

THE COLLEGE OF WILLIAM & MARY



Presentation Material

**Committee on Financial Affairs
Board of Visitors**

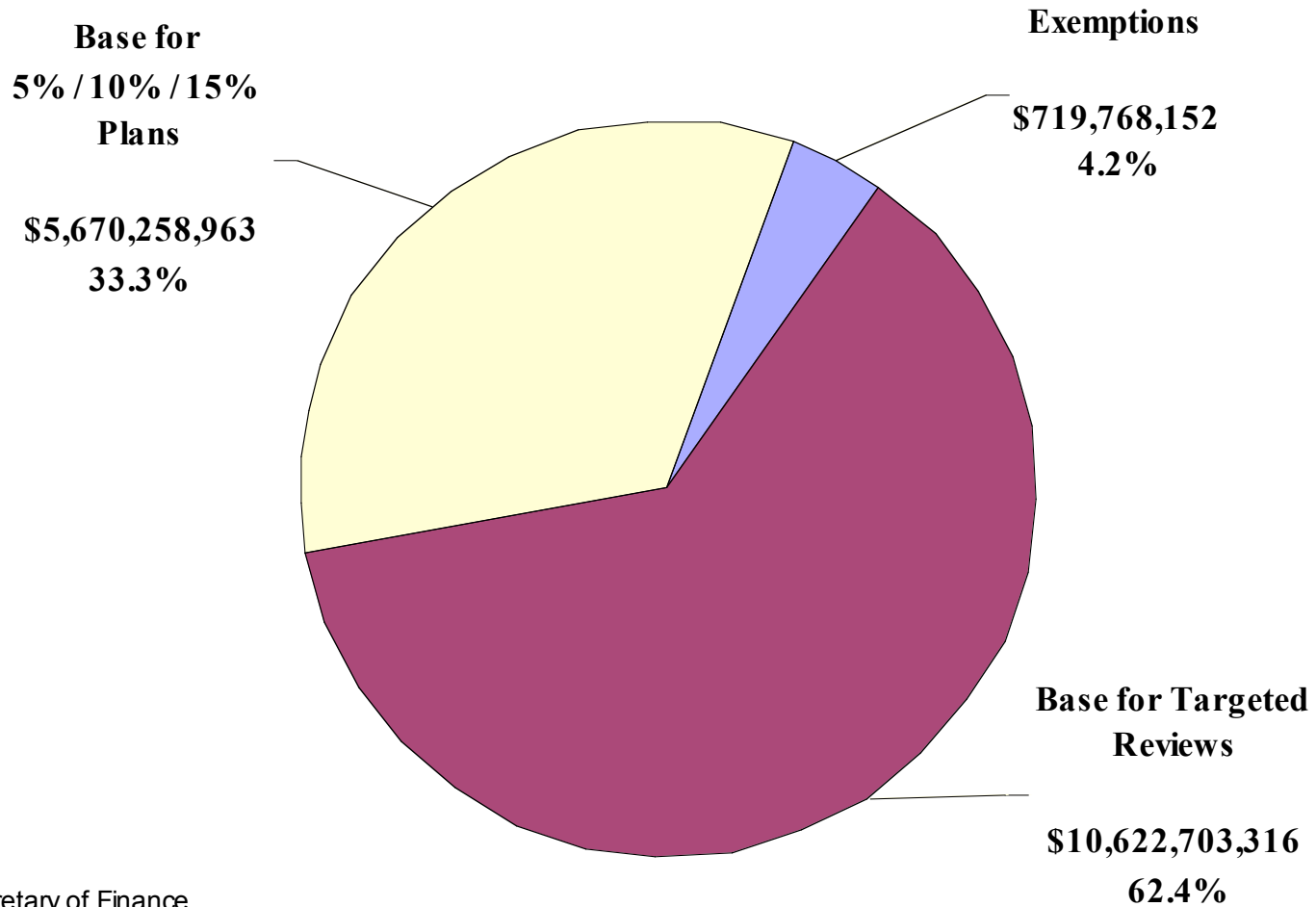
November 19, 2008

Commonwealth of Virginia

Budget Reduction Actions

General fund appropriations placed into one of three groups for review

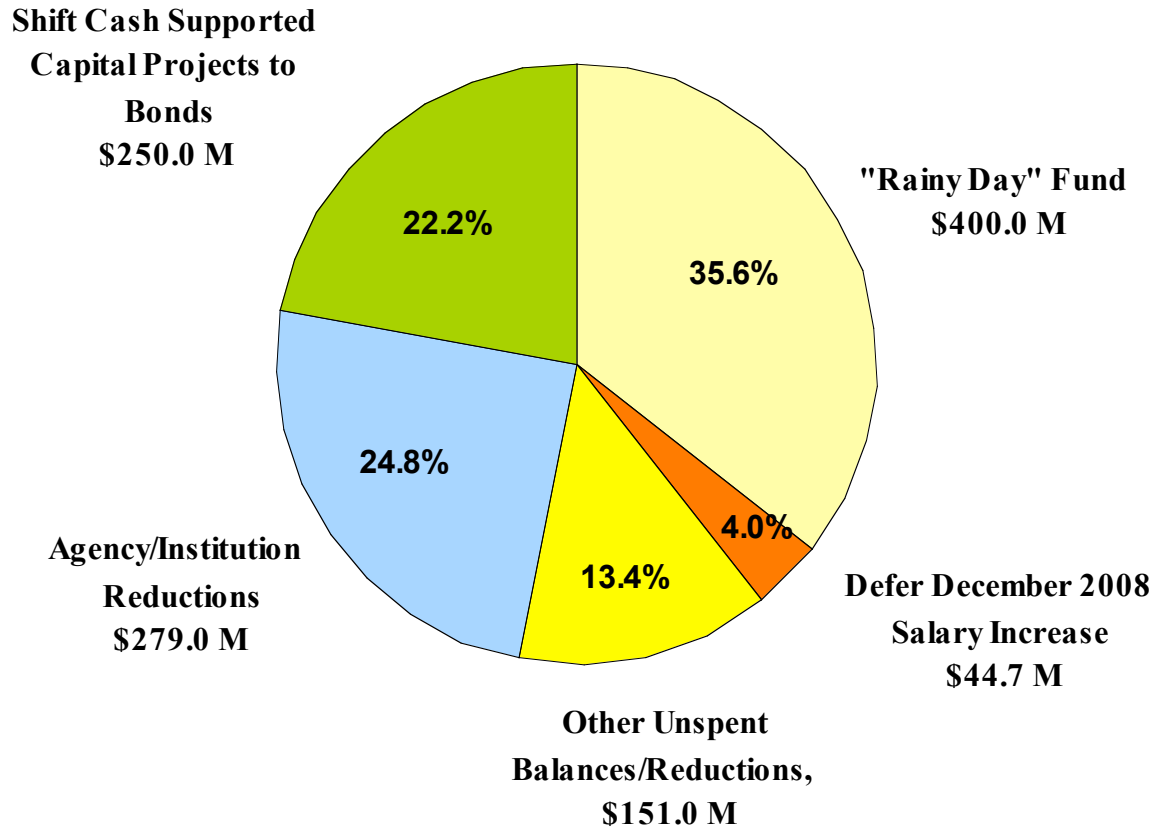
FY 2010 Base for General Fund Reductions



