

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS  
MEETING OF THE  
FINANCE COMMITTEE  
OCTOBER 4, 2007**

FINANCE COMMITTEE

Thursday, October 4, 2007  
9:30 - 11:00 a.m.  
Board Room, The Rotunda

Committee Members:

John O. Wynne, Chair	Glynn D. Key
A. Macdonald Caputo	Austin Ligon
Alan A. Diamonstein	Vincent J. Mastracco, Jr.
Thomas F. Farrell, II	Warren M. Thompson
G. Slaughter Fitz-Hugh, Jr.	W. Heywood Fralin, Ex-officio

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#### IV. EXECUTIVE SESSION

- Discussion of acquisition of real property for University purposes, where disclosure at this time would adversely affect the University's bargaining and negotiation strategy, as provided for in Section 2.2-3711 (A)(3) of the Code of Virginia.

BOARD OF VISITORS CONSENT AGENDA

I.A. RESET OF ENDOWMENT SPENDING RATE: Approves resetting the endowment distribution rate for fiscal year 2007-2008, in accordance with the spending policy.

At its March 2005 meeting, the Board of Visitors passed a resolution to adopt a new spending policy for the University's endowment. This policy, which went into effect July 1, 2005, calls for an inflation increase in the annual distribution from the endowment, unless such increase causes the distribution to fall outside a range defined as 3.5 percent on the low end and 5.5 percent on the high end of the market value of the Pooled Endowment Fund. The first distribution under the new policy was made in January 2006. The resolution also specified that "if the distribution falls outside of this range, the Finance Committee may recommend either raising or lowering the rate of increase." In May 2006 the payout for fiscal year 2006-2007, calculated using the formula, was projected to be below the 3.5 percent floor. As a consequence, the Board of Visitors reset the payout for the fiscal year beginning July 1, 2006, to be four percent of the market value of the Pooled Endowment Fund.

The University of Virginia Investment Management Company has achieved returns that permit a routine adjustment to the payout from the endowment under the Board of Visitors spending policy. We will propose increasing the spending consistent with the spending policy for fiscal year 2007-2008 to 4.5 percent of the June 30, 2007 market value.

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

APPROVAL OF RESET OF ENDOWMENT SPENDING RATE

WHEREAS, the University's current endowment spending policy, approved by the Board of Visitors in March 2005, calls for a percentage increase in the annual distribution from the endowment, unless such increase causes the distribution to fall outside a range defined as 3.5 percent on the low end and 5.5 percent on the high end of the market value of the Pooled Endowment Fund; and

WHEREAS, the policy specifies that if the distribution falls outside of this range, the Finance Committee may recommend either raising or lowering the rate of increase; and

WHEREAS, the distribution for fiscal year 2007-2008 as a percentage of market value at June 30, 2007 is 3.5 percent;

RESOLVED that for fiscal year 2007-2008, the endowment spending rate for all shares will be adjusted to 4.5 percent of the market value at June 30, 2007; and

RESOLVED FURTHER that the deans shall work jointly with the Executive Vice President and Provost to determine and carry out plans for expending these funds in ways that meet strategic school and institutional priorities and that are consistent with donor restrictions.

B. SIX-YEAR INSTITUTIONAL PLAN, 2008-2014: Approves the six-year plans of the University's Academic Division, the Medical Center, and the College at Wise.

The University submitted its first six-year plan under the provisions of the Restructured Higher Education Financial and Administrative Operations Act on October 1, 2005. The provisions of the Restructuring Act call for institutions to revise their plans every two years. In addition to addressing how the University will respond to the statewide goals included in the Restructuring Act, this plan must also relate our strategies to the State Council's strategic plan for higher education entitled *Advancing Virginia: Access, Alignment, Investment (The 2007-2013 Strategic Plan for Higher Education in Virginia)*. This report also calls for a list of activities related to each goal that have been completed to date as referenced in the 2005 Six-Year Plan.

Because the plan must be submitted to Richmond with Board approval on October 1<sup>st</sup>, before this scheduled meeting of the Finance Committee, the Executive Committee of the Board will have considered it in a telephonic poll conducted by the Board Secretary on September 28<sup>th</sup>. This Agenda is going to press before the 28<sup>th</sup>, so the text of the Executive Committee's resolution is not yet available.

The Rector and the Chair of the Finance Committee believe, however, that the Finance Committee and other Members of the Board should have a chance to discuss the plan and adopt a resolution to second the Executive Committee's resolution. Hence this discussion.

There will be a resolution for the Finance Committee's consideration, but it will not be drafted until the Executive Committee has taken action and adopted its own resolution.

The discussion will focus on the revised six-year plan covering the period 2008-2014. The plan consists of four parts: narrative, response to statewide goals, revenue and expenditure plan, and enrollment plan. The narrative serves as a prelude to the academic, financial, and enrollment components of the plan and outlines the University's major strategic directions over the coming six years as developed through the work of the Commission on the Future of the University. The institutional plan addresses each of the state goals with strategies and actions in two-year increments.

The institutional revenue plan has two options: one plan based on no increase in general fund support and another plan assuming incremental general fund support based on current state funding policy. In each case, the base budget has been reduced by the amount of the general fund budget reduction assessed in 2007-2008. The spending plan includes information on Educational & General (E&G) spending levels, student financial aid, auxiliary enterprises, and sponsored programs.

The Board of Visitors approved enrollment targets; an additional 1,210 (772 undergraduate, 242 graduate and first-professional, and 196 SCPS) students over the six-year period of the plan, have been approved by the State Council for Higher Education in Virginia.

The six-year plan of both the Academic Division and Medical Center has been mailed to all Board of Visitors members under separate cover. The College at Wise plan follows the same format as the University's and has also been mailed under separate cover.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2007

COMMITTEE: Finance

AGENDA ITEM: II.A. State Operating Budget Requests for  
the 2008-2010 Biennium

BACKGROUND: Every two years, the University submits its biennial budget requests to the Department of Planning and Budget for review by the Governor for inclusion in his budget proposal, which will be presented to the General Assembly on December 17, 2007. The 2008-2014 Capital Plan, approved by the Board of Visitors on February 9, 2007, was submitted to the Commonwealth on April 13, 2007.

DISCUSSION: We have been notified that instructions for agencies to submit 2008-2010 budget requests will be received from the State on October 10, 2007. This report is based on our expectations of what will be included in the instructions from the state when they are received. The list below reflects the expectation that the instructions will direct the University to consider only institution-specific items, as faculty and staff salaries, base budget adequacy, and undergraduate financial aid funding are cross-cutting issues that will be addressed for all institutions. Since the instructions will be received subsequent to the Finance Committee meeting, a letter will be sent to the Board of Visitors containing information about any material changes resulting from the Commonwealth's instructions.

Depending on the outcome of the Governor's budget process we may want to submit these amendments, and possibly others, to the legislative session in January. Any requests not included on this list that might be submitted to the General Assembly will be communicated to the Board of Visitors in advance of the due date with formal approval sought at the February meeting of the Board of Visitors.

Operating amendments for the Academic Division (Agency 207) total \$18.4 million general funds (GF) and \$3.75 million in Higher Education Equipment Trust Funds (ETF) in year one and \$21.3 million GF and \$3.75 million in ETF in year two. Operating amendments for the University of Virginia's College at Wise (Agency 246) total \$1.8 million GF in year one and \$448,000 GF in year two. Capital amendments for the College total \$5.3

million GF in year one. The Medical Center also expects to submit a joint request with the VCU Health Authority to increase guidelines related to qualified indigent patients to 300 percent of poverty level versus the current definition of 200 percent of poverty level.

AGENCY 207 - Academic Division:

*Extension of Higher Education Research Initiative (\$6.725 million GF and \$3.75 million ETF in years one and two) -* Originally appropriated in 2006-2007, the continuation of this appropriation as part of the base operating budget will allow the University to make continuing, strategic investments in the research enterprise, generating increased sponsored research funding of at least \$14.35 million in each year to match the Commonwealth's investment.

*Produced in Virginia (\$1,500,000 GF in year one and \$1,658,000 GF in year two) -* The University will partner with the Virginia Community College System to increase the number of undergraduate engineering degrees awarded in the Commonwealth. Students will complete the first two years of coursework at a community college, then enroll in the University of Virginia and complete an engineering bachelor's degree program through asynchronous technology. At full implementation in six years, the University projects to award an additional 400 degrees per year. These students, all of whom are expected to be Virginians, will be incremental to the number of students previously projected in discussions with the State Council of Higher Education. The request represents start-up costs (recruiting, course design, equipment) of \$1.5 million in the first year and \$1.3 million in the second year, plus the general fund's share of base budget adequacy funding per undergraduate engineering student for the incremental in-state students (32 FTE) who will join the University in the summer of 2009.

*Batten School of Leadership and Public Policy (\$418,000 GF in year one and \$1,333,000 GF in year two) -* The University has received a \$100 million gift from Mr. Frank Batten to create the Batten School of Leadership and Public Policy. These students in the school will be in excess of the number of students previously projected in discussions with the State Council of Higher Education. The request represents the average base budget adequacy funding per in-state student.

*Safety and Security (\$1,000,000 GF in year one and \$500,000 GF in year two) -* The University has created a new Office of Emergency Preparedness in order to respond quickly,

appropriately, and effectively in the event of campus-wide emergency events; \$350,000 in ongoing state funds are requested to support this initiative. The University has begun to implement new security measures to increase the level of security across the Grounds, particularly in classrooms. Given the number and complexity of University buildings and the size of the Grounds it will take time to effect all the needed changes. In addition, we are still evaluating the recommendations from the Governor's panel investigating the Virginia Tech tragedy. The University needs to be in a position to address those recommendations that are appropriate for our situation and institution. We estimate a one-time request of \$650,000 in the first year and \$150,000 in the second year to address these recommendations.

*Provide Funding for Operations and Maintenance Costs at New Facilities (\$951,300 GF in year one and \$1,701,100 GF in year two)* - Request support for operations and maintenance costs of new facilities scheduled to open in the 2008-2010 biennium.

*Implementation of New Student Information System (\$1,500,000 GF in year one and \$3,000,000 GF in year two)* - The University requests state support for the project implementation in 2008-2009 and 2009-2010; funding will be used for ongoing maintenance and support after implementation.

*Supplement Library Collections (\$1,000,000 GF in year one and year two)* - It is critical that the University invest in expensive electronic and print journal subscriptions, expand scientific and multi-cultural resources, and initiate necessary preservation and digitization efforts. The base budget adequacy formula does not appropriately address the needs of a research library that is also looked to as a state resource.

*College Guides Program (\$240,000 GF in year one and year two)* - Funding is requested for a joint venture, potentially with the College of William & Mary and Virginia Tech, to help more Virginia students enter college or other post-secondary training. Initially funded with a grant by the Jack Kent Cooke Foundation, the program will need on-going funding to be sustained.

*Cancer Research Initiative (\$5,000,000 GF in year one and year two)* - This is a joint venture request with Virginia Commonwealth University to increase cancer research funding in the Commonwealth.

*Support the Virginia Folklife Program (\$100,000 GF in year one and year two) - This support will enable the Virginia Foundation for the Humanities to expand the Virginia Folklife Program, a long-standing program of the Foundation.*

AGENCY 209 - Medical Center:

*Adjust Indigent Care Guidelines - The Medical Center is considering a joint request with the VCU Health Authority to increase guidelines related to qualified indigent patients to 300 percent of poverty level versus the current definition of 200 percent of poverty level. The level of funding required will depend upon actual indigent care services provided by the Medical Center.*

AGENCY 246 - University's College at Wise:

*New Student Information System (\$1.5 million GF and 2.0 FTEs in year one and \$131,500 and 2.0 FTEs in year two) - The College's current Student Information System will no longer be supported after this year. Due to the less complex business requirements of the College and the estimated cost and timeline for implementing PeopleSoft Campus Solutions at Wise, it is not appropriate for the College to join the Academic Division's student system project. This funding will provide for system acquisition and implementation in year one and ongoing operational support in year two.*

*Critical Faculty Additions (\$316,400 GF and 4.0 FTEs in year one and year two) - The College requires four critical faculty positions to address shortfalls within Business (2.0 FTE), Chemistry (1.0 FTE), and Health and Fitness Management (1.0 FTE).*

*Science Renovation (\$2,263,118 GF)*

*Smiddy Hall Renovation/IT Building Construction (\$3,000,000)*

*These two requests are for supplemental funding due to construction cost escalation. The supplements were funded by the Governor during 2007 General Assembly session, but due to the final level of funding authorized by the General Assembly (only 90 percent of the system-wide construction project supplements requested) and the status of these two projects at that time (not yet designed or under contract), we must resubmit the requests.*

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

APPROVAL OF STATE OPERATING BUDGET REQUESTS FOR THE 2008-2010 BIENNIUM FOR THE ACADEMIC DIVISION, THE MEDICAL CENTER, AND THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

WHEREAS, the instructions for submitting the 2008-2010 budget requests to the Governor have not yet been received; and

WHEREAS, the proposed 2008-2010 biennial budget requests have been reviewed carefully; and

WHEREAS, the proposed biennial budget requests represent the highest priority initiatives and are aligned with the mission of the institution;

RESOLVED that the Board of Visitors of the University of Virginia approves the 2008-2010 biennial budget requests accompanying this resolution and outlined in an attachment to this resolution; and

RESOLVED FURTHER that the Board of Visitors understands that to the extent these initiatives are not included in the Governor's 2008-2010 biennial budget, the Academic Division, the Medical Center, and the University of Virginia's College at Wise may want to pursue similar requests to the Legislature; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized 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.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2007

COMMITTEE: Finance

AGENDA ITEM: II.B. Project Budget and Scope Review and Intent to Issue Tax Exempt Debt: Science Initiative

BACKGROUND: Normally, the Board of Visitors approves major capital projects every two years as part of the Six Year Major Capital Project program. When the University identifies new capital projects outside the Six Year Major Capital Project cycle, the projects require approval by the Finance and Buildings and Grounds Committees. In addition, the Finance Committee is responsible for the review of the financial plans.

