

Financial Performance Report - Operating and Capital

FINANCE AND AUDIT COMMITTEE

July 1, 2015 to June 30, 2016

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 Audit 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 2015-16 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
2015-16**

Attachment J

Dollars in Thousands

	July 1, 2015 to June 30, 2016			Annual Budget for 2015-16		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
<u>University Division</u>						
Revenues						
General Fund	\$153,815	\$153,815	\$0	\$153,336	\$153,816	\$480 (10)
Tuition and Fees	462,890	462,241	649	445,747	462,241	\$16,494 (11)
All Other Income	40,797	41,687	-890	40,333	41,687	\$1,354 (12)
Total Revenues	\$657,502	\$657,744	\$-241	\$639,416	\$657,744	\$18,328
Expenses						
Academic Programs	\$-409,035	\$-406,264	\$-2,771 (1)	\$-403,330	\$-406,264	\$-2,934
Support Programs	-248,449	-251,480	3,031 (2)	-236,086	-251,480	-15,394
Total Expenses	\$-657,483	\$-657,744	\$260	\$-639,416	\$-657,744	\$-18,328 (10,11,12)
NET	\$19	\$0	\$19 (3)	\$0	\$0	\$0
<u>CE/AES Division</u>						
Revenues						
General Fund	\$68,487	\$68,487	\$0	\$68,509	\$68,487	\$-22 (13)
Federal Appropriation	13,700	17,176	-3,476 (4)	15,643	17,176	1,533 (14)
All Other Income	1,230	1,220	10	892	1,220	328 (15)
Total Revenues	\$83,417	\$86,883	\$-3,466	\$85,044	\$86,883	\$1,839
Expenses						
Academic Programs	\$-79,729	\$-79,976	\$247	\$-78,105	\$-79,976	-1,871
Support Programs	-6,478	-6,907	429 (5)	-6,939	-6,907	32
Total Expenses	\$-86,207	\$-86,883	\$676	\$-85,044	\$-86,883	\$-1,839 (13,14,15)
NET	\$-2,790	\$0	\$-2,790 (6)	\$0	\$0	\$0
Auxiliary Enterprises						
Revenues	\$317,673	\$316,842	\$831 (7)	\$308,818	\$316,842	\$8,024 (7)
Expenses	-320,777	-341,135	20,358 (7)	-303,366	-341,135	-37,769 (7)
Reserve Drawdown (Deposit)	3,104	24,293	-21,189 (7)	-5,452	24,293	29,745 (7)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Sponsored Programs						
Revenues	\$307,947	\$337,972	\$-30,025 (8)	\$337,972	\$337,972	\$0
Expenses	-277,971	-337,972	60,001 (8)	-337,972	-337,972	0
Reserve Drawdown (Deposit)	-29,976	0	-29,976	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
Student Financial Assistance						
Revenues	\$21,663	\$21,842	\$-179	\$20,517	\$21,842	\$1,325 (16)
Expenses	-21,664	-21,852	188	-20,517	-21,852	-1,335 (16)
Reserve Drawdown	1	10	-9	0	10	10 (16)
NET	\$0	\$0	\$0	\$0	\$0	\$0
All Other Programs *						
Revenue	\$7,606	\$7,492	\$114	\$7,941	\$7,492	\$-449 (17)
Expenses	-5,124	-7,474	2,350 (9)	-7,941	-7,474	467 (17)
Reserve Drawdown (Deposit)	-2,482	-18	-2,464	0	-18	-18 (17)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Total University						
Revenues	\$1,395,808	\$1,428,775	\$-32,966	\$1,399,708	\$1,428,775	\$29,067
Expenses	-1,369,226	-1,453,060	83,833	-1,394,256	-1,453,060	-58,804
Reserve Drawdown (Deposit)	-29,353	24,285	-53,638	-5,452	24,285	29,737
NET	\$-2,771	\$0	\$-2,771	\$0	\$0	\$0

