

Financial Performance Report – Operating and Capital
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
July 1, 2020 to June 30, 2021

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 June 2020-21 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.

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, 2020 through June 30, 2021 and the Capital Outlay report be approved.

August 31, 2021

OPERATING BUDGET
2020-21

Dollars in Thousands

	July 1, 2020 to June 30, 2021			Annual Budget for 2020-21		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
<u>University Division</u>						
<u>Revenues</u>						
General Fund	\$196,962	\$196,962	\$0	\$195,326	\$196,962	\$1,636 (12)
Tuition and Fees	604,574	597,430	7,144 (1)	582,266	597,430	15,164 (13)
All Other Income	31,967	42,721	-10,754 (2)	46,900	42,721	-4,179 (14)
Revenue Contingency	0	0	0	-25,000	0	25,000 (15)
CARES Act Revenue	5,258	5,258	0	0	5,258	5,258 (16)
Total Revenues	\$838,761	\$842,371	\$-3,610	\$799,492	\$842,371	\$42,879
<u>Expenses</u>						
Academic Programs	\$-511,426	\$-519,243	\$7,817 (3)	\$-505,125	\$-519,243	\$-14,118
Support Programs	-320,071	-324,522	4,451 (3)	-294,367	-324,522	-30,155
Reserve Drawdown/(Deposit)	-7,264	1,394	-8,658 (4)	0	1,394	1,394
Total Expenses	\$-838,761	\$-842,371	\$3,610	\$-799,492	\$-842,371	\$-42,879 (12, 13,14,15,16)
NET	\$0	\$0	\$0	\$0	\$0	\$0
<u>CE/AES Division</u>						
<u>Revenues</u>						
General Fund	\$74,383	\$74,383	\$0	\$75,100	\$74,383	\$-717 (17)
Federal Appropriation	13,477	15,647	-2,170 (5)	15,640	15,647	7 (18)
All Other Income	1,397	1,200	197	950	1,200	250 (19)
Revenue Contingency	0	0	0	-3,000	0	3,000 (20)
CARES Act Revenue	2	2	0	0	2	2 (21)
Total Revenues	\$89,259	\$91,232	\$-1,973	\$88,690	\$91,232	\$2,542
<u>Expenses</u>						
Academic Programs	\$-79,108	\$-84,828	\$5,720 (5,6)	\$-82,286	\$-84,828	\$-2,542
Support Programs	-6,777	-6,404	-373	-6,404	-6,404	0
Reserve Drawdown/(Deposit)	-3,374	0	-3,374 (7)	0	0	0
Total Expenses	\$-89,259	\$-91,232	\$1,973	\$-88,690	\$-91,232	\$-2,542 (17,18,19,20,21)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Auxiliary Enterprises						
Revenues	\$312,968	\$309,487	\$3,481 (8)	\$350,059	\$309,487	\$-40,572 (8)
Expenses	-292,845	-315,783	22,938 (8)	-336,392	-315,783	20,609 (8)
Transfers	-4,389	-4,389	0 (8)	0	-4,389	-4,389 (8)
Reserve Drawdown/(Deposit)	-15,734	10,685	-26,419 (8)	-13,667	10,685	24,352 (8)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Sponsored Programs						
Revenues	\$355,055	\$355,254	\$-199	\$352,358	\$355,254	\$2,896 (22)
CARES ACT Revenue	11,613	0	11,613 (9)	0	0	0
Expenses	-293,550	-355,254	61,704 (10)	-352,358	-355,254	-2,896 (22)
Reserve Drawdown/(Deposit)	-73,118	0	-73,118	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
Student Financial Assistance						
Revenues	\$33,615	\$36,512	\$-2,897	\$31,678	\$36,512	\$4,834 (23)
Expenses	-33,616	-36,512	2,896	-31,678	-36,512	-4,834 (23)
Reserve Drawdown/(Deposit)	1	0	1	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
All Other Programs *						
Revenue	\$20,292	\$20,960	\$-668	\$10,214	\$20,960	\$10,746 (24)
Expenses	-4,330	-8,270	3,940 (11)	-10,214	-8,270	1,944 (24)
Transfers	-10,000	-10,000	0	0	-10,000	-10,000 (24)
Reserve Drawdown/(Deposit)	-5,962	-2,690	-3,272	0	-2,690	-2,690 (24)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Total University						
Revenues	\$1,661,563	\$1,655,816	\$5,747	\$1,632,491	\$1,655,816	\$23,325
Expenses	-1,541,723	-1,650,816	109,093	-1,618,824	-1,649,422	-30,598
Transfers	-14,389	-14,389	0	0	-14,389	-14,389
Reserve Drawdown/(Deposit)	-105,451	9,389	-114,840	-13,667	7,995	21,662
NET	\$0	\$0	\$0	\$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 adjusted budget primarily due to realized net tuition revenue from savings in scholarships and codified waivers.
2. All Other Income revenues are lower than projected due to lower Continuing Education revenues, lower than projected revenues in the newly established Animal Cancer Care and Research Center, and timing of partnership revenues.
