

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

July 1, 2016 to June 30, 2017

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 2016-17 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
2016-17

Dollars in Thousands

	July 1, 2016 to June 30, 2017			Annual Budget for 2016-17		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
University Division						
<u>Revenues</u>						
General Fund	\$163,395	\$163,395	\$0	\$166,480	\$163,395	\$-3,085 (9)
Tuition and Fees	478,010	478,450	-440	480,035	478,450	-1,585 (10)
All Other Income	35,561	42,280	-6,719 (1)	41,544	42,280	736 (11)
Total Revenues	\$676,966	\$684,125	\$-7,159	\$688,059	\$684,125	\$-3,934
<u>Expenses</u>						
Academic Programs	\$-432,639	\$-437,328	\$4,689 (2)	\$-428,056	\$-437,328	\$-9,272
Support Programs	-246,630	-246,797	167	-260,003	-246,797	13,206
Total Expenses	\$-679,269	\$-684,125	\$4,856	\$-688,059	\$-684,125	\$3,934 (9,10,11)
NET	\$-2,303	\$0	\$-2,303 (3)	\$0	\$0	\$0
CE/AES Division						
<u>Revenues</u>						
General Fund	\$69,390	\$69,390	\$0	\$70,301	\$69,390	\$-911 (12)
Federal Appropriation	9,567	15,640	-6,073 (4)	15,640	15,640	0
All Other Income	1,152	1,063	89	933	1,063	130 (13)
Total Revenues	\$80,109	\$86,093	\$-5,984	\$86,874	\$86,093	\$-781
<u>Expenses</u>						
Academic Programs	\$-79,074	\$-79,265	\$191	\$-80,047	\$-79,265	\$781
Support Programs	-6,454	-6,827	373	-6,827	-6,827	0
Total Expenses	\$-85,528	\$-86,093	\$565	\$-86,874	\$-86,093	\$781 (12,13)
NET	\$-5,419	\$0	\$-5,419 (5)	\$0	\$0	\$0
Auxiliary Enterprises						
Revenues	\$326,579	\$325,049	\$1,530 (6)	\$320,175	\$325,049	\$4,874 (6)
Expenses	-324,742	-339,432	14,690 (6)	-311,278	-339,432	-28,154 (6)
Reserve Drawdown (Deposit)	-1,837	14,383	-16,220 (6)	-8,897	14,383	23,280 (6)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Sponsored Programs						
Revenues	\$302,925	\$341,952	\$-39,027 (7)	\$341,952	\$341,952	\$0
Expenses	-282,798	-341,952	59,154 (7)	-341,952	-341,952	0
Reserve Drawdown (Deposit)	-20,127	0	-20,127	0	0	0
NET	\$0	\$0	\$0	\$0	\$0	\$0
Student Financial Assistance						
Revenues	\$22,830	\$23,173	\$-343	\$21,713	\$23,173	\$1,460 (14,15)
Expenses	-22,834	-23,177	343	-21,713	-23,177	-1,464 (14,15)
Reserve Drawdown (Deposit)	4	4	0	0	4	4 (16)
NET	\$0	\$0	\$0	\$0	\$0	\$0
All Other Programs *						
Revenue	\$7,249	\$6,392	\$857	\$9,253	\$6,392	\$-2,861 (17)
Expenses	-3,629	-6,410	2,781 (8)	-9,253	-6,410	2,843 (17)
Reserve Drawdown (Deposit)	-3,620	18	-3,638 (8)	0	18	18 (17)
NET	\$0	\$0	\$0	\$0	\$0	\$0
Total University						
Revenues	\$1,416,658	\$1,466,784	\$-50,126	\$1,468,026	\$1,466,784	\$-1,242
Expenses	-1,398,800	-1,481,189	82,389	-1,459,129	-1,481,189	-22,060
Reserve Drawdown (Deposit)	-25,580	14,405	-39,985	-8,897	14,405	23,302
NET	\$-7,722	\$0	\$-7,722	\$0	\$0	\$0