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

OPERATING BUDGET

1. Academic Program expenditures exceed projections due to higher than projected activity in Continuing Education programs.
2. Support Program expenditures are lower than projected due to the timing of library serial payments, utility savings and timing of one-time physical plant projects.
3. While the Commonwealth requires that revenue and expenses be balanced for Educational and General Programs, year-end balances are possible for continuing education programs.
4. The budget for federal revenue is established to match projected allotments from the federal government that are expected to be drawn down during the state fiscal year. All expenses in federal programs are covered by drawdowns of federal revenue up to allotted amounts. Federal revenue in the Cooperative Extension/Agriculture Experiment Station Division was less than the projected budget due to the timing of receipt of federal drawdowns.
5. Support program expenditures are lower than historical projections due to timing of operating expenses.
6. While the Commonwealth requires that revenue and expenses be balanced for Educational and General Programs, variances in federal funds are possible due to the timing differences between drawdowns and expenses.
7. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
8. Historical patterns have been used to develop a measure of the revenue and expenditure activity for Sponsored Programs. Actual revenues and expenses may vary from the budget estimates because projects are initiated and concluded on an individual basis without regard to fiscal year. The annual budget was based on a 12-15% growth over the prior year. Total sponsored research revenues and expenses are less than budgeted, yet total sponsored research revenues are 2.3% greater than 2014-15 levels while expenditures are 4.7% below June 30, 2015 mainly due to extraordinary facility projects expenditures in 2014-15.
9. Expenses for All Other Programs were less than projected due to timing of Surplus Property expense activity and timing of projects.
10. The General Fund revenue budget has been increased \$806,483 for the 2015-16 central appropriation distribution and \$31,116 for the Virginia Interlibrary Loan Program. It has been decreased \$65,069 for a supplemental adjustment to the central appropriation distribution and \$293,456 for finalization of the state budget. The corresponding expenditure budgets have been adjusted accordingly.
11. The annual budget for Tuition and Fees has been decreased \$418,980 for the finalization of the budgets for tuition and E&G fees. It was increased \$12.4 million for strong fall enrollment and \$4.5 million for stronger than projected spring retention, earmarked fee revenue and nongeneral fund financial aid activity. The corresponding expenditure budgets have been adjusted accordingly.
12. The All Other Income revenue budget for the University Division has been decreased \$15,000 for budget finalizations and increased \$700,000 for stronger than projected Veterinary Teaching Hospital revenues, \$16,000 for higher than projected activity in the Child Development Lab. \$400,000 for stronger than projected activity in the Equine Medical Center, \$176,000 for miscellaneous fees & other income, and \$77,391 for VA Racing Revenue. The corresponding expenditure budgets have been adjusted accordingly.
13. The General Fund revenue budget was decreased \$21,785 for adjustments to the state central fund distribution. The corresponding expenditure budgets have been adjusted accordingly.
14. The Federal revenue budget in the Cooperative Extension/Agricultural Experiment Station Division has been increased \$1.5 million for the carryover of unexpended federal funds and revised calculation of federal formula funds.
15. The All Other Income revenue budget was increased by \$29,000 for HABB1 cell tower revenue and \$298,500 for greater than projected self generated revenues. The corresponding expenditure budgets have been adjusted accordingly.
16. The projected year-end revenue and expense budgets for Student Financial Assistance were increased \$404,000 for the two-year College Transfer Grant, \$72,210 for the VA Military Survivors and Dependent Program, \$849,000 for a technical accounting change, and \$9,895 for balances from the prior year.
17. The projected annual budgets for All Other Programs were increased \$284,341 to finalize budgets and decreased for a realignment of financial aid. The expense budget was increased \$655,019 for outstanding 2014-15 commitments that were initiated but not completed before June 30, 2015.

**UNIVERSITY DIVISION
AUXILIARY ENTERPRISES**

Attachment J

Dollars in Thousands

	July 1, 2015 to June 30, 2016			Annual Budget for 2015-16		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls *						
Revenues	\$115,755	\$114,590	\$1,165 (1)	\$112,712	\$114,590	\$1,878 (9)
Expenses	-121,855	-128,711	6,856 (1)	-109,647	-128,711	-19,064 (9,10)
Reserve Drawdown (Deposit)	6,100	14,121	-8,021 (1)	-3,065	14,121	17,186 (9,10)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Parking and Transportation						
Revenues	\$12,359	\$13,297	\$-938 (2)	\$13,353	\$13,297	\$-56 (11)
Expenses	-12,764	-14,411	1,647 (2)	-13,595	-14,411	-816 (10,11)
Reserve Drawdown (Deposit)	405	1,114	-709	242	1,114	872 (10,11)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications Services						
Revenues	\$20,309	\$20,632	\$-323	\$19,110	\$20,632	\$1,522 (12)
Expenses	-20,264	-22,304	2,040 (3)	-18,977	-22,304	-3,327 (10,12)
Reserve Drawdown (Deposit)	-45	1,672	-1,717 (3)	-133	1,672	1,805 (10,12)
Net	\$0	\$0	\$0	\$0	\$0	\$0
University Services * **						
Revenues	\$44,229	\$43,629	\$600 (4)	\$43,489	\$43,629	\$140 (13)
Expenses	-41,018	-44,181	3,163 (4)	-42,571	-44,181	-1,610 (10,13)
Reserve Drawdown (Deposit)	-3,211	552	-3,763 (4)	-918	552	1,470 (10,13)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Intercollegiate Athletics *						
Revenues	\$67,366	\$67,449	\$-83	\$60,659	\$67,449	\$6,790 (14)
Expenses	-71,859	-73,059	1,200 (5)	-58,320	-73,059	-14,739 (10,14)
Reserve Drawdown (Deposit)	4,493	5,610	-1,117 (5)	-2,339	5,610	7,949 (10,14)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Electric Service *						
Revenues	\$35,057	\$35,176	\$-119	\$37,962	\$35,176	\$-2,786 (15)
Expenses	-33,837	-36,070	2,233 (6)	-39,790	-36,070	3,720 (10,15)
Reserve Drawdown (Deposit)	-1,220	894	-2,114 (6)	1,828	894	-934 (10,15)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Inn at Virginia Tech/Skelton Conf. Center						
Revenues	\$11,692	\$11,574	\$118 (7)	\$11,249	\$11,574	\$325 (16)
Expenses	-11,400	-11,684	284 (7)	-11,205	-11,684	-479 (10,16)
Reserve Drawdown (Deposit)	-292	110	-402 (7)	-44	110	154 (10,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Other Enterprise Functions ***						
Revenues	\$10,906	\$10,495	\$411 (8)	\$10,284	\$10,495	\$211 (17)
Expenses	-7,780	-10,715	2,935 (8)	-9,261	-10,715	-1,454 (10,17)
Reserve Drawdown (Deposit)	-3,126	220	-3,346 (8)	-1,023	220	1,243 (10,17)
Net	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AUXILIARIES						
Revenues	\$317,673	\$316,842	\$831	\$308,818	\$316,842	\$8,024
Expenses	-320,777	-341,135	20,358	-303,366	-341,135	-37,769
Reserve Drawdown (Deposit)	3,104	24,293	-21,189	-5,452	24,293	29,745
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) and Tailor Shop.

