

**Financial Performance Report – Operating and Capital
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
July 1, 2021 to March 31, 2022**

The Financial Performance Report of income and expenditures is prepared from two sources: actual accounting data as recorded at Virginia Tech and the annual budgets which are also recorded in the university accounting system. The actual accounting data reflect the modified accrual basis of accounting, which recognizes revenues when received rather than when earned and commitments to buy goods and services as encumbrances when obligated and as an expenditure when paid. The Original Budget was approved by the Board of Visitors at the June meeting. The Adjusted Budget reflects adjustments to incorporate actual experience or changes made during the fiscal year. These changes are presented for review and approval by the Finance and Resource Management Committee and the Board of Visitors through this report. Where adjustments impact appropriations at the state level, the university coordinates with the Department of Planning and Budget to ensure appropriations are reflected accurately.

The July to March 2021-22 budget (year-to-date) is prepared from historical data which reflects trends in expenditures from previous years as well as known changes in timing. Differences between the actual income and expenditures and the year-to-date budget may occur for a variety of reasons, such as an accelerated or delayed flow of documents through the accounting system, a change in spending patterns at the college level, or increases in revenues for a particular area.

Quarterly budget estimates are prepared to provide an intermediate measure of income and expenditures. Actual revenues and expenditures may vary from the budget estimates. The projected year-end budgets are, however, the final measure of budgetary performance.

Capital program performance is measured against the Total Project Budget. The Total Project Budget amounts reflect appropriations and authorizations established by the State or Board of Visitors for each capital project. These amounts are recorded in the accounting system in grant funds with revenue and expenditure budgets upon the effective date of each project, which normally occurs on July 1 or regularly scheduled meetings of the Board of Visitors. Under restructuring authorities, university administration may make minor changes to a Total Project Budget, within ten percent, and the revised Total Project Budget is shown on the subsequent quarterly report. The Cumulative Expenditures reflect lifetime-to-date activity until a project is complete, and a project's life spans multiple fiscal years. The Annual Budgets are estimates of expected activity for a 12-month portion of the life of a project, and these budgets are approved by the Board of Visitors at the June meeting. Spending pace for a project may periodically slow or accelerate during a year for a variety of reasons including shifts in construction start dates, contractor performance or billing cycles, and supply chain disruptions. The Annual Budgets are revised accordingly and shown on the subsequent quarterly report.

RECOMMENDATION:

That the report of income and expenditures for the University Division and the Cooperative Extension/Agricultural Experiment Station Division for the period of July 1, 2021 through March 31, 2022 and the Capital Outlay report be approved.