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

OPERATING BUDGET

1. Lower than Projected revenues in Continuing Education programs due to lower than anticipated Language and Culture Institute business volume and the timing of Continuing Education Activities.
2. Academic program expenditures lower than projected due lower than projected activity levels in continuing education programs and growth in equipment program reimbursements.
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 federal drawdowns.
5. 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.
6. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
7. 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 research revenues are 1.6% less than 2015-16 levels due to lower federal grant and contract activity, while research expenditures are 1.7% greater than 2015-16 levels due to the extraordinary facility project expenditures in 2016-17.
8. Expenses for All Other Programs were less than projected due to timing of surplus property expense activity and timing of projects.
9. The General Fund revenue budget was reduced \$2.7 million primarily due to the removal of the General Fund share of the planned compensation program and reduced \$400,000 due to the state's withholding of E&G Nongeneral fund interest earnings. The General Fund revenue budget was increased \$19,280 for technical adjustments to the central fund estimate. The corresponding expenditure budgets have been adjusted accordingly.
10. The annual budget for Tuition and Fees has been decreased \$5.7 million for the finalization of the budgets for tuition and E&G fees, driven primarily by a refinement in projected enrollment growth and increased \$4.2 million in the third quarter for stronger than projected spring retention and earmarked fee revenue. The corresponding expenditure budgets have been adjusted accordingly.
11. The All Other Income revenue budget for the University Division has been increased \$935,800 for budget finalizations in Sales and Services and Continuing Education, \$450,000 for Equine Medical Center Revenues, \$63,772 for Va Racing Revenue, \$110,000 for stronger than projected milk sales, and \$148,000 for revenue associated with the establishment of the Campus to Campus shuttle (between Blacksburg and the Northern Capital Region) and the Executive Briefing Center ancillary. The Veterinary Teaching Hospital revenues were decreased \$932,000 due to the closure of the Roanoke Referral Clinic and \$20,000 due to lower than projected cattle sales. The corresponding expenditure budgets have been adjusted accordingly.
12. The General Fund revenue budget was decreased \$911,264 primarily due to the removal of the General Fund share of the planned compensation program. The corresponding expenditure budgets have been adjusted accordingly.
13. The self-generated revenue budget increased \$130,000 for greater than projected self-generated revenues. The corresponding expenditure budgets have been adjusted accordingly.
14. The General Funds revenue and expense budgets for Student Financial Assistance were increased \$301,490 for the Two-Year College Transfer Grant and \$79,649 for the VA Military Survivors and Dependent Program based on a projection of annual activity. The revenue and expense budgets were increased \$20,000 for the Cybersecurity Public Service Scholarship Program for students pursuing an education in programs specifically designed for careers in cybersecurity defense.
15. The Student Financial Aid revenue and expense budgets for Non-General Funds were increased \$770,000 during budget finalizations and \$289,823 for a technical accounting change.
16. Due to the timing of General Fund Student Financial Aid disbursements and the timing of expenses, \$4,030 of unexpected funds from prior fiscal years were utilized during 2016-17 for College Transfer Grant, Military Survivors and Soil Scientist programs.
17. The projected annual budgets for All Other Programs was decreased \$3.4M to finalize budgets and realignment of Alumni Affairs. The expense budgets were increased \$511,174 for outstanding 2015-16 commitments that were initiated but not completed before June 30, 2016.

