

COMMITTEE ON FINANCIAL AFFAIRS

September 21, 2012

9:30 – 10:30 a.m.

Board Room - Blow Memorial Hall

Todd A. Stottlemeyer, Chair

Charles A. Banks III, Vice Chair

Edward L. Flippen, Vice Chair

- I. Introductory Remarks - Mr. Stottlemeyer
- II. Approval of Minutes - April 27, 2012
- III. Investment Portfolio Evaluation Overview - Joseph W. Montgomery, The Optimal Service Group of Wells Fargo Advisors
 - A. Investment Portfolio Evaluation for Periods Ending June 30, 2012.
Enclosure I. (*see separate booklet*)
- IV. Report from Vice President for Finance Samuel E. Jones
 - A. Six Year Plan Update
 - B. FY 2014 Operating and Capital Budget Amendments. **Resolution 16**.
 - C. 2012 Debt Management Report. Enclosure J.
 - D. FY 2012-2013 Operating Budget Summary. Enclosure K.
 - E. Statement of Endowment Funds - June 30, 2012.
Enclosure L.
- V. Report from Virginia Institute of Marine Science Dean John T. Wells
 - A. Six Year Plan Update
 - B. FY 2014 Operating and Capital Budget Amendments. **Resolution 17**.
 - C. FY 2012-2013 Operating Budget Summary. Enclosure M.
- VI. Closed Session (if necessary)
- VII. Open Session - Certification of Closed Session **Resolution**
- VIII. Discussion
- IX. Adjourn

COMMITTEE ON FINANCIAL AFFAIRS

MINUTES – APRIL 27, 2012

INVESTMENTS SUBCOMMITTEE

MINUTES – APRIL 26, 2012

MINUTES
Committee on Financial Affairs
April 27, 2012
Board Room - Blow Memorial Hall

Attendees: Committee members Timothy P. Dunn, Chair; Charles A. Banks, Vice Chair; Edward L. Flippen, Vice Chair; Colin G. Campbell; Laura L. Flippin; R. Philip Herget III, Robert E. Scott; and Todd A. Stottlemeyer. Board members present: Rector Jeffrey B. Trammell; Janet M. Brashear; Dennis H. Liberson; L. Clifford Schroeder, Sr.; Peter A. Snyder; Michael Tang; and John Charles Thomas; faculty representative Alan J. Meese; and staff liaison Mary S. Molineux. Others in attendance: Assistant Attorney General Deborah Love; President W. Taylor Reveley; Virginia M. Ambler; James R. Golden; Samuel E. Jones; Anna B Martin; Michael L. Stump; Michael J. Fox; Virginia Institute of Marine Science Dean and Director John T. Wells; other College and VIMS staff; and staff from Wells Fargo Advisors, the Board of Visitors' investment consultant.

Timothy Dunn, Chair, convened the Committee meeting at 9:25 a.m. Recognizing that a quorum was present, Mr. Dunn requested a motion to approve the minutes of the February 3, 2012 meeting. Motion was made by Mr. Scott, seconded by Mr. Herget and approved by voice vote of the Committee.

Vice President Samuel Jones presented an overview of the College budget, addressing priorities within the College's Six-Year Plan. In an institution-wide effort to become more cost efficient, \$2.6 million in reallocations will shift current funds to higher priorities, including pay increases for faculty and staff. The FY 2013 budget also includes an additional \$1.4 million from all sources in need-based financial aid for undergraduates.

The College will receive \$1.2 million in new funds from the State which will help support ongoing operating expenses. However, there are offsetting costs imposed by the State budget which include: a loss of \$339,000 in State support for the Eminent Scholars program; an additional cost of approximately \$1.3 million to VRS and to the State benefit system; \$2.4 million the College will need to raise to pay its share of a proposed 3 percent bonus for State employees (contingent upon the Commonwealth meeting certain revenue goals by June 30, 2012). Although capital projects continue to receive strong support from the Commonwealth, State support for the College's operating budget will be less than 13 percent for FY 2013.

Vice President Jones presented to the Committee the tuition and fee proposal for FY 2013, with three variations for consideration, all intended to keep any increase in tuition and fees below 5%. After a lengthy discussion, the Chair requested that Vice President Jones prepare and present for approval to the Full Board a revised tuition and fee resolution, incorporating modifications as agreed upon by the Committee. As a result of the modifications, tuition & mandatory fees for in-state undergraduate students will increase \$438 (3.3%) and \$1382 (3.8%) for out-of-state undergraduates for FY 2013. Total costs, including tuition, fees, room and board, will be \$22,888 (3.9% increase) for in-state undergraduates and \$46,662 (4.0% increase) for out-of-state undergraduates.

Mr. Dunn then asked for a motion to approve **Resolution 36**, FY 2012-13 Tuition and Fee Structure for Full- and Part-time Students, amended as recommended by consensus of the Committee; and the following resolutions as a block: **Resolution 35**, FY 2012-13 Operating Budget for Educational and General Programs; **Resolution 37**, FY 2012-13 Auxiliary Enterprise Operating Budgets; **Resolution 38**, FY 2012-13 Sponsored Programs Operating Budget; **Resolution 39**, FY 2012-13 Student Financial Assistance; **Resolution 40**, FY 2012-13 Applied Music Fee; **Resolution 41**, FY 2012-13 Board of Visitors Private Funds Budget; and **Resolution 43**, Creation of Quasi-Endowment: Muscarelle Museum of Art. Motion was made by Mr. Flippen, seconded by Mr. Scott, and approved by voice vote of the Committee. (**Resolution 36(R)** is appended.)

Virginia Institute of Marine Science Dean/Director John Wells reviewed the 2012 General Assembly operating and capital actions impacting the FY 2013 and 2014 budget for VIMS. Mr. Wells highlighted FY 2013 funding priorities and discussed revenues and expenditures/reallocations. Mr. Dunn made a motion to approve **Resolution 44**, FY 2012-13 Operating Budget. Motion was seconded by Mr. Herget and approved by voice vote of the Committee.

Due to time constraints, the staff of Wells Fargo Advisors was unable to present the quarterly report on the Board of Visitor's investment portfolio. Mr. Dunn reported that FYTD 2012 the endowment increased 0.7% and total Board assets, as of March 31, 2012 are at \$67.8 million (includes Muscarelle gift). A revision to the Investment and Spending Policy for Endowment includes adjusting the language regarding alternative investments to clarify the role and management within that fund and an update of the benchmark asset allocation ranges to allow the Investments Subcommittee more flexibility. Mr. Dunn asked for a motion to approve **Resolution 42**, Revision to the Investment and Spending Policy for Endowment. Motion was made by Mr. Campbell, seconded by Mr. Scott, and approved by voice vote of the Committee.

There being no further business, the Committee adjourned at 11:22 a.m.

COLLEGE OF WILLIAM AND MARY

**FY 2012-13 TUITION AND FEE STRUCTURE
FOR FULL- AND PART-TIME STUDENTS**

Consistent with tuition and fee authority granted to the College by the 2012 General Assembly, the attached schedules for full-time and part-time tuition, special and general fees, room, and board are recommended for approval by the Board of Visitors of the College of William and Mary in Virginia.

For fiscal year 2013, it is recommended that the total cost (tuition, fees, room, and board) for an in-state undergraduate student increase 3.9% to \$22,888 and the total cost for an out-of-state undergraduate student increase 4.0% to \$46,662. Within these amounts, tuition and fees increase 3.3% and 3.8%, respectively. Tuition and fee increases for in-state and out-of-state graduate and professional students range from 3.9% to 7.9%, reflecting market conditions in each area.

Reflecting the Board of Visitors' ongoing commitment to the College's Six Year Plan, revenue generated through the proposed increases allows the College to annualize the cost of faculty and staff salary increases provided in FY 2012 and support its share of a 3% salary bonus for faculty and staff, as well as state mandated increases in health insurance and retirement in FY 2013. These funds also provide targeted support for undergraduate and graduate student financial aid consistent with the College's Six Year and Strategic Plans.

Fee allocations for auxiliary services, facility debt service, student activities, and average charges for room and board support projected expenditures for operations and required debt service on facilities while allowing some contribution to the College's auxiliary reserve.

THEREFORE, BE IT RESOLVED, that the Board of Visitors of the College of William and Mary in Virginia approves the FY 2012-13 Tuition and Fee Schedule as well as room and board charges as shown on the attached schedules.

