Financial Statements and Report of Independent Certified Public Accountants

The University of Connecticut Foundation, Incorporated

June 30, 2026 and 2025

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
The University of Connecticut Foundation, Incorporated

Opinion

We have audited the financial statements of The University of Connecticut Foundation, Incorporated (the "Foundation"), which comprise the statements of financial position as of June 30, 2026 and 2025 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation 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 audits of the financial statements 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Foundation financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Boston, Massachusetts
October 15, 2026

The University of Connecticut Foundation, Incorporated

Statements of Financial Position

As of June 30,

	2026	2025
Assets		
Cash and cash equivalents	$ 66,663,859	$ 20,992,201
Pledges receivable, net (Note 2)	59,069,599	64,739,060
Investments, operating (Note 3)	163,693,615	153,740,388
Investments, endowment (Note 3)	729,645,121	645,877,866
Funds held in trust by others	14,648,327	13,072,443
Endowments held for the University	28,245,495	21,252,461
Cash surrender value of life insurance (Note 4)	1,160,451	830,974
Property and equipment, net (Note 5)	3,253,023	3,390,580
Other assets (Note 6)	65,960,625	27,577,096
Total assets	$ 1,132,340,115	$ 951,473,069
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses (Note 7)	$ 97,402,017	$ 47,026,038
Trusts and annuities payable	2,256,542	2,328,067
Endowments held for the University	28,245,495	21,252,461
Lease liability	59,349	133,192
Total liabilities	127,963,403	70,739,758
Net Assets (Note 10)		
Without donor restrictions	24,953,603	22,353,350
With donor restrictions	979,423,109	858,379,961
Total net assets	1,004,376,712	880,733,311
Total liabilities and net assets	$ 1,132,340,115	$ 951,473,069

The accompanying notes are an integral part of these financial statements.

The University of Connecticut Foundation, Incorporated

Statements of Activities

Years Ended June 30,

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support						
Contributions	$ 1,384,541	$ 80,343,521	$ 81,728,062	$ 261,676	$ 58,356,892	$ 58,618,568
Net total investment return	7,665,095	118,935,252	126,600,347	9,676,532	68,612,959	78,289,491
Contractual payments from the University	14,653,300	-	14,653,300	16,000,000	-	16,000,000
Memberships and other income	1,208,249	824,261	2,032,510	1,103,904	583,130	1,687,034
Total revenues and gains	24,911,185	200,103,034	225,014,219	27,042,112	127,552,981	154,595,093
Net assets released from restrictions	66,911,045	(66,911,045)	-	64,839,222	(64,839,222)	-
Endowment spending allocation	-	-	-	(86,203)	86,203	-
Endowment and gift fees to fund Foundation operations	12,204,580	(12,204,580)	-	11,632,062	(11,632,062)	-
Total revenues, gains, and other support	104,026,810	120,987,409	225,014,219	103,427,193	51,167,900	154,595,093
Expenses						
University program support	67,045,251	-	67,045,251	64,968,571	-	64,968,571
Foundation operations						
Fundraising expenses	25,011,794	-	25,011,794	23,139,224	-	23,139,224
Management and general expenses	9,313,773	-	9,313,773	8,607,428	-	8,607,428
Total Foundation operations	34,325,567	-	34,325,567	31,746,652	-	31,746,652
Total expenses	101,370,818	-	101,370,818	96,715,223	-	96,715,223
Transfers between net asset categories	(55,739)	55,739	-	(29,742)	29,742	-
Total increase in net assets	2,600,253	121,043,148	123,643,401	6,682,228	51,197,642	57,879,870
Net assets, beginning of year	22,353,350	858,379,961	880,733,311	15,671,122	807,182,319	822,853,441
Net assets, end of year	$ 24,953,603	$ 979,423,109	$ 1,004,376,712	$ 22,353,350	$ 858,379,961	$ 880,733,311

The accompanying notes are an integral part of these financial statements.

