy shocks. Uneven monetary policy and persistent inflation tempered expectations for aggressive U.S. rate cuts. U.S. equities were buoyed by massive inflows and resilient corporate earnings. The artificial intelligence theme drove record capital expenditures, benefiting semiconductors, hardware, and physical infrastructure. Quantum computing and machine learning pushed deeper into new applications. Trade policy shifts and tariff activity injected structural uncertainty. Heightened tensions in the Middle East, including disruptions in the Strait of Hormuz, contributed to the supply shock in energy and other commodities. These geopolitical fissures forced governments to prioritize energy security and defense, pushing up the share prices of defense stocks. The colliding forces of tech capex, inflation shocks, and geopolitical fatigue contributed to market volatility, but did not stop many equity markets from approaching all-time highs.

Endowment Market Value and Annual Distributions

(in millions)



Endowment Asset Allocation

As of June 30, 2026 (% of portfolio)	**Allocation**
Global equities	12%
Hedged strategies	15%
Commodities	3%
Fixed income	8%
Public real estate	3%
Cash and cash equivalents	5%
Total public investments	**46%**
Private capital	48%
Real estate	3%
Natural resources	3%
Total nonmarketable	**54%**
Total endowment	**100%**

LOOKING FORWARD

Vanderbilt University continues to advance a future-focused strategy grounded in its motto, *Crescere aude*, "dare to grow." Building upon established momentum, Vanderbilt is strengthening its commitment to free expression, responsible land use, integrated residential experiences, faculty recruitment, innovation, and rigorous research in Nashville and across the country. Through the Dare to Grow campaign, Vanderbilt is leveraging strong operational performance and philanthropic support to fuel transformative investments that will shape its academic and research enterprise for generations to come.

Vandy United remains a centerpiece of this momentum and represents the most ambitious undertaking in Vanderbilt athletics history. Launched in 2021 with an initial $100 million university commitment and a $10 million lead gift from Board of Trust member John R. Ingram, the initiative quickly achieved its initial $300 million fundraising goal as part of the Dare to Grow campaign. Vandy United continues to transform the athletics footprint on campus, including the dedication of the Frist Athletics Village, while strengthening facilities, operations, and the overall student-athlete experience. Designed to enhance every sport and create an immersive gameday environment for Commodore Nation, Vandy United reflects Vanderbilt's holistic investment in student success both academically and athletically.

Vanderbilt is expanding its national footprint through a connected network of campuses and innovation hubs in strategic regions across the country. Vanderbilt University–New York City, located in Manhattan's Chelsea neighborhood, welcomed its inaugural student cohort in fall 2026 and expanded opportunities for experiential learning, research, industry collaboration, and engagement with Vanderbilt's largest community outside Tennessee. In San Francisco, Vanderbilt plans to open a full-time academic campus in fall 2027, pending regulatory approvals, eventually serving approximately 1,000 undergraduate and graduate students. The Jen-Hsun and Lori Huang College of Art, Architecture and Design, is planned as an interdisciplinary model that connects engineering, entrepreneurship, and design with the arts, humanities, social sciences, and natural sciences. In West Palm Beach, the university is advancing plans for a graduate and professional campus, with planned academic and research areas that include management, space technology, defense technology and manufacturing, AI, and data science. Vanderbilt is also extending its reach to Chattanooga through the Institute for Quantum Innovation, developed with EPB of Chattanooga to advance quantum science, artificial intelligence research, education, commercialization, and workforce development. Together, these initiatives create an interconnected campus network that extends Vanderbilt's education, research, innovation, and partnerships into major centers of technology, business, and creativity nationwide.

Vanderbilt's strong operating results and net asset position in fiscal 2026, together with these investments, underscore the university's commitment to innovation, interdisciplinary collaboration, and sustained impact at both the regional and national levels.

Vanderbilt's audited financial statements and other key financial metrics for fiscal 2026 are included in the following pages.

Report of Independent Auditors

To the Board of Trust of Vanderbilt University

Opinion

We have audited the accompanying consolidated financial statements of Vanderbilt University and its subsidiaries (the "University"), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities, and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the 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 opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 one year after the date the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the 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 consolidated financial statements.
- Conclude whether, in our judgment, 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 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Letter from Chancellor Daniel Diermeier, Vanderbilt University Statistics, and the Financial Overview, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PricewaterhouseCoopers LLP

Nashville, Tennessee
September 30, 2026

Vanderbilt University
Consolidated Statements of Financial Position

As of June 30, 2026 and June 30, 2025 (in thousands)

	June 2026	June 2025
ASSETS		
Cash and cash equivalents	$ 1,065,221	$ 1,144,402
Accounts receivable, net	155,315	144,119
Prepaid expenses and other assets	75,268	59,640
Contributions receivable, net	260,904	200,775
Student loans and other notes receivable, net	19,611	18,367
Investments	12,735,294	10,878,885
Right-of-use assets, operating leases	14,552	27,312
Right-of-use assets, finance leases	47,290	-
Property, plant, and equipment, net	2,618,322	2,399,666
Interests in trusts held by others	30,605	28,323
Total assets	**$ 17,022,382**	**$ 14,901,489**
LIABILITIES		
Accounts payable and accrued liabilities	$ 355,194	$ 231,195
Accrued compensation and withholdings	154,878	140,986
Deferred revenue	53,495	52,617
Deferred trademark revenue	1,652,929	1,702,419
Actuarial liabilities	36,219	34,739
Government advances for student loans	13,582	15,081
Commercial paper and other short-term debt	49,612	49,823
Long-term debt	913,849	931,519
Fair value of securities sold short	499,628	508,770
Operating lease liabilities	15,965	29,233
Finance lease liabilities	43,079	-
Total liabilities	**3,788,430**	**3,696,382**
NET ASSETS		
Without donor restrictions	7,448,467	6,355,598
With donor restrictions	5,785,485	4,849,509
Total net assets	**13,233,952**	**11,205,107**
Total liabilities and net assets	**$ 17,022,382**	**$ 14,901,489**

The accompanying notes are an integral part of the consolidated financial statements.

Vanderbilt University
Consolidated Statement of Activities

Year Ended June 30, 2026 (in thousands)

	2026		
	Without Donor Restriction	**With Donor Restriction**	**Total**
REVENUES AND OTHER SUPPORT			
Tuition and educational fees, net	$ 438,109	$ -	$ 438,109
Grants and contracts:			
Government sponsors	212,432	-	212,432
Private sponsors	31,178	-	31,178
Facilities and administrative cost recovery	73,425	-	73,425
Total grants and contracts	317,035	-	317,035
Contributions	66,936	219,324	286,260
Endowment distributions	326,207	188,008	514,215
Room, board, and other auxiliary services, net	153,820	-	153,820
Trademark, license, and royalty revenue	203,822	-	203,822
Affiliated entity revenue	226,590	-	226,590
Other sources	142,225	11,043	153,268
Net assets released from restrictions	196,517	(196,517)	-
Total revenues and other support	**2,071,261**	**221,858**	**2,293,119**
EXPENSES			
Salaries, wages, and benefits	1,023,844	-	1,023,844
Supplies, services, and other	670,537	-	670,537
Interest expense	36,119	-	36,119
Depreciation	136,449	-	136,449
Grants to affiliate	43,739	-	43,739
Total expenses	**1,910,688**	**-**	**1,910,688**
Results of operations	**160,573**		
OTHER CHANGES IN NET ASSETS			
Change in appreciation of endowment, net of distributions	937,442	667,213	1,604,655
Change in appreciation of other investments, net of distributions	(19,419)	-	(19,419)
Contributions for capital improvements	-	58,939	58,939
Net assets released from restrictions for capital improvements	62,533	(62,533)	-
Nonoperating net asset reclassifications	(50,499)	50,499	-
Other nonoperating activity	2,239	-	2,239
Total other changes in net assets	**932,296**	**714,118**	**1,646,414**
Total changes in net assets	**1,092,869**	**935,976**	**2,028,845**
Net assets, June 30, 2025	**$ 6,355,598**	**$ 4,849,509**	**$ 11,205,107**
Net assets, June 30, 2026	**$ 7,448,467**	**$ 5,785,485**	**$ 13,233,952**

The accompanying notes are an integral part of the consolidated financial statements.

Vanderbilt University
Consolidated Statement of Activities

Year Ended June 30, 2025 (in thousands)

	2025		
	Without Donor Restriction	**With Donor Restriction**	**Total**
REVENUES AND OTHER SUPPORT			
Tuition and educational fees, net	$ 419,531	$ -	$ 419,531
Grants and contracts:			
Government sponsors	233,888	-	233,888
Private sponsors	35,825	-	35,825
Facilities and administrative costs recovery	80,334	-	80,334
Total grants and contracts	350,047	-	350,047
Contributions	45,948	159,560	205,508
Endowment distributions	329,983	185,575	515,558
Room, board, and other auxiliary services, net	158,384	-	158,384
Trademark, license, and royalty revenue	162,551	-	162,551
Affiliated entity revenue	213,381	-	213,381
Other sources	142,527	6,666	149,193
Net assets released from restrictions	194,659	(194,659)	-
Total revenues and other support	**2,017,011**	**157,142**	**2,174,153**
EXPENSES			
Salaries, wages, and benefits	976,417	-	976,417
Supplies, services, and other	635,492	-	635,492
Interest expense	30,063	-	30,063
Depreciation	116,913	-	116,913
Grants to affiliate	40,778	-	40,778
Total expenses	**1,799,663**	**-**	**1,799,663**
Results of operations	**217,348**		
OTHER CHANGES IN NET ASSETS			
Change in appreciation of endowment, net of distributions	279,165	196,451	475,616
Change in appreciation of other investments, net of distributions	211	-	211
Contributions for capital improvements	-	34,479	34,479
Net assets released from restrictions for capital improvements	35,776	(35,776)	-
Nonoperating net asset reclassifications	416	(416)	-
Other nonoperating activity	(203)	-	(203)
Total other changes in net assets	**315,365**	**194,738**	**510,103**
Total changes in net assets	**532,713**	**351,880**	**884,593**
Net assets, June 30, 2024	**$ 5,822,885**	**$ 4,497,629**	**$ 10,320,514**
Net assets, June 30, 2025	**$ 6,355,598**	**$ 4,849,509**	**$ 11,205,107**

The accompanying notes are an integral part of the consolidated financial statements.

