

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
FINANCE COMMITTEE
JANUARY 22, 2007**

FINANCE COMMITTEE

Monday, January 22, 2007
3:15 - 5:15 p.m.
Byrd Seminar Room, Room 318
Harrison Institute

Committee Members:

W. Heywood Fralin, Chair
A. Macdonald Caputo
Alan A. Diamonstein
Georgia Willis Fauber
G. Slaughter Fitz-Hugh, Jr.
Warren M. Thompson
John O. Wynne
Thomas F. Farrell, II, Ex Officio

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BOARD OF VISITORS CONSENT AGENDA

A. APPROVAL OF BUDGET AMENDMENTS: Approves budget amendments and authorizes the Executive Vice President and Chief Operating Officer to transmit the final proposed budget amendments to the General Assembly.

Each fall, the University proposes operating and capital budget amendments to the Board of Visitors. Operating and capital amendments requesting general funds or capital amendments for projects with a future need for operating and maintenance funding require authorization by the Commonwealth under the University's Management Agreement with the state; ultimately, they are submitted to the Department of Planning and Budget for consideration by the Governor for inclusion in his Budget Bill. The University's proposed operating and capital budget amendments were approved by the Board of Visitors in September 2006 and were submitted to the Commonwealth two weeks later. On December 15, 2006, the Governor presented his amended 2006-2008 budget proposal to the General Assembly. The report in Appendix A provides a summary of the Governor's proposed amendments to the University's operating and capital budget.

Each January, the University may propose additional operating and capital budget amendments to the Board of Visitors. Operating and capital amendments requesting general funds, or capital amendments for projects with a future need for operating and maintenance funding, require authorization by the Commonwealth under the University's Management Agreement; these were due at the General Assembly on January 11th. The action taken by the Board in September to approve the requested amendments permitted the resubmission of any requests not addressed by the Budget Bill to the General Assembly for its consideration. The operating and capital budget amendments listed on the following pages are new items which have been identified since the Board's discussion in the fall and require approval by the Board. One item requiring General Assembly authorization, marked by an asterisk (*), has been submitted to the General Assembly in advance of Board approval because of the early deadline. But if the Board does not approve any of the individual budget amendments, they may be withdrawn from the General Assembly's consideration. All other items require Board of Visitors approval, but do not require authorization by the General Assembly.

In accordance with policy adopted by the Board of Visitors in October 2004, all capital project budget increases in excess

of ten percent and all capital project scope decreases in excess of ten percent require the approval of the Finance and Buildings and Grounds Committees. The capital budget amendments described below include three budget increases in excess of ten percent (Advanced Research and Technology Building, Bavaro Hall, and Upgrade of Jordan Hall HVAC Systems) and one scope decrease in excess of ten percent (Bavaro Hall).

AGENCY 207 - Academic Division

Capital:

The following three capital budget requests for general funds were submitted to the Governor's Office after the normal budget submission process in response to a request from the state for known and expected cost overruns on general funded capital projects. These requests were included in the Governor's Budget Bill and, if approved in the final Appropriation Act, will replace institutional funds.

- 1) *Ruffin Hall Cost Overrun (\$3.2 million GF)* - Over the summer, the University awarded the contract for this project and identified institutional funds to meet the gap between the previously approved budget of \$22.7 million and the revised budget of \$25.9 million. Consistent with policy, the chairs of the Buildings and Grounds and Finance Committees approved this budget increase.
- 2) *Claude Moore Nursing Education Building Cost Overrun (\$3.6 million GF)* - Over the summer, the University awarded the contract for this project and identified additional gifts to meet the gap between the previously approved budget of \$12.0 million and the revised budget of \$15.6 million. Consistent with policy, the chairs of the Buildings and Grounds and Finance Committees approved this budget increase.
- 3) *Gilmer Teaching Labs Expected Cost Overrun (\$0.425 million GF)* - The University has identified this expected cost overrun based on current construction market conditions.

The following non-general fund capital budget items require Board of Visitors approval. The item marked by an asterisk (*) also requires General Assembly authorization and has been submitted to the General Assembly for inclusion in the amended 2006-2008 Appropriations Act:

- 4) *Supplement Acquisition of Advanced Research and Technology Building (\$3.9 million NGF debt)* - This request increases the project to \$45.4 million due to unsuitable soil conditions, a clarification in building system requirements, program changes (related to the recruitment of a senior scientist who is a National Academy of Sciences member and a Howard Hughes Medical Institute investigator), and general construction market conditions. The project will provide research and core function space for sponsored research in the College of Arts & Sciences and the School of Medicine. A \$2.8 million administrative increase was previously approved; the combination of that \$2.8 million and this \$3.9 million puts the total increase since the last Board authorized budget at 17.3 percent, thus requiring the Committee's approval. The original budget of \$38.7 million was authorized by the Board in February 2005. The debt service related to the budget increase will be funded from Facilities & Administrative (F&A) cost recoveries related to the research activities to be housed in the facility. Operating and maintenance costs will be funded from F&A recoveries, tuition, and general funds.

- 5) ** Acquire Advanced Research and Technology Building Life Sciences Annex (\$35.1 million NGF debt)* - This project will acquire a 34,000 gross square foot research and live animal care facility located below grade at the Advanced Research and Technology facility. The facility will be constructed by the UVa Foundation at the Fontaine Research Park and will be acquired by the University in the fall of 2008. The debt service related to this project will be funded from F&A cost recoveries. Operating and maintenance costs will be funded from F&A recoveries, tuition, and state general funds.

- 6) *Acquire 214 Sprigg Lane (\$4.7 million NGF debt)* - The UVa Foundation is renovating this house, which will be acquired by the University in summer 2008. The facility will be used as the Principal's residence for the International Residential College. The debt service will be funded from institutional private resources; operating and maintenance costs will be funded from housing operations.

- 7) *Upgrade Main Heating Plant (\$3.5 million NGF debt)* - This supplement is to fund the cost of the revised requirements for the coal conveyor system included in the main heat plant upgrade, bringing the total project cost to \$71.7 million. The overall project is required for the

University to remain compliant with federal and state clean air regulations. The debt service will be funded from utility rates, related to cost avoidance because of increased energy efficiency. Incremental operating and maintenance costs are not expected following the upgrade.

- 8) *Renovate and Expand Rouss Hall* (\$3.5 million NGF debt) - This supplement is to augment the project because of market conditions, bringing the total project cost to \$62.0 million. The project will renovate the existing facility and complete a new 100,000 gross square foot addition. The debt service will be shared by University and McIntire School of Commerce resources. Incremental operating and maintenance costs will be funded from tuition and state general funds.
- 9) *Supplement Bavaro Hall* (\$5.2 million NGF) - Current cost estimates indicate that construction market escalation, related to cost increases in materials and labor shortages, will require both budget and scope changes for Bavaro Hall. Bavaro Hall's current \$32 million budget, authorized by the Board in October 2004, is recommended to be increased to \$37.2 million, an increase of 16.25 percent, and current scope of 80,000 gross square feet is recommended to be decreased to 68,800 gross square feet, a decrease of 18.75 percent. These changes are necessary in order to address the necessary program elements of the school within available funding. The full cost, including the supplement, is to be funded from gifts. A recent \$5 million gift will cover the majority of this cost increase.
- 10) *Supplement Upgrade of Jordan Hall HVAC Systems* (\$28.9 million NGF debt) - The request supplements the existing \$19.6 million project by \$9.3 million, a 47 percent increase, to replace HVAC infrastructure in a critical School of Medicine research facility, bringing the total project cost to \$28.9 million. The original budget was based upon an estimate developed several years ago when the needs were identified, but before funding was determined and prior to recent market escalation. The University has recently identified funds for the project, under the Board's Deferred Maintenance Initiative, which initiated a budget revision at current construction costs. The request also replaces the existing NGF cash authorization with an authorization to use University debt. F&A recoveries will repay the debt service. Incremental operating and maintenance costs are not expected following the upgrade.

- 11) *Construct Arts Grounds Parking Garage (\$4.9 million NGF debt)* - This request replaces previously authorized institutional cash with University debt in keeping with overall cash management goals. The project, with a total budget of \$14.4 million, will construct a parking garage for approximately 550 cars near Culbreth Road.

AGENCY 209 - Medical Center

- 1) *Acquire Blake Center (\$3.7 million NGF debt)* - This request replaces previously authorized institutional cash with University debt in keeping with overall cash management goals.

AGENCY 246 - College at Wise

None

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

BUDGET AMENDMENTS AND CAPITAL PROJECT SCOPE CHANGE FOR THE UNIVERSITY OF VIRGINIA

WHEREAS, the budget amendments and scope decrease for Bavaro Hall have been carefully reviewed; and

WHEREAS, the recommendations represent additional high priority initiatives and are aligned with the mission of the institution; and

WHEREAS, the Board of Visitors authorized the Executive Vice President and Chief Operating Officer to transmit to the General Assembly any request not funded by the Governor as long as there are no material differences from the items already endorsed by the Board of Visitors; and

WHEREAS, the University proposes the following three capital projects:

Acquire Advanced Research and Technology Life Sciences Annex (\$35.1 million NGF debt)
Acquire Sprigg Lane Property (\$4.7 million NGF debt)
Upgrade Jordan Hall HVAC (\$28.9 million NGF debt); and

WHEREAS, certain capital projects have experienced cost escalations or scope changes and some will require the issuance of debt to include:

Academic Division:

Construct Ruffin Hall (\$3.2 million GF)
Construct Claude Moore Nursing Education (\$3.6 million GF)
Renovate Gilmer Teaching Labs (\$0.425 million GF)
Acquire A.R.T. Building (\$3.9 million NGF debt)
Construct Bavaro Hall (\$5.2 million NGF; scope decrease of 14 percent)
Upgrade Main Heat Plant (\$3.5 million NGF debt)
Renovate & Expand Rouss Hall (\$3.5 million NGF debt)
Construct Arts Grounds Garage (\$4.9 million NGF debt; replacing NGF cash)

Medical Center:

Acquire Blake Center (\$3.7 million NGF debt; replacing NGF cash)

College at Wise:

Renovate & Expand Drama Building (\$3 million GF)
Renovate Science Building (\$2.5 million GF)
Renovate Smiddy Hall (\$3 million GF)

RESOLVED that the Board of Visitors of the University of Virginia endorses and supports the additional 2006-2008 budget amendments and adjustments to certain capital project budgets; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to transmit the final proposed budget amendments requiring authorization by the Commonwealth under the University's Management Agreement to the General Assembly.

B. AMENDMENT TO COMMERCIAL PAPER PROGRAM: Approves technical amendments to the legal documents of the commercial paper program in order to conform to the 2005 Restructuring Act.

On January 31, 2003, the Board of Visitors approved the establishment of a commercial paper program to provide short-term financing for capital projects. Since then, the program has been instrumental in providing flexibility in scheduling long-term bond issuance, reducing the opportunity cost of using internal funds for bridge financing, and reducing borrowing

costs for the University because short-term borrowing rates have been consistently lower than long-term rates during this period. In June 2005, the Board approved the expansion of the commercial paper program from its original \$100 million size to \$175 million. Also in 2005, the Restructured Higher Education Financial and Administrative Operations Act (the Restructuring Act) was passed into legislation, which assigned to the Board of Visitors certain authorities. In April 2006, the Board of Visitors approved the Debt Policy and the Interest Rate Risk Management Policy, the former becoming effective July 1, 2006, consistent with the effective date of the Management Agreement under the Restructuring Act.

The commercial paper program was established in 2003 under the then-applicable Code of Virginia. As such, there are certain requirements that have been removed by the enactment of the 2005 Restructuring Act. Thus, the legal documents of the commercial paper program should be amended to conform to the new law. This agenda item seeks Board of Visitors' approval to make the following technical amendments:

- 1) In the current commercial paper documents, allowable projects for use of commercial paper are defined as those approved by the Board of Visitors and the General Assembly. The resolution removes the requirement for General Assembly approval and instead refers to the approval authorities in the Board of Visitors' Debt Policy and Interest Rate Risk Management Policy.
- 2) In the current commercial paper documents, certain changes to the program must be approved by the Commonwealth's Treasury Board. The resolution amends this provision so that approval is by the Board of Visitors, with delegation of certain authorities to the Executive Committee and officials of the University.
- 3) In the current commercial paper documents, the State Treasurer and the Treasury Board have certain administrative and oversight responsibilities. The resolution removes these provisions consistent with the Restructuring Act, and transfers oversight responsibilities to the Executive Committee or the Executive Vice President and Chief Operating Officer.

