









**UNIVERSITY DIVISION  
AUXILIARY ENTERPRISES**

Attachment KK

Dollars in Thousands

	July 1, 2020 to March 31, 2021			Annual Budget for 2020-21		
	Actual	Budget	Change	Original	Adjusted	Change
<b>Residence and Dining Halls *</b>						
Revenues	\$94,860	\$92,263	\$2,597 (1)	\$130,324	\$96,526	\$-33,798 (6,7)
Expenses	-65,878	-74,250	8,372 (1)	-125,550	-111,940	13,610 (6,7,8,9)
Reserve Drawdown/(Deposit)	-28,982	-18,013	-10,969 (1)	-4,774	15,414	20,188 (6,7,8,9)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Parking and Transportation</b>						
Revenues	\$12,486	\$12,149	\$337	\$15,615	\$13,325	\$-2,290 (6,7,10)
Expenses	-5,780	-5,936	156	-14,628	-13,219	1,409 (6,7,8,10)
Cash Transfer	-4,389	-4,389	0	0	-4,389	-4,389 (10)
Reserve Drawdown/(Deposit)	-2,317	-1,824	-493	-987	4,283	5,270 (6,7,8,10)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Telecommunications Services</b>						
Revenues	\$17,498	\$17,350	\$148	\$19,966	\$19,772	\$-194 (6)
Expenses	-13,870	-15,417	1,547 (2)	-20,349	-20,942	-593 (6,8)
Reserve Drawdown/(Deposit)	-3,628	-1,933	-1,695 (2)	383	1,170	787 (6,8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>University Services * **</b>						
Revenues	\$49,974	\$50,331	\$-357 (3)	\$52,883	\$50,575	\$-2,308 (6,7)
Expenses	-36,016	-41,983	5,967 (3)	-52,140	-55,197	-3,057 (6,7,8,11)
Reserve Drawdown/(Deposit)	-13,958	-8,348	-5,610 (3)	-743	4,622	5,365 (6,7,8,11)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Intercollegiate Athletics *</b>						
Revenues	\$34,634 (4)	\$34,697	\$-63	\$74,740	\$50,417	\$-24,323 (6,7,12)
Expenses	-53,363	-54,746	1,383 (4)	-70,480	-70,371	109 (6,7,12)
Reserve Drawdown/(Deposit)	18,729	20,049	-1,320 (4)	-4,260	19,954	24,214 (6,7,12)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Electric Service *</b>						
Revenues	\$22,178	\$22,335	\$-157	\$33,653	\$30,462	\$-3,191 (6,7)
Expenses	-22,863	-23,240	377	\$-33,032	-31,740	1,292 (6,7,8,13)
Reserve Drawdown/(Deposit)	685	905	-220	-621	1,278	1,899 (6,7,8,13)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Inn at VT/Skelton Conf. Center</b>						
Revenues	\$2,559	\$2,577	\$-18	\$11,471	\$3,321	\$-8,150 (7)
Expenses	-6,208	-6,967	759	-11,597	-8,586	3,011 (6,7,8,14)
Reserve Drawdown/(Deposit)	3,649	4,390	-741	126	5,265	5,139 (6,7,8,14)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Enterprise Functions ***</b>						
Revenues	\$17,201	\$15,610	\$1,591 (5)	\$11,407	\$16,872	\$5,465 (6,7)
Expenses	-12,894	-14,553	1,659 (5)	-8,616	-17,497	-8,881 (6,7,8,15)
Reserve Drawdown/(Deposit)	-4,307	-1,057	-3,250 (5)	-2,791	625	3,416 (6,7,8,15)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL AUXILIARIES</b>						
Revenues	\$251,390	\$247,312	\$4,078	\$350,059	\$281,270	\$-68,789
Expenses	-216,872	-237,092	20,220	-336,392	-329,492	6,900
Cash Transfer	-4,389	-4,389	0	0	-4,389	-4,389
Reserve Drawdown/(Deposit)	-30,129	-5,831	-24,298	-13,667	52,611	66,278
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.