June 7, 2022

OPERATING BUDGET

2021-22

Dollars in Thousands

	July 1, 2021 to March 31, 2022			Annual Budget for 2021-22		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
<u>University Division</u>						
<u>Revenues</u>						
General Fund	\$150,172	\$150,172	\$0	\$214,722	\$214,275	\$-447 (10)
Tuition and Fees	627,716	623,766	3,950 (1)	619,620	631,842	12,222 (11)
All Other Income	31,578	33,474	-1,896 (2)	44,090	44,895	805 (12)
Total Revenues	\$809,466	\$807,412	\$2,054	\$878,432	\$891,012	\$12,580
<u>Expenses</u>						
Academic Programs	\$-411,721	\$-418,925	\$7,204	\$-559,541	\$-573,119	\$-13,578
Support Programs	-218,183	-218,510	327	-318,891	-326,478	-7,587
Reserve Drawdown/(Depos	0	0	0	0	8,585	8,585 (13)
Total Expenses	\$-629,904	\$-637,435	\$7,531 (3)	\$-878,432	\$-891,012	\$-12,580 (10,11,12)
NET	\$179,562	\$169,977	\$9,585	\$0	\$0	\$0
<u>CE/AES Division</u>						
<u>Revenues</u>						
General Fund	\$59,045	\$59,045	\$0	\$79,216	\$79,633	\$417 (14)
Federal Appropriation	12,332	13,091	-759 (4)	15,647	16,811	1,164 (15)
All Other Income	1,108	675	433 (5)	750	750	0
Total Revenues	\$72,485	\$72,811	\$-326	\$95,613	\$97,194	\$1,581
<u>Expenses</u>						
Academic Programs	\$-67,330	\$-72,108	\$4,778 (6)	\$-88,315	\$-92,801	\$-4,486
Support Programs	-5,501	-5,746	245	-7,298	-7,298	0
Reserve Drawdown/(Depos	0	0	0	0	2,905	2,905 (16)
Total Expenses	\$-72,831	\$-77,854	\$5,023	\$-95,613	\$-97,194	\$-1,581 (14,15)
NET	\$-346	\$-5,043	\$4,697	\$0	\$0	\$0
Auxiliary Enterprises						
Revenues	\$327,230	\$323,857	\$3,373 (7)	\$355,918	\$365,468	\$9,550 (7)
Expenses	-254,237	-263,468	9,231 (7)	-350,771	-389,326	-38,555 (7)
Reserve Drawdown/(Deposit	-72,993	-60,389	-12,604 (7)	-5,147	23,858	29,005 (7)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Sponsored Programs						
Revenues	\$275,100	\$270,739	\$4,361 (8)	\$355,706	\$355,706	\$0
Federal Pandemic Relief	35,387	35,387	0	0	35,387	35,387 (17)
Expenses	-295,903	-302,371	6,468 (8)	-355,706	-380,604	-24,898 (17)
Reserve Drawdown/(Deposit	-14,584	-3,755	-10,829	0	-10,489	-10,489
NET	\$0	\$0	\$0	\$0	\$0	\$0
Student Financial Assistance						
Revenues	\$35,933	\$36,502	\$-569	\$38,340	\$38,087	\$-253 (18)
Expenses	-34,149	-35,492	1,343	-38,340	-38,087	253 (18)
Reserve Drawdown/(Deposit	0	0	0	0	0	0
NET	\$1,784	\$1,010	\$774	\$0	\$0	\$0
All Other Programs *						
Revenue	\$18,527	\$18,910	\$-383	\$13,923	\$23,342	\$9,419
Federal Pandemic Relief	23,148	23,148	0	0	23,148	23,148 (19)
Expenses	-4,600	-11,189	6,589 (9)	-13,923	-37,973	-24,050 (19)
Reserve Drawdown/(Deposit	-37,075	-30,869	-6,206 (9)	0	-8,517	-8,517 (19)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Total University						
Revenues	\$1,597,276	\$1,588,766	\$8,510	\$1,737,932	\$1,829,344	\$91,412
Expenses	-1,291,624	-1,327,809	36,185	-1,732,785	-1,834,196	-101,411
Reserve Drawdown/(Deposit	-124,652	-95,013	-29,639	-5,147	4,852	9,999
NET	\$181,000	\$165,944	\$15,056	\$0	\$0	\$0

* All Other Programs include federal work study, surplus property, local funds, and unique military activities.