Secretary of Finance
Commonwealth of Virginia

Commonwealth of Virginia

Reduction Actions for FY 2009
Estimated Revenue Shortfall: \$973.6 Million



Total of All Actions: \$1,124.7 Million
68%± of actions taken provide one-time savings

Governor's Actions Impacting the College

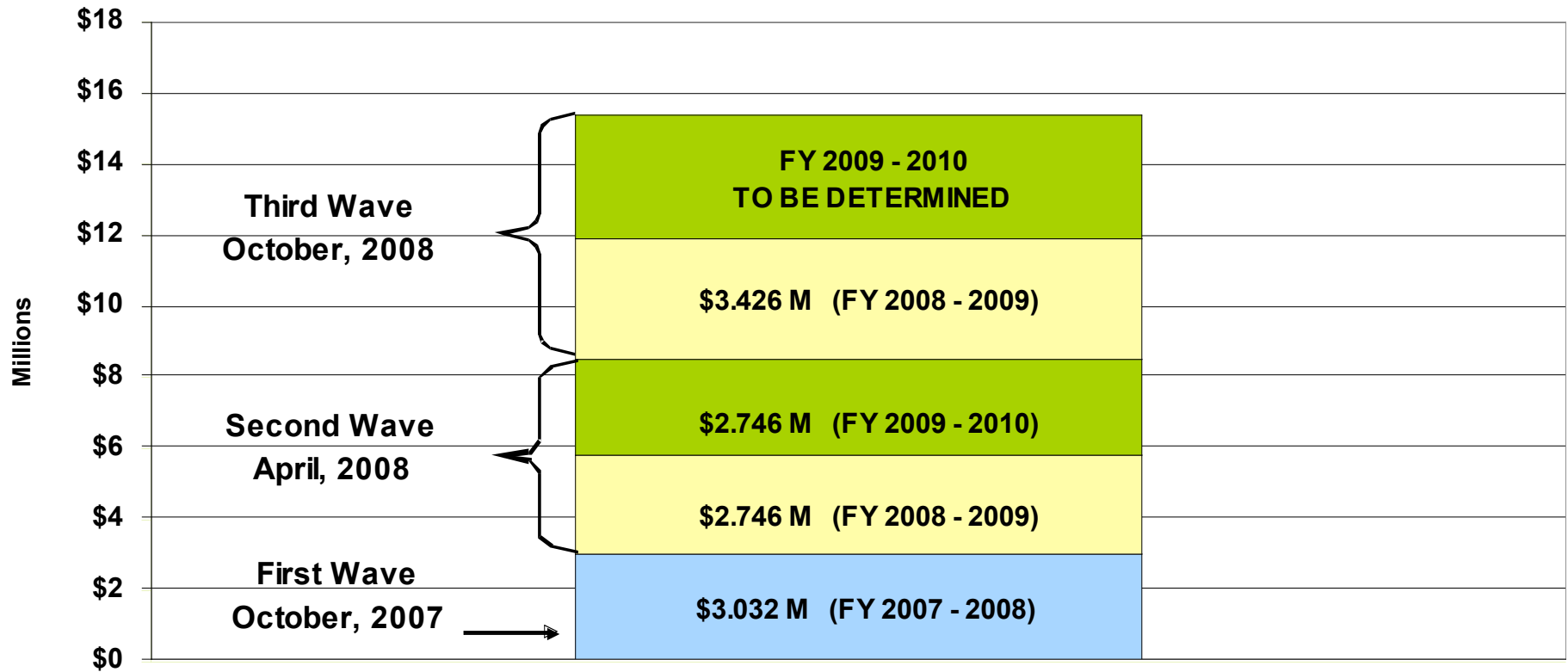
FY 2009

- * 7% (\$3.426 million) reduction in State support
- * Removes State support for December 2008 salary increase
- * No reduction to student financial assistance
- * No mid-year tuition increase

FY 2010

- * No action taken to date
- * State-wide shortfall \$1.54 billion
 - Less base savings from FY 2009 .36 million
 - FY 2010 shortfall still to be addressed \$1.18 billion
- * FY 2009 reduction of \$3.426 million is likely a base for FY 2010 reductions, not a ceiling