**AUXILIARY ENTERPRISE BUDGET**

1. Revenues in Residence and Dining Halls are higher than revised pandemic budget due to higher than anticipated spring residence hall occupancy and meal plan revenues. Note, the spring revenue budget was previously decreased for pandemic impacts. Expenses are lower than projected due to holding back expenditures and timing of operating expenses. A fourth quarter budget adjustment is anticipated to further align the budget for spring business volume.
2. Expenses in Telecommunications Services are lower than projected due to holding back expenditures and timing of network telecommunication projects.
3. Revenues for the University Services System are lower than projected due to lower than anticipated self-generated revenues. Expenses are lower than projected due to timing of operating expenses and decreased business volume.
4. Expenses for Intercollegiate Athletics are lower than projected due to lower business volume and timing of operating expenses. Note, due to a delay in timing, Athletic revenues includes \$5.1 million radio partner and \$4.8 million ACC network revenue budgeted in 2019-20 but received in 2020-21.
5. Revenues for Other Enterprise Functions are higher than projected due to higher than budgeted activity levels. Expenses are lower than projected due to timing of operating expenses and decreased business volume.
6. In late June, the annual revenue, expense, and reserve budgets for Auxiliary Enterprises were adjusted for technical alignments and finalization of fixed cost estimates.
7. The annual revenue, expense, and reserve budgets for Auxiliary Enterprises were adjusted to align budgets for the known financial impacts (through March 31, 2021) of the COVID-19 pandemic as summarized in the table below:

**COVID-19 Budget Impact on Auxiliary Enterprises**

	5% COVID Placeholder Hedge	1st Quarter COVID Adjustment	2nd Quarter COVID Adjustment	3rd Quarter COVID Adjustment	Total COVID Impact	Federal Assistance	Net COVID Impact
<b>Residence and Dining Halls</b>							
Revenue	(3,513,422)	(43,892,516)		3,453,420	(43,952,518)	9,712,674	(34,239,844)
Expenses	3,513,422	11,283,543		1,106,460	15,903,425		15,903,425
Reserve Drawdown/(Addition)	-	32,608,973	-	(4,559,880)	28,049,093	(9,712,674)	18,336,419
<b>Parking and Transportation</b>							
Revenue	(195,260)	(3,127,875)		(3,025,248)	(6,348,383)		(6,348,383)
Expenses	195,260	1,225,563		4,036,449	5,457,272		5,457,272
Reserve Drawdown/(Addition)	-	1,902,312	-	(1,011,201)	891,111	-	891,111
<b>University Services System</b>							
Revenue	(891,776)	(430,302)		(782,525)	(2,104,603)		(2,104,603)
Expenses	891,776	(941,709)			(49,933)		(49,933)
Reserve Drawdown/(Addition)	-	1,372,011	-	782,525	2,154,536	-	2,154,536
<b>Intercollegiate Athletics</b>							
Revenue	(2,759,703)	(17,367,492)	(4,924,056)	(857,120)	(25,908,371)		(25,908,371)
Expenses	2,759,703	-	3,144,470	(830,800)	5,073,373		5,073,373
Reserve Drawdown/(Addition)	-	17,367,492	1,779,586	1,687,920	20,834,998	-	20,834,998
<b>Electric Service</b>							
Revenue	(264,166)	(3,170,848)			(3,435,014)		(3,435,014)
Expenses	264,166	1,593,081			1,857,247		1,857,247
Reserve Drawdown/(Addition)	-	1,577,767	-	-	1,577,767	-	1,577,767
<b>Inn at Virginia Tech &amp; Skelton Conf Center</b>							
Revenue	(439,666)	(8,150,497)			(8,590,163)		(8,590,163)
Expenses	439,666	3,600,143		(58,867)	3,980,942		3,980,942
Reserve Drawdown/(Addition)	-	4,550,354	-	58,867	4,609,221	-	4,609,221
<b>Other Enterprise Functions</b>							
Revenue	(154,348)	(1,243,512)	(887,977)		(2,285,837)		(2,285,837)
Expenses	154,348	-	75,167		229,515		229,515
Reserve Drawdown/(Addition)	-	1,243,512	812,810	-	2,056,322	-	2,056,322
<b>TOTAL AUXILIARIES</b>							
Revenue	(8,218,341)	(77,383,042)	(5,812,033)	(1,211,473)	(92,624,889)	9,712,674	(82,912,215)
Expenses	8,218,341	16,760,621	3,219,637	4,253,242	32,451,841	-	32,451,841
Reserve Drawdown/(Addition)	-	60,622,421	2,592,396	(3,041,769)	60,173,048	(9,712,674)	50,460,374 (a)

**Footnote:**

(a) University solutions will be aligned in the 4th quarter.