The University of Connecticut Foundation, Incorporated

Statements of Cash Flows

Years Ended June 30,

	2026	2025
Cash flows from operating activities		
Change in net assets	$ 123,643,401	$ 57,879,870
Adjustments to reconcile change in net assets to net cash used in operating activities		
Investment return	(130,942,629)	(70,660,354)
Cash gifts to establish or increase permanent endowments	(14,001,329)	(9,657,698)
Gifts of securities	(7,657,745)	(3,886,595)
Proceeds from sale of donated securities	3,724,032	2,630,046
Depreciation and amortization	224,771	176,340
Change in allowance for uncollectible pledges	608,653	(1,100,928)
Change in discounts on pledges receivable	(668,087)	(1,879,362)
Funds held in trust by others	(1,575,884)	(1,533,589)
(Increase) decrease in assets		
Pledges receivable	5,728,897	19,836,053
Cash surrender value of life insurance	(329,477)	(258,831)
Other assets	(38,383,528)	(26,903,448)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	50,375,979	30,945,031
Trusts and annuities payable	(71,525)	33,488
Net cash used in operating activities	(9,324,471)	(4,379,977)
Cash flows from investing activities		
Purchases of investments	(270,319,876)	(282,823,160)
Sales of investments and gifts of marketable securities	307,542,021	250,018,378
Purchases of property and equipment	(148,670)	(1,103,677)
Net cash provided by (used in) investing activities	37,073,475	(33,908,459)
Cash flows from financing activities		
Cash gifts to establish or increase permanent endowments	14,001,329	9,657,698
Proceeds from sale of donated securities restricted for endowment	3,933,712	1,256,549
Principal payments on lease liability	(12,387)	(11,996)
Net cash provided by financing activities	17,922,654	10,902,251
Net increase (decrease) in cash and cash equivalents	45,671,658	(27,386,185)
Cash and cash equivalents at beginning of year	20,992,201	48,378,386
Cash and cash equivalents at end of year	$ 66,663,859	$ 20,992,201
Supplemental disclosure of cash flow information:		
Gifts of securities	$ 7,657,745	$ 3,886,595
Cash paid during the year for interest	90,029	53,510

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The University of Connecticut Foundation, Incorporated (the "Foundation") was established in 1964 as an independent, privately governed, not-for-profit corporation, chartered under the laws of the State of Connecticut.

The Foundation's mission is to support the University of Connecticut (the "University") in building upon its pillars of promoting holistic student success, expanding its research impact, and helping Connecticut thrive. The Foundation fulfills this mission primarily through fundraising, asset management functions, and alumni relations. The Foundation solicits and accepts donations of property, money and securities, and invests and administers such assets. The Foundation disburses funds in accordance with the terms under which they were given to aid, supplement, improve, and enlarge the educational, cultural, recreational, and research activities and facilities of the University.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting and include the Foundation's assets, liabilities, net assets, revenues, and expenses for the years ended June 30, 2026 and 2025.

Net assets, revenues and expenses are classified based on the terms of donor-imposed restrictions, if any. Accordingly, the net assets, revenues, and expenses of the Foundation are classified and reported as follows:

Net assets without donor restriction - Net assets that are not subject to donor- imposed restrictions, or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in the category may benefit the Foundation and include board designated restrictions to support the University. Expenditures are reported in this classification of net assets since the use of donor-restricted contributions in accordance with the donor's restrictions results in the release of the restriction.

Net assets with donor restrictions - Net assets that are subject to donor-imposed purpose and use restrictions to benefit a specific unit, department, or program of the University that have not yet been met. The donor-imposed restrictions may be temporary in nature or may be perpetual.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates. The Foundation's significant estimates include the valuation of its investments, the collectability and present value of receivables, and the present value of the liability for future payments related to trust and annuity agreements.

Contribution Revenue Recognition

Philanthropic commitments are recognized as revenues when unconditionally pledged, or when a condition on a gift or pledge is met. Outright contributions are recognized as revenue when received. Gifts of real estate, buildings and equipment, marketable securities, and other donated property are recorded at their estimated fair value on the date of the gift.

Gifts are reported as with donor restrictions if received with donor restrictions that designate the use of donated assets as to purpose or time.

Pledges receivable represent outstanding unconditional promises by donors to make contributions to the Foundation. Unconditional promises to give that are expected to be collected within one year of the statement of financial position date are recorded at face value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated realizable future contribution amounts. The discount rates used to determine present values reflect fair value applicable to the year in which the promises to give were received; the amortization of the related discount is subsequently included in contribution revenues.

The Foundation uses a combination of specific reserve and estimate of remaining uncollectible accounts to determine the total allowance for uncollectible pledges. As of June 30, 2026 & 2025, the estimate of remaining uncollectible accounts was 1% on endowment non-athletic pledges, and 3% on non-endowed non-athletic pledges, 2% on endowment athletic pledges and 1% on non-endowed athletic pledges.

Conditional promises to give are not recorded as revenue until they become unconditional, which is when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

The Foundation generally considers short-term, highly liquid financial instruments to be cash equivalents. Cash equivalents consist of time deposits and short-term investments with maturities of 90 days or less at the date of purchase. The cash in bank deposit accounts may at times exceed federally insured limits. The Foundation periodically reviews the financial stability of institutions holding its accounts and does not believe it is exposed to any significant custodial credit risk. Cash equivalents are stated at cost, which approximates fair value. Short-term investments that are discretionary components of long-term portfolios managed by professional investment management firms hired by the Foundation are classified as investments (refer to Note 3).