Upon approval of the resolution by the Board of Visitors, the University next would seek approval from the Treasury Board

for these amendments. The following resolution is a summary of the full legal resolution (Appendix C), which will be available upon finalization by bond counsel and the university's general counsel, and will be distributed at the January 22, 2007 Finance Committee Meeting.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

AMEND THE COMMERCIAL PAPER PROGRAM TO CONFORM WITH THE RESTRUCTURING ACT

WHEREAS, Chapter 9, Title 23 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of The Rector and Visitors of the University of Virginia (the "University") which is governed by a Board of Visitors (the "Board"); and

WHEREAS, Chapter 3, Title 23 of the Virginia Code classifies the University as an educational institution, declares it to be a public body and constitutes it a governmental instrumentality for the dissemination of education; and

WHEREAS, the University has entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 3 of Chapter 933 of the 2006 Virginia Acts of Assembly (the "Management Agreement"), pursuant to the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10, Title 23 of the Virginia Code (the "Act"); and

WHEREAS, the Board previously has determined to facilitate the financing or refinancing from time to time of capital and other projects of the University on a short-term basis through the issuance of short-term commercial paper in an aggregate outstanding principal amount at any time not to exceed \$175,000,000 (the "Program") and the Program is secured by a general revenue pledge of the University and is not to be in any way a debt of the Commonwealth and does not create or constitute any indebtedness or obligation of the Commonwealth, either legal, moral or otherwise; and

WHEREAS, the Board desires to authorize its Executive Committee (the "Executive Committee") to amend the form and terms of the Program in order to streamline the Program and make revisions to reflect the Act and the Management Agreement;

RESOLVED that the Board hereby approves the amended and restated resolution with respect to the Program (distributed to members as Exhibit C) with such amendments, modifications or omissions as may be approved by the Executive Committee, or by the University's Executive Vice President and Chief Operating Officer pursuant to Section 11.8 of such Resolution; and

RESOLVED FURTHER that costs associated with any capital project approved by the Board or other utilization of funds by the University which is permitted by law may be financed under the Program, including without limitation, capitalized interest, financing costs, and working capital, consistent with the Board's debt policy; and

RESOLVED FURTHER that amendments and revisions to the Program may be implemented by the Board, the Executive Committee and the officers of the University as set forth in the Board's debt and interest rate risk management policies; and

RESOLVED FURTHER that all officers of the University are authorized and directed to take all such further actions, including without limitation the designation of underwriters, paying agents, remarketing agents, trustees, and liquidity providers for the Program, and to execute all such instruments, agreements, documents and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including without limitation any liquidity facilities, swap, or other interest rate management agreements associated with the Program; and

RESOLVED FURTHER that all acts of all officers of the University which are in conformity with the purposes and intent of this resolution and in carrying out the financing plans presented to this meeting are ratified, approved, and affirmed.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 22, 2007

COMMITTEE: Finance

AGENDA ITEM: II.A. Student Housing Rates, 2007-2008

BACKGROUND: The Board considers student housing rates at this time each year. The University's student housing rates were increased by approximately 9.7 percent in 2006-2007 (4.6 percent base plus 5.1 percent for a \$200 fee for maintenance reserve). The University of Virginia's College at Wise student housing rates were increased seven percent in 2006-2007.

For the current fiscal year (2006-2007), the average double room rate at Virginia public colleges and universities is \$3,710. The comparable average at the University is \$3,639. The College at Wise charges an average of \$3,534. Historically, the University has strived to keep the University's and the College at Wise's charges for room and board under the average of amounts charged at other Virginia public institutions.

DISCUSSION: The University proposes a \$376 increase in the average housing double room rate to \$4,015 per nine-month academic year for 2007-2008. Of the proposed \$376 increase, \$200 is proposed as a fee specifically to fund replacement and renovation reserves for anticipated major renovation and the replacement of first year residence halls.

The proposed overall housing rates will increase by approximately 9.6 percent in 2007-2008. Of the proposed 9.6 percent, 4.6 percent of the increase will be due to the \$200 fee described above. The remaining five percent of the 9.6 percent increase will, similar to last year's increase, cover rising operating costs, including increases in salaries and fringe benefits, utilities, insurance, supplies, and debt service.

The University of Virginia's College at Wise proposes a \$288 increase in the average housing double room rate to \$3,822 for 2007-2008. The proposed overall housing rates will increase by seven percent.

The proposed resolution also addresses summer 2007 housing and dining rates for the Mountain Lake Biological Station.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

APPROVAL OF STUDENT HOUSING RATES FOR 2007-2008

RESOLVED that rental increases for student housing facilities be approved as shown below, effective beginning with the 2007-2008 session:

<u>Facility</u>	<u>Actual 2006-2007 Per Student Per Session</u>	<u>Amount of Increase</u>	<u>% Increase Before Improvement Fee</u>	<u>Student Housing Improvement Fund Fee</u>	<u>Total Percent Increase</u>	<u>Proposed 2007-2008 Per Student Per Session</u>
<u>Academic Division</u>						
DORMITORIES						
<u>Alderman/Observatory Houses</u>						
Double Room	\$3,600	\$180	5.00%	\$200	10.56%	\$3,980
<u>Brown College</u>						
Double Room	\$4,270	\$210	4.92%	\$200	9.60%	\$4,680
<u>McCormick Road</u>						
Double Room	\$3,460	\$170	4.91%	\$200	10.69%	\$3,830
Small Double Room	\$3,230	\$160	4.95%	\$200	11.15%	\$3,590
Single	\$3,610	\$180	4.99%	\$200	10.53%	\$3,990
<u>Lawn</u>						
Single	\$4,110	\$210	5.11%	\$200	9.98%	\$4,520
Single (no fireplace)	\$4,010	\$200	4.99%	\$200	9.98%	\$4,410
<u>Range</u>						
Regular Single	\$4,110	\$210	5.11%	\$200	9.98%	\$4,520
<u>Crackerbox</u>						
Single Room	\$4,110	\$210	5.11%	\$200	9.98%	\$4,520
<u>Mary Munford/ Roberta Gwathmey</u>						
Double Room	\$3,600	\$180	5.00%	\$200	10.56%	\$3,980
Single Room	\$4,110	\$210	5.11%	\$200	9.98%	\$4,520
<u>Sprigg (Lewis/Hoxton)</u>						
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Small Double Room	\$3,770	\$190	5.04%	\$200	10.34%	\$4,160
Single Room	\$4,310	\$220	5.10%	\$200	9.74%	\$4,730
Single Room (w/bath)	\$4,500	\$230	5.11%	\$200	9.56%	\$4,930
<u>Gooch/Dillard</u>						
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Single Room	\$4,310	\$220	5.10%	\$200	9.74%	\$4,730
Twelve Month Rate:						
Single Room	\$5,740	\$290	5.05%	\$200	8.54%	\$6,230

Facility	Actual 2006-2007 Per Student Per Session	Amount of Increase	% Increase Before Improvement Fee	Student Housing Improvement Fund Fee	Total Percent Increase	Proposed 2007-2008 Per Student Per Session
<u>Hereford College</u>						
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Single Room	\$4,270	\$210	4.92%	\$200	9.60%	\$4,680
<u>French House</u>						
Triple Room (discontinued 2007-08)	\$3,790	N/A	N/A	N/A	N/A	N/A
Large Double Room (new 2007-08)	N/A	N/A	N/A	N/A	N/A	\$4,500
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Single Room	\$4,400	\$220	5.00%	\$200	9.55%	\$4,820
<u>Russia House</u>						
Double Room	\$3,950	\$200	5.06%	\$200	10.13%	\$4,350
Single Room	\$4,330	\$220	5.08%	\$200	9.70%	\$4,750
<u>Spanish House</u>						
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Single Room	\$4,400	\$220	5.00%	\$200	9.55%	\$4,820
<u>Shea House</u>						
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Single Room	\$4,400	\$220	5.00%	\$200	9.55%	\$4,820
APARTMENTS - SINGLE STUDENT						
<u>Copeley Hill III, IV, Lambeth Field</u>						
Two Bedroom (double occupancy)	\$4,000	\$200	5.00%	\$200	10.00%	\$4,400
Three Bedroom (double occupancy)	\$3,890	\$200	5.14%	\$200	10.28%	\$4,290
<u>Bice House</u>						
Two Bedroom (double occupancy)	\$4,000	\$200	5.00%	\$200	10.00%	\$4,400
Three Bedroom (double occupancy)	\$3,890	\$200	5.14%	\$200	10.28%	\$4,290
Single	\$4,380	\$220	5.02%	\$200	9.59%	\$4,800
<u>Faulkner (Hench, Mitchell, Younger)</u>						
Single	\$4,380	\$220	5.02%	\$200	9.59%	\$4,800
Large Single	\$5,140	\$260	5.06%	\$200	8.95%	\$5,600
APARTMENTS - FAMILY (per month)						
<u>Copeley Hill I & II</u>						
One Bedroom (furnished)	\$691	\$4	0.58%	\$0	0.58%	\$695
One Bedroom (unfurnished)	\$657	\$13	1.98%	\$0	1.98%	\$670
Two Bedroom (furnished)	\$805	\$40	4.97%	\$0	4.97%	\$845
Two Bedroom (unfurnished)	\$770	\$39	5.06%	\$0	5.06%	\$809
Three Bedroom (furnished)	\$866	\$43	4.97%	\$0	4.97%	\$909
Three Bedroom (unfurnished)	\$830	\$42	5.06%	\$0	5.06%	\$872

<u>Facility</u>	<u>Actual 2006-2007 Per Student Per Session</u>	<u>Amount of Increase</u>	<u>% Increase Before Improvement Fee</u>	<u>Student Housing Improvement Fund Fee</u>	<u>Total Percent Increase</u>	<u>Proposed 2007-2008 Per Student Per Session</u>
<u>University Gardens</u>						
One Bedroom (furnished)	\$674	\$0	0.00%	\$0	0.00%	\$674
One Bedroom (unfurnished)	\$641	\$3	0.47%	\$0	0.47%	\$644
Two Bedroom (furnished)	\$772	\$38	4.92%	\$0	4.92%	\$810
Two Bedroom (unfurnished)	\$736	\$37	5.03%	\$0	5.03%	\$773
<u>College At Wise</u>						
McCraray	\$3,230	\$226	7.00%	\$0	7.00%	\$3,456
Asbury, Thompson, Henson, Randolph, Townhouses, Theme Housing	\$3,732	\$262	7.02%	\$0	7.02%	\$3,994

Notes:

1. The 2006-2007 rate for one bedroom furnished University Gardens apartments is at market.
2. The rates for Copeley Hill I & II and University Gardens include utility charges, and cable TV.
3. The rate for a double room used as a single is 135 percent of the double rate.

MOUNTAIN LAKE BIOLOGICAL STATION PROPOSED RATES/NEW DAILY RATES

	<u>Actual</u> <u>2006</u>	<u>Daily-06</u>	<u>Proposed</u> <u>Daily-07</u>	<u>Percent</u> <u>Increase</u>
<i>Dormitories/Singles - assigned housing w/roommates:</i>				
Cabins	\$103.00	\$3.68	\$4.00	8.74%
(Elliot, Chapman, Audubon, de Schweinitz = student dorms)				
Laing Singles	\$103.00	\$3.68	\$4.00	8.74%
New Dorm Singles	\$119.00	\$4.25	\$4.00	-5.88%
Laing Apts.	\$103.00	\$3.68	\$4.00	8.74%
New Dorm Apts.	\$103.00	\$3.68	\$4.00	8.74%
<i>Apartments:</i>				
Laing Apartments	\$145.50	\$5.20	\$6.10	17.39%
New Dorm Apts.	\$166.00	\$5.93	\$6.10	2.89%
<i>Cabins:</i>	\$191.00	\$6.82	\$6.10	-10.58%

NOTES:

1. Apartments and cabins fees change when used as dorms.
2. Rates for apartments and cabins have been adjusted such that each will have the same rate starting in 2007. Although some individual rates will decrease, this action is projected to result in a net increase of two percent in rental revenues and will simplify the rate structure in the future.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 22, 2007

COMMITTEE: Finance

AGENDA ITEM: II.B. 2007-2008 Tuition and Fees for
Special Programs

BACKGROUND: The University has four programs whose academic year begins in May or June rather than in August. For that reason, the Finance Committee considers their tuition proposals each year at this meeting.

DISCUSSION: All programs are priced according to program cost, market rates, and program demand. Tuition and fees for the Darden School's MBA for Executives program will increase 6.67 percent for Virginians and non-Virginians after an evaluation of market rates and to cover increasing program costs.