Vanderbilt University
Consolidated Statements of Cash Flows

Years Ended June 30, 2026 and 2025 (in thousands)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in total net assets	**$ 2,028,845**	**$ 884,593**
Adjustments to reconcile change in total net assets to net cash provided by (used in) operating activities:		
Change in net assets related to noncontrolling interests	121	246
Realized and unrealized gain on investments, net	(2,263,952)	(987,855)
Contributions for capital improvements and endowment	(42,722)	(75,856)
Contributions of donated securities	(79,851)	(81,146)
Proceeds from sale of donated securities	21,283	4,484
Depreciation	136,449	116,913
Amortization of bond discounts and premiums	(1,065)	(1,191)
Amortization of right-of-use assets, finance leases	401	-
Amortization of right-of-use assets, operating leases	14,918	14,157
Interest for finance lease	1,638	-
(Gain) loss from disposals of property, plant, and equipment	1,838	(1,442)
Proceeds from premium on new debt issuance	-	30,980
Change in:		
Accounts receivable, net	(11,196)	(23,790)
Prepaid expenses and other assets	(15,628)	(40,698)
Contributions receivable, net	(60,129)	(42,038)
Interests in trusts held by others	191	(365)
Accounts payable and accrued liabilities, net of nonoperating items	118,391	(75,538)
Accrued compensation and withholdings	13,892	26,541
Deferred revenue	878	(1,098)
Deferred trademark revenue	(49,490)	(47,911)
Actuarial liabilities	1,480	2,109
Operating lease liabilities	(15,424)	(14,486)
Net cash used in operating activities	**(199,132)**	**(313,391)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(9,580,578)	(6,774,125)
Proceeds from sales of investments	10,126,658	7,386,249
Proceeds from sales of investments allocable to noncontrolling interests	-	76
Acquisitions of property, plant, and equipment	(351,334)	(359,365)
Student loans and other notes receivable disbursed	(2,409)	(5,210)
Principal collected on student loans and other notes receivable	1,164	3,129
Net cash provided by investing activities	**193,501**	**250,754**
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions for capital improvements and endowment	42,721	75,856
Government advances for student loans	(1,499)	191
Principal payments of debt	(16,816)	(91,344)
Principal payments for finance lease right-of-use asset	(6,250)	-
Proceeds from new debt issuances	-	344,487
Proceeds from sale of donated securities restricted for capital improvements and endowment	58,567	76,662
Payments to noncontrolling interests in investment partnerships	-	(76)
Net cash provided by financing activities	**76,723**	**405,776**
Net increase in cash, cash equivalents, and restricted cash	**71,092**	**343,139**
Cash and cash equivalents and restricted cash at beginning of year	**$ 1,701,660**	**$ 1,358,521**
Cash and cash equivalents and restricted cash at end of year	**$ 1,772,752**	**$ 1,701,660**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 36,515	$ 33,682
Accrued liabilities related to additions of property, plant, and equipment	$ 79,433	$ 73,825

The accompanying notes are an integral part of the consolidated financial statements.

Vanderbilt University
Notes to the Consolidated Financial Statements

1. ORGANIZATION

The Vanderbilt University ("Vanderbilt" or the "university") is a private, coeducational, not-for-profit, nonsectarian institution headquartered in Nashville, Tennessee. Founded in 1873, Vanderbilt advances its mission through teaching, research, innovation, and public service. Vanderbilt's 11 schools and colleges serve approximately 7,400 undergraduate and 6,200 graduate and professional students.

Vanderbilt's principal campus is located in Nashville, Tennessee, and the university is expanding its geographic presence through a network of campuses and strategic initiatives. The campus network includes Vanderbilt University–New York City and initiatives under development in West Palm Beach, Florida; San Francisco, California; and Chattanooga, Tennessee. These locations are intended to leverage regional strengths and opportunities while advancing Vanderbilt's mission, academic standards, institutional values, and strategic priorities.

The consolidated financial statements include the accounts of all entities in which Vanderbilt has a significant financial interest and over which Vanderbilt has control.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The consolidated financial statements have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles ("GAAP"). Vanderbilt eliminates all material intercompany accounts and transactions in consolidation.

Net Asset Classifications
Based on the existence or absence of donor-imposed restrictions, Vanderbilt classifies resources into two categories: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are free of donor-imposed restrictions. This classification includes all revenues, gains, and losses not restricted by donors. Vanderbilt reports all expenses as decreases in net assets without donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions that will be met by either actions of Vanderbilt or the passage of time. These net assets may include unconditional pledges, split-interest agreements, interests in trusts held by others, and donor-restricted endowments. Generally, the donor-imposed restrictions of these assets permit Vanderbilt to use a portion of the income earned on related investments for specific purposes.

Vanderbilt reports expirations of donor restrictions on net assets (i.e., the passage of time and/or fulfillment of donor-imposed stipulations) as net assets released from restrictions between the applicable net asset classes in the consolidated statements of activities.

Cash and Cash Equivalents
Cash and cash equivalents include highly liquid assets with maturities of three months or less at the date of purchase and minimal interest rate risk, including depository account balances, money market funds, and short-term U.S. Treasury securities. Vanderbilt reports cash equivalents at fair value. Cash designated for investment is included within investments in the accompanying consolidated statements of financial position.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated statements of financial position that correspond to the amounts reported in the consolidated statements of cash flows.

	2026	2025
Cash and cash equivalents	$ 1,065,221	$ 1,144,402
Cash included in investments	707,531	557,258
Total cash and cash equivalents and restricted cash shown in the consolidated statements of cash flows	**$ 1,772,752**	**$ 1,701,660**

Prepaid Expenses and Other Assets
Prepaid expenses and other assets primarily consist of prepaid expenses and assets held in segregated investment accounts managed by third parties in connection with deferred compensation plans. These assets are measured at fair value, primarily classified as Level 1 within the fair value hierarchy (Note 12) and are excluded from investments.

The invested assets remain the property of Vanderbilt and are available to its general creditors. Plan participants have contractual rights to receive benefits under the plans but no ownership interest in the underlying assets. Accordingly, the investment assets and related deferred

compensation liabilities, which are included in accrued compensation and withholdings, are presented separately on a gross basis in the statement of financial position.

Fair Value Measurements
Fair value measurements represent the price to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Inputs to the valuation techniques used are prioritized to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Vanderbilt evaluates certain investment funds that do not have readily determinable fair values, including private investments, hedge funds, real estate, and other funds. Vanderbilt elected the practical expedient, which allows for the use of net asset value per share or its equivalent in estimating the fair value of interests in investment companies for which a readily determinable fair value is not available. Vanderbilt reports these assets separately from the fair value hierarchy in Note 12.

Investments
Vanderbilt reports investments at fair value using the three-level hierarchy established under GAAP. For certain alternative investments, mainly investments in limited partnerships where a ready market for the investments does not exist, Vanderbilt utilizes estimates provided by fund managers.

Vanderbilt's investment portfolio carries liquidity, interest rate, counterparty, basis, tax, regulatory, market, and credit risks for both marketable and nonmarketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in Vanderbilt's financial statements.

Vanderbilt uses derivatives from time to time to manage investment market risks and exposure. The consolidated financial statements include derivatives, which consist of both internally managed transactions and those entered into through external investment managers, at fair value. The most common instruments utilized are futures contracts and hedges against currency risk for investments denominated in currencies other than U.S. dollars. For internally managed transactions, Vanderbilt utilizes futures contracts with durations of less than three months.

Vanderbilt records purchases and sales of securities on the trade dates and realized gains and losses are determined based on the average historical cost of the securities sold. Vanderbilt reports net receivables and payables arising from unsettled trades as a component of investments.

Unless donor-restricted endowment gift agreements require separate investment, Vanderbilt manages all endowment investments as an investment pool.

Leases
Vanderbilt determines whether an arrangement is or contains a lease at inception. Vanderbilt has both leases under which it is obligated as a lessee and leases for which it is a lessor. Finance leases in which Vanderbilt is a lessee are reported as right-of-use assets, finance leases and finance lease liabilities on the consolidated statements of financial position. Operating leases in which Vanderbilt is a lessee are reported as right-of-use assets, operating leases and operating lease liabilities on the consolidated statements of financial position. These assets and liabilities are initially recognized at the commencement date based on the present value of future minimum lease payments over the lease term, discounted using an appropriate incremental borrowing rate. Vanderbilt initially recognizes finance lease right-of-use assets and lease liabilities at the commencement date based on the present value of future minimum lease payments over the lease term, discounted using the incremental borrowing rate. Options to extend or terminate a lease are included in the amount recognized to the extent that Vanderbilt is reasonably certain to exercise those options. Operating lease expense for lease payments is recognized on a straight-line basis over the operating lease term. Variable lease payments based on an index or rate, such as the consumer price index, are initially measured using the index or rate in effect at lease commencement. Finance right-of-use assets are amortized on a straight-line basis over the lease term. Interest expense for finance leases is recognized based on the incremental borrowing rate. Lease liabilities are increased by interest and reduced by lease payments each period, and the right of use asset is amortized over the lease term. Rental revenue arising from operating leases in which Vanderbilt is a lessor is recognized on a straight-line basis over the lease term and is included in room, board, and other auxiliary services, net, in the consolidated statements of activities.

Vanderbilt has elected the short-term lease exception under ASU 2016-02, Leases (ASC Topic 842) for all leases, and therefore, leases with an initial term of 12 months or less are not included on the consolidated statements of financial position.

Split-Interest Agreements and Interests in Trusts Held by Others
Vanderbilt serves as trustee for the majority of its split-interest agreements, which include irrevocable charitable remainder trusts, charitable gift annuities, and life income funds. Vanderbilt reports assets held in these trusts at fair value in investments and recognizes contribution revenue at the dates the trusts are established, net of the liabilities for the present value of the estimated future payments to the donors and/or other beneficiaries. Each year, Vanderbilt records the change in fair value of split-interest agreements based on the assets that are associated with each trust and recalculates the liability for the present value of the estimated future payments to the donors and/or other beneficiaries.