DISCUSSION: As a part of a comprehensive science initiative, the University proposes three capital project amendments or additions to provide sufficient new laboratory space to house new research and instructional programs. The University proposes to 1) increase the size of two approved building projects in order to occupy the existing footprints most efficiently, and 2) construct a new science facility, all of which could add over 195,000 gross square feet of new science and research capacity:

1. Information Technology Engineering Building Expansion - The University's highest priority request to the state is \$40.2 million towards the construction of a \$56.7 million, 73,000 gross square feet facility for the School of Engineering and Applied Science. We will increase the size of this building in order to occupy the existing footprint most efficiently, at an additional cost of \$19.6 million and construct an approximately 100,000 gross square foot research facility.
2. Ivy Translational Research Center Expansion - The University is currently planning the \$35 million construction of an approximately 41,000 gross square foot facility in Fontaine Research Park. We will increase the size of this building in order to occupy the existing footprint most efficiently, at an additional cost of \$58.3 million, and construct an approximately 110,000 gross square foot health sciences research facility.

3. Physical/Life Sciences Building Construction - The University proposes to construct an approximately 100,000 gross square foot physical and life sciences research facility near the Chemistry Building on central grounds at a cost of \$88.9 million.

The University reviewed the preliminary business plans for each of the proposals. Project budgets have been developed using current cost benchmarks for the particular type of construction escalated to an expected midpoint of construction. Operating and maintenance costs after the building is completed will be funded from state general funds, tuition, and recoveries from research grants for facilities and administrative (F&A) costs.

The University intends to issue tax exempt debt to fund the cost of the expanded scopes of the Information Technology Engineering building (\$19.6 million) and the Ivy Translational Research Center (\$58.3 million) and the new physical/life sciences research facility (\$88.9 million). The debt service will be repaid from F&A recoveries from research grants and contracts and other University resources.

The plans are dependent upon expected F&A recoveries from sponsored research grantors and, most likely, upon a subsidy from University resources. The University will conduct more comprehensive assessments as the projects, if authorized, move towards design and construction. In particular, the University will more closely assess the ability of future occupants to produce revenues to offset the debt service, as well as the costs of operating and maintaining the facilities. It is understood that construction will not begin until funding has been identified and confirmed to the Board of Visitors.

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 of Visitors approved debt policy. It is the University's assessment that the requested debt funding of \$166.8 million sought with this initiative will not jeopardize internal guidelines for financial ratios. By accepting this assessment, the Board of Visitors does not authorize the issuance of debt or any other long-term financial obligation; rather the Board of Visitors approves the inclusion of these debt-funded projects in the University's capital plan.

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

APPROVAL OF PROJECT BUDGET AND SCOPE MODIFICATION AND INTENT TO ISSUE TAX EXEMPT DEBT TO EXPAND THE INFORMATION TECHNOLOGY ENGINEERING BUILDING, EXPAND THE IVY TRANSLATION RESEARCH CENTER, AND CONSTRUCT A NEW PHYSICAL/LIFE SCIENCES FACILITY

WHEREAS, the University of Virginia desires to increase available research and laboratory space to meet long-term objectives to increase research in medicine, engineering, and the sciences; and

WHEREAS, the University has developed a comprehensive science initiative to increase previously planned construction at the Information Technology Engineering Building to approximately 100,000 gross square feet and at the Ivy Translational Research Center to approximately 110,000 gross square feet and to construct a new approximately 100,000 gross square foot physical/life sciences facility; and

WHEREAS, the precise source of debt repayment is being developed and will be identified and confirmed with the Board of Visitors;

RESOLVED, the Board of Visitors approves in concept the issuance of tax exempt debt in the amounts of \$19.6 million for the expansion of the Information Technology Engineering Building; \$58.3 million for the expansion of the Ivy Translational Research Center; and \$88.9 million for the construction of the physical/life sciences facility.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2007

COMMITTEE: Finance

AGENDA ITEM: II.C. Project Budget Review and Intent to  
Issue Tax Exempt Debt: Stadium  
Waterproofing

BACKGROUND: In accordance with the policy adopted by the Board of Visitors in October 2004, all capital project budget increases in excess of ten percent require the approval of the Finance and Buildings and Grounds Committees.

DISCUSSION: At its June 8, 2007 meeting, the Board of Visitors approved the University's Annual Renovation and Infrastructure Plan (ARIP), a detailed list of renovation and infrastructure projects expected to cost between \$1 million and \$5 million, to be funded with non-general fund cash, and to be initiated within the next fiscal year.

On the 2007-2008 ARIP, the Scott Stadium Waterproofing project was approved with a \$2.4 million estimated budget, based on continuing the repair and remediation efforts undertaken previously with limited success. A consultant was engaged and determined that the primary water intrusion was occurring at locations not previously identified or treated. Due to the complexity in treating the new intrusion areas, the estimate project budget will increase to \$4.7 million, nearly double the budget before the consultation. This increase necessitates the use of tax exempt debt to fund the project, with the principal and interest to be fully repaid in no longer than five years from the distribution on the Scott Stadium Quasi-Endowment.

ACTION REQUIRED: Approval by the Finance Committee

APPROVAL OF PROJECT BUDGET MODIFICATION AND INTENT TO ISSUE TAX EXEMPT DEBT: STADIUM WATERPROOFING

RESOLVED, as a result of further study, the Scott Stadium Waterproofing project budget, which has increased by \$2.3 million to a total of \$4.7 million, is approved.

RESOLVED FURTHER that the Board of Visitors approves the University's intent to issue tax-exempt debt, of up to \$4.7 million to be repaid over a period of not longer than five years from the distribution on the Scott Stadium Quasi-Endowment, for the purpose of funding the Scott Stadium Waterproofing project.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2007

COMMITTEE: Finance

AGENDA ITEM: II.D. College at Wise Stadium Debt Plan

BACKGROUND: In 1998, The University of Virginia's College at Wise began construction on a new \$3.55 million football stadium and anticipated financing this project through philanthropic donations. To enable this project to commence, the Board of Visitors authorized a \$3.0 million internal loan to pay for project costs until all funds were collected. The College was granted a four-year period in which to satisfy this debt in full; it was expected that the final payment would be made by December 31, 2002.

It was later determined that the timing and amount of donations would be insufficient for the College to satisfy the outstanding indebtedness according to this timeline. In April 2001, the Board of Visitors approved an amendment to this loan extending the final maturity date to December 2009. Over this time, the College expected to collect all funds from the Carl Smith gift, apply other gifts pledged to the Stadium, utilize a portion of annual giving, and make use of the revenue from a \$50 student fee increase to retire the remaining principal balance by the amended due date.

DISCUSSION: The College has determined that available sources of funds, including philanthropic donations, will be insufficient to satisfy the approximately \$1.56 million of loan principal due between now and the loan's maturity in December 2009. As such, the College has requested that the University restructure this loan to provide a solution that more reasonably matches the College's ability to repay the loan and minimizes any student fee increases.

The University and the College have drafted a solution that calls for an immediate partial repayment of the existing loan balance, plus accrued interest, and the creation of a new loan for the remaining balance that is expected to result in no increase in student fees. The College will apply an advance payment of the Carl Smith Gift of approximately \$535,000 as well as an additional \$162,000 of monies previously received from the same gift. In addition, the College will utilize approximately

\$232,000 from a reserve fund for building expansion and another \$20,000 from a quasi-endowment intended for the Stadium. The partial repayment will reduce the outstanding balance of the loan to approximately \$611,000.

A new 15-year, amortizing loan will be created for the remaining balance requiring monthly payments of principal and interest. The annual debt service payments on the new loan will be only \$5,500 more than what is currently being paid under the existing loan. The College believes this modest increase will not result in the need to increase student fees related to this loan.

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

APPROVAL OF THE COLLEGE AT WISE STADIUM DEBT PLAN

WHEREAS, in 1998, the University granted the College at Wise a four-year, \$3 million loan to provide temporary financing in anticipation of gift receipts for the construction of a new football stadium; and

WHEREAS, in April 2001 the Board of Visitors approved an amendment to this loan, extending its due date to December 2009; and

WHEREAS, the College has determined that available sources of funds will be insufficient to repay the remaining outstanding balance of \$1.56 million on the loan by its December 2009 due date and requests the University to restructure this loan to provide a solution that better matches the College's ability to repay and avoids placing the burden of this debt on students through tuition and fee increases; and

WHEREAS, the University and the College have drafted a solution calling for an immediate partial repayment of the outstanding loan in the amount of \$949,000 and the creation of a new 15-year, amortizing loan for the approximately \$611,000 remaining balance with annual debt service payments roughly equal to annual payments being made under the existing loan;

RESOLVED that the Board of Visitors approves a \$949,000 partial repayment of the Wise Stadium loan and the creation of a new 15-year, amortizing loan for the remaining balance of approximately \$611,000.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING:           October 4, 2007

COMMITTEE:               Finance

AGENDA ITEM:           II.E. Cash Management Authority

BACKGROUND: In 2007, the University obtained a legislative amendment that expands its ability to invest non-general fund reserves and balances and certain local funds of or held by the university. The amendment allows these funds to be invested in equity-based financial securities in addition to the instruments allowed under the State's Investment of Public Funds Act (IPFA). The University has long had the authority to invest its gift and other private funds in equity-based financial securities while all other funds were invested by the University or the State Treasurer subject to the provisions of the IPFA. The 2007 legislation allows the University to invest its cash in higher-returning investments where appropriate.

The 2006 Restructuring Management Agreement between the University and the State transferred to the University the responsibility for management of non-local cash, subject to meeting the performance metrics established under the Agreement. Thus, in addition to local and private cash, the University is managing "all other non-general fund reserves and balances".

DISCUSSION: The University has embarked on a comprehensive cash management program including the establishment of an internal bank. The implementation of a new computer system and the development of a cash forecasting model have allowed the University to manage cash flow on a University-wide basis. The result is that the University is now better able to optimize the investment of its cash.

This action establishes clear authority for the University to invest its cash in the University of Virginia Investment Management Company (UVIMCO) long-term pool, as well as other vehicles, in a prudent manner subject to the law in order to obtain the best return for the University while ensuring liquidity requirements are met. It also allows for sharing of the incremental investment earnings between the central reserves and the entities within the University. The cash management policies and practices will be subject to the University's normal audit, reporting and disclosure requirements.

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

APPROVAL OF CASH MANAGEMENT AUTHORITY

WHEREAS, the 2006 Restructuring Management Agreement grants the University the authority to invest all non-general fund cash if the performance metrics negotiated in the Agreement are met; and

WHEREAS, the 2007 investment legislation (23-76.1) allows the investment of local funds and all non-general fund reserves and balances in a variety of financial securities in addition to the instruments allowed by the Investment of Public Funds Act; and

WHEREAS the University seeks to manage and invest cash in a prudent manner subject to the law, in order to obtain the best returns concomitant with acceptable risks that ensure liquidity requirements are met;

RESOLVED that the Vice President and Chief Financial Officer is authorized to invest the cash of and held by the University in the University of Virginia Investment Management Company (UVIMCO) long-term pool or in other investment vehicles as permitted by law, the cash to include but not be limited to working capital, operating reserves, employee health plan reserves, other academic division operating and capital reserves, and medical center working capital, operating and capital reserves including depreciation reserves;

RESOLVED FURTHER that the Vice President and Chief Financial Officer is granted the authority to distribute returns to major entities and to central reserves as appropriate.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING:           October 4, 2007

COMMITTEE:               Finance

AGENDA ITEM:           II.F. Acquisition of 2400 Old Ivy Road and  
Intent to Issue Tax Exempt Debt

BACKGROUND:       The University has leased the entire building at 2400 Old Ivy Road since 1999 and was negotiating another five-year term. The University now wishes to acquire the property at 2400 Old Ivy Road.

DISCUSSION:       The building's current rent increased to a point where the rent will cover the debt service and a portion of the operating and maintenance expenses. The building owner agreed to sell the building to the University for \$5.9 million. The University intends to issue tax exempt debt to fund the cost of the acquisition. Since the University will continue to occupy the building for at least another five years, and the property is well located and close to other University properties (Fontana Food Center, Ivy Stacks, the printing plant, the Miller Center, and the University of Virginia Foundation), it is recommended that the University purchase the approximately 30,000 gross square feet on two acres fronting on Old Ivy Road.

