RADFORD
UNIVERSITY

RADFORD UNIVERSITY BOARD OF VISITORS
BUSINESS AFFAIRS & AUDIT COMMITTEE MEETING
1:00 P.M.
SEPTEMBER 14, 2017
MARTIN HALL, THIRD FLOOR, BOARD ROOM
RADFORD, VIRGINIA

Approved

MINUTES

COMMITTEE MEMBERS PRESENT
Mr. Robert A. Archer, Chair
Dr. Jay A. Brown, Vice Chair
Mr. Gregory A. Burton
Dr. Debra "Deb" K. McMahon

COMMITTEE MEMBERS ABSENT
Dr. Javaid Siddiqi

BOARD MEMBERS PRESENT
Mr. Mark S. Lawrence, Rector
Dr. Jay A. Brown
Mr. Gregory A. Burton
Dr. Rachel D. Fowlkes
Dr. Susan Whealler Johnston
Ms. Karyn K. Moran
Ms. Georgia Anne Snyder-Falkinham
Dr. Jason "Jake" Fox, Faculty Representative (non-voting advisory member)

OTHERS PRESENT
President Brian O. Hemphill, Ph.D.
Mr. Richard S. Alvarez, Vice President for Finance and Administration and Chief Financial Officer
Mr. Joe Carpenter, Vice President for University Relations and Chief Communications Officer
Ms. Lisa Ghidotti, Director of State Government Relations
Dr. Graham Glynn, Provost and Vice President for Academic Affairs
Ms. Stephanie Jennelle, Associate Vice President for Finance and University Controller
Mr. Danny M. Kemp, Vice President for Information Technology and Chief Information Officer
Ms. Wendy Lowery, Vice President for University Advancement
Ms. Katherine "Kitty" McCarthy, Vice President for Enrollment Management
Ms. Margaret McManus, University Auditor
Mr. Chad Reed, Associate Vice President for Budget and Financial Planning
Mr. Mike Reinholtz, Acquisitions and Contract Management Specialty Team Director and Radford Audit Project Manager Auditor of Public Accounts

Ms. Ashley Schumaker, Chief of Staff, Office of the President
Ms. Susan Trageser, Interim Vice President for Student Affairs
Ms. Mary Weeks, Secretary to the Board of Visitors/Senior Assistant to the President
Mr. Allen Wilson, Senior Assistant Attorney General, Commonwealth of Virginia
Radford University Faculty and Staff

CALL TO ORDER
Mr. Robert A. Archer, Chair, called the meeting to order at 1:00 p.m. in the Board Room, Third Floor, Martin Hall, Radford University. Mr. Archer took a moment to recognize immediate past chair Ms. Mary Ann Hovis and remarked that he and the Committee will miss her leadership. He then welcomed everyone.

APPROVAL OF AGENDA
Mr. Archer requested approval of the agenda as published. Dr. Jay A. Brown so moved, and Dr. Debra "Deb" K. McMahon seconded. The agenda was unanimously approved as published.

APPROVAL OF MINUTES
Mr. Archer requested approval of the May 4, 2017 minutes as published. Dr. Brown so moved, and Mr. Gregory A. Burton seconded. The minutes were unanimously approved and can be found at: http://www.radford.edu/content/bov/home/meetings/minutes.html

REPORTS AND RECOMMENDATIONS

Report from the Auditor of Public Accounts
Mr. Mike Reinholtz, Acquisitions and Contract Management Specialty Team Director and Radford Audit Project Manager, Auditor of Public Accounts (APA), provided a summary of the APA's audit of Radford University's Fiscal Year (FY) 2016 financial statements, noting that the University received an unmodified opinion with no material weaknesses. He thanked the staff in the Radford University Audit Department for their assistance. Mr. Reinholtz also presented information regarding the upcoming audit timeline of the University's FY 2017 financial statements, which will include review of Athletics and Financial Aid. Copies of the reports presented are hereto attached as ***Attachment A*** and are made a part thereof.

Mr. Archer thanked Mr. Reinholtz for his reports.

Report from the University Auditor
Ms. Margaret McManus, University Auditor, reviewed the department's current Charter, FY 2017 Activity Report, FY 2018 Audit Plan, Budget and Staffing Summaries for FY 2017 and FY 2018, a balanced scorecard, and a follow-up audit status report. For the December 2017 Committee meeting, Ms. McManus was requested to provide a list of audit matters or issues for the past year. She also reported that one hundred percent of expenditures from the University Discretionary Fund for the quarter ending June 30, 2017 were reviewed, and all were found in compliance with the Board of Visitors' guidelines. All of said reports are hereto attached as ***Attachment B*** and are made a part thereof.

Mr. Archer thanked Ms. McManus for her report.

Write off of Past Due Accounts
Ms. Stephanie Jennelle, Associate Vice President for Finance and University Controller, presented a report of all past due accounts written off in the previous fiscal year. The report documents compliance with the Board of Visitors delegated authority to write off all accounts deemed uncollectible during the previous fiscal year in order to meet financial reporting standards in a timely manner. The total amount is .02% of overall budget. A copy of the report is hereto attached as ***Attachment C*** and is made a part thereof.

Mr. Archer thanked Ms. Jennelle for the information.

Capital Projects Update
Mr. Richard S. Alvarez, Vice President for Finance and Administration and Chief Financial Officer, presented an update of current capital projects that included renovations of residence halls, the Whitt Hall Renovation, the Reed-Curie Renovation, and expansion of the Nursing Simulation Center at the Roanoke Higher Education Center. A copy of the Capital Projects Update is hereto attached as ***Attachment D*** and is made a part thereof.

Radford University 2016-2017 Financial Performance Report
Mr. Alvarez presented the 2016-2017 Financial Performance Report, which included a review of year-end financial activity as of June 30, 2017. A copy of the 2016-2017 Financial Performance Report is hereto attached as ***Attachment E*** and made a part thereof.

Radford University 2017-2018 Proposed Operating Budget
Mr. Alvarez presented the 2017-2018 Proposed Operating Budget for consideration. As this report is still in flux due to Census date having just closed, Mr. Alvarez will provide an updated document at the December 2017 committee meeting. A copy of the 2017-2018 Proposed Operating Budget is hereto attached as ***Attachment F*** and made a part thereof.

Radford University 2017 Six-Year Plan
Mr. Chad Reed, Associate Vice President for Budget and Financial Planning, presented the University's 2017 Six-Year Plan update. He reported that Radford University's Six-Year Plan was updated to reflect the status of existing strategies based on institutional priorities and legislative action during the 2017 General Assembly Session. The University will resubmit the final plan to the State Council of Higher Education for Virginia (SCHEV) by October 1, 2017. A copy of the 2017 Six-Year Plan is hereto attached as ***Attachment G*** and is made a part thereof.

Radford University 2018-2024 Six-Year Capital Outlay Plan
Mr. Reed also presented the University's 2018-2024 Six-Year Capital Outlay Plan. He reported that Radford University's Six-Year Capital Plan was updated to reflect the status of existing strategies based on institutional priorities and legislative action during the 2017 General Assembly Session. A copy of the 2018-2024 Six-Year Capital Plan is hereto attached as ***Attachment H*** and is made a part thereof.

ACTION ITEMS

Recommendation of the Resolution for Approval of the Radford University 2017-2018 Operating Budget

Mr. Archer requested a motion to recommend to the Board of Visitors approval of the 2017-2018 Operating Budget as presented. Dr. Brown so moved, and Mr. Burton seconded. The motion passed unanimously. A copy of the resolution is hereto attached as ***Attachment I*** and is made a part thereof.

Recommendation of the Resolution for Approval of the Radford University 2017 Six-Year Plan

Mr. Archer requested a motion to recommend to the Board of Visitors approval of the 2017 Six-Year Plan as presented. Dr. Brown so moved, and Mr. Burton seconded. The motion passed unanimously. A copy of the resolution is hereto attached as ***Attachment J*** and is made a part thereof.

Recommendation of the Resolution for Approval of Radford University's 2018-2024 Six-Year Capital Plan

Mr. Archer requested a motion to recommend to the Board of Visitors approval of the 2018-2024 Six-Year Capital Plan as presented. Dr. Brown so moved, and Dr. McMahon seconded. The motion passed unanimously. A copy of the resolution is hereto attached as ***Attachment K*** and is made a part thereof.

ADJOURNMENT

Mr. Archer thanked Mr. Alvarez, Mr. Reed and the staff in the Budget office for the outstanding work and amount of data they have pulled together for the Committee. As there was no further business to come before the Committee, Mr. Archer requested a motion to adjourn. Dr. Brown so moved, and Dr. McMahon seconded. The motion carried unanimously and the meeting adjourned at 2:20 p.m.

Respectfully submitted,

Pamela Fitchett

Pamela Fitchett,
Executive Assistant to the Vice President for Finance and Administration and Chief Financial Officer
Secretary to the Committee

RADFORD UNIVERSITY

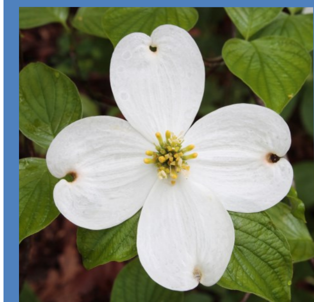
Results of Financial Statement Audit

For the Year Ended June 30, 2016

Area	Comments
Auditor's Opinion	We have issued an unmodified opinion on the University's financial statements for the year ended June 30, 2016. Our opinion is included in the University's fiscal year 2016 Financial Statement Report.
Scope of Internal Control Work	We have issued a separate report on Internal Controls and Compliance. We obtained a sufficient understanding of internal control to plan our audit and to determine the nature, timing, and extent of testing performed. Our audit did not identify any matters that we consider to be material weaknesses.
Compliance Testing	We reviewed the University's corrective action related to the recommendations included in the 2015 Commonwealth of Virginia Single Audit Report. The University has completed corrective action related to the recommendations; "Improve Compliance Over Enrollment Reporting", "Perform and Document Monthly Reconciliations" and "Improve Notification of Awards to Students". The corrective action related to "Promptly Process Return of Title IV Calculations" was ongoing as of June 30, 2016. A status update related to this recommendation is included in the report on Internal Controls.
Fraud and Illegal Acts	We found no indications of fraudulent transactions or illegal acts.
Significant Audit Adjustments	There were no audit adjustments that were required to be recorded in the audited financial statements.
Accounting Policies, Principles, Methods, and Estimates	• There were no material changes to accounting and reporting policies and standards during the year. • We concur with management's application of accounting principles. • We reviewed the basis for accounting estimates and these estimates appear to be reasonable based on available information and consistent with prior periods • There were no disagreements with management about auditing, accounting, or disclosure matters.

Commonwealth of Virginia
APA
Auditor of Public Accounts

Attachment A
Continued




RADFORD UNIVERSITY

REPORT ON AUDIT

FOR THE YEAR ENDED

JUNE 30, 2016

Auditor of Public Accounts
Martha S. Mavredes, CPA
www.apa.virginia.gov
(804) 225-3350

AUDIT SUMMARY

We have audited the basic financial statements of Radford University as of and for the year ended June 30, 2016, and issued our report thereon, dated June 26, 2017. Our report, included in Radford University's Annual Report, is available at the Auditor of Public Accounts' website at www.apa.virginia.gov and at Radford University's website at www.radford.edu. Our audit of Radford University for the year ended June 30, 2016, found:

- the financial statements are presented fairly, in all material respects;
- no internal control findings over financial reporting requiring management's attention; and
- one instance of noncompliance or other matters required to be reported under Government Auditing Standards.

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STATUS OF PRIOR YEAR FINDING

Properly Process Return of Title IV Calculations

In our last audit, we recommended that Radford University (University) improve processes to enable timely identification of withdrawals and, if necessary, prompt return of Title IV funds to the U.S. Department of Education within the prescribed 45-day timeframe. The University did not routinely review for unofficial withdrawals for the Summer semester. All calculations of Title IV funds are required to be completed within 30 days of semester end, and funds are required to be returned within 45 days after the date that the institution determines the student has withdrawn.

The University has implemented new controls, including term-specific procedures to ensure that reviews are done for unofficial withdrawals. This corrective action was considered ongoing in the Commonwealth of Virginia Single Audit Report for the year ended June 30, 2016. We will review the implementation of the University's corrective action during our next audit.

Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 26, 2017

The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable Robert D. Orrock, Sr.
Chairman, Joint Legislative Audit
and Review Commission

Board of Visitors
Radford University

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of **Radford University** (University) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated May 12, 2017. Our report includes a reference to other auditors. We did not consider internal controls over financial reporting or test compliance with certain provisions of laws, regulations, contracts, and grant agreements for the financial statements of the component unit of the University, which were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the section titled "Status of Prior Year Finding" in the finding entitled "Properly Process Return of Title IV Calculations."

The University's Response to Findings

We discussed this report with management at an exit conference held on July 18, 2017. The University's response to the finding identified in our audit is described in the accompanying section titled "University Response." The University's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Status of Prior Findings

The University is taking adequate corrective action with respect to the audit finding reported in the prior year that is reported in the section entitled "Status of Prior Year Finding." Additionally, The University has taken adequate corrective action with respect to audit findings reported in the prior year that are not repeated in this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Audit Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

AUDITOR OF PUBLIC ACCOUNTS

JMR/alh

RADFORD UNIVERSITY

Vice President for Finance and Administration

July 28, 2017

Martha Mavredes, CPA
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

Dear Ms. Mavredes,

We have reviewed the status of the prior year finding which was discussed during the financial statement audit exit conference on July 18, 2017. We understand that the outstanding finding was in relation to the testing over the major federal program of the Student Financial Assistance Programs Cluster for the Commonwealth's Single Audit conducted for fiscal year ending June 30, 2015.

Below, for your consideration, is a brief update regarding this finding.

Promptly Process Return of Title IV Calculations

As you've noted, the University has implemented procedures to ensure that reviews are done for unofficial withdrawals for all terms, including Summer. Additionally, the University has implemented procedures to ensure that all calculations and returns of Title IV funds are completed within the required timeframes.

In June 2017, the University completed internal reviews and verified that the procedures were implemented effectively and that the implementation of corrective action was complete.

I would like to thank you and your staff for the valuable services that you provide.

Sincerely,

Richard S. Alvarez
Chief Financial Officer and Vice President for Finance and Administration

CC: Kitty McCarthy, Vice President for Enrollment Management
Stephanie Jennelle, University Controller
Margaret McManus, University Auditor

RADFORD UNIVERSITY

Radford, Virginia
As of June 30, 2016

BOARD OF VISITORS

Anthony R. Bedell
Rector

Christopher Wade
Vice Rector

Mary Waugh Campbell	Mark S. Lawrence
Krisha Chachra	Randolph J. Marcus
Callie M. Dalton	Alethea Robinson
Kevin R. Dye	Steve A. Robinson
Mary Ann Hovis	Ruby W. Rogers
Susan Whealler Johnston	Javaid Siddiqi

Georgia Anne Snyder-Falkinham

Michele N. Schumacher
Secretary to the Board of Visitors

UNIVERSITY OFFICERS

Penelope W. Kyle
President

Richard S. Alvarez
Vice President for Finance and Administration

Attachment A
Continued

RADFORD UNIVERSITY

Financial Statements

For the Year Ended June 30, 2016 | Radford, Virginia

Table of Contents

Management's Discussion and Analysis

(Unaudited)

Introduction

The following unaudited Management's Discussion and Analysis (MD&A) provides an overview of the financial position and results of activities of Radford University (University) in an objective, easily readable format. This discussion includes an analysis of the University's financial condition and results of operations for the fiscal year ended June 30, 2016. Since this analysis includes highly summarized data, it should be read in conjunction with the accompanying financial statements, footnotes and other required supplementary information. The University's management is responsible for all financial information presented, including this discussion and analysis.

The University's financial report includes the three required financial statements, *Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position;* and *Statement of Cash Flows,* and accompanying note disclosures and required supplementary information. These statements are summarized and analyzed in the following paragraphs. The Radford University Foundation, Inc. is included in the accompanying financial statements in a separate column as a component unit. However, the following discussion and analysis does not include Radford University Foundation's financial condition and activities.

University Overview

Founded in 1910 as an all-women's college, Radford University became coeducational in 1972 and was granted university status by the Virginia General Assembly in 1979. On July 1, 2016, the University welcomed its seventh president, Dr. Brian O. Hemphill, who succeeded Penelope W. Kyle, J.D., who retired after 11 years of service as the University's president. President Hemphill has pledged to lead the Highlander family with a steadfast commitment to excellence, accountability, transparency and student-centeredness. Today, the University is a flourishing coeducational, comprehensive public university that is student-centered and focused on providing outstanding academic programs to its 9,401 students (fall 2016 headcount).

The University offers excellent educational opportunities to students from all geographic regions of the Commonwealth. Radford University's student body comprises 93.4 percent Virginia residents; and among undergraduates, 37.9 percent are the first in their family to attend college. Because of its middle size, the University provides its students a winning combination of broad opportunities associated with a large university and highly personalized relationships considered the hallmark of a small institution.

Well-known for its strong faculty/student collaboration, innovative use of technology in the learning environment and vibrant student life on a beautiful residential campus, the University offers many opportunities for success in and out of the classroom. In addition to courses offered at its main campus, Radford University also extends its course offerings to students at the Roanoke Higher Education Center, Southwest Virginia Higher Education Center, New College Institute and Carilion Roanoke Community Hospital. Through its seven colleges, the University offers 67 degree programs in 38 disciplines as well as three certificates at the undergraduate level; 22 master's programs in 17 disciplines and three doctoral programs at the graduate level; 13 post-baccalaureate certificates and one post-master's certificate. A Division I member of the NCAA and Big South Athletic Conference, the University participates in 15 varsity sports — nine for women and six for men.

The University employs many "High Impact Practices" that include such offerings as undergraduate research, Scholar-Citizen Quality Enhancement Plan experiences, leadership courses and programs, the Honors Academy and internship placements, to name a few. Radford University also entered into a Guaranteed Admissions Agreement for Nursing with the Virginia Community College System (VCCS). The agreement will provide an efficient pathway for VCCS's Applied Science in Nursing (AAS) graduates to achieve a Bachelor of Science in nursing (BSN) degree from Radford University. The campus community supports a culturally diverse student population and offers more than 270 clubs and organizations for student participation, growth, leadership development and community service. Students also have the opportunity to participate in faculty-led study-abroad programs in 16 different countries.

Individual colleges and programs have reached significant milestones and received accolades for their accomplishments. The University's School of Nursing was recognized as a top national and regional nursing school by the Nursing School's Almanac for 2016, ranking 75th nationally and 31st in the southeast region among public nursing schools. Also, the University's Departments of Art and Design received accreditation from the National Association of Schools of Art and Design. Fewer than 400 schools in the nation with art and design programs have received this prestigious accreditation. In response to the shortage of behavioral health nursing professionals, the University established a Post-Baccalaureate Psychiatric Mental Health Nurse Practitioner Certificate, which is only one of three such programs in Virginia. The University's Master of Business

Administration program was recognized by the U.S. News & World Report in the 2017 Best Business Schools Part-Time MBA report. Also, the University established a graduate certificate in gerontology, a first-ever, multi-disciplinary, graduate-level certificate to address the issues and problems faced by aging Americans.

The aforementioned examples are but a few of the many accomplishments that all of the colleges and programs have attained during the course of their instructional mission. The University has also received national recognition in numerous areas including:

- In September 2016, the University was recognized by The Princeton Review as one of the 139 institutions in the "Best in the Southeast" section of the "2017 Best Colleges: Region by Region" list. This is the 10th consecutive year that the University has been featured as one of the "Best in the Southeast."

- The University was ranked 47th in the "South" region in the U.S. News & World Report's "2017 Best Regional Universities" report, which includes both public and private higher education institutions. Within this list, the University is ranked 16th among public universities. This is the fifth consecutive year that the University has been named a best regional public university by U.S. News & World Report.

- The University was ranked 29th in the "2017 Best Colleges for Veterans — South" by U.S. News & World Report. This is the second year the University has been recognized for its distinction in serving student-veterans.

- Confirming that the University provides one of the best values in the nation, the University was recognized by Washington Monthly magazine as one of the "Best Bang for the Buck" institutions for the fourth consecutive year. The University was ranked number 10 among Virginia public and private colleges and universities in this report.

- The University was recognized by the College of Distinction organization for 2016-17 for its commitment to four distinctions: student engagement, great teaching, vibrant communities and successful outcomes.

- In June 2016, the University was designated a National Center of Academic Excellence in Cyber Defense Education by the National Security Agency and the U.S. Department of Homeland Security. Through 2021, the University will be at the forefront of preparing graduates in cyber security and meeting the evolving demands of cyber security education. The University is one of six four-year institutions in Virginia and one of 127 four-year institutions in the country to earn this national designation.

The University is dedicated to building and maintaining a sustainable, environmentally friendly campus by obtaining LEED (Leadership in Energy and Environmental Design) Gold certifications for campus buildings; developing a Climate Action Plan with a target climate neutrality date of 2040; and partnering with the City of Radford to provide the Radford Transit system.

Radford Transit, developed as a partnership with the City of Radford and operated by New River Valley Community Services, continues to experience considerable growth. By the end of fiscal year 2016, Radford Transit had transported 340,000 passengers and since inception, Radford Transit has transported a staggering 1.58 million passengers. Radford Transit will continue to serve the needs of students, employees and community residents by giving full campus access and transportation to areas adjacent to the University, including the City of Radford, Fairlawn, Christiansburg, Blacksburg, and connections with the Smart Way Bus and Megabus. These connections provide students and members of the community with multi-state bus routes and transportation to the Roanoke-Blacksburg Regional Airport. The success of Radford Transit reinforces the University's commitment to its students, employees, community residents and sustainable initiatives.

Statement of Net Position

The *Statement of Net Position* presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the University as of the end of the fiscal year. The purpose of the statement is to present a snapshot of the University's financial position to the readers of the financial statements. The data presented in the *Statement of Net Position* aids readers in determining the assets available to continue the operations of the University as well as determining how much the University owes to vendors and creditors. Furthermore, the *Statement of Net Position* provides a picture of the net position, or available resources of the University, which serves as one indicator of the current financial condition of the University.

Net position is classified into four major components: net investment in capital assets, restricted expendable, restricted nonexpendable and unrestricted. Change in net position is an assessment of whether the overall financial condition has improved or worsened during the year, while sustained increases or decreases in net position over time are one indicator of the financial stability or instability of an organization.

Total University assets increased by $33.3 million or 7.8 percent during fiscal year 2016, resulting in total assets of $461.9 million at year end. The increase in total assets is attributable to a $31.9 million increase in noncurrent assets in addition to a $1.5 million increase in current assets. Capital assets, net of accumulated depreciation, accounts for $34.1 million of the increase and reflects the ongoing expansion and renovation of facilities at the University as discussed in detail in the following section,

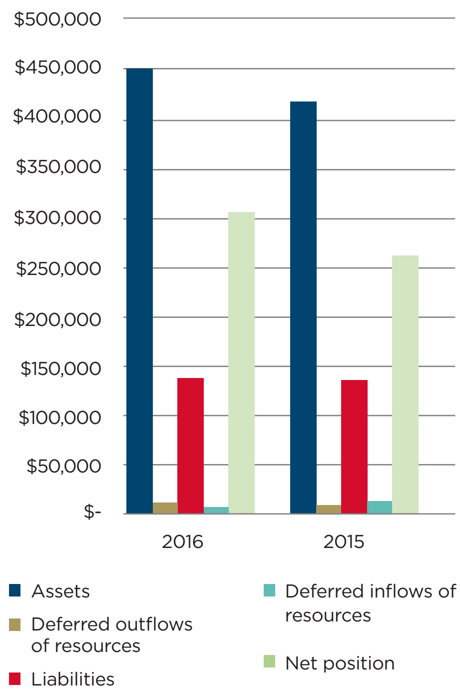
Statement of Net Position - Summary Schedule
($ shown in thousands)

The University's Statement of Net Position at June 30, 2016 and 2015 is summarized as follows:

	2016	2015	Change Amount	Change Percent
Assets				
Current assets	$119,952	$118,502	$1,450	1.2
Capital assets, net	340,345	306,289	34,056	11.1
Other noncurrent assets	1,652	3,844	(2,192)	(57.0)
Total assets	$461,949	$428,635	$33,314	7.8
Deferred outflows of resources	$10,284	$6,783	$3,501	51.6
Liabilities				
Current liabilities	$31,457	$37,462	$(6,005)	(16.0)
Noncurrent liabilities	118,278	111,273	7,005	6.3
Total liabilities	$149,735	$148,735	$1,000	0.7
Deferred inflows of resources	$4,773	$10,225	$(5,452)	(53.3)
Net position				
Net investment in capital assets	$293,034	$265,004	$28,030	10.6
Restricted - expendable	4,543	3,541	1,002	28.3
Unrestricted	20,148	7,913	12,235	154.6
Total net position	$317,725	$276,458	$41,267	14.9

Statement of Net Position Comparative Chart *($ shown in thousands)*

The chart below is a snapshot of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for the fiscal years ended June 30, 2016 and 2015:



Capital Asset and Debt Administration and in Note 4 of the *Notes to Financial Statements.* The largest decline in assets was in current and noncurrent restricted cash and cash equivalents totaling $9.7 million due to the expenditure of restricted cash and cash equivalents for ongoing capital asset construction. Additionally, the receivable due from the Commonwealth declined by $6.2 million due to capital project construction nearing completion at June 30, 2016, which was offset by a $7.5 million increase in appropriations available.

Total liabilities increased by $1.0 million or 0.7 percent during fiscal year 2016. Current liabilities decreased $6.0 million from the previous year as a result of a $3.4 million decline in accounts payable and accrued expenses and a $2.4 million decline in obligations under securities lending. Accounts payable and accrued expenses decreased due to the timing of capital project construction. Most significant capital projects were nearing completion at June 30, 2016. Obligations under securities lending decreased due to market activity. Noncurrent liabilities increased $7.0 million primarily related to the $9.0 million increase in pension obligation partially offset by a $2.0 million decline in long-term debt. Further information regarding long-term debt can be found in Note 6 of the *Notes to Financial Statements.*

As a result of the accounting for and financial reporting of the University's defined benefit pension plans, the University recognized $10.3 million of deferred outflows of resources and $4.8 million of deferred inflows of resources on the *Statement of Net Position.* The deferred outflows of resources represents, in part, the fiscal year 2016 employer contributions made by the University to the pension plans after the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Deferred outflows of resources increased from the previous fiscal year $3.5 million due to an increase in differences between the University's contributions and proportionate share of contributions, as well as an increase in the University's contributions subsequent to the measurement date. The deferred inflows of resources represents the net difference between projected and actual earnings on pension plan investments, which declined $5.5 million from June 30, 2015. Note 13 of the *Notes to Financial Statements and the Required Supplementary Information* includes additional information regarding the University's deferred outflows of resources, deferred inflows of resources and pension obligations.

The increase in total assets and deferred outflows of resources was greater than the corresponding increase in total liabilities and deferred inflows of resources, thus the University's net position increased by $41.3 million or 14.9 percent. Net investment in capital assets increased $28.0 million, which is a reflection of the University's continued investment in facilities and equipment to support the University's mission.

Capital Asset and Debt Administration

The development and renewal of the University's capital assets is critical to ensure the necessary infrastructure required for achieving the University's ongoing mission. Accordingly, the University has continued to implement its long-range plans to modernize older facilities and to pursue new construction as needed. These investments in renovation and new construction support and enhance the University's high-quality instructional programs, residential lifestyles and student quality of life.

Note 4 of the *Notes to Financial Statements* describes the University's ongoing investment in capital assets. The value of the University's net capital assets increased to $340.3 million at the end of fiscal year 2016, an increase of $34.1 million or 11.1 percent over fiscal year 2015. Net additions and reductions to capital assets during fiscal year 2016 totaled $48.8 million (excluding depreciation). The completion of the Center for the Sciences, intramural fields, and renovation of two residence halls, as well as construction progress on the new academic building for the College of Humanities and Behavioral Sciences, account for the majority of the current year capital activity. Current year depreciation expense totaled $17.1 million.

Capital projects in progress carried commitments to construction contractors, architects and engineers totaling $4.2 million at June 30, 2016. These obligations represent the unperformed portion of construction contracts and, as such, have not been accrued as expenses or liabilities on the University's financial statements. Additional information regarding the University's commitments is included in Note 12 of the *Notes to Financial Statements.*

Financial stewardship requires the effective management of resources, including the use of long-term debt to finance capital projects. Note 6 of the *Notes to Financial Statements* contains additional information about the long-term debt of the University.

Statement of Revenues, Expenses, and Changes in Net Position

The *Statement of Revenues, Expenses, and Changes in Net Position* presents the University's operating and nonoperating activities, which changes the University's total net position. The purpose of the statement is to present the University's operating revenues earned, operating expenses incurred, and all other revenues, expenses, gains and losses.

Generally, operating revenues are received from providing goods and services to students and various customers and constituencies of the University. Operating expenses are expenditures made to acquire or produce the goods and services provided in return for operating revenues and to carry out the mission of the University. Compensation and fringe benefits for faculty and staff are the largest category of operating expense.

Statement of Revenues, Expenses, and Changes in Net Position - Summary Schedule ($ shown in thousands)

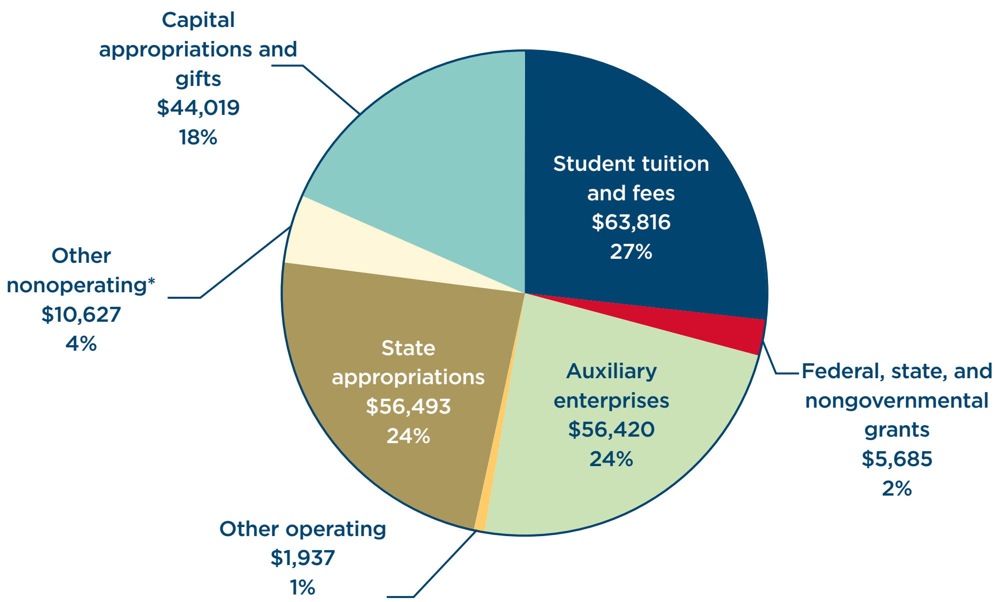
			Change	
	2016	2015	*Amount*	*Percent*
Operating revenues	$127,858	$123,591	$4,267	3.5
Less: Operating expenses	197,730	187,169	10,561	5.6
Operating loss	(69,872)	(63,578)	(6,294)	9.9
Nonoperating revenues (expenses)	67,120	65,881	1,239	1.9
Income before other revenues, expenses, gains or losses	(2,752)	2,303	(5,055)	(219.5)
Other revenues, expenses, gains or losses	44,019	38,052	5,967	15.7
Increase in net position	41,267	40,355	912	2.3
Net position - beginning of year	276,458	236,103	40,355	17.1
Net position - end of year	$317,725	$276,458	$41,267	14.9

Revenues by Source Comparison ($ shown in thousands)

The following chart compares each major revenue source (both operating and nonoperating) for the previous two fiscal years

			Change	
	2016	2015	*Amount*	*Percent*
Revenues by source:				
Student tuition and fees	$63,816	$59,759	$4,057	6.8
Federal, state and nongovernmental grants and contracts	5,685	6,180	(495)	(8.0)
Auxiliary enterprises	56,420	55,727	693	1.2
Other operating	1,937	1,925	12	0.6
State appropriations	56,493	54,903	1,590	2.9
Other nonoperating*	10,627	10,978	(351)	(3.2)
Capital appropriations and gifts	44,019	38,052	5,967	15.7
Total revenues by source	$238,997	$227,524	$11,473	5.0

*Includes federal student financial aid (Pell), investment income, interest on capital asset-related debt, loss on capital assets and nonoperating transfers to the Commonwealth.



Revenues by Source ($ shown in thousands)
The chart illustrates the percentage of the University's total revenue comprised by each major revenue source (both operating and nonoperating) for the year ended June 30, 2016

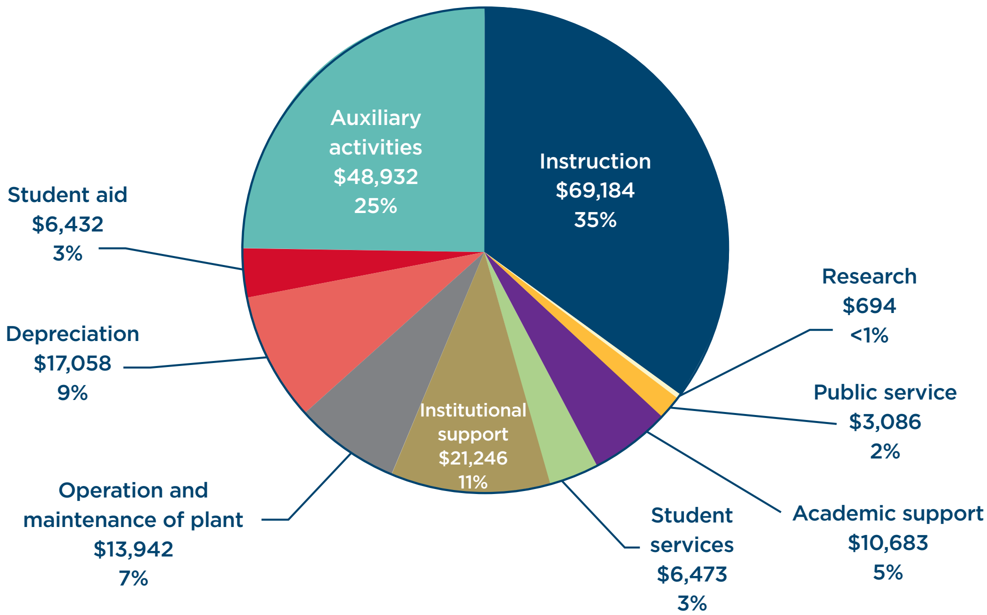
Nonoperating revenues are revenues received for which goods and services are not directly provided. For example, state appropriations are nonoperating revenues because they are provided by the legislature without the legislature directly receiving commensurate goods and services for those revenues. State appropriations provide substantial support for paying operating expenses of the University. Therefore, the University, like most public institutions, does not cover all operating expenses with operating revenues and expects to report an operating loss.

Operating revenues of the University consist primarily of student tuition and fees and revenues generated by various auxiliary enterprises. Operating revenues in total for fiscal year 2016 increased by $4.3 million as compared to fiscal year 2015. This increase was largely due to a $4.1 million increase in tuition and fees, net of scholarship allowances, and a $0.7 million increase in auxiliary enterprises, net of scholarship allowances, offset by $0.5 million decrease in revenue from grants and contracts. The growth in revenues from tuition and fees is attributed to a Board of Visitors approved tuition and fee rate increase. To address continuing programmatic and instructional needs and to cover other mandatory cost increases including fringe benefit and health insurance rate adjustments, tuition rate increases ranged from 0.0 to 6.5 percent.

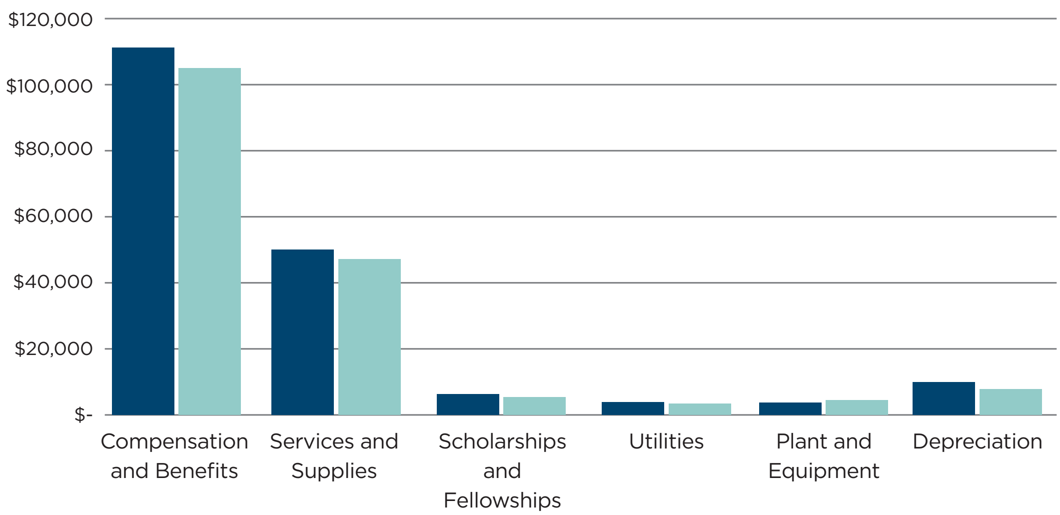
Nonoperating revenues and expenses increased $1.2 million or 1.9 percent from fiscal year 2015 due to a $1.6 million increase in state appropriations and $0.5 million

			Change	
	2016	2015	*Amount*	*Percent*
Operating expenses:				
Instruction	$69,184	$65,067	$4,117	6.3
Research	694	460	234	50.9
Public service	3,086	3,771	(685)	(18.2)
Academic support	10,683	10,233	450	4.4
Student services	6,473	6,377	96	1.5
Institutional support	21,246	18,802	2,444	13.0
Operation and maintenance of plant	13,942	12,501	1,441	11.5
Depreciation	17,058	15,382	1,676	10.9
Student aid	6,432	6,095	337	5.5
Auxiliary activities	48,932	48,481	451	0.9
Total operating expenses	$197,730	$187,169	$10,561	5.6

Expenses by Function ($ shown in thousands)
The chart compares expenses by function for the fiscal years ended June 30, 2016 and 2015.



Expenses by Function ($ shown in thousands)
The graphic illustration presents total expenses by function for fiscal year 2016.



Expenses by Natural Classification Comparison ($ shown in thousands)
The chart compares expenses by natural classification for the years ended June 30, 2016 and 2015.

increase in federal student financial aid (Pell) offset by an increase in loss on capital assets of $0.6 million and a $0.3 million increase in interest expense. The growth in capital appropriations of $6.0 million was a result of an increase in capital construction funding, predominantly related to General Fund capital project appropriations for the renovation of Whitt Hall.

Operating expenses for fiscal year 2016 increased $10.6 million or 5.6 percent over fiscal year 2015. From a natural expense standpoint, compensation and benefits comprise 58.0 percent of the University's operating expenses and services and supplies accounts for 24.4 percent. Compensation and benefits, services and supplies, and depreciation contributed to the majority of the increase in operating expenses for 2016. Compensation and benefits increased $7.3 million or 6.8 percent. Generally, changes to expenses in this category are from three sources: increases or reductions in the number of personnel, annual salary increases and the general trends in the costs of fringe benefits. The increase in compensation and benefits during fiscal year 2016 is largely due to a state-mandated 2.0 percent salary increase for all employees, a salary compression adjustment for eligible classified employees and increases in fringe benefits and health insurance rates. Services and supplies increased $1.8 million or 3.8 percent primarily due to the implementation of the University's rebranding initiative, consulting services, the completion of additional facility improvements and overall increase in contractual obligations related to student, administrative and operational support. Depreciation expense increased $1.7 million or 10.9 percent as a result of a full year of depreciation expense on large capital projects placed in service in fiscal year 2015. Operating expenses are presented on the *Statement of Revenues, Expenses, and Changes in Net Position* by their functional category. Expenses attributable to instruction and auxiliary activities comprise 35.0 and 24.7 percent, respectively, of total operating expenses.

