

Second Quarter Financial Report

**Three Months Ended
December 31, 2023**

UNAUDITED

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From the Executive Vice President & Chief Operating Officer and the Vice President for Finance & Chief Financial Officer

JENNIFER (J.J.) WAGNER DAVIS
*Executive Vice President and
Chief Operating Officer*



AUGIE L. MAURELLI
*Vice President For Finance and
Chief Financial Officer*



Dear Board of Visitors Member,

We are pleased to present the Second Quarter Financial Report. Within it, you will find that our key financial indicators are trending as we would expect at the halfway mark of FY2023-24.

The report begins with Financial Metrics, including interim Sources and Uses reports for the Academic Division, the College at Wise, and the Medical Center, followed by enterprise-wide metrics on investments, debt, liquidity, and research. Following the presentation of the Financial Metrics, we provide the consolidated unaudited financial statements, a GAAP-based presentation of net position and revenues, expenses, and changes in net position. Next, you will find one-page snapshots of the divisional financial statements intended to facilitate your analysis across the Academic Division, UVA Wise, and UVA Medical Center financial operations on a quarterly basis; this is an addition made in response to requests from you for this level of detail.

As usual, at the end of the Quarterly Report you will find key financial reports and information that are period specific, providing additional insight or satisfying compliance and fiduciary requirements. Of particular interest this quarter, you will find a table that summarizes the annual review of the University's relationship with the University Associated Organizations (UAOs).

We hope that you will find the commentary informative and insightful. Our new ERP offers enhanced capabilities, and we hope to continuously improve this report and others to provide you the information required for informed governance. Please let us know how we can make these reports more useful to you.

Very truly yours,

Jennifer (J.J.) Wagner Davis
Executive Vice President and Chief Operating Officer

Augie L. Maurelli
Vice President for Finance and Chief Financial Officer

UVA Finance Team

Quarterly Financial Operating Metrics

Financial Metrics

ACADEMIC DIVISION

Operating Budget Fiscal Year 2024

SOURCES/USES <i>(in millions)</i>	FY2023-24 FULL BUDGET	FY2023-24 YTD @ Q2	\$ Remaining of Budget	% OF TOTAL BUDGET
SOURCES				
Net Tuition & Fees	\$789.4	\$419.4	\$(370.0)	53.1%
State Appropriations	252.8	235.4	(17.4)	93.1
Externally Sponsored Research	493.6	268.1	(225.5)	54.3
Endowment Distribution & Admin Fee	298.1	152.5	(145.6)	51.2
Expendable Gifts	217.8	109.7	(108.1)	50.4
Sales, Services, Interest, & Other	214.0	149.4	(64.6)	69.8
Total Operating Sources	2,265.7	1,334.6	(931.1)	58.9
USES				
Faculty & Staff Salaries	1,550.3	771.7	778.6	49.8
Internal Recoveries	(407.7)	(248.2)	(159.5)	60.9
Non-Personnel Service Expenses	910.9	497.1	413.8	54.6
Financial Aid	244.6	121.8	122.8	49.8
Internal Debt Service, Transfers & Other	(47.2)	28.6	(75.8)	(60.5)
Total Operating Uses	2,250.9	1,171.0	1,079.9	52.0
Net Operating Sources & Uses as of Q2	14.8	163.5	148.7	<i>fav</i>

Through December 31, 2023, Academic Division operating sources were \$1,334.6 million, or 58.9% of the annual budget. The reduction in Net Tuition and Fees from the first quarter of FY2024 is related to the recording of undergraduate financial aid in the second quarter. Additionally, most of the annual budgeted State Appropriations were received in the first quarter and are spent down throughout the remainder of the fiscal year.

Through December 31, 2023, Academic Division operating uses were \$1,171.0 million which represents 52% of the annual budget. Personnel costs are slightly below 50% of budget, driven by vacancies, but the mid-year 2% merit increase set by the Commonwealth and implemented in December 2023 will drive personnel costs higher in third and fourth quarters.

The net Academic Operating Budget variance surplus for the second quarter of FY2024 is \$163.5 million. A large second quarter budget surplus is typical and results from realizing more than half of annual revenue (e.g. State Appropriations and Sales and Services) through December.

Financial Metrics

UVA COLLEGE AT WISE

Operating Budget Fiscal Year 2024

SOURCES/USES <i>(in millions)</i>	FY2023-24 FULL BUDGET	FY2023-24 YTD @ Q2	\$ REMAINING OF BUDGET	% OF TOTAL BUDGET
SOURCES				
Net Tuition & Fees	\$10.5	\$9.1	\$(1.4)	86.2%
State Appropriations	34.4	34.5	0.1	100.4
Externally Sponsored Research	13.7	2.8	(10.9)	20.1
Endowment Distribution & Admin Fee	5.6	3.3	(2.3)	58.1
Expendable Gifts	0.5	0.3	(0.2)	53.7
Sales, Services, Interest	7.7	4.6	(3.1)	60.3
Total Operating Sources	72.4	54.5	(17.9)	75.3
USES				
Faculty & Staff Salaries	30.3	18.1	12.2	59.8
Internal Recoveries	(0.3)	(0.5)	0.2	154.5
Non-Personnel Expenses	24.5	10.8	13.7	44.0
Financial Aid	16.3	5.5	10.8	33.5
Internal Debt Service, Transfers & Other	0.5	0.6	(0.1)	127.2
Total Operating Uses	71.3	34.5	36.8	48.4
Net Operating Sources & Uses	1.1	20.0	18.9	<i>fav</i>

Through December 31, 2023, the College at Wise operating sources were \$54.5 million, or 75.3% of the annual budget. The FY24 revenue for tuition and fees are trending ahead due to increased enrollments.

Through December 31, 2023, the College at Wise operating uses were \$34.5 million which represents 48.4% of the annual budget. Financial aid activity historically occurs near the start of each term resulting in a higher first quarter distribution.

The net College at Wise operating budget variance surplus for the first quarter of FY2024 is \$18.9 million. A second quarter budget surplus is typical as a result of realizing more than two quarter of annual revenue (e.g. tuition and State Appropriations) through December.

Financial Metrics

MEDICAL CENTER

Operating Budget

Fiscal Year 2024

SOURCES/USES <i>(in millions)</i>	FY2023-24 FULL BUDGET	FY2023-24 YTD @ Q2	\$ REMAINING OF BUDGET	% OF TOTAL BUDGET
SOURCES				
Net patient service revenue	\$2,985	\$1,542	\$1,442	52%
Other revenue	138	83	55	60
Total Operating Sources	3,122	1,625	1,498	52
USES				
Labor	1,454	731	723	50
Non-personnel operating expenses	1,400	748	652	53
Depreciation	183	95	87	52
Interest	36	22	14	61
Total Operating Uses	3,072	1,596	1,476	52
Net Operating Sources & Uses	50	29	21	57
Operating Margin	1.6%	1.8%		<i>fav</i>
Operating Cash Flow	\$233	\$124	\$109	53%
Operating Cash Flow Margin	7.5%	7.6%		<i>fav</i>

During the first six months of operations in FY2024 volumes were mixed. Inpatient discharges, emergency room visits, and surgeries were favorable to budget, while outpatient volumes were slightly behind budget. Despite continued pressure on the cost and availability of staffing and supplies, revenues and expense and financial margins are on track with budget.

Notes:

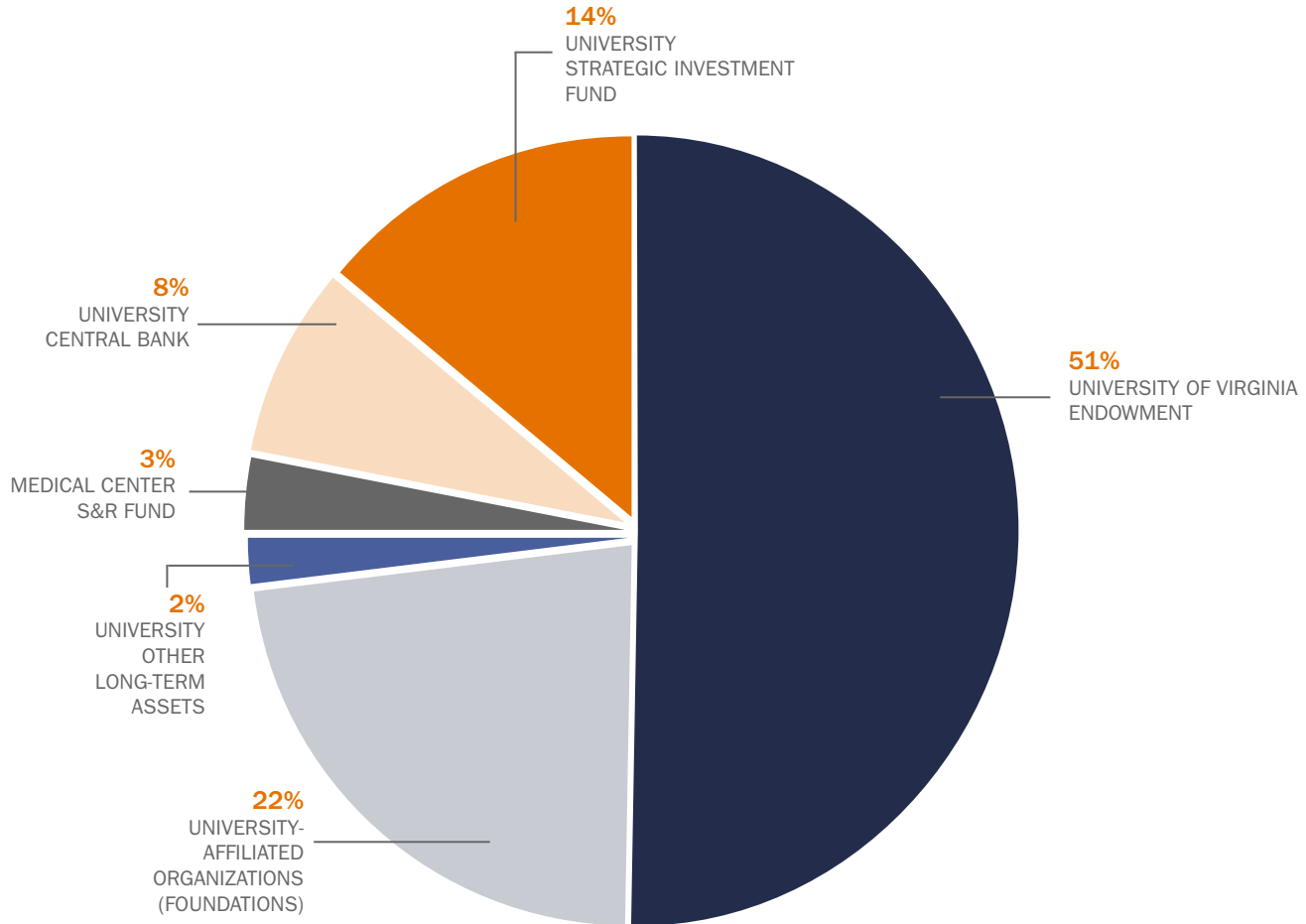
Interest Expense is treated as an operating cost.

Operating Cash Flow is Operating Income + Depreciation.

Financial Metrics

INVESTMENTS

The Long Term Pool returned 2.4% versus the passive policy portfolio return of 6.2% through the first six months of fiscal year 2024. Over the last ten- and twenty-year periods, the Long Term Pool has generated annualized returns of 9.2% and 9.7%, exceeding the policy portfolio returns by 2.2% and 2.6% per year, respectively. This strong historical performance allows the endowment and other long-term funds to provide a steady and growing level of financial support to the University and University-associated organizations.



LONG-TERM POOL PERFORMANCE VERSUS PORTFOLIO BENCHMARK (% return)	Current			Annualized			
	MO	FYTD	1 YR	3 YR	5 YR	10 YR	20 YR
TOTAL LONG TERM POOL	2.2	2.4	4.7	7.0	11.5	9.2	9.7
POLICY PORTFOLIO BENCHMARK ⁽¹⁾	4.4	6.2	17.9	4.2	9.5	7.0	7.1
<i>MSCI All Country World Equity</i>	4.8	7.5	22.8	6.2	12.3	8.5	8.1
<i>Bloomberg US Treasury Bond</i>	3.0	2.2	4.0	(2.4)	1.6	2.3	3.4

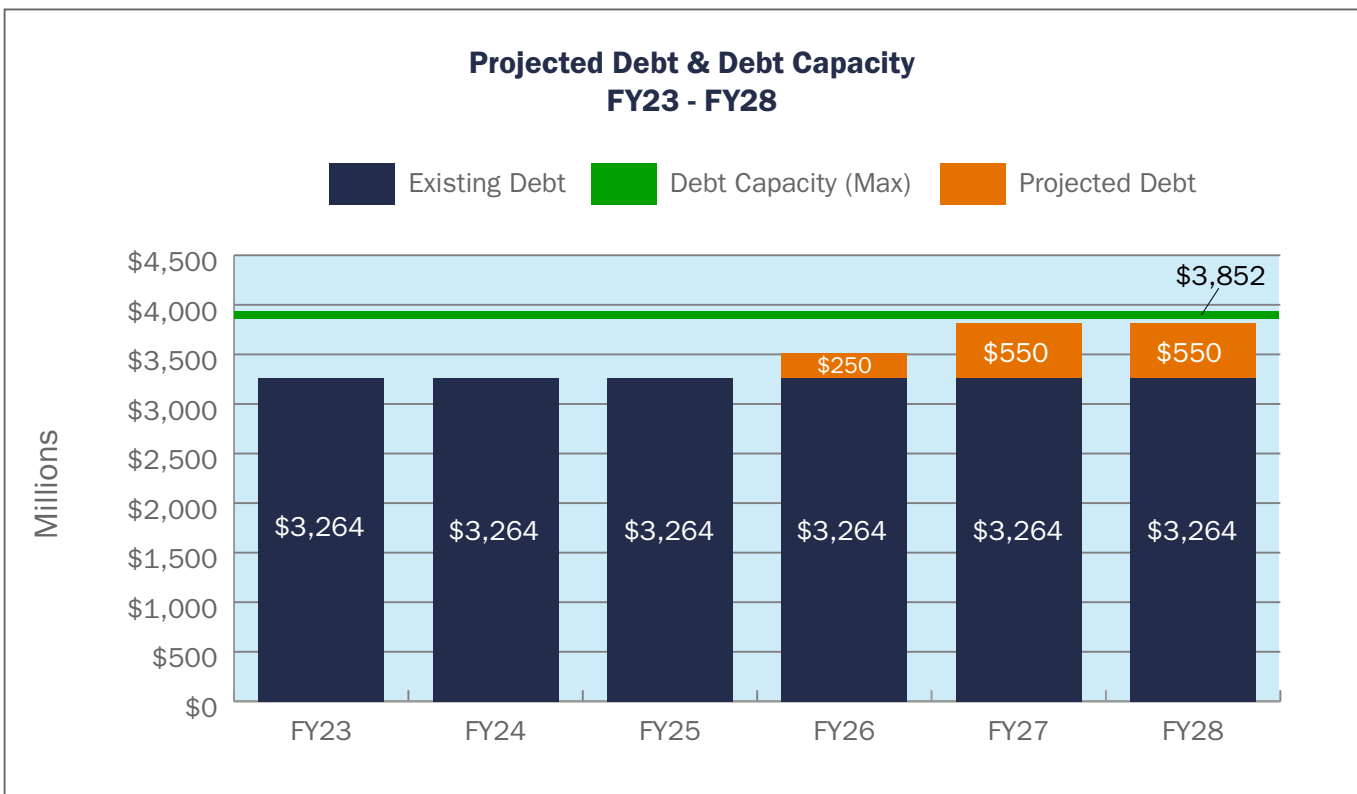
⁽¹⁾ The Policy Portfolio Benchmark is comprised of 75% MSCI All Country World Equity (“ACWI”) and 25% Bloomberg U.S. Treasury Bond. The Policy Portfolio weights for MSCI ACWI, MSCI Real Estate, and Bloomberg Aggregate Bond were 65/10/25 between July 1, 2019 and June 30, 2020 and 60/10/30 prior to July 1, 2019. Established by the UVIMCO Board of Directors, the passive benchmark is consistent with the University’s risk tolerance for long-term investments.

See page 14 for additional details.

Financial Metrics

DEBT

OUTSTANDING DEBT	AMOUNT (MM'S)	WACC	% OF TOTAL DEBT
Commercial Paper	\$ -	0%	0.0%
Fixed-Rate Debt	3,277	3.25	100
Total Debt	3,277		100
Interest Rate SWAPS	100		
Total WACC including SWAPS		3.29	
Debt Ratio: Debt Svc/Operating Exp		Target <10	2.3



Debt Capacity is measured differently by each of the three Rating Agencies. Each Agency's rating is based on multi-faceted analysis that includes both quantitative and qualitative factors such as Demand, Operating Performance, Management/Governance, Strategy, and Debt Burden/Debt Affordability. Capacity increases or decreases over time, as the components of these factors change.