COLLEGE OF WILLIAM AND MARY
UNDERGRADUATE
TUITION AND FEE SUMMARY

	<u>ACTUAL</u> <u>FY 2011-12</u>	<u>PROPOSED</u> <u>FY 2012-13</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>DOLLAR</u> <u>CHANGE</u>
<u>IN-STATE</u>				
Tuition	\$ 8,270	\$ 8,677	+ 4.9%	+ \$ 407
Technology Fee	60	66	+ 10.0%	+ 6
Student Faculty Fee	5	5	+ 0.0%	0
General Fee	3,690	3,715	+ 0.7%	+ 25
Facility Fee	1,077	1,077	+ 0.0%	+ 0
HEETF Fee	<u>30</u>	<u>30</u>	+ 0.0%	<u>0</u>
Total Tuition/Fees	\$ 13,132	\$ 13,570	+ 3.3%	+ \$ 438
Room*	\$ 5,232	\$ 5,608	+ 7.2%	+ \$ 376
Board (19 meal)	<u>\$ 3,660</u>	<u>\$ 3,710</u>	+ 1.4%	<u>+ 50</u>
Total Cost	\$ 22,024	\$ 22,888	+ 3.9%	+ \$ 864

*weighted average

OUT-OF-STATE

Tuition	\$ 30,547	\$ 31,860	+ 4.3%	+ \$1,313
Technology Fee	101	100	- 1.0%	- 1
Student Faculty Fee	5	5	+ 0.0%	0
General Fee	3,690	3,715	+ 0.7%	+ 25
Facility Fee	1,077	1,077	+ 0.0%	+ 0
State Building Fee	480	525	+ 9.4%	+ 45
HEETF Fee	<u>62</u>	<u>62</u>	+ 0.0%	<u>0</u>
Total Tuition/Fees	\$ 35,962	\$ 37,344	+ 3.8%	+ \$1,382
Room*	\$ 5,232	\$ 5,608	+ 7.2%	+ \$ 376
Board (19 meal)	<u>\$ 3,660</u>	<u>\$ 3,710</u>	+ 1.4%	<u>+ \$ 50</u>
Total Cost	\$ 44,854	\$ 46,662	+ 4.0%	+ \$1,808

*weighted average

COLLEGE OF WILLIAM AND MARY
GRADUATE AND PROFESSIONAL
TUITION AND FEE SUMMARY (IN-STATE)

	<u>ACTUAL</u> <u>FY 2011-12</u>	<u>PROPOSED</u> <u>FY 2012-13</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>DOLLAR</u> <u>CHANGE</u>
Arts and Sciences, Education and Marine Science				
Tuition	\$ 6,400	\$ 6,779	+ 5.9%	\$ 379
Technology Fee	62	100	+ 61.3%	38
Student Faculty Fee	5	5	+ 0.0%	0
General Fee	3,690	3,715	+ 0.7%	25
Facility Fee	775	775	+ 0.0%	0
HEETF Fee	<u>30</u>	<u>30</u>	+ 0.0%	<u>0</u>
Total Tuition/Fees	\$ 10,962	\$ 11,404	+ 4.0%	+ \$ 442
Law				
Tuition	\$ 21,506	\$ 22,843	+ 6.2%	+ \$1,337
Technology Fee	62	100	+ 61.3%	38
Student Faculty Fee	5	5	+ 0.0%	0
General Fee	3,690	3,715	+ 0.7%	+ 25
Facility Fee	507	507	+ 0.0%	+ 0
HEETF Fee	30	30	+ 0.0%	0
Building Fee: North Wing	230	230	+ 0.0%	0
Building Fee: Library	140	340	+142.8%	+ 200
Printing/Activity Fee	<u>30</u>	<u>30</u>	+ 0.0%	<u>0</u>
Total Tuition/Fees	\$ 26,200	\$ 27,800	+ 6.1%	+ \$1,600
Business*				
Tuition	\$ 21,905	\$ 23,992	+ 9.5%	+ \$2,087
Technology Fee	62	100	+ 61.3%	38
Student Faculty Fee	5	5	+ 0.0%	0
General Fee	3,690	3,715	+ 0.7%	+ 25
Facility Fee	808	808	+ 0.0%	+ 0
HEETF Fee	30	30	+ 0.0%	0
Printing Fee	100	100	+ 0.0%	0
Program/Support Fee	<u>600</u>	<u>600</u>	+ 0.0%	<u>0</u>
Total Tuition/Fees	\$ 27,200	\$ 29,350	+ 7.9%	+ \$2,150

* Applicable to MBA and Masters of Accountancy programs.

COLLEGE OF WILLIAM AND MARY
GRADUATE AND PROFESSIONAL
TUITION AND FEE SUMMARY (OUT-OF-STATE)

	<u>ACTUAL</u> <u>FY 2011-12</u>	<u>PROPOSED</u> <u>FY 2012-13</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>DOLLAR</u> <u>CHANGE</u>
Arts and Sciences, Education and Marine Science				
Tuition	\$ 19,720	\$ 20,608	+ 4.5%	\$ 888
Technology Fee	100	100	+ 0.0%	0
Student Faculty Fee	5	5	+ 0.0%	0
General Fee	3,690	3,715	+ 0.7%	+ 25
Facility Fee	775	775	+ 0.0%	+ 0
State Building Fee	480	525	+ 9.4%	45
HEETF Fee	<u>62</u>	<u>62</u>	+ 0.0%	<u>0</u>
Total Tuition/Fees	\$ 24,832	\$ 25,790	+ 3.9%	+ \$ 958
Law				
Tuition	\$ 30,956	\$ 32,286	+ 4.3%	+ \$1330
Technology Fee	100	100	+ 0.0%	0
Student Faculty Fee	5	5	+ 0.0%	0
General Fee	3,690	3,715	+ 0.7%	+ 25
Facility Fee	507	507	+ 0.0%	+ 0
State Building Fee	480	525	+ 9.4%	45
HEETF Fee	62	62	+ 0.0%	0
Building Fee: North Wing	230	230	+ 0.0%	0
Building Fee: Library	140	340	+142.8%	+ 200
Printing/Activity Fee	<u>30</u>	<u>30</u>	+ 0.0%	<u>0</u>
Total Tuition/Fees	\$ 36,200	\$ 37,800	+ 4.4%	+ \$1,600
Business*				
Tuition	\$ 32,405	\$ 33,835	+ 4.4%	+ \$1,430
Technology Fee	100	100	+ 0.0%	0
Student Faculty Fee	5	5	+ 0.0%	0
General Fee	3,690	3,715	+ 0.7%	+ 25
Facility Fee	808	808	+ 0.0%	+ 0
State Building Fee	480	525	+ 9.4%	+ 45
HEETF Fee	62	62	+ 0.0%	0
Printing Fee	100	100	+ 0.0%	0
Program/Support Fee	<u>600</u>	<u>600</u>	+ 0.0%	<u>0</u>
Total Tuition/Fees	\$ 38,250	\$ 39,750	+ 3.9%	+ \$1,500

* Applicable to MBA and Masters of Accountancy programs.

COLLEGE OF WILLIAM AND MARY
PART-TIME TUITION RATES*

	<u>ACTUAL*</u> <u>FY 2011-12</u>	<u>PROPOSED*</u> <u>FY 2012-13</u>	<u>PERCENT</u> <u>CHANGE</u>	<u>DOLLAR</u> <u>CHANGE</u>
In-State				
Undergraduate	\$ 286	\$ 300	+ 4.9%	+ 14
Graduate	365	385	+ 5.5%	+ 20
Law	670	700	+ 4.5%	+ 30
Graduate Business	700	700	+ 0.0%	+ 0
Out-of-State **				
Undergraduate	\$ 985	\$ 1,000	+ 1.5%	+ 15
Graduate	985	1,000	+ 1.5%	+ 15
Law	1,100	1,100	+ 0.0%	+ 0
Graduate Business	1,100	1,100	+ 0.0%	+ 0

* These rates are applicable to part-time students in the Regular Session and Summer School on a per semester hour basis, effective August 16, 2012.

* Excludes \$50 Flat Comprehensive Fee applicable to all summer school students.

* Excludes a \$100 per semester Continuous Enrollment Fee applicable to those graduate students who continue to work on their dissertations but are taking no specific classes.

**Rates for out-of-state students include \$15 per credit hour in FY 2012 and \$17 per credit hour in FY 2013 resulting from Commonwealth of Virginia action requiring a State Building Fee be charged to all out-of-state students.