Investments

Investments are reported at fair value. In accordance with the accounting pronouncement on fair value measurements, fair value is defined as the price that the Foundation would receive upon selling an investment in an orderly transaction between market participants in the principal or most advantageous market at the measurement date. A three-tier hierarchy is established, based on inputs to valuation techniques, to maximize the use of observable market data and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the investment, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions that market participants would use in pricing the investment based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the Foundation's own assumptions about the assumptions market participants would use in pricing the investment based on the best information available in the circumstances.

The three-tier hierarchy of inputs is summarized below:

Level 1 - Quoted prices (unadjusted) in active markets for identical investments that the Foundation has the ability to access at the measurement date. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for an investment. These inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, and inputs other than quoted prices that are observable for the investment, for example interest rate and yield curves, volatilities, prepayment rates and credit risk among others. These are inputs that are derived principally from or corroborated by observable market data by correlation or other means. Certain investments defined as Level 2 are in the form of commingled funds, the shares of which are not publicly traded, where the valuation of the underlying securities held in the fund is taken from quoted prices in active markets.

Level 3 - Inputs that are unobservable inputs for the investment that are used to measure fair value when observable inputs are not available. Unobservable inputs reflect the Foundation's own assumptions about the assumptions that market participants would use in pricing the investment. These inputs are developed based on the best information available in the circumstances, which might include the Foundation's own data.

Certain investment funds are measured at fair value using net asset value (NAV) or its equivalent (practical expedient) to estimate the fair value. The Foundation uses NAV to determine the fair value of investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Investments whose fair value are not readily determinable using NAV accounted for 56% and 53% of all investments as of June 30, 2026 and 2025, respectively. Because they are not readily determinable, the fair values may differ from the values that would have been used had a ready market for these investments existed.

Net investment return (defined as dividends, interest, and net realized and unrealized gains and losses on investments, net of investment management fees), is reported as follows:

- Unrealized gains and losses that result from market fluctuations are recognized in the period in which the fluctuations occur;

- As increases or decreases in net assets with donor restrictions if the terms of the underlying endowment funds designate the purpose for specific unit, department or program of the University, or otherwise stipulated by the donor;

- As increases or decreases in net assets without donor restrictions if the terms of the underlying individual endowment funds and gifts are Board designated;

- As increases or decreases in net assets without donor restriction if the terms of the underlying individual funds and gifts are non-endowed; or

- As increases or decreases in net assets with donor restrictions if there is a change in the present value of an annuity or trust due to the passage of time or changes in actuarial life expectancies.

Investment in University of Connecticut Research and Development Corporation

The Foundation was the sole shareholder of the R&D Corporation, a for-profit corporation duly established in the State of Connecticut in 1984. On December 31, 2015, the Foundation divested its interest in the R&D Corporation, which was transferred to The University of Connecticut, a related party, without compensation.

The agreement with the University allows the Foundation to retain a continuing interest in the underlying companies owned by the R&D Corporation on the divestiture date. For the years ended June 30, 2026 and 2025, the Foundation did not receive any royalty or sales revenue and does not expect any amounts to be received in the future.

Endowment Spending Allocation and Advancement Fee

The endowment spending policy adopted by the Foundation's Board of Directors, in conjunction with the Investment Policy Statement for the long-term pooled investment portfolio, which is predominantly endowment assets, is designed to provide reliable growth in annual spending allocation levels and to preserve or increase the real value of the endowment principal, over time. To meet these objectives, the Foundation utilizes a total return investment approach, with total return consisting of interest and dividends, and realized and unrealized gains and losses, net of investment management fees.

The spending allocation distributed in support of designated purposes was $21,971,149 and $18,331,575 for the years ended June 30, 2026 and 2025, respectively.

The Foundation’s endowment spending allocation policy was enacted in accordance with the Connecticut Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA considers prudence in maintaining an endowment fund in perpetuity. Spending can occur from an endowment fund whose fair value is below its historic value, as long as the governing body has determined that its policies will continue the perpetual nature of the endowment over time.

The amount of funds allocated for expenditure for the purposes for which an endowment was established (“spending allocation”) will equal 4% annually (1% per quarter) of the rolling prior 12-quarter average fair value on a unitized basis. The corresponding calculated spending allocations are distributed in equal quarterly installments on the first day of each quarter from the accumulated net total investment return for individual endowment funds where available, otherwise from principal.

