



WILLIAM & MARY

CHARTERED 1693

# COMMITTEE ON FINANCIAL AFFAIRS

## Board of Visitors

*November 18, 2021*

# Today's Action Items

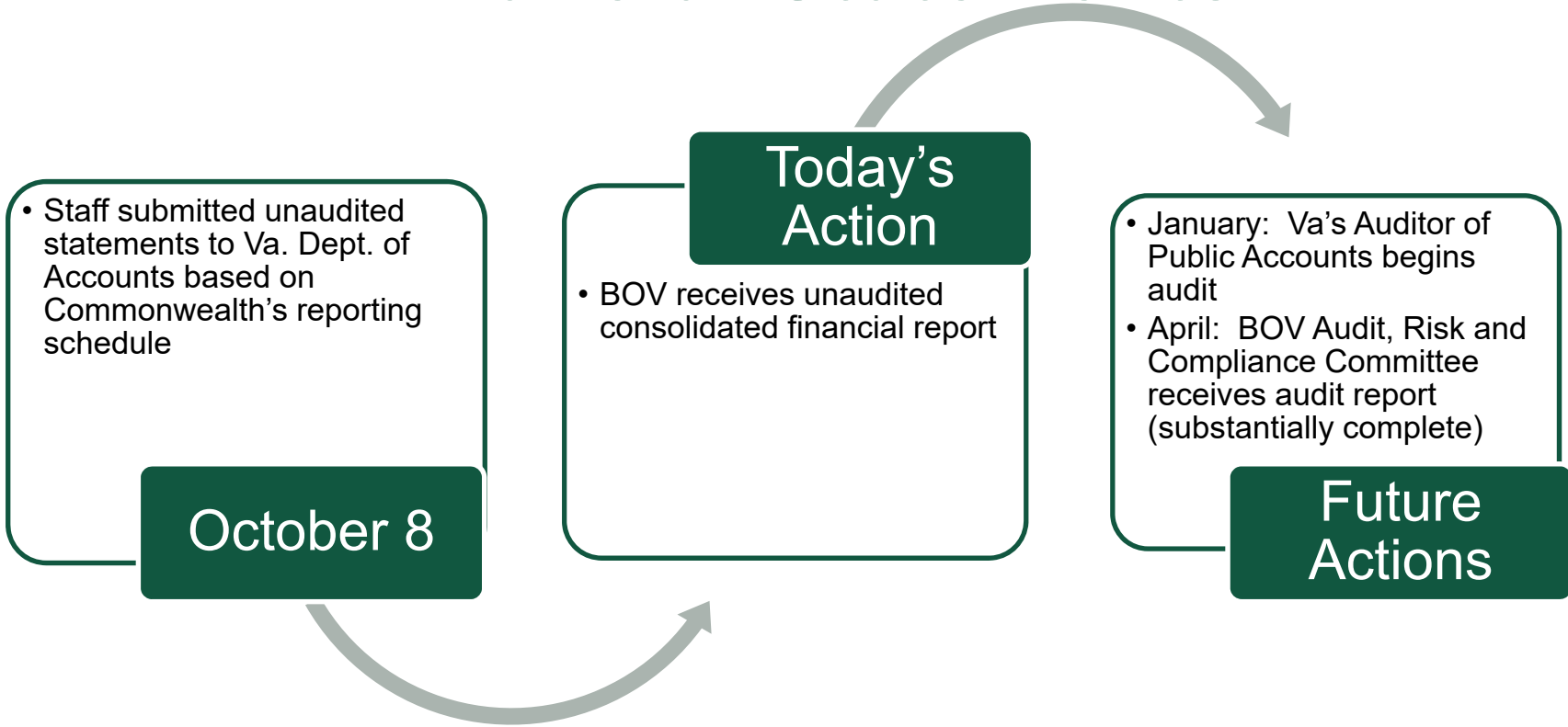
- RESOLUTION 2

Receive Unaudited FY21 Consolidated Financial Report

- RESOLUTION 3

Receive Unaudited FY21 Financial Report for Intercollegiate Athletics

# FY21 Consolidated Financial Statements



# Consolidated statements reflect all 3 entities under BOV control

- As required by GASB, statements consolidate all entities under BOV
  - “The University” includes William & Mary (W&M), Virginia Institute of Marine Science (VIMS), and Richard Bland College (RBC)
- Standards also require “Component Units” be consolidated separately
  - W&M Foundation
  - VIMS Foundation
  - RBC Foundation
  - Marshall-Wythe School of Law Foundation
  - School of Business Foundation
  - William & Mary Alumni Association
  - William & Mary Real Estate Foundation
  - Athletics Education Foundation (“Tribe Club”)
  - Intellectual Property Foundation