Tuition and fees for the McIntire School of Commerce's Masters in Technology program and the School of Engineering and Applied Science's Accelerated Master's Program in Systems Engineering will remain unchanged because of current market conditions.

Tuition and fees for the School of Continuing and Professional Studies' Post-Baccalaureate Pre-Medical Certificate Program will increase by \$1,100 for Virginians (6.1 percent) and non-Virginians (4.8 percent) due to increasing program costs. The tuition rates keep the program competitive with similar programs offered by peer institutions.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

APPROVAL OF 2007-2008 TUITION AND FEES FOR CERTAIN PROGRAMS

RESOLVED that the tuition and fees applicable to the following programs be approved as shown below, effective May 1, 2007:

	Virginian			Non-Virginian			2007-08 Proposed
	2006-07 Approved	Amount of Increase	Percent of Increase	2006-07 Approved	Amount of Increase	Percent of Increase	
MBA for Executives	\$90,000	\$6,000	6.67%	\$96,000	\$90,000	\$6,000	6.67% \$96,000
The price is all inclusive for the 22 months of the full program. It includes tuition and fees for special session mandatory fee, books, materials, computer leasing, software licenses, group meals, and lodging.							
MIT	\$34,900	\$-	-%	\$34,900	\$39,900	\$-	-% \$39,900
Price includes fees of approximately \$11,000 for special session mandatory fee, books, materials, computer leasing, software licenses, group meals, and lodging. The final fee portion will be determined when the 2007-08 special session mandatory fee is developed.							
Systems Eng.	\$32,500	\$-	-%	\$32,500	\$37,500	\$-	-% \$37,500
Price includes fees of approximately \$12,000 for special session mandatory fee, books, materials, technology, group meals, and lodging. The final fee portion will be determined when the 2007-08 special session mandatory fee is developed.							
Post-Bac, Pre-Med	\$18,000	\$1,100	6.1%	\$19,100	\$23,000	\$1,100	4.8% \$24,100
Price includes full-time mandatory fees.							

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 22, 2007

COMMITTEE: Finance

AGENDA ITEM: II.C. Financial Plans for Capital Projects
in the First Biennium of the Proposed Six
Year Capital Plan (2008-2014)

BACKGROUND: In October 2004, the Board of Visitors revised the policy outlining the involvement of the Board and its committees in the capital planning process. As a result, during the biennial development of the University's Six Year Capital Plan, certain committees will review the programmatic concepts of certain projects and the Finance Committee will review the financial plans for each project in the first biennium. At its January meeting, the Finance Committee will review financial plans for the 2008-2010 biennium of the proposed 2008-14 Six Year Capital Outlay Plan. Also in January, the Buildings and Grounds Committee will review the full 2008-2014 Six Year Capital Outlay Plan.

DISCUSSION: The first biennium of the Six Year Capital Plan includes projects for which we are seeking state tax funds; projects for which we will use self-generated funds, such as facilities and administrative cost recoveries from grants (F&A), gifts, and grants; and projects to be financed with University debt.

Project budgets have been developed using current cost benchmarks for the particular type of construction (i.e., classroom versus laboratory versus athletic facility) escalated to an expected midpoint of construction. The project budgets for new construction and major renovations have been adjusted upward in order to facilitate achieving Leadership in Energy and Environmental (LEED) certification.

The Administration reviewed the preliminary business plans for each of the proposals in the first biennium and found that the business plans are acceptable. Some proposed projects are dependent upon external fund sources (state general funds or private fundraising), but if these funds are not forthcoming, the projects will not proceed or other means of funding will be identified. The University will conduct more comprehensive

assessments as the projects, if authorized, move towards design and construction.

Each financial plan description which follows this write-up summarizes private funding strategies, the repayment of debt service, and how any incremental operating and maintenance costs will be funded. Summaries are not provided for maintenance reserve, accessibility, and renovation blankets since those items will be made up of many smaller, yet-to-be identified, projects.

Overall Debt Assessment

The University's Director of Treasury Operations has conducted a debt assessment to evaluate the impact to the University's key debt ratios as outlined in the Board approved debt policy. It is the University's assessment that the total debt funding of \$233.3 million sought for the first biennium of the Six Year Capital Outlay Plan will not jeopardize internal guidelines for financial ratios. By accepting this assessment, the Board does not authorize the issuance of debt or any other long-term financial obligation; rather the Board approves the inclusion of these debt-funded projects as a part of the 2008-2014 Six-Year Capital Outlay Plan.

Overall Private Funding Assessment

The University's Senior Associate Vice President for Principal Relationship Development has conducted an assessment of each program sponsor's ability to raise the philanthropic requirements as outlined in the project business plan. It is the University's assessment that the total private funding component of \$115.3 million sought for the first biennium of the Six Year Capital Outlay Plan, while perhaps a stretch goal for some project sponsors, is not inconsistent with current private fundraising objectives and opportunities. Further, it is the expectation of the Board that the Administration will not allow construction of any project to begin until funding has been identified and confirmed.

ACADEMIC DIVISION

Renovation Projects

Upgrade Ruffner Hall

State GF: \$19,800,000

This project repairs and/or replaces major infrastructure systems in the building, which was built in 1973. This project is fully dependent upon the availability of state funds for

Renovate McCue Center *Gifts:* *\$5,700,000*

This project renovates the football locker room, entry hallways and lounge, reconfigures the football office suite and reception area, and provides new furniture, a computer lab, academic support space and office space for the athletics department. Athletics has a fundraising strategy in place to raise the gifts needed. Incremental operating and maintenance needs are not expected following the renovation. Gifts may require short-term internal loan financing as pledges are paid.

Renovate Pavilion *Gifts:* *\$2,600,000*

This project restores Thomas Jefferson's original 1820s faculty resident/classroom buildings located in Jefferson's Academical Village. Gift funding will most likely come from gifts already received and identified for historic renovations. Incremental operating and maintenance needs are not expected following the renovation.

New Construction Projects

Construct Information Technology Engineering Building *State GF:* *\$42,100,000*
Gifts: *\$17,100,000*
\$59,200,000

The above project cost includes \$3 million (split between State GF and Gifts) for planning that the University has requested as a 2007-2008 amendment to the Appropriation Act. This project constructs a 73,850 gross square foot facility to house Computer Sciences, Systems and Information Engineering, and Electrical and Computer Engineering departments. The project also renovates portions of Olsson Hall and Thornton Hall. This project is heavily dependent upon the availability of state funds for initiation. Nearly \$12 million of the \$17.1 million gift funding is raised. The remaining \$5.1 million in gifts is the number one fundraising priority of the Engineering School. Operating and maintenance costs after the building is completed will be funded from state general funds, tuition, and F&A recoveries.

Construct Ivy Stacks II *State GF:* *\$21,500,000*
Gifts: *\$ 3,000,000*
\$24,500,000

This project constructs a 30,000 gross square foot high density shelving facility to accommodate growth in library collections.

It will include a preservation lab and a new collections processing and handling facility. This project is heavily dependent upon the availability of state funds for initiation. The library has developed a strategy for raising the private funding component which will include a naming opportunity for the preservation lab. Operating and maintenance costs after the building is completed will be funded from state general funds and tuition.

<i>Construct Blandy Arboretum</i>	<i>State GF:</i>	<i>\$1,400,000</i>
<i>Research Labs and Cabins</i>	<i>Gifts/Grants:</i>	<i>\$ 800,000</i>
		<i><u>\$2,200,000</u></i>

This project constructs a 3,000 gross square foot modern laboratory building, two additional research visitor residence cottages totaling 2,500 gross square foot, and essential infrastructure and utility work. This project is heavily dependent upon the availability of state funds for initiation. The gifts/grants component will consist of a National Science Foundation grant and other sources to be raised. Operating and maintenance costs after the buildings are completed will be funded from state general funds and tuition.

<i>Construct Gateway to the Arts</i>	<i>Debt:</i>	<i>\$ 57,500,000</i>
	<i>Gifts:</i>	<i>\$ 30,000,000</i>
	<i>State GF:</i>	<i>\$ 25,000,000</i>
	<i>Dining Ops:</i>	<i><u>\$ 6,000,000</u></i>
		<i><u>\$118,500,000</u></i>

The Gateway to the Arts project will construct a 24,850 gross square foot Art Museum, a 9,400 gross square foot Studio Theater (for theatrical performances, dance recitals, lectures, and film screenings), a 6,300 GSF Band Facility, and a 9,500 gross square foot Forum building (for events such as public lectures, presentations, performances and dinner). It will also construct a nearly 90,000 gross square foot, 250 student residential college and a 15,900 GSF dining facility. Nearly \$7 million of the gift component has been raised and a comprehensive fundraising strategy is being developed for the remaining \$48 million. The debt service will be funded from endowment income and housing operations. Operating and maintenance costs after the building is completed will be funded from state general funds, tuition, and housing and dining operations.

and maintenance costs after the building is completed will be funded from state general funds and tuition.

Construct Klockner Stadium Addition *Gifts:* *\$10,400,000*

This project constructs a new building to house the men's and women's soccer and men's and women's lacrosse locker rooms. Athletics has a fundraising strategy in place to raise the gifts needed. Gifts will also fund the operating and maintenance costs after the addition is completed. Gifts may require short-term internal loan financing as pledges are paid.

Construct University Center *Debt:* *\$30,000,000*

The project constructs an approximately 40,000 gross square foot building to meet a demonstrated need for social gathering, meeting, performance, rehearsal, and student organization space. Debt service and operating and maintenance costs after the center is completed will require an increase in student fees of approximately \$170 per student.

Expand University Bookstore *Bookstore Ops* *\$ 6,900,000*
Debt: *\$ 3,600,000*
\$10,500,000

This project constructs a 19,300 gross square foot expansion to the east of the existing University Bookstore. Debt service and operating and maintenance costs after the expansion is completed will be funded from Bookstore operations.

Infrastructure Projects

Upgrade Central Grounds *State GF:* *\$10,100,000*
Medium Temp Hot Water Piping

This project replaces 10-inch and 12-inch diameter medium temperature hot water lines between Garrett and Thornton Halls with new 18-inch diameter lines to accommodate University growth in the West Grounds. This is a critical project and if state general funds are not provided, an alternative business plan must be developed. Incremental operating and maintenance needs are not expected following the upgrade.

<i>Replace North Chiller Plant Chillers</i>	<i>State GF:</i>	<i>\$22,650,000</i>
	<i>Hospital Ops:</i>	<i>\$22,650,000</i>
		<i>\$45,300,000</i>

This project replaces four aging 1,200 ton chillers that are nearing the end of their useful life with three new 2,000 ton chillers to reliably serve the needs of the Health System. This is a critical project and if state general funds are not provided, an alternative business plan must be developed. Incremental operating and maintenance needs are not expected following the replacement.

MEDICAL CENTER

New Construction Projects

<i>Construct University Hospital Mixing Box</i>	<i>Debt:</i>	<i>\$23,890,000</i>
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This project constructs a plaza and a multilevel pedestrian circulation system which allows vertical and horizontal circulation between the Medical Center garages and buildings. Debt service and incremental operating and maintenance needs will be funded from hospital operations. The Medical Center has included this project in its Long Range Plan and determined that it can support this additional obligation and achieve its performance targets.

UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

New Construction Projects

<i>Construct New Library</i>	<i>State GF:</i>	<i>\$42,500,000</i>
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The project constructs a 60,000 gross square foot library facility that will provide sufficient space to accommodate the College's planned growth. This project is fully dependent upon the availability of state funds for initiation. Operating and maintenance costs after the library is completed will be funded from state general funds and tuition.

Renovate Greear Gym & Pool and
Construct Recreation Center

State GF: \$16,600,000
Gifts: \$16,550,000
Debt: \$13,050,000
 \$46,200,000

This project constructs a 50,000 gross square foot recreational facility and renovates Wise's 26,500 gross square foot gymnasium and 8,800 gross square foot swimming pool building. This project is heavily dependent upon the availability of state funds for initiation. Additionally, Wise does not yet have a comprehensive fundraising strategy in place for this project. Debt service and operating and maintenance costs after the center is completed are projected to be funded from student fees; however, the assessment of Wise's ability to raise fees to the extent necessary is not complete.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

APPROVAL OF FINANCIAL PLANS FOR CAPITAL PROJECTS IN THE FIRST BIENNIUM OF THE PROPOSED SIX YEAR CAPITAL PLAN (2008-2014)

RESOLVED that the financial plans for the capital outlay projects included in the first biennium of the proposed 2008-2014 Capital Outlay Plan are reasonable and, in most cases, complete; and

RESOLVED FURTHER, that in cases where additional analysis is required or fundraising plans developed to determine the financial feasibility of a project, that no construction shall begin until the Executive Vice President and Chief Operating Officer, in consultation with the Chair of the Finance Committee, approves the revised financial plan.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 22, 2007

COMMITTEE: Finance

AGENDA ITEM: II.D. Intent to Issue Tax Exempt Debt

BACKGROUND: Under federal tax regulations, the University's Board must pass an intent to issue resolution prior to issuing tax-exempt debt to reimburse itself for expenditures associated with specific, enumerated projects.