OPERATING BUDGET

1. Tuition and Fee revenues are higher than projected due to the timing of tuition payments and student financial aid activity.
2. University Division all other income revenues are lower than projected due to timing of revenues.
3. University Division E&G Academic and Support program expenditures are lower than projected due to timing of expenditures.
4. The budget for federal revenue is established to match projected allotments from the federal government that are expected to be drawn down during the state fiscal year. All expenses in federal programs are covered by drawdowns of federal revenue up to allotted amounts. Federal revenue in the Cooperative Extension and Agriculture Experiment Station Division is lower than projected due to the timing of federal drawdown.
5. Cooperative Extension and Agriculture Experiment Station Division All Other Income are higher than projected due to milk sales and self-generated revenues.
6. Cooperative Extension and Agriculture Experiment Station Division academic program expenditures are lower than historical projections due to timing of expenses and locality recovery activity.
7. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report
8. Historical patterns have been used to develop a measure of the revenue and expenditure activity for Sponsored Programs. Actual revenues and expenses may vary from the budget estimates because projects are initiated and concluded on an individual basis without regard to fiscal year. The sponsored research expenditures are 11.3% higher than March 31, 2021.
9. Expenses for All Other Programs was lower than projected due to timing of expenditures and lower than projected Surplus Property activity.
10. The annual budget for the University Division General Fund was decreased \$0.4 million for the state share of salary and fringe benefit rate changes.
11. In June, the budget for Tuition and Fees was increased \$0.8 million for planned Fall 2021 Graduate enrollment and scholarships. The budget was increased \$9.0 million for higher than projected graduate and professional on-campus revenue, undergraduate residency mixture, and higher than projected program fees. The tuition and fee budget was increased \$2.4 million for higher than projected summer enrollments. The corresponding expenditure budgets have been adjusted accordingly.
12. The University Division All Other Income revenue budget was increased \$0.8 million for self-generated earmarked revenues. The corresponding expenditure budgets have been adjusted accordingly.
13. The University Division had a cash balance of \$8.6 million at the end of the fiscal year 2020-21. The university authorized a one-time expenditure budget increase of \$8.6 million to accomplish work which was previously delayed by the pandemic.
14. The Cooperative Extension/Agriculture Experiment State Division General Fund revenue budget was increased \$0.4 million for the state share of salary and fringe benefit rate changes. The corresponding expenditure budgets have been adjusted accordingly.
15. The federal revenue budget in the Cooperative Extension/Agriculture Experiment Station Division has been increased by \$1.2 million for the carryover of unexpended federal funds in fiscal year 2020-21. The corresponding expenditure budgets have been adjusted accordingly.

16. The Cooperative Extension and Agriculture Experiment Station division had a state E&G cash balance of \$2.9 million at the end of fiscal year 2020-21. The university authorized a one-time expenditure budget increase of \$2.9 million to accomplish work which was previously delayed by the pandemic.
17. Virginia Tech received \$35.4 million funding through The Higher Education Emergency Relief Fund II and III (HEERF II & III) programs for the Student Financial Aid award expenditures. In addition, other miscellaneous CARES allocations received by the institution, not recorded in the Auxiliary or E&G programs, are recorded as Sponsored Programs activity. The Sponsored Programs budget was increased by \$35.4 million to accommodate the federal pandemic relief funds.
18. The Student Financial Assistance revenue and expenditure budgets were decreased \$0.6 million for the finalization of the scholarship budget and technical accounting changes and increased \$0.3 million for the SCHEV GEAR Up scholarship program.
19. The projected annual budgets for All Other Programs were increased \$0.2 million for increased Surplus Property business volume, and \$23.1 million for pandemic relief clearing. The projected annual revenue budgets were increased \$5.6 million for federal revenue earmarked for Kentland Farm capital lease and \$3.6 million for technical alignment of university initiatives. The projected annual expense budgets were increased \$0.9 million for outstanding 2020-21 commitments that were initiated but not completed before June 30, 2021.