The increase in operating expenses was greater than the increase in operating revenues resulting in an increase in the operating loss of $6.3 million. With the inclusion of state appropriations for the University in the nonoperating category, the University will routinely display an operating loss for the year. This operating loss is primarily covered by state appropriations included in the nonoperating category as well as federal student financial aid (Pell), investment income and capital appropriations.

Statement of Cash Flows

The *Statement of Cash Flows* presents detailed information about the cash activity of the University during the year. Cash flows from operating activities will always be different from the operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position.* This difference occurs because the *Statement of Revenues, Expenses, and Changes in Net Position* is prepared on the accrual basis of accounting and includes noncash items, such as depreciation expense, while the *Statement of Cash Flows* presents cash inflows and outflows without regard to accrual items. The *Statement of Cash Flows* should help readers assess the ability of an institution to generate cash flows necessary to meet obligations and evaluate its potential for additional financing.

The *Statement of Cash Flows* is divided into five sections: cash flows from operating activities; cash flows from noncapital financing activities; cash flows from capital and related financing activities; cash flows from investing activities; and reconciliation of net operating loss to net cash used by operating activities.

Statement of Cash Flows - Summary Schedule ($ shown in thousands)

			Change	
	2016	2015	*Amount*	*Percent*
Net cash used by operating activities	$(48,591)	$(51,737)	$3,146	(6.1)
Net cash provided by noncapital financing activities	68,337	66,541	1,796	2.7
Net cash used by capital and related financing activities	(18,846)	(21,195)	2,349	(11.1)
Net cash used by investing activities	(1,768)	(3,654)	1,886	(51.6)
Net decrease in cash	(868)	(10,045)	9,177	(91.4)
Cash and cash equivalents - beginning of year	101,522	111,567	(10,045)	(9.0)
Cash and cash equivalents - end of year	$100,654	$101,522	$(868)	(0.9)

Overall, the University had a net decrease in cash of $0.9 million from fiscal year 2015. The primary sources of cash for the University were state appropriations of $56.5 million, student tuition and fees of $63.3 million, auxiliary enterprise revenues at $56.1 million, capital appropriations and gifts of $42.5 million and receipts for student loans of $58.2 million. The major uses of cash were employee compensation and benefits at $113.1 million, services and supplies of $45.4 million, student loan disbursements at $57.9 million and the purchase of capital assets at $57.7 million. Net cash used by operating activities decreased $3.1 million from fiscal year 2015 as a result of a $3.4 million and $0.6 million increase in cash inflows from student tuition and fees and auxiliary enterprises, respectively, and a $3.5 million decline in cash outflows for services and supplies, offset by a $4.8 million increase in cash outflows for employee compensation and benefits. Net cash used by capital and related financing activities reflects a decrease of $2.3 million from the prior year as a result of an increase in capital appropriations and gifts of $10.0 million and a decrease in capital asset purchases of $3.0 million offset by a decrease in proceeds from debt of $10.0 million.

Economic Outlook

The University's administration closely monitors the fiscal environment in which the University operates and reviews key assumptions in the annual update of the University's fiscal plan. The University's 2016-17 operating budget was developed with specific consideration to tuition and fees, projected enrollment, institutional priorities, legislative actions by the General Assembly and a regionally forecasted economic outlook.

Each year the fiscal plan builds upon the existing multi-year strategic budget plans developed by each division. This collaborative process provides the framework for the University's Six-Year Plan submission to the state and positions the institution for long-term success. The fiscal plan addresses critical academic and student support programmatic needs, considers unavoidable cost increases and continues the implementation of the goals outlined in Radford University's Strategic Plan, 7-17. It also considers the goals outlined in the Statewide Strategic Plan (SSP) as well as the Virginia Higher Education Opportunity Act of 2011 - Top Jobs for the 21st Century (TJ21).

Today, the Commonwealth continues to face uncertainty even as it turns the corner on a period of anticipated growth. The unemployment rate is below the national average, new business initiatives are underway across Virginia, yet there remains caution in the face of state revenue expectations. The health of the regional economy must continue to be monitored closely. Although it is very encouraging that the perennial approach to conservative and prudent planning exhibited by the University, yet again, has the institution on track for continued success in fiscal year 2017.

Radford University remains committed to providing a quality and affordable educational experience. Among Virginia's four-year public institutions, the University is the second lowest total cost (tuition, fees, room and board) provider for in-state undergraduate students. As a public institution of higher education in Virginia, providing affordable educational opportunities for in-state undergraduate students is a priority, thus Radford University continues to rely heavily on state general fund support for its Educational and General (E&G) program activities.

During the 2016 General Assembly Session, the governor, House and Senate reiterated their commitment toward education by submitting a budget with more than $200 million in support for public higher education. This is a material investment that will make strides in strengthening the educational development of thousands of young men and women across the Commonwealth.

For fiscal year 2017, state general fund support for E&G programming will account for $51.5 million of the total projected program revenues. This represents a 7.2 percent increase from the fiscal year 2016 adjusted budget. This increase in state general fund support reflects new incentives for student access, affordability and completion. Funds are to be allocated as incentive to deliver quality education, limit the impact of future tuition increases and increase graduation rates among in-state students. The additional support will also address central appropriation adjustments for unavoidable cost increases such as health insurance and fringe benefit rate changes. It should be noted that while the 2015-16 yearend general fund collections exceeded those of the prior year, the total was still less than initially projected. Thus, the shortfall in fiscal year 2016 revenue has resulted in a revenue reforecast for the 2016-18 biennium. While the specific changes remain unknown at this time, given the recent infusion of state resources, there is optimism that higher education may be shielded to the extent practical.

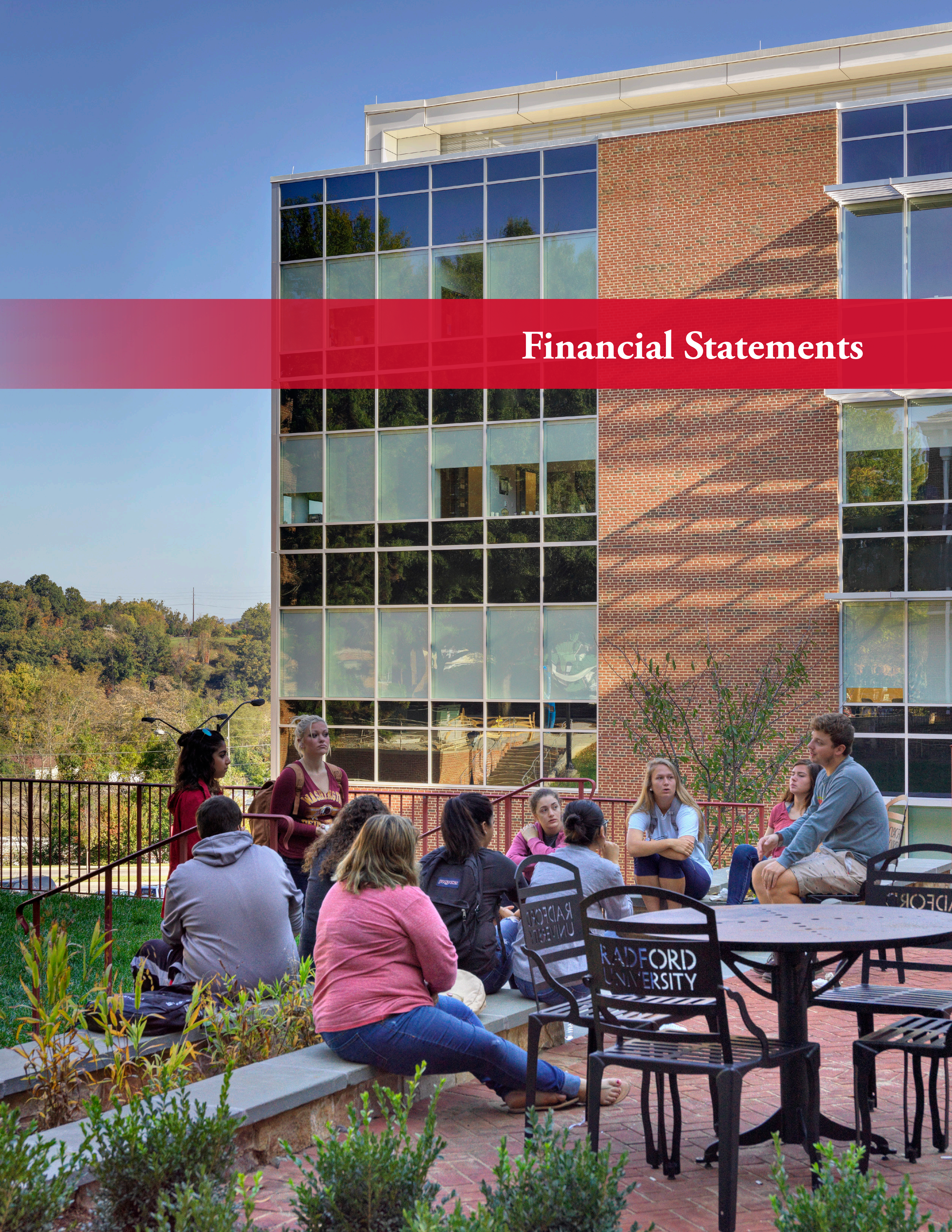
Radford University continues to enjoy a healthy demand for its academic programs among Virginia residents and first-generation students. Reflective of Radford University's growth and diversity, the Class of 2020 is composed of 1,751 new freshmen from 303 Virginia high schools and 128 out-of-state and international high schools, and it represents 19 foreign nations. Almost one-third (31 percent) of Virginia residents in the class are from northern Virginia, and more than 41 percent of the new freshmen are first generation college students. Over 33 percent of the new freshmen class identify themselves as ethnic minorities, with 18.8 percent as African-American and 8.1 percent as Hispanic/Latino.

The University has renewed its emphasis on enrollment planning and management. As a result, the University has recently undertaken a reorganization to create a Division of Enrollment Management with a dedicated Vice President to continue to strengthen the student body and ensure dependable fiscal resources for years to come. As part of this effort, the University also maintains an intensive retention and High Impact Practice effort to engage students immediately upon their arrival to campus. The University contracted with industry leader Ruffalo Noel Levitz to develop a holistic retention plan; is researching best practices for student assistance programs; implemented an undergraduate research initiative; is developing yoked instructional and student engagement opportunities; and is evaluating enhancements for career services and experiential learning opportunities. The University has always been an institution that fosters an environment in which all students can find success both inside and outside of the classroom. Furthermore, retention and graduation rates have historically been above the national average of comparable peer institutions. Enhancing these longstanding achievements is an integral focus for the institution over the next several bienniums.

During fiscal year 2016 substantial progress was made on various capital projects, including, but not limited to, the opening of the Center for the Sciences. In an effort to continue this momentum into fiscal year 2017, the University is expected to move forward on other major capital projects, including the renovations of Whitt and Reed/Curie Halls. The new academic building for the College of Humanities and Behavioral Sciences opened in fall 2016 and Is the largest academic building on campus.

In the coming years, Radford University will continue to demonstrate sound judgment in use of its financial resources and explore innovative strategies for continuous improvement. Future planning efforts have positioned the University to respond immediately to changing economic conditions and will allow the institution to emerge even stronger. Admission applications and student interest in the University continue to be robust in producing a reliable source of enrollment while maintaining a continued focus on student quality. The impact of these planning efforts demonstrates the University's focus on the future and its ability to respond to unforeseen challenges by continuing to evaluate programmatic costs, identify efficiencies in operations and prioritize the most critical needs in establishing and monitoring its operational finances.

Financial Statements



RADFORD UNIVERSITY

Statement of Net Position

As of June 30, 2016

	Radford University		Component Unit Radford University Foundation, Inc.	
ASSETS				
Current assets				
Cash and cash equivalents (Note 2)	$	98,580,933	$	736,466
Restricted cash and cash equivalents (Note 2)		2,072,860		-
Appropriations available		7,549,263		-
Short-term investments (Note 19C)		-		47,621,521
Accounts receivable (net of allowance for doubtful accounts of $408,349) (Note 3)		2,397,333		-
Contributions receivable (net of allowance for uncollectible contributions and discount of $31,155) (Note 19A)		-		1,383,488
Due from the Commonwealth (Note 11)		3,987,594		-
Due from Federal Government		173,779		-
Inventory		515,422		-
Notes receivable (net of allowance for doubtful accounts of $323,280 and $ -) (Notes 3, 19B)		1,210,493		14,794
Prepaid expenses		3,463,991		50,244
Other assets		-		4,925,000
Other receivables		-		33,339
Total current assets		119,951,668		54,764,852
Noncurrent assets				
Other long-term investments (Note 19C)		-		6,985,114
Contributions receivable (net of allowance for uncollectible contributions and discount of $55,660) (Note 19A)		-		459,823
Other assets		-		202,282
Notes receivable (net of allowance for doubtful accounts and discount of $412,846 and $92,268) (Notes 3, 19B)		1,651,902		308,186
Depreciable capital assets, net (Notes 4, 19D)		274,609,054		4,332,288
Nondepreciable capital assets (Notes 4, 19D)		65,735,826		3,565,410
Total noncurrent assets		341,996,782		15,853,103
Total assets	$	461,948,450	$	70,617,955
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources from net pension obligation	$	10,283,668	$	-
Total deferred outflows of resources (Note 13)	$	10,283,668	$	-

The accompanying notes to financial statements are an integral part of this statement.

Statement of Net Position

As of June 30, 2016

			Component Unit
		Radford University	Radford University Foundation, Inc.
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses (Note 5)		$ 22,684,311	$ 168,794
Unearned revenue		4,117,201	306,766
Obligations under securities lending		495,597	-
Deposits held in custody for others		616,707	-
Line of credit (Note 19E)		-	1,200,000
Current portion of long-term debt (Notes 6, 19F)		1,777,055	282,528
Current portion of other noncurrent liabilities (Note 7)		1,765,574	-
Trust and annuity obligations		-	58,252
Total current liabilities		31,456,445	2,016,340
Noncurrent liabilities			
Long-term debt (Notes 6, 19F)		46,922,440	760,637
Pension obligations (Note 13)		67,068,000	-
Trust and annuity obligations		-	418,186
Other noncurrent liabilities (Note 7)		4,287,789	-
Total noncurrent liabilites		118,278,229	1,178,823
Total liabilities		$ 149,734,674	$ 3,195,163
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources from net pension obligation		$ 4,773,000	$ -
Total deferred inflows of resources (Note 13)		$ 4,773,000	$ -
NET POSITION			
Net investment in capital assets		$ 293,034,133	$ 7,472,451
Restricted for:			
Expendable:			
Scholarships and fellowships		196,855	11,757,746
Instruction and research		1,954,090	2,379,879
Loans		69,993	-
Debt service		2,321,537	-
Other		-	11,355,155
Nonexpendable:			
Scholarships and fellowships		-	20,706,938
Instruction and research		-	2,281,641
Other		-	3,856,558
Unrestricted		20,147,836	7,612,424
Total net position		$ 317,724,444	$ 67,422,792

The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2016

	Radford University	Component Unit Radford University Foundation, Inc.
OPERATING REVENUES		
Student tuition and fees (net of scholarship allowance of $12,468,170)	$ 63,816,321	$ -
Gifts and contributions	-	3,004,456
Federal grants and contracts	4,600,063	-
State grants and contracts	610,823	-
Nongovernmental grants and contracts	473,912	-
Auxiliary enterprises (net of scholarship allowance of $9,586,269) (Note 8)	56,420,159	-
Other operating revenues	1,936,346	585,862
Total operating revenues	127,857,624	3,590,318
OPERATING EXPENSES		
Instruction	69,184,101	21,463
Research	694,069	-
Public service	3,086,340	-
Academic support	10,683,140	2,111,168
Student services	6,473,186	-
Institutional support	21,245,717	1,825,933
Operation and maintenance of plant	13,942,007	-
Depreciation (Note 4)	17,057,950	226,747
Student aid	6,431,625	1,592,341
Auxiliary activities (Note 8)	48,931,780	-
Total operating expenses (Note 9)	197,729,915	5,777,652
Operating loss	(69,872,291)	(2,187,334)
NONOPERATING REVENUES (EXPENSES)		
State appropriations (Note 10)	56,493,108	-
Federal student financial aid (Pell)	12,049,729	-
Investment income	534,287	(7,606,555)
Interest on capital asset-related debt	(824,461)	(24,534)
Loss on capital assets	(716,178)	-
Impairment loss on property held for sale	-	(264,173)
Nonoperating transfers to the Commonwealth	(416,791)	-
Net nonoperating revenues (expenses)	67,119,694	(7,895,262)
LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(2,752,597)	(10,082,596)
Capital appropriations and gifts (Note 11)	44,019,467	84,425
Additions to permanent endowments	-	608,726
Additions to term endowments	-	143,467
Total other revenues	44,019,467	836,618
Increase (decrease) in net position	41,266,870	(9,245,978)
Net position- beginning of year	276,457,574	76,668,770
Net position - end of year	$ 317,724,444	$ 67,422,792

The accompanying notes to financial statements are an integral part of this statement.

RADFORD UNIVERSITY

Statement of Cash Flows

As of June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	$ 63,283,257
Grants and contracts	6,061,251
Auxiliary enterprises	56,133,884
Other receipts	2,001,327
Payments for salaries, wages, and fringe benefits	(113,144,660)
Payments for services and supplies	(45,448,846)
Payments for utilities	(4,584,208)
Payments for scholarships and fellowships	(8,872,693)
Payments for noncapitalized plant improvements and equipment	(4,227,649)
Loans issued to students and employees	(801,511)
Collections of loans from students and employees	1,009,240
Net cash used by operating activities	$ (48,590,608)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	$ 56,493,108
Non-General Fund appropriations	(416,791)
Federal student financial aid (Pell)	12,064,161
Federal Direct Lending Program - receipts	58,171,521
Federal Direct Lending Program - disbursements	(57,937,812)
Agency and other receipts and payments, net	(37,305)
Net cash provided by noncapital financing activities	$ 68,336,882
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital appropriations and gifts	$ 42,459,761
Purchase of capital assets	(57,743,031)
Principal paid on capital debt and installments	(1,681,808)
Interest paid on capital debt and installments	(1,881,118)
Net cash used by capital and related financing activities	$ (18,846,196)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	$ (2,403,397)
Proceeds from sale and maturities of investments	101,261
Interest on investments	534,287
Net cash used by investing activities	$ (1,767,849)
Net decrease in cash	$ (867,771)
Cash and cash equivalents - beginning of the year	101,521,564
Cash and cash equivalents - end of the year	$ 100,653,793

The accompanying notes to financial statements are an integral part of this statement.

RADFORD UNIVERSITY

Statement of Cash Flows

As of June 30, 2016

RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	$ (69,872,291)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	17,057,950
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Accounts receivable, net	(134,853)
Inventory	(49,628)
Prepaid expenses	873,368
Notes receivable, net	175,748
Deferred outflows of resources from net pension obligation	(3,500,894)
Accounts payable and accrued expenses	3,559,323
Net pension obligations	9,040,000
Deferred inflows of resources from net pension obligation	(5,452,000)
Net cash used by operating activities	$ (48,590,608)

NONCASH CAPITAL AND FINANCING ACTIVITIES	
Gift of capital assets	220,261
Amortization of bond premium	(235,650)
Loss on disposal of capital assets	(729,982)

The accompanying notes to financial statements are an integral part of this statement.

Notes to Financial Statements

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Notes to Financial Statements

Notes to Financial Statements

For the Year Ended June 30, 2016

NOTE 1: **Summary of Significant Accounting Policies**

Reporting Entity

Radford University (the University) is a comprehensive university that is part of the statewide system of public higher education in the Commonwealth of Virginia (the Commonwealth). The University's Board of Visitors, appointed by the governor, is responsible for overseeing governance of the University. The Commonwealth prepares a separate financial report that incorporates all agencies, higher education institutions, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The University is a component unit of the Commonwealth and is included in the Commonwealth's general purpose financial statements.

Under Governmental Accounting Standards Board (GASB) Statement 61, *The Financial Reporting Entity: Omnibus — an amendment of GASB Statements No. 14 and No. 34,* the Radford University Foundation, Inc. (the Foundation) meets the criteria to qualify as a component unit of the University. The Foundation is a legally separate tax-exempt organization formed to promote the achievements and further the aims and purposes of the University. The Foundation accomplishes its purposes through fundraising and funds management efforts that benefit the University and its programs. The 17-member board of the Foundation is self-perpetuating and consists of alumni, supporters and senior staff of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds and invests are restricted to the activities of the University by donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

During the year ended June 30, 2016, the Foundation made distributions of $2,571,000 to or on behalf of the University for both restricted and unrestricted purposes. Separate financial statements for the Foundation can be obtained by contacting the Radford University Foundation Administrative Office at P.O. Box 6893, Radford, Virginia 24142.

Basis of Presentation

The University prepares its financial statements in conformity with U.S. generally accepted accounting principles as prescribed by GASB.

GASB Statement 35, *Basic Financial Statements and Management's Discussion and Analysis of Public Colleges and Universities,* issued November 1999, establishes accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of GASB Statement 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments.* The standards are designed to provide financial information that responds to the needs of three groups of primary users of general purpose external financial reports: the citizenry, legislative and oversight bodies, and investors and creditors. The University is required under this guidance to include *Management's Discussion and Analysis, Financial Statements, Notes to Financial Statements* and *Required Supplementary Information* in its financial statement presentation.

During the year ended June 30, 2016, the following GASB statements became effective: Statement 72, *Fair Value Measurement and Application*, and Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* Portions of the following GASB statements are effective for fiscal year 2016 with the remaining portions effective in future fiscal years: Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; Statement 79, *Certain External Investment Pools and Pool Participants*; and Statement 82, *Pension Issues — an amendment of GASB Statements No. 67, No. 68, and No. 73.*

Statement 72, *Fair Value Measurement and Application,* provides guidance for the determination of fair value and the application of fair value measurements to certain assets, primarily investments, and certain liabilities. Statement 72 also establishes a hierarchy of inputs in valuation techniques used to determine fair value. The University does not have investments required to be measured at fair value as of June 30, 2016. Statement 72 requires donated capital assets, donated works of art, historical treasures and other similar assets previously measured at fair value to be reported at acquisition value. The University reported all donated capital assets received during the fiscal year ending June 30, 2016 at acquisition value.

Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* provides a hierarchy of sources of accounting principles used in the preparation of financial statements of state and local governmental entities and a framework for selecting those principles.

The portions of Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* that were effective for fiscal year 2016 include the amendments to provisions of GASB Statements 67 and 68. These amendments provide clarification as it relates to required supplementary information; accounting and financial reporting for separately financed liabilities for defined benefit pension plans;

and timing of employer recognition of revenue for the support of nonemployer contributing entities.

Certain provisions of Statement 79, *Certain External Investment Pools and Pool Participants,* were effective for fiscal year 2016. Statement 79 establishes criteria for an external investment pool to qualify for measurement of its investments at amortized cost. The University was not a participant of an external investment pool during the fiscal year ending June 30, 2016.

The portions of Statement 82, *Pension Issues — an amendment of GASB Statements No. 67, No. 68, and No. 73,* effective for fiscal year 2016, includes clarification on the presentation of payroll-related measures in the required supplementary information; the classification of payments made by employers to satisfy employee contribution requirements; and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes.

The Foundation is a nonprofit organization that prepares its financial statements in conformity with U.S. generally accepted accounting principles as prescribed by FASB, including FASB Statement 117, *Financial Statements of Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. Reclassifications have been made to convert the Foundation's financial information to GASB presentation format.

Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. All significant intra-agency transactions have been eliminated.

Cash and Cash Equivalents

For purposes of the *Statement of Net Position* and *Statement of Cash Flows*, the University considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. Restricted cash and cash equivalents are externally restricted for the acquisition or construction of capital assets. Restricted cash and cash equivalents to be used in accordance with restrictions within the next fiscal year are classified as current assets and the remainder is classified as noncurrent assets on the *Statement of Net Position*.

Investments

In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, modified by GASB Statement 59, *Financial Instruments Omnibus,* purchased investments; interest-bearing temporary investments classified with cash; and investments received as gifts are recorded at fair value. All investment income, including changes in the fair value of investments (unrealized gains and losses), are reported as nonoperating revenue or expense in the *Statement of Revenues, Expenses, and Changes in Net Position*.

Short-term investments are classified as current assets on the *Statement of Net Position* and include investments with an original maturity over 90 days but less than or equal to one year at the time of purchase.

Accounts Receivable

Accounts receivable consist of charges for tuition and fees and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from federal and state governments and nongovernmental sources, in connection with reimbursement of allowable expenses made pursuant to the University's grants and contracts. Accounts receivable are recorded net of allowance for doubtful accounts. See Note 3 for a detailed list of accounts receivable by major category.

Inventories

Inventories are valued at average cost, generally determined by the average cost method. They consist primarily of expendable supplies and fuel held for consumption.

Notes Receivable

Notes receivable consist of amounts due from the Federal Perkins Loan Program, Nursing Student Loan Program and other student loan programs administered by the University. Notes receivable are recorded net of allowance for doubtful accounts. See Note 3 for a detailed list of notes receivable by major category.

Prepaid Expenses

As of June 30, 2016, the University's prepaid expenses included items such as insurance premiums, membership dues, conference registrations and publication subscriptions for fiscal year 2017 that were paid in advance.

Capital Assets

Capital assets include land, buildings, infrastructure, building and other improvements, equipment, intangibles and library materials. Capital assets are recorded at actual costs or estimated historical costs, if purchased or constructed. Donated capital assets are recognized at acquisition value at the date of donation.

Equipment with an expected useful life of greater than one year and with a value or cost of $5,000 or more at the date of acquisition is capitalized. Intangibles, principally software, are capitalized when acquisition costs are $10,000 or more and the estimated useful life is three years or greater. Library materials are valued using actual costs for library acquisitions. Construction and renovation costs are recorded as construction in progress until the project is substantially complete at which point the costs are removed from construction in progress and capitalized in the appropriate capital asset account (e.g. buildings, improvements, etc.) Such construction projects are capitalized when expenses total more than $100,000. Routine repairs and maintenance that do not add to the value of an asset or extend the useful life of an asset are not capitalized and are charged to operating expenses.

Interest expense incurred during the construction of capital assets is capitalized net of interest income earned on resources set aside for this purpose. The University incurred and capitalized net interest expense related to the construction of capital assets of $800,569 for the fiscal year ended June 30, 2016.

Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. Useful lives by asset categories are listed below:

Buildings	**40 years**
Building improvements	**20 years**
Other improvements and infrastructure	**20 years**
Equipment	**3-15 years**
Intangibles (software)	**3-15 years**
Library materials	**10 years**

Accrued Compensated Absences

The amount of leave earned but not taken by salaried employees is recorded as a liability on the *Statement of Net Position*. The amount reflects, as of June 30, 2016, all unused annual, sick, compensatory and recognition leave, as well as the amount payable upon termination under the Commonwealth of Virginia's sick leave payout policy. The applicable share of employer related taxes payable on the eventual termination payments is also included. See Note 7 for current and noncurrent amounts.

Unearned Revenue

Unearned revenue primarily includes amounts received prior to the end of the fiscal year for tuition and fees and certain auxiliary activities related to the period subsequent to June 30, 2016.

Noncurrent Liabilities

Noncurrent liabilities include the following:

- Principal amounts of notes and bonds payable and installment purchase obligations with maturities greater than one year
- Estimated amounts for accrued compensated absences
- Refundable contributions from the federal government to fund the operations of the Perkins Loan Program and the Nursing Student Loan Program
- Estimated pension obligation for the University's defined benefit pension plans

See Notes 6, 7 and 13 for detailed information and amounts.

Pension Obligation

For purposes of measuring the net pension liability; deferred outflows of resources and deferred inflows of resources related to pensions and pension expense; information about the fiduciary net position of the Virginia Retirement System (VRS) State Employee Retirement Plan and the Virginia Law Officers' System (VaLORS) Retirement Plan; and the additions to/deductions from the VRS State Employee Retirement Plan's and the VaLORS Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 13 for general information about the pension plans and calculation of the net pension liability.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources are defined as the consumption of net assets applicable to a future reporting period. Deferred inflows of resources are defined as the acquisition of net assets applicable to a future reporting period. Deferred outflows of resources have a positive impact on net position similar to assets in comparison to deferred inflows of resources which have a negative effect on net position similar to liabilities.

Net Position

GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* as amended by GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position,* requires that the *Statement of Net Position* report the difference between assets, deferred outflows, liabilities and deferred inflows as net position. Net position is classified into four major components: net investment in capital assets, restricted expendable, restricted nonexpendable and unrestricted.

Net investment in capital assets — Net investment in capital assets represents the University's total capital assets, net of accumulated depreciation, reduced by outstanding debt attributable to the acquisition, construction, or improvement of those assets. Debt incurred, but not yet expended for capital assets, net of accounts and retainage payable to be paid with unspent debt proceeds, is not included as a component of net investment in capital assets.

Restricted–expendable — The expendable restricted component of net position includes resources the University is legally or contractually obligated to expend in accordance with restrictions imposed by external third parties.

Restricted–nonexpendable — Restricted nonexpendable net position consists of endowment and similar type funds in which donors or other outside sources have stipulated that the principal is to be maintained in perpetuity and invested for the purpose of producing present or future income to be expended or added to the principal. As of June 30, 2016, the University does not have nonexpendable restricted net position.

Unrestricted — The unrestricted component of net position represents resources used for transactions relating to academic departments and general operations of the University. These resources may be used at the discretion of the University's Board of Visitors to meet current expenses for any lawful purpose in support of the University's primary missions of instruction, research and outreach. These resources are derived from student tuition and fees; state appropriations; recoveries of facilities and administrative (indirect) costs; and sales and services of auxiliary enterprises and educational departments. The auxiliary enterprises are self-supporting entities that provide services for students, faculty and staff. Some examples of the University's auxiliaries are intercollegiate athletics and student residential and dining programs.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense toward restricted resources before unrestricted resources.

Federal Financial Assistance Programs

The University participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants, Federal Work-Study, Direct Lending and Perkins Loan programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations* and the Compliance Supplement.

Commonwealth Equipment and Capital Project Reimbursement Programs

The Commonwealth has established several programs to provide state-supported institutions of higher education with bond proceeds for financing the acquisition of instructional and research equipment and facilities. During fiscal year 2016, funding has been provided to the University from two programs: 21st Century and Equipment Trust Fund (ETF). The Commonwealth issues bonds and uses the proceeds to reimburse the University, and other institutions of higher education, for expenses incurred in the acquisition of equipment and facilities. The bond liability is assumed by the Commonwealth and is not reflected as a liability of the University.

The *Statement of Net Position* line item, Due from the Commonwealth, includes pending reimbursements from these programs. The *Statement of Revenues, Expenses, and Changes in Net Position* line item, Capital appropriations and gifts, include the reimbursements from these programs.

Income Taxes

The University, as an agency of the Commonwealth, is excluded from federal income taxes under Section 115 of the *Internal Revenue Code*. The Foundation is a 501(c)(3) organization and is exempt from federal income tax under the *Internal Revenue Code*. Certain activities of the University and Foundation may be subject to taxation as unrelated business income.

Revenue Classifications

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises, net of scholarship allowances, and (3) federal, state and nongovernmental grants and contracts.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts, state appropriations, investment income and other revenue sources that are defined as nonoperating revenues by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*.

Operating expenses include expenses necessary for the operation of the University including compensation and benefits, services and supplies, and operation and maintenance of plant, as well as any expense not classified as nonoperating.

Nonoperating expenses are expenses incurred for interest on debt related to the purchase or construction of capital assets and losses on disposal of capital assets.

Scholarship Discounts and Allowances

Student tuition and fees and certain auxiliary enterprise revenues from students are reported net of scholarship discounts and allowances in the *Statement of Revenues, Expenses, and Changes in Net Position*. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount paid by students and/or third parties on the students' behalf. Scholarship discounts and allowances are reported using the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO), which calculates scholarship discounts and allowances on a universitywide basis rather than on an individual basis.

Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that such revenues are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

NOTE 2: Cash and Cash Equivalents and Investments

The following information is provided with respect to the University's cash, cash equivalents, and investments and related risk disclosures as of June 30, 2016, in accordance with GASB Statement 40, *Deposit and Investment Risk Disclosures*:

Custodial Credit Risk (category 3 deposits and investments) — The custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the University will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. The University had no category 3 deposits or investments as of June 30, 2016.

Credit Risk — The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University is required to disclose the credit quality ratings of all investments subject to credit risk.

Concentration of Credit Risk — The risk of loss attributed to the magnitude of an investment in a single issuer. Disclosure of investments with any one issuer that represents 5 percent or more of total investments is required. However, investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from the requirement. The University does not have investments subject to risks due to concentration of credit.

Interest Rate Risk — The risk that changes in interest rates will adversely affect the fair value of an investment. The University does not have an interest rate risk policy and does not have investments or deposits that are sensitive to changes in interest rates as of June 30, 2016.

Foreign Currency Risk — The risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The University had no foreign investments or deposits during fiscal year 2016.

Cash and Cash Equivalents

Pursuant to Section 2.2-1800, et seq., *Code of Virginia*, all state funds of the University are maintained by the treasurer of Virginia, who is responsible for the collection, disbursement, custody and investment of state funds. Cash deposits held by the University are maintained in accounts that are collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400, et seq., *Code of Virginia*.

In accordance with GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*, cash and cash equivalents represents cash with the treasurer, cash on hand, temporary investments with original maturities of three months or less and cash equivalents with the Virginia State Non-Arbitrage Program (SNAP). SNAP is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The financial institution that holds the University's local cash provides an interest bearing checking account that allows the University to earn a competitive rate of interest on 100 percent of its collected balances.

Investments

Management of the University's investments is governed by the University's investment policy as approved by the Board of Visitors. Authorized investments are set forth in the Investment of Public Funds Act, Section 2.2-4500 through 2.2-4517, et seq., *Code of Virginia*. Investments are categorized as short-term or long-term. Short-term investments have an original maturity of over 90 days but less than or equal to one year. Long-term investments have an original maturity greater than one year.

Securities Lending Transactions

GASB Statement 28, *Accounting and Financial Reporting for Securities Lending Transactions*, establishes accounting and financial reporting standards for security lending transactions. In these transactions, governmental entities transfer their securities to broker-dealers and other entities for collateral and simultaneously agree to return the collateral for the same securities in the future. Information related to the credit risk of these investments and securities lending transactions held in the General Account is available on a statewide level in the Commonwealth of Virginia's *Comprehensive Annual Financial Report*. The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies.

Cash and cash equivalents	Market Value June 30, 2016
Cash on hand and deposited with financial institutions	$8,828,236
Cash with the treasurer of Virginia	89,257,100
Collateral held for securities lending	495,597
Cash equivalents (State Non-Arbitrage Program)	2,072,860
	$100,653,793

Restricted cash and cash equivalents	Market Value June 30, 2016
Current:	
Cash and cash equivalents (State Non-Arbitrage Program)	$2,072,860
Noncurrent:	
Cash and cash equivalents (State Non-Arbitrage Program)	-
	$2,072,860

NOTE 3: Accounts and Notes Receivable

Accounts receivable	June 30, 2016
Student tuition and fees	$1,094,451
Auxiliary enterprises	709,429
Federal, state and nongovernmental grants and contracts	871,201
Other activities	130,601
	2,805,682
Less allowance for doubtful accounts	(408,349)
Net accounts receivable	$2,397,333

Notes receivable	June 30, 2016
Current:	
Federal student loans	$1,379,200
Institutional student loans	154,573
	1,533,773
Less allowance for doubtful accounts	(323,280)
Net current notes receivable	$1,210,493
Noncurrent:	
Federal student loans	$1,959,668
Institutional student loans	105,080
	2,064,748
Less allowance for doubtful accounts	(412,846)
Net noncurrent notes receivable	$1,651,902

NOTE 4: Capital Assets

A summary of changes in the various capital asset categories for the year ending June 30, 2016, is presented as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable capital assets:				
Land	$11,967,656	-	-	$11,967,656
Construction in progress	80,752,289	46,145,040	73,129,159	53,768,170
Total nondepreciable capital assets	92,719,945	46,145,040	73,129,159	65,735,826
Depreciable capital assets:				
Buildings	300,087,626	70,992,785	1,600,285	369,480,126
Infrastructure	22,349,228	77,055	-	22,426,283
Intangibles	8,163,282	-	-	8,163,282
Equipment	34,955,756	3,844,990	1,052,993	37,747,753
Other improvements	10,948,832	2,315,528	-	13,264,360
Library materials	23,853,312	1,597,333	395,816	25,054,829
Total depreciable capital assets	400,358,036	78,827,691	3,049,094	476,136,633
Less accumulated depreciation:				
Buildings	118,617,672	11,264,483	880,482	129,001,673
Infrastructure	20,704,934	199,480	-	20,904,414
Intangibles	4,123,338	536,144	-	4,659,482
Equipment	22,612,505	2,965,634	1,042,814	24,535,325
Other improvements	6,563,179	421,611	-	6,984,790
Library materials	14,167,113	1,670,598	395,816	15,441,895
Total accumulated depreciation	186,788,741	17,057,950	2,319,112	201,527,579
Depreciable capital assets, net	213,569,295	61,769,741	729,982	274,609,054
Total capital assets, net	$306,289,240	$107,914,781	$73,859,141	$340,344,880

NOTE 5: Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at June 30, 2016:

Employee salaries, wages and fringe benefits payable	$12,185,503
Vendors and suppliers accounts payable	5,566,100
Capital projects accounts and retainage payable	4,564,457
Accrued interest payable	368,251
Total accounts payable and accrued expenses	$22,684,311

Notes Payable—Pooled Bonds

The University issued 9(d) bonds by participating in the Public Higher Education Financing Program (Pooled Bond Program) created by the Virginia General Assembly in 1996. Through the Pooled Bond Program, the Virginia College Building Authority (VCBA) issues 9(d) bonds and uses the proceeds to purchase debt obligations (notes) of the University and various other institutions of higher education. The University's general revenue secures these notes.

The composition of notes payable at June 30, 2016, is summarized as follows:

Notes Payable - Pooled Bonds:	Interest Rates	Final Maturity
Student Fitness Center		
Series 2009B, $3.720 million par amount	2.00% - 5.00%	September 1, 2029
Series 2011A, $4.235 million par amount	3.00% - 5.00%	September 1, 2031
Series 2012B, $11.155 million par amount	3.00% - 5.00%	September 1, 2032
Series 2013A, $4.865 million par amount	2.00% - 5.00%	September 1, 2033

Bonds Payable—9c

The University has issued bonds pursuant to section 9(c) of Article X of the Constitution of Virginia. Section 9(c) bonds are general obligation bonds issued by the Commonwealth of Virginia on behalf of the University. They are secured by the net revenues of the completed project and the full faith, credit and taxing power of the Commonwealth of Virginia.