**UNIVERSITY DIVISION
AUXILIARY ENTERPRISES**

Dollars in Thousands

	July 1, 2016 to June 30, 2017			Annual Budget for 2016-17		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls *						
Revenues	\$116,000	\$115,983	\$17	\$116,762	\$115,983	\$-779 (8)
Expenses	-113,211	-118,106	4,895 (1)	-111,989	-118,106	-6,117 (8,9,10,11)
Reserve Drawdown (Deposit)	-2,789	2,123	-4,912 (1)	-4,773	2,123	6,896 (8,9,10,11)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Parking and Transportation						
Revenues	\$13,292	\$13,654	\$-362 (2)	\$13,858	\$13,654	\$-204 (12)
Expenses	-12,278	-13,770	1,492 (2)	-13,585	-13,770	-185 (9,10,11,12)
Reserve Drawdown (Deposit)	-1,014	116	-1,130 (2)	-273	116	389 (9,10,11,12)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications Services						
Revenues	\$20,672	\$20,795	\$-123	\$19,498	\$20,795	\$1,297 (13)
Expenses	-20,882	-21,963	1,081 (3)	-18,494	-21,963	-3,469 (9,10,11,13)
Reserve Drawdown (Deposit)	210	1,168	-958 (3)	-1,004	1,168	2,172 (9,10,11,13)
Net	\$0	\$0	\$0	\$0	\$0	\$0
University Services * **						
Revenues	\$46,854	\$46,695	\$159	\$46,680	\$46,695	\$15 (14)
Expenses	-44,631	-47,812	3,181 (4)	-45,875	-47,812	-1,937 (9,10,11,14)
Reserve Drawdown (Deposit)	-2,223	1,117	-3,340 (4)	-805	1,117	1,922 (9,10,11,14)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Intercollegiate Athletics *						
Revenues	\$74,298	\$71,089	\$3,209 (5)	\$66,146	\$71,089	\$4,943 (15)
Expenses	-80,476	-80,205	-271	-65,848	-80,205	-14,357 (9,10,11,15)
Reserve Drawdown (Deposit)	6,178	9,116	-2,938	-298	9,116	9,414 (9,10,11,15)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Electric Service *						
Revenues	\$33,100	\$34,274	\$-1,174 (6)	\$34,627	\$34,274	\$-353 (16)
Expenses	-30,310	-32,091	1,781 (6)	\$-34,067	-32,091	1,976 (9,10,11,16)
Reserve Drawdown (Deposit)	-2,790	-2,183	-607 (6)	-560	-2,183	-1,623 (9,10,11,16)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Inn at Virginia Tech/Skelton Conf. Center						
Revenues	\$11,809	\$11,728	\$81	\$11,728	\$11,728	\$0
Expenses	-12,039	-11,933	-106	-11,638	-11,933	-295 (9,10,11)
Reserve Drawdown (Deposit)	230	205	25	-90	205	295 (9,10,11)
Net	\$0	\$0	\$0	\$0	\$0	\$0
Other Enterprise Functions ***						
Revenues	\$10,554	\$10,831	\$-277 (7)	\$10,876	\$10,831	\$-45 (17)
Expenses	-10,915	-13,552	2,637 (7)	-9,782	-13,552	-3,770 (9,10,11,17)
Reserve Drawdown (Deposit)	361	2,721	-2,360 (7)	-1,094	2,721	3,815 (9,10,11,17)
Net	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL AUXILIARIES						
Revenues	\$326,579	\$325,049	\$1,530	\$320,175	\$325,049	\$4,874
Expenses	-324,742	-339,432	14,690	-311,278	-339,432	-28,154
Reserve Drawdown (Deposit)	-1,837	14,383	-16,220	-8,897	14,383	23,280
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. 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. Expenses are also lower than projected due to timing of operating expenses.
3. Expenses in Telecommunications Services are lower than projected due to the timing of special projects related to telecommunication projects.
4. Expenses for the University Services System are lower than projected due to the timing of expenses and union facility projects scheduled for summer months.
5. Revenues for Intercollegiate Athletics are higher than projected due to higher than forecasted ACC revenue and a one-time NCAA distribution.
6. Revenue and expenses for the Electric Service auxiliary are lower than projected due to lower than anticipated electricity consumption as well as timing of items ordered but not yet received thus not paid at fiscal year-end.
7. Revenues and expenses for Other Enterprise Functions are lower than projected due to lower than forecasted Printing Services business volume. Expenses are also lower than projected due to timing of operating expenses.
8. The projected annual revenue, expense, and reserve budgets for Residence and Dining Halls were adjusted for increased facility use agreement revenues, decreased Steger Center fall enrollment, decreased meal plan sales and food costs of \$640,000, and increased \$354,000 for Innovation and Creativity dorm planning expenses.
9. The projected annual expense budget for Auxiliary Enterprises was adjusted for \$10.6 million in outstanding 2015-16 commitments and projects that were initiated but not completed before June 30, 2016. This amount includes \$703,512 for Athletics, \$3.6 million for Residence Halls, \$2.6 million in Dining Hall commitments and projects, and \$598,048 for Electric Service. The remainder is spread across the other auxiliary programs.
10. The projected annual expense and reserve budgets for the Auxiliary Enterprises were decreased \$596,057 to reduce the placeholder budgets for compensation and fringe benefits to final amounts.
11. The projected annual expense and reserve budgets for the Auxiliary Enterprises were increased \$693,484 for the auxiliary share of the state's assessment of a one-time Virginia Retirement System (VRS) investment in 2015 which lowered future VRS actuarial rates.
12. The projected annual revenue, expense, and reserve budgets for Parking and Transportation Services were decreased for reduced parking permit volume and self-generated revenue as well as a reduced Blacksburg Transit contract expense. The expense and reserve budgets were adjusted for increased parking facility maintenance.
13. The projected annual revenue, expense, and reserve budgets for Telecommunications Services were increased \$1.3 million for infrastructure projects and the expense budget was increased \$1.8 million for network equipment refreshment.
14. The projected annual revenue, expense, and reserve budgets for the University Services System were adjusted for increased Rescue Squad revenues, an additional counselor position in the Cook Counseling Center, expanded student center wage support and Cultural Center renovations, career services mentoring position, additional student health counseling space, increased alcohol education business volume, and increased \$190,000 for Rescue Squad ambulance replacement.
15. The projected annual revenue budget for Intercollegiate Athletics was increased \$4.9 million to accommodate additional revenue of \$791,000 for the football team's participation in the Belk Bowl and ACC Football Championship, \$93,000 for football revenue, \$462,000 self-generated revenue, \$3.3 million in private fundraising for Indoor Practice Facility, and \$338,000 Baseball Facility private gifts. Annual expense and reserve draw budgets were increased \$13.6 million to accommodate \$2.7 million for coaching staff transitions, athletic contracts, and competitive compensation, \$2.2 million for ACC Football Championship and Belk Bowl expenses, \$1.5 million for sports expenses, \$1.1 million for operating expenses, \$338,000 for debt service expenses, and \$5.6 million for capital projects including Rector Field House and Indoor Practice Facility.
16. The projected annual revenue, expense, and reserve budgets for the Electric Services auxiliary were adjusted for decreased 2016-17 cost of wholesale electricity, unrelated business income tax credit, associated reduction in customer rates, and planned reserve restoration. The expense budget was increased for additional personnel needs.
17. The projected annual revenue, expense and reserve budgets for Other Enterprise Functions were increased for internal financings, scholarship expenses in Licensing and Trademark, Library Photocopy equipment, and decreased for lower than expected activity level in Hokie Camp, Tailor Shop, and Printing Services