AUXILIARY ENTERPRISES

Dollars in Thousands

	July 1, 2021 to March 31, 2022			Annual Budget for 2021-22		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls *						
Revenues	\$128,838	\$127,992	\$846	\$132,387	\$135,691	\$3,304 (4)
Expenses	-85,303	-86,215	912	-128,747	-134,262	-5,515 (6,7)
Reserve Drawdown/(Deposit)	-43,535	-41,777	-1,758	-3,640	-1,429	2,211 (4,6,7)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Parking and Transportation						
Revenues	\$16,394	\$15,798	\$596	\$15,722	\$18,700	\$2,978 (8)
Expenses	-9,975	-10,508	533	-16,912	-19,913	-3,001 (6,8)
Reserve Drawdown/(Deposit)	-6,419	-5,290	-1,129	1,190	1,213	23 (6,8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications Services						
Revenues	\$18,533	\$18,403	\$130	\$21,594	\$21,671	\$77 (5)
Expenses	-14,363	-17,014	2,651 (1)	-21,856	-27,276	-5,420 (5,6,9)
Reserve Drawdown/(Deposit)	-4,170	-1,389	-2,781	262	5,605	5,343 (6,9)
Net	\$0	\$0	\$0	\$0	\$0	\$0
University Services * **						
Revenues	\$55,406	\$55,362	\$44	\$55,967	\$55,951	\$-16 (5)
Expenses	-35,388	-39,378	3,990 (2)	-55,493	-58,029	-2,536 (5,6,7,10)
Reserve Drawdown/(Deposit)	-20,018	-15,984	-4,034	-474	2,078	2,552 (5,6,7,10)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Intercollegiate Athletics *						
Revenues	\$70,076	\$69,786	\$290	\$78,327	\$84,446	\$6,119 (11)
Expenses	-75,227	-75,333	106	-77,596	-96,642	-19,046 (6,11)
Reserve Drawdown/(Deposit)	5,151	5,547	-396	-731	12,196	12,927 (6,11)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Electric Service *						
Revenues	\$22,893	\$22,806	\$87	\$34,775	\$31,396	\$-3,379 (5,12)
Expenses	-25,958	-26,006	48	-\$34,197	-35,293	-1,096 (5,6,12)
Reserve Drawdown/(Deposit)	3,065	3,200	-135	-578	3,897	4,475 (6,12)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Inn at VT/Skelton Conf. Center						
Revenues	\$5,709	\$5,718	\$-9	\$9,056	\$8,152	\$-904 (5,13)
Expenses	-6,502	-6,558	56	-10,354	-10,463	-109 (5,6,13)
Reserve Drawdown/(Deposit)	793	840	-47	1,298	2,311	1,013 (5,6,13)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Other Enterprise Functions ***						
Revenues	\$9,381	\$7,992	\$1,389 (3)	\$8,090	\$9,461	\$1,371 (5,14)
Expenses	-1,521	-2,456	935	-5,616	-7,448	-1,832 (5,6,14)
Reserve Drawdown/(Deposit)	-7,860	-5,536	-2,324	-2,474	-2,013	461 (5,6,14)
Net	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AUXILIARIES						
Revenues	\$327,230	\$323,857	\$3,373	\$355,918	\$365,468	\$9,550
Expenses	-254,237	-263,468	9,231	-350,771	-389,326	-38,555
Reserve Drawdown/(Deposit)	-72,993	-60,389	-12,604	-5,147	23,858	29,005
Net	\$0	\$0	\$0	\$0	\$0	\$0

* University Systems include Dormitory and Dining Hall System, University Services System, Intercollegiate Athletics System, and Electric Service System. The Systems were created to provide assurance to bond holders that system revenues are pledged for the payment of debt service and to allow for dedicated repair and replacement that are not subject to liens of any creditor of the university.

** University Services System includes Career & Professional Development, Center for the Arts, Health Services, Recreational Sports, Student Engagement & Campus Life, Cultural and Community Centers, Student Organizations, and the VT Rescue Squad.

*** Other Enterprise Functions include Golf Course, Hokie Passport, Library Café, Library Photocopy, Licensing & Trademark, Little Hokie Hangout, New Student and Family Programs, Pouring Rights, Printing Services, Software Sales, Tailor Shop and Clearing Accounts.