AUXILIARY ENTERPRISE BUDGET

1. Revenues in Residence and Dining Halls are higher than projected due to greater than anticipated housing occupancy, summer conferences, and Dining self-generated revenue. Expenses in Residence and Dining Halls are lower than projected due to timing of operating expenses, one-time facility improvement projects, and replacement of furniture and equipment normally scheduled during the summer months.
2. Revenues and expenses in Parking and Transportation Services are lower than projected due to lower than forecasted Fleet Services business volume.
3. Expenses in Telecommunications Services are lower than projected due to the timing of special projects related to campus telecommunication projects.
4. Revenues for the University Services System are higher than projected due to higher than budgeted student enrollment. Expenses are lower than projected due to the timing of operating expenses and union facility projects scheduled for summer months.
5. Expenses for Intercollegiate Athletics are lower than projected due to the timing of operating expenses and one-time sports facility projects.
6. Expenses for Electric Service are also lower due to lower than forecasted total cost of purchased electricity as well as the timing of items ordered but not yet received thus not paid at fiscal year-end.
7. Revenue for the Inn at Virginia Tech and Skelton Conference Center are higher than projected due to higher than forecasted business volume. Expenses are lower than projected due to the timing of one-time facility projects in progress.
8. Revenues for Other Enterprise Functions are higher than projected due to higher than forecasted business volume in New Student and Family Programs, Licensing and Trademark, and Software Sales. Expenses are lower than projected due to timing of operating expenses and lower than anticipated Printing Services business volume.
9. The projected annual revenue, expense, and reserve budgets for Residence and Dining Halls were increased for dining business volume, student enrollment revenue, state compensation actions (high-turnover), expanded dining facility hours, increased dining wage rates, facility planning, residential mail services support, \$2.5 million for East Eggleston renovation project, \$7.7 million for residence halls electronic door access project, the receipt of \$468,317 from a dining vendor settlement, and Residence Hall projects.
10. The projected annual expense budget for Auxiliary Enterprises was increased for \$10.5 million in outstanding 2014-15 commitments and projects that were initiated but not completed before June 30, 2015. This amount includes \$926,873 for Athletics, \$3.1 million for Residence Halls, and \$2.2 million in Dining Hall commitments and projects. The remainder is spread across the other auxiliary programs.
11. The projected annual revenue for Parking and Transportation were decreased for business volume in Parking Services. The expense and reserve budgets for Parking and Transportation were increased for parking gate software, snow removal costs, and project management costs.
12. The projected annual revenue, expense, and reserve budgets for Telecommunications Services were increased for project business volume and equipment refreshment. Annual expense and reserve budgets were increased \$824,000 to supplant a portion of the previously authorized external debt with internal financing for the Unified Communications project.
13. The projected annual revenue, expense, and reserve budgets for the University Services System were increased for student enrollment revenues, state compensation actions (high-turnover), health services counselor, health services general practitioner, increased student organizations funding, professional development for health services personnel, Recreational Sports field equipment, and project planning for Smith Career Center.
14. The projected annual revenue budget for Intercollegiate Athletics was adjusted \$6.8 million to accommodate additional revenue of \$2.0 million from football ticket sales, \$215,000 from private gifts, \$180,000 from basketball courtside seat sales, \$167,000 for basketball tickets, \$100,000 from basketball receivable guarantees, \$18,000 from licensing, \$95,000 from merchandise activities, \$200,000 for student enrollment, \$1.0 million from the football team's participation in the Independence Bowl, and \$2.8 million for Indoor Practice Facility capital project fundraising. These increases were partially offset by decreased revenue of \$293,000 from men's basketball season ticket sales. Annual expense and reserve draw budgets were increased \$13.8 million to accommodate \$3.8 million for primarily one-time football coaching staff transition costs, \$2.8 million for privately funded Indoor Practice Facility capital project expenses, \$1.7 million for Independence Bowl expenses, \$3.0 million for capital project planning associated with facility improvements, \$350,000 for Cassell Coliseum arena renovation, \$141,000 for men and women's basketball payable guarantees, \$300,000 for travel, \$180,000 for sports equipment, \$208,000 for game officials, \$150,000 for medical service provider, \$225,000 for athlete food and dietary supplies, \$200,000 for moving expenses, \$200,000 for service equipment agreement, and \$551,000 for ongoing operational needs.
15. The projected annual revenue and expense budgets for the Electric Services auxiliary were decreased for reduced 2015-16 cost of wholesale electricity and the associated reduction in customers' rates. Annual expense and reserve budgets were increased for one-time equipment purchases and planned reserve restoration.
16. The projected annual revenue, expense, and reserve budgets for the Inn at Virginia Tech and Skelton Conference Center were increased for business volume.
17. The projected annual revenue, expense, and reserve budgets for Other Enterprise Functions were adjusted for increased business volume in New Student Programs, licensing contracts in Software Sales, scholarship awards, equipment and professional development in Student Athlete Academic Services Support, increased scholarship expenses in Licensing and Trademark, scholarship transfer, and Hokie Passport Services smart card conversion.

