

Financial Performance Report – Operating and Capital
FINANCE AND RESOURCE MANAGEMENT COMMITTEE

July 1, 2022 to June 30, 2023

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 2022-23 budget (year-to-date) is prepared from historical data which reflects trends in expenditures from previous years as well as known changes in timing. Differences between the actual income and expenditures and the year-to-date budget may occur for a variety of reasons, such as an accelerated or delayed flow of documents through the accounting system, a change in spending patterns at the college level, or increases in revenues for a particular area.

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

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

RECOMMENDATION:

That the report of income and expenditures for the University Division and the Cooperative Extension/Agricultural Experiment Station Division for the period of July 1, 2022 through June 30, 2023 and the Capital Outlay report be approved.

August 29, 2023

**OPERATING BUDGET
2022-23**

Dollars in Thousands

	July 1, 2022 to June 30, 2023			Annual Budget for 2022-23		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
<u>University Division</u>						
<u>Revenues</u>						
General Fund	\$237,489	\$238,641	\$-1,152 (1)	\$238,843	\$238,641	\$-202 (12)
Tuition and Fees	660,596	659,167	1,429 (2)	652,850	659,167	6,317 (13)
All Other Income	44,858	50,031	-5,173 (3)	45,752	50,031	4,279 (14)
Total Revenues	<u>\$942,943</u>	<u>\$947,839</u>	<u>\$-4,896</u>	<u>\$937,445</u>	<u>\$947,839</u>	<u>\$10,394</u>
<u>Expenses</u>						
Academic Programs	\$-584,592	\$-590,386	\$5,794 (4)	\$-607,438	\$-590,386	\$17,052
Support Programs	-354,518	-357,453	2,935 (4)	-330,007	-357,453	-27,446
Reserve Drawdown/(Deposit)	-3,833	0	-3,833 (5)	0	0	0
Total Expenses	<u>\$-942,943</u>	<u>\$-947,839</u>	<u>\$4,896</u>	<u>\$-937,445</u>	<u>\$-947,839</u>	<u>\$-10,394 (12,13,14)</u>
NET	\$0	\$0	\$0	\$0	\$0	\$0
<u>CE/AES Division</u>						
<u>Revenues</u>						
General Fund	\$86,461	\$86,461	\$0	\$86,338	\$86,461	\$123 (15)
Federal Appropriation	13,605	17,046	-3,441 (6)	15,647	17,046	1,399 (16)
All Other Income	1,409	1,129	280	879	1,129	250 (17)
Total Revenues	<u>\$101,475</u>	<u>\$104,636</u>	<u>\$-3,161</u>	<u>\$102,863</u>	<u>\$104,636</u>	<u>\$1,773</u>
<u>Expenses</u>						
Academic Programs	\$-95,690	\$-97,704	\$2,014 (7)	\$-94,536	\$-97,704	\$-3,168
Support Programs	-6,436	-6,932	496	-8,327	-6,932	1,395
Reserve Drawdown/(Deposit)	651	0	651 (8)	0	0	0
Total Expenses	<u>\$-101,475</u>	<u>\$-104,636</u>	<u>\$3,161</u>	<u>\$-102,863</u>	<u>\$-104,636</u>	<u>\$-1,773 (15,16,17)</u>
NET	\$0	\$0	\$0	\$0	\$0	\$0
Auxiliary Enterprises						
Revenues	\$430,535	\$419,260	\$11,275 (9)	\$403,554	\$419,260	\$15,706 (9)
Expenses	-398,569	-443,548	44,979 (9)	-390,543	-443,548	-53,005 (9)
Reserve Drawdown/(Deposit)	-31,966	24,288	-56,254 (9)	-13,011	24,288	37,299 (9)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Sponsored Programs						
Revenues	\$412,866	\$390,052	\$22,814 (10)	\$389,077	\$390,052	\$975 (18)
Expenses	-387,311	-390,052	2,741 (10)	-389,077	-390,052	-975 (18)
Reserve Drawdown/(Deposit)	-25,555	0	-25,555	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
Student Financial Assistance						
Revenues	\$49,747	\$51,181	\$-1,434	\$48,463	\$51,181	\$2,718 (19)
Expenses	-49,749	-51,181	1,432	-48,463	-51,181	-2,718 (19)
Reserve Drawdown/(Deposit)	2	0	2	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
All Other Programs *						
Revenue	\$19,937	\$19,491	\$446	\$16,144	\$19,544	\$3,400 (20)
Expenses	-34,385	-37,910	3,525 (11)	-16,144	-37,910	-21,766 (20)
Transfers	-3,196	-3,196	0	0	-3,196	-3,196 (20)
Reserve Drawdown/(Deposit)	17,644	21,615	-3,971 (11)	0	21,562	21,562 (20)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Total University						
Revenues	\$1,957,503	\$1,932,459	\$25,044	\$1,897,546	\$1,932,512	\$34,966
Expenses	-1,911,250	-1,975,166	63,916	-1,884,535	-1,975,166	-90,631
Transfers	-3,196	-3,196	0	0	-3,196	-3,196
Reserve Drawdown/(Deposit)	-43,057	45,903	-88,960	-13,011	45,850	58,861
NET	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