1. Expenses in Telecommunications Services are lower than projected due to timing of network telecommunication projects.
2. Expenses for the University Services System are lower than projected due to timing of expenses.
3. Revenues for Other Enterprise Functions are higher than projected due to increased business volume in New Student Programs and Software Sales.
4. The annual revenue for Residence and Dining Halls were decreased \$3.2 million in 2nd quarter for lower than anticipated residence hall occupancy, increased \$2.1 million in 3rd quarter for residential quarantine space agreements, higher residential spring occupancy, and summer conference revenues, and increased \$4.4 million in the 3rd quarter for higher than budgeted dining meal plan sales and self-generated revenues. Expenses were increased \$2.5 million in the 2nd quarter for a one-time equipment purchase of microwave-refrigerators for residence rooms and decreased \$5.8 million in the 3rd quarter for Dining expense savings.
5. In June 2021, the annual revenue, expense, and reserve budgets for Auxiliary Enterprises were adjusted for technical alignments and finalization of fixed cost estimates.
6. The annual expense budget for Auxiliary Enterprises was increased \$12.6 million for outstanding 2020-21 commitments and projects that were initiated but not completed before June 30, 2021.

<u>Auxiliary Enterprise</u>	<u>Outstanding Commitments</u>
Residence and Dining Halls	\$3,449,416
Parking and Transportation	732,928
Telecommunication Services	1,213,341
University Services System	2,308,486
Intercollegiate Athletics	1,857,700
Electric Service	2,299,715
Inn at Virginia Tech	149,749
Other Enterprise Functions	614,948
Total	\$12,626,283

7. The annual expense budgets for Residence and Dining Halls were increased \$5.4 million and University Services System increased \$0.2 million to increase entry level compensation to respond to the market.
8. The annual revenue, expense, and reserve budgets for Parking Services were increased \$2.9 million for parking permit sales, multi-modal transit project activity, and building maintenance.
9. The annual expense and reserve budgets for Telecommunications Services were increased \$4.1 million for the residential network refresh project.
10. The annual expense and reserve budgets for University Services System was increased \$0.1 million for Virginia Tech Rescue Squad dispatch system replacement.
11. The annual revenue, expense, and reserve budgets for Intercollegiate Athletics were increased to accommodate additional revenue of \$1.7 million for the football team’s participation in the Pinstripe Bowl, \$0.7 million in private funds for the repayment of the football lounge advance, \$1.5 million bowl expenses (total bowl expense is \$2.5 million), and \$12.0 million for the football coaching transition loan. The annual revenue budget was increased \$1.1 million for football revenues, \$1.4 million in private funds for the baseball pitching lab, \$1.0 million in private funds for additional football transition salary needs not covered by coaching transition loan, and \$0.2 million in private funds for the president’s box renovations, partially offset by a decrease \$0.1 million for lower than budgeted basketball ticket sales. The annual expense budget was increased \$1.5 million for football transition salary needs not covered by coaching transition loan, \$0.6 million for coaching contracts and faculty leave payouts, \$0.5 million for post-season and GPA bonuses, \$2 million to fully fund annual budgets for sports medicine, outdoor facilities, and external relations, \$0.2 million for stadium wifi, \$1.7 million for baseball pitching lab, \$0.2 million for president’s box renovations,

and \$2.3 million for indoor practice facility capital project, partially offset by a decrease of \$5.4 million for alignment of scholarship expenses to private fundraising.

12. The annual revenue budget for the Electric Service auxiliary was decreased \$2.8 million due to lower than projected electric consumption. The annual expense budget was decreased \$2.0 million for lower electric consumption and increased \$2.0 million for higher than budgeted cost of wholesale electricity.
13. The annual revenue, expense, and reserve budgets for the Inn at Virginia Tech were decreased for lower than projected business volume and hotel management transition.
14. The annual revenue, expense, and reserve budgets for Other Enterprise Functions were increased for sustainability projects, the cost of winding down operations in Printing Services, technical accounting alignments, and scholarship expenses in Licensing and Trademark.