Vanderbilt also holds beneficial interests in certain trusts held and administered by others. Vanderbilt records its share of these trust assets at fair value as interests in trusts held by others with any resulting gains or losses reported as investment income with donor restrictions.

Property, Plant, and Equipment
Vanderbilt records purchased property, plant, and equipment at cost, including, where appropriate, capitalized interest on construction financing. Vanderbilt capitalizes donated assets at fair value on the date of donation, expenses repairs and maintenance costs as incurred, and expenses purchases for the fine art and library collections at the time of acquisition.

Vanderbilt depreciates assets using the straight-line method to allocate the cost of various classes of assets over their estimated useful lives. Vanderbilt follows the half-year convention to calculate depreciation associated with construction-related assets (e.g., land improvements, buildings, leasehold improvements, and fixed equipment). Under the half-year convention, Vanderbilt treats fixed assets constructed during the year as if placed in service on January 1, regardless of in-service date. All other purchased assets (e.g., moveable equipment) begin depreciation on the in-service date. Vanderbilt removes property, plant, and equipment from the accounting records upon disposal.

Vanderbilt accrues conditional asset retirement obligations, such as asbestos abatement or removal, based on legal requirements to perform certain future activities associated with the retirement, disposal, or abandonment of assets utilizing site-specific surveys to estimate the net present value for applicable future costs.

Vanderbilt reviews long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Vanderbilt recognizes an impairment charge when the fair value of the asset or group of assets is less than the carrying value.

Debt Portfolio Financial Instruments
Vanderbilt reports long-term debt at carrying value. The carrying value of Vanderbilt's debt is the par amount adjusted for the net unamortized amount of bond premiums and/or discounts.

Contributions
Vanderbilt recognizes unconditional promises to give (pledges) as contribution revenue upon receipt of a commitment from the donor, with payments due in future periods reported as increases in net assets with donor restrictions at the estimated present value of future cash flows. Vanderbilt recognizes pledges net of an allowance for amounts estimated to be uncollectible based upon past collection experience and other judgmental factors.

Vanderbilt records contributions with donor-imposed restrictions as increases in net assets with donor restrictions. After meeting donor stipulations, Vanderbilt releases contributions from restriction and recognizes these contributions as net assets without donor restrictions. Vanderbilt releases from restrictions contributions for capital improvements and recognizes these contributions as nonoperating net assets released from restrictions for capital improvements when the related asset is placed in service.

In contrast to unconditional promises, Vanderbilt does not record conditional promises (primarily bequest intentions and conditional grants) until the university meets donor stipulations.

Measure of Operations
Vanderbilt defines operating results as the change in net assets without donor restrictions from operating activity, as presented in the consolidated statements of activities. Operating revenue includes tuition and fees (net of financial aid), grants and contracts, trademark revenue, revenue from affiliates, contributions for operating programs, endowment distributions in support of operations, and other revenues. Vanderbilt reports operating expenses on the consolidated statements of activities by natural classification.

The university's nonoperating activity within the consolidated statements of activities includes endowment and other investment returns, contributions for capital improvements, and other nonrecurring items.

Income Taxes
Vanderbilt is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("the Code") and generally is exempt from federal income taxes on related income. Vanderbilt is, however, subject to federal and state income tax on unrelated business income, and a provision for such taxes is included in the accompanying consolidated financial statements. Vanderbilt evaluates its tax position regularly and does not expect any material uncertain tax positions requiring disclosure or adjustment to the consolidated financial statements.

The Tax Cuts and Jobs Act ("TCJA"), enacted on December 22, 2017, as expanded by the One Big Beautiful Bill Act ("OBBBA"), enacted on July 4, 2025, and effective to Vanderbilt for fiscal year 2027, impacts Vanderbilt in several ways, including imposing excise taxes on certain excess compensation and net investment income, and establishing rules for calculating unrelated business taxable income as separate trades or businesses. Vanderbilt evaluated the impact of the OBBBA on the consolidated financial statements and has reflected tax liabilities in the accompanying consolidated financial statements using reasonable estimates and the expected tax rate upon realization of these tax liabilities. As of June 30, 2026, Vanderbilt reported a deferred tax liability related to the excise tax of $121.1 million. Vanderbilt allocates the deferred tax liability to both with and without donor restriction based on the underlying assets of the investment return. As the excise taxes are paid with funds without donor restrictions, a nonoperating net asset reclassification is recorded to reflect the actual impact on the

Statement of Activities for the portion of the tax expense with donor restrictions. Vanderbilt records deferred tax liabilities within accounts payable and accrued liabilities on the consolidated statements of financial position.

Use of Estimates

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period as well as the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Revision to Prior Period

In connection with preparing the consolidated financial statements for the year ended June 30, 2026, Vanderbilt revised its previously issued June 30, 2025, consolidated financial statements to correct a prior-period error in the consolidated statement of financial position, related notes, and the statement of cash flows. The correction had no effect on the previously issued consolidated statement of activities. The error related to Vanderbilt's Nonqualified Internal Revenue Code ("IRC") Section 457(b) Plan, for which the university had not previously recorded the related assets and liabilities in the consolidated statement of financial position. Management determined that the revision was not material to the previously issued financial statements and is not material to the current year financial statements. The revision equally increases assets and liabilities with a net zero impact on net assets and the total net cash from operating activities on the statement of cash flows was unchanged. Vanderbilt revised the prior-period amounts presented for comparative purposes to reflect the correction, as described in the tables below:

Statement of financial position as of June 30, 2025	**As previously reported**	**Adjustment**	**As revised**
Prepaid expenses and other assets	$ 19,359	$ 40,281	$ 59,640
Total assets	**$ 14,861,208**	**$ 40,281**	**$ 14,901,489**
Accrued compensation and withholdings	$ 100,705	$ 40,281	$ 140,986
Total liabilities	**$ 3,656,101**	**$ 40,281**	**$ 3,696,382**
Total liabilities and net assets	**$ 14,861,208**	**$ 40,281**	**$ 14,901,489**

Statement of cash flows for year ended June 30, 2025	**As previously reported**	**Adjustment**	**As revised**
Prepaid expenses and other assets	$ (417)	$ (40,281)	$ (40,698)
Accrued compensation and withholdings	$ (13,740)	$ 40,281	$ 26,541
Net cash used in operating activities	**$ (313,391)**	**$ -**	**$ (313,391)**

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of June 30 were as follows *(in thousands)*:

	2026	2025
Total assets	$ 17,022,382	$ 14,901,489
Less nonfinancial assets:		
Property, plant, and equipment, net	2,618,322	2,399,666
Prepaid expenses and other assets	75,268	59,640
Right-of-use assets	61,842	27,312
Less assets unavailable for general expenditure within one year:		
Endowment funds, including institutional endowments	12,521,231	10,719,895
Contributions receivable, greater than one year	153,048	108,353
Interests in trusts held by others and investments allocable to minority interests	30,781	28,620
Annuities, trusts, and other illiquid investments	26,693	25,917
Student loans and other notes receivable, net	19,611	18,367
Financial assets available for general expenditure within one year	**$ 1,515,586**	**$ 1,513,719**

As of June 30, 2026, Vanderbilt's financial assets available for general expenditure within one year of the balance sheet date totaled $1,515.6 million, consisting of cash of $1,065.2 million, accounts receivable of $155.3 million, contributions receivable, less than one year, of $107.9 million, and short-term investments of $187.2 million.

Vanderbilt manages its financial assets to ensure availability for operating expenditures, liabilities, and other obligations. In addition, Vanderbilt invests cash in excess of daily requirements in short-term investments or fixed-income securities. To supplement working capital and investment commitments, as of June 30, 2026, Vanderbilt had three general lines of credit totaling $390.0 million ($250.0 million established in September 2023, maturing in September 2026, $100.0 million renewed in June 2026, maturing in June 2027, and $40.0 million established in October 2025, maturing in October 2026). In fiscal years 2026 and 2025, Vanderbilt did not borrow against any of its general-use lines of credit to support operations. In December 2025, the Board increased the university's total commercial paper authorization to $700.0 million from $300.0 million. As of June 30, 2026, Vanderbilt had $25.0 million of tax-exempt and $25.0 million (par) of taxable commercial paper outstanding.

Vanderbilt provides liquidity support for debt with short-term remarketing periods through self-liquidity. Additionally, Vanderbilt held institutional endowments of $7,218.6 million and $6,210.8 million as of June 30, 2026, and June 30, 2025, respectively. Although Vanderbilt does not intend to spend its institutional endowment funds, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its institutional endowment funds could be made available if necessary. However, both donor-restricted and institutional endowments include investments with lock-up provisions, limiting the total investments that could be made available (refer to Notes 7 and 12 for disclosures about investments).

4. ACCOUNTS RECEIVABLE

The major components of accounts receivable as of June 30 were as follows *(in thousands)*:

	2026	2025
VUMC-related agreements	$ 101,466	$ 80,071
Research and sponsored programs	36,093	48,511
Tuition and fees	4,363	5,090
Royalty distributions receivable	3,793	9,057
Accrued investment income	35	537
Other	12,521	3,805
Accounts receivable	**158,271**	**147,071**
Less: Allowance for uncollectible amounts	(2,956)	(2,952)
Accounts receivable, net	**$ 155,315**	**$ 144,119**

Vanderbilt records allowances for uncollectible amounts based on management's assessment of expected net collections considering historical trends and current economic factors. Vanderbilt's accounts receivable balance on June 30, 2026, includes $101.5 million related to agreements with VUMC and $36.1 million related to research and sponsored programs. These receivables account for 89% of total net receivables as of June 30, 2026.