OPERATING BUDGET

1. General Fund Revenues are lower than budgeted due to lower than projected interest earnings and credit rebates returned to the institution.
2. Tuition & Fee revenues are higher than projected due to lower tuition waivers than originally estimated and higher than projected specialized program fee revenues.
3. University Division all other income revenues are lower than projected due to timing of revenues.
4. University Division expenditures are lower than historical projections due to timing of expenses.
5. While the Commonwealth requires revenues and expenses be balanced for Educational and General Programs, year end balances are possible for continuing education programs.
6. The budget for federal revenue is established to match projected allotments from the federal government that are expected to be drawn down during the state fiscal year. All expenses in federal programs are covered by drawdowns of federal revenue up to allotted amounts. Federal revenue in the Cooperative Extension and Agriculture Experiment Station Division is lower than projected due to the timing of federal drawdown.
7. Cooperative Extension and Agriculture Experiment Station Division academic program expenditures are lower than historical projections due to timing of expenses.
8. 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.
9. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
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 expenditures are higher than projected. The sponsored research expenditures are 12.8% higher than June 30, 2022.
11. Expenses for All Other Programs were lower than projected due to timing of expenditures and lower than projected Surplus Property activity.
12. The annual budget for the University Division General Fund was decreased \$0.2 million for the state share of salary and fringe benefit rate changes. The corresponding expenditure budgets have been adjusted accordingly.
13. The annual budget for Tuition and Fees was decreased \$3.2 million for higher than projected codified Virginia Military Survivor Waivers, \$1.9 million for scholarships and budget finalization, and \$0.4 million for lower than projected professional program enrollments. The budget was increased \$0.6 million for higher than projected summer and winter session revenues, \$2.1 million for higher than projected undergraduate non-resident enrollment, \$5.1 million for higher than projected graduate enrollment, \$3.2 million for projected savings in rate discounts and waivers, and \$0.9 million for higher than projected specialized program fee revenues. The corresponding expenditure budgets have been adjusted accordingly.
14. The University Division All Other Income revenue budget was increased \$4.3 million for self-generated earmarked revenues and higher than projected continuing education activity. The corresponding expenditure budgets have been adjusted accordingly.

15. The Cooperative Extension/Agriculture Experiment State Division General Fund revenue budget was increased \$0.1 million for the state share of salary and fringe benefit rate changes. The corresponding expenditure budgets have been adjusted accordingly.
16. The federal revenue budget in the Cooperative Extension/Agricultural Experiment Station Division has been increased \$1.4 million for the carryover of unexpended federal funds in FY22. The corresponding expenditure budgets have been adjusted accordingly.
17. The All Other Income budget in the Cooperative Extension/Agricultural Experiment Station Division has been increased \$0.3 million for the higher than projected VCE self-generated revenue. The corresponding expenditure budgets have been adjusted accordingly.
18. The Sponsored programs revenue and expenditure budgets were increased \$1.0 million for Historical Horse Racing revenue to support the Virginia Maryland Regional College of Veterinary Medicine.
19. The Student Financial Assistance revenue and expenditure budgets were increased \$2.0 million for the finalization of the scholarship budget, \$0.3 million for the nongeneral fund scholarship program, and \$0.4 million for higher than projected Virginia Military Survivor Stipends and 2-Year College Transfer Grant scholarships.
20. The projected annual budgets for All Other Programs were decreased \$0.2 million to finalize budgets and increased \$0.3 million for Surplus Property business volume. The revenue budget was increased \$2.9 million for technical alignment. The projected annual expense budgets were increased \$1.0 million for outstanding 2021-22 commitments that were initiated but not completed before June 30, 2022, increased \$25.1 million for an approved capital plan, and a \$3.2 million transfer was made to support an approved capital plan.

AUXILIARY ENTERPRISES

Dollars in Thousands

	July 1, 2022 to June 30, 2023			Annual Budget for 2022-23		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls *						
Revenues	\$157,630	\$154,896	\$2,734 (1)	\$149,746	\$154,896	\$5,150 (9)
Expenses	-153,220	-162,396	9,176 (1)	-148,362	-162,396	-14,034 (9,11)
Reserve Drawdown/(Deposit)	-4,410	7,500	-11,910 (1)	-1,384	7,500	8,884 (11)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Parking and Transportation						
Revenues	\$21,370	\$19,813	\$1,557 (2)	\$18,213	\$19,813	\$1,600 (12)
Expenses	-16,758	-20,480	3,722 (2)	-15,602	-20,480	-4,878 (11,12)
Reserve Drawdown/(Deposit)	-4,612	667	-5,279 (2)	-2,611	667	3,278 (11,12)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications Services						
Revenues	\$26,296	\$25,480	\$816	\$27,007	\$25,480	\$-1,527 (13)
Expenses	-27,097	-35,725	8,628 (3)	-26,836	-35,725	-8,889 (11,13)
Reserve Drawdown/(Deposit)	801	10,245	-9,444 (3)	-171	10,245	10,416 (11,13)
Net	\$0	\$0	\$0	\$0	\$0	\$0
University Services * **						
Revenues	\$62,555	\$61,161	\$1,394 (4)	\$60,607	\$61,161	\$554 (14)
Expenses	-55,518	-70,721	15,203 (4)	-59,606	-70,721	-11,115 (10,11,14)
Reserve Drawdown/(Deposit)	-7,037	9,560	-16,597 (4)	-1,001	9,560	10,561 (10,11,14)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Intercollegiate Athletics *						
Revenues	\$94,666	\$94,045	\$621	\$92,114	\$94,045	\$1,931 (15)
Expenses	-87,165	-89,895	2,730 (5)	-86,188	-89,895	-3,707 (11,15)
Reserve Drawdown/(Deposit)	-7,501	-4,150	-3,351 (5)	-5,926	-4,150	1,776 (11,15)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Electric Service *						
Revenues	\$39,015	\$38,700	\$315	\$36,861	\$38,700	\$1,839 (10)
Expenses	-43,913	-45,533	1,620 (6)	\$-37,889	-45,533	-7,644 (10,11,16)
Reserve Drawdown/(Deposit)	4,898	6,833	-1,935 (6)	1,028	6,833	5,805 (10,11,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Inn at VT/Skelton Conf. Center						
Revenues	\$13,366	\$11,502	\$1,864 (7)	\$10,410	\$11,502	\$1,092 (10,17)
Expenses	-11,347	-12,331	984 (7)	-9,984	-12,331	-2,347 (10,11,17)
Reserve Drawdown/(Deposit)	-2,019	829	-2,848 (7)	-426	829	1,255 (10,11,17)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Other Enterprise Functions ***						
Revenues	\$15,637	\$13,663	\$1,974 (8)	\$8,596	\$13,663	\$5,067 (10,18)
Expenses	-3,551	-6,467	2,916 (8)	-6,076	-6,467	-391 (10,11,18)
Reserve Drawdown/(Deposit)	-12,086	-7,196	-4,890 (8)	-2,520	-7,196	-4,676 (10,11,18)
Net	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AUXILIARIES						
Revenues	\$430,535	\$419,260	\$11,275	\$403,554	\$419,260	\$15,706
Expenses	-398,569	-443,548	44,979	-390,543	-443,548	-53,005
Reserve Drawdown/(Deposit)	-31,966	24,288	-56,254	-13,011	24,288	37,299
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, Software Sales, Tailor Shop and Clearing Accounts.