College of William and Mary
Three Waves of Budget Cuts

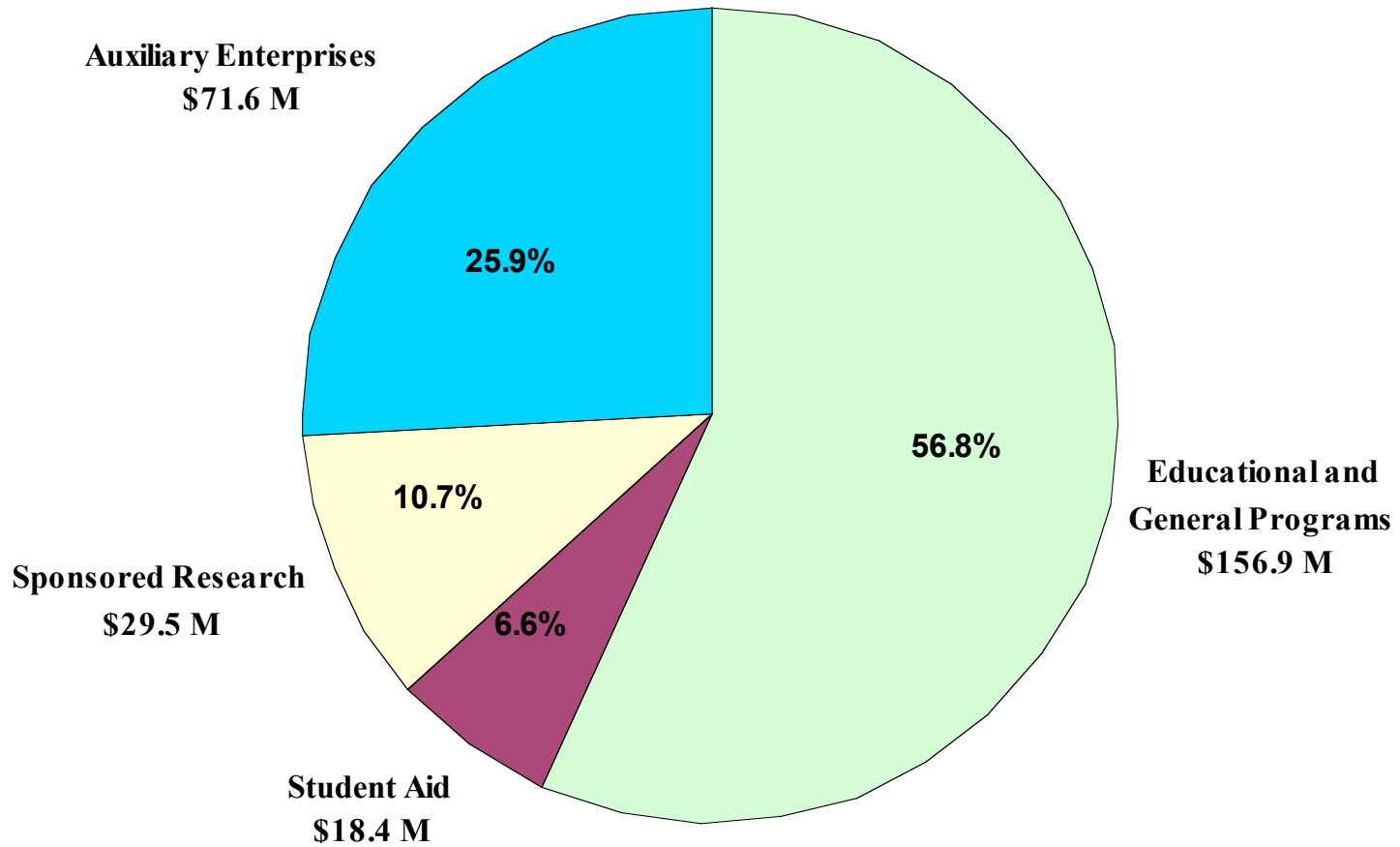


*** Base Reduction to Date: \$6,172,000**

College of William and Mary

FY 2008-09 Operating Budget (By Program)

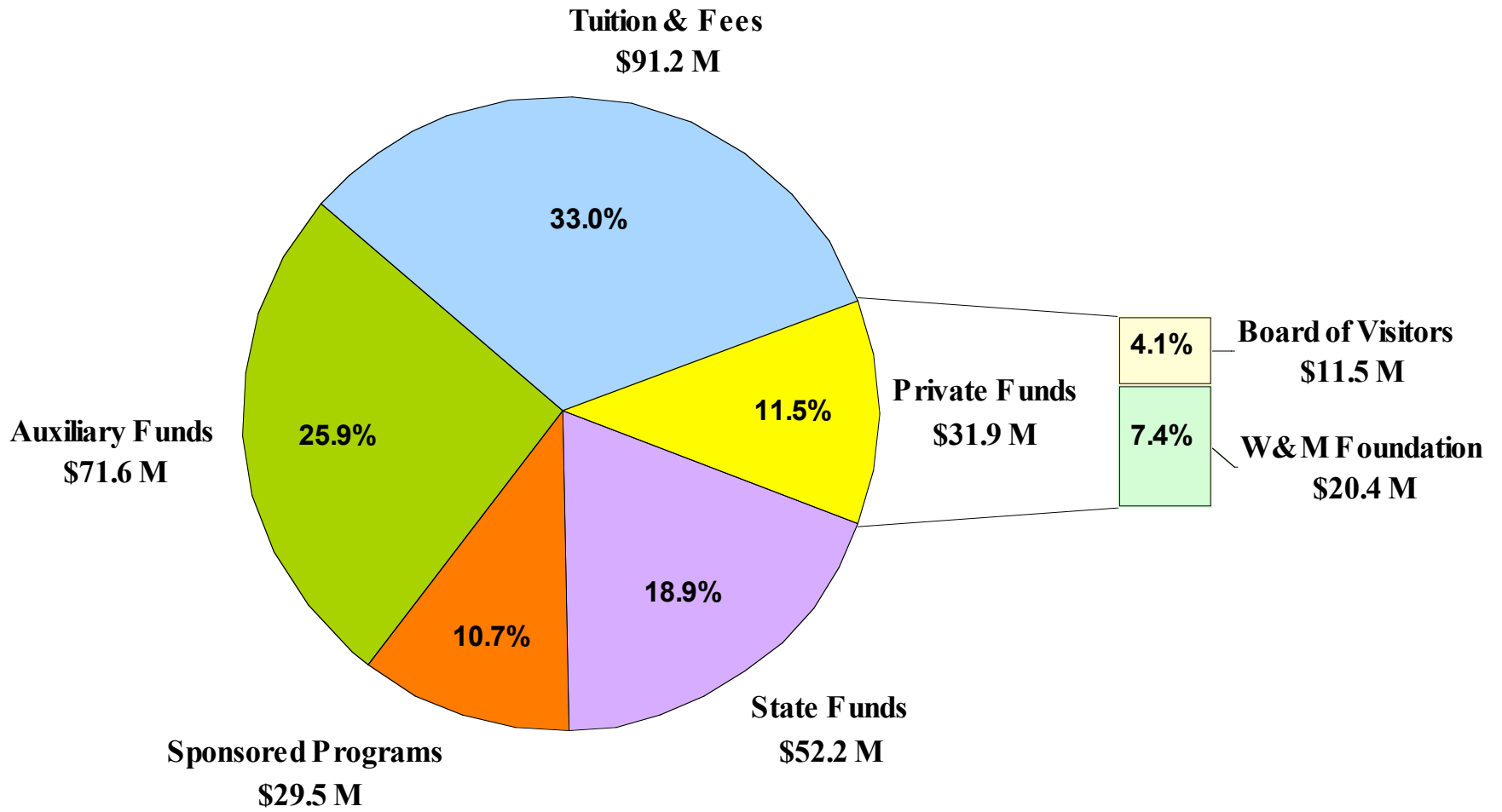
\$276.4 Million



College of William and Mary

FY 2008-09 Operating Budget (By Source)