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

APPROVAL OF PROPERTY ACQUISITION AND INTENT TO ISSUE TAX EXEMPT DEBT

WHEREAS, the University of Virginia finds it to be in its best interest to purchase 2400 Old Ivy Road and for this property to be occupied by the University of Virginia and related entities; and

WHEREAS, the University intends to issue tax exempt debt to fund the \$5,916,500 acquisition cost of the building;

RESOLVED that the Board of Visitors approves the acquisition of 2400 Old Ivy Road; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer be authorized to approve and execute contracts and other documents, and to take such other actions as are necessary and appropriate to consummate this property acquisition.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING:           October 4, 2007

COMMITTEE:             Finance

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

ACTION REQUIRED:       None

2008-2010 State Budget Outlook

The Executive Vice President and Chief Operating Officer will update the Board of Visitors on the 2008-2010 state budget outlook, and explain the process by which the University will meet its budget reduction plan.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2007

COMMITTEE: Finance

AGENDA ITEM: III.B. Annual Report on the UVa Health Care Plan and Review of University Benefits

ACTION REQUIRED: None

BACKGROUND: The University will provide its regular annual report on the status of the University's self-insured health care plan.

The University regularly monitors its health insurance claims and premiums, the adequacy of its reserves, and the outlook for future health care costs. It is anticipated that health care costs will continue to increase. The University has slowed the impact of the increase through the implementation of strategic cost-control programs.

DISCUSSION: Proposed plan changes and modest benefit enhancements will increase the focus on wellness, prevention, and cost controls. The University's employee benefits committee provided ongoing feedback that informed this process.

Effective January 2008, the University will adjust its premiums in both the High Premium and Low Premium plans. The High Premium is being increased to cover projected claims costs and to keep the reserve at an appropriate level based on those projected costs. The Low Premium will be decreased to encourage participation.

A detailed report on the plan changes and attendant costs will be provided during this meeting.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING:           October 4, 2007

COMMITTEE:             Finance

AGENDA ITEM:           III.C. Interim Report on Athletics Finances

ACTION REQUIRED:       None

BACKGROUND: At the Board of Visitors' Retreat this summer, Athletics Director Craig Littlepage provided an overview of the University of Virginia Athletics program, and discussed current issues at UVA and in athletics departments at colleges and universities across the country. Mr. Littlepage reviewed the Virginia 2020 strategic initiatives started in the fall of 2001 intended to enhance the standing of the intercollegiate sports program, and discussed historical and projected budgets, which showed that expenses are increasing at a rate that will be difficult to sustain; current revenue streams are constrained looking forward; and reserve accounts in Athletics are low. As a result of that discussion, the Board of Visitors asked that Mr. Littlepage prepare a short-term contingency plan to generate revenue sufficient to address unexpected costs. The Board of Visitors also asked Mr. Littlepage to prepare a long-term plan to show revenue generation over ten years including the establishment of appropriate maintenance reserves. Finally, Mr. Littlepage was tasked with the development of a plan for cost/expense containment that contributes to the overall financial stability of the department and avoids an over-reliance on revenue increases.

DISCUSSION: Mr. Sandridge will review the contingency plan and the status of preliminary efforts to develop a long-term financial plan, including cost-containment measures, which will be reviewed with the Board of Visitors at its February meeting.

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 4, 2007

COMMITTEE: Finance

AGENDA ITEM: III.D. Endowment Report: Market Value and Performance as of June 30, 2007

ACTION REQUIRED: None

BACKGROUND: The University of Virginia Investment Management Company (UVIMCO) 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:

*PERFORMANCE*

During the fiscal year ended June 2007, the value of the long-term pool increased by \$880 million to \$4.3 billion. The increase in value equaled investment return, as contributions and transfers of \$144 million matched spending and other distributions. Investment performance of the market and our pool over the most recent fiscal year was exceptional. A traditional 65 percent/35 percent passive mix of domestic stocks and bonds returned 15 percent; our target benchmark returned 21 percent; and our pool returned 25 percent. We are, of course,

pleased with this year's outcome. Yet we recognize that short-term investment returns are much more volatile than long-term returns and contain a significant amount of randomness or luck. We therefore try not to pay too much attention to short-term results. More importantly, long-term investment performance of our pool has also been strong. Our pool has provided an annualized compound return of 15 percent over the past ten years. For comparison, a traditional 65 percent/35 percent passive mix of domestic stocks and bonds provided a return of seven percent over this ten year period, and our more demanding policy benchmark returned ten percent.

**Annualized Returns for Periods Ended June 2007**

	UVIMCO Pool	Policy Benchmark	65%/35% Stocks/Bonds
One Year	25	21	15
Three Years	18	17	10
Five Years	15	14	9
Ten Years	15	10	7
Twenty Years	13	10	10

The year's strong market returns were fundamentally the product of the emerging market focused global economic boom and the related surge in corporate profits. Abundant liquidity and leverage magnified investment returns through stock buy-backs and leveraged buyouts. Our strong return relative to our policy benchmark is attributable to the outstanding performance of our public equity, hedge fund, and private equity managers. Our small and immature real assets portfolio provided a good absolute return, which nonetheless trailed the very high return of its benchmark.

*Public Equity*

Over the past five years the public equity portfolio returned 24 percent, far outpacing the 15 percent return on the MSCI All Country World Index. This portfolio represented a small percentage of the pool, in the 15 percent range five years ago, which allowed large tilts to contribute minimal portfolio risks. The domestic equity portfolio was heavily concentrated in the most attractively priced small cap value sector of the market. The international portfolio was at times invested exclusively in the emerging markets. These two tilts combined

provided a significant portion of the outsized longer-term returns.

During fiscal year 2007, the public equity portfolio averaged 26 percent of the pool and returned 37 percent for the fiscal year versus 26 percent for the MSCI All Country World Index. A continued overweight to emerging markets, through dedicated emerging market managers and through global managers carrying emerging market exposure, benefited the pool as emerging markets outpaced the developed markets by 20 percentage points. The pool has also benefited from good stock selection. As we have increased the public equity allocation in recent years, we have emphasized relationships with managers running concentrated portfolios. Thus far, the strategy has resulted in significant out performance.

#### *Hedge Funds*

Over the past three-, five- and ten-year periods, our hedge fund portfolio has produced relatively stable returns of 14 percent, 13 percent and 13 percent, respectively, outperforming its composite index over each of the periods and handily outpacing global equities for the decade. For fiscal year 2007, the hedge fund portfolio returned 21 percent versus our composite hedge fund index return of 18 percent. Our return represents a significant improvement in both absolute and relative terms versus the nine percent fiscal year 2006 return for our hedge fund portfolio.

This year's improved performance was delivered by existing managers, not as the result of a change in strategy or manager lineup. The good performance this year was embedded in our portfolio last year. As highlighted last year, our hedge fund portfolio is comprised predominately of fundamental long/short managers who have recently tilted toward larger, high-quality companies long and toward smaller, lower quality companies short. The spread between high and low quality narrowed a bit this year but did not change course. What changed dramatically was the spread between large and small; the market finally noticed that large capitalization companies had become relatively cheap. Secondly, many of our global long/short managers have continued to exploit attractive opportunities in the emerging markets. The net long bias that most long/short managers hold in their emerging market positions, due to the difficulty in shorting in many of these markets, was even more beneficial this year than last.

### *Private Equity*

Our buyout portfolio continues to deliver strong returns. The one year return this fiscal year was 34 percent and the ten year return 19 percent. Our returns surpass the Cambridge benchmark over all periods. Approximately 65 percent of the market value of our portfolio stems from the recent 2004-2007 vintages. In fiscal year 2007 favorable market conditions and new fair value reporting requirements helped to offset the normal J-curve and produce abnormally high returns for recent vintages. (During the early years of a private equity fund, fees are assessed on the full commitment amount while drawn capital is only a fraction of the commitment, and new investments are held at cost. In subsequent years investments should appreciate strongly, producing a J-shaped performance curve.)

The venture portfolio, which comprises less than a fifth of our private equity market value, delivered its best performance in several years. The one-year return of 16 percent for fiscal year 2007 exceeded the Cambridge benchmark return of 14 percent. The three- and five-year returns still trail the benchmark by several hundred basis points, but the ten-year return of 126 percent far exceeds the benchmark return of 41 percent.

### *Real Assets*

The resources portfolio generated a return of 36 percent for the fiscal year, benefiting from the strong gains in our upstream oil and gas funds. The Cambridge return for the fiscal year was 41 percent. Over the three- and five-year periods, our portfolio returns of 44 percent and 29 percent, respectively, were slightly below the Cambridge benchmark returns of 47 percent and 31 percent. The J-curve effect of the recent ramp up in our resources portfolio will continue to dampen returns over the near term. Our immature real estate portfolio produced a weak six percent return during the fiscal year and trails the Cambridge benchmark over all periods. Nearly 70 percent of the market value of our portfolio is in funds that are less than two years old, and the longer-horizon development strategy of several of our real estate managers serves to amplify the normal J-curve.

### *Fixed Income*

For fiscal year 2007, the six percent return of our fixed income portfolio matched the return of the Lehman Aggregate bond

index but modestly underperformed our composite fixed income benchmark return, which includes the higher returning high yield index. During the year we had no material allocation to high yield but made several commitments to draw-down managers positioned to profit from the coming distress in credit markets. We expect that this strategy will prove rewarding during the upcoming year.

#### *INVESTMENT POLICY*

For fiscal year 2008, we have altered our asset class definitions. The primary objective of this change is better definition and control of our market, regional, and currency exposures, which largely determine our investment risks.

In recent years, with nearly 50 percent of our pool allocated to an amorphous hedge fund asset class, our targets for market exposures have been ambiguous. Many hedge fund (and private equity) managers have significant exposure to equity, currency, and credit across many of the world's regions. Our prior policy was completely silent with respect to targets and ranges for regional and currency exposures. The changes to our policy framework for fiscal year 2008 aim to remedy this shortcoming.

Beginning in fiscal year 2008, we have divided our hedge fund allocation in two. We will now classify equity long/short (3/4 of our present hedge fund allocation) within a broad equity asset class that will also include traditional public and private equities. We have re-labeled all of our other hedge funds that do not have consistent equity market exposure as absolute return and categorized them with credit strategies in a new broad asset class that we have termed opportunistic.

We have also expanded our policy portfolio to include targets and ranges for market, regional, and currency exposures in addition to traditional manager allocations. Our new policy portfolio is portrayed in the following tables.

The first table displays our target manager allocations. These allocations are the means by which we categorize managers and measure performance. Because manager allocations do not correspond to the market and regional exposures that largely determine investment risk, we are no longer setting risk control ranges for or rebalancing to manager allocation targets.

The next table portrays our net exposure targets and ranges for markets, regions, and currencies. We are now using these net exposure targets, as opposed to our manager allocations, to measure our market exposure, rebalance positions, and control risk.

*Fiscal Year 2008 Policy Portfolio*

**Manager Allocations**

Asset Classes	Target	Benchmark
<b>Equity</b>	<b>67</b>	
Public Equity	25	40% R3000, 40% MSCI World ex-US, 20% EM
Long/Short Equity	27	Tremont Long/Short Equity
Private Equity	15	Cambridge VC, US PE, & Global Private Equity
<b>Real Assets</b>	<b>8</b>	
Real Estate	4	Cambridge Real Estate
Resources	4	Cambridge Resources
<b>Opportunistic</b>	<b>15</b>	
Absolute Return	8	Tremont Hedge Fund
Credit	7	Lehman High Yield
<b>Government Bond</b>	<b>10</b>	Lehman U.S. Treasury
<b>Cash</b>	<b>0</b>	
<b>Total Pool</b>	<b>100</b>	

**Net Exposure Targets & Ranges**

Markets	Ranges	Targets	North			
			America	Europe	Asia	LAMA <sup>(1)</sup>
Equity	50 - 70	60	25	15	15	5
Real Assets	5 - 20	10	5	2	3	0
Credit	0 - 20	10	7	2	1	0
Government Bonds	5 - 20	10	8	1	1	0
<b>Regional Targets</b>		<b>90</b>	<b>45</b>	<b>20</b>	<b>20</b>	<b>5</b>
<b>&amp; Ranges</b>	80 - 100		40 - 50	15 - 25	15 - 25	0 - 10
<b>Cash &amp; Currency</b>	0 - 20	<b>10</b>	30	-10	-10	0
<b>Currency Targets</b>		<b>100</b>	<b>75</b>	<b>10</b>	<b>10</b>	<b>5</b>
<b>&amp; Ranges</b>			65 - 85	5 - 20	5 - 20	0 - 10

<sup>(1)</sup> Latin America, Middle East, and Africa

While we have been reporting net exposures now for many months, we provide here a summary description. We estimate net exposures by looking through the portfolios of our managers to

the underlying security positions. We then aggregate those positions into a matrix of regional asset classes.

Note that our target net exposure to markets is less than 100 percent. We expect that the net market exposure of our long/short and absolute return managers is less than 100 percent of the capital we have allocated to them.