CAPITAL OUTLAY PROJECTS
AUTHORIZED AS OF MARCH 31, 2021
Dollars in Thousands

PROJECT INITIATED	FISCAL YEAR ACTIVITY		TOTAL PROJECT BUDGET					
	ANNUAL BUDGET	YTD EXPENDITURES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENDITURES	
EDUCATIONAL AND GENERAL PROJECTS								
<u>Design Phase</u>								
Planning: Mitchell Hall (Replace Randolph Hall)	Jul 2020	\$ 2,500	\$ 775	\$ -	\$ -	\$ 11,000	\$ 11,000	\$ 809 (1)
Life, Health, Safety, Accessibility, & Code Compliance	Jul 2020	155	85	3,100	-	-	3,100	140 (2)
Planning: New Business Building	Apr 2022	-	-	-	8,000	-	8,000	- (3)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	14,300	8,044	29,824	-	-	29,824	18,515 (4)
Livestock & Poultry Research Facilities, Phase I	Oct 2016	13,500	12,419	25,274	-	-	25,274	15,103 (5)
Corps Leadership and Military Science Building	Jun 2019	16,000	12,681	-	20,650	31,350	52,000	17,799 (6)
Data and Decision Science Building	Jul 2019	35,000	31,232	69,000	-	10,000	79,000	43,469 (7)
Innovation Campus - Academic Building	Jul 2019	30,000	25,479	168,000	-	134,136	302,136	40,342 (8)
Hitt Hall	Apr 2017	6,800	3,244	-	31,259	53,741	85,000	8,140 (9)
Undergraduate Science Laboratory Building	Jul 2017	2,000	110	90,412	-	-	90,412	4,786 (10)
<u>Equipment and Special Initiatives</u>								
Commonwealth Cyber Initiative	May 2019	70	67	1,500	-	-	1,500	1,337 (11)
Fralin Biomedical Research Institute Equipment	Jul 2020	2,500	1,402	18,133	-	-	18,133	8,942 (12)
Equipment for Workforce Development	May 2021	1,000	-	15,778	-	-	15,778	5,200 (13)
<u>Close-Out</u>								
Improve Kentland Facilities	Sep 2013	363	399	12,463	-	-	12,463	12,311 (14)
Gas-Fired Boiler at the Central Steam Plant	Apr 2017	400	501	-	8,200	-	8,200	8,038 (15)
Acquisition: Falls Church Property	Apr 2019	2,850	-	-	-	2,850	2,850	- (16)
Chiller Plant Phase II	Oct 2016	5,000	5,383	32,655	10,312	-	42,968	39,541 (17)
Holden Hall Renovation	Oct 2016	25,000	24,001	57,215	8,962	8,750	74,927	66,009 (18)
Construct Virginia Seafood AREC	Jul 2018	1,224	1,224	2,500	-	-	2,500	2,500 (19)
TOTAL EDUCATIONAL AND GENERAL PROJECTS		\$ 158,662	\$ 127,045	\$ 525,855	\$ 87,383	\$ 251,827	\$ 865,065	\$ 292,981

