

BOARD OF VISITORS
OF THE COLLEGE
OF WILLIAM AND MARY
IN VIRGINIA



WILLIAM
& MARY

COMMITTEE MEETINGS

Board Rooms - Blow Memorial Hall

November 18-20, 2009

SCHEDULE
Board of Visitors Committee Meetings
The College of William and Mary

November 18-20, 2009
Blow Memorial Hall - College of William and Mary

WEDNESDAY, NOVEMBER 18:

PLUMERI HOUSE – 119 CHANDLER COURT

6:45-8:45 p.m. Dinner

THURSDAY, NOVEMBER 19:

BOARD DINING ROOM

7:15 a.m. Continental breakfast available

RECTOR'S OFFICE - EXECUTIVE COMMITTEE

8:00-9:00 a.m. Executive Committee

Henry C. Wolf, Chair
John W. Gerdelman, Vice Chair

Charles A. Banks III
Janet M. Brashear
R. Philip Herget III
Anita O. Poston
Jeffrey B. Trammell

- A. Approval of Minutes
- B. Closed Session (if necessary)
- C. Discussion

BOARD CONFERENCE ROOM - RICHARD BLAND COLLEGE COMMITTEE

9:00-10:00 a.m. Richard Bland College Committee
(President McNeer, Provost Lindquist)
Dennis H. Liberson
Anita O. Poston
Jeffrey B. Trammell
Alexandra Duckworth
D. Ryan Goodwin

Kathy Y. Hornsby, Chair
Sarah I. Gore, Vice Chair

- A. Approval of Minutes
- B. Closed Session (if necessary)

Board of Visitors
SCHEDULE
November 18-20, 2009

THURSDAY, NOVEMBER 19:

Richard Bland College Committee – continued:

C. General Reports

1. Report from President
2. Report from Provost
3. Report from Dean of Administration and Finance
4. Report from Director of Institutional Advancement
5. Report from Faculty Representative
6. Report from Student Representative

D. Action Material

1. **Resolution 1**, pages 13-16
2. **Resolution 12**, page 65 (*joint with William and Mary*)

E. Informational Material

1. Enclosure A, page 17
2. Enclosure B, pages 18-23

BOARD ROOM - COMMITTEE ON DEVELOPMENT AND ALUMNI AFFAIRS

10:00-11:00 a.m. Committee on Development and Alumni Affairs
(Mr. Pieri, Ms. Cottrell)

R. Philip Herget III, Chair
Timothy P. Dunn, Vice Chair

Charles A. Banks III
Janet M. Brashear
Suzann W. Matthews
Michael Tang

- A. Approval of Minutes
- B. Alumni Association Report
- C. William and Mary Foundation Report
- D. University Development Report
- E. Closed Session (if necessary)

BOARD ROOM - COMMITTEE ON ADMINISTRATION

11:00-11:45 a.m. Committee on Administration
(Provost Halleran, Ms. Martin)
Dennis H. Liberson
Robert E. Scott
John Charles Thomas
Jeffrey B. Trammell

John W. Gerdelman, Chair
R. Philip Herget III, Vice Chair

- A. Approval of Minutes
- B. Report from Provost

Board of Visitors
SCHEDULE
November 18-20, 2009

THURSDAY, NOVEMBER 19:

Committee on Administration – continued:

- C. Report from Vice President for Administration
 - 1. **Resolution 2**, pages 26-30
- D. Report from Associate Provost for Information Technology
- E. Closed Session (if necessary)

BOARD CONFERENCE ROOM - COMMITTEE ON AUDIT

11:30-12:30 p.m. Committee on Audit
(Mr. Stump)
Timothy P. Dunn

Thomas E. Capps, Chair
Colin G. Campbell, Vice Chair

- A. Approval of Minutes
- B. Closed Session (if necessary)
- C. Report from Auditor of Public Accounts
- D. Report from Director of Internal Audit
- E. Enclosure C, page 32
- F. **Resolution 3**, page 33

BOARD ROOM - COMMITTEE ON ATHLETICS

11:45-12:20 p.m. Committee on Athletics
(Mr. Driscoll)

Sarah I. Gore, Chair
John W. Gerdelman, Vice Chair

- A. Report from Director of Athletics
- B. Team Reports
- C. Mascot Process Update
- D. Special Guests - Student Athletic Advisory Council
- E. "Do You Know" Exam
- F. Special Events

BLOW HALL ROOM 201

12:30-1:45 p.m. Buffet lunch with students

Board of Visitors
SCHEDULE
November 18-20, 2009

THURSDAY, NOVEMBER 19:

BOARD ROOM - COMMITTEE ON BUILDINGS AND GROUNDS

1:45-2:30 p.m. Committee on Buildings and Grounds Janet M. Brashear, Chair
(Ms. Martin) Suzann W. Matthews, Vice Chair
Kathy Y. Hornsby
Anita O. Poston
Michael Tang
John Charles Thomas

- A. Approval of Minutes
- B. Report from Building Official
 - 1. Enclosure D, page 36
- C. Report from Virginia Institute of Marine Science Director of Planning and Budget
 - 1. Enclosure E, pages 37-40
 - 2. **Resolution 4**, page 41
- D. Report from Vice President for Administration
 - 1. Construction Update
 - 2. Enclosure F, pages 42-47
 - 3. **Resolution 5**, page 48
 - 4. **Resolution 6**, pages 49-50
- E. Closed Session (if necessary)

BOARD CONFERENCE ROOM - COMMITTEE ON ACADEMIC AFFAIRS

2:00-2:45 p.m. Committee on Academic Affairs
(Provost Halleran)
Sarah I. Gore
Kathy Y. Hornsby
Robert E. Scott

Anita O. Poston, Chair
Colin G. Campbell, Vice Chair

- A. Approval of Minutes
- B. Report from Provost
- C. Report from Faculty Liaison Committee Chair
- D. Closed Session (if necessary)
- E. Action Materials
 - 1. **Resolution 7**, page 52
 - 2. **Resolution 8**, pages 53-56
 - 3. **Resolution 9**, page 57
 - 4. **Resolution 10**, pages 58-59

Board of Visitors
SCHEDULE
November 18-20, 2009

THURSDAY, NOVEMBER 19:

BOARD ROOM

2:45-4:00 p.m. Provost Report and Faculty Presentation Ms. Poston

BOARD ROOM - COMMITTEE ON STUDENT AFFAIRS

4:10-5:00 p.m. Committee on Student Affairs John Charles Thomas, Chair
(Ms. Ambler) Suzann W. Matthews, Vice Chair

- A. Report from Vice President for Student Affairs
- B. Student Affairs Update
- C. Student Leadership Development Programs at William and Mary
- D. Report from Student Liaisons

5:00 p.m. Recess committee meetings

WILLIAM AND MARY HALL

5:30 p.m. Board Reception – Wightman Cup Room

7:00 p.m. Basketball – William & Mary vs. University of Richmond

Board of Visitors
SCHEDULE
November 18-20, 2009

FRIDAY, NOVEMBER 20:

BOARD DINING ROOM

BOARD ROOM

Rector Henry C. Wolf
President W. Taylor Reveley III

BOARD ROOM - COMMITTEE ON FINANCIAL AFFAIRS

8:30-10:00 a.m. Committee on Financial Affairs

Charles A. Banks III, Chair
Robert E. Scott, Vice Chair

(Provost Halleran, Mr. Jones)

Colin G. Campbell

Thomas E. Capps

Thomas E. Cappa
Timothy P. Dunn

Timothy F. Bamm
John W. Gerdelman

John W. Cerdantino

- A. Approval of Minutes
- B. Closed Session (if necessary)
- C. Report from Vice President for Finance
 - 1. FY 2009-10 Budget Update
 - 2. **Resolution 11**, pages 63-64
 - 3. **Resolution 12**, page 65 (*joint with Richard Bland College*)
 - 4. **Resolution 13**, pages 66
 - 5. Peer Comparison: Tuition and Fees
 - 6. Enclosure G, pages 67-76
- D. Report from Virginia Institute of Marine Science Director of Planning and Budget
 - 1. FY 2009-10 Budget Update
 - 2. **Resolution 14**, pages 77-78
 - 3. Enclosure H, page 79
- E. Investment Portfolio Evaluation Overview
 - 1. Enclosure I (see separate booklet)

Board of Visitors
SCHEDULE
November 18-20, 2009

FRIDAY, NOVEMBER 20:

BOARD ROOM - COMMITTEE ON STRATEGIC INITIATIVES

10:00-10:45 a.m. Committee on Strategic Initiatives (Mr. Golden) Jeffrey B. Trammell, Chair
Janet M. Brashear, Vice Chair

- A. Comments by Strategic Initiatives Committee Chair Ms. Brashear
- B. Update on the Strategic Planning Process
- C. Communication Actions
- D. Government Relations Update

10:45 a.m. Adjourn Committee meetings

BOARD ROOM - BOARD OF VISITORS MEETING:

11:00 -12:30 p.m. FULL BOARD MEETING – see MEETING AGENDA Mr. Wolf

BOARD DINING ROOM:

12:30 p.m. Lunch

AGENDA ITEMS
Board of Visitors Meeting
The College of William and Mary in Virginia

November 18-20, 2009
Board Room - Blow Memorial Hall

RICHARD BLAND COLLEGE

Resolution 1, pages 13-16	2009 - 2010 Operating Budget Update
Resolution 12, page 65	Receipt of the Consolidated Financial Report of the College of William and Mary in Virginia and Richard Bland College for the Fiscal Year Ended June 30, 2009 <i>(joint with William and Mary)</i>
Enclosure A, page 17	Capital Outlay Progress Report
Enclosure B, pages 18-23	Capital Campaign Interim Report

COLLEGE OF WILLIAM AND MARY

Resolution 2, pages 26-30	Resolution to Approve Policy for Appointments and Terminations for Professionals and Professional Faculty
Resolution 3, page 33	Approval of 2010 Internal Audit Work Plan
Resolution 4, page 41	Resolution to Demolish Pier House on Eastern Shore and the Sowers House at Gloucester Point
Resolution 5, page 48	Demolition of Thiemes House
Resolution 6, pages 49-50	2010-2016 Capital Outlay Plan Revised
Resolution 7, page 52	Appointment to Fill a Vacancy in the Instructional Faculty
Resolution 8, pages 53-56	Appointments to Fill Vacancies in the Professionals and Professional Faculty

Board of Visitors
AGENDA ITEMS
November 18-20, 2009

Resolution 9, page 57	Chancellor Professorship
Resolution 10, pages 58-59	Retirement of Eugene M. Burreson School of Marine Science
Resolution 11, pages 63-64	College of William and Mary Revised FY 2009-10 Operating Budget for Educational and General Programs
Resolution 12, page 65	Receipt of the Consolidated Financial Report of the College of William and Mary in Virginia and Richard Bland College for the Fiscal Year Ended June 30, 2009 <i>(joint with Richard Bland College)</i>
Resolution 13, page 66	Receipt of the Financial Report of the Intercollegiate Athletic Department for the Fiscal Year Ended June 30, 2009
Resolution 14, pages 77-78	Virginia Institute of Marine Science Revised FY 2009-10 Operating Budget
Enclosure C, page 32	Report of Internal Audit Activity Since September 16, 2009
Enclosure D, page 36	Report from Building Official
Enclosure E, pages 37-40	Virginia Institute of Marine Science Capital Outlay Project Progress Report
Enclosure F, pages 42-47	College of William and Mary Capital Outlay Project Progress Report
Enclosure G, pages 67-76	College of William and Mary Operating Budget Summary
Enclosure H, page 79	Virginia Institute of Marine Science Operating Budget Summary
Enclosure I	Investment Update for Periods Ending September 30, 2009 <i>(see separate booklet)</i>

EXECUTIVE COMMITTEE
November 19, 2009
8:00 – 9:00 a.m.
Rector's Office - Blow Memorial Hall

Henry C. Wolf, Chair
John W. Gerdelman, Vice Chair
Janet M. Brashear, Secretary

- I. Introductory Remarks - Mr. Wolf
- II. Approval of Minutes – September 17, 2009
- III. Closed Session (if necessary)
- IV. Open Session - Certification of Closed Session **Resolution**

Chair should review topic discussed during closed session for benefit of observers, then move adoption of **Resolution** certifying closed session was held in compliance with Freedom of Information Act. Motion will be seconded and Chair or designee will conduct roll call vote of the Committee members for adoption. Upon passage, Chair should sign the resolution and direct that it be appended to the official minutes of this meeting.

- V. Adjourn

EXECUTIVE COMMITTEE

MINUTES – SEPTEMBER 17, 2009

MINUTES
Executive Committee
September 17, 2009
Rector's Office – Blow Memorial Hall

Attendees: Henry C. Wolf, Chair, John W. Gerdelman, Vice Chair; Janet M. Brashear, Secretary; Charles A. Banks III; R. Philip Herget III; Anita O. Poston and Jeffrey B. Trammell. Others in attendance: President W. Taylor Reveley III; Michael J. Fox.

Chair Henry C. Wolf called the meeting to order at 8:00 a.m. Recognizing that a quorum was present, Mr. Wolf moved adoption of the minutes of the meeting of April 15, 2009. Motion was seconded by Ms. Brashear and approved by voice vote of the Committee.

Mr. Wolf moved that the Executive Committee of the Board of Visitors of the College of William and Mary convene in Closed Session for the purpose of discussing specific college employees; and matters pertaining to honorary degrees, as provided for in Section 2.2-3711.A.1., and 10., of the Code of Virginia. Motion was seconded by Ms. Brashear and approved by voice vote. The observers were asked to leave the room and the Committee went into closed session at 8:02 a.m.

The Committee reconvened in open session at 8:55 a.m. Mr. Wolf reviewed the topics discussed during closed session for the benefit of the 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 Ms. Brashear and approved by roll call vote of the Committee members conducted by Secretary to the Board Michael Fox. (Certification **Resolution** is appended).

There being no further business, the Committee adjourned at 9:05 a.m.

Executive Committee

Resolution EC-1

September 17, 2009

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors Executive Committee 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, §2.2-3711.A.10. of the Code of Virginia requires a certification by this Committee that such closed session was conducted in conformity with Virginia law;

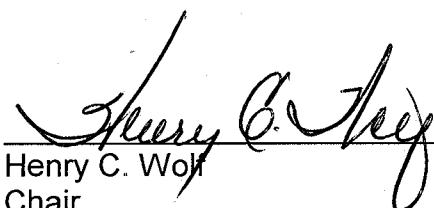
NOW, THEREFORE, BE IT RESOLVED, That the Executive Committee, reconvening in open session, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this 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 Executive Committee.

VOTE

AYES: 7

NAYS: 0

ABSENT DURING CLOSED SESSION:



Henry C. Wolf
Chair
Executive Committee

RICHARD BLAND COLLEGE COMMITTEE
November 19, 2009
9:00 – 10:00 a.m.
Board Conference Room - Blow Memorial Hall

Kathy Y. Hornsby, Chair
Sarah I. Gore, Vice Chair

- I. Introductory Remarks - Ms. Hornsby
- II. Approval of Minutes – September 17, 2009
- III. Closed Session (if necessary)
- IV. Open Session - Certification of Closed Session **Resolution**

Chair should review topics discussed during closed session for benefit of observers, then move adoption of **Resolution** certifying closed session was held in compliance with Freedom of Information Act. Motion will be seconded and Chair or designee will conduct roll call vote of the Committee members for adoption. Upon passage, Chair should sign the resolution and direct that it be appended to the official minutes of this meeting.

- V. General Reports
 - A. Report from President James B. McNeer
 - B. Report from Provost Vernon R. Lindquist
 - C. Report from Dean of Administration and Finance Russell E. Whitaker, Jr.
 - D. Report from Director of Institutional Advancement LeAnn Binger
 - E. Report from Faculty Representative - Professor Alexandra Duckworth
 - F. Report from Student Representative – Mr. D. Ryan Goodwin

- VI. Action Material
 - A. 2009-2010 Operating Budget Update **Resolution** 1
 - B. Receipt of the Consolidated Financial Report of the College of William and Mary in Virginia and Richard Bland College for the Fiscal Year Ended June 30, 2009
(joint with William and Mary) **Resolution** 12

RICHARD BLAND COLLEGE COMMITTEE
November 19, 2009

VII. Informational Material

A. Capital Outlay Progress Report

Enclosure A

B. Capital Campaign Interim Report

Enclosure B

VIII. Discussion

IX. Adjourn

**RICHARD BLAND COLLEGE COMMITTEE
MINUTES – SEPTEMBER 17, 2009**

MINUTES
Richard Bland College Committee
September 17, 2009
Board Conference Room – Blow Memorial Hall

Attendees: Kathy Y. Hornsby, Chair; Sarah I. Gore, Vice Chair; Dennis H. Liberson; Anita O. Poston; Jeffrey B. Trammell; faculty representative Alexandra Duckworth; student representative D. Ryan Goodwin. Others in attendance: Assistant Attorney Deborah Love; President James B. McNeer, Provost Vernon R. Lindquist, LeAnn Binger, Sarah D. Rojas, Michael L. Stump, Russell E. Whitaker, Jr., and Sandra J. Wilms.

Chair Kathy Hornsby called the Committee to order at 1:15 p.m. and welcomed new Board member Dennis Liberson and new student representative D. Ryan Goodwin. Recognizing that a quorum was present, Ms. Hornsby asked for a motion to approve the minutes of the meeting of April 17, 2009. Motion was made by Ms. Gore, seconded by Ms. Poston and approved by voice vote.

President James McNeer discussed with the Committee the issue of recertification by the State Council of Higher Education (SCHEV), providing background on the criteria and why the College did not meet them. Ms. Hornsby noted that she and the Rector had attended a meeting with SCHEV staff on September 10 and the College was working on a remedial plan. A brief discussion ensued. In November, the Board will receive an update.

The President commented on fall enrollment and the residential facilities, noting that Project Phoenix was hosted on campus this summer in the new dorms. The new science building is underway and community support of the College continues to grow. President McNeer advised that a campus meeting to discuss the budget will be held during the next week.

Provost Vernon Lindquist reviewed the three resolutions for appointment of new faculty members. Ms. Hornsby asked for a motion to adopt as a block **Resolution 14**, Appointment of Assistant Professor of Biology - Kevin Peters; **Resolution 15**, Appointment of Assistant Professor of Biology - Angela Burcham; and **Resolution 16**, Appointment of Assistant Professor of Mathematics – Lauran Johnson. Motion was made by Mr. Liberson, seconded by Ms. Poston and approved by voice vote of the Committee.

Following up on President McNeer's remarks, Provost Lindquist advised that the College administration was working with SCHEV staff to develop methodologies and strategies for the remedial plan that will be amenable to the SCHEV Committee. These include three specific measurements: (1) number of graduates per year, (2) number of FTE faculty per graduate; and (3) overall retention of students. Dean of Administration and Finance Russell Whitaker reviewed the budgetary implications if the standards are not met. Provost Lindquist advised that the College will have a plan to submit by the end of the month that should satisfy both SCHEV and the College. A brief discussion ensued.

The Provost reported briefly on the Southside Regional Medical Center program, noting that plans are underway to integrate the curriculums. Future details will be forthcoming.

Richard Bland College Committee
MINUTES
Page 2

Dean of Administration and Finance Russell Whitaker reviewed the budget reductions mandated by the Governor, how they compared to the level of funding of the community colleges, and discussed the impacts on current departmental budgets. Dean Whitaker then reviewed **Resolution 17**, 2010-2012 Biennium Budget Requests. Following brief discussion, Ms. Hornsby asked for a motion to adopt **Resolution 17**. Motion was made by Ms. Poston, seconded by Mr. Trammell and approved by voice vote.

Dean Whitaker provided a brief update on Capital Outlay Progress, as detailed in Enclosure I, noting that construction of the new Science and Technology building was on schedule and within budget.

Director of Institutional Advancement LeAnn Binger provided an update on progress of the Capital Campaign, as detailed in Enclosure J, and reviewed recent fund raising events, as well as pending gifts and grants. A brief discussion ensued.

Faculty representative Professor Alexandra Duckworth reported that there was concern among faculty and students about the economy. There continue to be challenges with occupancy in the residence halls, but the faculty continued to express satisfaction with how the residential students were raising the academic level in the classrooms.

Student representative Ryan Goodwin reported on campus activities, including the start of several new club sports, and noted that work is beginning on the development of a school mascot. Mr. Goodwin noted that the increased GPA requirements have changed the attitude of residential students, who are now concentrating more on academics, with good support from the faculty. He reported that a direct relationship between Richard Bland and the William and Mary Business School is being explored. Provost Lindquist commented that Richard Bland already has a relationship with William and Mary's School of Education and they are trying to see if one with the School of Business will work. A brief discussion ensued.

Ms. Hornsby asked for a motion that the Richard Bland College Committee convene in Closed Session for the purpose of discussing personnel matters involving identifiable college employees, as provided for in Section 2.2-3711.A.1., of the Code of Virginia. Motion was made by Ms. Poston, seconded by Mr. Liberson and approved by voice vote. The observers were asked to leave the room and the Committee went into closed session at 2:05 p.m.

The Committee reconvened in open session at 2:18 p.m. Ms. Hornsby reviewed the topic discussed during closed session for the benefit of the observers, then moved to adopt the **Resolution** certifying that the closed session was held in compliance with the Freedom of Information Act. Motion was seconded by Mr. Liberson and approved by roll call vote of the Committee members conducted by the Executive Assistant to the Board Sandra Wilms (Certification **Resolution** is appended).

There being no further business, the Committee adjourned at 2:19 p.m.

Richard Bland College Committee

September 17, 2009

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Richard Bland College Committee of the Board of Visitors of The College of William and Mary in Virginia 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 Committee that such closed session was conducted in conformity with Virginia law;

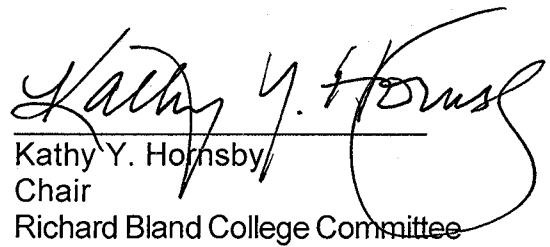
NOW, THEREFORE, BE IT RESOLVED, That the Richard Bland College Committee, reconvening in open session, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session 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 Richard Bland College Committee.

VOTE

AYES: 5

NAYS: 0

ABSENT DURING CLOSED SESSION:



Kathy Y. Hornsby
Chair
Richard Bland College Committee

**RICHARD BLAND COLLEGE
2009 - 2010 OPERATING BUDGET UPDATE**

The 2009-10 operating budget which follows has been adjusted to reflect the most recent budget reduction announced by Governor Kaine. The following factors have resulted in the budget as presented:

1. The most recent reduction of \$683,772 brings the total reduction for 2009-10 to \$1,280,778.
2. Budget reductions have been partially offset by ARRA allocations of \$343,420 and \$318,112, a total of \$661,532. The net reduction totals 13.9% for the fiscal year.
3. The College has implemented the following actions to meet reduction targets:
 - Layoff of two (2) full-time employees and three (3) part-time employees.
 - Reductions in departmental budgets ranging from 25% to 50%.
 - A partial spending freeze to include most travel, equipment purchases and faculty and staff development.
 - A reduction in student employment hours.

This budget will continue to be monitored and adjusted as required.

RESOLVED, upon recommendation of the President, the Board of Visitors of the College of William and Mary in Virginia approves the revised 2009-10 operating budget for Richard Bland College.

RICHARD BLAND COLLEGE
2009 -2010 OPERATING BUDGET UPDATE

EDUCATIONAL & GENERAL

	<u>Actual 2006-07</u>	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Approved 2009-10</u>	<u>Revised 2009-10</u>	<u>To Date 9/30/09</u>
REVENUE						
General Funds	\$ 5,423,512	\$ 5,947,972	\$ 6,119,777	\$ 6,062,000	\$ 6,062,000	\$ 6,062,200
Nongeneral	2,492,278	2,719,406	3,282,470	3,332,000	3,390,000	1,548,729
Central Appropriations	113,086	205,153	(35,083)	(30,694)	(68,282)	(68,282)
Prior Year Reappropriations	150,970	152,807	101,997	343,420	661,532	-
General Fund Reversion	-	(291,936)	(295,397)	(597,006)	(1,280,778)	-
TOTAL REVENUE	\$ 8,179,846	\$ 8,733,402	\$ 9,173,764	\$ 9,109,720	\$ 8,764,472	\$ 7,542,647
EXPENDITURES						
Instruction	\$ 3,173,690	\$ 3,436,449	\$ 3,478,496	\$ 3,760,000	\$ 3,647,000	\$ 895,036
Public Service	-	-	-	1,000	1,000	-
Academic Support	302,418	335,742	339,316	430,000	410,000	92,313
Student Services	782,686	962,433	971,741	1,037,000	997,000	292,227
Institutional Support	2,316,969	2,488,697	2,888,116	2,602,000	2,522,000	809,034
Operation of Plant	1,520,891	1,506,606	1,544,941	1,190,000	1,145,000	365,367
Contingency	-	-	-	89,720	42,472	-
TOTAL EXPENDITURES	\$ 8,096,654	\$ 8,729,927	\$ 9,222,610	\$ 9,109,720	\$ 8,764,472	\$ 2,453,977

Board of Visitors

November 18-20, 2009

Resolution 1

Page 3 of 4

RICHARD BLAND COLLEGE 2009 -2010 OPERATING BUDGET UPDATE

SCHOLARSHIPS AND LOAN ASSISTANCE **FINANCIAL AID**

<u>REVENUE</u>		<u>Actual 2006-07</u>	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Approved 2009-10</u>	<u>Revised 2009-10</u>	<u>To Date 9/30/2009</u>
General Funds	\$ 261,985	\$ 277,856	\$ 308,417	\$ 313,819	\$ 313,819	\$ 313,819	\$ 313,819
Nongeneral Funds	-	-	-	40,000	40,000	40,000	40,000
TOTAL REVENUE	\$ 261,985	\$ 277,856	\$ 308,417	\$ 353,819	\$ 353,819	\$ 353,819	\$ 313,819

EXPENDITURES

FINANCIAL ASSISTANCE FOR E & G PROGRAMS SPONSORED PROGRAMS

<u>REVENUE</u>						
General Funds	\$ 23,332	\$ 7,638	\$ -	\$ -	\$ -	\$ -
Nongeneral Funds						
TOTAL REVENUE	\$ 23,332	\$ 7,638	\$ 35,869	\$ 25,000	\$ 25,000	\$ 25,000

EXPENDITURES

RICHARD BLAND COLLEGE
2009 -2010 OPERATING BUDGET UPDATE

AUXILIARY ENTERPRISES

	<u>Actual 2006-07</u>	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Approved 2009-10</u>	<u>Revised 2009-10</u>	<u>To Date 9/30/2009</u>
REVENUE						
Fund Balance	\$ 246,727	\$ 287,654	\$ 358,885	\$ 1,800,000	\$ 1,800,000	\$ 1,704,627
Residences	-	74,500	1,477,489	1,115,000	1,115,000	19,600
Special Funds	28,807	33,123	9,480	35,000	35,000	2,370
General Auxiliary Fees	14,290	16,848	155,299	170,000	170,000	-
Parking	44,895	44,600	135,294	110,000	110,000	4,130
Intramural Athletics	4,287	4,212	22,130	19,000	19,000	-
Health Services	-	-	142,147	160,000	160,000	3,214
Food Services	-	-	85,280	55,000	55,000	13,400
TOTAL REVENUE	\$ 339,006	\$ 460,937	\$ 2,386,004	\$ 3,464,000	\$ 3,464,000	\$ 1,747,341
EXPENDITURES						
Residences	\$ 27,372	\$ 18	\$ 212,807	\$ 1,700,000	\$ 2,205,000	\$ 711,365
General Operating	7,836	20,846	67,028	80,000	80,000	27,220
Parking	7,644	7,896	43,047	50,000	50,000	909
Intramural Athletics	-	5,034	14,805	18,000	18,000	168
Health Services	-	-	16,028	150,000	150,000	2,401
Food Services	8,500	12,000	83,345	50,000	50,000	28,053
Indirect Costs	-	56,257	244,317	250,000	250,000	-
Renewal/Replacement	-	-	-	50,000	50,000	-
TOTAL EXPENDITURES	\$ 51,352	\$ 102,051	\$ 681,377	\$ 2,348,000	\$ 2,853,000	\$ 770,116
PRIVATE FUNDS						
REVENUE						
Private Funds	\$ 11,296	\$ 15,157	\$ 21,329	\$ 22,000	\$ 22,000	\$ 986
EXPENDITURES						
Scholarships	\$ 11,400	\$ 11,600	\$ 12,800	\$ 22,000	\$ 22,000	\$ 22,000

RICHARD BLAND COLLEGE

CAPITAL OUTLAY PROGRESS REPORT

- Maintenance Reserve

The College's appropriation of \$156,000 for the 2008-2010 Biennium will fund the following projects:

- Replace plumbing in the Barn theatre.
- Rebuild the basement entrance to the Humanities and Social Sciences Building.
- Replace the deck on Maze Hall.
- Prepare bid documents for roof replacement on the Humanities and Social Sciences Building.

- Science and Technology Building

Moseley Architects of Virginia has been hired to provide architectural and engineering services for this project. W. M. Jordan of Newport News has been award the construction contract at a cost of \$15,127,893. Construction has started and the projected completion date is July, 2010.

- Energy Performance Contract

The College has contracted with Siemens Technology for the completion of the following energy efficiency projects in response to requirements of Executive Order 44 (20% reduction in energy consumption by July, 2010):

- Replace all heating boilers with natural gas boilers.
- Install technology to allow facilities staff to monitor and control temperatures in all buildings.
- Work on building envelopes to achieve maximum energy efficiency.

- Umbrella Maintenance Project

The appropriation of \$4,947,000 will fund the following projects.

- Water line replacement campus wide.
- Miscellaneous renovation in Statesman Hall.
- Removal of underground fuel tanks.

RICHARD BLAND COLLEGE
CAPITAL CAMPAIGN INTERIM REPORT

Campaign Progress as of October 29, 2009:

Capital Campaign	\$3,573,032.52
Annual Fund 05-06	215,781.33
Annual Fund 06-07	223,993.25
Annual Fund 07-08	249,483.06
Annual Fund 08-09	370,324.44
Annual Fund 09-10	<u>103,349.20</u>
Total 10-29-2009	\$4,735,963.80

**Funds Designated Toward William & Mary
 Matching Scholarship Grant of \$75,000.00:**

Foundation Board Member	\$1,650.00
Individual	\$1,000.00
Individual	\$10,000.00
Individual	\$10,000.00
Individual	\$25,000.00
Individual	\$25,000.00
Individual	\$500.00
Civic Organization	\$15,000.00
Golf Tournament – Fall 2008	\$9,049.00
Golf Tournament – Fall 2009	\$12,500.00
Bank of America	\$ 500.00
Wine Tasting & Silent Auction	<u>\$ 9,522.10</u>
Total:	\$119,721.10

Total Pledges Foundation Board	\$ 486,762.15
Total Received Foundation Board (29)	\$ 364,614.39

Grants Approved	\$1,075,500.00
Total Received Grants (16)	\$ 951,500.01

Faculty Pledges	\$ 16,382.00
Total Received Faculty (26)	\$ 13,432.00

Staff Pledges	\$ 16,270.00
Total Received Staff (15)	\$ 13,629.00

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Other Individual Pledges	\$ 460,358.42
Total Received Other Individual	\$ 374,056.28 *
(59) * includes \$26,300.00 received in extended pledges	
Corporate/Business Pledges	\$ 130,100.00
Total Received Corp/Bus/Civic Org.	\$ 86,600.00
(15)	
Anonymous Pledges	\$ 63,370.00
Total Anonymous Received	\$ 48,370.00
(4)	
I/M/O Donations Received	\$ 6,651.00
(3) additional donors (4 individuals memorialized)	
Toolbox Raffle	\$ 960.00
(192 tickets sold)	
Skybox Raffle	\$ 205.00
Silent Auction	\$ 269.00
Bricks	\$ 30,200.00
(302) (83 of these bricks came from faculty & staff)	
Extended Pledges (12)	\$ 41,120.00
Total Pledges (167)	\$2,328,147.57
Total Received	\$1,890,486.68
Bequest Pledge	\$1,017,900.00
In-Kind Services Received	\$ 226,984.95
In-Kind Services Annual	\$260.00

Board of Visitors

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Quarterly Figures for Fiscal Year 2009-10:

1st Quarter

Unrestricted: \$40,725.70

Restricted:

\$39,197.00

Total:

\$79,922.70

2nd Quarter

Unrestricted: \$3,096.50

Restricted: \$20,330.00

Total: \$23,426.50

3rd Quarter

Unrestricted:

Restricted:

Total:

4th Quarter

Unrestricted:

Restricted:

Total:

Total for Fiscal Year 2009-10 10-29-2009: \$103,349.20

Quarterly Figures for Fiscal Year 2008-09:

1st Quarter

Unrestricted: \$45,513.00

Restricted:

\$60,999.00

Total:

\$106,512.00

2nd Quarter

Unrestricted: \$27,440.46

Restricted: \$59,642.00

Total: \$87,082.46

3rd Quarter

Unrestricted: \$17,751.63

Restricted:

\$7,778.00

Total:

\$25,529.63

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<u>4th Quarter</u>	
Unrestricted:	\$15,613.04
Restricted:	<u>\$135,587.31</u>
Total:	\$151,200.35
Total for Fiscal Year 2008-09 6-30-2009:	\$370,324.44

Quarterly Figures for Fiscal Year 2007-08:

<u>1st Quarter</u>	
Unrestricted:	\$42,841.00
Restricted:	<u>\$25,502.00</u>
Total:	\$68,343.00
<u>2nd Quarter</u>	
Unrestricted:	\$34,109.00
Restricted:	<u>\$45,426.00</u>
Total:	\$79,535.00
<u>3rd Quarter</u>	
Unrestricted:	\$33,538.38
Restricted:	<u>\$16,321.00</u>
Total:	\$49,859.38
<u>4th Quarter</u>	
Unrestricted:	\$21,379.68
Restricted:	<u>\$30,376.00</u>
Total:	\$50,755.68
Total for Fiscal Year 2007-08:	\$249,483.06

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Quarterly Figures for Fiscal Year 2006-07:

<u>1st Quarter</u>	
Unrestricted:	\$34,465.00
Restricted:	<u>\$9,035.00</u>
Total:	\$43,500.00
<u>2nd Quarter</u>	
Unrestricted:	\$43,852.01
Restricted:	<u>\$47,441.68</u>
Total:	\$91,293.69
<u>3rd Quarter</u>	
Unrestricted:	\$33,349.01
Restricted:	<u>\$26,005.55</u>
Total:	\$59,354.56
<u>4th Quarter</u>	
Unrestricted:	\$7,050.00
Restricted:	<u>\$22,795.00</u>
Total:	\$29,845.00
Total for Fiscal Year 2006-07:	\$223,993.25

Quarterly Figures for Fiscal Year 2005-06:

<u>1st Quarter</u>	
Unrestricted:	\$41,527.76
Restricted:	<u>\$24,820.00</u>
Total:	\$66,347.76
<u>2nd Quarter</u>	
Unrestricted:	\$39,127.07
Restricted:	<u>\$47,441.68</u>
Total:	\$86,568.75
<u>3rd Quarter</u>	
Unrestricted:	\$7,820.87

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Restricted:	<u>\$29,750.00</u>
Total:	\$37,570.87
 <u>4th Quarter</u>	
Unrestricted:	\$14,708.95
 Restricted:	<u>\$10,585.00</u>
Total:	\$25,293.95
 Total for Fiscal Year 2005-06:	\$215,781.33

COMMITTEE ON DEVELOPMENT AND ALUMNI AFFAIRS

November 19, 2009

10:00 – 11:00 a.m.

Board Room - Blow Memorial Hall

R. Phillip Herget III, Chair
Timothy P. Dunn, Vice Chair

- I. Opening Remarks – Mr. Herget
- II. Approval of Minutes – September 17, 2009
- III. Alumni Association Report – Executive Vice President Karen R. Cottrell and Alumni Society President Janet Rollins Atwater
- IV. William and Mary Foundation Report – Chair Sue H. Gerdelman
- V. University Development Report – Vice President Sean M. Pieri
- VI. Closed Session (if necessary)
- VII. Open Session - Certification of Closed Session **Resolution**

Chair should review topics discussed during closed session for benefit of observers, then move adoption of **Resolution** certifying closed session was held in compliance with Freedom of Information Act. Motion will be seconded and Chair or designee will conduct roll call vote of the Committee members for adoption. Upon passage, Chair should sign the resolution and direct that it be appended to the official minutes of this meeting.

- VIII. Discussion
- IX. Adjourn

COMMITTEE ON DEVELOPMENT AND ALUMNI AFFAIRS

MINUTES – SEPTEMBER 17, 2009

MINUTES
Committee on Development and Alumni Affairs
September 17, 2009
Board Room - Blow Memorial Hall

Attendees: R. Philip Herget III, Chair; Timothy P. Dunn, Vice Chair; Charles A. Banks III, Janet M. Brashear, Suzann W. Matthews. Board members present: Rector Henry C. Wolf, John W. Gerdelman, Sarah I. Gore, Dennis H. Liberson, Robert E. Scott, John Charles Thomas, Jeffrey B. Trammell; Faculty Representative Katherine M. Kulick, Student Representative Sarah D. Rojas and Staff Liaison Mary S. Molineux. Others attending: President W. Taylor Reveley, III, Virginia M. Ambler, Andrew C. Barry, Jennifer M. Bateman, Molly A. Bodnar, Frances C. Bradford, Betty E. Carroll, Michael J. Connolly, Karen R. Cottrell, Tammy H. Currie, Annie C. Davis, John E. Donaldson, Edward C. Driscoll, Jr., Lee J. Foster, Michael J. Fox, Renell M. Franklin, Sue H. Gerdelman, W. Fanchon Glover, James R. Golden, Karlene N. Jennings, Samuel E. Jones, John S. Kane, Connie K. McCarthy, Anna B. Martin, Jennifer J. Morgan, Teresa L. Munford, Sean M. Pieri, Neysa E. Rosario, Michael L. Stump and Brian W. Whitson.

Chair R. Phillip Herget, III called the meeting to order at 11:29 a.m. Mr. Herget welcomed everyone and extended a special welcome to Sue Gerdelman, Vice Chair of Development for the William & Mary Foundation.

Recognizing that a quorum was present, Mr. Herget moved adoption of the minutes of the meeting of April 16, 2009. Motion was seconded by Mr. Dunn and approved by voice vote of the Committee.

Mr. Herget thanked Vice President Sean Pieri and the development staff for their fundraising efforts last fiscal year.

Mr. Herget introduced Karen Cottrell, Executive Vice President of the Alumni Association. Ms. Cottrell gave the following updates on the alumni/development database.

- The alumni directory is complete and they had a great response on business addresses and emails
- The web services had a great response because of the WM1693 web site
- Intra-campus collaboration
- Reallocation of resources
- Engaging volunteers

Ms. Cottrell indicated database improvement was due to success with the alumni directory, WM1693 and public awareness of the greater need. She concluded with the ongoing commitments:

- Proactively secure, update and maintain the alumni/development database
- Direct resources (human & financial) toward database integrity matters
- Invest in new technologies and services to assist in acquisition of information
- Increase alumni and College community awareness and collaboration in regard to updating and sharing information

Committee on Development and Alumni Affairs

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- Increase opportunities for individuals to update their personal information
- Engage and assist volunteers in the process
- Continue to measure progress against peer and industry benchmarks

Mr. Dunn shared his concern about the success of the Alumni Association and the new websites. Karen Cottrell added that this process will grow slowly. Jeff Trammell asked about the benchmarks of our college peers. John Kane added that it is very difficult to get information from our peers. Currently there is no published standard, but we can only benchmark from other schools.

Ms. Cottrell reported that a strategic planning committee has been created to infuse the messaging process for the students. This committee includes Ginger Ambler, Karen Cottrell, Earl Granger and Sean Pieri. Brian Focarino has been very instrumental in getting students involved. Brian briefly explained some of his ideas of getting the students more involved in this process.

Ms. Cottrell passed out Homecoming registration packets to the Board members. She announced that this is the 80th anniversary of the W&M Homecoming parade and that Joe and Eloise Agee will be the Grand Marshals. All of the reunion classes have agreed to participate in the parade this year.

Mr. Herget introduced Sean Pieri, Vice President for Development. Mr. Pieri thanked Mr. Herget for his commitment to the College and thanked the members of the Board of Visitors for their 100% participation rate. He expressed his gratitude that Sue Gerdelman was able to attend the Board meeting and that they were looking forward to bridging the Board of Visitors and the William & Mary Foundation.

Mr. Pieri introduced Annie C. Davis, Director of Corporate and Foundation Relations.

Vice President Pieri shared the highlights of FY'09:

- Record fund raising year surpassing \$50M for the first time in College history
- Completion of BOV Gateway Challenge
- Major 7- figure commitments to : Career Center; Library; Research: Gateway Scholarships
- New development techniques including: Donors Choose; King Ransom Challenge; Career Center; Gateway Scholarships; Senior Class Gift
- Increase in donors
- Record year FWM

Jeff Trammell thanked Sean Pieri and his staff for a great fiscal year.

Mr. Pieri explained the challenges for the upcoming year:

- Stock market; economy; tax law
- Uncertain impacts to large gifts

Committee on Development and Alumni Affairs

MINUTES

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- Corporations and foundations giving expected to be down
- Unemployment/fear impacts annual giving and participation rates
- Slower investment = opportunity cost

Mr. Herget moved that the Committee on Development and Alumni Affairs convene in Closed Session pursuant to Section 2.2-3711.A.8, of the Code of Virginia, in order to discuss specific recommendations related to future fundraising strategies as well as current development activities. Motion was seconded by Ms. Brashear and approved by voice vote. The observers were asked to leave the room and the Committee went into closed session at 12:24 p.m.

The Committee reconvened in open session at 12:52 p.m. Mr. Herget reviewed the topics discussed during closed session for the benefit of the 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 Ms. Brashear and approved by roll call vote of the Committee members conducted by Secretary to the Board Michael Fox. (Certification **Resolution** is appended).

There being no further business, the Committee adjourned at 12:53 p.m.

Committee on Development and Alumni Affairs

Resolution D-1

September 17, 2009

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors Committee on Development and Alumni 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 Committee that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, That the Committee on Development and Alumni 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 Committee on Development and Alumni Affairs.

VOTE

AYES: **5**

NAYS: **0**

ABSENT DURING CLOSED SESSION:



R. Philip Herget III
Chair
Committee on Development and Alumni Affairs

COMMITTEE ON ADMINISTRATION

November 19, 2009

11:00 – 11:45 a.m.

Board Room - Blow Memorial Hall

John W. Gerdelman, Chair

R. Philip Herget III, Vice Chair

- I. Introductory Remarks – Mr. John Gerdelman
- II. Approval of Minutes – September 16, 2009
- III. Report from Provost – Michael R. Halloran
- IV. Report from Vice President for Administration – Anna B. Martin
 - A. Resolution to Approve Policy for Appointments and Terminations for Professionals and Professional Faculty. **Resolution 2**.
- V. Report from Associate Provost for Information Technology – Courtney Carpenter
- VI. Closed Session (if needed)
- VII. Open Session — Certification of Closed Session **Resolution**

Chair should review topics discussed during closed session for benefit of observers, then move adoption of **Resolution** certifying closed session was held in compliance with Freedom of Information Act. Motion will be seconded and Chair or designee will conduct roll call vote of the Committee members for adoption. Upon passage, Chair should sign the resolution and direct that it be appended to the official minutes of this meeting.
- VIII. Discussion
- IX. Adjourn

COMMITTEE ON ADMINISTRATION

MINUTES – SEPTEMBER 16, 2009

MINUTES
Committee on Administration
September 16, 2009
Board Room – Blow Memorial Hall

Attendees: John W. Gerdelman, Chair; R. Philip Herget, III, Vice Chair; Dennis H. Liberson; Robert E. Scott; John Charles Thomas; Jeffrey B. Trammell. Board members present: Rector Henry C. Wolf, Thomas E. Capps, Timothy P. Dunn, Suzann W. Matthews, faculty representative Katherine M. Kulick, student representative Sarah D. Rojas, staff liaison Mary S. Molineux. Others present: Assistant Attorney General Deborah Love, Provost Michael R. Halleran, Courtney Carpenter, Michael J. Fox, Anna B. Martin, Samuel E. Jones, and other administrative staff.

Chair John W. Gerdelman called the meeting to order at 5:00 p.m. and opened the meeting with a brief introduction and welcome to new member Dennis Liberson. Recognizing that a quorum was present, Mr. Gerdelman requested a motion to approve the minutes of April 15, 2009. Motion was made by Mr. Herget, seconded by Mr. Scott, and approved by voice vote of the Committee.

Provost Michael Halleran was introduced and welcomed. He had no report for the Committee at this time.

Vice President for Administration Anna Martin updated the committee on various administrative matters. She reported a decrease in the College's carbon footprint for the period of 2002-2008. The College saw a 66% increase in SWAM (Small Women and Minority Owned Business) participation during fiscal year 2009, and \$36M in expenditures. This compares very favorably with the state average of 30% over the same time period.

Ms. Martin took the committee through a new requirement for a campus threat assessment group, resulting from law(s) passed in the wake of the shootings at Virginia Tech, detailed in **Resolution 1**, Establishment of the Campus Assessment and Intervention Team. Ms. Martin noted that the Office of the Attorney General had advised that the resolution's language should be amended to reflect occasional consultation with the Office of the Attorney General. Mr. Gerdelman stated that the amended resolution would be brought to the full Board for action (**Resolution 1(R)** is appended.)

Ms. Martin reminded the Committee about the College's emergency management team, which maintains a webpage, "Emergency Information," under which Swine Flu updates can be found. The College expects the H1N1 vaccine will be available mid-October. In the meantime, the College has conducted an aggressive public awareness campaign to educate students on infection prevention behaviors, including a click-on widget on the W&M home page.

Ms. Martin and Associate Provost for Information Technology Courtney Carpenter reviewed with the Committee fiscal year 2010 progress on the College's Strategic Plan, Grand Challenge 5, Goals 1, 2, 5 and 7. They also reviewed metrics for FY 2010, and goals for FY 2011-2014. The Committee asked questions, particularly for goal 2, regarding campus IT infrastructure.

There being no further business, the Committee adjourned at 5:45 p.m.

Board of Visitors

Enclosure 1(R)

September 16-18, 2009

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**COLLEGE OF WILLIAM AND MARY
ESTABLISHMENT OF THE
CAMPUS ASSESSMENT AND INTERVENTION TEAM**

WHEREAS The General Assembly of Virginia amended and reenacted §44-146.18 of the Code of Virginia by adding in Chapter 1 of Title 23 sections numbered 23-9.2:9, 23-9.2:10, and 23-9.2:11 relating to crisis and emergency management for public institutions of higher education; and

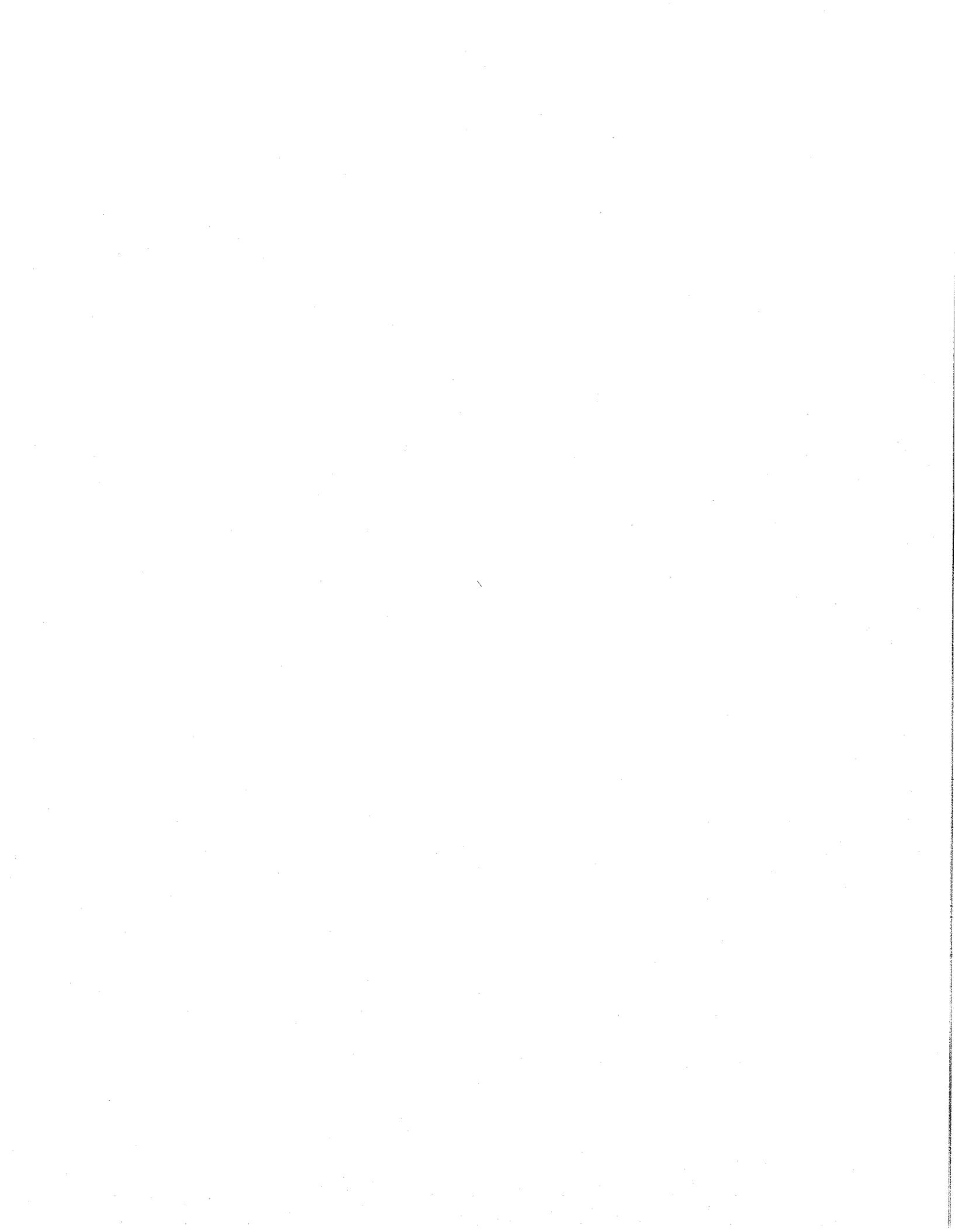
WHEREAS §23-9.2:10 states that “The board of visitors or other governing body of each public institution of higher education shall determine a committee structure on campus of individuals charged with education and prevention of violence on campus”; and

WHEREAS, §23-9.2:10 B and C provide that the committee shall include members from law enforcement, student affairs, human resources, counseling services, residence life, and other constituencies as needed and “shall be charged with (i) providing guidance to students, faculty and staff regarding recognition of threatening or aberrant behavior that may represent a threat to the community; (ii) identification of members of the campus community to whom threatening behavior should be reported; and (iii) policies and procedures for the assessment of individuals whose behavior may present a threat, appropriate means of intervention with such individuals, and sufficient means of action...,” which policies and procedures shall be implemented by a threat assessment team; and

WHEREAS The College recognizes and endorses the value of establishing such a committee for these purposes;

THEREFORE BE IT RESOLVED, by the Rector and the Board of Visitors of the College of William and Mary in Virginia, that the Campus Assessment and Intervention Team be established to carry out the purposes of §23-9.2:10 of Chapter 1 of Title 23 of the Code of Virginia, including creation of specific threat assessment teams as necessary, and other related purposes; and

FURTHER RESOLVED that the Team membership shall include representatives from law enforcement, student affairs, human resources, residence life, counseling services, and legal affairs, as well as other individuals the Team may require from time to time, and shall consult with the Office of the Attorney General as needed.



**COLLEGE OF WILLIAM & MARY
RESOLUTION TO APPROVE
POLICY FOR APPOINTMENTS AND TERMINATIONS FOR
PROFESSIONALS AND PROFESSIONAL FACULTY**

WHEREAS, under the Restructured Higher Education Financial and Administrative Operations Act of 2005, Chapter 4.10 of Title 23 of the Code of Virginia (the "Restructuring Act"), the College and the Commonwealth entered into a Management Agreement effective July 1, 2006; and

WHEREAS, pursuant to the authority granted by the Restructuring Act and the Management Agreement, the College established the University Human Resources System, effective as of July 1, 2006, which covers all College employees other than those Classified employees employed by the College prior to such date; and

WHEREAS, the University Human Resources System approved on November 21, 2008, by the Board of Visitors describes new and revised policies and procedures for University employees; and

WHEREAS, these policies include an Appointments and Terminations policy for Professionals and Professional Faculty that constitutes modifications of the existing Human Resources System, specifically those elements of the system set forth in the Policies and Procedures Regarding Employment and Performance Review of Administrative and Professional Faculty, approved by the Board of Visitors on November 3, 1989; and

WHEREAS, the Board of Visitors has reviewed the proposed policy relating to Appointments and Terminations for Professionals and Professional Faculty, a copy of which is attached hereto;

THEREFORE, BE IT RESOLVED, That, upon recommendation of the President, the attached Policy for Appointments and Terminations for Professionals and Professional Faculty is hereby approved; and

BE IT FURTHER RESOLVED, That the authority to amend or revise the Policy for Appointments and Terminations for Professionals and Professional Faculty, and to make further delegation of authority for its implementation, be delegated to the Provost, and

BE IT FINALLY RESOLVED. That the authority to revise, amend, or eliminate the Policies and Procedures Regarding Employment and Performance of Administrative and Professional Faculty be delegated to the President, or his designee.