Endowments will participate in the long-term pooled investment portfolio once the principal amount is equal to or greater than the minimum needed to establish an endowment. The new fund will participate in the long-term pooled investment portfolio on the last day of the quarter after meeting the minimum amount. The spending allocation and endowment advancement fee, discussed below, will not be distributed until the endowment fund has participated in the long-term pooled investment portfolio for two full quarters.

An advancement fee is assessed to fund expenses incurred in meeting the Foundation’s fiduciary and fundraising responsibilities to donors and the University. This on-going advancement fee is also assessed based on a rolling 12 quarter unitized fair value. The calculated fee will equal 1.75% annually and will be charged in equal quarterly installments on the first day of each quarter from the accumulated net total investment return for individual endowment funds where available, otherwise from principal.

Neither the spending allocation nor the endowment advancement fee will be distributed from endowments that have a historic gift value that is less than 85% of the fair value (referred to as an underwater fund) at the end of any quarter during the fiscal year.

In order to ensure the Foundation preserves the purchasing power of the endowment pool, the endowment spending allocation and advancement fee taken together cannot exceed 6.5% or fall below 3.0% of the fair value of endowment funds. Should this occur, the calculated amounts will be decreased or increased, respectively, on a pro rata basis.

Net Asset Treatment Associated with Endowment Returns

To the extent that the fair value of assets associated with an individual donor-restricted endowment fund is less than the historic gift value, the deficits are reported as decreases in net assets with donor restrictions, or if the endowment is a board designated endowment they are reported as decreases in net assets without donor restrictions, in accordance with accounting standards on not-for-profit investments.

The decrease to net assets with donor restrictions:

	2026	2025
Fair Value	$ -	$ 13,895,733
Historic Gift Value	-	14,221,306
Decrease in net assets with donor restrictions	$ -	$ (325,573)

Funds Held in Trust by Others

The Foundation is the remainder beneficiary of various charitable remainder trusts that are managed by third parties. At the end of the charitable remainder trust term, the Foundation will receive a specified portion of the assets remaining. The Foundation is also the named beneficiary of various perpetual trusts, under which the Foundation will receive a distribution of income and will never receive the assets of the trust. At the time the Foundation is notified of the funding of a trust, the Foundation records contribution revenue equal to the estimated discounted value of the distribution expected to be received upon the termination of each trust. Thereafter, the Foundation records adjustments to the estimated fair value of the trusts assets as investment income. The discount rates used range from 2.88% to 4.43% for 2026 and 3.02% to 4.85% for 2025.

Following is a reconciliation of funds held in trust by others. The assets are considered Level 3 financial instruments (refer to Note 1 for discussion of fair value measurements).

	2026	**2025**
Beginning balance	$ 13,072,443	$11,538,854
Change in fair value	1,793,348	1,614,875
Distributions	(217,464)	(81,286)
Ending balance	$ 14,648,327	$13,072,443

Trusts and Annuities Held by the Foundation

The Foundation is named as the trustee and remainder beneficiary of several charitable remainder trusts and as trustee, the Foundation is required to make distributions to the specified income beneficiaries based on the income earned on the trust assets. The Foundation has also entered into contracts for charitable gift annuities and is required to make fixed payments to the specified life income beneficiaries. On the date the trust or annuity is established, the Foundation records contribution revenue equal to the difference between the fair value of the trust and the estimated present value of the distributions to be made to the life income beneficiaries over the term of the trusts. Distributions, investment activity and amortization of the discount to present value are recorded as investment income. At the end of the trust and annuity term, the remaining asset will be transferred to the Foundation to support the University, as directed by the donor.

These trust and annuity asset amounts are carried at their net present value and are included in investments. The net assets are included in either the net asset with donor restrictions or without donor restrictions classifications based on the existence or absence of donors restrictions. The difference between the amounts contributed to establish a charitable remainder trust or charitable gift annuity and the present value of the liability for future payments to donors, determined using actuarial life expectancies and discount rates ranging from 0.4% to 8.4% for June 30, 2026 and 2025, is recognized as contribution revenue at the date of the gift.

Property and Equipment for Operations

Property and equipment are stated at cost. Depreciation of property and equipment is recorded to expense on a straight-line basis over their estimated useful lives which range from 3 to 40 years. Expenditures for repairs and maintenance are expensed as incurred. Costs directly related to software development and acquisition, are capitalized until the asset is placed in service and then amortized over respective useful life.