AUXILIARY ENTERPRISE BUDGET

1. Revenues in Residence and Dining Halls are higher than projected due to higher than budgeted self-generated revenues from summer conferences. Expenses 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 in Parking and Transportation Services are higher than projected due to higher than budgeted self-generated revenues. Expenses are lower than projected due to timing of operating expenses, Fleet Services vehicle replacement purchases, and transit equipment purchases.
3. Expenses in Telecommunications Services are lower than projected due to timing of network telecommunication projects and supply chain disruptions impacting delivery of telecommunication network equipment.
4. Revenues for the University Services System are higher than projected due to higher than budgeted self-generated revenues. Expenses are lower than projected due to timing of operating expenses, health services renovation projects, recreation field turf replacement, private funded table tennis project, and facility projects scheduled for summer months.
5. Expenses for Intercollegiate Athletics are lower than projected due to timing of expenses and one-time facility and equipment projects.
6. Expenses for the Electric Service auxiliary are lower than projected due to timing of items ordered but not yet received thus not paid at fiscal year-end.
7. Revenues for the Inn at Virginia Tech are higher than projected due to higher than budgeted self-generated revenue. Expenses are lower than projected due to timing of operating expenses and facility projects.
8. Revenues for Other Enterprise Functions are higher than projected due to increased business volume in New Student Programs, Licensing and Trademark, and Software Sales. Expenses are lower than projected due to the timing of operating expenses and facility related projects.
9. The annual revenue and expense budgets for Residence and Dining Halls were increased \$2.0 million for the Dietrick Spirit Plaza project expenses and associated private gifts, \$3.2 million for increased dining business volume, and \$5.4 million for residence hall repair expenses.
10. In June 2022, the annual revenue, expense, and reserve budgets for Auxiliary Enterprises were adjusted for technical alignments and finalization of fixed cost estimates.
11. The annual expense budget for Auxiliary Enterprises was increased \$24.2 million for outstanding 2021-22 commitments and projects that were initiated but not completed before June 30, 2022.

Auxiliary Enterprise	Outstanding Commitments
Residence and Dining Halls	\$ 3,436,244
Parking and Transportation	1,927,844
Telecommunication Services	6,835,353
University Services System	4,662,413
Intercollegiate Athletics	2,169,202
Electric Service	3,528,523
Inn at Virginia Tech	92,000
Other Enterprise Functions	1,579,837
Totals	\$ 24,231,416

12. The annual expense and reserve budgets for Parking and Transportation Services were increased \$2.2 million for transportation equipment maintenance. The revenue budget was increased \$1.6 million and expense budget increased \$0.6 million for higher business volume.
13. The annual revenue, expense, and reserve budgets for Telecommunications Services were increased \$0.5 million for network infrastructure installation revenue and \$2.0 million for associated equipment expenses. The revenue budget was decreased by \$2.0 million for timing of the residential network refresh project.
14. The annual revenue, expense, and reserve budgets for University Services System were increased \$0.5 million for private gift revenue and expenses increased \$1.7 million for a private gift funded table tennis project, \$2.0 million for Recreational Sports War Memorial Hall maintenance project expenses, and \$2.0 million for recreational field turf replacement project.
15. The annual revenue, expense, and reserve budgets for Intercollegiate Athletics were increased \$0.1 million for private gift revenue and \$0.5 million expense to accommodate a temporary loan for the women's basketball locker room renovation project. The annual revenue budget was increased \$0.8 million for ACC network revenues, \$0.4 million for football revenues, \$0.2 million private support for sports operating projects, and \$0.4 million increase in self-generated revenues. The annual expense budget was increased \$0.6 million for coaching contracts and faculty leave payouts, \$1.8 million for team travel inflationary increases and to fully fund sport operating budgets, \$1.2 million for Lombardi Student Athlete Development Center renovations, \$1.2 million for turf replacement, \$0.9 million for scoreboard projects, and \$1.0 million sports operating and repair expenses, partially offset by a decrease of \$1.0 million for removal of bowl contingency, a decrease of \$3.6 million for alignment of scholarship expenses resulting from the timing of the student athlete academic incentive, and a decrease of \$1.0 million for alignment of scholarship expenses to private fundraising.
16. The annual revenue budget for the Electric Service auxiliary was decreased \$0.7 million for lower electrical consumption. The annual expense and reserve budgets were increased \$0.6 million due for higher than budgeted cost of wholesale electricity and electrical material costs, and increased \$1.6 million for higher cost of electricity and operating costs.
17. The annual expense budget for The Inn at Virginia Tech and Skelton Conference Center was increased \$0.7 million for higher operating costs.
18. The annual expense and reserve budgets for Other Enterprise Functions were increased for technical accounting alignments and scholarship expenses in Licensing and Trademark. The annual revenue and expense budgets were increased \$0.2 million for private gift funded Tailor Shop renovation planning.