WILLIAM
& MARY*Administrative Policy and Procedures Manual*

Title: Appointments and Termination of Professionals and Professional Faculty	Number:
Effective Date: November 20, 2009	Responsible Office: Provost
Revision Date: N/A	Page: 1 of 4

I. SCOPE

This policy applies to professionals and professional faculty of the College of William and Mary and the Virginia Institute of Marine Science (the "College").

II. PURPOSE

The purpose of this policy is to describe the conditions and procedures for the appointment and termination of professionals and professional faculty ("professionals").

III. POLICY STATEMENT

Professionals are administrative, technical, academic, clinical and research employees, including employees in recognized professional areas requiring advanced formal study or special experience, who are appointed by the Provost.

Professionals are hired either through regular, continuing appointments, or, in certain circumstances, restricted, temporary appointments. Professionals are subject to involuntary separation for budgetary or operational reasons as set forth in this Policy and may also be terminated for cause.

IV. APPOINTMENTS

Professionals are generally employed through regular (continuing) appointments. Restricted appointments are used in certain circumstances, as described under B, below. All appointment decisions are subject to the authority of the Provost.

All appointments are contingent upon availability of funds, including appropriation of funds by the General Assembly. This means that an appointment may be rescinded or terminated for budgetary reasons, as described under V.C, below.

Appointments are also subject to satisfactory performance by the professional. Unsatisfactory performance is a basis for removal for cause. See V.A, below.

A. Reassignments

The Provost has complete discretion to reassign administrative duties and titles at any time. For example, a professional may be reassigned to work in a different department or office, under a different supervisor. For a professional who is also an instructional faculty member with tenure or a continuing academic appointment, the Provost may relieve the individual of his or her administrative appointment and related duties.

The salary for any position subject to reassignment shall be adjusted, as appropriate, pursuant to the College Policy on Compensation. Reassignments, including demotions, are not subject to notice requirements, provided that a reduction in salary shall be effective no sooner than 30 days following the provision of written notice of the reduced salary to the affected professional.

B. Restricted Appointments

Restricted appointments are positions that either are funded through sponsored contracts or grants, or have a specified ending or termination date, regardless of the funding source. Professionals with restricted appointments may be converted to regular, continuing appointments at the discretion of the College.

1. **Personnel Supported by Grants** Professionals in grant-funded positions terminate upon expiration of the supporting grant. These positions may provide for continued employment conditioned upon the receipt of a subsequent grant, in which case the appointment will terminate with the unavailability or termination of the subsequent grant. Failure to provide notice of termination will not prolong employment beyond grant's funding period.
2. **Specified-Term and Other Restricted Appointments** Certain professionals may be hired for a specified period or project. Such professionals may include those employed in the Department of Athletics. These restricted appointments are not renewable and automatically terminate on the date specified with no notice or other action required unless otherwise specified.

V. TERMINATION AND OTHER FORMS OF INVOLUNTARY SEPARATION AND REDUCTION; CERTAIN AMICABLE SEPARATION AGREEMENTS**A. Removal for Cause**

Removal for Cause is termination for serious, willful, or repeated misconduct, or deficiencies in performance such as:

- unethical conduct or dishonesty, including falsification of credentials or records, and misappropriation or misuse of College funds or property;
- serious, knowing, or repeated violation of policy or law;
- malfeasance;
- serious or repeated insubordination;
- inappropriate behavior that adversely affects College operations;
- convicted criminal conduct occurring (i) on the job, or (ii) off the job, if plainly related to or affecting job performance, detrimental to the College's reputation, or of such a nature that retention of the professional would be negligent in light of the College's duties to itself, the public, students, or other employees;

- inability, unwillingness, or refusal to perform functions of the job, including job abandonment; and
- unsatisfactory performance in accordance with the applicable College policy on performance planning and evaluation for professionals and professional faculty.

A professional may be discharged for cause at any time. Professionals who are removed for cause are not eligible for severance benefits.

The Office of the Provost will send the professional written notice of the College's intent to terminate. The professional will have an opportunity to respond, in person or in writing, by explaining why the planned action should not occur. The termination notice will specify the deadline for the professional's response, which must be at least five working days after the date of the notice. The professional may be placed on administrative (paid) leave pending the termination date, at the College's discretion.

B. Abolition or Reduction of Position for Operational Reasons

A professional position may be eliminated or reduced (changed from full-time to part-time, made seasonal, etc.) if the College determines that the services being performed are no longer required or can be reduced. This determination may be made at the College's discretion for operational reasons.

A position may be abolished or reduced at any time provided that the affected professional is given written notice at least 90 days prior to the effective date. If the position is reduced in scope, the professional may decline to continue in the position. If the professional declines, it would still be considered an involuntary separation eligible for severance. The notice will specify the severance benefits for which the professional is eligible (see "Severance Benefits for Professionals and Professional Faculty"). Unless otherwise negotiated, an employee is expected to perform his or her duties during the notice period.

C. Termination or Reduction of Position for Budgetary Reasons

Inadequate funding or other fiscal constraints can result in termination or reduction of a position(s) by the College at its discretion. In implementing terminations and reductions necessitated by inadequate funding, the College will give due consideration to the effect of a position on the College's mission and the need for efficient use of available resources.

A position may be terminated or reduced at any time provided that the affected professional is given written notice at least 90 days prior to the effect date. The notice will specify the severance benefits for which the professional is eligible (see "Severance Benefits for Professionals and Professional Faculty"). Unless otherwise negotiated, an employee is expected to perform his or her duties during the notice period. If the position is reduced in scope for budgetary reasons, the professional may decline to continue in the position. If the professional declines, it would still be considered an involuntary separation eligible for severance.

D. Negotiated Separations

The College, at its discretion and as an alternative to other methods of termination, may negotiate separation agreements with professionals. Such agreements may be used where unsuccessful job matches, irresolvable conflicts or other circumstances lead the parties to agree that a negotiated end to the employment relationship is in the parties' best interest. Such agreements must be approved by the Provost.

E. Access to Grievance Process

Professionals who have been terminated have access to the College's grievance procedure for professionals.

VI. RESIGNATION

Notice of intention to resign should be given in writing at least 30 days before the effective date of resignation.

VII. AUTHORITY, INTERPRETATION AND AMENDMENT

This policy was approved by the Board of Visitors. Interpretation of this policy is the responsibility of the Provost. The Provost may amend or revise this policy at any time. Nothing herein limits the ability of the Provost to delegate his authority or designated roles under this policy.

This policy replaces and supersedes all prior policies governing appointments and termination of professionals, including those set forth in the "Policies and Procedures Regarding Employment and Performance Review of Administrative and Professional Faculty," under Section IV ("Contracts, Terminations, and Notice").

COMMITTEE ON AUDIT
November 19, 2009
11:30 a.m. – 12:30 p.m.
Board Conference Room - Blow Memorial Hall

Thomas E. Capps, Chair
Colin G. Campbell, Vice Chair

- I. Introductory Remarks - Mr. Capps
- II. Approval of Minutes - September 16, 2009
- III. Closed Session (if necessary)
- IV. Open Session
 - A. Certification of Closed Session **Resolution**
Chair should review topics discussed during closed session for benefit of observers, then move adoption of **Resolution** certifying closed session was held in compliance with Freedom of Information Act. Motion will be seconded and Chair or designee will conduct roll call vote of the Committee members for adoption. Upon passage, Chair should sign the resolution and direct that it be appended to the official minutes of this meeting.
 - B. Report from Auditor of Public Accounts
 - C. Report from Director of Internal Audit - Michael L. Stump
 - D. Report of Internal Audit Activity Since September 16, 2009 - Enclosure C.
 - E. Approval of 2010 Internal Audit Work Plan - **Resolution** 3
- V. Discussion
- VI. Adjourn

COMMITTEE ON AUDIT

MINUTES – SEPTEMBER 16, 2009

MINUTES
Committee on Audit
September 16, 2009
Board Conference Room - Blow Memorial Hall

Attendees: Thomas E. Capps, Chair; Colin G. Campbell, Vice Chair; and Timothy P. Dunn. Others present: Kiersten L. Boyce; Courtney M. Carpenter; Michael R. Halleran; Samuel E. Jones; Bernadette M. Kenney; Deborah A. Love; Anna B. Martin; Sarah D. Rojas; Michael L. Stump; and Russell E. Whitaker.

Chair Thomas Capps called the meeting to order at 4:00 p.m. Recognizing that a quorum was present, Mr. Capps moved the adoption of the minutes of the April 17, 2009 meeting; the motion was seconded by Mr. Campbell and approved by unanimous voice vote of the Committee.

Mr. Capps moved that the Committee on Audit convene in Closed Session for the purpose of discussing reported misconduct by an identifiable employee, and performance issues with specific employees, and to receive briefings by staff members regarding specific legal matters, as provided for in Section 2.2-3711.A.1 and 7., of the Code of Virginia. Motion was seconded by Mr. Dunn and approved by voice vote. Observers were asked to leave the room and the Committee went into closed session at 4:02 p.m.

The Committee reconvened in open session at 4:19 p.m. Mr. Capps reviewed the topics discussed in the closed session and moved the adoption of the **Resolution** certifying the closed session was held in accordance with the Freedom of Information Act. Motion was seconded by Mr. Campbell and approved by voice vote of the Committee members. (Certification **Resolution** is appended.)

Mr. Capps asked Director of Internal Audit Michael Stump to report on Internal Audit Activity since April 2009, as detailed in Enclosure A. Mr. Stump discussed each of the eight projects completed since April 2009 and the eight projects in process. The Committee asked questions about each of the items; Mr. Stump, Ms. Martin, and Mr. Jones answered the Committee's questions. The Committee gave particular attention to the internal controls audits of fixed assets accounting and the William and Mary Child Care Center.

There being no further business, the Committee adjourned at 4:58 p.m.

Committee on Audit

Resolution A-1

September 16, 2009

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors Committee on Audit 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 Committee that such closed session was conducted in conformity with Virginia law;

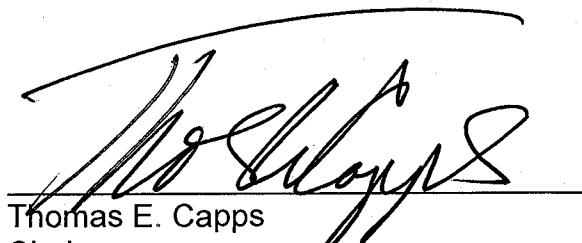
NOW, THEREFORE, BE IT RESOLVED, That the Committee on Audit, reconvening in open session, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this 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 Committee on Audit.

VOTE

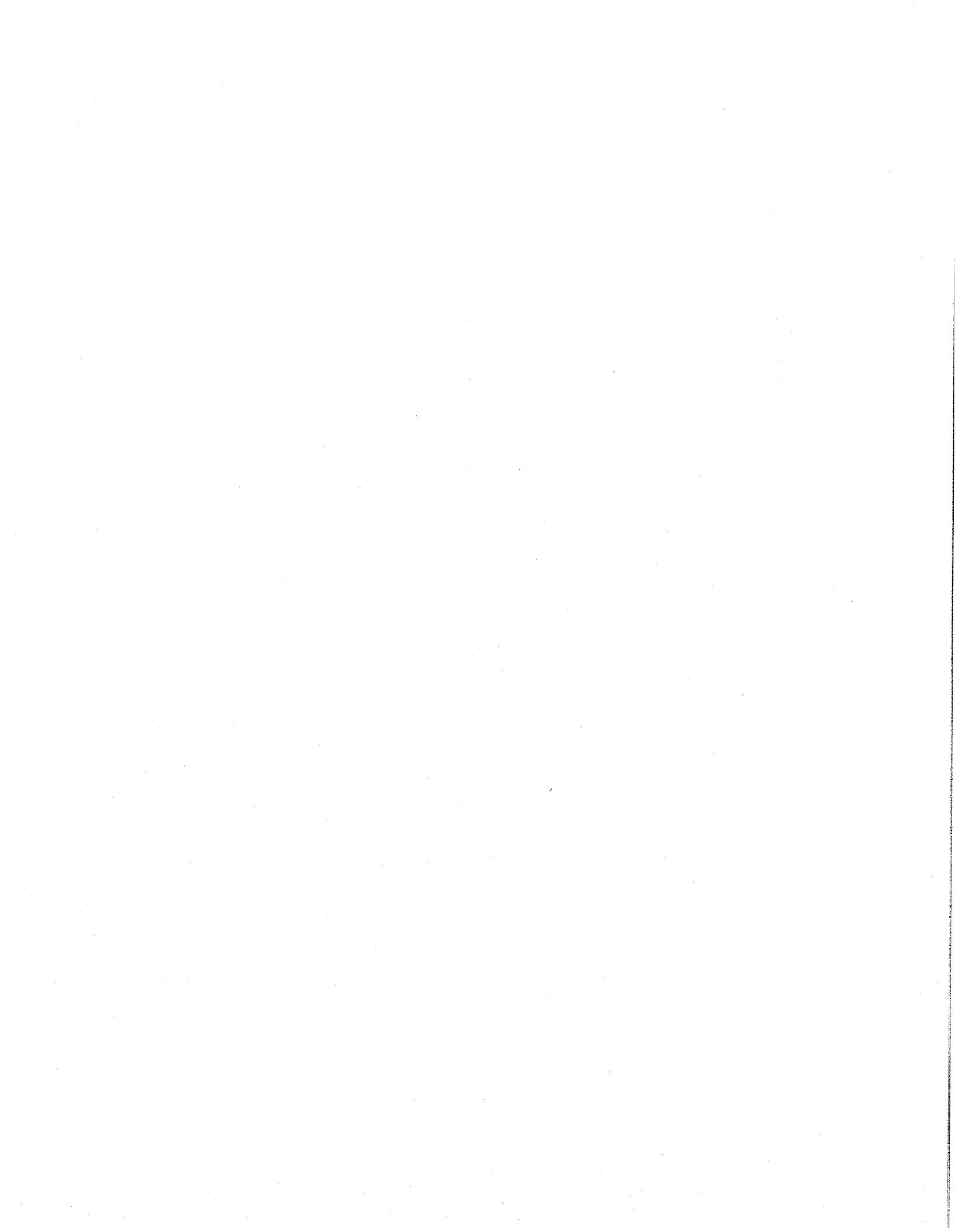
AYES: 3

NAYS: 0

ABSENT DURING CLOSED SESSION:



Thomas E. Capps
Chair
Committee on Audit



Board of Visitors

Enclosure C

November 18-20, 2009

Page 1 of 1

COLLEGE OF WILLIAM AND MARY and RICHARD BLAND COLLEGE
REPORT OF INTERNAL AUDIT ACTIVITY SINCE SEPTEMBER 16, 2009

<u>Projects</u>	<u>Completion Date</u>
• Ash Lawn Opera Festival	September 15
• ARMICS – grants and contracts	October 6

Projects in process

- ARMICS (Agency Risk Management and Internal Control Standards)
- Assist Auditor of Public Accounts
- Banner Security and Controls Audits – WM and RBC
- Benchmarking Committee – President's request
- Centralized billing and VA benefits – management request
- McCormack-Nagelsen Tennis Center (management request)
- Restructuring
- Risk Management Steering Committee – management request
- Small Purchase Charge Card Program
- Swem Library accountant search – management request

COLLEGE OF WILLIAM AND MARY
APPROVAL OF 2010 INTERNAL AUDIT WORK PLAN

As provided in the Office of Internal Audit Charter, the Director is responsible for preparing comprehensive work plans based upon his judgment and a risk assessment model.

The proposed 2010 Work Plan for the Office of Internal Audit includes the following areas:

1. ARMICS – risk management and internal controls directive
2. ARRA – Stimulus funding
3. Auditor of Public Accounts (APA) Support
4. Banner enterprise application review – Richard Bland College
5. Budget reductions – William and Mary and Richard Bland College
6. Financial Statements – compliance and desk review
7. Fraud, Waste and Abuse Hotline; internal investigations
8. Information technology security and organization review
9. Parking Services follow-up
10. Personnel evaluation committees
11. President's Benchmarking Committee
12. Related foundations
13. Risk Management Committee
14. Small purchase cards
15. Strategic Initiatives Creative Services – management request
16. William and Mary Police Department – assist investigations
17. Additional requests from the Board and management

The 2010 Work Plan has been reviewed by the Committee on Audit and management of the College of William and Mary and Richard Bland College, and is hereby recommended to the Board of Visitors.

THEREFORE, BE IT RESOLVED, That the 2010 Work Plan for the Office of Internal Audit is approved by the Board of Visitors.

COMMITTEE ON ATHLETICS
November 19, 2009
11:45 a.m. – 12:20 p.m.
Board Room – Blow Memorial Hall

Sarah L. Gore, Chair
John W. Gerdelman, Vice Chair

- I. Introductory Remarks – Mrs. Gore
- II. Report from Director of Athletics Edward C. Driscoll, Jr.
 - A. Team Reports – Fall/Winter Update
- III. Mascot Process Update
- IV. Special Guests – Student Athletic Advisory Council
- V. Do You Know?
- VI. Special Events
 - A. Lord Botetourt Auction – February 5, 2010
 - B. Colonial Half Marathon – February 28, 2010
- VII. Adjourn

COMMITTEE ON BUILDINGS AND GROUNDS

November 19, 2009

1:45 – 2:30 p.m.

Board Room - Blow Memorial Hall

Janet M. Brashear, Chair
Suzann W. Matthews, Vice Chair

- I. Introductory Remarks – Ms. Brashear
- II. Approval of Minutes – September 17, 2009
- III. Report from Building Official Robert P. Dillman – Enclosure D.
- IV. Report from Virginia Institute of Marine Science Director of Planning and Budget - Carolyn R. Cook
 - A. Capital Outlay Project Progress Report. Enclosure E.
 - B. Resolution to Demolish Pier House on Eastern Shore and the Sowers House at Gloucester Point. **Resolution 4**.
- V. Report from Vice President for Administration - Anna B. Martin
 - A. Construction Update
 - 1. Capital Outlay Project Progress Report. Enclosure F.
 - B. Demolition of Thiemes House. **Resolution 5**
 - C. 2010-2016 Capital Outlay Plan Revised. **Resolution 6**.
- VI. Closed Session (if needed)
- VII. Open Session — Certification of Closed Session **Resolution**

Chair should review topics discussed during closed session for benefit of observers, then move adoption of **Resolution** certifying closed session was held in compliance with Freedom of Information Act. Motion will be seconded and Chair or designee will conduct roll call vote of the Committee members for adoption. Upon passage, Chair should sign the resolution and direct that it be appended to the official minutes of this meeting.
- VIII. Discussion
- IX. Adjourn

COMMITTEE ON BUILDINGS AND GROUNDS

MINUTES – SEPTEMBER 17, 2009

MINUTES
Committee on Buildings and Grounds
September 17, 2009
Board Room – Blow Memorial Hall

Attendees: Janet M. Brashear, Chair; Suzann W. Matthews, Vice Chair; Kathy Y. Hornsby, Anita O. Poston, John Charles Thomas. Board members present: Rector Henry C. Wolf; Timothy P. Dunn, John W. Gerdelman, faculty representative Katherine M. Kulick; student representative Sarah D. Rojas, staff liaison Mary S. Molineux. Others present: President W. Taylor Reveley III, Provost Michael R. Halleran, Samuel E. Jones, Anna B. Martin, Carolyn R. Cook, Robert P. Dillman, and other College staff.

Chair Janet Brashear called the meeting to order at 10:45 a.m. and welcomed Ms. Matthews as Vice Chair. Recognizing that a quorum was present, Ms. Brashear moved to adopt the minutes of the April 16, 2009, meeting. Motion was seconded by Judge Thomas, and approved by voice vote of the committee.

College Building Official Robert Dillman provided a brief report, noting that he now also serves as the Building Official for Richard Bland College. The College's Code Review Team (CRT) will be reviewing Richard Bland's construction projects. The new Mason School of Business at Alan B. Miller Hall contains the most sophisticated smoke evacuation system on campus (due to the three- story atrium). Local fire officials attended a 14 hour demonstration of the system's capacity given different variables, yet the system itself is virtually invisible. A tour of the new Miller Hall will occur on Friday morning, after the full Board meeting.

Director of Planning and Budget for VIMS, Carolyn Cook, updated the committee on VIMS' capital project progress highlights via PowerPoint. She also reviewed **Resolution 4**, Demolition of Multiple Structures, to demolish several dilapidated buildings on the Gloucester and Wachapreague campuses. Following brief discussion, Ms. Brashear requested a motion to approve **Resolution 4**. Motion was made by Ms. Matthews, seconded by Ms. Hornsby, and approved by voice vote of the Committee.

Vice President for Administration Anna Martin opened her report with an introduction of the new Associate Vice President of Facilities Management, Mr. Dave Shepard. Ms. Martin engaged the Committee with a PowerPoint presentation, which delved into the Committee's mission, for the benefit of new members. She highlighted construction activity from the project report contained in the agenda book and updated action on the 2010-2016 capital outlay plan. Ms. Martin explained the College's aspirations with regards to LEED (Leadership in Energy and Environmental Design) certification for capital projects. While previous projects such as the Jamestown Dorms and Rec Sports expansion achieved general certification, the new School of Business will be the first project to seek "silver" certification. The highest award is "platinum."

Ms Martin reviewed briefly **Resolution 5**, Resolution of the Board of Visitors of the College of William and Mary – Pooled 9(D) Bond Projects: Improve Athletic Facilities, Construct/Replace

Committee on Buildings and Grounds

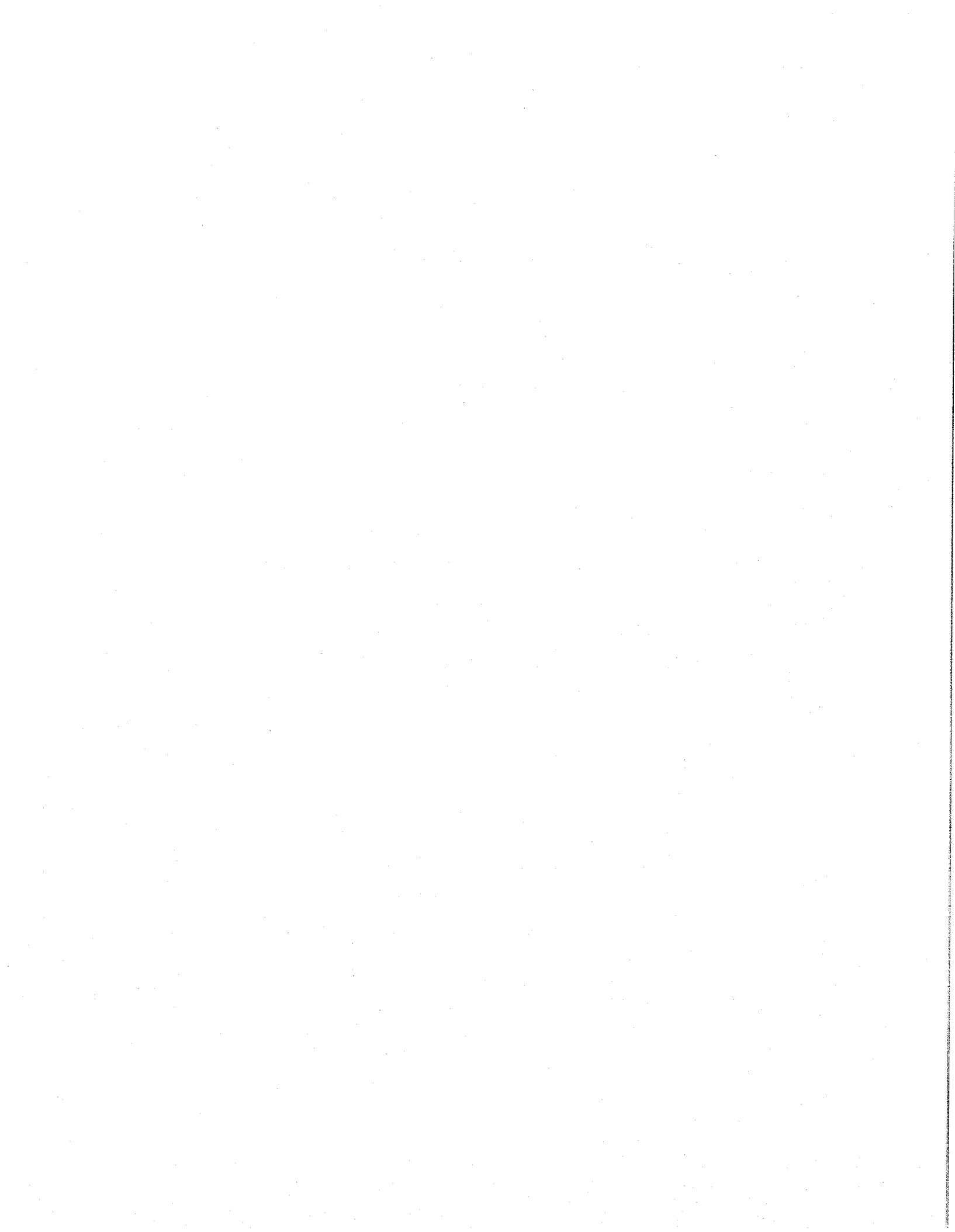
MINUTES

Page 2

Cooling Plant and Utility Improvements; **Resolution 6**, Utility Easements; and **Resolution 7**, Conservation Easement: School of Business Construction Site.

Following brief discussion, Ms. Brashear requested a motion to approve all three resolutions in a block. Motion was made by Ms. Matthews, seconded by Judge Thomas, and approved by voice vote of the Committee. Ms. Brashear and Ms. Martin agreed that due to time constraints, Ms. Martin's review of the Strategic Plan's goals for Grand Challenge 5 will be postponed until the November 19-20, 2009, Committee meeting.

There being no further business, the Committee adjourned at 11:15 a.m.



Board of Visitors

November 18-20, 2009

Enclosure D

Page 1 of 1



The College of
WILLIAM & MARY
Interdepartmental Communication

To: Janet M. Brashear, Chair, Buildings and Grounds Committee
From: Robert Dillman, PE, College Building Official
Date: November 4, 2009
Re: Building Official Report

Since the previous Board meeting we have issued final occupancy documents on the Integrated Science Center, and the Main Heating Plant Renovation; and have issued seven building permits, the largest of which are for the Cooling Plant Addition to the Main Heating Plant and the final building permits for Small Hall and the Career Services Center.

All business has been routine, as we have continued providing Building Official support for the College, the Virginia Institute of Marine Science, and Richard Bland College.

cc: Anna Martin, Vice President for Administration

Board of Visitors

Enclosure D

November 18-20, 2009

Page 1 of 1



The College of
WILLIAM & MARY
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To: Janet M. Brashear, Chair, Buildings and Grounds Committee
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All business has been routine, as we have continued providing Building Official support for the College, the Virginia Institute of Marine Science, and Richard Bland College.

cc: Anna Martin, Vice President for Administration

Board of Visitors

Enclosure E

November 18-20, 2009

Page 1 of 4

VIRGINIA INSTITUTE OF MARINE SCIENCE CAPITAL OUTLAY PROJECT PROGRESS REPORT

268-16522 Marine Research Building Complex

Appropriation Amount: \$31,214,371

Biennium: 2000-2002

Design Team: Clark Nexsen Architects and Engineers

Obligated to Date: \$31,044,246

Fund Sources: General Funds

Contractor: W.M. Jordan and Company

GOB & VCBA Bonds

Higher Education Operating

This appropriation funds the planning and construction of a project to demolish and replace outdated laboratory buildings with Andrews Hall, a new 71,000 square foot scientific research building and a separate 46,000 square foot seawater laboratory. The Contractor is still working on a few remaining punchlist items on both buildings.

268-17094 Field Support Center

Appropriation Amount: \$2,000,000

Biennium: 2004-2006

Design Team: MMM Design Group

Obligated to Date: \$1,911,975

Fund Source: VCBA Bonds

Contractor: Ritchie-Curbow Constr. Co.

State Insurance Reserve Trust Funds

The project involves the construction of a 10,000 square foot facility located at the Gloucester Point Campus. This facility will replace the current vessel operation's facilities and field support infrastructure that was severely damaged as a result of Hurricane Isabel. The prefab metal building is complete and the contractor is currently completing the interior finishes. The electrical power will soon be operational. The project is scheduled for completion in December 2009.

268-17489 Construct Concrete Pier

Appropriation Amount: \$1,450,000

Biennium: 2006-2008

Design Team: Moffat and Nichol, Inc.

Obligated to Date: \$1,433,043

Fund Source: General Funds

Contractor: Precon Marine, Inc.

VCBA Bonds

The project replaces two damaged wooden piers with a new concrete pier on the VIMS Gloucester Point shoreline. This pier will house the pumps and intake lines for running seawater at VIMS including the new Seawater Lab. The elevation of the pier is set at twelve feet nine inches above mean low water. The pier, pump house, and electrical work are complete and both wooden piers have been demolished.

Board of Visitors

Enclosure E

November 18-20, 2009

Page 2 of 4

268-17085 Improve Information Technology Infrastructure

Appropriation Amount: \$1,200,000

Biennium: 2004-2006

Design Team: Agency

Obligated to Date: \$1,140,167

Fund Source: VCBA Bonds

Contractor: Various

The project involves the modernizing of VIMS' aging information technology infrastructure to meet increasing demands for information exchange including systems to carry voice, data, and video. The Gloucester Point campus is vulnerable to lightning strikes and this project has completely replaced the original copper network with new high speed fiber optics. Also, distance learning capabilities have been completed for the Gloucester Point and Wachapreague campuses. Construction to improve the air conditioning and power requirements for the Watermen's Hall network server room has been completed. New servers have been purchased. Along with networking Andrews Hall and the Seawater Research Laboratory, VIMS has extended 24x7 networking capability to the Fisheries Science Laboratory. This service will also be provided to Chesapeake Bay Hall pending completion of the electrical upgrades. Redundant fiber-optic cable network service is currently being installed through the area where eight buildings were demolished. Finally, upgrades of Watermen's Hall copper network infrastructure are planned.

268-17447 Electrical Upgrades, Chesapeake Bay Hall

Appropriation Amount: \$267,500

Biennium: 2006-2008

Design Team: McKinney & Company

Obligated to Date: \$182,555

Fund Source: General Funds

Contractor: E.G. Middleton, Inc.

VCBA Bonds

The project involves upgrading the electrical distribution system at Chesapeake Bay Hall. The building's present electrical system does not provide the type of clean power needed by some of the sensitive electronic lab equipment and instrumentation used in modern research. The project will install transient voltage surge suppression and other improvements to the grounding system and a second emergency generator. The project is expected to be complete this winter.

268-16863 Research Storage Facility

Appropriation Amount: \$641,000

Biennium: 2002-2004

Design Team: DJG, Inc.

Obligated to Date: \$62,649

Fund Source: General Obligation Bonds

Contractor: TBD

The project involves the construction of a 4,600 square foot facility that is needed to secure research equipment and instruments that are currently stored outdoors. The environmental impact report was approved on March 23. Schematic Design was approved in August, and the project is now in the Working Drawing phase. Working drawings are scheduled to be submitted to the College's Code Review Team for review on November 23, 2009.

Board of Visitors

Enclosure E

November 18-20, 2009

Page 3 of 4

268-17723 Shoreline Erosion Control

Appropriation Amount: \$1,200,000

Biennium: 2008-2010

Design-Build Team: TBD

Obligated to Date: \$7,275

Fund Source: VCBA Bonds

Contractor: Same as Design-Build Team

The project supports erosion control of the entire shoreline of the Gloucester Point campus to protect the shoreline and surrounding structures. The project includes construction of eleven new rip rap breakwaters, the extension of several pipe outfalls further into the York River, replenishment of sand along the entire shoreline, creation of small dunes along the west shoreline and planting of riparian vegetation on the east shoreline. The building committee has selected two qualified Design build teams to submit detailed proposals. The project is expected to be under contract in January.

268-17724 Eastern Shore Seawater Laboratory

Appropriation Amount: \$4,182,000

Biennium: 2008-2010

Design Team: VIA Design Architects, Inc.

Obligated to Date: \$864,919

Fund Source: VCBA Bonds

Contractor: TBD

The project supports construction of a new 8,000 square foot laboratory building with running seawater for research on coastal marine ecology and aquaculture in a high salinity environment. The working drawings are being finalized and the project is scheduled to be bid in late Fall 2009. We are anticipating construction to begin by Spring 2010 with occupancy by Spring 2011.

268-16615 Maury Hall Renovation

Appropriation Amount: \$2,000,000

Biennium: 2004-2006

Design Team: TBD

Obligated to Date: \$0

Fund Source: Private Funds

Contractor: TBD

Private funds are being raised to renovate this 50-year-old 6,400 square foot outdated laboratory into functional meeting and conference space for the campus. Preplanning for the project is underway.

268-16149 Property Acquisition: Wachapreague

Appropriation Amount: \$399,926

Biennium: 1998-2000

Fund Sources: Private Funds

Obligated to Date: \$397,768

Higher Education Operating

This appropriation involves the purchase of master plan properties contiguous to the Eastern Shore Laboratory campus at Wachapreague, Virginia. No purchases have been made since March 2007, however the appropriation remains open for future acquisitions.

Board of Visitors

Enclosure E

November 18-20, 2009

Page 4 of 4

268-16299 Property Acquisition: Master Plan Properties

Appropriation Amount: \$1,100,000

Biennium: 2000-2002

Fund Sources: VCBA Bonds

Obligated to Date: \$602,754

Higher Education Operating

The appropriation involves the purchase of master plan properties contiguous to the Gloucester Point campus. No purchases have been made since May 2004, however the appropriation remains open for future acquisitions.

268-16634 Property Acquisition: VA-NERRS

Appropriation Amount: \$350,000

Biennium: 2000-2002

Fund Source: Federal Funds

Obligated to Date: \$195,000

This project acquires property by the Virginia Estuarine & Coastal Research Reserve System using federal grants. To date, VIMS has purchased a parcel on the Dragon Run (the upper Piankatank River) in November 2002 and a portion of the Catlett Islands in June 2003 for the Reserve System. The appropriation remains open for future acquisitions.

268-17400 Property Acquisition: CBNERRVA

Appropriation Amount: \$1,490,500

Biennium: 2006-2008

Fund Source: Federal Funds

Obligated to Date: \$7,800

This appropriation involves the purchase of master plan properties to support the CBNERRVA program. VIMS received a federal grant to purchase an additional 455 acres of the Catlett Islands and VIMS contracted with two appraisers. Two appraisals of the property are underway.

268-12331 Maintenance Reserve

Appropriation Amounts:	\$243,411	June 30, 2008 Balance
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Fund Source: General Funds	\$401,000	2009
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VCBA Bonds	\$424,000	2010
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The following two maintenance reserve projects are being planned:

1) Excavate bank behind collapsed wooden bulkhead

VIMS received the permit from the U.S. Army Corps of Engineers and is finishing the sketch and specifications. The project will be bid this Fall.

2) Replace air handlers – Watermen's Hall

VIMS is working with the Division of Mines, Minerals, and Energy to obtain an energy audit on three of its buildings and to enter into an energy performance contract.

Watermens Hall is part of that audit and we intend to replace these air handlers as part of that contract. Back-of-the-Envelope audits are due back on December 1, 2009

VIRGINIA INSTITUTE OF MARINE SCIENCE

**RESOLUTION TO DEMOLISH
PIER HOUSE ON EASTERN SHORE AND
THE SOWERS HOUSE AT GLOUCESTER POINT**

WHEREAS, the Virginia Institute of Marine Science requests Board of Visitors' approval to demolish two buildings, the Pier House on the Eastern Shore campus at Wachapreague and the Sowers House on the Gloucester Point campus. The Pier House is in very poor condition and a small enclosure will be constructed for the pump equipment. The Sowers House will be demolished to relocate external research tanks near the new Seawater Research Laboratory.

WHEREAS, the College and the Commonwealth entered into a 2006 Management Agreement (the "Agreement"), governed by the restructured Higher Education Financial and Administrative Operations Act of 2005, Chapter 4.10 of the Title 23 of the *Code of Virginia*; and

WHEREAS, the Agreement was renewed in 2009; and

WHEREAS, the Agreement authorizes the College's Board of Visitors to approve demolition of buildings subject to review by the Art and Architectural Review Board and the Department of Historic Resources; and

WHEREAS, the Virginia Institute of Marine Science will follow established policies and procedures for each demolition; thus,

THEREFORE, BE IT RESOLVED, by the Rector and the Board of Visitors of the College of William and Mary in Virginia, that approval is given to the Virginia Institute of Marine Science to demolish the Pier House (268-B88) and the Sowers House (268-B114) in accordance with all authorities, policies, and procedures in force and necessary to accomplish same; and that

FURTHER RESOLVED, the Vice President for Administration, the Associate Vice President for Facilities Management, and the College Building Official are authorized to execute any and all documents pertaining to the removal of said buildings.

**COLLEGE OF WILLIAM AND MARY
CAPITAL OUTLAY PROJECT PROGRESS REPORT**

204-17278 Renovate: Power Plant & Utilities Improvements (Umbrella)

Appropriation Amount: \$13,636,000 Biennium 2006-2008
Fund Source: VCBA, 9d Bond Obligated to Date: \$12,048,679

204-17278-01 – Renovate: Power Plant: COMPLETE

Budget: \$10,495,000 Obligated to Date: \$10,247,746

204-17278-02 – Construct: North Boundary Street Utility Improvements

Budget : \$2,945,000 Biennium: 2006-2008
Design Team: McKinney Contractor: Waco(Ph 1)/Virtexco(Ph 2/3)
Funding Source: VCBA Obligated to date: \$1,800,932

Description: New packaged heating and hot water systems will replace existing antiquated steam and condensate lines which are well past life-cycle and in extremely poor condition. Upon completion, heating and hot water will be reliable, efficient and economical.

Progress: McKinney performed a study of heating/hot water options to determine the most efficient and economical mix of systems for the mixed building inventory of residences and office suites. Combined, "packaged" heating/hot water units were determined to be optimum. Design and construction are complete for Phases 1 (Sorority Houses 1 – 9), 2 (Brown Hall, Davis House, Prince George House and Sorority 12), and one of the two buildings in Ph 3 (Western Union). The basement equipment for the remaining Phase 3 building (College Apartments) has been installed. Installation of the piping/equipment on the occupied floors is scheduled for summer 2010.

204-17651 Construct/Replace: Cooling Plant & Utilities Improvements (Umbrella)

Appropriation Amount: ≈ \$22,355,000 Biennium 2008-2010
Fund Source: VCBA, 9d Bond Obligated to Date: \$5,394,188

204-17651-01 – Construct: Cooling Plant Addition, Ph 1 (of 2)

Design Team: RMF Engineering Biennium 2008-2010
Budget: \$6,020,401 Obligated to Date: \$4,453,341
Fund Source: VCBA, 9d Bond Contractor: Martin Horn, Inc.

Description: A 3600 gsf Cooling Addition attached to the south wall of the existing heating plant will house up to four 900 ton chiller units and one 400 ton ice plant (in order to provide a thermal reserve for peak demand). The facility will be built and partially equipped during phase 1; and the distribution piping installed in phase 2.

Board of Visitors

Enclosure F

November 18-20, 2009

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Progress: Design of the Cooling Addition and all chillers is complete. Construction of phase 1building envelope and chillers 1 – 3 has been awarded through competitive negotiations (construction management). Construction started Oct 13th and is estimated to take twelve months.

204-17651-02 – Replace: Historic Campus Utility Improvements, Ph 2 (of 2)

Design Team: RMF Engineering

Biennium: 2008-2010

Budget : \$400,000

Obligated to date: \$345,000

Funding Source: VCBA, 9(d) bond

Contractor: TBD

Description: New lines will be installed to distribute chilled water from the new Cooling Addition to 11 core buildings on the Historic Campus and south of Jamestown Road. New and replacement steam lines will also be installed at the same time in the same trenches.

Progress: Preliminary designs were approved by the Code Review Team (CRT); construction drawings will be submitted for review in December. An eighteen month construction schedule is anticipated.

204 – 17189 Design: New School of Education

204 – 17586 Construct: New School of Education

Design Team: Sasaki

Biennium: 2006-2008

Budget : \$48,114,000

Contractor: Barton Malow

Funding Source: General Funds, VCBA

Obligated to date: \$43,120,567

Description: Project supports construction of the New School of Education, a 113,000 GSF facility for undergraduate and graduate instruction, research and outreach.

Progress: Exterior brickwork is 95% complete. Interior framing, utility rough-in and wall board installation are in progress. Window assemblies are on site to allow completion of the exterior envelope. Building utilities have been connected to permit installation and operation of HVAC equipment in order to complete interior finish work. Fixed furnishing and equipment (FFE) orders have been placed. The project is on schedule for completion spring, 2010.

204-17093 Construct: Emergency Generators

Design Team: McKinney

Biennium: 2004-2006

Appropriation Amount: \$1,600,000

Obligated to Date: \$1,391,176

Fund Source: VCBA

Contractor: Multiple firms

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Description: Installation of emergency generators in critical campus facilities, including Facilities Management Building (site of the Crisis Action Center); Jones Hall (computer center machine room); the Recreation Sports Center (total building operations to support emergency housing); and the Integrated Science Center (vivarium support and experiment refrigeration).

Progress: The next project will provide emergency power connections for the Student Health Center. Design is complete, code review is in progress and the project will be advertised in January, with a 90 days construction period.

(GOB) 204-16784 Construct: Addition/Renovation Small Hall

Appropriation Amount: \$28,281,000

Biennium: 2002-2004

Design Team: Burt Hill

Obligated to Date: \$22,300,044

Fund Source: GOB, GF, VCBA funds

Contractor: W.M. Jordan

Description: The project will provide 22,000 GSF in new space and renovation of 65,000 GSF in this 1964 facility, including correction of structural issues, replacement of all building systems and modernization of teaching and research lab spaces.

Progress: Construction started in December 2008 for the new lab addition and high bay assembly space; completion is scheduled for February, 2010. Renovation of the existing building will start once the addition is occupied by the heavy labs in March, 2010. As noted in the last report, repair of defects in the library addition structural framing, which were uncovered during demolition, have delayed project completion until April, 2011.

(GOB) 204-16786 Renovate: Andrews Hall

Appropriation Amount: \$3,801,000

Biennium: 2002-2004

Design Team: McKinney

Obligated to Date: \$362,903

Fund Source: GOB

Contractor: TBD

Description: The project will support select building system upgrades to the 1967 era fine arts facility. Targeted building systems include the fire suppression system, handicapped accessibility, and mechanical/ electrical systems.

Progress: The project scope will address hazardous material remediation (asbestos and lead paint); and improvements to fire and life safety systems, accessibility, HVAC, and electrical service. Additive bid items will include replacement of studio exhaust systems, improved power distribution, and restroom renovations. Construction drawings will go to CRT in January, 2010 for review. A Construction Manager will be used for constructability reviews, phasing development and cost estimating. The project will be

phased over two summers and one Holiday Break in order to execute the work without disrupting the academic program.

204- 17652 Renovate: Tucker Hall (Detailed Planning)

Design Team: Cunningham-Quill

Biennium: 2008-2010

Budget: \$563,500

Contractor: TBD

Funding Source: VCBA

Obligated to date: \$431,686

Description: The project will reconfigure and improve the 1909 era Tucker Hall, last upgraded pre-1980. Instructional space and technology will be modernized for the department of English. Building systems will be replaced, accessibility improved, and life safety upgraded to current code. The current appropriation supports schematic and preliminary design.

Progress: Preliminary design documents (PDs) are expected for CRT review in late November, 2009. Funds to support construction documents, (CDs) and construction award were requested but not approved during the 2009 General Assembly. The College will know in December 2009 whether the Governor recommends funding, effective July 1, 2010.

204-17650 Construct: Integrated Science Center Ph 3 (Pre- Planning)

Design Team: TBD

Biennium: 2008-2010

Budget: \$250,000; \$4.22M

Contractor: TBD

Funding Source: VCBA; Federal Stimulus, HEO

Obligated to date: \$0

Description: The proposed project is a 113,000 GSF facility, designed for scientific research in existing applications (applied science), future programs (inter-disciplinary), and computing (computer modeling).

Progress: A preplanning study conducted in August, 2007 by Moseley Architects was updated and validated in August, 2008. The 2009 General Assembly authorized \$2.0M in College funds (to be reimbursed later by the Commonwealth) and \$2.2M in Federal (stimulus) funds, for design development (PD's). Architect solicitation is underway. Federal funds will be used first; the College will need to determine the source for its non-general fund support/portion.

204-17281 Improve: Dormitory Renovations (Umbrella)

Design Team: Whitlock, Dalrymple & Posten

Biennium: 2008-2010

Budget: \$5,000,000

Contractor: Virtexco

Funding Source: 9c bonds

Obligated to Date: \$3,235,655

Board of Visitors

Enclosure F

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Description: Re-cladding of six out of 9 units in the graduate complex; Select Fire Alarm upgrades; Dupont exterior repair; Yates HVAC repair.

Progress: Re-cladding six of 9 buildings is complete (see 17555). The designs for Dupont and Yates are underway. Both facility repairs are tentatively scheduled for summer 2010.

204-17555 Improve: Graduate Student Residences

Design Team: Whitlock, Dalrymple & Posten	Biennium: 2008-2010
Budget: \$2,500,000	Contractor: Virtexco
Funding Source: 9c bonds	Obligated to Date: \$2,066,843

Description: Brick re-cladding of units 3, 6, and 7 in the graduate dormitory complex.

Progress: The re-cladding of the remaining buildings was contracted in a single solicitation. Construction is phased over summers 2009 (Bldg 3 –complete), 2010 (Bldg 6) and 2011(Bldg 7). The successful bidder, Virtexco, reclad 5 of 6 buildings to date.

204-90001 (0000-005-006) Construct: Career Services Center

Design Team: Cunningham-Quill	Biennium: 2006-2008
Budget: \$7,878,000	Contractor: Whiting Turner
Funding Source: Private	Obligated to date: \$6,499,027

Description: Construction of an 11,000 GSF, centrally located facility to house an array of services, resources, and technologies in career development. The building will include reception, presentation, recruitment, resource and professional staff areas.

Progress: The construction manager has mobilized, cleared the site, provided temporary access to Sadler Center and installed electrical service. Building construction will begin the week of October 26th, 2009. Occupancy is targeted for December, 2010.

AP 00081-001-08 Design: Tyler Hall Renovation (Feasibility Study)

Design Team: Mitchell-Matthews	Biennium: 2010-2012
Budget: \$107,500	Contractor: TBD
Funding Source: Private (for study)	Obligated to date: \$83,582

Description: The preplanning study will address reconfiguration and modernization of the former Business School undergraduate facility, for the departments of Economics, Government, and Public Policy (currently in Morton Hall).

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Progress: Meetings are underway to review, validate, and detail the programmatic needs. Benchmarking trips will be taken by building committee members to assess facilities of peer competitors and familiarize themselves with state of the art in instruction. The A/E will assess building system conditions and code compliance requirements. The study will take six months.

Major Repair and Maintenance Reserve

2008 -2010

FY 2009 Appropriation Amount: \$2,366,000

FY 2010 Appropriation Amount: \$2,498,000

Funding Source: VCBA bonds

The following projects are authorized to proceed with design:

- Sunken Garden Hand Rails
- Swem West Patio Repair
- T-Hall Elevator Repair

The following projects are in design:

- Adair Hall Anatomy Ventilation Repair
- FM Storm Water Cross Connect Repair
- McGlothlin-Street Hall Acid Gas Hood Replacement
- Morton Hall Elevator Repair
- Maintenance Shop Drive Repair

The following project designs are complete:

- Adair Lighting Controls Repair
- Bryan Complex Sewer Repair
- HF Magnet Sprinkler Repair
- Morton Hall HVAC Commissioning
- Small Hall HF Magnet Sprinkler Repair

The following projects are/were under construction:

- Aviary Drainage Repair
- Bell Hall Repairs
- Multiple Roofs - Lake Matoaka Art Studio

The following projects are complete:

- ADA Accessibility (various pathways)
- Blow Hall Fire Alarm Replacement
- Classroom Repairs – Summer 2009

**COLLEGE OF WILLIAM AND MARY
DEMOLITION OF THIEMES HOUSE**

WHEREAS, the College of William and Mary requests Board of Visitors' approval to demolish the building, Thiemes House (204-0133), located at 303 Richmond Road, adjacent to the convenience store, WAWA; and

WHEREAS, the site will be eventually incorporated into the William & Mary Real Estate Foundation's (WMREF) College Triangle Retail Project; and

WHEREAS, the College and the Commonwealth entered into a 2006 Management Agreement (the "Agreement"), governed by the restructured Higher Education Financial and Administrative Operations Act of 2005, Chapter 4.10 of the Title 23 of the *Code of Virginia*; and

WHEREAS, the Agreement was renewed in 2009; and

WHEREAS, the Agreement authorizes the College's Board of Visitors to approve demolition of buildings subject to review by the Art and Architectural Review Board and the Department of Historic Resources; and

WHEREAS, the College will follow policies and procedures established under the Agreement, and governing demolition; thus,

THEREFORE, BE IT RESOLVED, by the Rector and the Board of Visitors of The College of William and Mary in Virginia, that approval is given to the College to demolish Thiemes House (204-00133) in accordance with all authorities, policies, and procedures in force and necessary to accomplish same; and that

FURTHER RESOLVED, the Vice President for Administration, the Associate Vice President for Facilities Management, and the College Building Official are authorized to execute any and all contracts and documents necessary and pertaining to the removal of same.

**COLLEGE OF WILLIAM & MARY
2010-2016 CAPITAL OUTLAY PLAN REVISED**

In March of 2009, the College developed its proposed capital outlay six year plan for the biennia 2010-2016. The plan was developed in accordance with the Governor's guidance on six year capital plans. Typically developed in the spring of the odd numbered year, the plan, which also includes the 2010-16 Maintenance Reserve request, is completed over the ensuing summer in a series of submissions to the Department of Planning & Budget. The refined plan, along with the addition of a new project, is being brought to the Board of Visitors for final action.

The new project, "Construct Ash Lawn Barn," was added to the 2010-2012 biennium of the College's capital plan. The project will construct a 3,160 square foot barn, for the purposes of education, exhibitions, and special events. The project's recommended fund source is 9(d) pooled bond debt; Ash Lawn's existing revenue stream will service the debt.

In addition, the College made a series of submittals to the Department of Planning and Budget (DPB) and other agencies between April and September of 2009. Over the course of the process, project budgets were refined and adjusted. The attached spreadsheet reflects the final estimates that were reported to DPB.

RESOLVED, That the Board of Visitors of The College of William and Mary in Virginia approves the 2010-2016 Capital Outlay Plan Revised as recommended; and

BE IT FURTHER RESOLVED, That the Board hereby authorizes the Vice President for Administration to take whatever actions are necessary to support the process of budget development relative to the Governor and supporting agencies with respect to the 2010-2016 Capital Plan Revised.

College of William and Mary 2010-2016 Capital Plan REVISED

2010 - 2012 Capital Program Request					
Priority	Project	Fund	General Funds	Non-General Funds	Total Project Request
1a	Maintenance Reserve	0100	\$5,645,000		\$5,645,000
2	Construct: Cooling Plant/Utility Improvements , Ph 3	0100/0815	\$8,181,000		\$8,181,000
3	Improve: Lake Mattoaka Dam Spillway	0100	\$1,500,000		\$1,500,000
4	Renovate: Tucker Hall	0100	\$12,121,000		\$12,121,000
5	Construct: Monticello/Compton Pedestrian Pathways	0100	\$1,950,000		\$1,950,000
6	Construct: Integrated Science Center, Phase 3	0100	\$85,000,000		\$85,000,000
7	Improve: Campus Storm Water Infrastructure	0100	\$2,000,000		\$2,000,000
8	Design: Tyler Hall Renovation	0100	\$2,750,000		\$2,750,000
9	Design: Fine and Performing Arts Complex	0100/0302	\$4,306,000		\$4,306,000
10	Renovate: Brafferton & Brafferton Kitchen	0100	\$4,406,000		\$4,406,000
11	Improve: Athletic Facilities	0815		\$6,500,000	\$6,500,000
12	Construct: New Dormitory	0813		\$25,800,000	\$25,800,000
13	Renovate: Residence Halls (Dormitories)	0813		\$4,500,000	\$4,500,000
14	Construct: Ash Lawn Barn	0813		\$800,000	\$800,000
2010-2012 Biennium Totals			\$52,405,000		\$116,208,000
Prior Appropriations					

COMMITTEE ON ACADEMIC AFFAIRS
November 19, 2009
2:00 – 2:45 p.m.
Board Conference Room - Blow Memorial Hall

Anita O. Poston, Chair
Colin G. Campbell, Vice Chair

- I. Introductory Remarks - Ms. Poston
- II. Approval of Minutes – September 17, 2009
- III. Report from Provost Michael R. Halloran
- IV. Report from Faculty Liaison Committee Chair Professor Kathleen F. Slevin
- V. Closed session (if necessary)
- VI. Open Session

A. Certification of Closed Session **Resolution**

Chair should review topics discussed during closed session for benefit of observers, then move adoption of **Resolution** certifying closed session was held in compliance with Freedom of Information Act. Motion will be seconded and Chair or designee will conduct roll call vote of the Committee members for adoption. Upon passage, Chair should sign the resolution and direct that it be appended to the official minutes of this meeting.