The composition of bonds payable at June 30, 2016, is summarized as follows:

Bonds Payable - 9c:	Interest Rates	Final Maturity
Renovation of Washington Hall (residence hall)		
Series 2013A, $5.040 million par amount	2.00% - 5.00%	June 1, 2033
Renovation of Pocahontas, Bolling, Draper (residence halls)		
Series 2014A, $11.080 million par amount	2.00% - 5.00%	June 1, 2034
Series 2015A, $8.820 million par amount	2.00% - 5.00%	June 1, 2035

Installment Purchase Obligations

The University has future obligations under an installment purchase agreement initiated in January 2009. The capitalized value of the asset purchased under this installment purchase agreement is $114,460 and the repayment term is 10 years at an interest rate of 2.087 percent.

A summary of changes in long-term debt for the year ending June 30, 2016, is presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Long-term debt:						
Notes payable — pooled bonds	$23,962,841	$-	$970,156	$22,992,685	$895,000	$22,097,685
Bonds payable — 9c	26,605,375	-	935,495	25,669,880	870,000	24,799,880
Installment purchase obligations	48,737	-	11,807	36,930	12,055	24,875
Total long-term debt	$50,616,953	$-	$1,917,458	$48,699,495	$1,777,055	$46,922,440

Future principal payments on long-term debt are as follows:

Fiscal Year Ending	Notes Payable Pooled Bonds	Bonds Payable - 9c	Installment Purchase
June 30, 2017	$895,000	$870,000	$12,055
June 30, 2018	935,000	905,000	12,308
June 30, 2019	980,000	950,000	12,567
June 30, 2020	1,030,000	1,000,000	-
June 30, 2021	1,080,000	1,045,000	-
2022 – 2026	6,200,000	6,060,000	-
2027 – 2031	7,250,000	7,345,000	-
2032 – 2035	2,820,000	5,300,000	-
Unamortized Premium	1,802,685	2,194,880	-
Total	$22,992,685	$25,669,880	$36,930

Future interest payments on long-term debt are as follows:

Fiscal Year Ending	Notes Payable Pooled Bonds	Bonds Payable - 9c	Installment Purchase
June 30, 2017	$847,931	$934,700	$708
June 30, 2018	802,181	894,100	455
June 30, 2019	756,256	848,850	197
June 30, 2020	710,956	801,350	-
June 30, 2021	663,256	751,350	-
2022 – 2026	2,501,953	2,946,100	-
2027 – 2031	1,151,750	1,662,863	-
2032 – 2035	112,425	395,450	-
Total	$7,546,708	$9,234,763	$1,360

NOTE 7: Other Noncurrent Liabilities

The University's other noncurrent liabilities consist of accruals for compensated absences and federal loan program contributions refundable to the federal government. A summary of changes in other noncurrent liabilities for the year ending June 30, 2016, is presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Other liabilities:						
Accrued compensated absences	$2,691,468	$4,208,077	$4,284,336	$2,615,209	$1,765,574	$849,635
Federal loan program contributions refundable	3,438,154	-	-	3,438,154	-	3,438,154
Total other liabilities	$6,129,622	$4,208,077	$4,284,336	$6,053,363	$1,765,574	$4,287,789

NOTE 8: Auxiliary Activities

Auxiliary operating revenues and expenses consisted of the following at June 30, 2016:

Revenues	
Room contracts (net of scholarship allowances of $2,348,307)	$11,525,618
Dining service contracts (net of scholarship allowances of $2,310,952)	11,456,813
Comprehensive fee (net of scholarship allowances of $4,927,010)	23,886,471
Other student fees and sales and services	9,551,257
Auxiliary enterprises revenue	$56,420,159

Expenses	
Residential facilities	$9,546,563
Dining operations	15,433,347
Athletics	9,676,225
Other auxiliary activities	14,275,645
Auxiliary activities expense	$48,931,780

NOTE 9: Expenses by Natural Classification

	Compensation and benefits	Depreciation	Plant and equipment	Scholarships and fellowships	Services and supplies	Utilities	Total
Instruction	$62,284,275	$-	$1,804,020	$806,470	$4,289,336	$-	$69,184,101
Research	448,334	-	16,687	3,203	225,845	-	$694,069
Public service	1,947,199	-	63,290	7,036	1,068,815	-	$3,086,340
Academic support	9,296,974	-	211,453	8,264	1,166,449	-	$10,683,140
Student services	4,665,265	-	57,190	-	1,750,731	-	$6,473,186
Institutional support	16,052,445	-	394,559	-	4,798,713	-	$21,245,717
Operation and maintenance of plant	5,405,263	-	390,459	-	5,474,047	2,672,238	$13,942,007
Depreciation	-	17,057,950	-	-	-	-	$17,057,950
Student aid	-	-	-	6,431,625	-	-	$6,431,625
Auxiliary activities	14,621,333	-	1,289,991	1,616,095	29,492,390	1,911,971	$48,931,780
Total	$114,721,088	$17,057,950	$4,227,649	$8,872,693	$48,266,326	$4,584,209	$197,729,915

NOTE 10: State Appropriations

The University receives state appropriations from the General Fund of the Commonwealth. The Appropriation Act specifies that unexpended General Fund appropriations that remain on the last day of the current year, ending June 30, 2016, shall be reappropriated for expenditure in the first month of the next year, beginning on July 1, 2016, except as may be specifically provided otherwise by the General Assembly. The governor may, at his discretion, unallot funds from the reappropriated balances that relate to unexpended appropriations. The following is a summary of state appropriations received by the University during the year ended June 30, 2016, including all supplemental appropriations and reversions:

Original legislative appropriation:	
Educational and general (E&G) programs	$46,088,141
Student financial assistance	8,187,230
Supplemental adjustments:	
Virtual Library of Virginia (VIVA) allocation	10,480
Prior year NGF carryforward	2
Security officer amounts	1,756
Virginia Military Survivors and Dependents Education Program	73,037
Two Year College Transfer Grant Program	151,000
Financial assistance for E&G programs	26,856
Central appropriation transfers:	
Employee salary increases	201,555
Salary compression adjustment	161,216
Health insurance contribution	491,816
Retirement rate changes	1,086,883
Other transfers	34,466
Reversion to the General Fund of the Commonwealth	(21,330)
Adjusted appropriation	$56,493,108

NOTE 11: Capital Appropriations

The Commonwealth has established several programs to provide state-supported institutions of higher education with bond proceeds for financing the acquisition and replacement of instructional and research equipment and facilities. During fiscal year 2016, funding was provided to the University from General Fund capital project appropriations and two programs, 21st Century program and the Equipment Trust Fund, managed by the Virginia College Building Authority (VCBA). The VCBA issues bonds and uses the proceeds to reimburse the University for expenses incurred in the acquisition of equipment and facilities.

The following is a summary of capital appropriations and gifts recognized by the University for the year ended June 30, 2016.

General Fund capital project appropriations	$8,224,170
VCBA 21st Century program	33,993,969
VCBA Equipment Trust Fund program	1,581,067
Capital donations	220,261
Capital appropriations and gifts	$44,019,467

A portion of the funding for these programs is reported as a receivable, due from the Commonwealth, at June 30, 2016, which consisted of the following:

VCBA 21st Century program	$2,581,725
VCBA Equipment Trust Fund program	1,405,869
Due from the Commonwealth	$3,987,594

NOTE 12: Commitments

At June 30, 2016, the University was a party to construction contracts totaling approximately $93.8 million of which $89.6 million has been incurred. Remaining commitments totaling $4.2 million represent the unperformed portion of the construction contracts and, as such, have not been accrued as expenses or liabilities on the University's financial statements.

The University is committed under various operating leases for land and buildings. In most cases, the University has renewal options on the leased assets for another similar term, and expects, in the normal course of business, that these leases will be replaced by similar leases. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the financial statements. A portion of the University's operating leases are lease agreements with the Radford University Foundation, Inc. (the Foundation), a component unit of the University. Rental expense was approximately $1,421,000 for the year ended June 30, 2016, of which $431,000 was paid to the Foundation.

The University has, as of June 30, 2016, the following future minimum rental payments due under operating leases:

Fiscal Year Ending	Future Minimum Lease Payments
June 30, 2017	$698,266
June 30, 2018	101,905
June 30, 2019	25,600
June 30, 2020	10,517
June 30, 2021	-
	$836,288

NOTE 13: Defined Benefit Plans and Related Pension Obligation

Plan Description

Employees of the University are employees of the Commonwealth. All full-time, salaried permanent employees of the University upon employment have the option to participate in the VRS State Employee Retirement Plan or, if a campus police officer, the Virginia Law Officers' Retirement System (VaLORS) Retirement Plan. These plans are single-employer pension plans treated as cost-sharing plans for financial reporting purposes. They are administered by the Virginia Retirement System (VRS, or the System) along with plans for other employer groups in the Commonwealth. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia,* as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS State Employee Retirement Plan – Plan 1, Plan 2 and Hybrid and two different benefit structures for covered employees in the VaLORS Retirement Plan – Plan 1 and Plan 2. Each of these benefit structures have different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the following table:

Retirement Plan Provisions by Plan Structure		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of Jan. 1, 2013.	**About Plan 2** Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of Jan. 1, 2013.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after Jan. 1, 2014, are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members") The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses and any required fees.

Retirement Plan Provisions by Plan Structure		
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of Jan. 1, 2013. **Hybrid Opt-In Election** VRS nonhazardous-duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held Jan. 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.	**Eligible Members** Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of Jan. 1, 2013. **Hybrid Opt-In Election** Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held Jan. 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	**Eligible Members** Employees are in the Hybrid Retirement Plan if their membership date is on or after Jan. 1, 2014. This includes: **State employees*** Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held Jan. 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 ***Non-Eligible Members** Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: Members of the Virginia Law Officers' Retirement System (VaLORS) Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

Retirement Plan Provisions by Plan Structure

Retirement Contributions	Retirement Contributions	Retirement Contributions
State employees, excluding state elected officials and optional retirement plan participants, contribute 5 percent of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	State employees contribute 5 percent of their compensation each month to their member contribution account through a pre-tax salary reduction.	A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Creditable Service	**Creditable Service**	**Creditable Service**
Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	Same as Plan 1.	**Defined Benefit Component:** Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. **Defined Contribution Component:** Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

Retirement Plan Provisions by Plan Structure		
Vesting	**Vesting**	**Vesting**
Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100 percent vested in the contributions that they make.	Same as Plan 1.	**Defined Benefit Component:** Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. **Defined Contribution Component:** Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100 percent vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. After two years, a member is 50 percent vested and may withdraw 50 percent of employer contributions. After three years, a member is 75 percent vested and may withdraw 75 percent of employer contributions. After four or more years, a member is 100 percent vested and may withdraw 100 percent of employer contributions. Distribution is not required by law until age 70½.

Retirement Plan Provisions by Plan Structure		
Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	**Calculating the Benefit** Same as Plan 1.	**Calculating the Benefit** **Defined Benefit Component:** Same as Plan 1. **Defined Contribution Component:** The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier **VRS:** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70 percent. **VaLORS:** The retirement multiplier for VaLORS employees is 1.70 percent or 2.00 percent.	**Service Retirement Multiplier** **VRS:** Same as Plan 1 for service earned, purchased or granted prior to Jan. 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65 percent for creditable service earned, purchased or granted on or after Jan. 1, 2013. **VaLORS:** The retirement multiplier for VaLORS employees is 2.00 percent.	**Service Retirement Multiplier** **Defined Benefit Component:** **VRS:** The retirement multiplier for the defined benefit component is 1.00 percent. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. **VaLORS:** Not applicable. **Defined Contribution Component:** Not applicable.

Retirement Plan Provisions by Plan Structure		
Normal Retirement Age **VRS:** Age 65. **VaLORS:** Age 60.	**Normal Retirement Age** **VRS:** Normal Social Security retirement age. **VaLORS:** Same as Plan 1.	**Normal Retirement Age** **Defined Benefit Component:** **VRS:** Same as Plan 2. **VaLORS:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility **VRS:** Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service. **VaLORS:** Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.	**Earliest Unreduced Retirement Eligibility** **VRS:** Normal Social Security retirement age with at least five years (60 months) of creditable service or when age and service equal 90. **VaLORS:** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** **Defined Benefit Component:** **VRS:** Normal Social Security retirement age with at least five years (60 months) of creditable service or when age and service equal 90. **VaLORS:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility **VRS:** Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service. **VaLORS:** Age 50 with at least five years of creditable service.	**Earliest Reduced Retirement Eligibility** **VRS:** Age 60 with at least five years (60 months) of creditable service. **VaLORS:** Same as Plan 1.	**Earliest Reduced Retirement Eligibility** **Defined Benefit Component:** **VRS:** Age 60 with at least five years (60 months) of creditable service. **VaLORS:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Retirement Plan Provisions by Plan Structure

Cost-of-Living Adjustment (COLA) in Retirement	Cost-of-Living Adjustment (COLA) in Retirement	Cost-of-Living Adjustment (COLA) in Retirement
The Cost-of-Living Adjustment (COLA) matches the first 3 percent increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4 percent) up to a maximum COLA of 5 percent **Eligibility:** For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. **Exceptions to COLA Effective Dates:** The COLA is effective July 1 following one full calendar year (Jan. 1 to Dec. 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of Jan. 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (Jan. 1 to Dec. 31) from the date the monthly benefit begins.	The Cost-of-Living Adjustment (COLA) matches the first 2 percent increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2 percent), for a maximum COLA of 3 percent. **Eligibility:** Same as Plan 1. **Exceptions to COLA Effective Dates:** Same as Plan 1.	**Defined Benefit Component:** Same as Plan 2. **Defined Contribution Component:** Not applicable. **Eligibility:** Same as Plan 1. **Exceptions to COLA Effective Dates:** Same as Plan 1.

Retirement Plan Provisions by Plan Structure		
Disability Coverage For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7 percent on all service, regardless of when it was earned, purchased, or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP) and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.	**Disability Coverage** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65 percent on all service, regardless of when it was earned, purchased, or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP) and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	**Disability Coverage** State employees (including Plan 1 and Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP) and are not eligible for disability retirement. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VSDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS-refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** **Defined Benefit Component:** Same as Plan 1, with the following exceptions: Hybrid Retirement Plan members are ineligible for ported service. The cost for purchasing refunded service is the higher of 4 percent of creditable compensation or average final compensation. Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-year period, the rate for most categories of service will change to actuarial cost. **Defined Contribution Component:** Not applicable.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia,* as amended, but may be impacted as a result of funding provided to state agencies, including the University, by the Virginia General Assembly. Employees are required to contribute 5.0 percent of their compensation toward their retirement. Prior to July 1, 2012, the 5.0 percent member contribution was paid by the University. Beginning July 1, 2012, state employees were required to pay the 5.0 percent member contribution and the employer was required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. The University's contractually required contribution rate for the year ended June 30, 2016, was 12.33 percent of covered employee compensation for employees in the VRS State Employee Retirement Plan for July 2015, 13.28 percent for August 2015 and 14.22 percent for September 2015 through June 2016. For employees in the VaLORS Retirement Plan, the contribution rate was 17.67 percent of covered employee compensation for July 2015, 18.34 percent for August 2015 and 19.00 percent for September 2015 through June 2016. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2013. The actuarial rate for the VRS State Employee Retirement Plan was 15.80 percent and the actuarial rate for VaLORS Retirement Plan was 21.06 percent. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of §51.1-145 of the *Code of Virginia*, as amended, the contributions for the VRS State Employee Retirement Plan were funded at 78.02 percent of the actuarial rate, and the contributions for the VaLORS Retirement Plan were funded at 83.88 percent of the actuarial rate for the year ended June 30, 2016. Additional funding provided by the General Assembly moved the contribution rates to 90 percent of the actuarial rate by September 2015 and for the remainder of fiscal year 2016. Contributions from the University to the VRS State Employee Retirement Plan were $6,037,976 and $5,064,188 for the years ended June 30, 2016 and June 30, 2015, respectively. Contributions from the University to the VaLORS Retirement Plan were $189,692 and $174,586 for the years ended June 30, 2016 and June 30, 2015, respectively.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the University reported a liability of $64,986,000 for its proportionate share of the VRS State Employee Retirement Plan net pension liability and a liability of $2,082,000 for its proportionate share of the VaLORS Retirement Plan net pension liability. The University's total pension obligation as reported on the *Statement of Net Position* is $67,068,000 at June 30, 2016. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the University's actuarially determined employer contributions to the pension plan for the year ended June 30, 2015, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2015, the University's proportion of the VRS State Employee Retirement Plan was 1.061 percent as compared to 1.005 percent at June 30, 2014. At June 30, 2015, the University's proportion of the VaLORS Retirement Plan was 0.293 percent as compared to 0.261 percent at June 30, 2014.

For the year ended June 30, 2016, the University recognized pension expense of $5,665,000 for the VRS State Employee Retirement Plan and $259,000 for the VaLORS Retirement Plan, which had a combined total of $5,924,000. Since there was a change in proportionate share between June 30, 2014 and June 30, 2015, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2016, the University reported deferred outflows of resources related to the VRS State Employee Retirement Plan and the VaLORS Retirement Plan from the following sources:

Deferred Outflows of Resources	VRS State Employee Retirement Plan	VaLORS Retirement Plan	Total
Differences between expected and actual experience	$468,000	$ -	$468,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,409,000	179,000	3,588,000
Employer contributions subsequent to the measurement date	6,037,976	189,692	6,227,668
Total	$9,914,976	$368,692	$10,283,668

At June 30, 2016, the University reported deferred inflows of resources related to the VRS State Employee Retirement Plan and the VaLORS Retirement Plan from the following sources:

Deferred Inflows of Resources	VRS State Employee Retirement Plan	VaLORS Retirement Plan	Total
Net difference between projected and actual earnings on pension plan investments	$4,675,000	$88,000	$4,763,000
Differences between expected and actual experience	-	10,000	10,000
Total	$4,675,000	$98,000	$4,773,000

A total of $6,227,668 of reported deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	VRS State Employee Retirement Plan	VaLORS Retirement Plan	Total
June 30, 2017	$(264,000)	$37,000	$(227,000)
June 30, 2018	(328,000)	33,000	(295,000)
June 30, 2019	(1,025,000)	(6,000)	(1,031,000)
June 30, 2020	819,000	17,000	836,000
June 30, 2021	-	-	-
	$(798,000)	$81,000	$(717,000)

Actuarial Assumptions

The total pension liability for the VRS State Employee Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

**Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06 percent of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0 percent. However, since the difference was minimal, and a more conservative 7.0 percent investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0 percent to simplify preparation of pension liabilities.*

Mortality rates:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020, with males set forward 2 years and females set back 3 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020, with females set back 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020, with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Updated mortality table
- Decrease in rates of service retirement
- Decrease in rates of withdrawals for less than 10 years of service
- Decrease in rates of male disability retirement
- Reduced rates of salary increase by 0.25% per year

The total pension liability for the VaLORS Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

Inflation	2.5%
Salary increases, including inflation	3.5% – 4.75%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

** Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06 percent of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0 percent. However, since the difference was minimal, and a more conservative 7.0 percent investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0 percent to simplify preparation of pension liabilities.*

Mortality rates:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020, with males set forward 5 years and females set back 3 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020, with females set back 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020, with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Updated mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for females under 10 years of service
- Increase in rates of disability
- Decrease in service-related disability rate from 60 percent to 50 percent

Net Pension Liability

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2015, net pension liability amounts for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan are as follows (amounts expressed in thousands):

	VRS State Employee Retirement Plan	**VaLORS Retirement Plan**
Total pension liability	$22,521,130	$1,902,051
Plan fiduciary net position	16,398,575	1,191,353
Employers' net pension liability	$6,122,555	$710,698
Plan fiduciary net position as a percentage of total pension liability	72.81%	62.64%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. equity	19.50%	6.46%	1.26%
Developed non U.S equity	16.50%	6.28%	1.04%
Emerging market equity	6.00%	10.00%	0.60%
Fixed income	15.00%	0.09%	0.01%
Emerging debt	3.00%	3.51%	0.11%
Rate sensitive credit	4.50%	3.51%	0.16%
Non rate sensitive credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public real estate	2.25%	6.12%	0.14%
Private real estate	12.75%	7.10%	0.91%
Private equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50 %
		* Expected arithmetic nominal return	8.33%

** Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one-year results produces an expected real return of 8.33 percent but also has a high standard deviation, which means there is high volatility. Over larger time horizons, the volatility declines significantly and provides a median return of 7.44 percent, including expected inflation of 2.50 percent.*

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the University for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, all agencies are assumed to contribute 100 percent of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the VRS State Employee Retirement Plan net pension liability using the discount rate of 7.00 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
University's proportionate share of the VRS State Employee Retirement Plan Net Pension Liability	$93,339,000	$64,986,000	$41,209,000

The following presents the University's proportionate share of the VaLORS Retirement Plan net pension liability using the discount rate of 7.00 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
University's proportionate share of the VaLORS Retirement Plan Net Pension Liability	$2,830,000	$2,082,000	$1,466,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS State Employee Retirement Plan's Fiduciary Net Position or the VaLORS Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2015 *Comprehensive Annual Financial Report* (CAFR). A copy of the 2015 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2015-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2016, the University had accrued retirement contributions payable to the pension plan of $255,748 including $244,061 payable to the VRS State Employee Retirement Plan and $11,687 payable to the VaLORS Retirement Plan. The payable is based on retirement contributions earned by University employees through June 30, 2016, but not yet paid to the plan.

NOTE 14: Defined Contribution Plans

Optional Retirement Plans

Full-time faculty and certain administrative staff may participate in optional retirement plans as authorized by the *Code of Virginia* rather than VRS retirement plans. These optional retirement plans are defined contribution plans offered through Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) and Fidelity Investments Tax-Exempt Services Company. These plans are fixed contribution programs where the retirement benefits received are based upon employer and employee contributions, plus net investment gains or losses. Employees hired prior to July 1, 2010 (Plan 1) have an employer required contribution rate of 10.4 percent. Employees hired on or after July 1, 2010 (Plan 2) have an employer required contribution rate of 8.5 percent and an employee required contribution rate of 5 percent. Individual contracts issued under the plan provide for full and immediate vesting of both the University's and the employee's contributions.

Total employer pension costs under optional retirement plans were approximately $2.8 million for the year ended June 30, 2016, of which $363,288 is reflected as a current liability on the *Statement of Net Position* at June 30, 2016. Contributions to the optional retirement plan were calculated using the base salary amount of approximately $28.1 million for fiscal year 2016.

Deferred Compensation Plan

Employees of the University are employees of the Commonwealth. State employees may participate in the Commonwealth's deferred compensation plan. Participating employees can contribute to the plan each pay period with the Commonwealth matching up to $20 per pay period. The dollar amount of the match may change depending on the funding available in the Commonwealth's budget. The deferred compensation plan is a qualified defined contribution plan under Section 401(a) of the *Internal Revenue Code*. Employer contributions under the deferred compensation plan were approximately $304,000 for fiscal year 2016.

NOTE 15: Postemployment Benefits

The Commonwealth sponsors postemployment benefit programs that are administered by VRS. These programs, a statewide group life insurance program and the Virginia Sickness and Disability Program's long-term care plan, provide postemployment benefits to eligible retired and terminated employees. Health care credits are also provided to offset the monthly health insurance premiums for retirees who have at least 15 years of service. Information related to these plans is available at the statewide level in the Commonwealth's *Comprehensive Annual Financial Report*.

NOTE 16: Grants and Contracts Contingencies

The University received grants for specific purposes that are subject to review and audit by the grantor agencies. Claims against these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditures of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the University. In addition, the University is required to comply with the various federal regulations issued by the Office of Management and Budget. Failure to comply with certain system requirements of these regulations may result in questions concerning the allowance of related direct and indirect charges pursuant to such agreements. As of June 30, 2016, the University estimates that no material liabilities will result from such audits or questions.

NOTE 17: Federal Direct Lending Program

The University participates in the Federal Direct Lending Program. Under this program, the University receives funds from the U.S. Department of Education for Stafford and Parent PLUS Loan Programs and disburses these funds to eligible students. The funds can be applied to outstanding tuition and fee charges or refunded directly to the student. These loan proceeds are treated as student payments with the University acting as a fiduciary agent for the student. Therefore, the receipt of the funds from the federal government is not reflected in the federal government grants and contracts total on the *Statement of Revenues, Expenses, and Changes in Net Position*. The activity is included in the noncapital financing section of the *Statement of Cash Flows*. For the fiscal year ended June 30, 2016, cash provided by the program totaled $58.2 million and cash used by the program totaled $57.9 million.

NOTE 18: Risk Management and Employee Health Care Plans

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; nonperformance of duty; injuries to employees; and natural disasters. The University participates in insurance plans maintained by the Commonwealth. The state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, and air and watercraft plans. The University pays premiums to each of these departments for its insurance coverage. Further information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth's *Comprehensive Annual Financial Report*.

NOTE 19: Component Unit Financial Information

(A) Contributions Receivable

The following summarizes the unconditional promises to give at June 30, 2016:

Current:	
Receivables due in less than one year	$1,414,643
Less allowance for uncollectible contributions	(31,155)
Net current contributions receivable	$1,383,488
Noncurrent:	
Receivables due in one to five years	$515,483
Receivables due in more than five years	-
Less discount to net present value	(45,415)
Less allowance for uncollectible contributions	(10,245)
Net noncurrent contributions receivable	$459,823
Total contributions receivable	$1,843,311

The discount rate used in 2016 was 5.66 percent. As of June 30, 2016, there were no conditional promises to give.

(B) Notes Receivable

The following is a summary of notes receivable at June 30, 2016:

Note receivable due in monthly payments of $542 through May 2022 with interest receivable at 5.50 percent, secured by land and building.	$32,980
Non-interest-bearing note receivable with deferred payments for the first five years and $25,000 annual payments for the remaining 12 years. In 2016, $10,000 of the note was forgiven in exchange for guaranteed day care slots for employees of Radford University. Note receivable recorded at fair value net of discount of $92,268 at June 30, 2016.	290,000
Total notes receivable	$322,980
Note receivable, current	$14,794
Note receivable, noncurrent	308,186
Total note receivable	$322,980

(C) Investments

Investments comprise the following as of June 30, 2016:

Short-term:	
Cash and cash equivalents	$208,188
Equities	1,246,463
Investment company	46,166,870
Total short-term	$47,621,521
Long-term:	
Cash and cash equivalents	$19,211
Mutual and money market funds	597,399
Investment company	6,368,504
Total long-term	$6,985,114
Total investments	$54,606,635

(D) Capital Assets

A summary of land, buildings and equipment at cost, less accumulated depreciation, for the year ending June 30, 2016, is presented as follows:

Depreciable capital assets:	
Buildings	$5,246,721
Furniture and equipment	313,344
Vehicles	42,760
Land improvements	534,979
Total depreciable capital assets, at cost	$6,137,804
Less accumulated depreciation	(1,805,516)
Total depreciable capital assets, net of accumulated depreciation	$4,332,288
Nondepreciable capital assets:	
Land	$1,469,809
Construction in progress	7,820
Collections of art	2,087,781
Total nondepreciable capital assets	$3,565,410
Total capital assets, net of accumulated depreciation	$7,897,698

(E) Line of Credit

The following is a summary of the outstanding line of credit at June 30, 2016:

Line of credit agreement originated on June 23, 2016 for $1,500,000, interest payable monthly at LIBOR plus 1.60 percent (2.07 percent at June 30, 2016). Outstanding principal is due at time of lender demand. Annual review to be commenced by Jan. 31, 2017. Unsecured.	$1,200,000

(F) Long-Term Debt

The following is a summary of the outstanding notes payable at June 30, 2016:

Note payable in monthly installments of $10,439 through May 2020 with interest payable at LIBOR plus 1.48 percent (1.94 percent at June 30, 2016), outstanding principal due upon maturity, unsecured	$480,658
Note payable in monthly installments of $17,532 through July 2018, with interest payable at 2.01 percent, unsecured	429,576
Note payable in monthly installments of $2,601 through November 2020, with interest payable at 1.54 percent. Secured by deposit accounts maintained by and investment property held with the institution.	132,931
	1,043,165
Less current portion of long-term debt	(282,528)
	760,637

Future principal payments on notes payable for years ending June 30 are as follows:

2017	$282,528
2018	288,165
2019	100,282
2020	359,415
2021	12,775
Total long-term debt	$1,043,165

(G) Subsequent Events

The line of credit with Suntrust Bank was paid down to $600,000 on July 1, 2016. This remaining balance was paid on August 29, 2016. The balance on the line was $1,200,000 as of June 30, 2016.

Prior to June 30, 2016, one of the Foundation investments in a limited partnership was in the process of liquidating and distributing its assets. At that time, the Foundation was notified that it would receive shares of stock for two publicly traded companies as the liquidating distribution for its investment. At June 30, 2016, the Foundation recorded the value of this limited partnership at $1,528,379 which was representative of the fair value of the shares to be received. Upon receiving the share, the Foundation sold them in late August 2016 for a combined net value of $1,805,429, resulting in a $277,050 gain.

On November 1, 2016, the Foundation sold the property located at 1129 E. Main St. in Radford. The property had been held by an LLC which was controlled by the Foundation. This property was included in held for sale at June 30, 2016, at its fair value of $525,000. The property was sold in exchange for a $306,000 note receivable and $34,000 cash less closing expenses and other costs of $7,480. As a result, the Foundation incurred a loss of $192,480 on the sale which will be included in the results for the 2017 fiscal year.

NOTE 20: Subsequent Events

In July 2016, the Virginia College Building Authority (VCBA) issued Educational Facilities Revenue Refunding Bonds Series 2016A. The University was a borrower in bond Series 2009B for financing the construction of the Student Fitness Center. The Series 2009B bonds were included in the Series 2016A refunding.

In November 2016, the Commonwealth of Virginia issued 9(c) General Obligation Bonds, Series 2016A, on behalf of the University for the continued renovation of residence halls. The University's portion of the bond proceeds was $7.160 million par amount with interest rates ranging from 3.0 percent to 5.0 percent during the term of the bond, which matures June 2036.

Required Supplementary Information

RADFORD UNIVERSITY

Schedule of Employer's Share of Net Pension Liability
VRS State Employee Retirement Plan
For the Years Ended June 30, 2016 and 2015*

	2016	2015
Employer's proportion of the net pension liability	1.061%	1.005%
Employer's proportionate share of the net pension liability	$64,986,000	$56,267,000
Employer's covered payroll	$40,612,813	$38,332,872
Employer's proportionate share of the net pension liability as a percentage of covered-employee payroll	160.01%	146.79%
Plan fiduciary net position as a percentage of the total pension liability	72.81%	74.28%

Schedule is intended to show information for 10 years. Since 2016 is the second year for this presentation, only one additional year of data is available. However, additional years will be included as they become available.

**The amounts presented have a measurement date of the previous fiscal year end.*

RADFORD UNIVERSITY

Schedule of Employer's Share of Net Pension Liability
VaLORS Retirement Plan
For the Years Ended June 30, 2016 and 2015*

	2016	2015
Employer's proportion of the net pension liability	0.293%	0.261%
Employer's proportionate share of the net pension liability	$2,082,000	$1,761,000
Employer's covered payroll	$982,575	$918,334
Employer's proportionate share of the net pension liability as a percentage of covered-employee payroll	211.89%	191.76%
Plan fiduciary net position as a percentage of the total pension liability	62.64%	63.05%

Schedule is intended to show information for 10 years. Since 2016 is the second year for this presentation, only one additional year of data is available. However, additional years will be included as they become available.

**The amounts presented have a measurement date of the previous fiscal year end.*

RADFORD UNIVERSITY

Schedule of Employer Contributions
VRS State Employee Retirement Plan

For the Years Ended June 30, 2007 through 2016

Date	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2016	$6,078,232	$6,078,232	$-	$43,206,118	14.07%
2015	$5,043,111	$5,043,111	$-	$40,901,142	12.33%
2014	$3,399,941	$3,399,941	$-	$38,812,116	8.76%
2013	$3,169,199	$3,169,199	$-	$36,178,066	8.76%
2012	$1,107,142	$1,107,142	$-	$34,014,776	3.25%
2011	$697,904	$697,904	$-	$32,765,436	2.13%
2010	$1,635,446	$1,635,446	$-	$32,895,794	4.97%
2009	$2,128,466	$2,128,466	$-	$34,164,779	6.23%
2008	$2,040,308	$2,040,308	$-	$33,175,737	6.15%
2007	$1,876,378	$1,876,378	$-	$32,689,509	5.74%

RADFORD UNIVERSITY

Schedule of Employer Contributions
VaLORS Retirement Plan

For the Years Ended June 30, 2007 through 2016

Date	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2016	$188,891	$188,891	$-	$1,002,575	18.84%
2015	$175,205	$175,205	$-	$991,540	17.67%
2014	$136,302	$136,302	$-	$920,958	14.80%
2013	$129,797	$129,797	$-	$877,007	14.80%
2012	$58,214	$58,214	$-	$812,193	7.17%
2011	$41,347	$41,347	$-	$807,556	5.12%
2010	$85,638	$85,638	$-	$769,302	11.13%
2009	$100,057	$100,057	$-	$703,139	14.23%
2008	$102,672	$102,672	$-	$647,363	15.86%
2007	$93,333	$93,333	$-	$623,886	14.96%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2016

Changes of benefit terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014, and not covered by enhanced hazardous duty benefits. Because this was a new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2015 are not material.

Changes of assumptions

The following changes in actuarial assumptions were made for the VRS State Employee Retirement Plan effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

- Updated mortality table
- Decrease in rates of service retirement
- Decrease in rates of withdrawals for less than 10 years of service
- Decrease in rates of male disability retirement
- Reduced rates of salary increase by 0.25 percent per year

The following changes in actuarial assumptions were made for the VaLORS Retirement Plan effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

- Updated mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for females under 10 years of service
- Increase in rates of disability
- Decrease in service-related disability rate from 60 percent to 50 percent

Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 26, 2017

The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable Robert D. Orrock, Sr.
Chairman, Joint Legislative Audit
and Review Commission

Board of Visitors
Radford University

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of **Radford University** (University), a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit of the University, which are discussed in Notes 1 and 19. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit of the University, is based on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the component unit of the University that were audited by another auditor upon whose report we are relying were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinions.

Opinion

In our opinion, based on our audit and the report of another auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and discretely presented component unit of the University as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10, the Schedule of Employer's Share of Net Pension Liability, the Schedule of Employer Contributions, and the Notes to Required Supplementary Information on pages 48 through 50, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 2017, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University's internal control over financial reporting and compliance.

Martha S. Mavredes

AUDITOR OF PUBLIC ACCOUNTS

JMR/alh

RADFORD UNIVERSITY

Radford, Virginia

As of June 30, 2016

BOARD OF VISITORS

Anthony R. Bedell
Rector

Christopher Wade
Vice Rector

Mary Waugh Campbell

Randolph "Randy" J. Marcus

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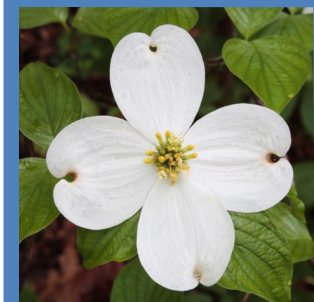
Michele N. Schumacher
Secretary to the Board of Visitors

UNIVERSITY OFFICERS

Penelope W. Kyle
President

Richard S. Alvarez
Vice President for Finance and Administration

Attachment A
Continued




RADFORD UNIVERSITY

INTERCOLLEGIATE ATHLETICS PROGRAMS

FOR THE YEAR ENDED

JUNE 30, 2016

Auditor of Public Accounts
Martha S. Mavredes, CPA
www.apa.virginia.gov
(804) 225-3350

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Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 11, 2017

The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable Robert D. Orrock, Sr.
Chairman, Joint Legislative Audit
And Review Commission

Brian O. Hemphill
President, Radford University

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the President of **Radford University,** solely to assist the University in evaluating whether the accompanying Schedule of Revenues and Expenses of Intercollegiate Athletics Programs of the University is in compliance with National Collegiate Athletic Association (NCAA) Constitution 3.2.4.15, for the year ended June 30, 2016. University management is responsible for the Schedule of Revenues and Expenses of Intercollegiate Athletics Programs (Schedule) and the Schedule's compliance with NCAA requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. The sufficiency of the procedures is solely the responsibility of the University. Consequently, we make no representation regarding sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Agreed-Upon Procedures Related to the
Schedule of Revenues and Expenses of Intercollegiate Athletics Programs

Procedures described below were limited to material items. For the purpose of this report, and as defined in the agreed-upon procedures, items are considered material if they exceed one-half of one percent of total revenues or total expenses, as applicable. The procedures that we performed and our findings are as follows:

Internal Controls

1. We reviewed the relationship of internal control over Intercollegiate Athletics Programs to internal control reviewed in connection with our audit of the University's financial statements. In addition, we identified and reviewed those controls unique to Intercollegiate Athletics Programs, which were not reviewed in connection with our audit of the University's financial statements.

2. Intercollegiate Athletics Department management provided a current organizational chart. We also made certain inquiries of management regarding control consciousness, the use of internal audit in the department, competence of personnel, protection of records and equipment, and controls regarding information systems with the information technology department.

3. Intercollegiate Athletics Department management provided us with their process for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the University's Intercollegiate Athletics Programs. We tested these procedures as noted below.

Affiliated and Outside Organizations

4. Intercollegiate Athletics Department management identified all intercollegiate athletics-related affiliated and outside organizations and provided us with copies of audited financial statements for each such organization for the reporting period.

5. Intercollegiate Athletics Department management prepared and provided to us a summary of revenues and expenses for or on behalf of the intercollegiate athletics programs by affiliated and outside organizations included in the Schedule.

6. Intercollegiate Athletics Department management provided to us any additional reports regarding internal control matters identified during the audits of affiliated and outside organizations performed by independent public accountants. We were not made aware of any internal control findings.

Schedule of Revenues and Expenses of Intercollegiate Athletics Programs

7. Intercollegiate Athletics Department management provided to us the Schedule of Revenues and Expenses of Intercollegiate Athletics Programs for the year ended June 30, 2016, as prepared by the University and shown in this report. We recalculated the addition of the amounts in the Schedule, traced the amounts on the Schedule to management's worksheets, and agreed the amounts in management's worksheets to the Intercollegiate Athletics Department's accounts in the accounting records. Certain adjustments to the Schedule were necessary to conform with NCAA reporting

guidance. We discussed the nature of work sheet adjustments with management and are satisfied that the adjustments are appropriate.

8. We compared each major revenue and expense account over ten percent of total revenues or total expenses, respectively, to prior period amounts and budget estimates. No variances exceeded one million dollars or ten percent of prior period amounts or budget estimates.

Revenues

9. We obtained the amount of ticket sales revenue recorded in the Schedule. Revenue related to ticket sales was deemed immaterial for detailed testing.

10. We obtained an understanding of the institution's methodology for allocating student fees to intercollegiate athletics programs. We compared student fees reported in the Schedule to amounts reported in the accounting records and an expected amount based on fee rates and enrollment. We found these amounts to be substantially in agreement.

11. Intercollegiate Athletics Department management provided us with a listing of settlement reports and game guarantee agreements for away games during the reporting period. We reviewed these settlement reports and guarantee agreements for selected games and agreed selected amounts to proper posting in the accounting records and supporting documentation.

12. Intercollegiate Athletics Department management provided us with a listing of all contributions of moneys, goods or services received directly by the Intercollegiate Athletics Programs from any affiliated or outside organization, agency or group of individuals that constitutes ten percent or more of all contributions received during the reporting period. Except for contributions received from the Radford University Foundation, Inc., an affiliated organization, we noted no individual contribution, which constituted more than ten percent of total contributions, received for Intercollegiate Athletics Programs. We reviewed contributions from the Radford University Foundation, which exceeded ten percent of all contributions and agreed them to supporting documentation.