# VA's reporting process requires significant coordination and time

- Prepared under the accrual basis of accounting
  - Revenue recognized when earned rather than received
  - Expenses recognized when incurred rather than paid
- W&M Financial Operations leads coordinated effort
  - W&M prepares W&M and VIMS statements
  - RBC prepares RBC statements
  - 9 component units submit independent financial statements
- Included in VA's Comprehensive Annual Financial Report
- Reporting begins in July; audit complete in April/May

# Total net position up 9.9% or \$66.7M

(\$ in millions)

	FY21		FY20		% Change	
	University	Component Units	University	Component Units	University	Component Units
Assets	\$1,351.9	\$1,411.9	\$1,193.8	\$1,113.8	13.2%	26.8%
Deferred Outflows	45.2	--	37.3	--	21.2%	--
Liabilities	633.5	74.2	528.8	67.2	19.8%	10.4%
Deferred Inflows	29.7	--	34.4	--	(13.7%)	--
<b>Total Net Position</b>	<b>\$ 733.9</b>	<b>\$1,337.7</b>	<b>\$ 667.9</b>	<b>\$1,046.6</b>	<b>9.9%</b>	<b>27.8%</b>

- Total assets increased primarily due to increase in cash and investments due to cost containment, favorable market conditions and issuance of new debt.
- Component Unit assets increased primarily due to investments.
- The increases/decreases in deferred outflows and deferred inflows were due to pension obligations and other postemployment benefit obligations.
- Increase in liabilities due to issuance of debt offset by refunding of existing debt and increase in Net Pension Liability.

# Revenue growth driven by non-operating dollars

(\$ in millions)

	FY21		FY20		% Change	
	University	Comp Units	University	Comp Units	University	Comp Units
Operating	\$323.4	\$28.9	\$321.0	\$30.2	0.7%	(4.3%)
Non-Operating (net)	171.6	274.6	150.7	(15.6)	13.9%	1860.3%
Other	39.6	47.6	44.2	60.1	(10.4%)	(20.8%)
<b>Total Revenue</b>	<b>\$534.6</b>	<b>\$351.1</b>	<b>\$515.9</b>	<b>\$74.7</b>	<b>3.6%</b>	<b>370.0%</b>

# Operating revenue: Only tuition grew, all others declined

(\$ in millions)

Operating Revenues	FY21	FY20	Dollar Change	% Change
Student Tuition and Fees, net of scholarship allowances	\$ 196.4	\$182.3	\$14.1	7.7%
Federal, State, Local /Non-governmental grants and contracts	43.3	43.4	(0.1)	(0.1%)
Auxiliary Enterprise, net of scholarship allowances	77.7	88.4	(10.7)	(12.1%)
Other	5.9	6.8	(0.9)	(13.5%)
<b>Total Operating Revenues</b>	<b>\$323.4</b>	<b>\$321.0</b>	<b>\$ 2.4</b>	<b>0.8%</b>

- Operating revenue increased \$2.4M or <1 % as compared to the prior year.
- Student tuition and fees (net of scholarships) increased \$14.1M or 7.7% offset by a reduction in auxiliary enterprise revenue in response to pandemic conditions.



# State, federal, and capital appropriations grew

(\$ in millions)

Non-Operating Revenues	FY21	FY20	Dollar Change	% Change
State Appropriations	\$ 94.1	\$ 90.4	\$ 3.7	4.1%
Gifts, Investment Income and other income and expenses	77.5	60.3	17.2	28.5%
<b>Total Non-Operating</b>	<b>\$171.6</b>	<b>\$150.7</b>	<b>\$20.9</b>	<b>13.9%</b>
Other Revenues, Gains and (Losses)	FY21	FY20	Dollar Change	% Change
Capital Appropriations	\$ 32.3	\$ 22.8	\$ 9.5	41.6%
Capital Grants and Gifts	8.5	21.6	(13.1)	(60.5%)
Loss on disposal of assets	(1.2)	(0.2)	(1.0)	473.9%
<b>Total Other Revenues, Gains and (Losses)</b>	<b>\$ 39.6</b>	<b>\$ 44.2</b>	<b>\$ (4.6)</b>	<b>(10.4%)</b>
<b>TOTAL REVENUES</b>	<b>\$ 534.6</b>	<b>\$ 515.9</b>	<b>\$ 18.7</b>	<b>3.6%</b>

- Non-operating revenues grew, with increases in State Appropriations, federal Higher Education Emergency Relief Funds and investment income.
- The university and college experienced a decrease in Total Other Revenues due to capital grants and gifts offset by increase in capital appropriations.