B. Action Materials - Provost Michael R. Halloran

- 1. Appointment to Fill a Vacancy in the Instructional Faculty **Resolution 7**
- 2. Appointments to Fill Vacancies in the Professionals and Professional Faculty **Resolution 8**
- 3. Chancellor Professorship **Resolution 9**
- 4. Retirement of Eugene M. Burreson
School of Marine Science **Resolution 10**

VII. Discussion

VIII. Adjourn

COMMITTEE ON ACADEMIC AFFAIRS

MINUTES – SEPTEMBER 17, 2009

MINUTES
Committee on Academic Affairs
September 17, 2009
Board Conference Room – Blow Memorial Hall

Attendees: Anita O. Poston, Chair; Colin G. Campbell, Vice Chair; Sarah I. Gore; Kathy Y. Hornsby, Robert E. Scott. Board members present: John Charles Thomas, faculty representative Katherine M. Kulick. Others present: Assistant Attorney General Deborah Love; Provost Michael R. Halleran, Earl T. Granger III, members of the Faculty Liaison Committee, and Sandra J. Wilms.

Chair Anita Poston called the meeting to order at 11:30 a.m. Recognizing that a quorum was present, Ms. Poston moved to adopt the minutes of the meeting of April 16, 2009. Motion was seconded by Mr. Scott and approved by voice vote of the Committee.

Provost Michael R. Halleran reported on his efforts to get to know the faculty, students and programs since arriving on campus during the summer and provided some thoughts on his educational philosophy. The Provost offered brief remarks on the quality of the faculty, future reports planned for upcoming meetings and commented on the upcoming discussion on the liberal arts goal as part of the strategic planning process. A brief discussion ensued.

Chair of the Faculty Liaison Committee Professor Kate Slevin reported on faculty concern over the budget reductions, noting their biggest concern for the integrity of the academic program. The faculty are asking the Board to be extremely aggressive in locating other sources of revenue and would encourage the Board to consider a mid-year tuition increase. The faculty continue to be very involved in strategic planning and on the challenge to be the best liberal arts university, but would like the process to slow down a bit to allow more conversation regarding what that type of university should look like. Professor Slevin noted that the results of the faculty survey would be brought to the Committee and the Board in February.

Ms. Poston asked Mr. Campbell to address the issue of strategic planning from the Academic Affairs Committee perspective. The Provost provided an overview of the planning steps and the process leading up to the April meeting. A brief discussion ensued.

Ms. Poston advised that the Committee would discuss future agenda items prior to the next meeting and encouraged members to send their thoughts to the Provost. She asked for thoughts on how to improve communications between the faculty and the Board. A brief discussion ensued.

Ms. Poston asked for a motion that the Committee on Academic Affairs convene in closed session for the purpose of discussing and/or approving personnel actions involving the appointment, promotion, tenure and leaves of specific college employees, as provided for in Section 2.2-3711.A.1. of the Code of Virginia. Motion was made by Ms. Gore, seconded by Mr. Campbell and approved by voice vote of the Committee. The observers were asked to leave the room and the Committee went into closed session at 12:25 p.m.

Committee on Academic Affairs

MINUTES

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The Committee reconvened in open session at 12:32 p.m. Ms. Poston reviewed the topic discussed during closed session for the benefit of the observers, then asked for a motion to adopt the **Resolution** certifying that the closed session was held in compliance with the Freedom of Information Act. Motion was made by Ms. Gore, seconded by Mr. Scott and approved by roll call vote of the Committee members conducted by the Executive Assistant to the Board Sandra Wilms. (Certification **Resolution** is appended).

Ms. Poston asked for a motion to adopt as a block **Resolution 8**, Appointments to Fill Vacancies in the Instructional Faculty; **Resolution 9**, Appointments to Fill Vacancies in the Professionals and Professional Faculty **Resolution 10**, Confirmation of Academic Tenure; **Resolution 11**, Designated Professorship; and **Resolution 12**, Faculty Leaves of Absence. Motion was made by Ms. Gore, seconded by Mr. Scott and approved by voice vote.

The Provost reviewed **Resolution 13**, Revisions to the Bylaws of the Virginia Institute of Marine Science/School of Marine Science. Following a brief discussion, Ms. Poston asked for a motion to adopt **Resolution 13**. Motion was made by Mr. Scott, seconded by Ms. Gore and approved by voice vote.

There being no further business, the Committee adjourned at 12:34 p.m.

Committee on Academic Affairs

Resolution AA-1

September 17, 2009

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors Committee on Academic 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 Committee that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, That the Committee on Academic 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 Committee on Academic Affairs.

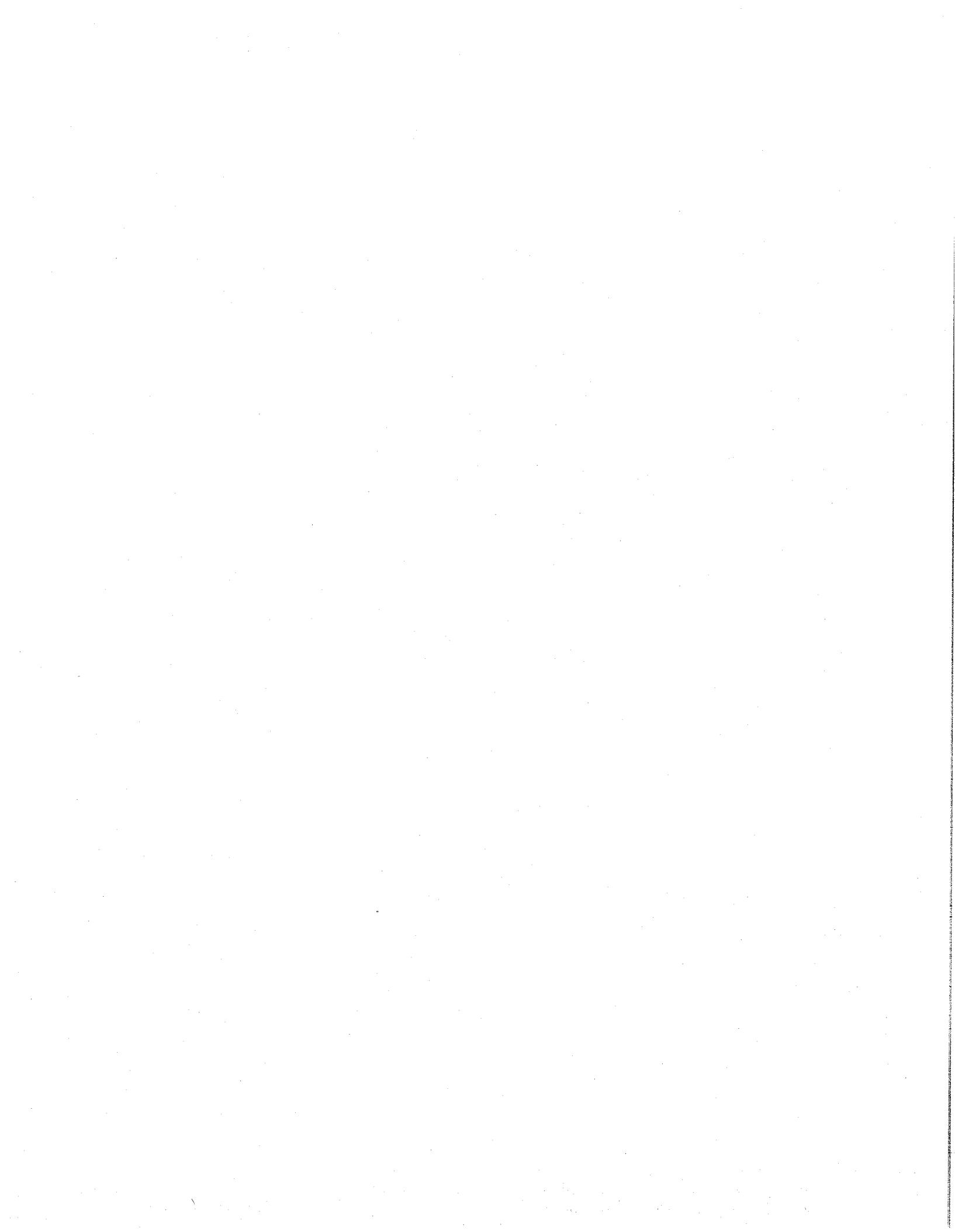
VOTE

AYES: 5

NAYS: 0

ABSENT DURING CLOSED SESSION:


Anita O. Poston
Anita O. Poston
Chair
Committee on Academic Affairs



Board of Visitors

Resolution 7

November 18-20, 2009

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COLLEGE OF WILLIAM AND MARY
APPOINTMENT TO FILL A VACANCY IN THE
INSTRUCTIONAL FACULTY

A vacancy in the Instructional Faculty of the College of William and Mary has resulted because of resignation, termination or the approval of an additional authorized position.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the appointment of the following individual to fill this position:

NICHOLAS CHRISTOFF, Assistant Professor of Military Science,
effective 1 October 2009

B.A. (1978); M.A. (1986), Rider University
M.B.A., University of California, Los Angeles, 1997
M.B.A., Vanderbilt University, 2007

Christopher Newport University
Assistant Professor, 2007, 2009

Fort Lee, Virginia
Personnel Management Officer, 1995-2007

Board of Visitors

Resolution 8

November 18-20, 2009

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COLLEGE OF WILLIAM AND MARY
APPOINTMENTS TO FILL VACANCIES IN THE
PROFESSIONALS AND PROFESSIONAL FACULTY

Vacancies in the Professionals and Professional Faculty of the College of William and Mary have resulted because of resignations, terminations or the approval of additional authorized positions.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the appointments of the following individuals to fill these positions:

CAROLYN K. DAVIS, Director of Auxiliary Services, effective
19 January 2010

B.A. (1973); M.B.A. (1980), College of William and Mary

University of Wisconsin
Assistant Campus Dean for Administrative Services, 2003-2009

DRS3, LLC, Broomfield, Co. (privately owned company providing travel and management services)
Managing Director, 1999-2003

Champion International Corporation
Director, Facilities Administration and Corporate Services, 1989-1999

JAMES A. FERNALD, Assistant Director of Marketing and Promotions, Athletics Department, effective 10 September 2009

B.A., Washington and Lee University, 2004

LSU Sports Properties
Account Executive, Operations/Client Services, 2007-2009

University of Virginia, Virginia Athletics Ticket Office
Sales Representative, 2006-2007

COLLEGE OF WILLIAM AND MARY
APPOINTMENTS TO FILL VACANCIES IN THE
PROFESSIONALS AND PROFESSIONAL FACULTY

BRAXTON THOMAS FONVILLE, Investment Officer, College of William and Mary Foundation, effective December 1, 2009

B.S., University of North Carolina at Chapel Hill, 2009

University of North Carolina Management Company
Public Investment Intern, 2008-2009

WARRENETTA CRAWFORD MANN, Director of the Counseling Center, Student Affairs, effective 10 December 2009

B.A., Vanderbilt University, 1988
M.A., University of Louisville, 1992
Psy.D., Spalding University, 2003

University of Virginia Counseling and Psychological Services
Multicultural Coordinator/Staff Psychologist, 2006-2009

University of Cincinnati Psychological Services Center
Coordinator of Clinical Services, 2005-2006
Senior Staff Therapist/Coordinator of Multi-Ethnic/Cross Cultural Services and Women's Services, 2002-2004

COLLEGE OF WILLIAM AND MARY
APPOINTMENTS TO FILL VACANCIES IN THE
PROFESSIONALS AND PROFESSIONAL FACULTY

EDWARD D. MARIS-WOLF, Manager of International Programs,
Omohundro Institute of Early American History and Culture, effective
25 September 2009

B.A., Amherst College, 1997
M.A. (2002); Ph.D. (Candidate), College of William and Mary

College of William and Mary, Omohundro Institute of Early American
History and Culture
Assistant Editor, William and Mary Quarterly, 2009
Freelance Copyeditor, William and Mary Quarterly, 2008-2009

DENISE R. RIDLEY MCCOY, Assessment Analyst, Institutional Analysis
and Effectiveness, effective 4 November 2009

B.A., Christopher Newport University, 1986
M.B.A., College of William and Mary, 1993

College of William and Mary
Associate Director of Academic Projects, Academic Affairs
Assessment, Mason School of Business, 2008-2009
Administrative Project Manager, Academic Affairs, Mason School
of Business, 2007-2008
Administrative and Research Project Manager, Mason School
of Business, 2006-2007
Associate Director of Sponsored Programs, Office of Grants
and Research Administration, 2004-2006
Compliance and Research Administrator, Office of Grants
and Research Administration, 2001-2004

COLLEGE OF WILLIAM AND MARY
APPOINTMENTS TO FILL VACANCIES IN THE
PROFESSIONALS AND PROFESSIONAL FACULTY

BASSANO DEAN NEFF, Director, Fiscal Operations, School of Education,
effective 10 October 2009

B.S., Old Dominion University, 1984

College of William and Mary
Accountant, Swem Library, 2003-2009

Virginia Department of Transportation
Budget Manager, 2002-2003
Financial Analyst, 2001-2002

College of William and Mary
Business System Analyst, Bursar's Office, 1999-2001
Manager, Student Accounts, Bursar's Office, 1989-1999

JENNIFER SEKULA, Head of Access Services, Marshall-Wythe School of
Law, effective 1 January 2010

B.S., College of William and Mary, 1994
M.S. (1998); J.D. (1998), Vermont Law School
M.S.L.S, Catholic University of America, 2002

College of William and Mary, The Wolf Law Library
Senior Reference Librarian
Foreign and International Law Specialist, 1999-2009

BENJAMIN C. SHEPARD, Area Director, Residence Life, effective
10 November 2009

B.S., Bradley University, 2005
M.A., Saint Louis University, 2008

Saint Louis University
Residence Hall Coordinator, 2006-2009

Bradley University
Residence Hall Director, 2003-2006
Assistant Residence Hall Director, 2002-2003

Board of Visitors

Resolution 9

November 18-20, 2009

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COLLEGE OF WILLIAM AND MARY
CHANCELLOR PROFESSORSHIP

The following member of the Instructional Faculty of the College of William and Mary has been recommended for a Chancellor Professorship.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the Chancellor Professorship for the following member of the Faculty of the College, effective January 1, 2010:

JOHN E GRAVES, Chancellor Professor of Marine Science, for a seven-year term.

COLLEGE OF WILLIAM AND MARY
RETIREMENT OF EUGENE M. BURRESON
SCHOOL OF MARINE SCIENCE

Professor Eugene M. Burreson joined the faculty of the College of William and Mary in 1977 as an Assistant Professor in the School of Marine Science and Program Manager for the BLM Middle Atlantic Outer Continental Shelf Environmental Studies program at VIMS. He was promoted to Associate Professor in 1985 and became Professor in 1993. Professor Burreson was named Head of the Department of Fisheries Science in 1996, and from 1996 to 2002 he served as Director for Research and Advisory Services. In July 2008, Professor Burreson was appointed Chancellor Professor.

Professor Burreson received his B.S. in Biology in 1965 from Eastern Oregon University, his M.S. in Zoology in 1973 from Oregon State University, and his Ph.D. in 1975 in Zoology/Oceanography from Oregon State University.

He is highly respected as a researcher internationally and has provided extraordinary leadership and governance service to VIMS, the Commonwealth, as well as to the international community. As Director for Research and Advisory Services, he passionately devoted himself to this position, fostered an efficient and productive research atmosphere at VIMS, and gave sound and rigorous scientific advice to the state, region, nation and international community.

Professor Burreson is an eminent shellfish pathologist. He is internationally recognized for his work on marine leeches. Professor Burreson is the head of the VIMS Shellfish Pathology Laboratory, which does all the oyster disease monitoring for the Commonwealth of Virginia. Gene's shellfish disease expertise is also internationally recognized, and scientists and regulators from around the world contact him for information and recommendations. Based on his expertise, the Office International de Epizooties (OIE) designated him the honor as the sole Reference Expert for molluscan diseases Perkinsosis and Haplosporidiosis. Similarly, the VIMS shellfish pathology laboratory is the sole OIE Reference Laboratory for these molluscan diseases. The OIE is a Paris, France-based international advisory organization on infectious animal diseases and is the official arbiter of the World Trade Organization for issues involving living animal products, including wild or aquacultured marine animals.

Professor Burreson's honors have been many. In 2000, a manuscript on which he was lead author published in the American Fisheries Society journal and the Journal of Aquatic Animal Health, was recognized as the best paper published in the journal that year. He is also one of the few recognized world experts in leech taxonomy. He received an NSF Partnership for Enhancing Expertise in Taxonomy (PEET) grant award, which is designed to enhance taxonomic research and train future generations of experts. Professor Burreson has received many other NSF awards as well. In 1989, VIMS awarded him the Outstanding Faculty Advisory Service Award for his activities to the Commonwealth and the Nation. The National Shellfisheries Association recognized him with their Honored Life Member Award, the association's highest honor, in 2009.

Over the years, Professor Burreson has obtained numerous competitive research grants from federal and state agencies that helped him to develop one of the strongest and most productive research programs at VIMS. Professor Burreson has been an outstanding mentor to many excellent and successful graduate students and post-doctoral associates. In 1993, he was recognized for his teaching excellence as a recipient of the Alumni Fellowship Award.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Professor Eugene M. Burreson effective January 1, 2010; expresses its appreciation to him for the many contributions he has made to the College of William and Mary; and approves, with deep gratitude for his thirty-three years of devoted service to the University, a change in status from Chancellor Professor of Marine Science to Chancellor Professor of Marine Science, Emeritus.

BE IT FURTHER RESOLVED, That this resolution be spread upon the minutes of the Board and a copy of the same be delivered to Professor Eugene M. Burreson with best wishes for continuing and creative work in the years ahead.

COMMITTEE ON STUDENT AFFAIRS

November 19, 2009

4:10 – 5:00 p.m.

Board Room - Blow Memorial Hall

John Charles Thomas, Chair

Suzann W. Matthews, Vice Chair

- I. Introductory Remarks - Mr. Thomas
- II. Report from Vice President for Student Affairs – Virginia M. Ambler
 - A. Student Affairs Update
 - B. Student Leadership Development Programs at William and Mary
- III. Report from Student Liaisons
- IV. Discussion
- V. Adjourn

COMMITTEE ON FINANCIAL AFFAIRS

November 20, 2009

8:30 – 10:00 a.m.

Board Room - Blow Memorial Hall

Charles A. Banks, III, Chair

Robert E. Scott, Vice Chair

- I. Introductory Remarks - Mr. Banks
- II. Approval of Minutes - September 17, 2009
- III. Closed Session (if necessary)
- IV. Open Session – Certification of Closed Session **Resolution**

Chair should review topics discussed during closed session for benefit of observers, then move adoption of **Resolution** certifying closed session was held in compliance with Freedom of Information Act. Motion will be seconded and Chair or designee will conduct roll call vote of the committee members for adoption. Upon passage, Chair should sign the resolution and direct that it be appended to the official minutes of this meeting.

- V. Report from Vice President for Finance Samuel E. Jones
 - A. FY 2009-10 Budget Update.
 - B. Revised FY 2009-10 Operating Budget for Educational and General Programs. **Resolution** 11.
 - C. Receipt of the Consolidated Financial Report of the College of William and Mary in Virginia and Richard Bland College for the Fiscal Year Ended June 30, 2009 (*joint with Richard Bland College*). **Resolution** 12.
 - D. Receipt of the Financial Report of the Intercollegiate Athletic Department for the Fiscal Year Ended June 30, 2009. **Resolution** 13.
 - E. Peer Comparison: Tuition and Fees.
 - F. 2009-2010 Operating Budget Summary. Enclosure G.
- VI. Report from Virginia Institute of Marine Science Director of Planning and Budget Carolyn R. Cook
 - A. FY 2009-10 Budget Update.

COMMITTEE ON FINANCIAL AFFAIRS

November 20, 2009

B. Revised FY 2009-10 Operating Budget. **Resolution 14.**

C. Operating Budget Summary. Enclosure H.

VII. Investment Portfolio Evaluation Overview - Joseph W. Montgomery, Wells Fargo Advisors

A. Investment Update for Period Ending September 30, 2009.
Enclosure I. (see separate booklet)

VIII. Discussion

IX. Adjourn

COMMITTEE ON FINANCIAL AFFAIRS

MINUTES – SEPTEMBER 17, 2009

MINUTES
Committee on Financial Affairs
September 17, 2009
Board Room – Blow Memorial Hall

Attendees: Charles A Banks III, Chair; Robert E. Scott, Vice Chair; Colin G. Campbell; Thomas E. Capps; Timothy P. Dunn; John W. Gerdelman; R. Philip Herget III. Board members present: Rector Henry C. Wolf; Janet M. Brashear; Sarah I. Gore; Kathy Y. Hornsby; Anita O. Poston; Dennis H. Liberson; Suzann W. Matthews; John Charles Thomas; Jeffrey B. Trammell; faculty representative Katherine M. Kulick, student representative Sarah D. Rojas; staff liaison Mary Molineux. Others in attendance: President W. Taylor Reveley III; Provost Michael R. Halleran; Virginia M. Ambler, James R. Golden, Samuel E. Jones, Anna B. Martin; Sean M. Pieri, Michael L. Stump, Michael J. Fox and other College staff; Assistant Attorney General Deborah Love, Virginia Institute of Marine Science Dean and Director John T. Wells and Director of Planning and Budget Carolyn R. Cook; and staff from Wells Fargo Advisors, the Board of Visitors' investment consultant.

Following opening remarks by Rector Wolf and President Reveley, and recognizing that a quorum was present, Chair Charles Banks convened the Committee at 9:22 a.m. Mr. Banks asked for a motion to approve the minutes of the April 16, 2009 meeting, as well as the minutes of the May 21, 2009 and September 3, 2009 meetings of the Investments Subcommittee. Motion was made by Mr. Gerdelman, seconded by Mr. Herget, and approved by voice vote of the Committee.

Mr. Banks called on Joseph Montgomery and staff from Wells Fargo Advisors to provide an update on investment performance of the Board of Visitors portfolio. Following a difficult 2008, the market recovered well the first 8 months of 2009; as a result the value of the BOV portfolio is up by 17.3%, with a value totaling \$46 million at August 31, 2009.

Mr. Montgomery expressed appreciation and thanks to the Investments Subcommittee members, Mr. Banks, Mr. Dunn and Mr Gerdelman, for their time in working with the Wells Fargo Advisors staff in developing recommendations to present to the Committee on Financial Affairs. As outlined in **Resolution 18**, Revision of Board of Visitors Investment Policy and Appointment of Investment Managers, which was distributed to the Committee, the Subcommittee made the following recommendations: 1) change the asset allocation targets applicable to the Board's long term endowment investments; 2) move from passive to active investment of bond funds; and 3) invest a portion of Board of Visitors funds in alternative investments through a "fund-of-funds" approach. The Chair requested a motion to accept the recommendations as presented in **Resolution 18**. Motion was made by Mr. Herget, seconded by Mr. Gerdelman and approved by voice vote of the Committee. (**Resolution 18** is appended.)

The Chair then asked Vice President for Finance Samuel Jones to report on the recent changes in State funding support and the College's response. Mr. Jones presented information provided by the Secretary of Finance, Commonwealth of Virginia, which reflected the downward trend of the economy at both the National and State levels. He then discussed Governor Kaine's State budget

Committee on Financial Affairs

MINUTES

Page 2

reduction plan. In order to address the \$1.35 billion shortfall for FY 2010, the Governor has proposed a one day furlough for all State employees. In addition, State support for four year institutions of higher education will be reduced by 15%. With the offset of one-time federal stimulus funds and the shifting of some of those funds from FY 2011 to FY 2010 (subject to federal approval), the College will need to address a net reduction of \$3.35 million for FY 2010. By FY 2012, the College will likely need to address the loss of all federal stimulus funds. Over the next two years, options to reduce the budget will include: increasing revenue; limiting hiring; creating early retirement incentives; expanding alternative work schedules, reviewing the size and scope of programs/activities; improving efficiency of operations; and reducing operating support.

Carolyn Cook, Director of Planning and Budget for the Virginia Institute of Marine Science discussed the impact of the additional reduction of State support for VIMS, which results in a net reduction of \$1.5 million for FY 2010.

Vice President Jones reviewed **Resolution 2**, FY 2010-12 Operating Budget Requests for the College of William and Mary, which includes support for new facilities coming on-line; graduate student financial aid; and utilities and other contract related cost increases. Ms. Cook reviewed **Resolution 3**, FY 2010-12 Operating Budget Requests for the Virginia Institute of Marine Science, which includes support for the Wetlands Advisory Program; base operating; graduate student financial aid; and fisheries stock assessment.

Following brief discussion, Mr. Banks moved adoption of **Resolution 2** and **Resolution 3**. Motion was seconded by Mr. Scott, and approved by voice vote of the Committee.

Mr. Jones noted that the informational agenda items – 2009 Debt Management Report, FY 2009-10 Operating Budget Summary, and Statement of Endowment Funds as of June 30, 2009 – were distributed in the agenda book.

There being no further business, the Committee adjourned at 10:35 a.m.

COLLEGE OF WILLIAM AND MARY

REVISION OF BOARD OF VISITORS
INVESTMENT POLICY AND APPOINTMENT OF INVESTMENT MANAGERS

Over the past several months the Investment Subcommittee of the Committee of Financial Affairs of the Board of Visitors of the College of William and Mary met with Wells Fargo Advisors, the Board's investment consultant, to consider 1) changes in the asset allocation targets applicable to the Board's long term endowment investments, 2) a move from passive to active investment of bond funds, and 3) investment of a portion of Board of Visitors funds in alternative investments through a "fund-of-funds" approach.

As a result of these discussions, the Investment Subcommittee recommends to the Committee of Financial Affairs the following actions:

1. Consistent with the accompanying schedule, revise the current asset allocation targets, reducing the percentage allocation to equities, increasing the percentage allocation to bonds, and increasing the percentage allocation to alternative investments
2. Move its U. S. bond investment from passive to active management, retaining the PIMCO Total Return Fund and the Pioneer Strategic Income Fund as complementary active managers.
3. Invest five percent of the investment portfolio in alternative investments through the Alternative Strategies Group, Inc. fund of funds vehicles.

THEREFORE, BE IT RESOLVED that the Committee of Financial Affairs accepts the recommendation of the Investment Subcommittee to revise the current asset allocation targets, reducing the percentage allocation to equities, increasing the percentage allocation to bonds, and increasing the percentage allocation to alternative investments.

BE IT FURTHER RESOLVED that Committee of Financial Affairs accepts the recommendation of the Investment Subcommittee to move its U. S. bond investment from passive to active management, retaining the PIMCO Total Return Fund and the Pioneer Strategic Income Fund as complementary active managers.

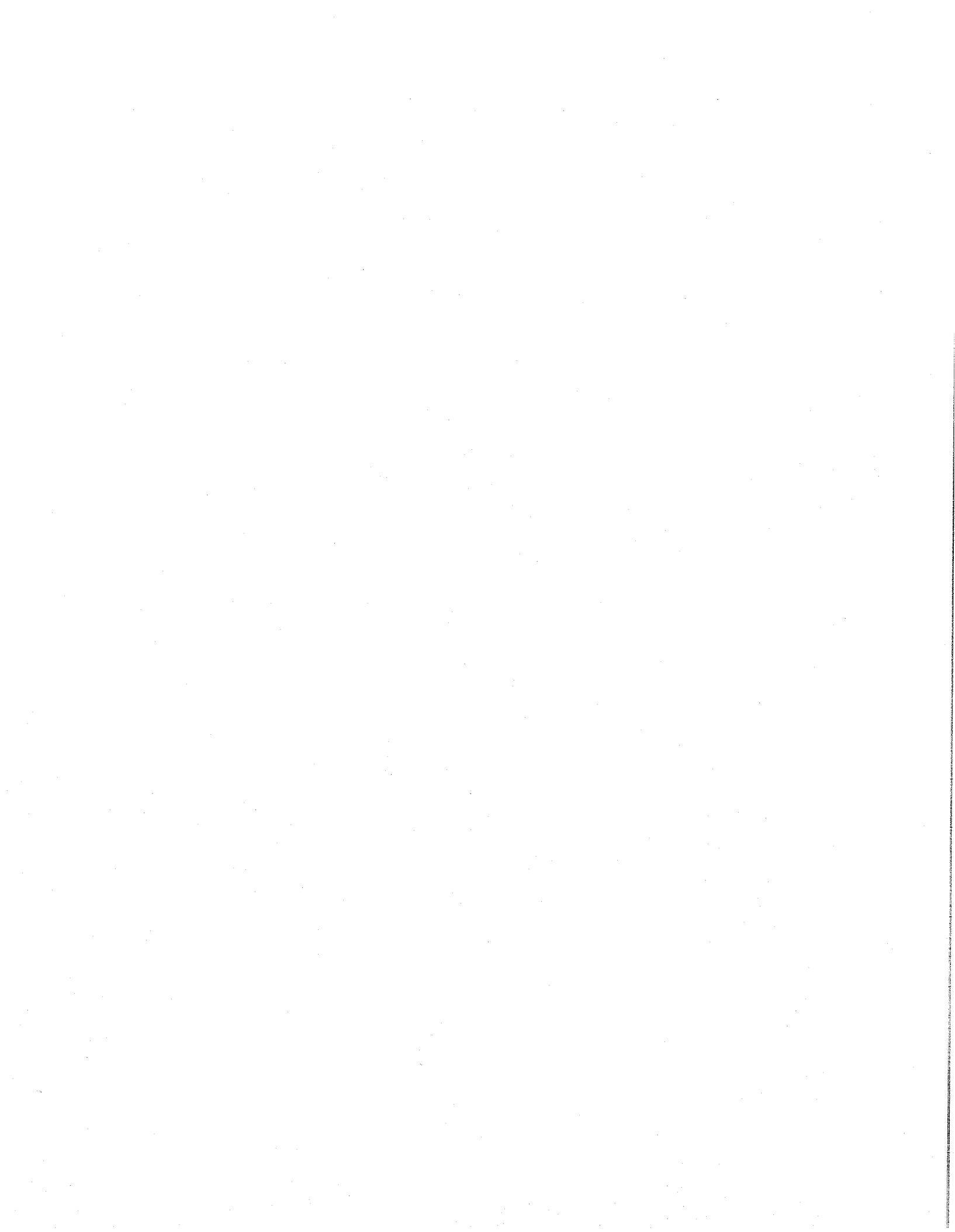
BE IT FURTHER RESOLVED that Committee of Financial Affairs accepts the recommendation of the Investment Subcommittee to invest five percent of the investment portfolio in alternative investments through the Alternative Strategies Group, Inc. fund of funds vehicles.

THEREFORE, BE IT FURTHER RESOLVED that the Board of Visitors of the College of William and Mary in Virginia accepts the recommendation of the Committee on Financial Affairs to change the asset allocation targets applicable to the Board's long term endowment investments, move from passive to active investment of bond funds, and invest of a portion of Board of Visitors funds in alternative investments through a "fund-of-funds" approach.

BE IT FURTHER RESOLVED that the Board of Visitors directs that the College of William and Mary Investment and Spending Policy for Endowment be modified as necessary to reflect these actions.

College of William and Mary
Current and Proposed Asset Allocation

<u>Asset Class</u>	<u>Current Target</u>	<u>Recommended Target</u>
<u>Equities</u>		
Large-Cap Stocks	40%	25%
Mid-Cap Stocks	12.5%	12.0%
Small-Cap Stocks	7.5%	7.0%
Foreign Developed	10%	9.0%
Foreign Emerging	<u>4%</u> 74%	<u>2%</u> 55%
<u>Bonds</u>		
U.S. Bonds	20%	30%
Non-U.S. Bonds	<u>5%</u> 25%	<u>10%</u> 40%
Alternatives	<u>1%</u>	<u>5%</u>
Grand Total	100%	100%



COLLEGE OF WILLIAM AND MARY

**REVISED FY 2009-10
OPERATING BUDGET FOR EDUCATIONAL AND GENERAL PROGRAMS**

On September 8, 2009, Governor Timothy M. Kaine released the FY 2010 Reduction Plan for the Commonwealth of Virginia. This plan responded to an estimated \$1.35 billion budget shortfall for the 2008-2010 biennium and was intended to bring the Commonwealth's general fund budget back into balance. This reduction plan marks the fourth time in two years that general fund reductions have occurred.

The Governor balances the budget through a series of base budget and one-time actions. In higher education, general fund support is reduced by 15% for four year institutions and 13% for two year institutions. To help mitigate the immediate impact of this mid-year reduction the Governor intends to provide higher education institutions with additional federal stimulus funds. The net effect will be that two year and four year institutions must address reductions of just over 6.9% and 8%, respectively.

For the College, a 15% reduction in state support totals \$6.2 million. At this point we expect to receive an additional \$2.8 million in federal stimulus funds and address the remaining \$3.4 million with a combination of increased revenue and budget reductions. The net effect on both revenue and expense budgets for this year is reflected in the accompanying Revised FY 2010 Educational and General Operating Budget.

THEREFORE, BE IT RESOLVED That the Board of Visitors of the College of William and Mary in Virginia approves the Revised FY 2010 Educational and General Programs Operating Budget of the College as reflected on the attached schedule.

COLLEGE OF WILLIAM AND MARY**REVISED FY 2009-10
OPERATING BUDGET FOR EDUCATIONAL AND GENERAL PROGRAMS**

	<u>Approved</u> <u>FY 2009-2010</u>	<u>Revised</u> <u>FY 2009-2010</u>	<u>Variance</u>
<u>REVENUE</u>			
Federal Funds	\$ 3,815,722	\$ 6,615,722	\$ 2,800,000
General Fund	40,977,444	34,778,267	(6,199,177)
Nongeneral Fund	<u>93,662,862</u>	<u>95,542,862</u>	<u>1,880,000</u>
Total Revenue	\$ 138,456,028	\$ 136,936,851	\$ (1,519,177)
<u>EXPENDITURES</u>			
Instruction	\$ 77,345,245	\$ 76,915,119	\$ (430,126)
Research	1,616,474	1,335,972	(280,502)
Public Service	8,021	8,021	-
Academic Support	21,951,726	21,626,695	(325,031)
Student Services	6,517,966	6,445,393	(72,573)
Institutional Support	14,222,640	14,000,867	(221,773)
Plant Operations	<u>16,793,956</u>	<u>16,604,784</u>	<u>(189,172)</u>
Total Expenditures	\$ 138,456,028	\$ 136,936,851	\$ (1,519,177)

Board of Visitors

Resolution 12

November 18-20, 2009

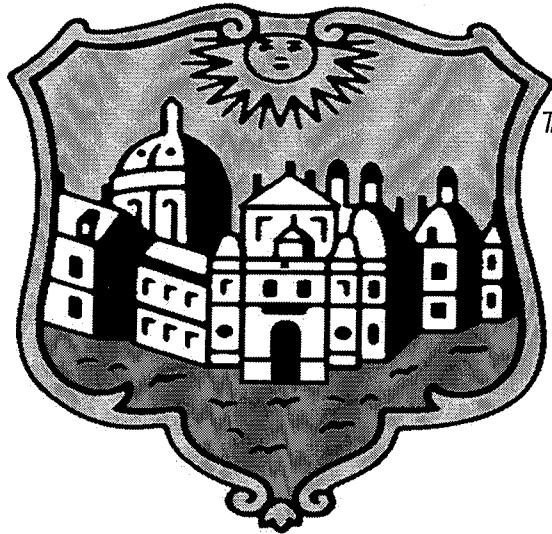
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**COLLEGE OF WILLIAM AND MARY
RECEIPT OF THE CONSOLIDATED FINANCIAL REPORT OF
THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA AND
RICHARD BLAND COLLEGE FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

The Consolidated Financial Report of The College of William and Mary in Virginia and Richard Bland College for the fiscal year ended June 30, 2009, has been presented by the Vice President for Finance and the Dean of Administration and Finance to the Presidents of the Colleges, who have approved it for presentation to the Rector and the Board of Visitors.

The statements included in this consolidated Financial Report provide a concise analysis of the College's financial affairs for fiscal year 2008-2009. The report is subject, of course, to a detailed audit to be directed by the Auditor of Public Accounts.

RESOLVED, That the unaudited Consolidated Financial Report for fiscal year 2008-2009 of The College of William and Mary in Virginia and Richard Bland College is hereby received by the Board of Visitors.



The College of

**WILLIAM
& MARY**

IN VIRGINIA

VIRGINIA INSTITUTE of MARINE SCIENCE

VIMS



Richard Bland College
OF THE COLLEGE OF WILLIAM AND MARY

**UNAUDITED
CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2009**

2008-2009 CONSOLIDATED FINANCIAL REPORT
FOR
THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA
AND
RICHARD BLAND COLLEGE

October 9, 2009

To the Board of Visitors of The College of William and Mary and Richard Bland College:

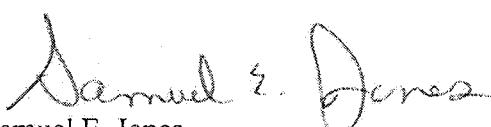
We are pleased to submit the following consolidated annual financial report for The College of William and Mary and Richard Bland College for the fiscal year ended June 30, 2009. Financial management has prepared and is responsible for the consolidated financial statements and all information in the financial report. The financial statements have been prepared in conformity with generally accepted accounting principles consistently applied.

The statements contained in this report are intended to provide a picture of the flow of financial resources during the fiscal year 2008-09 and the balances available for the future.

Management believes that the current internal control systems provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. These statements are augmented by written policies and organizational structure providing division of responsibilities, careful selection and training of the financial staff, and a program of internal audits.

The financial statements remain subject to audit by the State Auditor of Public Accounts.

Respectfully submitted,


Samuel E. Jones

Vice President for Finance
The College of William and Mary


Russell E. Whitaker, Jr.
Dean of Administration & Finance
Richard Bland College

**The College of William and Mary in Virginia
Richard Bland College**

June 30, 2009

The Board of Visitors

Michael K. Powell - Rector
Henry C. Wolf - Vice Rector
Suzann W. Matthews - Secretary

Charles A. Banks III
Janet M. Brashear
Colin G. Campbell
Thomas E. Capps
Timothy P. Dunn
John W. Gerdelman
Sarah I. Gore
R. Philip Herget III
Kathy Y. Hornsby
Anita O. Poston
Robert E. Scott
John Charles Thomas
Jeffrey B. Trammell
Barbara B. Ukrop

Student Representatives

Valerie R. Hopkins - College of William and Mary
Landon K. Reidmiller - Richard Bland College

Faculty Representatives

Katherine M. Kulick - College of William and Mary
Alexandra Duckworth - Richard Bland College

OFFICERS OF ADMINISTRATION

The College of William and Mary in Virginia

W. Taylor Reveley III, President
P. Geoffrey Feiss, Provost
Virginia Ambler, Interim Vice President for Student Affairs
James R. Golden, Vice President for Strategic Initiatives
Samuel E. Jones, Vice President for Finance
Anna B. Martin, Vice President for Administration
Sean M. Pieri, Vice President for Development

Richard Bland College

James B. McNeer, President
Vernon R. Lindquist, Provost and Dean of Faculty
Russell E. Whitaker, Jr., Dean of Administration and Finance

**THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA
RICHARD BLAND COLLEGE**

ANNUAL FINANCIAL REPORT 2008 - 2009

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**The College of William and Mary in Virginia
and Richard Bland College**

MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)

The College of William and Mary is the second oldest institution of higher education in North America, its royal charter dating to 1693. Today, William and Mary ranks as one of the premier universities in the nation. The College, beginning with its designation as a "Public Ivy" in 1986, has witnessed remarkable growth in its national reputation such that it is now routinely considered among the top national universities in surveys of every kind. Whether seen as the sixth best public university or the 32nd best university, public or private (U.S. News and World Report), the "Hottest Small Public University" (Newsweek), the "3rd best value in higher education" (Kiplinger's), or being known for having the 2nd highest percentage of students who go on to serve in the Peace Corps (Washington Monthly), the College has national status as a highly selective public university. Faculty and students routinely are selected for prestigious national recognition including the Fulbright and Marshall Awards. That reputation reflects our size, our commitment to high quality undergraduate and select graduate and professional education, and a dedication to teaching seldom seen in a public research university. This commitment to quality education has generated steadily increasing numbers of applications for undergraduate enrollment, topping out with 12,110 applications for 1,400 slots for the class of 2013.

William and Mary's stature allows us to recruit superlative faculty and staff as essential ingredients to a community of the best teachers, students, researchers, scholars, creative artists, and professionals. Our faculty win international awards, obtain external resources at several times the national average, and consistently demonstrate their commitment to teaching and learning. Our graduate and professional programs increase in stature annually. External research has more than tripled since 1997, and private giving provides those "margin of excellence" funds that allow the College to be unique in public higher education. We are national leaders in engaging undergraduate students in research, scholarship, and creative endeavor. Both undergraduate research and an expanded study abroad program are hallmarks of the William and Mary experience. As a result, student retention, graduation, and placement rates are comparable to only the most elite institutions of higher education in the country, public or private.

The College affirms its commitment to the highest quality academic programs, accessible to all, committed to public service and outreach, and conscious of the needs of the Commonwealth and its citizens. Under the on-going restructuring of higher education in the Commonwealth, the College is receiving greater fiscal and managerial flexibility while establishing specific goals as it moves to meet the educational and economic needs of the Commonwealth.

MD&A Overview:

This Management's Discussion and Analysis (MD&A) is a supplement to the College's financial statement designed to assist readers in understanding the financial statement information presented. The following information includes a comparative analysis between the current fiscal year ending June 30, 2009 and the prior year, ending June 30, 2008. Significant changes between the two fiscal years and important management decisions are highlighted. The summarized information presented in the MD&A should be reviewed in conjunction with both the financial statements and associated footnotes in order for the reader to have a comprehensive understanding of the College's financial status and results of operations for fiscal year 2009. College management has prepared the MD&A, along with the financial statements and footnotes, and is responsible for all of the information presented.

The College's financial statements have been prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement Number 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, as amended by GASB Statement Numbers 37 and 38. Accordingly, the three financial statements required are the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. The aforementioned statements are summarized and analyzed in the MD&A.

The financial statements of the College of William and Mary are consolidated statements that include the College, the Virginia Institute of Marine Science (VIMS) and Richard Bland College. All three entities are agencies of the Commonwealth of Virginia reporting to the Board of Visitors of the College of William and Mary and are referred to collectively as the "College" within the MD&A as well as in the financial statements under the columns titled "College", unless otherwise indicated.

The College's affiliated foundations are also included in these statements consistent with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* – an amendment of GASB Statement No. 14. The College has a total of nine foundations, of which the financial information for eight of the foundations is presented in the statements under the column titled "Component Units". The ninth foundation, Intellectual Properties, was established in fiscal year 2008 and did not have any significant financial activity during the year. While affiliated foundations are not under the direct control of College's Board of Visitors, this presentation provides a more holistic view of resources available to support the College and its mission. Additional information and detail related to the foundations can be found in the Component Unit Financial Information footnote.

Financial Summary:

Statement of Net Assets

The Statement of Net Assets provides a snapshot of the College's financial position, specifically the assets, liabilities and resulting net assets as of June 30, 2009. The information allows the reader to determine the College's assets available for future operations, amounts owed by the College and the categorization of net assets as follows:

- (1) Invested in Capital Assets – reflects the College's capital assets net of accumulated depreciation and any debt attributable to their acquisition, construction or improvements.
- (2) Restricted – reflects the College's endowment and similar funds whereby the donor has stipulated that the gift or the income from the principal, where the principal is to be preserved, is to be used to support specific programs of the College. Donor restricted funds are grouped into generally descriptive categories of scholarships, research, departmental uses, etc.
- (3) Unrestricted – reflects a broad range of assets available to the College that may be used at the discretion of the Board of Visitors for any lawful purpose in support of the College's primary mission of education, research and public service. These assets are derived from student tuition and fees, state appropriations, indirect cost recoveries from grants and contracts, auxiliary services sales and gifts.

Summary Statement of Net Assets

	<u>FY 2009</u>	<u>FY 2008*</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Assets:				
Current	\$46,998,492	\$62,597,704	(\$15,599,212)	-24.92%
Capital, net of accumulated depreciation	584,313,417	511,309,807	73,003,610	14.28%
Other non-current	88,709,315	95,931,547	(7,222,232)	-7.53%
Total assets	720,021,224	669,839,058	50,182,166	7.49%
Liabilities:				
Current	68,815,072	60,642,736	8,172,336	13.48%
Non-current	187,824,695	159,960,418	27,864,277	17.42%
Total liabilities	256,639,767	220,603,154	36,036,613	16.34%
Net Assets:				
Invested in capital assets, net of related debt	406,279,634	374,159,383	32,120,251	8.58%
Restricted	43,375,711	62,894,127	(19,518,416)	-31.03%

Unrestricted	13,726,113	12,182,394	1,543,719	12.67%
Total net assets	<u>\$463,381,458</u>	<u>\$449,235,904</u>	<u>\$14,145,554</u>	<u>3.15%</u>

* Some FY 2008 amounts have been restated. See footnote 2 for details.

The overall result of the College's fiscal year 2009 operations was an increase in net assets of approximately \$14.1 million or 3.15 percent to \$463.4 million. The increase in net assets occurred in the categories of unrestricted and capital net assets. Both the increase in net assets and resulting net asset balances are an overall indicator of the College's positive growth and financial health. In addition to the College's net assets as shown above, net assets for the College's affiliated foundations totaled \$511.5 million.

The \$32.1 million increase in capital net assets, net of related debt, reflects the extensive and continuing capital construction activity at the College. In general, the increase reflects the completion and continuing construction of major capital projects including the Integrated Science Center, Mason School of Business building, School of Education building and the VIMS Marine Research Building complex. The specifics of the College's capital construction and renovation activity are detailed in the Capital Asset and Debt Administration section of the MD&A.

Current Assets decreased by \$15.6 million primarily as a result of an overall decline in cash equivalent investments reflective of the overall stock market activity over the past year. The increase in Capital Assets again reflects both the construction in progress and capitalization of facilities upon completion. As described in footnote 2, the College made a net beginning balance reduction of \$4.3 million to equipment as a result of a comprehensive wall-to-wall inventory and reconciliation associated with the implementation of a new fixed asset management software module. The reduction in Other Non-Current Assets reflects the decline in long-term investments again reflective of the overall stock market activity over the past year.

Liabilities increased primarily in association with the capital construction activity of the College. This includes an overall increase in accounts payable and debt.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets presents the results from College operations for the fiscal year. Revenues for the daily operation of the College are presented in two categories: operating and non-operating. Operating revenues include the significant categories of tuition and fees, grants and contracts and the sales of auxiliary enterprises representing exchange transactions. Non-operating revenues include the significant categories of state appropriations, gifts, and investment income representing non-exchange transactions. Net other revenues include capital appropriations, grants, and contributions.

Summary Statement of Revenues, Expenses and Changes in Net Assets

	<u>FY 2009</u>	<u>FY 2008 *</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating revenues	\$218,620,611	\$191,682,916	\$26,937,695	14.05%
Operating expenses	<u>332,038,678</u>	<u>341,455,071</u>	<u>(9,416,393)</u>	<u>-2.76%</u>
Operating gain/(loss)	(113,418,067)	(149,772,155)	36,354,088	-24.27%
Net Non-operating revenues	<u>87,990,510</u>	<u>113,167,306</u>	<u>(25,176,796)</u>	<u>-22.25%</u>
Income/(Loss) before other revenues	(25,427,557)	(36,604,849)	11,177,292	-30.54%

Net other revenues	39,573,113	47,017,627	(7,444,514)	-15.83%
Increase in net assets	<u>\$14,145,556</u>	<u>\$10,412,778</u>	<u>\$3,732,778</u>	<u>35.85%</u>

* FY 2008 building fee revenue of \$4.5 million was reclassified from Capital Gifts and Grants to Student Tuition and Fees for consistency with the FY 2009 presentation.

Overall, the result from operations was an increase in net assets of \$14.1 million that was primarily attributable to the Net Other Revenues - capital grants and gifts. Increased revenues from Tuition and fees as well as Auxiliary Enterprise operations accounted for the other significant increases in revenue for the year as further detailed in the revenue summary table that follows.

Operating expenses decreased during the year attributable to budgetary constraints driven by the national and state economic climate. The reduction in expenditures occurred in the instruction, academic services, operations of plant and auxiliary enterprise operations. Depreciation expense increased given new facilities being completed and occupied. These changes are reflected in the summary of operating expenses table below.

With the inclusion of state General Fund appropriations for the College in the non-operating category, the College will routinely display an operating loss for the year. This operating loss is primarily covered by the state appropriations included in the non-operating category as well as private and auxiliary fund balances.

The following table provides additional details of the operating, non-operating and other revenues of the College.

	<u>Summary of Revenues</u>			
	<u>FY2009</u>	<u>FY2008 *</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<u>Operating Revenues:</u>				
Student Tuition and Fees, net of scholarship allowances	100,508,481	87,391,798	13,116,683	15.01%
Federal, State, Local and Non-governmental grants and contracts	43,096,309	41,789,703	1,306,606	3.13%
Auxiliary Enterprise, net of scholarship allowances	68,582,461	59,493,440	9,089,021	15.28%
Other	6,433,360	7,527,045	(1,093,685)	-14.53%
Total Operating Revenues	<u>218,620,611</u>	<u>196,201,986</u>	<u>22,418,625</u>	<u>11.43%</u>
<u>Non-Operating:</u>				
State Appropriations	75,328,909	79,380,542	(4,051,633)	-5.10%
Gifts, Investment Income and other income and expenses	12,661,601	33,786,764	(21,125,163)	-62.52%
Total Non-Operating	<u>87,990,510</u>	<u>113,167,306</u>	<u>(25,176,796)</u>	<u>-22.25%</u>

Capital Revenues, Gains and (Losses):

Capital Appropriations	23,160,997	20,307,871	2,853,126	14.05%
Capital Grants and Gifts	16,412,116	22,190,686	(5,778,570)	-26.04%
Total Capital Revenues, Gains and (Losses)	<u>39,573,113</u>	<u>42,498,557</u>	<u>(2,925,444)</u>	<u>-6.88%</u>
Total Revenues	<u>346,184,234</u>	<u>351,867,849</u>	<u>(5,683,615)</u>	<u>-1.62%</u>

* FY 2008 building fee revenue of \$4.5 million was reclassified from Capital Gifts and Grants to Student Tuition and Fees for consistency with the FY 2009 presentation.

Within the operating revenue category, student tuition and fees increased \$13.1 million, net of scholarship allowances, reflecting the increase approved by the Board of Visitors in the Spring of 2008. The increase in auxiliary enterprise revenues reflects the increase in the student comprehensive fee, as part of the overall increase in tuition and fees along with specific fees such as dormitory fees and increased contributions to the Athletic program.

The state appropriation reduction was attributable to the state budget reductions enacted by the Governor and General Assembly. The significant reduction in Gifts, Investment Income etc. were attributable to realized and unrealized losses experienced nationally in the financial markets.

Additional details of the operating expenses of the College are summarized below:

Summary of Operating Expenses

	FY 2009	FY 2008	Dollar Change	Percent Change
Operating Expenses:				
Instruction	\$93,108,766	98,768,113	-\$5,659,347	-5.7%
Research	52,179,508	52,007,331	172,177	0.3%
Public Service	32,438	42,774	-10,336	-24.2%
Academic Services	28,023,773	30,546,920	-2,523,147	-8.3%
Student Services	10,019,661	9,109,045	910,616	10.0%
Institutional Support	25,902,045	25,695,530	206,515	0.8%
Operation and Maintenance of Plant	24,460,260	26,769,402	-2,309,142	-8.6%
Student Aid	10,271,795	9,766,411	505,384	5.2%
Auxiliary Enterprise	66,523,635	71,213,368	-4,689,733	-6.6%
Depreciation	19,717,342	17,351,524	2,365,818	13.6%
Other Operating Expenses	1,799,455	184,653	1,614,802	874.5%
Total Operating Expenses	<u>\$332,038,678</u>	<u>\$341,455,071</u>	<u>-\$9,416,393</u>	<u>-2.8%</u>

For fiscal year 2009, operating expenses increased and decreased by program in response to various factors including budgetary reductions and increased operational costs. Major changes in expenses include:

- Instruction – a reduction in the accrued personal service expenses at year-end,

- Academic Services – a reduction in accrued personal service expenses and across the board reduction in operating expenses,
- Operation and Maintenance of Plant – a reduction in personal service expenses along with contractual services and repair and maintenance expenses,
- Auxiliary Enterprise – across the board reduction in expenses, and
- Depreciation – increase attributable to the capitalization of new buildings during the year,

Statement of Cash Flows

The Statement of Cash Flows provides detailed information about the College's sources and uses of cash during the fiscal year. Cash flow information is presented in four distinct categories: operating, non-capital financing, capital financing, and investing activities. This statement aids in the assessment of the College's ability to generate cash to meet current and future obligations.