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30 were as follows *(in thousands)*:

	2026	2025
Unconditional promises expected to be collected:		
less than one year	$ 107,856	$ 92,422
between one year and five years	168,767	130,519
in more than five years	33,553	14,890
Contributions receivable	**310,176**	**237,831**
Less: Discount	(30,424)	(18,740)
Less: Allowance for uncollectible promises	(18,848)	(18,316)
Contributions receivable, net	**$ 260,904**	**$ 200,775**

Vanderbilt discounts contributions receivable at a rate commensurate with the scheduled timing of receipt. Vanderbilt applied discount rates ranging from 4.0% to 4.3% and 3.7% to 4.0% to amounts outstanding as of June 30, 2026, and 2025, respectively. Vanderbilt's methodology for calculating the allowance for uncollectible promises consists of analyzing write-offs as a percentage of gross pledges receivable along with assessing the age and activity of outstanding pledges.

Contributions receivable, net as of June 30, were as follows *(in thousands)*:

	2026	2025
Restricted for programs and other operational purposes	$ 70,040	$ 36,992
Restricted for capital improvements	66,261	75,302
Restricted for endowment	124,603	88,481
Contributions receivable, net	**$ 260,904**	**$ 200,775**

In addition to pledges reported as contributions receivable, Vanderbilt had cumulative bequest intentions, conditional grants, and conditional promises to give of approximately $1,353.5 million and $988.2 million as of June 30, 2026, and 2025, respectively. Due to their conditional nature, Vanderbilt does not recognize these intentions to give as assets.

6. STUDENT LOANS AND OTHER NOTES RECEIVABLE

Student loans and other notes receivable as of June 30 were as follows *(in thousands)*:

	2026			2025		
	Receivable	**Allowance**	**Net**	**Receivable**	**Allowance**	**Net**
Federal Student Loans	$ 13,499	$ (89)	$ 13,410	$ 14,131	$ (116)	$ 14,015
Faculty mortgages	1,201	-	1,201	1,227	-	1,227
Other notes receivable	5,000	-	5,000	3,125	-	3,125
Student loans, other notes receivable, and related allowances	**$ 19,700**	**$ (89)**	**$ 19,611**	**$ 18,483**	**$ (116)**	**$ 18,367**

Vanderbilt remains committed to "no loans" for its undergraduate students, meaning that the university meets full demonstrated financial need with scholarship and grant assistance. For other groups (e.g., professional school students), the university continues to participate in several federal revolving loan programs, including the Perkins, Nursing, and Health Professions Student Loan programs.

Vanderbilt assigns student loans receivable under governmental loan programs, carried at cost, to the federal government or its designees. Vanderbilt classifies refundable advances from the federal government as liabilities in the consolidated statements of financial position. When loans are canceled under a governmental program, the cancellation reduces the funds available for loans and decreases Vanderbilt's liability to the government.

Vanderbilt establishes bad debt allowances based on prior collection experience and current economic factors, which, in management's judgment, could influence the ability of loan recipients to repay amounts due.

To attract and retain a world-class faculty, Vanderbilt provides various incentives and historically provided home mortgage financing assistance in select situations. Deeds of trust on properties concentrated in the surrounding region collateralize these notes. Vanderbilt has not recorded an allowance for doubtful accounts for loans based on prior collection history.

7. INVESTMENTS

Investments consist of the following as of June 30 *(in thousands)*:

	2026	2025
Short-term securities [1]	$ 94,619	$ 56,492
Global equities [1]	1,615,341	1,852,448
Fixed income [1]	1,081,803	895,720
Hedged strategies [2]	2,084,724	2,104,718
Private capital [3]	6,382,309	4,575,261
Real estate [3]	659,559	623,091
Natural resources [3]	308,502	422,910
Commodities [4]	411,675	243,864
Trusts [5]	26,693	25,917
Private credit [1]	44,176	56,143
Other investments [5]	25,893	22,321
Total value [6]	**$ 12,735,294**	**$ 10,878,885**

[1] Quoted prices in active markets determine fair value, or fund managers provide the net asset value per share of the specific investment to establish fair value.
[2] Quoted prices in active markets determine fair value, or fund managers provide the net asset value per share of the specific investment to establish fair value. Includes $707.5 million and $557.3 million of cash and cash equivalents classified as investments in fiscal 2026 and 2025, respectively.
[3] Fund managers provide the net asset value of Vanderbilt's ownership interests at the fund level to establish fair value.
[4] Quoted prices in active markets determine fair value.
[5] Carrying value provides a reasonable estimate of fair value for certain components.
[6] Net of securities sold short of $499.6 million and $508.8 million, total value of investments is $12,235.7 million and $10,370.1 million in fiscal 2026 and 2025, respectively.

Included in the amounts above are investments allocable to noncontrolling interests (i.e., minority limited partners) reported at fair value. Changes in noncontrolling interests net assets for the fiscal year ended June 30, 2026, were as follows *(in thousands)*:

Fair value as of June 30, 2025	**$ 297**
Distributions to minority limited partners	-
Capital commitments funded by minority limited partners	-
Change in value allocable to minority limited partners	(121)
Fair value as of June 30, 2026	**$ 176**

Changes in noncontrolling interests net assets for the fiscal year ended June 30, 2025, were as follows *(in thousands)*:

Fair value as of June 30, 2024	**$ 543**
Distributions to minority limited partners	(76)
Capital commitments funded by minority limited partners	-
Change in value allocable to minority limited partners	(170)
Fair value as of June 30, 2025	**$ 297**

Short-term securities primarily comprise short-term U.S. Treasury bills.

Global equities consist of investment funds globally diversified across public markets including U.S. markets, other developed markets, and emerging and frontier markets. Fund managers of these investments have the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position.

Fixed income includes investments directed toward capital preservation and predictable yield as well as more opportunistic strategies focused on generating return on price appreciation. These investments are primarily public investments such as U.S. Treasuries and other government obligations, investment-grade corporate bonds, high-yield corporate bonds, bank debt, commercial mortgage-backed securities, residential non-agency mortgage-backed securities, asset-backed securities, direct lending, and below investment-grade developed and emerging market sovereign debt. Vanderbilt may make investments through commingled vehicles, separately managed accounts, synthetic transactions, and limited partnership interests.

Hedged strategies reflect multiple strategies such as event driven, relative value, and equity funds to diversify risks and reduce volatility in the portfolio, generally through hedge fund structures. These strategies also include investments in long and short primarily credit-oriented securities. Investments may include mortgage-backed securities, trade finance, debt and asset-backed securities, repurchase agreements, senior loans, bank loans, and cash designated for investment. The fair value of open short positions is recorded as a liability, and Vanderbilt

records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of the open short position. By entering into short sales, Vanderbilt bears the market risk of increases in the value of the security sold short in excess of the proceeds received. Possible losses from short sales differ from losses that could be incurred from purchases of securities because losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested.

Private capital consists of illiquid investments in buyouts, distressed debt, mezzanine debt, growth equity, and venture capital. Vanderbilt may make investments through commingled vehicles, separately managed accounts, synthetic transactions, limited partnership interests, and direct investments.

Real estate comprises illiquid investments in residential and commercial real estate assets, projects, publicly traded REITs, or land held directly through separately managed accounts, limited partnership interests, and direct investments in properties. The nature of the investments in this category is such that distributions generally reflect liquidation of the underlying assets of the funds.

Natural resources include illiquid investments in timber, oil and gas production, mining, energy, and related services businesses held directly or in commingled limited partnership funds.

Commodities include public investments such as commodity futures, commodity-related equities, and private investments in energy, power, infrastructure, and timber. Investments may be made through commingled vehicles, separately managed accounts, synthetic transactions, limited partnership interests, and direct investments.

Trusts are Vanderbilt's split-interest agreements with donors, including charitable gift annuities, life income funds, and other nonendowed trusts.

Private credit includes privately originated or negotiated investments, comprising potentially higher yielding, illiquid opportunities across a range of risk and return profiles, and these investments are not traded on the public markets.

8. ENDOWMENT

Endowment-related assets include donor-restricted endowments and institutional endowments (quasi-endowments). Vanderbilt's endowment does not include gift annuities, interests in trusts held by others, contributions pending donor designation, or contributions receivable.

Interpretation of Relevant Law

The Board of Trust interprets its fiduciary responsibilities for donor-restricted endowments under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), barring any donor-specific provisions, as requiring the preservation of intergenerational equity. Under this broad guideline, future endowment beneficiaries should receive at least the same level of real economic support as the current generation. The overarching objective is to preserve and enhance the real (inflation-adjusted) purchasing power of the endowment in perpetuity. Vanderbilt invests assets to provide a relatively predictable and stable stream of earnings to meet spending needs and attain long-term return objectives without the assumption of undue risks.

UPMIFA designates, unless stated otherwise in a gift instrument, donor-restricted assets in an endowment fund as restricted assets until appropriated for expenditure. Barring the existence of specific instructions in gift agreements, Vanderbilt reports both the historical value for and the net accumulated appreciation of donor-restricted endowments, including recapitalizations, as net assets with donor restrictions. In this context, historical value represents the original value of initial contributions restricted as perpetual endowments plus the original value of subsequent contributions and, if applicable, the value of accumulations made in accordance with the direction of specific donor gift agreements.

Spending Policy

Specific appropriation for expenditure of Vanderbilt's endowment funds occurs each spring when the Board of Trust approves the university's operating budget for the subsequent fiscal year. For fiscal years 2026 and 2025, Vanderbilt's Board of Trust approved endowment distributions based on 5.0% of the average of the previous three calendar year-end market values subject to a 10.0% per year maximum growth in per unit spending. Vanderbilt reinvests any realized endowment returns that exceed distributions. For years when the endowment return is less than the distribution, the endowment pool's cumulative returns from prior years cover the shortfall.

Vanderbilt may not fully expend Board-appropriated endowment distributions in a particular fiscal year. In some cases, Vanderbilt will reinvest distributions into the endowment. Institutional endowments, which are Board-designated, include amounts for student scholarships and support for faculty research and teaching.

The table below summarizes Vanderbilt's endowment for the fiscal years ended June 30 *(in thousands)*:

2026	Without Donor Restrictions	With Donor Restrictions	Total
Endowments with donor restrictions	$ -	$ 5,126,224	$ 5,126,224
Reinvested distributions	193,974	161,648	355,622
Institutional endowments [1]	7,218,591	-	7,218,591
Endowment net assets as of June 30, 2026	**$ 7,412,565**	**$ 5,287,872**	**$ 12,700,437**

[1] Institutional endowments include $678.8 million of cash that can be utilized for operations.

