

**Financial Performance Report - Operating and Capital**  
**FINANCE AND RESOURCE MANAGEMENT COMMITTEE**  
**July 1, 2017 to March 31, 2018**

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 2017-18 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.

**OPERATING BUDGET  
2017-18**

Attachment EE

Dollars in Thousands

	July 1, 2017 to March 31, 2018			Annual Budget for 2017-18		
	Actual	Budget	Change	Original	Adjusted	Change
<b>Educational and General Programs</b>						
<b><u>University Division</u></b>						
<b><u>Revenues</u></b>						
General Fund	\$127,796	\$127,796	\$0	\$161,675	\$161,994	\$319 (7)
Tuition and Fees	512,376	510,903	1,473 (1)	501,950	515,701	13,751 (8)
All Other Income	28,381	28,711	-330	39,350	37,879	-1,471 (9)
<b>Total Revenues</b>	<b>\$668,553</b>	<b>\$667,410</b>	<b>\$1,143</b>	<b>\$702,975</b>	<b>\$715,574</b>	<b>\$12,599</b>
<b><u>Expenses</u></b>						
Academic Programs	\$-334,636	\$-334,874	\$238	\$-439,964	\$-447,706	\$-7,742
Support Programs	-190,443	-191,537	1,094 (2)	-263,011	-267,868	-4,857
<b>Total Expenses</b>	<b>\$-525,079</b>	<b>\$-526,411</b>	<b>\$1,332</b>	<b>\$-702,975</b>	<b>\$-715,574</b>	<b>\$-12,599 (7,8,9)</b>
<b>NET</b>	<b>\$143,474</b>	<b>\$140,999</b>	<b>\$2,475</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>CE/AES Division</u></b>						
<b><u>Revenues</u></b>						
General Fund	\$56,072	\$56,072	\$0	\$70,961	\$71,006	\$45
Federal Appropriation	15,104	13,260	1,844 (3)	15,640	15,740	100
All Other Income	1,105	908	197	880	1,120	240
<b>Total Revenues</b>	<b>\$72,281</b>	<b>\$70,240</b>	<b>\$2,041</b>	<b>\$87,481</b>	<b>\$87,866</b>	<b>\$385 (10)</b>
<b><u>Expenses</u></b>						
Academic Programs	\$-63,065	\$-64,397	\$1,332	\$-80,864	\$-81,249	\$-385
Support Programs	-5,185	-5,233	48	-6,617	-6,617	0
<b>Total Expenses</b>	<b>\$-68,250</b>	<b>\$-69,630</b>	<b>\$1,380</b>	<b>\$-87,481</b>	<b>\$-87,866</b>	<b>\$-385 (10)</b>
<b>NET</b>	<b>\$4,031</b>	<b>\$610</b>	<b>\$3,421</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Auxiliary Enterprises</b>						
Revenues	\$290,077	\$289,997	\$80 (4)	\$333,313	\$341,265	\$7,952 (4)
Expenses	-254,230	-262,091	7,861 (4)	-326,617	-368,248	-41,631 (4)
Reserve Drawdown (Deposit)	-35,847	-27,906	-7,941 (4)	-6,696	26,983	33,679 (4)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Sponsored Programs</b>						
Revenues	\$228,430	\$250,830	\$-22,400 (5)	\$344,174	\$344,879	\$705 (11)
Expenses	-233,221	-279,383	46,162 (5)	-344,174	-344,879	-705 (11)
Reserve Drawdown (Deposit)	4,791	28,553	-23,762	0	0	0
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Student Financial Assistance</b>						
Revenues	\$26,180	\$26,487	\$-307	\$25,541	\$26,620	\$1,079 (12)
Expenses	-25,146	-25,693	547	-25,541	-26,620	-1,079 (12)
Reserve Drawdown (Deposit)	-1,034	-794	-240	0	0	0
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>All Other Programs *</b>						
Revenue	\$6,368	\$7,168	\$-800 (6)	\$7,399	\$9,579	\$2,180 (13)
Expenses	-3,331	-4,092	761 (6)	-7,399	-10,034	-2,635 (13)
Reserve Drawdown (Deposit)	-3,037	-3,076	39 (6)	0	455	455 (13)
<b>NET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total University</b>						
Revenues	\$1,291,889	\$1,312,132	\$-20,243	\$1,500,883	\$1,525,783	\$24,900
Expenses	-1,109,257	-1,167,300	58,043	-1,494,187	-1,553,221	-59,034
Reserve Drawdown (Deposit)	-35,127	-3,223	-31,904	-6,696	27,438	34,134
<b>NET</b>	<b>\$147,505</b>	<b>\$141,609</b>	<b>\$5,896</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