13. Intercollegiate Athletics Department management provided a list of in-kind contributions during the reporting period. We agreed in-kind contributions to a Schedule of in-kind donations or other supporting documentation to ensure reasonable valuation of the in-kind contribution in the Schedule.

14. We obtained the amount of revenue from broadcast, television, radio, internet, and e-commerce rights from the Schedule. This amount was deemed to be immaterial for detailed testing.

15. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to participation in revenues from tournaments, conference distributions, and NCAA distributions. We gained an understanding of the terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation. Contributions from the NCAA for the Special Assistance Fund and Student Athlete Opportunity Fund were improperly commingled in the accounting system. An adjustment was made to reclassify a net amount of $24,188 from the Special Assistance Fund account to the Student Athlete Opportunity Fund account in accordance with the terms of the respective agreements. As both items are reported in the same line item within the Schedule, an adjustment to the Schedule was not necessary.

16. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to participation in revenues from royalties, licensing, advertisements, and sponsorships. We gained an understanding of the terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation. An adjustment to the Schedule of $25,540 was made to properly reflect certain commission payments as royalties, licensing, advertisements, and sponsorships revenue rather than program, novelty, parking and concession sales revenue. Following adjustment, the amounts are properly recorded in the Schedule.

17. We compared the amount of revenue related to other revenue to the amount reported in the Schedule. We reviewed classification of the three largest transactions and agreed those transactions to supporting documentation.

Expenses

18. Intercollegiate Athletics Department management provided us a listing of institutional student aid recipients during the reporting period. Because the University used the NCAA Compliance Assistant software to prepare athletic aid detail, we selected ten percent of individual student-athletes across all sports and agreed amounts from the listing to their award letter. We agreed each student's information to ensure accurate reporting in the NCAA Membership Financial Reporting System. We also ensured that the total aid amount for each sport materially agreed to amounts reported as Financial Aid in the student accounting system.

19. We reviewed the Schedule and obtained the amount of expense related to home game guarantee payments. This amount was deemed to be immaterial for detailed testing.

20. Intercollegiate Athletics Department management provided us with a listing of coaches, support staff, and administrative personnel employed and paid by the

University during the reporting period. We selected and tested individuals, including men's and women's basketball coaches, and compared amounts paid during the fiscal year from the payroll accounting system to their contract or other employment agreement document. We found that recorded expenses equaled amounts paid as salary and bonuses and were in agreement with approved contracts or other documentation.

21. We discussed the Intercollegiate Athletics Department's recruiting expense and team travel policies with Intercollegiate Athletics Department management and documented an understanding of those policies. We compared these policies to existing University and NCAA policies and noted substantial agreement of those policies.

22. We selected a sample of disbursements for sports equipment, uniforms, and supplies, game expenses, fundraising, marketing, and promotion, spirit groups, team travel, direct overhead and administration, medical expenses and medical insurance, and other operating expenses. We compared and agreed the selected operating expenses to adequate supporting documentation. We found reviewed amounts to be properly approved and reasonable to intercollegiate athletics. Two transactions required reclassification based on NCAA guidance. Adjustments to the Schedule were made to reclassify $620 from game expenses to other operating expenses; and $27,915 reported as sports equipment, uniforms and supplies to total athletics related capital expenditures. Following adjustment, the amounts are properly recorded in the Schedule.

23. We obtained a listing of debt service payments, lease payments, and rental fees for athletics facilities for the reporting year. We selected a sample of facility payments included in the Schedule, including the two highest facility payments, and agreed them to supporting documentation.

24. We obtained an understanding of the University's methodology for charging indirect cost to the athletic department. We evaluated indirect cost charges for reasonableness and noted proper reporting of these charges in the Schedule.

<u>Additional Procedures</u>

25. We compared the sports sponsored, as reported in the NCAA Membership Financial Reporting System, to the squad lists of the institution. We noted agreement of the sports reported.

26. We obtained the institution's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports identified by the institution met the minimum requirements for number of contests and minimum number of participants as defined in NCAA Bylaw 20.9.6.3. We ensured that

countable sports have been properly identified in the NCAA Membership Financial Reporting System for the purpose of revenue distribution calculations.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Schedule of Revenues and Expenses of Intercollegiate Athletics Programs or any of the accounts or items referred to above. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we conducted an audit of any financial statements of the Intercollegiate Athletics Department of Radford University in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to the University. This report relates only to the accounts and items specified above and does not extend to the financial statements of Radford University or its Intercollegiate Athletics Department taken as a whole.

This report is intended solely for the information and use of the President and the University and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS

EMS/alh

RADFORD UNIVERSITY
SCHEDULE OF REVENUES AND EXPENSES OF
INTERCOLLEGIATE ATHLETICS PROGRAMS
For the year ended June 30, 2016

	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
Operating revenues:					
Ticket sales	$ 54,815	$ 9,323	$ 372	$ -	$ 64,510
Student fees	-	-	-	11,339,471	11,339,471
Guarantees	180,000	38,000	9,400	-	227,400
Contributions	8,941	2,477	504,644	21,804	537,866
In-Kind	5,063	-	60,015	12,208	77,286
Media rights	-	-	-	52	52
NCAA distributions	-	-	-	577,415	577,415
Conference distributions (non-media or bowl)	-	1,133	1,050	-	2,183
Royalties, licensing, advertisement and sponsorships	13,930	1,986	25,872	407,452	449,240
Other operating revenue	-	-	1,968	72,681	74,649
Total operating revenues	262,749	52,919	603,321	12,431,083	13,350,072
Operating expenses:					
Athletic student aid	488,913	469,719	2,261,642	9,875	3,230,149
Guarantees	5,500	3,500	-	-	9,000
Coaching salaries, benefits, and bonuses paid by the University and related entities	522,302	331,173	1,565,785	-	2,419,260
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	51,654	29,844	-	2,251,035	2,332,533
Recruiting	66,365	59,098	135,569	-	261,032
Team travel	114,421	80,929	533,104	-	728,454
Sports equipment, uniforms, and supplies	33,705	33,892	580,087	82,118	729,802
Game expenses	50,962	26,311	91,532	3,642	172,447
Fundraising, marketing and promotion	1,260	1,986	1,746	187,809	192,801
Spirit groups	63,946	63,946	-	-	127,892
Athletic facility debt service	-	-	119,687	10,636	130,323
Direct overhead and administrative expenses	1,163	997	31,717	602,178	636,055
Indirect cost paid to the institution by athletics	-	-	-	1,008,049	1,008,049
Medical expenses and insurance	-	-	1,059	316,313	317,372
Memberships and dues	675	787	5,904	38,505	45,871
Student-Athlete Meals (non-travel)	7,417	3,676	13,469	-	24,562
Other operating expenses	13,544	8,753	23,246	195,651	241,194
Total operating expenses	1,421,827	1,114,611	5,364,547	4,705,811	12,606,796
Excess (deficiency) of revenues over (under) expenses	$ (1,159,078)	$ (1,061,692)	$ (4,761,226)	$ 7,725,272	$ 743,276

Other Reporting Items:	
Total athletics-related debt	$ 38,290
Total institutional debt	$ 48,699,495
Value of athletics-dedicated endowments	$ 2,876,522
Value of institutional endowments	$ 44,934,000
Total athletics-related capital expenditures	$ 362,053

The accompanying Notes to the Schedule of Revenues and Expenses of Intercollegiate Athletics Programs are an integral part of this Schedule.

RADFORD UNIVERSITY
NOTES TO SCHEDULE OF REVENUES AND EXPENSES OF INTERCOLLEGIATE ATHLETICS PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2016

1. BASIS OF PRESENTATION

The accompanying Schedule of Revenues and Expenses of Intercollegiate Athletic Programs has been prepared on the accrual basis of accounting. The purpose of the Schedule is to present a summary of current revenues and expenses related to the University's Intercollegiate Athletics Programs for the year ended June 30, 2016. The Schedule includes those intercollegiate athletics revenues and expenses made on behalf of the University's athletics programs by outside organizations not under the accounting control of the University. Because the Schedule presents only a selected portion of the University's activities, it is not intended to and does not present the financial position, changes in financial position or changes in cash flow for the year then ended. Revenues and expenses directly identifiable with each category of sport presented are reported accordingly. Revenues and expenses not directly identifiable to a specific sport are reported under the category "Non-Program Specific."

2. AFFILIATED ORGANIZATIONS

The schedule includes transactions of the Radford University Foundation, Inc. made on behalf of the athletics programs. The Intercollegiate Athletics Programs received $537,866 from the Radford University Foundation, Inc., which are included in revenue as "contributions" in the accompanying schedule.

3. LONG-TERM DEBT

Installment Purchase Obligations

The Intercollegiate Athletics Program has future obligations under an installment purchase agreement initiated in January 2009. The book value of the asset purchased under the installment purchase agreement is $114,460 and the repayment term is ten years at an interest rate of 2.087 percent. A summary of the future obligations under the agreement as of June 30, 2016 is as follows:

Fiscal Year Ending	Principal	Interest
June 30, 2017	$12,055	$ 708
June 30, 2018	12,308	455
June 30, 2019	12,567	197
Total	$36,930	$ 1,360

4. UNIVERSITY ADMINISTRATIVE FEE

The Commonwealth's Appropriation Act requires that educational and general programs in institutions of higher education recover the full indirect cost of auxiliary enterprise programs. Therefore, the University assesses each auxiliary unit an "administrative fee" to recover institutional educational and general administrative costs. In fiscal year 2016, this charge to the athletics programs amounted to $1,008,049 and is included in the "Indirect cost paid to the institution by athletics" expense line as Non-Program Specific.

5. CAPITAL ASSETS

Capital assets consisting of buildings and equipment are stated at the estimated historical cost or actual cost where determinable. Capital assets are generally defined by the University as assets with an initial cost of $5,000 or greater and an estimated useful life of greater than one year. Donated capital assets are recorded at the estimated fair market value at the date of donation. Construction in progress expenses are capitalized at actual cost as the major capital assets and improvements are constructed. The costs of normal maintenance and repairs that do not add to an asset's value or materially extend its useful life are not capitalized. Depreciation is computed using the straight-line method over the estimated useful life of the asset with no residual value. The useful life is 40 years for buildings, 20 years for site improvements, and 2 to 25 years for equipment.

A summary of capital asset balances for the year ending June 30, 2016 follows:

Depreciable capital assets:	
Buildings	$30,660,853
Equipment	1,357,741
Site Improvements	5,362,869
Total depreciable capital assets	37,381,463
Less accumulated depreciation for:	
Buildings	(13,612,230)
Equipment	(667,810)
Site Improvements	(2,987,916)
Total accumulated depreciation	(17,267,956)
Total capital assets for intercollegiate athletics, net of accumulated depreciation	$20,113,507

RADFORD UNIVERSITY

As of June 30, 2016

BOARD OF VISITORS

UNIVERSITY OFFICIALS

As of January 11, 2017

Brian O Hemphill, President

Robert G. Lineburg, Director of Intercollegiate Athletics Programs

Attachment B

RADFORD UNIVERSITY
OFFICE OF AUDIT AND ADVISORY SERVICES

CHARTER

MISSION

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of an organization. The mission of the Office of Audit and Advisory Services is to assist the Board of Visitors, the President, and senior management of Radford University by independently examining and evaluating the operations and ongoing control processes of the university, providing counsel and recommendations for improvement whenever they are identified. In these activities, the Office of Audit and Advisory Services assists the university in meeting its mission, goals, and objectives in an effective and efficient manner. Consequently, the Office of Audit and Advisory Services is an integral part of the overall internal control structure of the university.

SCOPE OF WORK

The scope of work for Audit and Advisory Services is to ascertain that the system of internal control, as designed and represented by management, is adequate and functioning in a manner to provide reasonable assurance regarding the:

- Achievement of the university's objectives;
- Effectiveness and efficiency of operations and programs;
- Reliability and integrity of financial and operational information;
- Safeguarding of assets; and
- Compliance with policies, standards, procedures, contracts, and applicable laws and regulations.

These reviews and evaluations of internal control are advisory in nature. The university's management continues to be responsible for establishing and maintaining an adequate internal control system.

INDEPENDENCE AND ACCOUNTABILITY

To provide the requisite independence, Audit and Advisory Services personnel report to the University Auditor, who is administratively responsible to the President and functionally accountable to the Business Affairs and Audit Committee of the Board of Visitors. Any decision to terminate the University Auditor must be approved by the Business Affairs and Audit Committee.

AUTHORITY

The University Auditor as well as the Audit and Advisory Services staff are authorized to:

- Have unrestricted access to all functions, records, property, and personnel.
- Have full and free access to the President and/or the Business Affairs and Audit Committee.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the university where they perform audits, as well as other specialized services from within or outside the university.

The University Auditor as well as the Audit and Advisory Services staff are not authorized to:

- Perform any operational duties for the university or its affiliates.

- Initiate or approve accounting transactions external to the Office of Audit and Advisory Services.

- Direct the activities of any university employee not employed by Audit and Advisory Services, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the audit team.

- Develop or write policies or procedures that they may later be called upon to evaluate. Draft materials developed by management may be reviewed for propriety and/or completeness; however, ownership of, and responsibility for these materials remains with management.

RESPONSIBILITY

The University Auditor as well as the Audit and Advisory Services Staff have responsibility to:

- Develop an annual audit plan based on relative risk and submit that plan to management and the Business Affairs and Audit Committee for review and approval.

- Implement the annual audit plan, as approved, including any special tasks or projects assigned by management and the Business Affairs and Audit Committee.

- Maintain a professional audit staff with sufficient knowledge, skills, and experience to meet the requirements of this *Charter*.

- Evaluate and assess significant merging/consolidating functions and new or changing systems, services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.

- Perform special studies, reviews, or investigations requested by management.

- Perform consulting and advisory services related to governance, risk management, internal controls, or other areas of interest and concern

- Report to appropriate levels of management significant issues related to the processes for controlling the activities of the university, including potential improvements to those processes.

- Correspond and follow up with management to ensure that corrective action is taken on findings and recommendations in the operations reviewed.

- Assist in the investigation of significant suspected fraudulent activities within the university and notify management and the Business Affairs and Audit Committee of the results.

- Consider the scope of work of the external auditors, as appropriate, for the purpose of providing optimal audit coverage to the university at a reasonable overall cost.

- Periodically provide to the Business Affairs and Audit Committee information on the status and results of the annual audit plan, the results of activities and operations reviewed, and the sufficiency of office resources. Reports from "special request" audits may have more limited distribution.

STANDARDS OF AUDIT PRACTICE

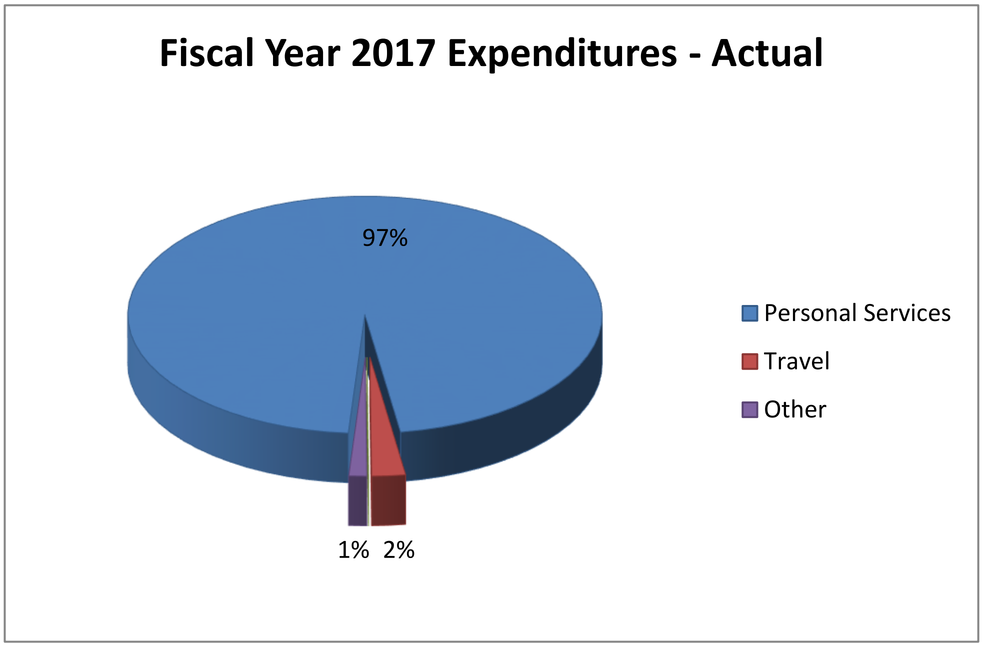
The Office of Audit and Advisory Services will adhere to the Institute of Internal Auditors mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing in the performance of its activities. Each member of the office is expected to consistently demonstrate high standards of conduct and ethics as well as appropriate judgment, independence and discretion. Members maintain a professional image and protect auditee confidences and confidential information.

Adopted by the Board of Visitors on September 19, 2014.

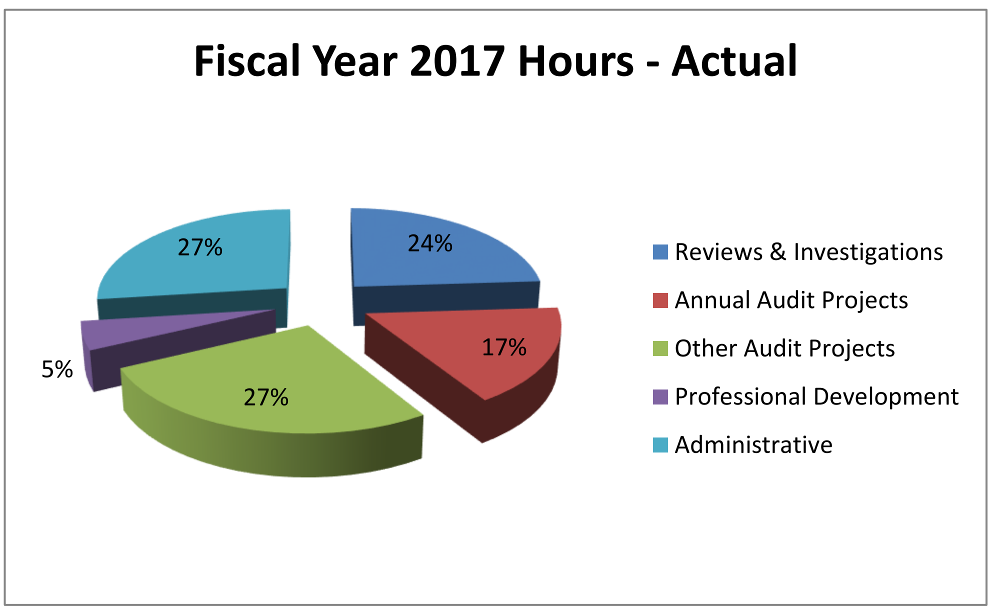
RADFORD UNIVERSITY
OFFICE OF AUDIT AND ADVISORY SERVICES
Fiscal Year 2017 Activity Report

Projects During Past Year
AUDITS & INVESTIGATIONS - Completed
Contract Audit - Student Health and Counseling Services
Information Technology Audit - PeopleAdmin
State Hotline Investigations (three cases)
Other Investigations (four cases)
AUDITS & INVESTIGATIONS - In Process
Information Technology Audit - Building Automation System
Revenue Collection Point Audit - Graduate Admissions
Departmental Audit - School of Teacher Education and Leadership
Departmental Audit - Center for Diversity and Inclusion
ANNUAL AUDIT PROJECTS - Completed
Cash Counts (14 funds)
Inventory - June 30, 2016
Payroll Reviews (4 quarters)
University Discretionary Fund Reviews (4 quarters)
Fixed Asset Verifications (132 assets)
Follow-up on Internal Audit Report Issues
Follow-up on Auditor of Public Accounts (APA) Comments
OTHER AUDIT PROJECTS - Completed
Indirect Audit Activities
Coordination of APA Audit
Over 150 University & Management Support Projects

RADFORD UNIVERSITY
OFFICE OF AUDIT AND ADVISORY SERVICES



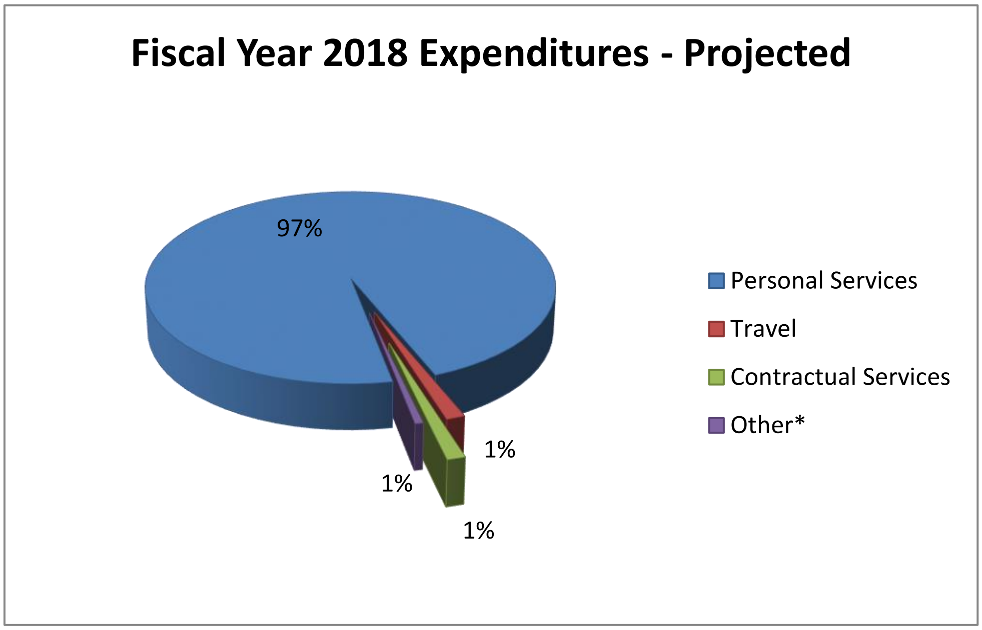
"Other" includes expenditures for contractual services, printing/postage/copier, telecommunications, and supplies & materials.



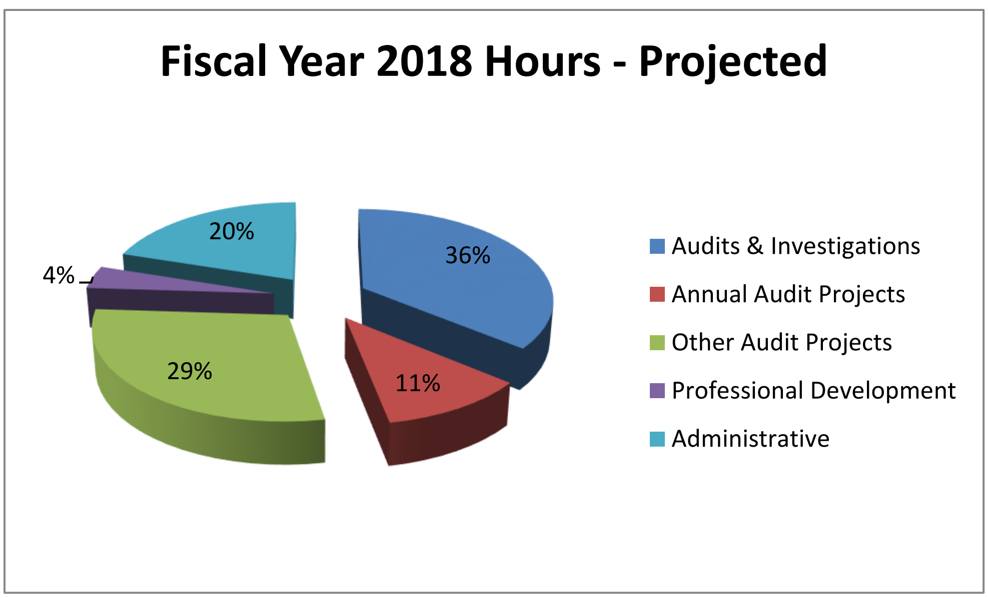
RADFORD UNIVERSITY
OFFICE OF AUDIT AND ADVISORY SERVICES
BALANCED SCORECARD
Fiscal Year 2017

#	Measurement Goal/Criteria	Goal	Results
Personnel			
1.	Maintain acceptable percentage of staff members with professional certifications or advanced degrees.	Between 75%-100%	50%
2.	Each staff member obtains an acceptable number of professional continuing education hours per calendar year.	Between 40-60 hours	46 hours
Productivity			
3.	Maintain an acceptable “administrative time” utilization ratio, based on hours worked.	25% or less	27%
Reporting			
4.	Provide the Business Affairs and Audit Committee with periodic status updates.	Between 3-4 times/year	4 times
5.	Maintain an average acceptable turnaround rate for distributing the draft report to management for signature (i.e. time between audit exit conference and distribution of draft report for signature).	10 business days	3 business days
Quality and Effectiveness			
6.	Maintain satisfactory results (“good” or ‘excellent”) on audit project customer satisfaction surveys.	Between 80%-100%	100%
7.	Maintain an acceptable percentage of business issues accepted by management.	Between 90%-100%	100%

RADFORD UNIVERSITY
OFFICE OF AUDIT AND ADVISORY SERVICES



* "Other" includes expenditures for printing/postage/copier, telecommunications, and supplies & materials.



RADFORD UNIVERSITY
OFFICE OF AUDIT AND ADVISORY SERVICES

Fiscal Year 2018 Audit Plan

AUDITS & INVESTIGATIONS

Projects from Prior Year In Progress
- Information Technology Audit - Building Automation Systems
- Revenue Collection Point Audit - Graduate Admissions
- Departmental Audit - School of Teacher Education and Leadership
- Departmental Audit - Center for Diversity and Inclusion

Sponsored Programs
Student Recreation and Wellness Center
Information Technology Audit - IT Contingency Planning
Quality Assurance Review

State Hotline Investigations

Other Investigations

ANNUAL/ROUTINE AUDIT PROJECTS

Cash Counts
Bank Account Survey
Inventory
Payroll Reviews
Fixed Asset Verifications
University Discretionary Fund Reviews
Follow-up on Internal Audit Report Issues
Follow-up on Auditor of Public Accounts (APA) Comments

OTHER AUDIT PROJECTS

Indirect Audit Activities
APA Audit Coordination
University & Management Support Projects

RADFORD UNIVERSITY
OFFICE OF AUDIT AND ADVISORY SERVICES
FOLLOW-UP AUDIT STATUS REPORT
BUSINESS AFFAIRS AND AUDIT COMMITTEE
SEPTEMBER 2017

Audit: **IT - Account Management – Active Directory**				
	Business Issue	Planned Action	Action Date	Status
4.2b	As required by the RU IT Security Standard, it appears that system administrators have both an administrative account and at least one regular user account. However, because of the current set-up of the global groups, it appears that administrators do not have to use their administrator accounts to perform administrative tasks. Specifically, we found that five out of eight administrative global groups tested contained regular user accounts. Therefore, those regular accounts had administrative privileges. Furthermore, out of those five groups, four of them contained both an administrative account and a regular account for the same user.	As the list of global groups is extensive, DoIT will approach this issue in two phases. Phase II – As part of the Identity and Access Management project, DoIT will conduct a more extensive review and cleanup of all global groups in non-sensitive systems.	August 1, 2014 Revised to December 1, 2014 Revised to July 1, 2015 Revised to December 1, 2015 Revised to June 30, 2016 Revised to March 31, 2017	Complete

Audit: **IT – Micros**				
	Business Issue	Planned Action	Action Date	Status
6.0	During our review of ID card access to data centers, we noted that there is a lack of a formal policy and procedure to govern the process and to guide those granting access to buildings. The lack of a formal policy and procedure results in inconsistency in approving and granting access.	The Division of Finance and Administration will establish a formal University Door Access policy, to address access via ID card and via key.	June 15, 2016 Revised to January 31, 2017 Revised to June 30, 2017 Revised to January 31, 2018	In process

Audit: **PeopleAdmin**				
	Business Issue	Planned Action	Action Date	Status
6.0	The PeopleAdmin system is classified as sensitive relative to availability. This means that PeopleAdmin is a system that is required to recover an essential or a dependent business function of the University.	DoIT, which maintains these timeframes, will review and update the RTO and RPO after consultation with HR and the vendor.	March 31, 2017	Complete

	For each system classified as sensitive relative to availability, the Standard requires that the Recovery Time Objective (RTO) and the Recovery Point Objective (RPO) be determined and documented. The RTO and the RPO are currently documented to be 30 days and 48 hours, respectively. However, these appear to be longer timeframes than what would be consistent with the 'availability' criteria designated for the system. When the documented RTO and RPO indicate longer timeframes than the availability criteria for a system, loss of system functionality could impact business functions that the system is intended to support.			
Audit: **Student Health and Counseling Services Contract Audit**				
	Business Issue	Planned Action	Action Date	Status
1.1	The contract states that the Contractor shall ensure "that 95 percent of all entering students" have submitted a health record form with immunization history. a) It appears that the Contractor is not complying with this requirement; the data provided by the Contractor indicated compliance rates of 88% and 73% for Fall 2014 and Spring 2015, respectively. However, we were unable to determine an accurate compliance rate due to the Contractor's uncertainty regarding what categories of students are required to comply. For example, it appeared that the population used by the Contractor was understated; it seemed to include only freshman, not "all entering students".	The University will modify the contract so that it is clear what categories of students are subject to the requirement.	December 1, 2016 Revised to June 30, 2017 Revised to March 15, 2018	In process

1.2	The contract states that the Contractor shall ensure "that 95 percent of all entering students" have submitted a health record form with immunization history. b) It appears that the University was not monitoring compliance with this requirement prior to our audit. Upon our inquiry, the University obtained the data from the Contractor.	The University will ensure that the Contractor identifies all currently enrolled students who have not complied with the requirement, gives them appropriate notice, and then blocks class registration as needed. The University will monitor compliance with the requirement at least semi-annually.	April 1, 2017 Revised to July 1, 2017 Revised to March 15, 2018	In process
2.0	The language in the contract regarding required health histories and immunizations does not conform to Code of Virginia §23-7.5 Health histories required; immunizations. Specifically, the contract contains two references that indicate that the Contractor is responsible for ensuring "that 95 percent of all entering students" have submitted a health record form with immunization history. However, the Code of Virginia requirement uses the language of "No full time student..." and does not mention a percentage that would be acceptable. Also, the Code of Virginia specifies immunization requirements for certain diseases, but those requirements are not referenced in the contract.	The University will modify the contract so that the language regarding required health histories and immunizations conforms to the Code of Virginia requirement.	December 1, 2016 Revised to June 30, 2017 Revised to March 15, 2018	In process
3.0	The language in the contract indicates that student health records will be controlled by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). However, this does not conform to joint guidance issued by the U.S. Department of Education and the U.S. Department of Health and Human Services, which	The University will obtain legal guidance on this issue and update the contract language accordingly.	July 1, 2017 Revised to March 15, 2018	In process

	indicates those records would be controlled by the Family Educational Rights and Privacy Act (FERPA).			
4.0	The staffing level provided by the Contractor does not agree to the terms of the contract. Per our comparison of the contract requirements to actual staffing as reported by the Contractor, there were discrepancies in three positions in Student Health Services (SHS) and in two positions in Student Counseling Services (SCS).	The University will modify the contract to specify the positions that are required, the number of providers for each position, and to define the number of hours required to be worked during the academic year and during the summer months.	December 1, 2016 Revised to June 30, 2017 Revised to March 15, 2018	In process
6.1	The Contractor provides a toll free nurse advice line for after hours and weekends. Improvements are needed in the administration of the nurse advice line. Specifically, a) The contract states that the Contractor reviews the nurse advice line daily and follows up, as needed. However, the Contractor does not follow up with students who have never been seen in the Student Health Center.	The University will obtain legal guidance on this issue and update the contract language accordingly.	July 1, 2017 Revised to March 15, 2018	In process
6.2	The Contractor provides a toll free nurse advice line for after hours and weekends. Improvements are needed in the administration of the nurse advice line. Specifically, b) In our sample of eleven calls, two of them (18%) had no documentation that the calls were reviewed for potential follow-up.	The University will modify the contract to require the Contractor to review the nurse advice line call report each morning, follow up as needed, document the action taken, and maintain documentation of the review.	July 1, 2017 Revised to March 15, 2018	In process
7.1	Improvements are needed in the contract to clarify the authority and provisions related to class registration holds. Specifically, a) The contract requires special provisions to be made during school breaks to receive calls related to the release of holds placed on class registration due to the student owing amounts to the Contractor for prior services rendered. However, the contract does not	The University has determined that the current practice of the Contractor placing class registration holds due to the student owing amounts to the Contractor is not appropriate. The University will revise the contract to reflect that.	December 1, 2016 Revised to June 30, 2017 Revised to March 15, 2018	In process

	explicitly give the Contractor the authority to place those holds, although this is the current practice.			
7.2	Improvements are needed in the contract to clarify the authority and provisions related to class registration holds. Specifically, b) Although the contract gives the Contractor the authority to place holds on class registration for non-compliance with health record and immunization requirements, the contract does not require special provisions to be made during school breaks to receive calls related to the release of those holds.	The University will modify the contract to add language regarding required administrative coverage during semester breaks or when the University is closed in order to receive health forms and to release class registration holds.	December 1, 2016 Revised to June 30, 2017 Revised to March 15, 2018	In process
8.0	The Contractor is not obtaining input from non-client students regarding staffing and services, as the contract requires.	The University will modify the contract to require the Contractor to conduct surveys of non-client students at the request of the Contract Administrator.	December 1, 2016 Revised to June 30, 2017 Revised to March 15, 2018	In process
9.0	The University provides utilities and other services to the Contractor. There are three references in the contract addressing these services along with the costs for which the Contractor is responsible. There are inconsistencies between the three references as well as inconsistencies between the references and the University's billing practices.	The University will determine what services are to be provided to the Contractor and for which ones the Contractor will bear the cost. The University will modify the contract language accordingly and ensure that the billing practices are consistent with that language.	July 1, 2017 Revised to March 15, 2018	In process

Audit: **Auditor of Public Accounts – FY 2015**

	Business Issue	Planned Action	Action Date	Status
3.0	The University delayed up to five days before identifying two out of 14 (14 percent) students tested who unofficially withdrew from courses during the Fall 2014 semester. This was a result of a position vacancy. The Financial Aid Office did not routinely review for unofficial withdrawals for the Summer semester.	The University strives to comply with the federal requirement that all determinations as to whether a student will be considered an unofficial withdrawal must be made within 30 days of the last day of the	September 30, 2016 Revised to March 31, 2017 Revised to June 30, 2017	Complete

	Code of Federal Regulations, 34 CFR §668.22 states when a recipient of Title IV grant or loan assistance withdraws from an institution during a period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date and return the money within a reasonable timeframe. All calculations of Title IV funds are required to be completed within 30 days of semester end, and funds are required to be returned within 45 days after the date that the institution determines the student has withdrawn. Improperly identifying, calculating, and not returning unearned Title IV funds timely to the U.S. Department of Education may result in adverse actions and impact the Institution's participation in Title IV programs. The University should improve current processes to enable timely identification of withdrawals and, if necessary, prompt return of Title IV funds to the U.S. Department of Education within the prescribed 45-day timeframe.	enrollment period. Although that deadline was missed for two students during the Fall 2014 semester due to a position vacancy, the calculation and return of funds for those students were made timely and in compliance with federal regulations. The Financial Aid Office has improved processes and procedures to ensure that reviews are done for unofficial withdrawals for Summer terms. The procedures, which include details that are term-specific, outline the process that will be conducted, the timeline in which it will be performed, and the responsible parties (to include backups).		

Attachment C

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
September 14, 2017

Information Item
Write off of Past Due Accounts Update

Item:
A report of all past due accounts written off in the previous fiscal year is presented annually at the September meeting of the Board of Visitors' Business Affairs and Audit Committee.

Background:
The Virginia Department of Accounts Commonwealth Accounting Policies and Procedures (CAPP) Manual, Topic 20505, *Accounts Receivable*, states that delinquent accounts should be written off an agency's financial accounting records when all collection procedures, including those procedures required by the Office of the Attorney General (OAG), have been conducted without results and management deems the accounts uncollectible. Accounts are deemed uncollectible if the collection account is over one year old and no payments have been received. The OAG accounts are deemed uncollectible if no payment has been made in one year from the time it is placed with the OAG. Accounts are written off effective the last day of the quarter in which this time period applies.

When accounts are written off, they are removed from an agency's financial accounting records. Writing off the debt for accounting purposes does not discharge the debt. The debt is still owed to the Commonwealth, but is no longer reported on the agency's books as a receivable. Eligible written off receivables must continue to be submitted to the Commonwealth's debt setoff program.

In 2006, the Radford University Board of Visitors delegated authority to write off uncollectible accounts under the amount of $25,000 per quarter to the Chief Financial Officer and Vice President for Finance and Administration. To meet financial reporting standards in a timely manner, the Board of Visitors revised the write-off delegation in 2014 to authorize the Chief Financial Officer and Vice President for Finance and Administration to write off all uncollectible accounts meeting State and University guidelines at the end of the reporting quarter, regardless of amount and provide an annual report of the previous year-ending activity at the September Business Affairs and Audit Committee meeting.

Below is a summary of the accounts written off by type of charge that have been returned by one of the University's third party collection agencies as uncollectible, or referred to the OAG, and were deemed uncollectible during the fiscal year ending June 30, 2017:

Classification	Quarter Ending 9/30/2016	Quarter Ending 12/31/2016	Quarter Ending 3/31/2017	Quarter Ending 6/30/2017	FY 2017 Total $	FY 2017 Total Count
Tuition & Fees	$46,077.79	$18,840.00	$37,979.04	$26,495.35	$129,392.18	56
Parking & Fines	527.00	25.00	1,132.00	239.00	1,923.00	9
Residential Life	0.00	0.00	510.00	475.00	985.00	8
Returned Items	11,127.13	0.00	1,502.50	14,089.35	26,718.98	9
Total Approved Write-offs	**$57,731.92**	**$18,865.00**	**$41,123.54**	**$41,298.70**	**$159,019.16**	**82**

Other Informational Disclosure	Quarter Ending 9/30/2016	Quarter Ending 12/31/2016	Quarter Ending 3/31/2017	Quarter Ending 6/30/2017	FY 2017 Total $	FY 2017 Total Count
Discharged Litigation Cost	0.00	$637.95	$427.68	$2,441.19	$3,506.82	10

Action:
None. Informational only.

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
September 14, 2017

Information Item
Capital Projects Update

Item: Facilities Planning and Construction update on capital projects.

Background: Currently, the University has **three active capital projects** in progress. Following is an update and project summary for each:

1. **Renovate Residence Halls Umbrella Project**

Project Budget---$36,000,000
9c Bond

Architect/Engineer Firm (Phase 1) --VMDO
Charlottesville, VA

Contractor (Phase 1) --G&H Contracting
Salem, VA

Architect/Engineer Firm (Phase 2) --Waller, Todd, Sadler
Virginia Beach, VA

Contractor (Phase 2) --G&H Contracting
Salem, VA

Multiple residence hall renovations have been funded through a $36,000,000 blanket umbrella project authorization.

Phase 1 of the umbrella project included renovations of Pocahontas, Bolling, and Draper Halls and the new Moffett Quad chilled water loop, and is complete and has been closed out.

Phase 2 of the residence hall renovations project includes the upgrade of life safety systems for Muse Hall. This project addresses the most critical life safety infrastructure needs of Muse Hall, including a new fire alarm system, new lightning protection system, replacement or refurbishment of all seven elevators, and upgrades to exit stairways and exterior ramps. The project also includes renovations to a number of support spaces on the first floor, including a new lounge and refurbished lobby along with a new fire command center.