**CAPITAL OUTLAY PROJECTS
AUTHORIZED AS OF JUNE 30, 2017**

Dollars in Thousands

PROJECT INITIATED	CURRENT YEAR			TOTAL PROJECT BUDGET					
	ORIGINAL ANNUAL BUDGET	REVISED ANNUAL BUDGET	YTD EXPENSES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENSES	
Educational and General Projects									
<u>Educational and General Maintenance Reserve</u>									
Maintenance Reserve	On-going	9,100	7,500	5,407	10,578	0	0	10,578	5,407 (1)
<u>Design Phase</u>									
Improve Kentland Facilities	Sep 2013	4,500	500	208	8,618	0	0	8,618	890 (2)
Corps Leadership & Military Science Building	Dec 2015	1,920	706	649	0	2,100	0	2,100	1,374 (3)
Renovate Undergraduate Science Laboratories	Jul 2016	0	600	423	0	10,000	0	10,000	423 (4)
Agriculture Production Facilities	Oct 2016	1,120	200	21	22,136	0	0	22,136	21 (5)
Chiller Plant Phase II	Oct 2016	2,000	200	55	31,024	0	9,797	40,821	55 (6)
Health Sciences & Technology	Oct 2016	3,380	200	0	48,307	17,765	23,793	89,865	0 (7)
Holden Hall Renovation	Oct 2016	3,670	2,000	901	44,386	0	17,500	61,886	901 (8)
Gas-Fired Boiler at the Central Steam Plant	Apr 2017	0	0	0	0	6,800	0	6,800	0 (9)
Planning: Intelligent Infrastructure and Construction Complex	Apr 2017	0	0	0	0	6,000	0	6,000	0 (10)
<u>Construction Phase</u>									
Academic Buildings Renewal	Sep 2013	13,500	5,000	3,344	27,389	4,466	0	31,855	5,774 (11)
Address Fire Alarm Systems and Access	Jun 2014	2,751	1,600	1,199	4,891	0	0	4,891	3,225 (12)
Biocomplexity Data Center	Sep 2015	4,800	4,800	4,425	0	5,900	0	5,900	4,750 (13)
Eastern Shore AREC Storage Building	Apr 2016	26	425	154	0	535	0	535	154 (14)
<u>Close-Out</u>									
Classroom Building	Dec 2012	8,530	10,641	9,591	42,652	0	0	42,652	41,602 (15)
Property Acquisition: West Roanoke Street	Nov 2016	0	550	550	0	550	0	550	550 (16)
TOTAL		55,297	34,922	26,928	239,981	54,116	51,090	345,187	65,125