\$276.4 Million

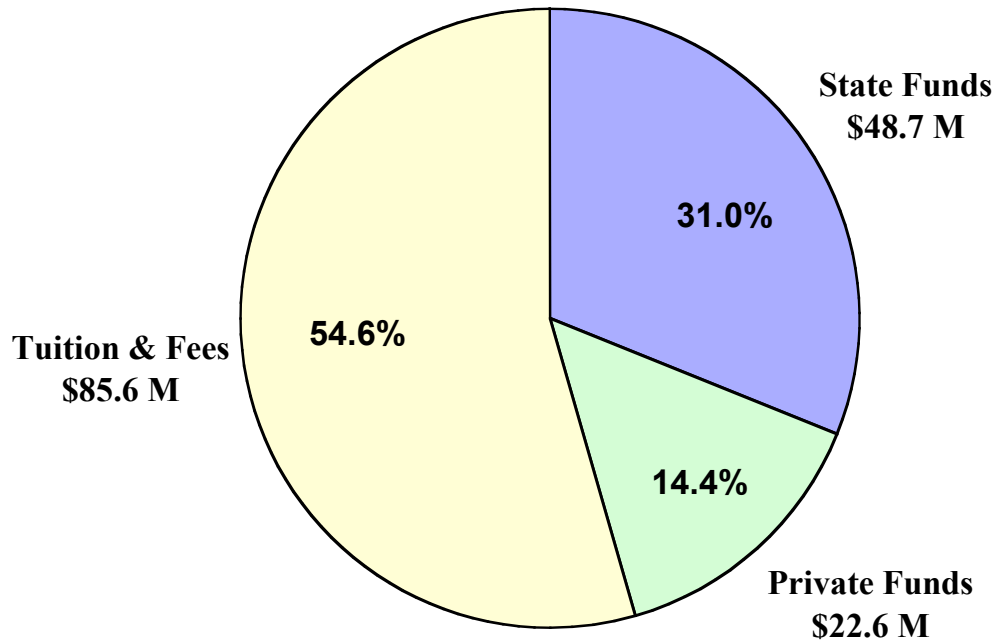


College of William and Mary

FY 2008-09 Operating Budget

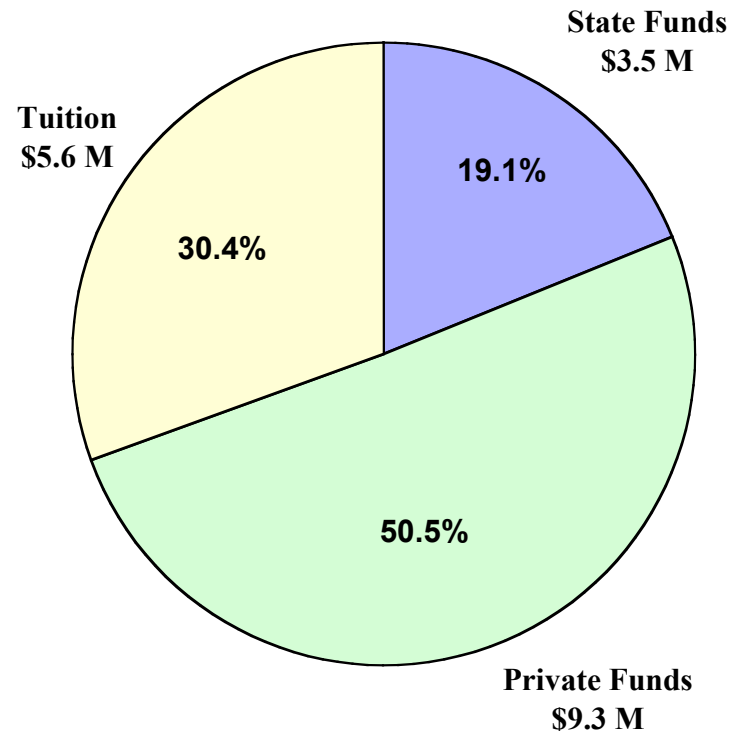
Educational and General Program

\$156.9 million



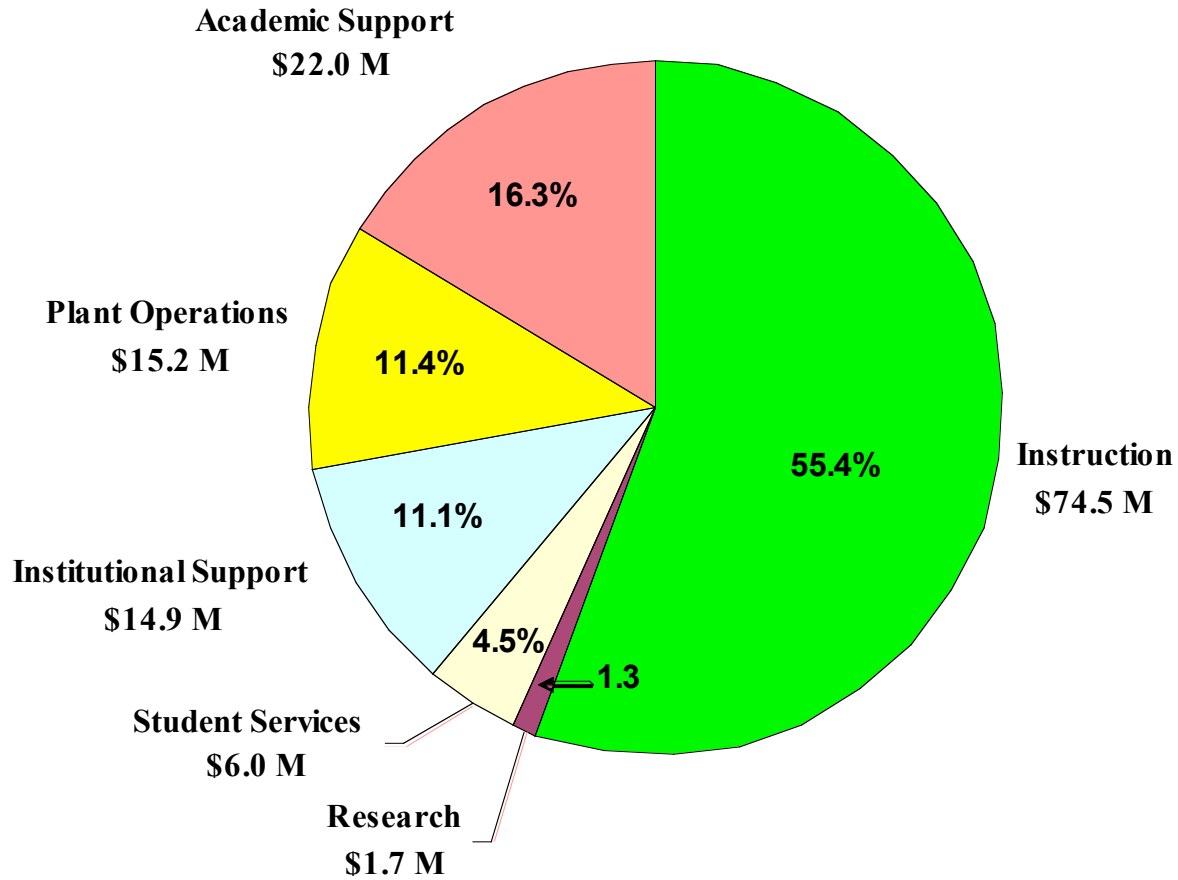
Student Financial Aid

\$18.4 Million

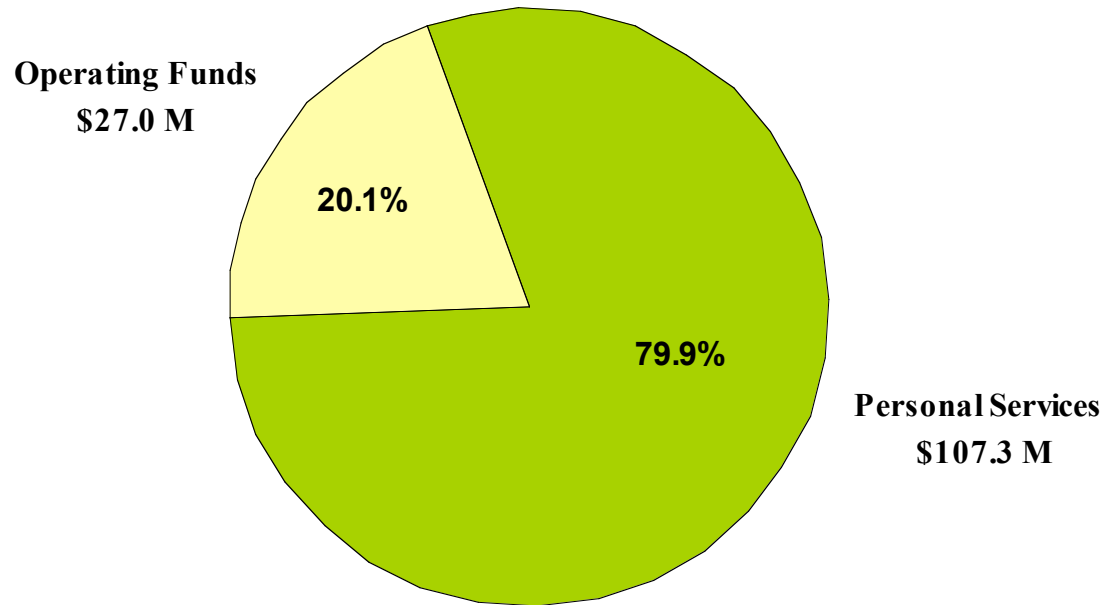


College of William and M

**FY 2009 Operating Budget
(\$134.3 million net of recoveries)**



College of William and Mar.
FY 2009 Operating Budget
(\$134.3 million net of recoveries)



Major Components of Operating Funds:

- \$7.9 M - Physical Plant/Maintenance/Custodial Services
- \$4.2 M - Utilities
- \$3.9 M - Library Materials
- \$2.2 M - Computing Equipment
- \$2.2 M - Postage/Printing/Phones
- \$6.6 M - All Other

Budget Reduction Actions to Date

FY 2009

| | |
|--|------------------|
| ▪ 5% M&O Reduction | \$1,200,000 |
| ▪ Reduce Jefferson Lab Support | 105,000 |
| ▪ Reduce Rental Costs | 154,000 |
| ▪ Interest Income/Rebates | 316,362 |
| ▪ School of Law Contribution | 252,000 |
| ▪ School of Business Contribution | 190,400 |
| ▪ Defer Faculty & Staff Salary Increases (non-general fund component) | <u>1,208,700</u> |

7% REDUCTION TARGET \$3,426,462

FY 2010

| | |
|--|------------------|
| ▪ 5% M&O Reduction | \$ -0- |
| ▪ Reduce Jefferson Lab Support | 130,000 |
| ▪ Reduce Rental Costs | 244,000 |
| ▪ Complete Mainframe Closeout | 115,000 |
| ▪ Interest Income/Rebates | -0- |