The project was broken into an early demolition and electrical service package, which was awarded to G&H Contracting in May 2016 and completed in August 2016, and a complete project construction package, awarded also to G&H in September 2016. The total of both awards is $6,661,109.

Fire alarm and elevator installation activities occurred throughout fall of 2016 and spring of 2017 for public area fire alarm components and connections, along with the replacement of two of the tower high-rise elevators. The remaining project work, including replacement of the other two tower high-rise elevators and the freight elevator, refurbishment of the two wing low-rise elevators, and fire alarm components in student rooms occurred during the summer of 2017 while the entire building was vacated. The project is scheduled for substantial completion in time for August 2017 move-in, with final completion of any remaining punch list items to be coordinated with building occupants as necessary.

2. **Whitt Hall Renovation**

Project Budget--$8,933,000
State Pooled Bond

Architect/Engineer Firm--Clark-Nexsen
Roanoke/Norfolk, VA

Contractor ---G&H Contracting
Salem, VA

The renovation project for Whitt Hall provides for complete interior renovation, including new mechanical, electrical, and plumbing systems and equipment. Exterior renovations include replacement of windows, slate roofing, and all trim, along with repointing of brick, returning the building to its original character. Occupants for the building will include the Department of Mathematics and Statistics, the Vice-Provost for Academics and associated groups, New Student Programs, Retention, and conference meeting space for the Faculty Senate.

The construction contract was awarded to G&H in early July, with a contract value of $5,173,959. The project obtained beneficial occupancy on July 17, with final punch list items completed prior to the start of Fall Semester.

3. **Reed-Curie Renovation**

Project Budget -- $33,262,000

Architect/Engineer Firm--- Cannon Design

Construction Manager-- Branch and Associates

The Reed-Curie renovation project was approved in the spring 2016 state bond package, as described in the RU six-year capital plan submission to the state. The project will completely renovate the existing Reed Hall and Curie Hall science buildings to complement the recent addition of the Center for the Sciences, ultimately providing an overall state-of-the-art facility for nearly all of RU's Artis College of Science and Technology departments.

Occupants in the renovated building will include the Departments of Physics, Geology, Geospatial Sciences, and the Office of the Dean. The Cyber Security Center will also be housed in the renovated building, along with support spaces for the Chemistry and Biology Departments. The Green House will also remain adjacent to the renovated building.

The state initially approved funding for detailed planning for the project, and the Architect-Engineer completed initial field work and programming meetings with the occupants. The Schematic Design package was submitted to BCOM in late February and to the state's Art and Architectural Review Board in late March, and the Preliminary Design was submitted to BCOM in May. With approval of all of these submissions, the state approved final funding for the remainder of design and the construction on June 30. Design completion is scheduled for late fall 2017.

CM-at-Risk construction delivery method approval was obtained from BCOM, and the CM contract was awarded to Branch and Associates in March. Kickoff meetings have been held with the AE and the CM, and both the cost model and schedule are under final development. Initial selective demolition and construction are currently scheduled to start in September 2017, after the relocation of staff and equipment to various swing spaces on campus, with project construction completion in December 2019 for classes in January 2020.

Additional Projects: Currently, the University is also engaged in a project that has been appropriated to the Roanoke Higher Education Authority.

4. <u>Nursing Simulation Center Expansion at RHEC</u>

Project Budget---$1,882,000

Architect/Engineer Firm---SFCS
Roanoke, VA

Contractor ---Avis Construction
Company, Roanoke, VA

The existing Nursing Clinical Simulation Center (CSC) operated by Radford University at the Roanoke Higher Education Center (RHEC) will be expanded by this project. Capacity will be expanded by increasing hospital and examination simulation rooms from six to twelve, adding student debriefing and video review spaces, adding separate space for standardized patients, adding a computer classroom, and reconfiguring administrative space for overall effectiveness. The expansion will allow the student population served to increase by more than 50 percent.

SFCS was awarded the design contract in early 2017. The AE completed initial field work and schematic design, including meetings with the CSC occupants, and the Preliminary Design package was submitted to BCOM in February. Final project funding was approved by the state in March. The design was completed and construction awarded to Avis Construction in May, with construction underway throughout the summer of 2017. Final construction completion is scheduled for early fall, along with simulation equipment fitout and testing, such that classes can commence in October 2017.

Action: None; informational only.

Attachment E

RADFORD UNIVERSITY

2016-17 Financial Performance Report

RADFORD UNIVERSITY

2016-17 Financial Performance Summary

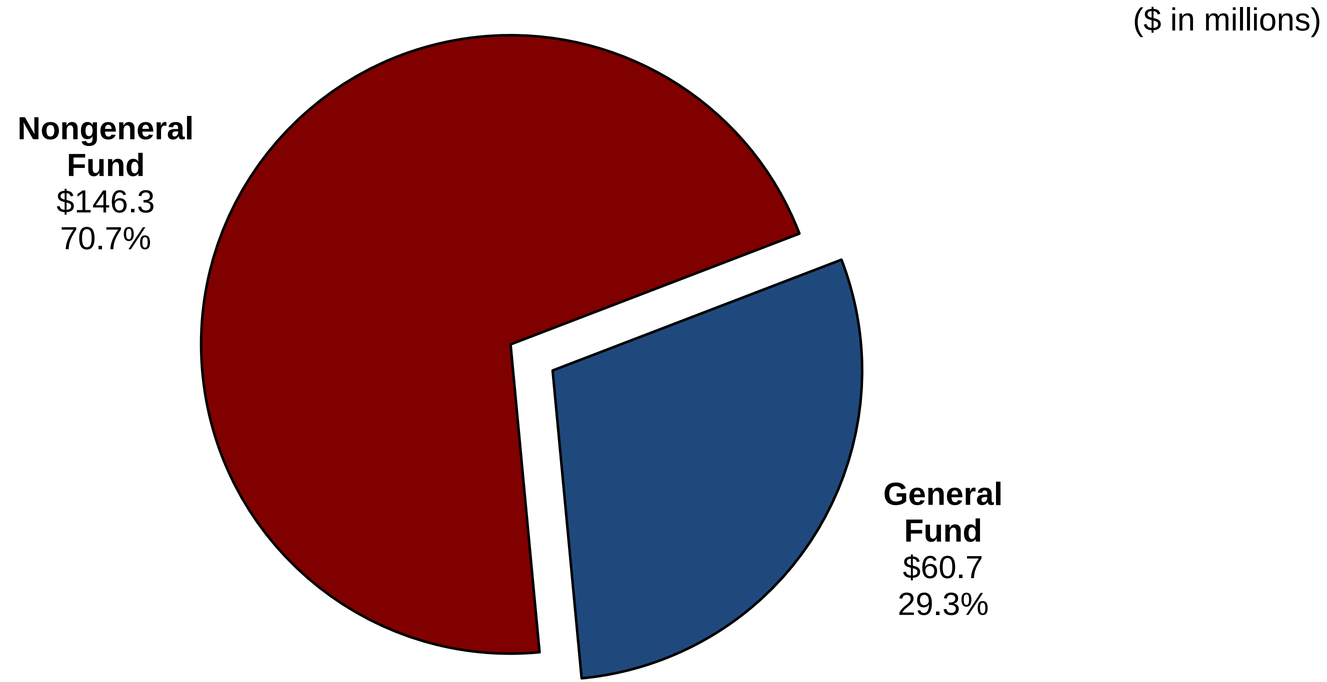
Radford University

Financial Performance Summary

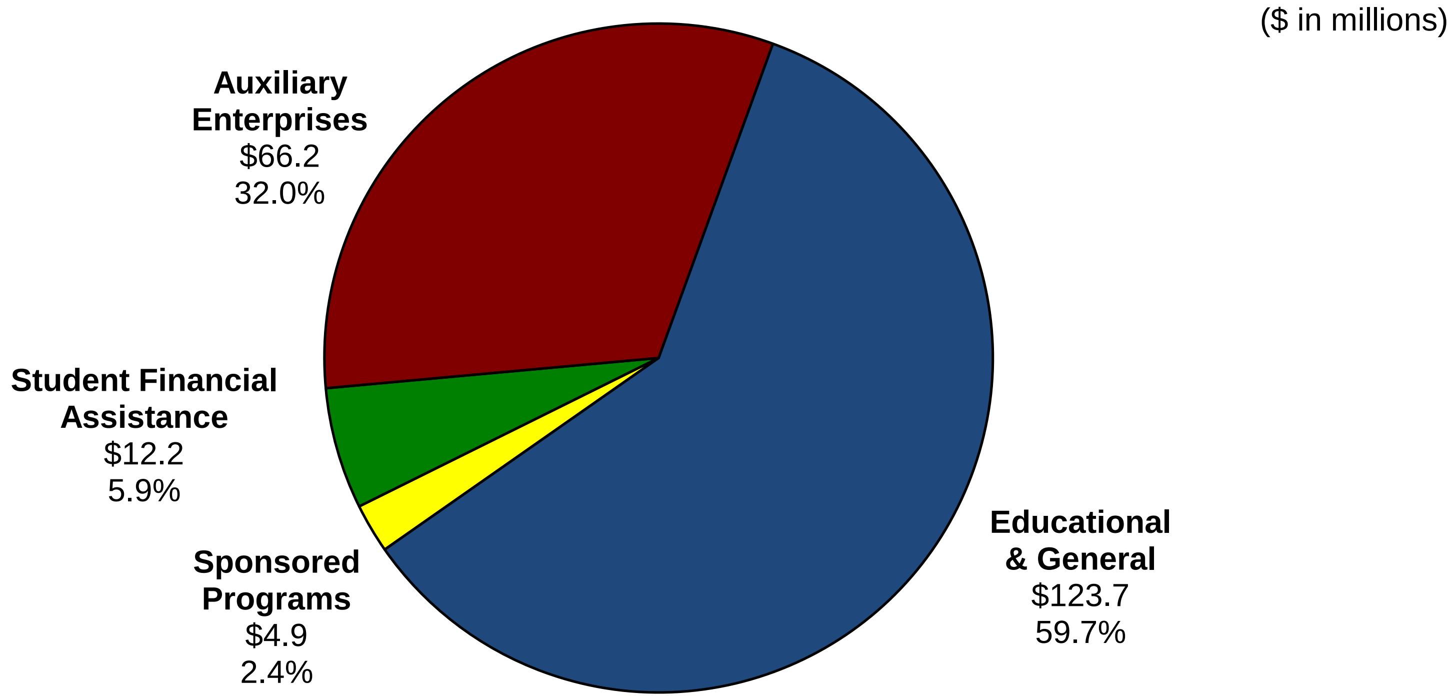
For year ended June 30, 2017

	Budget ($ in Thousands)			**Actual** ($ in Thousands)		
	Revenue	Expense	Surplus/(Deficit)	Revenue	Expense	Surplus/(Deficit)
Educational & General	124,332	(124,332)	0	123,657	(123,482)	175
Student Financial Assistance	12,167	(12,167)	0	12,167	(12,166)	1
Sponsored Programs	6,100	(6,100)	0	4,938	(4,960)	(22)
Auxiliary Enterprises	66,640	(62,346)	4,295	66,236	(57,873)	8,363
Total University	**$209,240**	**($204,945)**	**$4,295**	**$206,998**	**($198,480)**	**$8,517**

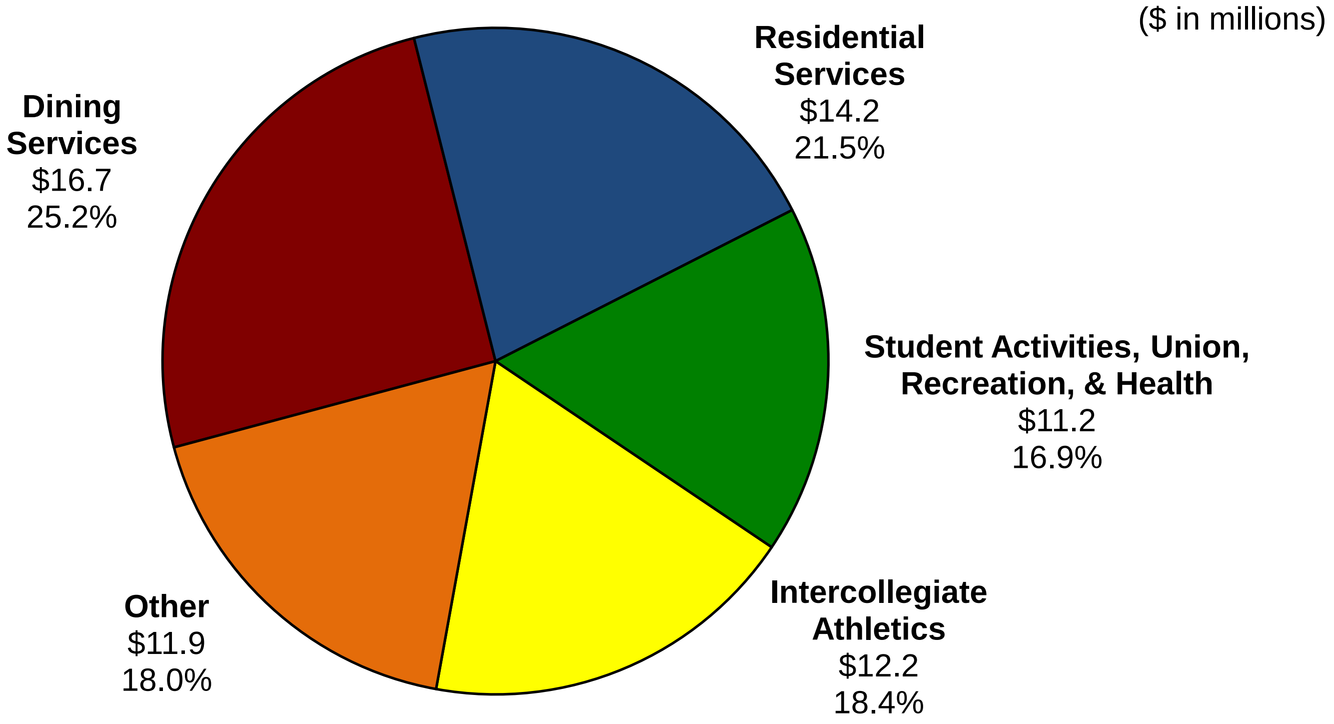
2016-17 Actual Revenue: General v. Nongeneral Split



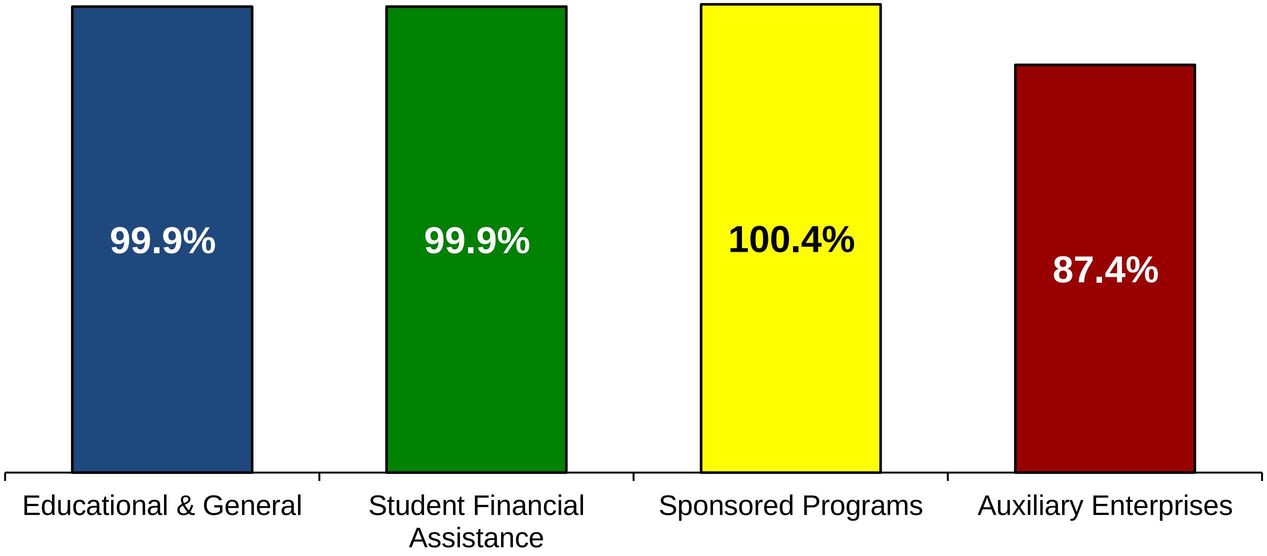
2016-17 Actual Revenue: All Programs & Funds



2016-17 Actual Revenue: Auxiliary Enterprise



2016-17 Percent of Revenue Expended



Sponsored Programs operation is cyclical and revenue is dependent on when expenditures are reimbursed.

Auxiliary Enterprises operation should not fully expend all revenue because it must be self-supporting and include reserve fund deposits.

Questions?

RADFORD UNIVERSITY

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
September 14, 2017

Information Item
Financial Performance Report for the Year Ending June 30, 2017

Item:
Summary of fiscal year 2016-17 revenue and expenditures as of June 30, 2017.

Background:
The Financial Performance Report includes Schedules A and B which provide a summary of unaudited revenue and expenditure activity for the year ending June 30, 2017. The Financial Performance Report is generated from annual budget projections and actual accounting data recorded in Banner Finance that has been reconciled with the Commonwealth's Accounting System (Cardinal). The actual accounting data is recorded using a modified accrual basis of accounting which recognizes revenue when received rather than when earned and expenditures when posted rather than when payment is issued.

The Original Budget was approved by the Board of Visitors at the September 2016 meeting. The Adjusted Budget reflects internal one-time reallocations based on actual activity.

For the year ending June 30, 2017, revenues and expenditures were at expected levels. Schedule A provides a summary of revenue and expenditure activity by major program. Schedule B provides a summary of revenue, expenditure and reserve draw/(deposit) by major auxiliary enterprise unit. Footnotes are included in each schedule to explain variances between the Original Budget, Adjusted Budget, and year-end Actuals.

Contributions to the auxiliary reserve came in stronger than projected due to lower than anticipated contract vendor payments, the timing of expenditures, and turnover and vacancy savings. The contribution to the auxiliary reserve is required to meet the State Council of Higher Education for Virginia (SCHEV) guidelines for on-going operations, equipment renewal and replacement, and future capital projects.

Summary:
No action required; information item only.

Radford University
University Operating Budget
For the Period Ending June 30, 2017

Dollars in Thousands

	Annual Budget for 2016-17			July 1, 2016 to June 30, 2017	
	Original (a)	**Adjustments** (b)	**Revised** (c)	**Actual** (d)	**Variance** (e)
Educational and General Programs					
Revenues					
General Fund	$51,540	($1,067)	$50,473 (1)	$50,473	$0
Tuition and Fees	72,351	(1,188)	71,162 (2)	71,190	28
All Other Income	2,696	2	2,698	1,994	(703) (6)
Total Revenues	$126,586	($2,254)	$124,332	$123,657	($676)
Expenditures					
Instructional & Academic Support	($82,509)	$2,346	($80,163) (1) (2) (3)	($80,815)	($652) (7)
Public Service Programs	(600)	0	(600)	(373)	227 (6)
All Other Support Programs	(43,477)	(92)	(43,569) (1) (2) (3)	(42,293)	1,276 (8)
Total Expenses	($126,586)	$2,254	($124,332)	($123,482)	$851
Reserve Draw (Deposit)	0	0	0	(175)	(175) (9)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Student Financial Assistance					
Revenue	$11,951	$216	$12,167 (4)	$12,167	$0
Expenditures	(11,951)	(216)	(12,167) (4)	(12,166)	1
Reserve Draw (Deposit)	0	0	0	(1)	(1)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Sponsored Programs					
Revenue	$6,100	$0	$6,100	$4,938	($1,162) (10)
Expenditures	(6,100)	(0)	(6,100)	(4,960)	1,140 (10)
Reserve Draw (Deposit)	0	0	0	22	22 (10)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Auxiliary Enterprises					
Revenues	$66,644	($4)	$66,640 (5)	$66,236	($405) (5)
Expenditures	(61,329)	(1,016)	(62,346) (5)	($57,873)	4,473 (5)
Reserve Draw (Deposit)	(5,315)	1,020	(4,295) (5)	(8,363)	(4,068) (5)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Total University					
Revenues	**$211,282**	**($2,042)**	**$209,240**	**$206,998**	**($2,242)**
Expenses	**(205,967)**	**1,022**	**(204,945)**	**(198,480)**	**6,464**
Reserve Draw (Deposit)	**(5,315)**	**1,020**	**(4,295)**	**(8,517)**	**(4,222)**
NET	**$0**	**$0**	**$0**	**$0**	**$0**

Notes:

(a) Original Budget - Reflects the projected 2016-17 Operating Budget as of July 1, 2016 which was approved by the Board at the September 2016 meeting. Both recurring and one-time operating budgets are included.

(b) Adjustments - Reflects changes that have been made to the 2016-17 Operating Budget between July 1, 2016 and June 30, 2017. Both recurring and one-time operating budgets are included.

(c) Revised Budget - Reflects the current 2016-17 Operating Budget as of June 30, 2017. Both recurring and one-time operating budgets are included.

(d) Actual - Reflects the actual annual activity as of June 30, 2017.

(e) Variance - Reflects the difference between the revised budget and actual annual activity as of June 30, 2017.

Radford University

University Operating Budget Notes

For the Period Ending June 30, 2017

1) The General Fund (GF) revenue budget was reduced by $1,067,297. The decrease was attributable to several factors including; ($839,612) for elimination of the 3% statewide salary increase, ($180,000) for elimination of the Interest Earning and Credit Card Rebates, ($76,567) for Central Fund alignment, $16,047 for the VIVA Allocation, and $12,835 for the Graduate Fellowship transfer from Student Financial Assistance. All related expense budgets were adjusted accordingly.

2) The Tuition & Fee revenue budget decreased by $1,188,485 primarily based on a change in mix of student domicile and enrollment time status. This change accounted for ($946,175) of the variance. The remainder is attributed to the elimination of undergraduate application fees, but was slightly offset by an increase in Other Fee Revenue of $57,690. All related expense budgets were also adjusted accordingly.

3) A portion of the Instructional and Academic Support budget was temporarily reallocated to the All Other Support Programs due to turnover and vacancy savings.

4) The revenue and expense budgets for Student Financial Assistance were adjusted to account for appropriation increases of $77,400 for the VA Military Survivors & Dependents Program, $145,420 for the Two-Year Commonwealth Transfer Grant Program, and $5,900 of General Fund Carryforward as well as a ($12,835) transfer to E&G for Graduate Fellowship programs.

5) Budget adjustments and projection variances are explained in the Auxiliary Enterprises section of this report.

6) The All Other Income revenue variance is primarily attributable to a nongeneral fund revenue transfer to the Commonwealth for $456,737 to repay a State mandated VRS Prepayment. The remaining variance is due to less than anticipated Public Service activity. Expenses in the Public Service Programs are expected to be self supporting. The variance is reflective of available appropriation authority for program activities as needed.

7) Expenses in the Instructional and Academic Support Programs are greater than projected due to the timing of the Equipment Trust Fund reimbursement which was partially offset by greater than anticipated turnover and vacancy.

8) Expenses in All Other Support Programs are less than projected due to the timing of enrollment management and development contractual expenses, greater than anticipated turnover and vacancy, and the timing of the campus renovation projects.

9) The Reserve Deposit in the Educational and General Programs budget is reflective of Surplus Property and Recycling Proceeds surpluses of $138,449 and $36,508 respectively.

Radford University
Auxiliary Enterprise
Revenue and Expenditure Summary
For the Period Ending June 30, 2017

Dollars in Thousands

	Annual Budget for 2016-17			July 1, 2016 to June 30, 2017	
	Original (a)	**Adjustments** (b)	**Revised** (c)	**Actual** (d)	**Variance** (e)
Residential & Dining Programs					
Revenues	$30,398	$0	$30,398	$30,918	$520 (6)
Expenditures	(28,773)	(514)	(29,287) (1)	(27,360)	1,927 (7)
Reserve Draw (Deposit)	(1,624)	514	(1,111) (1)	(3,558)	(2,447) (6) (7)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Bookstore					
Revenues	$640	$0	$640	$541	($99) (8)
Expenditures	(269)	0	(269)	(332)	(63) (8)
Reserve Draw (Deposit)	(371)	0	(371)	(208)	162 (8)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Parking & Transportation					
Revenues	$1,805	$0	$1,805	$1,820	$15
Expenditures	(1,509)	(102)	(1,611) (2)	(1,456)	156 (9)
Reserve Draw (Deposit)	(295)	102	(193) (2)	(364)	(171) (9)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Telecommunications					
Revenues	$566	$0	$566	$579	$14
Expenditures	(498)	(1)	(499)	(497)	2
Reserve Draw (Deposit)	(67)	1	(66)	(83)	(16)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Student Health Services					
Revenues	$3,134	($80)	$3,053 (3)	$3,026	($28)
Expenditures	(3,043)	(85)	(3,128) (3)	(2,800)	328 (10)
Reserve Draw (Deposit)	(91)	165	74 (3)	(226)	(300) (10)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Student Programming					
Revenues	$8,389	$0	$8,389	$8,163	($226) (11)
Expenditures	(8,066)	(16)	(8,081) (4)	(7,113)	969 (12)
Reserve Draw (Deposit)	(323)	16	(307) (4)	(1,051)	(743) (11) (12)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Building & Facilities					
Revenues	$3,431	$0	$3,431	$3,289	($142) (13)
Expenditures	(1,561)	(4)	(1,565)	(1,071)	494 (14)
Reserve Draw (Deposit)	(1,870)	4	(1,866)	(2,218)	(352) (13) (14)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Other Enterprise Functions					
Revenues	$5,858	$0	$5,858	$5,652	($206) (15)
Expenditures	(5,280)	(4)	(5,284)	(4,910)	374 (16)
Reserve Draw (Deposit)	(578)	4	(574)	(741)	(168) (15) (16)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Intercollegiate Athletics					
Revenues	$12,425	$76	$12,501 (5)	$12,249	($253) (17)
Expenditures	(12,329)	(290)	(12,619) (5)	(12,334)	286 (18)
Reserve Draw (Deposit)	(96)	214	118 (5)	85	(33) (17) (18)
NET	**$0**	**$0**	**$0**	**$0**	**$0**
Total Auxiliary Enterprise					
Revenues	**$66,644**	**($4)**	**$66,640**	**$66,236**	**($405)**
Expenses	**(61,329)**	**(1,016)**	**(62,346)**	**(57,873)**	**4,473**
Reserve Draw (Deposit)	**(5,315)**	**1,020**	**(4,295)**	**(8,363)**	**(4,068)**
NET	**$0**	**$0**	**$0**	**$0**	**$0**

Notes:

(a) Original Budget - Reflects the projected 2016-17 Operating Budget as of September 1, 2016 which was approved by the Board at the September 2016 meeting. Both recurring and one-time operating budgets are included.

(b) Adjustments - Reflects changes that have been made to the 2016-17 Operating Budget between July 1, 2016 and June 30, 2017. Both recurring and one-time operating budgets are included.

(c) Revised Budget - Reflects the current 2016-17 Operating Budget as of June 30, 2017. Both recurring and one-time operating budgets are included.

(d) Actual - Reflects the actual annual activity as of June 30, 2017.

(e) Variance - Reflects the difference between the revised budget and actual annual activity as of June 30, 2017.

Radford University

Auxiliary Enterprise Budget Notes

For the Period Ending June 30, 2017

1) The Residential expense budget was increased to account for authorized infrastructure projects related to Muse lounge renovations and to increase residential facility bandwidth.

2) The Parking and Transportation expense budget was adjusted to account for the timing of planned parking lot improvement projects.

3) The Student Health Services revenue and expense budget was technically adjusted to account for a delay in the implementation of a new health immunization tracking system. The Student Health Services expense budget was further adjusted to address one-time infrastructure improvements to Tyler Hall basement.

4) The Student Programming budget was adjusted to provide temporary wage support due to increased turnover and vacancy.

5) The Intercollegiate Athletics revenue and expense budget was adjusted for transfers from the foundation for personnel related expenses. Additional expense budget was adjusted to account for the softball lighting and training room one-time infrastructure projects as well as the timing of the Learfield contractual payment.

6) Residential and Dining Program revenues were higher than anticipated due to less than projected room waiver activity and an increase in dining commission proceeds.

7) Residential and Dining Program expenses were lower than projected due to higher than anticipated turnover and vacancy, lower than projected contractual payments to Chartwells, and the timing of projected debt service payments.

8) Bookstore revenues were lower than anticipated due to reduced textbook sales activity. Expenses were higher than projected due to increased scholarship payments.

9) Parking and Transportation expenses were lower than anticipated due the timing of payments Radford Transit payments.

10) Student Health Service expenses were lower than anticipated due to the timing of Carilion contractual payments and lower than anticipated interpreter costs.

11) Student Programming revenues were lower than anticipated due to less than projected collection of comprehensive fees.

12) Student Programming expenses were lower than anticipated due higher than anticipated turnover and vacancy and the timing of planned maintenance projects.

13) Building and Facilities revenues were lower than anticipated due to less than projected collection of comprehensive fees.

14) Building and Facilities expenses were lower than projected due to lower than anticipated lease and maintenance costs.

15) Other Enterprise Function revenues were less than projected due to reduced Conference Services and Matriculation Fee activity which was partially offset by higher than projected auxiliary interest income.

16) Other Enterprise Function expenses were lower than projected due to higher than anticipated turnover and vacancy, lower than anticipated conference activity, and the timing of RU Express contractual payments.

17) Intercollegiate Athletics revenues were lower than anticipated due to less than projected collections of comprehensive fees.

18) Intercollegiate Athletics expenses were lower than projected due to higher than anticipated turnover and vacancy as well as lower than anticipated scholarship costs.

Attachment F

RADFORD UNIVERSITY
2017-18 Proposed Operating Budget

RADFORD UNIVERSITY

Business Affairs and Audit Committee

September 2017

2017-18 Resource Allocation: Revenue

	Original May 2017 Assumptions	*Proposed* July 2017 Budget	Dollar Change
REVENUE			
General Fund Changes			
2017-18 General Fund Reductions	(1,334,488)	(1,334,488)	0
2017-18 Interest Earnings/CC Rebates	(180,000)	(180,000)	0
2016-17 Reverse 3% Salary Increase	(839,612)	(839,612)	0
2017-18 Salary Actions	1,267,393	1,260,783	(6,610)
2017-18 Fringe Rate Changes	579,400	600,500	21,100
2017-18 Access & Completion Funding	680,135	680,135	0
Total General Fund Changes	**172,828**	**187,318**	**14,490**
Nongeneral Fund Changes			
Tuition & Fees	1,968,252	2,091,982	123,730
Other Sales & Service	(145,230)	(203,120)	(57,890)
VRS Recoveries	(344,731)	(304,492)	40,239
Unfunded Scholarships	(472,000)	(472,000)	0
Total Nongeneral Fund Changes	**1,006,291**	**1,112,370**	**106,079**
Total Revenue Changes	**$1,179,119**	**$1,299,688**	**$120,569**

2017-18 Resource Allocation: Expense

	Original May 2017 Assumptions	*Proposed* July 2017 Budget	Dollar Change
EXPENSES			
Non-Discretionary Cost Increases			
Mandatory Costs			
2016-17 3% Salary Increase Reversion	(1,355,113)	(1,354,213)	900
2017-18 3% Salary Increase - July 10	2,304,021	2,304,021	(0)
2017-18 Health Insurance Rate Change	1,138,202	1,138,202	0
Central Cost Commitments			
AA Promotion & Tenure	229,000	229,000	0
Utility Rate Increases	610,458	610,458	0
Employee Tuition Waivers	150,000	150,000	0
Contracts & Compliance	208,556	208,556	0
Biennial Fringe Rate Alignment	318,427	318,427	0
Recovery Rate & One-Time Operating	75,279	60,241	(15,038)
Sub-Total Central Commitments	**3,678,830**	**3,664,692**	**(14,138)**
Division Recurring Requirements			
Programmatic Initiatives	323,243	422,667	99,424
Strategic Plan Initiatives	214,266	254,505	40,239
Sub-Total Division Requirements	**537,509**	**677,172**	**139,663**
Total Non-Discretionary Cost Increases	**$4,216,339**	**$4,341,864**	**$125,525**

2017-18 Resource Allocation: Reallocations

	Original May 2017 Assumptions	*Proposed* July 2017 Budget	Dollar Change
REALLOCATION SCENARIOS			
Division Targets			
Academic Affairs	(1,291,651)	(1,291,648)	3
Finance & Administration	(466,106)	(466,723)	(617)
Information Technology	(404,161)	(404,161)	0
Central Administration	(26,520)	(26,520)	0
Student Affairs	(39,999)	(39,999)	0
University Relations	(100,391)	(100,391)	0
University Advancement	(123,390)	(123,336)	54
Enrollment Management	(55,148)	(55,148)	0
Total Divisional Budgets	**(2,507,366)**	**(2,507,926)**	**(560)**
Central Resources	(529,854)	(534,250)	(4,396)
Total Savings Strategies	**($3,037,220)**	**($3,042,176)**	**($4,956)**
Total Base Budget	**$1,179,119**	**$1,299,688**	**$120,569**
TOTAL SURPLUS/(DEFICIT)	**($0)**	**$0**	**$0**

2017-18 Proposed Budget Summary

Radford University

2017-18 Proposed Budget Summary

	Revenue ($ in Thousands)			**Expense** ($ in Thousands)		
	Base	One-Time	Total	Base	One-Time	Total
Educational & General	126,538	1,719	128,257	126,538	1,719	128,257
Student Financial Assistance	12,028	0	12,028	12,028	0	12,028
Sponsored Programs	6,100	0	6,100	6,100	0	6,100
Auxiliary Enterprises	70,074	0	70,074	62,796	524	63,321
Total University	**$214,740**	**$1,719**	**$216,459**	**$207,462**	**$2,243**	**$209,706**

Proposed Budget Summary by Major Program

Radford University

2017-18 Proposed Revenues & Expenditures

($ in Thousands)	Proposed Revenue	Proposed Expenditure	Proposed Cont/(Draw)
Educational & General	128,257	128,257	0
Student Financial Assistance	12,028	12,028	0
Sponsored Programs	6,100	6,100	0
Auxiliary Enterprises	70,074	63,321	6,754
Total University	**$216,459**	**$209,706**	**$6,754**

Proposed Budget Summary by Auxiliary Subprogram

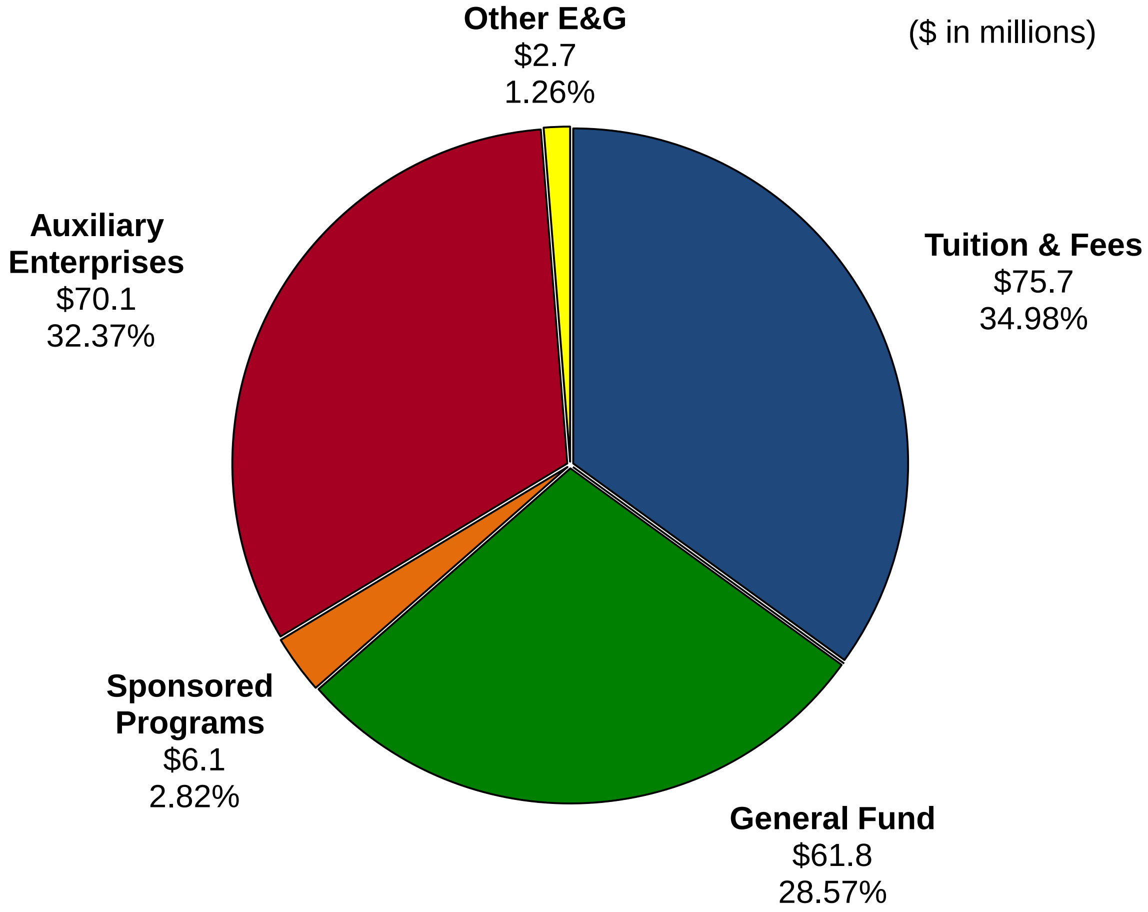
Radford University

2017-18 Proposed Revenues & Expenditures

($ in Thousands)	Proposed Revenue	Proposed Expenditure	Proposed Cont/(Draw)
Dining Services	17,313	16,062	1,250
Bookstore	490	272	218
Residential Services	16,354	14,300	2,054
Parking & Transportation	2,030	1,452	578
Telecommunications	585	492	93
Student Health Services	3,108	2,955	153
Student Union & Recreation	6,964	6,747	217
Student Activities	1,275	1,278	(3)
Other Auxiliary	9,977	7,533	2,445
Intercollegiate Athletics	11,978	12,230	(252)
Total University	**$70,074**	**$63,321**	**$6,754**

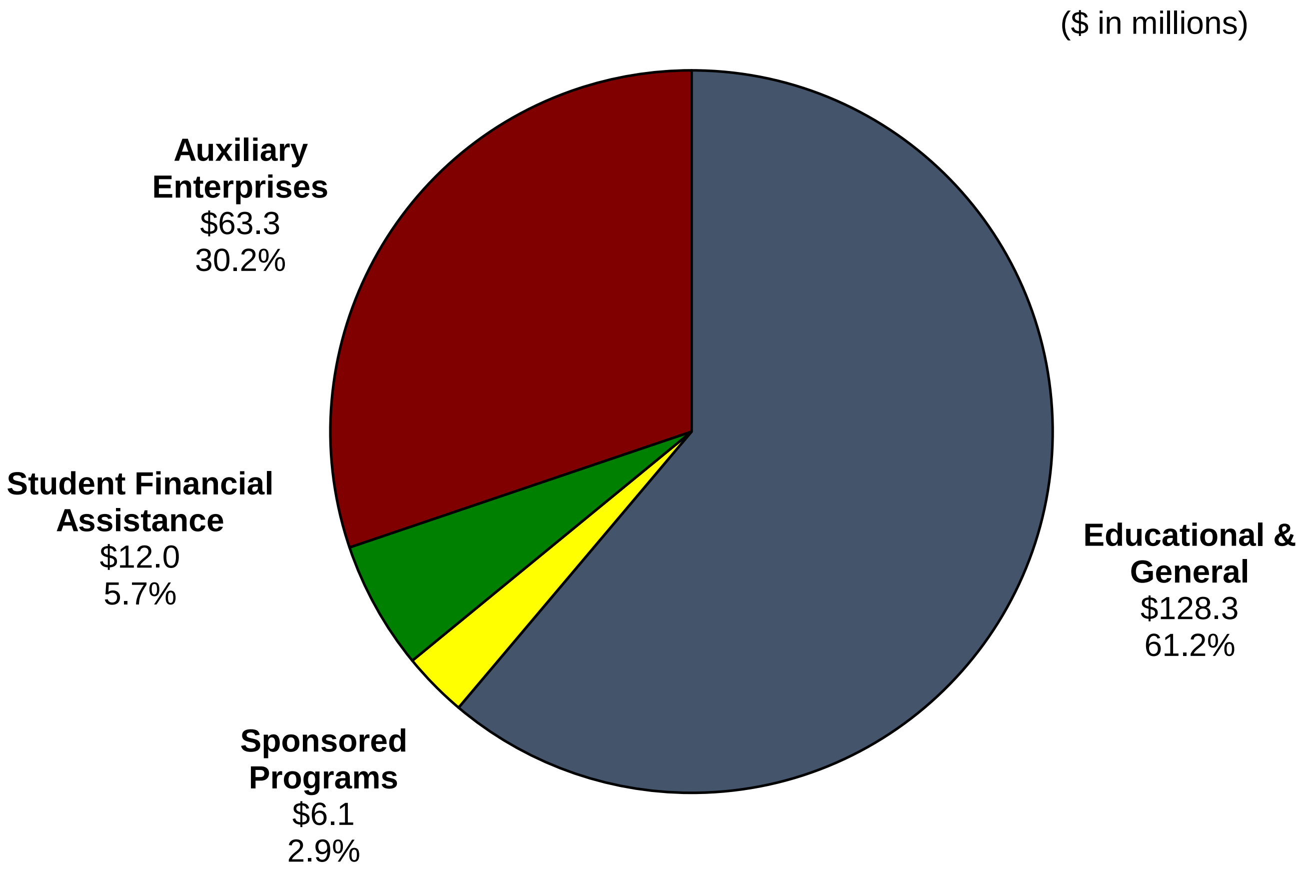
2017-18 Projected Total Operating Revenue

Using projected revenues, Radford University's proposed **total annual operating revenue budget is $216.5 million**



2017-18 Projected Total Operating Expenditures

Using projected expenditures, Radford University's proposed **total annual operating expenditure budget is** **$209.7 million**



Questions?