**CAPITAL OUTLAY PROJECTS
 AUTHORIZED AS OF JUNE 30, 2023**
 Dollars in Thousands

PROJECT INITIATED	FISCAL YEAR ACTIVITY		TOTAL PROJECT BUDGET					CUMULATIVE EXPENDITURES
	ANNUAL BUDGET	YTD EXPENDITURES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET		
EDUCATIONAL AND GENERAL PROJECTS								
<u>Design Phase</u>								
Mitchell Hall (Replace Randolph Hall)	Jul 2020	\$ 4,400	\$ 5,019	\$ 264,453	\$ 11,000	\$ 16,828	\$ 292,281	\$ 7,542 (1)
Planning: New Business Building	Apr 2022	3,000	900	-	8,000	-	8,000	900 (2)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	18,109	14,571	20,729	-	-	20,729	14,571 (3)
Livestock & Poultry Research Facilities, Phase I	Oct 2016	6,274	3,997	25,274	-	-	25,274	21,934 (4)
Corps Leadership and Military Science Building	Jun 2019	20,000	17,990	-	21,600	30,400	52,000	42,264 (5)
Innovation Campus - Academic Building	Jul 2019	88,000	91,245	177,164	-	124,972	302,136	147,493 (6)
Hitt Hall	Apr 2017	28,000	24,869	-	31,657	53,343	85,000	37,884 (7)
Undergraduate Science Laboratory Building	Jul 2017	30,000	24,792	90,412	-	-	90,412	32,723 (8)
Building Envelope Improvements	Aug 2022	2,000	1,414	-	13,580	33,620	47,200	1,414 (9)
Life, Health, Safety, Accessibility, & Code Compliance	Jul 2020	2,910	1,650	10,400	-	-	10,400	1,885 (10)
<u>Equipment and Special Initiatives</u>								
Commonwealth Cyber Initiative	May 2019	4	2	1,500	-	-	1,500	1,497 (11)
Fralin Biomedical Research Institute Equipment	Jul 2020	3,500	1,818	18,133	-	-	18,133	11,403 (12)
Equipment for Workforce Development	May 2021	3,000	5,118	24,902	-	-	24,902	5,118 (13)
<u>Close-Out</u>								
Improve Kentland Facilities	Sep 2013	132	112	12,463	-	-	12,463	12,442 (15)
Gas-Fired Boiler at the Central Steam Plant	Apr 2017	162	39	-	8,200	-	8,200	8,077 (16)
Chiller Plant Phase II	Oct 2016	3,081	2,518	32,655	10,312	-	42,968	42,406 (17)
Holden Hall Renovation	Oct 2016	5,327	3,943	57,215	8,962	8,750	74,927	71,769 (18)
Planning: Relocate Hampton Roads AREC	Jul 2022	200	365	500	-	-	500	365 (19)
Data and Decision Science Building	Jul 2019	20,000	22,540	69,000	-	10,000	79,000	73,478 (20)
Commerce Street Property Acquisition	Jun 2023	-	-	-	540	-	540	- (14)
TOTAL EDUCATIONAL AND GENERAL PROJECTS		\$ 238,100	\$ 222,904	\$ 804,800	\$ 113,851	\$ 277,913	\$ 1,196,565	\$ 535,165