| ▪ School of Law Contribution | 252,000 |
| ▪ School of Business Contribution | 190,400 |
| ▪ Defer Faculty & Staff Salary Increases (non-general fund component) | <u>1,208,700</u> |

SAVINGS TO DATE \$2,140,100

The College of William and Mary FY 2007-08 Draft Financial Statements

Overview:

- Consolidated Statements of:
 - The College of William and Mary
 - Virginia Institute of Marine Science
 - Richard Bland College
 - Affiliated Foundations (“Component Units”)

- Accrual basis of accounting
 - Revenues recognized when earned
 - Expenditures recognized when incurred

- Audit by the State Auditor of Public Accounts
 - Field work complete: December 2008
 - Audit report: February 2009

The College of William and Mary FY 2007-08 Draft Financial Statements

Financial Highlights:

- | | |
|---|------------------|
| • Increase in Net Assets from Operations: | + \$30.2 million |
| + \$29.7 million in capital assets, net of related debt | + 7.03% |
| + \$ 4.3 million in unrestricted/restricted assets | |
| College Total Net Assets | \$460.6 million |

- | | |
|--------------------------------------|-----------------|
| • Increase in Operating Revenues: | + \$5.6 million |
| + \$2.8 million tuition and fees | |
| + \$3.1 million auxiliary enterprise | |

- | | |
|-------------------------------------|------------------|
| • Increase in State Appropriations: | + \$ 4.0 million |
|-------------------------------------|------------------|

