

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2006

Department of the Treasury
Internal Revenue Service

For calendar year 2006 or other tax year beginning **JUL 1, 2006**, and ending **JUN 30, 2007**

Open to Public Inspection for
501(c)(3) Organizations Only

A <input checked="" type="checkbox"/> Check box if address changed B Exempt under section <input checked="" type="checkbox"/> 501(C)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) VIRGINIA COMMONWEALTH UNIVERSITY SCHOOL OF ENGINEERING FOUNDATION Number, street, and room or suite no. If a P.O. box, see page 9 of instructions. 809 WEST BROAD STREET, P.O. BOX 843075 City or town, state, and ZIP code RICHMOND, VA 23284-3075	D Employer identification number (Employees' trust, see instructions for Block D on page 9.) 54-1808901 E Unrelated business activity codes (See instructions for Block E on page 9.) 525990
C Book value of all assets at end of year 131,729,747.	F Group exemption number (see instructions for Block F.) ▶ G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

H Describe the organization's primary unrelated business activity. ▶ **SEE STATEMENT 13**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ **ORGANIZATION** Telephone number ▶ **(804) 828-9292**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales			
b Less returns and allowances			
c Balance			
2 Cost of goods sold (Schedule A, line 7)			
3 Gross profit. Subtract line 2 from line 1c			
4 a Capital gain net income (attach Schedule D)			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c Capital loss deduction for trusts			
5 Income (loss) from partnerships and S corporations (attach statement)			
6 Rent income (Schedule C)			
7 Unrelated debt-financed income (Schedule E)	106,280.	114,772.	<8,492.>
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10 Exploited exempt activity income (Schedule I)			
11 Advertising income (Schedule J)			
12 Other income (See instructions; attach schedule.)			
13 Total. Combine lines 3 through 12	106,280.	114,772.	<8,492.>

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14 Compensation of officers, directors, and trustees (Schedule K)			
15 Salaries and wages			
16 Repairs and maintenance			
17 Bad debts			
18 Interest (attach schedule)			
19 Taxes and licenses			
20 Charitable contributions (See instructions for limitation rules.)			
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		
23 Depletion			
24 Contributions to deferred compensation plans			
25 Employee benefit programs			
26 Excess exempt expenses (Schedule I)			
27 Excess readership costs (Schedule J)			
28 Other deductions (attach schedule)			
29 Total deductions. Add lines 14 through 28			0.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			<8,492.>
31 Net operating loss deduction (limited to the amount on line 30)			
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			<8,492.>
33 Specific deduction (Generally \$1,000, but see instructions for exceptions)			1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			<8,492.>

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ c Income tax on the amount on line 34	35c	0.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37 Proxy tax. See instructions	37	
38 Alternative minimum tax	38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	0.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a	
b Other credits (see instructions)	40b	
c General business credit. Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶ _____	40c	
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d	
e Total credits. Add lines 40a through 40d	40e	
41 Subtract line 40e from line 39	41	0.
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	42	
43 Total tax. Add lines 41 and 42	43	0.
44a Payments: A 2005 overpayment credited to 2006	44a	
b 2006 estimated tax payments	44b	
c Tax deposited with Form 8868	44c	
d Foreign organizations: Tax paid or withheld at source (see instructions)	44d	
e Backup withholding (see instructions)	44e	
f Credit for federal telephone excise tax paid (attach Form 8913)	44f	
g Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total ▶	44g	
45 Total payments. Add lines 44a through 44g	45	
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	46	
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed	47	0.
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid	48	0.
49 Enter the amount of line 48 you want: Credited to 2007 estimated tax ▶ Refunded ▶	49	

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

1 At any time during the 2006 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here ▶ _____	Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
3 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional section 263A costs	4a				X
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed Preparer's SSN or PTIN: P00074591

Firm's name (or yours if self-employed), address, and ZIP code: MITCHELL, WIGGINS & COMPANY LLP
7201 GLEN FOREST DRIVE, SUITE 311
RICHMOND, VIRGINIA 23226

EIN: 54-0565834
Phone no.: (804) 282-6000

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instr. on pg 20)

1 Description of property

(1)	
(2)	
(3)	
(4)	

2 Rent received or accrued		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.** **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) **0.**

Schedule E - Unrelated Debt-Financed Income (See instructions on page 20)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight-line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1) INCOME FROM ALTERNATIVE				
(2) INVESTMENTS	106,280.		114,772.	
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
STATEMENT 15	STATEMENT 16			
(1)		%		
(2) 1.	1.	100.00%	106,280.	114,772.
(3)		%		
(4)		%		
Totals			106,280.	114,772.
Total dividends-received deductions included in column 8				0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 21)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column (5)
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
Totals			0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
 (see instructions on page 22)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A). 0.		Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
 (see instructions on page 22)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.			Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions on page 23)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.			0.	
Totals, Part II (lines 1-5)		Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.			Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 500

Department of Taxation
P.O. Box 1500
Richmond, VA 23218-1500

**2006 Virginia Corporation
Income Tax Return**



FISCAL year filer or SHORT year filer: ENTER beginning date JULY 1, 2006, and ending date JUNE 30, 2007 and CHECK HERE