Our net exposure estimates as of June 30, 2007 are displayed in the next table. This table indicates that our estimated total net exposure of 83.8 percent of capital at June 30 was below our target of 90 percent and that our exposures to real assets and credit are well below our targets of ten percent for each. Our exposure to North America is at its 45 percent target, but we are far below our 20 percent target to Asia (and below our policy minimum of 15 percent) with only a 13.7 percent net exposure at June 30. Our currency exposures are in line with their targets with only a slight over-allocation to European currency of 12 percent versus a ten percent target (17.6 percent market exposure to Europe with 5.6 percent of the currency exposure hedged).

#### Net Exposures as of June 30, 2007

Markets	Ranges	Targets	Total Exposure	North			
				America	Europe	Asia	LAMA <sup>(1)</sup>
Equity	50 - 70	60	63.1	27.2	17.4	12.3	6.2
Real Assets	5 - 20	10	5.5	4.5	0.1	0.6	0.3
Credit	0 - 20	10	7.1	5.6	0.1	0.5	0.9
Government Bonds	5 - 20	10	8.1	7.8	0.0	0.3	0.0
<b>Total Exposure</b>			83.8	45.1	17.6	13.7	7.4
<b>Regional Targets</b>		<b>90</b>		<b>45</b>	<b>20</b>	<b>20</b>	<b>5</b>
<b>&amp; Ranges</b>	80 - 100			40 - 50	15 - 25	15 - 25	0 - 10
<b>Cash &amp; Currency</b>		<b>10</b>	16.2	27.7	-5.6	-3.4	-2.5
<b>Currency Exposure</b>	0 - 20			72.8	12.0	10.3	4.9
<b>Currency Targets</b>		<b>100</b>	100	<b>75</b>	<b>10</b>	<b>10</b>	<b>5</b>
<b>&amp; Ranges</b>				65 - 85	5 - 20	5 - 20	0 - 10

<sup>(1)</sup> Latin America, Middle East, and Africa

#### STRATEGY

As of June 30, we were more liquid and had less market exposure than our policy. Over recent months we increased our cash position and hedged some equity market exposure.

At this writing we are busy evaluating opportunities presented by the de-leveraging following July's implosion of the structured credit market. Longer term, we intend to continue our gradual multi-year effort to increase the pool's risk toward a traditional 65 percent/35 percent blend of stocks and bonds, which approximates the risk of our peer group. We intend to accomplish this increase in risk through increased allocations to private equity, real estate, resources, and credit. We will continually evaluate the wisdom of this increase in risk by confirming through bottom-up research that prospective new strategies and managers have higher expected return than those they may replace.

For fiscal year 2008, we target a 67 percent allocation to equity managers broadly defined to include public, private and long/short. We intend to be more flexible in choosing and sizing manager positions within this new broad equity asset class to opportunistically invest with the best managers and highest return opportunities regardless of geography, style, or category. Recognizing substantial overlap in exposures across management styles, we will not aim for or rebalance to precise manager allocation targets within the broad equity asset class. We will target a net equity exposure of 60 percent of pool assets with regional net exposures of 25 percent to North America, 15 percent each to Europe and Asia, and five percent to the combination of Latin America, the Middle East and Africa. We will achieve these exposures primarily through manager allocations, but we will also manage and rebalance our net equity exposures through derivatives to enable less constrained manager allocations.

#### *Public Equity*

We intend to transition our public equity allocation to a concentrated set of long-term positions in the liquid common stocks of attractively valued quality businesses for the objective of long-term capital growth. We may occasionally pursue niche strategies that sacrifice liquidity, but that will be the exception not the rule. This transition toward liquid public equity strategies is motivated in significant part by the reduction in the expected return premium to illiquid strategies caused by huge recent flows into hedge fund and buyout managers and the related increases in fees extracted by these managers.

### *Long/Short*

We will pursue a flexible approach to defining, retaining, and selecting long/short managers. The objective of investing in long/short is growth in capital through unconstrained security selection. Removing traditional constraints on shorting and leverage often requires fund terms that impose less liquidity, less transparency, and higher fees relative to public equity. We should not accept lower long-term expected returns than those available in liquid public equity, even though we understand that the pattern of returns over multi-year periods will be very different.

### *Private Equity*

The private equity portfolio is a higher risk, more levered, and less liquid alternative to public equity. The objective of investing in private equity is to pursue the highest long term returns through active value creation at the operating business level. We will demand substantially higher long-term returns than those available in public equity or long/short. While our private portfolio will likely continue to grow, consideration of liquidity and risk will constrain this portfolio to about a third of our broad equity allocation. Over recent years, funds focused on big public-to-private deals have greatly benefited from loose credit and rising equity market prices. The current deflation of the buyout bubble, catalyzed by a tightening in the credit markets, will likely have a more profound effect on the larger end of the market. In contrast, our recent commitments are focused in small and mid-size managers whose returns we expect to be determined more by the success of their operational improvement efforts than the capital market environment.

Prospectively, the environment for making new investments should become somewhat more attractive. As easy credit vanishes, the opportunity in turnaround and distressed opportunities will likely grow. We have recently increased our exposure in these strategies and continue to seek excellent managers who employ them.

### *Real Assets*

Real assets represent a distinct and important strategic allocation that provides an economically diversifying source of return with low correlation to our equity portfolio. Over a several year period we aim to increase our allocation

substantially. While we will remain highly selective when searching the global opportunity set for the most attractive real estate, energy, timber, and commodity investments, our allocation to real assets will not be displaced by opportunities in other asset classes.

The closing of the sub-prime and securitized lending markets has begun to have a meaningful impact on real estate transactions, particularly in the for-sale housing market and for the most highly leveraged acquisition financings. We have very little current exposure to either of these areas because of manager selection and the small size of the portfolio.

Given today's elevated prices relative to cash flows in developed market commercial real estate, we will likely continue to invest only with value-oriented private managers who generate returns through attractive acquisition terms and asset development or property re-positioning. In emerging markets, we are assessing the opportunity to participate in the expected long-term appreciation of real estate and natural resources.

#### *Opportunistic*

New for fiscal year 2008 is the opportunistic asset class, combining absolute return and credit strategies. Opportunistic investments will have substantially higher expected return than government bonds and low expected correlation to changes in equity and real asset prices. We recognize that credit strategies will not provide the stability of government bonds in a protracted economic contraction, but their returns should not be highly correlated to the non-economic volatility of equity market prices. The current process of de-leveraging and widening of credit spreads may provide attractive opportunities in credit and absolute return strategies during the upcoming year.

#### *Government Bonds*

Our government bond portfolio is primarily a source of liquidity and secondarily a stable diversifying complement to our large equity allocation. Our bond allocation is invested entirely in liquid developed market sovereign debt instruments and related derivatives.

As we increase the liquidity of our public equity portfolio in coming years and fund commitments to private equity, real

assets, and opportunistic strategies, we may reduce our bond portfolio toward a five percent allocation.

**Investment Report**  
**June 30, 2007**  
**UVIMCO Long-Term Pool**

**Investment Activity**

	Month	Fiscal Year To Date 2007
Beginning Investment	\$4,302,549,463.39	\$3,456,909,063.90
Beginning Shares	916,332.51	903,299.44
NAV Per Share at Beginning of Period	\$4,695.40	\$3,826.98
+ Contributions	\$13,602,702.34	\$144,060,589.35
- Redemptions	(\$54,755,922.47)	(\$131,875,927.53)
+ Investment Return	\$81,760,795.55	\$880,976,914.42
-UVIMCO Fees	(\$717,091.57)	(\$7,630,693.03)
Ending Investment	\$4,342,439,947.24	\$4,342,439,947.24
Ending Shares	907,377.41	907,377.41
NAV Per Share at End of Period	\$4,785.70	\$4,785.70

**Position Summary**

	Portfolio	Target	Difference
Public Equity	27.1%	25.0%	2.1%
Hedge Funds	42.4%	47.0%	-4.6%
Private Equity	16.6%	12.0%	4.6%
Real Assets	5.8%	6.0%	-0.2%
Fixed Income	9.5%	10.0%	-0.5%
Cash	-1.3%	0.0%	-1.3%
Total	100.0%	100.0%	0.0%

**Performance Summary**

	Portfolio	Benchmark	Difference
Month Return	1.9%	1.3%	0.7%
3-Month Return	8.3%	5.5%	2.8%
Calendar Year-to-Date Return	13.9%	10.2%	3.7%
Fiscal Year 2007 Return	25.2%	21.0%	4.3%
3-Year Return	17.9%	17.1%	0.9%
5-Year Return	15.1%	14.0%	1.1%
10-Year Return	14.9%	9.8%	5.1%
20-Year Return	13.4%	10.4%	3.0%
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**  
**June 30, 2007**  
**UVIMCO Long-Term Pool**

**Manager Allocations**

	Actual Pool <sup>(1)</sup>		Investment Policy			Relative	Peer Group <sup>(2)</sup>
	\$ millions	%	Min	Target	Max	To Target	%
<b>Public Equity</b>	<b>1,175</b>	<b>27.1%</b>	<b>20%</b>	<b>25%</b>	<b>30%</b>	<b>2.1%</b>	<b>42.1%</b>
U.S.	430	9.9%	5%	10%	20%	-0.1%	22.1%
Non-U.S. Developed	484	11.1%	5%	10%	20%	1.1%	14.8%
Emerging	261	6.0%	0%	5%	10%	1.0%	5.2%
<b>Hedge Funds</b>	<b>1,843</b>	<b>42.4%</b>	<b>30%</b>	<b>47%</b>	<b>60%</b>	<b>-4.6%</b>	<b>23.6%</b>
Equity L/S	1,379	31.8%	10%	--	45%	--	--
Equity MN	44	1.0%	0%	--	30%	--	--
Fix. Inc. Arbitrage	0	0.0%	0%	--	15%	--	--
Global Macro	222	5.1%	0%	--	15%	--	--
ED / Multi-Strategy	141	3.3%	0%	--	15%	--	--
Distressed	40	0.9%	0%	--	15%	--	--
Side Pockets	17	0.4%	--	--	--	--	--
<b>Private Equity</b>	<b>721</b>	<b>16.6%</b>	<b>10%</b>	<b>12%</b>	<b>25%</b>	<b>4.6%</b>	<b>10.3%</b>
Venture	133	3.1%	0%	2%	10%	1.1%	3.6%
Buyouts	588	13.5%	5%	10%	20%	3.5%	6.7%
<b>Real Assets</b>	<b>251</b>	<b>5.8%</b>	<b>5%</b>	<b>6%</b>	<b>20%</b>	<b>-0.2%</b>	<b>10.3%</b>
Real Estate	118	2.7%	0%	3%	20%	-0.3%	5.1%
Resources	132	3.0%	0%	3%	10%	0.0%	5.1%
<b>Fixed Income</b>	<b>411</b>	<b>9.5%</b>	<b>5%</b>	<b>10%</b>	<b>30%</b>	<b>-0.5%</b>	<b>11.8%</b>
Investment Grade	395	9.1%	5%	8%	20%	1.1%	11.2%
High Yield	15	0.4%	0%	2%	10%	-1.6%	0.6%
<b>Cash<sup>(3)</sup></b>	<b>(58)</b>	<b>-1.3%</b>	<b>0%</b>	<b>0%</b>	<b>10%</b>	<b>-1.3%</b>	<b>1.8%</b>
<b>Total Pool</b>	<b>4,342</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>

**Market and Currency Exposures<sup>(4)</sup>**

	North America	Developed Europe	Developed Asia	Emerging Asia	Latin America	Other EM	Total
<b>Equity</b>	<b>27.2%</b>	<b>16.8%</b>	<b>6.4%</b>	<b>5.9%</b>	<b>2.9%</b>	<b>4.0%</b>	<b>63.2%</b>
Public Equity	16.4%	11.7%	6.4%	5.8%	2.9%	3.3%	46.6%
Venture	2.6%	0.1%	0.0%	0.1%	0.0%	0.3%	3.1%
Buyout	8.2%	5.0%	0.0%	0.0%	0.0%	0.3%	13.5%
<b>Real Assets</b>	<b>4.5%</b>	<b>0.1%</b>	<b>0.6%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>5.5%</b>
Real Estate	2.2%	0.1%	0.3%	0.0%	0.1%	0.0%	2.7%
Resources	2.3%	0.0%	0.3%	0.0%	0.0%	0.2%	2.8%
<b>Fixed Income</b>	<b>13.4%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.9%</b>	<b>0.0%</b>	<b>15.1%</b>
Investment Grade	7.8%	0.0%	0.3%	0.0%	0.0%	0.0%	8.0%
High Yield / EM	5.6%	0.1%	0.1%	0.4%	0.9%	0.0%	7.1%
<b>Market Exposure</b>	<b>45.1%</b>	<b>17.0%</b>	<b>7.3%</b>	<b>6.4%</b>	<b>3.9%</b>	<b>4.1%</b>	<b>83.8%</b>
<b>Cash &amp; Currency</b>	<b>27.7%</b>	<b>-4.9%</b>	<b>-1.1%</b>	<b>-2.3%</b>	<b>-2.0%</b>	<b>-1.2%</b>	<b>16.2%</b>
<b>Currency Exposure</b>	<b>72.8%</b>	<b>12.1%</b>	<b>6.2%</b>	<b>4.1%</b>	<b>1.9%</b>	<b>2.9%</b>	<b>100.0%</b>