2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowments with donor restrictions	$ -	$ 4,341,826	$ 4,341,826
Reinvested distributions	167,575	136,769	304,344
Institutional endowments [1]	6,210,814	-	6,210,814
Endowment net assets as of June 30, 2025	**$ 6,378,389**	**$ 4,478,595**	**$ 10,856,984**

[1] Institutional endowments include $645.9 million of cash that can be utilized for operations.

The purposes of endowments with donor restrictions as of June 30 were as follows *(in thousands)*:

	2026	2025
Student scholarships	$ 2,084,059	$ 1,753,949
Endowed chairs	1,413,597	1,213,287
Operational support, not yet appropriated	888,192	762,765
Program support	487,017	397,000
Research	134,029	112,275
Faculty support and lectureships	108,217	86,348
Capital improvements	71,669	61,226
Other	101,092	91,745
Total endowments with donor restrictions	**$ 5,287,872**	**$ 4,478,595**

Return Objectives and Parameters

The endowment portfolio currently consists of three primary components designed to balance risk and return: global, public, and private equity investments. Vanderbilt expects these components, including private capital and many hedge funds, to generate favorable returns during periods of economic growth and expansion. Hedged strategies and fixed income investments are intended to provide stable returns and preserve capital during periods of weak equity performance. Vanderbilt uses real estate and natural resources allocations as an inflation hedge.

Funds with Deficiencies

From time to time, the fair value of assets associated with an endowed fund may fall below the levels required by a donor or to maintain perpetual duration endowments. Vanderbilt has a policy that permits spending from underwater funds, unless specifically prohibited by the donor or relevant laws and regulations. As of June 30, 2026, and 2025, Vanderbilt had zero and 36 funds, respectively, with deficiencies of this nature resulting from unfavorable market declines that occurred after the investment of recent contributions with donor restrictions. Vanderbilt believes these declines are modest in relation to the total market value for donor-restricted endowments and that these deficiencies will be relatively short-term in nature. The amount of such deficiencies for the fiscal years ended June 30 were as follows *(in thousands)*:

	2026	2025
Aggregate original gift amount	$ -	$ 20,359
Less aggregate fair value	-	19,498
Aggregate deficiency	**$ -**	**$ 861**

Changes in endowment net assets for the fiscal years ended June 30 were as follows *(in thousands)*:

2026	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of June 30, 2025	$ 6,378,389	4,478,595	10,856,984
Endowment investment return, net [1]	1,309,086	930,129	2,239,215
Gifts and additions to endowment, net	27,004	91,449	118,453
Endowment distributions	(301,914)	(212,301)	(514,215)
Endowment net assets as of June 30, 2026	**$ 7,412,565**	**5,287,872**	**12,700,437**

[1] Endowment investment returns are presented net of external and internal investment management fees and taxes on net investment income.

2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of June 30, 2024	$ 6,077,285	$ 4,170,443	$ 10,247,728
Endowment investment return, net [1]	584,208	406,775	990,983
Gifts and additions to endowment, net	22,151	111,680	133,831
Endowment distributions	(305,255)	(210,303)	(515,558)
Endowment net assets as of June 30, 2025	**$ 6,378,389**	**$ 4,478,595**	**$ 10,856,984**

[1] Endowment investment returns are presented net of external and internal investment management fees and taxes on net investment income.

9. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of June 30 were as follows *(in thousands)*:

	2026	2025
Land	$ 346,162	$ 346,162
Buildings and improvements	3,173,640	2,807,679
Moveable equipment	384,553	367,903
Construction in progress	396,766	464,713
Property, plant, and equipment	4,301,121	3,986,457
Less: Accumulated depreciation	(1,682,799)	(1,586,791)
Property, plant, and equipment, net	**$ 2,618,322**	**$ 2,399,666**

Buildings and improvements include $14.4 million in leasehold improvements for both the years ended June 30, 2026, and 2025. Vanderbilt reports property, plant, and equipment at cost or, if a gift, at fair value as of the date of the gift, net of accumulated depreciation. Vanderbilt computes depreciation using the straight-line method over the estimated useful lives of the assets: 10 to 50 years for buildings, building improvements, and land improvements; the shorter of the asset life or life of the lease including renewal options for which we are reasonably certain of their exercise for leasehold improvements; and three to 25 years for moveable equipment.

Vanderbilt expenses purchases for the fine art and library collections at the time of acquisition. As of June 30, 2026, the estimated replacement cost, including processing costs to properly identify, catalog, and shelve materials, for library collections totaled $532.0 million and for fine art collections totaled $50.4 million. Any proceeds from deaccessioned collection items are used for the direct care of existing collections. Direct care is an investment that enhances the life, usefulness, or quality of the collection.

Vanderbilt reported capitalized interest of $1.2 million and $5.4 million to construction in progress and/or buildings and improvements in the years ended June 30, 2026, and 2025, respectively.

Vanderbilt reviews property, plant, and equipment for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The university recognizes an impairment loss if the carrying amount of a long-lived asset exceeds its fair value and is not recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Vanderbilt did not recognize any impairment losses in fiscal 2026 or 2025.

Vanderbilt identified conditional asset retirement obligations, primarily for the costs of asbestos removal and disposal, resulting in liabilities of $2.7 million and $3.1 million as of June 30, 2026, and 2025, respectively. These liability estimates, included in accounts payable and accrued liabilities in the consolidated statements of financial position, use an inflation rate of 2.3% and 3.4% as of June 30, 2026, and 2025, respectively, and a discount rate of 5.7% and 5.6% as of June 30, 2026, and 2025, respectively, based on relevant factors at origination.

10. LONG-TERM DEBT

Long-term debt consists of bonds and notes payable with scheduled final maturity dates at least one year after the original issuance date.

Outstanding long-term debt reflected in the financial statements at carrying value as of June 30 were as follows *(in thousands)*:

	Fiscal Year of Maturity	Fixed Coupon Interest Rates as of June 30, 2026	Fiscal 2026 Effective Interest Rate	Outstanding Principal	
				2026	2025
FIXED-RATE DEBT					
Series 2016 – Taxable	2047	2.5% - 3.4%	3.3%	$ 102,135	$ 105,685
Series 2018 – Private Placement	2049	3.9%	3.9%	279,000	286,000
Series 2019 – Private Placement	2038	2.5%	2.5%	85,405	91,460
Series 2020 – Private Placement	2050	3.0%	3.0%	100,000	100,000
Series 2024 – Tax-Exempt	2055	4.0% - 5.0%	4.5%	319,665	319,665
Fixed-rate debt (par amount)			**3.8%**	**$ 886,205**	**$ 902,810**
Net unamortized premium			-	29,912	30,980
Unamortized cost of issuance			-	(2,268)	(2,271)
Total long-term debt			**3.8%**	**$ 913,849**	**$ 931,519**
COMMERCIAL PAPER					
Tax-exempt commercial paper	< 1		2.7%	$ 25,000	$ 25,000
Taxable commercial paper	< 1		4.2%	24,612	24,823
Total commercial paper			**3.4%**	**$ 49,612**	**$ 49,823**
Total long-term debt and commercial paper			**2.8%**	**$ 963,461**	**$ 981,342**

All debt instruments are general obligations of Vanderbilt. Vanderbilt did not pledge any of its assets as collateral for this debt. Payments for interest costs occur on varying scheduled payment dates for debt. Vanderbilt calculates accrued interest expense for its debt based on applicable interest rates for the respective fiscal year. Interest expense of $36.1 million in fiscal 2026 is net of capitalized interest of $1.2 million but includes $1.7 million in finance lease interest. Interest expense of $30.1 million in fiscal 2025 is net of capitalized interest of $5.4 million.

Principal retirements and scheduled sinking fund requirements based on nominal maturity schedules for long-term debt due in subsequent fiscal years are as follows *(in thousands)*:

2027	$ 17,535
2028	17,815
2029	18,130
2030	18,190
2031	18,230
Thereafter	796,305
Total long-term debt principal retirements	**$ 886,205**

Vanderbilt maintained $25.0 million (par) tax-exempt commercial paper and $25.0 million (par) taxable commercial paper outstanding during fiscal 2026. Vanderbilt also continued to use the remaining Series 2024 proceeds for a variety of ongoing campus construction projects during fiscal 2026.

11. NET ASSETS

The following is a summary of net assets as of June 30 *(in thousands)*:

2026	Without donor restriction	With donor restriction	Total
Operations	$ (467,189)	-	(467,189)
Deferred trademark license revenue	(1,652,929)	-	(1,652,929)
Net investment in plant	2,155,844	341	2,156,185
Endowment funds	7,412,565	5,287,872	12,700,437
Donor pledges and gifts	-	416,063	416,063
Split-interest agreements	-	81,209	81,209
Net assets attributable to Vanderbilt	7,448,291	5,785,485	13,233,776
Net assets related to noncontrolling interests	176	-	176
Total net assets as of June 30, 2026 [1]	**$ 7,448,467**	**5,785,485**	**13,233,952**

[1] Total net assets with donor restrictions as of June 30, 2026, includes net asset with donor restrictions restricted in perpetuity of $2,088,338.

2025	Without donor restriction	With donor restriction	Total
Operations	$ (244,780)	$ -	$ (244,780)
Deferred trademark license revenue	(1,702,419)	-	(1,702,419)
Net investment in plant	1,924,111	366	1,924,477
Endowment funds	6,378,389	4,478,595	10,856,984
Donor pledges and gifts	-	298,302	298,302
Split-interest agreements	-	72,246	72,246
Net assets attributable to Vanderbilt	6,355,301	4,849,509	11,204,810
Net assets related to noncontrolling interests	297	-	297
Total net assets as of June 30, 2025 [1]	**$ 6,355,598**	**$ 4,849,509**	**$ 11,205,107**

[1] Total net assets with donor restrictions as of June 30, 2025, includes net asset with donor restrictions restricted in perpetuity of $1,948,821.

12. FAIR VALUE MEASUREMENT

Vanderbilt utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 consist of quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 include inputs other than quoted prices in Level 1 directly or indirectly observable for the assets or liabilities.