**OPERATING BUDGET**

1. Tuition and Fee revenue collections are ahead of historical projections due to the timing of tuition collection.
2. Support program expenditures are lower than projected due to timing of expenses.
3. 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/Agriculture Experiment Station Division was greater than the projected budget due to the timing of federal draw that were requested in 2016-17, but received in 2017-18.
4. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
5. 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 expenses are less than projected. Total sponsored program expenditures are 0.6% greater than March 31, 2017.
6. Revenue and expenses for All Other Programs were less than projected due to timing of revenues and surplus property expense activity.
7. The University Division General Fund revenue budget was increased by \$0.3 million for Health Insurance and other central fund adjustments.
8. At the beginning of the year, the annual budget for Tuition and Fees had been increased \$1.7 million for the finalization of the budgets for tuition and Education & General fees. During the second quarter, the budget for Tuition and Fees had been increased \$8.6 million due to higher than projected undergraduate enrollment for fall semester, lower than projected enrollment in the graduate programs, and a decrease in Summer session revenues. The budget for Tuition and Fees has been increased by \$3.5 million in the third quarter for stronger than projected spring retention and winter session revenues. The corresponding expenditure budgets have been adjusted accordingly.
9. The All Other Income revenue budget for the University Division has been decreased \$1.8 million for budget finalizations in Sales and Services and Continuing Education. The budget for Earmarked Sales and Services has been increased by \$0.2 million for stronger than projected activity in the Equine Medical Center, \$0.15 million for milk sales, \$0.06 million for VA Racing Revenue and decreased by \$0.03 million for miscellaneous self-supporting activities. The corresponding expenditure budgets have been adjusted accordingly.
10. The Cooperative Extension/Agriculture Experiment State Division General Fund revenue budget was increased \$0.05 million for Health Insurance and other central fund adjustments. Federal funds revenue budget was increased \$0.1 million for carryover of unexpended federal Hatch funds. The self-generated revenue budget increased \$0.24 million for greater than projected self-generated revenues. The corresponding expenditure budgets have been adjusted accordingly.
11. The Sponsored Programs revenue and expense budgets were increased \$0.7 million to finalize budgets.
12. During budget finalizations, the Student Financial Assistance general funds revenue and expense budgets were increased \$0.7 million. In the first quarter of 2017-18, the Student Financial Assistance revenue and expenditure budgets were increased \$0.4 million to support enrollment growth beyond the originally planned enrollment growth.
13. The projected annual budget for All Other Programs was increased \$2.2 million to finalize budgets and \$0.45 million for outstanding 2016-17 commitments that were initiated but not completed before June 30, 2017.

**UNIVERSITY DIVISION  
AUXILIARY ENTERPRISES**

Attachment EE

Dollars in Thousands

	July 1, 2017 to March 31, 2018			Annual Budget for 2017-18		
	Actual	Budget	Change	Original	Adjusted	Change
<b>Residence and Dining Halls *</b>						
Revenues	\$115,666	\$114,759	\$907 (1)	\$120,157	\$122,539	\$2,382 (6)
Expenses	-84,002	-85,456	1,454 (1)	-117,364	-124,296	-6,932 (6,7,8,9)
Reserve Drawdown (Deposit)	-31,664	-29,303	-2,361 (1)	-2,793	1,757	4,550 (6,7,8,9)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Parking and Transportation</b>						
Revenues	\$12,665	\$12,490	\$175	\$13,704	\$13,903	\$199 (10)
Expenses	-8,788	-9,915	1,127 (2)	-13,266	-13,854	-588 (8,9,10)
Reserve Drawdown (Deposit)	-3,877	-2,575	-1,302 (2)	-438	-49	389 (8,9,10)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Telecommunications Services</b>						
Revenues	\$17,365	\$18,884	\$-1,519 (3)	\$22,087	\$22,087	\$0
Expenses	-15,532	-17,113	1,581 (3)	-23,161	-24,700	-1,539 (8,9,11)
Reserve Drawdown (Deposit)	-1,833	-1,771	-62	1,074	2,613	1,539 (8,9,11)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>University Services * **</b>						
Revenues	\$48,516	\$47,907	\$609 (4)	\$48,521	\$48,531	\$10 (12)
Expenses	-35,879	-37,597	1,718 (4)	-47,655	-49,919	-2,264 (7,8,9,12)
Reserve Drawdown (Deposit)	-12,637	-10,310	-2,327 (4)	-866	1,388	2,254 (7,8,9,12)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Intercollegiate Athletics *</b>						
Revenues	\$52,569	\$52,341	\$228	\$69,283	\$76,039	\$6,756 (13)
Expenses	-61,479	-61,508	29	-68,903	-77,079	-8,176 (7,8,9,13)
Reserve Drawdown (Deposit)	8,910	9,167	-257	-380	1,040	1,420 (7,8,9,13)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Electric Service *</b>						
Revenues	\$24,099	\$24,913	\$-814 (5)	\$36,061	\$34,720	\$-1,341 (14)
Expenses	-22,578	-24,150	1,572 (5)	-\$35,531	-34,562	969 (8,9,14)
Reserve Drawdown (Deposit)	-1,521	-763	-758 (5)	-530	-158	372 (8,9,14)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Inn at Virginia Tech/Skelton Conf. Center</b>						
Revenues	\$9,515	\$9,473	\$42	\$11,855	\$12,337	\$482 (15)
Expenses	-9,364	-9,394	30	-11,799	-12,299	-500 (7,8,9,15)
Reserve Drawdown (Deposit)	-151	-79	-72	-56	-38	18 (7,8,9,15)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Enterprise Functions ***</b>						
Revenues	\$9,682	\$9,230	\$452	\$11,645	\$11,109	\$-536 (16)
Expenses	-16,608	-16,958	350	-8,938	-31,539	-22,601 (7,8,9,16)
Reserve Drawdown (Deposit)	6,926	7,728	-802	-2,707	20,430	23,137 (7,8,9,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL AUXILIARIES</b>						
Revenues	\$290,077	\$289,997	\$80	\$333,313	\$341,265	\$7,952
Expenses	-254,230	-262,091	7,861	-326,617	-368,248	-41,631
Reserve Drawdown (Deposit)	-35,847	-27,906	-7,941	-6,696	26,983	33,679
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 Services, Center for the Arts, Health Services, Recreational Sports, Student Centers & Activities, 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, Student Athlete Academic Support Services (SAASS), Tailor Shop and Clearing Accounts.