**Investment Report**  
**June 30, 2007**  
**UVIMCO Long-Term Pool**

**Investment Performance**

	Current							
	MO	3MO	CYTD	FY07	3 YR	5 YR	10 YR	20 YR
<b>TOTAL FUND</b>	<b>1.9</b>	<b>8.3</b>	<b>13.9</b>	<b>25.2</b>	<b>17.9</b>	<b>15.1</b>	<b>14.9</b>	<b>13.4</b>
<i>Target Benchmark</i>	<i>1.3</i>	<i>5.5</i>	<i>10.2</i>	<i>21.0</i>	<i>17.1</i>	<i>14.0</i>	<i>9.8</i>	<i>10.4</i>
<i>65% Russell 3000 / 35% Lehman Agg.</i>	<i>(1.3)</i>	<i>3.6</i>	<i>5.0</i>	<i>15.1</i>	<i>9.5</i>	<i>9.2</i>	<i>7.4</i>	<i>9.9</i>
<b>Public Equity<sup>(6)</sup></b>	<b>1.4</b>	<b>12.7</b>	<b>16.6</b>	<b>37.0</b>	<b>29.2</b>	<b>24.0</b>	<b>13.6</b>	<b>13.7</b>
U.S.	1.2	10.1	14.0	27.9	17.6	16.0	10.1	12.2
<i>Russell 3000</i>	<i>(1.9)</i>	<i>5.8</i>	<i>7.1</i>	<i>20.1</i>	<i>12.4</i>	<i>11.5</i>	<i>7.6</i>	<i>10.9</i>
Non-U.S. Developed	(0.1)	12.4	17.0	40.4	35.8	--	--	--
<i>MSCI World Ex-USA</i>	<i>0.1</i>	<i>7.2</i>	<i>11.6</i>	<i>27.6</i>	<i>23.2</i>	<i>18.6</i>	<i>8.4</i>	<i>7.6</i>
Emerging	4.7	17.1	20.4	45.4	36.9	30.1	12.9	--
<i>MSCI Emerging Markets</i>	<i>4.7</i>	<i>15.1</i>	<i>17.7</i>	<i>45.5</i>	<i>38.7</i>	<i>30.7</i>	<i>9.4</i>	--
<b>Hedge Funds</b>	<b>0.9</b>	<b>6.5</b>	<b>11.1</b>	<b>21.2</b>	<b>14.1</b>	<b>12.5</b>	<b>12.8</b>	<b>--</b>
Equity Long/Short	1.1	7.3	12.5	23.8	15.5	12.8	14.5	--
Equity Market Neutral	(6.8)	(7.4)	(8.7)	(14.7)	--	--	--	--
Fixed Income Arbitrage	--	--	--	--	--	--	--	--
Global Macro	1.7	8.1	10.0	24.9	16.7	13.4	--	--
Event Driven / Multi-Strategy	(0.4)	3.7	8.5	13.5	5.1	5.7	5.9	--
Distressed	(0.0)	0.2	5.2	17.7	12.6	18.3	--	--
<i>60% Tremont HF / 40% Tremont L/S</i>	<i>0.6</i>	<i>5.4</i>	<i>9.1</i>	<i>17.6</i>	<i>13.1</i>	<i>11.7</i>	<i>11.4</i>	--
<b>Private Equity (IRR<sup>6</sup>)</b>	<b>--</b>	<b>2.3</b>	<b>18.9</b>	<b>30.2</b>	<b>22.9</b>	<b>16.4</b>	<b>65.9</b>	<b>34.7</b>
Venture Capital	--	2.6	11.8	16.3	6.8	(3.0)	125.9	40.9
<i>Cambridge U.S. Venture Capital</i>	<i>--</i>	<i>2.0</i>	<i>11.4</i>	<i>14.5</i>	<i>13.8</i>	<i>3.2</i>	<i>41.3</i>	<i>21.1</i>
Buyouts	--	2.3	20.6	33.9	28.4	26.0	19.4	--
<i>Cambridge U.S. Private Equity</i>	<i>--</i>	<i>5.8</i>	<i>18.5</i>	<i>28.6</i>	<i>27.6</i>	<i>19.3</i>	<i>14.5</i>	<i>14.9</i>
<b>Real Assets (IRR<sup>6</sup>)</b>	<b>--</b>	<b>3.8</b>	<b>10.4</b>	<b>22.2</b>	<b>33.9</b>	<b>19.9</b>	<b>13.9</b>	<b>--</b>
Real Estate	--	(4.2)	3.8	5.7	22.6	10.5	11.3	--
<i>Cambridge Real Estate</i>	<i>--</i>	<i>3.9</i>	<i>21.3</i>	<i>33.8</i>	<i>32.3</i>	<i>21.0</i>	<i>16.5</i>	<i>13.6</i>
Resources	--	9.8	14.9	35.6	44.3	29.4	--	--
<i>Cambridge Resources</i>	<i>--</i>	<i>7.1</i>	<i>19.6</i>	<i>40.5</i>	<i>46.8</i>	<i>30.8</i>	<i>20.5</i>	<i>19.1</i>
<b>Fixed Income<sup>(7)</sup></b>	<b>0.1</b>	<b>(0.6)</b>	<b>1.7</b>	<b>6.1</b>	<b>4.7</b>	<b>6.5</b>	<b>6.8</b>	<b>7.9</b>
Investment Grade	0.2	0.3	1.8	8.3	5.4	6.9	7.7	8.4
<i>Lehman U.S. Aggregate</i>	<i>(0.3)</i>	<i>(0.5)</i>	<i>1.0</i>	<i>6.1</i>	<i>4.0</i>	<i>4.5</i>	<i>6.0</i>	<i>7.4</i>
High Yield	(1.9)	(0.9)	8.3	(4.9)	--	--	--	--
<i>Lehman U.S. Corp. High Yield</i>	<i>(1.8)</i>	<i>0.2</i>	<i>2.9</i>	<i>11.5</i>	<i>9.0</i>	<i>11.9</i>	<i>6.3</i>	<i>8.6</i>
<b>Cash</b>	<b>0.1</b>	<b>1.0</b>	<b>2.3</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Repo<sup>(8)</sup></i>	<i>(0.5)</i>	<i>(1.4)</i>	<i>(2.8)</i>	<i>(5.7)</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>

**Investment Report**  
**June 30, 2007**  
**UVIMCO Long-Term Pool**

**Footnotes**

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- (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, 2006.
- (3) Represents investable cash, receivables from liquidated managers, accrued shareholder transactions, repo liability, and other direct borrowing.
- (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. June 30, 2007 region exposure breakdowns were used to estimate exposures.
- (5) Public Equity composite includes performance contribution of S&P 500 / Russell 1000 Growth Swap, effective March 2007.
- (6) Internal rate of return (IRR) reported quarterly on a one-quarter lag. No return is reported for periods within quarter-end dates.
- (7) Fixed Income composite includes performance contribution of 2-Year Treasury Note Futures, effective September 2006.
- (8) Represents the cost associated with the Repo program.

MISCELLANEOUS FINANCIAL REPORTS  
Finance Committee  
University of Virginia

October 4, 2007

UNIVERSITY OF VIRGINIA ACADEMIC DIVISION

FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE AS OF JUNE 30, 2007

Summary of Accounts Receivable:

The University's Academic Division's total accounts receivable at June 30, 2007 was \$15,022,000 as compared to \$16,608,000 at March 31, 2007. The major sources of receivables at June 30, 2007 were sponsored programs of \$10,760,000 and other receivables of \$2,564,000.

The past due receivables over 120 days old were \$1,320,000 as of June 30, 2007 or 8.79 percent of total receivables, which is 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	\$1,698,000	\$10,760,000	\$ 2,564,000	\$ 15,022,000
Less: Allowance for Doubtful Accounts	119,000	430,000	0	549,000
Net Accounts Receivable	<u>\$1,579,000</u>	<u>\$10,330,000</u>	<u>\$ 2,564,000</u>	<u>\$ 14,473,000</u>
Accounts Receivable Greater than 120 Days Past Due	<u>\$ 297,000</u>	<u>\$ 954,000</u>	<u>\$ 69,000</u>	<u>\$ 1,320,000</u>

SOURCE: Financial Administration  
DATE: August 24, 2007

UNIVERSITY OF VIRGINIA ACADEMIC DIVISION

FINANCIAL REPORT

ACCOUNTS AND LOANS RECEIVABLE AS OF JUNE 30, 2007

Summary of Loans Receivable:

The default rate for the Perkins Student Loan Program increased by 0.24 percent to 6.09 percent. This is based on the cohort default 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. Both medical loan programs are well below the five percent federal threshold. The University Loan Program default rate decreased by 0.11 percent to 4.23 percent.

	<u>Gross Loans Receivable</u>	<u>Current Default Rate</u>	<u>Inc./ (Dec) From Last Quarter</u>
Perkins Student Loans	\$ 16,816,000	6.09%	0.24%
Health Professions Loans	50,000	0.00%	0.00%
Undergraduate Nursing Loans	960,000	1.42%	0.17%
University Loans	<u>10,370,000</u>	4.23%	-0.11%
Total Student Loan Outstanding	<u>\$ 28,196,000</u>		

SOURCE: Financial Administration  
DATE: August 24, 2007

University of Virginia  
 Capital Campaign Summary  
 As Of 8/31/07

All Units

	Expendable	Endowment	Total
Gifts and Pledge Payments	546,038,262	215,690,415	761,728,677
Outstanding Pledge Balances	216,807,942	158,865,573	375,673,515
Deferred Gifts	83,325,645	17,352,463	100,678,108
Private Grants	86,949,768	0	86,949,768
Gifts in Kind	50,031,011	755,124	50,786,135
Subtotal	983,152,628	392,663,575	1,375,816,203
Additional Amounts To Be Raised	388,797,372	1,235,386,425	1,624,183,797
Total	1,371,950,000	1,628,050,000	3,000,000,000
Future Support	85,556,138	26,702,540	112,258,678

Rector & Visitors Gift Accounts Only

	Expendable	Endowment	Total
Gifts and Pledge Payments	209,982,164	121,071,248	331,053,412
Outstanding Pledge Balances	48,045,250	104,879,189	152,924,439
Deferred Gifts	53,981,200	3,858,052	57,839,252
Private Grants	0	0	0
Gifts in Kind	15,075,060	85,000	15,160,060
Subtotal	327,083,674	229,893,489	556,977,163
Additional Amounts To Be Raised	TBD	TBD	TBD
Total	327,083,674	229,893,489	556,977,163
Future Support	52,591,861	3,054,701	55,646,562

Rector & Visitors Unrestricted Giving

Gifts and Pledge Payments	2,073,977	0	2,073,977
Outstanding Pledge Balances	376,067	0	376,067
Total	2,450,044	0	2,450,044

Source: Office of Development and Public Affairs

Date: September 13, 2007

**EXPENDITURE OF FUNDS FROM PRATT ESTATE**  
**For Year Ended June 30, 2007**

	<b>6/30/06</b>		<b>2006-07</b>		<b>2006-07</b>		<b>6/30/07</b>
	<b>Unexpended</b>		<b>Allocations<sup>1</sup></b>		<b>Expenditures</b>		<b>Unexpended</b>
	<b>Balance</b>						<b>Balance</b>
Arts & Sciences							
Biology							
Student Support	\$ (11,012)	\$	225,510	\$	234,819	\$	(20,321)
Faculty Salary Support	(7,911)		51,335		45,938		(2,514)
Research & Equipment	41,221		8,155		15,316		34,060
	<u>22,298</u>		<u>285,000</u>		<u>296,073</u>		<u>11,225</u>
Chemistry							
Student Support	58,407		145,000		230,477		(27,070)
Faculty Salary Support	(10,141)		110,000		71,466		28,393
Research & Equipment	(200,003)		111,287		(341,611)		252,895
	<u>(151,737)</u>		<u>366,287</u>		<u>(39,668)</u>		<u>254,218</u>
Mathematics							
Student Support	303,505		-		5,861		297,644
Faculty Salary Support	63,833		185,000		176,910		71,923
Research & Equipment	86,592		-		34,621		51,971
	<u>453,930</u>		<u>185,000</u>		<u>217,392</u>		<u>421,538</u>
Physics							
Student Support	(16,588)		218,118		173,370		28,160
Faculty Salary Support	351,498		16,882		71,432		296,948
Research & Equipment	1,157,892		120,000		91,983		1,185,909
	<u>1,492,802</u>		<u>355,000</u>		<u>336,785</u>		<u>1,511,017</u>
Presidential Science Initiative	392,899		-		-		392,899
Science & Technology Initiative (FEST)	160,988		-		43,865		117,123
Provost Faculty Start-Ups	2,438,775		858,652		180,292		3,117,135
Pratt Master - To be Allocated	363,264		18,713		-		381,977
Total Arts and Sciences	<u>5,173,219</u>		<u>2,068,652</u>		<u>1,034,739</u>		<u>6,207,132</u>
School of Medicine							
Student Support	2,184		109,207		112,406		(1,015)
Research & Equipment	(201,074)		1,665,688		855,891		608,723
Science & Technology Initiative (FEST)	53,658		-		7,996		45,662
Special Distribution	(74,766)		-		(74,766)		-
Morphogenesis & Regeneration - Med	165,000		(165,000)		-		-
Decade Plan	5,677,374		-		1,421,252		4,256,122
Pratt Master - To be Allocated	346,012		(309,895)		-		36,117
Total School of Medicine	<u>5,968,388</u>		<u>1,300,000</u>		<u>2,322,779</u>		<u>4,945,609</u>
<b>TOTALS</b>	<u>\$ 11,141,607</u>	<u>\$</u>	<u>3,368,652</u>	<u>\$</u>	<u>3,357,518</u>	<u>\$</u>	<u>11,152,741</u>

<sup>1</sup> Includes amounts approved by the Board of Visitors for 2006-07 and carryforward amounts from prior year allocations.