Level 3 are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety is classified depends on the lowest level input that is significant to the fair value measurement.

The significance of the unobservable inputs to the overall fair value measurement determines the classification of a financial instrument within level 3.

The fair values of alternative investments (interests in private equity, hedge, real estate, and other similar funds) for which quoted market prices are not available are generally measured based on the reported partner's capital or net asset value ("NAV") provided by the associated external investment managers. The reported partner's capital or NAV is subject to management's assessment that the valuation provided is representative of fair value.

The consolidated statements of activities reflect: all realized and unrealized gains and losses net of expenses on investments as appreciation of endowment or appreciation of other investments; gains and losses on investments allocable to noncontrolling interests as a component of appreciation of endowment; and net realized and unrealized gains and losses on interests in trusts held by others as other sources.

The following tables present the amounts within each valuation hierarchy level for those assets and liabilities carried at fair value: cash equivalents; investments; investments allocable to noncontrolling interests (in Vanderbilt-controlled real estate and other partnerships); interests in trusts held by others; securities sold short; and deferred compensation plan assets and liabilities.

Also included in the following tables, as a measure of liquidity, are the redemption terms and restrictions of investments, along with the numbers of days' notice required to liquidate these investments. Most investments classified as levels 2 and 3 consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings. Vanderbilt's observability of inputs at or near the financial statement date determines the net assets' classification as level 2 or level 3. Vanderbilt defines near-term as within 90 days of the financial statement date. The total asset values for short-term securities, global equities, fixed income, hedged strategies, and commodities provide varying levels of liquidity, with daily to annual redemption frequencies. These strategies allow Vanderbilt to provide notice to the fund managers to exit from the respective funds in the time periods noted.

As of June 30, 2026, and 2025, the total asset values for private capital, real estate, natural resources, private credit, and other investments are illiquid. These amounts predominantly consist of limited partnerships. Under the terms of these limited partnership agreements, Vanderbilt must provide additional funding periodically as capital calls are exercised by the general partner. These partnerships have a limited existence, and the agreements may provide for annual extensions relative to the timing for disposing portfolio positions and returning capital to investors. Depending on market conditions, the ability or inability of a fund to execute its strategy, and other factors, the general partner may extend the terms or request an extension of terms of a fund beyond its originally anticipated existence or may liquidate the fund prematurely. Unforeseen events prevent Vanderbilt from anticipating such changes. As a result, the timing and amount of future capital calls or distributions in any particular year remain uncertain and the related asset values are illiquid.

Vanderbilt reports trust interests at fair value, based on the value of the underlying assets, which approximates the present value of future income from these trusts. As such, these assets fall within Level 3 of the hierarchy of fair value inputs. Trusts are restricted by donors according to the underlying gift agreement with assets held to satisfy annuity obligations or until a remainder portion becomes available upon termination. As such, trusts are illiquid until termination, the timing of which is unknown.

Vanderbilt's deferred compensation plan assets consist of publicly traded stocks, bonds, and short-term investments which qualify as level 1 inputs.

The following tables summarize the fair value measurements and terms for redemptions or liquidations for those assets and liabilities carried at fair value as of June 30 (*in thousands*):

Assets Reported at Fair Value as of June 30, 2026

	Fair Value Measurements				
	Level 1	**Level 2**	**Level 3**	**NAV**	**Total**
Cash and cash equivalents	$ 1,065,221	$ -	$ -	$ -	$ 1,065,221
Short-term securities	94,619	-	-	-	94,619
Global equities	1,461,001	113,887	-	40,453	1,615,341
Fixed income	242,630	731,560	-	107,613	1,081,803
Hedged strategies[1]	1,458,505	324,532	-	301,687	2,084,724
Private capital	47,134	-	-	6,335,175	6,382,309
Real estate	271,064	-	2	388,493	659,559
Natural resources	-	-	-	308,502	308,502
Commodities	411,675	-	-	-	411,675
Trusts	-	-	26,693	-	26,693
Private credit	-	-	-	44,176	44,176
Other investments	2,816	11,269	11,808	-	25,893
Interests in trusts held by others	-	-	30,605	-	30,605
Total assets reported at fair value	**$ 5,054,665**	**$ 1,181,248**	**$ 69,108**	**$ 7,526,099**	**$ 13,831,120**

Other Assets and Liabilities Reported at Fair Value as of June 30, 2026

Securities sold short liabilities	$ 471,060	$ 28,568	$ -	$ -	$ 499,628
Deferred compensation plan assets[2]	51,490	-	-	-	51,490
Deferred compensation plan liabilities[2]	(51,490)	-	-	-	(51,490)
Total other assets and liabilities reported at fair value	**$ 471,060**	**$ 28,568**	**$ -**	**$ -**	**$ 499,628**

[1] Includes $707.5 million of cash and cash equivalents classified as investments.
[2] Deferred compensation plan assets are included within prepaid expenses and other assets while the liabilities are included in accrued compensation and withholdings.

Assets Reported at Fair Value as of June 30, 2025

	Fair Value Measurements				
	Level 1	**Level 2**	**Level 3**	**NAV**	**Total**
Cash and cash equivalents	$ 1,144,402	$ -	$ -	$ -	$ 1,144,402
Short-term securities	56,492	-	-	-	56,492
Global equities	1,507,918	117,893	-	226,637	1,852,448
Fixed income	231,415	560,695	-	103,610	895,720
Hedged strategies[1]	1,297,090	479,543	-	328,085	2,104,718
Private capital	(387)	-	-	4,575,648	4,575,261
Real estate	241,308	-	6	381,777	623,091
Natural resources	-	-	-	422,910	422,910
Commodities	243,864	-	-	-	243,864
Trusts	-	-	25,917	-	25,917
Private credit	-	-	-	56,143	56,143
Other investments	1,148	12,741	8,432	-	22,321
Interests in trusts held by others	-	-	28,323	-	28,323
Total assets reported at fair value	**$ 4,723,250**	**$ 1,170,872**	**$ 62,678**	**$ 6,094,810**	**$ 12,051,610**

Other Assets and Liabilities Reported at Fair Value as of June 30, 2025

Securities sold short liabilities	$ 443,977	$ 64,793	$ -	$ -	$ 508,770
Deferred compensation plan assets[2]	44,495	-	-	-	44,495
Deferred compensation plan liabilities[2]	(44,495)	-	-	-	(44,495)
Total other assets and liabilities reported at fair value	**$ 443,977**	**$ 64,793**	**$ -**	**$ -**	**$ 508,770**

[1] Includes $557.3 million of cash and cash equivalents classified as investments.
[2] Deferred compensation plan assets are included within prepaid expenses and other assets while the liabilities are included in accrued compensation and withholdings.

Redemption Terms and Restrictions as of June 30, 2026

	2026 Fair Value	**Redemption Terms**	**Redemption Restrictions**
Cash and cash equivalents	$ 1,065,221	Daily, with same-day to 90-day notice	No restrictions
Short-term securities	94,619	Daily, with 1-day notice	No restrictions
Global equities	1,615,341	Daily to annually, with 1- to 90-day notice	Lock-up provision ranging from none to 2 years
Fixed income	1,081,803	Daily to annually, with 1- to 365-day notice	No restrictions
Hedged strategies	2,084,724	Daily to annually, with 15- to 90-day notice	Lock-up provision ranging from none to 2 years
Private capital	6,382,309	N/A	Not redeemable
Real estate	659,559	N/A	Not redeemable
Natural resources	308,502	N/A	Not redeemable
Commodities	411,675	Daily, with 1- to 30-day notice	No restrictions
Trusts	26,693	N/A	Not redeemable
Private credit	44,176	N/A	Not redeemable
Other investments	25,893	N/A	Not redeemable
Interests in trusts held by others	30,605	N/A	Not redeemable

Rollforwards of amounts for level 3 financial instruments for the fiscal years ended June 30 follow *(in thousands)*:

	Beginning balance as of June 30, 2025	Net realized and unrealized gains(losses) [1]	Purchases	Sales	Transfers into/(out of) level 3	Ending balance as of June 30, 2026
LEVEL 3 ASSETS						
Real estate	$ 6	$ -	$ -	$ -	$ (4)	$ 2
Trusts	25,917	2,721	3,013	(4,958)	-	26,693
Other investments	8,432	(105)	3,600	(244)	125	11,808
Interests in trusts held by others	28,323	2,282	-	-	-	30,605
Total Level 3	**$ 62,678**	**$ 4,898**	**6,613**	**(5,202)**	**121**	**69,108**

[1] Total unrealized gains/(losses) relating to level 3 investment assets held by the university at June 30, 2026, is $3,238.7 and is reflected in "Appreciation of endowment, net of distributions" for private capital and natural resources categories as well as "Other sources" for remaining categories in the consolidated statement of activities.

	Beginning balance as of June 30, 2024	Net realized and unrealized gains(losses) [1]	Purchases	Sales	Transfers into/(out of) level 3	Ending balance as of June 30, 2025
LEVEL 3 ASSETS						
Real estate	$ 8	$ (12)	$ -	$ (1,259)	$ 1,269	$ 6
Trusts	22,394	3,640	1,991	(5,682)	3,574	25,917
Other investments	2,928	4	3,000	(2,500)	5,000	8,432
Interests in trusts held by others	26,727	1,696	-	(100)	-	28,323
Total Level 3	**$ 52,057**	**$ 5,328**	**$ 4,991**	**$ (9,541)**	**$ $9,843**	**$ 62,678**

[1] Total unrealized gains/(losses) relating to level 3 investment assets held by the university at June 30, 2025, is $4,701.9 and is reflected in "Appreciation of endowment, net of distributions" for private capital and natural resources categories as well as "Other sources" for remaining categories in the consolidated statement of activities.

13. LEASES

Vanderbilt has recognized right-of-use assets (ROU) and lease liabilities for both operating and finance leases on its consolidated statements of financial position. The balances of prepaid and accrued rent, lease incentives, and unamortized assets and liabilities are presented within operating and finance lease ROU assets on Vanderbilt's consolidated statements of financial position.