RADFORD UNIVERSITY

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
September 14, 2017

Action Item
Approval of the Radford University 2017-18 Operating Budget

Item:

Board of Visitors approval of the Radford University 2017-18 operating budget.

Executive Summary:

Each year, the Chief Financial Officer/Vice President for Finance and Administration is responsible for presenting the University's projected annual operating budget to the Board of Visitors for the upcoming fiscal year. The 2017-18 operating budget was developed in consideration of projected enrollment levels, actions taken by the Governor and General Assembly during the 2017 session, Board-approved tuition and fee rates, the strategic goals of the University, and the economic outlook.

The University's annual budget development cycle builds upon the existing multi-year strategic budget plans developed by each division. This collaborative process provides the framework for all University divisions to review operating priorities for the preceding six-year term. This information is used in the development of the University's Six-Year Plan submission to the State and positions the institution for continued success.

Enrollment for in-state undergraduate students has become increasingly more competitive as high school graduation rates have flattened in recent years; however, the University continues to successfully recruit in the current market. Several student populations, including underserved and first generation students, continue to grow. Resources have been directed to this key operational area and demonstrate the University's commitment to attracting, retaining, and educating its diverse student population. As a result of the ongoing investment, total enrollment is anticipated to improve over the next four years. Projections will continue to be monitored and actual 2017 enrollments will be confirmed until after fall census.

The 2017 legislative session was largely focused on filling the revenue shortfall in the current 2016-18 biennium. Given the magnitude of the total shortfall, higher education was required to shoulder a portion of the fiscal burden. As such, Chapter 836 of the 2017 Virginia Acts of Assembly included planned reductions in state support for base operations, the recovery of VRS prepayments, and the elimination of nongeneral fund interest earnings and credit card rebates. While the fiscal impact of these reductions will have a lasting impact, there is growing optimism in the future economic outlook. A number of key economic indicators demonstrated improvement in 2016-17. While the University will continue to utilize a fiscally conservative outlook to plan for its future, its funding is inevitably tied to economic performance of the Commonwealth and will be monitored closely.

Giving consideration to the aforementioned factors, the 2017-18 operating budget demonstrates a judicious use of University resources, addressing reductions in funding and unavoidable cost increases while maintaining the instructional integrity of program support and student services.

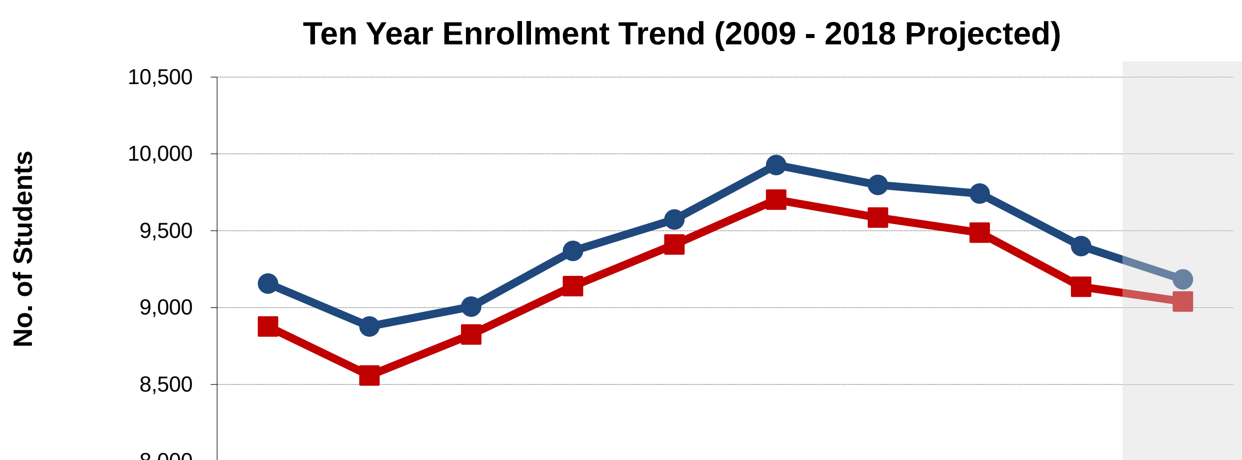
Six-Year Planning Processes and 2017-18 Budget Development:

The Virginia Higher Education Opportunity Act of 2011 (TJ21) was passed by the 2011 General Assembly and was based on recommendations from the Governor's Commission on Higher Education Reform, Innovation and Investment formed through Executive Order No. 9 issued in March 2010. The TJ21 legislation requires institutions of higher education to prepare and submit a "Six-Year Plan" by July 1st of each year in accordance with criteria outlined by the Higher Education Advisory Committee (HEAC). This landmark legislation also codifies a funding framework for higher education and identifies specific goals such as 100,000 new undergraduate degrees by 2025, increased retention and degree completion, optimal year-round utilization of resources, and investments in STEM-H programs.

As an integral part of the six-year planning process, the University's internal annual budget development cycle provides the opportunity to reevaluate, in detail, the essential needs for the upcoming fiscal year and outline divisional priorities for the outlying years to inform the actual six-year plan. The budget development review engages key personnel and provides a mechanism to prioritize funding requests while strategically aligning the institution's long-range goals with projected resources.

Enrollment Trend:

In recent history, Radford University has experienced enrollment gains in total student population. Between 2009-10 and 2013-14 the University increased 1,144 full-time equivalent (FTE) students; however, since 2014-15 total enrollment has stabilized. The University has recently reorganized enrollment management operations and collaborated with an external consultant to bolster internal efforts. Considering fall 2016 census data, guidance from the State Council of Higher Education for Virginia (SCHEV) on enrollment trends, and demographic changes in the high school student pipeline, the 2017-18 operating budget is based on a conservative enrollment target as reflected in the chart below.



	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 Proj
Fall Headcount	9,157	8,878	9,007	9,370	9,573	9,928	9,798	9,743	9,401	9,183
Annual FTE	8,876	8,558	8,825	9,139	9,410	9,702	9,586	9,487	9,135	9,039

The preceding chart depicts a 10-year history on enrollment trends based on student headcount and FTE. Actual enrollments for 2017-18 will not be confirmed until the fall 2017 census and preliminary data suggests they will exceed initial projections.

While increases in tuition and fee revenue, whether receipted from enrollment growth or rate increases, reflect a significant portion of the resources needed to support students' cost of education, state general fund support is needed to cover the remaining portion. Radford University is very reliant upon state general fund support due to the significant proportion of in-state undergraduate students served (94.1 percent as of fall 2016). SCHEV's calculation identifies that the University's E&G program should be funded 62 percent by the state and 38 percent through institutional fund sources (i.e. tuition, E&G fees, etc.). However, SCHEV's most recent calculation (Sept 2015) reflects an inversion with the University funding 61 percent from nongeneral fund sources and 39 percent from state funding.

Mandatory Cost Increases:

2017 General Assembly Session Action –
As previously mentioned, the 2017 General Assembly Session was largely focused on filling the current revenue shortfall in the 2016-18 biennium. The Governor, House of Delegates, and Senate all proposed reductions in state general fund support as a means of closing the budgetary gap. Higher education could not be completely shielded from reductions to address the shortfall. The General Assembly sought to redistribute the reduction among institutions in order to equalize the impact on in-state students and minimize the overall E&G impact to 1.5 percent or less for all institutions. Radford University's 2017-18 share of the general fund reductions is $1,334,488, or 1.1 percent of total E&G operations.

Other reductions required to close the budget gap that will impact the University include the loss of interest earnings and credit card rebates ($180,000) in 2017-18. The Commonwealth will also recover the cost of prepayments made to the Virginia Retirement System (VRS). This repayment translates into a reduction in nongeneral fund support of ($304,492) in 2017-18.

Following the 2015-16 budget shortfall, the Commonwealth was required to eliminate the salary increases approved in the current 2016-17 budget. While this was an unfortunate, albeit necessary action, both the Governor and General Assembly recognized the importance of restoring at least a portion of the salary increases for state employees for the 2017-18 fiscal year. Therefore, the budget instituted a 3 percent salary increase for all classified employees and a 2 percent increase for college faculty effective July 2017. Additionally, the seven institutions of higher education who did not independently increase employee salaries in 2016-17 were also eligible to receive funding for the state's portion of an additional 1 percent increase for faculty. This brought the University's total salary increase for faculty to 3 percent.

In addition, $1,685,086 of general fund support for undergraduate student financial assistance was restored to bring the appropriation in line with the 2016-17 funding level. During the previous General Assembly session, funding was reallocated to SCHEV with the intention of distributing funds based on a revised financial aid allocation. The restoration of these funds will assist in lowering the cost of higher education for students of deserving need.

The University is also slated to receive an additional $680,135 to address Access, Affordability, and Completion and $77,007 in graduate financial aid. This funding was previously authorized in the initial 2016-18 biennial budget and was maintained during the 2017 General Assembly session.

The following schedule reflects the anticipated funding from the 2017 General Assembly Session providing additional general fund support for the University in 2017-18:

2017 General Assembly Funding Summary:

	Proposed 2017-18 Funding
E&G - Educational & General	
2017-18 General Fund Reductions	($1,334,488)
2017-18 Interest Earnings/CC Rebates	(180,000)
2016-18 Reverse 3% Salary Increase	(839,612)
2017-18 Salary Increases (*)	1,260,783
2017-18 Fringe Rate Changes (*)	600,500
2017-18 Access, Affordability & Completion	680,135
Total E&G General Fund Recommendations	**$187,318**
2017-18 Nongeneral Fund VRS Recoveries	(304,492)
Total Educational & General Recommendations	**($117,174)**
SFA - Student Financial Assistance	
2017-18 In-State Undergraduate Financial Aid	1,685,086
2017-18 In-State Graduate Financial Aid	77,007
Total SFA General Fund Recommendations	**$1,762,093**

Notes:

(*) Central Appropriation amounts are not included in the University's line item appropriation. Instead they are held centrally by the state and allocated after the start of the fiscal year. For this reason estimates have been provided.

Other Mandatory Costs –
In addition to the state mandated items, the University must also address teaching and research faculty promotion and tenure contractual commitments, operation and maintenance of new and existing facilities, contractual escalators for technology and maintenance contracts, escalating utilities, and committed costs for previously approved projects. These initiatives, referred to as central cost commitments, combine to total $1.6 million. For additional details, Schedule II provides a breakdown of the mandatory cost requirements.

Funding Sources and Cost Drivers:

The State policy for funding higher education is to fund 67 percent of the cost of education for in-state students. Figure 1 reflects the status of general fund support for Radford University's educational and general (E&G) program from 2002 through 2018 (projected) in relation to this policy. Currently, general fund support for the E&G program is projected to be 40.3 percent and general fund support per student FTE is amongst the lowest of the public four-year institutions of higher education.

As demonstrated in Figure 1, the 2017-18 projected E&G general fund split is significantly below the State's policy of 67 percent. The difference reflects funding of essential programmatic needs to support the University's in-state student population.

Figure 1: E&G general fund appropriation historical trend compare to State policy

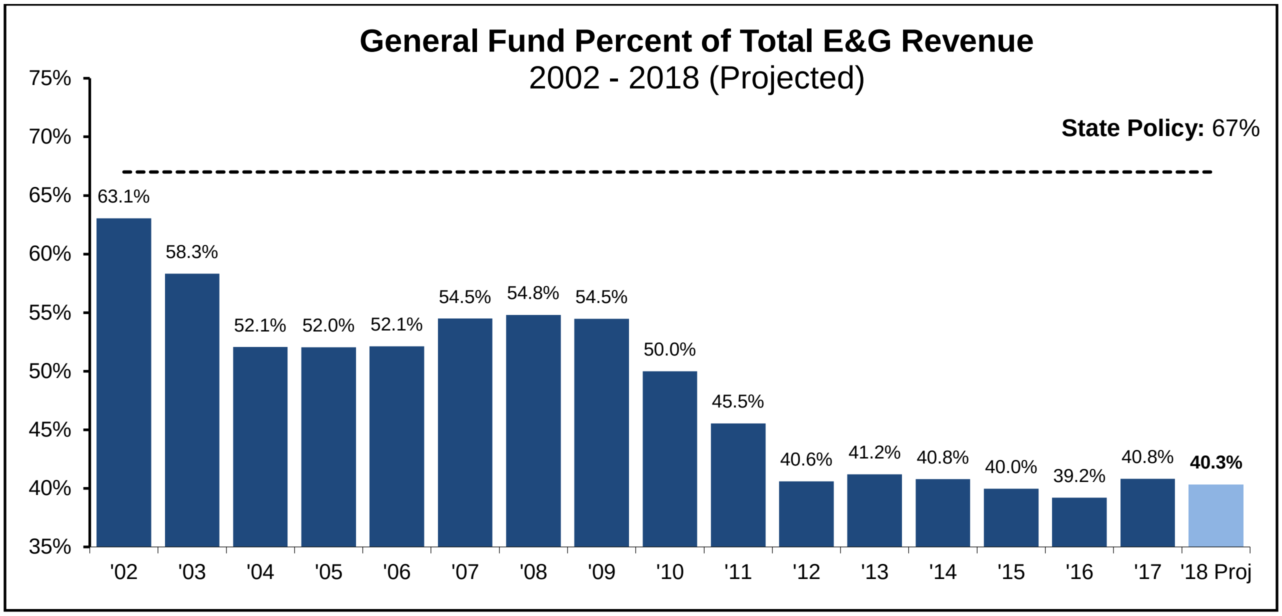
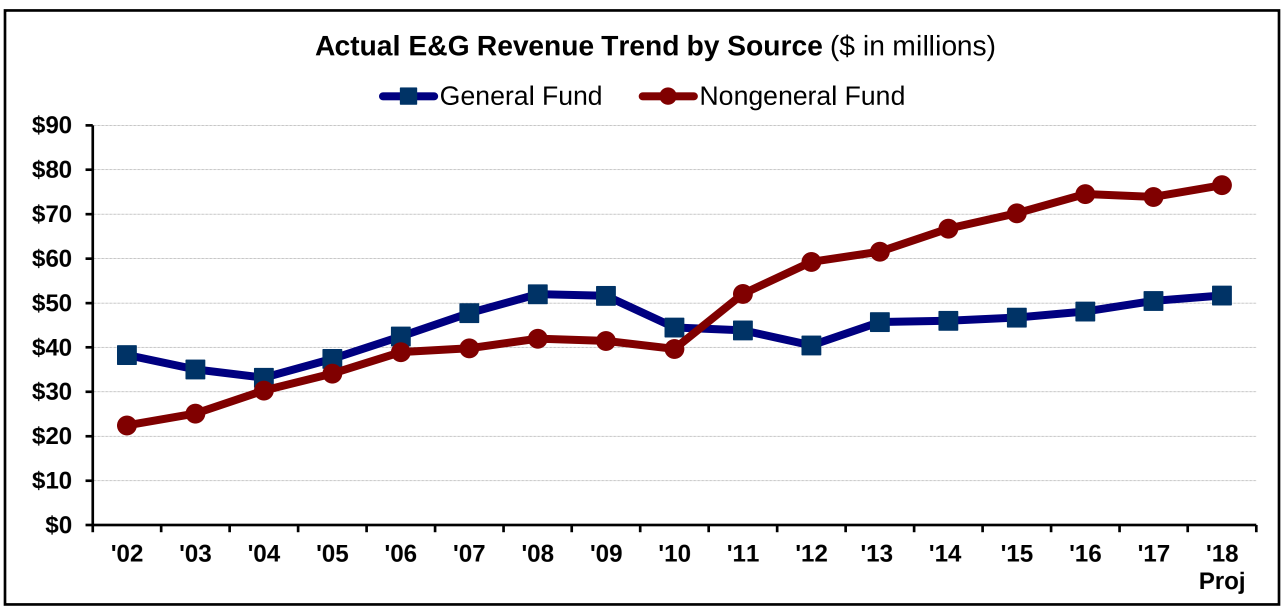


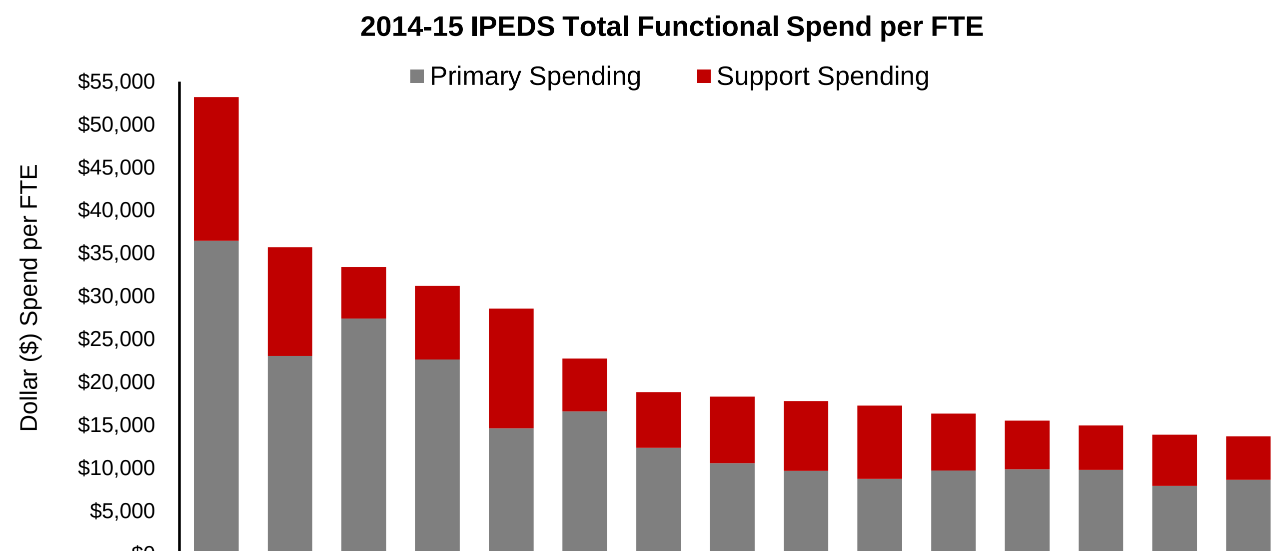
Figure 2 displays the E&G general fund and nongeneral fund trends between 2002 and 2018 (projected). In 2010, as a result of the economic downturn and the sustained loss of general fund support, students and their families began funding the majority of the cost of education. The increase in the nongeneral fund trend in recent years was largely attributable to planned enrollment growth during those years which assisted with mitigating further increases in tuition and fees.

Figure 2: E&G general fund/nongeneral fund split historical trend (nominal dollars)



Additionally, using national data from the Integrated Postsecondary Education Data System (IPEDS) for the past decade, Radford University has consistently ranked as the lowest Virginia four-year public institution of higher education in total E&G program functional spending per student FTE. The most recently available spending levels (2014-15) are presented in Figure 3. The ranking reflects the University's lean operational structure and administrative efficiencies in the E&G program which encompasses costs associated with instruction and support operations.

Figure 3: Ranking of E&G Spending per FTE of Virginia Public Four-Year Institutions



	Inst. A	Inst. B	Inst. C	Inst. D	Inst. E	Inst. F	Inst. G	Inst. H	Inst. I	Inst. J	Inst. K	Inst. L	Inst. M	Inst. N	RU
Total Rank	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
Total Spending	53,205	35,728	33,411	31,232	28,576	22,765	18,862	18,323	17,811	17,268	16,340	15,540	14,979	13,906	13,689
Support Spending	16,749	12,691	5,992	8,578	13,933	6,174	6,510	7,743	8,140	8,525	6,627	5,676	5,204	5,985	5,054
Primary Spending	36,456	23,037	27,419	22,655	14,643	16,592	12,352	10,580	9,671	8,743	9,713	9,865	9,775	7,921	8,636

Proposed Budget

<u>2017-18 Projected Total Revenue</u>

Radford University's institutional budget is derived from two fund sources:

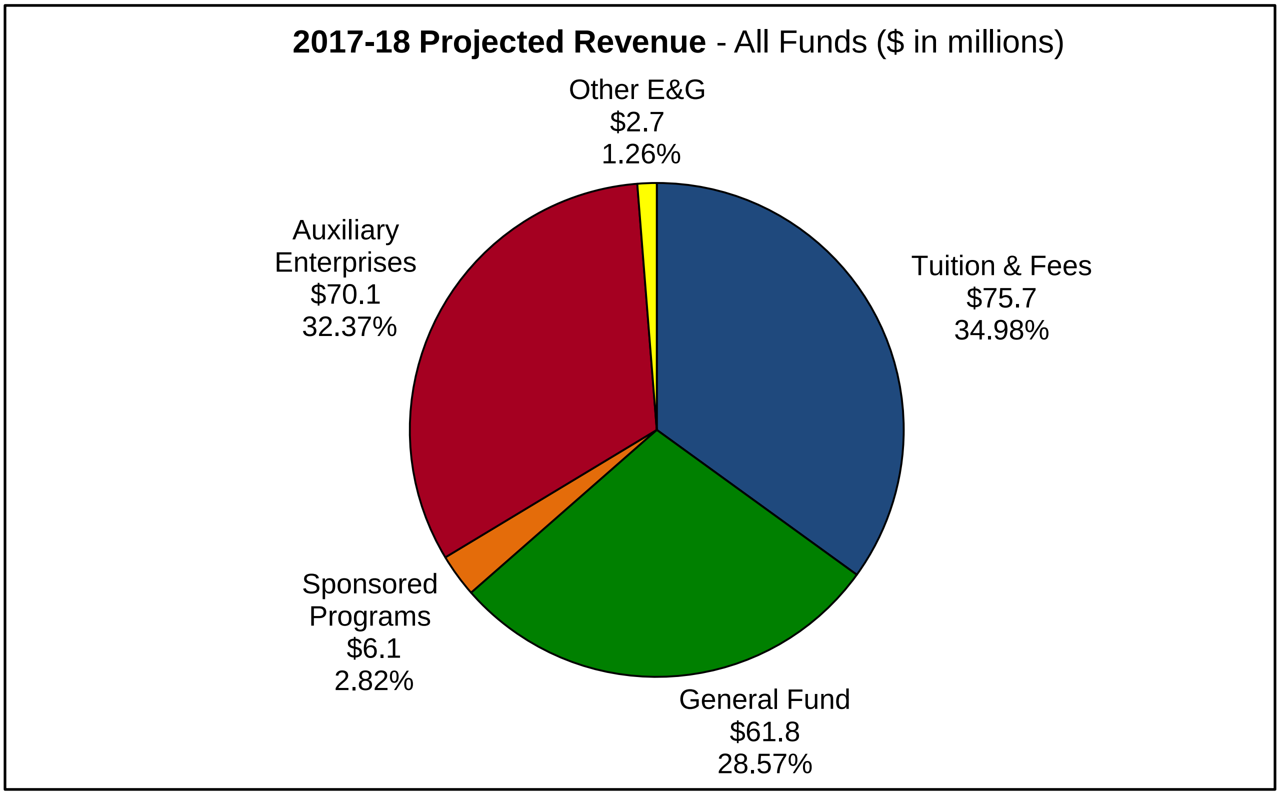
- **General Fund** (GF) – State tax dollars (unrestricted), distributed through the State budget process and documented through the Virginia Acts of Assembly (i.e. Appropriations Act).

- **Nongeneral Fund** (NGF) – tuition, mandatory (technology and comprehensive) fees, user (room and board) fees, other E&G and auxiliary enterprises fees, grants/contracts/research, federal student work study, and commissions (e.g. dining services, bookstore, laundry, vending, etc.).

Total University revenue is expected to be $216.5 million for fiscal year 2017-18, which reflects a 3.1 percent increase above the 2016-17 Adjusted Base Budget. The increase is largely attributable to incremental operating support from the State and Board approved tuition and fee rates.

The majority of the University's total operating budget (71.4 percent) is supported through nongeneral fund sources. The remaining 28.6 percent is supported through the general fund. Figure 4 displays the breakdown of projected revenue by major funding sources.

Figure 4: 2017-18 projected total revenue (all sources and programs)



2017-18 Projected Total Expenditures

Expenditures are expected to total $209.7 million for 2017-18. Projected expenditures are set less than projected revenues due to required Auxiliary Enterprises reserve fund deposits that must be generated to meet the SCHEV guidelines for operating, equipment renewal and replacement, and capital projects.

Figure 5 illustrates projected expenditures for each of the major programs which include:

- **Educational & General (E&G)**: Activities to provide instruction, research, public service, academic support (e.g., library, deans), student support services (e.g., admissions, financial aid, registrar), and program support (e.g., administration, institutional support, physical plant) services.

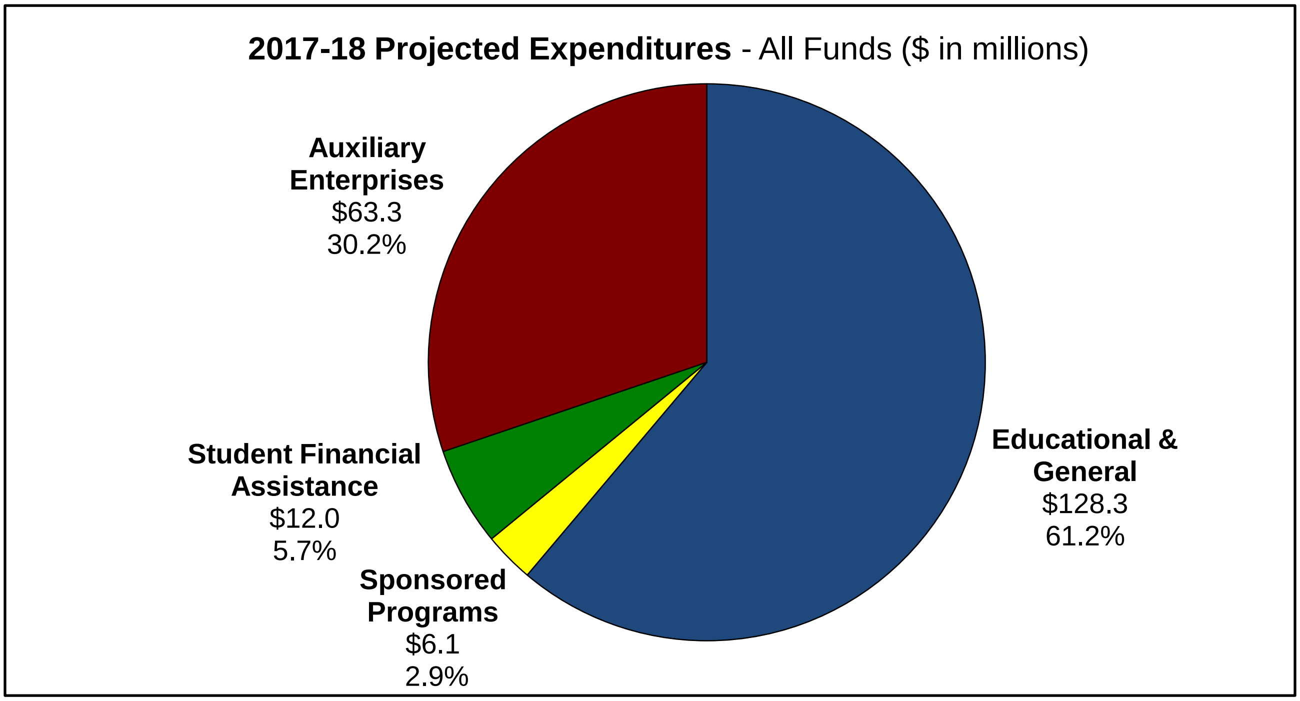
- **Student Financial Assistance**: Activities to provide financial assistance to Virginia students.

- **Financial Assistance for Educational and General Services Program (Sponsored Programs, Grants and Contracts)**: Activities to provide additional resources for educational and general services through third-party grants, contracts, and research.

- **Auxiliary Enterprises**: Self-supporting activities to provide goods or services to students, faculty, staff and visitors (e.g. residence halls, dining services, bookstore, athletics, student activities, etc.).

The E&G program represents 61.2 percent of the expenditures budgeted while Auxiliary Enterprises accounts for 30.2 percent. The remaining 8.6 percent is split between Student Financial Assistance and Sponsored Programs.

Figure 5: 2017-18 Projected Expenditures by Major Program



Attachment I and Schedules A and B provide an overview of the University's proposed 2017-18 operating budget by major program. Attachment I details the 2017-18 Funded E&G Initiatives by Division, Schedule A provides an overview of the 2017-18 Total University Operating Budget, and Schedule B reflects the 2017-18 Auxiliary Enterprise Budget by major program area.

The following is a narrative description by major program to complement the financial information presented in Attachment I and Schedules A and B.

Educational & General (E&G) Program –

The Educational and General (E&G) program supports instruction, academic support, libraries, public service, student services, institutional support, and operation/maintenance of the physical plant. The proposed 2017-18 E&G operating budget (base and one-time) totals $128.3 million. The projected increase in E&G revenue is primarily derived from incremental tuition revenue generated from Board-approved tuition and fees.

In 2017-18, the percentage of the E&G budget supported by general fund is projected to be 40.3 percent. The University is anticipated to receive $0.2 million in new general fund over the previous year for central appropriation adjustments, State mandated salary and fringe benefit rate increases, and operational investments. Projected E&G nongeneral fund revenue is derived primarily from tuition and fees $73.8 million, with all other E&G revenue totaling $2.7 million.

Resource Allocations

In accordance with Chapter 836 of the 2017 Virginia Acts of Assembly, a reduction in E&G funding was instituted to distribute the burden of the 2016-18 biennium revenue shortfall. The reduction sought to equalize the impact on institutions serving larger percentages of in-state students and minimize the overall impact to no more than 1.5 percent of total E&G funding for all institutions. Radford University's 2017-18 designated target for general fund reductions is $1,334,488 which equated to 2.6 percent of general fund support in E&G or 1.1 percent of total E&G operations.

The University is also required to forgo contributions from interest earnings and credit card rebates as well as to contribute toward the repayment of the 2015-16 VRS prepayments. These additional budget reductions coupled with the mandated salary and benefit increases will be covered at least in part from internal reallocations. In total, the University reallocated $3,042,176 between all operating divisions as part of the 2017-18 operating budget. The University will continue to seek reallocation opportunities to fund new initiatives in order to keep costs low and maintain value for students.

During the May 2017 Board of Visitors meeting, essential programmatic priorities were outlined and incorporated in the proposed 2017-18 budget. Additionally, unavoidable cost increases and central appropriation adjustments for fringe benefits and State authorized salary increases were considered. While many requests were submitted to further operational priorities, unfortunately due to significant mandatory cost factors and limited incremental revenue availability, only a handful were able to be addressed. Due to the myriad of budget pressures in this budget development cycle, only critical programmatic requests were considered from each of the Vice Presidents for 2017-18. This yielded modest funding efforts for Programmatic and Strategic Plan initiatives.

Attachment I provides an overview of the E&G base budget initiatives funded in 2017-18. The major programmatic initiatives include support for the state mandated salary increase and fringe benefit rate changes, undergraduate recruitment, transition operations, and operation and maintenance expenses.

Attachment II illustrates the initial budget assumptions provided to the board in May 2017 as well as any changes that occurred prior to finalization of the actual 2017-18 proposed operating budget.

Student Financial Assistance Program –

State support from the general fund is appropriated for scholarships and fellowships to undergraduate and graduate students. The authorized general fund appropriation for fiscal year 2017-18 is $10.1 million, an increase of $0.1 million over fiscal year 2016-17. In addition to general fund support, the University continues to commit $1.9 million from institutional nongeneral fund resources to support undergraduate need-based financial aid.

Financial Assistance for Educational and General Services Program (Grants/Contracts) –

Radford University receives external funding for grants and contracts from a variety of federal, state, private, and local sources. For fiscal year 2017-18, estimated annual activity for Sponsored Programs is projected at $6.1 million.

Auxiliary Enterprises Program –

The Auxiliary Enterprises program supports student service activities such as residential life, dining, athletics, recreation, student health, and transportation. Funding for this program is generated from contract commissions and fees assessed to students and other users. The Commonwealth requires Auxiliary Enterprises to be financially self-supporting. For this reason, general fund support and tuition revenue cannot be allocated to these activities.

For fiscal year 2017-18, the revenue budget for Auxiliary Enterprises is projected to be $70.1 million. The following represents base budget initiatives funded for 2017-18 by major auxiliary enterprise unit. It should be noted that all auxiliary budgets were adjusted to account for fringe benefit rate changes, the state mandated salary increase, the alignment indirect cost and utility change, and the implementation of all applicable savings strategies, as necessary.

- Dining Services:
  - Increased vendor contract payment escalator
  - Renewal and replacement of facilities and equipment

- Housing and Residential Services:
  - Final year for implementation of professional residence hall director reorganization
  - Operating leases
  - Renewal and replacement of facilities and equipment

- Parking and Transportation
  - Transit operations local match

- Student Health Services
  - Annual contract escalator (CPI)
  - Transition to insource counseling operations

- Student Union and Recreation
  - Fitness equipment replacement fund

- Other Auxiliary Enterprises
  - Career Center Operations
  - One-time funds to support auxiliary infrastructure improvements
  - Operational realignments to address current staffing needs

It is projected that approximately $6.8 million will be generated in 2017-18 for reserve fund contributions which can be used for future debt service, maintenance reserve projects, and construction and/or renovation costs associated with future capital projects.

The following are strategic future considerations for auxiliary reserve balances:

- Residence hall renovations & improvements
- Athletic complex renovation projects
- Maintenance reserve projects
- Equipment renewal and replacement
- Land acquisition
- Future capital projects

Updated Revenue Outlook:

The 2017-18 academic year is already underway and based on preliminary census data; fall enrollment will exceed the budgeted forecast at both the undergraduate and graduate level. The University will examine the fiscal impact of the actual 2017-18 fall enrollment results and will present a second quarter budget adjustment to align the revised revenue forecast with authorized expenditure levels at the December 2017 board meeting.

The updated enrollment projections inevitably create a renewed optimism in 2017-18 fiscal resource availability, yet it remains prudent that Radford University continue its proven approach to conservative financial stewardship. The additional resources generated from the positive growth will be applied initially to the strategic planning fund so that the University can readily engage in the necessary investments in support of initiatives aligned with the institutional mission and strategic direction.

Action:

Radford University Board of Visitors approval of the 2017-18 operating budget as presented in Schedule A for Total Operating Budget and Schedule B for Auxiliary Enterprises.

Attachment G

2017 Six-Year Plan

RADFORD UNIVERSITY

2017 Six-Year Plan Requirement

- Process mandated through the "Preparing for the Top Jobs of the 21st Century: The Virginia Higher Education Act of 2011" (TJ21)
  - Board action required by § 23.1-306
- Timeline:
  - April 28, 2017 - Instructions & Template received
  - July 1, 2017 - Completed templates due to SCHEV
  - July 24, 2017 - University OP-Six Presentation –
  - September 1, 2017* - OP-Six Comments
  - September 15, 2017 - Board Action
  - October 1, 2017 - Final Plans due to SCHEV

*Estimated

Academic Plan Initiatives

I. Implement Student Success and Retention Action Plan

II. Increase Degree Completion and Adult Learners Through Competency Based Education

III. Ensure Access for Low and Middle-Income Families Through Need-based Financial Aid to Undergraduate Students

IV. Appalachian Community Outreach

V. Further Educational Opportunities for Healthcare Professions and the Roanoke Valley

VI. Enhance K-12 Education Leadership

VII. Improve Occupational Therapy Training in the Commonwealth

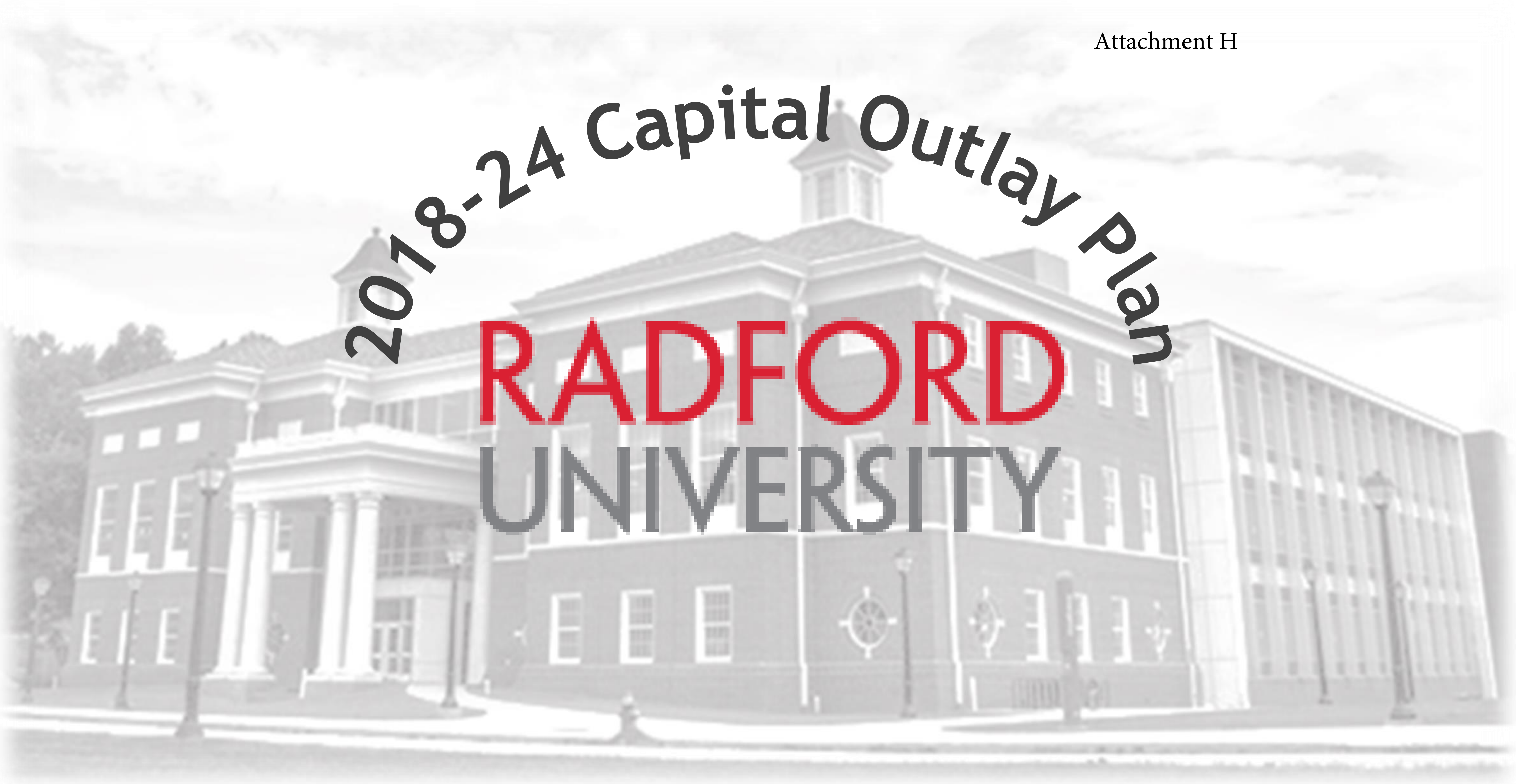
VIII. Implement Strategic Plan - Embracing t he Tradition and Envisioning the Future

Questions?