Retirement Plan

The Foundation sponsors The University of Connecticut Foundation, Inc. Retirement Annuity Plan (the “Plan”), which is a fully funded, qualified plan under Section 403(b) of the Internal Revenue Code. The Plan covers all full time and certain part time employees, excluding students. Participants are required to contribute 3% of regular salary, with the Foundation contributing 8% of each participant’s salary. Participants are subject to three-year cliff vesting for Foundation contributions to the Plan. Effective July 1, 2019, the vesting requirement is waived for terminations due to job eliminations. The unvested amount as of June 30, 2026 is $815,474. Included in Foundation support expenses are Plan contributions of $1,528,766 and $1,440,912 for the years ended June 30, 2026 and 2025, respectively.

Income Taxes

The Foundation has a letter of exemption from federal income tax from the Internal Revenue Service under Section 501(c) (3) of the Internal Revenue Code. Due to certain investments, the Foundation does have unrelated business income, however the federal and state tax liabilities have been immaterial. The Foundation has appropriate support for any tax position taken and believes it does not have any uncertain tax positions that are material to the financial statements.

NOTE 2 - PLEDGES RECEIVABLE, NET

Pledges receivable includes unconditional promises to give.

	June 30, 2026	June 30, 2025
Pledges	$ 68,663,138	$ 74,392,034
Less: allowance for uncollectible pledges	(5,163,183)	(4,554,530)
Less: discount to record net realizable pledges at net present value (1)	(4,430,356)	(5,098,444)
Pledges receivable, net	$ 59,069,599	$ 64,739,060

	2026	2025
Net pledge receivable amounts due in:		
Less than one year	$ 21,074,668	$ 23,497,524
One to five years	36,959,459	38,557,686
More than five years	1,035,472	2,683,850
Total	$ 59,069,599	$ 64,739,060

(1) The interest rates used in the computation of the discount ranged from 0.61% to 4.71% for June 30, 2026 and 0.61% to 4.71% for June 30, 2025.

Conditional pledges of $55,386,992 at June 30, 2026 are recognized when the condition has been met. Bequest expectancies totaling $352,538,099 have also been excluded from these amounts and are not recorded in the financial statements.

NOTE 3 - INVESTMENTS

The investment portfolio is shown below at fair value by investment asset class and hierarchy. Investments measured using NAV are not classified in the fair value hierarchy. The amounts presented in the table are intended to permit reconciliation of the hierarchy to the statement of financial position for operating and endowed investments.

	June 30, 2026			
	Level 1	Level 2	NAV	Total
Short Term Investments	$ 6,583,182	$ -	$ -	$ 6,583,182
Global Fixed Income	300,325,250	5,793,093	9,024,364	315,142,707
Global Equity	79,327,830	-	154,444	79,482,274
Hedge Funds - Non-Directional	-	-	16,370,465	16,370,465
Hedge Funds - Directional	-	-	32,362,680	32,362,680
Private Capital	-	-	418,116,687	418,116,687
Private Real Assets	-	-	25,280,741	25,280,741
Total	$ 386,236,262	$ 5,793,093	$ 501,309,381	$ 893,338,736

	June 30, 2025			
	Level 1	Level 2	NAV	Total
Short Term Investments	$ 5,985,498	$ -	$ -	$ 5,985,498
Global Fixed Income	235,639,158	4,826,656	12,337,955	$ 252,803,769
Global Equity	121,974,423	-	10,767,122	$ 132,741,545
Hedge Funds - Non-Directional	-	-	5,118,804	$ 5,118,804
Hedge Funds - Directional	-	-	27,578,520	$ 27,578,520
Private Capital	-	-	342,861,991	$ 342,861,991
Private Real Assets	-	-	32,528,127	$ 32,528,127
Total	$ 363,599,079	$ 4,826,656	$ 431,192,519	$ 799,618,254

Operating investments are invested in level 1 assets that include a short duration bond portfolio and preferred stocks. The bond portfolio is diversified across treasury bonds, investment grade corporate bonds, high yield short duration corporate bonds, and asset backed securities. The portfolio maintains an average credit quality above BBB.

Net asset values provided by third parties have been utilized in determining fair value. Fund managers utilize outside pricing services and administrators as well as their own internal valuation models in determining and verifying fair values. The Foundation performs ongoing due diligence with the fund managers that include evaluation of manager operations and valuation procedures, site visits, investor calls, review of manager filings, and audited financial statements among other items.