Vanderbilt is obligated under numerous operating and finance leases to pay base rent through the respective lease expiration dates. Operating leases primarily consist of equipment and real property for educational campus facilities and office space with remaining lease terms of up to 10 years through fiscal 2036. The finance lease consists of real property for educational campus facilities and office space with a remaining lease term of 98 years through fiscal 2124. Variable lease payments based on an index or rate, such as the consumer price index, are initially measured using the index or rate in effect at lease commencement. Vanderbilt has elected the short-term lease exception under Topic 842 for all leases and, as such, leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position. Vanderbilt recognizes lease expense for short-term leases on a straight-line basis over the lease term.

The following tables summarize the total lease expenses components incurred for the fiscal years ended June 30 (in thousands):

	2026	2025
Finance lease expense:		
Amortization of right-of-use assets	$ 401	$ -
Interest for finance leases	1,638	-
Operating lease expense	15,253	15,192
Short-term lease expense	5,344	5,778
Total lease expense	**$ 22,636**	**$ 20,970**

Other lease information		**2026**		**2025**
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$	16,048	$	15,838
Financing cash flows from finance leases	$	6,250	$	-
Right-of-use assets obtained:				
In exchange for new operating lease liabilities	$	1,938	$	1,448
In exchange for new finance lease liabilities	$	41,441	$	-
Weighted-average remaining lease term:				
Operating leases		3.59 years		3.91 years
Finance leases		98.25 years		-
Weighted-discount rate:				
Operating leases		3.07%		2.87%
Finance leases		4.66%		-

The undiscounted cash flows due by fiscal year related to significant noncancelable operating leases with initial terms in excess of one year as of June 30, 2026, along with a reconciliation to the discounted amount recorded as of June 30, 2026, were as follows *(in thousands)*:

		Finance		**Operating**
2027	$	-	$	6,879
2028		-		4,066
2029		-		1,776
2030		-		1,313
2031		1,117		1,195
Thereafter		458,692		1,281
Total undiscounted cash flows	$	459,809	$	16,510
Less amount representing imputed interest		416,730		545
Total lease obligation	**$**	**43,079**	**$**	**15,965**

Property leases for buildings owned by 2100 West End Avenue account for approximately 29% of the total future minimum rentals as of June 30, 2026.

Vanderbilt is the lessor in several long-term noncancelable operating leases for commercial space through fiscal year 2114. Property leases owned by Vanderbilt University and leased by Vanderbilt University Medical Center account for approximately 97% of the total future minimum operating rental revenue as of June 30, 2026. Operating rental income was $28.6 million and $22.2 million as of June 30, 2026, and June 30, 2025, respectively.

Future minimum operating rental revenue due as of June 30, 2026, is summarized below *(in thousands)*:

2027	$	31,635
2028		28,766
2029		28,007
2030		27,133
2031		26,210
Thereafter		1,638,517
Total future minimum rentals	**$**	**1,780,268**

14. REVENUE RECOGNITION

The following table presents Vanderbilt's sources of revenue as of June 30 as follows *(in thousands)*:

	2026	2025
Tuition and educational fees, net		
Undergraduate [net of financial aid, $254,634 and $238,096, respectively]	$ 258,059	$ 246,476
Professional [net of financial aid, $71,037 and $66,744, respectively]	169,330	160,596
Graduate [net of financial aid, $59,634 and $64,401, respectively]	10,720	12,459
Total tuition and educational fees, net	438,109	419,531
Grants:		
Government sponsors [1]	156,594	180,776
Private sponsors [1]	16,190	20,130
Facilities and administrative cost recovery [1]	48,332	53,731
Contracts:		
Government sponsors [2]	55,838	53,112
Private sponsors [3]	14,988	15,695
Facilities and administrative cost recovery [4]	25,093	26,603
Total grants and contracts	317,035	350,047
Contributions [1]	286,260	205,508
Endowment distributions [1]	514,215	515,558
Room, board, and other auxiliary services, net		
Room and board, net [net of financial aid, $63,658 and $59,520, respectively]	50,227	63,217
Auxiliary revenue from affiliates	43,793	38,668
Vanderbilt Legends Club	14,443	12,528
West Trace	14,280	14,629
External rental revenue [1]	13,326	10,976
Parking and vehicle registration	7,296	7,084
Commissions revenue	3,760	3,258
Other auxiliary services	6,695	8,024
Total room, board, and other auxiliary services, net	153,820	158,384
Trademark, license, and royalty revenue	203,822	162,551
Affiliated entity revenue	226,590	213,381
Other sources		
Television revenue	44,190	45,814
Investment income [1]	32,185	34,873
Tournament revenue	16,654	15,402
Student athletics ticket revenue	11,582	11,366
Conference and seminar revenue	7,553	6,384
Childcare operations	5,786	5,160
Miscellaneous revenue from affiliate	3,575	3,145
Other miscellaneous revenue	31,743	27,049
Total other sources	153,268	149,193
Total revenues and other support	**$ 2,293,119**	**$ 2,174,153**

[1] Not considered revenue from contracts with customers.
[2] Government sponsor revenue includes contracts with customers of $55.8 million in fiscal 2026 and $53.1 million in fiscal 2025.
[3] Private sponsor revenue includes contracts with customers of $15.0 million in fiscal 2026 and $15.7 million in fiscal 2025.
[4] Facilities and administrative cost recovery includes contracts with customers of $25.1 million in fiscal 2026 and $26.6 million in fiscal 2025.

Vanderbilt's related revenue recognition policies are:

Tuition and educational fees, net—Vanderbilt recognizes student tuition and educational fees as performance obligations satisfied over time, reflecting the consideration expected for providing academic services in the year those services occur. Vanderbilt reflects financial aid provided for tuition and educational fees as a reduction to the expected consideration. Financial aid does not include payments made to students for services provided to Vanderbilt or financial aid applied to undergraduate room and board. In addition, students who adjust their course load or withdraw completely within the first three weeks of the academic term may receive a full or partial refund in accordance with Vanderbilt's refund policy. Refunds issued reduce the amount of tuition recognized. Tuition payments from students are due approximately 30 days after the invoice date.

Grants and contracts—Vanderbilt records revenues related to grants and contracts in two portfolio categories based on the source of the funds:

Government Sponsors provide funding for research largely to advance knowledge for public or academic benefit in direct support of Vanderbilt's mission. Vanderbilt primarily considers these sponsored research agreements to be contributions (nonreciprocal transactions). Vanderbilt recognizes grant and contract revenue associated with contributions from government sponsors as earned when the conditions are met (allowable expenses have been incurred). Additionally, a small portion of government-sponsored awards qualifies as exchange (reciprocal) transactions. The transaction price for exchange transactions is the stated amount of the award. Vanderbilt recognizes grants and contracts revenue related to these exchange transactions as performance obligations that are satisfied based on the terms of the agreement.

Private Sponsors consist of private agencies, professional associations, private foundations, corporate foundations and corporations and may be either donors or sponsors depending on the nature, intent, and expectations of the funding they are providing. Vanderbilt recognizes revenue associated with contributions from private sponsors as the conditions are met. Additionally, some private sponsor awards qualify as exchange (reciprocal) transactions. The transaction price for exchange transactions is the stated amount of the award. Vanderbilt recognizes grants and contracts revenue related to these exchange transactions at the time services are provided.

Facilities and administrative (F&A) cost recovery is recognized by Vanderbilt as revenue. This activity represents reimbursement, primarily from the federal government, of F&A costs on sponsored activities. Vanderbilt's federal F&A cost recovery rate for on-campus research was 58.5% in fiscal 2026 and in fiscal 2025. Vanderbilt's federal F&A off-campus research remote cost recovery rate was 26.0% in fiscal 2026 and in fiscal 2025. Vanderbilt's federal F&A off-campus research adjacent cost recovery rate was 29.5% in fiscal 2026 and in fiscal 2025.

Endowment distributions—Endowment distributions reported as operating revenue consist of endowment return (regardless of when such income arose) distributed to support operational needs in the current period. Vanderbilt's Board of Trust approves the distribution amount from the endowment pool on an annual basis, determined by applying a spending rate to an average of the previous three calendar year-end market values. The primary objective of the endowment distribution methodology is to reduce the impact of capital market fluctuations on operational programs.

Trademark, license, and royalty revenue—The Trademark License Agreement ("TML") between Vanderbilt and VUMC comprises the majority of trademark, license, and royalty revenue. Vanderbilt recognizes all trademark, license, and royalty revenues upon satisfaction of the performance obligation in accordance with the terms of the underlying agreements, which generally result in recognition of the revenue over the term of the agreement which is in perpetuity. In July 2018, Vanderbilt recorded $1.43 billion related to the securitized trademark revenue stream as deferred revenue on the statement of financial position and recognizes related revenue upon satisfaction of the performance obligation in accordance with the 30-year term of the underlying agreement. In December 2019, Vanderbilt sold 30 years of a portion of the 1%-of-VUMC revenue TML payment stream in exchange for cash consideration of $331.6 million. In February 2021, Vanderbilt sold 29 years of an additional portion of the 1%-of-VUMC revenue TML payment stream in exchange for cash consideration of $277.2 million.

Affiliated entity revenue—Affiliated entity revenue represents amounts received from VUMC to support and ensure sustainability of the upstream research pipeline and other academic initiatives and to compensate Vanderbilt for the provision of operating and capital infrastructure services to VUMC, primarily in campus infrastructure, campus safety and security, and various support functions. Vanderbilt recognizes affiliated entity revenues upon satisfaction of the performance obligation in accordance with the terms of the underlying agreements.

Investment income—Investment income consists of distributions associated with working capital assets invested in long-term pooled investments managed in conjunction with endowment funds and dividends, interest, and gains/losses on other university investments. Vanderbilt reports any difference between total returns for pooled working capital assets and distributions as nonoperating activity. Investment income is included in "Other sources" on the consolidated statements of activities.

Other revenue—Vanderbilt recognizes revenue from other sources as the related services are provided and/or amounts are otherwise earned upon satisfaction of the performance obligation in accordance with the terms of the underlying agreements.