**CAPITAL OUTLAY PROJECTS
AUTHORIZED AS OF JUNE 30, 2016**

Dollars in Thousands

	CURRENT YEAR			TOTAL PROJECT BUDGET					
	ORIGINAL ANNUAL BUDGET	REVISED ANNUAL BUDGET	YTD EXPENSES	STATE SUPPORT	GENERAL OBLIGATION BOND	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENSES
Educational and General Projects									
<u>Educational and General Maintenance Reserve</u>									
Maintenance Reserve	9,038	10,040	10,029	17,728	0	0	0	17,728	16,187 (1)
<u>Design Phase</u>									
Academic Buildings Renewal	6,750	2,500	1,073	27,389	0	0	0	27,389	2,430 (2)
BI Data Center Expansion	0	500	325	0	0	5,900	0	5,900	325 (3)
Improve Kentland Facilities	1,020	1,000	473	8,618	0	0	0	8,618	682 (4)
Planning: Corps Leadership & Military Science Building	0	500	725	0	0	2,100	0	2,100	725 (5)
Planning: Eastern Shore AREC Storage Building	0	20	0	0	0	46	0	46	0 (6)
Planning: Renovate Undergraduate Science Laboratories	0	0	0	0	0	600	0	600	0 (7)
<u>Construction Phase</u>									
Address Fire Alarm Systems and Access Classroom Building	2,140	2,140	1,335	4,891	0	0	0	4,891	2,026 (8)
Classroom Building	24,000	24,000	22,341	42,652	0	0	0	42,652	32,010 (9)
<u>Close-Out</u>									
Human & Agricultural Biosciences Building I	209	533	520	53,759	0	0	0	53,759	53,746 (10)
Marching Virginians Practice Facility	1,261	1,748	1,689	0	0	4,750	0	4,750	4,691 (11)
McBryde 100 Classroom Renovation	2,300	2,297	1,980	0	0	2,800	0	2,800	2,483 (12)
Renovate Davidson Hall, Phase I	340	332	281	32,003	0	0	0	32,003	31,952 (13)
Signature Engineering Building	3,393	4,502	1,115	47,609	0	18,650	28,959	95,218	91,832 (14)
TOTAL	50,451	50,112	41,887	234,649	0	34,846	28,959	298,454	239,090

Educational and General Projects

1. The current year and total project budget amounts reflect the balance of maintenance reserve appropriation carried forward from fiscal year 2015 and the state's fiscal year 2016 allocation of \$8.531 million of Maintenance Reserve funds. The annual budget was adjusted in the fourth quarter to reflect full appropriation allotments. The amount of cumulative expenditures exceeds the state required 85 percent performance requirement.
2. This project is for the renovation of three academic buildings located in the core of main campus bordering the Drillfield: Davidson Hall-Front Section, Sandy Hall, and the Liberal Arts Building. The state authorized design funding effective July 2013 and construction funding effective July 2015. The \$27.389 million amount reflects the total project less equipment funding which is allocated separately after the start of construction. The project was hard bid in May 2016 and the low bid reflects a \$4.4 million cost overrun above the authorized budget. The university is working with the Commonwealth to obtain a General Fund supplement to advance the project to construction.
3. This project will establish a new high performance data center within the existing Biocomplexity Institute's facilities. The Design-Build contract has been signed and construction is anticipated to begin in August with the data center ready for use by March 2017. The annual budget was established in the first quarter to reflect the project's approval to move forward at the August 2015 Board of Visitors meeting.
4. This project is to provide a metabolism research laboratory, an applied reproduction facility, and a building for animal demonstration, handling, and holding spaces. The state authorized design funding effective July 2013 and construction funding effective July 2015. The \$8.618 million amount reflects the total project less equipment funding which is allocated separately after the start of construction. Working Drawings are under review with an anticipated start of construction in late fall 2016. An early site package for the Applied Reproduction Facility has been halted because of contractor performance.
5. This project is to plan a new 60,500 gross square foot Corps Leadership and Military Science Building that will be located in the northern portion of the existing Upper Quad near Lane Hall. The facility would provide a centralized and consolidated home to the wide range of Corps of Cadets and ROTC programs currently dispersed around the northern area of campus. Preliminary Design is under review. Year-to-date expenditures exceeded the annual budget because expenses expected in fiscal year 2017 were invoiced in fiscal year 2016. Resources were sufficient to cover the accelerated cash outflow and the project remains within the total authorized budget.
6. This project is to plan a new storage building for the Eastern Shore Agriculture Research and Extension Center (AREC). The facility's program provides space to store and secure modern research equipment on-site. Preliminary Designs are underway with pricing expected in early fall 2016. The annual budget was established in the third quarter to reflect the project's approval to move forward at the March 2016 Board of Visitors meeting.
7. This project is to plan for the renovations of up to ten undergraduate laboratories within Derring and Hahn Halls that are needed to accommodate the increased demand for introductory undergraduate science laboratory classes in biology, chemistry, physics, and micro-biology. The project was approved to move forward at the June 2016 Board of Visitors meeting.
8. This project will support progress on fire alarm systems and accessibility improvements for several E&G buildings. The implementation plan calls for improvements to be executed in multiple packages, and construction funding will be released on a package-by-package basis. The State has appropriated \$4.89 million of General Fund resources for the total project budget of which \$4.26 million has been committed to the following projects underway or completed: Food Science and Technology Building, Architecture Annex, Wallace Annex, War Memorial Hall, Lane Hall, Whittemore Hall, Patton Hall, and Randolph Hall.
9. This project is for a 73,400 gross square foot classroom building to meet the university's instructional classroom and laboratory needs. Construction is underway with occupancy scheduled for fall semester 2016.
10. The project was closed in June 2016 with \$13,152 of unspent budget returned to the General Fund.
11. The project was closed in June 2016 with \$58,602 of unspent budget returned to the program.
12. The project was closed in March 2016 with \$316,973 of unspent budget returned to the central budget.
13. The project was closed in November 2015 with \$50,733 of unspent budget returned to the General Fund.
14. The project was closed in June 2016 with \$14,765 of unspent budget returned to the General Fund and \$3.3 million returned to the central budget.