This resolution will also allow the University to provide short-term financing for the projects through the University's commercial paper program, where appropriate. Short-term financing may be provided for capital projects only after a project's business plan, including documentation of the project's fiscal soundness, has been approved by senior management.

This resolution does not authorize the University to issue long-term debt. Prior to the University issuing long-term debt, the Board will be asked to approve a separate issuance resolution.

DISCUSSION: The Board of Visitors has approved or will consider the use of tax-exempt debt for these capital projects, each of which is included in either the 2007-08 budget amendments (Item I.A.) or the 2008-2014 Six-Year Capital Outlay Plan (Item II.C). Approval of the intent to issue for each project listed is contingent upon the board approval of the related project.

Project	Requested ITI Authorization	Total of Requested and Previous ITI Authorizations
Project Approved September 2006:		
Construct Printing and Copying Services Addition	\$1,000,000	\$1,000,000
Projects Approved as 2007-08 Budget Amendments (Item I.A., January 2007):		
Acquire Advanced Research and Technology Building	\$6,530,000	\$45,400,000
Acquire Advanced Research and Technology Life Sciences Annex	\$35,100,000	\$35,100,000

Acquire 214 Sprigg Lane	\$4,700,000	\$4,700,000
Upgrade Main Heat Plant	\$3,500,000	\$32,464,000
Renovate and Expand Rouss Hall	\$3,500,000	\$43,400,000
Upgrade Jordan Hall HVAC Systems	\$28,900,000	\$28,900,000
Construct Arts Grounds Parking Garage	\$1,300,000	\$11,900,000
Acquire Blake Center (Medical Center)	\$3,700,000	\$3,700,000
Projects Proposed for 2008-2010 Biennium of Six Year Capital Plan (Item II.C, January 2007):		
Construct Gateway to the Arts	\$57,500,000	\$57,500,000
Construct JAG School Addition	\$50,000,000	\$50,000,000
Construct Alderman Road Residences	\$29,400,000	\$29,400,000
Acquire Health System North Parking Garage	\$15,000,000	\$43,000,000
Construct ITC Data Center Building	\$12,900,000	\$12,900,000
Construct University Center	\$30,000,000	\$30,000,000
Expand University Bookstore	\$3,600,000	\$3,600,000
Construct University Hospital Mixing Box (Medical Center)	\$23,890,000	\$23,890,000
Renovate Greear Gym & Pool and Construct Recreation Center (College at Wise)	\$13,050,000	\$13,050,000

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

APPROVAL OF INTENT TO ISSUE TAX EXEMPT DEBT

WHEREAS, the University intends to undertake the following capital projects utilizing tax-exempt debt as a funding source:

ACADEMIC DIVISION

- Upgrade Main Heat Plant (supplement)
- Renovate and Expand Rouss Hall (supplement)
- Acquire Advanced Research and Technology Building (supplement)
- Acquire Advanced Research and Technology Life Sciences Annex
- Construct Arts Grounds Parking Garage
- Upgrade Jordan Hall HVAC
- Construct Printing and Copying Services Addition
- Acquire 214 Sprigg Lane
- Construct Gateway to the Arts
- Construct JAG School Building

Construct Alderman Road Residences
Construct ITC Data Center Building
Expand University Bookstore
Construct University Center
Acquire Health System North Parking Garage

MEDICAL CENTER

Acquire Blake Center
Construct University Hospital Mixing Box

COLLEGE AT WISE

Renovate Greear Gym & Pool and Construct Recreation
Center

WHEREAS, the United States Department of the Treasury has promulgated final regulations in Section 1.150-2 of the Treasury Regulations governing when the allocation of bond proceeds to reimburse expenditures previously made by a borrower shall be treated as an expenditure of the bond proceeds; and

WHEREAS, the Regulations require a declaration of official intent by a borrower to provide evidence that the borrower intended to reimburse such expenditures with proceeds of its debt; and

WHEREAS, the Board of Visitors of the University of Virginia desires to make such a declaration of official intent as required by the Regulations; and

WHEREAS, the University may be required to provide short-term financing to each project prior to issuing long-term debt in order to implement an efficient and timely construction schedule; and

WHEREAS, the University has funding mechanisms to accommodate short-term financing needs, defined as a period of less than sixty months; and

WHEREAS, the authority for the University to enter into financing arrangements exceeding sixty months in maturity for each project listed is not included in this resolution; and

WHEREAS, if the University arranges short-term financing for a particular project, and if the project is not ultimately completed, or if the project utilizes funding sources other than debt, then the appropriate school or unit remains responsible for refunding the short-term obligation;

RESOLVED that, pursuant to the terms of the Treasury Regulations, the University of Virginia declares its intent to reimburse expenditures in accordance with the following:

1. The University reasonably expects to reimburse expenditures from the issuance of tax-exempt debt to be issued by the University incurred for each project;

2. This resolution is a declaration of official intent under Section 1.150-2 of the Regulations;

3. The maximum principal amount of debt expected to be issued for the purpose of reimbursing expenditures relating to each project is as follows:

ACADEMIC DIVISION

Upgrade Main Heat Plant (requested) = \$3,500,000
(total of all requests = \$32,464,000)

Renovate and Expand Rouss Hall (requested) = \$3,500,000
(total of all requests = \$43,400,000)

Acquire Advanced Research and Technology Building (requested) = \$6,530,000
(total of all requests = \$45,400,000)

Acquire Advanced Research and Technology Life Sciences Annex = \$35,100,000

Construct Arts Parking Garage (requested) = \$1,300,000
(total of all requests = \$11,900,000)

Upgrade Jordan Hall HVAC = \$28,900,000

Construct Printing and Copying Services Addition = \$1,000,000

Acquire 214 Sprigg Lane = \$4,700,000

Construct Gateway to the Arts = \$57,500,000

Construct JAG School Addition = \$50,000,000

Construct Alderman Road Residences = \$29,400,000

Construct ITC Data Center Building = \$12,900,000

Expand University Bookstore = \$3,600,000

Construct University Center = \$30,000,000

Acquire Health System North Parking Garage (requested) =
\$15,000,000

(total of all requests = \$43,000,000)

MEDICAL CENTER

Acquire Blake Center = \$3,700,000

Construct University Hospital Mixing Box = \$23,890,000

COLLEGE AT WISE

Renovate Greear Gym & Pool and Construct Recreation Center =
\$13,050,000

RESOLVED FURTHER, that each project is a separate enterprise independent of other projects, and that the authorization for funding relates to each individual project; and

RESOLVED FURTHER, funds may be borrowed for each project on a short-term basis, but only if the following conditions are met:

1. The Board of Visitors approves the current resolution;
2. A comprehensive and detailed financial plan for the school/unit project is submitted;
3. Short-term financing shall not exceed sixty months in maturity; and
4. The school or unit remains responsible for any debt obligation incurred regardless of the status of the capital project or whether or not a debt issuance actually occurs.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 22, 2007

COMMITTEE: Finance

AGENDA ITEM: II.E. Leadership in Energy and
Environmental Design (LEED) Certification
for New Buildings and Major Renovations

BACKGROUND: The University is a signatory to the Talloires Declaration, which is the first official statement made by university administrators of a commitment to environmental sustainability in higher education. Composed in 1990 at an international conference in Talloires, France, the Talloires Declaration is a ten-point action plan for incorporating sustainability and environmental literacy in teaching, research, operations, and outreach at colleges and universities.

The University has committed to provide the leadership and support to mobilize internal and external resources to respond to these challenges. To date, we have been leaders in energy and water conservation, storm-water management, recycling, and public transportation. In addition, there is a strong and growing body of interest, support, and activity among members of the University community in regard to the importance of sustainability.

DISCUSSION: The Office of the University Architect developed Sustainability Design Guidelines, which the Buildings and Grounds Committee endorsed at its May 2006 meeting. In addition, there are currently five major capital projects that have been initially evaluated using the international standard of LEED (U.S. Green Building Council's Leadership in Energy and Environmental Design) criteria checklist. Each of these projects was conceived and designed with a view toward achievable LEED points at a minimum level equal to LEED "certified" projects. However, to date, no project at the University has been LEED certified.

At their December 11, 2006 meeting, the Buildings and Grounds Committee recommended approval of a policy that all major new and renovation building projects that come before the Building and Grounds Committee of the Board of Visitors after January 1, 2007, shall be designed and constructed consistent with the performance standards of the U.S. Green Building

Council's LEED rating system and shall achieve, unless extraordinary circumstances apply, a minimum of a LEED Certified rating upon completion.

It is estimated that constructing or renovating a building in a manner to achieve LEED certification will increase the project cost by one to two percent. However, it is expected that this up front cost will be repaid through cost savings or cost avoidance within five years. Because of its financial implications, this policy has been forwarded to the Finance Committee for review prior to consideration by the full Board of Visitors.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

POLICY ON LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED) CERTIFICATION FOR NEW BUILDINGS AND MAJOR RENOVATIONS

WHEREAS, the University has demonstrated leadership in certain environmental areas including energy and water conservation, storm water management, recycling, and public transportation; and

WHEREAS the Buildings and Grounds Committee recommends the following policy to the Finance Committee;

RESOLVED that all major new and renovation building projects that come before the Building and Grounds and Finance Committees of the Board of Visitors after January 1, 2007, shall be designed and constructed consistent with the performance standards of the U.S. Green Building Council's LEED rating system and shall achieve, unless circumstances apply and the Buildings and Grounds and Finance Committees approve an exception to this policy, a minimum of a LEED Certified rating upon completion; and

RESOLVED FURTHER that the budgets for such projects will include the 1.5 percent of the construction costs as a reserve to cover the increased costs related to LEED certification, and will carry the expectation of payback in five to ten years.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 22, 2007

COMMITTEE: Finance Committee

AGENDA ITEM: II.F. Establishment of a Dialysis Facility
in Altavista and Joint Venture

BACKGROUND: The University of Virginia Medical Center has six off-Grounds dialysis satellites. The Lynchburg satellite is working at capacity, and the Medical Center desires to establish a seventh facility in Altavista.

DISCUSSION: The proposal is to establish a 15-station dialysis facility in Altavista. This will ease a capacity issue and provide an opportunity for overall growth. At the December 11, 2006 meeting of the Medical Center Operating Board, the Medical Center was authorized to establish this facility and an associated joint venture, with the understanding that this proposal be forwarded to the Finance Committee and the full Board for further consideration.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

ESTABLISHMENT OF A DIALYSIS FACILITY IN ALTAVISTA AND JOINT VENTURE

RESOLVED, the Finance Committee approves the recommendation of the Medical Center Operating Board that a dialysis facility be established in Altavista and that an associated joint venture be organized.

RESOLVED FURTHER, that the Executive Vice President and Chief Operating Officer is authorized to take any action and to execute any and all documents necessary to accomplish the establishment of a dialysis facility in Altavista and an associated joint venture.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 22, 2007

COMMITTEE: Finance Committee

AGENDA ITEM: II.G. Land Transfer from the University of Virginia to the University of Virginia Foundation to Support the North Parking Garage

DISCUSSION: The University of Virginia Foundation (UVAF) plans to construct the North Garage at the Medical Center for the benefit of the University of Virginia. The garage, when completed, will be purchased by the University. The City of Charlottesville requires the real estate associated with the garage to be owned by a single entity. Since UVAF is building the garage and is responsible to the City for site plan and building permit approval, they require approximately 25,000 square feet of land, currently owned by the University, be transferred to UVAF. This real estate is currently used as a surface parking lot and has always been a part of the North Garage development plan. The land transfer is necessary to comply with the City of Charlottesville development regulations.