CAPITAL OUTLAY BUDGET

Educational and General Projects

1. The total project budget amount reflects the balance of maintenance reserve appropriation carried forward from fiscal year 2016 and the state's fiscal year 2017 allocation of \$9.038 million of Maintenance Reserve funds. The budget was adjusted in the third quarter to reflect expected cash outflows for fiscal year 2017.
2. 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. An early site package for the Applied Reproduction Facility is complete and working drawings are complete for the remainder of the project. The project design is being modified and rebid a second time because of cost overruns with bids expected in October 2017.
3. This project planned a new 75,460 gross square foot Corps Leadership and Military Science Building to be located in the northern portion of the existing Upper Quad near Lane Hall. The facility envisions 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 complete, and the project will be put on hold pending completion of its funding plan.
4. This project is to plan for the renovations of seven laboratories within Derring Hall and Hahn Hall that are needed to accommodate the increased demand for introductory undergraduate science laboratory classes in biology, chemistry, physics, and microbiology. Preliminary designs are complete and construction is expected to begin fall 2017.
5. 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 underway.
6. This project continues the strategic infrastructure advancements initiated by the Chiller Plant, Phase I project. This Phase II project 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. Schematic design was completed in June and preliminary design is underway.
7. This project calls for a Public Private Partnership delivery located adjacent to the existing Virginia Tech-Carilion Research Institute facility in Roanoke, Virginia. The 139,000 gross square foot building will serve as a fully operational and contained biomedical research and education facility. The budget was adjusted earlier in the year to reflect expected cash outflows for fiscal year 2017.
8. This project is for the renovation and expansion of Holden Hall to accommodate the instruction and research programs of Materials Science and Engineering, Mining and Minerals Engineering, and Computer Science Engineering. The final project would be 101,000 gross square feet of engineering instruction and research space. Schematic design is nearly complete.
9. This project was approved by the Board of Visitors at the April 2017 meeting and will design, purchase, and install a new Gas-Fired Boiler within the Central Steam Plant. The A/E (Architecture and Engineering) selection process is underway.
10. This project was approved by the Board of Visitors at the April 2017 meeting and will plan the Intelligent Infrastructure and Human-Centered Communities Destination Area. The first capital project within the area is the Intelligent Infrastructure and Construction complex which will include Hitt Hall, the Fusion Laboratories, and the Smart Dining Center.
11. 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 state appropriated \$3.174 million of equipment funding effective July 1, 2017, and this funding will be implemented fall 2017. The project is under construction with substantial completion expected in summer 2018.
12. 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 is 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 \$4.58 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, Randolph Hall, and Norris Hall.
13. This project is for a new high performance data center within the existing Biocomplexity Institute's facilities. Construction is complete and the data center has been turned over to the program.
14. This project is for a new equipment maintenance 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. Construction is complete and the facility has been turned over to the program.
15. The project is complete and has been occupied since August 2016. The project may be closed and financial accounts terminated when final invoices are received and paid and completion of the authorized scope has been verified by the Chief Facilities Officer.
16. The transaction was completed in March 2017, and the project was closed June 30, 2017.

Capital Outlay Projects Authorized as of June 30, 2017 (Continued)

Dollars in Thousands

PROJECT INITIATED	CURRENT YEAR			TOTAL PROJECT BUDGET					
	ORIGINAL ANNUAL BUDGET	REVISED ANNUAL BUDGET	YTD EXPENSES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENSES	
Auxiliary Enterprises Projects									
<u>Auxiliary Maintenance Reserve</u>									
Maintenance Reserve	On-going	7,000	7,000	7,459	0	7,459	0	7,459	7,459 (1)
<u>Design Phase</u>									
Planning: Student Wellness Services	Jun 2016	2,000	400	526	0	0	2,785	2,785	526 (2)
Planning: Creativity & Innovation District Residence Hall	Oct 2016	0	304	255	0	0	26,818	26,818	255 (3)
<u>Construction Phase</u>									
Unified Communications & Network Renewal	Apr 2012	3,386	1,350	968	0	9,564	6,944	16,508	14,871 (4)
Upper Quad Residential Facilities	May 2013	24,905	19,700	18,563	0	35,671	53,729	89,400	83,096 (5)
Lane Substation Expansion	Sept 2015	4,000	500	290	0	2,000	4,500	6,500	727 (6)
O'Shaughnessy Renovation	Apr 2016	1,720	1,720	2,229	0	8,867	12,633	21,500	2,231 (7)
Athletic Facilities Improvements	Aug 2016	2,700	5,000	5,374	0	37,500	0	37,500	6,097 (8)
<u>Close-Out</u>									
Parking Blanket Authorizations Balance	Jul 2002	0	0	0	0	0	16,547	16,547	0 (9)
Airport Hangar	Apr 2015	514	100	95	0	2,520	0	2,520	1,838 (10)
East Eggleston Renovation	Aug 2015	0	0	0	0	2,500	0	2,500	2,196 (11)
Residential Door Access Improvements	Dec 2015	3,368	3,600	3,595	0	7,735	0	7,735	6,978 (12)
<u>On Hold and Not Funded</u>									
Phase IV of Oak Lane Community (Houses 2 - 5)	Aug 2010	0	0	0	0	0	17,518	17,518	0 (13)
TOTAL		49,593	39,674	39,354	0	113,816	141,474	255,290	126,273
GRAND TOTAL		<u>\$ 104,890</u>	<u>\$ 74,596</u>	<u>\$ 66,282</u>	<u>\$ 239,981</u>	<u>\$ 167,932</u>	<u>\$ 192,564</u>	<u>\$ 600,477</u>	<u>\$ 191,399</u>

566,411

RECOMMENDATION:

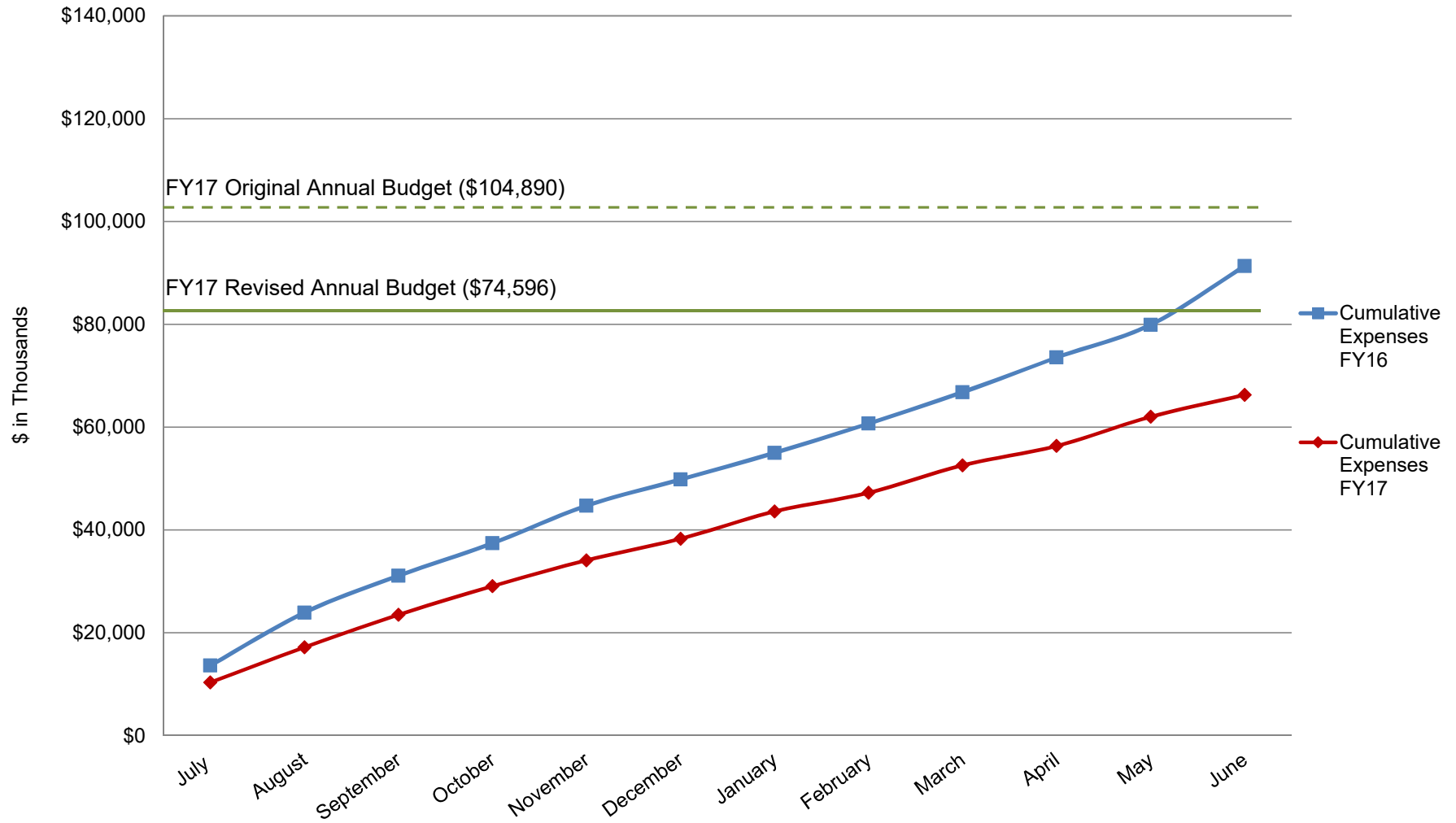
That the report of income and expenditures for the University Division and the Cooperative Extension/Agricultural Experiment Station Division for the period of July 1, 2016 through June 30, 2017 and the Capital Outlay report be accepted.