Certain investment funds may have agreements that contain funding commitments and redemption terms and restrictions. The following table summarizes the unfunded commitments and the redemption frequency:

	Unfunded commitments June 30, 2026	Fair value June 30, 2026	Fair value June 30, 2025	Redemption Frequency	Redemption Notice Period
Global Fixed Income	$ -	$ 9,024,364	$ 12,337,955	Monthly	30 Days
Global Equity	-	154,444	10,767,122	1 to 90 Days	1 to 90 Days
Hedge Funds - Non-Directional	-	16,370,465	5,118,804	3 to 12 months	60 to 90 Days
Hedge Funds - Directional	-	32,362,680	27,578,520	1 to 12 months	30 to 90 Days
Private Capital	103,709,193	418,116,687	342,861,991	Not applicable	Not applicable
Private Real Assets	9,938,399	25,280,741	32,528,127	Not applicable	Not applicable
Total	$ 113,647,592	$ 501,309,381	$ 431,192,519		

Net total investment return is summarized as follows:

	June 30 2026	2025
Interest and dividends	$ 24,831,021	$ 24,480,168
Net realized and unrealized gains(losses) on investments	130,942,629	70,660,354
Investment management fees	(28,729,562)	(16,463,481)
Salary expenses related to investment operations	(443,741)	(387,550)
Net total investment return	$ 126,600,347	$ 78,289,491

NOTE 4 - CASH SURRENDER VALUE OF LIFE INSURANCE

Life insurance policies donated to the Foundation have been recorded as contributions and assets at their respective cash surrender values in the year of donation. Any changes in the cash surrender values after donation are offset against life insurance premiums expense in the year of the change. The Foundation will receive the face value of these policies upon their maturation. The face value of these policies as of June 30, 2026 was $17,010,474 and 2025 was $17,711,701, while their aggregate cash surrender value was $1,160,451 and $830,974, respectively.

NOTE 5 - PROPERTY AND EQUIPMENT

Depreciation expense was $224,771 and $176,340 for property and equipment used for Foundation operations for the years ended June 30, 2026 and 2025, respectively.

Property, plant and equipment as of June 30 is as follows:

	June 30, 2026	June 30, 2025
Building and improvements	$ 7,737,049	$ 7,656,411
Furniture and equipment	463,514	564,251
Capital leases	96,032	157,488
Fundraising system	2,518,820	2,518,820
Subtotal	10,815,415	10,896,970
Less: accumulated depreciation	(7,562,392)	(7,506,390)
	$ 3,253,023	$ 3,390,580

NOTE 6 - OTHER ASSETS

Other assets are comprised of the following:

	June 30, 2026	June 30, 2025
Investment sale receivable	$ 64,732,386	$ 26,739,229
Prepaid expenses	683,516	691,440
Other receivables	403,300	-
Life insurance receivable	141,423	146,427
	$ 65,960,625	$ 27,577,096

Investment sale receivables represent proceeds due from the sale of investments that had not settled as of year-end. Investment sale receivables are recorded at the amount expected to be received and are generally collected within a short period following the trade date. Investment sale receivables totaled $64,732,368 and $26,739,229 as of June 30, 2026 and 2025, respectively.

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable are comprised of the following:

	June 30, 2026	June 30, 2025
Investment purchase payable	$ 75,283,735	$ 23,516,950
Accounts payable	18,519,191	20,710,162
Accrued expenditures	3,392,789	2,584,249
Deferred compensation	206,302	214,677
	$ 97,402,017	$ 47,026,038

Investment purchase payables represent amounts due for the purchase of investments that had not settled as of year-end. Investment purchase payables are recorded at the amount expected to be paid and are generally paid within a short period following the trade date. Investment purchase payables totaled $75,283,735 and $23,516,950 as of June 30, 2026 and 2025, respectively.

NOTE 8 - OPERATING LEASES

In January 2022, the Foundation entered into a lease for office space for Foundation staff that support fundraising operations for the University of Connecticut Health Center. Expenditures reported for the lease was $80,409 and $77,612 for the years ended June 30, 2026 and 2025.

NOTE 9 - LINE OF CREDIT

On October 25, 2022, the Foundation entered into a $30,000,000 revolving loan note with Webster Bank, National Association. That agreement expired on October 27, 2025.

On October 29, 2025, the Foundation entered into a new unsecured revolving line of credit agreement with Wells Fargo, National Association. The total amount available under the new agreement is $25,000,000. Drawdowns will bear interest at the variable rate equal to the Secured Overnight Financing Rate (SOFR) plus 0.80% (80 basis points). The monthly fee on the unused portion of the revolving loan is 0.20% (twenty basis points). In addition, the agreement requires the Foundation to maintain a minimum deposit balance of $5,000,000 with the Bank.

The Foundation incurred unused commitment fees of $88,886 and $69,498 for the years ended June 30, 2026 and 2025, respectively.