3. Expenditures are lower than projected due to timing and the impact of the university's essential spending order in response to COVID-19 pandemic.
4. University Division E&G expenditures budget increased \$1.4 million to reflect the carryforward of unexpended Coronavirus Relief Funds received in 2019-20 due to timing of expenditures. The June 30, 2021 cash balance in the University Division programs of \$7.3 million will be carried forward to accomplish work in 2021-22 which was delayed by the pandemic.
5. 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 (VCE/AES) is lower than projected due to the timing of federal expense.
6. Cooperative Extension and Agriculture Experiment Station Division expenditures are lower than projected due to the university's essential spending order in response to COVID-19 pandemic and the timing of expenses.
7. As of June 30, 2021, the cash balance in the VCE/AES Division of \$3.4 million will be carried forward to accomplish work in 2021-22 which was delayed by the pandemic.
8. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
9. The federal government allocated \$9.7 million of CARES Act support to provide emergency financial grants to students, of which \$8.9 million was awarded and reimbursed in fiscal year 2019-20. The remaining \$0.8 million was awarded and reimbursed in early fiscal year 2020-21. In addition, the federal government allocated through the CRSSA (CARES 2) an additional \$9.7 million for emergency financial grants to students. Other miscellaneous CARES allocations receive by the institution, not recorded in the Auxiliary or E&G programs, are recorded as Sponsored Programs activity.
10. 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. Total sponsored research revenues and expenditures are lower than projected. The grant and contract expenditures are 4.1% lower than June 30, 2020.
11. Expenses for All Other Programs was lower than projected due to timing of expenditures.
12. The annual budget for the University Division General Fund was decreased \$2.36 million for the state share of fringe benefit rate changes and one-time savings for the healthcare holiday. The budget was increased \$4.0 million for a one-time allocation to support operations, aid or other purposes to address the COVID-19 impact.
13. In June 2020, the budget for Tuition and Fees was increased \$14.0 million for planned Fall 2020 enrollment growth. After summer census, the tuition and fee budget was increased by \$8.1 million for higher than projected summer 2020 enrollment. After fall census, the tuition and fee budget was decreased \$4 million for lower than projected nonresident freshman and graduate enrollments. The tuition and fee budget was increased \$3.3 million for higher than projected program fee revenues and \$0.6 million for higher than projected application fee revenues. The tuition and fee budget was decreased \$1.11 million for lower than projected winter session revenues, lower than projected undergraduate and graduate in spring and lower than projected utilization of waivers and codified rate discounts. The tuition and fee budget was decreased \$5.75 million for technical realignments of the financial aid program. The corresponding expenditure budgets have been adjusted accordingly.
14. The All Other Income revenue budget for the University Division were increased \$0.6 million for lower than projected revenues in the College of Veterinary Medicine Teaching Hospital, the establishment of the Animal Cancer Care and Research Center and the ViTALs Lab in the College of Veterinary Medicine, decreased

\$1.7 million for Continuing Education Program revenues, decreased \$3.9 million for a technical change in fund source for the VTCSOM partnership, decreased \$0.2 million for the temporary suspension of the Campus to Campus shuttle service, and increased \$1.0 million for other income adjustments. The corresponding expenditure budgets have been adjusted accordingly.