Financial Metrics

LIQUIDITY

LIQUIDITY PROFILE (in millions)	DRAWN	AVAILABLE
Cash & Cash Equivalents ¹	\$ -	\$331
Operating Lines		
Bank of America	-	100
TD Bank	-	200
Wells Fargo	-	50
US Bank	-	150
Total Operating Lines	-	500
Commercial Paper	-	500
Dedicated Lines for Debt	-	
S/T Sources	-	1,000
Additional UVMCO Liquidity ²		1,069
TOTAL LIQUIDITY		2,399

LIQUIDITY POLICY TARGETS	TARGET	ACTUAL
Days Cash on Hand (Monthly)	≥180	198.0
Daily Liquidity	≥1.5x	NA*
Spendable Cash and Investments/OE Lines	≥2.0x	2.0x

* No variable rate puttable debt outstanding

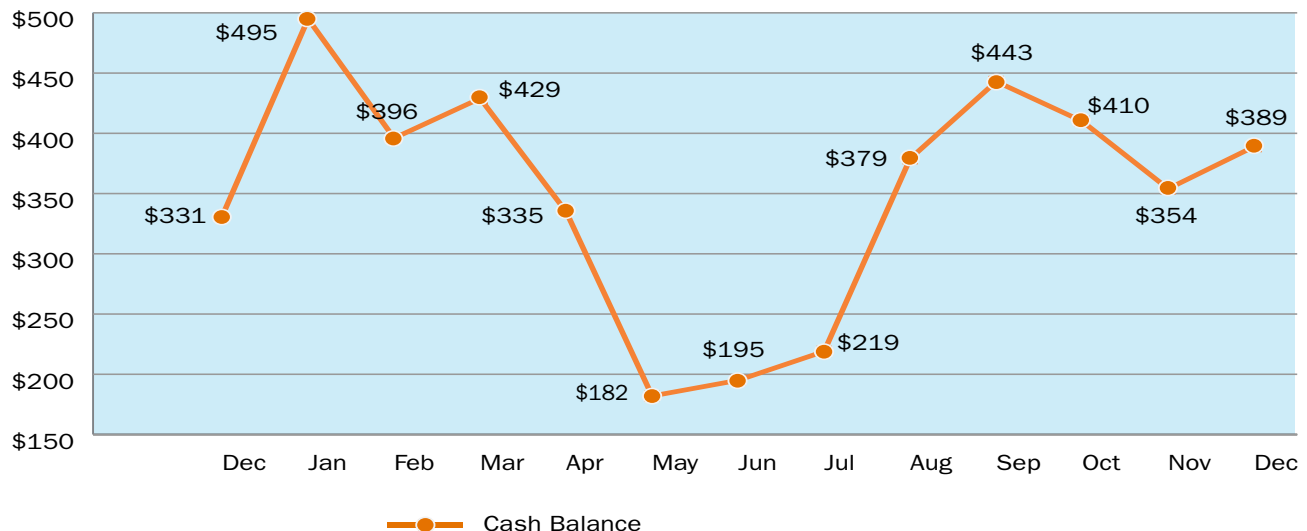
⁽¹⁾ Balances are reported from external statements and may differ from the General Ledger, which may contain accruals and other reconciling items.

⁽²⁾ Under the UVMCO DMA, annual LTP redemptions are limited to 10%.

UNIVERSITY FUNDS INVESTED w/ UVMCO* (in millions)	SHORT-TERM INVESTMENTS	LONG-TERM INVESTMENTS	TOTAL INVESTED
R&V Endowment Shareholders	\$ -	\$7,009	\$7,009
Affiliated Organizations (Foundations)	84	3,071	3,155
R&V Other Long-Term Assets	-	262	262
Medical Center S&R Fund	-	423	423
Central Bank	-	1,094	1,094
BOV Strategic Fund	-	1,900	1,900
Total	84	13,758	13,841

*As of September 30, 2023

FY24 - FY25 Projected Month End Cash Balances
(in millions)



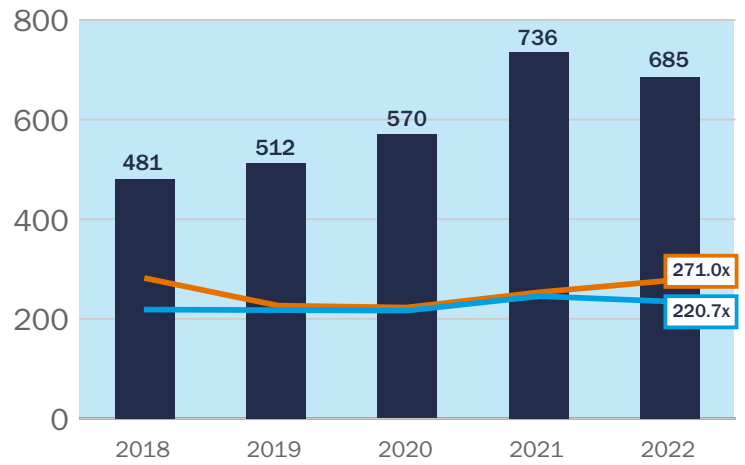
Financial Metrics

FINANCE INDICATORS

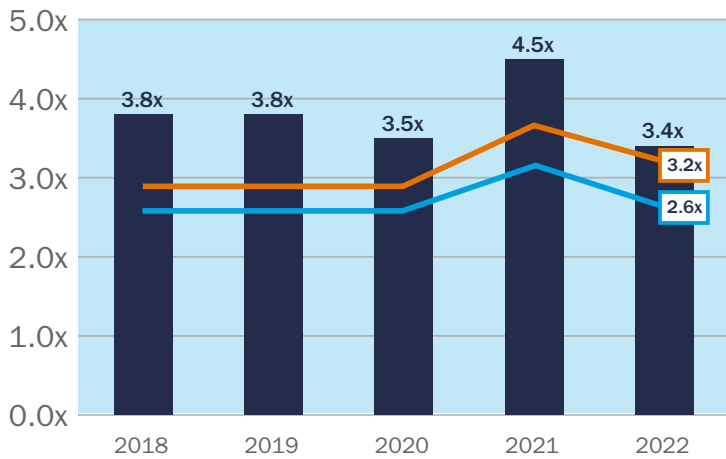
Orange Line: Benchmark: Moody's Public University 2022 Medians "Aaa" Rating Category

Blue Line: Benchmark: Moody's Public University 2022 Medians "Aa1" Rating Category

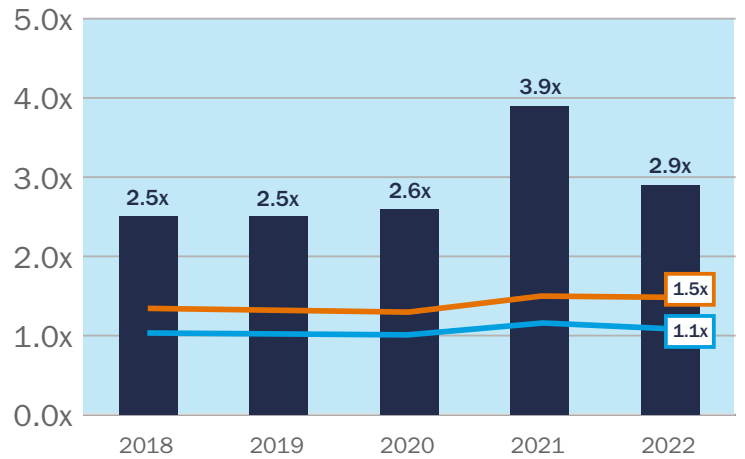
Annual Days Cash on Hand
(Annual Liquidity/Operating Expenses)



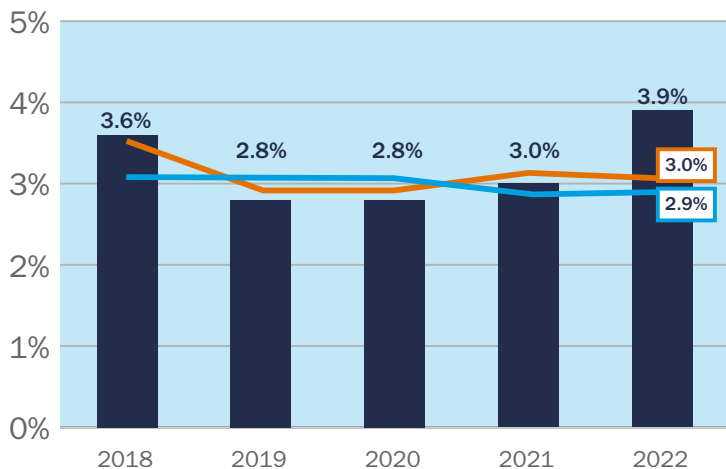
Financial Leverage
(Spendable Cash & Investments/Total Debt)



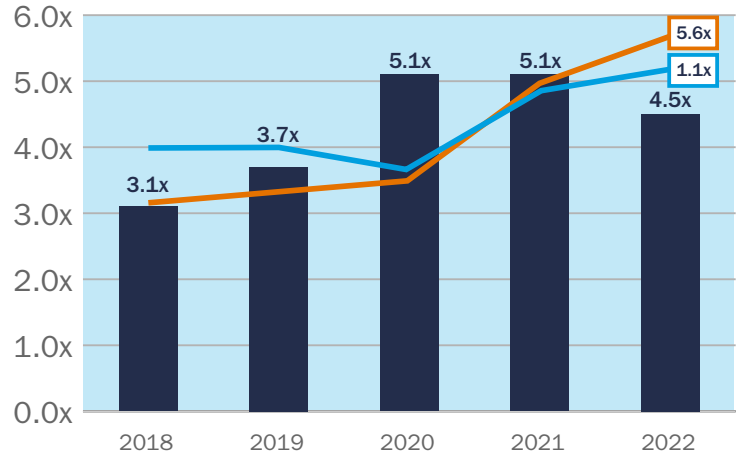
Operating Reserve
(Spendable Cash & Investments/Operating Expenses)