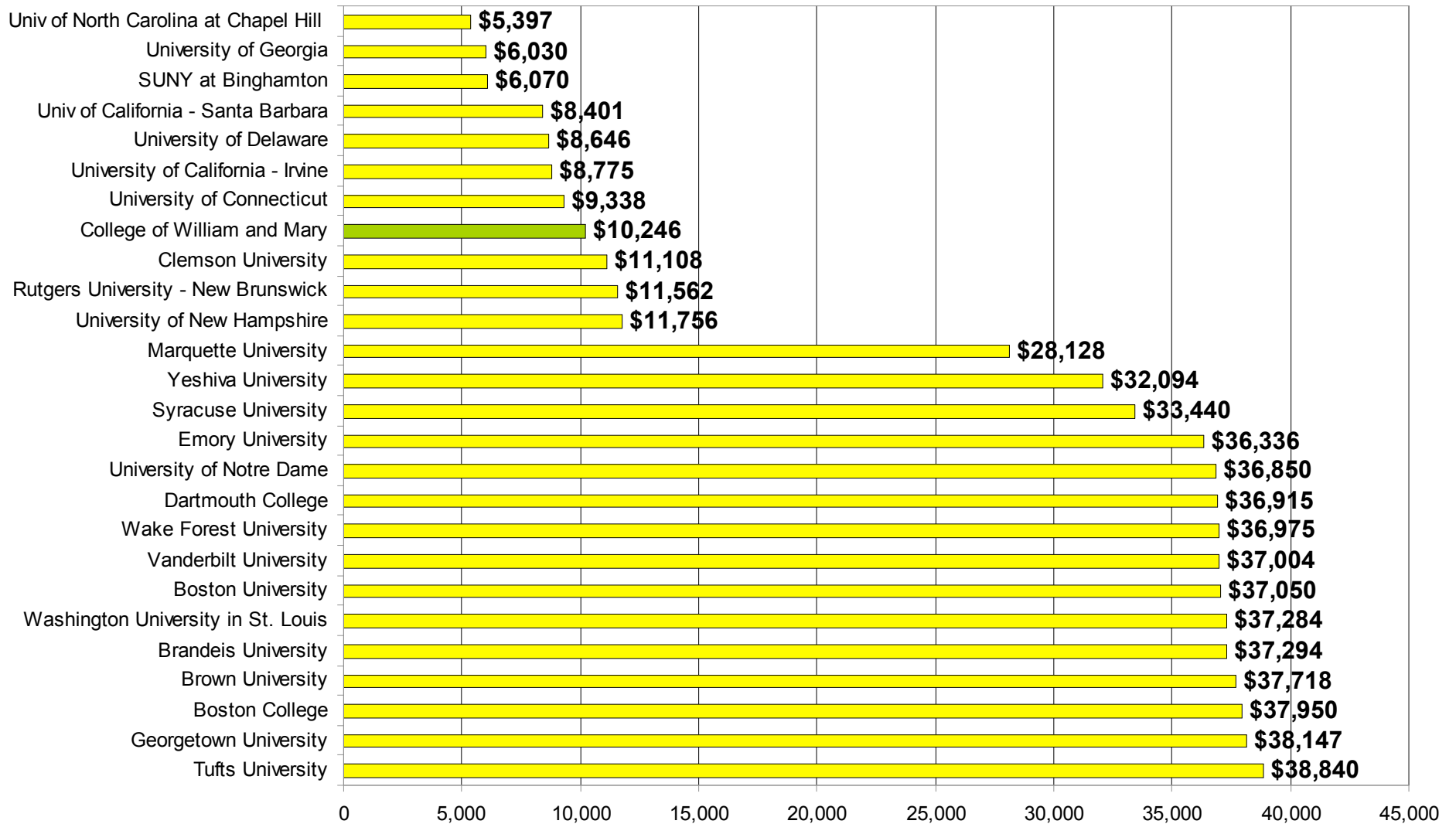
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|---|------------------|
| • Increase in Capital Grants and Gifts: | + \$ 2.1 million |
|---|------------------|

- | | |
|--------------------------------------|------------------|
| • Increase in Operating Expenditures | + \$43.4 million |
| Instruction, plant and auxiliaries | |

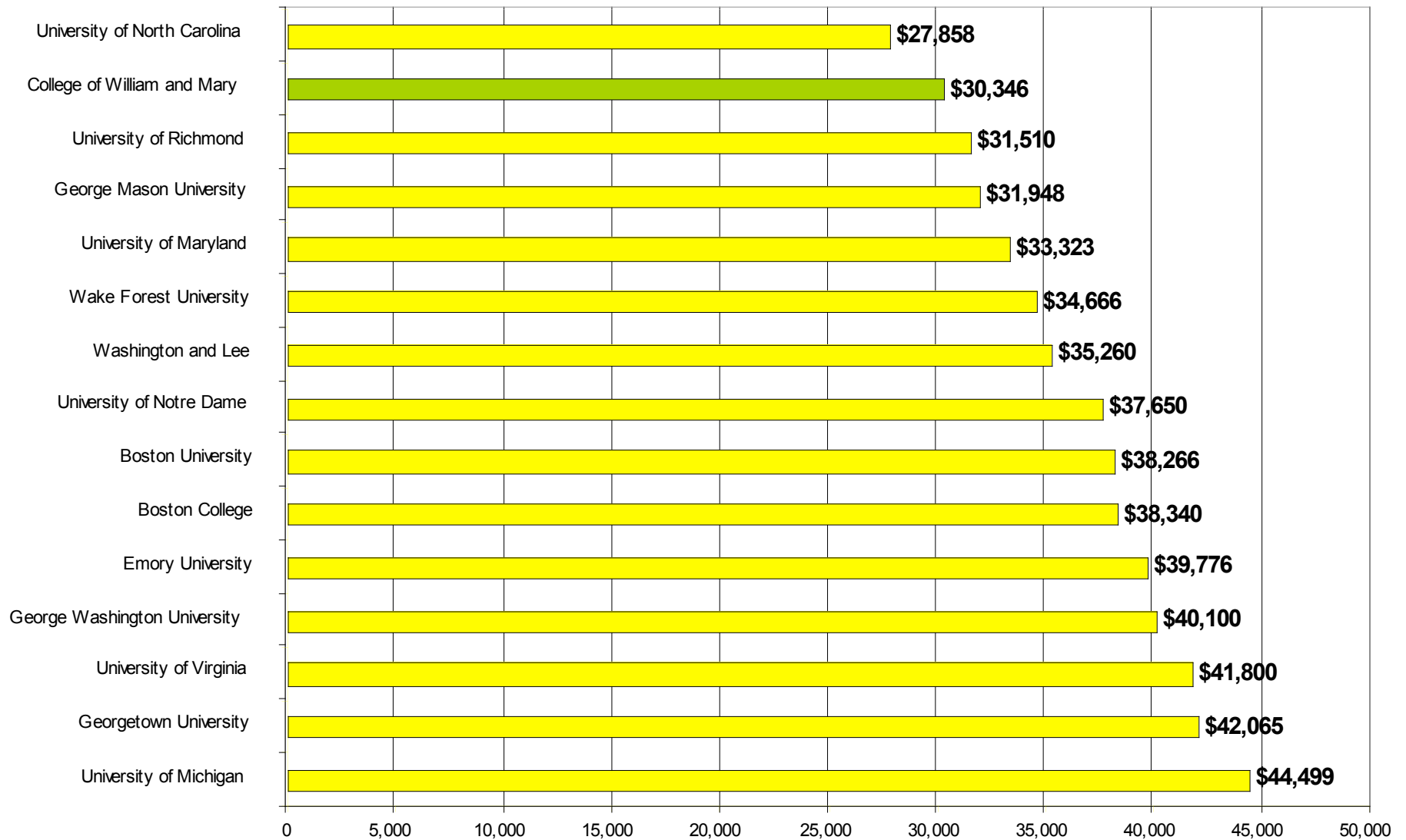
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|----------------------------------|------------------|
| • Decrease in Foundation Assets: | - \$12.5 million |
| | - 1.8% |
| Foundation Total Net Assets | \$587.6 million |
| \$532.7 million restricted | |
| \$42.8 million unrestricted | |
| \$12.1 million capital | |

- Intercollegiate Athletic Report - Accrual Basis, NCAA format.