15. The University Division revenue budget was increased \$25 million to remove the revenue contingency established for potential financial impacts due to COVID-19. The corresponding expenditure budget increase includes restoration of 2% of the preliminary expenditure budget reductions in the University Division. A 3% budget reduction remains to manage cost escalation, unfunded mandates, the fall enrollment shortfall, and impacts of COVID-19.
16. The University Division revenue budget was increased \$5.3 million to align the internal budget with the Commonwealth of Virginia's allocation of Coronavirus Relief Funds in support of personal protective equipment, disinfectant, distance learning, telework, and public health costs. The corresponding expenditure budgets have been adjusted accordingly.
17. The Cooperative Extension/Agriculture Experiment State Division General Fund revenue budget was decreased \$0.7 million for the state share of fringe benefit rate changes. The corresponding expenditure budgets have been adjusted accordingly.
18. The Cooperative Extension Federal Funds revenue budget was increased to align with federal appropriations. The corresponding expenditure budgets have been adjusted accordingly.
19. The Cooperative Extension/Agriculture Experiment Station All Other Income budget was increased \$0.25 million for higher than projected milk sale revenues. The corresponding expenditure budgets have been adjusted accordingly.
20. The Cooperative Extension/Agriculture Experiment Station budget was increased \$3.0 million to restore the revenue contingency established in response to the uncertainty in state revenues. The corresponding expenditure budget increase will restore the 5.0% expenditure preliminary budget reduction in the Cooperative Extension/Agriculture Experiment Station.
21. The Agency 229 E&G revenue budget has been increased for CARES grant support received for the Tazewell VCE division. The corresponding expenditure budgets have been adjusted accordingly.
22. The annual budget for the Sponsored Programs has been increased \$0.6 million to reflect the finalization of the budget and \$2.25 million for the Commonwealth Cyber Initiative.
23. The Student Financial Assistance revenue and expenditure budgets were increased \$4.4 million for finalization of the scholarship budget and technical accounting changes and \$0.4 million for the SCHEV GEAR Up scholarship program.
24. The projected annual budgets for All Other Programs were increased \$3.2 million to finalize budgets, \$0.3 million for Surplus Property activity and decreased \$0.4 million for technical alignments. The projected annual revenues budgets were increased \$3.8 million for federal revenue earmarked for Kentland Farm capital lease and \$3.9 million for technical alignment of university initiatives. The projected annual expense budgets were increased \$0.4 million for outstanding 2019-20 commitments that were initiated but not completed before June 30, 2020 and decreased \$5.4 million for technical alignment of university initiatives. A \$10 million transfer was made to support an approved capital plan.