## AUXILIARY ENTERPRISE BUDGET

1. Revenues in Residence and Dining Halls are higher than projected due to residence hall occupancy and self-generated revenue being greater than planned. Expenses are lower than projected due to timing of operating and project expenses.
2. Expenses in Parking and Transportation Services are lower than projected due to timing of operating expenses and Fleet vehicle purchases.
3. Revenues and expenses for Telecommunications Services are lower than projected due to lower than anticipated special project volume.
4. Revenues for the University Services System are higher than projected due to higher than budgeted Health and Recreational Sports program revenues. Expenses are lower than projected due to the timing of Recreational Sports project expenses.
5. Revenue and expenses for the Electric Service auxiliary are lower than projected due to lower than anticipated electricity consumption. Expenses are also lower than projected due to lower than forecasted total cost of purchased electricity.
6. The projected annual revenue, expense, and reserve budgets for Residence and Dining Halls were increased for student enrollment revenue, dining business volume, \$0.67 million in Dining equipment, and \$1.3 million in Residential facility projects. Revenue and expense budgets were decreased for reduced Steger Center enrollment.
7. The projected annual expense and reserve budgets for Auxiliary Enterprises were increased \$0.08 million for state compensation actions for high-turnover positions.
8. The projected annual expense budget for Auxiliary Enterprises was increased \$5.9 million for outstanding 2016-17 commitments and projects that were initiated but not completed before June 30, 2017. This amount includes \$1.0 million for Residence Halls, \$3.2 million in Dining Hall commitments and projects, and \$0.3 million for Electric Service. The remainder is spread across the other auxiliary programs.
9. The projected annual expense and reserve draw budgets for the Auxiliary Enterprises were increased \$0.46 million for the auxiliary share of the state's assessment of a one-time Virginia Retirement System (VRS) investment in 2015 which help contain future VRS actuarial rates.
10. The projected annual revenue, expense, and reserve budgets for Parking and Transportation Services were increased for parking permit sales and operating expenses.
11. The projected annual expense and reserve budgets for Telecommunications Services were increased for enhancement of network security software and Roanoke campus network infrastructure.
12. The projected annual expense and reserve budgets for the University Services System were increased for two additional counseling positions and psychiatric nurse practitioner for Cook Counseling Center, Career and Professional Development personnel, health and recreation sports services in Roanoke, Recreational Sports challenge course, and growth in self-generated revenues.
13. The projected annual revenue budget for Intercollegiate Athletics was increased \$6.8 million to accommodate additional revenue of \$1 million for the football team's participation in the Camping World Bowl, \$3.3 million in self-generated revenue, and \$2.5 million in private fundraising for the Cassell seating project, men's basketball locker room, athlete meals, and indoor practice facility. Annual expense and reserve draw budgets were increased \$8.8 million to accommodate increases of \$0.9 million for coaching staff transitions, athletic contracts, and competitive compensation, \$2.1 million for Camping World Bowl expenses, \$3.1 million for sports expenses, \$0.3 million for operating expenses, \$0.1 million for English Field astroturf, \$0.6 million for Cassell seating project, \$0.5 million for men's basketball locker room project, \$1.4 million for indoor practice facility capital project, and \$0.9 million for videoboards and audio projects. The budget was decreased \$1.1 million for the technical realignment of Student Athlete Academic Support Services.
14. The projected annual revenue and expense budgets for the Electric Services auxiliary were decreased due to lower than projected cost of wholesale electricity.
15. The projected annual revenue, expense, and reserve budgets for the Inn at Virginia Tech and Skelton Conference Center were increased for business volume and facility maintenance.
16. The projected annual revenue, expense, and reserve budget for Other Enterprise Functions were increased for additional business volume in Licensing and Trademark and Software Sales, student affairs operating support, \$22 million internal financing of board approved Athletics facilities improvements project, and scholarship expenses in Licensing and Trademark. The revenue budget was decreased for lower than projected Printing Services business volume.

**CAPITAL OUTLAY PROJECTS**  
**AUTHORIZED AS OF MARCH 31, 2018**  
Dollars in Thousands

PROJECT INITIATED	FISCAL YEAR ACTIVITY		TOTAL PROJECT BUDGET					CUMULATIVE EXPENSES
	ANNUAL BUDGET	YTD EXPENSES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET		
<b>EDUCATIONAL AND GENERAL PROJECTS</b>								
<u>Design Phase</u>								
Improve Kentland Facilities	Sep 2013	\$ 6,000	27	\$ 9,363	\$ -	\$ -	\$ 9,363	\$ 917 (1)
Renovate Undergraduate Science Laboratories	Jul 2016	6,250	921	-	10,000	-	10,000	1,345 (2)
Agriculture Production Facilities	Oct 2016	1,080	260	22,136	-	-	22,136	281 (3)
Chiller Plant Phase II	Oct 2016	4,040	1,221	31,024	-	9,797	40,821	1,277 (4)
Holden Hall Renovation	Oct 2016	3,840	998	44,386	-	17,500	61,886	1,899 (5)
Gas-Fired Boiler at the Central Steam Plant	Apr 2017	3,375	13	-	6,800	-	6,800	13 (6)
Planning: Intelligent Infrastructure and Construction Complex	Apr 2017	2,880	66	-	6,000	-	6,000	66 (7)
Planning: Undergraduate Science Laboratory Building	Jul 2017	2,500	697	-	3,084	-	3,084	697 (8)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	12,860	6,752	20,297	-	-	20,297	12,159 (9)
Academic Buildings Renewal	Sep 2013	18,600	12,175	35,029	-	-	35,029	17,949 (10)
Address Fire Alarm Systems and Access	Jun 2014	1,265	155	4,891	-	-	4,891	3,380 (11)
Health Sciences & Technology	Oct 2016	10,200	3,509	48,307	17,765	23,793	89,865	3,509 (12)
<u>Close-Out</u>								
Classroom Building	Dec 2012	1,050	753	42,652	-	-	42,652	42,355 (13)
Biocomplexity Data Center	Sep 2015	900	495	-	5,900	-	5,900	5,245 (14)
Eastern Shore AREC Storage Building	Apr 2016	381	324	-	535	-	535	478 (15)
<b>TOTAL EDUCATIONAL AND GENERAL PROJECTS</b>		<b>\$ 75,221</b>	<b>28,367</b>	<b>\$ 258,085</b>	<b>\$ 50,084</b>	<b>\$ 51,090</b>	<b>\$ 359,259</b>	<b>\$ 91,569</b>