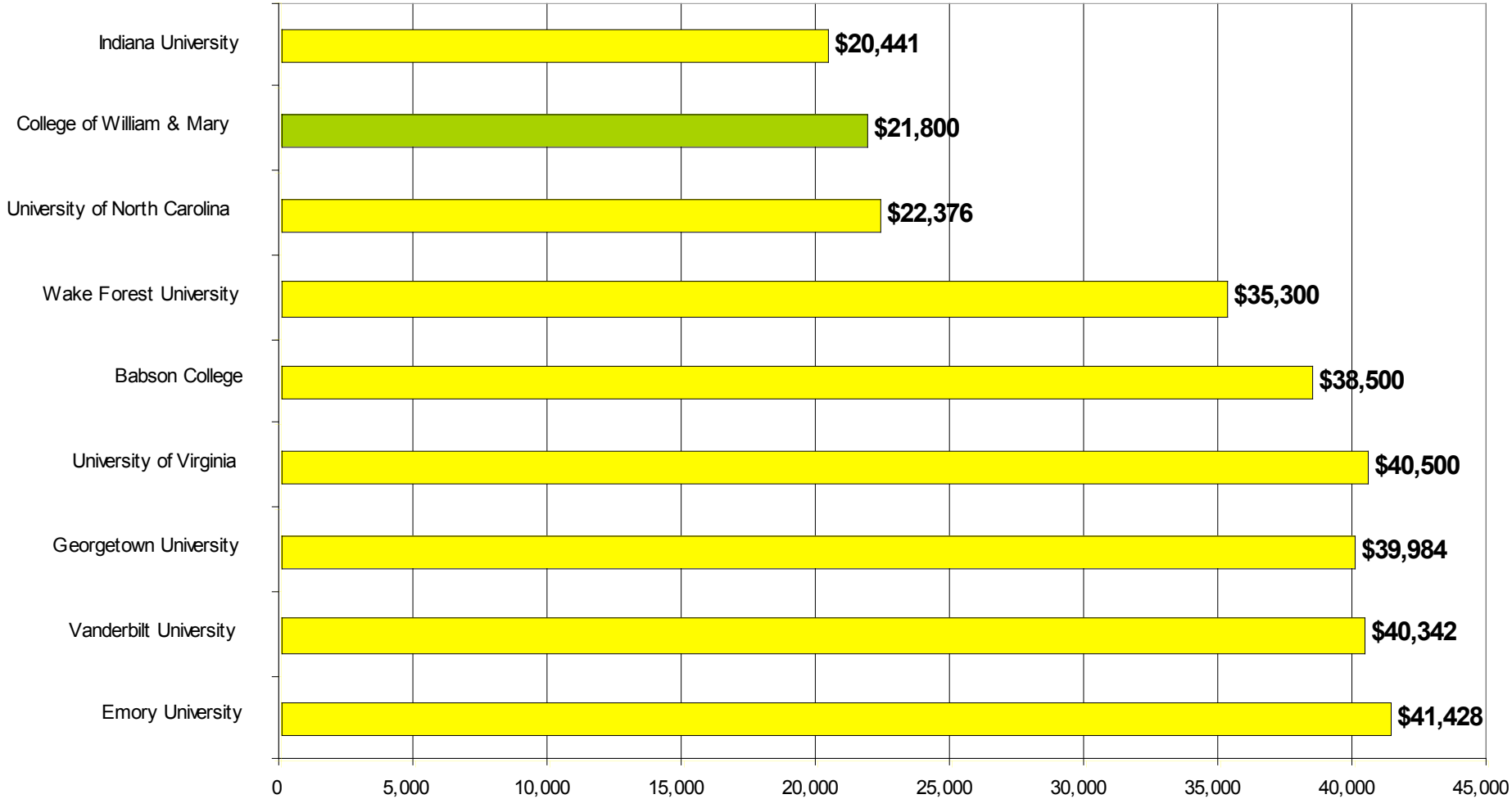
2008-2009 Annual In-State Full-Time Undergraduate Tuition and Fees in the W&M Peer Group