Consideration from UVAF to the University will be a nominal amount, as the University will be purchasing this same real estate back from UVAF after the garage is completed and operational. The square footage is an approximate amount because there is a discrepancy between two surveyors on the metes and bounds of the real estate to be transferred.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

TRANSFER OF REAL ESTATE FROM THE UNIVERSITY OF VIRGINIA TO THE UNIVERSITY OF VIRGINIA FOUNDATION FOR CONSTRUCTION OF THE NORTH PARKING GARAGE

WHEREAS, the University has a need for additional parking, particularly after the demolition of the West Parking Garage; and

WHEREAS, to provide a substantial increase in parking spaces for use by the University, UVAF plans on constructing a parking garage adjacent to University property; and

WHEREAS, the University will purchase the parking garage from UVAF when it is complete and operational; and

WHEREAS, the City of Charlottesville requires the parking garage be situated on a single tax map parcel, and the current plans depict the footprint of the garage on multiple parcels owned by both the University and UVAF; and

WHEREAS, the real estate required for the garage, a portion of 1222 Jefferson Park Avenue, was acquired by the University using Hospital operating revenues; and

WHEREAS, to facilitate the construction of the garage, as shown on current plans as approved by the City of Charlottesville;

RESOLVED that the transfer of approximately 25,000 square feet of real estate from the University of Virginia to the University of Virginia Foundation is authorized; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to take any actions and to execute any and all documents necessary to accomplish the transfer of real estate from the University to the University of Virginia Foundation, for the construction of the garage.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 22, 2007

COMMITTEE: Finance

AGENDA ITEM: III.A. Vice President's Remarks

ACTION REQUIRED: None

2006-2007 Goals and Work Plan

The Executive Vice President and Chief Operating Officer will report on the progress toward the 2006-2007 Goals and Work Plan of the Finance Committee.

Debt Derivatives

In 2002, the University launched a Debt Portfolio Management Program to provide external financing for its capital projects. A key feature of this program is the use of variable rate debt in conjunction with fixed rate debt, in order to provide greater borrowing flexibility and to reduce our long-term borrowing costs. The use of variable rate debt introduces interest rate volatility, and swaps are effective tools for managing volatility and costs. In April 2006, the Board formally approved the Debt Policy as well as the Interest Rate Risk Management Policy. The latter policy provides rules for use of derivatives. The University has fully executed master agreements with five counter-parties and is well positioned to enter into swaps to manage the risk of interest rate fluctuations on University debt.

In December 2006, tax-exempt borrowing rates, both spot and forward rates, fell to 30-year lows. The University researched market opportunities to enter into a swap agreement to "lock-in" a forward rate and protect itself from a potential increase in interest rates between today and the second half of fiscal year 2008 when we expect to issue bonds to finance approved construction projects. Use of forward rate locks is authorized in the Board's Interest Rate Risk Management Policy. A full report will be provided at the meeting.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 22, 2007

COMMITTEE: Finance

AGENDA ITEM: III.B. Endowment Report - Market Value
and Performance as of September 30, 2006

ACTION REQUIRED: None

BACKGROUND: The University of Virginia Investment Management Company provides investment management to the Rector and Visitors of the University of Virginia and its related Foundations. Assets deposited in UVIMCO are held in the custody and control of UVIMCO on behalf of the University and Foundations within a long-term co-mingled investment pool.

UVIMCO's primary objective in managing the pool is to maximize long-term real return commensurate with the risk tolerance of the University. To achieve this objective, UVIMCO actively manages the pool in an attempt to achieve returns that consistently exceed the returns on a passively managed benchmark with similar asset allocation and risk. Recognizing that the University must attract outstanding students, faculty, and staff and provide them appropriate resources, UVIMCO attempts to manage pool assets to provide long-term real returns that compare favorably with the returns of endowments of other outstanding schools. UVIMCO does not set spending rates. UVIMCO communicates the Pool's risk and return estimates to the University and Foundations for their consideration in setting spending rates.

DISCUSSION:

Outlook and Strategy

Corporate profits are growing strongly around the world and already exceed historical peaks as a proportion of economic output. Loan growth is rapid, spreads are narrow, underwriting standards are easy, and covenants are disappearing. As experienced bankers know, bad loans are made in good times.

Prudent investors resist the temptation to increase risk during booms and husband liquidity to take advantage of the opportunities that arise in the distress that follows. We are

therefore maintaining our low exposure to equity, credit, and real estate market prices. The largest portion of our capital is devoted to hedge funds - that is, managers who produce returns by exploiting inefficiency in public securities markets while keeping exposure to systematic market price change low.

We are also allocating increasing capital to private managers who attempt to build or improve asset values. These allocations involve unfunded commitments. The managers to whom we have made such commitments may call for our capital more quickly during periods of financial distress, just the time when we will wish to increase rather than reduce our exposure to public securities markets.

To improve our liquidity while credit is easy, we are negotiating a line of credit. To ensure that we have access to that credit in a period of distress, we will fully draw the line. To enhance our ability to rebalance into risky assets as their market values decline, we plan to invest the proceeds of this line in liquid investments that should maintain their value or appreciate during financial distress.

Performance for the Quarter

Our 3.4 percent return for the quarter ended September 2006 exceeded the return of our benchmark. While our portfolio does not closely track public market price changes, our return was helped by unusually high market returns (a traditional mix of passively managed stocks and bonds provided a 4.4 percent return). Equity market price rotation away from small low quality stocks whose prices have appreciated far beyond the fundamental value of the underlying businesses and toward larger high quality companies whose stocks are more reasonably priced also aided our return for the past quarter.

Peer Comparison

We have received peer return data for periods ended June 30, 2006 and summarize that information in the following table. As long term investors, we pay greater attention to the longer term returns than the shorter.

Annualized Returns

Period Ending June 30, 2006	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
UVIMCO Long-Term Pool	14.6	13.8	10.0	14.1	13.2
65% Russell 3000 / 35% Lehman Agg.	5.9	8.9	4.3	8.0	9.9
Peer Medians					
Mellon All Trusts	10.1	12.1	6.5	8.7	--
Cambridge Colleges & Universites	13.5	14.3	7.8	9.8	10.7
Cambridge C&U > \$1 Billion	14.6	15.3	8.6	11.4	11.5

Driven by strong international returns, all of the peer medians have recently exceeded a passive mix of domestic stocks and bonds. Over longer periods, the median of Mellon's broad database of institutional investors has provided returns comparable to a traditional domestic mix of passively managed stocks and bonds. Cambridge's median of endowments did much better, adding 1.8 percent over a passive portfolio for the past ten years. More remarkably, the large endowment median added another 1.6 percent, thus adding 3.4 percent per year for ten years above a passive mix of stocks and bonds.

Over the five, ten, and twenty year periods, our returns have significantly exceeded all of the peer median returns. Over the more recent three year period, our returns have slightly trailed our large endowment peer group median. The relatively weaker recent peer comparisons and relatively better long-term results are consistent with our pool's high allocation to hedge funds and our resulting low market exposure. During the period of strong market returns over the past three years, we trailed the median return of large endowments. During the period of poor market returns from 2001 through 2003, we exceeded the median return of large endowments.

Hedge Funds

Newspapers have been full of negative headlines about hedge funds. Amaranth, a large, purportedly well diversified multi-strategy fund, lost \$6 billion of its \$9 billion equity value because of a big, bad bet on natural gas. Other funds were in the news for improper use of "side pockets". The appropriate purpose of a side pocket is to hold illiquid positions separate from the periodic investor activity in a main fund. Some funds have allegedly used side pockets to insulate the portfolio indefinitely from incorporating losing trades into the performance calculation. While impossible to vouchsafe that the UVIMCO portfolio is immune from such malfeasance, we believe that our uncompromising emphasis on integrity when choosing to

partner with managers helps to mitigate this risk. Overall our hedge fund portfolio performed in line with our expectations for the quarter, up 2.8 percent. In a reversal from last fiscal year, our hedge funds outperformed our blended Tremont benchmark (of which Amaranth was not a constituent), which was up only 1.4 percent. Our large fundamental long/short portfolio was our best-performing strategy as the dominance of low quality stocks over high quality that had been a head wind for our portfolio last fiscal year, changed course over the quarter. In contrast, our smaller and newer allocation to quantitative equity market neutral continues to disappoint, with a 7.2 percent loss this quarter. We recently terminated one equity market neutral manager and continue to keep a close watch on the rest.

Public Equity

Our public equity portfolio enjoyed strong absolute and relative returns for the quarter, posting a 5.9 percent return versus 4.6 percent on the MSCI All Country World Index. Breaking return comparisons into US, Non-US Developed, and Emerging markets is becoming increasingly muddled as we continue to hire managers with global mandates. Managers we classify as US may at times (such as today) have more than half of their exposure outside the United States, and managers we classify as Non-US Developed may at times have significant exposure to the United States and the Emerging Markets. Differences in regional performance were not a significant factor this quarter as US, Non-US Developed and Emerging Markets all posted returns in the four percent to five percent range.

Our US equity portfolio returned 4.8 percent for the quarter, slightly exceeding the 4.6 percent return on its Russell 3000 benchmark. Large cap stocks within the US significantly outperformed small caps, perhaps signaling the beginning of the anticipated reversal in the long run that small has enjoyed versus large since the collapse of the tech bubble. Fortunately, we have largely unwound our long historical tilt toward small cap value stocks.

Our Non-US Developed portfolio returned 7.9 percent for the quarter, more than double the 3.8 percent return on its MSCI World Ex-USA benchmark. Strong performance across managers was capped by a 21 percent return on our position in a concentrated, activist fund in Korea. Strong stock selection was the key driver of that return, as the Korean equity market performed in line with global equity markets during the quarter. Unlike MSCI, we classify Korea as a developed market.

The Emerging Market portfolio return of 4.4 percent underperformed the five percent return on the MSCI Emerging Markets index. A relative overweight by our managers in the cheaper countries within the Emerging Markets, including Brazil and Taiwan, explains much of the difference as these countries underperformed during the quarter. Emerging Markets are not the bargain they were a few years ago. We have begun to shift our approach to these markets, placing a heavier emphasis on managers with the ability to exploit stock-specific opportunities and whose returns are less dependent on market performance.

Private Markets

We are finding attractive investment opportunities in buyout, venture, real estate, and resource development funds. We are careful in this environment to ensure that the investment strategies employed by the managers to whom we commit generate returns primarily through improving or building the fundamental value of capital assets rather than through levered exposure to market prices.

We are not investing in mega cap buyout funds that use today's easy credit to take public companies private. We are investing with experienced managers who buy and turn around underperforming businesses or turn good small companies into great larger firms. We are not investing in real estate funds that provide high yields by leveraging cash flow of stabilized properties. We are investing with real estate professionals who acquire and reposition under-utilized and mismanaged properties. We are not investing in oil and gas reserves. We are investing with managers who form operating companies to develop reserves while selling production forward to limit exposure to commodity prices.

The immature nature of our growing portfolios in private markets depresses short-term returns because the process of drawing and investing capital and then improving or building the value of the assets acquired takes years while fees are paid quarterly on the entire amount of committed capital. Despite this temporary headwind, long-term internal rates of return for our buyout and venture portfolios compare favorably to both public equity markets and the Cambridge benchmarks. Our real estate and resources portfolios are younger still, and both the short-term and long-term internal rates of return are depressed relative to the more mature portfolios represented by the Cambridge benchmarks.

Fixed Income

After keeping our allocation to fixed income low and the duration of the portfolio short for fiscal year 2006, we lengthened the duration of the portfolio in July believing that the Fed had finished raising interest rates. This action proved well-timed, as interest rates subsequently declined. Our fixed income portfolio returned five percent versus a 3.8 percent return for the Lehman U.S. Aggregate Index during the quarter.