COLLEGE OF WILLIAM AND MARY
ALLOCATION OF GENERAL FEES

	<u>FY 2011-12</u> <u>Actual</u>	<u>FY 2012-13</u> <u>Proposed</u>	<u>Percent</u> <u>Change</u>
<u>Auxiliary Services</u>			
Student Health Center	\$ 268	\$ 268	+ 0.0%
Counseling Center	175	175	+ 0.0%
Bus Service	52	52	+ 0.0%
Student Unions	344	344	+ 0.0%
William and Mary Hall	300	300	+ 0.0%
General Auxiliary	166	175	+ 5.4%
Telecom/Networking	267	267	+ 0.0%
PC Maintenance	30	30	+ 0.0%
Intercollegiate Athletics	<u>1,485</u>	<u>1,485</u>	+ 0.0%
	\$ 3,087	\$ 3,096	
<u>Debt Service</u>			
William and Mary Hall	24	24	+ 0.0%
University Center	125	125	+ 0.0%
Underground Utilities	<u>41</u>	<u>41</u>	+ 0.0%
	\$ 190	\$ 190	
<u>Student Activities</u>			
Green Fee	\$ 30	\$ 40	+ 33.3%
Cultural Fee	35	35	+ 0.0%
Student Activities	92	98	+ 6.5%
Student Affairs	33	33	+ 0.0%
Recreational Sports	122	122	+ 0.0%
Recreational Center	<u>101</u>	<u>101</u>	+ 0.0%
	\$ 413	\$ 429	
TOTAL GENERAL FEES	\$ 3,690	\$ 3,715	+ 0.7%

MINUTES
Investments Subcommittee
Committee on Financial Affairs
April 26, 2012
Board Conference Room – Blow Memorial Hall

Attendees: Timothy P. Dunn, Chair; Charles A. Banks III, Todd L. Stottlemeyer, Vice President for Finance Samuel E. Jones and staff from Wells Fargo Advisors, the Board of Visitors' investment consultant.

Chair Timothy Dunn called the meeting to order at 11:30 a.m.

Mr. Dunn moved that the Investments Subcommittee of the Board of Visitors Committee on Financial Affairs convene in Closed Session for the purpose of discussing investment matters relating to the investment of public funds, as provided for in Section 2.2-3711.A.6., of the Code of Virginia. Motion was seconded by Mr. Banks and approved by voice vote. The observers were asked to leave the room and the Subcommittee went into closed session at 11:30 a.m.

The Subcommittee reconvened in open session at 12:35 p.m. Mr. Dunn reviewed the topic discussed during closed session for the benefit of observers, then moved adoption of the **Resolution** certifying that the closed session was held in compliance with the Freedom of Information Act. Motion was seconded by Mr. Banks and approved by roll call vote of the Subcommittee members conducted by Mr. Dunn. (Certification **Resolution** is appended).

There being no further business, the Subcommittee adjourned at 12:35 p.m.

April 26, 2012

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors' Investments Subcommittee of the Committee on Financial Affairs has convened a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712.D. of the Code of Virginia requires a certification by this subcommittee that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, That the Investments Subcommittee of the Committee on Financial Affairs, reconvening in open session, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Investments Subcommittee.

VOTE

AYES: 3

NAYS: 0

ABSENT DURING CLOSED SESSION:



Timothy P. Dunn

Chair

Investments Subcommittee of the
Committee on Financial Affairs

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COLLEGE OF WILLIAM AND MARY
FY 2014 OPERATING AND CAPITAL BUDGET AMENDMENTS

Using guidance from the Governor's Office, the Secretary of Education, and the State Department of Planning and Budget, the College of William and Mary has developed operating and capital budget amendments for consideration by the Governor as part of the Commonwealth's 2012-14 budget development process.

Operating budget requests are limited in number and reflect high priority items in the College's Six-Year Plan. Guidance from the Secretary of Education states that an "institution's funding requests should be consistent with the priorities noted in its updated Six-Year Plan, which supports both the Governor's priorities and the goals of the TJ21 legislation". Capital requests should be limited to supplemental funding for previously approved projects. Funds should not be requested for items typically considered "state-wide" issues by the Commonwealth of Virginia. State-wide issues include faculty and staff salaries, base adequacy funding, undergraduate student financial assistance, and continuation of the Higher Education Equipment Trust Fund program.

THEREFORE, BE IT RESOLVED, That the Board of Visitors of the College of William and Mary approves the administration's recommended operating and capital budget amendments for the College for submission to the Commonwealth as part of the 2012-14 budget development process.

FY 2014 OPERATING BUDGET AMENDMENTS

- **Enrollment Growth**

FY 2013-14
\$ 356,000 GF

The College has committed to increasing in-state undergraduate enrollment by 150 students over the next four years with the first cohort arriving in Fall 2011. Enrollment projections submitted as part of the Six Year Plan reflect this increase. The College anticipates adding additional resources to support these students and ensure their success.

- **Center for Energy and the Environment**

FY 2013-14
\$ 400,000 GF

Building on existing program strengths of the College and the Virginia Institute of Marine Science, the Center for Energy and the Environment supports research and economic development within the commonwealth. Program areas include alternative fuel and energy sources and remediation and restoration of Virginia waterways including the Chesapeake Bay. The CEE will provide expanded opportunities for STEM training of undergraduates, adding to the Commonwealth's workforce pool. Included in this request is funding support for high speed computing, computational modeling and simulation, and incremental support for the College's Existing Center for Geospatial Analysis.

FY 2014 CAPITAL BUDGET AMENDMENTS

- **Renovation: Tyler Hall**

FY 2013-14
\$ 16,364,000 GF

The 2012-14 Appropriation Act authorizes the College to proceed with detailed planning for the renovation of Tyler Hall. This amendment requests funds to complete planning and proceed with renovation prior to the 2014-16 biennium. Once renovated, Tyler Hall will house the departments of Government, Economics, and Public Policy.

- **Renovation: Residence Life Facilities**

FY 2013-14
\$ 9,650,000 NGF

Over the past year the College has developed a plan to accelerate the renovation of its residence halls by taking facilities completely off-line for a year and the surrounding summers. This approach requires additional debt authority beyond the \$5 million previously authorized for dormitory renovations. The requested authority allows the College to move forward with full renovation of Chandler Hall, air conditioning of Barrett Hall, and planning for the full renovation of Landrum Hall.

COLLEGE OF WILLIAM AND MARY
2012 DEBT MANAGEMENT REPORT

The College of William and Mary Debt Management Policy was established to address all forms of long-term debt including fixed and variable rate options for capital construction projects and capital leases. Key objectives of the policy include the following:

- To provide guidance to the College in undertaking long-term debt obligations benefiting the College;
- To provide a structured framework for the issuance of long-term debt;
- To provide an on-going process for the College to evaluate the level of its annual debt service and consolidated debt burden; and
- To document the exercise of due diligence in the execution and/or management of the College debt portfolio and use of its financial resources.

The Debt Management Policy is applicable to the College of William and Mary, the Virginia Institute of Marine Science, and Richard Bland College.

Background

To date, the College of William and Mary has issued none of its own debt but rather had debt issued on its behalf by the Commonwealth of Virginia. While the College remains responsible for principal and interest associated with this debt, this approach allows the College to minimize issuance costs and take advantage of the Commonwealth's strong credit position.

Long-term debt is used primarily to support the construction or renovation of major auxiliary facilities including residence halls, university centers and dining facilities, parking improvements, and recreational and athletic facilities. College supported debt service for academic facilities has been used to provide supplemental funding for projects receiving significant support from the Commonwealth or for projects where significant private support is available. The typical debt vehicle is a 20 years, fixed rate 9(c) or 9(d) bond issued by the Commonwealth of Virginia. Over the course of the bond period, the Treasurer of Virginia may refinance projects to take advantage of cost saving opportunities.

Standard and Poor's Bond Rating

The College was required to be rated by one of the major credit rating firms as part of its application for Tier 3 status under the higher education restructuring act. The Act required that institutions have at least an "AA-" credit rating for consideration as a Tier 3 institution. In December 2011, Standard and Poor's reaffirmed its "AA" issuer credit rating for the College

September 19-21, 2012

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citing its strong student quality and demand, consistent break-even financial performance, and solid fund raising and endowment.