Summary Statement of Cash Flows

	<u>FY2009</u>	<u>FY 2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<u>Cash Flows from:</u>				
Operating Activities	(\$95,420,085)	(\$132,377,546)	\$36,957,461	-27.92%
Non-capital Financing	116,688,364	118,740,330	(2,051,966)	-1.73%
Capital Financing	(30,687,382)	(11,669,727)	(19,017,655)	162.97%
Investing Activities	(1,721,173)	20,940,518	(22,661,691)	-108.22%
Net Increase in Cash	<u>(11,140,276)</u>	<u>(4,366,425)</u>	<u>(6,773,851)</u>	<u>155.13%</u>

Cash flow from operations and non-capital financing reflects the sources and uses of cash to support the core mission of the College. The primary sources of cash supporting the core mission of the College in fiscal year 2009 were tuition and fees (\$98.7 million), state appropriations (\$75.3 million), auxiliary enterprise revenues (\$70.1 million) and research grants and contracts (\$40.5 million).

The primary uses of operating cash in fiscal year 2009 were payments to employees (\$196.0 million) representing salaries, wages and fringe benefits and payments to suppliers of goods and services (\$85.8 million).

Cash flow from capital financing activities reflects the activities associated with the acquisition and construction of capital assets including related debt payments. The primary sources of cash in fiscal year 2009 were proceeds from bond sales (\$39.4 million) and capital appropriations (\$28.4 million). The primary use of cash was for capital expenditures (\$83.3 million) and debt payments (\$16.2 million).

Capital Asset and Debt Administration

The College of William & Mary

General – The College occupied or placed into service capital projects valued at \$141 million during FY 2009. An additional \$94 million of projects are in the planning, design and construction phases.

Project placed into service include:

- Mason School of Business

- Integrated Science Center, Phase 2 (Phase 1 entered service in FY 2008)
- Graduate Student Housing Complex Building 2 (Re-cladding only)

Significant among these projects is the Mason School of Business at Miller Hall, which consolidates all undergraduate and graduate instruction into a single facility. The 175,000 gsf facility includes 14 new classrooms and 23 team/work group rooms. The classrooms include tiered, clustered (unique lecture and work group cluster arrangement), and flat floor configurations, and boast state of the art audio/visual technology. [Classroom AV package features two projectors, fixed screens, Symodium write on tablet, video-teleconference capability (four classrooms) and room recording capability (four classrooms)]. The facility also features a multipurpose space that can accommodate 400 for lecture and 200 for food service.

Its companion science project is the Integrated Science Center which was delivered in two phases. Phase 1 (new construction) was delivered in FY2008. Phase 2 (renovation of Rogers Hall) was completed in April, 2009. The renovated facility houses the Department of Psychology and the individual research labs of the Biology Department. Also included are a new herbarium, small electron microscope facility and two computer classrooms for lecture/automated survey response input. The Graduate Housing project is the fifth phase of a seven phase project to strip and re-clad the exterior brick on nine graduate buildings to prevent structural and water infiltration issues.

Eleven projects are still in construction. Two focus on academic centers; three renew critical infrastructure and five upgrade residence halls. The academic center projects feature the construction of a New School of Education which will provide a dedicated facility which will house both undergraduate and graduate programs and will, for the first time, create a unique facility identity for Education. In addition to state of the art instructional space, the facility will integrate a resource center, all associated counseling and research centers and a professional development center under one roof. The second academic project is an addition/renovation project for Small Hall which will provide cutting edge research and instruction space for the Department of Physics which will enhance undergraduate, graduate and faculty research to be even more competitive for National Science Foundation and National Institutes of Health research grants. The remaining projects address utility upgrades(three = steam, hot water and chilled water), emergency power (one) and dormitory upgrades for roofing (one) , re-cladding (one) , fire alarms (two) and hot water (one). These projects will be quickly delivered in rapid succession by spring, 2010.

Three major projects are in design. In a continuing effort to upgrade utilities while simultaneously centralizing production, increasing capacity and significantly enhancing efficiency, the College is completing design on the second phase of a four phase sequence to provide new steam and chilled water to the Historic North Campus. The Phase One steam plant renovation is in close-out phase. Phase Two will provide a cooling addition, half the chiller equipment to be housed, and the associated distribution piping. Design will be completed in October, 2009 to enable a construction start in the spring of 2010. Phases Three and Four will complete the equipment fit out and associated distribution piping. The new district plant will also support the second project, renovation of Tucker Hall which is home to the English Department. Detailed planning will be complete in August, 2009 and construction drawings and construction will begin as soon as funding is provided. The renovation will reorganize the poorly programmed space to accommodate 48 faculty offices, seven classrooms/seminar rooms, a linguistic lab and a major lecture hall capable of hosting film studies. The renovation will achieve LEED certification in the continuing march to raise the level of functional/environmental efficiency to match the level of academic excellence.

A new career services center will break ground in late fall, 2009. The privately funded Sherman and Gloria H. Cohen Career Center will triple the size of the current facility, and provide a marquis venue for student interaction and preparation for "life after DOG Street." Located adjacent to the Sadler Center and Zable Stadium, the new facility is intended to attract students as early as freshman year, and will provide state of the art presentation and interview space for showcasing students to prospective employers.

Construction projects expected to conclude in FY 2010 are the School of Education, the Cooling Addition and Distribution system, and the Sherman and Gloria H. Cohen Career Center. The 2010 – 2016 Capital Outlay Six Year Plan has been submitted the Commonwealth agency, Department of Planning and Budget. Priorities for the 2010-2012 biennium are, in order, the second phase of the Cooling Plant Addition and Utility

Improvements, Tucker Hall Renovation, Integrated Science Center 3 design and the design of the Tyler Hall renovation.

Virginia Institute of Marine Science:

Major Projects as of June 30, 2009

	Total Project Expenditures <u>(in Thousand \$)</u>	Project Budget <u>(in Thousand \$)</u>
New Construction: Marine Research Building Complex	\$30,929	\$31,214
Acquisition: Master Plan Properties	602	1,100
Acquisition: Wachapreague Property	398	400
Acquisition: (Va. Est. & Coastal Research Res.)	195	350
Acquisition: Acquire Additional Property CBNERRVA	0	250
IMP: Information Technology Infrastructure	1,125	1,200
New Construction: Field Support Center	811	2,000
New Construction: Construct Concrete Pier	1,092	1,450
IMP: Electrical Upgrades	12	268
REN: Maury Hall	0	2,000
New Construction: Research Storage Facility	20	641
Shoreline Erosion Control	5	1,200
REPL: Eastern Shore Seawater Laboratory	387	4,182
	<u>\$35,576</u>	<u>\$46,255</u>

The Marine Research Building Complex construction started in August 2005. A final certificate of use and occupancy was issued for the Seawater Research Laboratory on April 2, 2007. VIMS received the final certificate to occupy Andrews Hall on July 17, 2009, and the contractor still has a few punch list items to complete.

Property Acquisitions: There are four appropriations for property acquisitions for the Gloucester Point and Wachapreague campuses, the Virginia Estuarine & Coastal Research Reserve program and the Chesapeake Bay National Estuarine Research Reserve in Virginia program. VIMS purchased one property adjacent to the Gloucester Point campus in May 2004 and the appropriation "Acquisition: Master Plan Properties" remains open to purchase other properties that are contiguous to the VIMS campus as they become available. VIMS purchased one property for its Wachapreague campus in April 2003. The "Acquisition: Wachapreague Property" appropriation remains open in the event other property becomes available. Two parcels of land were purchased for the Virginia Estuarine & Coastal Research Reserve program in 2002-03 and that appropriation remains open in the event other property becomes available. As of August 2006 an authorization to purchase additional property was granted under capital project entitled "Acquire Additional Property for the CBNERRVA Program".

The Information Technology Infrastructure project involves the modernizing of VIMS' aging information technology infrastructure to meet increasing demands for information exchange including systems to carry voice, data, and video. Currently, approximately 100% of the existing copper network has been replaced with the new high speed fiber optics. Construction to improve the air conditioning and power requirements in the Watermen's Hall network server room was completed. New servers were purchased. Along with networking Andrews Hall and the Seawater Research Laboratory, VIMS will extend 24x7 networking capability to existing

campus buildings such as Chesapeake Bay Hall and the Fisheries Science Laboratory. New redundant fiber installations will result in a highly available modern campus infrastructure.

The Field Support Center project involves the construction of a 10,000 square foot field support center on the Gloucester Point Campus. This building will replace vessel operation's facilities and field support infrastructure that was severely damaged as a result of Hurricane Isabel. The project is scheduled for completion by Fall 2009.

The Concrete Pier project replaces a damaged wooden pier with a new concrete pier on the VIMS Gloucester Point shoreline. This pier will contain pumps and intake lines to provide 800 gallons per minute of treated seawater. A concrete pier will ensure that VIMS' seawater supply is safe from most hurricane force storms. The elevation of the pier will be set at 10.5 feet above mean low water. The project is scheduled for completion by Fall 2009.

Improvements: Electrical Upgrades - this project involves upgrading the electrical system in Chesapeake Bay Hall. A construction contract was awarded on June 26, 2009 and the project is scheduled for completion by Fall 2009.

The Maury Hall Renovation project will be supported by the raising of private funds to renovate a 50-year old 6,400 square foot outdated laboratory into functional meeting and conference space for the campus. Planning for the project is underway.

The Research Storage Facility project involves the construction of a 4,600 square foot facility that is needed to secure research equipment and instruments that are currently stored outdoors. Schematic design was completed on June 18, 2009, and construction is scheduled to begin by Fall 2009.

The Shoreline Erosion Control project supports erosion control of the entire shoreline of the Gloucester Point campus to protect the shoreline and surrounding structures. The project includes construction of eleven new rip rap breakwaters, the extension of several pipe outfalls further into the York River, replenishment of sand along the entire shoreline, creation of small dunes along the west shoreline and planting of riparian vegetation on the east shoreline. This will be a design/build project. The bridging document and the design/build RFP are awaiting approval so that VIMS can proceed with proposal advertisement.

Eastern Shore Seawater Laboratory Replacement project involves construction of a new laboratory building with running seawater for research on coastal marine ecology and aquaculture in a high salinity environment. Currently, the research is conducted in former oyster shucking houses from the late 1800's. The Eastern Shore Lab is used by many VIMS and visiting researchers. Property has been purchased to support the new Seawater Laboratory. Construction is projected to begin in 2010 with occupancy in January 2011.

Richard Bland College

Major Projects as of June 30, 2009:

Expenditures
To Date

Construct Science and Technology Building	\$19,862,202
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Construction was begun in May, 2009 on the 52,000 square foot Science and Technology Building. Opening date for this building is August, 2010. It will house biology, chemistry, and physics classrooms and laboratories, as well as classrooms for mathematics and computer sciences. Computer laboratories, faculty offices, staff and student lounges complete the space in this building. It is designed to achieve LEED silver certification.

Debt Activity

The College's long-term debt is comprised of bonds payable, notes payable and installment purchases. The bonds payable are Section 9(c) bonds which are general obligation bonds issued and backed by the Commonwealth of Virginia on behalf of the College. These bonds are used to finance capital projects which will produce revenue to repay the debt. The College's notes payable consists of Section 9(d) bonds, which are issued by the Virginia College Building Authority's (VCBA) Pooled Bond Program. These bonds are backed by pledges against the College's general revenues. As of June 30, 2009 the College has outstanding balances for Section 9(c) bonds and Section 9(d) bonds of \$42.5 million and \$143.8 million, respectively.

The outstanding balance of 9(c) bonds can be broken down into five major categories as follows: 1) Renovation of Dormitories (\$20.6 million), 2) Other housing / residence (\$7.5 million), 3) University Center (\$3.1 million), 4) Underground Utility (\$1.7 million), and 5) Commons Dining Hall (\$8.6 million). The majority of the 9(d) balance at June 30, 2009 is related to the new school of business building, Miller Hall, (\$46.3 million), the Barksdale dormitories (\$24.9 million), integrated science center (\$18.8 million), the new parking deck (\$11.4 million), and renovations of the recreation sports center (\$9.8 million). During the year, new 9(d) bonds were issued for the new school of business building (\$23.4 million) and the integrated science center (\$6.8 million). Neither the Virginia Institute of Marine Science nor Richard Bland College has capital related long-term debt.

The College anticipates issuing \$16.4 million in bonds during fiscal year 2010. These bonds will be used for the renovation of athletic facilities (\$2.0 million) and cooling plant project (\$14.4 million). For more information on the College's long-term debt, see Note 10 of the Notes to the Financial Statements.

Economic Outlook

The College's economic outlook is tied to various factors including the ability to recruit students, our status as a public institution within the Commonwealth of Virginia's higher education system, and our ability to raise revenue through tuition and fees, grants and contracts, and private funds.

Our ability to recruit, admit, and retain top-caliber students remains excellent, even as we compete against the most selective public and private institutions in the country. Undergraduate applications to the College reached a new high of 12,110 for Fall 2009. The credentials of our admitted students including SAT scores and the number of students within the top 10 percent of their graduating class remain stable reflecting the highly selective nature of the College. These statistics, coupled with the College's academic reputation, suggest a strong continuing student demand for the future.

As a public institution, the College receives significant financial support from the Commonwealth of Virginia in the form of operating and capital construction appropriations. As such, the College is directly impacted by changes in the State's financial outlook. The Commonwealth's FY 2008 operating budget initially included incremental support for faculty and staff salaries, base operations, faculty research, and undergraduate and graduate student financial aid. Due to slower than anticipated revenue growth, the Commonwealth subsequently reduced FY 2008 appropriations for the main campus by 6.25 percent or \$3.0 million, of which \$2.7 million continued as a base reduction in FY 2009. Since that time, the main campus has been asked to absorb an additional \$3.4 million reduction in FY 2009 and additional reductions totaling \$10.5 million in FY 2010. The College is addressing these reductions through a combination of expenditure reductions and revenue offsets. Supplementing state funds with additional tuition and private fund support, the College continues to protect its core academic programs' quality and integrity while providing incremental support for student financial assistance to ensure access for all qualified students. In this regard, implementation of Gateway William and Mary, a financial aid program that guarantees that in-state undergraduate students whose families have income of less than \$40,000 will be able to graduate from the College without taking out loans, supports access to the College for this socio-economic group.

The College's overall financial and managerial strength was independently verified as it went through the bond rating process with Standard and Poor's in August 2005. This independent evaluation of the College

considered all aspects of its operations and resulted in Standard and Poor's assigning the College an "AA" bond rating. In summer 2008, Standard and Poor's reaffirmed the "AA" bond rating for the College citing strong student quality and demand, consistent financial performance and solid fund-raising and endowment.

Long-term planning continues to ensure that the College not only protects its core programs but also invests strategically for the future. With passage of the Restructured Higher Education and Administrative Operation Act of 2005 and the Management Agreement by and Between the Commonwealth of Virginia and the College of William and Mary (most recently updated during the 2009 General Assembly session), the College continues to move forward with the restructuring of its financial, administrative, and managerial relationship with the Commonwealth. This partnership between the College and the Commonwealth allows the College to strengthen its long-term planning efforts while meeting the most critical needs of the Commonwealth in a variety of areas. At the same time, the College continues its own strategic planning effort, identifying six major challenges for the next five years, and developing goals and strategies to address the six challenges.

Incremental capital construction support from the Commonwealth, supplemented with College and private sources, continues to be strong. Significant projects include construction of a 120,000 square foot Integrated Science Center, 175,000 square foot School of Business and an 110,000 square foot School of Education.

Through the efforts of its faculty, grant and contract activity at the College continues to be strong, supporting faculty research while providing educational and research opportunities for our students. The College also just completed its most successful fund raising year in its history, raising just over \$50 million in private funds. Overall, endowments held for the benefit of the College now total \$495 million as of June 30, 2009. Planning in support of the College's next major fund raising effort continues even as the College focuses in the short-term on increased annual giving and other selected fund raising priorities.

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Consolidated Financial Statements

**The College of William and Mary in Virginia
and Richard Bland College - Consolidated Report
Statement of Net Assets
As of June 30, 2009**

		Component	
	ASSETS	Colleges	Units
Current assets:			
Cash and cash equivalents (Note 3)	\$ 10,217,802	\$ 9,597,899	
Investments (Note 3)	16,538,569	1,402,351	
Appropriation available	669,649	-	
Receivables, net of allowance for doubtful accounts (Note 5)	10,894,603	7,772,901	
Notes receivable (Note 5)	11,020	-	
Due from commonwealth	5,591,320	-	
Inventories	476,236	22,093	
Pledges receivable	-	7,669,015	
Prepaid expenses	1,504,439	334,167	
Other assets	<u>694,386</u>	<u>6,450,310</u>	
Total current assets	<u>46,598,024</u>	<u>33,248,736</u>	
Non-current assets:			
Restricted cash and cash equivalents (Note 3)	13,546,869	26,329,820	
Restricted investments (Note 3)	69,946,590	347,651,837	
Investments (Note 3)	2,438,661	6,673,525	
Notes receivable, net of allowance for doubtful accounts (Note 5)	2,777,195	-	
Pledges receivable	-	19,220,530	
Receivable from remainder trusts	-	4,679,318	
Capital assets, nondepreciable (Note 6)	195,786,776	9,148,989	
Capital assets, depreciable net of accumulated depreciation of \$271,072,402 (Note 6)	389,101,933	33,573,196	
Other assets	<u>-</u>	<u>89,282,286</u>	
Total non-current assets	<u>673,598,024</u>	<u>536,559,501</u>	
Total assets	<u>720,196,048</u>	<u>569,808,237</u>	
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses (Note 7)	38,475,457	1,576,903	
Deferred revenue	11,959,898	706,017	
Deposits held in custody for others	3,111,192	412,090	
Advance from the Treasurer of Virginia (Note 11)	766,533	-	
Obligations under securities lending program	678,173	-	
Long-term liabilities-current portion (Note 9)	14,205,882	1,499,642	
Other liabilities	<u>193,227</u>	<u>2,813,156</u>	
Total current liabilities	<u>69,390,362</u>	<u>7,007,808</u>	
Long-term liabilities-non-current portion (Note 9)	<u>187,824,695</u>	<u>52,666,703</u>	
Total liabilities	<u>257,215,057</u>	<u>59,674,511</u>	
NET ASSETS			
Invested in capital assets, net of related debt	406,854,926	9,021,173	
Restricted for:			
Nonexpendable:			
Scholarships and fellowships	4,169,228	73,270,539	
Research	-	3,700,526	
Loans	-	24,230	
Departmental uses	24,404,061	107,383,506	
Other	-	133,873,490	
Expendable:			
Scholarships and fellowships	6,349,573	50,218,639	
Research	(373,157)	1,960,856	
Debt service	493,070	-	
Capital projects	(2,610,017)	24,034,419	
Loans	-	39,929	
Departmental uses	10,367,661	70,182,103	
Other	-	14,498,436	
Unrestricted	<u>13,325,646</u>	<u>21,925,880</u>	
Total net assets	<u>\$ 462,980,991</u>	<u>\$ 510,133,726</u>	

The accompanying Notes to the Financial Statements are an integral part of this statement.

**The College of William and Mary in Virginia
and Richard Bland College - Consolidated Report
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2009**

	Colleges	Component Units
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$15,683,033	\$ 100,508,481	\$ 17,166,001
Gifts and contributions	-	-
Endowment income	-	-
Federal grants and contracts	34,383,599	-
State grants and contracts	2,883,325	-
Local grants and contracts	365,089	-
Nongovernmental grants and contracts	5,464,296	-
Auxiliary enterprises, net of scholarship allowances of \$7,281,724	68,582,461	-
Other	6,433,360	13,005,852
Total operating revenues	218,620,611	30,171,853
Operating expenses: (Note 12)		
Instruction	93,108,766	4,914,224
Research	52,179,508	598,491
Public service	32,438	375,601
Academic support	28,023,773	2,914,196
Student services	10,019,661	1,574,326
Institutional support	25,902,045	4,210,829
Operation and maintenance of plant	23,092,340	604,576
Student aid	10,271,795	9,081,338
Fundraising	-	2,940,896
Management and general	-	3,637,755
Auxiliary enterprises	66,523,635	581,740
Depreciation	19,717,342	1,308,749
Other	1,799,455	10,879,619
Total operating expenses	330,670,758	43,622,340
Operating loss	(112,050,147)	(13,450,487)
Non-operating revenues/(expenses):		
State appropriations (Note 13)	75,328,909	-
Gifts	26,717,545	-
Net investment revenue	(11,176,423)	(64,208,849)
Pell grant revenue	2,798,939	-
Interest on capital asset related debt	(6,958,288)	(143,940)
Other non-operating revenue	814,993	727,081
Other non-operating expense	(1,303,554)	(10,949,610)
Net non-operating revenues	86,222,121	(74,575,318)
Income/(loss) before other revenues, expenses, gains or losses	(25,828,026)	(88,025,805)
Other revenues:		
Capital appropriations	23,160,997	-
Capital grants and contributions	16,412,116	5,173,055
Additions to permanent endowments	-	6,594,879
Net other revenues	39,573,113	11,767,934
Increase in net assets	13,745,087	(76,257,871)
Net assets - beginning of year, restated (Note 2)	449,235,904	586,391,597
Net assets - end of year	\$ 462,980,991	\$ 510,133,726

The accompanying Notes to the Financial Statements are an integral part of this statement.

**The College of William and Mary in Virginia
and Richard Bland College - Consolidated Report
Statement of Cash Flows
For the Year Ended June 30, 2009**

Cash flows from operating activities:

Tuition and fees	\$ 98,695,688
Scholarships	(4,297,397)
Research grants and contracts	40,448,897
Auxiliary enterprise charges	70,125,185
Payments to suppliers	(85,263,482)
Payments to employees	(196,014,403)
Payments for operation and maintenance of facilities	(20,455,396)
Loans issued to students and employees	(490,306)
Collection of loans to students	363,205
Other receipts	<u>3,411,134</u>
Net cash used by operating activities	<u>(93,476,875)</u>

Cash flows from noncapital financing activities:

State appropriations	75,328,909
Gifts	26,717,545
Agency receipts	8,682,080
Agency payments	(6,695,612)
PLUS loans receipts	11,709,220
PLUS loans disbursements	(11,709,220)
Advance from Treasurer of Virginia	766,533
Other nonoperating revenue	11,424,076
Other nonoperating expenses	<u>(1,303,553)</u>
Net cash provided by noncapital financing activities	<u>114,919,978</u>

Cash flows from capital financing activities:

Proceeds from issuance of capital debt	39,371,836
Capital appropriations	28,425,592
Capital grants and contributions	757,472
Insurance payments	160,761
Capital expenditures	(83,846,860)
Principal paid on capital-related debt	(8,726,415)
Interest paid on capital-related debt	(7,428,762)
Proceeds from sale of capital assets	<u>23,702</u>
Net cash used by capital and related financing activities	<u>(31,262,674)</u>

Cash flows from investing activities:

Investment income	1,795,236
Investments	(3,306,756)
Interest escrow	<u>(209,653)</u>
Net cash provided by investing activities	<u>(1,721,173)</u>

Net increase/(decrease) in cash

(11,540,744)

Cash-beginning of year*

34,997,124

Cash-end of year

\$ 23,456,380

**The College of William and Mary in Virginia
and Richard Bland College - Consolidated Report
Statement of Cash Flows
For the Year Ended June 30, 2009**

Reconciliation of Cash-end of year-Cash Flow Statement, to Cash and Cash Equivalents-Statement of Net Assets :

Statement of Net Assets

Cash and cash equivalents	\$ 10,217,802
Restricted cash and cash equivalents	13,546,869
Less: Securities lending -Treasurer of Virginia	(308,291)
 Net cash and cash equivalents	 <u>\$ 23,456,380</u>

Reconciliation of net operating expenses to net cash used by operating activities:

Net operating loss	\$ (112,050,147)
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Adjustments to reconcile net operating expenses to cash used by operating activities:

Depreciation expense	19,717,342
Changes in assets and liabilities:	
Receivables-net	(1,850,213)
Inventories	48,021
Prepaid expense	586,460
Accounts payable	(1,411,654)
Deferred revenue	1,510,472
Deposit held for others	(12,506)
Compensated absences	(14,650)
 Net cash used in operating activities	 <u>\$ (93,476,875)</u>

**NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL
AND RELATED FINANCING TRANSACTIONS**

Amortization of a deferred loss	\$ 497,976
Donated capital assets	\$ 1,444,695
Reduction/amortization of bond premium and debt issuance costs	\$ 27,502

The accompanying Notes to Financial Statements are an integral part of this statement.

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**Notes to
Financial Statements**

Year Ended June 30, 2009

The College of William and Mary in Virginia and Richard Bland College - Consolidated Report

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The College of William and Mary, which includes the Williamsburg campus and the York River campus (Virginia Institute of Marine Science), and Richard Bland College are a part of the Commonwealth of Virginia's statewide system of public higher education. The College's Board of Visitors is appointed by the Governor and is responsible for overseeing governance of the College. The College is a component unit of the Commonwealth of Virginia and is included in the general purpose financial statements of the Commonwealth.

The accompanying financial statements present all funds for which the College's Board of Visitors is financially accountable. Related foundations and similar non-profit corporations for which the College is not financially accountable are also a part of the accompanying financial statements under Governmental Accounting Standards Board (GASB) issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*. These entities are separately incorporated and the College exercises no control over them. These component units are described in Note 13.

The College has nine component units as defined by GASB Statement 39 – the College of William and Mary Foundation, the Marshall-Wythe School of Law Foundation, the Alumni Association, the Athletic Educational Foundation, the School of Business Foundation, the Virginia Institute of Marine Science Foundation, the Richard Bland College Foundation, the Real Estate Foundation, and the Intellectual Property Foundation. These organizations are separately incorporated tax-exempt entities and have been formed to promote the achievements and further the aims and purposes of the College.

Although the University does not control the timing or amount of receipts from the Foundations, the majority of resources or income thereon that the Foundations hold and invest are restricted to the activities of the College by the donors. Because these restricted resources are held by the Foundations and can only be used by or for the benefit of the College, the Foundations are considered component units of the College and are discretely presented in the financial statements.

The College of William and Mary Foundation is a private, not-for-profit corporation organized under the laws of the Commonwealth of Virginia to "aid, strengthen, and expand in every proper and useful way" the work of the College of William and Mary. For additional information on the College of William and Mary Foundation, contact their office at Post Office Box 8795, Williamsburg, Virginia 23187.

The Marshall-Wythe School of Law Foundation is a non-stock, not-for-profit corporation organized under the laws of the Commonwealth of Virginia, established for the purpose of soliciting and receiving gifts to support the College of William and Mary School of Law. The Foundation supports the Law School through the funding of scholarships and fellowships, instruction and research activities, and academic support. For additional information on the Marshall-Wythe School of Law Foundation, contact the Foundation Office at Post Office Box 8795, Williamsburg, Virginia 23187.

The William and Mary Alumni Association is a private, not-for-profit corporation organized under the laws of the Commonwealth of Virginia which provides aid to the College of William and Mary in Virginia in its work, and promotes and strengthens the bonds of interest between and among the College of William and Mary in Virginia and its alumni. For additional information on the Alumni Association, contact the Alumni Association Office at Post Office Box 2100, Williamsburg, Virginia 23187-2100.

The William and Mary Athletic Educational Foundation is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia. The purpose of the Foundation is to promote, foster, encourage and further education, in all enterprises of all kinds at the College of William and Mary Virginia, but it principally supports the Athletic Department of the College. For additional information on the Athletic Educational Foundation, contact the Foundation Office at 751 Ukrop Drive, Williamsburg, Virginia 23187.

The William and Mary Business School Foundation is a non-stock, not-for-profit corporation organized under the laws of the Commonwealth of Virginia. The purpose of the Business School Foundation is to solicit and receive gifts to endow the College of William and Mary School of Business Administration and to support the School through the operations of the Foundation. For additional information on the William and Mary Business School Foundation, contact the Foundation Office at Post Office Box 3023, Williamsburg, Virginia, 23187.

The Virginia Institute of Marine Science Foundation is a not-for-profit corporation organized under the laws of the Commonwealth of Virginia. The purpose of the Foundation is to support the College of William and Mary's Virginia Institute of Marine Science primarily through contributions from the public. For additional information on the Virginia Institute of Marine Science Foundation, contact the Foundation Office at Post Office Box 1346, Gloucester Point, Virginia, 23062.

The Richard Bland College Foundation is a private, not-for-profit corporation organized under the laws of the Commonwealth of Virginia which provides scholarships, financial aid, and books to the College's students, along with support for faculty development and cultural activities. For additional information on the Richard Bland College Foundation, contact the Foundation Office at 11301 Johnson Road, Petersburg, Virginia 23805-7100.

The William and Mary Real Estate Foundation is a nonprofit organization incorporated under the laws of the Commonwealth of Virginia in September 2006. Its purpose is to acquire, hold, manage, sell, lease and participate in the development of real properties in support of the educational goals of the College of William and Mary in Virginia. For additional information on the William and Mary Real Estate Foundation, contact the Foundation Office at Post Office Box 8795, Williamsburg, Virginia, 23187-8795.

The Intellectual Property Foundation is a nonprofit organization incorporated under the laws of the Commonwealth of Virginia in September 2007. Its purpose is to handle all aspects of the intellectual property of the College of William and Mary in Virginia in support of the educational goals of the College. As of June 30, 2009 the Intellectual Property Foundation completed its first full year of operations. The Foundation had no significant financial activity to report; therefore, it is not included in the component unit financial information reported in the financial statements. For additional information on the William and Mary Intellectual Property Foundation, contact the Foundation Office at Post Office Box 8795, Williamsburg, Virginia, 23187-8795.

The Omohundro Institute of Early American History and Culture (OIEAHC), sponsored by the College of William and Mary and The Colonial Williamsburg Foundation, is organized exclusively for educational purposes. Its Executive Board, subject to its sponsors, determines matters of policy and has responsibility for financial and general management as well as resource development. The Executive Board consists of six members: the chief education officer of the Colonial Williamsburg Foundation, the chief academic officer of the College of William and Mary, the chairperson of the Institute Council and three who are elected by OIEAHC's Executive Board. Prior to the beginning of each fiscal year, the sponsors determine the nature and extent of their responsibility for the financial support of the OIEAHC in the upcoming year.

For financial reporting purposes, assets of the OIEAHC are not included in the accompanying financial statements. The following summarizes the unaudited financial position of the OIEAHC at June 30, 2009:

Assets	<u>\$ 1,090,611</u>
Liabilities	237,243
Net Assets	<u>853,368</u>
Liabilities and Net Assets	<u>\$ 1,090,611</u>

The total unaudited receipts and disbursements of the OIEAHC were \$1,947,640 and \$2,277,782, respectively, for the year ended June 30, 2009. Separate financial statements for the OIEAHC may be obtained by writing the Treasurer, Omohundro Institute of Early American History and Culture, P. O. Box 8781, Williamsburg, Virginia 23187-8781.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), including all applicable GASB pronouncements, as well as applicable Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board (APB) opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. It is the College's policy not to follow FASB standards issued after that date.

Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, effective for the years ending on or after June 30, 2002, the full scope of the College's activities is considered to be a single business-type activity (BTA) and accordingly, is reported within a single column in the basic financial statements.

Basis of Accounting

The financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting, including depreciation expense related to capitalized fixed assets. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Bond premiums and discounts are deferred and amortized over the life of the debt. All significant intra-agency transactions have been eliminated.

Cash and Cash Equivalents

In accordance with the GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, definition, cash and cash equivalents consist of cash on hand, money market funds, and temporary highly liquid investments with an original maturity of three months or less.

Investments

Investments are recorded at cost or fair market value, if purchased, or fair market value at the date of receipt, if received as a gift, and reported in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. (See Note 3.)

Realized and unrealized gains and losses are reported in investment income as nonoperating revenue in the Statement of Revenues, Expenses, and Changes in Net Assets.

Receivables

Receivables consist of tuition and fee charges to students and auxiliary enterprises' sales and services. Receivables also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to grants and contracts. Receivables are recorded net of estimated uncollectible amounts.

Inventories

Inventories at the Williamsburg and York River (Virginia Institute of Marine Science) campuses are reported using the consumption method, and valued at average cost.

Prepaid Expenses

As of June 30, 2009, the Colleges' prepaid expenses included items such as insurance premiums, membership dues, conference registrations for fiscal year 2010 that were paid in advance, and publications subscriptions which include initial and renewal annual subscriptions for technical and professional publications.

Capital Assets

Capital assets are recorded at historical cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Construction expenses for capital assets and improvements are capitalized when expended. The College's capitalization policy on equipment includes all items with an estimated useful life of two years or more. The Williamsburg and York River campuses capitalize all items with a unit price greater than or equal to \$2,000 and Richard Bland College capitalizes all items with a unit price greater than or equal to \$5,000. Library materials for the academic or research libraries are capitalized as a collection and are valued at cost.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings	40-50 years
Infrastructure	10-50 years
Equipment	2-30 years
Library Books	10 years

Collections of works of art and historical treasures are capitalized at cost or fair value at the date of donation. These collections, which include rare books, are considered inexhaustible and therefore are not depreciated.

Deferred Revenue

Deferred revenue represents revenue collected but not earned as of June 30, 2009. This is primarily comprised of revenue for student tuition accrued in advance of the semester, amounts received from grant and contract sponsors that have not yet been earned and advance ticket sales for athletic events.

Compensated Absences

Employees' compensated absences are accrued when earned. The liability and expense incurred are recorded at year-end as accrued compensated absences in the Statement of Net Assets, and as a component of compensation and benefit expense in the Statement of Revenues, Expenses, and Changes in Net Assets. The applicable share of employer related taxes payable on the eventual termination payments is also included.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of bonds payable, notes payable, and installment purchase agreements with contractual maturities greater than one year as well as estimated amounts for accrued compensated absences that will not be paid within the next fiscal year.

Net Assets

GASB Statement No. 34 requires that the Statement of Net Assets report the difference between assets and liabilities as net assets rather than fund balance. Accordingly, the College's net assets are classified as follows:

Invested in Capital Assets, net of related debt – consist of total investment in capital assets, net of accumulated depreciation and outstanding debt obligations.

Restricted Net Assets – Nonexpendable – include endowments and similar type assets whose use is limited by donors or other outside sources and as a condition of the gift, the principal is to be maintained in perpetuity.

Restricted Net Assets – Expendable – represent funds that have been received for specific purposes and the College is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external parties.

Unrestricted Net Assets – represent resources derived from student tuition and fees, state appropriations, unrestricted gifts, interest income, and sales and services of educational departments and auxiliary enterprises.

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

Scholarship Allowances

Student tuition and fee revenues and certain other revenues from charges to students are reported net of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship allowances are the difference between the actual charge for goods and services provided by the College and the amount that is paid by students and/or third parties on the students' behalf. Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). The alternative method is a simple calculation that computes scholarship discounts and allowances on a college-wide basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid. Student financial assistance grants and other Federal, State or nongovernmental programs are recorded as either operating or non-operating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship allowance.

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Federal Work Study, Perkins Loans, and Federal Family Education Loan Program (FFELP), which includes Stafford Loans and Parent Loans for Undergraduate Students (PLUS). Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133, Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

Classification of Revenues and Expenses

The College presents its revenues and expenses as operating or non-operating based on the following criteria:

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, (3) most Federal, State and Local grants and contracts and (4) interest on student loans.

Non-operating revenues - include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, and GASB Statement No. 34, such as State appropriations and investment income.

Non-operating expenses - include interest on debt related to the purchase of capital assets and losses on the disposal of capital assets. All other expenses are classified as operating expenses.

2. RESTATEMENT OF NET ASSETS

Certain net assets originally reported in the College's financial statements as of June 30, 2008, have been restated to reflect further evaluation of assets and liabilities.

Net assets as previously reported June 30, 2008	\$ 453,746,563
Wall to wall inventory adjustments	(1,710,750)
Adjustment for endowment property assets duplication	35,979
Adjustment for VIMS assets recorded in duplicate as W&M assets	(438,840)
Capital asset adjustments due to system conversion and reconciliation	(857,279)
Accumulated depreciation adjustments due to system conversion and reconciliation	(1,360,100)
Prepaid expense adjustment	(177,857)
Reversal of previous adjustment to appropriations done in error	<u>(1,812)</u>
Net asset balance at July 1, 2008	<u>\$ 449,235,904</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Pursuant to Section 2.2-1800, et. seq., Code of Virginia, all state funds of the College are maintained by the Treasurer of Virginia, who is responsible for the collection, disbursement, custody and investment of State funds. Cash held by the College is maintained in accounts that are collateralized in accordance with the Virginia Securities for Public Deposits Act, Section 2.2-4400, et. seq. Code of Virginia. The Virginia Security for Public Deposits Act eliminates any custodial credit risk for the College.

Investments

The investment policy of the College is established by the Board of Visitors and monitored by the Board's Financial Affairs Committee. In accordance with the Board of Visitors' Resolution 6(R), November 16, 2001, and Resolution 12(R) November 21-22, 2002, investments can be made in the following instruments: cash, U.S. Treasury and Federal agency obligations, commercial bank certificates of deposit, commercial paper, bankers' acceptances, corporate notes and debentures, money market funds, convertible securities and equities.

Concentration of Credit Risk

Concentration of credit risk requires the disclosure by amount and issuer of any investments in any one issuer that represents five percent or more of total investments. Investments explicitly guaranteed by the U.S. government and investments in mutual funds or external investment pools and other pooled investments are excluded from this requirement. As of June 30, 2009, none of the investments in stocks or bonds represents five percent or more of the total investments; therefore, the College does not have concentration of credit risk.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty, the College will not be able to recover the value of its investment or collateral securities that are in the possession of the outside party. All investments are registered and held in the name of the College and therefore, the College does not have this risk.

Interest Rate Risk

The interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The College limits its exposure to interest rate risk by limiting its maximum maturity lengths of investments and structuring its portfolio to maintain adequate liquidity to ensure the College's ability to meet its operating requirements.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The College does not have investments in foreign currency.

Security Lending Transactions

Securities lending transactions represent Richard Bland College's allocated share of securities received for securities lending transactions held in the General Account of the Commonwealth. Loaned securities, for which the collateral is reported on the Statement of Net Assets, are non-categorized as to credit risk. Details of the General Account securities lending program are included in the Commonwealth's Comprehensive Annual Financial Report.

Credit & Concentration of Credit Risks

		<u>S&P Credit</u>		
	<u>Fair Value</u>	<u>Quality Rating</u>		
		<u>AAA</u>	<u>Unrated</u>	
<u>Cash Equivalents:</u>				
Certificate of deposit	\$ 10,000	-	\$ 10,000	
Money market	19,189,909	-	19,189,909	
Securities lending	308,291	-	308,291	
 Total cash equivalents	 19,508,200	 -	 19,508,200	
 <u>Investments:</u>				
U.S. treasury and agency securities:				
Federal National Mortgage Association	10,003,493	1,661,863	8,341,630	
Federal Home Loan Bank	5,543,414	149,954	5,393,460	
Federal Home Loan Mortgage Corporation	10,576,311	1,653,745	8,922,566	
Mutual funds:				
Delaware	77,373	-	77,373	
Investment Funds	12,091,786	-	12,091,786	
Commercial paper	160,000	-	160,000	
 Total investments	 38,452,377	 \$ 3,465,562	 \$ 34,986,815	
 <u>Other Investments</u>				
Common and preferred stocks	29,952,113			
State non-arbitrage program investments	19,703,568			
Securities lending	369,882			
Rare coins	280			
Property held as investment for endowments	445,600			
 Total other investments	 50,471,443			
 Total cash equivalents and investments	 \$ 108,432,020			

Interest Rate Risk: Maturities

<u>Type of Investment</u>	<u>Fair Value</u>	<u>0-3 months</u>	<u>4-12 months</u>	<u>1-5 years</u>	<u>6-10 years</u>
U.S. treasury and agency securities:					
Federal National Mortgage Association	\$ 10,003,493		\$ 8,341,630	\$ 1,661,863	
Federal Home Loan Bank	5,543,414		5,393,460	149,954	
Federal Home Loan Mortgage Corporation	10,576,311		8,922,566	1,653,745	
Commercial paper	160,000			160,000	
Mutual and money market funds:					
Certificate of deposit	10,000	10,000			
Money market	19,189,909	19,189,909			
Mutual funds-Investment Funds	12,091,786		222,365	5,588,620	6,280,801
Mutual funds-Delaware Investments	77,373		4,727	27,754	44,892
Securities lending	308,291	308,291			
	<u>57,960,577</u>	<u>\$ 19,508,200</u>	<u>\$ 22,884,748</u>	<u>\$ 9,241,936</u>	<u>\$ 6,325,693</u>
<u>Other Investments</u>					
Common and preferred stocks	29,952,113				
State non-arbitrage program investments	19,703,568				
Securities lending	369,882				
Rare coins	280				
Property held as investment for endowments	445,600				
Total other investments	<u>50,471,443</u>				
Total cash equivalents and investments	<u>\$ 108,432,020</u>				

4. DONOR RESTRICTED ENDOWMENTS

Investments of the College's endowment funds are pooled and consist primarily of gifts and bequests, the use of which is restricted by donor imposed limitations. The Uniform Management of Institutional Funds Act, Code of Virginia Title 55, Chapter 15 sections 268.1-268.10, permits the spending policy adopted by the Board of Visitors to appropriate an amount of realized and unrealized endowment appreciation as the Board determines to be prudent. In determining the amount of appreciation to appropriate, the Board is required by the Act to consider such factors as long- and short-term needs of the institution, present and anticipated financial requirements, expected total return on investments, price level trends, and general economic conditions. The amount available for spending is determined by applying the payout percentage to the average market value of the investment portfolio for the three previous calendar year-ends. The payout percentage is reviewed and adjusted annually as deemed prudent.

The College, during fiscal year 2009, had a net appreciation of \$4,082,759 which is available to be spent and is reported in the Statement of Net Assets in the following categories: Restricted for Expendable Scholarships and Fellowships - \$1,003,283, Restricted for Expendable Research - \$19,022, Restricted for Expendable Capital Projects - \$108,330, Restricted for Expendable Departmental Uses - \$2,230,775 and Unrestricted - \$721,349.

Investments of Endowment and Similar Funds:

Marketable securities are reported at fair value in accordance with GASB Statement No. 31. GASB Statement No. 31 does not apply to those securities that are accounted for under the equity method. Those received by gift are recorded at fair value on the date of acquisition. Generally, assets of individual endowment funds are pooled on a market value basis. Each individual fund subscribes to or disposes of units on the basis of the market value per unit share at the beginning of the calendar quarter within which the transaction takes place. The distribution of income is based on the number of units owned by each fund. Realized gains and losses are not distributed to individual funds but are reflected in the Reserve for Securities Appreciation Fund. Valuations of investments are as follows:

	<u>College of</u> <u>William and Mary</u>	<u>Richard Bland</u> <u>College</u>
<u>Balances as of June 30, 2009</u>		
Equity Investments	\$ 29,632,057	\$ 378,286
Bond Investments	12,091,786	-
Cash Equivalents/Money Market	<u>222,502</u>	<u>-</u>
Total	<u>\$ 41,946,345</u>	<u>\$ 378,286</u>

5. ACCOUNTS AND NOTES RECEIVABLES

Receivables include transactions related to accounts and notes receivable and are shown net of allowance for doubtful accounts for the year ending June 30, 2009 as follows:

Accounts receivable consisted of the following at June 30, 2009:

Student Tuition and Fees	\$ 2,533,900
Auxiliary Enterprises	846,929
Federal, State and Non-Governemental Grants & Contracts	5,490,344
Other Activities	<u>2,024,059</u>
 Gross Receivables	 10,895,232
Less: allowance for doubtful accounts	<u>(629)</u>
 Net Receivables	 <u>\$ 10,894,603</u>

Notes receivable consisted of the following at June 30, 2009:

Current portion:	
Federal student loans	\$ <u>11,020</u>
 Non-current portion:	
Federal student loans	\$ 2,805,022
Less: allowance for doubtful accounts	<u>(27,827)</u>
 Net non-current notes receivable	 <u>\$ 2,777,195</u>

6. CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2009 consists of the following:

	<u>Beginning Balance</u>	<u>Beginning Balance Adjustments</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Non-depreciable capital assets:					
Land	\$ 13,973,327	\$ -	\$ 272,543	\$ 13,501	\$ 14,232,369
Inexhaustible artwork and Historical treasures	70,366,157	-	977,190	-	71,343,347
Construction in Progress	<u>57,948,743</u>	<u>-</u>	<u>84,729,866</u>	<u>32,467,549</u>	<u>110,211,060</u>
Total non-depreciable capital assets	<u>142,288,227</u>	<u>-</u>	<u>85,979,599</u>	<u>32,481,050</u>	<u>195,786,776</u>
Depreciable capital assets:					
Buildings	436,181,341	-	27,808,955	1,772,266	462,218,030
Equipment	84,781,905	(11,593,891)	5,469,713	159,180	78,498,547
Infrastructure	35,309,109	940,823	4,548,940	-	40,798,872
Other improvements	5,117,475	(940,823)	12,352	-	4,189,004
Library Materials	<u>83,035,142</u>	<u>-</u>	<u>1,638,724</u>	<u>700,999</u>	<u>83,972,867</u>
Total depreciable capital assets	<u>644,424,972</u>	<u>(11,593,891)</u>	<u>39,478,684</u>	<u>2,632,445</u>	<u>669,677,320</u>
Less accumulated depreciation for:					
Buildings	118,988,852	1,258,061	10,713,089	1,644,506	129,315,496
Equipment	54,292,877	(9,007,758)	4,867,207	137,849	50,014,477
Infrastructure	20,365,709	1,023,498	1,289,412	-	22,678,619
Other improvements	4,135,577	(939,564)	130,867	-	3,326,880
Library Materials	<u>73,289,387</u>	<u>-</u>	<u>2,651,527</u>	<u>700,999</u>	<u>75,239,915</u>
Total accumulated depreciation	<u>271,072,402</u>	<u>(7,665,763)</u>	<u>19,652,102</u>	<u>2,483,354</u>	<u>280,575,387</u>
Depreciable capital assets, net	<u>373,352,570</u>	<u>(3,928,128)</u>	<u>19,826,582</u>	<u>149,091</u>	<u>389,101,933</u>
Total capital assets, net	<u>\$ 515,640,797</u>	<u>\$ (3,928,128)</u>	<u>\$ 105,806,181</u>	<u>\$ 32,630,141</u>	<u>\$ 584,888,709</u>

Capitalization of Library Books

The methods employed to value the general collections of the Earl Gregg Swem Library and the Marshall-Wythe Law Library, York River Library, and Richard Bland College Library are based on average cost determined by each library. The average cost of the Swem Library for purchases of books was \$51.88 for fiscal year 2009. The average cost of the Law Library purchases of books was \$93.06 for fiscal year 2009. Special collections maintained by each library are valued at historical cost or acquisition value. The average cost of library books purchased for the Virginia Institute of Marine Science was \$67.20 for fiscal year 2009. The average cost of library books purchased for

Richard Bland College was \$27.90 for fiscal year 2009. The effects of the net change in the value of the collections of the libraries have been included as additions to current year operations. The changes reflected in the valuation are due to the recognition of depreciation in accordance with GASB Statements No. 34 and 35.

The College engaged Hiron's and Associates, Inc. to perform a wall to wall equipment inventory of the William and Mary and Virginia Institute of Marine Science campuses in fiscal year 2008. The final changes were not presented to the College until after fiscal year 2008's financial statements were published. Due to this timing, the results are presented in these reports as beginning balance adjustments. Investment in capital assets, net of related debt decreased by \$1,710,750 as a result of the inventory.

Impairment of Capital Assets

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, was issued effective for the fiscal year ended June 30, 2006. Statement No. 42 requires an evaluation of prominent events or changes in circumstances to determine whether an impairment loss should be recorded and whether any insurance recoveries should be offset against the impairment loss. There were no impairment losses for fiscal year 2009. Proceeds from insurance recoveries attributable to capital assets are reported as a capital related financing activity in the Statement of Cash Flows. Accordingly, \$157,898 of proceeds from insurance recoveries are classified as a capital related financing activity.

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2009:

Current Liabilities:

Employee salaries, wages, and fringe benefits payable	\$ 16,224,296
Vendors and supplies accounts payable	6,363,308
Capital projects accounts and retainage payable	<u>15,887,853</u>
Total current liabilities-accounts payable and accrued liabilities	<u>\$38,475,457</u>

8. COMMITMENTS

At June 30, 2009, outstanding construction commitments totaled approximately \$106,848,333.

Commitments also exist under various operating leases for buildings, equipment and computer software. In general, the leases are for one to three year terms with renewal options on the buildings, equipment and certain computer software for additional one-year terms. In most cases, these leases will be replaced by similar leases. The College of William and Mary has also entered into one twenty-year lease for space in the Applied Science Research Center Building at the Jefferson Center for Research and Technology in Newport News, Virginia. Rental expense for the fiscal year ending June 30, 2009, was \$5,088,113.

As of June 30, 2009, the following total future minimum rental payments are due under the above leases:

<u>Year Ending June 30, 2009</u>	<u>Amount</u>
2010	\$ 4,308,896
2011	3,280,123
2012	2,870,105
2013	2,882,338
2014	1,309,334
2015-2019	2,391,515
2020-2024	<u>287,525</u>
 Total	 <u>\$ 17,329,836</u>

9. LONG-TERM LIABILITIES

The College's long-term liabilities consist of long-term debt (further described in Note 10), and other long-term liabilities. A summary of changes in long-term liabilities for the year ending June 30, 2009 is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Capital Leases	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Purchases	2,635,927	2,019,564	265,097	4,390,394	369,376
Notes Payable	116,176,924	32,295,312	4,682,954	143,789,282	4,649,661
Bonds Payable	<u>43,788,837</u>	<u>6,816,789</u>	<u>8,071,086</u>	<u>42,534,540</u>	<u>3,660,627</u>
 Total long-term debt	 162,601,688	 41,131,665	 13,019,137	 190,714,216	 8,679,664
Perkins Loan Fund Balance	2,571,555	-	-	2,571,555	-
Accrued compensated absences	<u>8,759,456</u>	<u>6,806,577</u>	<u>6,821,227</u>	<u>8,744,806</u>	<u>5,526,218</u>
 Total long-term liabilities	 <u>\$173,932,699</u>	 <u>\$47,938,242</u>	 <u>\$19,840,364</u>	 <u>\$202,030,577</u>	 <u>\$14,205,882</u>

10. LONG-TERM DEBT

Bonds Payable

The College of William and Mary's bonds are issued pursuant to Section 9 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 College and are backed by the full faith, credit and taxing power of the Commonwealth and are issued to finance capital projects which, when completed, will generate revenue to repay the debt. Listed below are the bonds outstanding at year-end:

<u>Description</u>	<u>Interest Rates(%)</u>	<u>Maturity</u>	<u>Balance as of June 30, 2009</u>
Section 9(c) bonds payable:			
Dormitory, Series 2001A1	3.500 - 5.000	2021	810,000
Dormitory, Series 2002A1	2.500 - 5.000	2022	3,680,000
Dormitory, Series 2002R4	2.500 - 5.000	2013	170,000
Dormitory, Series 2002R9	2.500 - 4.000	2016	796,328
Dormitory, Series 2004B2	3.000 - 5.000	2017	381,908
Dormitory, Series 2004B3	3.000 - 5.000	2017	1,706,498
Dormitory, Series 2004B4	3.000 - 5.000	2018	3,417,264
Dormitory, Series 2004B5	3.000 - 5.000	2020	2,571,123
Dormitory, Series 2005A1	3.500 - 5.000	2026	5,235,000
Dormitory, Series 2006A1	4.000 - 5.000	2014	90,000
Dormitory, Series 2006A2	4.000 - 5.000	2015	1,430,000
Dormitory, Series 2008B	3.000 - 5.000	2013	<u>394,880</u>
Renovation of Dormitories			20,683,001
Graduate Housing, Series 2006B	4.000 - 5.000	2026	4,000,000
Graduate Housing, Series 2003R5	3.500 - 5.000	2011	1,083,911
Graduate Housing, Series 2008B	3.000 - 5.000	2028	<u>2,395,000</u>
Graduate Housing			7,478,911
University Center, Series 2002R5	2.500 - 5.000	2013	60,000
University Center, Series 2008B	3.000 - 5.000	2013	<u>3,035,289</u>
University Center			3,095,289
Underground Utility, Series 2002R8	3.500 - 5.600	2016	717,072
Underground Utility, Series 2004B1	3.000 - 5.000	2017	<u>1,000,675</u>
Underground Utility			1,717,747
Renovate Commons Dining Hall, Series 2005A2	3.500 - 5.000	2026	<u>8,620,000</u>
Total bonds payable			41,594,948
Deferred Gain/(Loss) on Advance Refundings			(77,746)
Unamortized premiums (discounts)			<u>1,017,338</u>
Net bonds payable			<u>\$ 42,534,540</u>

Notes Payable

Section 9(d) bonds, issued through the Virginia College Building Authority's Pooled Bond Program, are backed by pledges against the general revenues of the College and are issued to finance other capital projects. The principal and interest on bonds and notes are payable only from net income and specific auxiliary activities or from designated fee allocations.