# Expenses decreased 2%

(\$ in millions)

	FY21	FY20	Dollar Change	% Change
Instruction	\$136.2	\$140.3	\$ (4.2)	(3.0%)
Research/Public Service	55.0	55.7	(0.7)	(1.3%)
Academic Support	43.7	42.5	1.3	2.9%
Student Services	15.2	17.0	(1.8)	(10.5%)
Institutional Support	52.9	47.5	5.4	11.4%
Plant Operations	34.1	29.3	4.8	16.3%
Student Aid*	21.4	20.0	1.4	6.8%
Auxiliary Enterprises	70.1	88.1	(18.0)	(20.4%)
Depreciation	39.9	37.7	2.2	5.7%
Other	0.2	0.2	(0.0)	(18.9%)
<b>Total Expenditures</b>	<b>\$468.6</b>	<b>478.3</b>	<b>(9.7)</b>	<b>(2.0%)</b>

- Expenditures decreased by \$9.7 million or 2% due to cost containment measures offset by expenses for testing and other pandemic expenses.

\*Student aid is calculated net of scholarship allowances.

# **Resolution 2: Receive Unaudited FY21 Consolidated Financial Report**

**THEREFORE, BE IT RESOLVED**, that the Unaudited Consolidated Financial Report for the Year Ended June 30, 2021 for William & Mary, Virginia Institute of Marine Science, and Richard Bland College is hereby received by the Board of Visitors

# FY21 Unaudited Athletics Financial Report

- NCAA requires annual online report
- Va. APA reviews statements to ensure that they meet NCAA Agreed-Upon Procedures Guidelines



# COVID-19 Impact:

## Athletics revenue declined 12.5%

Operating Revenues	FY21	FY20	% Change
Ticket sales	\$ 19,400	\$ 991,600	(98.0%)
Student fees	15,230,600	15,091,000	0.9%
Indirect institutional support	1,406,100	1,274,800	10.3%
Contributions	2,851,200	5,625,800	(49.3%)
NCAA Distributions	1,143,500	830,200	37.7%
Royalties, licensing, advertising and sponsorships	636,200	913,400	(30.4%)
Endowment and investment income	4,028,600	3,858,400	4.4%
All Other	1,219,600	1,747,800	(30.2%)
<b>Total Revenue**</b>	<b>\$26,535,200</b>	<b>\$30,333,000</b>	<b>(12.5%)</b>

\*\* Figures may not add due to rounding.

# Expense management led to positive net income

Operating Expenditures	FY21	FY20	% Change
Athletic Student Aid	\$ 9,270,100	\$ 9,818,300	(5.6%)
Coaching Salaries & Benefits	4,965,700	5,818,100	(14.7%)
Staff Salaries & Benefits	4,644,500	5,147,300	(9.8%)
Team Travel	541,200	1,649,300	(67.2%)
Severance Payments	606,000	327,300	85.2%
Facility Debt Service, Leases & Rental Fees	1,754,000	1,560,400	12.4%
Direct Overhead & Administration Costs	852,500	1,274,800	(33.1%)
Sports Equipment, Uniforms & Supplies	1,101,800	1,286,200	(14.3%)
Game Expenses	327,500	815,200	(59.8%)
All Other Expenses	1,114,500	2,681,200	(58.4%)
<b>Total Expenses*</b>	<b>\$25,177,800</b>	<b>\$30,378,100</b>	<b>(17.1%)</b>
<b>Net Income</b>	<b>\$1,357,400</b>	<b>(\$45,100)</b>	

\* Figures may not add due to rounding.

# **Resolution 3: Receive FY21 Unaudited Athletics Financial Report**

**THEREFORE, BE IT RESOLVED**, that the Unaudited Financial Report of William & Mary's Intercollegiate Athletics Department for the Year Ended June 30, 2021, is hereby received by the Board of Visitors