**SOURCE: University Budget Office**  
**DATE: September 11, 2007**

UNIVERSITY OF VIRGINIA  
INTERNAL LOANS TO UNIVERSITY DEPARTMENTS AND ACTIVITIES  
As of June 30, 2007

PURPOSE	DATE OF LOAN	INTEREST RATE <sup>2</sup>	ORIGINAL LOAN AMOUNT	PRINCIPAL PAYMENTS MADE TO DATE	OUTSTANDING PRINCIPAL	APPROXIMATE FINAL PAYMENT
Astronomy Large Binocular Telescope	02/06/06	4.75%	\$ 400,000	\$ 81,400	\$ 318,600	January 2009
Cocke Hall	06/30/06	4.75%	1,941,787	353,174	1,588,613	June 2011
ITC ISIS Software	06/30/06	4.75%	1,575,000	286,462	1,288,538	July 2010
National Radio Astronomy Observatory Piping	09/01/06	6.25%	706,833	103,971	602,862	August 2011
Rouss Hall	06/30/07	4.75%	1,517,726	0	1,517,726	June 2012
Wilsdorf Hall	11/01/06	4.75%	3,311,328	165,653	3,145,675	November 2011
Wise Student System	04/21/04	4.75%	200,000	200,000	-	July 2007
Wise Football Facility	12/22/98	Fed.Funds +60 pts.	3,000,000	1,440,272	1,559,728	June 2009
<b>Total Internal Loans Subject to \$15M Limit Established by BOV<sup>1</sup></b>			<b>\$ 12,652,674</b>	<b>\$ 2,630,932</b>	<b>\$ 10,021,742</b>	

- NOTES: 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.
2. The University's blended borrowing rate for tax exempt financing is 4.75%. A taxable rate of 6.25% was charged for the National Radio Astronomy Observatory Piping project.

SOURCE: Financial Administration  
DATE: July 30, 2007

## QUARTERLY BUDGET REPORT

As of June 30, 2007

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 fiscal year 2006-07, 95.0 percent of the budgeted sources were collected and 96.0 percent of the budgeted uses were 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: University Budget Office  
DATE: September 15, 2007

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

	2006-07 Revised Budget	6/30/2007 Actual Results	Variance	6/30/2007 Percentage Collected
<b>Sources of Available Funds, net of transfers to capital reserves</b>				
Tuition & Fees for Operating Plan	\$299,866	\$300,597	(\$731)	100.2%
State General Fund Appropriation for Operating Plan	162,001	162,762	(761)	100.5%
Sponsored Research for Operating Plan	273,939	253,414	20,525	92.5%
Endowment Distribution	94,306	86,508	7,798	91.7%
Net Gifts Available for Operating Plan	110,590	79,704	30,886	72.1%
Sales, Investment & Other	31,319	35,225	(3,906)	112.5%
Net Auxiliary Enterprises for Operating Plan	142,711	140,416	2,295	98.4%
<b>Total Sources of Available Funds</b>	<b>1,114,732</b>	<b>1,058,626</b>	<b>56,106</b>	<b>95.0%</b>
<b>Uses of Available Funds</b>				
Direct Instruction	\$275,665	\$258,686	\$16,979	93.8%
Research and Public Service	273,079	273,525	(446)	100.2%
Library, Information Tech., & Academic Administration	112,253	111,075	1,178	99.0%
Student Services	23,327	23,002	325	98.6%
General Administration	76,283	64,669	11,614	84.8%
Operation & Maintenance of Physical Plant	63,363	62,280	1,083	98.3%
Scholarships, Fellowships, & Other Graduate Support	109,363	98,099	11,264	89.7%
Athletics	35,403	39,524	(4,121)	111.6%
Bookstore	34,286	31,907	2,379	93.1%
Housing and Conference Services	18,549	17,106	1,443	92.2%
Other Auxiliary Operations	52,129	52,598	(469)	100.9%
<b>Total Operating Expenses</b>	<b>1,073,700</b>	<b>1,032,470</b>	<b>41,230</b>	<b>96.2%</b>
<b>Total Operating Reserves and Temporary Allocations</b>	<b>5,347</b>	<b>3,543</b>	<b>1,804</b>	<b>66.3%</b>
<b>Total Uses of Available Funds</b>	<b>1,079,047</b>	<b>1,036,013</b>	<b>43,034</b>	<b>96.0%</b>
<b>Net Sources and Uses of Operating Funds</b>	<b>\$35,685</b>	<b>\$22,613</b>	<b>\$13,072</b>	

## 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* -- 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* -- 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/Long Term Investments for UVa and Related Foundations  
June 30, 2007**

Unaudited  
(in thousands)

	Rector and Visitors 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	\$ 802,397	\$ 33,469	\$ 6,134	\$ 1,820	\$ 843,820
The College of Arts and Sciences and related foundations	335,857	34,656	9,782	22,845	403,139
Darden School and related foundation	117,821	235,538	-	6,389	359,748
The University of Virginia Law School and related foundation	44,447	139,151	-	154,624	338,222
The McIntire School of Commerce and related foundation	80,780	-	30,528	509	111,816
School of Engineering and related foundation	80,367	134	4,094	2,311	86,906
Graduate School of Arts and Sciences	49,617	-	-	-	49,617
University of Virginia's College at Wise and related foundation	37,541	1,476	2,216	5,836	47,070
School of Nursing	37,641	-	1,628	-	39,270
Curry School of Education and related foundation	13,425	8,319	-	9,738	31,482
School of Architecture	17,197	-	436	33	17,666
School of Continuing and Professional Studies	78	-	53	-	131
Alumni Association*	-	-	290,172	13,663	303,835
University of Virginia Medical Center and related foundations	169,755	41,669	-	51,952 **	263,376
Centrally Managed University Scholarships	156,659	-	-	-	156,659
Provost	103,551	-	-	-	103,551
Athletics and related foundation	41,613	61,308	402	-	103,323
University of Virginia Foundation and related entities	-	74,050	-	-	74,050
Miller Center and related foundation	56,300	5,304	-	-	61,604
Alumni Board of Trustees	-	52,479	-	-	52,479
University Libraries	48,089	-	48	-	48,137
University - Unrestricted but designated	364,740	-	-	-	364,740
University - Unrestricted Quasi and True Endowment	196,400	-	-	-	196,400
University - Unrestricted Other	158,959	-	-	-	158,959
All Other	192,627	7,968	-	-	200,595
	<u>\$ 3,105,861</u>	<u>\$ 695,521</u>	<u>\$ 345,493</u>	<u>\$ 269,720</u>	<u>\$ 4,416,595</u>

\*Includes funds on deposit for other areas/schools not individually listed.

\*\*Excludes approximately \$26.4 million of board designated pension funds.

UNIVERSITY OF VIRGINIA  
QUASI-ENDOWMENT ACTIONS

April 1, 2007 - June 30, 2007

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:

In October 1990 and June 1996 the Board of Visitors approved resolutions delegating to the Executive Vice President and Chief Operating Officer the authority to approve quasi-endowment actions, including establishments and divestments, of less than \$2,000,000, with regular reports on such actions.

In February 2006, the Board of Visitors approved a 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. Additionally, 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>
Darden, Barbara B. Endowed Scholarship	\$ 55,000.00
Jones, D. Lung Cancer Research Quasi-Endowment	218,155.00
Mayhugh Cancer Research Support Quasi-Endowment	1,000,000.00
Mayhugh, David Ophthalmic Research Fund	750,000.00
McIntire Professorship Quasi-Endowment in Economics*	25,000.00
Nursing Legacy Scholarship Fund Quasi-Endowment	300.00
Pediatrics Operational Quasi-Endowment Fund	93,331.28
President's Fund for Excellence Unrestricted Quasi-Endowment	75,133.71
Research Activities Quasi-Endowment Fund	250,000.00
Roosendaal Nursing Fellowship Match Quasi-Endowment	50,000.00
U-21 Equity Limited	289,373.00
UVA Bookstore Quasi-Endowment for Excellence	250,000.00
University Quasi Endowment Fund (1)	267,585.51
Whitener, Ellen Quasi-Endowment Fund	7,740.73
	<hr/>
Total Additions to Quasi Endowments	\$ 3,331,619.23

## Divestments

Carlson Psychiatry Research Fund	\$ 81,000.00
Center for SCAT Restricted Quasi-Endowment	100,000.00
GKSA Quasi-Unrestricted Endowment Income	400,000.00
McIntire School of Commerce Operations Fund	652,340.88
Otolaryngology/HNS Molecular Research Program Quasi-Endowment	<u>175,000.00</u>
 Total Divestments from Quasi Endowments	 <u>\$ 1,408,340.88</u>

## Endowment Income Capitalizations

Antrim, Lottie C. Income Capitalization Quasi-Endowment	\$ 13,738.64
Hughes Endowment Income Capitalization Quasi-Endowment	<u>1,565.42</u>
 Total Endowment Income Capitalizations	 <u>\$ 15,304.06</u>

## NOTES:

\*Quasi-endowment newly established or originally funded since April 1, 2007.

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

SOURCE: Financial Administration  
DATE: June 30, 2007

UNIVERSITY OF VIRGINIA

SALARY AND COMPENSATION FOR FULL-TIME FACULTY

AT AAU AND SCHEV PEER GROUP INSTITUTIONS

These reports provide average compensation and salary figures for institutions included in the Association of American Universities, and average salary figures for the University's peer institutions, as established by the State Council of Higher Education in Virginia. These figures include instructional faculty paid on a full-time basis; all medical faculty have been excluded. Salary figures for those faculty with eleven- or twelve-month duties have been converted to nine-month figures by adjusting the total salaries by a factor of 9/11<sup>ths</sup>. The source for these figures is "The Annual Report on the Economic Status of the Profession, 2006-2007," Academe, March-April, 2007, the bulletin of the American Association of University Professors.

SOURCE: Institutional Assessment and Studies  
DATE: August 22, 2007

## UNIVERSITY OF VIRGINIA FACULTY SALARY AND COMPENSATION AVERAGES

### Salary at AAU Institutions

- AAU salary data includes all sources of funds.
- The 60 institutions included in this year's rankings are only the U.S. institutions. Two Canadian institutions, the University of Toronto and McGill University, have been excluded.
- The UVa average in each of the years displayed represents the salary average as of December 1 of that year and reflects the merit increase of that date.
- The UVa percentage increase between 2005-2006 and 2006-2007 was 3.98 percent. This was very slightly above the median for the AAU (3.93 percent) and the University's rank position of 22<sup>nd</sup> in 2005-2006 rose to a tie for 20<sup>th</sup> in 2006-2007.
- In 1989-1990, before the first round of the Wilder budget cuts, UVa ranked 18<sup>th</sup> (69<sup>th</sup> percentile) in the AAU. Since then our ranking has varied, never rising above 18<sup>th</sup>, dropping as low as 32<sup>nd</sup> in 1996-1997, and now stands at a tie for 20<sup>th</sup> (66<sup>th</sup> percentile) in 2006-2007. During that 17-year period the University's average salary increased from \$54,100 in 1989-1990 to \$99,000 in 2006-2007 (a total increase of 83 percent, which is the equivalent of a 3.62 percent increase applied and compounded each year).

### Compensation at AAU Institutions

- As in the case of the average salary, average compensation was reported as of December 1 of those years.
- The UVa percentage increase between 2005-2006 and 2006-2007 was 3.85 percent. This was slightly below the median for the AAU (3.96 percent) and resulted in a one-position decline in our compensation ranking (from 22<sup>nd</sup> to a tie for 23<sup>rd</sup>).
- In 1989-1990 UVa ranked 20<sup>th</sup> (65<sup>th</sup> percentile) in compensation. Since then our ranking has varied, never rising above 20<sup>th</sup>, and now stands at 23<sup>rd</sup> (63<sup>rd</sup> percentile) in 2006-2007. During that 17-year period our average compensation increased from \$66,800 in 1989-1990 to \$124,100 in 2006-2007 (a total increase of 86 percent,

which is the equivalent of a 3.71 percent increase applied and compounded each year).