Current Debt Position—As of June 30, 2012, outstanding long-term debt totaled \$204.5 million consisting of \$53.7 million in 9(c) bonds and \$150.8 million in 9(d) bonds (see Appendix A). Section 9(c) bonds are general obligation bonds issued by the Commonwealth on behalf of the College pursuant to Section 9 of Article X of the Constitution of Virginia. As such, while the College is responsible for repayment, these bonds are backed by the full faith and credit of the Commonwealth. Section 9(d) bonds are issued through the Virginia College Building Authority's Pooled Bond Program and backed by the general revenue pledge of the College. As debt is issued, the College's fee structure is adjusted to generate the funds necessary to support any new debt issuance or, in certain cases, private funds to support the necessary debt service are identified consistent with the requirements of the Debt Management Policy.

FY 2011 Debt Issues—Additional debt totaling \$22.4 million will be issued in Fall 2012. Projects supported with this debt issuance include \$8.0 million supporting expansion of the Sadler Center and \$14.4 million supporting construction of Fraternity Houses and Dormitory Renovations. The College's FY 2013 fee structure as approved by the Board of Visitors in April, 2011 includes support for these projects.

Variable Rate Debt—The College currently has no outstanding variable rate debt.

Annual Debt Service Cost as Percentage of Total Operating Expense—The Debt Management Policy stipulates that maximum annual debt service cost as a percentage of total operating expense shall not exceed 10% and that debt issued in any given year shall be limited to an amount that allows the debt service to total operating expense ratio to remain at or below the 10% maximum. Information regarding this ratio follows:

	<u>Debt Service</u>	<u>Operating Expense</u>	<u>Ratio</u>
FY 2005	\$ 7,365,582	\$ 242,353,404	3.0%
FY 2006	\$ 9,455,463	\$ 265,176,627	3.6%
FY 2007	\$12,636,150	\$ 286,757,884	4.4%
FY 2008	\$14,339,019	\$ 341,455,071	4.2%
FY 2009	\$16,155,177	\$ 332,641,291	4.9%
FY 2010	\$21,345,791	\$ 319,212,227	6.7%
FY 2011	\$19,754,806	\$ 337,426,850	5.9%
FY 2012 (e)	\$22,699,963	\$ 344,175,387	6.6%
FY 2013 (e)	\$23,052,651	\$ 351,058,895	6.6%

- (e) The FY 2013 ratio reflects an estimate for debt service and two percent annual growth in operating expense above FY 2012 levels.

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The increase in the debt service to operating expense ratio over this period reflects College investment in new or expanded campus facilities. Major projects include construction of the Jamestown Road and Fraternity Residence Halls, the Integrated Science Center, and the School of Business facility as well as expansion of the Student Recreation Center and upgrades to the College's utility systems.

Debt Service authorized by the Board of Visitors and the Commonwealth but not yet issued—Debt supported capital project previously authorized by the Board of Visitors and the Commonwealth for which the College has not yet requested that debt be issued includes the following:

<u>Project</u>	<u>Authorized Debt Service</u>
Campus Center Renovations	\$35,000,000
Athletic Facility Improvements	\$ 3,700,000
Auxiliary Facility Improvements	\$ 4,000,000

As of June 30, 2012, the Virginia Institute of Marine Science has no outstanding long-term debt nor have any new debt supported projects been authorized by the Board of Visitors or the Commonwealth of Virginia.

As of June 30, 2012, Richard Bland College does not have any long-term 9(c) or 9(d) debt. In conjunction with providing on-campus housing for its students, the institution signed a Support and Operating Agreement with the Richard Bland College Foundation to operate the residence halls opened in Fall, 2008. The Foundation financed this project by issuing \$27 million in tax exempt revenue bonds through the Industrial Development Authorities of Prince George, Dinwiddie, Sussex, and Isle of Wight counties. The College has made a general revenue pledge approved by the 2007 General Assembly in support of the debt retirement and operating costs of the residence halls. For accounting purposes this is recognized as a long-term obligation capital lease on the books of Richard Bland College.

September 19-21, 2012

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Appendix A
College of William and Mary
Outstanding Bond Debt

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Maturity</u>	<u>Outstanding Balance as of June 30, 2012</u>
Section 9(d) Bonds:			
Barksdale Dormitory, Series 2003A	2.000 - 5.000	2024	\$ 175,000
Barksdale Dormitory, Series 2004A	3.000 - 5.000	2025	1,470,000
Barksdale Dormitory, Series 2005A	3.500 - 5.000	2026	3,995,000
Barksdale Dormitory, Series 2006A	3.000 - 5.000	2027	1,620,000
Barksdale Dormitory, Series 2010B	2.000 - 5.000	2021	450,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2024	640,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2025	6,495,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2025	6,330,000
William and Mary Hall, Series 2004B	3.000 - 5.000	2016	685,000
William and Mary Hall, Series 2007B	4.000- 4.250	2018	165,000
Parking Deck, Series 2003A	2.000 - 5.000	2024	370,000
Parking Deck, Series 2004A	3.000 - 5.000	2025	315,000
Parking Deck, Series 2005A	3.500 - 5.000	2026	1,975,000
Parking Deck, Series 2010B	2.000 - 5.000	2021	950,000
Parking Deck, Series 2012A	3.000 - 5.000	2024	1,355,000
Parking Deck, Series 2012A	3.000 - 5.000	2025	1,385,000
Parking Deck, Series 2012A	3.000 - 5.000	2025	3,140,000
Recreation Sports Center, Series 2003A	2.000 - 5.000	2024	90,000
Recreation Sports Center, Series 2004A	3.500 - 5.000	2025	1,040,000
Recreation Sports Center, Series 2005A	3.500 - 5.000	2026	770,000
Recreation Sports Center, Series 2010B	2.000 - 5.000	2021	220,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2024	315,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	4,585,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	1,225,000
Improve Athletics Facilities, Series 2005A	3.500 - 5.000	2026	1,065,000
Improve Athletics Facilities, Series 2006A	3.000 - 5.000	2027	650,000
Improve Athletics Facilities, Series 2012A	3.000 - 5.000	2025	1,655,000
Marshall-Wythe Library, Series 2004B	3.000 - 5.000	2019	1,010,000
Law School Library, Series 2003A	2.000 - 5.000	2024	105,000
Law School Library, Series 2007A	4.500 - 5.000	2027	3,185,000
Law School Library, Series 2010B	2.000 - 5.000	2021	260,000

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Law School Library, Series 2012A	3.000 - 5.000	2024	385,000
Magnet Facility, Series 2003A	2.000 - 5.000	2024	225,000
Magnet Facility, Series 2010B	2.000 - 5.000	2021	570,000
Magnet Facility, Series 2012A	3.000 - 5.000	2024	805,000
Williamsburg Hospital/School of Education, 2006A	3.000 - 5.000	2027	2,030,000
J. Laycock Football Facility, Series 2006A	3.000 - 5.000	2027	4,675,000
Residence Hall Fire Safety Systems, Series 2006A	3.000 - 5.000	2027	1,640,000
School of Business, Series 2007A	4.500 - 5.000	2027	20,585,000
School of Business, Series 2009A	2.750 - 4.000	2016	19,070,000
Integrated Science Center, Series 2007A	4.500 - 5.000	2027	10,795,000
Integrated Science Center, Series 2009A	2.750 - 5.000	2029	6,060,000
Power Plant Renovations, Series 2007A	4.500 - 5.000	2027	4,225,000
Busch Field Astro turf Replacement, Series 2009B	2.000 - 5.000	2029	1,335,000
Cooling Plant & Utilities, Series 2009B	2.000 - 5.000	2029	11,000,000
Cooling Plant & Utilities, Series 2010A1&A2	2.000 - 5.500	2031	10,765,000
AshLawn Barn, Series 2010A1&A2	2.000 - 5.500	2031	<u>750,000</u>
Total 9 (d) bonds			142,605,000
Deferred Gain/(Loss) on Advance Refundings			(3,082,644)
Unamortized premiums (discounts)			<u>11,241,118</u>
Net notes payable			<u>\$ 150,763,474</u>

<u>Description</u>	<u>Interest Rates(%)</u>	<u>Maturity</u>	<u>Balance as of June 30, 2012</u>
Section 9(c) bonds payable:			
Dormitory, Series 2004B2	3.000 - 5.000	2017	256,943
Dormitory, Series 2004B3	3.000 - 5.000	2017	1,144,123
Dormitory, Series 2004B4	3.000 - 5.000	2018	2,443,250
Dormitory, Series 2004B5	3.000 - 5.000	2020	2,323,816
Dormitory, Series 2005A1	3.500 - 5.000	2026	1,870,000
Dormitory, Series 2006A1	4.000 - 5.000	2014	40,000
Dormitory, Series 2006A2	4.000 - 5.000	2015	760,000
Dormitory, Series 2008B	3.000 - 5.000	2013	106,203
Dormitory, Series 2009C	3.000 - 4.000	2021	383,984
Dormitory, Series 2009C	3.000 - 4.000	2022	2,582,213