Education and General Projects

1. Mitchell Hall (Replace Randolph Hall): This state authorized project will replace Randolph Hall with an approximately 285,000 gross square foot building to accommodate engineering instruction and research. The state authorized construction funding effective July 1, 2022. The Division of Engineering and Buildings issued the project's Schematic Cost Report on May 24, 2023. The report increases the total budget to \$280 million from \$248 million. Working Drawings are underway. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.
2. Planning: New Business Building: This planning project will design a 104,000 gross square foot building for the Pamplin College of Business. The project is progressing into preliminary design.
3. Maintenance Reserve: The total project budget reflects \$3.27 million of carryforward from fiscal year 2022 and \$17.462 million of new appropriations from the State for fiscal year 2023. The annual budget amount reflects the pace necessary to meet the state's 85 percent spending performance requirement.
4. Livestock & Poultry Research Facilities, Phase I: The new swine, poultry, beef, and equine facilities are substantially complete. Market pricing for the two outstanding packages, three hay barns and demolition, is expected August 2023. Construction funding for the hay barns and demolitions are in process under the state's supplement pool established during the 2022 General Assembly session.
5. Corps Leadership and Military Science Building: Substantial completion and occupancy expected July 2023.
6. Innovation Campus – Academic Building: This project will construct a new 300,000 gross square foot academic building with below grade parking as part of the Innovation Campus in Alexandria Virginia. Construction is underway with substantial completion expected June 2024. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.
7. Hitt Hall: This project houses an expansion of Myers-Lawson School of Construction, a new dining center, and other academic spaces. Construction of the new 101,000 gross square foot building is underway with substantial completion expected March 2024.
8. Undergraduate Science Laboratory Building: Construction of the 102,000 gross square foot science instruction laboratory building is underway with substantial completion June 2024.
9. Building Envelope Improvements: This project will complete envelope improvements to four buildings.
10. Life, Health, Safety, Accessibility, & Code Compliance: This project improves accessible pedestrian connectors in the North Academic District. The instillation of two enclosed elevator towers for an accessible pathway from the ground level of Derring Hall to Burchard Plaza is under construction. Designs for accessible pathways on the north side of campus are underway.
11. Commonwealth Cyber Initiative: The Virginia Innovation Partnership Authority (VIPA) approves spending requests which are then allocated to Virginia Tech for procurement. To-date, \$1.5 million has been allocated for renovations, space enhancements, and equipment; and these items are substantially complete. The maximum allocation amount for the program is \$3.5 million.
12. Fralin Biomedical Research Institute Equipment: This funding supports the procurement and installation of specialized research equipment for the Fralin Biomedical Research Institute.
13. Equipment for Workforce Development: This project supports space and equipment purchases for the instructional programs associated with the Tech Talent Investment Program. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.
14. Improve Kentland Facilities: The project is closed with a total cost of \$12.442 million.
15. Gas-Fired Boiler at the Central Steam Plant: This project is closed with a total cost of \$8.077 million.
16. Chiller Plant Phase II: This project is closed with a total cost of \$42.406 million.
17. Holden Hall Renovation: This project is closed with a total cost of \$71.769 million.
18. Planning: Relocate Hampton Roads AREC: The study is closed with a total cost of \$365 thousand.
19. Data and Decision Sciences Building: The project is substantially complete and the total cost is expected to be \$79 million. The project will be closed and financial accounts terminated when final invoices are received and paid. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.
20. Commerce Street Property Acquisition: The property acquisition supports the university's research enterprise growth. The project will be closed and financial accounts terminated when the transaction is finalized.

Capital Outlay Projects Authorized as of June 30, 2023 (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>								
Football Locker Room Renovations	Jun 2023	\$ -	\$ -	\$ -	\$ 5,900	\$ -	5,900	\$ - (1)
Planning: Student Life Village, Phase I	Jun 2023	-	-	-	19,500	-	19,500	- (2)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	9,200	12,970	-	12,970	-	12,970	12,970 (3)
New Upper Quad Residence Hall	Jun 2019	18,000	17,941	-	16,071	25,929	42,000	34,356 (4)
Student Wellness Improvements	Jun 2016	10,000	9,639	-	25,574	44,426	70,000	15,287 (5)
Slusher Hall Renovation	Mar 2023	-	2,470	-	7,500	-	7,500	2,470 (6)
<u>Close-Out</u>								
Creativity & Innovation District LLC	Oct 2016	2,564	1,325	-	15,880	89,620	105,500	104,202 (7)
Dietrick Renovation	Sept 2017	5,000	6,470	-	9,129	-	9,129	8,899 (8)
TOTAL AUXILIARY ENTERPRISE PROJECTS		\$ 44,764	\$ 50,815	\$ -	\$ 112,523	\$ 159,975	\$ 272,499	\$ 178,184
GRAND TOTAL		\$ 282,863	\$ 273,719	\$ 804,800	\$ 226,375	\$ 437,889	\$ 1,469,063	\$ 713,349

Auxiliary Enterprise Projects

1. Football Locker Room Renovation: The project will renovate approximately 4,200 square feet within the Jamerson Athletic Facility to provide state-of-the-art hydrotherapy suite along with needed restroom and shower improvements in the player's locker room. Working drawings are underway.
2. Planning for Student Life Village, Phase I: The planning project will design the first phase of the Student Live Village which includes 1,750 new beds, dining service capacity to meet approximately 4,000 transactions per day, and recreational space of approximately 23,000 gross square feet. Procurement of AE services is underway.
3. 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 2023. The annual and total budgets may be adjusted during the year depending on the actual spending activities of the auxiliary units provided expenditures do not exceed the total resources encumbered for the program. The total budget was increased during the fourth quarter and did not exceed the total resources encumbered for the program.
4. New Upper Quad Residence Hall: The project constructs a 300-bed residence hall in the upper quad section of campus. substantial completion and occupancy are expected August 2023.
5. Student Wellness Improvements: This project will renovate War Memorial Hall to address program improvements, deferred maintenance, code requirements, and install air conditioning to the building. Construction underway with substantial completion expected July 2024.
6. Slusher Hall Renovations: The project renovates 38,000 square feet of Slusher Hall. Construction underway with substantial completion and occupancy expected August 2024.
7. Creativity & Innovation District Living Learning Community (LLC): The project is closed with a total cost of \$104.2 million.
8. Dietrick Renovation: This project is complete and the total cost is expected to be \$9.129 million. The project will be closed and financial accounts terminated when final invoices are received and paid. Resources are available and sufficient to cover the accelerated cash flows, and the project remains within the authorized total budget.