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 and total budget reflect the spending plans of the auxiliary units on scheduled maintenance reserve work for fiscal year 2017. The auxiliary maintenance reserve program covers 104 assets with a total replacement value of \$1.1 billion. Year-to-date expenses exceeded the annual budget because expenses expected in fiscal year 2018 were invoiced in fiscal year 2017. Resources were available and sufficient to cover the additional cash outflow. The annual and total project budgets were adjusted accordingly.
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. Year-to-date expenses exceeded the annual budget because expenses expected in fiscal year 2018 were invoiced in fiscal year 2017. Resources were available and sufficient to cover the additional cash outflow and the project remains within the total authorized budget.
3. The original project was over budget and has been on hold for several years while the university explored alternatives. A programming study is underway for a new residential hall in the living-learning community model focused on academic collaborative spaces to support creativity and innovation activities and the athletics program. The programming study will include a review of required utilities, mechanical, electrical, and plumbing components, and a cost review. The authorization will need adjustment based on the results of the programming study.
4. 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 2018. The total expected costs are \$16.5 million.
5. 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. The first building, Pearson Hall, was occupied in November 2015. The second building is complete and will be in service for fall semester 2017.
6. 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. Delivery of the transformers is expected fall 2017 and work is underway in the new control house to install controls panels, batteries, and station service. The entire project should be complete in late 2017 with an expected total cost of \$6.5 million.
7. This project will update O'Shaughnessy Hall's interior; mechanical, electrical, and plumbing systems; elevators; address other deferred maintenance items as needed; and install air conditioning. Improvements include converting O'Shaughnessy into a living-learning community to modernize the residential program within the building. Construction started late spring 2017 with occupancy expected fall 2018. Year-to-date expenses exceeded the annual budget because expenses expected in fiscal year 2018 were invoiced in fiscal year 2017. Resources were available and sufficient to cover the additional cash outflow and the project remains within the total authorized budget.
8. This project includes four high priority Athletic facility improvements: Rector Field House, Baseball Facilities, athletic nutrition center, and Tennis Facilities. Construction for Rector Field House and Baseball Facilities is underway with completion of both expected late spring of 2018. Feasibility studies are underway for an athletic nutrition center and Tennis Facilities improvements. Year-to-date expenses exceeded the annual budget because expenses expected in fiscal year 2018 were invoiced in fiscal year 2017. Resources were available and sufficient to cover the additional cash outflow and the project remains within the total authorized budget.
9. This project has been on hold for several years with the last subproject completed in 2011. The State reverted the unallocated balance of the project effective July 1, 2017 and the project will be closed.
10. 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. The budget was adjusted in the first quarter to reflect expected cash outflows for fiscal year 2017.
11. The project was closed in October 2016. The total cost was \$2.196 million and the authorization was underspent.
12. This project is substantially complete. The total cost is expected to be \$6.983 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.
13. 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 2016 and YTD Fiscal Year 2017