State Salary at SCHEV Peer Institutions

- In the summer of 2007, SCHEV approved a new sample of peer institutions for the University. However, the attached table includes the peer group that was in effect during the 2006-2007 academic year, which was the peer group assigned in 1997. Again, the UVa state salary average represents the salary average as of December 1 each year. The UVa state salary averages listed in the table represent the authorized state salary averages rather than the actual averages. They are intended to exclude all endowment funds.
- The UVa percentage increase in the State authorized salary average between 2005-2006 and 2006-2007 was five percent, resulting in an authorized average of \$92,677. This includes both the 4.39 percent provided by the State plus the 0.61 percent merit-based BOV supplement. The mean increase for the peer group was 3.90 percent. However, UVa's rank among the sample peers remained at the 14<sup>th</sup> position (41<sup>st</sup> percentile).
- In 1989-1990, UVa ranked 10<sup>th</sup> in our previous state peer group of 25. In the 1997-constituted group, the University began in 1996-1997 at position 16 (27<sup>th</sup> percentile). Since then, our ranking has varied, rising as high as 11<sup>th</sup> in 2000-2001, falling as far as 17<sup>th</sup> in 2002-2003 and 2003-2004, and rebounding somewhat to the 14<sup>th</sup> spot by 2005-2006 and 2006-2007. Next year we will report the salary average compared to the new peer group approved by SCHEV in the summer 2007.

**SCHEV Approved Institutional Peer Group Faculty Salaries  
for the University of Virginia, 2001-02 to 2006-07**

Rank	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07		
		Salary		Salary		Salary		Salary		Salary		Salary	
1	U Penn	107,500	U Penn	111,600	U Penn	115,300	U Penn	118,496	U Penn	124,167	U Penn	129,600	4.38%
2	Northwestern	100,600	Northwestern	105,200	Northwestern	108,500	Northwestern	111,970	Northwestern	115,782	Northwestern	119,200	2.95%
3	Duke U	97,300	Duke U	101,700	Duke U	103,900	Duke U	106,709	Duke U	110,495	Duke U	116,700	5.62%
4	UC Berkeley	96,500	UC Berkeley	98,600	UC Berkeley	101,900	Washington U	102,412	Emory U	104,825	Emory U	109,400	4.36%
5	Washington U	91,200	Washington U	94,700	Washington	98,500	Emory U	101,351	UC Berkeley	103,360	UC Berkeley	107,100	3.62%
6	Emory U	90,200	Emory U	93,900	Emory U	96,900	UC Berkeley	100,562	Washington U	100,471	Washington U	104,900	4.41%
7	U Connecticut	82,400	U Connecticut	85,600	USC	87,800	USC	91,666	USC	96,081	USC	99,600	3.66%
8	U Illinois	81,500	Vanderbilt U	84,700	U Michigan	86,500	Vanderbilt U	90,957	U Michigan	91,379	Vanderbilt U	98,200	7.79%
9	U Maryland	81,200	USC	84,200	Vanderbilt U	85,800	U Illinois	88,918	U Maryland	91,241	U Michigan	94,800	3.74%
10	USC	81,000	U Michigan	83,900	U Illinois	85,100	U Michigan	88,443	U Illinois	91,189	U Maryland	94,200	3.24%
11	UNC	80,800	U Wisconsin	83,100	U Maryland	84,300	U Maryland	87,735	Vanderbilt U	91,104	U Illinois	94,100	3.19%
12	U Michigan	80,800	U Maryland	82,900	U Connecticut	83,700	Ohio State	86,435	U Connecticut	89,300	UNC	94,100	7.98%
13	U Wisconsin	79,900	UNC	81,600	U Wisconsin	83,600	U Connecticut	85,960	Ohio State	88,998	U Connecticut	93,200	4.37%
14	Vanderbilt U	79,500	U Illinois	81,400	Ohio State	82,700	UNC	85,192	<sup>14</sup> U Virginia	<b>88,263</b>	<sup>14</sup> U Virginia	<b>92,677</b>	<b>5.00%</b>
<b>15</b>	<b>U Virginia</b>	<b>77,925</b>	U Iowa	80,000	UNC	81,700	U Wisconsin	83,991	UNC	87,148	Ohio State	92,500	3.93%
16	U Iowa	77,000	Ohio State	78,800	U Iowa	81,100	<sup>16</sup> U Virginia	<b>83,662</b>	U Texas	85,949	U Texas	89,500	4.13%
17	SUNY Buffalo	75,700	<sup>17</sup> U Virginia	<b>77,925</b>	<sup>17</sup> U Virginia	<b>79,678</b>	U Iowa	82,607	U Wisconsin	85,300	Boston U	88,700	4.49%
18	Boston U	75,100	SUNY Buffalo	77,700	SUNY Buff.	79,000	U Texas	81,998	Boston U	84,892	U Arizona	87,500	4.26%
19	Ohio State	74,800	Boston U	76,900	Boston U	77,168	Boston U	81,430	U Iowa	84,414	U Wisconsin	87,300	2.34%
19	U Texas	73,800	U Texas	76,500	U Texas	77,000	SUNY Buffalo	80,712	U Arizona	83,928	SUNY Buffalo	87,100	4.83%
21	Tulane U	72,500	Tulane U	75,200	U Pittsburgh	76,800	U Arizona	78,794	SUNY Buffalo	83,090	U Iowa	85,300	1.05%
22	U Arizona	72,000	U Pittsburgh	74,700	U Arizona	75,800	U Pittsburgh	77,905	Tulane U	81,434	U Pittsburgh	84,500	6.50%
23	U Colorado	69,900	U Arizona	74,600	U Colorado	75,100	U Colorado	77,059	U Pittsburgh	79,346	Tulane U	81,500	0.08%
24	U Pittsburgh	69,800	U Colorado	74,400	Tulane U	74,500	Tulane U	74,245	U Colorado	79,051	U Colorado	79,400	0.44%
<b>25</b>	<b>U Kentucky</b>	<b>66,700</b>	<b>U Kentucky</b>	<b>67,000</b>	<b>U Kentucky</b>	<b>69,900</b>	<b>U Kentucky</b>	<b>71,026</b>	<b>U Kentucky</b>	<b>73,700</b>	<b>U Kentucky</b>	<b>75,400</b>	<b>2.31%</b>
	Mean	81,400	Mean	84,300	Mean	86,100	Mean	88,800	Mean	91,800	Mean	95,500	3.90%
Mean Sal. (excluding UVa)	81,571		84,538		86,357		89,024		91,944		95,575		
Mean Incr. (excl. UVa)	3.52%		3.70%		2.10%		2.98%		3.34%		3.90%		
Std Dev (excluding UVa)	10,317		10,770		11,526		11,853		12,033		12,914		
UVa Increase	0.00%		0.00%		2.25%		5.00%		5.50%		5.00%		
UVa Percentile	36%		27%		28%		32%		38%		41%		
60th %tile Salary	84,202		87,284		89,345		92,047		95,012		98,868		

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**Notes:**

UVa figures represent the authorized state salary average rather than the actual average. It is intended to exclude all endowment funds.  
 The 2005-06 authorized increase (5.50%) included the 5% provided by the State plus the 0.5% supplement allocated from tuition.  
 The 2006-07 authorized increase (5.00%) included the 4.39% provided by the State plus the 0.61% supplement allocated from tuition.  
 All medical faculty have been excluded from the above salary averages.

**Source:** *Academe, Bulletin of the American Association of University Professors*

# Average Salary for Full-Time Instructional Faculty at AAU Institutions, 1998-99 to 2005-06

Rank	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Rank		
1	Harvard U	114,800	119,700	124,600	129,869	135,946	Harvard U	142,200	4.60%
2	Stanford U	111,200	116,700	121,300	125,147	131,506	Stanford U	139,500	5.70%
3	Cal Tech	108,500	111,800	115,300	124,541	129,699	Cal Tech	136,900	5.55%
4	U Penn	107,500	111,600	112,700	118,496	124,167	U Penn	129,600	4.38%
5	Princeton U	103,000	107,000	112,700	117,833	121,489	Princeton U	126,900	4.45%
6	MIT	100,800	105,300	111,100	111,970	115,782	Northwestern	119,200	2.95%
7	Northwestern	100,600	105,200	108,500	109,921	114,080	MIT	118,600	3.96%
8	Columbia U	98,300	101,700	104,100	108,576	112,300	Yale U	116,800	4.18%
9	Duke U	97,300	100,400	103,900	107,300	112,112	Columbia U <sup>4</sup>	116,714	3.93%
10	U Chicago	97,200	99,900	102,300	106,709	111,400	Duke U	116,700	5.62%
11	UC Berkeley	96,500	99,400	102,300	106,577	110,495	U Chicago	116,000	4.13%
12	Yale U	96,200	98,600	101,900	103,526	106,297	Emory U	109,400	4.36%
13	UC Berkeley	92,800	94,700	99,700	102,412	104,825	Cornell-Endow	108,700	2.26%
14	UCLA	92,300	94,700	98,500	101,351	103,374	Cornell-Endow	107,200	3.70%
15	CMU	92,000	94,600	98,300	100,562	103,360	UCLA	107,100	3.62%
16	Washington U	91,200	93,900	96,900	99,646	101,360	UC Berkeley	107,100	4.41%
17	Rice U	90,300	93,100	93,900	99,013	100,471	Washington U	103,100	1.72%
18	Emory U	90,200	91,400	92,000	95,428	98,303	Brown U	101,900	3.66%
19	Cornell-Endow	88,500	90,100	92,000	93,989	96,620	NYU	99,600	3.65%
20	UC San Diego	87,700	89,600	90,100	93,378	96,081	UC	99,000	3.26%
21	Brown U	87,500	88,600	90,100	91,666	95,876	Rice U	99,000	3.26%
22	UC Santa Barb	83,000	84,800	87,800	91,568	95,210	U Virginia	99,000	3.98%
23	U Virginia	82,700	84,700	87,400	91,090	94,711	UC San Diego	99,000	4.53%
24	U Rochester	81,500	84,400	86,700	90,957	94,711	CMU	98,500	1.95%
25	U Illinois	81,500	84,200	86,600	88,918	91,379	Vanderbilt	98,200	7.79%
26	U Maryland	81,200	84,200	86,500	88,747	91,241	Rutgers U	96,800	6.19%
27	UC Irvine	81,100	84,000	86,400	88,443	91,189	U Minnesota	95,100	5.82%
28	U Michigan	81,000	83,900	85,800	87,735	91,155	UC Santa Barb	95,000	4.80%
29	U Rochester	81,000	83,800	85,500	87,327	90,645	U Michigan	94,800	3.74%
30	UNC	80,800	83,100	85,100	87,083	90,369	Maryland	94,200	2.99%
31	U Wisconsin	80,800	83,100	85,100	87,083	90,369	U Illinois	94,100	3.19%
32	U Maryland	80,600	82,900	83,600	86,435	89,872	UNC	94,100	7.98%
33	U Wisconsin	79,900	81,900	83,400	85,835	89,661	UC Davis	93,500	6.51%
34	Vanderbilt	79,500	81,600	83,300	85,788	88,998	U Rochester	93,300	4.06%
35	Rutgers U	79,100	81,400	83,300	85,211	88,543	Ohio State	92,500	3.93%
36	Case Western	77,000	80,000	82,700	85,016	87,791	U Iowa	92,100	4.91%
37	U Iowa	77,000	80,000	82,700	85,016	87,791	U Texas	91,200	0.92%
38	SUNY StonyBk	75,700	79,100	81,700	83,991	87,148	Johns Hopkins	89,500	4.13%
39	Ohio State	74,800	78,200	81,100	82,609	85,949	SUNY StonyBk	89,200	5.31%
40	Johns Hopkins	74,600	78,200	81,100	82,609	85,949	Brandeis U	88,700	3.63%
41	U Texas	74,200	77,500	79,100	81,998	84,700	Case Western	88,400	-0.16%
42	U Texas	73,800	77,500	79,000	81,684	84,414	U Arizona	87,500	4.26%
43	U Texas	73,100	76,500	78,200	80,963	83,928	U Wisconsin	87,300	2.34%
44	U Washington	72,500	76,300	77,600	80,712	83,090	SUNY Buffalo	87,100	4.83%
45	U Washington	72,000	75,200	77,300	79,805	82,292	U Washington	86,700	6.68%
46	U Arizona	72,000	75,200	77,300	79,805	82,292	U Iowa	85,300	1.05%
47	Brandeis U	71,600	74,700	76,800	78,794	82,001	U Pittsburgh	84,500	6.50%
48	Purdue U	71,200	74,600	76,800	78,389	81,434	Purdue U	84,000	2.08%
49	U Florida	71,100	74,400	75,200	77,905	81,007	Mich St U	83,900	2.32%
50	Iowa State	70,900	73,200	75,100	77,306	80,472	Indiana U	83,400	3.64%
51	U Colorado	69,900	73,000	74,800	77,059	80,160	Syracuse U	82,200	5.09%
52	U Pittsburgh	69,800	72,700	74,500	77,049	80,160	Texas A&M	82,200	5.49%
53	Penn State	68,500	72,600	73,800	76,553	79,346	U Florida	81,900	1.10%
54	U Nebraska	68,500	72,600	73,800	76,553	79,346	Tulane U	81,500	0.08%
							Penn State	81,400	2.60%