RADFORD UNIVERSITY

Attachment H

2018-24 Capital Outlay Plan



RADFORD UNIVERSITY

Business Affairs and Audit Committee

September 14, 2017

2019 - 2020 Biennium

Construct The Center for Adaptive Innovation and Creativity (CAIC)

Renovate Norwood Hall and Tyler Hall Residences

2021 - 2022 Biennium

Renovate McConnell Hall

Construct New Public Safety Building

Improve Campus Infrastructure

1. Utilities
2. Safety
3. Security

2023 - 2024 Biennium

Renovate
Muse Hall

Renovate Walker Hall

Construct New Student
Success Center

Questions?

RADFORD UNIVERSITY

RADFORD UNIVERSITY BOARD OF VISITORS
Resolution
September 15, 2017

Approval of the Radford University 2017-18 Operating Budget

BE IT RESOLVED, the Radford University Board of Visitors approves the fiscal year 2017-18 operating budget as presented in Schedule A for Total Operating Budget and Schedule B for Auxiliary Enterprises.

Attachment I

Radford University
Proposed University Operating Budget
2017-18

Dollars in Thousands	Annual Budget for 2016-17			2016-17	2017-18 Adjustments			2017-18
	Original Total Budget (a)	Adjustments	Adjusted Total Budget (b)	Adjusted Total Budget	Technical Adjustments	Base Adjustments	One-Time Adjustments	Recommended Total Budget (c)
Educational and General Programs								
Revenues								
General Fund	$51,540	($1,067)	$50,473	$50,473	$1,067	187	$0	$51,727
Tuition and Fees	72,351	(1,188)	71,162	71,162	1,188	1,393	0	73,743
All Other Income	2,696	2	2,698	2,698	(1,350)	(280)	1,719	2,787
Revenue	$126,586	($2,254)	$124,332	$124,332	$906	$1,300	$1,719	$128,257
Expenditures								
Instructional & Academic Support	($83,109)	$2,346	($80,763)	($80,763)	($2,346)	($1,439)	$0	($84,548)
All Other Support Programs	(43,477)	(92)	(43,569)	(43,569)	1,440	139	(1,719)	(43,709)
Expenditures	($126,586)	$2,254	($124,332)	($124,332)	($906)	($1,300)	($1,719)	($128,257)
Reserve Draw (Deposit)	0	0	0	0	0	0	0	0
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Student Financial Assistance								
Revenue	$11,951	$216	$12,167	$12,167	($216)	$77	$0	$12,028
Expenditures	(11,951)	(216)	(12,167)	(12,167)	216	(77)	0	(12,028)
Reserve Draw (Deposit)	0	0	0	0	0	0	0	0
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Sponsored Programs								
Revenue	$6,100	$0	$6,100	$6,100	$0	$0	$0	$6,100
Expenditures	(6,100)	(0)	(6,100)	(6,100)	0	0	0	(6,100)
Reserve Draw (Deposit)	0	(0)	(0)	(0)	0	0	0	(0)
NET	**$0**	**($0)**	**($0)**	**($0)**	**$0**	**$0**	**$0**	**($0)**
Auxiliary Enterprises								
Revenues	$66,644	($4)	$66,640	$66,640	($70)	$3,503	$0	$70,074
Expenditures	(61,329)	(1,016)	(62,346)	(62,346)	1,807	(2,257)	(524)	(63,321)
Reserve Draw (Deposit)	(5,315)	1,020	(4,295)	(4,295)	(1,737)	(1,246)	524	(6,754)
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total University								
Revenues	**$211,282**	**($2,042)**	**$209,240**	**$209,240**	**$620**	**$4,880**	**$1,719**	**$216,459**
Expenses	**(205,967)**	**1,022**	**(204,945)**	**(204,945)**	**1,116**	**(3,634)**	**(2,243)**	**(209,706)**
Reserve Draw (Deposit)	**(5,315)**	**1,020**	**(4,295)**	**(4,295)**	**(1,737)**	**(1,246)**	**524**	**(6,754)**
NET	**$0**	**($0)**	**($0)**	**($0)**	**$0**	**$0**	**$0**	**($0)**

Notes:
(a) Original Total Budget - Reflects the 2016-17 Operating Budget as of July 1, 2016 which was approved by the Board at the September 2016 meeting. Both recurring and one-time operating budgets are included.
(b) Adjusted Total Budget - Reflects the 2016-17 Operating Budget as of June 30, 2017. Both recurring and one-time operating budgets are included.
(c) Recommended Total Budget - Reflects the proposed 2017-18 Original Total Budget as of July 1, 2017. Both recurring and one-time operating budgets are included.

Radford University
Proposed Auxiliary Enterprise Budget
2017-18

Dollars in Thousands	Annual Budget for 2016-17			2016-17	2017-18 Adjustments			2017-18
	Original Total Budget (a)	Adjustments	Adjusted Total Budget (b)	Adjusted Total Budget	Technical Adjustments	Base Adjustments	One-Time Adjustments	Recommended Total Budget (c)
Residential & Dining Programs								
Revenues	$30,398	$0	$30,398	$30,398	$0	$3,269	$0	$33,667
Expenditures	(28,773)	(514)	(29,287)	(29,287)	914	(1,758)	(232)	(30,362)
Reserve Draw (Deposit)	(1,624)	514	(1,111)	(1,111)	(914)	(1,512)	232	(3,305)
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Bookstore								
Revenues	$640	$0	$640	$640	$0	($150)	$0	$490
Expenditures	(269)	0	(269)	(269)	0	(2)	0	(272)
Reserve Draw (Deposit)	(371)	0	(371)	(371)	0	152	0	(218)
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Parking & Transportation								
Revenues	$1,805	$0	$1,805	$1,805	$0	$225	$0	$2,030
Expenditures	(1,509)	(102)	(1,611)	(1,611)	150	27	(18)	(1,452)
Reserve Draw (Deposit)	(295)	102	(193)	(193)	(150)	(252)	18	(578)
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Telecommunications								
Revenues	$566	$0	$566	$566	$0	$20	$0	$585
Expenditures	(498)	(1)	(499)	(499)	1	6	0	(492)
Reserve Draw (Deposit)	(67)	1	(66)	(66)	(1)	(25)	0	(93)
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Student Health Services								
Revenues	$3,134	($80)	$3,053	$3,053	$0	$55	$0	$3,108
Expenditures	(3,043)	(85)	(3,128)	(3,128)	164	122	(113)	(2,955)
Reserve Draw (Deposit)	(91)	165	74	74	(164)	(177)	113	(153)
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Student Programming								
Revenues	$8,389	$0	$8,389	$8,389	$0	($150)	$0	$8,239
Expenditures	(8,066)	(16)	(8,081)	(8,081)	42	15	0	(8,025)
Reserve Draw (Deposit)	(323)	16	(307)	(307)	(42)	135	0	(214)
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Building & Facilities								
Revenues	$3,431	$0	$3,431	$3,431	$0	($105)	$0	$3,326
Expenditures	(1,561)	(4)	(1,565)	(1,565)	59	38	0	(1,468)
Reserve Draw (Deposit)	(1,870)	4	(1,866)	(1,866)	(59)	67	0	(1,858)
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Other Enterprise Functions								
Revenues	$5,858	$0	$5,858	$5,858	$0	$793	$0	$6,651
Expenditures	(5,280)	(4)	(5,284)	(5,284)	105	(884)	(2)	(6,065)
Reserve Draw (Deposit)	(578)	4	(574)	(574)	(105)	91	2	(586)
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Intercollegiate Athletics								
Revenues	$12,425	$76	$12,501	$12,501	($70)	($453)	$0	$11,978
Expenditures	(12,329)	(290)	(12,619)	(12,619)	371	179	(160)	(12,230)
Reserve Draw (Deposit)	(96)	214	118	118	(301)	274	160	252
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Auxiliary Enterprise								
Revenues	**$66,644**	**($4)**	**$66,640**	**$66,640**	**($70)**	**$3,503**	**$0**	**$70,074**
Expenses	**(61,329)**	**(1,016)**	**(62,346)**	**(62,346)**	**1,807**	**(2,257)**	**(524)**	**(63,321)**
Reserve Draw (Deposit)	**(5,315)**	**1,020**	**(4,295)**	**(4,295)**	**(1,737)**	**(1,246)**	**524**	**(6,754)**
NET	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Notes:
(a) Original Total Budget - Reflects the projected 2016-17 Operating Budget as of July 01, 2016 which was approved by the Board at the September 2016 meeting. Both recurring and one-time operating
(b) Adjusted Total Budget - Reflects the 2016-17 Operating Budget as of June 30, 2017. Both recurring and one-time operating budgets are included.
(c) Recommended Total Budget - Reflects the proposed 2017-18 Original Total Budget as of July 1, 2017. Both recurring and one-time operating budgets are included.

Attachment J

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
September 14, 2017

Action Item
Approval of Radford University's 2017 Six-Year Plan

Item:
Board of Visitors approval of Radford University's 2017 Six-Year Plan as required by § 23.1-306.

Background:
In response to the requirements outlined in § 23.1-306 of the Code of Virginia, attached is a copy of Radford University's 2017 Six-Year Plan submitted to the State Council of Higher Education for Virginia (SCHEV) by the stated deadline of July 1, 2017.

As a mandate established through the "*Preparing for the Top Jobs of the 21st Century: The Virginia Higher Education Act of 2011" (TJ21)* legislation, governing boards of each public institution of higher education shall develop and adopt biennially and amend or affirm annually a six-year plan for their institution. This requires the plans to be submitted to the State Council for Higher Education of Virginia by July 1 of each odd-numbered year and requires any amendments or affirmations to existing plans to be submitted by July 1 of each even-numbered year.

The 2017 Six Year Plan submission marks the fifth iteration of this exercise. The instructions and template to complete the six-year plan are usually provided by SCHEV in late spring, typically at the time of the May Board meeting. Due to this timeline, the University has historically submitted the plan, to SCHEV by the July 1st deadline and then has presented it to the Board for approval at the next scheduled meeting which is usually held in September. In July, the University is required to present the plan to a group of State representatives. This group will further review the plans over the July and August months, and provide comments in early September for all institutions to respond with updates or revisions, as appropriate, by October 1st. This process was once again followed for the 2017 Six Year Plan submission.

In preparation of the submission, the University reviewed the previous 2016 Six Year Plan update and determined which of the existing initiatives would remain and which new initiatives would be added. The 2017 Six-Year Plan reflects the priorities of the University and the objectives and goals outlined in Virginia Plan for Higher Education. The plan is divided in two parts. Part I is an Excel template with five components that includes an Academic-Financial Plan, Finance-Tuition & Fees Plan, Financial Aid Plan, Intellectual Property (IP), and a new Economic Development component that is intended to capture the institution's active contributions to stimulate the economic development of the Commonwealth. Part II provides a narrative summary of the proposed strategies and an evaluation of the most recent biennial six-year plan

The strategies identified in the University's 2017 Six-Year Plan were developed collaboratively with the leadership of each operating division and informed by the work of the Strategic Planning sub-groups. The information received through this process built upon the strategic multi-year budgets developed in the previous cycle. Divisions reviewed their respective submissions and updated strategies to align with current priorities and objectives. The academic strategies related to programmatic growth were developed by the Provost through the respective academic unit.

The presented tuition and fee increases assume no general fund support for modeling purposes only. The funding of the proposed strategies are subject to change unless incremental general fund support is received. Additionally, approval of tuition and fees is the responsibility of the Board of Visitors and may be adjusted based upon factors such as incremental general fund support, legislative requirements, projected enrollment growth, and prioritization of strategies to implement.

Action:
Radford University Board of Visitors approval of the Radford University 2017 Six-Year Plan.

RADFORD UNIVERSITY BOARD OF VISITORS
Resolution

Approval of Radford University's 2017 Six-Year Plan
September 15, 2017

WHEREAS, the Higher Education Opportunity Act of 2011 became effective July 1, 2011, and requires each public institution of higher education in Virginia to develop and submit an institutional six-year plan; and

WHEREAS, § 23.1-306 of the Act requires, "*The governing board of each public institution of higher education shall (i) develop and adopt biennially and amend or affirm annually a six-year plan for the institution; (ii) submit such plan to the Council* (State Council of Higher Education for Virginia)*, the General Assembly, the Governor, and the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Education and Health, and the Senate Committee on Finance no later than July 1 of each odd-numbered year; and (iii) submit amendments to or an affirmation of that plan no later than July 1 of each even-numbered year or at any other time permitted by the Governor or General Assembly*"; and

WHEREAS, Radford University prepared a six-year plan in accordance with the requirements of the Higher Education Opportunity Act of 2011 and guidelines provided by the State Council of Higher Education for Virginia; and

WHEREAS, the University submitted the six-year plan to the State Council of Higher Education for Virginia by the stated deadline of July 1, 2017 for the 2017 submission; and

WHEREAS, the 2017 Six-Year Plan must be approved by the Board of Visitors prior to the October 1 final submission;

THEREFORE, BE IT RESOLVED the Radford University Board of Visitors approves the Radford University 2017 Six-Year Plan (Part I and Part II) as presented in the format provided by the State Council of Higher Education for Virginia; and

BE IT FURTHER RESOLVED, that the University is authorized to revise the 2017 Six-Year Plan as required by State officials for final submission by the stated deadline.

Six-Year Plans - Part I (2017): 2018-20 through 2022-24

Due: July 1, 2017

Institution:	***Radford University***
Institution UNITID:	233277

Individual responsible for plan

Name:	Richard S. Alvarez
Email address:	Ralvarez@Radford.edu
Telephone number:	540-831-5411

Six-Year Plans - Part I (2017): 2018-20 through 2022-24
Radford University
ACADEMIC AND FINANCIAL PLAN

Instructions: In the column entitled “Academic and Support Service Strategies for Six-Year Period (2018-2024),” please provide titles to identify strategies (for the three biennia of this six-year period) associated with goals in the Virginia Plan. *Please use this title to identify a more detailed description of the strategy in the separate Word document (Part II - Narrative)*.

Priority Ranking	ACADEMIC AND SUPPORT SERVICE STRATEGIES FOR SIX-YEAR PERIOD (2016-2022)								
	Biennium 2018-2020 (7/1/18-6/30/20)							Biennium 2020-2022 (7/1/20-6/30/22)	Biennium 2022-2024 (7/1/22-6/30/24)
	Strategies (Short Title)	VP Goal	Cost: Incremental, Savings, Reallocation					Strategies	Strategies
				2018-2019		2018-2019			
				Total Amount	Amount From Tuition Revenue	Total Amount	Amount From Tuition Revenue		
1	Implement Student Success and Retention Action Plan		Incremental:	$1,005,903	$1,005,903	$1,408,264	$1,408,264	Continue to make progress on enhancing student success, retention, and graduation.	Continue to make progress on enhancing student success, retention, and graduation.
			Savings:						
			Reallocation:						
2	Increase Degree Completion and Adult Leaners Through Competency Based Education (CBE)		Incremental:					Continue to expand the Competency Based Education program offering and target academic support efforts on nontraditional students.	Continue to expand the Competency Based Education program offering and target academic support efforts on nontraditional students.
			Savings:						
			Reallocation:	$250,000		$250,000			
3	Ensure Access for Low and Middle-Income Families Through Need-based Financial Aid to Undergraduate Students		Incremental:	$368,335	$368,335	$1,027,775	$1,027,775	Continue to emphasize affordability and access for low and middle income students.	Continue to emphasize affordability and access for low and middle income students.
			Savings:						
			Reallocation:						
4	Appalachian Community Outreach		Incremental:	$78,180	$78,180	$110,858	$110,858	Continue to support the region of Southwest Virginia through academic and community outreach efforts.	Continue to support the region of Southwest Virginia through academic and community outreach efforts.
			Savings:						
			Reallocation:						
5	Further Educational opportunities for Healthcare professions and the Roanoke Valley		Incremental:	$154,270	$154,270	$154,270	$154,270	Continue to support existing STEM-H degree programs and assess public/private partnerships for possible program expansion.	Continue to support existing STEM-H degree programs and assess public/private partnerships for possible program expansion.
			Savings:						
			Reallocation:						
6	Enhance K-12 Education Leadership		Incremental:	$12,925	$12,925	$247,384	$247,384	Continue to grow the Ed.D. program with additional cohorts and build additional relationships with the Commonwealth's K-12 network.	Continue to grow the Ed.D. program with additional cohorts and build additional relationships with the Commonwealth's K-12 network.
			Savings:						
			Reallocation:	$120,854		$120,854			
7	Improve Occupational Therapy Training in the Commonwealth		Incremental:			$118,044	$118,044	Continue to address the shortage of qualified professionals by providing critical training and practical experience.	Continue to address the shortage of qualified professionals by providing critical training and practical experience.
			Savings:						
			Reallocation:	$111,647		$111,647			
8	Implement Strategic Plan - Embracing the Tradition and Envisioning the Future.		Incremental:	$252,832	$252,832	$511,554	$511,554	Continue the execution of strategies identified in the University's strategic plan - "Embracing the tradition and envisioning the future"	Finalize the execution of strategies identified in the University's strategic plan - "Embracing the tradition, envisioning the future"
			Savings:						
			Reallocation:						
	Total 2018-2020 Costs								
	Incremental (Included in Financial Plan line 61)			$1,872,445	$1,872,445	$3,578,149	$3,578,149		
	Savings								
	Reallocation			$482,501		$482,501			

Six-Year Plans - Part I (2017): 2018-20 through 2022-24
Radford University
ACADEMIC AND FINANCIAL PLAN

Instructions: In the column entitled "Academic and Support Service Strategies for Six-Year Period (2018-2024)," please provide titles to identify strategies (for the three biennia of this six-year period) associated with goals in the Virginia Plan. *Please use this title to identify a more detailed description of the strategy in the separate Word document (Part II - Narrative)*.

Six-Year Financial Plan for Educational and General Programs, Incremental Operating Budget Need
2018-2020 Biennium
(Assuming No Additional General Fund)

		2018-2019		2019-2020		2016-17	2017-18	
	Items	**Total Amount**	**Amount From Tuition Revenue**	**Total Amount**	**Amount From Tuition Revenue**	**Salary Increase Rate and Tuition Amount**	**Total Amount**	**Amount From Tuition Revenue**
	Total Incremental Cost from Academic Plan[1]	$1,872,445	$1,872,445	$3,578,149	$3,578,149			
9	Increase T&R Faculty Salaries[2]	--	--	$862,545	$862,545	--	$1,185,999	$554,876
	T&R Faculty Salary Increase Rate[3]	0.00%	0.00%	2.00%	2.00%	0.00%	3.00%	1.40%
	Increase Admin. Faculty Salaries[2]	--	--	$400,943	$400,943	--	$551,296	$266,021
	Admin. Faculty Salary Increase Rate	0.00%	0.00%	2.00%	2.00%	0.00%	3.00%	1.45%
	Increase Classified Staff Salaries[2]	--	--	$395,264	$395,264	--	$543,488	$214,408
	Classified Salary Increase Rate	0.00%	0.00%	2.00%	2.00%	0.00%	3.00%	1.18%
	Increase University Staff Salaries[2]	--	--	--	--	--	--	--
	University Staff Salary Increase Rate	--	--	--	--	--	--	--
1/8	Increase Number of Full-Time T&R Faculty[4] ($)	$298,590	$298,590	$487,771	$487,771			
	Increase Number of Full-Time T&R Faculty[4] (FTE)	3.00	3.00	6.00	6.00			
	Increase Number of Full-Time Admin. Faculty[4] ($)	--	--	--	--			
	Increase Number of Full-Time Admin. Faculty[4] (FTE)	--	--	--	--			
	Increase Number of Part-Time Faculty[4] ($)	--	--	--	--			
	Increase Number of Part-Time Faculty[4] (FTE)	--	--	--	--			
1/8	Increase Number of Classified Staff [4]($)	$189,181	$189,181	$378,361	$378,361			
	Increase Number of Classified Staff [4](FTE)	3.00	3.00	7.00	7.00			
	Increase Number of University Staff [4]($)	--	--	--	--			
	Increase Number of University Staff [4](FTE)	--	--	--	--			
10	Library Enhancement[4]($)	$99,350	$99,350	$142,240	$142,240			
	Library Enhancement[4](FTE)	--	--	--	--			
11	Technology Enhancement[4]($)	$154,815	$154,815	$288,524	$288,524			
	Technology Enhancement[4](FTE)	--	--	--	--			
	O&M for New Facilities[4]($)	--	--	--	--			
	O&M for New Facilities[4](FTE)	--	--	--	--			
12	Utility Cost Increase	$114,000	$114,000	$231,420	$231,420			
13	NGF share of state authorized salary increase/bonus	$208,620	$208,620	$208,620	$208,620			
	Fringe/health insurance benefits increase	--	--	--	--			
	VRS increase	--	--	--	--			
	Additional In-State Student Financial Aid From Tuition Revenue	--	--	--	--			
	Others (Specify, insert lines below)	--	--	--	--			
14	Safety and Security Enhancement	$29,410	$29,410	$48,310	$48,310			
	Total Additional Funding Need	**$2,966,411**	**$2,966,411**	**$7,022,147**	**$7,022,147**			

Six-Year Plans - Part I (2017): 2018-20 through 2022-24
Radford University
Six-Year Financial Plan for Tuition and Fee Increases and Nongeneral Fund Revenue Estimates

Items	2016-2017 (Estimated)		2017-2018 (Estimated)			2018-2019 (Planned)			2019-2020 (Planned)		
	Student Charge	Total Revenue	Student Charge	Rate Increase	Total Revenue	Student Charge	Rate Increase	Total Revenue	Student Charge	Rate Increase	Total Revenue
E&G Programs											
Undergraduate, In-State	$7,045	$55,024,097	$7,461	5.9%	$58,003,368	$7,685	3.0%	$60,019,077	$7,915	3.0%	$62,911,960
Undergraduate, Out-of-State	$19,126	$9,758,647	$19,543	2.2%	$10,329,150	$20,129	3.0%	$10,683,180	$20,733	3.0%	$11,244,635
Graduate, In-State	$7,922	$5,783,575	$8,390	5.9%	$5,753,539	$8,642	3.0%	$6,145,935	$8,901	3.0%	$6,542,188
Graduate, Out-of-State	$16,894	$2,026,719	$17,363	2.8%	$1,928,540	$17,884	3.0%	$2,061,396	$18,420	3.0%	$2,192,979
Law, In-State	--	--	--	--	--	--	--	--	--	--	--
Law, Out-of-State	--	--	--	--	--	--	--	--	--	--	--
Medicine, In-State	--	--	--	--	--	--	--	--	--	--	--
Medicine, Out-of-State	--	--	--	--	--	--	--	--	--	--	--
Dentistry, In-State	--	--	--	--	--	--	--	--	--	--	--
Dentistry, Out-of-State	--	--	--	--	--	--	--	--	--	--	--
PharmD, In-State	--	--	--	--	--	--	--	--	--	--	--
PharmD, Out-of-State	--	--	--	--	--	--	--	--	--	--	--
Veterinary Medicine, In-State	--	--	--	--	--	--	--	--	--	--	--
Veterinary Medicine, Out-of-State	--	--	--	--	--	--	--	--	--	--	--
Other NGF		$2,311,322			$2,380,662			$2,452,082			$2,525,644
Total E&G Revenue - Gross		$74,904,360			$78,395,259			$81,361,670			$85,417,406
Total E&G Revenue - Net of Financial Aid		$72,996,889			$76,487,788			$79,454,199			$83,509,935
E&G Revenue Used for Faculty Salary Increases		$0			$554,876			$0			$862,545
Average T&R Faculty Salary Increase Rate		0.00%			3.00%			0.00%			2.00%
Auxiliary Program											
Mandatory Non-E&G Fees											
Undergraduate	$3,036		$3,166	4.3%		$3,261	3.0%		$3,359	3.0%	
Graduate	$3,036		$3,166	4.3%		$3,261	3.0%		$3,359	3.0%	
Law	--		--	--		--	--		--	--	
Medicine	--		--	--		--	--		--	--	
Dentistry	--		--	--		--	--		--	--	
PharmD	--		--	--		--	--		--	--	
Veterinary Medicine	--		--	--		--	--		--	--	
Total Auxiliary Revenue (**ALL** including room and board)		$66,640,387			$70,013,166			$72,113,561			$74,276,968
Total Tuition and Fees											
Undergraduate, In-State	$10,081		$10,627	5.4%		$10,946	3.0%		$11,274	3.0%	
Undergraduate, Out-of-State	$22,162		$22,709	2.5%		$23,390	3.0%		$24,092	3.0%	
Graduate, In-State	$10,958		$11,556	5.5%		$11,903	3.0%		$12,260	3.0%	
Graduate, Out-of-State	$19,930		$20,529	3.0%		$21,145	3.0%		$21,779	3.0%	
Student Financial Aid (Program 108)		$1,907,471			$1,907,471			$1,907,471			$1,907,471
Sponsored Programs (Program 110)		$5,139,409			$5,293,591			$5,452,399			$5,615,971
Unique Military Activities		--			--			--			--
Workforce Development		--			--			--			--
Other (Specify)		--			--			--			--

Six-Year Plans - Part I (2017): 2018-20 through 2022-24
Radford University
FINANCIAL AID PLAN

Note: If you do not have actual amounts for *Tuition Revenue for Financial Aid* by student category, please provide an estimate. If values are not distributed for *Tuition Revenue for Financial Aid*, a distribution may be calculated for your institution.

Allocation of Tuition Revenue Used for Student Financial Aid

2015-16 (Actual)

T&F Used for Financial Aid	Gross Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid
Undergraduate, In-State	$55,406,756	$1,526,046	2.8%	$1,645,471
Undergraduate, Out-of-State	$10,862,053	$220,973	2.0%	$262,000
Graduate, In-State	$5,155,381	$116,820	2.3%	--
Graduate, Out-of-State	$2,245,447	$43,632	1.9%	--
First Professional, In-State	--	--	--	--
First Professional, Out-of-State	--	--	--	--
Total	$73,669,637	$1,907,471	2.6%	$1,907,471
In-State Sub-Total	$60,562,137	$1,642,866	2.7%	$1,645,471

***2016-17 (Estimated) Please see footnote below**

T&F Used for Financial Aid	Gross Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid
Undergraduate, In-State	$55,024,097	$1,526,046	2.8%	$1,700,194
Undergraduate, Out-of-State	$9,758,647	$220,973	2.3%	$207,278
Graduate, In-State	$5,783,575	$116,820	2.0%	--
Graduate, Out-of-State	$2,026,719	$43,632	2.2%	--
First Professional, In-State	--	--	--	--
First Professional, Out-of-State	--	--	--	--
Total	$72,593,038	$1,907,471	2.6%	$1,907,472
Total from Finance-T&F worksheet	$74,904,360	$1,907,471	2.5%	
In-State Sub-Total	$60,807,672	$1,642,866	2.7%	$1,700,194

2017-18 (Planned)

T&F Used for Financial Aid	Gross Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid
Undergraduate, In-State	$58,003,368	$1,526,046	2.6%	$1,725,911
Undergraduate, Out-of-State	$10,329,150	$220,973	2.1%	$181,560
Graduate, In-State	$5,753,539	$116,820	2.0%	$0
Graduate, Out-of-State	$1,928,540	$43,632	2.3%	$0
First Professional, In-State	--	--	--	--
First Professional, Out-of-State	--	--	--	--
Total	$76,014,597	$1,907,471	2.5%	$1,907,471
Total from Finance-T&F worksheet	$78,395,259	$1,907,471	2.4%	
In-State Sub-Total	$63,756,907	$1,642,866	2.6%	$1,725,911
Additional In-State	$2,949,235	$0	%	$25,718

2018-19 (Planned)

T&F Used for Financial Aid	Gross Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid
Undergraduate, In-State	$60,019,077	$1,526,046	2.5%	$1,725,911
Undergraduate, Out-of-State	$10,683,180	$220,973	2.1%	$181,560
Graduate, In-State	$6,145,935	$116,820	1.9%	$0
Graduate, Out-of-State	$2,061,396	$43,632	2.1%	$0
First Professional, In-State	--	--	--	--
First Professional, Out-of-State	--	--	--	--
Total	$78,909,588	$1,907,471	2.4%	$1,907,471
Total from Finance-T&F worksheet	$81,361,670	$1,907,471	2.3%	
In-State Sub-Total	$66,165,012	$1,642,866	2.5%	$1,725,911
Additional In-State	$2,408,105	$0	%	$0
Additional In-State from Financial Plan		$0	%	

2019-20 (Planned)

T&F Used for Financial Aid	Gross Tuition Revenue	Tuition Revenue for Financial Aid (Program 108)	% Revenue for Financial Aid	Distribution of Financial Aid
Undergraduate, In-State	$62,911,960	$1,526,046	2.4%	$1,725,911
Undergraduate, Out-of-State	$11,244,635	$220,973	2.0%	$181,560
Graduate, In-State	$6,542,188	$116,820	1.8%	$0
Graduate, Out-of-State	$2,192,979	$43,632	2.0%	$0
First Professional, In-State	--	--	--	--
First Professional, Out-of-State	--	--	--	--
Total	$82,891,762	$1,907,471	2.3%	$1,907,471
Total from Finance-T&F worksheet	$85,417,406	$1,907,471	2.2%	
In-State Sub-Total	$69,454,148	$1,642,866	2.4%	$1,725,911
Additional In-State	$3,289,136	$0	%	$0
Additional In-State from Financial Plan		$0	%	

** Please note that the totals reported here will be compared with those reported by the financial aid office on the institution's annual S1/S2 report. Since the six-year plan is estimated and the S1/S2 is "actual," the numbers do not have to match perfectly but these totals should reconcile to within a reasonable tolerance level. Please be sure that all institutional offices reporting tuition/fee revenue used for aid have the same understanding of what is to be reported for this category of aid.*

Six-Year Plans - Part I (2017): FY2016-2017
Radford University
INTELLECTUAL PROPERTY ASSIGNMENTS AND EXTERNALLY SPONSORED RESEARCH

Background

The intellectual property (IP) worksheet captures report information for the most recently ended fiscal year as required by § 23.1-102 subdivision 2 of the Code of Virginia. Assignment of IP interests to persons or nongovernmental entities and the value of externally sponsored research funds received during the year from a person or nongovernmental entity by the institution, any foundation supporting the IP research performed by the institution, or any entity affiliated with the institution are captured by the worksheet. Information is sought on research that yields IP regardless of the project's intent. Information is sought about IP transferred as a result of either basic or applied research. The worksheet is structured to capture separate aggregate data on entities that have a principal place of business in Virginia and those with a principal place of business outside of Virginia.

Data Collection

Special Note: The information requested below pertains to the institution as well as any affiliated entity.

FY 2016-2017	Principal Place of Business in VA	Principal Place of Business outside VA
Number of assignments of intellectual property interests to persons or nongovernmental entities	0	0
Value of funds from persons or nongovernmental entities to support intellectual property research	$0	$0
Number of patents (by type) developed in whole or part from external projects funded by persons or nongovernmental entities:		
Patent Type - Design	0	0
Patent Type - Plant	0	0
Patent Type - Utility	0	0
Total	0	0

Definitions

Assignment: A transfer of ownership of Intellectual Property from one entity to another, including exclusive and royalty bearing licenses.

Design Patent: A patent that may be granted to anyone who invents a new, original, and ornamental design for an article of manufacture.

Intellectual Property: Creations of the mind – creative works or ideas embodied in a form that can be shared or can enable others to recreate, emulate, or manufacture them.

Nongovernmental Entities: An entity not associated with any federal, national or local government.

Patent: A property right granted by the Government of the United States of America to an inventor "to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States" for a limited time in exchange for public disclosure of the invention when the patent is granted.

Plant Patent: A patent that may be granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant.

Sponsored Research: Research that is supported and compensated by a sponsoring agency.

Utility Patent: A patent that may be granted to anyone who invents or discovers any new, useful, and nonobvious process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof.

Value of Funds: Total value of all monetary and in-kind support provided by an external sponsor of Intellectual Property research.

Six-Year Plans - Part I (2017): FY2016-2017
Radford University
ECONOMIC DEVELOPMENT: CONTRIBUTIONS (HB515)

Requirement: *As per § 23.1-306 (A) of the Code of Virginia each such plan and amendment to or affirmation of such plan shall include a report of the institution's active contributions to efforts to stimulate the economic development of the Commonwealth, the area in which the institution is located, and, for those institutions subject to a management agreement set forth in Article 4 (§ 23.1-1004 et seq.) of Chapter 10, the areas that lag behind the Commonwealth in terms of income, employment, and other factors.*

Special Note: After a thorough review of existing documents and surveys, a workgroup comprised of mostly institutional members recommended that the following metrics be used to satisfy this reporting requirement. The reporting period is FY17. The metrics serve as a menu of items that institutions should respond to as applicable and available to them. Please leave fields blank, if information is unavailable.

Section A: Provide information for research and development (R&D) expenditures by source of fund with a breakdown by Science and Engineering (S&E) specific and non-S&E.

VA PLAN Strategy Reference	Section A: Research and Development (R&D) Expenditures by Source of Fund			
	Source of Funds	***S&E**	**Non S&E**	**Total**
4.3	Federal Government	$229,067	$6,819	**$235,886**
	State and Local Government	$19,509	$48,455	**$67,964**
	Institution Funds	$41,707	$92,989	**$134,696**
	Business	$0	$0	**$0**
	Nonprofit Organizations	$164,652	$32,661	**$197,313**
	All Other Sources	$0	$0	**$0**
	Total	**$454,935**	**$180,924**	**$635,859**
	** S&E - Science and Engineering*			

Section B: Provide number and dollar value of grants, contracts and sub-agreements by discipline. If your institution prefers to report by industry, please modify table accordingly.

VA PLAN Strategy Reference	Section B: Grants, Contracts and Sub-Agreements by Discipline						
	Discipline	**Category**					
		Grants		**Contracts**		**Sub-agreements**	
4.3		**No.**	**$ Value**	**No.**	**$ Value**	**No.**	**$ Value**
	Engineering	0					
	Physical Science						
	Environmental Science						
	Computer Science	3	$21,950			1	$108,006
	Life Sciences	6	$472,944			1	$316,053
	Psych/Social					1	$286,314
	Other Science	4	$172,071			1	$4,500
	Non-Science and Engineering (non-S&E)	11	$980,651			16	$3,016,271
	Total	**24**	**$1,647,616**	**0**	**$0.00**	**20**	**$3,731,144**

Section C: For the following items, provide responses in appropriate fields. Insert an X for yes/no responses. Use Number/Amount field for other information. A Comments field has been provided for any special information your institution may want to provide.

VA PLAN Strategy Reference	Section C: General Questions	Yes	No	Number/Amount	Comments
4.1	Does your institution offer an innovation/ entrepreneurship/career-themed student living-learning community?	X			Students in RU Makers live together, take two Making and innovation themed courses together, and participate in Making-themed co-curriculars--most occurring in the in-residence Makerspace. This program, in its second year, accommodates 20-24 students.
4.1	Does your institution offer startup incubation/accelerator programs?	X			
4.2	Does your institution offer maker-space?	X			Radford University hosts a growing ecosystem of Makerspaces to support Making and innovation across campus. Our three Makerspaces support both digital and physical making and offer a wide array of equipment, tools, and materials to support students and faculty.
4.2	Does your institution have an entrepreneurship center?	X			
4.2	Does your institution have Executive(s)-in-Residence?	X			
4.1	Number of students paid through externally funded grants or contracts.			55	
4.1	Number of entrepreneurship degrees/ courses/programs (credit and noncredit) offered?			6	
4.1	Number of entrepreneurship degrees/ courses/programs (credit and noncredit) offered?			6	
4.1	Pertaining to question above, number of participants of these degrees/courses/programs? Include degree programs with concentrations in entrepreneurship separately as well as special trainings for students and faculty.			55	55 (entrepreneurship concentration majors per year) 500 (entrepreneurship course enrollment per year)
4.1	Number of academic units that have courses/programs requiring a capstone project, experiential learning activities, or internships.			66	
4.2	Number of intellectual property licenses executed.			0	
4.2	Amount of licensing revenue resulting from intellectual property licenses executed.			0	
4.2	Number of university start-ups from faculty intellectual property.			0	
4.5	Number of jobs created as a result of university start-ups during the last fiscal year.			0	
4.5	Average wages of alumni living (in-state).			42,200	Based on U.S. Dept. of Educ. College Scorecard media salary of students who received financial aid.
4.4	Number of outside organizations/businesses served, for example but not limited to companies working with your career center, companies sponsoring research, etc.			805	
4.4	Number of units offering K-12 STEM outreach programs.			10	
4.4	Count or estimate of K-12 STEM outreach program participants.			12,934	The Artis College of Science and Technology offers a number of outreach events including Science Days and Science Exploration Day for K-12 students; 100 Girls of Code; Summer Bridge Program for young women in STEM.
4.4	Number of units offering other outreach/extension/public service programs related to STEM-H.			9	Units from the Waldron College of Health and Human Services and the Artis College of Science and Technology offer an array of outreach/extension/public services program related to STEM-H.
4.4	Count or estimate of other outreach/extension/public service program participants.			2,515	Faculty and students from across all six colleges participate in outreach/extension/public service. Examples range from Community Arts programs, to business consulting, Science summer camp, mental health outreach, and K-12 support.
4.3	Number of Small Business Innovation Research Grants (SBIR and STTR).			0	
4.3	Dollar value of Small Business Innovation Research Grants (SBIR and STTR).			0	
4.3	Number of Commonwealth Research and Commercialization Fund awards (CRCF).			0	
4.3	Dollar value of CRCF awards.			0	

4.1	Does your institution's tenure policy support commercialization? If yes, please provide brief explanation in comments section.	X			
4.2	Does your institution offer a seed fund and/or proof of concept fund? If yes, provide dollar amount available in FY17 in the number/amount field.		X		
4.1	Does your institution offer continuing education programs to industry? If yes , please provide dollar value or headcount for such programs in the number/amount field.	X			

Section D: These items are VCCS specific. Please provide responses in appropriate fields. A Comments field has been provided for any special information the VCCS may want to provide.