Investment Report
September 30, 2006
UVIMCO Long-Term Pool

Investment Activity

	Month	Fiscal Year To Date 2007
Beginning Investment	\$3,593,915,377.78	\$3,456,909,063.90
Beginning Shares	917,299.52	903,299.44
NAV Per Share at Beginning of Period	\$3,917.93	\$3,826.98
+ Contributions	\$2,792,631.40	\$58,633,445.91
- Redemptions	(\$4,279,111.39)	(\$10,527,278.85)
+ Investment Return	\$31,660,322.40	\$120,232,072.19
-UVIMCO Fees	(\$604,263.60)	(\$1,762,346.58)
Ending Investment	\$3,623,484,956.59	\$3,623,484,956.59
Ending Shares	916,769.06	916,769.06
NAV Per Share at End of Period	\$3,952.45	\$3,952.45

Position Summary

	Portfolio	Target	Difference
Public Equity	26.8%	25.0%	1.8%
Hedge Funds	48.7%	47.0%	1.7%
Private Equity	13.7%	12.0%	1.7%
Real Assets	4.4%	6.0%	-1.6%
Fixed Income	5.4%	10.0%	-4.6%
Cash	0.9%	0.0%	0.9%
Total	100.0%	100.0%	0.0%

Performance Summary

	Portfolio	Benchmark	Difference
Month Return	0.9%	1.3%	-0.4%
3-Month Return	3.4%	3.0%	0.4%
Calendar Year-to-Date Return	8.7%	10.3%	-1.6%
Fiscal Year To Date Return	3.4%	3.0%	0.4%
1-Year Return	12.4%	14.0%	-1.6%
3-Year Return	14.1%	15.0%	-0.9%
5-Year Return	11.0%	10.9%	0.1%
10-Year Return	14.3%	9.6%	4.7%
Fiscal Year 2006 Return	14.6%	17.7%	-3.2%
Fiscal Year 2005 Return	14.3%	12.6%	1.6%
Fiscal Year 2004 Return	12.7%	15.2%	-2.5%

Investment Report
September 30, 2006
UVIMCO Long-Term Pool

Manager Allocations

	Actual Pool ⁽¹⁾		Investment Policy			Relative	Peer Group ⁽²⁾
	\$ millions	%	Min	Target	Max	To Target	%
Public Equity	970	26.8%	20%	25%	30%	1.8%	42.1%
U.S.	333	9.2%	5%	10%	20%	-0.8%	25.2%
Non-U.S. Developed	402	11.1%	5%	10%	20%	1.1%	12.7%
Emerging	236	6.5%	0%	5%	10%	1.5%	4.2%
Hedge Funds	1,764	48.7%	30%	47%	60%	1.7%	22.1%
Equity L/S	1,317	36.3%	10%	--	45%	--	--
Equity MN	61	1.7%	0%	--	30%	--	--
Fix. Inc. Arbitrage	0	0.0%	0%	--	15%	--	--
Global Macro	191	5.3%	0%	--	15%	--	--
ED / Multi-Strategy	145	4.0%	0%	--	15%	--	--
Distressed	50	1.4%	0%	--	15%	--	--
Private Equity	498	13.7%	10%	12%	25%	1.7%	9.6%
Venture	99	2.7%	0%	2%	10%	0.7%	3.6%
Buyouts	399	11.0%	5%	10%	20%	1.0%	5.9%
Real Assets	160	4.4%	5%	6%	20%	-1.6%	10.2%
Real Estate	69	1.9%	0%	3%	20%	-1.1%	4.5%
Resources	92	2.5%	0%	3%	10%	-0.5%	5.7%
Fixed Income	197	5.4%	5%	10%	30%	-4.6%	13.9%
Investment Grade	193	5.3%	5%	8%	20%	-2.7%	12.9%
High Yield	4	0.1%	0%	2%	10%	-1.9%	1.0%
Cash⁽³⁾	34	0.9%	0%	0%	10%	0.9%	2.1%
Total Pool	3,623	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%

Market and Currency Exposures⁽⁴⁾

	North America	Developed Europe	Developed Asia	Emerging Asia	Latin America	Other EM	Total
Equity	28.9%	14.8%	9.2%	4.2%	2.6%	2.0%	61.6%
Public Equity	18.5%	11.6%	9.1%	4.1%	2.6%	1.9%	47.9%
Venture	2.5%	0.1%	0.0%	0.0%	0.0%	0.0%	2.7%
Buyout	7.8%	3.1%	0.1%	0.0%	0.0%	0.0%	11.0%
Real Assets	3.6%	0.2%	0.6%	0.2%	0.0%	0.0%	4.6%
Real Estate	1.4%	0.2%	0.2%	0.2%	0.0%	0.0%	2.1%
Resources	2.2%	0.0%	0.4%	0.0%	0.0%	0.0%	2.5%
Fixed Income	5.3%	0.2%	0.0%	0.3%	0.8%	0.2%	6.8%
Investment Grade	5.0%	0.2%	0.0%	0.3%	0.3%	0.0%	5.8%
High Yield / EM	0.3%	0.0%	0.0%	0.1%	0.5%	0.2%	1.0%
Market Exposure	37.7%	15.3%	9.8%	4.7%	3.4%	2.2%	73.1%
Cash & Currency	38.1%	-5.8%	-3.3%	-0.9%	-0.6%	-0.6%	26.9%
Currency Exposure	75.8%	9.5%	6.5%	3.8%	2.8%	1.5%	100.0%

Investment Report
September 30, 2006
UVIMCO Long-Term Pool

Investment Performance

	Current				Annualized				
	MO	3MO	CYTD	FYTD	1 YR	3 YR	5 YR	10 YR	20 YR
TOTAL FUND	0.9	3.4	8.7	3.4	12.4	14.1	11.0	14.3	13.6
<i>Target Benchmark</i>	<i>1.3</i>	<i>3.0</i>	<i>10.3</i>	<i>3.0</i>	<i>14.0</i>	<i>15.0</i>	<i>10.9</i>	<i>9.6</i>	<i>10.8</i>
<i>65% Russell 3000 / 35% Lehman Agg.</i>	<i>1.8</i>	<i>4.4</i>	<i>6.3</i>	<i>4.4</i>	<i>7.9</i>	<i>9.6</i>	<i>7.2</i>	<i>8.2</i>	<i>10.4</i>
Public Equity	1.5	5.9	13.5	5.9	19.0	25.3	18.8	12.9	13.9
U.S.	1.7	4.8	8.7	4.8	10.8	16.7	11.6	10.2	12.8
<i>Russell 3000</i>	<i>2.2</i>	<i>4.6</i>	<i>8.0</i>	<i>4.6</i>	<i>10.2</i>	<i>13.0</i>	<i>8.1</i>	<i>8.7</i>	<i>11.6</i>
Non-U.S. Developed	1.2	7.9	18.8	7.9	25.6	--	--	--	--
<i>MSCI World Ex-USA</i>	<i>(0.1)</i>	<i>3.8</i>	<i>14.6</i>	<i>3.8</i>	<i>19.1</i>	<i>23.0</i>	<i>15.1</i>	<i>7.5</i>	<i>8.2</i>
Emerging	1.9	4.4	11.6	4.4	19.4	29.2	29.9	11.6	--
<i>MSCI Emerging Markets</i>	<i>0.8</i>	<i>5.0</i>	<i>12.7</i>	<i>5.0</i>	<i>20.8</i>	<i>31.0</i>	<i>28.9</i>	<i>7.6</i>	<i>--</i>
Hedge Funds	0.7	2.8	5.2	2.8	8.2	11.0	9.7	12.3	--
Equity Long/Short	0.9	3.8	5.7	3.8	9.3	12.1	9.7	14.2	--
Equity Market Neutral	(1.6)	(7.2)	(6.2)	(7.2)	(6.1)	--	--	--	--
Fixed Income Arbitrage	--	--	--	--	--	--	--	--	--
Global Macro	(0.3)	3.5	7.2	3.5	14.5	11.9	10.7	--	--
Event Driven / Multi-Strategy	1.4	1.2	9.5	1.2	2.1	2.5	3.9	6.0	--
Distressed	2.0	3.1	6.8	3.1	7.1	11.5	--	--	--
<i>60% Tremont HF / 40% Tremont L/S</i>	<i>0.1</i>	<i>1.4</i>	<i>7.3</i>	<i>1.4</i>	<i>9.5</i>	<i>10.6</i>	<i>9.0</i>	<i>11.6</i>	<i>--</i>
Private Equity (IRR⁵)	--	8.5	19.5	8.5	23.1	17.9	9.4	54.6	34.7
Venture Capital	--	2.1	6.6	2.1	8.5	0.8	(9.9)	87.9	40.6
<i>Cambridge U.S. Venture Capital</i>	<i>--</i>	<i>1.0</i>	<i>8.1</i>	<i>1.0</i>	<i>13.5</i>	<i>10.3</i>	<i>(5.0)</i>	<i>36.3</i>	<i>20.9</i>
Buyouts	--	10.3	23.2	10.3	27.5	24.1	20.3	18.1	--
<i>Cambridge U.S. Private Equity</i>	<i>--</i>	<i>3.9</i>	<i>17.9</i>	<i>3.9</i>	<i>25.9</i>	<i>26.2</i>	<i>12.4</i>	<i>13.3</i>	<i>14.0</i>
Real Assets (IRR⁵)	--	2.8	16.7	2.8	22.5	30.8	11.4	13.2	--
Real Estate	--	2.2	16.3	2.2	21.1	25.8	1.7	11.7	--
<i>Cambridge Real Estate</i>	<i>--</i>	<i>4.9</i>	<i>22.4</i>	<i>4.9</i>	<i>32.7</i>	<i>25.1</i>	<i>15.9</i>	<i>14.6</i>	<i>11.7</i>
Resources	--	3.3	17.0	3.3	23.8	35.8	25.1	--	--
<i>Cambridge Resources</i>	<i>--</i>	<i>10.0</i>	<i>26.9</i>	<i>10.0</i>	<i>38.3</i>	<i>41.6</i>	<i>26.4</i>	<i>19.7</i>	<i>17.9</i>
Fixed Income	1.4	5.0	5.4	5.0	5.9	5.1	7.3	7.4	8.2
Investment Grade	1.6	5.3	5.7	5.3	6.2	5.2	7.1	8.1	8.6
<i>Lehman U.S. Aggregate</i>	<i>0.9</i>	<i>3.8</i>	<i>3.1</i>	<i>3.8</i>	<i>3.7</i>	<i>3.4</i>	<i>4.8</i>	<i>6.4</i>	<i>7.5</i>
High Yield	(1.6)	(1.6)	--	(1.6)	--	--	--	--	--
<i>Lehman U.S. Corp. High Yield</i>	<i>1.4</i>	<i>4.1</i>	<i>7.3</i>	<i>4.1</i>	<i>8.1</i>	<i>9.1</i>	<i>10.5</i>	<i>6.5</i>	<i>8.6</i>
Cash	0.5	1.5	3.7	1.5	4.6	2.9	--	--	--
<i>Repo⁽⁶⁾</i>	<i>(0.4)</i>	<i>(1.4)</i>	<i>(3.7)</i>	<i>(1.4)</i>	<i>(4.7)</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>

Investment Report
September 30, 2006
UVIMCO Long-Term Pool

Footnotes

- (1) Actual Pool allocations account for securities transactions, manager cash flows and depositor transactions using trade or valuation dates.
- (2) Represents equally-weighted average asset allocation of the Colleges & Universities Over \$1 Billion universe as defined by Cambridge Associates. Data as of June 30, 2005.
- (3) Cash is reported as the Long-Term Pool's cash reserve net of proceeds from securities sold under agreement to repurchase.
- (4) The Market and Currency Exposures Report presents the Long-Term Pool's look-through net exposure to principal asset classes, regions and foreign currency. Manager exposures are aggregated quarterly and updated monthly where possible. The exposures to Buyout and Real Estate were increased to 140% and 125% respectively to reflect the leverage inherent in the asset classes. June 30, 2006 region exposure breakdowns were used to estimate exposures.
- (5) Internal rate of return (IRR) reported quarterly on a one-quarter lag. No return is reported for periods within quarter-end dates.
- (6) Represents the cost associated with the Repo program.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: January 22, 2007

COMMITTEE: Finance

AGENDA ITEM: III.C. State Budget and 2007-2008
Preliminary Budget Assumptions

ACTION REQUIRED: None

Governor's Budget

BACKGROUND: On December 15th, Governor Kaine presented to the Legislature his amended 2006-2008 biennial budget. The General Assembly will consider the Governor's Budget Bill during its 46-day session, which began January 10th. The Academic Division, the Medical Center, and the College at Wise submitted requests for the Governor's consideration last October.

DISCUSSION: Governor Kaine's operating budget for higher education includes \$34 million in new general funds for the biennium to support base budget adequacy, undergraduate student financial aid, maintenance of new facilities, and to supplement faculty salary increases for nursing faculty.

The Governor also allocated \$105.4 million for capital outlay project cost-overruns, \$42.3 million for equipment in previously funded projects, and \$28.4 million for emergency projects and planning.

For the Academic Division, the Governor allocated an additional \$4.5 million for the biennium in new general fund operating dollars. The budget also authorized all non-general fund operating requests. For Wise, the Governor allocated \$0.5 million in new general fund operating dollars. Specific actions can be found in Appendix A.

The Governor provided general funds for cost overruns in the South Chiller Plant Expansion (\$5.433 million), the Claude Moore Nursing Education Building (\$3.55 million), Ruffin Hall (\$3.222 million), and Gilmer Teaching Labs (\$425,000). The Governor also provided \$3.1 million to remedy safety issues in the Chemistry Teaching labs and \$1.5 million to plan the Information Technology Engineering building. For the College at Wise, three estimated cost over-runs were funded: Drama

Building (\$3 million), Science Building (\$2.5 million), and Smiddy Hall (\$3.0 million). The Governor also approved the non-general fund capital projects submitted. Specific actions can be found in Appendix A.