**CAPITAL OUTLAY BUDGET****Educational and General Projects**

1. This project is to provide a metabolism research laboratory, an applied reproduction facility, and a building for animal demonstration, handling, and holding spaces. Bid efforts in 2016 and 2017 were more than ten percent over budget. The university will rebid in June 2018 under a modified bid package and more aggressive outreach effort. The annual budget will be underspent because it anticipated a construction start in fall 2017.
2. This project will renovate seven laboratories within Derring Hall and Hahn Hall for undergraduate science laboratory classes in biology, chemistry, physics, and microbiology. The project was bid in December 2017 and received no responses. The project will be rebid in June 2018 under a modified bid package and more aggressive outreach effort. The annual budget will be underspent because it anticipated a construction start in January 2018.
3. This project is for the first of two phases to renew the existing facilities for the livestock and poultry programs. This first phase includes an approximate total scope of 126,000 gross square feet of new and renovated facilities at the Blacksburg campus and three nearby university production and research farms. Schematic design is nearing completion with preliminary design starting in April 2018. The annual budget will be underspent because design has progressed slower than projected.
4. This project continues the strategic infrastructure advancements initiated by the Chiller Plant, Phase I project. Phase II includes the upgrade of campus utility systems and addresses several strategic needs for shifting the campus to a lower resource consuming cooling service with improved redundancies. Preliminary design is underway with working drawings expected to start May 2018. The annual budget will be underspent because design has progressed slower than projected.
5. This project is for a complete renovation and 60,000 gross square foot expansion of Holden Hall to accommodate the instruction and research programs of Materials Science and Engineering, Mining and Minerals Engineering, and Computer Science Engineering. Preliminary design is underway.
6. This project will design, purchase, and install a new Gas-Fired Boiler within the Central Steam Plant. Preliminary design is underway. The annual budget will be underspent because design has progressed slower than projected.
7. This planning project is for Hitt Hall, the Fusion Laboratories, and the Smart Dining Center. The total project funding plan calls for \$50 million to cover the three programs. Criteria document development for Design-Build is underway. The annual budget will be underspent because design has progressed slower than projected.
8. This planning project is for an entirely state funded 102,000 gross square foot science laboratory building adjacent to the new classroom building. The university is temporarily funding the project and will be reimbursed by the state once construction funding is appropriated. Schematic design is underway. The annual budget will be underspent because design has progressed slower than projected.
9. The state maintenance reserve program requires a biennial budget expenditure of 85 percent, which is \$17.3 million of cumulative expenses by June 30, 2018. The annual budget amount reflects the spending level required to slightly exceed the performance requirement.
10. This project is for the renovation of Davidson Hall-Front Section, Sandy Hall, and the Liberal Arts Building. The project is under construction with substantial completion expected in summer 2018.
11. This project supports progress on fire alarm systems and accessibility improvements for E&G buildings. The final two projects, Norris Hall and Litton Reaves Hall, are underway with anticipated completion summer 2018.
12. This project is being delivered under a Public Private Partnership with Carilion Clinic and is located adjacent to the existing Virginia Tech-Carilion Research Institute facility in Roanoke, Virginia. Construction is underway and on schedule for an expected completion date of March 2019. The annual budget will be underspent because construction invoices are slower than expected.
13. The project is complete and occupied since August 2016. The project may be closed and financial accounts terminated when final invoices are received and paid.
14. The project is complete and occupied since July 2017. The project may be closed and financial accounts terminated when final invoices are received and paid.
15. The project is complete and occupied since August 2017. The project may be closed and financial accounts terminated when final invoices are received and paid.

## Capital Outlay Projects Authorized as of March 31, 2018 (Continued)

Dollars in Thousands

PROJECT INITIATED	FISCAL YEAR ACTIVITY		TOTAL PROJECT BUDGET					
	ANNUAL BUDGET	YTD EXPENSES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENSES	
<b>AUXILIARY ENTERPRISE PROJECTS</b>								
<u>Design Phase</u>								
Student Wellness Improvements	Jun 2016	\$ 2,259	943	\$ -	\$ 6,010	\$ 56,990	\$ 63,000	\$ 1,469 (1)
Creativity & Innovation District Residence Hall	Oct 2016	3,200	102	-	-	26,818	26,818	357 (2)
Dietrick First Floor and Plaza Renovation	Sept 2017	500	3	-	5,000	2,000	7,000	3 (3)
ACC Network Studio	Mar 2018	250	0	-	-	10,000	10,000	- (4)
Student-Athlete Performance Center	Mar 2018	250	0	-	15,165	-	15,165	- (5)
Commonwealth Ballroom Improvements	Mar 2018	200	0	-	3,246	-	3,246	- (6)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	7,000	6,627	-	7,000	-	7,000	6,627 (7)
Lane Substation Expansion	Sept 2015	4,000	1,758	-	2,000	4,500	6,500	2,485 (8)
O'Shaughnessy Renovation	Apr 2016	16,000	10,713	-	8,867	12,633	21,500	12,944 (9)
Athletic Facilities Improvements	Aug 2016	20,000	23,880	-	37,500	-	37,500	29,976 (10)
<u>Close-Out</u>								
Unified Communications & Network Renewal	Apr 2012	1,637	727	-	9,564	6,944	16,508	15,598 (11)
Upper Quad Residential Facilities	May 2013	4,668	4,946	-	35,671	53,729.00	89,400	88,042 (12)
Residential Door Access Improvements	Dec 2015	757	462	-	7,735	-	7,735	7,440 (13)
TOTAL AUXILIARY ENTERPRISE PROJECTS		\$ 60,721	50,160	\$ -	\$ 137,758	\$ 173,613	\$ 311,372	\$ 164,941
GRAND TOTAL		\$ 135,942	78,527	\$ 258,085	\$ 187,842	\$ 224,703	\$ 670,630	\$ 256,510