Debt Service as a % of Operations
(Debt Service/Operating Expenses)



Debt Service Coverage
(Operating Surplus/Debt Service)



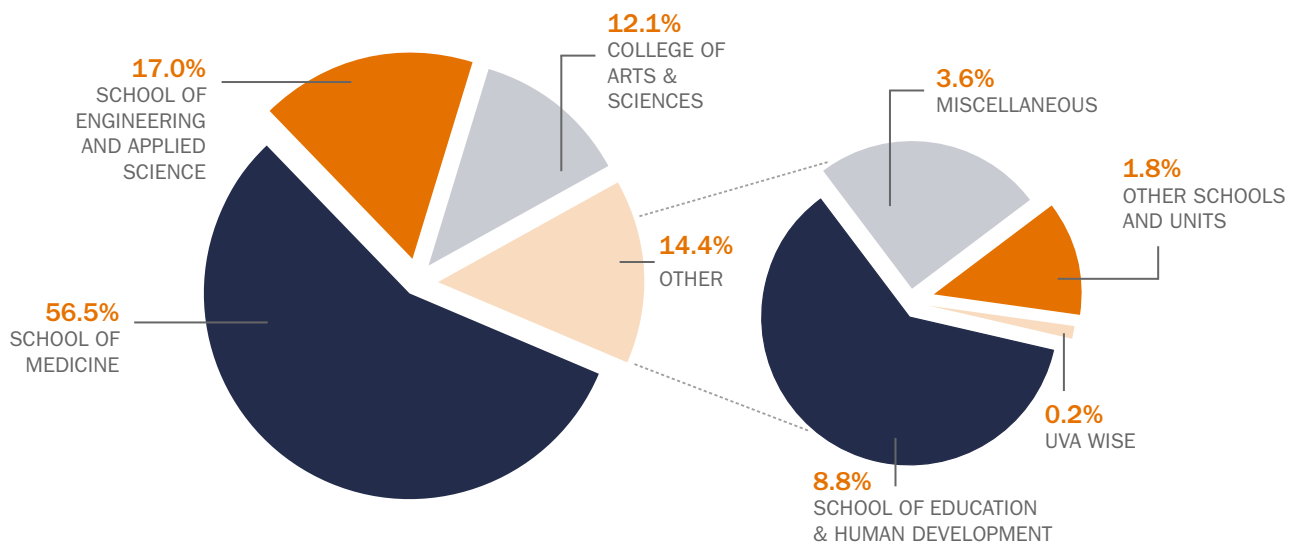
Financial Metrics

RESEARCH

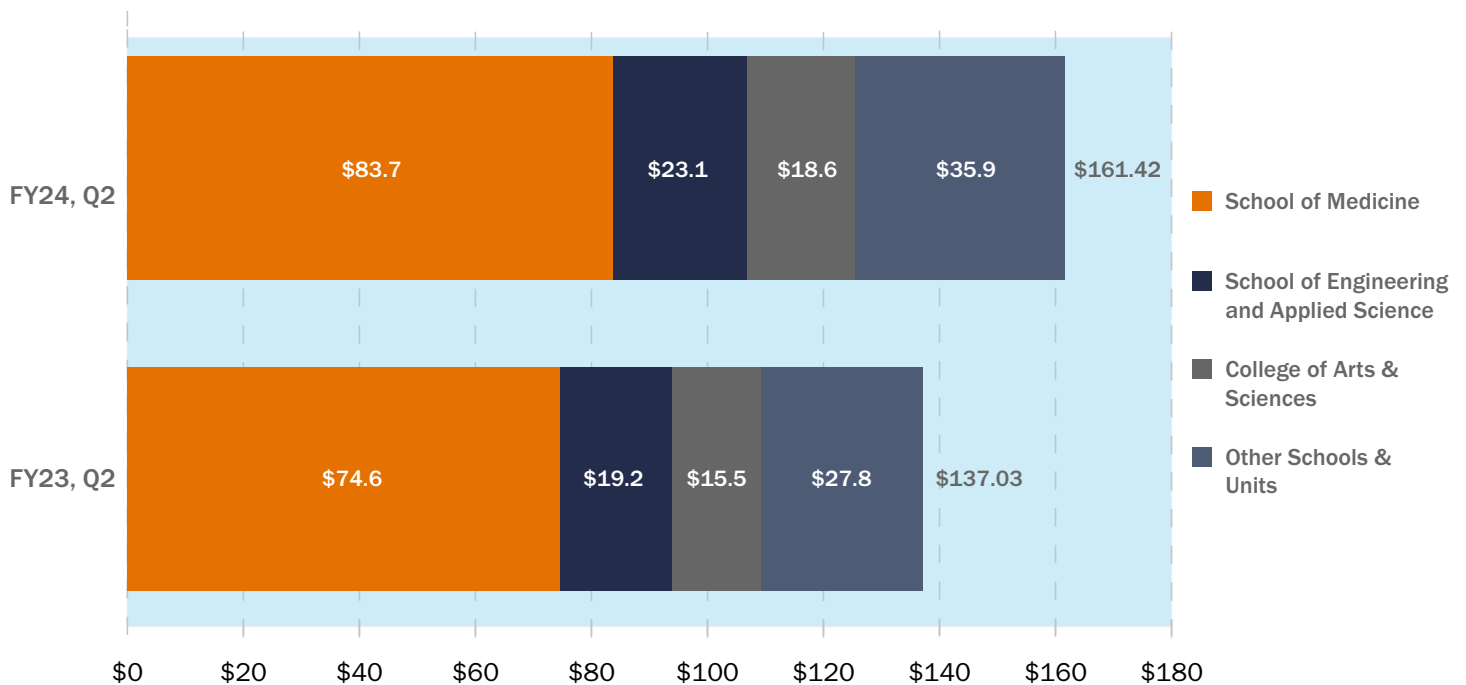
Key Data Points

- As of December FY2024, Modified Total Direct Cost base research spending was \$161.4M, up from \$137.0M or 17.8% in December FY2023.
- Modified total Direct Cost YTD spending on grants with the current 61.5% F&A rate was \$89.4M which generated \$53.9M in F&A recoveries.
- F&A recoveries were \$65.0M as of December FY2024 (up 17.5% from prior period FY2023), \$9.7M more than the \$55.3 M recovered for the same period in FY2023.
- The Effective rate as of December YTD FY2024 was 40.3%, down from 40.4% in December FY2023

FY24 Q2 F&A Recoveries Proportionally by School



FY24 Q2 F&A Base by School (in millions)