IMPORTANT Check if - <input type="checkbox"/> A Change in Address <input type="checkbox"/> B Consolidated Return <input type="checkbox"/> C Combined Return <input type="checkbox"/> D Multistate Schedule <input type="checkbox"/> E Final Return (No longer liable for tax) <input checked="" type="checkbox"/> F Nonprofit Corporation <input type="checkbox"/> G Schedule 500AB Attached	Name VIRGINIA COMMONWEALTH UNIVERSITY SCHOOL OF ENGINEERING FOUNDATION		Official Use Only
	Number and Street 809 WEST BROAD STREET, P.O. BOX 843075		Federal ID Number 54-1808901
	Address continued		Virginia Corporation Account Number 35-541808901F-001
	City Or Town, State and ZIP Code RICHMOND, VA 23284-3075		Check Box If Filing Computer Generated <input checked="" type="checkbox"/> Forms.
	Date Incorporated 05/16/1995	State Or Country VIRGINIA	
Principal Business Activity Code 525990		Description of Business Activity EXEMPT-501(C)(3)	Contact Telephone Number
Location of the Corporation's books 809 WEST BROAD STREET, RICHMOND, V		Contact for Corporation's books ORGANIZATION	

1	Federal taxable income (from attached federal return)	1	-8,492
2(a)	Fixed Date Conformity Addition (Depreciation - see instructions)	2(a)	
2(b)	Fixed Date Conformity Additions (Other - see instructions)	2(b)	
2(c)	Exception amount from Schedule 500AB, Line 8 (see Part III, # 38)	2(c)	
2(d)	Taxable addition from Schedule 500AB, Line 10 (see Part III, # 38)	2(d)	
2(e)	Additions (from line 28)	2(e)	
3	Total (add lines 1 and 2 (a), (b) (d) & (e))	3	-8,492
4(a)	Fixed Date Conformity Subtraction (Depreciation - see instructions)	4(a)	
4(b)	Fixed Date Conformity Subtractions (Other - see instructions)	4(b)	
4(c)	Subtractions (from line 37)	4(c)	
5	Total (subtract lines 4 (a), (b) & (c) from line 3)	5	-8,492
6	Savings and Loan Association's Bad Debt Deduction (see instructions)	6	
7	Virginia taxable income (subtract line 6 from line 5)	7	-8,492

If entire business conducted in VA, skip to line 9

If business conducted within and without VA (Multistate Corporation), attach Schedule 500A and complete lines 8(a) through 8(d)

8 Multistate Corporation:

8(a)	Income subject to Virginia tax (from Schedule 500A, line 16)	8(a)	
8(b)	Apportionment factor from Schedule 500A, Line 2, 3, 4, 5 or 10	8(b)	%
8(c)	Nonapportionable investment function income	8(c)	
8(d)	Nonapportionable investment function loss	8(d)	

9	Income tax (6% of line 7 or of line 8(a))	9	0
10	Nonrefundable Tax Credits: Enter the amount from Form 500CR, line 100	10	
11	Adjusted Corporate Tax (subtract line 10 from line 9)	11	0

12(a)	2006 estimated Virginia income tax payments	12(a)	
12(b)	Prior year's overpayment	12(b)	0
12(c)	Payment with extension request and other payments	12(c)	
12(d)	Total Refundable Credits from Form 500CR, line 108	12(d)	

Total payment credits [add lines (a), (b), (c) and (d)] 12

13	Tax due (subtract line 12 from line 11)	13	0
14	Penalty (see instructions)	14	
15	Interest (see instructions)	15	
16	Additional charge (attach Form 500C)	16	
17	Total due (add lines 13 through 16). Attach Form 500V with payment or if paid by EFT, check this box: <input type="checkbox"/>	17	0
18	Overpayment (if line 12 is larger than line 11 enter overpayment)	18	
19	Amount to be credited to 2007 estimated tax	19	
20	Amount to be refunded (subtract line 19 from line 18)	20	
21	Coalfield Employment Enhancement Tax Credit earned	21	

PART I - Additions to Federal Taxable Income (attach schedules)

Table with 3 columns: Description, Line Number, and Amount. Rows include Net income taxes, Interest on state obligations, Savings and Loan Association's federal bad debt deduction, Unrelated business taxable income, ESOP Credit carryover, and Other.

PART II - Subtractions from Federal Taxable Income (attach schedules)

Table with 3 columns: Description, Line Number, and Amount. Rows include Income from obligations or securities of the United States, Foreign dividend gross-up, Refund or credit of income taxes, Subpart F income, Salaries and wages not deducted, Foreign source income, Dividends received from corporations, and Other.

PART III - Questions

- 38 Have you made any payments to an affiliated corporation or a related individual or other related entity for interest, royalties or other expenses related to intangible property...
39 Check the corresponding box if the corporation is:
(a) A farmers' purchasing cooperative
(b) A consumers' cooperative association
(c) Other cooperative association
40 If a net operating loss deduction (NOL) was claimed in computing federal taxable income on the U.S. Corporation Income Tax Return, complete the following:
41 Has your federal income tax liability been redetermined for any prior year(s) which has not previously been reported to the Virginia Department of Taxation?

Report changes under separate cover to the Virginia Department of Taxation at the address on page 1 of this return.

Mail this return to the Virginia Department of Taxation, P.O. Box 1500, Richmond, Virginia 23218-1500 on or before the fifteenth day of the fourth month (15th day of the sixth month for nonprofit corporations) following the close of the taxable year. Make checks payable to the Virginia Department of Taxation.

I, the undersigned president, vice-president, treasurer, assistant treasurer, chief accounting officer, or other officer duly authorized to act, of the corporation for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the income tax laws of the Commonwealth of Virginia.

(Date) (Signature of officer) (Title) MITCHELL, WIGGINS & COMPANY LLP 7201 GLEN FOREST DRIVE, SUITE 311 RICHMOND, VIRGINIA 23226 (804) 282-6000 (Address)

(Date) (Individual or firm, signature of preparer, and phone number) Preparer's FEIN, PTIN OR SSN 54-0565834 Approved Vendor Code 1019

IMPORTANT: ATTACH A COPY OF YOUR FEDERAL RETURN TO THIS RETURN IF NONPROFIT CORPORATION, ATTACH FORM 990