**Auxiliary Enterprises Projects**

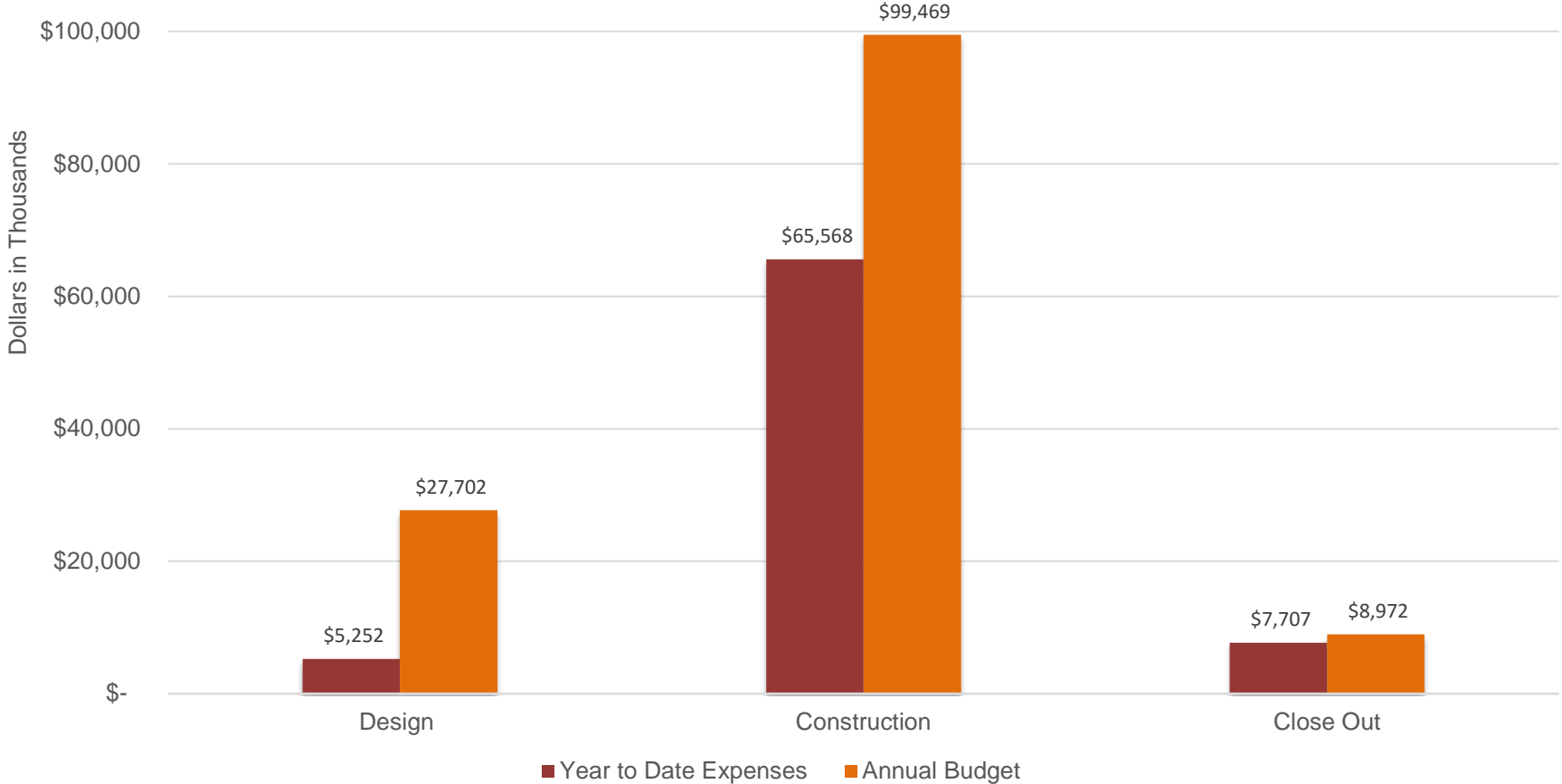
1. This project includes improvements to War Memorial Hall for Cook Counseling; Hokie Wellness; Recreational Sports; Human Nutrition, Foods, and Exercise; and the School of Education. The scope includes deferred maintenance, code requirements, and installing air conditioning. Renovations to Schiffert Health Center in McComas Hall are included to convert the area vacated by counseling services to accommodate student health services. Schematic design is underway.
2. This project is planning a new residential community with approximately 596 beds, including 176 beds for student-athletes, and academic collaborative spaces to support creativity and innovation programs. Schematic design is underway to finalize the scope, size, and shape to fit within a \$105.5 million total project budget and schedule for a summer 2021 opening. The current project authorization reflects a traditional 350 bed residential program. The authorization will need a future adjustment based on the results of the programming study.
3. This project includes refurbishing the first floor of Dietrick Hall, inserting a modern food service venue, enclosing 6,400 gross square feet of overhang, and improvements to the outdoor plaza. Schematic design is underway with occupancy expected fall 2019.
4. This project includes improvements and expansion of broadcasting facilities to support the new ACC Network channel to be launched fall 2019. The project was authorized March 26, 2018 and is inserted as a new item in the report for the third quarter. Programming is underway with occupancy expected spring 2019.
5. This project includes a complete renovation of the fourth floor of the Jamerson Center, construction of a balcony cantilevered from the fourth floor, and a new elevator tower. The project was authorized March 26, 2018 and is inserted as a new item in the report for the third quarter. Schematic design is underway with occupancy expected in the first calendar quarter of 2021.
6. This project refurbishes and updates outdated and nonfunctioning lighting systems, stage systems, ceiling tiles, and air handlers. Installation of a Skyfold dividing wall will increase usage capabilities of the Commonwealth Ballroom. The project was authorized March 26, 2018 and is inserted as a new item in the report for the third quarter. Construction is expected to start October 2018 with occupancy expected March 2019.
7. Projects are scheduled and funded by the auxiliary enterprises during the annual Auxiliary Enterprise budgeting process. 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 scheduled maintenance reserve work for fiscal year 2018. The auxiliary maintenance reserve program covers 104 assets with a total replacement value of \$1.1 billion.
8. This project expands the Substation on Innovation Drive. The project includes the purchase and installation of two 28,000 kilovolt-amperes (kVA) transformers, two circuit switchers, six distribution reclosers with space for an additional four reclosers, a control house and associated relay, and control equipment. Construction is underway with completion expected summer 2019.
9. This project will update O'Shaughnessy Hall's interior; mechanical, electrical, and plumbing systems; elevators; address other deferred maintenance items as needed; and installing air conditioning. Improvements include converting O'Shaughnessy into a living-learning community to modernize the residential program. Construction started late spring 2017 with occupancy expected fall 2018.
10. This project includes construction improvements to Rector Field House and the Baseball Facilities and feasibility studies for an athletic nutrition center and tennis facilities improvements. The feasibility studies are complete. Construction for Rector Field House and Baseball Facilities is nearly complete and are in use under a temporary certificate of occupancy. Year-to-date expenses exceeded the annual budget because invoices expected in fiscal year 2017 arrived in fiscal year 2018. Resources are available and sufficient to cover the shifted cash outflows, and total expenditures and commitments are within the authorized budget.
11. This project is substantially complete. The total cost is expected to be \$16.508 million. The project may be closed and financial accounts terminated when final invoices are received and paid.
12. This project is substantially complete. The total cost is expected to be \$89.4 million. The project may be closed and financial accounts terminated when final invoices are received and paid. Year-to-date expenses exceeded the annual budget because invoices expected in fiscal year 2017 arrived in fiscal year 2018. Resources are available and sufficient to cover the shifted cash outflows, and total expenditures and commitments are within the authorized budget.
13. This project is substantially complete. The total cost is expected to be \$7.735 million. The project may be closed and financial accounts terminated when final invoices are received and paid.