VA PLAN Strategy Reference	Section D: General Questions - VCCS Specific	Number	Value	Comments
4.1	Number and value of federal, state or private grant resources to support development of, or access to, training programs leading to workforce credentials, certifications and licensures.			N/A
4.1	Number of training programs leading to workforce certifications and licensures.			N/A
4.1	Number of students who earned industry recognized credentials stemming from training programs.			N/A
4.1	Number of industry-recognized credentials obtained, including certifications and licenses.			N/A
4.1	Number of Career/Technical Education certificates, diplomas and degrees awarded that meets regional workforce needs.			N/A

RADFORD UNIVERSITY

2017 SIX-YEAR PLAN

Instructions for Part II (Narrative)

July 1, 2017

Part II (Narrative) of the Six-Year Plan contains the following sections. Please be as concise as possible with responses.

A. Institutional Mission – *Provide a statement of institutional mission and indicate if there are plans to change the mission over the six-year period. Any changes to institutional mission must be formally submitted to SCHEV for review and approval.*

Response:

Radford University's mission was approved by the Board of Visitors, May 10, 1991 and revised and approved by the Board of Visitors, May 7, 1999.

"Radford University serves the Commonwealth of Virginia and the nation through a wide range of academic, cultural, human service, and research programs. First and foremost, the university emphasizes teaching and learning and the process of learning in its commitment to the development of mature, responsible, well-educated citizens. RU develops students' creative and critical thinking skills, teaches students to analyze problems and implement solutions, helps students discover their leadership styles, and fosters their growth as leaders. Toward these ends, the university is student-focused and promotes a sense of caring and of meaningful interaction among all members of the University community. Research is viewed as a vital corollary to the teaching and learning transaction as it sustains and enhances the ability to teach effectively. Radford University believes in the dynamics of change and has a strong commitment to continuous review, evaluation, and improvement in the curriculum and all aspects of the University, so as to meet the changing needs of society."

Radford University's Strategic Planning Task Force on Mission, Vision, and Core Values is currently in the process of updating the institution's mission statement. The following statement proposal was drafted and approved by the committee on January 13, 2017.

"As a mid-sized, comprehensive, public institution, dedicated to the creation and dissemination of knowledge, Radford University empowers students from diverse backgrounds by providing transformative educational experiences, from the baccalaureate to the doctoral level, within and beyond the classroom. As an inclusive university community, we specialize in cultivating relationships among students, faculty, staff, alumni, and other partners, and in providing a culture of service, support and engagement. We embrace innovation and tradition and instill students with purpose and the ability to think creatively and critically. We provide an educational environment and the tools to address the social, economic and environmental issues confronting our region, nation and the world".

The preceding statement has not yet been approved by SCHEV, but the University's administration will submit the proposal for review at the completion of the Strategic Planning process.

B. Strategies – *Describe in more detail strategies proposed in the spreadsheet. Identify each strategy with the title used in the spreadsheet. Institutions seeking to pursue grants from the Virginia Research Investment Fund should include strategies related to their research efforts in the Academic Plan.*

Response:

Following is a summary of the strategies outlined in Radford University's 2017 Six-Year Plan. These initiatives create a framework in support of the institution's mission and align with the goals and objectives of the Statewide Strategic Plan (SSP).

1. **Implement Student Success and Retention Action Plan.** This strategy is rooted in the belief that all students admitted to Radford University have the ability to be successful and graduate. The University has continually proven itself committed to supporting students in becoming not only successful students but also productive members of society. In order to continue doing this the University must remain focused on its goal of increasing retention. This includes increasing the retention rate of each incoming class by 1 percentage point per year and increasing the six-year graduation rate of the corresponding class by 0.5 percentage point each year.

   While certainly an ambitious goal, the institution has identified a plan of action to help accomplish retention expectations. Therefore, the following are five areas of institutional focus for ongoing retention efforts starting in fall 2017.

   a. Removing Barriers – There are a number of policies, processes and procedures that unnecessarily, and often unintentionally, hinder student success. Opportunity exists to review those policies and ensure they are all consistent, clear, equitable and, most importantly, in the best interest of the student.

   b. Supporting the Classroom Experience – Establishing a strategic set of recommendations to improve upon the current learning environment. This includes, but is not limited to, aligning academic and student support services, identifying ideal class guidelines or best practices, and proactively supporting faculty/staff devoted to student success.

   c. Ensuring Effective, Efficient Advising – Academic advisors are often responsible for championing student success; therefore, it is vital that the broader administrative system in which they operate adequately supports their efforts. This includes training and development, hiring professional advisors, incentivizing faculty members, and developing a peer-mentoring program. All factors must cohesively encourage student support.

   d. Engaging in Clear, Unified, Targeted Communication – A targeted communication effort to ensure students are informed of all relevant deadlines, options, opportunities, and events. This recognizes the importance of implementing a communication system inclusive of all campus stakeholders with the intent of greater institutional collaboration.

e. Addressing the Unique Needs of Each Group of Students – Students operate in an environment of unique circumstances and challenges; many of which can prevent a student from becoming successful. Therefore, it is important to evaluate, redesign, redevelop, and/or expand current programing that addresses the individual needs of each student level – freshmen, sophomore, junior, and senior. Each student cohort is unique, and as such, so should their Radford University learning experience.

2. **Increase Degree Completion and Adult Learners through Competency Based Education (CBE).** New in fall 2017, Radford University will pilot two certificate programs based on a competency-based education model. Cybersecurity and Geospatial Intelligence have been selected for this pilot program. The asynchronous curriculum of these particular programs grant students more control in completing requirements beyond the scope of the standard credit hour measurement. Students will be required to achieve certain skills or competencies in a designated subject matter, regardless of time, before they can complete the program. Therefore, it is an outcome or competency driven model that allows students the flexibility to manage program workloads at their individual desired pace.

3. **Ensure Access for Low and Middle-Income Families through Need-based Financial Aid to Undergraduate Students.** The increasing cost of higher education continues to be a concern for University leadership, students and their parents, as well as representatives in Richmond. Providing additional financial aid has proven to be the most prudent approach to offsetting rising costs. As such, the University will retain its financial aid initiative for the 2017 Six-Year Plan.

   According to SCHEV data, the partnership funding model indicates a need of $26,412,218 in state support for the University in 2017-18; however, the actual support is anticipated at $9,201,704 or 34.8% of total need. Additionally, given the increases in enrollment from traditionally underserved populations, it is anticipated the University's calculated need under the partnership funding model will continue to grow for the foreseeable future.

4. **Appalachian Community Outreach.** The Southwest Virginia Higher Education Center will serve and support the Southwest region by addressing the challenges of the surrounding community; inclusive of both economic and environmental sustainability. Radford University is uniquely positioned to assist in their efforts with degree completion, faculty/staff outreach, and localized research initiatives. This initiative will also provide students the unique opportunity to serve as leaders through internships, work co-operatives, as well as experiential and community based education. It is a localized approach with multi-disciplinary support channels. This initiative will serve to complement existing outreach initiatives targeted at the Southwest region of the state.

5. **Further educational opportunities for Healthcare professions in the Roanoke Valley.** The strategic focus of this initiative is in the development of public/private partnerships, which build on existing synergies with the intent of centralizing regional healthcare education. The goal is to create opportunities for students, faculty, and active clinicians to collaborate with one another and explore solutions to health-related issues. Better leveraging synergies through an expanded

simulation center, for instance, would provide the potential to serve a wider range of professions through both assessment and training opportunities.

Within the scope of localized healthcare education, the University is also considering addressing a critical shortage in the field of Audiology. With only one other program offered in the Commonwealth, Radford University seeks to implement a Doctor of Audiology (Au.D) degree. Resurrecting elements of a previous audiology-training program at the master's level, the Au.D. would support the needs of a growing healthcare community in the Roanoke Valley region and beyond. The audiology portion of this initiative is targeted for the 2020-22 biennium.

6. **Enhance K-12 Educational Leadership.** The University predominately serves an undergraduate community but maintains a select number of graduate programs to both complement and further the instructional mission. In 2018, Radford University will seek to add its forth professional doctoral degree; the Doctorate of Education (Ed.D). This expansion effort serves as a capstone program for the College of Education and Human Development. Students in the program will collaborate with school and community leaders to research, plan, implement, and evaluate responsive and innovative approaches to academic achievement. This program seeks to offer solutions to major problems facing many school districts and communities across the Commonwealth.

7. **Improve Occupational Therapy Training in the Commonwealth.** Two of the most pressing issues in today's healthcare environment are an aging U.S. population and reform of the healthcare system. Older patients are being referred for rehabilitation with increasingly complex health problems and to make matters more complicated, legislation has changed how rehabilitative care is delivered. More than ever before, Occupational Therapists need to be proficient in designing community and home-based programs that promote health and wellness. Therefore, training is critical to help address shortages in occupational therapy education. If not addressed soon, the problem is predicted to escalate as a growing number of "baby boomers" reach retirement age.

   In addressing this critical shortage, Radford University seeks to expand its current Master's program in Occupational Therapy by offering a Doctorate of Occupational Therapy (OTD) program within the Waldron College of Health and Human Services. The OTD program will allow practicing occupational therapists a chance to continue their professional education in order to expand their level of competency in the field. Graduates will be qualified to serve as practitioners or managers with a higher level of scholarly and practice expertise.

8. **Strategic Plan Implementation.** In October 2016, the University began a yearlong strategic planning process which embraces the traditions of the institution while envisioning the future. Through the establishment of a Strategic Planning Task Force, nine subgroups were formed to include representation from the campus community and beyond. Through the work of this Task Force, a Strategic Plan is expected to be outlined for full consideration by the Radford University Board of Visitors and the State Council of Higher Education for Virginia (SCHEV) in fall 2017; with anticipated implementation in January 2018. The initiative, as outlined in the 2017 Six-Year Plan, is therefore a prudent recognition of the funding

necessary to implement various actions items identified within the Strategic Plan. While not yet finalized, resources will need to be readily available for swift and effective deployment.

9. **Increase Faculty and Staff Salaries.** Funding estimates have been included to plan for a two percent salary increase for all employees in 2019-20. Given the institution's significant reliance on its general fund, this will require a significant investment from the University without state support.

10. **Library Enhancement.** Funding will be used to support library operations in order to maintain the delivery of traditional institutional services. Academic libraries play a critical role in the educational experience both on and off-campus. Unfortunately, the costs associated with providing resources have increased. Demand for digital technology has grown and the cost of traditional print materials continues to rise.

11. **Technology Enhancement.** Funding will be used to deploy state-of-the-art technology and infrastructure, provide administrative and technical efficiencies, attract and retain highly skilled and capable information technology workers, and replace equipment that has exceeded its useful life.

12. **Utility Cost Increases.** Estimates are provided to account for utility cost increases and to implement energy savings initiatives.

13. **NGF Share of State Authorized Salary Increases/Bonus.** Estimates are provided for Radford University's nongeneral fund share of a 3 percent salary increase for all classified employees and a 3 percent increase for college faculty starting in July 2017.

14. **Other – Safety and Security Enhancement.** Continued investment in emergency preparedness and recovery operations for overall campus safety.

C. Financial Aid – *TJ21 requires "plans for providing financial aid to help mitigate the impact of tuition and fee increases on low-income and middle-income students and their families, including the projected mix of grants and loans." Virginia's definitions of low- and middle-income under TJ21 are based on HHS Poverty Guidelines. A table that outlines the HHS guidelines and the definitions is attached.*

Response:

Radford University strives to maintain affordability and access for low and middle-income students through reasonable tuition and fees, the use of state general fund and institutional resources to provide student financial assistance to need-based undergraduates, increased work opportunity programs, and focused private fundraising efforts. The University continues to evaluate and implore all strategies to assist low and middle-income students with defraying the total cost of attendance. With such a large in-state undergraduate population (94.1 percent as of fall 2016), the University continues to rely heavily upon state support to assist with low and middle income populations.

Examples of programs the University has instituted include:

1. Work study/scholarship programs provide students with employment opportunities to help defray the cost of their education. Currently, more than 800 student positions are available to gain real-world experience while earning wages to assist with their educational costs. Additionally, the University's dining and bookstore contractors offer over 275 permanent and seasonal positions for which students can apply.

2. Faculty members have authored a variety of electronic materials for use in the University's General Education program at no charge to students. In addition, a number of major-specific courses have offered alternatives to traditional textbooks with open-sourced materials. These are distributed in either print, e-book, or audio formats and may be purchased at little or no cost. These decisions can significantly reduce a students' cost of supplies and other course materials.

3. The Student Government Association (SGA) has established a new micro grant loan program to assist current students in short-term financial need. This small dollar loan program provides students temporary assistance during their early weeks on campus to help cover incidental expenses; including food, books, and any unexpected course materials.

D. Evaluation of Previous Six-Year Plan – *Summarize progress made in strategies identified in 2015-16 Six Year Plan. Note how additional General Fund support, savings and reallocations were used to further the strategies.*

Response:

The following progress has been made on the strategies identified in the 2015-16 Six Year Plan:

1. **Support Undergraduate Transfer Student Enrollment and the Changing Student Demography:** Undergraduate transfers from Virginia Community Colleges (VCCS) have remained relatively stable in recent years. Radford University, however, continues to do its part in serving the local region. Both New River Community College and Virginia Western Community College represent the largest share of transfers at 39 percent. There is a concerted effort to support the Southwest region and provide transfer students an affordable, quality baccalaureate education is one of those ways.

   While the University continues to do well in recruiting, competition for in-state undergraduate students has become progressively more competitive. As a result, the University has strategically positioned itself in the context of a broader underserved student demographic. In fall 2016, the population of new freshmen included 19 percent Black/African American, 8 percent Hispanic, and 7 percent Asian/Other. In total, these traditionally underserved student groups represented 34 percent of new freshmen. This represents significant growth over the last decade as this population nearly tripled in size. In fall 2006, these populations accounted for only 12 percent of the entering freshman class. In addition to a broader support of underserved student enrollment, Radford University has also extended similar efforts to first generation students. In fall 2016, 41 percent of incoming freshmen were first generation; an increase of 8 percent from 10 years prior. A significant amount of resources have been committed to attracting, retaining, and educating these populations. It is evident the student demography is changing and Radford University is making a conscious choice to better serve these student populations.

2. **Enhance Student Success, Retention, and Graduation:** As previously indicated in the '*Strategy to Implement Student Success and Retention Action Plan'* (Section B-1) the University is anticipating implementing its Action Plan in fall 2017. This reflects ongoing efforts of a multi-year strategy; one that is fundamental to the institutions commitment to its mission and purpose.

   Shortly after the arrival of President Hemphill in July 2016, Radford University formed a Council on Student Engagement and Success (CSES). The Council was tasked with advising campus leaders in the design, implementation, and assessment of strategies and programs that improve student academic success, retention, and graduation. The Council was divided into various actions teams focused on addressing these specific needs. It yielded a comprehensive action plan with short, midterm, and long-range initiatives all focused on empowering students to be engaged and successful. The result of which will be put to use this upcoming fall.

3. **Move Faculty Salaries towards the 60th Percentile:** In fiscal year 2016, Radford University teaching and research faculty salaries reached the 30th percentile. While still below a number of in-state peer institutions, the University has shown consistent growth in this area. In fiscal year 2014, Radford University ranked only in the 21st percentile. Within a few short years, the institution has worked diligently to earmark funds from enrollment growth to address inequities, compression, and inversion issues as well as implementing state authorized salary increases. More work is necessary to fully attain the 60th percentile aspirational goal; yet sustained progress has been made in this area.

4. **Increase Financial Aid to Assist Low and Middle Income Students:** The University continues to strive to maintain affordability and access for all students through reasonable tuition and fees so that a Radford University degree is financially attainable for any student. Undoubtedly, rising costs present a challenge in today's environment, but one that is best overcome through the Commonwealth's shared responsibility in educating its citizens. Financial Aid, particularly for low and middle-income families, has proven to make a significant difference in not only the affordability of education but also its lasting impact on a student's decision to pursue that education in the first place. Radford University is therefore committed to providing students the financial opportunities to achieve their academic goals. It is, after all, the belief that a degree from Radford University is the best assurance of success.

5. **Establish Cyber Security Emergency Operations Training and Education Lab and Emergency Operation Center:** The Emergency Operations Center (EOC) is currently in use for students on an academic basis and has become an integral part of the curriculum on campus. It has also been proposed as a component of a broader Security Studies Initiative (SSI) that would enable the facilities to be used for emergency planning and management, as well as cybersecurity training. These expansive opportunities will allow the University to continue building upon public and private sector partnerships across the Commonwealth.

6. **Implement an Ed.D. in Education:** As previously indicated in the strategy to '*Enhance K-12 Educational Leadership'* (Section B-6) the University received Board

approval in May 2017 and is anticipating to start the Ed.D. program in fall 2018. Ongoing efforts, however, will continue to enhance the instructional mission of the program and expand its reach across the Commonwealth.

7. **Development of STEM-H programs in Science and Technology:** Initially this strategy was established to support a newly created undergraduate study in Biomedical Forensics while investigating other areas to expand STEM-H programs in science and technology. The University has since decided that in lieu of establishing a M.S. in Biomedical Sciences, the program development will refocus efforts on training and curriculum at the undergraduate level.

8. **Transition to an entry-level M.S. in Athletic Training to Enhance Students' Career Preparedness:** It was expected to finalize the transition to the M.S. in Athletic Training while completing the phase out of the undergraduate program. The University has decided to delay the transition of an entry-level M.S. program in the near-term, but it remains a part of the institution's long-term strategy.

9. **Expand STEM-H Communication Sciences Graduate Programs in support of historic K-12 demand:** The University had previously decided to eliminate the initiation of a Doctorate of Audiology (Au.D.). However, as indicated in the strategy to *'Further educational opportunities for Healthcare professions in the Roanoke Valley'* (Section B-5) there is renewed support for the Communication Sciences and Disorders (COSD) program. More planning efforts will be undertaken over the next biennium.

10. **Expand STEM-H Degree Production through Existing Allied Health Programs:** There is ongoing support for the existing STEM-H degree programs and addressing possible program expansion efforts as available resources allow. The Council on Accreditation of Physical Therapy Education (CAPTE) has approved expansion of the Doctorate in Physical Therapy (DPT) to 30 students. Funding for the Clinical Certificate and Residency Program in Physical Therapy did not materialize so the Waldron College of Health and Human Services is not currently offering it at this time. Last, as previously reported, the University has decided to eliminate the development of the Doctorate in Social Work (DSW) that was planned for over the 2018-2020 biennium.

11. **Develop a Master's Program in Health Promotion and Disease Prevention (M.S./M.A.):** The Department of Health and Human Performance initially created a SCHEV proposal for a graduate program that was structured to offer coursework in non-traditional semesters (4 week blocks, students would take 3 courses per semester, one at a time) specifically targeting working adults. However, program leadership is investigating a transition to a competency-based education (CBE) model rather than a non-traditional semester model. Competencies and sub-competencies have already been identified through extensive job analysis of practicing health education specialists, so these skills are currently ready to be translated into modules for a competency-based education program.

    The goal is to have the M.S. degree ready for fall 2018, though this is a tentative deadline and will depend on the curriculum review and approval processes both internal and external to the university. Marketing will be critical to the success of the program. There will need to be sufficient time between SCHEV approval and the start of the program to recruit students. Fortunately, no public university in Virginia currently offers a competency-based program at either the undergraduate or graduate level, offering an early competitive advantage in recruitment.

12. **Optimal year round use of facilities and instructional resources:** Great strides have been made with this initiative over the past few years. The University is now open for instruction year-round. Academically there are a number of intercessions students can choose to participate in and continue their instruction. In addition, community organizations are afforded the opportunity to utilize a number of campus venues, especially during the summer months. This has empowered the University to make better use of both general-purpose and specialized facilities year-round.

    The University also has a vibrant student orientation and summer conference program schedule. New student orientation offers 14 sessions with over 7,000 new students and families visiting campus. For the summer conference season, the University has approximately 30 events with over 5,000 participants, which equates to roughly 25,000 overnight accommodations in our residential facilities. The summer conference schedule has targeted groups with educational missions including, but not limited to, Boys State, Governors School, and the Virginia Steam Academy.

13. **Library Enhancements:** Additional support has been provided for contract escalators related to digital subscription services and ongoing efforts associated with the digitization of the University's archives collections.

14. **Technology Enhancements:** Funding was successfully used for enhanced technology and infrastructure and to replace equipment exceeding its useful life.

15. **O&M for New Facilities:** Funding was used to support operation and maintenance of plant for the New College of Humanities and Behavioral Sciences building. It came on line in fall 2016. Funds were used to appropriately maintain and service the new facility and provide basic staffing levels for maintenance operations.

16. **Utility Cost Increase:** The University has been able to successfully manage cost increases through both energy efficiency and sustainability efforts.

17. **NGF Share of State Authorized Salary Increases/Bonus:** Due to prior year revenue-budget shortfall, funding for salary increases were eliminated for 2016-17. Therefore, the nongeneral fund share was not authorized. In 2016-17, a number of institutions decided to self-fund a raise for their faculty, staff, and classified employees but Radford University was not one of them.

18. **Fringe/Health Insurance Benefits Increase:** Cost associated with fringe benefit and health insurance rate changes are unavoidable and their respective rate changes outlined in legislation have been addressed as necessary.

E. Tuition Rate Increases – *Provide justification for selected rates.*

Response:

Substantial consideration is given to any prospect of increasing in state and/or out-of-state tuition and fee rates. This analysis includes a thorough understanding of legislative actions by the General Assembly, enrollment projections, mandatory cost increases, divisional programmatic growth, overall institutional priorities, and the broader macro-economic outlook. The three percent rate increase included for each year of the plan are based on generating the resources necessary to execute the strategies contained within. This process equates to a demonstration of the level of nongeneral fund revenue necessary to achieve the Academic and Support Service Strategies within the current environment. Therefore, it is important to acknowledge the financial projections as a work-in-progress and, as is required under the Code of Virginia, final authority of any tuition and/or fee increase ultimately resides with the Board of Visitors.

In addition, before any institutional programmatic initiatives can be entertained for funding as are contained within the six-year plan, the University must address unavoidable cost increases. These costs include sharing in the financial burden of state employee salary increases, mandated fringe benefit and health insurance rate changes, promotion and tenure compensation adjustments, safety and security, contractual escalators, technology support, and the operating and maintenance of facilities. In recent years, these factors have had a significant impact on the decision to increase tuition and are expected to continue. Unfortunately, not all of these cost drivers were permitted to be included in this iteration of the six-year plan. As such, projected tuition and fee rate increases will change in order to cover state operational mandates and the amount of funding available to address programmatic strategies will be reevaluated as required.

F. Contribution to Economic Development – *Describe the institution's contributions to stimulate the economic development of the Commonwealth and/or area in which the institution is located. If applicable, the information should include:*

a. University-led or public-private partnerships in real estate and/or community redevelopment.
b. State industries to which the institution's research efforts have direct relevance.
c. High-impact programs designed to meet the needs of local families, community partners, and businesses.
d. Business management/consulting assistance.

Highlights of Radford University's contributions to economic development at local, regional and statewide levels include: expansion of Makers spaces offered; completion of 55 entrepreneurship concentration majors and enrollment of 500 per year; 805 businesses and public/private organizations served; extensive K-12 STEM outreach to 12,934 students, 9 STEM-H outreach programs with 2,515 University participants; and an extensive and robust continuing education program to industry in 103 programs with 3,969 participants.

During 2016-17, the Radford University College of Business and Economics opened the Center for Innovation and Analytics that will be able to assist the public and private sector as well as formalized an MOU with Chantilly-headquartered Engineering Solution and Products to promote and encourage innovation and to increase opportunities in education, employment and leadership development.

In early 2017, Radford University released the results of an extensive economic impact study concluding that the University has a direct impact of $361M to the state economy and when combining the induced impact of its alumni contributed $1.056B statewide, supporting a total of 8,421 jobs. Each $1 of state support equals impact of $22 statewide and $10 within the region of impact. In conjunction with development of its forthcoming 2018-2023 Strategic Plan, the University hosted a regional business leader breakfast and a regional forum to solicit input for future economic development and community partnership initiatives.

G. Capital Outlay – *Note any capital outlay projects that might be proposed over the Six-Year Plan period that could have a significant impact on strategies, funding, or student charges. Do not provide a complete list of capital projects, only those projects that would be a top priority and impact E&G and NGF costs.*

Response:

The highest capital outlay priority for the institution is the creation of the Center for Adaptive Innovation and Creativity (CAIC). The project will seek to demolish both Porterfield East and West, along with the adjacent McGuffey Hall, and construct a new approximately 200,000 square foot facility located in the same northeast corner of campus. The new facility will provide space for a radically different approach to health education and interdisciplinary research; with creativity at the center of the student learning process.

The University proposes a radically different approach to health education and research that puts creativity at the center of the learning process. People-centric teaching and learning practices coupled with healthcare research and real-time data analytics will transform the delivery of health education. Twenty-four hours a day, seven days a week, twelve months a year, this building will serve its mission to build bridges between ideas and application. With design thinking at its core, this flagship complex will embrace the emerging and evolving opportunities that present themselves at the intersection of multi, inter and transdisciplinary and intra-professional studies across areas in healthcare, arts, intelligent systems (big data) and data security:

1) health education, which is in high demand and poised for a paradigm shift that must address the critical issues the healthcare system is facing today

2) the arts, which uses a reiterative process to see multiple solutions that are adaptable and responsive

3) intelligent building design, which includes a sensor network woven into the fabric of the building allowing the ability to collect big data in multiple ways through multiple mediums for research

H. Restructuring – *This section pertains to Level II and Level III institutions: Please list areas, issues, or specific items of additional authority that you would request through legislation and/or renegotiated management agreement.*

Response:

No concerns or issues are identified at this time. The University's authority in procurement and information technology have been very beneficial to improving operational efficiencies, streamlining processes, reducing duplication of effort, and allowing faster turnaround time to name a few. The University continues to explore areas where additional autonomy may provide future opportunities. The respective channels will be used to present ideas, as appropriate.

Attachment K

RADFORD UNIVERSITY BOARD OF VISITORS
Business Affairs & Audit Committee
September 14, 2017

Action Item
Approval of the Six-Year Capital Plan for 2018-2024

Item:
Approval of the 2018-2024 Radford University Six-Year Capital Outlay Plan.

Background:
Every two years, each college and university in the Commonwealth of Virginia submits a Six-Year Capital Outlay Plan to the Department of Planning & Budget. From those requests, the Executive Branch uses these submissions to prioritize capital projects for the Commonwealth and to inform their decision on which projects will be slated for inclusion in the Governor's Executive Budget Bill which is presented in December of each year.

The Six-Year Plan reflects the mission of the University. The projects are submitted in priority order and identify the requested source of funding. The guiding principles of the plan were to identify future capital projects that renovate existing academic buildings as construction is completed on new facilities, address the need to co-locate administrative offices to improve operational efficiencies and departmental synergy, and modernize residence halls by updating the building's infrastructure and systems.

A summary of the submitted projects, by biennium, is presented in Appendix A and a brief description of each project is provided in Appendix B.

Action:
Radford University Board of Visitors approval of the 2018-2024 Radford University Six-Year Capital Outlay Plan, as presented in Appendixes A and B.

Radford University Board of Visitors
RESOLUTION
Approval of the Six-Year Capital Outlay Plan for 2018-2024
September 15, 2017

BE IT RESOLVED, the Radford University Board of Visitors approves the Radford University Six-Year Capital Outlay Plan for 2018-2024, as presented in Appendixes A and B.

RADFORD UNIVERSITY

Appendix A: Summary of the Radford University Six-Year Capital Outlay Plan for 2018-2024

Project Priority	*Capital Project Description*	*Funding*	*State General Fund*	*University Nongeneral Fund*	*University Debt*	*Total funding Requested*
2019-2020 Biennium						
1	Construct New Center for Adaptive Innovation and Creativity	E&G	$79,000,000	$0	$0	$79,000,000
2	Renovate Norwood Hall and Tyler Hall Residences	Auxiliary	$0	$0	$22,500,000	$22,500,000
2021-2022 Biennium						
3	Renovate McConnell Hall	E&G	$25,900,000	$0	$0	$25,900,000
4	Improve Campus Infrastructure - Utilities/Safety/Security	E&G	$10,500,000	$0	$0	$10,500,000
5	Construct New Public Safety Building	E&G	$20,000,000	$0	$0	$20,000,000
2023-2024 Biennium						
6	Renovate Muse Hall	Auxiliary	$0	$0	$75,000,000	$75,000,000
7	Renovate Walker Hall	E&G	$7,000,000	$0	$0	$7,000,000
8	Construct New Student Success Center	E&G/Auxiliary	$7,500,000	$0	$7,500,000	$15,000,000
Future Projects - 2025 and Beyond						
9	Construct Three New Residence Halls - 750 total beds	Auxiliary	$0	$0	$90,000,000	$90,000,000
10	Construct New Administrative Services Addition	E&G	$10,000,000	$0	$0	$10,000,000
11	Construct New University Convocation Center	E&G/Auxiliary	$40,000,000	$0	$40,000,000	$80,000,000
12	Athletics Umbrella Renovation Project	Auxiliary	$0	$0	$20,000,000	$20,000,000
13	Construct Hurlburt Addition	Auxiliary	$0	$0	$20,000,000	$20,000,000
14	Construct Conference/Alumni/Event Center	PPP	$0	$0	$0	$0
15	Construct Main Street Parking Facility and Pedestrian Bridge	PPP	$0	$0	$0	$0
16	Construct Power Co-Generation Facility	PPP	$0	$0	$0	$0
			$199,900,000	**$0**	**$275,000,000**	**$474,900,000**

<u>Appendix B</u>: Summary of Radford University's Six-Year Capital Outlay Plan for 2018-2024

<u>2019-2020 Biennium</u>

Construct New Center for Adaptive Innovation and Creativity
Porterfield Hall, which houses the university's Theatre, Music, and Art Departments, was built in two phases. The first phase, Porterfield East, was built in 1968 and the second phase, Porterfield West, was built in 1971. The two phases are 33,228 and 47,680 square feet respectively, and combine for a total of 80,908 square feet. The current square footage is not sufficient to contain all of the College of Visual and Performing Arts' (CVPA) programs which are located in six separate facilities across campus. Porterfield has been in continuous use for over 40 years without the benefit of renovation. Building components have been replaced as they have failed over time, but the building's operating systems are very outdated and not energy efficient.

McGuffey Hall is located directly adjacent to Porterfield Hall, and houses the Department of Design. The building was built in 1952, and consists of 35,943 square feet in an extremely inefficient floor plan. While renovated in 1996, the building systems and equipment are now once again near the end of their useful life, and the space layouts are not conducive to current academic instructional tools and methods.

Waldron Hall, which houses the College of Health and Human Services (CHHS), was constructed in the late 1990's. The building is approximately 58,000 square feet and includes the Dean's Offices; the Departments of Communication Sciences and Disorders, Physical Therapy, and Occupational Therapy; and the Schools of Nursing and Social Work. The facility includes a clinic, laboratories, classrooms, and offices. While the facility condition is adequate, the College is faced with increasing enrollments that are overwhelming the current available footprint. Further, newer equipment and simulation environments have been developed since the building's opening, and the College needs to upgrade these areas to maintain its leadership in health care education in the commonwealth.

This project will demolish both Porterfield East and West Halls, along with the adjacent McGuffey Hall, and will construct a new approximately 200,000 square-foot facility located in the same general area near the northeast corner of the campus. The proposed new multi-college academic building will include traditional classrooms, studios, and laboratories, in addition to multi-use environments such as maker-spaces; simulation and augmented reality laboratories; computer centers; metal-working and clay pottery laboratories and other specialty environments to support the many and varied needs of multiple programs on campus. Health Services, Education, the Sciences, and the Arts will all collaborate in this state-of-the-art cross-disciplinary facility.

Renovate Norwood Hall and Tyler Hall
Norwood Hall was built in 1916 and Tyler Hall was built in 1939 as residence halls for the earliest students of the campus. The dormitory buildings have never undergone complete renovations and are in need of system repairs and upgrades. This project would modernize both buildings with renovated rooms, new finishes, improved systems, and the addition of air

conditioning to all rooms. The renovated rooms will be done in a manner to make them more appealing to students – less sharing of bathroom spaces, provision of some apartment-style accommodations, and improved student study and gathering areas.

2021-2022 Biennium

Renovate McConnell Hall

The footprint that forms the McConnell Library consists of an original 14,000 square foot building built in 1931; a 47,500 square foot addition built in 1965; and a 46,444 square foot addition built in 1995. Both the 1965 addition and the 1995 addition, which represent approximately 90 percent of the library's square footage and operations, remain in their original configuration with building systems and equipment which have far exceeded their expected useful life.

The proposed renovation will replace the aged and inefficient energy building systems and equipment. Equally important, the renovation will incorporate repurposing and space changes to provide amenities found in and expected within modern libraries. With the increasing move to electronic resources and culling of print collections, the University has planned to repurpose print storage space for alternative configurations. Spaces targeted for repurposing are home to some of the library’s print collections along with Archives and Special Collections. The print collections located in these areas are in the process of being thinned and the remaining books moved to compact storage.

The culling and relocation of existing collections will also create the necessary space for the Radford University Innovation Lab (RU iLab). Reflective of current library trends, this space will include learning commons, breakout rooms, interdisciplinary presentation spaces and classrooms, and multiple maker-spaces. This move will rebrand the library as a hub for innovation and productivity. In particular, the RU iLab will create the infrastructure for students to engage in collaborative, interdisciplinary thinking to confront present-day needs and pressing future problems.

The renovated space will also include student support areas for group study, provide technology-emphasized rooms for both instruction and information retrieval, incorporate student service functions such as tutoring and writing instruction, and incorporate the University Innovation Lab.

Improve Campus Infrastructure

The university needs to make improvements to many infrastructure systems and components across campus. Systems include water, sanitary, storm drainage, electrical, steam, security, and information technology. Many basic utilities and services were installed when the campus was first developed more than 75 years ago and still provide service to many buildings and various areas of campus. As financial and facilities resources have been available, upgrades have been implemented to various elements of campus infrastructure. This approach has been partially successful, but new regulations for many utilities such as storm water and security, require additional upgrades aligned with meeting increased demand of the expanded campus footprint. For example, only a portion of the occupied buildings on campus have been retrofitted with access-control doors, security enhancements, and improved exterior site lighting. This project would provide funding necessary to bring the overall campus infrastructure up to date with current needs and regulatory requirements.

Construct New Public Safety Building

The RU Police Department, Emergency Medical Services team, Emergency Preparedness Department, Emergency Operations Center, and Environmental Safety and Health staff are currently located in three separate buildings around campus. Further, these functions are located in shared building spaces which are not up to current standards for these critical areas of university services. This new building will be designed to maximize the safety and emergency capabilities of the university, including up-to-date hardware and software and associated furnishings to meet the growing expectations of students, staff, and other campus stakeholders.

2023-2024 Biennium

Renovate Muse Hall

Muse Hall is by far the largest residential housing unit on campus with approximately 900 beds, or about one-third of all students housed. Built in the late 1960s, the building has never undergone a complete renovation and is in significant need of a variety of system repairs and upgrades. The building has a commanding presence on campus and includes a 13-story resident tower along with a penthouse and three below-grade levels. The building has no resident air conditioning and is the least desirable housing on campus. The building also includes the university's secondary dining facility, which is extremely important particularly during the week at mid-day meals.

This project would modernize the facility with renovated rooms, new finishes, improved systems, and the addition of air conditioning to all rooms. The renovated rooms will be done in a manner to make them more appealing to students – less sharing of bathroom spaces, provision of some apartment-style accommodations, and improved student study and gathering areas.

Renovate Walker Hall

The university's Division of Information Technology is currently housed in five different locations scattered about campus. The IT infrastructure team and the campus main servers are located in the basement of the 1931 McConnell Library, the computer repair and audio/visual offices are located in recycled modular classrooms that are remote to the main campus, and the printing facilities are housed in an off-campus repurposed metal building.

The objective of the project is to bring together the department's scattered operations under one roof, which offers both production and fiscal efficiencies. The renovated building would house IT administration and support functions as well as provide appropriate areas for computer deployment and repair, software installation, web and content development, IT infrastructure, and the campus radio station. To support the critical continuity of operation required of the IT departments, emergency and UPS back-up power will be provided.

Construct New Student Success Center

Students and their parents currently desire sophisticated engagement and support staff and facilities during their entire university experience. This proposed new building will include new student orientation, services for international students, a student testing center, a student and staff training center, academic advising, the university tutoring center, services for veterans, financial and emergency aid, and various mental and physical wellness facilities such as health care, counseling, and accessibility services. This building will serve, along with functional spaces in Heth Hall and Russell Hall, as the hub for student support activities to ensure the success of all students throughout their academic career.

Future Projects - 2025 and Beyond

Construct Three New Residence Halls
Muse Hall, which opened in the early 1970's, is the most recently built resident hall on campus. The anticipated enrollment growth of the university indicates a need for increased university housing. Currently, the most popular housing requested is for the apartment-style that is primarily available through our leased inventory. This project will provide for the construction of three residence halls with 250 beds in an apartment configuration. The new residence halls would be constructed either on campus or adjacent to campus.

Construct New Administrative Services Addition
Various university administrative functions are currently scattered in multiple locations both on- and off-campus, with several groups in rented spaces. This project will provide an addition adjacent to the existing Armstrong Building to house the support team for the Controller, the Compliance team, Accounts Payable, Payroll, Procurement, Human Resources, and Title IX. The addition will also include a new campus archival document storage facility, which will allow the university to centralize document storage needs and therefore repurpose spaces on campus for more critical staff administrative activities.

Construct New University Convocation Center
The university has outgrown the central gathering areas necessary to address the needs of the student body. Other than the basketball arena, there is no single interior space large enough to handle an address or event that involves more than a small minority of students. This project would build a convocation hall sufficient to handle large events such as convocation, commencement, new student move-in events, family weekend, and homecoming, along with various athletic events. The center would also serve to provide a venue for orientation programs, conference services, and concerts, and would promote a wide variety of activities involving the local community.

Athletics Umbrella Renovation Project
The Dedmon Center was constructed in 1980, as a combination overall university and athletic venue and support space. The facility originally included basketball, volleyball, gymnastics, and swimming performance venues along with locker rooms, training rooms, and athletics administrative offices. The facility is not designed for effective fan experiences in the way that current facilities are designed, and locker and training spaces are woefully inadequate. This project will reconfigure the arena seating bowl to provide more appropriate fan seating and viewing for indoor athletic events, and adjacent spaces will be renovated to include new locker rooms, athletic training rooms, and concessions.

Recent athletics construction projects have renovated and/or replaced the university athletics softball and baseball facilities. These facilities are co-located together and include fields and dugouts along with a new indoor practice and coach's facility, but lack common fan ticketing, concession, and restroom areas. This project will provide a new building containing these common fan functions, such that accessible services are effectively provided in this area of the university athletics complex.

Construct Hurlburt Hall Addition

Various university student support functions and groups are currently housed in Hurlburt Hall. This project will provide an addition adjacent to Hurlburt Hall to expand the space for student support groups and for a large meeting and gathering space.

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End of Materials