Education and General Projects

1. Planning: Mitchell Hall (Replace Randolph Hall): This state authorized planning project will design the replacement of Randolph Hall with an approximately 284,000 gross square foot building to accommodate engineering instruction and research. In accordance with the state capital budget program, the university will temporarily fund the planning costs and be reimbursed through a request for construction funding. Schematic design is underway.
2. Life, Health, Safety, Accessibility, & Code Compliance: This project improves pedestrian connectors to ensure accessible service in the North Academic District. Working drawings are underway with market pricing expected October 2022.
3. Planning: New Business Building: This is a new planning project authorized at the April Board of Visitors meeting to design a 104,000 gross square foot building for the Pamplin College of Business. A/E and CMAR procurements are underway.
4. Maintenance Reserve: The total project budget reflects \$2.73 million of carryforward from fiscal year 2020, and the State's fiscal year 2021 and fiscal year 2022 appropriations totaling \$27.46 million. The annual budget amount reflects the pace necessary to meet the state's 85 percent spending performance requirement by June 30, 2022.
5. Livestock & Poultry Research Facilities, Phase I: This project is the first of two phases to renew existing facilities for the livestock and poultry programs. Construction is underway for the swine, poultry, beef, and equine packages. Packages for three hay barns and demolition are under development. Construction funding for those packages is included in the Executive Budget Bill for the 2022 General Assembly session. The annual budget was increased to account for the pace of the contractor's work. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.
6. Corps Leadership and Military Science Building: The project consolidates the Corps of Cadets and ROTC programs in the northern portion of the Upper Quad project. Construction is underway with substantial completion expected July 2023. The annual budget was increased to account for the pace of the contractor's work. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.
7. Data and Decision Sciences Building: Construction of the new 120,000 gross square foot building is underway with substantial completion expected April 2023.
8. Innovation Campus – Academic Building: This project will construct a new 300,000 gross square foot academic building with below grade parking as part of the Innovation Campus in Alexandria Virginia. Construction of the parking garage and foundation is underway. The university received a Guaranteed Maximum Price (GMP) construction contract for the building package with substantial completion expected April 2024. The annual budget was increased to account for the pace of shared infrastructure activity. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.
9. Hitt Hall: This project houses an expansion of Myers-Lawson School of Construction, a new dining center, and other academic spaces. Sitework is underway. Construction is underway and substantial completion expected March 2024. The annual budget was increased to account for the pace of the contractor's work. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.
10. Undergraduate Science Laboratory Building: This project will construct a 102,000 gross square foot science instruction laboratory building. The university received a Guaranteed Maximum Price (GMP) construction contract for the project January 28, 2022 with construction starting April 2022 and substantial completion April 2024. The project received a General Fund administrative supplement on March 8, 2022 to cover a minor market price adjustment necessary to award the construction contract. The annual budget was decreased to account for the timing of the construction contract.
11. Commonwealth Cyber Initiative: This project makes improvements to support the Commonwealth Cyber Initiative Hub renovations, space enhancements, and equipment. The Virginia Innovation Partnership Authority (VIPA) approves spending requests which are then allocated to Virginia Tech for procurement. The maximum appropriation from the Commonwealth is \$3.5 million. The annual budget was decreased to account for extended lead times for equipment orders.
12. Fralin Biomedical Research Institute Equipment: This funding supports the procurement and installation of specialized research equipment for the Fralin Biomedical Research Institute. The annual budget was decreased to account for extended lead times for equipment orders.
13. Equipment for Workforce Development: This project supports space and equipment purchases for the instructional programs associated with the Tech Talent Investment Program. The annual budget was adjusted to account for extended lead times for equipment orders.
14. Improve Kentland Facilities: The project is substantially complete and the total cost is expected to be \$12.46 million. The project will be closed and financial accounts terminated when final invoices are received and paid.
15. Gas-Fired Boiler at the Central Steam Plant: This project is substantially complete and the total cost is expected to be \$8.038 million. The project will be closed and financial accounts terminated when final invoices are received and paid.
16. Acquisition: Falls Church Property: This project was established to acquire the fee simple title to the 5.33 acres currently leased from and owned by the City of Falls Church for a net cost of \$2.85 million. The university is working on a sale transaction for the property with the City of Falls Church.

17. Chiller Plant Phase II: This project is substantially complete and the total cost is expected to be \$42.968 million. The project will be closed and financial accounts terminated when final invoices are received and paid.
18. Holden Hall Renovation: This project is substantially complete and the total cost is expected to be \$74.927 million. The project will be closed and financial accounts terminated when final invoices are received and paid. The annual budget was increased to account for the pace of the contractor's work. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.
19. Construct Virginia Seafood AREC: This project is substantially complete. The project has exhausted the State resources and will be closed at the end of the fiscal year.