Capital Outlay Projects Authorized as of June 30, 2016 (Continued)

Dollars in Thousands

	CURRENT YEAR			TOTAL PROJECT BUDGET					
	ORIGINAL ANNUAL BUDGET	REVISED ANNUAL BUDGET	YTD EXPENSES	STATE SUPPORT	GENERAL OBLIGATION BOND	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENSES
Auxiliary Enterprises Projects									
<u>Auxiliary Maintenance Reserve</u>									
Maintenance Reserve	7,000	7,000	6,033	0	0	\$ 20,739	0	20,739	6,033 (1)
<u>Design Phase</u>									
Planning: Student Wellness Services	1,100	200	103	0	0	0	3,071	3,071	210 (2)
Lane Substation Expansion	2,000	500	437	0	0	2,000	4,500	6,500	437 (3)
Planning: Athletic Facilities Improvements	490	800	723	0	0	3,500	0	3,500	723 (4)
Planning: O'Shaughnessy Renovation	0	30	2	0	0	1,750	0	1,750	2 (5)
<u>Construction Phase</u>									
Residential Door Access Improvements	0	1,000	3,383	0	0	7,735	0	7,735	3,383 (6)
Unified Communications & Network Renewal	1,500	900	1,682	0	0	9,564	6,944	16,508	13,903 (7)
Upper Quad Residential Facilities	46,753	26,000	28,832	0	0	28,620	62,380	91,000	64,532 (8)
<u>Close-Out</u>									
Airport Hangar	2,000	2,000	1,737	0	0	2,520	0	2,520	1,743 (9)
East Eggleston Renovation	0	2,500	2,196	0	0	2,500	0	2,500	2,196 (10)
Indoor Athletic Training Facility	1,181	1,901	1,837	0	0	21,300	3,700	25,000	20,336 (11)
Residential Connectivity	1,691	644	644	0	0	4,000	0	4,000	2,953 (12)
South Recreation Field Surface Replacement	276	1,814	1,812	0	0	0	4,600	4,600	3,242 (13)
<u>On Hold and Not Funded</u>									
New Residence Hall II	0	0	0	0	0	0	27,000	27,000	182 (14)
Parking Blanket Authorizations Balance	0	0	0	0	0	0	16,547	16,547	0 (15)
Phase IV of Oak Lane Community (Houses 2 - 5)	0	0	0	0	0	0	17,518	17,518	0 (16)
TOTAL	63,991	45,289	49,422	0	0	104,229	146,260	250,489	119,876
GRAND TOTAL	<u>\$ 114,442</u>	<u>\$ 95,401</u>	<u>\$ 91,309</u>	<u>\$ 234,649</u>	<u>\$ -</u>	<u>\$ 139,075</u>	<u>\$ 175,219</u>	<u>\$ 548,942</u>	<u>\$ 358,966</u>

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, 2015 through June 30, 2016 and the Capital Outlay report be accepted.