8. The annual expense budget for Auxiliary Enterprises was increased \$8.0 million for outstanding 2019 commitments and projects that were initiated but not completed before June 30, 2020. This amount includes \$2.3 million in Recreational Sports commitments and projects, \$1.6 million for Dining Services, \$0.8 million for Telecommunications, and \$0.4 million for Electric Service. The remainder is spread across the other auxiliary programs.
9. The annual expense and reserve budgets for Residence and Dining Halls were increased \$1.5 million for one-time facility projects.
10. The annual revenue budget for Parking Services was increased \$3.4 million and expense increased \$2.8 million for capital projects. A transfer of \$4.4 million cash was processed for capital project investment.
11. The annual expense budgets for University Services System were increased \$0.2 million for Schiffert Health Center compensation market alignment.
12. The annual revenue and reserve budgets for Intercollegiate Athletics were decreased \$1.7 million for lower pre-pandemic ACC conference distributions and \$0.2 million for lower interest revenues. Annual revenue, expense, and reserve budgets were increased \$0.2 million for private support of four football positions, \$1.1 million for Student Athlete Performance Center debt service, \$0.7 million for operating scholarship support, \$0.2 million for licensing revenues, and \$0.2 million for indoor practice facility capital project.
13. The annual expense budget for the Electric Service auxiliary was decreased \$0.7 million for debt service alignment for Lane Substation capital project savings and increased \$0.9 million for data warehouse system project.
14. The annual expense budget for the Inn at Virginia Tech was increased \$0.2 million for facility operating expenses.
15. The annual revenue and expense budgets for Other Enterprise Functions were increased for the Commonwealth of Virginia's Coronavirus Relief Funding, Pouring Rights contract operating expenses, Hokie Passport virtual servers, and scholarship expenses in Licensing and Trademark.

**CAPITAL OUTLAY PROJECTS**

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	
<b>EDUCATIONAL AND GENERAL PROJECTS</b>								
<u>Design Phase</u>								
Planning: Hitt Hall	Apr 2017	\$ 1,500	\$ 451	\$ -	\$ 6,000	\$ -	\$ 6,000	\$ 3,930 (1)
Planning: Undergraduate Science Laboratory Building	Jul 2017	1,110	348	-	5,516	-	5,516	4,666 (2)
Commonwealth Cyber Initiative	May 2019	667	387	1,500	-	-	1,500	1,220 (3)
Innovation Campus - Academic Building	Jul 2019	20,000	9,688	168,000	-	107,000	275,000	11,319 (4)
Planning: Randolph Hall Replacement	Jul 2020	3,000	18	-	11,000	-	11,000	18 (5)
Life, Health, Safety, Accessibility, & Code Compliance	Jul 2020	300	50	3,100	-	-	3,100	50 (6)
Fralin Biomedical Research Institute Equipment	Jul 2020	6,000	6,454	18,133	-	-	18,133	6,454 (7)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	11,600	8,830	16,099	-	-	16,099	8,830 (8)
Chiller Plant, Phase II	Oct 2016	16,000	8,970	32,655	10,312	-	42,968	32,401 (9)
Holden Hall Renovation	Oct 2016	36,000	22,008	57,215	212	17,500	74,927	33,098 (10)
Livestock & Poultry Research Facilities, Phase I	Oct 2016	9,500	471	25,274	0	0	25,274	1,646 (11)
Construct Virginia Seafood AREC	Jul 2018	2,500	261	2,500	-	-	2,500	261 (12)
Corps Leadership and Military Science Building	Jun 2019	4,500	1,503	-	20,650	31,350	52,000	3,116 (13)
Data and Decision Science Building	Jul 2019	10,500	3,362	69,000	-	10,000	79,000	5,754 (14)
<u>Close-Out</u>								
Improve Kentland Facilities	Sep 2013	3,100	2,896	12,463	-	-	12,463	11,717 (15)
VTC Biomedical Research Expansion	Oct 2016	8,784	1,362	51,554	5,267	34,875	91,696	82,274 (16)
Gas-Fired Boiler at the Central Steam Plant	Apr 2017	1,600	1,043	-	8,200	-	8,200	7,528 (17)
Acquisition: Falls Church Property	Apr 2019	-	-	-	-	2,850	2,850	- (18)
<b>TOTAL EDUCATIONAL AND GENERAL PROJECTS</b>		<b>\$ 136,661</b>	<b>\$ 68,104</b>	<b>\$ 457,493</b>	<b>\$ 67,157</b>	<b>\$ 203,575</b>	<b>\$ 728,225</b>	<b>\$ 214,282</b>