In addition, the College entered into two seven-year commercial notes with SunTrust Bank to partially finance the multi-year implementation of a new administrative and financial system, described as an enterprise resource planning system. The annual debt service on these notes is payable from a specific annual appropriation of funds from the Commonwealth and other discretionary funds of the College. The College is currently implementing Banner, an integrated information system using SunGard SCT Corporation's Banner products for higher education. Implementation began with the Student Information System (SIS) module. The Finance module was implemented on July 1, 2004 and Human Resource was implemented on January 1, 2006. The College went live with the Banner Fixed Assets module on July 1, 2008. The following are notes outstanding at year-end:

<u>Description</u>	<u>Interest Rated (%)</u>	<u>Maturity</u>	<u>Outstanding Balance as of June 30, 2009</u>
Section 9(d) Bonds:			
Barksdale Dormitory, Series 2003A	2.000 - 5.000	2024	\$ 1,590,000
Barksdale Dormitory, Series 2004A	3.000 - 5.000	2025	9,485,000
Barksdale Dormitory, Series 2005A	3.500 - 5.000	2026	12,020,000
Barksdale Dormitory, Series 2006A	3.000 - 5.000	2027	1,825,000
William and Mary Hall, Series 2004B	3.000 - 5.000	2016	1,020,000
William and Mary Hall, Series 2007B	4.000- 4.250	2018	165,000
Parking Deck, Series 2003A	2.000 - 5.000	2024	3,350,000
Parking Deck, Series 2004A	3.000 - 5.000	2025	2,065,000
Parking Deck, Series 2005A	3.500 - 5.000	2026	5,965,000
Recreation Sports Center, Series 2003A	2.000 - 5.000	2024	795,000
Recreation Sports Center, Series 2004A	3.500 - 5.000	2025	6,715,000
Recreation Sports Center, Series 2005A	3.500 - 5.000	2026	2,330,000
Improve Athletics Facilities, Series 2005A	3.500 - 5.000	2026	3,185,000
Improve Athletics Facilities, Series 2006A	3.000 - 5.000	2027	730,000
Marshall-Wythe Library, Series 1999A	5.000 - 6.000	2010	85,000
Marshall-Wythe Library, Series 2004B	3.000 - 5.000	2019	1,210,000
Law School Library, Series 2003A	2.000 - 5.000	2024	955,000
Law School Library, Series 2007A	4.500 - 5.000	2027	3,545,000
Magnet Facility, Series 2003A	2.000 - 5.000	2024	2,000,000
Williamsburg Hospital/School of Education, 2006A	3.000 - 5.000	2027	2,285,000
J. Laycock Football Facility, Series 2006A	3.000 - 5.000	2027	5,260,000
Residence Hall Fire Safety Systems, Series 2006A	3.000 - 5.000	2027	1,845,000
School of Business 2007A	4.500 - 5.000	2027	22,930,000
School of Business 2009A	2.750 - 4.000	2016	23,350,000
Integrated Science Center 2007A	4.500 - 5.000	2027	12,025,000
Integrated Science Center 2009A	2.750 - 5.000	2029	6,750,000
Power Plant Renovations 2007A	4.500 - 5.000	2027	<u>4,710,000</u>
Total 9 (d) bonds			138,190,000

Commercial Notes:

Enterprise Resource Planning System	3.75	2010	308,868
Total notes payable			138,498,868
Deferred Gain/(Loss) on Advance Refundings			(22,500)
Unamortized premiums (discounts)			<u>5,312,914</u>
Net notes payable			\$ 143,789,282

Installment Purchases and Capital Leases

At June 30, 2009, installment purchases and capital leases consist of the current and long-term portions of obligations resulting from various contracts used to finance the acquisition of equipment. The lengths of purchase agreements range from two to fifteen years, and the interest rate charges are from 1.3 to 4.7 percent.

<u>Description</u>	<u>Maturity</u>	<u>Balance as of June 30, 2009</u>
Installment purchases	2008-2020	\$4,390,394

Long-term debt matures as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 8,679,664	\$ 8,533,473
2011	8,776,053	8,145,795
2012	12,836,968	7,623,842
2013	13,454,821	6,991,527
2014	12,980,923	6,354,530
2015-2019	54,062,294	23,403,359
2020-2024	46,898,487	12,000,718
2025-2029	26,805,000	2,107,532
Refunding gain	(100,246)	-
Unamortized premiums	<u>6,330,252</u>	<u>-</u>
 Total	<u>\$ 190,724,216</u>	<u>\$ 75,160,776</u>

Defeasance of Debt

In November 2008, the VCBA (Virginia College Building Authority) issued \$270,865,000 of Educational Facilities Revenue Refunding Bonds, Series 2008B with a true interest cost (TIC) of 4.3974 percent. The sale of these bonds enabled the College to advance refund certain 1998 9C bonds with interest rates ranging from 4.375 percent to 4.7 percent used to finance the renovation of William & Mary Dormitories and the University Center. The net proceeds from the sale of the Refunding Bonds were deposited into irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded bonds. As a result, these bonds are considered defeased and the College's portion of the liability has been removed from the financial statements.

The amount and percentage of debt defeased relating to the College follows:

<u>Series</u>	<u>Debt Outstanding</u>	<u>Amount Defeased</u>	<u>Percentage Defeased</u>
1998	\$ 4,292,722	\$ 4,292,722	100%

The College's portion of the accounting loss recognized in the financial statements was \$151,354. The net economic gain attributable to the College was \$123,044 and will result in a decreased cash flow requirement of \$134,574 over the remaining life of the debt.

Prior Year Defeasance of Debt

During fiscal years 1993, 1994, 1996, 2003, 2004, 2006, 2008 and 2009 the College defeased certain General Obligation Revenue Bonds. The proceeds from these refunding bonds were deposited into irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the College's financial statements. At June 30, 2009, \$7,286,720 of the defeased bonds was outstanding.

11. ADVANCES FROM THE TREASURER OF VIRGINIA

Section 4-3.02 of the Appropriation Act describes the circumstances under which agencies and institutions may borrow funds from the state treasury, including prefunding for capital projects in anticipation of bond sale proceeds and operating funds in anticipation of federal revenues. As of June 30, 2009, there is \$766,533 in outstanding Advances from the Treasurer representing advances from the Commonwealth of Virginia for working capital pending the receipt of funds from bond sale proceeds.

12. EXPENSES BY NATURAL CLASSIFICATIONS

The following table shows a classification of expenses both by function as listed in the Statement of Revenues, Expenses, and Change in Net Assets and by natural classification which is the basis for amounts shown in the Statement of Cash Flow.

	Salaries, Wages and Fringe Benefits	Services and Supplies	Scholarships and Fellowships	Plant and Equipment	Depreciation	Total
Instruction	\$ 83,210,359	\$ 6,198,883	\$ 1,248,190	\$ 2,451,334	\$ -	\$ 93,108,766
Research	33,588,001	12,516,907	3,544,787	2,529,813	-	52,179,508
Public service	7,821	19,437	1,372	3,808	-	32,438
Academic support	20,346,030	3,365,480	145,311	4,166,952	-	28,023,773
Student services	7,642,843	2,165,072	112,594	99,153	-	10,019,661
Institutional support	20,351,562	5,092,174	136,175	322,134	-	25,902,045
Operation and maintenance of plant	6,273,555	14,174,934	3,826	2,640,025	-	23,092,340
Depreciation	-	-	-	-	19,717,342	19,717,342
Scholarships and related expenses	4,448,031	85,155	5,730,544	8,065	-	10,271,795
Auxiliary enterprises	17,972,876	40,840,779	(717,615)	8,427,594	-	66,523,635
Other	240,581	1,558,874	-	-	-	1,799,455
Total	\$ 194,081,659	\$ 86,017,695	\$ 10,205,185	\$ 20,648,877	\$ 19,717,342	\$ 330,670,758

13. STATE APPROPRIATIONS

The following is a summary of state appropriations received by the College of William and Mary and Richard Bland College, including all supplemental appropriations and reversions from the General Fund of the Commonwealth.

Chapter 879 - 2008 Appropriation Act (Educational & General Programs)	\$ 76,004,298
Student financial assistance	3,983,757

Supplemental appropriation:

VIVA libraries	40,295
Prior year reappropriations	102,042
State employees workers compensation	45,024
Rapa Whelk research funds	30,848
VRS retirement contribution changes	14,003
Eminent Scholars	1,271,933
HE tuition incentive transfer	102,045
Biomedical research	<u>75,000</u>
	1,681,190

Appropriation reductions:

Retiree health credit reduction	9,027
Employee health insurance - remove OPEB	140,638
Employee health insurance reduction	309,241
Group life contribution changes	81,231
Disability contribution changes	95,965
Governor's budget reduction plan	5,199,744
HEETF debt payments	<u>504,378</u>
	(6,340,224)

Reversions to the General Fund of the Commonwealth	(112)
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Appropriations as adjusted	<u>\$ 75,328,909</u>
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14. COMPONENT UNIT FINANCIAL INFORMATION

The College has nine component units – The College of William & Mary Foundation, the Marshall-Wythe School of Law Foundation, the Alumni Association, the William and Mary Athletic Educational Foundation, the William & Mary School of Business Foundation, the Virginia Institute of Marine Science Foundation, the William and Mary Real Estate Foundation, the Richard Bland College Foundation and the Intellectual Property Foundation. These organizations are separately incorporated entities and other auditors examine the related financial statements. Summary financial statements and related disclosures follow for eight of the component units. As stated in Note 1, the activity of the Intellectual Property Foundation was not material to the College in fiscal year 2009; therefore, it is not included in the presentation of component unit financial information.

Summary of Statement of Net Assets - Component Units

	The College of William & Mary Foundation	Marshall-Wythe School of Law Foundation	William & Mary Business School Foundation	William & Mary Alumni Association
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 994,311	\$ 2,495,251	\$ 2,389,473	\$ 442,029
Investments	1,402,351	-	-	-
Pledges receivable, net - current portion	2,902,060	848,901	2,691,461	-
Receivables, net	7,245,191	146,297	315,315	40,598
Inventories	-	-	-	22,093
Prepays	169,546	26,893	84,362	48,409
Due from the College	52,540	-	-	-
Other assets	-	-	-	116,973
Total Current Assets	12,765,999	3,517,342	5,480,611	670,102
Non-current Assets				
Restricted cash and cash equivalents	2,795,940	2,261,099	20,010,097	-
Restricted investments	303,625,520	17,548,761	15,221,767	-
Investments	-	2,740,926	-	3,470,584
Pledges receivable, net	4,659,706	1,020,898	12,217,946	-
Receivable from Remainder Trusts	4,679,318	-	-	-
Capital assets, nondepreciable	8,474,970	302,672	-	31,800
Capital assets, net of accumulated depreciation	8,093,536	77,406	30,356	336,892
Other assets	84,258,623	289,036	119,163	2,856,625
Total non-current assets	416,587,613	24,240,798	47,599,329	6,695,901
Total Assets	429,353,612	27,758,140	53,079,940	7,366,003
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	425,950	79,549	272,870	223,026
Deferred revenue	61,327	230,185	-	401,618
Deposits held in custody for others	251,097	-	60,993	-
Long-term liabilities - current portion	318,575	-	-	-
Due to the College	-	-	449,492	117,766
Other liabilities	2,145,000	-	-	-
Total Current Liabilities	3,201,949	309,734	783,355	742,410
Non-current Liabilities				
Long-term liabilities	26,664,675	415,079	-	-
Total Liabilities	29,866,624	724,813	783,355	742,410
NET ASSETS				
Restricted for:				
Nonexpendable:				
Scholarships and Fellowships	64,392,067	4,876,808	368,632	-
Research	3,573,690	-	-	-
Loans	-	-	24,230	-
Departmental Uses	67,580,035	5,277,609	33,561,470	-
Other	128,319,599	-	544,962	2,856,625
Expendable:				
Scholarships and Fellowships	42,726,186	2,970,976	224,800	-
Research	1,743,280	-	110,580	-
Capital Projects	5,159,542	2,903,120	15,610,822	-
Loans	-	-	39,929	-
Departmental Uses	61,531,647	5,940,182	1,663,613	-
Other	12,389,920	-	74,417	1,165,737
Invested in Capital Assets, net of related debt	7,617,626	380,078	30,356	368,692
Unrestricted	4,453,396	4,684,554	42,774	2,232,539
Total Net Assets	\$ 399,486,988	\$ 27,033,327	\$ 52,296,585	\$ 6,623,593

William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total Component Units
\$ 1,720,173	\$ 156,638	\$ 1,164,571	\$ 235,453	\$ 9,597,899
-	-	-	-	1,402,351
727,399	256,684	242,510	-	7,669,015
-	-	25,500	-	7,772,901
-	-	-	-	22,093
-	-	-	4,957	334,167
-	-	-	-	52,540
-	-	14,915	6,265,882	6,397,770
2,447,572	413,322	1,447,496	6,506,292	33,248,736
 -	 547,067	 715,617	 -	 26,329,820
3,564,828	5,418,256	2,272,705	-	347,651,837
-	103,834	358,181	-	6,673,525
967,127	196,083	158,770	-	19,220,530
-	-	-	-	4,679,318
-	-	-	339,547	9,148,989
43,008	-	24,750,132	241,866	33,573,196
-	-	-	1,758,839	89,282,286
4,574,963	6,265,240	28,255,405	2,340,252	536,559,501
7,022,535	6,678,562	29,702,901	8,846,544	569,808,237
 29,829	 -	 510,463	 35,216	 1,576,903
12,887	-	-	-	706,017
-	-	-	100,000	412,090
-	-	1,181,067	-	1,499,642
-	-	-	-	567,258
898	-	-	100,000	2,245,898
43,614	-	1,691,530	235,216	7,007,808
 -	 -	 25,586,949	 -	 52,666,703
43,614	-	27,278,479	235,216	59,674,511
 -	 1,055,986	 2,577,046	 -	 73,270,539
-	126,836	-	-	3,700,526
-	-	-	-	24,230
-	964,392	-	-	107,383,506
-	2,152,304	-	-	133,873,490
 4,087,529	 209,148	 -	 -	 50,218,639
-	106,996	-	-	1,960,856
-	360,935	-	-	24,034,419
-	-	-	-	39,929
-	1,046,661	-	-	70,182,103
-	394,832	433,131	40,399	14,498,436
43,008	-	-	581,413	9,021,173
2,848,384	260,472	(585,755)	7,989,516	21,925,880
\$ 6,978,921	\$ 6,678,562	\$ 2,424,422	\$ 8,611,328	\$ 510,133,726

Summary of Statement of Revenues, Expenses, and Changes in Net Assets - Component Units

	The College of William & Mary Foundation	Marshall-Wythe School of Law Foundation	William & Mary Business School Foundation	William & Mary Alumni Association
Operating revenues:				
Gifts and contributions	\$ 7,434,589	\$ 1,647,682	\$ 1,041,140	\$ 2,300,395
Other	6,060,335	1,067,560	3,221,617	439,320
Total operating revenues	<u>13,494,924</u>	<u>2,715,242</u>	<u>4,262,757</u>	<u>2,739,715</u>
Operating expenses:				
Instruction	4,151,900	506,002	149,028	-
Research	277,490	-	11,761	-
Public service	60,373	52,325	252,941	-
Academic support	1,198,237	770,191	828,215	-
Student services	51,312	12,687	1,510,327	-
Institutional support	1,171,998	-	2,860,515	-
Operation and maintenance of plant	283,656	295,799	25,121	-
Student aid	5,831,450	40,572	17,571	-
Fundraising	2,022,182	518,076	271,013	-
Management and general	1,110,670	100,826	984,196	530,437
Auxiliary enterprises	581,740	-	-	-
Depreciation	520,850	20,280	14,630	53,216
Other	5,149,930	3,510	3,074	2,945,389
Total operating expenses	<u>22,411,788</u>	<u>2,320,268</u>	<u>6,928,392</u>	<u>3,529,042</u>
Operating gain/(loss)	<u>(8,916,864)</u>	<u>394,974</u>	<u>(2,665,635)</u>	<u>(789,327)</u>
Non-operating revenues and expenses:				
Net investment revenue (expense)	(55,284,322)	(4,160,973)	(2,807,944)	(628,756)
Interest on capital asset related debt	(143,940)	-	-	-
Other non-operating revenue	727,081	-	-	-
Other non-operating expense	(8,420,820)	-	(2,528,790)	-
Net non-operating revenues	<u>(63,122,001)</u>	<u>(4,160,973)</u>	<u>(5,336,734)</u>	<u>(628,756)</u>
Income before other revenues	<u>(72,038,865)</u>	<u>(3,765,999)</u>	<u>(8,002,369)</u>	<u>(1,418,083)</u>
Other revenues:				
Capital grants and contributions	2,515,219	-	2,532,836	-
Additions to permanent endowments	5,666,320	229,269	94,418	201,294
Net other revenues	<u>8,181,539</u>	<u>229,269</u>	<u>2,627,254</u>	<u>201,294</u>
Change in net assets, before transfers	<u>(63,857,326)</u>	<u>(3,536,730)</u>	<u>(5,375,115)</u>	<u>(1,216,789)</u>
LOC (CWMF to WMREF)	<u>(389,318)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution between Foundations	<u>(29,380)</u>	<u>250</u>	<u>74,939</u>	<u>(123,818)</u>
Transfers	<u>(418,698)</u>	<u>250</u>	<u>74,939</u>	<u>(123,818)</u>
Change in net assets	<u>(64,276,024)</u>	<u>(3,536,480)</u>	<u>(5,300,176)</u>	<u>(1,340,607)</u>
Net assets - beginning of year	<u>463,763,012</u>	<u>30,569,807</u>	<u>57,596,761</u>	<u>7,964,200</u>
Net assets - end of year	<u>\$ 399,486,988</u>	<u>\$ 27,033,327</u>	<u>\$ 52,296,585</u>	<u>\$ 6,623,593</u>

William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total Component Units
\$ 4,087,529 814,317	\$ 494,590 -	\$ 160,076 1,360,698	\$ - 42,005	\$ 17,166,001 13,005,852
4,901,846	494,590	1,520,774	42,005	30,171,853
- 107,294	-	-	-	4,914,224
- 309,240	-	-	-	598,491
- 9,962	-	-	-	375,601
- 117,553	-	-	-	2,914,196
-	-	-	-	1,574,326
- 55,326	-	122,990	-	4,210,829
-	-	-	-	604,576
2,982,852	34,643	174,250	-	9,081,338
46,547	-	83,078	-	2,940,896
799,704	27,188	35,514	49,220	3,637,755
-	-	-	-	581,740
11,999	-	680,434	7,340	1,308,749
101,568	-	2,676,148	-	10,879,619
3,942,670	661,206	3,649,424	179,550	43,622,340
959,176	(166,616)	(2,128,650)	(137,545)	(13,450,487)
127,764 (1,023,800)	(434,944)	4,126	(64,208,849)	
-	-	-	(143,940)	
-	-	-	727,081	
-	-	-	(10,949,610)	
127,764 (1,023,800)	(434,944)	4,126	(74,575,318)	
1,086,940 (1,190,416)	(2,563,594)	(133,419)	(88,025,805)	
-	-	125,000	5,173,055	
- 51,778	351,800	-	6,594,879	
- 51,778	351,800	125,000	11,767,934	
1,086,940 (1,138,638)	(2,211,794)	(8,419)	(76,257,871)	
-	-	389,318	-	
(57,765) 60,161	-	75,613	-	
(57,765) 60,161	-	464,931	-	
1,029,175 (1,078,477)	(2,211,794)	456,512	(76,257,871)	
5,949,746 7,757,039	4,636,216	8,154,816	586,391,597	
\$ 6,978,921 \$ 6,678,562	\$ 2,424,422	\$ 8,611,328	\$ 510,133,726	

Investments

Each component unit holds various investments based on the investment policies established by the governing board of the individual foundation. The following table shows the various investment types held by each component unit.

	The College of William & Mary Foundation	Marshall-Wythe School of Law Foundation	William & Mary Business School Foundation	William & Mary Alumni Association	William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	Total
Certificates of deposit	\$ -	\$ -	\$ -	\$ -	\$ 3,420,274	\$ -	\$ -	\$ 3,420,274
Mutual and money market funds	4,084,716	344,128	-	3,116,906	4,162	-	-	7,549,912
U.S. treasury and agency securities	10,015,796	-	-	-	-	-	-	10,015,796
Common and preferred stocks	150,625	-	217,096	353,678	26,700	-	-	748,099
Investment in grantor trust	-	-	-	-	-	-	-	-
Notes receivable	1,432,859	-	-	-	-	-	-	1,432,859
Auction instruments	-	-	-	-	-	-	-	-
Pooled investments	287,953,402	19,945,559	14,789,529	-	-	5,522,090	2,630,886	330,841,466
Real estate	1,337,982	-	-	-	71,200	-	-	1,409,182
Other	52,491	-	215,142	-	42,492	-	-	310,125
Total Investments	\$ 305,027,871	\$ 20,289,687	\$ 15,221,767	\$ 3,470,584	\$ 3,564,828	\$ 5,522,090	\$ 2,630,886	\$ 355,727,713

Pledges Receivable

Unconditional promises to give (pledges) are recorded as receivables and revenues and are assigned net asset categories in accordance with donor imposed restrictions. Pledges expected to be collected within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at net present value of their estimated future cash flows. The discounts on these amounts are computed using risk free interest rates applicable to the years in which the payments will be received. The foundations record an allowance against pledges receivable for estimated uncollectible amounts. The William and Mary Alumni Association and the William & Mary Real Estate Foundation did not have any pledges receivable at year end.

	The College of William & Mary Foundation	Marshall-Wythe School of Law Foundation	William & Mary Business School Foundation	Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	Total
Total pledges receivable	\$ 9,600,103	\$ 2,173,080	\$ 16,030,251	\$ 2,149,326	\$ 462,184	\$ 427,700	\$ 30,842,644
Less:							
Allowance for uncollectibles	(425,712)	(206,655)	-	(387,120)	-	(19,788)	(1,039,275)
Discounting to present value	(1,612,625)	(96,626)	(1,120,844)	(67,680)	(9,417)	(6,632)	(2,913,824)
Net pledges receivable	7,561,766	1,869,799	14,909,407	1,694,526	452,767	401,280	26,889,545
Less:							
Current pledges receivable	(2,902,060)	(848,901)	(2,691,461)	(727,399)	(256,684)	(242,510)	(7,669,015)
Total non-current pledges receivable	\$ 4,659,706	\$ 1,020,898	\$ 12,217,946	\$ 967,127	\$ 196,083	\$ 158,770	\$ 19,220,530

Capital Assets

	The College of William & Mary Foundation	Marshall-Wythe School of Law Foundation	William & Mary Business School Foundation	William & Mary Alumni Association	Athletic Educational Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	William & Mary Total
Nondepreciable:								
Land	\$ 3,403,427	\$ 262,916	\$ -	\$ -	\$ -	\$ -	\$ 339,547	\$ 4,005,890
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Historical treasures and inexhaustable works of art	<u>5,071,543</u>	<u>39,756</u>	<u>-</u>	<u>31,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,143,099</u>
Total nondepreciable capital assets	\$ 8,474,970	\$ 302,672	\$ -	\$ 31,800	\$ -	\$ -	\$ 339,547	\$ 9,148,989
Depreciable:								
Building	\$ 7,534,094	\$ -	\$ -	\$ 388,658	\$ -	\$ 24,148,380	\$ 236,215	\$ 32,307,347
Equipment, vehicles and furniture	9,239,628	163,007	117,847	508,737	59,992	922,572	15,099	11,026,882
Improvements, other than building	<u>338,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,195</u>	<u>-</u>	<u>699,333</u>
Less accumulated depreciation	<u>(9,018,324)</u>	<u>(85,601)</u>	<u>(87,491)</u>	<u>(560,503)</u>	<u>(16,984)</u>	<u>(682,015)</u>	<u>(9,448)</u>	<u>(10,460,366)</u>
Total depreciable capital assets	\$ 8,093,536	\$ 77,406	\$ 30,356	\$ 336,892	\$ 43,008	\$ 24,750,132	\$ 241,866	\$ 33,573,196

Long-term Liabilities

	The College of William & Mary Foundation	Marshall- Wythe School of Law Foundation	Richard Bland College Foundation	Total
Line of credit	\$ -	\$ -	\$ -	\$ -
Notes payable	5,381,389	-	-	5,381,389
Bonds payable	5,307,956	-	26,768,016	32,075,972
Other liabilities	<u>16,293,905</u>	<u>415,079</u>	<u>-</u>	<u>16,708,984</u>
Total long-term liabilities	26,983,250	415,079	26,768,016	54,166,345
Less current portion	<u>(318,575)</u>	<u>-</u>	<u>(1,181,067)</u>	<u>(1,499,642)</u>
Total long-term liabilities	\$ 26,664,675	\$ 415,079	\$ 25,586,949	\$ 52,666,703

THE COLLEGE OF WILLIAM AND MARY FOUNDATION

Long-term Liabilities

On June 25, 2001, Reliance Holdings, LLC entered into a revolving line of credit agreement with First Union National Bank (now Wachovia Bank) in the amount of \$2,000,000, which the Foundation guaranteed. The purpose of the line of credit was to fund the initial purchase of the real estate sold to New Town, and to provide working capital to Reliance. As such, most of the loan proceeds have in turn been advanced to the Real Estate Foundation, and the majority of the interest on the note is reflected as expenses of the Real Estate Foundation. This line of credit has been extended to \$3,000,000 with all principal and accrued interest due and payable on June 30, 2010. Interest only, which accrues daily at the LIBOR market index rate plus 1.35 percent is payable monthly. The amount outstanding was \$2,145,000 at June 30, 2009 and 2008. Interest paid during the years ended June 30, 2009 and 2008, was \$44,025 and \$180,355, respectively.

During the fiscal year ended June 30, 2007, the Foundation entered into a revolving line of credit agreement with SunTrust Bank in the amount of \$2,800,000. Interest accrues at a rate of the one month LIBOR plus 0.50 percent. SunTrust is granted a security interest in and lien upon all deposits and investments maintained with SunTrust. The terms of the note require the Foundation to maintain at all times unrestricted and temporarily restricted net assets in excess of 200 percent of the Foundation's total funded debt. The note matured on December 12, 2008, and was replaced with a loan in the amount of \$2,636,140. Interest is payable monthly at a fixed rate of 4.43 percent. Principal is payable in two equal annual installments on February 28, 2011 and 2012. The balance outstanding on the loan at June 30, 2009 was \$2,636,140. The amount outstanding on the line of credit at June 30, 2008 was \$2,636,140. Interest paid during the fiscal years ending June 30, 2009 and 2008, was \$86,181 and \$106,907, respectively.

Bonds Payable

In December 2006, the Economic Development Authority of James City County, Virginia issued 2006 series revenue bonds in the amount of \$9,070,000 (Bonds) and lent the proceeds from the sale of the Bonds to the Foundation and CWMF Ventures. The purpose of the Bonds is to finance the cost of land acquisition, construction, furnishing and equipping of a three-story building in New Town in James City County, Virginia, for use by the Foundation, CWMF Ventures or the College of William and Mary. In their current mode, interest on the Bonds is calculated weekly at a rate equal to the interest rate *per annum* that, in the sole judgment of the remarketing agent, SunTrust Capital Markets, Inc., taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Bonds at a price of par on such date. The Foundation and CWMF Ventures have the option to direct a change in the type of interest period by delivering written notice to the trustee and remarketing agent.

The Bonds mature, subject to prior redemption or demand purchase, on December 1, 2036. Bonds bearing interest at the daily or weekly rate must be purchased from the owners on any tender date upon delivery of written notice to the trustee and remarketing agent. If not successfully remarketed, funds for the purchase of tendered Bonds will be drawn on the credit facility described below. During the year ending June 30, 2009, the Foundation redeemed \$980,000 of the Bonds. In addition, as described below, \$2,745,000 of the Bonds had been tendered but not remarketed as of June 30, 2009. While these Bonds are issued, they were not outstanding at June 30, 2009. The recorded amount of the Bonds outstanding at June 30, 2009 and 2008, was \$5,307,956 and \$9,026,957, respectively, based on their original purchase price to the underwriter of the Bonds. Face value of Bonds outstanding at June 30, 2009 and 2008, was \$5,345,000 and \$9,070,000, respectively. As interest on the Bonds is a floating rate which is reset weekly, fair value of the Bonds approximates face value. Interest paid to bondholders for the years ended June 30, 2009 and 2008, was \$143,692 and \$275,878, respectively.

In addition to payments under the loan agreement in respect of the Bonds, the Bonds are further secured by an irrevocable letter of credit issued by SunTrust Bank. The initial expiration date of the letter of credit is December 31, 2009, unless extended, renewed or otherwise terminated under the applicable letter of credit documents among SunTrust bank, the Foundation and CWMF Ventures. The terms of the letter of credit provide for automatic one-year extensions through December 31, 2036 unless SunTrust provides at least two years notice of its intent to terminate, and the current date of expiration is December 31, 2011. The terms of the letter of credit also require the Foundation at all times to maintain unrestricted and temporarily restricted net

assets equal to at least 200 percent of the Foundation's total indebtedness, or such lesser amount as may be agreed by SunTrust Bank. Draws on the letter of credit for the purpose of purchasing any of the Bonds will be secured by the pledge of all right, title and interest in those Bonds. Unreimbursed draws under the letter of credit bear interest at the rate of LIBOR plus 1.50 percent per annum. During the year, draws were made, in the normal course, on the letter of credit per the bond and letter of credit documents in order to pay interest to bondholders. In addition, draws were made in the amount of \$4,225,000 for tendered Bonds not successfully remarketed. Subsequent to this draw, \$980,000 of the tendered Bonds were retired, and \$500,000 was successfully remarketed as of June 30, 2009. Proceeds from these transactions paid down the draws on the letter of credit. The total interest paid on the letter of credit during the years ended June 30, 2009 and 2008, was \$11,018 and \$0, respectively. As of June 30, 2009 and 2008, the amount outstanding under the letter of credit was \$2,745,249 and \$0, respectively. \$2,745,000 of the balance as of June 30, 2009 represents Bonds that are issued, but not outstanding. The total available under the letter of credit is based on the amount of Bonds outstanding, plus 40 days interest at 10 percent. The total amount of the letter credit was \$8,178,658 and \$9,170,778 as of June 30, 2009 and 2008, respectively. The total available to draw was \$5,403,575 and \$9,170,778 as of June 30, 2009 and 2008, respectively.

During the year ended June 30, 2009, the Foundation executed an interest rate swap on a \$7,000,000 notional amount in order to create a synthetic fixed rate on a portion of the Bonds. The Foundation makes monthly payments at a fixed annual rate of 2.05 percent, and receives monthly payments at a floating rate based on 67 percent of LIBOR. The interest rate swap agreement terminates December 1, 2036 unless terminated early under the provisions of the agreement.

Commitments and Contingencies

On August 21, 2002, New Town Associates entered into a borrowing agreement with SunTrust Bank with a limit of \$5,000,000 and bearing interest at the rate of the 30 day LIBOR plus 0.60 percent. The facility was revised in September 2004 and December 2006. The total currently available is \$5,000,000, which may be used for borrowing or for letters of credit. The Foundation guarantees up to \$2,500,000, and members of the C.C. Casey Limited Company guarantee up to \$2,500,000. Outstanding loan balances of \$2,610,000 and \$685,000 existed as of June 30, 2009 and 2008, respectively. Letters of credit outstanding under this facility at June 30, 2009 and 2008, were \$1,797,750 and \$1,731,050, respectively. The balance is due on demand, with the next review date being September 30, 2009. The letters of credit are issued to guarantee the completion of site improvements as required by James City County. Upon completion of those improvements, these letters of credit are to be terminated, with no residual liability. No draws had been made on the letters of credit as of June 30, 2009 and 2008.

RICHARD BLAND COLLEGE FOUNDATION, INC.

Bonds Payable

During December 2006, the Foundation entered into loan agreements with the Industrial Development Authorities of Dinwiddie County, Virginia, Isle of Wight, Virginia, Prince George, Virginia and Sussex County, Virginia to borrow the proceeds of the Authorities' \$27,000,000 Series 2006 Revenue Bonds (Richard Bland College Foundation Student Housing Facilities). The loan agreement provides for rates of interest of 4.23 percent with adjustments beginning in 2016 and every 5 years thereafter at 70 percent of the 5-year U.S. Treasury Note, and 60 equal semi-annual principal and interest payments commencing on February 5, 2009. The bonds are due August 5, 2038. The primary purpose of this loan is to refund and redeem in full the outstanding principal amount of the Authorities' \$27,000,000 Series 2006 Revenue Bonds (Richard Bland College Foundation Student Housing Facilities), the proceeds of which were used to finance the costs of construction and equipping of a student housing facility located in Prince George, Virginia.

15. CONTRIBUTION TO PENSION PLAN

Virginia Retirement System

Employees of the College are employees of the Commonwealth of Virginia. Substantially all full-time classified salaried employees of the College of William and Mary and Richard Bland College participate in the defined benefit retirement plan administered by the Virginia Retirement System (VRS). VRS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agency for the Commonwealth of Virginia and its political subdivisions.

The College of William and Mary and Richard Bland College's payroll costs for employees covered by VRS were \$63,724,242 for the year ended June 30, 2009. Total payroll costs were \$155,064,295 for the year ended June 30, 2009.

Information regarding types of employees covered, benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions as well as employer and employee obligations to contribute are established can be found in the Commonwealth's Comprehensive Annual Financial Report.

The College of William and Mary and Richard Bland College's total VRS contributions were \$7,166,287 for the year ended June 30, 2009, which included a 5 percent employee contribution assumed by the employer. These contributions represent approximately 11.25 percent of covered payroll for the period July 2008 to June 2009.

The VRS does not measure assets and pension benefit obligations separately for individual state institutions. The Comprehensive Annual Financial Report provides disclosure of the Commonwealth's unfunded pension benefit obligation at June 30, 2009. The same report contains historical trend information showing VRS progress in accumulating sufficient assets to pay benefits when due.

Optional Retirement Plan

Full-time faculty and certain administrative staff may participate in a retirement annuity program through various optional retirement plans other than the VRS. This is a fixed-contribution program where the retirement benefits received are based upon the employer's contributions of approximately 10.4 percent, plus interest and dividends.

Individual contracts issued under the plan provide for full and immediate vesting of contributions of the College of William and Mary and Richard Bland College and their employees. Total pension costs under this plan were \$7,197,932 for the year ended June 30, 2009. Contributions to the optional retirement plans were calculated using the base salary amount of \$69,210,888 for fiscal year 2009. The College of William and Mary and Richard Bland College's total payroll for fiscal year 2009 was \$155,064,295.

Deferred Compensation

Employees of the College are employees of the Commonwealth of Virginia. 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 can 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 \$702,799 for fiscal year 2009.

16. POST-RETIREMENT BENEFITS

The Commonwealth participates in the VRS administered statewide group life insurance program which provides post-employment life insurance benefits to eligible retired and terminated employees. The Commonwealth also provides health care credits against the monthly health insurance premiums of its retirees who have at least 15 years of

service and participate in the State's health plan. Information related to these plans is available at the statewide level in the Comprehensive Annual Financial Report.

17. CONTINGENCIES

Grants and Contracts

The College of William and Mary and Richard Bland College receive assistance from non-state grantor agencies in the form of grants and contracts. Entitlement to these resources is conditional upon compliance with the terms and conditions of the agreements, including the expenditure of resources for eligible purposes. Substantially all grants and contracts are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability. As of June 30, 2009, the College estimates that no material liabilities will result from such audits.

Litigation

The College is currently involved in litigation which could result in a judgment against the College. The final outcome of this lawsuit cannot be determined at this time. However, management is of the opinion that any ultimate liability to which the College may be exposed will not have a material effect upon the College's financial position.

18. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The College participates in insurance plans maintained by the Commonwealth of Virginia. 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 College pays premiums to each of these departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

Board of Visitors

Resolution 13

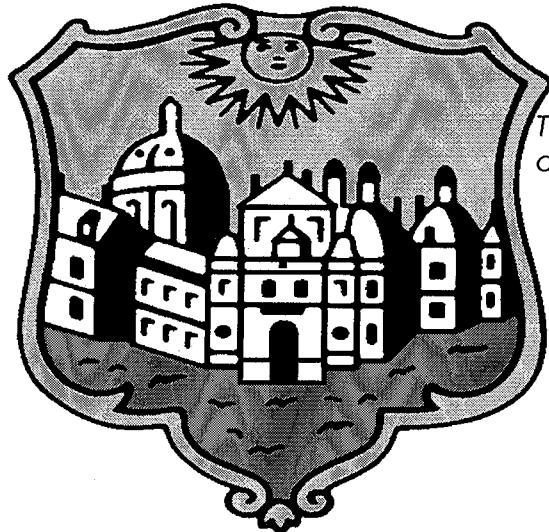
November 18-20, 2009

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**COLLEGE OF WILLIAM AND MARY
RECEIPT OF THE FINANCIAL REPORT OF
THE INTERCOLLEGIATE ATHLETIC DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

The summarized Financial Report of the Intercollegiate Athletic Department for the fiscal year ended June 30, 2009, has been presented by the Vice President for Finance to the President of the College, who has approved it for presentation to the Rector and the Board of Visitors.

RESOLVED, That the Financial Report of the Intercollegiate Athletic Department for fiscal year ended June 30, 2009, is hereby received by the Board of Visitors.



The College
of **WILLIAM**
& MARY
IN
VIRGINIA

**FINANCIAL REPORT OF INTERCOLLEGIATE ATHLETICS
FOR THE YEAR ENDED
JUNE 30, 2009**

THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA
Williamsburg, VA

June 30, 2009

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Daniel D. Wakely, Assistant Athletic Director
for Business Affairs

THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA
FINANCIAL REPORT OF INTERCOLLEGIATE ATHLETICS

For the Year Ended June 30, 2009

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Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs	1
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THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA
SCHEDULE OF REVENUES AND EXPENDITURES OF
INTERCOLLEGIATE ATHLETIC PROGRAMS
For the Year Ended June 30, 2009

	Football	Men's Basketball	Women's Basketball	Other* Sports	Administrative and General	Total
Operating Revenues:						
Student Fees						
Contributions (Note 2)	\$ 1,491,835	\$ 441,372	\$ 148,662	720,054	386,803	\$ 9,245,324
Endowment and Investment Income (Note 3)	733,402	193,432	144,277	851,561	86,292	3,188,726
Ticket Sales	612,236	151,567	10,596	36,264		810,663
Guarantees	260,000	155,000	9,000	3,000		427,000
Direct Institutional Support				300,000		300,000
NCAA/Conference Distributions	124,080	109,267	39,448	494,385	69,580	836,760
Program Sales, Concessions, Novelty Sales & Parkin	22,561	3,855	553	1,102		28,071
Royalties, Advertisements and Sponsorships	205,955	35,505	35,505	39,049	128,031	444,045
Sports Camp Revenues			4,351		54,261	58,612
Other				114,365	80,153	194,518
Subtotal Operating Revenues	3,450,069	1,089,998	392,392	2,559,780	10,050,444	17,542,683
Operating Expenditures:						
Athletics Student Aid	1,775,735	399,447	532,688	2,805,198	38,887	5,551,955
Guarantees	105,000	33,500	600			139,100
Coaching Salaries, Benefits, & Bonuses Paid by W&M and Related Entities	825,964	470,418	289,995	1,702,450		3,288,827
Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by W&M and Related Entities	49,133	16,047	17,745	168,599	2,028,096	2,279,620
Recruiting	113,649	71,455	52,949	116,935	157,153	512,141
Team Travel	161,991	95,447	77,562	744,125		1,079,125
Equipment, Uniforms and Supplies	177,571	62,042	48,740	344,955	145,230	778,538
Game Expenses					269,233	269,233
Fund Raising, Marketing and Promotion				4,590	56,335	60,925
Direct Facilities, Maintenance and Rental	756,774	5,151	9,306	256,857	1,043,528	2,071,616
Spirit Groups					7,611	7,611
Medical Expenses and Medical Insurance	9,849	250	225	12,808	125,848	148,980
Memberships and Dues	2,463	6,015	9,261	79,789	207,786	305,314
Other Operating Expenses	64,190	49,690	44,147	177,742	659,847	995,616
Subtotal Operating Expenses	\$ 4,042,319	\$ 1,209,462	\$ 1,083,218	\$ 6,414,048	\$ 4,739,554	\$ 17,488,601
Excess (deficiency) of revenues over (under) expenses						54,082

* Other sports include baseball, field hockey, golf, gymnastics, lacrosse, soccer, swimming, tennis, track and field, and volleyball.

The accompanying notes are an integral part of this schedule.

**THE COLLEGE OF WILLIAM AND MARY
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES OF
INTERCOLLEGIATE ATHLETIC PROGRAMS
AS OF JUNE 30, 2009**

1. BASIS OF PRESENTATION

The accompanying Schedule of Revenues and Expenditures 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 fund revenues and expenditures of the intercollegiate athletic programs of the College for the year ended June 30, 2009. The schedule presents only a selected portion of the activities of the College and it is not intended to nor does it present either the financial position, changes in fund balances, or current funds revenues and other additions, expenditures, transfers and other deductions for the year ended. Revenues and expenditures are directly identifiable with each category presented and reported accordingly.

2. CONTRIBUTIONS

The Athletic Educational Foundation of the College of William and Mary in Virginia, Incorporated, raises funds and collects contributions for the benefit of the Intercollegiate Athletics Department. The College received \$2,794,094 from the AEF during the year ended June 30, 2009.

The Athletic Educational Foundation of the College of William and Mary in Virginia, Incorporated, receives directly from various individuals and businesses, donations in the form of goods or services for the athletic program. The College received \$394,632 from individuals and businesses in donations during the year ended June 30, 2009.

3. ENDOWMENT AND INVESTMENT INCOME

The College of William and Mary Foundation is authorized to receive and administer gifts and bequests of all kinds. The Foundation makes such resources available to the College, which may be drawn as needed by the College within the Association's budgetary restrictions. The College received \$2,008,964 from the Foundation for the benefit of the Intercollegiate Athletics Department for the year ended June 30, 2009.

4. CAPITAL ASSETS

Capital assets are recorded at historical cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Construction expenses for capital assets and improvements are capitalized when expended. The College's capitalization policy on equipment includes all items with an estimated useful life of two years or more. The William and Mary campus capitalizes all items with a unit price greater than or equal to \$2,000.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings	40-50 years
Infrastructure	10-50 years
Equipment	2-30 years
Library Books	10 years.

A summary of the capital asset ending balances net of accumulated depreciation for the year ending June 30, 2009 is as follows:

Depreciable capital assets:	
Buildings	\$26,077,180
Equipment	<u>2,462,733</u>
Total depreciable capital assets	<u>28,539,913</u>
Less Accumulated depreciation for:	
Buildings	7,773,308
Equipment	<u>1,169,759</u>
Total accumulated depreciation	<u>8,943,067</u>
Total capital assets, net	<u>\$ 19,596,846</u>

5. LONG-TERM DEBT

Long-term debt relating to intercollegiate athletics is shown below.

<u>Description</u>	Interest Rates (%)	Maturity	Balance as of June 30, 2009	% used by Athletics	Athletics Balance June 30, 2009
Section 9(d) Bonds:					
William and Mary Hall, Series 2004B	3.000-5.000	2016	1,020,000	85%	\$ 867,000
William and Mary Hall, Series 2007B	4.000-4.250	2018	165,000	85%	140,250
Recreation Sports Center, Series 2003A	2.000-5.000	2024	795,000	15%	119,250
Recreation Sports Center, Series 2004A	3.500-5.000	2025	6,715,000	15%	1,007,250
Recreation Sports Center, Series 2005A	3.500-5.000	2026	2,330,000	15%	349,500
Improve Athletics Facilities, Series 2005A	3.500-5.000	2026	3,185,000	100%	3,185,000
Improve Athletics Facilities, Series 2006A	3.000-5.000	2027	730,000	100%	730,000
J. Laycock Football Facility, Series 2006A	3.000-5.000	2027	5,260,000	100%	<u>5,260,000</u>
Total					<u>\$ 11,658,250</u>

Long-term debt matures as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 490,750	\$ 539,188
2011	509,500	517,433
2012	536,000	491,695
2013	568,250	464,089
2014	590,500	435,120
2015-2019	3,320,750	1,690,861
2020-2024	3,592,000	850,147
2025-2029	<u>2,050,500</u>	<u>96,372</u>
Total	<u>\$ 11,658,250</u>	<u>\$ 5,084,905</u>

6. INDIRECT COSTS

The College recovers a percentage of each auxiliary enterprise's expenditures, including athletics, to cover overhead costs such as utilities and custodial services. In the fiscal year ended June 30, 2009 the overhead rate charged to athletics and other auxiliary enterprise was 22.39 percent. This amount is included in direct facilities, maintenance, and rental expenses, under the category "Administrative and General."

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THE COLLEGE OF WILLIAM AND MARY
2009-2010 OPERATING BUDGET SUMMARY

	2007-2008 Actual	2008-09 Actual	Original 2009-2010 Budget	Revised 2009-2010 Budget	Year to Date Through 9/30/08
REVENUE					
Federal Stimulus Funds			\$ 3,815,722	\$ 6,615,722	\$ -0-
General Funds	\$ 47,794,501	\$ 45,103,410	40,977,444	34,778,267	13,732,544
Educational/General	3,439,913	\$ 3,436,813	3,610,556	3,527,029	1,763,515
Student Aid	1,526,461	1,346,933	1,800,000	1,800,000	22,196
Sponsored Programs					
Nongeneral Funds					
Educational/General	80,979,218	90,088,700	93,662,862	95,542,862	43,942,500
Student Aid	4,374,091	6,009,169	7,901,470	7,901,470	7,901,470
Auxiliary Enterprise	71,406,530	77,286,746	76,125,357	76,125,357	32,013,014
Sponsored Programs	27,043,748	28,226,397	28,250,000	28,250,000	9,162,079
Private Funds	11,316,402	10,687,975	11,025,031	10,865,031	1,741,027
Total Revenue	\$247,880,864	\$262,186,143	\$267,168,442	\$265,405,738	\$ 110,278,345
EXPENDITURES					
Instruction	\$ 75,425,894	\$ 77,574,494	\$ 79,634,660	\$ 79,204,534	\$ 23,060,669
Research	2,231,194	1,549,551	1,840,201	1,559,699	357,489
Public Service	13,355	22,732	15,689	38,193	26,820
Academic Support	23,673,657	23,195,517	22,790,050	22,465,019	6,516,060
Student Services	6,199,101	7,418,097	6,958,342	6,885,769	2,093,497
Institutional Support	17,801,063	18,832,772	18,442,204	18,220,431	7,099,488
Plant Operations	12,407,448	14,392,150	16,903,027	16,713,855	5,039,693
Student Aid	10,750,932	12,760,832	14,642,212	14,558,685	10,932,749
Auxiliary Enterprise	70,824,101	75,944,183	74,484,092	74,298,592	22,045,945
Sponsored Programs	28,570,209	29,573,330	30,050,000	30,050,000	9,184,275
Total Expenditures	\$247,896,954	\$261,263,658	\$265,760,477	\$263,994,777	\$ 86,356,685

**The College of William and Mary
Education and General**

2009-2010 Operating Budget Summary

	2007-2008 <u>Actual</u>	2008-2009 <u>Actual</u>	Original 2009-2010 <u>Budget</u>	Revised 2009-2010 <u>Budget</u>	Year to Date Through 9/30/09
REVENUE:					
Federal Stimulus Funds			\$3,815,722	\$6,615,722	\$0
General Funds	\$47,794,501	\$45,103,410	40,977,444	34,778,267	13,732,544
Nongeneral Funds	<u>80,979,218</u>	<u>90,088,700</u>	<u>93,662,862</u>	<u>95,542,862</u>	<u>43,942,500</u>
Total Revenue	\$128,773,719	\$135,192,110	\$138,456,028	\$136,936,851	\$57,675,044
EXPENDITURES:					
Instruction	\$73,209,431	\$75,747,735	\$77,345,245	\$76,915,119	\$22,874,961
Research	1,501,473	1,437,054	1,616,474	1,335,972	316,645
Public Service	8,356	8,062	8,021	8,021	1,041
Academic Support	22,958,541	22,529,818	21,951,726	21,626,695	6,267,103
Student Services	5,766,792	6,951,478	6,517,966	6,445,393	2,064,755
Institutional Support	12,966,982	14,193,492	14,222,640	14,000,867	4,980,754
Plant Operations	<u>12,362,118</u>	<u>14,324,470</u>	<u>16,793,956</u>	<u>16,604,784</u>	<u>4,940,698</u>
Total Expenditures	\$128,773,693	\$135,192,109	\$138,456,028	\$136,936,851	\$41,445,957

**The College of William and Mary
Student Financial Assistance***

2009-2010 Operating Budget Summary

	2007-2008 <u>Actual</u>	2008-2009 <u>Actual</u>	Original 2009-2010 <u>Budget</u>	Revised 2009-2010 <u>Budget</u>	Year to Date Through 9/30/09
REVENUE:					
General Funds	\$3,439,913	\$3,436,813	\$3,610,556	\$3,527,029	\$1,763,515
Nongeneral Funds	<u>4,374,091</u>	<u>6,009,169</u>	<u>7,901,470</u>	<u>7,901,470</u>	<u>7,901,470</u>
Total Revenue	<u>\$7,814,004</u>	<u>\$9,445,982</u>	<u>\$11,512,026</u>	<u>\$11,428,499</u>	<u>\$9,664,985</u>
EXPENDITURES:	\$7,813,678	\$9,445,982	\$11,512,026	\$11,428,499	\$9,664,985

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

**The College of William and Mary
Education and General
2009-2010 Operating Budget Summary**

	<u>2007-2008 Actual</u>	<u>2008-2009 Actual</u>	<u>Original 2009-2010 Budget</u>	<u>Revised 2009-2010 Budget</u>	<u>Year to Date Through 9/30/09</u>
REVENUE					
Federal Stimulus Funds			\$3,815,722	\$6,615,722	\$0
General Funds	\$47,794,501	\$45,103,410	40,977,444	34,778,267	13,732,544
Nongeneral Funds	80,979,218	90,088,700	93,662,862	95,542,862	43,942,500
TOTAL REVENUE	\$128,773,719	\$135,192,110	\$138,456,028	\$136,936,851	\$57,675,044
EXPENDITURES					
Instruction			\$71,545,749	\$71,213,623	\$20,520,883
Personal Services	\$67,064,825	\$69,515,042			
Contractual Services	2,753,672	2,839,979	2,855,676	2,757,676	618,557
Supplies and Materials	786,497	669,007	743,096	743,096	150,559
Transfer Payments	1,005,129	1,432,448	684,728	684,728	91,370
Continuous Charges	543,693	434,156	540,970	540,970	116,389
Property & Improvements	76,841	55,327	75,000	75,000	241,199
Equipment	978,774	801,776	900,026	900,026	1,136,004
TOTAL	\$73,209,431	\$75,747,735	\$77,345,245	\$76,915,119	\$22,874,961
Research					
Personal Services	\$1,092,998	\$1,005,646	\$985,004	\$771,004	\$250,805

The College of William and Mary
 Education and General
 2009-2010 Operating Budget Summary

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	2007-2008 Actual	2008-2009 Actual	Original 2009-2010 Budget	Revised 2009-2010 Budget	Year to Date Through 9/30/09
Contractual Services	53,173	90,338	69,060	48,060	61,894
Supplies and Materials	8,850	8,007	162,452	162,452	2,100
Transfer Payments	344,381	327,026	253,873	208,371	0
Continuous Charges	6	643	300	300	0
Property & Improvements	7	261	0	0	0
Equipment	2,058	5,133	145,785	145,785	1,846
TOTAL	\$1,501,473	\$1,437,054	\$1,616,474	\$1,335,972	\$316,645
Public Service					
Personal Services	\$1,217	\$2,552	\$2,760	\$2,760	\$0
Contractual Services	6,174	4,496	4,784	4,784	912
Supplies and Materials	847	825	477	477	4
Continuous Charges	25	72	0	0	0
Equipment	93	117	0	0	125
TOTAL	\$8,356	\$8,062	\$8,021	\$8,021	\$1,041
Academic Support					
LIBRARIES					
Personal Services	\$5,233,416	\$5,343,442	\$5,324,492	\$5,234,492	\$1,502,576
Contractual Services	727,074	833,686	443,399	443,399	197,229

The College of William and Mary
 Education and General
 2009-2010 Operating Budget Summary