**UNIVERSITY DIVISION
AUXILIARY ENTERPRISES**

Dollars in Thousands

	July 1, 2020 to June 30, 2021			Annual Budget for 2020-21		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls *						
Revenues	\$104,449	\$104,436	\$13	\$130,324	\$104,436	\$-25,888 (3,4)
Expenses	-95,921	-102,206	6,285 (1)	-125,550	-102,206	23,344 (3,4,5,6)
Reserve Drawdown/(Deposit)	-8,528	-2,230	-6,298 (1)	-4,774	-2,230	2,544 (3,4,5,6)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Parking and Transportation						
Revenues	\$14,003	\$13,615	\$388	\$15,615	\$13,615	\$-2,000 (3,4,7)
Expenses	-10,664	-11,790	1,126 (1)	-14,628	-11,790	2,838 (3,4,5,7)
Transfers	-4,389	-4,389	0	0	-4,389	-4,389 (7)
Reserve Drawdown/(Deposit)	1,050	2,564	-1,514 (1)	-987	2,564	3,551 (3,4,5,7)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications Services						
Revenues	\$20,083	\$19,772	\$311	\$19,966	\$19,772	\$-194 (3)
Expenses	-19,091	-20,942	1,851 (1)	-20,349	-20,942	-593 (3,5)
Reserve Drawdown/(Deposit)	-992	1,170	-2,162 (1)	383	1,170	787 (3,5)
Net	\$0	\$0	\$0	\$0	\$0	\$0
University Services * **						
Revenues	\$50,955	\$50,575	\$380	\$52,883	\$50,575	\$-2,308 (3,4)
Expenses	-48,859	-54,690	5,831 (1)	-52,140	-54,690	-2,550 (3,4,5,8)
Reserve Drawdown/(Deposit)	-2,096	4,115	-6,211 (1)	-743	4,115	4,858 (3,4,5,8)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Intercollegiate Athletics *						
Revenues	\$65,808 (4)	\$66,134	\$-326	\$74,740	\$66,134	\$-8,606 (3,4,9)
Expenses	-62,835	-66,723	3,888 (1)	-70,480	-66,723	3,757 (3,4,9)
Reserve Drawdown/(Deposit)	-2,973	589	-3,562 (1)	-4,260	589	4,849 (3,4,9)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Electric Service *						
Revenues	\$30,717	\$30,462	\$255	\$33,653	\$30,462	\$-3,191 (3,4)
Expenses	-29,567	-30,888	1,321 (1)	\$-33,032	-30,888	2,144 (3,4,5,10)
Reserve Drawdown/(Deposit)	-1,150	426	-1,576 (1)	-621	426	1,047 (3,4,5,10)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Inn at VT/Skelton Conf. Center						
Revenues	\$7,658	\$7,621	\$37	\$11,471	\$7,621	\$-3,850 (3,4)
Expenses	-7,649	-8,217	568 (1)	-11,597	-8,217	3,380 (3,4,5,11)
Reserve Drawdown/(Deposit)	-9	596	-605	126	596	470 (3,4,5,11)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Other Enterprise Functions ***						
Revenues	\$19,295	\$16,872	\$2,423 (2)	\$11,407	\$16,872	\$5,465 (3,4)
Expenses	-18,259	-20,327	2,068 (1)	-8,616	-20,327	-11,711 (3,4,5,12)
Reserve Drawdown/(Deposit)	-1,036	3,455	-4,491 (1,2)	-2,791	3,455	6,246 (3,4,5,12)
Net	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AUXILIARIES						
Revenues	\$312,968	\$309,487	\$3,481	\$350,059	\$309,487	\$-40,572
Expenses	-292,845	-315,783	22,938	-336,392	-315,783	20,609
Transfers	-4,389	-4,389	0	0	-4,389	-4,389
Reserve Drawdown/(Deposit)	-15,734	10,685	-26,419	-13,667	10,685	24,352
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

- Expenses in Auxiliary Enterprises are lower than projected due to decreased business volume and timing of commitments and projects that were initiated but not completed before June 30, 2021.
- Revenues for Other Enterprise Functions are higher than projected due to increased business volume in New Student Programs, Licensing and Trademark, Tailor Shop, and Software Sales.
- In June 2020, the annual revenue, expense, and reserve budgets for Auxiliary Enterprises were adjusted for technical alignments and finalization of fixed cost estimates.
- As summarized in the table below, the annual revenue, expense, and reserve budgets for Auxiliary Enterprises were adjusted for the financial impacts of the COVID-19 pandemic and application of relief programs designed to balance the 2020-21 Auxiliary Enterprise budget impacts to offset the financial impacts of COVID-19:

COVID-19 Budget Impact on Auxiliary Enterprises as of June 30, 2021

	5% COVID Placeholder Hedge	1st Quarter COVID Adjustment	2nd Quarter COVID Adjustment	3rd Quarter COVID Adjustment	4th Quarter COVID Adjustment	Additional Revenues & Expenses (a)	Total COVID Impact	Federal Support	University Support	Net COVID Impact
Residence and Dining Halls										
Revenue	(3,513,422)	(43,892,516)		3,453,420	5,100,000		(38,852,518)	12,523,073		(26,329,445)
Expenses	3,513,422	11,283,543		1,106,460		590,000	16,493,425		9,836,020	26,329,445
Reserve Drawdown/(Addition)	-	32,608,973	-	(4,559,880)	(5,100,000)	(590,000)	22,359,093	(12,523,073)	(9,836,020)	-
Parking and Transportation										
Revenue	(195,260)	(3,127,875)		(3,025,248)	290,000		(6,058,383)			(6,058,383)
Expenses	195,260	1,225,563		4,036,449	(155,000)	(882,401)	4,419,871		1,638,512	6,058,383
Reserve Drawdown/(Addition)	-	1,902,312	-	(1,011,201)	(135,000)	882,401	1,638,512	-	(1,638,512)	-
Telecommunications Services										
Revenue	-	-	-	-	-	(151,966)	(151,966)	151,966		-
Expenses	-	-	-	-	-	-	-			-
Reserve Drawdown/(Addition)	-	-	-	-	-	151,966	151,966	(151,966)	-	-
University Services System										
Revenue	(891,776)	(430,302)		(782,525)		633,010	(1,471,593)			(1,471,593)
Expenses	891,776	(941,709)				1,004,228	954,295		517,298	1,471,593
Reserve Drawdown/(Addition)	-	1,372,011	-	782,525	-	(1,637,238)	517,298	-	(517,298)	-
Intercollegiate Athletics										
Revenue	(2,759,703)	(17,367,492)	(4,924,056)	(857,120)	2,081,000	678,703 (b)	(23,148,668)	13,027,462		(10,121,206)
Expenses	2,759,703	-	3,144,470	(830,800)			5,073,373		5,047,833	10,121,206
Reserve Drawdown/(Addition)	-	17,367,492	1,779,586	1,687,920	(2,081,000)	(678,703)	18,075,295	(13,027,462)	(5,047,833)	-
Electric Service										
Revenue	(264,166)	(3,170,848)					(3,435,014)			(3,435,014)
Expenses	264,166	1,593,081				725,611	2,582,858		852,156	3,435,014
Reserve Drawdown/(Addition)	-	1,577,767	-	-	-	(725,611)	852,156	-	(852,156)	-
Inn at Virginia Tech & Skelton Conf Center										
Revenue	(439,666)	(8,150,497)			300,000		(8,290,163)		4,000,000	(4,290,163)
Expenses	439,666	3,600,143		(58,867)	(200,000)	(60,000)	3,720,942		569,221	4,290,163
Reserve Drawdown/(Addition)	-	4,550,354	-	58,867	(100,000)	60,000	4,569,221	-	(4,569,221)	-
Other Enterprise Functions *										
Revenue	(154,348)	(1,243,512)	(887,977)			25,000	(2,260,837)			(2,260,837)
Expenses	154,348	-	75,167				229,515		2,031,322	2,260,837
Reserve Drawdown/(Addition)	-	1,243,512	812,810	-	-	(25,000)	2,031,322	-	(2,031,322)	-
TOTAL AUXILIARIES										
Revenue	(8,218,341)	(77,383,042)	(5,812,033)	(1,211,473)	7,771,000	1,184,747	(83,669,142)	25,702,501	4,000,000	(53,966,641)
Expenses	8,218,341	16,760,621	3,219,637	4,253,242	(355,000)	1,377,438	33,474,279	-	20,492,362	53,966,641
Reserve Drawdown/(Addition)	-	60,622,421	2,592,396	(3,041,769)	(7,416,000)	(2,562,185)	50,194,863	(25,702,501)	(24,492,362)	-

Footnote:

* Impacted units Printing Services, Licensing, and Library Photocopy

(a) Additional revenues and expenses included in pandemic financial analysis.