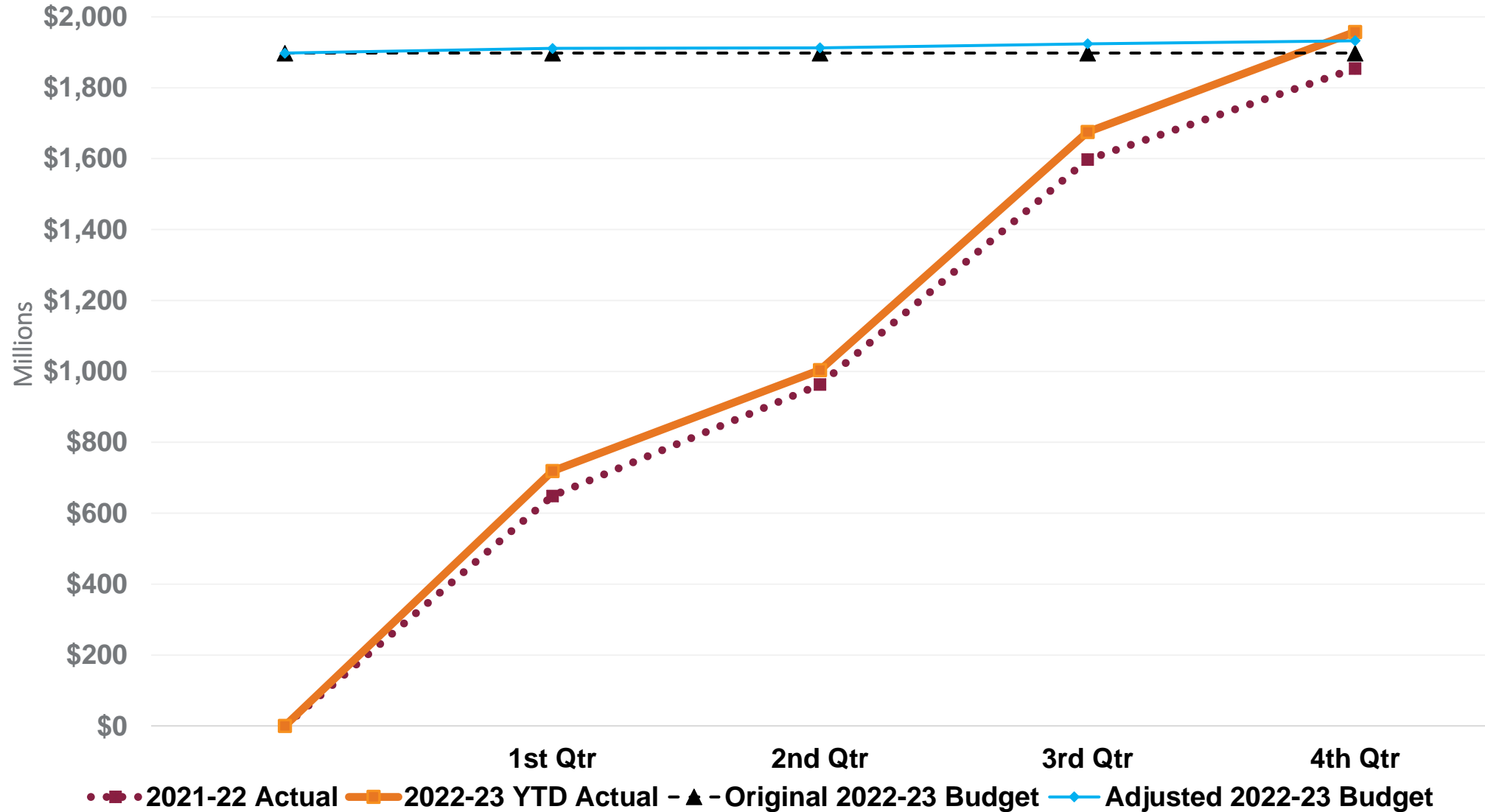
APPROVAL OF FY23 FINANCIAL PERFORMANCE REPORT

TIM HODGE, ASSOCIATE VICE PRESIDENT FOR
BUDGET AND FINANCIAL PLANNING

BOB BROYDEN, ASSOCIATE VICE PRESIDENT FOR
CAMPUS PLANNING AND CAPITAL FINANCING

August 29, 2023

OPERATING REVENUES



4th QUARTER FY23

Annual Budget Changes

Auxiliary Enterprises

Dining Services: \$0.9 million increase for higher business volume.

Residential: \$3.4 million for residence hall repairs.

Financial Performance

Education & General (E&G)

Successfully closed fiscal year in both Agencies.

E&G funds were fully utilized without deficit in accordance with State rules.