Board of Visitors

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	2007-2008 Actual	2008-2009 Actual	Original 2009-2010 Budget	Revised 2009-2010 Budget	Year to Date Through 9/30/09
Supplies and Materials	54,810	52,816	38,658	38,658	58,704
Transfer Payments	0	0	0	0	0
Continuous Charges	1,224	2,042	93,422	93,422	70
Property & Improvements	0	0	0	0	0
Equipment	3,749,431	3,493,729	3,670,728	3,670,728	426,343
TOTAL	\$9,765,955	\$9,725,715	\$9,570,699	\$9,480,699	\$2,184,922
OTHER ACAD. SUPPORT:					
Personal Services	\$9,728,076	\$10,176,749	\$9,816,195	\$9,718,395	\$3,225,404
Contractual Services	1,645,664	1,644,542	1,475,466	1,405,876	729,721
Supplies and Materials	135,764	72,087	137,001	137,001	6,393
Transfer Payments	102,194	103,351	97,207	74,566	98
Continuous Charges	294,153	182,484	295,761	295,761	6,988
Property & Improvements	23,855	2,730	0	0	645
Equipment	387,061	453,813	391,051	346,051	84,874
Obligations	875,819	168,347	168,346	168,346	28,058
TOTAL	\$13,192,586	\$12,804,103	\$12,381,027	\$12,145,996	\$4,082,181
TOTAL ACADEMIC SUPPORT	\$22,958,541	\$21,529,818	\$21,951,726	\$21,626,695	\$6,267,103

The College of William and Mary
 Education and General
 2009-2010 Operating Budget Summary

	<u>2007-2008 Actual</u>	<u>2008-2009 Actual</u>	<u>Original 2009-2010 Budget</u>	<u>Revised 2009-2010 Budget</u>	<u>Year to Date Through 9/30/09</u>
Student Services					
Personal Services	\$4,669,845	\$5,685,148	\$5,439,041	\$5,373,041	\$1,705,547
Contractual Services	857,225	902,343	814,376	814,376	234,330
Supplies and Materials	148,681	102,651	118,624	118,624	29,628
Transfer Payments	57,977	62,507	30,325	23,752	30,224
Continuous Charges	4,304	161,793	3,750	3,750	4,173
Property & Improvements	23	4,639	0	0	0
Equipment	28,737	32,397	111,850	111,850	60,853
TOTAL	\$5,766,792	\$6,951,478	\$6,517,966	\$6,445,393	\$2,064,755
Institutional Support					
Personal Services	\$9,918,592	\$11,463,323	\$10,834,082	\$10,619,082	\$3,464,789
Contractual Services	2,024,584	1,699,243	2,315,763	2,308,990	488,772
Supplies and Materials	182,121	173,619	168,216	168,216	340,278
Transfer Payments	28,904	83,920	94,454	94,454	10,797
Continuous Charges	306,873	525,129	531,870	531,870	649,950
Property & Improvements	1,312	436	0	0	589
Equipment	196,881	188,674	216,106	216,106	15,721

Board of Visitors

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The College of William and Mary
 Education and General
 2009-2010 Operating Budget Summary

	2007-2008 <u>Actual</u>	2008-2009 <u>Actual</u>	Original 2009-2010 <u>Budget</u>	Revised 2009-2010 <u>Budget</u>	Year to Date Through 9/30/09
Obligations	307,715	59,148	62,149	62,149	9,858
TOTAL	\$12,966,982	\$14,193,492	\$14,222,640	\$14,000,867	\$4,980,754
Plant Operations					
Personal Services	\$3,599,388	\$3,722,080	\$4,535,447	\$4,535,447	\$1,201,661
Contractual Services	4,210,463	3,669,201	4,700,056	4,700,056	1,448,047
Supplies and Materials	1,705,928	2,202,890	2,012,954	2,012,954	407,743
Transfer Payments	1,430	1,705	0	0	0
Continuous Charges	2,678,807	4,647,737	5,116,344	4,927,172	1,849,835
Property & Improvements	1,177	222	144,575	144,575	100
Equipment	164,925	80,635	284,580	284,580	33,312
TOTAL	\$12,362,118	\$14,324,470	\$16,793,956	\$16,604,784	\$4,940,698
E&G PROGRAM TOTAL	\$128,773,693	\$135,192,109	\$138,456,028	\$136,936,851	\$41,445,957

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**The College of William and Mary
Auxiliary Enterprise
2009-2010 Operating Budget Summary**

	<u>2007-2008 Actual</u>	<u>2008-2009 Actual</u>	<u>Original 2009-2010 Budget</u>	<u>Revised 2009-2010 Budget</u>	<u>Year to Date Through 9/30/09</u>
REVENUE					
Residence Life	\$ 20,356,583	\$ 21,400,432	\$ 22,391,000	\$ 22,391,000	\$ 11,476,977
Food Service	12,278,763	13,047,792	13,905,375	13,905,375	4,748,903
Telecom/Network	3,582,279	3,656,613	3,449,398	3,449,398	1,357,891
Student Unions	2,592,575	2,729,087	2,709,000	2,709,000	1,227,690
W&M Hall	1,757,311	1,794,940	1,910,208	1,910,208	901,462
Athletics	15,316,444	17,327,164	16,946,051	16,946,051	5,090,113
Other	<u>15,522,575</u>	<u>17,330,718</u>	<u>14,814,325</u>	<u>14,814,325</u>	<u>7,209,978</u>
Total Revenue	\$ 71,406,530	\$ 77,286,746	\$ 76,125,357	\$ 76,125,357	\$ 32,013,014
EXPENDITURES					
Residence Life	\$ 21,214,647	\$ 21,145,273	\$ 22,391,000	\$ 22,299,800	\$ 7,357,705
Food Service	11,632,844	12,559,229	13,235,444	13,211,694	1,889,194
Telecom/Network	3,322,254	3,567,070	3,003,521	3,003,521	473,889
Student Unions	2,636,786	2,735,072	2,709,000	2,675,940	727,102
W&M Hall	1,650,237	1,893,450	2,046,611	2,023,371	456,703
Athletics	15,280,497	17,233,422	16,946,051	16,946,051	5,942,052
Other	<u>15,086,836</u>	<u>16,810,667</u>	<u>14,152,465</u>	<u>14,138,215</u>	<u>5,199,300</u>
Total Expenditures	\$ 70,824,101	\$ 75,944,183	\$ 74,484,092	\$ 74,298,592	\$ 22,045,945

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**The College of William and Mary
Sponsored Programs
2009-2010 Operating Budget Summary**

	<u>2007-2008 Actual</u>	<u>2008-2009 Actual</u>	<u>Original 2009-2010 Budget</u>	<u>Revised 2009-2010 Budget</u>	<u>Year to Date Through 9/30/09</u>
REVENUE					
General Fund	\$ 1,526,461	\$ 1,346,933	\$ 1,800,000	\$ 1,800,000	\$ 22,196
Nongeneral Fund	<u>27,043,748</u>	<u>28,226,397</u>	<u>28,250,000</u>	<u>28,250,000</u>	<u>9,162,079</u>
Total Revenue	\$ 28,570,209	\$ 29,573,330	\$ 30,050,000	\$ 30,050,000	\$ 9,184,275
EXPENDITURES					
	\$ 28,570,209	\$ 29,573,330	\$ 30,050,000	\$ 30,050,000	\$ 9,184,275

THE COLLEGE OF WILLIAM & MARY
PRIVATE FUNDS
2009-2010 Operating Budget Summary

	2007-2008 Actual	2008-2009 Actual	Original 2009-2010 Budget	Revised 2009-2010 Budget	Year to date Through 9/30/2009
REVENUE:					
Distributed Endowment Income	\$1,797,132	\$2,057,700	\$2,005,031	\$2,005,031	\$500,993
Administrative Overhead Allocation	200,000	200,000	200,000	200,000	50,000
Transfers from Other Sources	485,214	275,841	500,000	500,000	145,974
Interest on Cash Balances	798,383	329,994	285,000	125,000	31,931
Annual Gifts	7,098,539	6,840,314	7,050,000	7,050,000	965,796
Distribution from External Trusts	51,773	37,604	35,000	35,000	421
Other Revenue	885,361	946,522	950,000	950,000	45,912
Total Revenue	\$11,316,402	\$10,687,975	\$11,025,031	\$10,865,031	\$1,741,027
EXPENDITURES:					
Instruction	\$2,216,463	\$1,826,759	\$2,289,415	\$2,289,415	\$185,708
Research/Sponsored Programs	729,721	112,497	223,727	223,727	40,844
Public Service	4,999	14,670	7,668	30,172	25,779
Academic Support	715,116	665,699	838,324	838,324	248,957
Student Services	432,309	466,619	440,376	440,376	28,742
Institutional Support	4,834,081	4,639,280	4,219,564	4,219,564	2,118,734
Plant: Operations & Capital Improvements	45,330	67,680	109,071	109,071	98,995
Student Aid	2,937,254	3,314,850	3,130,186	3,130,186	1,267,764
Total Expenditures	\$11,915,273	\$11,108,054	\$11,258,331	\$11,280,835	\$4,015,523

Board of Visitors

Resolution 14

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VIRGINIA INSTITUTE OF MARINE SCIENCE

REVISED FY 2009-10 OPERATING BUDGET

The revised State appropriation for the Virginia Institute of Marine Science provides \$16.1 million in general fund support. This appropriation is supplemented by nongeneral fund revenue estimated at \$27.4 million.

The proposed budget reflects the additional 15% general fund reduction of \$2.8 million in FY 2009-10. This reduction is partially offset by a projected additional \$1.3 million in Federal stimulus funds from the American Recovery and Reinvestment Act. The Federal stimulus funds are used to offset additional cuts to the instruction, academic support and institutional support programs. An additional \$0.2 million in reductions are due to general fund cuts in other State agencies and reduced funds for fringe benefits.

BE IT RESOLVED, That the Board of Visitors of the College of William and Mary in Virginia approves the FY 2009-10 revised operating budget of the Virginia Institute of Marine Science, as displayed on the attached schedule.

Board of Visitors

Resolution 14

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VIRGINIA INSTITUTE OF MARINE SCIENCE

REVISED FY 2009-10 OPERATING BUDGET

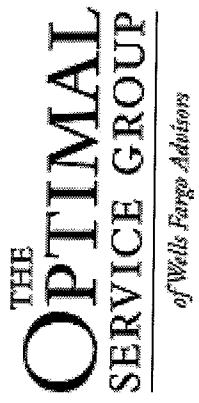
	<u>Approved</u> <u>FY 2009-2010</u>	<u>Revised</u> <u>FY 2009-2010</u>	<u>Variance</u>
<u>REVENUE</u>			
General Fund	\$19,020,420	\$16,070,326	(\$2,950,094)
Nongeneral Fund			
Education and General	1,901,460	1,894,248	(7,212)
Federal Stimulus	660,246	1,959,192	1,298,946
Sponsored Programs	<u>23,500,000</u>	<u>23,500,000</u>	-
 TOTAL REVENUE	 \$45,082,126	 \$43,423,766	 (\$1,658,360)
 <u>EXPENDITURES</u>			
Instruction	\$1,849,809	\$1,840,762	(\$9,047)
Research & Advisory Services	8,665,525	8,428,714	(236,811)
Academic Support	4,132,490	3,818,389	(314,101)
Institutional Support	2,859,641	1,833,167	(1,026,474)
Plant and Maintenance	3,836,134	3,764,207	(71,927)
Student Financial Assistance	238,527	238,527	-
Sponsored Programs	<u>23,500,000</u>	<u>23,500,000</u>	-
 TOTAL EXPENDITURES	 \$45,082,126	 \$43,423,766	 (\$1,658,360)

November 18-20, 2009

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**VIRGINIA INSTITUTE OF MARINE SCIENCE
OPERATING BUDGET SUMMARY**

	2007-2008 <u>Actual</u>	2008-2009 <u>Actual</u>	Original 2009-2010 <u>Budget</u>	Revised 2009-2010 <u>Budget</u>	Year-to-Date Through <u>9/30/09</u>
REVENUE					
General Fund	\$20,960,554	\$19,769,965	\$19,020,420	\$16,070,326	\$6,012,699
Non General Funds					
Educational/General	1,590,860	1,774,991	1,901,460	1,894,248	276,282
Federal Stimulus	0	0	660,246	1,959,192	0
Sponsored Programs	<u>22,545,456</u>	<u>21,612,081</u>	<u>23,500,000</u>	<u>23,500,000</u>	<u>5,911,283</u>
Total Revenue	\$45,096,870	\$43,157,037	\$45,082,126	\$43,423,766	\$12,200,264
EXPENDITURES					
Instruction	\$1,842,464	\$1,664,510	\$1,849,809	\$1,840,762	\$445,113
Research and Advisory Services	9,519,248	9,202,634	8,665,525	8,428,714	3,024,702
Academic Support	4,569,640	4,296,351	4,132,490	3,818,389	1,178,692
Institutional Support	3,087,375	2,745,400	2,859,641	1,833,168	1,103,081
Plant Operations	3,294,160	3,361,281	3,836,134	3,764,207	989,815
Student Financial Assistance	238,527	237,422	238,527	238,527	0
Sponsored Programs	<u>22,545,456</u>	<u>21,612,081</u>	<u>23,500,000</u>	<u>23,500,000</u>	<u>5,977,981</u>
Total Expenditures	\$45,096,870	\$43,119,679	\$45,082,126	\$43,423,766	\$12,719,384



Investment Portfolio Evaluation For
Periods Ending September 30, 2009:

The College of William & Mary Board of Visitors Endowment

Prepared By

Joseph W. Montgomery, CFP, Managing Director - Investments
Thomas C. Wilson III, Managing Director - Investments
Robin S. Wilcox, Vice President - Investments
R. Bryce Lee, CFA, CIMA® Vice President - Investments

Enclosure I

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IV.	Fixed Income Sector Review
V.	Green Fund Update

The information provided herein is obtained from sources believed to be reliable, but no representation or warranty is made as to its accuracy or completeness. These investments are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency and involve risk including the possibility of loss of principal.

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The College of William & Mary BOV Endowment
September 30, 2009 Portfolio Evaluation
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Index	3rd Quarter	YTD	1 year	3 years	5 years	10 years
Dow Jones Industrial Average ¹	15.82%	13.49%	-7.38%	-3.33%	1.85%	1.62%
NASDAQ Composite ¹	15.90%	35.80%	2.95%	-1.16%	3.13%	-1.79%
S&P 500 Index ¹	15.61%	19.26%	-6.91%	-5.43%	1.02%	-0.15%
S&P 500/Citigroup Growth	13.56%	22.10%	-2.62%	-2.88%	1.06%	-2.26%
S&P 500/Citigroup Value	17.94%	16.27%	-11.43%	-8.09%	0.84%	1.36%
Russell 1000	16.07%	21.08%	-6.14%	-5.10%	1.49%	0.41%
Russell 1000 Growth	13.97%	27.11%	-1.85%	-2.50%	1.86%	-2.55%
Russell 1000 Value	18.24%	14.85%	-10.62%	-7.87%	0.90%	2.59%
Russell Midcap	20.62%	32.63%	-3.55%	-4.07%	3.89%	6.05%
Russell 2000	19.28%	22.43%	-9.55%	-4.57%	2.41%	4.88%
Russell 2000 Growth	15.95%	29.12%	-6.32%	-2.60%	2.91%	1.10%
Russell 2000 Value	22.70%	16.36%	-12.61%	-6.65%	1.78%	8.05%
Russell 2500	20.06%	27.89%	-5.68%	-3.78%	3.29%	6.28%
50% S&P / 50% BCIGC	9.32%	12.41%	2.20%	0.69%	3.17%	3.21%
MSCI EAFE Index	19.52%	29.58%	3.79%	-3.12%	6.57%	2.97%
MSCI World Index	17.57%	25.55%	-1.63%	-3.80%	4.07%	1.40%
MSCI EMF (EMerging Markets Free)	21.04%	64.88%	19.44%	8.27%	17.68%	11.71%
Barclays Cap Government/Credit Bond Index	4.17%	4.74%	11.47%	6.26%	4.92%	6.32%
Barclays Cap Government/Credit Intermediate	3.25%	4.93%	10.01%	6.16%	4.68%	5.90%
Barclays Cap Aggregate Bond Index	3.74%	5.72%	10.56%	6.41%	5.13%	6.30%
Barclays Cap US Treasury Long	4.52%	-8.03%	9.14%	7.97%	6.63%	7.95%
Barclays Cap Municipal Bond Index	7.12%	14.00%	14.85%	5.13%	4.78%	5.77%
Merrill Lynch Convertible Securities	15.89%	39.41%	13.48%	0.69%	3.05%	4.40%
Merrill Lynch High Yield	14.48%	47.67%	21.88%	5.06%	5.95%	6.28%
Dow Jones Wilshire REIT (Full Cap)	35.42%	17.81%	-29.26%	-13.70%	1.18%	9.73%
Citigroup 3-month T-bill	0.04%	0.14%	0.39%	2.63%	2.96%	2.96%

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*Annualized

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Data Sources: Zephyr Style Advisor & Barclays Capital

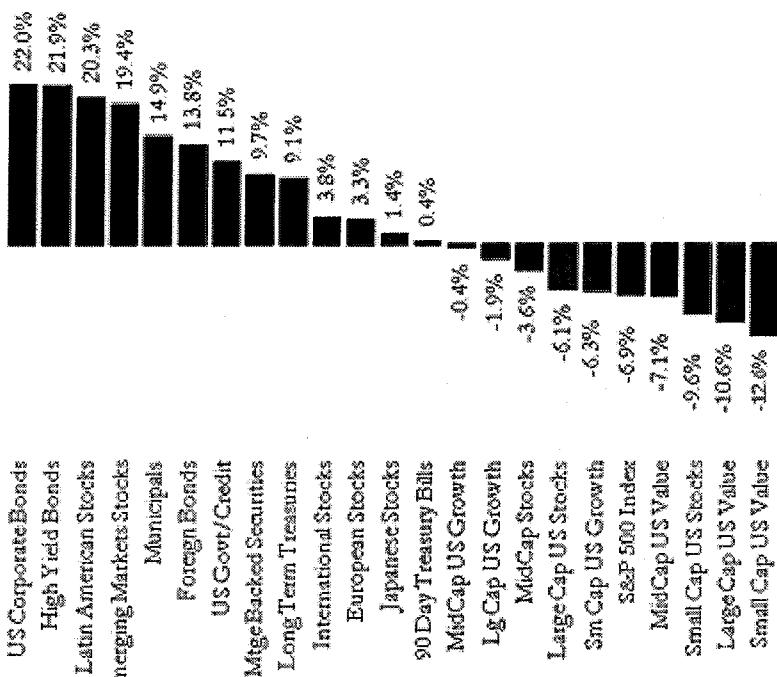
Capital Markets Summary

Bullish market sentiment continued in the third quarter and propelled all major market indices to finish in positive territory. Investor confidence was reinforced this quarter as gains in the Dow Jones Industrial Average were supported by strong returns from the Dow Jones Transportation and Utility indices. Gains in these latter indices were taken as confirmation that current economic problems are easing and the economy would begin its recovery. As measured by S&P market sector and capitalization, it has been two years since value, growth, and core sectors across large, mid and small cap weightings all reported positive quarterly and year-to-date returns. The recent market action is encouraging, but it has not come without some trepidation.

In August Federal Reserve Chairman Ben Bernanke stated that “critical challenges remain”, however, “economic activity appears to be leveling out”, signaling his belief that the worst financial crisis in decades has ended, or may be coming to an end very soon. In September he announced the recession “is very likely over”. It will not be confirmed for months, but most economists expect the National Bureau of Economic Research (NBER) to officially announce the recession ended sometime in June or July (2009). Industrial production, retail sales, and real income are all now positive; however, corporations continued cost cutting efforts, mainly through job cuts.

Although stimulus funding (bank bailouts, Cash for Clunkers, et al) and low interest rates have been given credit for averting a financial and economic crisis, neither have proven thus far to put the general population back to work.

One Year Performance of Asset Classes as of September 30, 2009



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Data Sources: Zorpiva, Strategic Advisor, Barclay's Capital, MSCTI, Barron's, Standard & Poor's

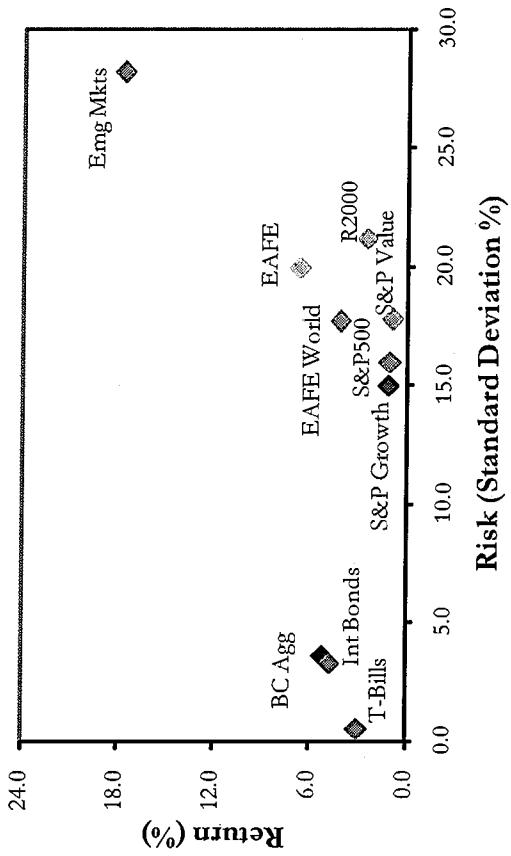
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Capital Markets Summary

Unemployment reached 9.8% this quarter and is expected to exceed 10% next quarter. Employment figures are not expected to improve before the middle of next year. Employment numbers must show meaningful improvement before the economy can sustain a recovery.

The Federal Reserve was not expected to raise interest rates this quarter and most investors focused on forward looking statements from the Fed regarding the timing of any future increases. San Francisco Fed President Janet Yellen reiterated Bernanke's earlier comments by saying interest rates would remain at low levels for an "extended period". Despite historically low interest rates the Treasury continues to auction record amounts of debt to cover the budget deficit which could exceed \$1.5 trillion by the end of this year. China, Japan and the United Kingdom were the largest buyers of U.S. debt.

Risk/Return Comparison of Asset Classes Five Years Ended September 30, 2009



The U.S. equity markets were led by financial stocks at the expense of defensive issues. The banking sector turned in strong performance as evidence indicated several banks, after receiving permission and having repaid TARP funds, were not as fragile as first announced. Investors were encouraged by a favorable earnings season and appeared willing to take some additional market risk. Seventy-six percent of the companies reporting earnings through the end of July exceeded forecasts. This is the highest level recorded by Thompson Reuters since they began tracking the percentage in 1994. True, expectations were low and this likely aided in many earning "surprises". Forward looking comments and earnings upgrades made by key analysts also helped to fuel the markets' momentum. Next quarter's earnings season should provide some insight into the economic rebound as it is widely believed most domestic corporations have exhausted cost cutting measures. Investors will be looking for top line growth.

Capital Markets Summary

Recent secondary stock offerings from financial institutions and initial public offerings (IPOs) have proven to be successful. Merger and acquisition activity has also increased as investors and corporations look for attractive opportunities in undervalued sectors. Volume remains low on all exchanges and volatility has been decreasing. As such, the markets have experienced fewer violent “mood swings”.

Globally, the International Monetary Fund (IMF) yet again revised its forecast for global expansion to 3%, from 2.5%, for 2010. While speaking to global finance officials in August Fed Chairman Bernanke said the global economy is much improved, but “critical challenges remain”. Bernanke cited ongoing strains in financial markets and tight credit as the main threats to a recovery.

Asian and emerging markets have well outpaced developed country markets this year. Economic expansion fueled by infrastructure spending is trickling down to a new market force – emerging world consumers. Demand and consumption of goods and services from these new younger consumers has grown twice as fast as U.S. consumption.

Domestic Equity

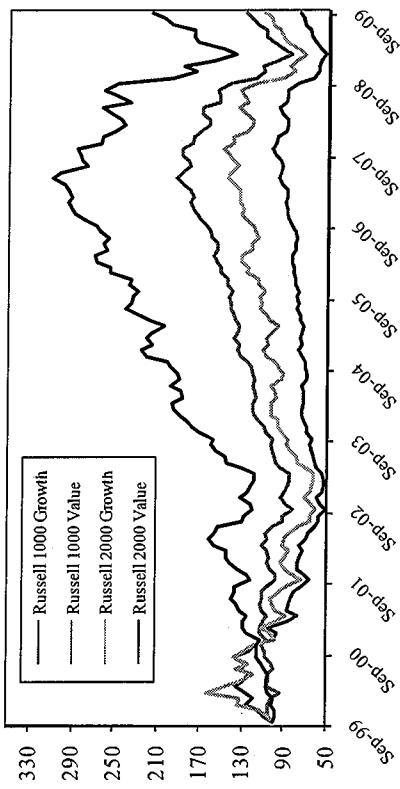
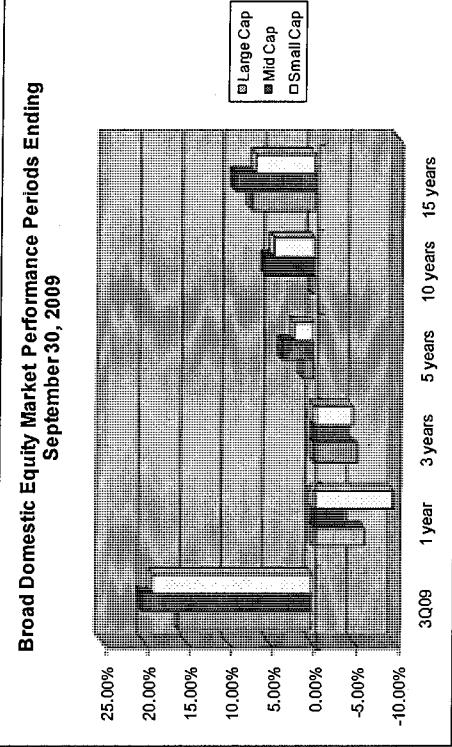
The major market indices continued to shine through the third quarter as weakening year over year energy costs and a weakening dollar helped lead the Dow Jones Industrial Average to its best third quarter since 1939. Posting a 15.82% gain in the third quarter, the index is now in positive territory for 2009, up 13.49% for the year. It was a similar story across all of the major averages as the S&P 500 [TR] posted a 15.61% gain, its fifth best third quarter since 1929. When combined with the 15.93% gain the S&P attained in the second quarter, the index is up 19.26% year-to-date going into the final quarter. The Russell 3000 had an even stronger showing for the quarter posting a 16.82% gain and is now up 21.19% year-to-date. Over on the NASDAQ, a 15.90% gain for the quarter left the index up a commanding 35.80% year-to-date.

Domestic Equity

Breaking down the S&P 500 by sectors, all sectors posted a positive gain for the third quarter. Cyclicals led the market as Financials (+24.08%), Materials (+22.90%), Industrials (+20.86%), Consumer Discretionary (+20.78%) and Information Technology (+17.40%) all posted solid numbers for the quarter. Trailing the overall market were traditionally defensive sectors. Energy (+11.92%), Consumer Staples (+11.43%), and Health Care (+10.13%) all managed to post double digit returns for the quarter. Telecommunication Services rose only 8.82% for the quarter, but was the leading sector in September when it posted a 6.86% return. Utilities (+6.77%) lagged behind the other sectors as investors chased higher growth prospects.

In comparing capitalizations, mid caps again outshone the other caps as the Russell MidCap posted a 20.62% gain in the quarter. Following closely behind was the Russell 2000 which gained 19.28%. The large cap Russell 1000 rose 16.07% while the mega-cap Russell Top 200 rose 14.41%. For the year, the Russell MidCap ended the quarter up 32.63% pushing its lead to double-digits in 2009 over the second place Russell 2000 (+22.43%).

In comparing styles, growth stocks led in September but is was not enough to overtake the strong performance value stocks enjoyed in July and August. The Russell 1000 Value rose 18.24% for the quarter while the Russell 1000 Growth gained 13.97%. Similarly, the Russell 2000 Value returned 22.70% for the quarter versus the Russell 2000 Growth 15.95% return.



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Data Sources: Zephyr Style Advisor & Barclays Capital

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Domestic Equity (cont.)

However, growth continues to nearly double value's performance in 2009 as the Russell 1000 Growth ended the third quarter up 27.11% for the year versus the Russell 1000 Value's gain of 14.85%. Likewise, the Russell 2000 Growth (+29.12%) leads the Russell 2000 Value (+16.36%) for the year.

In individual stocks, cyclicals led the DJIA as Caterpillar (CAT) gained 55.36%, American Express (AXP) gained 45.24%, and General Electric (GE) gained 40.10% to lead the Dow. Only three Dow members were negative for the quarter led by Exxon Mobil (XOM) which was down 1.86%. Verizon Communications (VZ) down 1.50% and McDonalds (MCD) down 0.73% were the other two Dow stocks in the red for the quarter.

Over on the S&P 500, Gannett (GCI) up 250.42% led the pack followed by Hartford Financial (HIG), up 123.25%. The biggest losers on the S&P were Metro PCS (PCS) which was down 29.68% and Moody's (MCO) which was down 22.35%. Targacept Inc. (TRGT) was the NASDAQ leader for the third quarter as it was up 772.2% on the back of positive results for its experimental depression and cognitive disorder drugs. On the flip side, Repros Therapeutics Inc. (RPRX) was the NASDAQ's biggest loser. The stock plummeted following the voluntary suspension of its clinical trials of Proellex in early August and ended down 87.5% for the third quarter.

3Q09 Subsector Scorecard				
Gainers		Losers		
Health Care Facilities	94.2%	1	Home Entertainment Software	-14.4%
Commercial Printing	80.2%	2	Specialized Finance	-7.6%
Broadcasting	74.4%	3	Automotive Retail	-3.1%
Consumer Electronics	72.9%	4	Wireless Telecommunication Services	-1.1%
Multi-Line Insurance	65.3%	5	Electronic Components	-0.8%

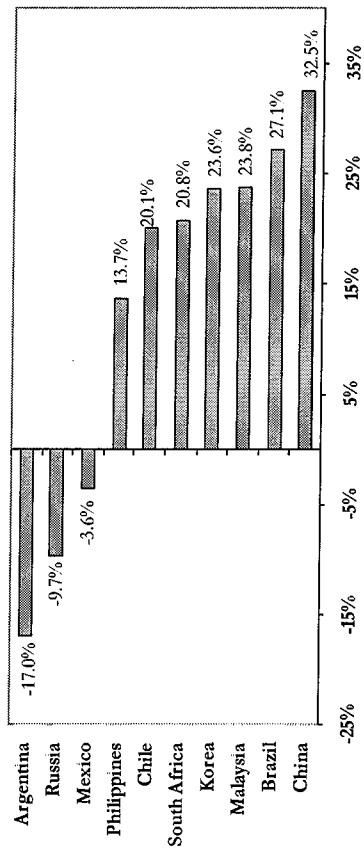
International Markets

Foreign stocks enjoyed a second consecutive quarter of considerable gains as the MSCI EAFE Index shot up 19.52% in the third quarter. The index posted positive returns in each month of the third quarter and has gained an impressive 29.58% for the year-to-date as of September 30. The trailing one year return for the EAFE is also now in positive territory at 3.79% while the trailing three year number remains negative at -3.12%. European stock returns measured in US dollars by the MSCI Europe Index were up 22.98% as the continent continues, like the United States, to show ambiguous signs of recovery. The rate of increases in unemployment in Europe is slowing, but unemployment numbers stand at a ten year high.

Stimulus plans and low interest rates appear to have spurred some positive results, but will have to be dialed back down at some point. Sweden's Finance Minister Anders Borg spoke about the EU's expansionary fiscal policy in September calling for its continuation into 2010 while acknowledging that current levels of stimulus spending are not sustainable. In Germany, unemployment actually fell in September, marking the third month of decreasing unemployment in a row. Continuing the theme of perplexing economic data, German retail sales numbers fell 1.5% for August despite forecasts for a slight increase. Australia was the constituent of the EAFE with the highest return for US investors for the quarter with a 33.18% return while the MSCI Japan posted the lowest return, up just 6.57%.

Emerging markets equities outpaced developed international stocks for the third quarter in a row as the MSCI Emerging Markets Index gained 21.04%. The index now stands up a remarkable 64.88% for 2009 to date as of September 30 and up 19.44% for the past year. Emerging markets have returned a negative 10.55% for the past 2 years, but 5 and 10 year trailing returns are up in the double digits at 17.68% and 11.71%, respectively.

One Year Emerging Market Country Returns
as of September 30, 2009



International Markets (cont)

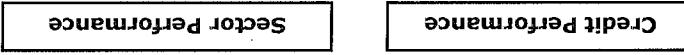
The MSCI China Index gained 7.86% in the third quarter. The International Monetary Fund (IMF) has increased its forecast for growth in China's economy in 2010 from 8.5% to 9%. Chinese officials were upset with the United States government in September when the United States imposed a 35% tariff on Chinese made automobile tires. Although this move is not expected to have a large impact on China's growth prospects, it has been criticized by some as protectionist.

Among countries making up the MSCI Emerging Markets Index, Peru had the highest quarterly return at 44% and Morocco was the laggard at -6.61%.

Fixed Income

Bond markets were higher across the board during the third quarter, with growth in all three months of the quarter for most major indices. The Barclays Capital US Aggregate had its best quarter of the year, returning 3.74%. The Barclays Capital US Government/Credit returned 4.17% while the Barclays Capital US Municipal Bond gained 7.12%. Longer maturity indices fared better than their shorter maturity counterparts as short term rates remained low during the quarter. The Barclays Capital US Treasury 1-3 Year was up 0.78% while the Treasury 7-10 Year was up 2.69%. Similarly, the Barclays Capital Intermediate Gov/Credit was up 3.25% versus 8.52% for the Long Gov/Credit. Finally, on the back of historically low interest rates, cash returns continued to be at all time lows as the Citigroup 3-Month Treasury Bill Index returned only 0.04% in the quarter, thanks to 0.01% gains in each month of the quarter.

On the news front, record Treasury auctions continued during the third quarter, as the government required record amounts of bond sales to fund the ongoing economic recovery. Bid ratios on the new Treasury issuances—the number of bids for each dollar of notes issued—remained above 2.70. The final auction of the quarter received \$81 billion in bids for only \$29 billion in new debt, a healthy 2.79 ratio. Institutional investors accounted for more than 61% of the (indirect) bids, another healthy sign. Perhaps most surprising is the number of dealer banks bidding on bond issuances, possibly angling to be included in the Federal Reserve's underwriting dealer network, which should prove more lucrative as budget deficits show no sign of slowing anytime soon. All told, the government has issued \$1.52 trillion in notes this year, versus only \$585 billion for the same period of 2008.



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Fixed Income (Cont.)

The US Treasury department's announced plan to entice private investors into buying toxic mortgage assets have proven mildly successful as Invesco Ltd and Trust Company of the West have raised the necessary capital to take part in the Public-Private Investment Program. This program creates so-called "toxic asset funds" and has raised slightly more than \$1 billion in combined capital. As part of the program, the Treasury department will issue matching financing to the two companies, as well as provide up to 100% of the total ongoing capital commitments as required. In all, the government hopes to attract \$40 billion in private investments to these funds, much less than the \$1 trillion it originally envisioned.

Regional banks continued to fail during the third quarter, as the FDIC said that its protective fund had officially fallen into the red at the end of September. It continues to push for healthy banks to purchase the assets of failed banks, but increasingly has to provide assistance for the purchasing banks that shoulder loan losses on the FDIC. In order to replenish their insurance fund's assets, the FDIC is proposing that banks pre-pay their fees for 2010, 2011, and 2012 by the end of 2009. The FDIC has predicted that it will take until 2017 for balances in the insurance fund to be "comfortable" again. As a last resort, the FDIC has considered borrowing funds directly from the Treasury, which would further add to the increasing amount of debt auctioned by the Treasury department.

In the municipals market, California issued \$8.8 billion in short term bonds, collecting a surprising \$6.64 billion of that total from retail investors as institutional investors looked elsewhere. The large retail order for the debt issuance was the most ever recorded for a municipal debt sale, according to California's Treasurer's office. California's municipal issuance was by far the largest of the quarter, with most of other states and municipalities issuing under \$6 billion total.

In the corporate debt space, companies were issuing record amounts of debt during the quarter. September saw \$126 billion of corporate debt alone, the most ever for September and the seventh busiest month on record. Credit the returning investor confidence with allowing companies to again access the debt markets. This new flood of corporate debt is driving yields higher for other corporate issues, and is also making borrowing much more expensive for businesses.

Commodities

Crude oil was stable and traded in a narrow range near \$70 for the quarter. The discovery of underground nuclear processing facilities and lack of denial from Iran had little effect on the price of oil. Natural gas hit new lows with inventory storage near capacity and industrial demand expected to remain weak into next year.

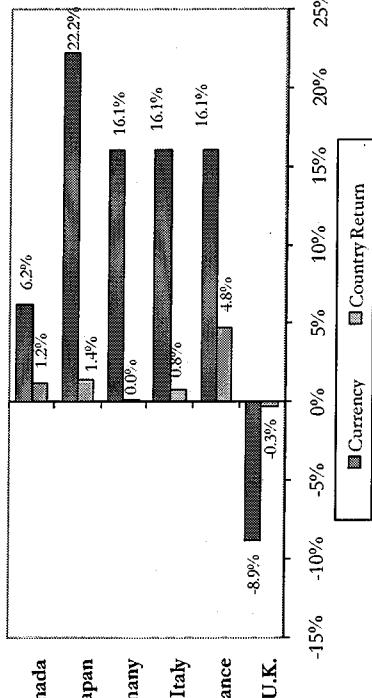
Gold traded near record highs as investors sought to hedge against anticipated inflation and speculators went along for the ride. Silver, platinum, nickel and copper were all higher. The recent gain in industrial metals, such as copper (up over 100% for the year), is attributed to an increase in demand of raw materials to support the anticipation of stronger industrial activity in the U.S., China, Britain and Europe.

Currency

The dollar was weak this quarter against all major currencies. Some market analysts and economists believe the world's current financial problems mark the beginning of a prolonged slow decline of developed world currencies. This decline would result in narrowing the relationship between developed currencies. If true, further economic expansion in emerging markets would allow undervalued currencies to appreciate in world markets and create new trade opportunities.

As the dollar continues its decline China continues to flex its financial muscle and push for a new world currency. Although this effort is not widely supported today, it is receiving more attention than just six months ago. It may gain support if the domestic economy does not soon improve or if inflation becomes a problem in the U.S.

**1 Year Country and Currency Returns
G-7 Excluding U.S. as of September 30, 2009**



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ASSET CLASS PERFORMANCE REPRESENTATIONS: Long Term Treasuries = BC Treasury Long; Municipals = BC Municipal; Foreign Bonds = Salomon World BIG – IB; US Govt/Credit = BC Govt/Credit; Mtge Backed Securities = MI Mortgage Master; Corporate Bonds = Salomon Corporate; 90 Day T-Bills = Salomon; Japanese Stocks = Salomon Japan BMI; High Yield Bonds = MI High Yield Master; Small Cap US Stocks = RU 2000 Value; MidCap US Stocks = RU Midcap; Large Cap US Value = RU 1000 Value; European Stocks = Salomon Europe BMI; Small Cap US Stocks = RU 2000; Lg Cap US Growth = RU 1000 Growth; Latin American Stocks = Salomon Latin America BMI; Sm Cap US Growth = RU 2000 Growth

BROAD EQUITY MARKET & SECTOR PERFORMANCE REPRESENTATIONS: Large-Cap = S&P 500 or Russell 1000; Mid-Cap = RU Midcap; Small-Cap = RU 2000; International = MSCI EAFE

DATA SOURCES: Information found in this document was derived from the following sources: Zephyr Associates StyleAdvisor, Informa M-Watch, Investor Force, Barclays Capital, MSCI Barra, and Standard & Poor's.

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Dow Jones Industrial Average - This index is comprised of 30 "blue-chip" US stocks selected for their history of successful growth and wide interest among investors. The DJIA represents about 20% of the total market value of all US stocks and about 25% of the NYSE market capitalization. It is a price-weighted arithmetic average, with the divisor adjusted to reflect stock splits and the occasional stock switches in the index.

NASDAQ Composite - A cap-weighted index comprised of all common stocks that are listed on the NASDAQ Stock Market (National Association of Securities Dealers Automated Quotation system).

S&P 500 - A broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. This index does not contain the 500 largest companies nor the most expensive stocks traded in the U.S. While many of the stocks are among the largest, this index also includes many relatively small companies. This index consists of approximately 380 industrial, 40 utility, 10 transportation and 70 financial companies listed on U.S. market exchanges. It is a capitalization-weighted index (stock price times number of shares outstanding), calculated on a total return basis with dividends reinvested.

S&P 500 / Citigroup Growth - The S&P/Citigroup Growth tracks the performance of those stocks in the S&P 500 with lower book-to-price ratios. A cap-weighted index, it is rebalanced semi-annually, based on its price-to-book ratios and market capitalizations at the close of trading one month prior. The index is adjusted each month to reflect changes in the S&P 500. This index is more heavily weighted in the consumer non-cyclical, health care, and technology sectors than the S&P 500.

S&P 500 / Citigroup Value - The S&P/Citigroup/Value tracks the performance of those stocks in the S&P 500 with higher book-to-price ratios. A cap-weighted index, it is rebalanced semi-annually on January 1 and July 1, based on its book-to-price ratios and market capitalizations at the close of trading one month prior. The index is adjusted each month to reflect changes in the S&P 500. This index tends to be more heavily concentrated in the energy and financial sectors than the S&P 500.

Russell 1000 - The 1000 largest companies in the Russell 3000 index, based on market capitalization.

Russell 1000 Growth - A segment of the Russell 1000 with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 1000 Value index.

Russell 1000 Value - Represents a segment of the Russell 1000 with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 1000 Growth Index.

Russell Mid Cap - The index consisting of the bottom 800 securities in the Russell 1000 as ranked by total market capitalization, and it represents over 35% of the Russell 1000 total market cap.

Russell 2000 - The 2000 smallest companies in the Russell 3000 index.

Russell 2000 Growth - A segment of the Russell 2000 with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 2000 Value index.

Russell 2000 Value - A segment of the Russell 2000 with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 2000 Growth index.

Russell 2500 - The index consisting of the bottom 500 stocks in the Russell 1000 (as ranked by market capitalization) and all of the stocks in the Russell 2000. This index is intended to be used as a measure of small to medium/ small stock performance, and it represents over 22% of the Russell 3000 total market cap.

MSCI EAFFE - A market capitalization-weighted index representing all of the MSCI developed markets outside North America. It comprises 20 of the 22 countries in the MSCI World. These 20 countries include the 14 European countries in the MSCI Europe and the 6 Pacific countries in the MSCI Pacific. This index is created by aggregating the 20 different country indexes, all of which are created separately.

MSCI World - This market capitalization-weighted index represents all 22 of the MSCI developed markets in the world. It is created by aggregating the 22 different country indexes, all of which are created separately.

MSCI Emerging Markets Free (EMF) - A market capitalization-weighted index representing 26 of the emerging markets in the world. Several factors are used to designate whether a country is considered to be emerging vs. developed, the most common of which is Gross Domestic Product Per Capita. The "Free" aspect indicates that this index includes only securities that are allowed to be purchased by global investors. This index is created by aggregating the 26 different country indexes, all of which are created separately.

Barclays Government/Credit - This index includes all bonds that are in the Barclays Capital Government Bond and the Barclays Capital Credit Bond Indices.

Barclays Government Intermediate - All bonds covered by the Barclays Capital Government Bond index with maturities of 1 and 10 years.

Barclays Aggregate Bond - This index is made up of the Barclays Capital Government/Credit, the Mortgage-Backed Securities, and the Asset-Backed Securities indices. All issues in the index are rated investment grade or higher, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

Barclays Government Long Term - All bonds covered by the Barclays Capital Government Bond index with maturities of 10 years or greater.

Barclays Municipal Bond - This market cap weighted index includes investment grade tax-exempt bonds and is classified into four main sectors: General Obligation, Revenue, Insured, and Prerefunded. To be included in this index, the original transaction size of a bond must have been greater than \$50 million.

Merrill Lynch Convertibles - The convertible securities used in this index span all corporate sectors and must have a par amount outstanding of \$25 million or more. The maturity must be at least one year. The coupon range must be equal to or greater than zero and all quality of bonds are included. Excluded from this index are preferred equity redemption stocks. When the component bonds of this index convert into common stock, the converted securities are dropped from the index.

Merrill Lynch High Yield Master - Market-cap weighted index providing a broad-based measure of bonds in the US domestic bond market rated below investment grade but not in default. Includes only issues with a credit rating of BB1 or below as rated by Moody's and/or S&P, at least \$100 million in face value outstanding and a remaining term to final maturity equal to or greater than one year.

Dow Jones Wilshire REIT Index - A measurement of equity REITs and Real Estate Operating Companies. No special-purpose or health care REITs are included. It is a market capitalization-weighted index for which returns are calculated monthly using buy and hold methodology; it is rebalanced monthly.

Citigroup 3 Month Treasury Bill - Representing the monthly return equivalents of yield averages that are not marked to market, this index is an average of the last three three-month Treasury bill issues.

50/50 Blend (S&P 500/BCIGC) - A blended benchmark consisting of 50% S&P 500 and 50% Barclays Capital Government/Credit Intermediate indices.

II. Executive Summary

Observations & Recommendations

The U.S. economy continued to see positive signs of recovery throughout the 3rd quarter. The Index of Leading Economic Indicators has shown steady improvement throughout the past three months which bodes well for the short-term outlook. The indicators that make up this index are forward looking with housing starts, durable goods orders, etc. In contrast, unemployment is still increasing, albeit at a slower pace, and stood at 9.8% at period-end. The Fed's Federal Open Market Committee (FOMC) has reaffirmed that interest rates will remain low for the foreseeable future by keeping the Fed Funds target rate between 0% - 0.25%. A "double-dip" recession seems unlikely at this point given both policy makers' actions and positive factors such as the inventory cycle.

Interest rate spreads continued to narrow throughout the 3rd quarter and have returned to normal from historical, average widths. CMBS, MBS, and ABS have benefited greatly from the federal governments' programs (TALF and PPIP). U.S. Treasury bonds continue to weigh on the Barclays Aggregate as they have for most of 2009. Year-to-date, the Barclays U.S. Aggregate has gained 5.7%. The treasury component of the index has returned -2.3% for the YTD period.

The rally in equity markets continued throughout the 2nd and 3rd quarters, experiencing a few mild pull-backs. On the domestic front, small-cap stocks have a slight edge over large-cap stocks while the growth style has been in favor over value. The largest gains in 2009 have come from the non-U.S., emerging markets economies as commodity and raw materials prices skyrocketed as a result of increased demand from the BRIC nations.

Total Portfolio: The William & Mary Board of Visitors (BOV)
Endowment recorded a 15.0% gain (net of fees) for the quarter, outpacing the 14.2% target benchmark return. 2009 Calendar YTD results have been strong, with the account 280 bps ahead of the target benchmark (23.8% vs. 21.0%). Overall portfolio asset allocation was in line with policy benchmarks at September-end.

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Domestic Equity: Although absolute returns were respectable, large-cap value manager **Blackrock** lagged the Russell 1000 Value Index for the quarter (14.1% vs. 18.2%). Underperformance is explained by Blackrock's positioning in two sectors—financials and industrials. Financials returned to favor; however, Blackrock maintained an underweight due to their uncertainty around the future banking model given increased costs, more regulation, and higher capital requirements. In the Industrial sector, Blackrock has been defensively positioned in high quality companies while the rally in equities since the March 9th low was led by lower quality businesses.

Large-cap growth manager, **Aletheia**, posted solid relative returns for the quarter, gaining 15.9% versus the Russell 1000 Growth Index return of 14.0%. An overweight to Material and Industrial sectors were positive attributes while an underweight to Healthcare also helped. Strong stock selection was a positive with top-ten names such as MGM Mirage (+88.4%) and Caterpillar (+57.3%) having strong three-month results.

Wells Capital mid cap growth fund closely mirrored its bogey for the quarter (17.5% vs. 17.6%). Performance was driven mainly by security selection in the Financial sector where commercial banks and insurance companies presented opportunities. The strategy's increased allocation to developing situations and value opportunities worked to the fund's advantage as riskier sectors were rewarded.

Artisan's mid cap value fund, which was added to the BOV account in May 2009, achieved significant absolute returns for the quarter (+16.9%) but trailed the Russell Mid Cap Value Index (+23.6%). The outperformance of lower quality, cyclical stocks has been a trend that has had a negative impact on Artisan's ability to keep pace with the index. The lowest quintile return on equity stocks in the index outperformed the highest quintile stocks by nearly double. Consumer Discretionary and Financial stocks accounted for nearly half of the index's total return this period but Artisan was underweight both, with no bank stocks.

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Executive Summary

Observations & Recommendations

Royce Small Cap posted a BOV quarterly-best 32.3% return, outperforming the Russell 2000 by 1,300 bps. Royce's opportunistic style was in favor as small cap value stocks, as measured by the Russell 2000 Value Index, were +22.7% versus 16.0% for the Russell 2000 Growth. Also an advantage was Royce's focus on lower-quality stocks. Non-dividend paying companies within the index rose 34.9% for the quarter compared to dividend-paying businesses which were up just 6.8%. Calendar YTD, Royce's 57.7% returned has easily exceeded the 22.4% return of the Russell 2000.

International Equity: Delaware International Value posted a solid absolute gain of 18.3% for the quarter, but trailed the EAFE index (+19.5%). An underweight to Sweden hurt as well as positions in Takeda Pharmaceutical and Seven & I which thrived from increased demand. The **Artio International Growth Fund**, which was added to BOV in May 2009, closely tracked the EAFE Index for the quarter (+19.4% vs. +19.5%). Stock selection in both developed and emerging markets was a positive contributor to results, specifically in the Financial sector. Although relatively low, the cash position had a negative impact as the markets made strong gains.

Domestic Fixed Income: The State Street Passive Bond Index Fund, which is structured to mirror the Barclays Capital Aggregate Bond Index, rose 3.6% for the quarter. A proposal was made to replace this passively-managed fixed income strategy with a core plus fixed income mandate. At the September meeting, two complementary managers were selected, PIMCO and Pioneer which will be funded during the 4th quarter of 2009.

International Fixed Income: Led by the U.S. dollar's fall versus most developed countries, the Citigroup World Government Bond Index gained a solid 6.2% for the latest quarter. This influenced the **GMO Global Fixed Income** which rose 11.8% for the three-month period. Exposure to asset-backed securities contributed significantly to the strategy's performance. An allocation to emerging country debt also bolstered results as spreads tightened considerably.

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The GMO Emerging Country Debt strategy gained 20.3% in the 3rd quarter, well ahead of the J.P. Morgan Emerging Market Bond Index return of 10.2%. The index spread tightened by 100 bps to 340 bps during the period. Market selection accounted for 260 bps of positive alpha, an overweight to Argentina contributing most significantly. Underweights in Mexico, Malaysia, and Turkey also added value. Security selection added 620 bps, with holdings in Argentina again the biggest contributor, as defaulted bonds rallied on the expectation they would be exchanged for performing ones.

Core Plus Fixed Income Manager Search: The manager search culminated with the selection of two complementary core plus fixed income managers, PIMCO and Pioneer. The new managers will replace the passive fixed income strategy currently managed by State Street. Each new manager was funded on October 30, 2009. We will begin reporting on their results and characteristics in the December 31, 2009 portfolio evaluation.

Alternatives: The BOV approved a 5% allocation to alternatives at the September 2009 meeting. A complementary, diversified portfolio of alternative managers and strategies was constructed and funded on October 30, 2009. The portfolio includes managed futures, hedge funds, and private equity. We will begin reporting on their results and characteristics in the December 31, 2009 portfolio evaluation.