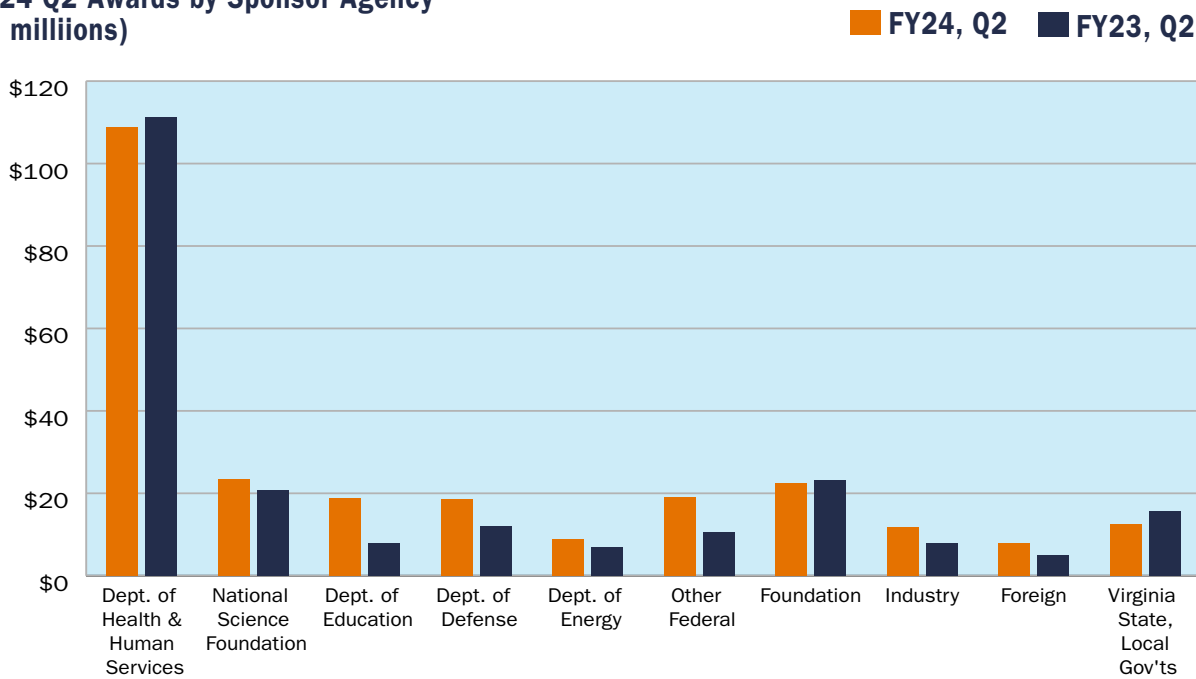


Financial Metrics

RESEARCH

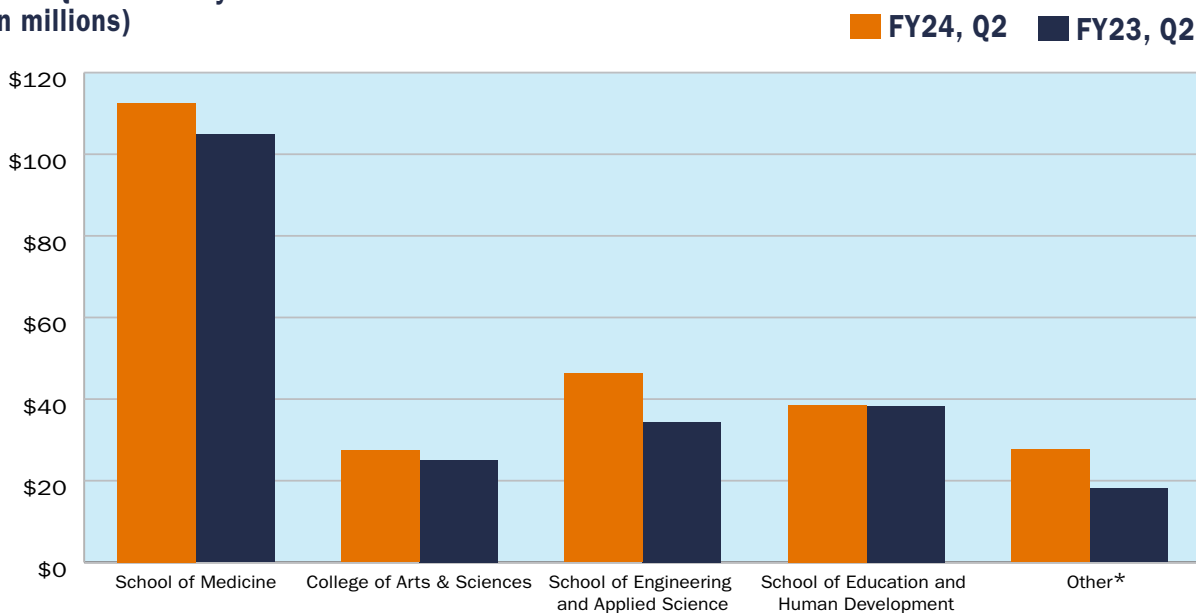
During Fiscal Year 2023, there was a significant backlog of award set-ups attributable to University system transitions. This backlog resulted in inconsistencies including artificial deflation of sponsored research data for much of Fiscal Year 2023. As a result, quarter-to-quarter comparisons between Fiscal Years 2023 and 2024 may not be reflective of actual funding activity. The significant increase in funding from the U.S. Department of Education is primarily due to an almost \$8 million award received during Quarter 2 of Fiscal Year 2024.

FY24 Q2 Awards by Sponsor Agency (in millions)



The top 2 sponsors within Other Federal for FY24, Q2 include, in order: U.S. Department of Transportation (\$5.09) and U.S. Office of the Director of National Intelligence (\$4.55), with amounts in millions.

FY24 Q2 Awards by School (in millions)



*Includes: School of Architecture, Frank Batten School of Leadership and Public Policy, Biocomplexity Institute and Initiative, Claude Moore Health Sciences Library, Facilities Management, Diversity Office, University of Virginia Library, School of Law, McIntire School of Commerce, School of Nursing, Office of the President, Office of the Vice President and Provost, Office of the VP for Research, Office of the VP for Student Affairs, University of Virginia's College at Wise, School of Data Science.

Other Key Financial Reports

Other Key Financial Reports

UNIVERSITY OF VIRGINIA - Consolidated Endowment and Long Term Investments, Including University Associated Organizations (UAOs) DECEMBER 30, 2023 (in millions)

	RECTOR AND VISITORS FUND			UNIVERSITY-ASSOCIATED FUND (INCLUDES UAO LONG-TERM INVESTMENTS)			TOTAL
	@ UVIMCO	ELSEWHERE	TOTAL	@ UVIMCO	ELSEWHERE	TOTAL	
The University of Virginia Medical School and UAO	\$1,396	\$ -	\$1,396	\$130	\$ -	\$130	\$1,526
The College and Graduate School of Arts and Sciences and UAO	810	-	810	229	8	237	1,047
The University of Virginia Law School and UAO	148	-	148	568	111	679	827
Darden School and UAO	315	-	315	399	28	427	742
School of Engineering and UAO	185	-	185	51	3	54	239
Batten School of Leadership and Public Policy	208	-	208	10	-	10	218
The McIntire School of Commerce and UAO	106	-	106	131	15	146	252
University of Virginia's College at Wise and UAO	126	-	126	35	-	35	161
School of Data Science	196	-	196	-	-	-	196
School of Nursing	80	-	80	4	-	4	84
School of Education and Human Development and UAO	38	-	38	31	-	31	69
School Of Architecture and UAO	34	-	34	12	-	12	46
School of Continuing and Professional Studies	14	-	14	-	-	-	14
University of Virginia	1,899	29	1,928	-	-	-	1,928
University of Virginia Medical Center and UAOs	881	-	881	191	-	191	1,072
Jefferson Scholars Foundation	-	-	-	577	17	594	594
Alumni Association (Including Funds Held for Others)	-	-	-	320	35	355	355
Athletics and UAP	159	-	159	90	-	90	249
Provost	196	-	196	-	-	-	196
University of Virginia Foundation and related entities	-	-	-	143	-	143	143
University Libraries	111	-	111	-	-	-	111
Miller Center and UAO	80	-	80	24	-	24	104
Alumni Board of Trustees	-	-	-	95	-	95	95
University of Virginia Investment Management Company	-	-	-	24	-	24	24
Total Endowment	6,982	29	7,011	3,064	217	3,281	10,292
Strategic Investment Fund	1,900	-	1,900	-	-	-	1,900
Medical Center S&R Fund	423	-	423	-	-	-	423
Other LT Investments	1,356	547	1,903	-	-	-	1,903
Non-University Funds held on behalf of agencies	26	-	26	7	-	7	33
Total Endowment and long-term investments	10,687	576	11,263	3,071	217	3,288	14,551
Rector & Visitors Restricted Investments *	49.03%						
Rector & Visitors Unrestricted Investments	50.97%						

* Restricted on a GAAP basis. Unrestricted endowment fund may include internal restrictions as well.

Other Key Financial Reports

UNIVERSITY OF VIRGINIA QUASI-ENDOWMENT ACTIONS OCTOBER 1 - DECEMBER 31, 2023

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 Associate Vice President for Financial Operations, 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 December 2022, this approval level was increased to up to \$5,000,000.

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.

	Amount (as shown)
ADDITIONS FROM GIFTS	
Access UVA Scholarships	\$95,000
Darden Unrestricted Reserves Quasi-Endowment Fund	4,430,298
President's Fund for Excellence Unrestricted Quasi-Endowment Fund	541,905
Rucker, M. Pierce and Leslie G. Bicentennial Athletics Scholarship Fund	32,000
University Quasi-Endowment Fund ¹	27,625
TOTAL ADDITIONS FROM GIFTS TO QUASI-ENDOWMENTS	5,126,828
ADDITIONS FROM ENDOWMENT INCOME (CAPITALIZATIONS)	
Chrysler, W.P. Fund for Engineering Library	1,356
Darden Unrestricted Reserves Quasi-Endowment Fund	186,356
Dermatology General Investment Fund	4,467
Hecht-Cruachem Chemistry Quasi-Endowment #3	1,644
Jones, D. Lung Cancer Research Quasi-Endowment	19,743
Lehman Memorial Fund	5,954
Medical Center Capital Assets Quasi-Endowment ²	6,729,966
Morton, C. Bruce Professorship in Surgery	25,792
Moyston, Vernah Scott Professorship in Ophthalmology Investment Quasi-Endowment	4,945
Nolan, Stanton P. Professorship in Thoracic and Cardiovascular Surgery	5,710
Samuels, Bernard Ophthalmology Library Quasi-Endowment	2,825
School of Continuing and Professional Studies Facility and Operations Quasi-Endowment	108,889
Taylor, Henry N. Fund	367
Venable, Charles Scott Lectureship in Trauma Fund	1,287
Virginia Quarterly Review - Anonymous	635
TOTAL ADDITIONS FROM ENDOWMENT INCOME TO QUASI-ENDOWMENTS	7,099,936

Notes:

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.

² Per March 2015 BOV authorization, the Executive Vice President and Chief Operating Officer approves the reinvestment of endowment distributions for the Medical Center Capital Assets Quasi-Endowment.