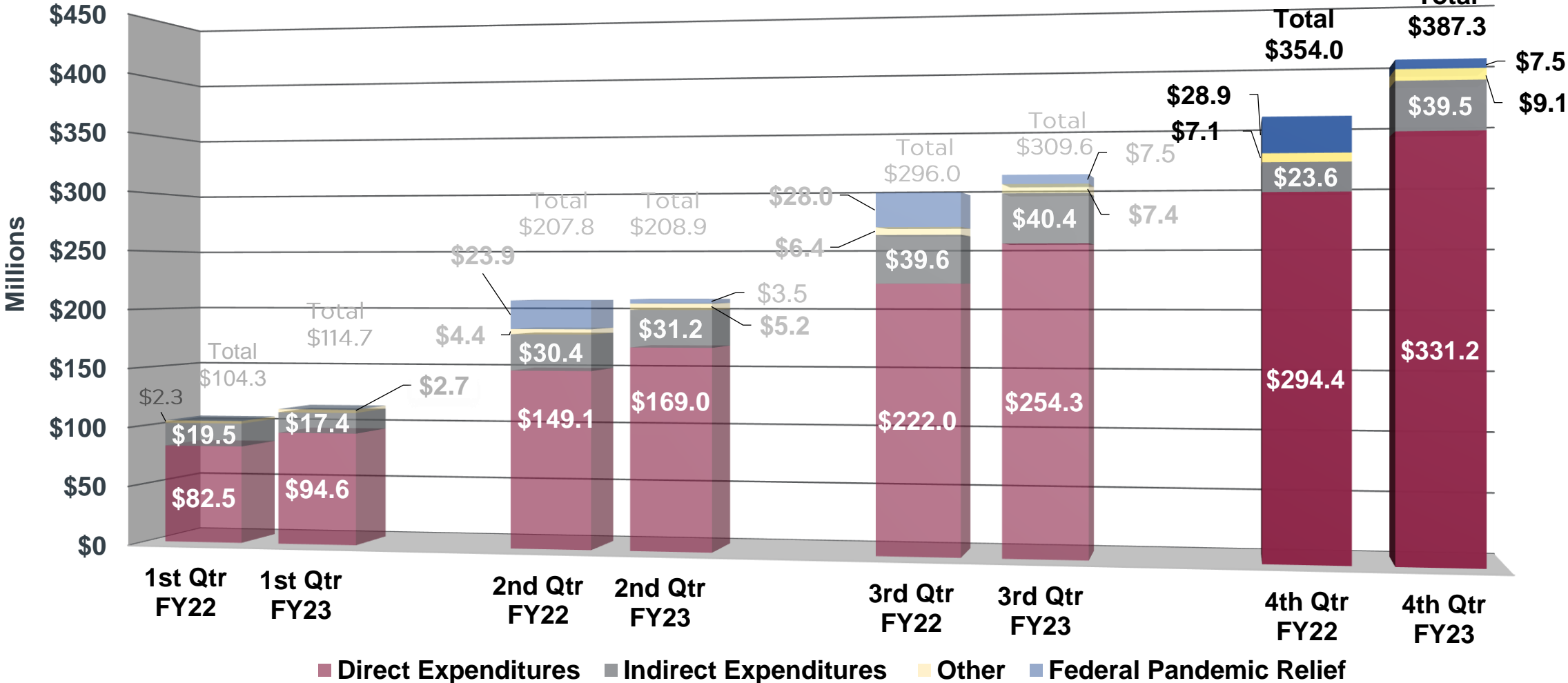
Auxiliary Enterprises

Auxiliary loan repayments (underwritten by reserves) & expenses lower than projected due to product availability, long lead times, and staffing challenges.

Auxiliary temporary year end savings due to timing of incomplete projects (carryover): estimated \$18.9 million.

SPONSORED PROGRAM EXPENDITURES

FY22 VS FY23



CAPITAL PROGRAM

KEY PROGRAM UPDATES

Mitchell Hall

- *Final state funding report and budget adjustment*





Projects Added

- *Slusher Hall Renovation*
- *Football Locker Room Renovations*
- *Planning for Student Life Village, Phase I*
- *Commerce Street Property Acquisition*