(b) Timing of Athletics IMG/ACC revenues anticipated to be received in FY21.

5. The annual expense budget for Auxiliary Enterprises was increased \$8.0 million for outstanding 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.
6. The annual expense and reserve budgets for Residence and Dining Halls were increased \$1.6 million for one-time facility and sustainability projects.
7. The annual revenue budget for Parking Services was increased \$3.4 million and expenses increased \$2.8 million for capital projects. A transfer of \$4.4 million cash was processed for capital project investment.
8. The annual expense budgets for University Services System were increased \$0.2 million for Schiffert Health Center compensation market alignment.
9. 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, \$0.2 million for indoor practice facility capital project, \$0.6 million for private support for football lounge, and \$1.4 million for the football lounge project expenses.
10. 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.
11. The annual expense budget for the Inn at Virginia Tech was increased \$0.2 million for facility operating expenses.
12. 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, technical accounting alignments, board approved chilled water infrastructure project, and scholarship expenses in Licensing and Trademark.

CAPITAL OUTLAY PROJECTS
AUTHORIZED AS OF JUNE 30, 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: Hitt Hall	Apr 2017	\$ 1,500	\$ 1,418	\$ -	\$ 6,000	\$ -	\$ 6,000	\$ 4,897 (1)
Planning: Undergraduate Science Laboratory Building	Jul 2017	1,110	357	-	5,516	-	5,516	4,675 (2)
Innovation Campus - Academic Building	Jul 2019	20,000	13,232	168,000	-	107,000	275,000	14,863 (3)
Planning: Randolph Hall Replacement	Jul 2020	3,000	34	-	11,000	-	11,000	34 (4)
Life, Health, Safety, Accessibility, & Code Compliance	Jul 2020	300	55	3,100	-	-	3,100	55 (5)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	11,600	10,472	16,099	-	-	16,099	10,472 (6)
Chiller Plant Phase II	Oct 2016	16,000	10,727	32,655	10,312	-	42,968	34,158 (7)
Holden Hall Renovation	Oct 2016	36,000	30,919	57,215	212	17,500	74,927	42,008 (8)
Livestock & Poultry Research Facilities, Phase I	Oct 2016	9,500	1,509	25,274	-	-	25,274	2,683 (9)
Construct Virginia Seafood AREC	Jul 2018	2,500	1,276	2,500	-	-	2,500	1,276 (10)
Corps Leadership and Military Science Building	Jun 2019	4,500	3,505	-	20,650	31,350	52,000	5,119 (11)
Data and Decision Science Building	Jul 2019	10,500	9,846	69,000	-	10,000	79,000	12,238 (12)
<u>Equipment and Special Initiatives</u>								
Commonwealth Cyber Initiative	May 2019	667	437	1,500	-	-	1,500	1,270 (13)
Fralin Biomedical Research Institute Equipment	Jul 2020	6,000	7,540	18,133	-	-	18,133	7,540 (14)
Equipment for Workforce Development	May 2021	-	5,200	8,237	-	-	8,237	5,200 (15)
<u>Close-Out</u>								
Improve Kentland Facilities	Sep 2013	3,100	3,091	12,463	-	-	12,463	11,912 (16)
VTC Biomedical Research Expansion	Oct 2016	8,784	8,523	51,554	5,267	34,875	91,696	89,435 (17)
Gas-Fired Boiler at the Central Steam Plant	Apr 2017	1,600	1,053	-	8,200	-	8,200	7,537 (18)
Acquisition: Falls Church Property	Apr 2019	-	-	-	-	2,850	2,850	- (19)
TOTAL EDUCATIONAL AND GENERAL PROJECTS		\$ 136,661	\$ 109,193	\$ 465,730	\$ 67,157	\$ 203,575	\$ 736,462	\$ 255,371