**Consolidated
Financial Statements**
(UNAUDITED)

UVA Consolidated Financial Statements (Unaudited)

UNIVERSITY OF VIRGINIA CONSOLIDATED STATEMENT OF NET POSITION (UNAUDITED)

(in thousands)

	December 31, 2023	June 30, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$229,103	\$352,930
Short-term investments	18,662	59,324
Appropriations available	137,870	650,323
Accounts receivable, net	1,298,681	-
Pledges receivable, net	56,919	56,919
Prepaid expenses	27,666	25,844
Inventories	71,383	69,484
Notes receivable, net	4,265	4,027
Total current assets	1,844,549	1,218,851
Noncurrent assets		
Cash and cash equivalents	434,766	525,215
Long-term investments	3,682,929	3,617,407
Endowment	7,011,238	6,996,261
Notes receivable, net	26,418	26,710
Pledges and other receivables, net	206,645	207,478
Capital assets, other	4,547,118	4,449,767
Capital assets, nondepreciable	722,069	691,494
OPEB Asset	21,740	21,740
Investment in affiliated companies	106,869	49,420
Other	102,841	101,341
Total noncurrent assets	16,862,633	16,686,833
DEFERRED OUTFLOWS OF RESOURCES	130,470	130,888
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	18,837,652	18,036,572
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	729,488	579,447
Unearned revenue	477,840	66,502
Deposits held in custody for others	4,101	11,769
Long-term debt - current portion	3,482	4,243
Long-term liabilities - current portion	151,936	158,689
Total current liabilities	1,366,847	820,650
Noncurrent liabilities		
Long-term debt	3,348,538	3,348,417
Derivative instruments	14,105	12,619
Net Pension Liability	385,339	385,339
OPEB liability	193,596	193,596
Other noncurrent liabilities	330,549	327,829
Total noncurrent liabilities	4,272,127	4,267,800
DEFERRED INFLOWS OF RESOURCES	387,114	367,987
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	6,026,088	5,456,437
NET POSITION		
Net investment in capital assets	2,352,871	2,301,709
Restricted:		
Nonexpendable	1,387,256	1,357,154
Expendable	4,839,790	4,832,376
Unrestricted	4,231,647	4,088,896
TOTAL NET POSITION	12,811,564	12,580,135
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	18,837,652	18,036,572

UVA Consolidated Financial Statements (Unaudited)

CONSOLIDATED STATEMENT OF NET POSITION (UNAUDITED)

This statement presents UVA's net position as of December 31, 2023, as compared to June 30, 2023 (unaudited). This unaudited statement is accrual-based and developed in accordance with Generally Accepted Accounting Principles (GAAP). The December 31, 2023, UVA Statement of Net Position shows the University to be in a strong financial position. Net position totals \$12.8 billion, an increase of \$231.4 million or 1.8% since June 30, 2023.

The \$1.3 billion in current receivables are primarily comprised of Medical Center patient service billings (\$655.2 million), spring tuition receivables (\$411.5 million), billed and unbilled sponsored research (\$101.2 million), and pending redemptions from the LTP (\$71.2 million). Past due receivables over 120 days are \$5.2 million for the Academic Division, and below the Commonwealth of Virginia's management standard of 10% for all student and vendor receivables. The Medical Center had \$115.7 million in past due patient receivables over 120 days. Of all Medical Center outstanding receivables, 12.5% are over 90 days.

The University's endowment and other long-term investments increased by \$80.5 million to \$10.7 billion as of December 31, 2023. UVIMCO's long-term pool return is 2.4% for the fiscal year to date, while the short-term pool return has been 2.67%. See UVIMCO's analysis on page 7. The total endowment and long-term investments for the University and its related foundations is shown on page 14. All quasi-endowment actions for the quarter are outlined on page 15.

Included in the \$233.1 million non-current notes and pledges receivables are \$23.6 million in student loan programs through endowments given for this purpose, as well as the Federal Perkins Loan Program (\$4.1 million) and the Federal Nursing Student Loan Program (\$1.4 million). The default rate by University students on the Nursing federal loan program is 1.3%, which is below the federal requirement of 5%. The default rate by University students on the Perkins federal loan program is 5%, which is the federal requirement of 5%. The Perkins federal loan program is winding down and UVA is therefore has not lent out new loans for the Perkins program since 2017, nor do we have borrowers continuing to go into repayment. The University is currently working on assigning loans to the Department of Education. Collectively, the default rate on University-managed loan programs stands at 1.6%. Noncurrent pledges receivable as of December 31, 2023, are \$184.7 million, mostly related to the service concession arrangement with Aramark.

Long-term debt as of December 31, 2023, totals \$3.4 billion. The Treasury Dashboard on page 8 provides a summary of the long-term debt structure. The net pension and other post-employment benefit liability are updated once a year for the year-end financial statements and are \$385.3 million and \$193.6 million, respectively.



UVA Consolidated Financial Statements (Unaudited)

UNIVERSITY OF VIRGINIA CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Unaudited)

(in thousands)

	December 31, 2023	December 31, 2022
REVENUES		
Operating revenues		
Student tuition and fees, net	\$375,408	\$362,468
Patient services, net	1,517,920	1,400,047
Grants and contracts	263,674	216,080
Sales and services of educational departments	21,618	27,865
Auxiliary enterprises revenue, net	135,795	128,144
Other operating revenues	74,301	38,588
TOTAL OPERATING REVENUES	2,388,716	2,173,192
EXPENSES		
Operating expenses		
Compensation and benefits	1,403,803	1,253,408
Supplies and other services	1,091,267	1,005,816
Student aid	68,921	67,828
Depreciation and amortization	177,600	166,628
Other	4,420	5,293
TOTAL OPERATING EXPENSES	2,746,011	2,498,973
OPERATING LOSS	(357,295)	(325,781)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	251,931	253,528
Gifts	87,213	93,805
Investment income (loss)	261,873	(37,722)
Pell grants	7,637	6,434
Nonoperating grant revenues	15	11,060
Interest on capital asset-related debt	(58,976)	(38,324)
Other net nonoperating revenues (expenses)	(21,078)	(38,226)
NET NONOPERATING REVENUES	528,615	250,555
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	171,320	(75,226)
Capital appropriations	26,407	38,124
Capital grants and gifts	21,122	20,216
Additions to permanent endowments	12,580	23,054
TOTAL OTHER REVENUES	60,109	81,394
INCREASE IN NET POSITION	231,429	6,168

UVA Consolidated Financial Statements (Unaudited)

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (UNAUDITED)

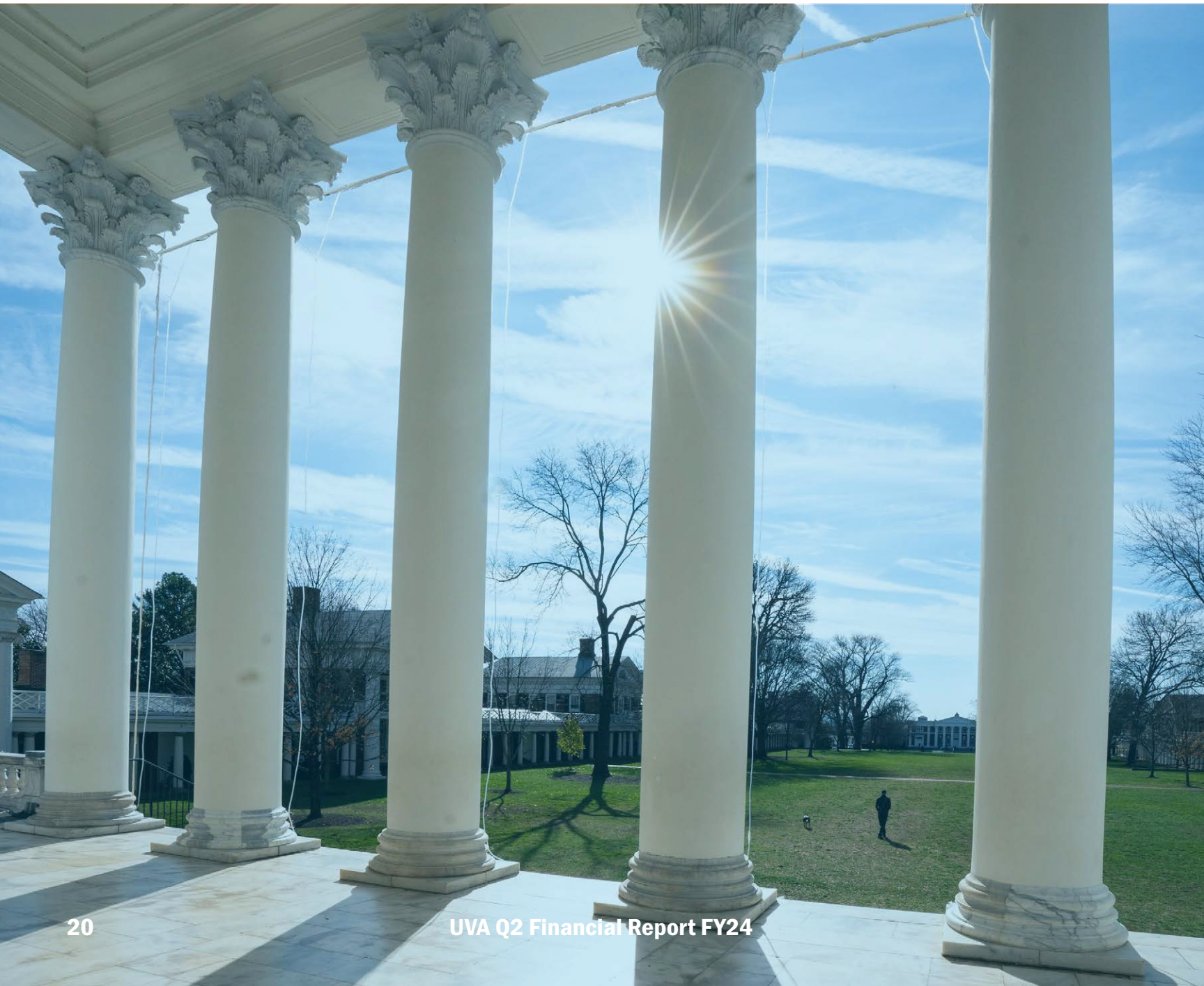
This statement includes the University's revenues, expenses, and other changes in net position for the six months ended December 31, 2023. This unaudited statement is accrual-based and developed in accordance with GAAP.