**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, 2017 through March 31, 2018 and the Capital Outlay report be approved.

June 4, 2018

### Project Expenses by Activity Third Quarter



# Financial Performance Report

June 4, 2018

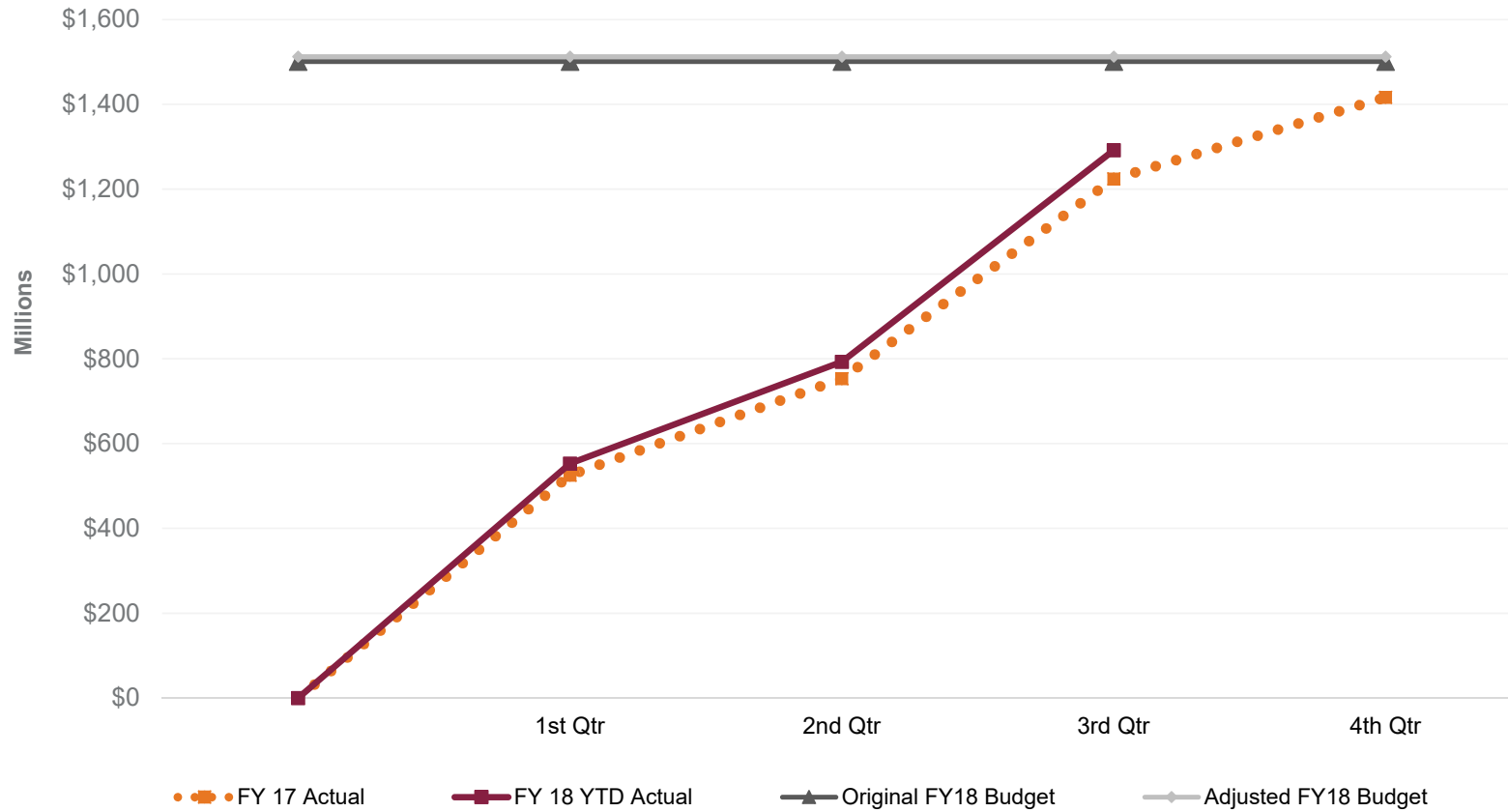
**TIM HODGE,  
ASSOCIATE VICE PRESIDENT FOR BUDGET AND  
FINANCIAL PLANNING**

**BOB BROYDEN,  
ASSOCIATE VICE PRESIDENT FOR CAPITAL ASSETS AND  
FINANCIAL MANAGEMENT**



# Operating Revenue

## 2016-17 VS 2017-18

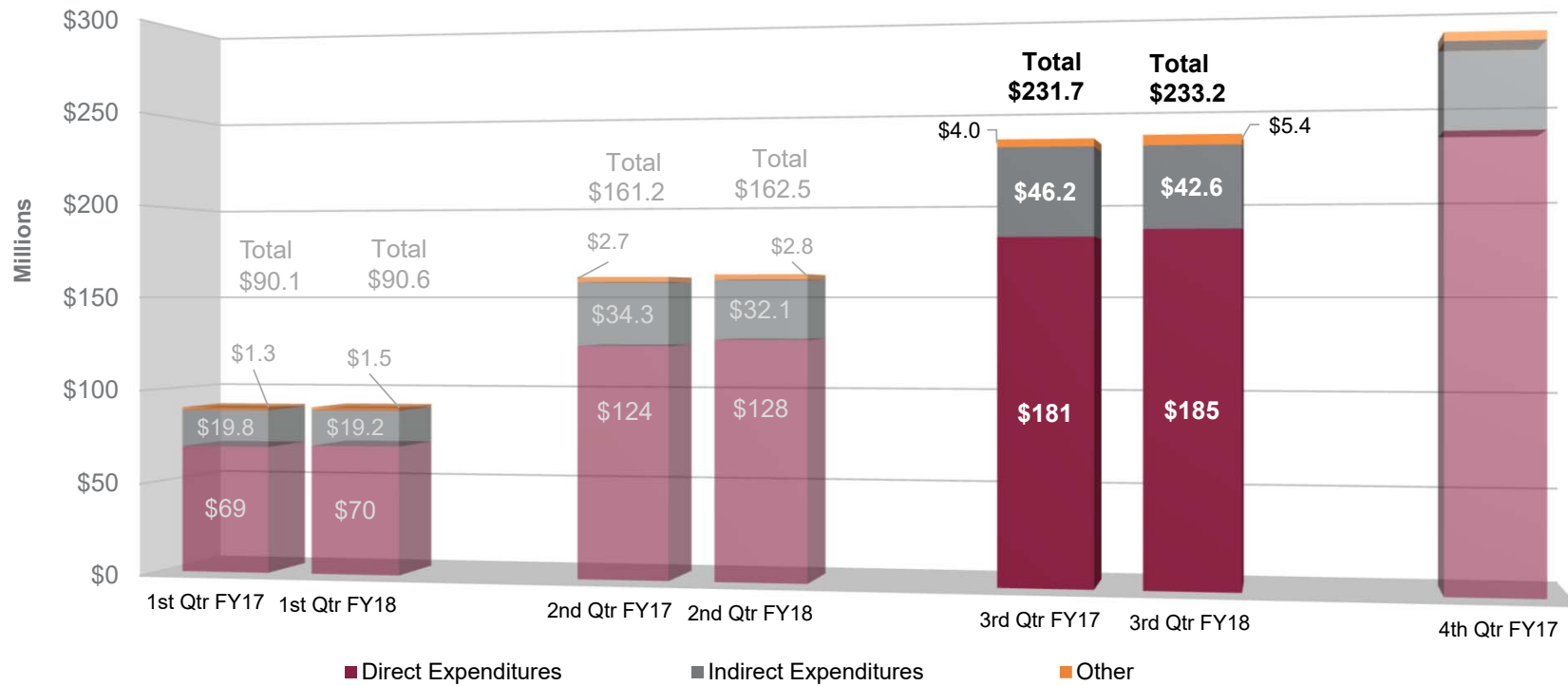


# ***Educational & General Budget***

- **University Division**
  - Tuition and Fee: \$3.5 million increase for stronger than projected spring retention and winter session activity.
  - Equine Medical Center: \$0.2 million increase for higher than projected patient load.
  - Milk and Cattle Sales: \$0.1 million increase for stronger than projected self-supporting activity.
  - Virginia Racing Revenue: \$0.1 million increase for stronger than projected racing revenue.
- **Cooperative Extension/Agricultural Experiment Station (CE/AES)**
  - Self-generated revenue: \$0.2 million increase for stronger than projected milk, timber and miscellaneous extension revenue.
  - Federal: \$0.1 million increase for drawdown of Federal carryover funds.