August 29, 2016

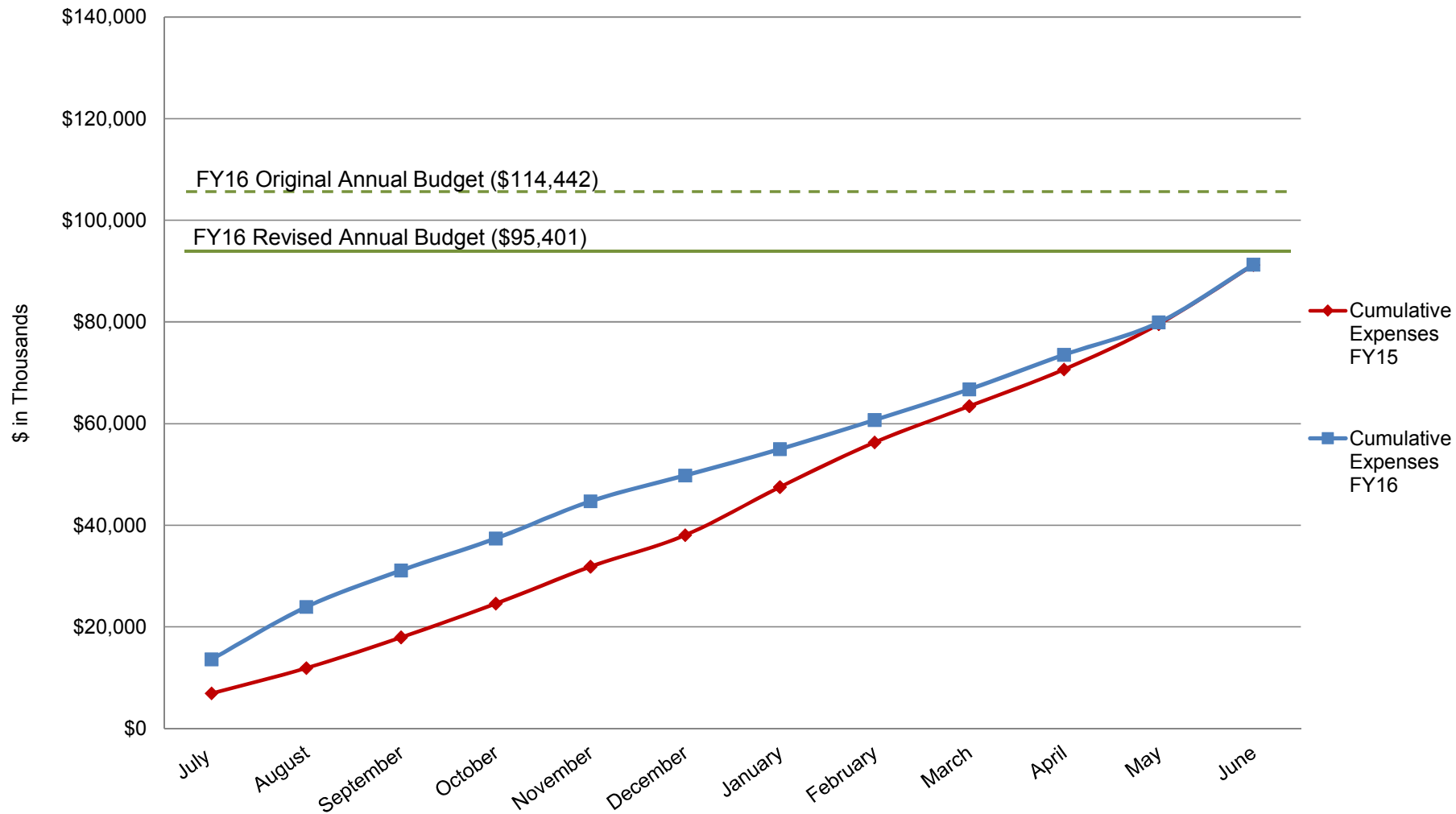
CAPITAL OUTLAY BUDGET (Continued)

Auxiliary Enterprises Projects

1. 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 reflects the spending plans of the auxiliary units on scheduled maintenance reserve work for fiscal year 2016. The outstanding balance is committed to a five year forward looking maintenance plan to ensure sufficient resources are available for major maintenance repairs. The auxiliary maintenance reserve program covers 104 assets with a total replacement value of \$1.1 billion.
2. This project, as authorized at the March 2016, Board of Visitors meeting, is to explore alternatives and prepare design documents for an expanded, comprehensive student wellness services solution to meet student expectations.
3. This project will expand the Lane Substation on Innovation Drive. The project includes the purchase and installation of two 28,000 kilovolt-amps (kVA) transformers, two circuit switchers, six distribution reclosers with space for an additional four reclosers, a control house and associated relay, and control equipment. Specifications for the transformers are being developed and equipment is being ordered. The entire project should be complete in late 2017 with an expected total cost of \$6.5 million.
4. This planning project includes design work for four high priority Athletic facility improvements: Rector Field House, Baseball Facilities, athletic nutrition center, and Tennis Facilities. Construction for Rector Field House site work and foundations is expected in summer 2016 and construction for Baseball Facilities is expected to begin early winter 2016. Feasibility studies are underway for an athletic nutrition center and Tennis Facilities improvements.
5. This project will plan updates to 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 within the building.
6. This project will install electronic door access locks on approximately 4,520 student rooms in the existing residential system and improve access control to approximately 1,551 non-student doors. Installation is underway for the first half of the residence halls. The remaining half will be completed in the summer of 2017. The total cost is expected to be \$7.735 million. Year-to-date expenses exceeded the annual budget because expenses expected in fiscal year 2017 were invoiced in fiscal year 2016. Resources were available and sufficient to cover the additional cash outflow and the project remains within the total authorized budget.
7. This project includes improvements to four complementary communication infrastructure components. The four components include a unified communications system, upgrading the Internet Protocol (IP) Network, upgrading the cable plant, and upgrading equipment rooms in various facilities. This project is being implemented in phases and is anticipated to be complete in spring 2017. The total expected costs are \$16.5 million. Year-to-date expenses exceeded the annual budget because expenses expected in fiscal year 2017 were invoiced in fiscal year 2016. Resources were available and sufficient to cover the additional cash outflow and the project remains within the total authorized budget.
8. This project replaces Rasche and Brodie with two new residential facilities and razes Thomas and Monteith, effectively modernizing 1,000 beds in the residential inventory. Construction is underway. The first building, Pearson Hall, was occupied in November 2015. The second hall was originally scheduled to be occupied by fall 2016 and is behind schedule with anticipated substantial completion by spring 2017. Year-to-date expenses exceeded the annual budget because expenses expected in fiscal year 2017 were invoiced in fiscal year 2016. Resources were sufficient to cover the additional cash outflow and the project remains within the total authorized budget.
9. This project is substantially complete and was occupied in April 2016. The total cost is expected to be \$2.3 million. The project may be closed and financial accounts terminated when completion of the authorized scope has been verified by the Chief Facilities Officer and all expenses moved to the capital project.
10. This project is complete and was occupied in August 2015. The total cost is expected to be \$2.5 million. The project may be closed and financial accounts terminated when completion of the authorized scope has been verified by the Chief Facilities Officer and all expenses moved to the capital project.
11. The project was closed June 30, 2016. The total cost was \$20.336 million and the authorization was underspent.
12. The project is closed and financial accounts have been terminated. The total cost was \$2.953 million and the authorization was underspent.
13. This project was closed June 30, 2016. The total cost was \$2.953 million and the authorization was underspent.
14. This project envisioned a new residence hall of approximately 250 beds. Cost estimates exceed the project budget and the project is on hold while the university explores alternatives. Funding for the project may be considered pending a program plan and financial plan.
15. The purpose of this unfunded parking blanket authorization balance is to complete future improvements and repair projects for the parking system as specific needs are identified and as funding becomes available.
16. This is the remaining unallocated authorization of the original \$23.5 million Oak Lane Community, Phase IV project. The outstanding Oak Lane Community expansion, houses two through five and their necessary site improvements, may be constructed as organizations come forward with program and financing plans.