Preliminary 2007-2008 Budget Assumptions

BACKGROUND: Each year at this time, we develop preliminary budget assumptions that will be used to formulate the target budget for the subsequent fiscal year.

DISCUSSION: The following budget assumptions will be used in the development of the 2007-2008 budget, which will be presented to the Board of Visitors for action in June 2007:

1. The 2007-2008 state appropriation will reflect any budget changes as approved by the Governor and the 2007 General Assembly. The impact of these actions on the Academic Division's state appropriation will be reflected in the budget presented to the Board of Visitors in June. Any partial year amounts are annualized, and the targets are adjusted accordingly.
2. Tuition revenues will reflect rates approved by the Board received at the April 2007 meeting.
3. The 2007-2008 state budget will reflect the following:
 - Faculty salary, faculty wage, classified and University staff salary, and graduate teaching assistant base budgets (including fringe benefits) will be increased to fund the annual cost of the salary increases granted November 25, 2006.
 - New available resources will be allocated to meet institutional priorities and benchmarks, such as base operating needs, faculty and staff compensation, financial aid programs, research initiatives, and major maintenance.
 - Vice presidents may reallocate existing funding and positions among units within their areas of responsibility.
 - State and local targets will be adjusted to reflect any changes in the fringe benefit rates for 2007-2008.

- Reserves will be budgeted to fund any classified, University staff, and faculty salary increases for the 2007-2008 fiscal year that may be approved by the 2007 General Assembly session.
 - Base budgets for non-personnel costs will not be increased for inflation.
 - Recoveries and transfer budgets will be adjusted as needed.
 - The Darden School and Law School financial self-sufficiency models will continue.
7. Revenue from endowment income will be budgeted based upon the 2007-2008 distribution rates as calculated per the Endowment Income Distribution and Spending Policy approved by the Board of Visitors. Related expenditures are based on historical spending patterns and will emphasize institutional and school priorities.
 8. Revenue and related expenditures from private gifts and other sales and services are budgeted based upon historical spending patterns and emphasize institutional and school priorities.
 9. Revenue and related expenditures from sponsored programs are budgeted based on historical spending patterns, sponsored program awards, and expected indirect cost recoveries.
 10. Revenue and related expenditures from auxiliaries are budgeted based on fees approved by the Board in February (housing) and April (dining and mandatory student fees) and anticipated activity.

MISCELLANEOUS FINANCIAL REPORTS
Finance Committee
University of Virginia

January 22, 2007

UNIVERSITY OF VIRGINIA ACADEMIC DIVISION

FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE AS OF SEPTEMBER 30, 2006

Summary of Accounts Receivable:

The University's Academic Division's total accounts receivable as of September 30, 2006, were \$26,208,000 as compared to \$13,036,000 at June 30, 2006. The major sources of receivables at September 30, 2006, were student accounts of \$10,613,000 and sponsored programs of \$9,124,000.

The past due receivables over 120 days old at September 30, 2006 were \$970,000 or 3.70 percent of total receivables, well below the Commonwealth's management standard of ten percent.

	<u>Student Accounts</u>	<u>Sponsored Programs</u>	<u>Other Receivables</u>	<u>Total</u>
Gross Accounts Receivable	\$10,613,000	\$9,124,000	\$6,471,000	\$26,208,000
Less: Allowance for Doubtful Accounts	<u>150,000</u>	<u>525,000</u>	<u>273,000</u>	<u>948,000</u>
Net Accounts Receivable	<u>\$10,463,000</u>	<u>\$8,599,000</u>	<u>\$6,198,000</u>	<u>\$25,260,000</u>
Accounts Receivable Greater than 120 Days Past Due	<u>\$169,000</u>	<u>\$523,000</u>	<u>\$278,000</u>	<u>\$970,000</u>

SOURCE: Revenue and Collections
DATE: November 3, 2006

UNIVERSITY OF VIRGINIA ACADEMIC DIVISION

FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE AS OF SEPTEMBER 30, 2006

Summary of Loans Receivable:

The default rate for the Perkins Student Loan Program decreased by 3.97 percent to 1.21 percent. This is based on the cohort default rate calculation and is well below the 15 percent threshold set by federal regulations. The Health Professions Loan Program default rate remained the same at zero percent. The Nursing Undergraduate Student Loan Program default rate increased by 0.64 percent to 2.01 percent. Both medical loan programs are well below the five percent federal threshold. The University Loan Program default rate decreased by 0.70 percent to 4.35 percent.

	<u>Gross Loans Receivable</u>	<u>Current Default Rate</u>	<u>Inc./ (Dec) From Last Quarter</u>
Perkins Student Loans	\$17,784,000	1.21%	(3.97)%
Health Professions Loans	85,000	0.00%	0.00%
Undergraduate Nursing Loans	778,000	2.01%	0.64%
University Loans	<u>10,240,000</u>	4.35%	(0.70)%
Total Student Loan Outstanding	<u>\$28,887,000</u>		

SOURCE: Student Financial Services
DATE: October 11, 2006

UNIVERSITY OF VIRGINIA
INTERNAL LOANS TO UNIVERSITY DEPARTMENTS AND ACTIVITIES
As of September 30, 2006

PURPOSE	DATE OF LOAN	INTEREST RATE	ORIGINAL LOAN AMOUNT	PRINCIPAL PAYMENTS MADE TO DATE	OUTSTANDING PRINCIPAL	APPROXIMATE FINAL PAYMENT
Columbarium	10/30/03	Blended borrowing rate (4.75%)	\$ 85,000.00	\$75,000.00	\$10,000.00	Oct 2008
Cocke Hall	06/30/06	Blended borrowing rate (4.75%)	1,941,787.00	88,293.00	1,853,494.00	Jun 2011
Astronomy Large Binocular Telescope	02/06/06	Blended borrowing rate (4.75%)	400,000.00	-	400,000	Oct 2010
ITC Mainframe	03/16/04	Blended borrowing rate (4.75%)	300,000.00	300,000.00	0.00	Jul 2006
ITC ISIS Software	06/30/06	Blended borrowing rate (4.75%)	1,575,000.00	286,462.00	1,288,538.00	Jul 2011
National Radio Astronomy Observatory Piping	09/01/06	Taxable Rate (6.25%)	706,833.00	10,397.00	696,436.00	Aug 2011
Wise Student Center	11/30/03	Blended borrowing rate (4.75%)	2,000,000.00	1,500,000.00	500,000.00	Jun 2007
Wise Student System	04/21/04	Blended borrowing rate (4.75%)	200,000.00	150,000.00	50,000.00	Jul 2007
Wise Football Facility	12/22/98	Fed. Funds+60 pts.	3,000,000.00	1,388,772.00	1,611,228.00	Jun 2009
Total Internal Loans Subject to \$15M Limit Established by BOV¹			\$10,208,620.00	\$3,798,924.00	\$6,409,696.00	

NOTE: 1. Per January 1990 Board of Visitors resolution establishing the internal loan pool at \$10 million and per April 2003 Board of Visitors resolution approving the expansion of the internal loan pool from \$10 million to \$15 million. All internal loans are subject to the approval of the Executive Vice President and Chief Operating Officer.

SOURCE: Investment and Tax Services
DATE: December 6, 2006

UNIVERSITY OF VIRGINIA
QUASI-ENDOWMENT ACTIONS

July 1, 2006 - September 30, 2006

The quasi-endowment actions listed below were approved by either (1) the Executive Vice President and Chief Operating Officer, under the following Board of Visitors' resolutions, or (2) the Vice President for Management and Budget, under the delegation of authority from the Executive Vice President and Chief Operating Officer:

October 1990 and June 1996 resolutions permitting the approval of quasi endowment actions, including establishments and divestments of less than \$2,000,000.

February 2006 resolution permitting approval of quasi endowment transactions, regardless of dollar amount, in cases in which it is determined to be necessary as part of the assessment of the business plan for capital projects. In addition, to the extent that the central loan program has balances, they may be invested in the long term investment pool managed by UVIMCO or in other investment vehicles as permitted by law.

<u>Additions</u>	<u>Amount</u>
Central Loan Program	\$ 3,530,000.00
Pediatrics Operational Quasi-Endowment Fund	249,689.11
McIntire School of Commerce Operations Fund	5,816,901.29
Nursing Legacy Scholarship Fund Quasi-Endowment	35,634.96
Rochester, Dudley F. Professorship in Pulmonary and Critical Care Quasi-Endowment	75,000.00
University Quasi-Endowment Fund (1)	<u>207,237.69</u>
 Total Additions to Quasi-Endowments	 <u>\$9,914,463.05</u>
 <u>Divestments</u>	
Bristol Laboratories Quasi-Endowment - Hecht	\$141,311.35
Carlson Psychiatry Research Funds	130,000.00
Otolaryngology/HNS Molecular Research Program Quasi-Endowment	83,000.00
Phase II Chemistry Building Quasi-Restricted Endowment Fund	1,340,006.81
Phase II Chemistry Building Quasi-Endowment Fund	1,367,445.46
Thaler, Myles H. Quasi-Endowment for HIV Research	<u>15,000.00</u>
 Total Divestments from Quasi-Endowments	 <u>\$3,076,763.62</u>

Endowment Income Capitalizations

Alumni Council - Thomas Jefferson Quasi-Endowment	\$ 7,412.00
Arts and Sciences Alumni Council #2 Professorship Quasi-Endowment	128,562.00
Aston, Sherrell J. Professorship Quasi-Endowment	44,448.00
Ball, Frances M. Eminent Scholars Quasi-Endowment	32,383.00
Beams, Jesse W. Professorship in Physics Quasi- Endowment	16,268.00
Brown, W. L. Lyons Professorship Quasi-Endowment	5,442.00
Brown-Forman Professorship #1 Quasi-Endowment	31,224.00
Byrd, Harry F., Jr. Professorship-Government and Foreign Affairs Quasi-Endowment	7,038.00
Cabell, James B. Memorial Quasi-Endowment	19,826.00
Cumming, Hugh and Winifred Memorial Quasi-Endowment	8,663.00
Daniels Family Distinguished Teaching Professorship Quasi-Endowment	56,137.00
Griffin, Alice Professorship Quasi-Endowment	26,560.00
Hamilton, Hugh Scott Quasi-Endowment	17,576.00
Kent, Linden Memorial Quasi-Endowment	40,221.00
Lassen, Helen Lee Doherty Memorial Quasi-Endowment	28,139.00
Porterfield, H. William and Linda Professorship Quasi-Endowment	24,689.00
Runk Professorship Restricted Quasi-Endowment	45,660.00
Shannon, Edgar F. Professorship - Arts and Sciences Quasi-Endowment	49,057.00
Souder Family Professorship - Arts and Sciences Quasi-Endowment	7,287.00
Stettinius, Edward R. Chair in History Quasi-Endowment	28,705.00
Stettinius Memorial Professorship Quasi-Endowment	38,090.00
Thomas Jefferson Professorship in Arts and Sciences Quasi-Endowment	9,996.00
Weedon, Ellen B. Professorship in East Asian Studies Quasi-Endowment	<u>8,695.00</u>
 Total Endowment Income Capitalizations	 <u>\$682,078.00</u>

NOTE:

(1) Includes current unrestricted gifts to the University that, under a standing Board of Visitors resolution, are required to be added to the University's Unrestricted Endowment Fund.

SOURCE: Financial Administration
DATE: December 22, 2006

QUARTERLY BUDGET REPORT

As of September 30, 2006

This report compares the actual results for the sources and uses of funds to the Academic Division annual budget (excluding the Medical Center and the University of Virginia's College at Wise). At the end of the first quarter of 2006-07, 43.0 percent of the budgeted sources have been collected and 27.6 percent of the budgeted uses have been expended.

The operating budget is developed using differing rules and conventions from the audited financial statements, which are developed in accordance with generally accepted accounting principles (GAAP). In some cases, similar descriptions are used in both reports even though the precise definitions and the specific amounts are not identical. However, both sets of figures are accurate for their particular purposes, and both are drawn from the University's financial applications. Outlined below are several of the differing conventions used in the operating budget and the actual results presented on the accompanying statement:

- The operating budget is prepared on a cash basis.
- The operating budget presents tuition and fees as gross income and the full amount of student aid as an expense.
- In the operating budget, depreciation is not funded and non-capital outlay purchases are recognized as expensed rather than spread over the useful life of the purchase. Debt service, major repair or renovation expenditures occur within the capital outlay accounts - and off the operating budget.
- The Federal Family Education Loan Program is excluded from the operating budget.
- Sources of funds are shown net of transfers to capital reserves/projects in the operating budget.
- Fringe benefit expenditures are included in the operating budget using pooled benefit rates.