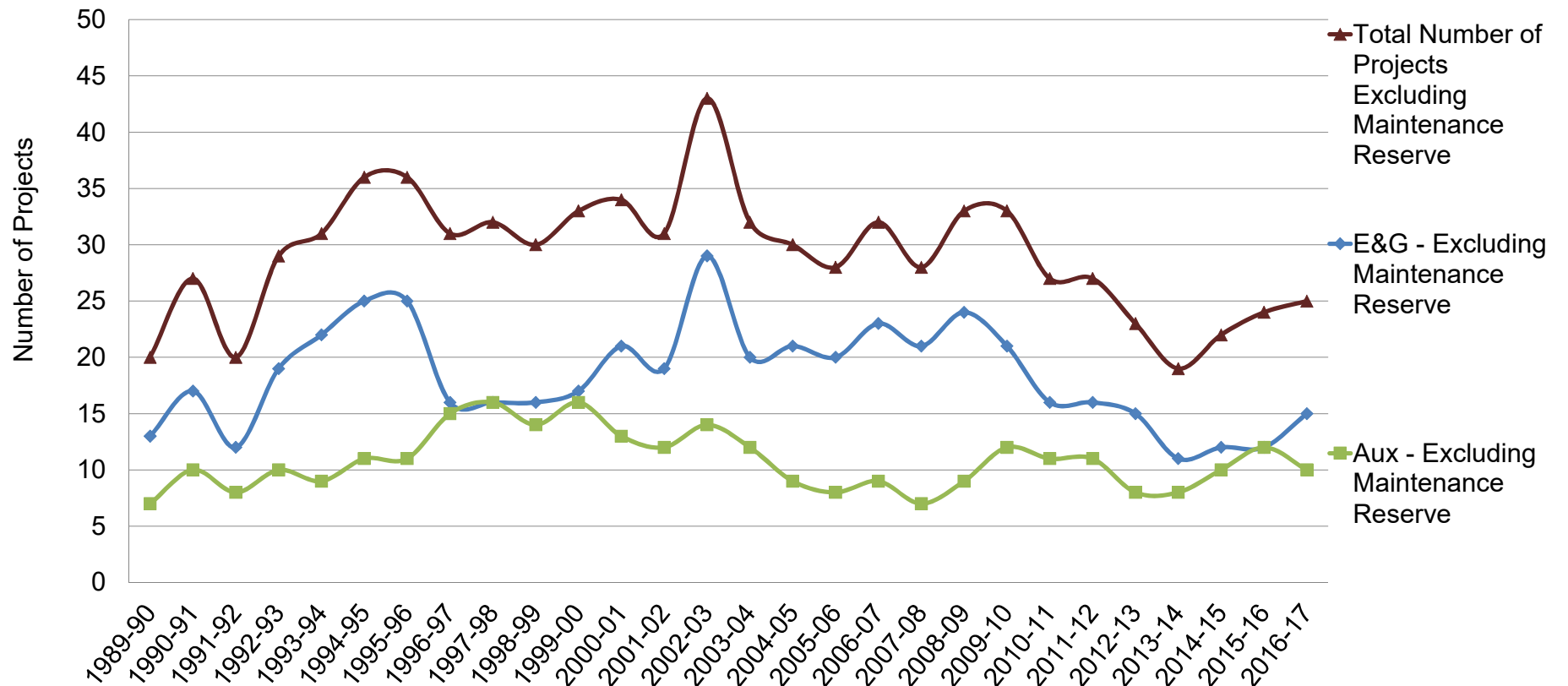


Presentation Date: September 11, 2017

CAPITAL PROGRAM PROJECTS

Total Number of Active Capital Projects

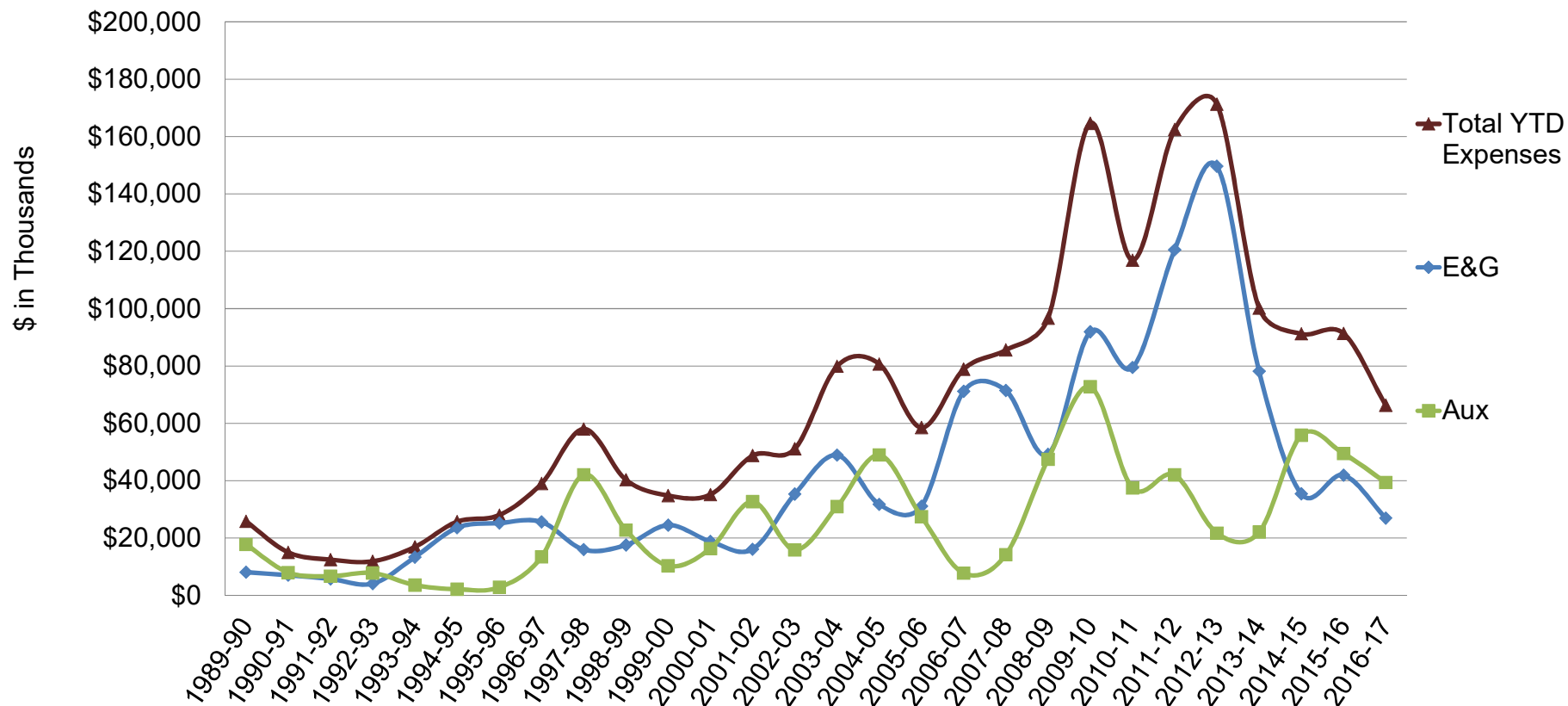
Fiscal Year 1990 - Fiscal Year 2017



CAPITAL PROGRAM EXPENDITURE TREND

Total Annual Expenditures for Active Capital Projects

Fiscal Year 1990 - Fiscal Year 2017



CAPITAL PROGRAM TOTAL BUDGET Total Budget Level of Active Projects Fiscal Year 1990 - Fiscal Year 2017