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Dormitory, Series 2009D	2.500 - 5.000	2022	1,940,000
Renovate Residence Halls, Series 2010A2	2.000 - 5.000	2030	4,160,000
Dormitory, Series 2012A	3.000 - 5.000	2013	21,031
Dormitory, Series 2012A	3.000 - 5.000	2016	429,179
Dormitory, Series 2012A	3.000 - 5.000	2013	136,598
Dormitory, Series 2012A	3.000 - 5.000	2024	<u>779,720</u>
Renovation of Dormitories			19,377,060
Graduate Housing, Series 2006B	4.000 - 5.000	2026	2,240,000
Graduate Housing, Series 2008B	3.000 - 5.000	2028	2,145,000
Graduate Housing, Series 2009D	2.500 - 5.000	2022	<u>1,270,000</u>
Graduate Housing			5,655,000
Construct New Dormitory, Series 2010A2	2.000 - 5.000	2030	1,885,000
Construct New Dormitory, Series 2011A	3.000 - 5.000	2031	<u>14,400,000</u>
Construct New Dormitory			16,285,000
University Center, Series 2008B	3.000 - 5.000	2013	806,998
University Center, Series 2012A	3.000 - 5.000	2013	<u>7,010</u>
University Center			814,008
Underground Utility, Series 2004B1	3.000 - 5.000	2017	669,021
Underground Utility, Series 2012A	3.000 - 5.000	2016	<u>388,481</u>
Underground Utility			1,057,502
Renovate Commons Dining Hall, Series 2005A2	3.500 - 5.000	2026	3,075,000
Renovate Commons Dining Hall, Series 2009D	2.500 - 5.000	2022	3,200,000
Renovate Commons Dining Hall, Series 2012A	3.000 - 5.000	2024	<u>1,289,537</u>
Commons Dining Hall			7,564,537
Total bonds payable			50,753,107
Deferred Gain/(Loss) on Advance Refundings			(917,613)
Unamortized premiums (discounts)			<u>3,878,250</u>
Net bonds payable			<u>\$ 53,713,744</u>

**THE COLLEGE OF WILLIAM AND MARY
FY 2012-2013 OPERATING BUDGET SUMMARY**

	<u>2009-2010</u> <u>Actual</u>	<u>2010-2011</u> <u>Actual</u>	<u>Original</u> <u>2011-2012</u> <u>Budget</u>	<u>2011-2012</u> <u>Actual</u>	<u>Variance</u>	<u>Approved</u> <u>2012-2013</u> <u>Budget</u>
CARRYOVER BALANCE			\$ 1,000,000			
REVENUE						
Federal Stimulus Funds	\$ 2,188,188	\$ 6,943,426	\$ 0	\$ 0	\$ 0	\$ 0
General Funds						
Educational/General	38,602,485	40,468,124	35,010,223	36,086,016	1,075,793	38,146,486
Student Aid	3,546,629	3,620,227	3,769,066	3,801,479	32,413	3,870,482
Sponsored Programs	752,516	414,000	1,800,000	414,000	(1,386,000)	1,800,000
Nongeneral Funds						
Educational/General	96,036,808	104,833,567	111,671,350	114,126,476	2,455,126	118,453,744
Student Aid	8,463,763	11,669,617	13,209,683	16,473,331	3,263,648	17,827,565
Auxiliary Enterprise	76,933,782	81,120,439	81,979,919	85,844,824	3,864,905	87,561,134
Sponsored Programs	28,632,339	31,484,073	28,850,000	27,815,177	(1,034,823)	28,850,000
Private Funds	10,545,463	11,822,623	11,885,696	11,980,923	95,227	11,444,953
Total Revenue	\$ 265,701,973	\$ 292,376,096	\$ 288,175,937	\$ 296,542,226	\$ 8,366,289	\$ 307,954,364
EXPENDITURES						
Instruction	\$ 78,203,710	\$ 84,125,717	\$ 84,756,199	\$ 83,738,512	\$ (1,017,687)	\$ 89,608,192
Research	1,415,736	1,057,239	986,052	1,211,472	\$ 225,420	1,363,488
Public Service	39,120	51,929	27,278	57,936	30,658	53,139
Academic Support	23,438,713	25,007,397	24,113,046	24,459,412	346,366	25,465,377
Student Services	7,655,487	8,430,764	7,329,823	8,844,961	1,515,138	8,306,806
Institutional Support	18,610,925	21,428,918	22,556,602	21,571,241	(985,361)	23,679,023
Plant Operations	14,706,671	17,660,001	17,148,447	16,366,345	(782,102)	17,451,663
Student Aid	15,085,872	17,982,111	20,161,270	23,280,397	3,119,127	25,367,150
Auxiliary Enterprise	72,248,456	76,226,174	80,829,345	82,083,973	1,254,628	85,712,359
Sponsored Programs	29,384,855	31,898,073	30,650,000	28,229,177	(2,420,823)	30,650,000
Unallocated			(1,000,000)	0	1,000,000	0
Total Expenditures	\$ 260,789,545	\$ 283,868,323	\$ 287,558,062	\$ 289,843,426	\$ 2,285,364	\$ 307,657,197

The College of William and Mary
Education and General
2012-2013 Operating Budget Summary

	2009-2010 <u>Actual</u>	2010-2011 <u>Actual</u>	Original 2011-2012 <u>Budget</u>	2011-2012 <u>Actual</u>	Variance	Approved 2012-2013 <u>Budget</u>
CARRYOVER BALANCE			\$1,000,000			
REVENUE:						
Federal Stimulus Funds	\$2,188,188	\$6,943,426	\$0	\$0	\$0	\$0
General Funds	38,602,485	40,468,124	35,010,223	36,086,016	1,075,793	38,146,486
Nongeneral Funds	96,036,808	104,833,567	111,671,350	\$114,126,476	2,455,126	118,453,744
Total Revenue	\$136,827,481	\$152,245,117	\$146,681,573	\$150,212,492	\$3,530,919	\$156,600,230
AVAILABLE FOR EXPENDITURES	\$136,827,481	\$152,245,117	\$147,681,573	\$150,212,492	\$3,530,919	\$156,600,230
EXPENDITURES:						
Instruction	\$77,289,596	\$83,314,623	\$83,552,387	\$82,924,339	(\$628,048)	\$88,424,697
Research	1,229,159	853,270	824,440	955,879	131,439	948,413
Public Service	8,021	8,306	8,179	8,277	98	8,021
Academic Support	22,461,848	24,448,507	23,390,558	23,978,107	587,549	24,483,797
Student Services	7,221,394	8,116,604	7,125,027	8,686,997	1,561,970	8,185,060
Institutional Support	14,226,286	18,198,069	16,683,664	16,680,484	(3,180)	17,166,899
Plant Operations	14,391,177	17,265,065	17,097,318	16,318,181	(779,137)	17,383,343
Unallocated			(1,000,000)	0	\$1,000,000	-
Total Expenditures	136,827,481	\$152,204,444	\$147,681,573	\$149,552,264	\$1,870,691	\$156,600,230

The College of William and Mary
Student Financial Assistance*
2012-2013

	2009-2010 <u>Actual</u>	2010-2011 <u>Actual</u>	Original 2011-2012 <u>Budget</u>	2011-2012 <u>Actual</u>	Variance	Approved 2012-2013 <u>Budget</u>
REVENUE:						
General Funds	\$3,546,629	\$3,620,227	\$3,769,066	\$3,801,479	\$32,413	\$3,870,482
Nongeneral Funds	8,463,763	11,669,617	13,209,683	16,473,331	3,263,648	17,827,565
Auxiliary Enterprises						247,807
Total Revenue	\$12,010,392	\$15,289,844	\$16,978,749	\$20,274,810	\$3,296,061	\$21,945,854
EXPENDITURES:						
General Funds	\$12,009,892	\$15,257,056	\$16,978,749	\$20,274,810	\$3,296,061	\$21,945,854

* Excludes student financial assistance support included in Board of Visitors private fund budget.