CAPITAL PROGRAM ANNUAL PERFORMANCE Cumulative Monthly Expenditures

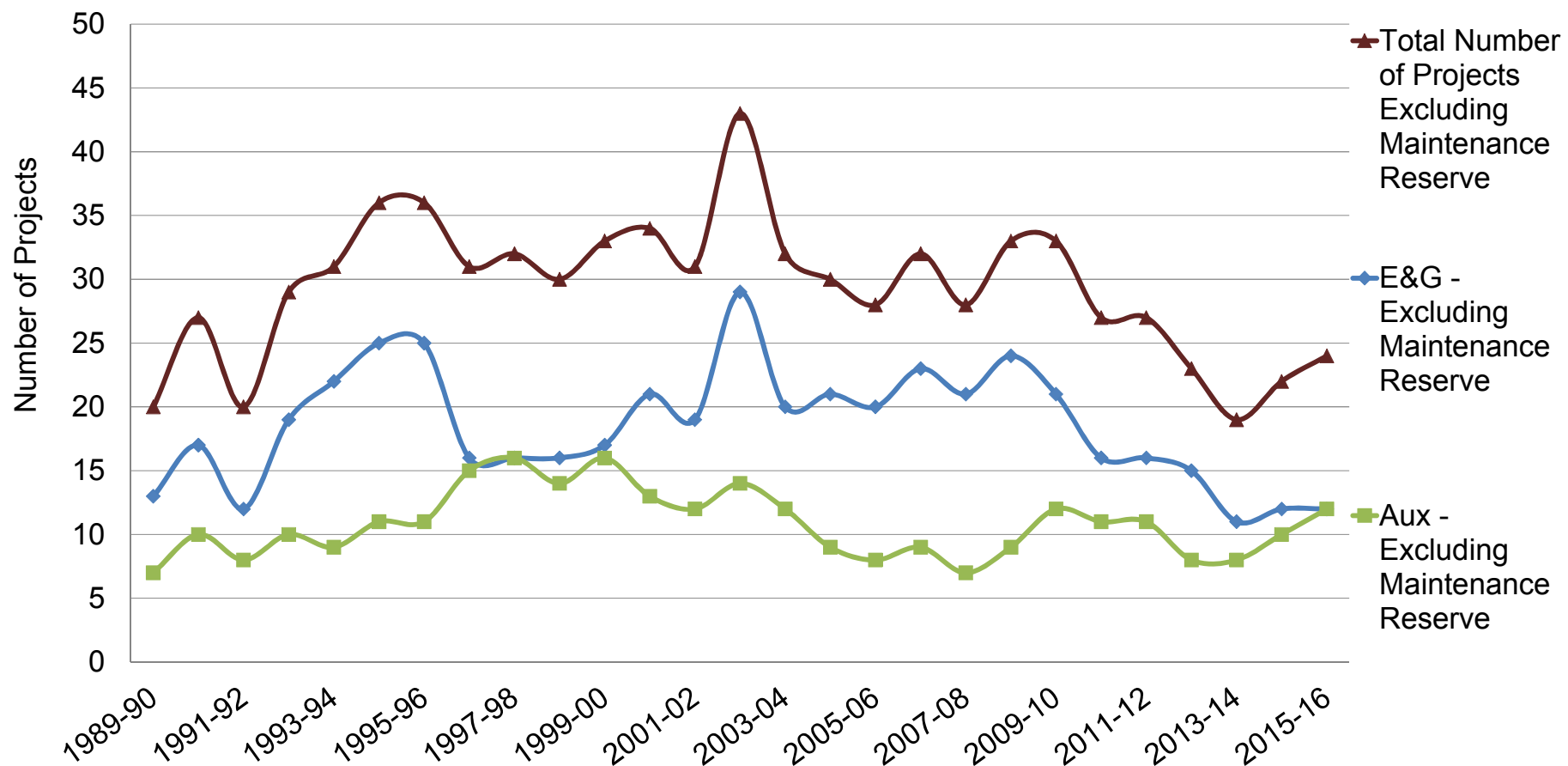
Fiscal Year 2015 and YTD Fiscal Year 2016