# Sponsored Program Expenditures

## 2016-17 VS 2017-18

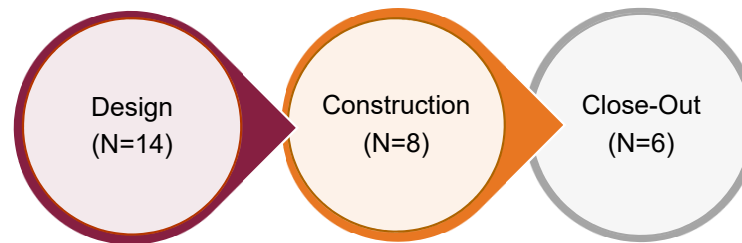


\*Other includes Enterprise Funds, Royalty, and Research Ancillary Activity

# *Auxiliary Enterprises*

- Annual Budgets
  - Residential & Dining: increased facility improvements \$1.3 million; equipment \$0.7 million
  - Printing Services: decreased business volume (\$0.8 million)
  - Intercollegiate Athletics
    - Increased Sports Operating \$2.6 million; Facility Projects \$1.6 million
    - Financial plan in place
- Financial Performance
  - Residence and Dining Halls: higher than budgeted occupancy
  - Telecommunications: lower than projected project volume
  - Electric: lower than projected electricity sales
  - Other activities are performing as planned

# Capital Outlay

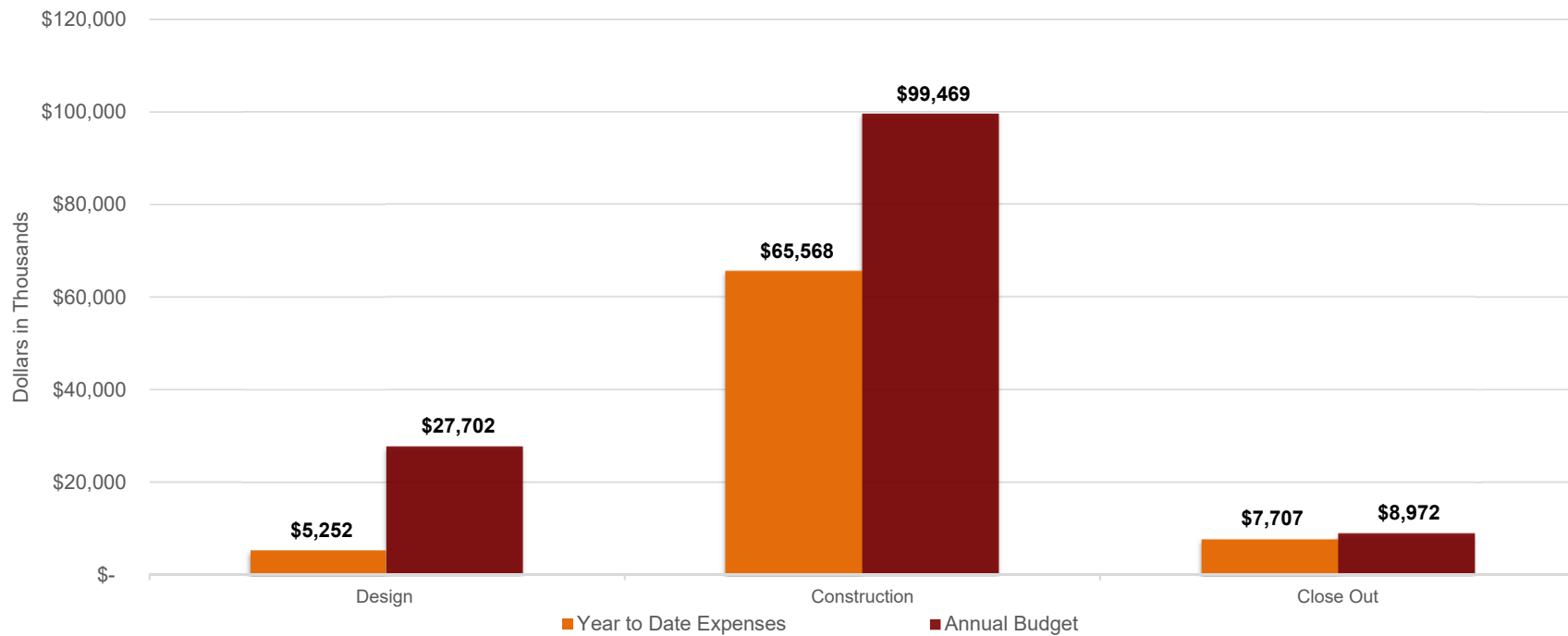


- Total capital program level currently authorized
  - \$671 million over multiple years
- Cumulative program expenses
  - \$257 million inception-to-date
- All spending and commitments are within authorized budgets



# Project Expenses by Activity Third Quarter

(dollars in thousands)



*\*This graph depicts expenses in each of the separate phases of Design, Construction, and Close Out of the capital projects.*

# Capital Outlay

Planning Activity Underway	Expected Construction
▪ ACC Network Studio	July 2018
▪ Renovate Undergraduate Science Laboratories	July 2018
▪ Improve Kentland Facilities	August 2018
▪ Commonwealth Ballroom Improvements	October 2018
▪ Dietrick First Floor and Plaza Renovation	December 2018
▪ Student-Athlete Performance Center	December 2018
▪ Chiller Plant, Phase II	January 2019
▪ Gas Fired Boiler	January 2019
▪ Student Wellness Improvements	February 2019
▪ Agriculture Production Facilities	February 2019
▪ Holden Hall Renovation	March 2019
▪ Creativity and Innovation Residence Hall	June 2019
▪ Undergraduate Science Laboratory Building	July 2019
▪ Intelligent Infrastructure and Construction Complex	April 2020

# *Capital Outlay*

Major Construction Spending	Expected Occupancy
▪ Athletic Facilities Improvements	April 2018
▪ Academic Buildings Renewal	August 2018
▪ O'Shaughnessy Renovation	August 2018
▪ Lane Substation Improvements	July 2019
▪ Health Sciences and Technology	December 2020

# Summary

- Operating Budget
  - On track
- Capital Projects
  - All spending and commitments are within authorized budgets

## **RECOMMENDATION:**

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June 4, 2018