The College of William and Mary
Education and General
2012-2013 Operating Budget Summary

	2009-2010 Actual	2010-2011 Actual	Original 2011-2012 Budget	2011-2012 Actual	Variance	Approved 2012-2013 Budget
CARRYOVER BALANCE			1,000,000			
REVENUE						
Federal Stimulus Funds	\$2,188,188	\$6,943,426	\$0	\$0	\$0	\$0
General Funds	38,602,485	40,468,124	35,010,223	36,086,016	1,075,793	38,146,484
Nongeneral Funds	96,036,808	104,833,567	111,671,350	114,126,476	2,455,126	118,453,744
TOTAL REVENUE	\$136,827,481	\$152,245,117	\$146,681,573	\$150,212,492	\$3,530,919	\$156,600,228
AVAILABLE FOR EXPENDITURES	\$136,827,481	\$152,245,117	\$147,681,573	\$150,212,492	\$3,530,919	\$156,600,228
EXPENDITURES						
Instruction						
Personal Services	\$70,134,557	\$73,629,791	\$75,561,008	\$77,055,642	\$1,494,634	\$81,215,009
Contractual Services	2,424,968	3,938,195	3,087,676	2,988,256	(99,419,67)	3,380,566
Supplies and Materials	652,582	648,368	825,899	699,638	(126,261.22)	818,075
Transfer Payments	2,465,667	2,960,258	684,728	1,152,384	467,656	1,184,728
Continuous Charges	549,491	474,432	540,970	383,655	(157,315)	477,757
Property & Improvements	484,589	58,849	75,000	99,456	24,456	100,000
Equipment	577,743	1,602,847	2,777,106	545,307	(2,231,799)	1,248,562
Indirect Costs	0	1,884	0	0	-	0
TOTAL	\$77,289,596	\$83,314,623	\$83,552,387	\$82,924,339	(\$628,048)	\$88,424,697
Research						
Personal Services	\$723,906	\$495,040	\$460,786	\$649,918	\$189,132	\$645,882

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	2009-2010 <u>Actual</u>	2010-2011 <u>Actual</u>	Original 2011-2012 <u>Budget</u>	2011-2012 <u>Actual</u>	Variance	Approved 2012-2013 <u>Budget</u>
Contractual Services	146,182	61,076	56,746	55,457	(1,289)	51,746
Supplies and Materials	13,137	1,258	22,452	1,944	(20,508)	520
Transfer Payments	291,129	284,965	208,371	246,465	38,094	244,965
Continuous Charges	1,036	592	300	556	256	300
Property & Improvements	39,555	0	0	6	6	0
Equipment	14,214	10,339	75,785	1,533	(74,252)	5,000
TOTAL	\$1,229,159	\$853,270	\$824,440	\$955,879	\$131,439	\$948,413
<u>Public Service</u>						
Personal Services	\$3,025	\$1,543	\$2,760	\$0	(\$2,760)	\$760
Contractual Services	3,354	6,649	4,942	7,171	2,229	5,784
Supplies and Materials	4	0	477	105	(372)	477
Continuous Charges	0	0	0	1,000	1,000	1000
Equipment	1,638	115	0	0	-	0
TOTAL	\$8,021	\$8,306	\$8,179	\$8,277	\$98	\$8,021
<u>Academic Support</u>						
LIBRARIES:						
Personal Services	\$5,156,477	\$5,179,592	\$5,339,186	\$5,289,202	(\$49,984)	\$5,627,678
Contractual Services	757,362	712,663	443,399	1,292,468	849,069	926,061

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	2009-2010 <u>Actual</u>	2010-2011 <u>Actual</u>	Original 2011-2012 <u>Budget</u>	2011-2012 <u>Actual</u>	Variance	Approved 2012-2013 <u>Budget</u>
Supplies and Materials	46,463	58,873	38,658	37,542	(\$1,117)	38,658
Transfer Payments	0	0	0	0	0	0
Continuous Charges	1,797	4	93,422	8,020	(85,402)	5,000
Property & Improvements	0	0	0	0	0	0
Equipment	3,494,370	3,694,597	3,799,255	3,119,663	(679,592)	3,495,809
TOTAL	\$9,456,468	\$9,645,729	\$9,713,920	\$9,746,895	\$32,975	\$10,093,206
OTHER ACAD. SUPPORT:						
Personal Services	\$10,849,486	\$11,709,868	\$10,922,771	\$11,556,501	\$633,730	\$11,641,659
Contractual Services	1,218,375	1,917,972	1,569,403	1,720,289	150,886	1,790,395
Supplies and Materials	84,640	59,840	137,001	117,588	(19,413)	91,701
Transfer Payments	73,396	112,599	74,566	140,491	65,925	123,506
Continuous Charges	93,302	114,436	295,761	157,112	(138,649)	140,167
Property & Improvements	1,340	36,532	0	3,045	3,045	0
Equipment	516,494	837,501	662,771	536,186	(126,585)	603,163
Obligations	168,347	14,029	14,365	0	(14,365)	-
TOTAL	\$13,005,380	\$14,802,778	\$13,676,638	\$14,231,211	\$554,573	\$14,390,591
TOTAL ACADEMIC SUPPORT	\$22,461,848	\$24,448,507	\$23,390,558	\$23,978,107	\$587,549	\$24,483,797

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	2009-2010 <u>Actual</u>	2010-2011 <u>Actual</u>	Original 2011-2012 <u>Budget</u>	2011-2012 <u>Actual</u>	Variance	Approved 2012-2013 <u>Budget</u>
<u>Student Services</u>						
Personal Services	\$6,084,190	\$6,895,763	\$5,905,506	\$7,372,765	\$1,467,259	\$6,955,581
Contractual Services	852,752	925,352	955,545	1,022,977	67,432	912,655
Supplies and Materials	126,186	145,673	123,624	162,449	38,825	154,059
Transfer Payments	72,952	68,344	23,752	65,654	41,902	69,039
Continuous Charges	5,881	3,857	3,750	13,953	10,203	4,150
Property & Improvements	63	9,589	0	415	415	0
Equipment	79,369	68,026	112,850	48,784	(64,066)	89,576
TOTAL	\$7,221,394	\$8,116,604	\$7,125,027	\$8,686,997	\$1,561,970	\$8,185,060
<u>Institutional Support</u>						
Personal Services	\$12,000,827	\$15,577,617	\$12,945,972	\$13,569,653	\$623,681	\$14,354,987
Contractual Services	1,264,059	1,500,147	2,607,799	1,614,527	(993,272)	1,778,916
Supplies and Materials	133,992	197,259	168,216	168,925	709	168,216
Transfer Payments	73,308	142,676	94,454	80,088	(14,366)	72,490
Continuous Charges	471,053	484,182	531,870	1,016,519	484,649	569,319
Property & Improvements	1,537	14,699	0	3,651	3,651	0
Equipment	222,362	276,560	327,306	227,097	(100,209)	222,971
VIMS Service Centers				25	25	

	2009-2010 <u>Actual</u>	2010-2011 <u>Actual</u>	Original 2011-2012 <u>Budget</u>	2011-2012 <u>Actual</u>	Variance	Approved 2012-2013 <u>Budget</u>
Obligations	59,148	4,929	8,047	0	(8,047)	-
TOTAL	\$14,226,286	\$18,198,069	\$16,683,664	\$16,680,484	(\$3,180)	\$17,166,899
Plant Operations						
Personal Services	\$3,742,549	\$5,191,152	\$4,445,498	\$4,342,843	(\$102,655)	\$4,932,970
Contractual Services	4,355,849	5,876,269	5,314,103	5,315,745	1,642	5,374,687
Supplies and Materials	1,570,388	1,810,488	1,850,775	1,762,157	(88,618)	1,631,635
Transfer Payments	0	0	0	1,713	1713	0
Continuous Charges	4,422,237	4,061,056	5,057,787	4,844,830	(212,957)	4,969,592
Property & Improvements	39,728	205,268	144,575	51,419	(93,156)	144,575
Equipment	260,425	120,832	284,580	(525)	(285,105)	329,884
TOTAL	\$14,391,177	\$17,265,065	\$17,097,318	\$16,318,181	(\$779,137)	\$17,383,343
Contingency Unallocated	\$0	\$0	\$0	\$0	-	\$0
E&G PROGRAM TOTAL	\$136,827,481	\$152,204,444	\$147,681,573	\$149,552,264	\$870,691	\$156,600,230