CAPITAL PROGRAM PROJECTS

Total Number of Active Capital Projects

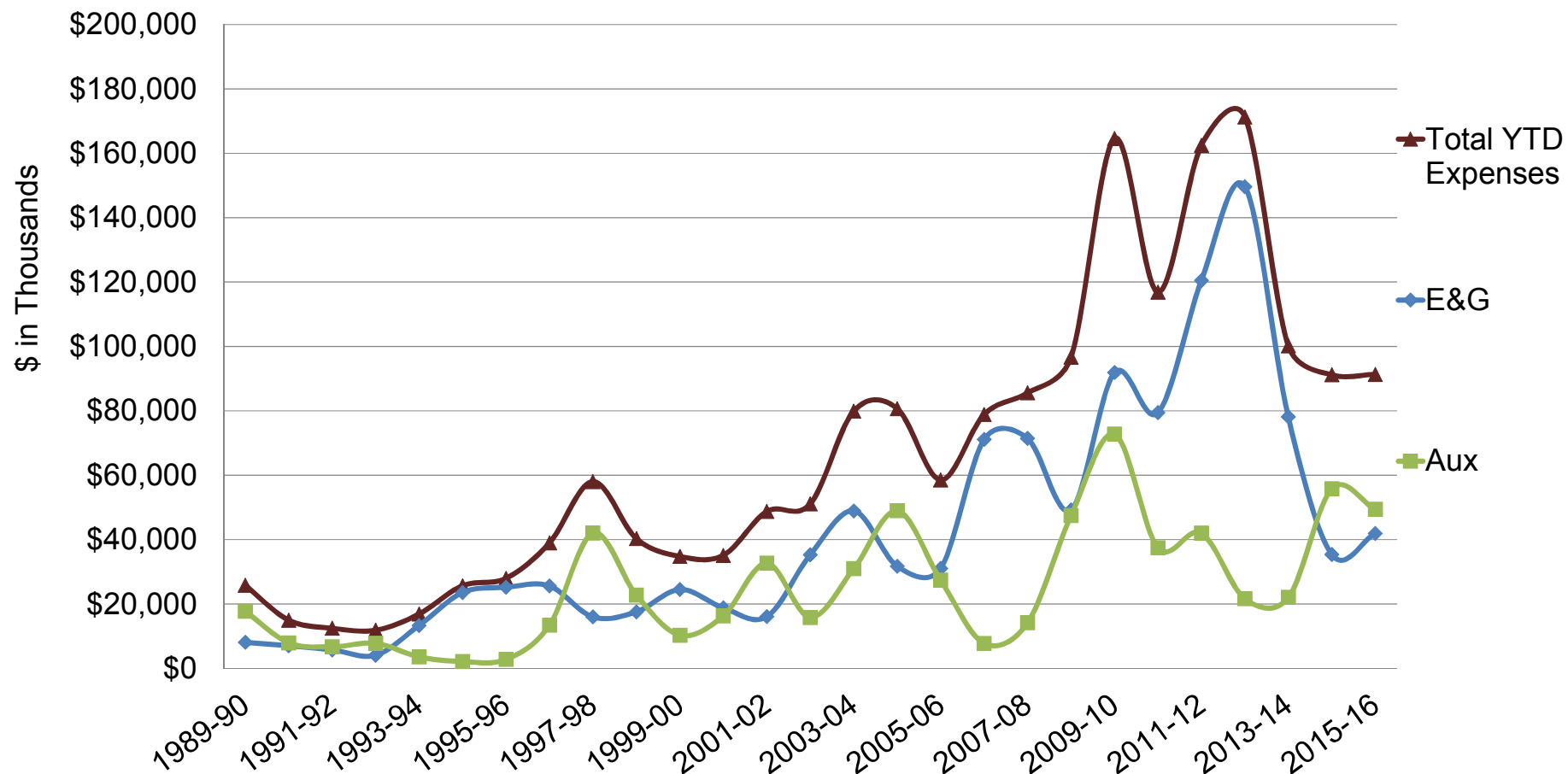
Fiscal Year 1990 - Fiscal Year 2016



CAPITAL PROGRAM EXPENDITURE TREND

Total Annual Expenditures for Active Capital Projects

Fiscal Year 1990 - Fiscal Year 2016



CAPITAL PROGRAM TOTAL BUDGET

Total Budget Level of Active Projects

Fiscal Year 1990 - Fiscal Year 2016