- The operating budget recognizes recoveries of indirect costs only upon distribution of those revenues, and not when billed to granting agencies.

A definition of terms is included to explain the categories for the sources and uses of funds.

SOURCE: Budget Office
DATE: January 03, 2007

University of Virginia Academic Division
 2006-2007 Operating Budget Report
 As of September 30, 2006
 (in thousands)

	2006-07 Original Budget	09/30/06 Actual Results	Variance	09/30/06 Percentage of Budget
Sources of Available Funds, net of transfers to capital reserves				
Tuition & Fees for Operating Plan	\$299,751	\$145,253	\$154,498	48.5%
State General Fund Appropriation for Operating Plan	151,637	153,341	(1,704)	101.1%
Sponsored Research for Operating Plan	275,817	73,932	201,885	26.8%
Endowment Distribution	86,887	804	86,083	0.9%
Net Gifts Available for Operating Plan	109,360	18,171	91,189	16.6%
Sales, Investment & Other	32,349	6,772	25,577	20.9%
Net Auxiliary Enterprises for Operating Plan	142,285	73,657	68,628	51.8%
Total Sources of Available Funds	<u>\$1,098,086</u>	<u>\$471,930</u>	<u>\$626,156</u>	<u>43.0%</u>
Uses of Available Funds				
Direct Instruction	269,010	51,222	217,788	19.0%
Research and Public Service	271,227	74,508	196,719	27.5%
Library, Information Tech., & Academic Administration	106,947	31,153	75,794	29.1%
Student Services	23,393	6,216	17,177	26.6%
General Administration	68,195	20,040	48,155	29.4%
Operation & Maintenance of Physical Plant	62,797	18,687	44,110	29.8%
Scholarships, Fellowships, and Other Graduate Support	105,900	50,872	55,028	48.0%
Athletics	36,949	9,585	27,364	25.9%
Bookstore	34,286	14,139	20,147	41.2%
Housing and Conference Services	18,549	5,108	13,441	27.5%
Other Auxiliary Operations	51,643	13,124	38,519	25.4%
Total Operating Expenses	<u>1,048,896</u>	<u>294,653</u>	<u>754,243</u>	<u>28.1%</u>
Total Operating Reserves and Temporary Allocations	<u>21,011</u>	<u>584</u>	<u>20,427</u>	<u>2.8%</u>
Total Uses of Available Funds	<u>\$1,069,907</u>	<u>\$295,237</u>	<u>\$774,670</u>	<u>27.6%</u>
Net Sources and Uses of Operating Funds	<u>\$28,179</u>	<u>\$176,693</u>	<u>(\$148,514)</u>	<u>n/a</u>

DEFINITION OF TERMS

Sponsored Research -- primarily research projects, but also includes activities restricted to institutional and service programs.

Auxiliary Enterprises -- those activities which are supported entirely through fees charged to users, such as housing, athletics, dining services, the telephone system and the bookstore.

Instruction - includes expenditures for the primary mission of the University, which includes teaching faculty, support staff, instructional equipment, and related routine operating costs.

Research -- includes expenditures for activities such as support for research faculty and sponsored research. Activities include the Center for Public Service, the State Climatologist, and the Center for Liberal Arts.

Public Service -- includes activities such as the Miller Center of Public Affairs, the Virginia Foundation for the Humanities, and that portion of the Medical School's clinical physicians' salaries and fringe benefits related to patient care.

Library, Information Technology and Academic Administration -- encompasses the libraries, the activities of the deans of the schools, and other related expenditures.

Student Services - includes activities whose primary purpose is to contribute to the students' emotional and physical well-being and to their intellectual, cultural, and social development outside the classroom.

General Administration -- includes the financial, administrative, logistical, and development activities of the University.

Operation and Maintenance of Physical Plant -- includes expenditures for activities related to the operation and maintenance of the physical plant, net of amounts charged to auxiliary enterprises and the Medical Center.

ENDOWMENT/INVESTMENTS FOR UVA AND RELATED FOUNDATIONS
September 30, 2006

Unaudited
(in thousands)

	Rector and Visitor Funds	Related Foundation Funds Invested by UVIMCO	Alumni Association Funds Invested by UVIMCO	Related Foundation Funds Invested by Direction of Foundation Board	Total
The University of Virginia Medical School and related foundations	\$676,308	\$28,400	\$4,260	\$1,384	\$710,352
Darden School and related foundation	101,002	200,663		5,355	307,020
The College of Arts and Sciences and related foundations	286,989	27,248	7,354	19,062	340,653
The University of Virginia Law School and related foundation	38,105	115,091		131,595	284,791
School of Engineering and related foundation	68,202		3,658	850	72,710
The McIntire School of Commerce and related foundation	63,450		21,495	418	85,363
Graduate School of Arts and Sciences	42,390				42,390
School of Nursing	31,066		1,369		32,435
UVA's College at Wise and related foundation	31,563	1,035	1,891	5,587	40,076
Curry School of Education and related foundation	11,510	6,923		979	19,412
School of Architecture	14,330		377	33	14,740
School of Continuing and Professional Studies	67		46		113
Alumni Association*			237,605	13,837	251,442
Athletics and related foundation	35,592	51,747	347		87,686
Miller Center and related foundation	46,433	4,293			50,726
Alumni Board of Trustees		44,413			44,413
UVA Foundation and related entities		60,963		197	61,160
UVA Medical Center and related foundation	148,549	20,282	4	52,376 **	221,211
University Libraries	37,776		41		37,817
Centrally Managed University Scholarships	130,648				130,648
Provost	30,127				30,127
University - Unrestricted but designated	356,022				356,022
University - Unrestricted Quasi and True Endowment	167,920				167,920
University - Unrestricted Other	134,610				134,610
All Other	165,083	5,764			170,847
	<u>\$2,617,742</u>	<u>\$566,822</u>	<u>\$278,447</u>	<u>\$231,673</u>	<u>\$3,694,684</u>

Notes: * Includes funds on deposit for other areas/schools not individually listed.
** Excludes approximately \$26.4 million of board designated pension funds.

SOURCE: Financial Administration
DATE: December 22, 2006

CAPITAL CAMPAIGN GIFT REPORT
As of November 30, 2006

All Units

	Expendable	Endowment	Total
Gifts and Pledge Payments	410,639,895	176,018,357	586,658,252
Outstanding Pledge Balances	221,582,707	61,917,352	283,500,059
Deferred Gifts	77,353,954	8,544,016	85,897,970
Private Grants	77,569,636	0	77,569,636
Gifts in Kind	44,653,991	628,391	45,282,382
Subtotal	831,800,183	247,108,116	1,078,908,299
Additional Amounts To Be Raised	540,149,817	1,380,941,884	1,921,091,701
Total	1,371,950,000	1,628,050,000	3,000,000,000
Future Support	54,677,343	17,961,368	72,638,711

Rector & Visitors Gift Accounts Only

	Expendable	Endowment	Total
Gifts and Pledge Payments	162,347,995	105,095,403	267,443,398
Outstanding Pledge Balances	42,756,573	10,246,610	53,003,183
Deferred Gifts	49,785,974	1,589,054	51,375,028
Private Grants	0	0	0
Gifts in Kind	10,886,534	0	10,886,534
Subtotal	265,777,076	116,931,067	382,708,143
Additional Amounts To Be Raised	TBD	TBD	TBD
Total	265,777,076	116,931,067	382,708,143
Future Support	31,778,590	3,039,701	34,818,291

Rector & Visitors Unrestricted Giving

Pledges	53,487	0	53,487
Cash & Securities	1,531,116	0	1,531,116
Total	1,584,603	0	1,584,603

SOURCE: Development and Public Affairs
DATE: December 23, 2006

APPENDICES

SUMMARY OF BUDGET REQUESTS AND GOVERNOR'S BUDGET BILL
(in 000s)

	2006-07				2007-08			
	Request		Governor's Budget		Request		Governor's Budget	
	GF	NGF	GF	NGF	GF	NGF	GF	NGF
AGENCY 207 - Academic Division - Operating								
Maintain New Facilities	-	-	-	-	587	1,195	438	645
Faculty Salary Increases	-	-	-	-	-	-	1,844	-
Nursing Faculty Salary Supplement	-	-	-	-	-	-	256	-
Base Budget Adequacy	-	-	-	-	-	-	1,682	2,420
Undergraduate Financial Aid	-	-	-	-	-	-	290	-
NGF for E&G	-	9,000	-	9,000	-	19,000	-	19,000
Subtotal Academic Division - Operating	-	9,000	-	9,000	587	20,195	4,510	22,065
AGENCY 207 - Academic Division - Capital								
ITE Building - Planning	1,500	1,500	1,500	1,500				
South Chiller Plant	5,433	17,067	5,433	17,067				
Chemistry Teaching Labs	3,100	-	3,100	-				
Monroe Hall Renewal	8,000	-	-	-				
Alderman Rd Commons Building	-	4,500	-	4,500				
Printing and Copying Addition	-	2,600	-	2,600				
Gilmer Teaching Labs - Cost Overrun	425	-	425	-				
Ruffin Hall - Cost Overrun	3,222	(3,222)	3,222	(3,222)				
Claude Moore Nursing Education - Cost Overrun	3,550	(3,550)	3,600	(3,600)				
Subtotal Academic Division - Capital	25,230	18,895	17,280	18,845				
Total Agency 207 - Academic Division	\$25,230	\$27,895	\$17,280	\$27,845	\$587	\$20,195	\$4,510	\$22,065

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APPENDIX A (continued)

SUMMARY OF BUDGET REQUESTS AND GOVERNOR'S BUDGET BILL
(in 000s)

	2006-07				2007-08			
	Request		Governor's Budget		Request		Governor's Budget	
	GF	NGF	GF	NGF	GF	NGF	GF	NGF
AGENCY 209 - Medical Center:								
Indigent Care to 200% of Poverty Level	\$ -	\$ -	\$ -	\$ -	\$ 1,230	\$ 1,230	\$ -	\$ -
Subtotal Medical Center - Operating	-	-	-	-	1,230	1,230	-	-
Subtotal Medical Center - Capital	-	-	-	-	-	-	-	-
Total Agency 209 - Medical Center	\$ -	\$ -	\$ -	\$ -	\$1,230	\$1,230	\$ -	\$ -
AGENCY 246 - College at Wise:								
Faculty Salary Increases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75	\$ -
Undergraduate Financial Aid	-	-	-	-	-	-	222	-
Regional Economic Initiatives	-	-	-	-	385	-	246	139
Subtotal Wise - Operating	-	-	-	-	385	-	546	139
Smiddy Hall Renovation/IT Bldg	3,000	-	3,000	-	-	-	-	-
Science Bldg Renovation	2,500	-	2,500	-	-	-	-	-
Construct Drama Building	3,000	-	3,000	-	-	-	-	-
Subtotal Wise - Capital	8,500	-	8,500	-	-	-	-	-
Total Agency 246 - Wise	\$ 8,500	\$ -*	\$ 8,500	\$ -*	\$ 385	\$ -	\$ 546	\$ 139

UNIVERSITY OF VIRGINIA - ACADEMIC DIVISION
2006-2008 PROPOSED AMENDMENTS
(in 000s)

	2006-2007		2007-2008		TOTAL REQUEST	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
Operating						
1. Correct O&M	\$ -	\$ -	\$ 99	\$ -	\$ 99	\$ -
2. Fund Blandy Farm	-	-	150	-	150	-
Subtotal Operating	-	-	249	-	\$ 249	-
Capital						
1. Acquire A.R.T. Life Sciences Annex	-	35,100	-	-	-	35,100
Subtotal Capital	-	35,100	-	-	-	35,100
TOTAL	\$ -	\$ 35,100	\$ -	\$ -	\$ -	\$ 35,100

Patrons: Senator John H. Chichester and Delegate Lacey E. Putney

APPENDIX B (continued)

UNIVERSITY OF VIRGINIA - Medical Center
 2006-2008 PROPOSED AMENDMENTS TO THE BUDGET BILL
 (in 000s)

2006-2007		2007-2008		TOTAL REQUEST	
<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
None					

UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE
 2006-2008 PROPOSED AMENDMENTS
 (in 000s)

	2006-2007		2007-2008		TOTAL REQUEST	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
Operating						
1. Expand faculty to support continued enrollment growth	\$ -	\$ -	\$ 901	\$ -	\$ 901	\$ -
Subtotal Operating	-	-	901	-	901	-
Capital						
None	-	-	-	-	-	-
Subtotal Capital	-	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ 901	\$ -	\$ 901	\$ -

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Patrons: Senator William C. Wampler
 Delegate Clarence E. Phillips