NOTE 10 - NET ASSETS

At June 30, 2026 and 2025, net assets included funds without donor restrictions and with donor restrictions for the following purposes:

	2026	2025
Net assets without donor restrictions		
Available for Foundation Operations	$ 20,759,264	$ 19,683,912
Board-designated endowments	4,194,339	2,669,438
Total without donor restrictions	$ 24,953,603	$ 22,353,350
Net assets with donor restrictions		
Subject to expenditure for specified purpose		
Scholarship support	$ 38,572,542	$ 36,434,645
Faculty support	17,306,068	14,416,814
Program support	137,757,006	131,860,375
Total subject to expenditure for specified purpose	193,635,616	182,711,834
Endowments		
Scholarship support	333,800,933	277,359,504
Faculty support	199,022,137	174,873,426
Program support	252,964,423	223,435,197
Total Endowments	785,787,493	675,668,127
Total net assets with donor restrictions	$ 979,423,109	$ 858,379,961

The Foundation's endowment net assets consist of approximately 2,110 individual funds established for a variety of purposes and the following where the assets have been designated for endowment: pledges receivable, charitable remainder trusts and charitable gift annuities. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments.

The Board of Directors of the Foundation has interpreted Connecticut UPMIFA as requiring prudent management of the fair value of the original gifts as of the gift date of the donor- restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions a) the original value of gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment, and c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with Connecticut UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund

2) The purposes of the Foundation and the donor-restricted endowment fund

3) General economic conditions

4) The possible effect of inflation and deflation

5) The expected total return from income and the appreciation of investments

6) Other resources of the Foundation

7) The Foundation's investment policies

The Foundation had the following endowment activity during the years ended June 30, 2026 and 2025 summarized by net asset class of without donor-restriction versus with donor-restrictions:

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning balance	$ 2,669,438	$ 675,668,127	$ 678,337,565	$ 2,325,474	$ 621,253,395	$ 623,578,869
Contributions	1,223,775	22,602,089	23,825,864	273,797	13,727,532	14,001,329
Net total investment return and other income	407,476	118,795,637	119,203,113	187,341	68,591,169	68,778,510
Endowment spending allocation	(62,310)	(21,908,839)	(21,971,149)	(86,203)	(18,245,372)	(18,331,575)
Endowment and gift fees to fund Foundation	(44,040)	(10,511,119)	(10,555,159)	(39,704)	(10,062,881)	(10,102,585)
Transfers between net asset categories	-	1,141,598	1,141,598	8,733	404,284	413,017
Endowment net assets, ending balance	$ 4,194,339	$ 785,787,493	$ 789,981,832	$ 2,669,438	$ 675,668,127	$ 678,337,565

Endowment assets are long-term in nature and managed as such on a total return basis. There are certain short-term considerations in constructing the endowment investment portfolio, such as spending allocations and advancement fee. However, the assets can tolerate a reasonable level of short-term volatility in the interest of maximizing long-term performance. In order to attain the varied investment objectives, a proper balance must be struck between return and risk. With a proper risk/return profile, the Foundation believes maintaining real purchasing power of the spending allocation and meeting annual funding needs can be achieved over time through the asset allocation and spending policies adopted by its Board of Directors.

The Foundation utilizes a diversified asset allocation consisting of: growth strategies (primarily equity-based investments); inflation hedging strategies to protect against inflation and provide purchasing power (strategies with significant correlations to inflation); and risk minimizing strategies to reduce volatility and preserve capital (fixed income and other strategies with low correlations to equities). Investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends).

NOTE 11 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use, within one year of the statement of financial position date are comprised of the following:

	2026	2025
Cash and cash equivalents	$ 2,095,489	$ 5,395,389
Investments, operating	18,137,471	13,501,045
	$ 20,232,960	$ 18,896,434

The Foundation's unrestricted investments represent non-endowed assets that are not designated to a specific unit or purpose and can be used by the Foundation at any time. The assets are invested in short-term investments determined by the Foundation's investment policy.

Many of the Foundation's liabilities may be funded by financial assets with donor restrictions, which are not included in the liquidity table above.

NOTE 12 - EXPENSES BY NATURE AND FUNCTION

Expenses are presented by functional classification in accordance with the overall service mission of the Foundation. Each functional classification displays all expenses related to the underlying operations by natural classification.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and interest (included in facilities and equipment expense), which are allocated on a headcount basis.