The College of William and Mary
 Auxiliary Enterprise
2012-2013 Operating Budget Summary

	2009-2010 Actual	2010-2011 Actual	Original 2011-2012 Budget	2011-2012 Actual	Variance	Approved 2012-2013 Budget
REVENUE						
Residence Life	\$22,639,688	\$23,860,980	\$23,567,000	\$24,293,056	\$726,056	\$25,071,000
Food Service	13,739,009	13,906,637	14,191,000	14,806,373	615,373	14,961,390
Telecom/Network	3,588,710	3,684,668	3,515,230	3,584,150	68,920	3,515,230
Student Unions	2,859,634	2,899,844	2,735,600	2,898,509	162,909	2,901,000
W&M Hall	1,991,145	2,172,942	2,204,100	2,363,126	159,026	2,325,250
Athletics	17,018,614	18,755,845	19,520,400	19,452,717	(67,683)	20,370,090
Other	15,096,982	15,859,523	16,246,589	18,446,893	2,200,304	18,417,174
Total Revenue	\$76,933,782	\$81,120,439	\$81,979,919	\$85,844,824	\$3,864,905	\$87,561,134
EXPENDITURES						
Residence Life	\$20,758,808	\$22,235,788	\$23,562,000	\$22,958,496	(\$603,504)	\$24,967,000
Food Service	12,970,853	12,191,866	13,439,680	13,595,181	155,501	14,280,004
Telecom/Network	3,469,172	3,509,928	3,418,286	3,569,041	150,755	3,411,615
Student Unions	2,536,867	2,714,689	2,735,600	2,925,710	190,110	2,789,800
W&M Hall	1,617,105	2,109,104	2,204,100	2,075,466	(128,634)	2,039,400
Athletics	16,911,072	18,744,923	19,520,400	19,367,785	(152,615)	20,370,090
Other	13,984,579	14,719,876	15,949,279	17,592,294	1,643,015	17,854,450
Total Expenditures	\$72,248,456	\$76,226,174	\$80,829,345	\$82,083,973	\$1,254,628	\$85,712,359

The College of William and Mary
Sponsored Programs
2012-2013 Operating Budget Summary

	2009-2010 <u>Actual</u>	2010-2011 <u>Actual</u>	Original 2011-2012 <u>Budget</u>	2011-2012 <u>Actual</u>	Variance	Approved 2012-2013 <u>Budget</u>
REVENUE						
General Fund	\$752,516	\$414,000	\$1,800,000	\$414,000	(\$1,386,000)	\$1,800,000
Nongeneral Fund	<u>28,632,339</u>	<u>31,484,073</u>	<u>28,850,000</u>	<u>27,815,177</u>	<u>(1,034,823)</u>	<u>28,850,000</u>
Total Revenue	\$29,384,855	\$31,898,073	\$30,650,000	\$28,229,177	(\$2,420,823)	\$30,650,000
EXPENDITURES						
	\$29,384,855	\$31,898,073	\$30,650,000	\$28,229,177	(\$2,420,823)	\$30,650,000

September 19-21, 2012

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THE COLLEGE OF WILLIAM & MARY
2012-2013 PRIVATE FUNDS BUDGET SUMMARY

	2009-2010 Actual	2010-2011 Actual	Original 2011-2012 Budget	2011-2012 Actual	Variance	Approved 2012-2013 Budget
REVENUE:						
Distributed Endowment Income	\$2,005,031	\$2,017,708	\$2,102,696	\$2,102,696	\$0	\$2,334,953
Administrative Overhead Allocation	200,000	200,000	200,000	200,000	0	200,000
Transfers from Other Sources	533,492	102,084	283,000	518,021	235,021	173,000
Interest on Cash Balances **	15,539	153,395	186,000	90,444	(95,556)	125,000
Annual Gifts	7,195,279	8,451,745	7,600,000	7,397,505	(202,495)	7,300,000
Drawdown from BOV Quasi Endowment	0	0	1,000,000	1,000,000	0	775,000
Distribution from External Trusts	25,421	34,328	14,000	21,210	7,210	17,000
Other Revenue	570,701	863,363	500,000	651,047	151,047	520,000
Total Revenue	\$10,545,463	\$11,822,623	\$11,885,696	\$11,980,923	\$95,227	\$11,444,953
EXPENDITURES:						
Instruction	\$914,114	\$811,094	\$1,203,812	\$814,173	(\$389,639)	\$1,183,495
Research	186,577	203,969	161,612	255,593	93,981	415,075
Public Service	31,099	43,623	19,099	49,659	30,560	45,118
Academic Support	976,865	558,890	722,488	481,305	(241,183)	981,580
Student Services	434,093	314,160	204,796	157,964	(46,832)	121,746
Institutional Support	4,384,639	3,230,849	5,872,938	4,890,757	(982,181)	6,512,124
Plant: Operations & Capital Improvement:	315,494	394,936	51,129	48,164	(2,965)	68,320
Student Aid	3,075,980	2,725,055	3,182,521	3,005,587	(176,934)	3,421,296
Total Expenditures	\$10,318,861	\$8,282,576	\$11,418,395	\$9,703,202	(\$1,715,193)	\$12,748,754

** Net of required transfers to VIMS, interest bearing grant funds, and interest escrow to Commonwealth of VA.

September 19-21, 2012

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**COLLEGE OF WILLIAM AND MARY
STATEMENT OF ENDOWMENT FUNDS
June 30, 2012**

	MARKET VALUE	
TRUE AND QUASI ENDOWMENT	June 30, 2012	June 30, 2011
BOARD OF VISITORS:		
General Pool	\$65,437,461	\$59,618,610
Green Portfolio	184,295	148,836
Non-Pooled Assets	6,655,380	6,800,560
TOTAL BOARD OF VISITORS	\$72,277,136	\$66,568,006
COLLEGE OF WILLIAM & MARY FOUNDATION:		
Pooled Investments	\$260,971,926	\$263,488,765
Eminent Scholars	65,650,585	67,368,561
VA Assistance Program	40,109,590	41,441,855
Non-Pooled Assets	133,619,131	116,263,324
TOTAL COLLEGE OF W & M FOUNDATION	\$500,351,232	\$488,562,505
MARSHALL-WYTHE FOUNDATION:		
General Pool	\$14,405,360	\$14,099,565
Eminent Scholars	9,762,942	8,746,676
VA Assistance Program	2,993,959	2,799,352
TOTAL MARSHALL-WYTHE FOUNDATION	\$27,162,261	\$25,645,593
WILLIAM & MARY BUSINESS SCHOOL FOUNDATION	\$35,301,778	\$35,696,449
VIMS FOUNDATION	\$8,182,478	\$7,341,781
OTHER SUPPORTING FOUNDATIONS	\$958,445	\$911,993
TOTAL TRUE AND QUASI ENDOWMENT	\$644,233,330	\$624,726,327
DEFERRED GIFT INSTRUMENTS:		
Net Life Income Funds (book value)	\$6,670,803	\$7,228,914
Life Insurance (book value)	1,380,179	1,334,696
TOTAL DEFERRED GIFTS:	\$8,050,982	\$8,563,610

September 19-21, 2012

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**COLLEGE OF WILLIAM & MARY
STATEMENT OF ENDOWMENT FUNDS
NON-POOLED ENDOWMENT CORPUS AND
OTHER SUPPORTING FOUNDATIONS**

	BOV	CWMF	OTHER	6/30/12 TOTAL	6/30/11 TOTAL
SPECIFIC SECURITIES:					
Coin Collection (Payne)	280	0	0	280	280
Private Equity Commitment	0	1,114,075	0	1,114,075	0
EXTERNAL TRUSTS/FOUNDATION & OTHER NON-POOLED INVESTMENTS:					
Dorman Trust	0	418,761	0	418,761	432,432
Lettie Pate Evans Trust	0	125,506,746	0	125,506,746	108,638,272
Schepmoes Trust	0	3,636,815	0	3,636,815	3,855,356
Dorman - Wren Preservation Acct.	0	514,290	0	514,290	528,335
Sumner Rand Foundation	0	0	958,445	958,445	911,993
REAL ESTATE & PROPERTY: *					
Student and Faculty Housing	1,252,556	20,528	0	1,273,084	1,275,242
Administrative Use	120,611	0	0	120,611	120,611
Land	5,271,595	95,300	0	5,366,895	5,366,895
Life Tenancy	0	622,441	0	622,441	1,162,423
CWM Real Estate Foundation	0	1,350,000	0	1,350,000	1,350,000
GIFTS RECEIVED BUT NOT INVESTED	0	216,150	0	216,150	0
MISC. GIFT RECEIVABLES:	10,338	124,025	0	134,363	334,038
TOTALS	<u>\$6,655,380</u>	<u>\$133,619,131</u>	<u>\$958,445</u>	<u>\$141,232,956</u>	<u>\$123,975,877</u>

*Carrying value less accumulated depreciation

VIRGINIA INSTITUTE OF MARINE SCIENCE
FY 2014 OPERATING AND CAPITAL BUDGET AMENDMENTS

The Virginia Institute of Marine Science has developed operating and capital budget requests as part of the Commonwealth's budget development process for the 2013 session. The Institute has followed the guidelines as directed by the Governor, and given that this budget is to amend the biennial budget, VIMS is not putting forward any new initiatives for considerations.