Capital Outlay Projects Authorized as of March 31, 2022 (Continued)

Dollars in Thousands

PROJECT INITIATED	FISCAL YEAR ACTIVITY		TOTAL PROJECT BUDGET					
	ANNUAL BUDGET	YTD EXPENDITURES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENDITURES	
AUXILIARY ENTERPRISE PROJECTS								
<u>Design Phase</u>								
Student Wellness Improvements	Jun 2016	\$ 2,500	\$ 556	\$ -	\$ 13,310	\$ 44,690	\$ 58,000	\$ 5,621 (1)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	8,000	7,838	-	8,000	-	8,000	7,838 (2)
New Upper Quad Residence Hall	Jun 2019	13,000	8,575	-	2,000	40,000	42,000	11,062 (3)
Dietrick Renovation	Sept 2017	1,200	108	-	9,131	-	9,131	1,056 (4)
<u>Close-Out</u>								
Student-Athlete Performance Center	Mar 2018	18	18	-	20,417	-	20,417	19,726 (5)
Creativity & Innovation District LLC	Oct 2016	17,176	14,082	-	15,880	89,620	105,500	102,018 (6)
Planning: Tennis Center Improvements	Aug 2016	107	106	-	809	-	809	491 (7)
Global Business & Analytics Complex Residence Halls	Jun 2019	-	-	-	-	84,000	84,000	1,269 (8)
TOTAL AUXILIARY ENTERPRISE PROJECTS		<u>\$ 42,001</u>	<u>\$ 31,282</u>	<u>\$ -</u>	<u>\$ 69,546</u>	<u>\$ 258,310</u>	<u>\$ 327,856</u>	<u>\$ 149,081</u>
GRAND TOTAL		<u><u>\$ 200,663</u></u>	<u><u>\$ 158,328</u></u>	<u><u>\$ 525,855</u></u>	<u><u>\$ 156,929</u></u>	<u><u>\$ 510,137</u></u>	<u><u>\$ 1,192,921</u></u>	<u><u>\$ 442,063</u></u>

Auxiliary Enterprise Projects

1. **Student Wellness Improvements**: The estimated pricing for the design scope exceeds the project authorization, and the university is developing an alternative plan to accomplish the key project objectives. A resolution to move forward with the project will be presented at the June Board of Visitors meeting.
2. **Maintenance Reserve**: The auxiliary maintenance reserve program covers 106 assets with a total replacement value of \$1.4 billion. Projects are scheduled and funded by the auxiliary enterprises. The units prepare five-year plans that outline their highest priority deferred maintenance needs. The annual budget and total project budget reflect the spending plans of the auxiliary units on maintenance reserve work scheduled for fiscal year 2022.
3. **New Upper Quad Residence Hall**: The project constructs a 300 bed residence hall in the upper quad section of campus. The project is under construction with substantial completion expected August 2023. The annual budget was increased to account for the pace of the contractor's work. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.
4. **Dietrick Renovation**: This project includes refurbishing the first floor of Dietrick Hall, inserting a modern food service venue, and enclosing a portion of the exterior overhang. Improvements to the outdoor plaza will be implemented concurrently as a non-capital activity supported with private gifts. The project is under construction with substantial completion expected March 2023. The university infused a minor increase to the total budget, which may be administratively implemented under the university's tier three Management Agreement with the State, for a schedule extension to maintain food service operations during the spring semester.
5. **Student-Athlete Performance Center**: The project is closed with a total cost of \$19.726 million. The annual budget was decreased to reflect actual expenses at the close of the project.
6. **Creativity & Innovation District Living Learning Community (LLC)**: The project is substantially complete and the total cost is expected to be \$105.5 million. The project will be closed and financial accounts terminated when final invoices are received and paid.
7. **Planning: Tennis Center Improvements**: The planning project is complete and the total cost is expected to be \$809 thousand. The project will be closed and financial accounts terminated when final invoices are received and paid. The annual budget was decreased to reflect actual expenses at the close of the project.
8. **Global Business & Analytics Complex Residence Halls**: The university is exploring alternatives for additional residential beds in the northwest area of campus. The project will be closed at the end of the fiscal year.