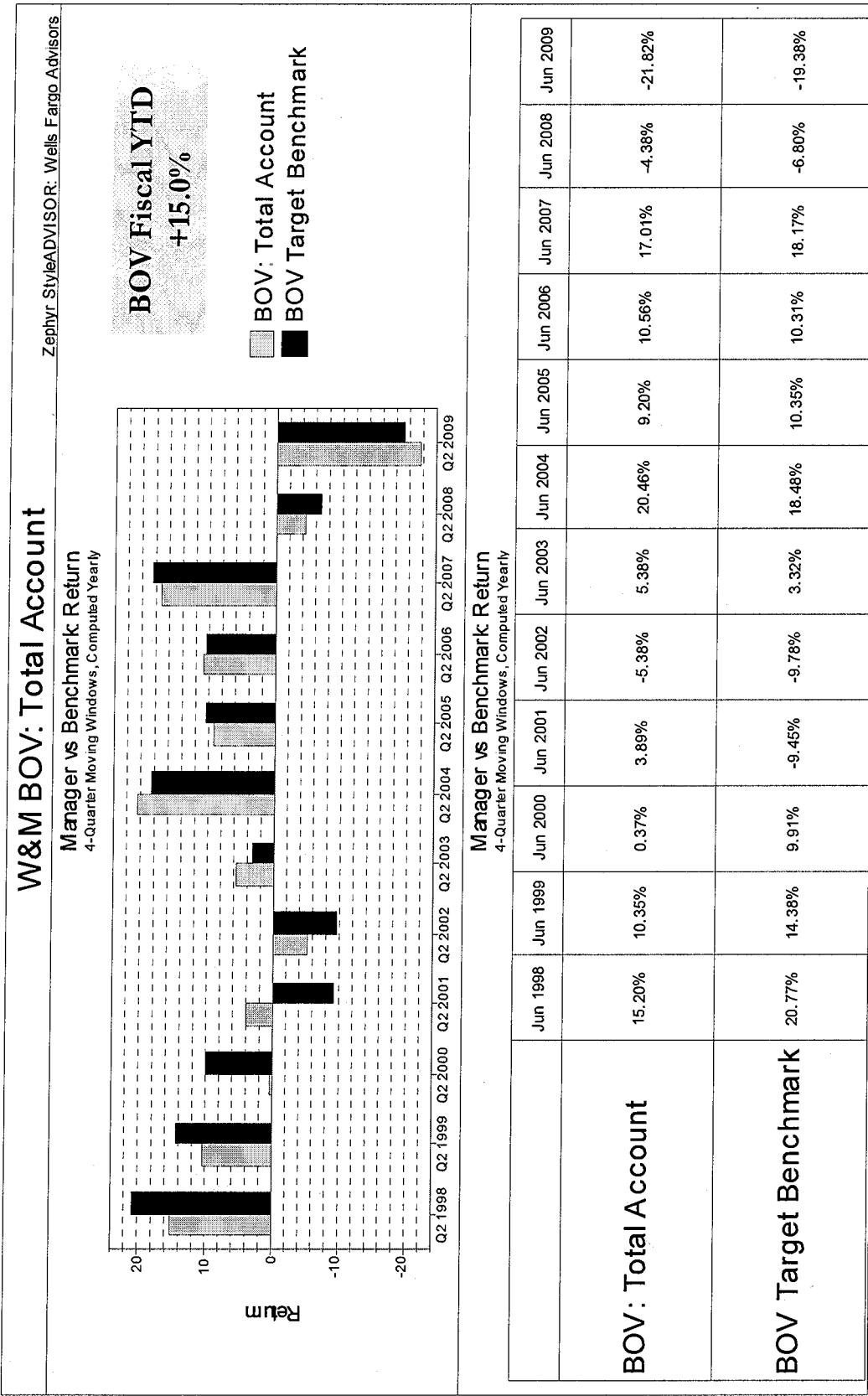
	3Q09	9 Months	One Year	Three Years ¹	Five Years ¹	Changes (1/1/05)	Inception (Manager) ²	Inception Benchmark ²
Total BOV Account⁴	15.0	23.8	1.7	(0.4)	4.1	7.8	6.7	6.5
Target Benchmark⁵	14.2	21.0	0.8	(0.9)	4.3	7.4		
BlackRock: Large Cap Value	14.1	9.7	(11.0)	(7.1)	--	--	(5.4)	(5.0)
Russell 1000 Value	18.2	14.9	(10.6)	(7.9)	--	--	(17.5)	(12.7)
Aletheia: Large Cap Growth	15.9	30.7	(11.5)	--	--	--		
Russell 1000 Growth	14.0	27.1	(1.9)	--	--	--	(2.3)	(3.8)
Wells Fargo: Mid Cap Growth	17.5	30.1	(8.1)	(11)	--	--		
Russell MidCap Growth	17.6	37.1	(0.4)	(3.1)	--	--	--	--
Artisan Mid Cap Value	16.9	--	--	--	--	--		
Russell MidCap Value	23.6	--	--	--	--	--		
Royce: Small Cap	32.3	57.7	0.5	(3.1)	3.8	11.9	8.4	
Russell 2000	19.3	22.4	(9.6)	(4.6)	2.4	8.4		
Delaware: Int'l Value	18.3	17.8	(0.3)	(3.4)	6.3	11.1	7.2	4.6
Artio Int'l Growth	19.4	--	--	--	--	--	--	--
MSCI EAFE	19.5	29.6	3.8	(3.1)	6.6	10.8		
State Street: Emerging Markets	21.7	59.1	11.7	5.0	16.3	20.3	20.3	21.8
MSCI EM (Emerging Markets)	21.3	64.9	19.4	8.3	17.7	21.8		
State Street: US Fixed Income	3.6	5.3	10.1	6.0	4.6	4.4	4.4	4.9
Barclays Capital U.S. Aggregate	3.7	5.7	10.6	6.4	5.1	4.9		
GMO: Global Fixed Inc	11.8	19.3	4.1	2.2	2.9	5.7	5.7	7.3
GMO: Emerging Mkt Fixed Inc	20.3	43.9	10.2	3.5	8.4	12.9	12.9	11.8
Citigroup World Govt Bond Index	6.2	4.6	13.8	9.4	6.7	7.3		
JPM EMBI+	10.2	26.7	18.8	7.5	9.1	11.8		

+ Quarterly performance results prior to the third quarter of 2002, were provided by Delaware Investments Advisors and Lazard Asset Management. There were no calculations by Wachovia Securities to ensure the accuracy of the results. Based on information provided by SunTrust, Wachovia Securities began calculating quarterly results starting in the 4th quarter of 2002. There is no guarantee as to the accuracy of our calculations for the managers or the Total BOV Account. Performance of the alternative investments is not included in the Total BOV Account calculation.

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September 30, 2009 Portfolio Evaluation
Page 24

All Performance is net of fees. For State Street, we have applied their 0.50% annual fee to each investment strategy.

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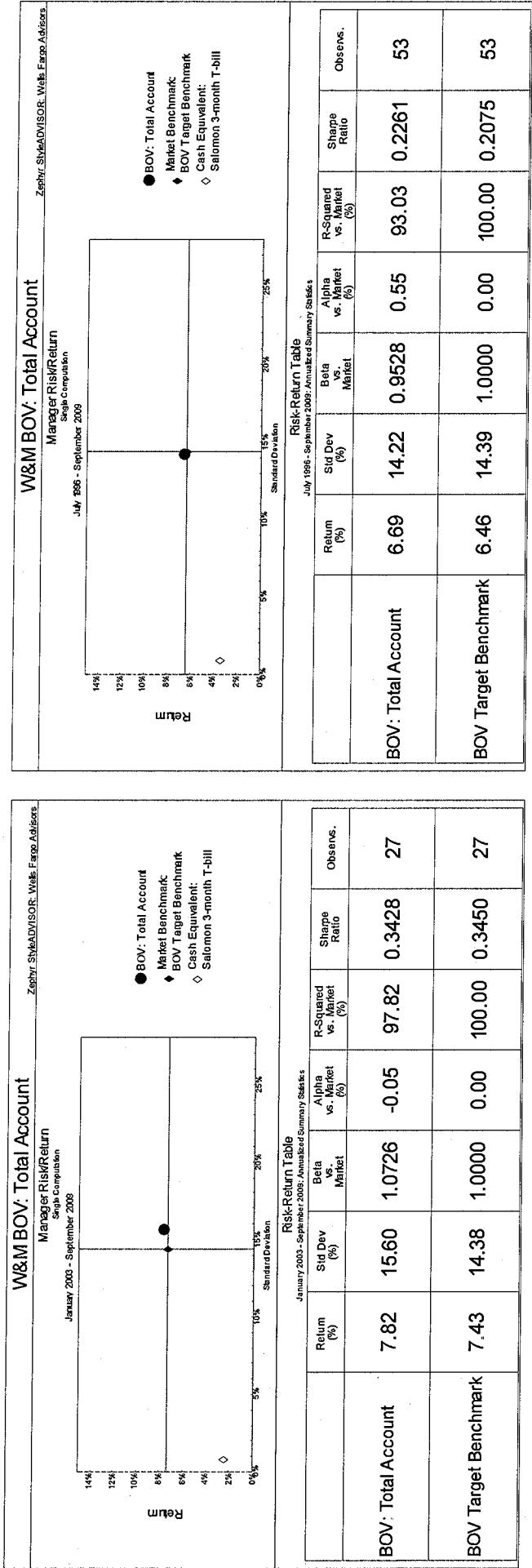


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+ see footnote on previous page

Since Changes (January 1, 2003 – September 30, 2009)

Long-Term (July 1, 1996 – September 30, 2009)

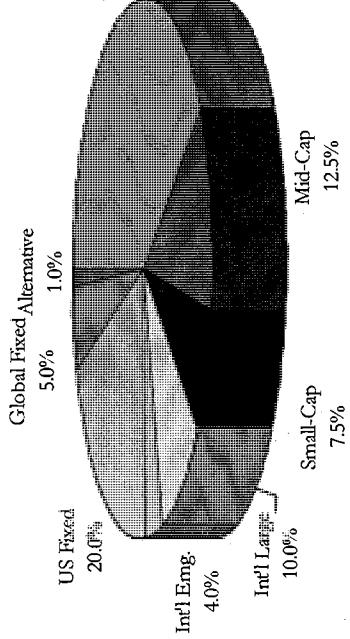


* BOV Target Benchmark = From 1/1/03, 40% S&P 500, 12.5% Russell Midcap, 7.5% Russell 2000, 10% MSCI EAFE, 4% MSCI Emerging Mkts Free, 20% Barclays Capital U.S. Aggregate, 6% Citi World Government Bond Index. Prior to 1/1/03, 60% Russell 3000, 15% MSCI World Ex-US, 25% Barclays Capital U.S. Aggregate Bond Index.

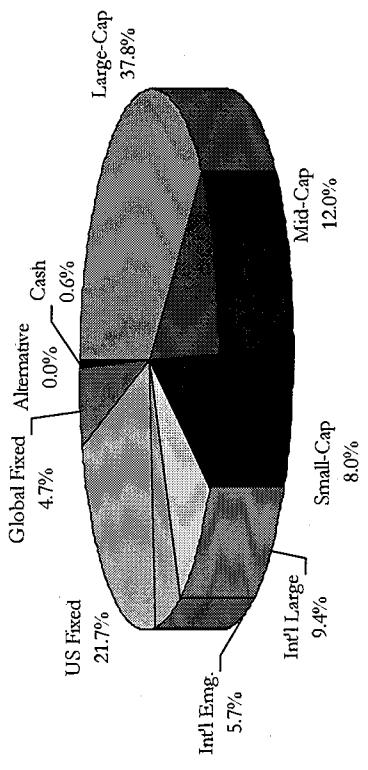
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As of September 30, 2009

Policy



BOV Portfolio



Manager	Domestic Fixed Income	Global Fixed Income	Domestic Equity	Non-US Equity	Alternative	Cash Equiv.	Total
Altheria	0	0	9,763,032	0	0	268,633	10,031,665
Blackrock	0	0	8,293,076	0	0	11,693	8,304,770
Delaware Investment Advisers	0	0	0	2,161,894	0	0	2,161,894
Grantham, Mayo	0	2,229,312	0	0	0	0	2,229,312
Artisan MC	0	0	2,750,398	0	0	0	2,750,398
Artio Int'l	0	0	0	2,343,970	0	0	2,343,970
Royce & Associates	0	0	3,847,855	0	0	0	3,847,855
State Street Global Advisors	10,383,087	0	0	2,733,774	0	0	13,116,861
Wells Fargo	0	0	3,002,934	0	0	0	3,002,934
Cash & Equivalents	0	0	0	0	0	(2,417)	(2,417)
Private Equity Partners II	0	0	0	0	0	0	0
Total BOV Account	10,383,087	2,229,312	27,687,296	7,239,639	20,648	277,910	47,807,891
% of Total Fund	21.7%	4.7%	57.9%	15.1%	0.0%	0.6%	

* Values are reflected at market as reported by Sun Trust; beginning and ending market values include accrued income on fixed income assets only.
Alternative Investment values were reported by W&M.

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July 1, 2009 – September 30, 2009

	Blackrock	Delaware	Grandham Mayo	Alletheia	Royce	State Street	Wells Fargo	Mut. Fund	Cash	Artisan	Ratio	Alternative	Total BOV Account
Market Value (6/30/09)	7,303,721	1,825,312	1,973,770	8,665,205	2,910,948	12,374,741	2,555,613	0	2,352,121	1,963,657	19,143		41,944,231
Transfers In/Additions	0	0	0	0	0	0	0	0	0	0	0	0	180,204
Transfers Out/Withdrawals	(37,894)	0	(45,974)	(30,069)	0	(132,446)	0	0	(178,465)	0	0	0	(424,848)
Administrative Expenses	(1,802)	2	2	(2,017)	2	0	0	0	(4,201)	2	2	2	(8,020)
<i>Net Cash Flow</i>	(39,696)	0	(45,974)	(32,087)	0	(132,446)	0	0	(2,462)	0	0	0	(252,664)
Interest/Dividend Income	39,403	0	45,974	30,487	0	132,446	0	45	0	0	0	2	248,356
Realized Gain/(Loss)	(50,563)	0	0	(108,265)	0	0	0	0	0	0	0	(260)	(159,087)
Change in Unrealized Gain/(Loss)	1,051,904	336,582	255,542	1,476,325	936,907	742,120	447,321	(0)	398,277	380,313	1,763	6,027,055	
<i>Total Investment Gain/(Loss)</i>	1,040,745	336,582	301,516	1,398,547	936,907	874,566	447,321	45	398,277	380,313	1,505		6,116,323
Market Value (9/30/09)	8,304,770	2,161,894	2,229,312	10,031,665	3,847,855	13,116,861	3,002,934	(2,417)	2,750,398	2,343,970	20,648		47,807,891

* All account values (excluding "Alternative") are reported by SunTrust, to comply with GIPS Performance reporting standards, beginning and ending market values include fixed income accruals. Alternative Investment values were reported by W&M.

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III. Equity Sector (Combined*)
Top Ten Positions as of September 30, 2009

Holding	Exposure	Portfolio
MGM MIRAGE	1.29%	Aletheia
COCA COLA	1.19%	Aletheia
MURPHY OIL CORP	1.16%	Aletheia, Blackrock
IBM	1.09%	Aletheia
SPDR GOLD TRUST	0.94%	Aletheia
NEWMONT MINING	0.88%	Aletheia
GENERAL CABLE CORP	0.73%	Aletheia
WAL MART STORES INC	0.72%	Aletheia
SUNPOWER CORP	0.67%	Aletheia
CATERPILLAR INC	0.67%	Aletheia

Policy Maximum is 5%

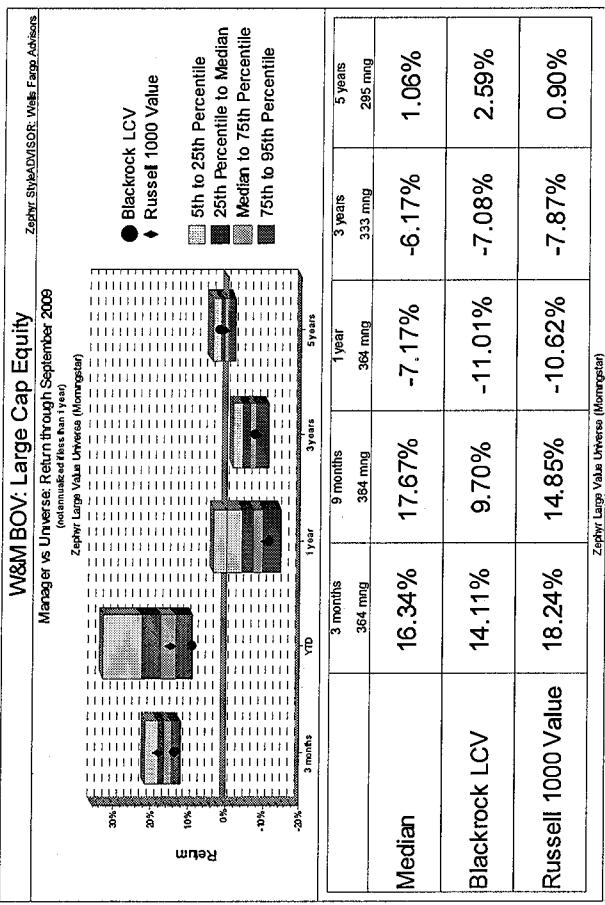
* Includes the portfolios of Aletheia, Blackrock, Wells Fargo, Royce, Artisan, Artio, Delaware International, and State Street Emerging Markets Equity.

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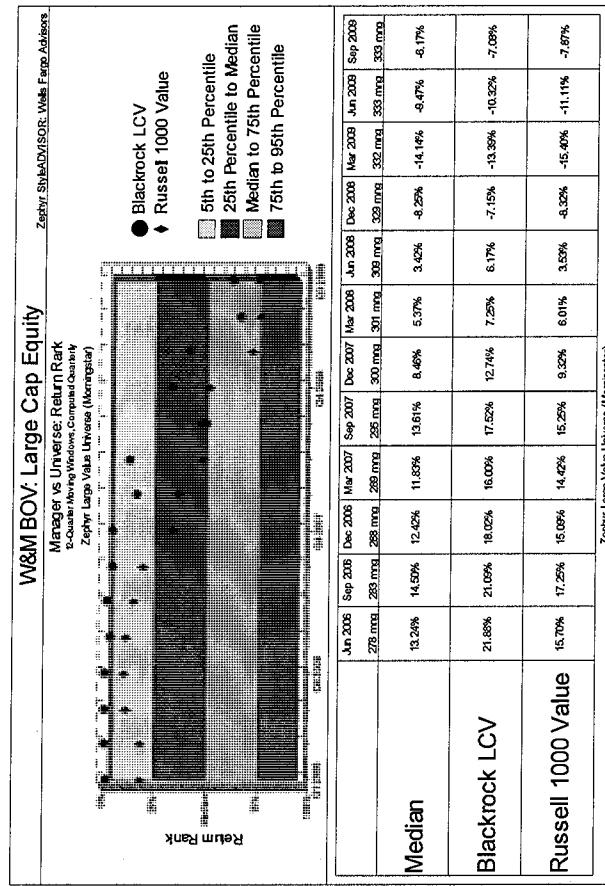
Equity Sector (Large-Cap Value)*

Periods Ending September 30, 2009 - Performance

Universe Comparisons (Trailing Periods)



Universe Comparisons (Rolling Three Years)



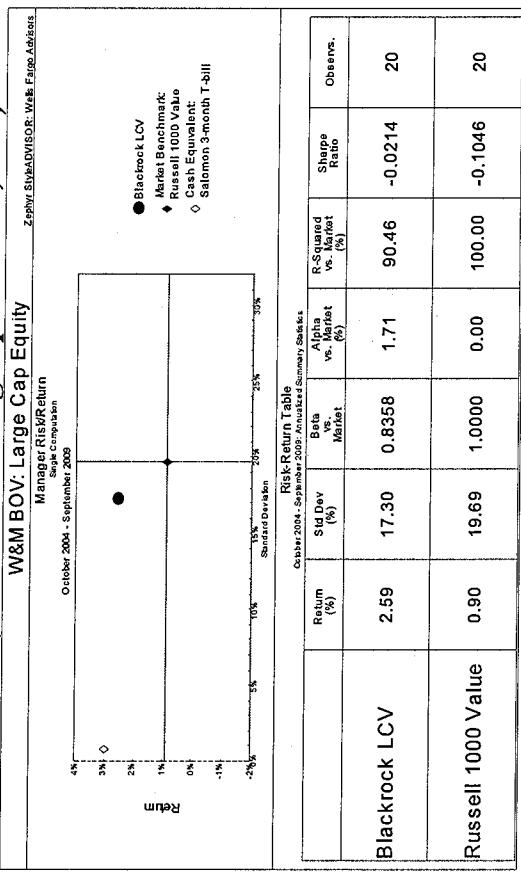
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* Please note that we have linked Blackrock's composite historical returns for periods prior to 5/1/06 with BOV actual results starting on May 1, 2006.

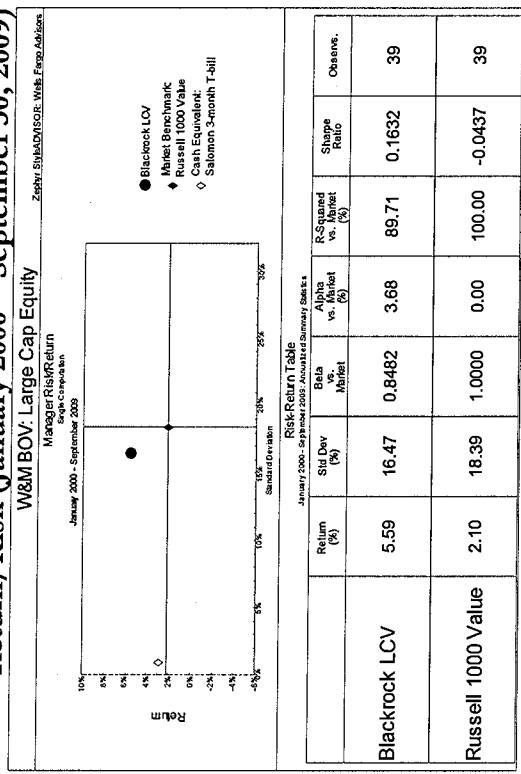
The College of William & Mary BOV Endowment
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Equity Sector (Large-Cap Value)*
Period Ending September 30, 2009 – Risk Measures

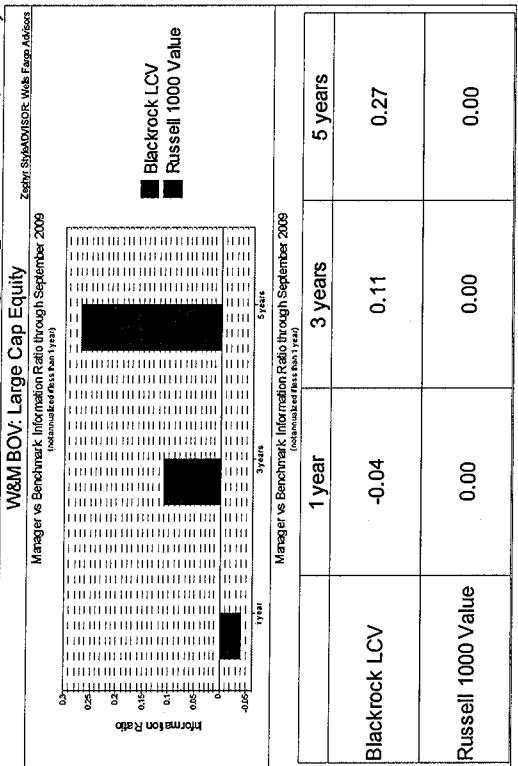
Return/Risk (Five Years Ending September 30, 2009)



Return/Risk (January 2000 – September 30, 2009)



Information Ratio (Periods Ending September 30, 2009)



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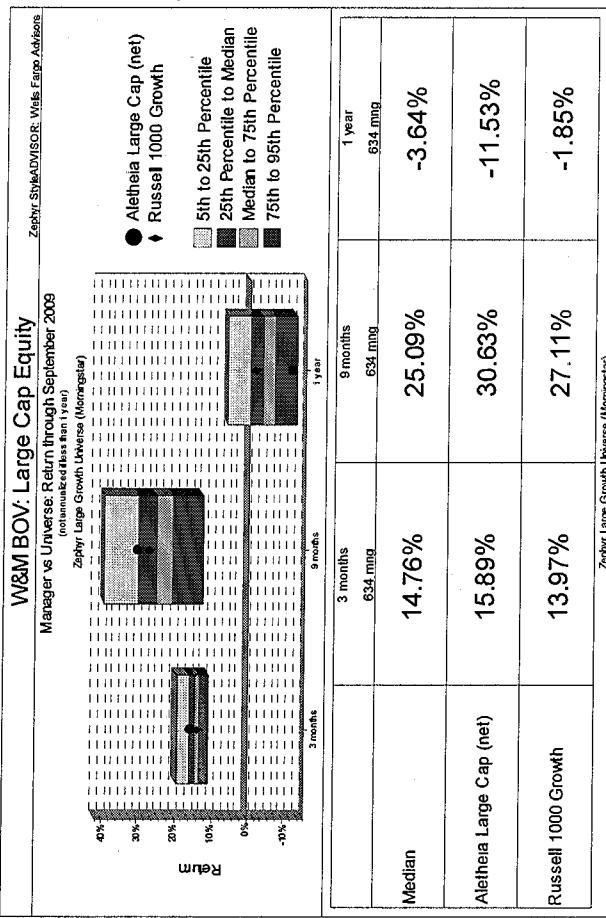
* Please note that we have linked Blackrock's composite historical returns for periods prior to 5/1/06 with BOV actual results starting on May 1, 2006.

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Equity Sector (Large-Cap Growth)

Periods Ending September 30, 2009 - Performance

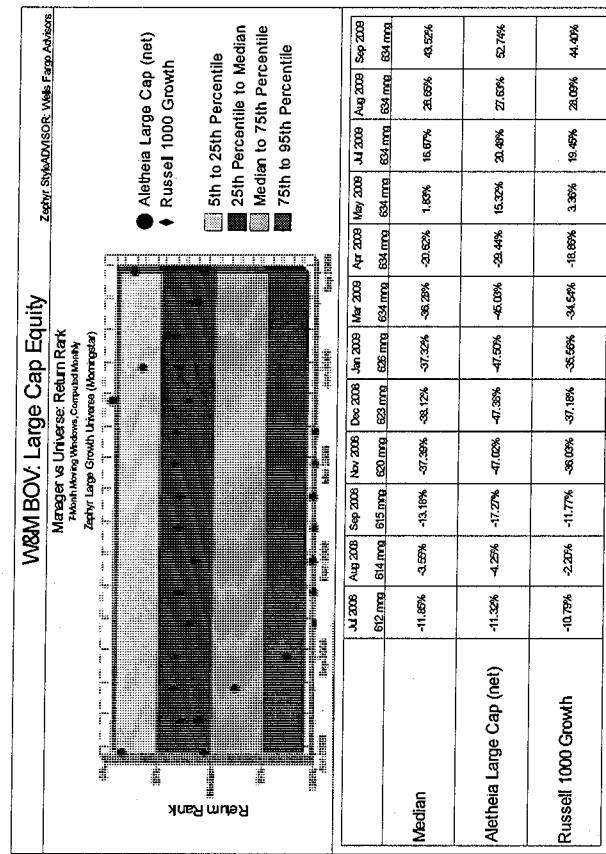
Universe Comparisons (Trailing Periods)



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*Longer time periods are shown for illustrative purposes.
Altheia's actual performance began on 12/1/07

Universe Comparisons (Rolling Three Years)*



The College of William & Mary BOV Endowment
September 30, 2009 Portfolio Evaluation

Equity Sector (Large-Cap Combined)
Characteristics - As of September 30, 2009

Characteristic	Blackrock	Aletheia	Combined BOV Large-Cap	S&P 500	Over/(Under) Weight
Median Cap (\$MM)	7,104	11,196	9,343	2,174	7,169
Avg Cap (\$MM)	32,491	44,643	39,139	76,651	(37,512)
Yield (%)	1.80	1.30	1.53	2.04	(0.51)
P/E Ratio	14.30	19.60	17.20	16.95	0.25
Price / Book	1.41	3.38	2.49	3.43	(0.94)
5 yr EPS Growth (%)	8.40	10.62	9.61	10.19	(0.58)
Beta	1.10	1.12	1.11	1.00	0.11
R ²	0.91	0.89	0.90	1.00	(0.10)
# of Stocks	105	54	159	500	(341)

Blackrock

Top Ten Equity Holdings	% of Portfolio	3Q 2009 ROR	One Year ROR	One Year ROR
EXXON MOBIL CORP	2.73	(1.25)	(9.64)	88.42
VERIZON COMMUNICATIONS	2.65	0.08	0.27	5.07
GOLDMAN SACHS GROUP INC	2.62	25.30	45.97	12.79
CONOCOPHILLIPS	2.35	8.55	(35.71)	4.64
ANADARKO PETE CORP	1.58	38.43	30.46	15.08
WYETH	1.56	7.71	35.40	4.64
UNITEDHEALTH GROUP INC	1.49	0.24	(1.24)	4.00
MARATHON OIL CORP	1.47	6.73	(17.18)	8.41
CHUBB CORP	1.39	27.30	(5.31)	6.43
NORTHROP GRUMMAN CORP	1.35	14.28	(11.25)	7.94

Aletheia

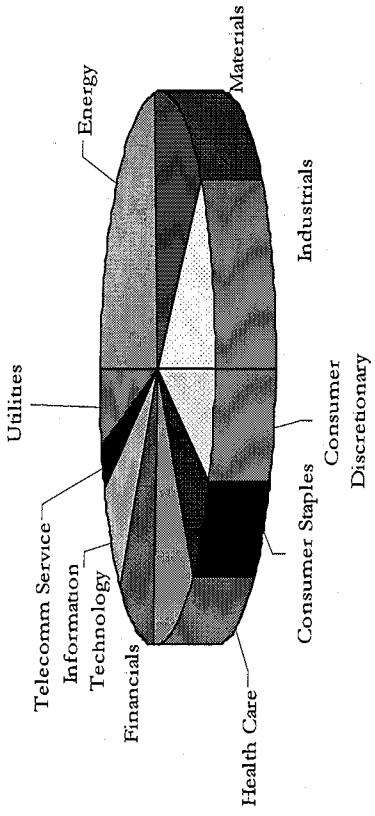
Top Ten Equity Holdings	% of Portfolio	3Q 2009 ROR	One Year ROR
MGM MIRAGE	5.49	88.42	(57.75)
COCA COLA CO	5.07	12.79	5.17
INTERNATIONAL BUSINESS	4.64	15.08	4.43
SPDR GOLD TRUST	4.00	8.41	16.20
MURPHY OIL CORP	3.79	6.43	(8.42)
NEWMONT MINING CORP	3.75	7.94	14.75
GENERAL CABLE CORP DEL	3.09	4.18	9.88
WAL MART STORES INC	3.04	1.89	(16.31)
SUNPOWER CORP	2.86	12.20	(57.86)
CATERPILLAR INC DEL	2.85	57.27	(9.87)

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Data Source: Blackrock, Aletheia, VESTEK

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Combined BOV Large-Cap Sector Distribution



	Blackrock Weight	Aletheia Weight	Combined BOV Large-Cap Weight	S&P 500 Weight	Over / (Under) Weight
Energy	25.0	21.7	23.2	13.0	10.2
Materials	5.2	21.9	14.2	3.3	10.9
Industrials	7.7	15.2	11.8	9.7	2.1
Consumer Discretionary	3.5	8.8	6.3	8.8	(2.4)
Consumer Staples	4.6	8.8	6.9	12.8	(5.9)
Health Care	18.2	5.9	11.6	15.3	(3.7)
Financials	15.4	5.6	10.1	10.8	(0.7)
Information Technology	6.4	7.8	7.1	18.0	(10.8)
Telecomm Service	6.0	0.0	2.8	4.0	(1.2)
Utilities	7.8	1.7	4.5	4.3	0.2
Cash & Equiv	0.2	2.7	1.5	0.0	1.5

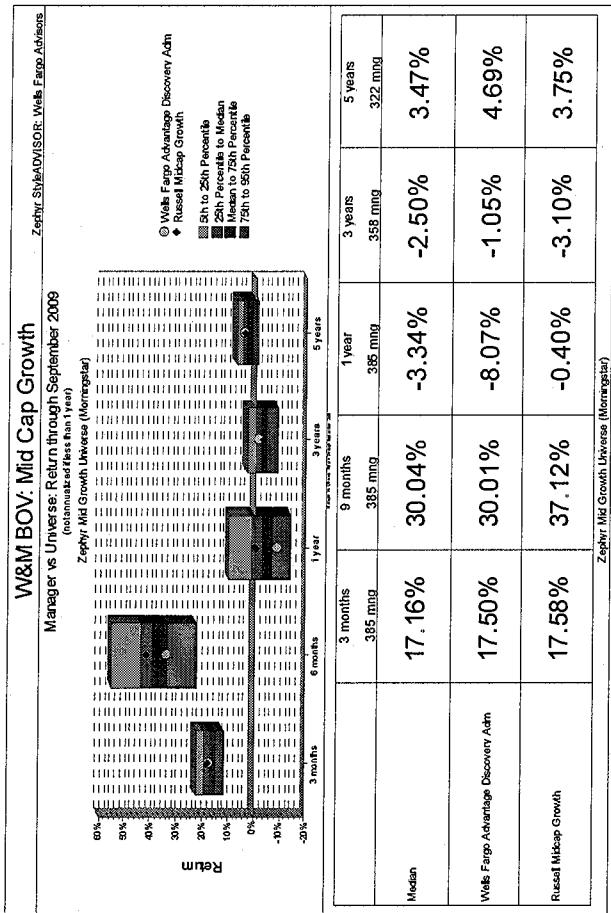
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Data Source: Blackrock, Aletheia, VESTEK

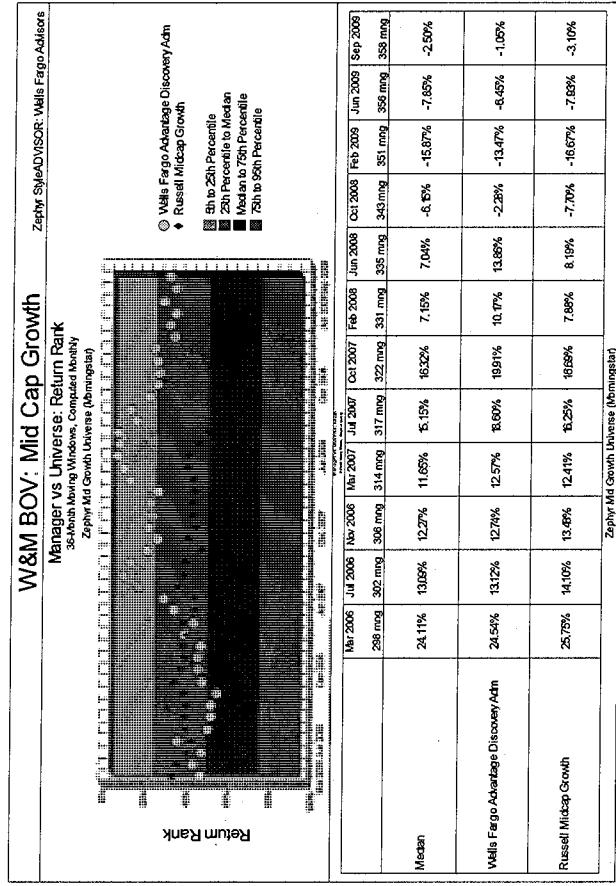
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Equity Sector (Mid-Cap Growth*) Periods Ending September 30, 2009 - Performance

Universe Comparisons (Trailing Periods)



Universe Comparisons (Rolling Three Years)



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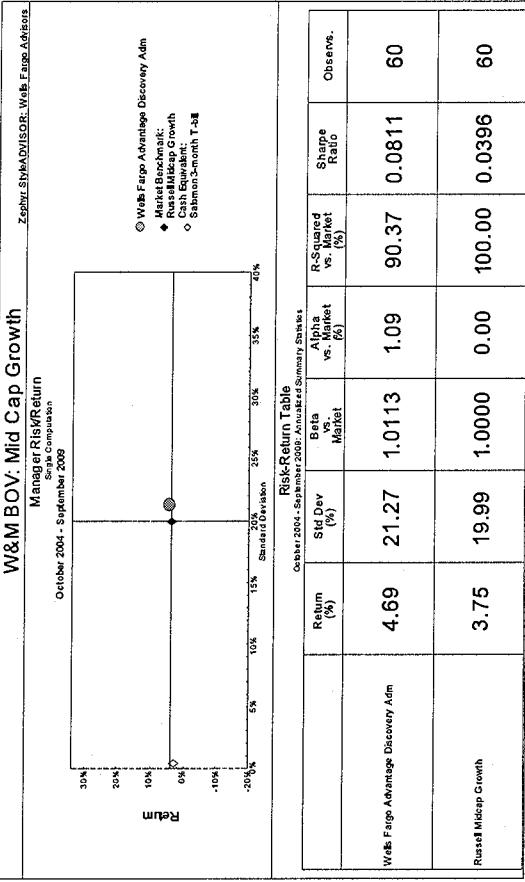
* Please note that we have linked Wells' composite historical returns for periods prior to 4/1/06 with BOV actual results starting with the 2nd quarter of 2006.

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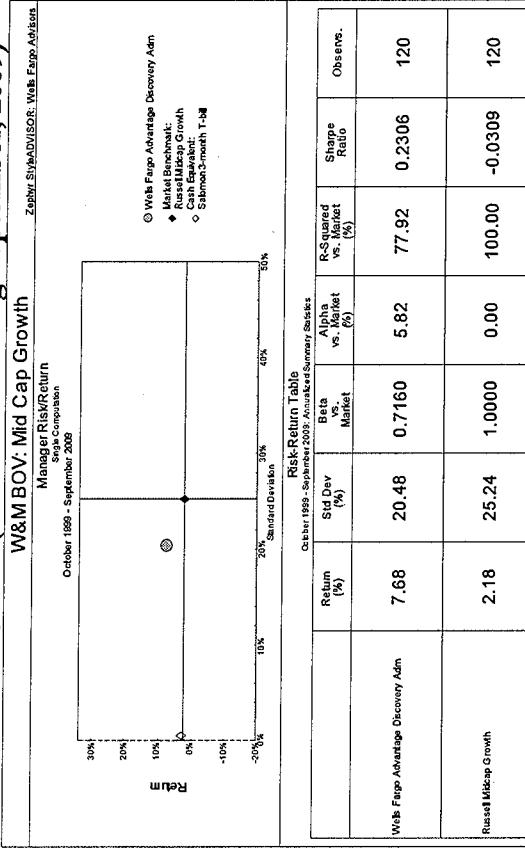
Equity Sector (Mid-Cap Growth*) Periods Ending September 30, 2009 – Risk Measures

Return/Risk (Five Years Ending September 30, 2009)

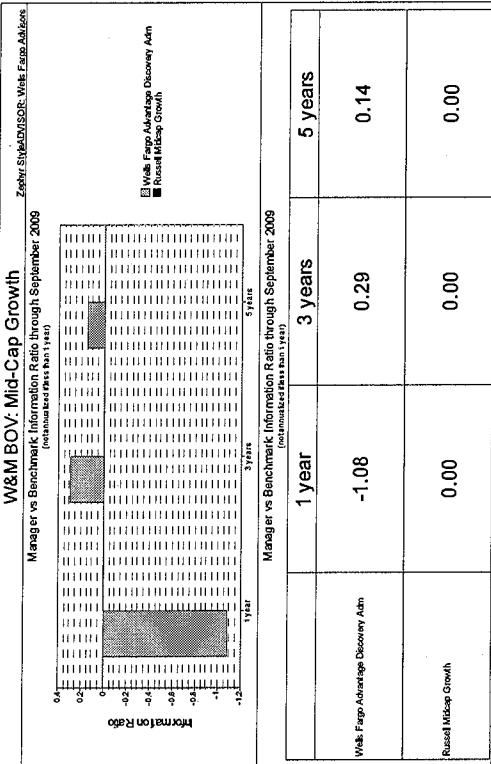
Return/Risk (Ten Years Ending September, 2009)



Return/Risk (Ten Years Ending September, 2009)



Information Ratio (Periods Ending September 30, 2009)



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* Please note that we have linked Wells' composite historical returns for periods prior to 4/1/06 with BOV actual results starting with the 2nd quarter of 2006.

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Equity Sector (Mid-Cap Growth)
Characteristics - As of September 30, 2009

Characteristic	Wells Fargo	Artisan	Combined BOV Mid-Cap	Russell Mid-Cap	Over/(Under) Weight
Avg Cap (\$MM)	3,690	6,310	4942	5,145	(203)
Yield (%)	0.20	0.32	0.26	1.66	(1.40)
P/E Ratio	15.82	15.16	15.50	14.77	0.73
Price / Book	2.12	2.76	2.43	3.03	(0.60)
5 yr EPS Growth (%)	13.17	10.18	11.74	11.29	0.45
Beta	0.96	1.12	1.04	1.00	0.04
R ²	0.90	0.92	0.91	1.00	(0.09)
# of Stocks	81	60	141	769	(628)

Wells Fargo

Top Ten Equity Holdings	% of Portfolio	3Q 2009 ROR	One-Year ROR
EQUINIX INC	2.84	5.32	(31.85)
JOY GLOBAL INC	2.67	29.55	(18.47)
CONCHO RES INC	2.32	20.75	(25.86)
SBA COMMUNICATIONS	2.24	12.11	(23.08)
SOLERA HOLDINGS INC	1.98	170.70	(71.70)
ACTIVISION BLIZZARD INC	1.85	2.50	(8.17)
ALLIANCE DATA SYSTEMS	1.76	22.70	(1.63)
AK STL HLDG CORP	1.75	68.01	(61.14)
MAXIM INTEGRATED PRODS	1.70	97.70	(24.25)
BROCADE COMMUNICATIONS	1.69	19.95	68.69

Artisan Partners

Top Ten Equity Holdings	% of Portfolio	3Q 2009 ROR	One-Year ROR
ROCKWELL COLLINS INC	3.03	22.40	8.34
ALLEGHANY CORP DEL	2.88	(4.41)	(27.61)
CIMAREX ENERGY CO	2.79	53.09	(10.69)
NABORS INDUSTRIES LTD	2.74	34.15	(16.13)
INGRAM MICRO INC	2.55	(3.71)	4.85
STRYKER CORP	2.44	14.32	(26.34)
KROGER CO	2.43	(6.00)	(23.68)
CINTAS CORP	2.37	32.71	7.81
AVNET INC	2.36	23.49	5.44
FIDELITY NATIONAL	2.31	12.55	6.87

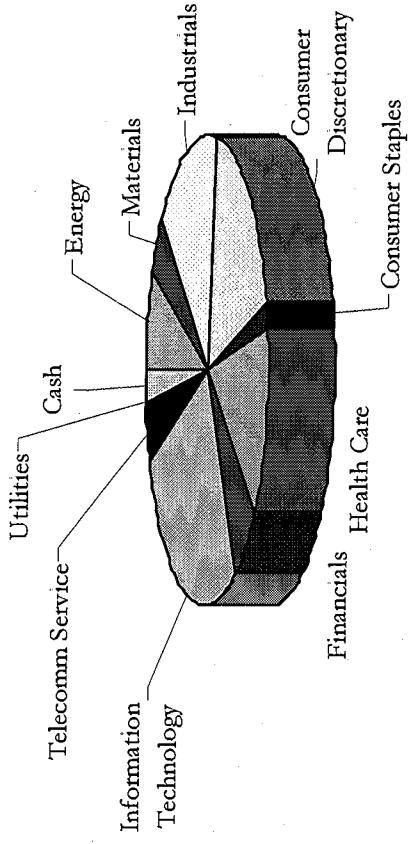
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Data Source: Wells Fargo, Artisan, VISTEK

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Equity Sector (Mid-Cap Growth)
Characteristics - As of September 30, 2009

BOV Mid-Cap Sector Distribution



	Wells Fargo Weight	Artisan Weight	Combined BCV Mid-Cap	Russ Mid-Cap Weight	Over / (Under) Weight
Energy	7.0	11.1	9.0	7.5	1.5
Materials	4.0	0.0	2.1	6.3	(4.2)
Industrials	15.7	24.6	20.0	12.5	7.4
Consumer Discretionary	18.6	13.3	16.0	15.3	0.7
Consumer Staples	2.0	7.5	4.6	6.8	(2.1)
Health Care	13.0	7.4	10.3	8.7	1.6
Financials	6.3	15.1	10.5	19.0	(8.5)
Information Technology	26.9	17.7	22.5	14.7	7.8
Telecomm Service	4.4	0.0	2.3	1.8	0.5
Utilities	0.0	3.3	1.6	7.5	(5.9)
Cash	2.1	0.0	1.1	0.0	1.1

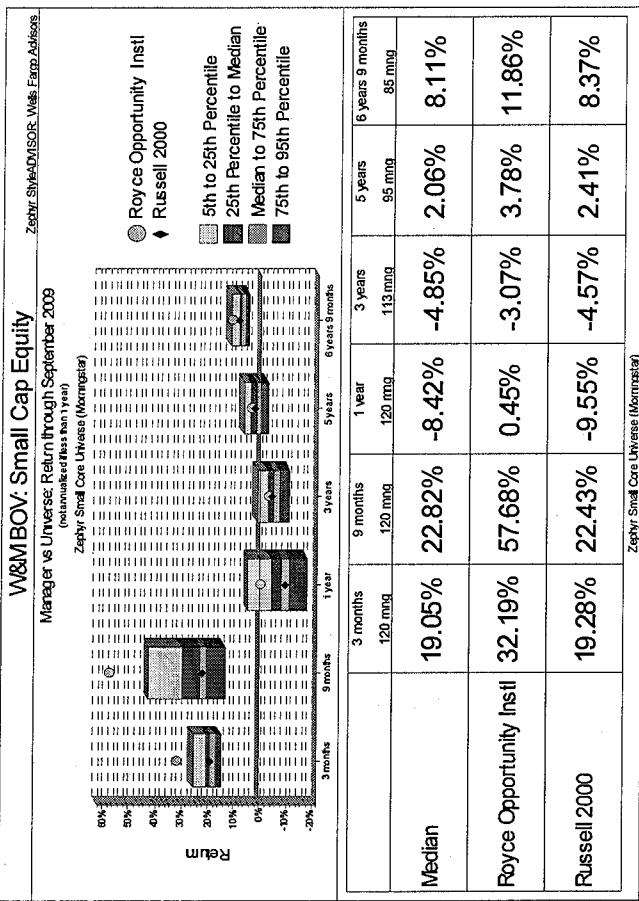
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Data Source: Wells Fargo, Artisan, VESTEK

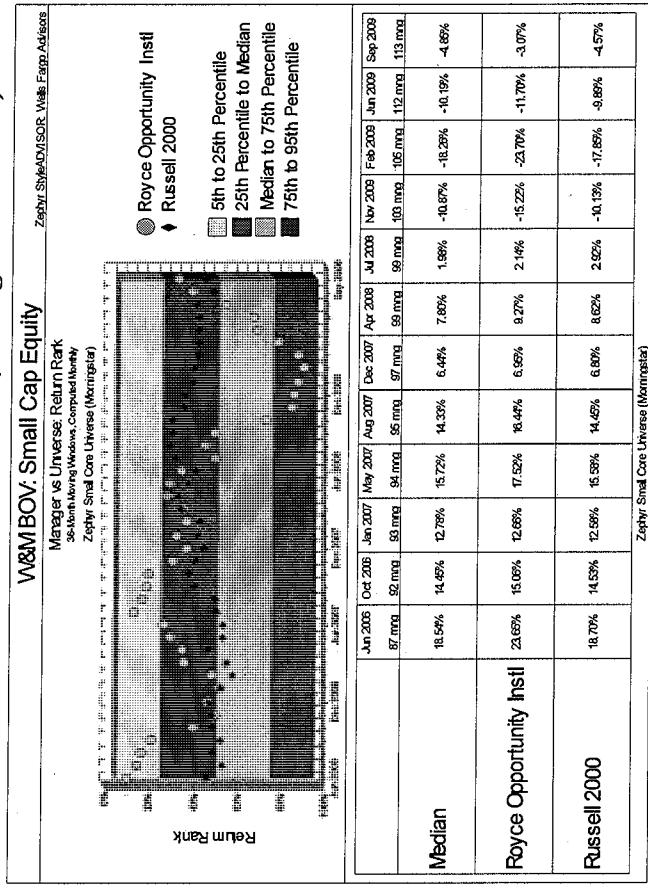
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Equity Sector (Small-Cap)
Periods Ending September 30, 2009 - Performance

Universe Comparisons (Trailing Periods)



Universe Comparisons (Rolling Three Years)

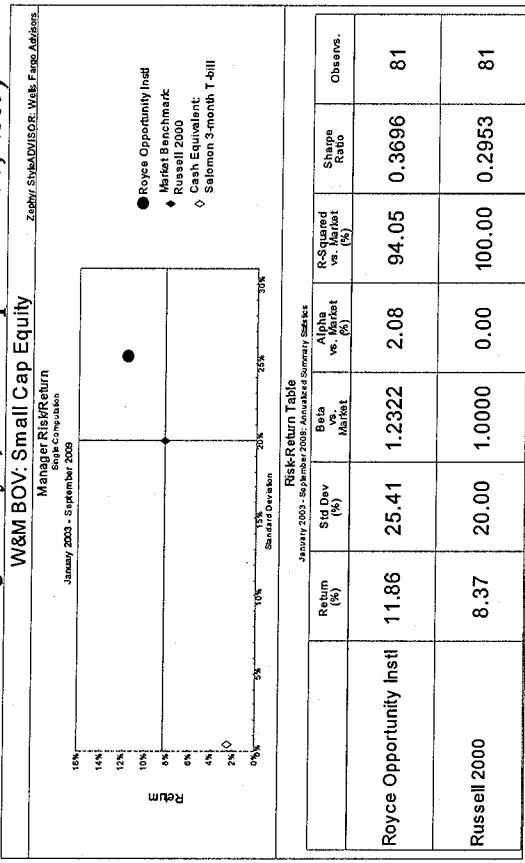


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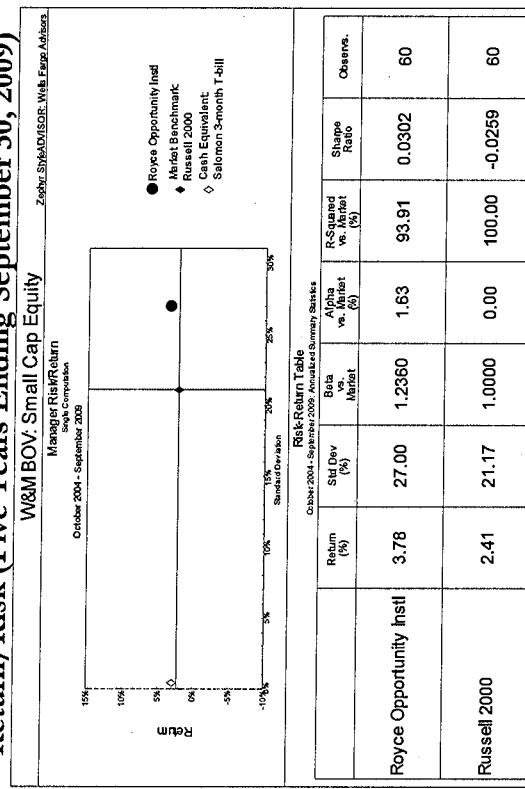
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Equity Sector (Small-Cap)
Periods Ending September 30, 2009 – Risk Measures

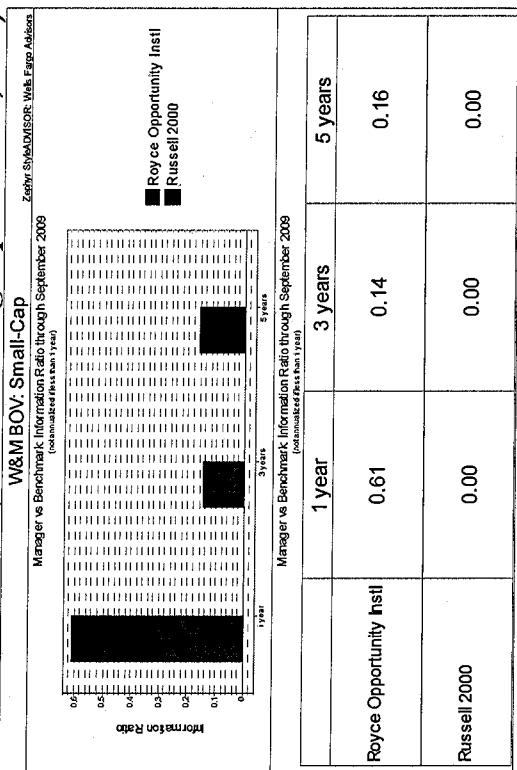
Return/Risk (January 1, 2003 – September 30, 2009)



Return/Risk (Five Years Ending September 30, 2009)



Information Ratio (Periods Ending September 30, 2009)



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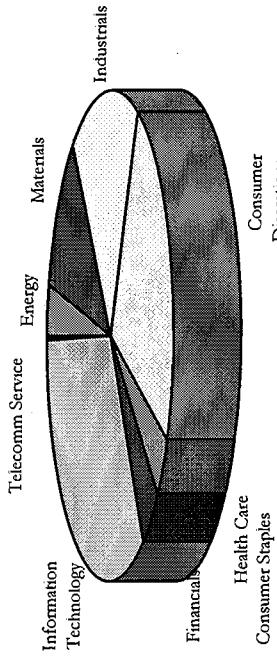
Equity Sector (Small-Cap)
Characteristics - As of September 30, 2009

Top Ten Equity Holdings	% of Portfolio	3Q ROR	One-Year ROR
VEECO INSTRS INC DEL	1.0	101.2	57.5
BOTTOMLINE TECH DEL	1.0	43.2	24.0
MAXWELL TECH	1.0	33.3	38.2
FERRO CORP	0.9	223.6	(54.9)
DILLARDS INC	0.9	53.7	22.5
JONES APPAREL GROUP	0.9	67.7	1.8
HANESBRANDS INC	0.9	42.6	(1.6)
ROCKWOOD HLDGS INC	0.9	40.5	(19.8)
COLLECTIVE BRANDS	0.8	18.9	(5.4)
NETWORK EQUIP TECH	0.8	69.7	111.4

Characteristic	Royce	Russell 2000
Average Capitalization (\$MM)	495	850
Yield	0.0	1.2
P/E Ratio	17.1	20.7
Price/Book	1.7	2.7
5-Year EPS Growth Rate	7.5	10.3
# Holdings	271	2001

Sector Distribution

Sector Allocation	Royce	Russell 2000	Difference
Energy	3.2	4.9	(1.7)
Materials	10.8	4.4	6.4
Industrials	17.6	15.8	1.8
Consumer Discretionary	25.2	13.8	11.4
Consumer Staples	0.2	3.3	(3.1)
Health Care	4.1	14.3	(10.2)
Financials	4.6	19.8	(15.2)
Information Technology	33.9	19.3	14.6
Telecomm Service	0.4	1.2	(0.8)
Other	0.0	3.2	(3.2)

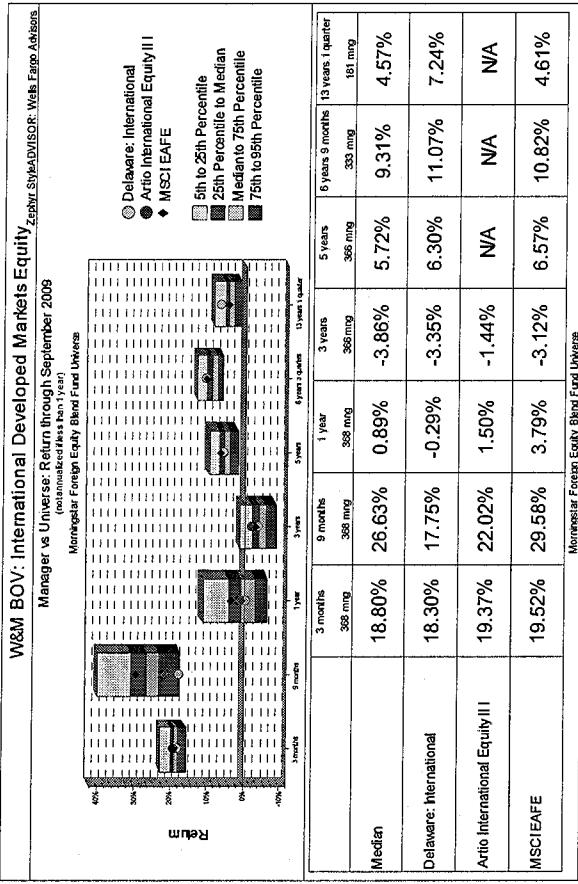


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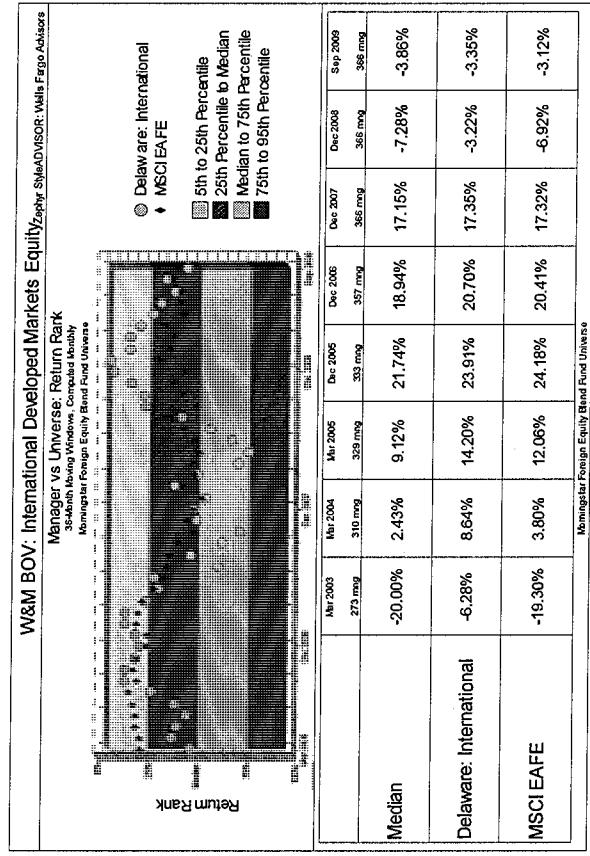
* Source: Royce, VESTEK

Equity Sector (International Developed) Periods Ending September 30, 2009 – Performance*

Universe Comparisons (Trailing Periods)



Universe Comparisons (Rolling Three Years)



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* Please note that we have linked Artio's composite historical returns for periods prior to 6/1/09 with BOV actual results starting with the June 2009.