	2026			
	University	Foundation Operations		
	Program Support	Fundraising	Management & General	Total Expenses
Expenses				
Faculty and staff compensation and benefits	$ 18,506,642	$ 19,507,648	$ 6,351,091	$ 44,365,381
Student support	24,884,739	-	-	24,884,739
General support	9,996,645	1,975,473	2,617,091	14,589,209
Facilities and equipment expense	7,748,198	454,478	207,914	8,410,590
Fundraising events and donor cultivation	2,113,486	2,575,414	70,082	4,758,982
Travel, conferences, and meetings	3,795,541	498,781	67,595	4,361,917
Total expenses	$ 67,045,251	$ 25,011,794	$ 9,313,773	$ 101,370,818

	2025			
	University	Foundation Operations		
	Program Support	Fundraising	Management & General	Total Expenses
Expenses				
Faculty and staff compensation and benefits	$ 17,492,144	$ 17,521,566	$ 5,647,572	$ 40,661,282
Student support	27,887,440	-	-	27,887,440
General support	7,944,709	1,993,211	2,417,251	12,355,171
Facilities and equipment expense	5,070,431	160,398	439,938	5,670,767
Fundraising events and donor cultivation	2,495,353	2,973,562	54,607	5,523,522
Travel, conferences, and meetings	4,078,494	490,487	48,060	4,617,041
Total expenses	$ 64,968,571	$ 23,139,224	$ 8,607,428	$ 96,715,223

NOTE 13 - UNIVERSITY SUPPORT

The Foundation, at the direction of its donors, makes payments on behalf of or directly to the University in support of the University's mission. Such amounts are classified as University Program Support in the statement of activities and in Note 11. There are two primary sources of Foundation funds available to the University: charitable gifts and philanthropic grants included in contributions to the Foundation that are immediately available for expenditure, and spending allocation from the accumulated investment earnings of individual endowment funds. Total funds disbursed by the Foundation in support of the University in accordance with the donated purpose were $67,045,251 and $64,968,571 for the years ended June 30, 2026 and 2025, respectively. The University determines the amount of support that will be requested from the Foundation based on the amounts available to be spent.

NOTE 14 - RELATED PARTY TRANSACTIONS

In December 1994, the Foundation assumed primary responsibility for the fundraising program conducted for the benefit of the University and, in June 1995, the Foundation assumed responsibility for related advancement services. The relationship, roles and arrangements between the Foundation and the University are documented in an Agreement dated July 1, 2015 (the "Agreement"), and in a Memorandum of Understanding (the "MOU"), which is updated on a one- or two-year basis. In payment for fundraising and other services outlined in the MOU, the Foundation recorded revenue from the University of $14,653,300 and $16,000,000 for the years ended June 30, 2026 and 2025.

The University of Connecticut Foundation has a contractual arrangement with the University of Connecticut to act as the University's agent in managing their endowment assets. The pool is managed under the same policies as the Foundation's endowment pool but may have a different asset allocation. The Foundation has elected to disclose the fair value of the endowment assets on the balance sheet with an offsetting liability. The University's endowment had a fair value of $28,245,495 and $21,252,461 as of June 30, 2026 and 2025, respectively.

In April 2015, the Foundation assumed primary responsibility for alumni engagement activities for the University. The Foundation focuses on strengthening the connection with alumni with the University over their lifetime. The University has granted the Foundation rights to use the Alumni Center at the cost of $1.00 rent per year in perpetuity. In payment for alumni engagement outlined in the MOU, the Foundation recorded revenue from the University of $3,093,000 and $2,835,000 for the years ended June 30, 2026 and 2025.

The Foundation has recorded a receivable due from the University of $403,300 as of June 30, 2026.

The Foundation has recorded a liability due to the University of $17,853,561 and $20,258,354 as of June 30, 2026 and 2025 respectively. The liabilities to the University are included in accounts payable and accrued expenses in the accompanying statement of financial position. In addition, at the request of the University of Connecticut's Board of Trustees, the Foundation's Board of Directors agreed in 1996 to help fund a deferred compensation package for the University's former President which is included in the Foundation accounts payable and accrued expenses in the accompanying statement of financial position. The liability was $206,302 and $214,676 as of June 30, 2026 and 2025, respectively.

The Foundation office building is owned by the Foundation and was constructed on approximately 1.58 acres of land owned by the University, which the University has leased to the Foundation pursuant to the terms of a ground lease (the "Lease") at an annual rental of $1.00. The initial term of the Lease is ninety-nine years and the Foundation has the right to extend the term of the Lease for ninety-nine additional years. The Lease provides that at its expiration or earlier termination, unless it is extended, the Foundation shall surrender the premises, and title to the building will then vest in the University. The Lease may be terminated by the University upon a breach by the Foundation of any of the terms and conditions of the Lease. The University must notify the Foundation of any such breach and allow 30 days for the Foundation to cure the breach.

NOTE 15 - SUBSEQUENT EVENTS

Management has evaluated all events or transactions that occurred after June 30, 2026 through October 15, 2026, the date the financial statements were issued. Management is not aware of any subsequent events which would require additional adjustment or disclosure in the accompanying financial statements.