Net position has increased by \$231.4 million to an ending balance of \$12.8 billion. Operating revenues were \$2.4 billion in Q2 FY2024, \$215.5 million more than the same period last fiscal year. This increase is primarily related to increases in patient service billing of \$117.9 million, increased tuition and fee revenue of \$12.9 million, and increased grant revenues of \$47.6 million.

Total operating expenses were \$2.7 billion in Q2 FY2024. Compensation and benefits and the Medical Center's supplies are the main drivers for the University's operating expenses.

General fund appropriation revenues of \$251.9 million, operating gift revenues of \$87.2 million, and other revenues of \$60.1 million are not reflected in operating income on a GAAP basis.

The year-to-date investment return for the University of Virginia Investment Management Company's (UVIMCO) long-term pool is 2.4%, resulting in \$261.9 million of investment return through Q2 FY2024.



**Divisional
Financial Statements**
(UNAUDITED)

STATEMENT OF NET POSITION *(in thousands)*

	ACADEMIC DIVISION		UVA COLLEGE AT WISE		MEDICAL CENTER		ELIMINATIONS		TOTAL CONSOLIDATED	
	12/31/2023	6/30/2023 (Unaudited)	12/31/2023	6/30/2023 (Unaudited)	12/31/2023	6/30/2023 (Unaudited)	12/31/2023	6/30/2023 (Unaudited)	12/31/2023	6/30/2023 (Unaudited)
ASSETS										
Current assets										
Cash and cash equivalents and short-term investments	\$ 93,974	\$ 96,957	\$ 28,024	\$ 32,609	\$ 125,767	\$ 223,364	-	-	\$ 247,657	\$ 352,930
Appropriations available	118,690	57,379	19,180	1,945	-	-	-	-	137,870	59,324
Accounts receivable, net	642,642	164,152	2,716	81	683,588	515,109	(30,265)	(29,019)	1,298,681	650,323
Split funded project prepaid to Academic Division	-	-	-	-	26,648	26,648	(26,648)	(26,648)	-	-
Pledges receivable, net	56,919	56,919	-	-	-	-	-	-	56,919	56,919
Prepaid expenses	2,809	8,070	-	-	27,677	20,594	-	(2,820)	27,666	25,844
Inventories	6,257	6,257	582	582	64,544	62,645	-	-	71,383	69,484
Notes receivable, net	4,263	4,027	-	-	2	-	-	-	4,265	4,027
Total current assets	925,554	393,761	50,502	35,217	928,226	848,360	(59,733)	(58,487)	1,844,549	1,218,851
Noncurrent assets										
Cash and cash equivalents	416,425	507,763	-	-	18,341	17,452	-	-	434,766	525,215
Long-term investments	3,260,275	3,203,979	-	-	422,654	413,428	-	-	3,682,929	3,617,407
Endowment	6,004,714	6,000,356	125,954	125,169	880,570	870,736	-	-	7,011,238	6,996,261
Notes receivable, net	23,835	24,203	-	-	2,583	2,507	-	-	26,418	26,710
Pledges and other receivables, net	189,953	189,953	-	-	16,692	17,525	-	-	206,645	207,478
Internal loan receivables	851,609	869,402	-	-	-	-	(851,609)	(869,402)	-	-
Capital assets, other	2,920,830	2,809,493	136,252	137,971	1,491,036	1,502,303	-	-	4,547,118	4,449,747
Capital assets, non-depreciable	601,272	577,921	14,169	7,676	106,628	105,897	-	-	722,069	691,966
OPEB asset	21,224	21,224	516	516	-	-	-	-	21,740	21,740
Investment in affiliated companies	300	-	-	-	106,569	49,420	-	-	16,869	49,420
Other	85,609	84,109	-	-	17,232	17,232	-	-	102,841	101,341
Total noncurrent assets	14,376,046	14,288,403	275,891	271,332	3,062,305	2,996,500	(851,609)	(869,402)	16,862,633	16,686,833
DEFERRED OUTFLOWS OF RESOURCES	107,490	107,904	2,703	2,706	20,277	20,278			130,470	130,888
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	15,409,090	14,790,068	329,096	309,255	4,010,808	3,865,138	(911,342)	(927,889)	18,837,652	18,036,572
LIABILITIES										
Current liabilities										
Accounts payable and accrued liabilities	309,719	266,138	6,566	6,879	441,655	335,380	(28,452)	(28,950)	729,488	579,447
Unearned revenue	478,067	64,280	1,254	1,959	3,152	3,152	(4,633)	(2,889)	477,840	66,502
Split-funded projects deferred revenue from Medical Center	26,648	26,648	-	-	-	-	(26,648)	(26,648)	-	-
Deposits held in custody for others	3,706	11,342	395	427	-	-	-	-	4,101	11,769
Long-term debt - current portion	-	-	425	686	3,057	3,557	-	-	3,482	4,243
Long-term liabilities - current portion	70,927	75,427	709	709	80,300	82,553	-	-	151,936	158,689
Total current liabilities	889,067	443,835	9,349	10,660	528,164	424,642	(59,773)	(58,487)	1,366,847	820,650
Noncurrent liabilities										
Long-term debt	3,329,411	3,331,257	19,127	17,160	-	-	-	-	3,348,538	3,348,417
Derivative instruments	14,105	12,619	-	-	-	-	-	-	14,105	12,619
Net pension liability	340,259	340,259	8,909	8,909	36,171	36,171	-	-	385,339	385,339
OPEB liability	124,982	124,982	2,751	2,751	65,863	65,863	-	-	193,596	193,596
Internal loan payables	-	-	13,290	13,290	838,319	856,112	(851,609)	(869,402)	-	-
Other noncurrent liabilities	235,722	241,516	199	211	94,628	86,102	-	-	330,549	327,829
Total noncurrent liabilities	4,044,479	4,050,633	44,276	42,321	1,034,981	1,044,248	(851,609)	(869,402)	4,272,127	4,267,800
DEFERRED INFLOWS OF RESOURCES	309,887	311,239	4,151	4,151	73,076	52,597			387,114	367,987
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	5,243,433	4,805,707	57,776	57,132	1,636,221	1,521,487	(911,342)	(927,889)	6,026,088	5,456,437
NET POSITION										
Net investment in capital assets	1,532,265	1,506,777	130,967	127,347	689,639	667,585	-	-	2,352,871	2,301,709
Restricted:										
Nonexpendable	1,271,291	1,240,202	62,866	63,853	53,099	53,099	-	-	1,387,256	1,357,154
Expendable	4,672,420	4,664,446	61,041	62,490	106,329	105,440	-	-	4,839,790	4,832,376
Unrestricted	2,689,681	2,572,936	16,446	(1,567)	1,525,520	1,517,527	-	-	4,231,647	4,088,896
TOTAL NET POSITION	10,165,657	9,984,361	271,320	252,123	2,374,587	2,343,651	-	-	12,811,564	12,580,135
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	15,409,090	14,790,068	329,096	309,255	4,010,808	3,865,138	(911,342)	(927,889)	18,837,652	18,036,572

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

(in thousands)