## Average Salary for Full-Time Instructional Faculty at AAU Institutions, 1998-99 to 2005-06

Rank	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Rank					
55	U Kansas	68,100	Texas A&M	73,100	U Nebraska	75,112	Syracuse U	76,216	Texas A&M	80,100	-0.07%	55
56	Syracuse U	67,000	Syracuse U	69,800	U Nebraska	72,400	Tulane U	74,245	U Colorado	79,400	0.44%	56
57	U Missouri	66,500	Iowa State	69,500	Iowa State	70,900	U Nebraska	73,878	U Nebraska	79,400	3.04%	57
58	Catholic U	61,000	U Kansas	68,300	Iowa State	70,000	Iowa State	72,211	Iowa State	77,200	3.44%	58
59	U Oregon	57,600	U Missouri <sup>2</sup>	65,800	U Missouri	68,700	U Missouri	70,314	U Missouri	74,600	3.53%	59
60			U Oregon	59,800	U Oregon	61,000	U Oregon	61,658	U Oregon	66,000	1.60%	60
<p>                     Median Increase: 3.63%    Median Increase: 3.82%    Median Increase: 3.27%    Median Increase: 3.32%    Median Increase: 3.43%    Median Increase: 3.93%                      UVa Increase: 0.85%    UVa Increase: 0.48%    UVa Increase: 4.33%    UVa Increase: 5.06%    UVa Increase: 5.52%    UVa Increase: 4.53%                      UVa Percentile Ranking: 62nd    UVa Percentile Ranking: 50th    UVa Percentile Ranking: 61st    UVa Percentile Ranking: 63rd    UVa Percentile Ranking: 64th    UVa Percentile Ranking: 66%                 </p>												

Notes: All medical faculty are excluded from the above salary averages. Only faculty who are 50% or more instructional are included. Only U.S. institutions are included above. The University of Toronto and McGill University, although members of AAU, are not included. Beginning in 1992, at the University of Virginia, salary increases were given on December 1 of each year. The above averages for UVa include the December 1 increases each year.

In 2002, Texas A&M and SUNY Stony Brook were added to the AAU and to the above list of institutions. In 2002, Catholic University withdrew from the AAU and was deleted from the above list of institutions.

Source: *Academe, Bulletin of the American Association of University Professors*

- 1 A drop, between 2001-02 and 2002-03, in the mean salary reported at CMU was caused by a modification in CMU's reporting methodology, undertaken in order to more closely comply with AAUP definitions.
- 2 Data for Missouri is suspect for 2002-03, so an estimated 1.05% decrease was used in its place.
- 3 The mean salary figure for Michigan reported in *Academe* in 2004-05, was incorrect. The correct figure was obtained from the Michigan IR office.
- 4 Data for Columbia for 2005-06 and 2006-07 were not available so the AAU median increase was used.

# Average Compensation for Full-Time Instructional Faculty at AAU Institutions, 2001-02 to 2006-07

Rank	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Rank
1	U Penn	141,000	147,800	157,100	160,700	167,200	Harvard U
2	Cal Tech	131,600	147,400	154,100	160,400	166,700	Stanford U
3	Stanford U	129,000	142,200	153,000	159,500	162,100	U Penn
4	Harvard U	126,500	136,100	139,600	144,600	149,100	Cal Tech
5	UC Berkeley	123,800	132,800	138,200	144,800	150,200	Princeton U
6	Emory U	122,200	132,000	138,200	143,500	148,800	Northwestern
7	Princeton U	122,000	130,900	132,000	136,200	142,100	MIT
8	MIT	121,800	127,500	131,500	134,800	140,800	Duke U
9	Northwestern	121,700	126,800	131,500	133,400	137,100	U Chicago
10	NYU	121,500	126,600	131,800	136,900	142,300	Yale U
11	Columbia U	120,100	122,900	131,100	136,160	141,552	Columbia U <sup>4</sup>
12	U Chicago	119,100	122,900	127,000	130,700	135,100	Emory U
13	UCLA	119,000	121,900	126,400	130,700	135,100	UC Berkeley
14	Duke U	118,800	121,600	124,300	129,400	134,400	UCLA
15	CMU	115,900	120,800	123,600	129,000	132,800	Emory U
16	Cornell-Endow	115,500	119,900	121,900	127,400	131,300	Cornell-Endow
17	UC San Diego	112,600	119,200	120,100	125,800	131,000	Brown U
18	Washington U	110,400	114,600	119,100	125,400	130,400	USC
19	Rice U	110,000	114,200	116,700	124,600	129,300	UC San Diego
20	Yale U	110,000	113,500	115,400	119,200	123,700	UC San Diego
21	USC	107,600	113,400	113,900	118,100	120,400	Washington U
22	UC Santa Barb	106,800	112,900	112,500	116,600	119,500	U Minnesota
23	U Minnesota	105,700	110,800	112,200	113,900	115,300	U Minnesota
24	UC Davis	104,900	110,400	109,800	113,500	115,700	U Virginia
25	UC Irvine	104,400	109,900	109,800	113,700	115,700	Rice U
26	Brown U	102,600	105,700	108,200	112,400	115,700	U Davis
27	U Michigan	101,300	105,800	108,200	112,400	115,700	U Davis
28	U Virginia	100,900	105,600	107,800	111,000	115,500	U Virginia
29	U Wisconsin	100,500	104,000	107,100	110,300	114,900	U Wisconsin
30	Vanderbilt	99,000	103,400	107,100	110,300	114,900	U Wisconsin
31	U Rochester	98,900	103,100	106,700	109,100	113,700	Vanderbilt
32	Rutgers U	98,300	102,900	105,700	108,600	112,600	Rutgers U
33	U Maryland	97,500	101,500	105,600	108,500	112,000	U Irvine
34	U Illinois	97,100	101,200	105,000	107,900	111,700	U Maryland
35	Case Western	97,000	101,100	104,900	107,700	111,100	U Michigan
36	Case Western	96,700	101,100	104,700	107,200	110,000	Ohio State
37	U Iowa	96,600	100,400	103,300	107,100	110,900	Ohio State
38	UNC	96,300	100,300	103,300	106,100	109,400	UNC
39	Johns Hopkins	95,500	98,400	102,400	104,700	108,000	Johns Hopkins
40	SUNY Buffalo	94,600	98,100	101,900	104,700	108,000	U Wisconsin
41	Indiana U	93,400	97,500	101,100	104,300	107,700	Case Western
42	Ohio State	92,500	97,400	100,700	103,600	107,200	U Iowa
43	Purdue U	91,700	97,200	99,200	102,800	106,000	Purdue U
44	U Texas	89,300	94,900	98,600	102,800	106,000	U Iowa
45	Brandeis U	89,100	94,700	98,600	102,800	106,000	U Arizona
46	Iowa State	89,000	93,000	96,700	99,500	103,400	U Texas
47	Tulane U	88,800	92,300	96,200	98,600	103,300	Syracuse U
48	U Washington	88,700	91,700	95,200	98,500	103,200	U Texas
49	Syracuse U	88,600	91,300	93,300	98,100	102,600	U Arizona
50	U Arizona	87,200	91,100	93,000	96,800	100,700	U Florida
51	U Florida	86,800	90,500	92,000	96,800	100,600	U Washington
52	U Pittsburgh	86,700	90,200	91,600	95,000	97,800	U Pittsburgh
53	U Kansas	86,400	90,200	90,900	95,000	97,800	U Kansas
54	U Colorado	84,000	89,800	90,500	93,600	97,000	U Colorado
55	U Nebraska	84,000	87,400	90,100	92,600	96,800	U Nebraska
56	Penn State	83,500	86,600	89,700	92,200	96,200	U Pennsylvania

Rank	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Rank
57	U Missouri 78,700	U Kansas 85,400	Texas A&M 87,500	Tulane U 90,100	U Nebraska 96,000	U Colorado 98,300	57
58	U Oregon 75,200	Texas A&M 84,800	U Kansas 86,800	Texas A&M 88,400	Texas A&M 95,300	Texas A&M 95,300	58
59	Catholic U 72,600	U Oregon 79,600	U Missouri 82,700	U Missouri 86,900	U Oregon 91,800	U Missouri 94,200	59
60		U Missouri 72,300	U Oregon 82,300	U Oregon 83,800	U Missouri 88,900	U Oregon 93,400	60
	Median Increase: 3.35% UVa Increase: 0.40% /a Percentile Ranking: 53rd	Median Increase: 4.61% UVa Increase: 0.59% /a Percentile Ranking: 46th	Median Increase: 3.14% UVa Increase: 6.60% /a Percentile Ranking: 56th	Median Increase: 3.53% UVa Increase: 5.18% /a Percentile Ranking: 61st	Median Increase: 3.86% UVa Increase: 5.01% /a Percentile Ranking: 64th	Median Increase: 3.96% UVa Increase: 5.01% UVa Percentile Ranking: 63%	

Notes: All medical faculty are excluded from the above salary averages. Only faculty who are 50% or more instructional are included. Only U.S. institutions are included above. The University of Toronto and McGill University, although members of AAU, are not included. Beginning in 1992, at the University of Virginia, salary increases were given on December 1 of each year. The above averages for UVa include the December 1 increases each year. In 2002, Texas A&M and SUNY Stony Brook were added to the AAU and to the above list of institutions. In 2002, Catholic University withdrew from the AAU and was deleted from the above list of institutions.

Source: *Academe, Bulletin of the American Association of University Professors*

- 2 A drop, between 2001-02 and 2002-03, in the mean compensation reported at CMU was caused by a modification in CMU's reporting methodology, undertaken in order to more closely comply with AAUP definitions.
- 3 The AAU compensation figure reported for Michigan in 2004-05 was faulty. It was estimated using the same percent increase that occurred in their salary figures, rounded to the nearest 100 dollars.
- 4 Data for Columbia for 2005-06 and 2006-07 were not available so the AAU median increase was used.

SUMMARY OF SPONSORED PROGRAMS GRANTS AND CONTRACTS

Fiscal Year 2006 - 2007

For fiscal year 2007, the University received sponsored program awards totaling \$332.96 million dollars. This was an increase of approximately fifteen percent over the fiscal year 2006 amount of \$288.64 million dollars. This year's total includes \$76.48 million in facilities and administrative (indirect) costs as compared to \$64.55 million last year.

The Department of Health and Human Services continues to be the University's largest sponsor of awards, accounting for over 55 percent of the total. The School of Medicine was awarded over 61 percent of all award dollars, followed by the School of Engineering and the College of Arts and Sciences, which each accounted for approximately 13 percent of the funds. The remaining 13 percent was distributed among various areas within the University.

NOTE: This year, the Curry School of Education received significant increases in funding compared to the preceding year due in large part to the receipt of a multi-year award of approximately \$10 million from the Department of Education. The School of Medicine also received a one-time amount of approximately \$25 million in grant funding for a principal investigator who transferred to the University from another institution.

SOURCE: Office of Sponsored Programs  
DATE: August 24, 2007

**SPONSORED PROGRAM RESTRICTED GRANTS & CONTRACTS REPORT OF AWARD DATA  
FOR FISCAL YEAR 2007  
Represented in Millions of Dollars**

<u>SCHOOL</u>	<u>DHHS</u>	<u>DOD</u>	<u>DE</u>	<u>DOE</u>	<u>NASA</u>	<u>NSF</u>	<u>Other Federal</u>	<u>Non- Federal</u>	<u>State</u>	<u>Total FY 2007</u>	<u>Total FY 2006</u>	<u>% Increase/Decrease</u>
Architecture							0.11	0.26	0.06	0.43	0.35	23%
Arts & Scs.	12.11	1.65	0.82	5.17	3.23	8.57	2.97	7.82	1.23	43.57	42.04	4%
Education	1.60	0.02	16.42			0.66	0.40	2.09	3.15	24.34	12.23	99%
Engineering	2.49	8.04		0.72	2.46	11.39	2.24	14.55	2.98	44.87	42.68	5%
Law							0.19	2.08	0.25	2.52	3.06	-18%
Medicine	165.65	4.44		0.81		0.75	0.32	30.65	2.38	205.00	173.81	18%
Nursing	1.79							0.96		2.75	2.54	8%
Other*	0.22		1.00	0.03	0.01	0.98	1.35	3.77	2.12	9.48	11.93	-21%
Total FY 2007	183.86	14.15	18.24	6.73	5.70	22.35	7.58	62.18	12.17	332.96	288.64	15%
Total FY 2006	155.12	11.34	3.35	4.24	3.72	19.54	9.45	66.32	15.56			
% Increase/Decrease	19%	25%	444%	59%	53%	14%	-20%	-6%	-22%			

**Notes:**

- 1) Report reflects data as of August 23, 2007.
- 2) \*Includes University Librarian; Vice President for Research and Graduate Studies, Miller Center; Vice President and Provost, School of Continuing and Professional Studies, Center for Public Service, Financial Administration, Student Health; Health Sciences Library, UVA College at Wise; Virginia Foundation for the Humanities; Vice President for Student Affairs, Southwest Virginia Higher Education Center.
- 3) Totals may be slightly off due to rounding.

**SOURCE: Office of Sponsored Programs  
DATE: August 24, 2007**