The three operating budget initiatives are consistent with amendment requests previously approved by the Board of Visitors, are included in the Institute's six-year plan, and align with the goals and objectives of the Commonwealth. In addition, the three capital requests include projects that are on Institute's Capital Outlay Six Year Plan.

THEREFORE, BE IT RESOLVED, that the Board of Visitors of the College of William and Mary in Virginia approves the following operating and capital budget amendments for the Virginia Institute of Marine Science for submission to the Commonwealth as part of the 2012-14 budget development process.

VIRGINIA INSTITUTE OF MARINE SCIENCE
FY 2014 OPERATING AND CAPITAL BUDGET AMENDMENTS

OPERATING AMENDMENTS

Faculty Positions

FY 2013-14
 \$251,411 GF (on-going)
 \$140,270 GF (one-time)
 2.0 FTE

This initiative requests establishment of two faculty positions that will aid the Institute's three-part mission to educate students and citizens, conduct interdisciplinary research in coastal ocean and estuarine science, and provide advisory service to policy makers, industry, and the public. Establishing new faculty positions will increase the number of students in the STEM disciplines, enhance VIMS' ability to educate the public and improve science literacy, provide necessary information to local, state and federal regulatory agencies, and conduct cutting-edge research in emerging areas such as renewable energy and biosensor development that create economic opportunities. Moreover, an increase in faculty will enable us to respond more quickly and effectively to the needs of the Commonwealth. Over the years, VIMS' faculty have conducted research on many critical State issues such as the Pfiesteria outbreak, introduction of non-native oysters in Chesapeake Bay, and the population status of Atlantic menhaden, and have disseminated advice on those areas to the Commonwealth. The *Code of Virginia* explicitly defines VIMS as the Commonwealth's advisor on marine-related issues and outlines over 30 VIMS-specific mandates.

Information Technology & High Performance Computing

FY 2013-14
 \$409,302 GF (on-going)
 \$785,000 GF (one-time)
 3.0 FTE

This initiative requests equipment and operating funds to centralize support for the High Performance Computing platforms, which includes increasing the network capacity by tenfold to ensure state-of-the-art modeling and simulation computations. The equipment upgrades will meet the rapidly-growing needs of increased data collection capacity for highly-sophisticated programs that conduct fish DNA analysis, engage in genome studies, and conduct other real-time simulation and modeling analyses in the coastal and ocean environment. VIMS fulfills a unique niche in HPC by modeling water quality analysis for environmental and regulatory purposes, and storm-surge flooding predictions from hurricanes for risk assessment purposes.

VIRGINIA INSTITUTE OF MARINE SCIENCE
FY 2014 OPERATING AND CAPITAL BUDGET AMENDMENTS

Research Equipment Service Contracts

FY 2013-14
\$300,000 GF
0.0 FTE

This proposal requests funds for research and academic support by providing a mechanism to sustain equipment purchased by the State's Higher Education Equipment Trust Fund (HEETF). The HEETF allocations to VIMS over the past five years have been approximately \$2.5 million (\$500,000 per year), which has allowed VIMS to procure equipment items such as DNA sequencers, Gas Chromatographs, Mass Spectrometers, and related analytical equipment. These are mission-dependent scientific pieces of equipment, all of which support STEM activities at VIMS. Specific examples include genetic identification of fish species and fish stocks in support of management at both the national and international level, isolation and identification of harmful algal bloom species (including those producing toxins), identification and isolation of microscopic parasites of commercially valuable crustaceans (crabs and lobsters), and identification and environmental tracking of man-made complex organic compounds with known or potential human and/or environmental impacts. Moreover, VIMS has been able to pair HEETF funds with external grant and contract research activities in a way that has allowed VIMS to establish a competitive advantage for conducting cutting edge STEM research, particularly in Marine Science. Failure to maintain manufacturer dependent service compromises the full appreciation of the investment by the Commonwealth, increases expenses inefficiently by having ad hoc service calls, and importantly, can extend the research downtime thus delaying grant and contract deliverables and advisory service responses to the Commonwealth and other state agencies.

CAPITAL AMENDMENTS**Planning: Construct New Oyster Hatchery**

\$1,152,000 GF

This project supports the construction of a new 22,000 square-foot Hatchery Complex to replace the 40 year old VIMS Oyster Hatchery and will include office and laboratory space for oyster research, restoration efforts, industry and economic development, marine finfish culture and educational programs. This project must be coupled with the relocation of the Facilities Management Complex.

VIRGINIA INSTITUTE OF MARINE SCIENCE
FY 2014 OPERATING AND CAPITAL BUDGET AMENDMENTS

Planning: Relocate and Construct \$576,000 GF
Facilities Management Maintenance Facility

This project provides for a modern replacement building to house administrative offices, maintenance trades shops, automotive and equipment repair garage, grounds keeping, housekeeping, storage, and shipping and receiving. The new 15,000 square-foot facility would be relocated to a more appropriate part of campus to make way for the New Oyster Hatchery which must be located along the shoreline.

New Construction: Eastern Shore \$2,663,000 GF
Administration & Education Complex

This project supports the design and construction of three new buildings that total 10,200 square-foot to replace outdated buildings vulnerable to flooding on the Wachapreague campus. The complex includes administrative offices, an educational conference center with classrooms, convertible meeting rooms, a distance learning classroom, and a maintenance shop to support buildings, grounds, and vessel repairs. VIMS intends to fund the planning for this project with a combination of private funds and institutional funds.

**VIRGINIA INSTITUTE OF MARINE SCIENCE
FY 2012-2013 OPERATING BUDGET SUMMARY**

	<u>2009-10 Actual</u>	<u>2010-2011 Actual</u>	<u>Original 2011-2012 Budget</u>	<u>2011-2012 Actual</u>	<u>Variance</u>	<u>Approved 2012-13 Budget</u>
REVENUE						
General Fund	\$17,776,971	\$18,576,281	\$16,688,654	\$16,941,420	\$252,766	\$18,205,067
Nongeneral Funds						
Educational/General	1,735,439	1,759,741	1,811,188	2,464,708	653,520	1,852,132
Federal Stimulus	0	2,704,790	420,304	420,304	0	0
Eminent Scholars	0	0	0	0	0	75,000
Sponsored Programs	<u>22,168,374</u>	<u>18,609,523</u>	<u>21,500,000</u>	<u>20,281,919</u>	<u>(1,218,081)</u>	<u>21,500,000</u>
Total Revenue	\$41,680,784	\$41,650,335	\$40,420,146	\$40,108,351	(\$311,795)	\$41,632,199
EXPENDITURES						
Instruction	\$1,441,027	\$1,394,266	\$1,630,070	\$1,393,923	(\$236,147)	\$1,804,997
Research and Advisory Services	8,188,604	9,431,887	7,566,213	7,992,794	426,581	8,513,433
Academic Support	4,122,504	4,580,226	3,667,109	4,279,554	612,445	3,839,488
Institutional Support	2,017,786	3,159,290	1,634,176	1,895,487	261,311	1,630,036
Plant Operations	3,503,961	3,721,015	4,184,052	3,972,685	(211,367)	4,104,718
Student Financial Assistance	238,527	715,798	238,527	238,527	0	238,527
Sponsored Programs	<u>22,168,374</u>	<u>18,609,523</u>	<u>21,500,000</u>	<u>20,281,919</u>	<u>(1,218,081)</u>	<u>21,500,000</u>
Total Expenditures	\$41,680,784	\$41,612,005	\$40,420,146	\$40,054,889	(\$365,258)	\$41,631,199