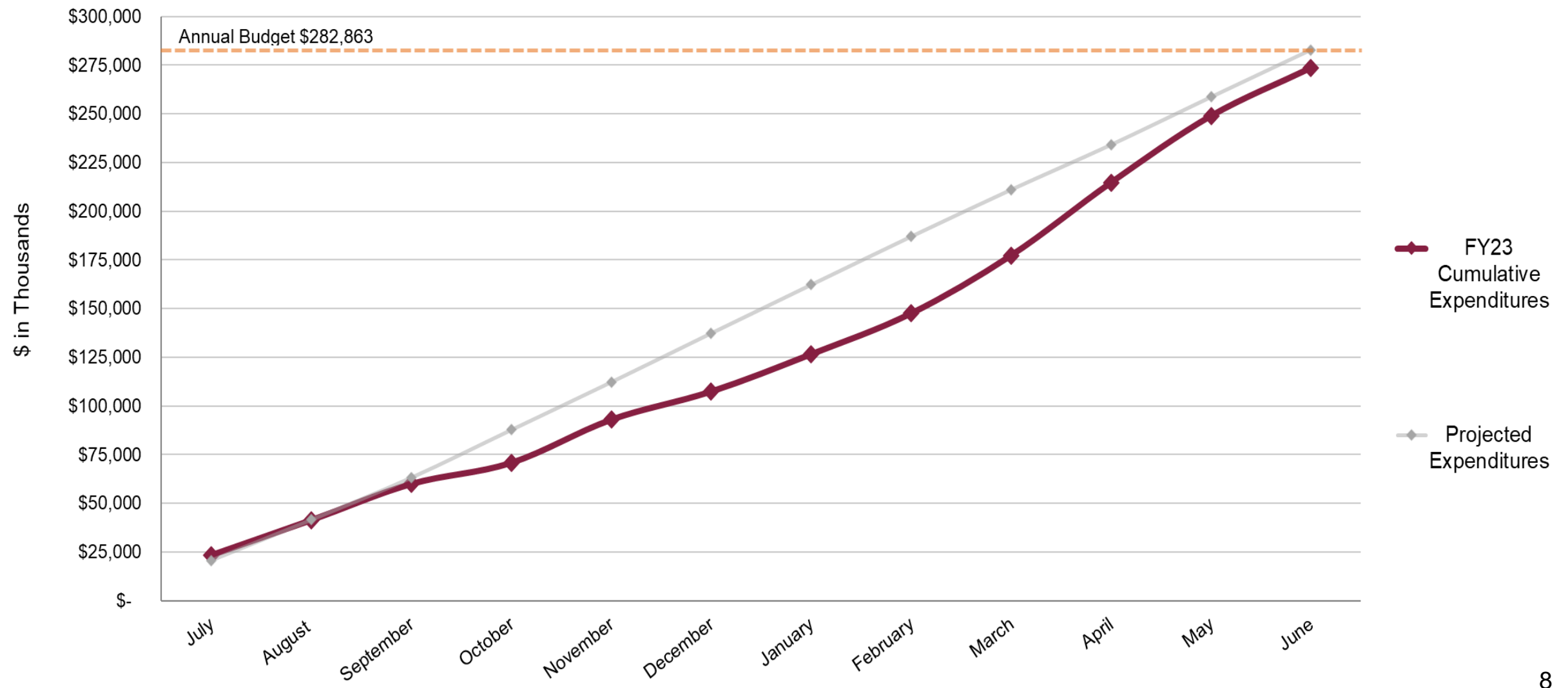
Projects Closed

- *Chiller Plant Phase II*
- *Holden Hall Renovations*
- *Improve Kentland Facilities*
- *Planning: Relocate Hampton Roads AREC*
- *Gas-Fired Boiler at the Central Steam Plant*
- *Creativity & Innovation District Living Learning Community (LLC)*

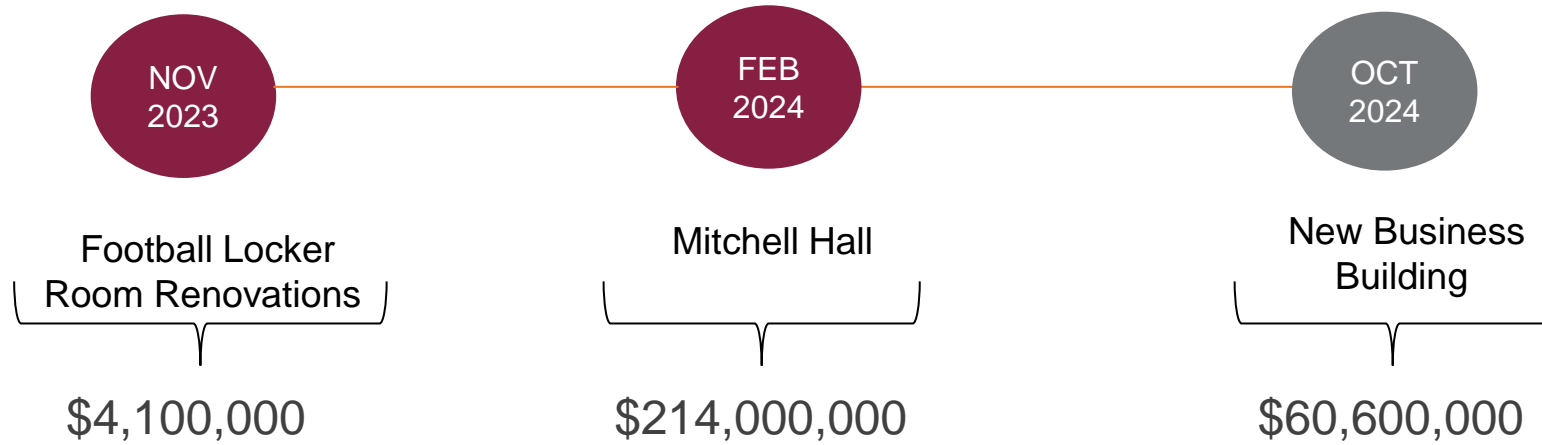
CAPITAL OUTLAY TOTAL PROGRAM

	1 st Quarter Ended	2 nd Quarter Ended	3 rd Quarter	4 th Quarter
 Design	5	2	2	4
 Construction	11	13	12	12
 Equipment	3	3	3	3
 Closeout	5	6	7	9
Total Projects	24	24	24	28
Total Budget (\$ in Thousands)	\$1,387,574	\$1,387,574	\$1,387,574	\$1,469,063
Total Expenditures (\$ in Thousands)	\$504,893	\$552,381	\$622,302	\$713,349

ACTIVITY THROUGH JUNE 30, 2023



TIMING FOR CONSTRUCTION PRICING



Spending on
Projects in design
phase through
June 30, 2023-
\$8,442,000

PROJECTS COMING ONLINE

2023

- ❖ JUL: Corps Leadership & Military Sciences Building
- ❖ AUG: Livestock & Poultry Research Facilities, Phase I
- ❖ AUG: New Upper Quad Residence Hall
- ❖ AUG: Slusher Hall Renovations

2024

- ❖ JAN: ADA & Code Compliance
- ❖ MAR: Hitt Hall
- ❖ JUN: Innovation Campus-Academic Building
- ❖ JUN: Undergraduate Science Lab
- ❖ JUL: Student Wellness Improvements

Spending on projects in construction phase through June 30, 2023- \$365,251,000

APPROVAL OF YEAR-TO-DATE FINANCIAL PERFORMANCE REPORT

July 1, 2022 – June 30, 2023

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, 2022 through June 30, 2023 and the Capital Outlay report be approved.

August 29, 2023