15. FUNCTIONAL CLASSIFICATION OF EXPENSES AND ALLOCATIONS

Vanderbilt presents functional classification of expenses in accordance with the mission of the university. Vanderbilt's primary programs are instruction and academic support, research and public services, and student services. Support activities are incurred in support of these primary programs.

For operating expenses that benefit multiple functional categories, Vanderbilt allocates these expenses to reflect the full cost of all activities. Based on the functional uses of space on its campus, Vanderbilt allocated operation and maintenance of facilities, depreciation, and interest on indebtedness across functional expense categories.

The following tables summarize operating expenses by natural and functional classification for the fiscal years ended June 30 *(in thousands)*:

2026	Instruction & academic support	Research & public service	Student services	Total program expenses	Support activities	Total expenses
Salaries, wages, and benefits	$ 303,925	$ 256,716	$ 118,698	$ 679,339	$ 344,505	$ 1,023,844
Supplies, services, and other	114,557	151,206	141,157	406,920	263,617	670,537
Interest	6,793	2,009	575	9,377	26,742	36,119
Depreciation	22,784	22,433	3,393	48,610	87,839	136,449
Grants to affiliate	-	43,739	-	43,739	-	43,739
Total expenses	**$ 448,059**	**$ 476,103**	**$ 263,823**	**$ 1,187,985**	**$ 722,703**	**$ 1,910,688**

2025	Instruction & academic support	Research & public service	Student services	Total program expenses	Support activities	Total expenses
Salaries, wages, and benefits	$ 292,454	$ 259,364	$ 107,610	$ 659,428	$ 316,989	$ 976,417
Supplies, services, and other	104,571	160,806	120,706	386,083	249,409	635,492
Interest	7,627	1,964	734	10,325	19,738	30,063
Depreciation	18,043	22,792	4,062	44,897	72,016	116,913
Grants to affiliate	-	40,778	-	40,778	-	40,778
Total expenses	**$ 422,695**	**$ 485,704**	**$ 233,112**	**$ 1,141,511**	**$ 658,152**	**$ 1,799,663**

16. BENEFIT PLANS

Vanderbilt's eligible faculty and staff members participate in a defined contribution retirement plan administered by a third-party investment firm. For these employees, this plan requires employee and matching employer contributions. The employee immediately vests in these contributions upon eligibility.

Vanderbilt funds the obligations under these plans through payroll transfers to the respective retirement plan administrators with the corresponding expenses recognized in the year incurred in accrued compensation and withholdings on the statements of financial position. Vanderbilt's retirement plan contributions for fiscal 2026 and 2025 were $40.0 million and $36.5 million, respectively.

Vanderbilt offers a non-qualified deferred compensation plan under Internal Revenue Code 457(b) to a select group of employees. The university does not provide matching contributions to this plan. Vanderbilt has recorded both an asset and a liability related to the plan of $47.3 million and $40.3 million as of June 30, 2026, and 2025, respectively. The assets are included in prepaid expenses and other assets, and the liabilities are included in accrued compensation and withholdings on Vanderbilt's statement of financial position.

17. COMMITMENTS AND CONTINGENCIES

(A) *Construction*. As of June 30, 2026, Vanderbilt had contractual commitments for approximately $415.4 million of projects under construction and equipment purchases. The largest components of this commitment amount were for the Stevenson Center for $208.3 million, Central Neighborhood residential college for $153.7 million, central utilities underground corridors for $29.3 million, Peabody residential college renovations for $13.9 million, and emergency generator replacements for $3.6 million.

(B) *Litigation.* In 2016, a former Vanderbilt football player filed a putative class action against the NCAA, the SEC, and Vanderbilt alleging concussion-related injuries. The matter was transferred to multidistrict litigation in the Northern District of Illinois. In August

2025, plaintiffs' lead counsel and the NCAA executed a master settlement agreement that releases the institutions from all claims without requiring a financial contribution. A January 2026 joint status report listed the case as settled.

In 2025, plaintiffs filed a putative class action in the U.S. District Court for the District of Massachusetts against Vanderbilt and other institutions, alleging violations of Section 1 of the Sherman Act related to Early Decision practices. Plaintiffs seek damages and injunctive relief. Vanderbilt and other defendants filed motions to dismiss, which remain pending following oral argument in May 2026.

In 2026, plaintiffs filed a putative class action in the U.S. District Court for the Middle District of Tennessee against Vanderbilt, its Retirement Plan Oversight Committee, and its Board of Trust, alleging breaches of fiduciary duties under ERISA related to the Vanderbilt University Retirement Plan. Defendants moved to stay the proceedings pending the U.S. Supreme Court's consideration of a related pleading-standard issue during its October 2026 term.

In addition, Vanderbilt is involved in legal matters arising in the ordinary course of activities that are also not expected to have a material adverse effect on its financial position.

(C) *Regulations*. Vanderbilt's compliance with regulations and laws is subject to future government reviews and interpretations, as well as regulatory actions unknown at this time. Vanderbilt believes that any potential liability from such reviews would not have a significant effect on Vanderbilt's consolidated financial position.

(D) *Employee Health and Workers' Compensation Insurance.* Vanderbilt is self-insured for employee health insurance and workers' compensation coverage. Vanderbilt bases estimated liabilities upon studies conducted by independent actuarial firms.

(E) *Federal and State Contracts and Other Requirements.* Expenditures related to federal and state grants and contracts are subject to adjustment based upon review by the granting agencies. Amounts of expenditures that granting agencies might disallow cannot be determined at this time. These amounts affect government grants and contract revenue as well as facilities and administrative cost recovery. Vanderbilt would not expect these costs to materially impact the consolidated financial position.

(F) *Partnership Investment Commitments.* Vanderbilt had $1,091.1 million of commitments to venture capital, real estate, and private equity investments as of June 30, 2026. At the request of the general partners, Vanderbilt may be required to contribute funds over the next several years. Vanderbilt expects to finance these commitments with available cash and expected proceeds from the sales of securities.

18. RELATED PARTIES

Intermittently, members of Vanderbilt's Board of Trust or Vanderbilt employees may be directly or indirectly associated with companies engaged in business activities with the university and may directly transact with the university (such as contributions, employee loans, etc.). Accordingly, Vanderbilt has a written conflict of interest policy that requires, among other things, that members of the university community (including trustees) may not review, approve, or administratively control contracts or business relationships when (a) the contract or business relationship is between Vanderbilt and a business in which the individual or a family member has a material financial interest or (b) the individual or a family member is an employee of the business and is directly involved with activities pertaining to Vanderbilt.

Furthermore, Vanderbilt's conflict of interest policy extends beyond the foregoing business activities in that disclosure is required for any situation in which an applicable individual's financial, professional, or other personal activities may directly or indirectly affect, or have the appearance of affecting, an individual's professional judgment in exercising any university duty or responsibility, including the conduct or reporting of research.

The policy extends to all members of the university community (including trustees, university officials, and faculty and staff and their immediate family members). Each applicable person is required to certify compliance with the conflict of interest policy on an annual basis. This certification includes specifically disclosing whether Vanderbilt conducts business with an entity in which he or she (or an immediate family member) has a material financial interest as well as any other situation that could appear to present a conflict with Vanderbilt's best interests. When situations exist relative to the conflict of interest policy, Vanderbilt takes active measures to manage appropriately the actual or perceived conflict in the best interests of the university, including periodic reporting of the measures taken to the Audit Committee of the Vanderbilt University Board of Trust.

Additionally, certain entities in which the university has invested (within our investment portfolio) could potentially meet the definition of a related party under ASC Topic 850 Related Party Disclosures.

19. VANDERBILT UNIVERSITY MEDICAL CENTER

Vanderbilt has an ongoing economic relationship with VUMC in the form of an Academic Affiliation Agreement ("AAA"), a Trademark License Agreement, a Ground Lease, and a Master Service Agreement ("MSA").

The AAA recognizes the ongoing academic, research, and clinical affiliation between the university and VUMC for all of the university's degree-granting, certificate, and research programs. The AAA serves to allocate responsibility between the university and VUMC for jointly administered academic programs, residency programs, and ongoing roles and rights of the university. The AAA will remain in effect until termination of the TML or Ground Lease.

Pursuant to the TML, the university grants, subject to certain consents and approvals, a perpetual license to VUMC to use various university-owned licensed marks in connection with VUMC's fundamental activities. The licensed marks, which VUMC will continue to use as the primary brands of VUMC, include virtually all those currently in use by VUMC. The TML will remain in effect until termination of the AAA or Ground Lease.

In July 2018, Vanderbilt securitized 30 years of one of the university's trademark revenue streams and sold the remaining $89.6 million balance of a promissory note receivable. This securitization occurred on a true-sale basis to a group of external investors in exchange for net cash consideration of $1.43 billion and a special interest obligation equivalent to the remaining future promissory note interest stream. In December 2019, Vanderbilt securitized 30 years of a portion of the 1%-of-VUMC revenue TML payment stream in exchange for cash consideration of $331.6 million. This securitization occurred on a true-sale basis. In February 2021, Vanderbilt securitized 29 years of a portion of the 1%-of-VUMC revenue TML payment stream in exchange for cash consideration of $277.2 million. This securitization occurred on a true-sale basis.

The Ground Lease allows VUMC to use the land on which its campus and related buildings are located. The initial term of the Ground Lease ends June 30, 2114, with the option to extend for up to two additional terms of 50 to 99 years each upon mutual agreement by Vanderbilt and VUMC.

Vanderbilt and VUMC provide specified services to one another for agreed-upon consideration as outlined in the MSA. Vanderbilt continues to provide services to VUMC such as IT support, utilities, and law enforcement staffing. VUMC will continue to provide graduate medical education and training to Vanderbilt. The terms of these service agreements between Vanderbilt and VUMC are unique to each agreement.

20. SUBSEQUENT EVENTS

Vanderbilt evaluated events subsequent to June 30, 2026, through September 30, 2026, the date of issuance of the consolidated financial statements.

On July 22, 2026, Vanderbilt issued the Series 2026 tax-exempt bonds in the par amount of $430.0 million.

Vanderbilt did not identify any other material subsequent events for recognition or disclosure.

VANDERBILT UNIVERSITY

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