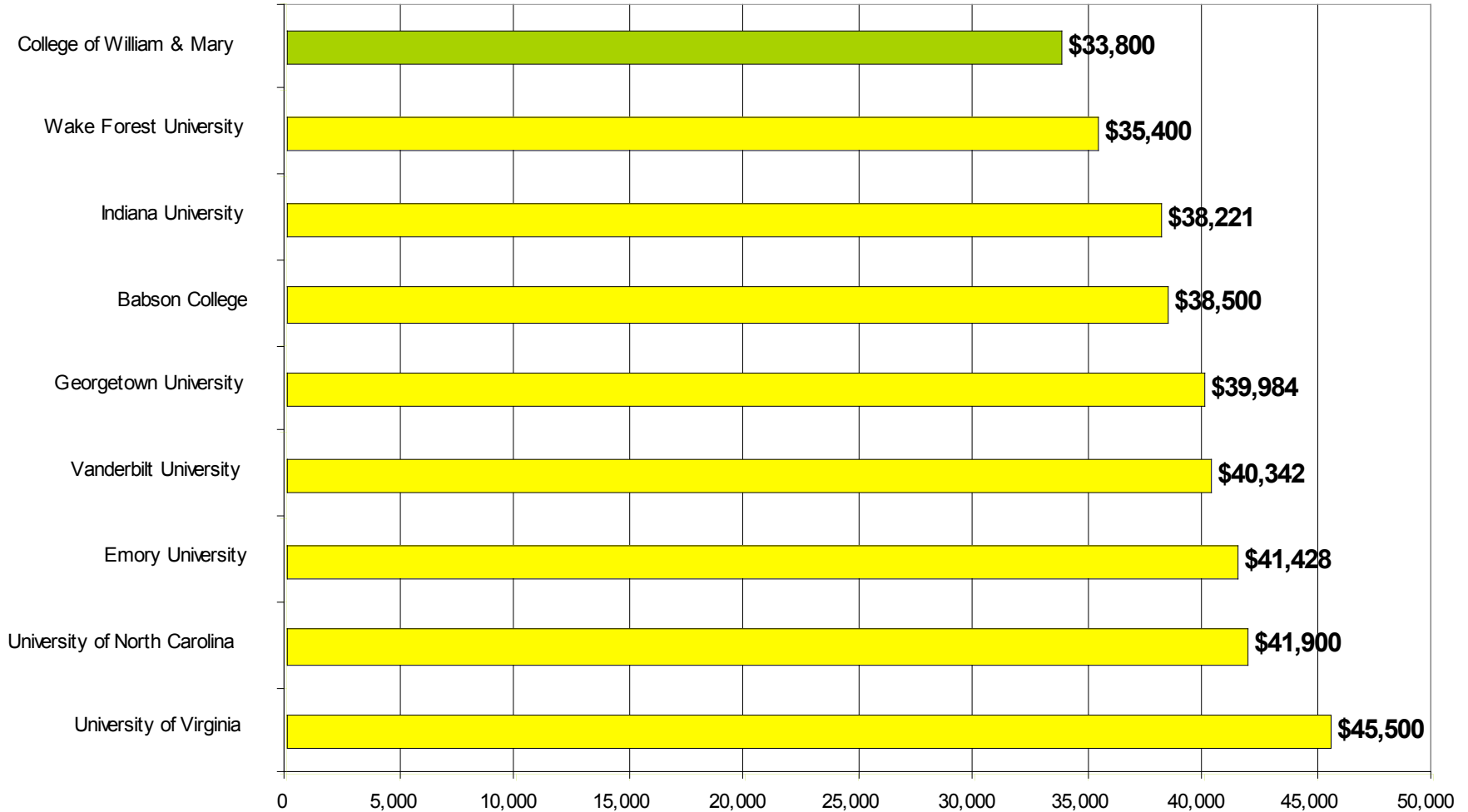
2008-09 Annual Out-of-State Full-Time Tuition and Fees for Professional Students in W&M Law School Comparison Group



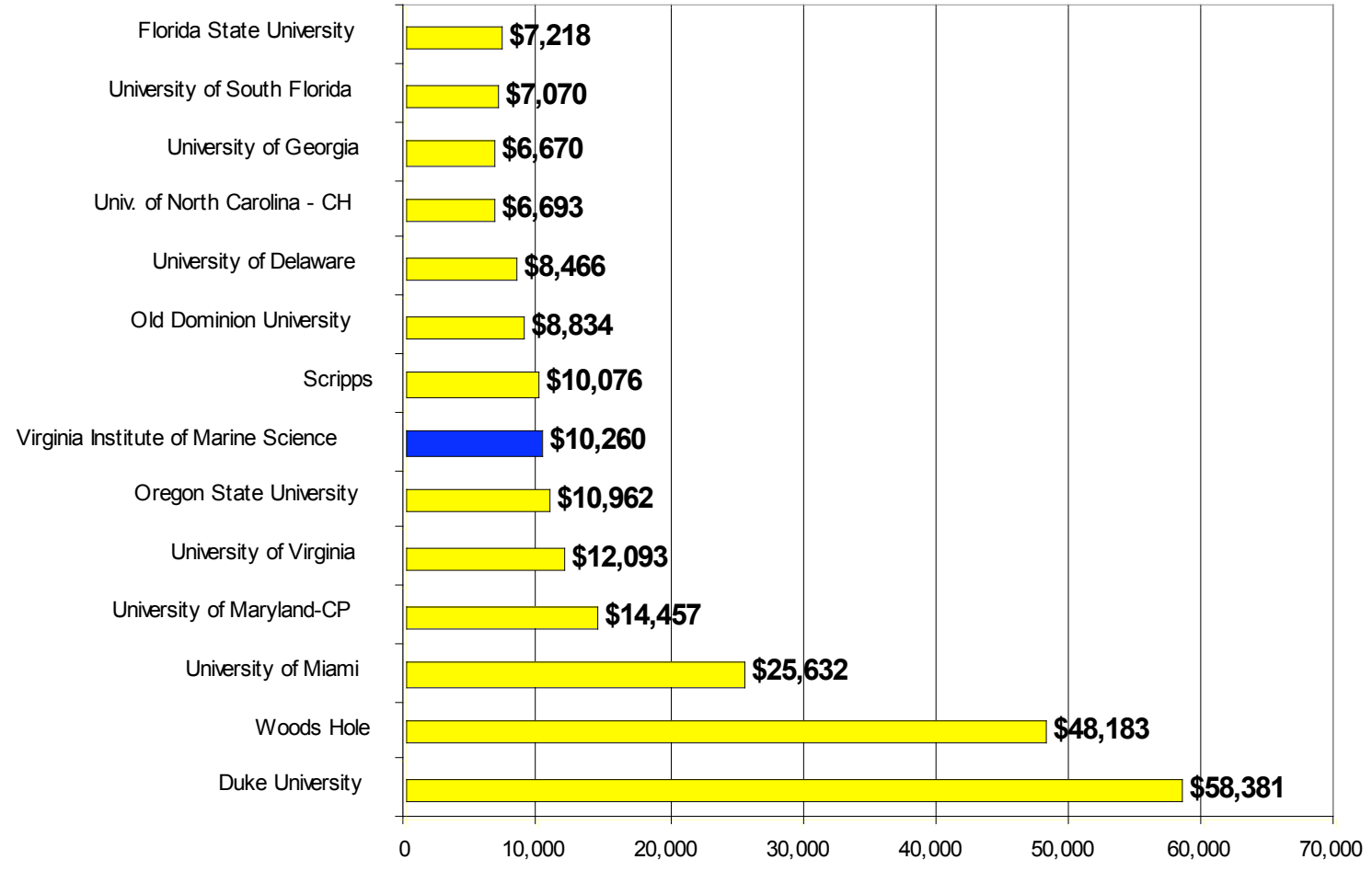
2008-2009 Annual In-State Full-Time Tuition and Fees for W&M Graduate Business School Comparison Group



2008-2009 Annual Out-of-State Full-Time Tuition and Fees for W&M Graduate Business School Comparison Group



2008-2009 Annual In-State Full-Time Graduate Tuition and Fees in the VIMS Peer Group



2008-2009 Annual Out-of-State Full-Time Graduate Tuition and Fees in the VIMS Peer Group