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. Working drawings were completed September 25, 2020. The state appropriated construction funding effective July 1, 2021, and the university will proceed with construction procurement this summer.
3. 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. The university received a Guaranteed Maximum Price (GMP) construction contract for the foundations package on June 30, 2021 with construction expected to start August 2021. Working drawings for the building package are underway with market pricing expected February 2022.
4. 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.
5. Life, Health, Safety, Accessibility, & Code Compliance: This project improves pedestrian connectors to ensure accessible service in the North Academic District. Preliminary design is underway.
6. 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.
7. Chiller Plant Phase II: This project upgrades 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.
8. 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.
9. 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 may be requested in the state's 2022 capital budget call.
10. 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.
11. 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.
12. Data and Decision Science Building: Construction of the new 120,000 gross square foot building is underway with substantial completion expected April 2023.
13. 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.
14. 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.
15. Equipment for Workforce Development: This project supports space and equipment purchases to support the instructional programs that supports the Tech Talent Investment Program. The state appropriated funding effective May 2021. Resources are available and sufficient to cover the cash outflows, and the project remains within the total authorized budget.
16. 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.
17. VTC Biomedical Research Expansion: The project is closed and will be removed at the end of the fiscal year.
18. 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.
19. 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 August 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	
AUXILIARY ENTERPRISE PROJECTS								
<u>Design Phase</u>								
Student Wellness Improvements	Jun 2016	\$ 10,000	\$ 98	\$ -	\$ 13,310	\$ 44,690	\$ 58,000	\$ 5,141 (1)
Planning: Tennis Center Improvements	Aug 2016	584	160	-	809	-	809	385 (2)
Dietrick Renovation	Sept 2017	2,000	48	-	5,000	3,300	8,300	948 (3)
Global Business & Analytics Complex Residence Halls	Jun 2019	1,100	-	-	-	84,000	84,000	1,269 (5)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	15,000	9,940	-	15,000	-	15,000	9,940 (6)
Creativity & Innovation District LLC	Oct 2016	44,000	41,623	-	15,880	89,620	105,500	88,324 (7)
New Upper Quad Residence Hall	Jun 2019	3,500	1,654	-	2,000	40,000	42,000	2,488 (8)
<u>Close-Out</u>								
Lane Substation Expansion	Sept 2015	17	17	-	2,000	4,500.00	6,500	3,781 (9)
Student-Athlete Performance Center	Mar 2018	8,400	8,610	-	20,417	-	20,417	19,708 (10)
Athletics Weight Room Renovation & Expansion	Aug 2018	2,000	2,093	-	4,500	-	4,500	4,332 (11)
Planning: Slusher Hall Replacement	Jun 2018	10	9	-	3,500	-	3,500	1,264 (4)
TOTAL AUXILIARY ENTERPRISE PROJECTS		\$ 86,611	\$ 64,253	\$ -	\$ 82,415	\$ 266,110	\$ 348,525	\$ 137,579
GRAND TOTAL		\$ 223,272	\$ 173,446	\$ 465,730	\$ 149,573	\$ 469,685	\$ 1,084,988	\$ 392,951

CAPITAL OUTLAY BUDGET (Continued)

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 November 2021.
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 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 implement the improvements to the outdoor plaza as a non-capital activity supported with private gift receipts.
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. **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.
6. **Creativity & Innovation District Living Learning Community (LLC):** This project is under construction with substantial completion expected August 2021.
7. **New Upper Quad Residence Hall:** The Guaranteed Maximum Price (GMP) construction contract received May 7, 2021 was over budget largely related to escalated materials pricing. The required funding increase of \$2 million reflects a minor change to the budget, which may be approved administratively under the university's tier three Management Agreement with the State. The project is under construction with substantial completion expected August 2023.
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 closed and will be removed from the report at the end of the fiscal year. 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 remain within the authorized budget.
11. **Planning: Slusher Hall Replacement:** This planning project is closed and will be removed at the end of the fiscal year. The university is exploring alternative development approaches to deliver residential beds.