**Education and General Projects**

1. **Planning: Hitt Hall:** This planning project is for Hitt Hall and houses an expansion of Myers-Lawson School of Construction, a new dining center, and other academic spaces. The project is in preliminary design with advancement into working drawings expected August 2021.
2. **Planning: Undergraduate Science Laboratory Building:** This planning project is for an entirely state funded 102,000 gross square foot science laboratory building adjacent to the new classroom building. Working drawings were completed September 25, 2020. The state appropriated construction funding in the 2021 General Assembly Session effective July 1, 2021, and the university will proceed with construction procurement this summer.
3. **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.
4. **Innovation Campus – Academic Building:** This project is a new 300,000 gross square foot academic building as part of the Innovation Campus in Alexandria Virginia. Working drawings are underway with construction expected to start September 2021.
5. **Planning: Randolph Hall Replacement:** This state authorized planning project will design the replacement of Randolph Hall with a 284,000 gross square foot building to accommodate engineering instruction and research. A/E and CMAR procurements are underway. In accordance with the state capital budget program, the university will request construction funding as part of the fiscal year 2023 state budget call.
6. **Life, Health, Safety, Accessibility, & Code Compliance:** This project improves pedestrian connectors to ensure accessible service in the North Academic District. Schematic design is underway.
7. **Fralin Biomedical Research Institute Equipment:** This funding supports equipment purchases for the recently completed project located in Roanoke. Year-to-date expenses exceed the annual budget because processing of equipment orders accelerated. Resources are available and sufficient to cover the shifted cash outflows, and the project remains within the total authorized budget.
8. **Maintenance Reserve:** The total project budget reflects \$2.73 million of carryforward from fiscal year 2020 and the state's fiscal year 2021 appropriation of \$13.73 million. The annual budget amount reflects the pace necessary to meet the state's 85 percent spending performance requirement by June 30, 2021.
9. **Chiller Plant Phase II:** This project upgrades of campus utility systems and addresses several strategic priorities by shifting the campus to a lower resource consuming cooling service with improved redundancies. Substantial completion expected September 2021.
10. **Holden Hall Renovation:** This project will renovate 20,000 gross square feet, demolish 21,000 gross square feet, and construct an 80,000 gross square foot expansion of Holden Hall. Construction is underway with substantial completion expected January 2022.
11. **Livestock & Poultry Research Facilities, Phase I:** This project is the first of two phases to renew existing facilities for the livestock and poultry programs. The scope includes 126,000 gross square feet of facilities at the Blacksburg campus and three nearby university production and research farms. Construction is underway for the swine, poultry, beef, and equine packages. Packages for three hay barns and demolition are under development and construction funding may be requested in the state's 2022 capital budget call.
12. **Construct Virginia Seafood AREC:** Through a collaborative effort between the university, the Foundation, and the City of Hampton, the existing facility will be replaced with a new 15,000 gross square foot facility. The project is being implemented by the Foundation and substantial completion is expected November 2021.
13. **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.
14. **Data and Decision Sciences Building:** Construction of the new 120,000 gross square foot building is underway with substantial completion expected April 2023.
15. **Improve Kentland Facilities:** The project is substantially complete and the total cost is expected to be \$12.463 million. The project may be closed and financial accounts terminated when final invoices are received and paid.
16. **VTC Biomedical Research Expansion:** The project is substantially complete and the total cost is expected to be \$89.696 million. The project may be closed and financial accounts terminated when final invoices are received and paid.
17. **Gas-Fired Boiler at the Central Steam Plant:** This project is substantially complete and the total cost is expected to be \$8.2 million. The project may be closed and financial accounts terminated when final invoices are received and paid.
18. **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 exercise date is calendar year 2021, and the university is working with the City of Falls Church on this transaction.