	ACADEMIC DIVISION		UVA COLLEGE AT WISE		MEDICAL CENTER		ELIMINATIONS		TOTAL CONSOLIDATED	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/30/2023	12/31/2022	12/31/2023	12/31/2022
REVENUES										
Operating revenues										
Student tuition and fees, net	\$ 366,355	\$ 354,997	\$ 9,053	\$ 7,471	-	-	-	-	\$375,408	\$362,468
Patient services, net	-	-	-	-	\$1,517,920	\$1,40047	-	-	1,517,920	1,400,047
Grants and contracts	260,711	214,040	2,963	2,040	-	-	-	-	263,674	216,080
Sales and services of educational departments	41,218	46,024	104	75	-	-	(19,704)	(18,234)	21,618	27,865
Auxiliary enterprises revenue, net	132,215	125,286	3,580	2,858	-	-	-	-	135,795	128,144
Other operating revenues	27,433	41,241	-	-	78,516	36,058	(31,648)	(38,711)	74,301	38,588
TOTAL OPERATING REVENUES	827,932	781,588	15,700	12,444	1,596,436	1,436,105	(51,352)	(56,945)	2,388,716	2,173,192
EXPENSES										
Operating expenses										
Compensation and benefits	751,101	683,239	17,867	17,071	634,835	553,098	-	-	1,403,803	1,253,408
Supplies and other services	276,016	259,945	13,913	10,396	831,840	792,420	(30,502)	(56,945)	1,091,267	1,005,816
Student aid	63,457	63,924	5,464	3,904	-	-	-	-	68,921	67,828
Depreciation and amortization	81,001	79,577	3,472	3,432	93,127	83,619	-	-	177,600	166,628
Other	4,379	5,159	41	134	-	-	-	-	4,420	5,293
TOTAL OPERATING EXPENSES	1,175,954	1,091,844	40,757	34,937	1,559,802	1,429,137	(30,502)	(56,945)	2,746,011	2,498,973
OPERATING INCOME	(348,022)	(310,256)	(25,057)	(22,493)	36,634	6,968	(20,850)	-	(357,295)	(325,781)
NONOPERATING REVENUES (EXPENSES)										
State appropriations	217,385	218,594	34,546	34,934	-	-	-	-	251,931	253,528
Gifts	86,024	92,362	268	228	921	1,215	-	-	87,213	93,805
Investment income (loss)	219,812	(19,999)	2,753	(533)	39,308	(17,190)	-	-	261,873	(37,722)
Pell grants	7,637	6,434	-	-	-	-	-	-	7,637	6,434
Nonoperating grant revenues	15	10,515	-	545	-	-	-	-	15	11,060
Interest on capital asset-related debt	(39,759)	(20,317)	(505)	(546)	(18,712)	(17,461)	-	-	(58,976)	(38,324)
Other net nonoperating revenues (expenses)	(14,674)	(8,294)	(39)	2,778	(27,215)	(32,080)	20,850	-	(21,078)	(38,226)
NET NONOPERATING REVENUES	476,440	278,665	37,023	37,406	(5,698)	(65,516)	20,850	-	528,615	250,555
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	128,418	(31,591)	11,966	14,913	(30,936)	(58,548)	-	-	171,320	(75,226)
Capital appropriations	19,387	38,124	7,020	-	-	-	-	-	26,407	38,124
Capital grants and gifts	21,122	20,216	-	-	-	-	-	-	21,122	20,216
Additions to permanent endowments	12,369	22,966	211	88	-	-	-	-	12,580	23,054
TOTAL OTHER REVENUES	52,878	81,306	7,231	88	-	-	-	-	60,109	81,394
INCREASE (DECREASE) IN NET POSITION	181,296	49,715	19,197	15,001	30,936	(58,548)	-	-	231,429	6,168

Additional **REPORTS**



**ACCESSUVA METRICS
INSTITUTIONAL FINANCIAL AID PROFILE**

	IN-STATE					OUT-OF-STATE				
	% OF STUDENTS WITH NEED	% OF STUDENTS RECEIVING PELL GRANTS	TOTAL NEED-BASED GRANTS	% OF GRANTS FROM TUITION/ UNRESTRICTED FUNDS	AVERAGE NEED-BASED DEBT FOR GRADUATING CLASS	% OF STUDENTS WITH NEED	% OF STUDENTS RECEIVING PELL GRANTS	TOTAL NEED-BASED GRANTS	% OF GRANTS FROM TUITION/ UNRESTRICTED FUNDS	AVERAGE NEED-BASED DEBT FOR GRADUATING CLASS
2015-16	35%	14%	45 Million	6%	12 Thousand	30%	10%	42 Million	1%	15 Thousand
2016-17	34	13	48	6	12	30	11	44	2	16
2017-18	36	14	54	6	11	31	12	51	2	17
2018-19	37	14	61	7	10	33	13	57	2	16
2019-20	37	14	68	12	10	33	13	63	8	16
2020-21	37	15	71	10	10	35	14	67	9	16
2021-22	36	14	74	11	9	32	13	68	9	15
2022-23	37	15	80	11	10	31	13	74	8	13

Note: In 2022-2023, the average need-based grant for out-of-state students receiving aid is \$46,301. Out-of-state cost of attendance ranges from \$73,740 to \$86,050. The average need based grant for in-state students receiving aid is \$22,292. In-state cost of attendance ranges from \$36,098 to \$47,994.

Note: The amount of student need increased because aid was based on the 2021 federal tax year. Parent incomes were lower overall because of the pandemic.

UNIVERSITY-ASSOCIATED ORGANIZATION RE-CERTIFICATIONS

In accordance with the terms of the University of Virginia University-Associated Organization (UAO) Memorandum of Understanding, the following UAOs have met the annual compliance certification requirements and are considered to be in good standing with the University.

UAO	ANNUAL CERTIFICATION LETTER	NO CHANGES TO ARTICLES OF INCORPORATION OR BYLAWS	COMPLETED AUDIT WITH UNQUALIFIED OPINION	DISCLOSURE OF COMPENSATION PAYMENTS TOTALING OVER \$1,000 TO UVA EMPLOYEES	NO CHANGE TO THE NATURE, PURPOSE, OR SCOPE OF THE UAO	REVIEW STATUS
Alumni Association of the University of Virginia	Signed.	Nothing to report.	Submitted, unqualified.	Disclosed payments.	Nothing to report.	Compliant.
The University of Virginia Frank Batten School of Leadership and Public Policy Foundation	Signed.	Nothing to report.	Submitted, unqualified	Disclosed payments.	Nothing to report.	Compliant.
College Foundation of the University of Virginia	Signed.	Nothing to report.	Submitted, unqualified.	Nothing to report.	Nothing to report.	Compliant.
The University of Virginia School of Education and Human Development Foundation, Inc.	Signed.	Nothing to report.	Submitted, unqualified.	Nothing to report.	Nothing to report.	Compliant.
University of Virginia Darden School Foundation	Signed.	Changes Reported.	Submitted, unqualified.	Disclosed payments.	Nothing to report.	Compliant.
University of Virginia Engineering Foundation	Signed.	Nothing to report.	Submitted, unqualified.	Nothing to report.	Nothing to report.	Compliant.
Foundation of the State Arboretum at Blandy Experimental Farm	Signed.	Nothing to report.	Audit completion pending.	Nothing to report.	Nothing to report.	UAO Status Pending Completion of Audit.
University of Virginia Health Foundation	Signed.	Nothing to report	Submitted, unqualified.	Disclosed payments.	Nothing to report.	Compliant.
Jefferson Scholars Foundation	Signed.	Changes reported.	Submitted, unqualified.	Disclosed payments.	Nothing to report.	Compliant.
University of Virginia Law School Foundation	Signed.	Nothing to report.	Submitted, unqualified.	Disclosed Payments	Nothing to report.	Compliant.
University of Virginia Licensing & Ventures Group	Signed.	Nothing to report.	Submitted, unqualified.	Disclosed Payments	Nothing to report.	Compliant.
University of Virginia McIntire School of Commerce Foundation	Signed.	Nothing to report.	Submitted, unqualified.	Nothing to report.	Nothing to report.	Compliant.
University of Virginia Medical School Foundation	Signed.	Nothing to report.	Submitted, unqualified.	Nothing to report.	Nothing to report.	Compliant
The Miller Center Foundation	Signed.	Nothing to report.	Submitted, unqualified.	Nothing to report.	Nothing to report.	Compliant.
Osher Lifelong Learning Institute	Signed.	Nothing to report.	Submitted, unqualified.	Nothing to report.	Nothing to report.	Compliant.
Book Arts Press, Inc.(D/B/A Rare Book School)	Signed.	Nothing to report.	Submitted, unqualified.	Disclosed Payments	Nothing to report.	Compliant.
School of Architecture Foundation of the University of Virginia	Signed.	Nothing to report.	Submitted, unqualified.	Nothing to report	Nothing to report.	Compliant.
University of Virginia Foundation	Signed.	Nothing to report.	Submitted, unqualified.	Made 1 payment.	Nothing to report.	Compliant.
University of Virginia Investment Management Company	Signed.	Nothing to report.	Submitted, unqualified.	Nothing to report.	Nothing to report.	Compliant.
University of Virginia Physicians Group	Signed.	Nothing to report.	Submitted, unqualified.	Nothing to report.	Nothing to report.	Compliant.
University of Virginia's College at Wise Foundation	Signed.	Nothing to report.	Submitted, unqualified.	Disclosed payments.	Nothing to report.	Compliant.
University of Virginia's College at Wise Alumni Association, Inc.	Signed.	Nothing to report.	Submitted, unqualified.(is the part of UVA Wise Foundation Audit)	Nothing to report.	Nothing to report.	Compliant.
Virginia Athletics Foundation of the University of Virginia	Signed.	Nothing to report.	Submitted, unqualified.	Disclosed Payments	Nothing to report.	Compliant.



UVA Finance