Capital Outlay Projects Authorized as of March 31, 2021 (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	
<b>AUXILIARY ENTERPRISE PROJECTS</b>								
<u>Design Phase</u>								
Student Wellness Improvements	Jun 2016	\$ 10,000	\$ 80	\$ -	\$ 13,310	\$ 44,690	\$ 58,000	\$ 5,123 (1)
Planning: Tennis Center Improvements	Aug 2016	584	155	-	809	-	809	380 (2)
Dietrick First Floor and Plaza Renovation	Sept 2017	2,000	30	-	5,000	3,300	8,300	931 (3)
Global Business & Analytics Complex Residence Halls	Jun 2019	1,100	-	-	-	84,000	84,000	1,269 (4)
New Upper Quad Residence Hall	Jun 2019	3,500	1,278	-	-	40,000	40,000	2,111 (5)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	15,000	8,531	-	15,000	-	15,000	8,531 (6)
Creativity & Innovation District LLC	Oct 2016	44,000	34,254	-	15,880	89,620	105,500	80,955 (7)
<u>Close-Out</u>								
Lane Substation Expansion	Sept 2015	17	17	-	2,000	4,500	6,500	3,781 (8)
Student-Athlete Performance Center	Mar 2018	8,400	8,501	-	20,417	-	20,417	19,599 (9)
Athletics Weight Room Renovation & Expansion	Aug 2018	2,000	1,804	-	4,500	-	4,500	4,043 (10)
Planning: Slusher Hall Replacement	Jun 2018	10	9	-	3,500	-	3,500	1,264 (11)
<b>TOTAL AUXILIARY ENTERPRISE PROJECTS</b>		<b>\$ 86,611</b>	<b>\$ 54,659</b>	<b>\$ -</b>	<b>\$ 80,415</b>	<b>\$ 266,110</b>	<b>\$ 346,525</b>	<b>\$ 127,986</b>
<b>GRAND TOTAL</b>		<b>\$ 223,272</b>	<b>\$ 122,763</b>	<b>\$ 457,493</b>	<b>\$ 147,573</b>	<b>\$ 469,685</b>	<b>\$ 1,074,751</b>	<b>\$ 342,268</b>

**Auxiliary Enterprise Projects**

1. **Student Wellness Improvements:** The project scope and budget includes refurbishments to War Memorial Hall and McComas Hall. Whiting-Turner is the construction manager, and the Guaranteed Maximum Price received July 15, 2020 was over budget. The university is redesigning the scope to fit within the authorized budget with construction pricing expected March 2022.
2. **Planning: Tennis Center Improvements:** Working drawings are underway. The university may request full project authorization once planning is complete and Athletics has raised the necessary funds to complete construction.
3. **Dietrick First Floor and Plaza Renovation:** This project includes refurbishing the first floor of Dietrick Hall, inserting a modern food service venue, enclosing a portion of the overhang, and improvements to the outdoor plaza. The low bid received May 8, 2020 was over budget. The university has developed a path forward to implement the improvements to Dietrick Hall within the approved budget and to seek private support for improvements to the outdoor plaza, which may be implemented separately when private support is secured.
4. **Global Business & Analytics Complex Residence Halls:** This project provides two residence halls in the northwest corner of campus with a minimum of 700 beds. The acquisition strategy is shifting, and the university is exploring alternative delivery methods.
5. **New Upper Quad Residence Hall:** This project will provide the Corps of Cadets an additional 300 beds while replacing Femoyer Hall. Working drawings are complete with construction pricing expected June 2021.
6. **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 2021.
7. **Creativity & Innovation District Living Learning Community (LLC):** This project is under construction with substantial completion expected July 2021.
8. **Lane Substation Expansion:** The project is closed and will be removed from the report at the end of the fiscal year.
9. **Student-Athlete Performance Center:** The project is substantially complete and the total cost is expected to be \$20.417 million. Year-to-date expenses exceed the annual budget because expenses expected in fiscal year 2020 were invoiced in fiscal year 2021. Resources are available and sufficient to cover the shifted cash outflows, and total expenditures and commitments remain within the authorized budget. The project may be closed and financial accounts terminated when final invoices are received and paid.
10. **Athletics Weight Room Renovation & Expansion:** The project is substantially complete and the total cost is expected to be \$4.5 million. The project may be closed and financial accounts terminated when final invoices are received and paid.
11. **Planning: Slusher Hall Replacement:** The university is exploring alternative development approaches to deliver residential beds. This planning project may be closed and financial accounts terminated when final invoices are received and paid.