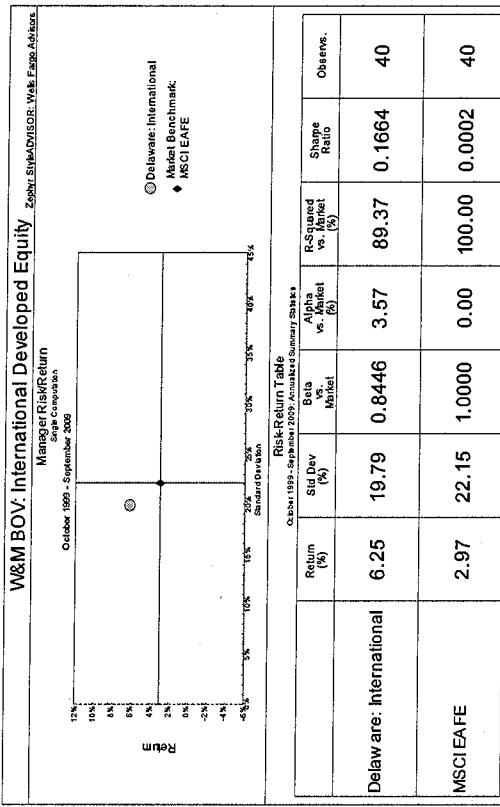
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Equity Sector (International Developed)
Periods Ending September 30, 2009 – Risk Measures

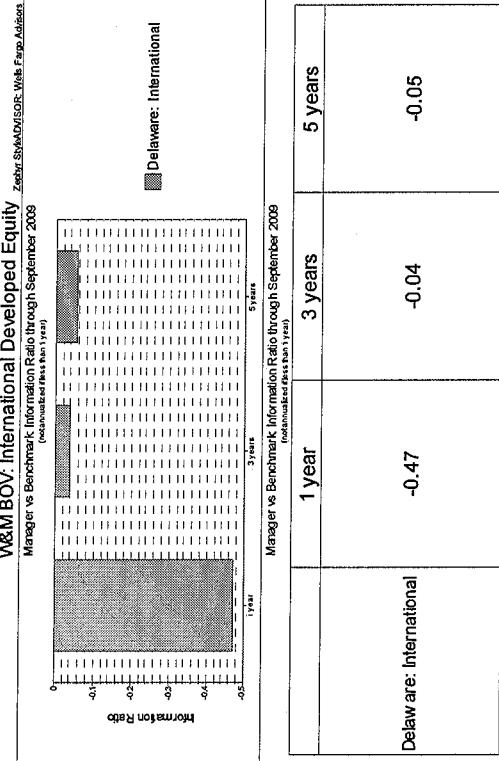
Return/Risk (January 1, 2003 - September 30, 2009)

W&M BOV: International Developed Equity <small>Zeppi, Shadwick, Wells Fargo Advisors</small>						
Manager Risk/Return <small>September 30, 2009</small>						
January 2003 - September 2009: Annualized Summary Statistics						
	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)	Shape Ratio
Delaware: International	11.07	20.54	0.8870	1.23	95.68	0.4187
MSCI EAFE	10.82	22.65	1.0000	0.00	100.00	0.3690

Return/Risk (Ten Years Ending September 30, 2009)



Information Ratio (Periods Ending September 30, 2009)



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Equity Sector (International Developed)

Characteristics - As of September 30, 2009

Characteristics

Characteristic	Delaware	Artio	Combined BOV International	MSCI EAFE	Over / Under Weight
Avg. Capitalization (\$MM)	45,928	49,320	47,693	53,172	(5.479)
Price/Book Ratio (x)	1.6	1.6	1.6	1.6	(0.0)
P/E Ratio (x)	14.4	15.5	15.0	20.2	(11.2)
Dividend Yield (%)	4.0	3.2	3.6	3.0	0.6
# of Holdings	53	508	561	960	(399)

Sector Distribution

Country	Delaware Weight*	Artio Weight	Combined BOV Weight	EAFE Weight	Over / (Under)
Consumer Discret.	5.2	7.7	6.5	9.7	(3.1)
Consumer Staples	15.1	6.2	10.5	9.7	0.7
Energy	11.3	10.2	10.7	8.2	2.6
Financials	18.7	29.5	24.3	26.6	(2.3)
Health Care	11.9	5.6	8.6	8.2	0.4
Industrials	4.2	11.6	8.1	11.3	(3.2)
Info. Technology	5.0	5.0	5.0	5.0	(0.0)
Materials	3.3	14.4	9.1	9.4	(0.3)
Telecomm	16.4	6.7	11.4	5.9	5.4
Utilities	7.3	3.1	5.1	6.1	(1.0)

*Excludes 1.57% cash

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Delaware Top Ten

	Top Ten Equity Holdings	% of Portfolio
CANON	(5479)	3.36
UNILEVER	(0.0)	3.28
NOVARTIS	(11.2)	3.27
IBERDOLA	0.6	3.26
GLAXO SMITH KLINE	(399)	3.21
TELEFONICA	3.18	3.18
TAKEDA PHARMACEUTICAL	3.07	3.07
TOTAL	3.04	3.04
RWE	2.93	2.93
BP	2.91	2.91

Artio Top Ten

	Top Ten Equity Holdings	% of Portfolio
RIO TINTO	3.1	2.37
KOMERCNI BANK	0.7	1.69
FRAPORT AG	2.6	1.26
VODAFONE GROUP	(2.3)	1.25
BP PLC	0.4	1.10
HSBC HOLDINGS	(0.0)	1.05
NESTLE SA	(0.3)	1.01
BANCO SANTANDER	5.4	0.95
OTP BANK	(1.0)	0.90
NOVARTIS AG	0.90	0.90

Data Source: Delaware, Artio, MSCI EAFE

The College of William & Mary BOV Endowment
September 30, 2009 Portfolio Evaluation

Equity Sector (International Developed)

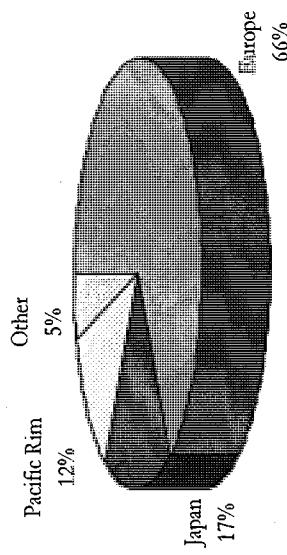
Characteristics - As of September 30, 2009

Country Distribution

Country	Delaware Weight	Ratio Weight	Combined BOV Weight	EAFFE Weight	Over / (Under) (0.0)
Australia	10.7	5.9	8.2	8.2	(0.0)
Austria	0.0	0.6	0.3	0.3	(0.0)
Belgium	0.5	0.9	0.7	1.0	(0.3)
Denmark	0.0	0.7	0.4	0.9	(0.5)
Finland	1.0	1.0	1.0	1.2	(0.2)
France	12.4	9.1	10.7	10.5	0.2
Germany	5.2	7.7	6.5	8.0	(1.6)
Greece	0.0	0.5	0.2	0.0	0.2
Hong Kong	2.7	1.3	2.0	2.3	(0.4)
Ireland	0.0	0.9	0.5	0.3	0.2
Italy	3.3	2.6	3.0	3.6	(0.7)
Japan	21.1	13.3	17.1	21.5	(4.4)
Netherlands	2.9	4.4	3.7	2.7	1.0
New Zealand	0.6	0.0	0.3	0.1	0.2
Norway	0.0	1.0	0.5	0.6	(0.1)
Portugal	0.0	0.1	0.1	0.3	(0.3)
Singapore/Malaysia	4.8	6.0	5.4	1.3	4.1
Spain	8.5	2.8	5.5	4.7	0.8
Sweden	0.0	0.9	0.5	2.5	(2.0)
Switzerland	3.8	6.6	5.3	7.7	(2.5)
United Kingdom	17.5	10.2	13.7	20.7	(7.0)
Other	4.9	23.6	14.6	14	13.2

Regional Distribution

BOV Developed International



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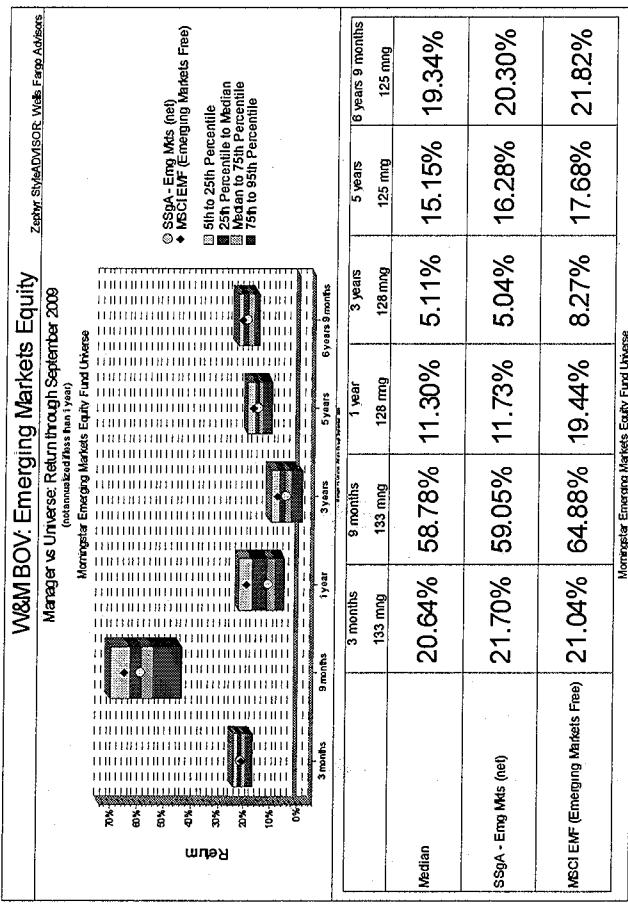
Data Source: Delaware, Atrio, MSCI EAFE

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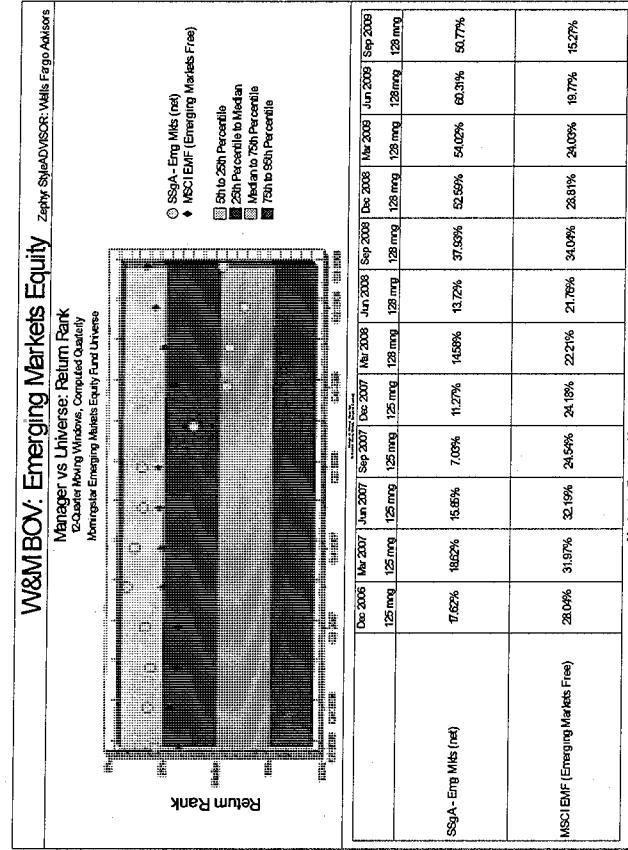
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Equity Sector (Emerging Markets)
Periods Ending September 30, 2009 - Performance

Universe Comparisons (Trailing Periods)



Universe Comparisons (Rolling Three Years)



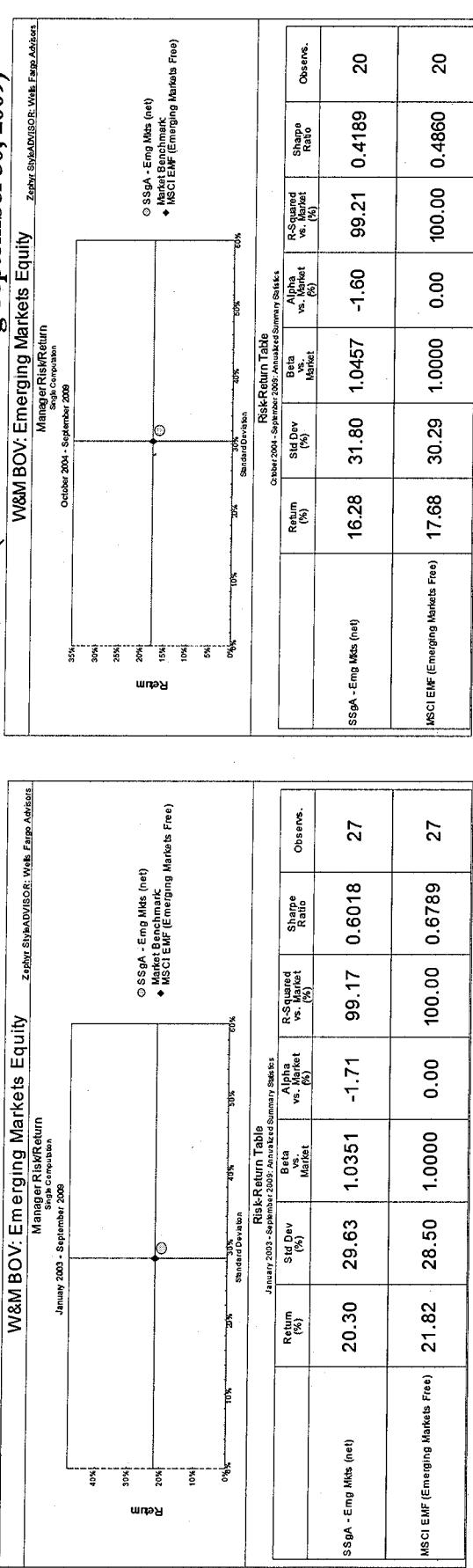
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September 30, 2009 Portfolio Evaluation

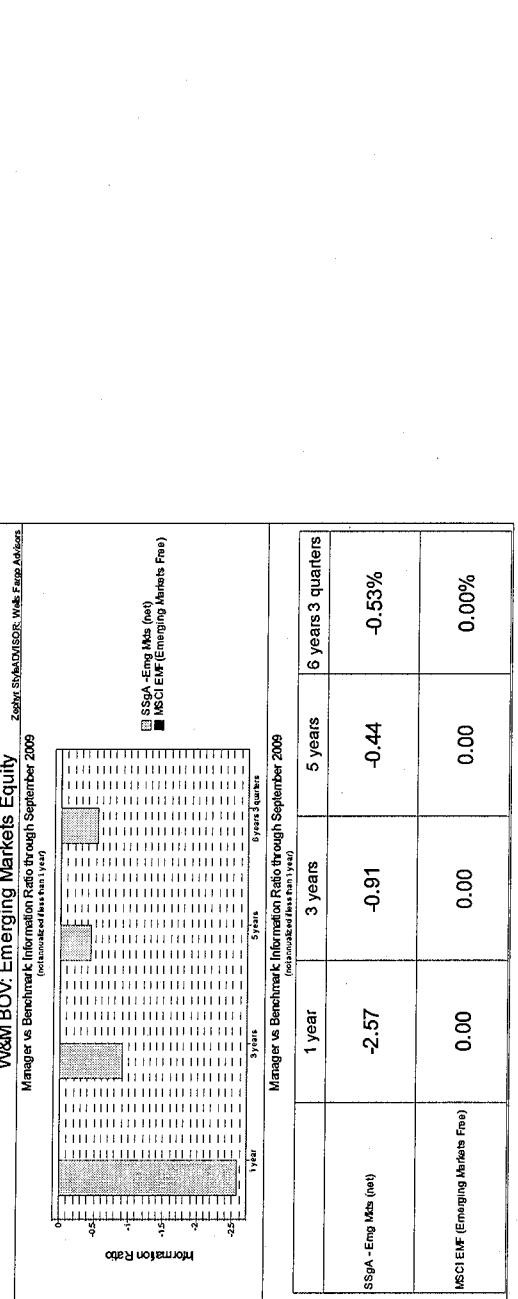
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Equity Sector (Emerging Markets)
Periods Ending September 30, 2009 – Risk Measures

Return/Risk (January 1, 2003 - September 30, 2009)



Information Ratio (Periods Ending September 30, 2009)



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Equity Sector (Emerging Markets)

Characteristics - As of September 30, 2009

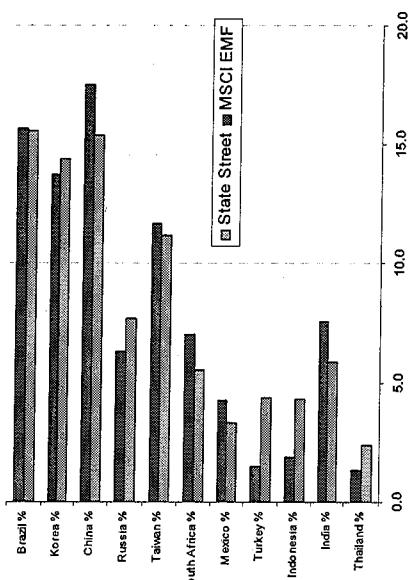
Characteristics

	State Street	MSCI EMF
Price/Earnings	13.4	14.5
Price/Book	2.90	4.10
Yield	2.07%	2.19%
Weighted Average Cap (\$billions)	29,795	31,455
# Holdings	470	741

Top Ten

Top Ten Equity Holdings	% of Portfolio
SAMSUNG ELECTRONICS CO LTD	3.37
VALE SA-SP ADR	2.80
PETROLEO BRASILEIRO-SPON ADR	2.28
GAZPROM OAO-SPON ADR	2.06
TAIWAN SEMICONDUCTOR	1.65
PETROLEO BRASILEIRO S.A.-ADR	1.64
ITAU UNIBANCO HOLDING SA	1.39
AMERICA MOVIL-ADR SERIES L	1.32
CHINA MOBILE LTD	1.20
TEVA PHARMACEUTICAL-SP ADR	1.07

Country Distribution



Sector Distribution

	State Street	MSCI EMF	Over/(Under) Weight
Consumer Discretionary	5.0	5.3	(0.3)
Consumer Staples	4.0	5.2	(1.3)
Energy	11.9	15.1	(3.2)
Financials	17.4	24.5	(7.0)
Health Care	1.4	2.1	(0.8)
Industrials	3.7	6.8	(3.1)
Info. Technology	11.6	13.7	(2.1)
Materials	11.3	14.3	(3.0)
Telecomm	7.1	9.4	(2.3)
Utilities	2.3	3.6	(1.3)
Unassigned	0.0	0.0	0.0
	100.0	100.0	

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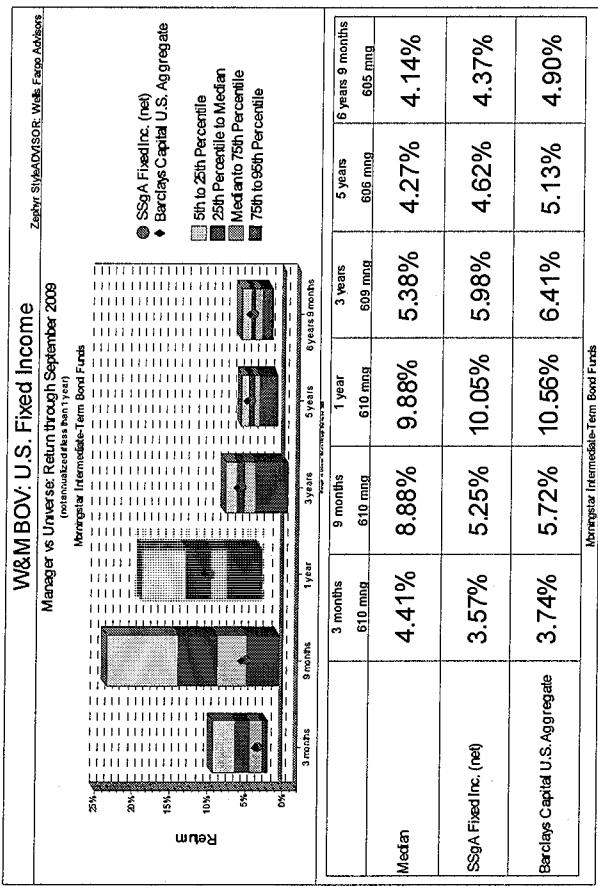
Data Source: State Street, MSCI

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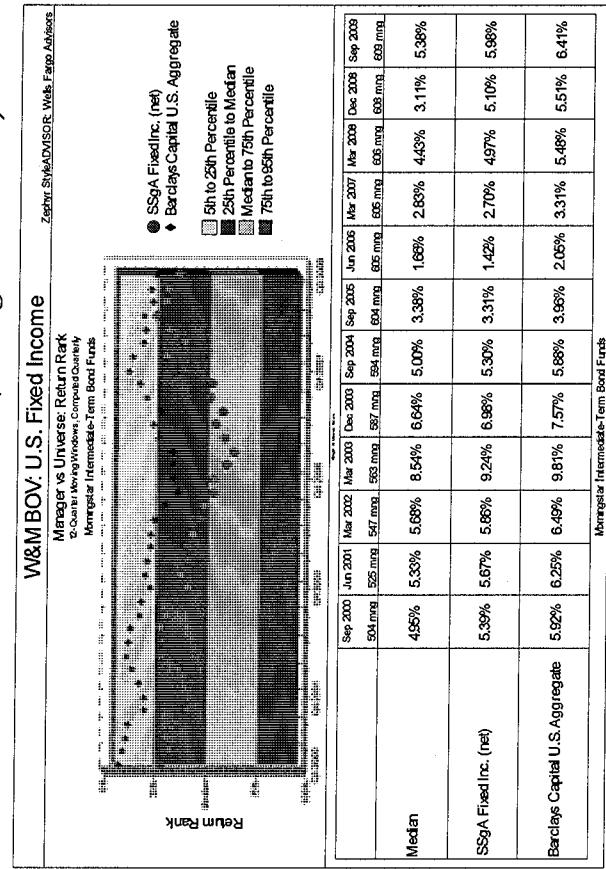
IV. Fixed Income Sector (US Bonds)

Periods Ending September 30, 2009 - Performance

Universe Comparisons (Trailing Periods)



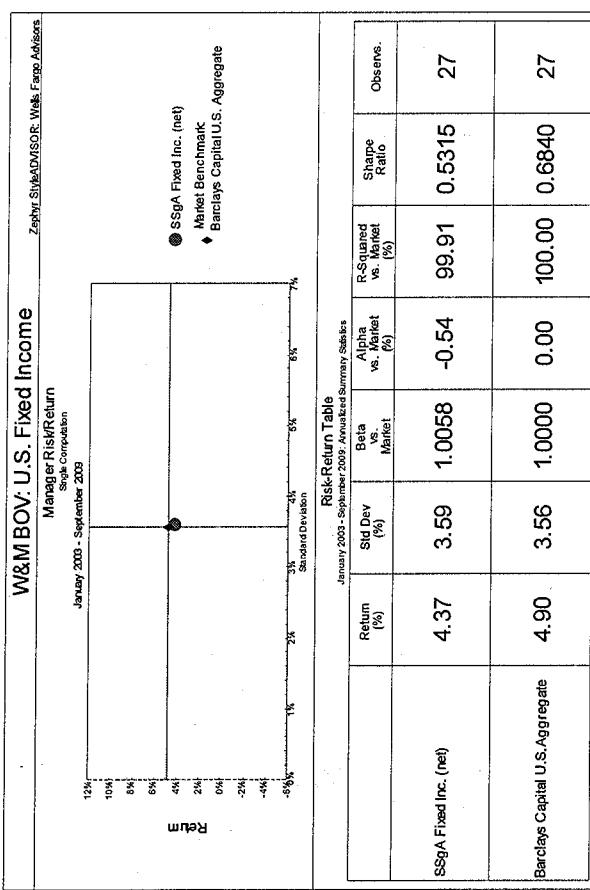
Universe Comparisons (Rolling Three Years)



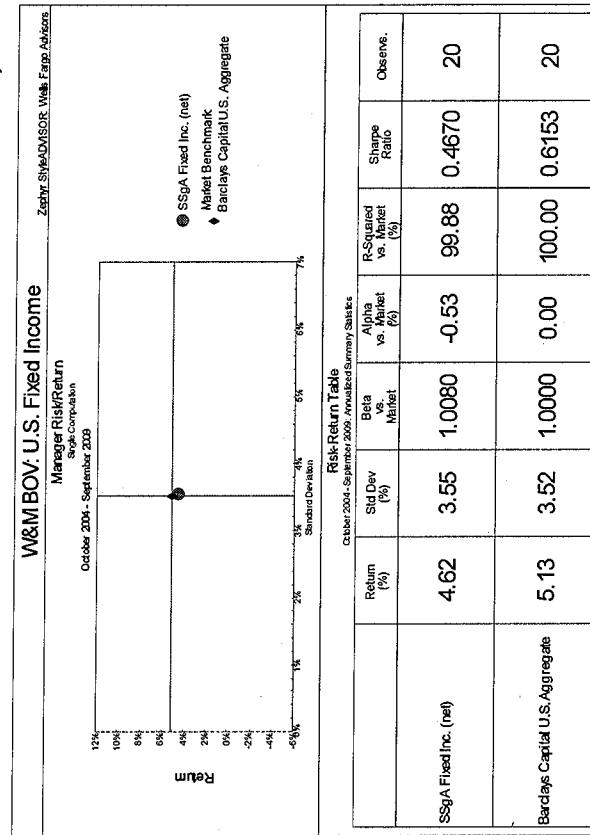
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Fixed Income Sector (US Bonds)
Periods Ending September 30, 2009 – Risk Measures

Return/Risk (January 1, 2003 – September 30, 2009)



Return/Risk (Five Years Ending September 30, 2009)



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The College of William & Mary BOV Endowment
September 30, 2009 Portfolio Evaluation
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As of September 30, 2009

	State Street	Barclays Aggregate	Over/Under Weight
Average Quality	Aa2	Aa2	—
Yield To Maturity	3.48	3.56	(0.08)
Modified Adj. Duration	4.38	4.43	(0.05)
Average Maturity	3.50	6.64	(3.14)

Sector Distribution

Sector Allocation	State Street	Barclays Aggregate	Over/(Under) Weight
U.S. Treasury/Agency	36.2	35.3	1.0
Corporate	21.7	18.7	3.0
Mortgage	37.9	41.4	(3.5)
Asset-Backed	0.4	0.5	(0.1)
Other	3.3	4.1	(0.8)
Cash & Equivalents	0.4	0.0	0.4
	100.0	100.0	

Quality Distribution

Quality Distribution	State Street	Barclays Aggregate	Over/(Under) Weight
AAA	79.4	79.0	0.3
AA	3.7	3.8	(0.0)
A	9.5	9.6	(0.1)
BBB	7.5	7.6	(0.2)
Other	0.0	0.0	0.0
	100.0	100.0	

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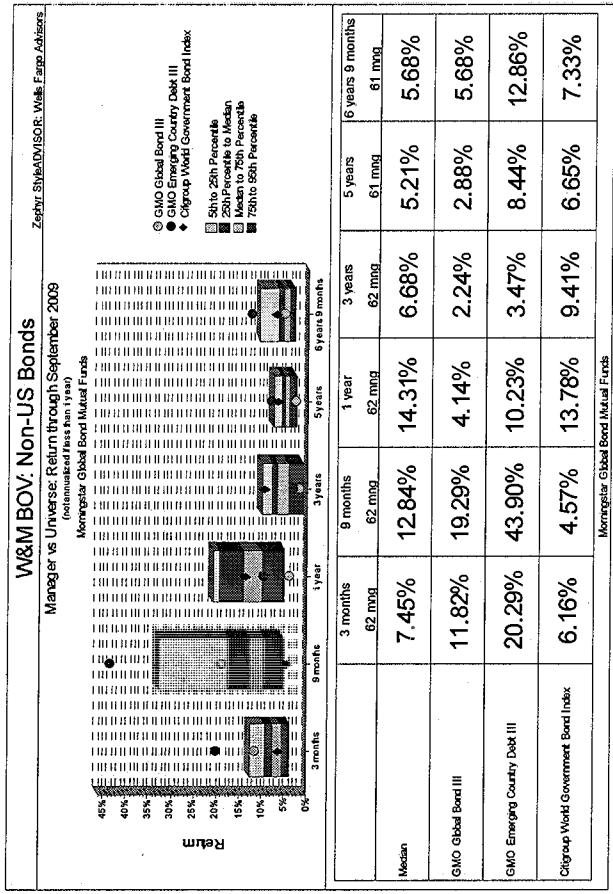
Data Source: State Street, Barclays Capital

The College of William & Mary BOV Endowment
September 30, 2009 Portfolio Evaluation
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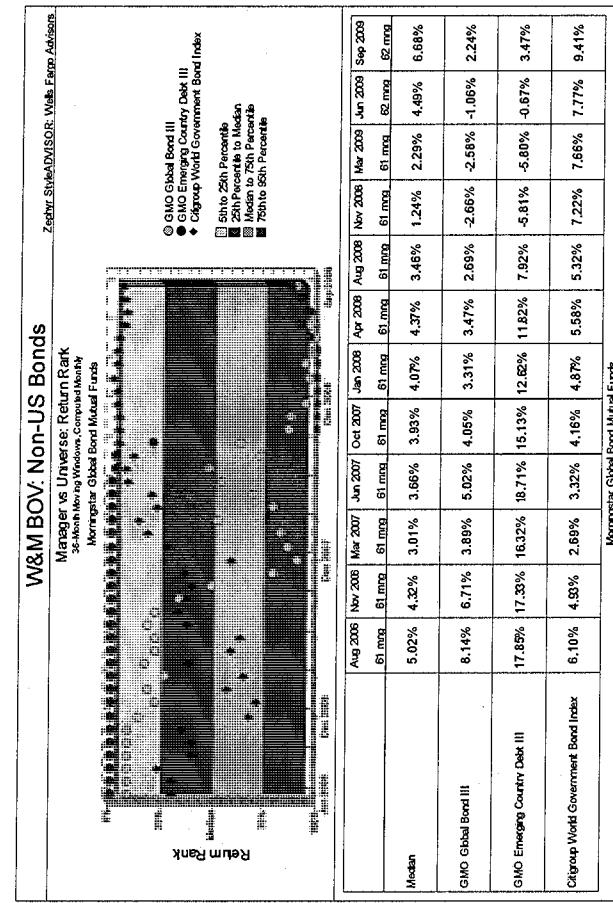
Fixed Income Sector (Non-US Bonds)

Periods Ending September 30, 2009 - Performance

Universe Comparisons (Trailing Periods)



Universe Comparisons (Rolling Three Years)

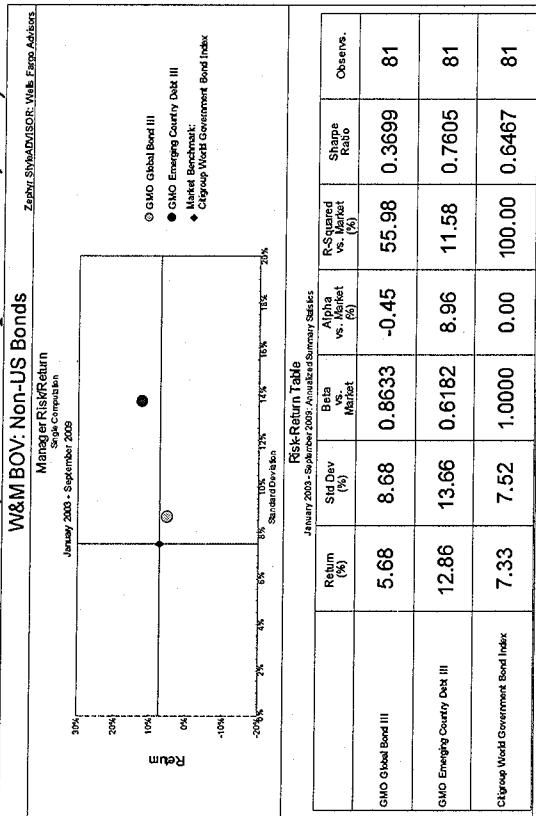


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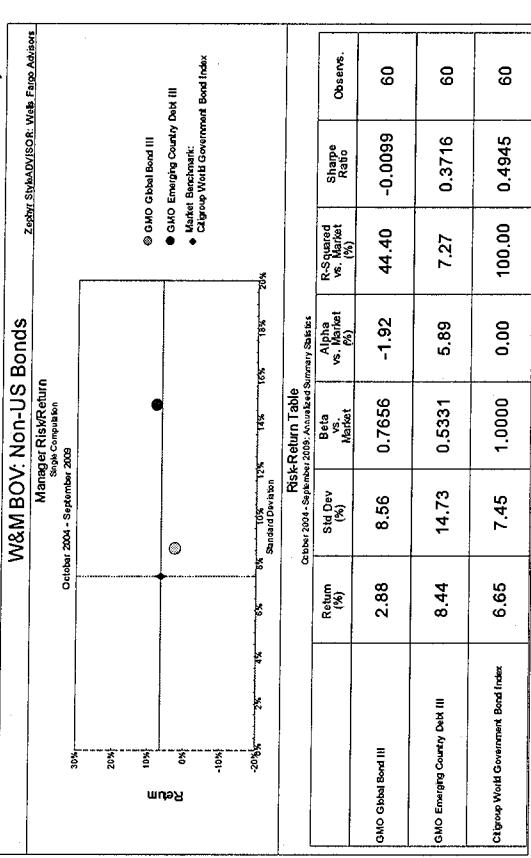
The College of William & Mary BOV Endowment
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Fixed Income Sector (Non-US Bonds)
Periods Ending September 30, 2009 – Risk Measures

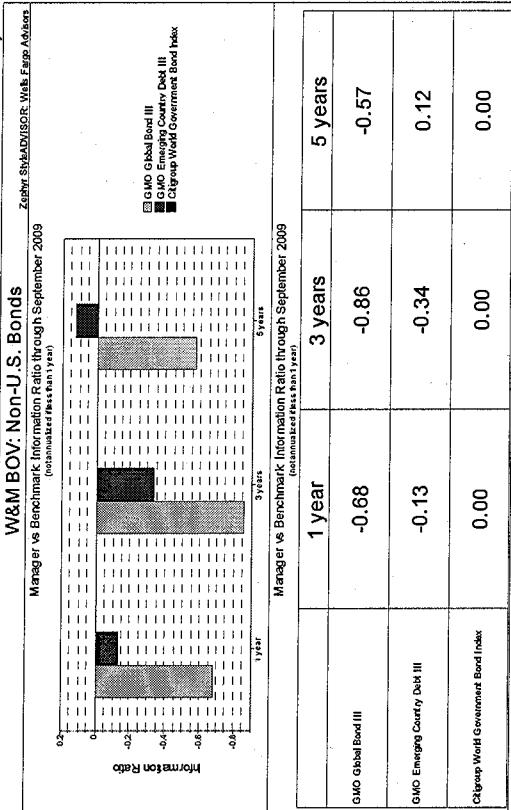
Return/Risk (January 1, 2003 - September 30, 2009)



Return/Risk (Five Years Ending September 30, 2009)



Information Ratio (Periods Ending September 30, 2009)



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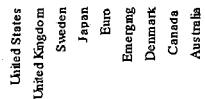
Fixed Income Sector (Global Bonds)

Characteristics - As of September 30, 2009

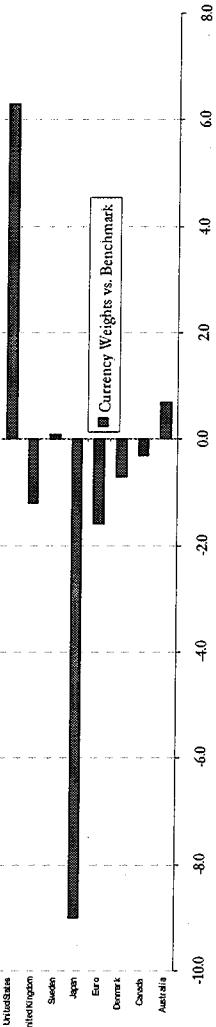
Country Exposure

Basic Characteristics

Characteristic	Portfolio
Modified Duration	5.4
Average Coupon	3.8%
Average Maturity	7.3
Average Yield	9.0%
Emg Country Debt	4.0%



Currency Exposure



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Data Source: GMO

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Fixed Income Sector (Emerging Market Debt)

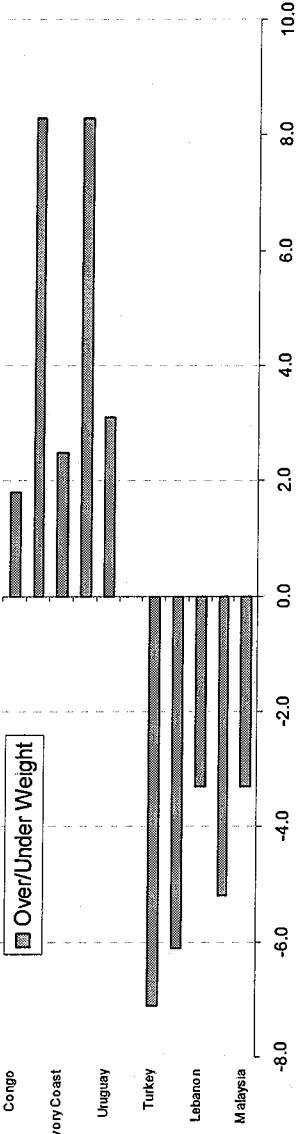
Characteristics - As of September 30, 2009

Currency Exposure	% of Fund
US Dollar	86.3
Euro	11.8
Japanese Yen	-0.5
Hong Kong Dollar	0.0
Swiss Francs	0.6
Thailand Baht	0.1
S. African Unitary Rand	0.1
Argentina Peso	0.0
British Pounds Sterling	0.9
Malaysian Ringgits	0.2
Brazilian Reais	0.1

Characteristic	Portfolio
YTM	7.2%
Current Yield	6.6%
Maturity	7.3
Modified Duration	6.0
Avg. Credit Rating	BB+

Quality Distribution	% of Fund	% of Index
Investment Grade	44.5	56.2
BB	33.6	37.1
B	11.9	4.7
>B	5.0	1.4
Not Rated	5.0	0.6

Top 5 Country Overweights/Underweights



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Data Source: GMO

The College of William & Mary BOV Endowment
September 30, 2009 Portfolio Evaluation

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Time-Weighted Performance for 11893008

COLLEGE OF WILLIAM AND MARY- GREEN FUND

Gross Time-Weighted Rates of Return**Performance Summary**

Performance Inception Date: Jan 23, 2009

Balances:

Beginning Market Value (January 23, 2009):	\$40,000
Contributions:	20,000
Withdrawals:	0
Appreciation/Depreciation:	10,182
Ending Market Value (September 30, 2009):	\$70,182

Time-Weighted Returns:

Since Inception:	25.34 %
2009 YTD:	25.34 %

Returns are calculated net of transaction costs and gross of advisory account program fees. If advisory account program fees were included, performance would be lower. Performance based on current market prices, as available.

Returns greater than one year are annualized.

Account data is on a trade date basis and accrued income is included in beginning and ending values. Performance is based on current market prices, as available.

Certain assets are excluded from Beginning and Ending Values and are not included in performance calculations. Annuities, certain types of direct investments, mutual funds held outside the firm, precious metals, coins, bullion, or any assets subject to tax withholding (IEFRA) are among the assets not included in values or performance calculations.

Based on availability of historical performance information, Time-Weighted inception dates may differ from Money-Weighted inception dates.

Included within Appreciation/Depreciation is: Income \$392

Accrued Income is included within values: Beginning \$0 Ending \$0

One or more year(s) excluded (if applicable).

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This information is provided to complement but not replace your account specific advisory performance report.

COMMITTEE ON STRATEGIC INITIATIVES

November 20, 2009

10:00 – 10:45 a.m.

Board Room - Blow Memorial Hall

Jeffrey B. Trammell, Chair
Janet M. Brashear, Vice Chair

- I. Introductory Remarks – Mr. Trammell
- II. Comments by Strategic Initiatives Committee Chair – Ms. Brashear
- III. Update on the Strategic Planning Process – Provost Michael R. Halleran and Vice President for Strategic Initiatives James R. Golden
- IV. Communication Actions – Vice President for Strategic Initiatives
- V. Government Relations Update – Associate Vice President for Government Relations Fran Bradford
- VI. Adjourn

**THE COLLEGE OF WILLIAM AND MARY
BOARD OF VISITORS
OFFICERS AND COMMITTEES**

2009-2010

OFFICERS

Henry C. Wolf, Rector of the College
John W. Gerdelman, Vice Rector of the College
Janet M. Brashear, Secretary of the Board

EXECUTIVE COMMITTEE

Henry C. Wolf, Chair
John W. Gerdelman, Vice Chair
Janet M. Brashear, Secretary
Charles A. Banks III
R. Philip Herget III
Anita O. Poston
Jeffrey B. Trammell

Committee on Administration

John W. Gerdelman, Chair
R. Philip Herget III, Vice Chair
Dennis H. Liberson
Robert E. Scott
John Charles Thomas
Jeffrey B. Trammell
Michael R. Halleran
Anna B. Martin

Committee on Audit

Thomas E. Capps, Chair
Colin G. Campbell, Vice Chair
Timothy P. Dunn
Michael L. Stump

Committee on Academic Affairs

Anita O. Poston, Chair
Colin G. Campbell, Vice Chair
Sarah I. Gore
Kathy Y. Hornsby
Robert E. Scott
Michael R. Halleran

Committee on Financial Affairs

Charles A. Banks III, Chair
Robert E. Scott, Vice Chair
Colin G. Campbell
Thomas E. Capps
Timothy P. Dunn
John W. Gerdelman
R. Philip Herget III
Michael R. Halleran
Samuel E. Jones

Committee on Buildings and Grounds

Janet M. Brashear, Chair
Suzann W. Matthews, Vice Chair
Kathy Y. Hornsby
Anita O. Poston
Michael Tang
John Charles Thomas
Anna B. Martin

Richard Bland College Committee

Kathy Y. Hornsby, Chair
Sarah I. Gore, Vice Chair
Dennis H. Liberson
Anita O. Poston
Jeffrey B. Trammell
James B. McNeer
Vernon R. Lindquist

Committees of the Whole:

Committee on Athletics

Sarah I. Gore, Chair
John W. Gerdelman, Vice Chair
Edward C. Driscoll, Jr.

Committee on Development and Alumni Affairs

R. Philip Herget III, Chair
Timothy P. Dunn, Vice Chair
Charles A. Banks III
Janet M. Brashear
Suzann W. Matthews
Michael Tang
Sean M. Pieri
Karen R. Cottrell

Committee on Strategic Initiatives

Jeffrey B. Trammell, Chair
Janet M. Brashear, Vice Chair
James R. Golden

2009-2010 Student & Faculty Representatives

W&M

Sarah D. Rojas, student
Katherine M. Kulick, faculty

RBC

D. Ryan Goodwin, student
Alexandra Duckworth, faculty

Staff Liaison: Mary S. Molineux, PPFA President

John Charles Thomas, Chair
Suzann W. Matthews, Vice Chair
Virginia M. Ambler

CLOSED MEETINGS

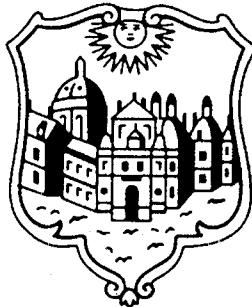
The Board of Visitors may consider in closed session certain matters, including those listed below. The Code is very specific as to how these matters will be described in public session and in closing the meeting the motion must be specific as to the matters to be considered in closed session. There may be no discussion in closed session of matters not identified in the original motion.

I move that the _____ Committee convene in Closed Session for the purpose of discussing _____, as provided for in Section 2.2-3711.A., ____.

<u>Code Section</u>	<u>Topic</u>
2.2-3711.A.1.	Personnel matters involving identifiable college employees (i.e., appointments, performance evaluations, leaves, etc.) or discussion of candidates for employment.
2.2-3711.A.2.	Matters concerning any identifiable student
2.2-3711.A.3.	Acquisition of real property for a public purpose or disposition of publicly held real property
2.2-3711.A.4.	Protection of individual privacy in personal matters not related to public business
2.2-3711.A.6.	Investment of public funds where bargaining or competition is involved
2.2-3711.A.7.	Consultation with legal counsel and briefings by staff members pertaining to actual or probable litigation or consultation with legal counsel regarding specific legal matters requiring legal advice
2.2-3711.A.8.	Gifts, bequests and fund-raising activities, or grants and contracts for services or work to be performed by the College
2.2-3711.A.10.	Honorary degrees
2.2-3711.A.19.	Reports or plans related to security of any College facility, building or structure, or safety of persons using such facility, building or structure
2.2-3711.A.29.	Public contracts involving the expenditure of public funds

§2.2-3712.D. - At the conclusion of any closed meeting, the Board of Visitors shall immediately reconvene in open meeting and shall take a roll call or other recorded vote to be included in the minutes, certifying that to the best of each member=s knowledge (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. Any member of the public body who believes that there was a departure from the requirements of subdivisions (i) and (ii), shall so state prior to the vote, indicating the substance of the departure that, in his judgment, has taken place. The statement shall be recorded in the minutes.

BOARD OF VISITORS
OF THE COLLEGE
OF WILLIAM AND MARY
IN VIRGINIA



WILLIAM
& MARY

BOARD MEETING

Board Rooms - Blow Memorial Hall

November 20, 2009

MEETING AGENDA
Board of Visitors
The College of William and Mary

November 20, 2009 - 11:00 a.m. - 12:30 p.m.
Board Room - Blow Memorial Hall

I.	Welcome and call to order	Rector Henry C. Wolf
II.	Approval of Minutes – September 16-18, 2009	Mr. Wolf
III.	Opening Remarks	Mr. Wolf
IV.	Closed Session	Mr. Wolf
V.	Open Session - Certification of Closed Session Resolution	Mr. Wolf

Rector should review topics discussed during closed session for benefit of observers, then move adoption of **Resolution** certifying closed session was held in compliance with Freedom of Information Act. Motion will be seconded and Rector or designee will conduct roll call vote of the Board members for adoption. Upon passage, Rector should sign the resolution and direct that it be appended to the official minutes of this meeting.

VI.	Reports of Standing Committee chairs	
A.	Richard Bland College Committee	Kathy Y. Hornsby
1.	Resolution 1: 2009-2010 Operating Budget Update	tab#1
2.	Resolution 12: Receipt of the Consolidated Financial Report of the College of William and Mary in Virginia and Richard Bland College for the Fiscal Year Ended June 30, 2009 <i>(joint with William and Mary)</i>	tab #12
B.	Committee on Development and Alumni Affairs	R. Philip Herget III
C.	Committee on Administration	John W. Gerdelman
1.	Resolution 2: Resolution to Approve Policy for Appointments and Terminations for Professionals and Professional Faculty	tab #2
D.	Committee on Audit	Thomas E. Capps
1.	Resolution 3: Approval of 2010 Internal Audit Work Plan	tab #3

Board of Visitors
MEETING AGENDA
November 20, 2009

E.	Committee on Buildings and Grounds	Janet M. Brashear
1.	Resolution 4: Resolution to Demolition Pier House on Eastern Shore and the Sowers House at Gloucester Point	tab #4
2.	Resolution 5: Demolition of Thiemes House	tab #5
3.	Resolution 6: 2010-2016 Capital Outlay Plan Revised	tab #6
F.	Committee on Financial Affairs	Charles A. Banks III
1.	Resolution 11: College of William and Mary Revised FY2009-10 Operating Budget for Educational and General Programs	tab #11
2.	Resolution 12: Receipt of the Consolidated Financial Report of the College of William and Mary in Virginia and Richard Bland College for the Fiscal Year Ended June 30, 2009 <i>(joint with Richard Bland College)</i>	tab #12
2.	Resolution 13: Receipt of the Financial Report of the Intercollegiate Athletic Department for the Fiscal Year Ended June 30, 2009	tab #13
3.	Resolution 14: Virginia Institute of Marine Science Revised FY2009-10 Operating Budget	tab #14
G.	Committee on Strategic Initiatives	Jeffrey B. Trammell
H.	Committee on Academic Affairs	Anita O. Poston
1.	Resolution 7: Appointment to Fill Vacancies in the Instructional Faculty	tab #7
2.	Resolution 8: Appointments to Fill Vacancies In the Professionals and Professional Faculty	tab #8
3.	Resolution 9: Chancellor Professorship	tab #9
3.	Resolution 10: Retirement of Eugene Burreson School of Marine Science	tab #10
I.	Executive Committee	Mr. Wolf
VII.	Old Business	Mr. Wolf
VIII.	New Business	Mr. Wolf

Board of Visitors
MEETING AGENDA
November 20, 2009

IX. Executive Session (if necessary) Mr. Wolf

X. Open Session - Certification of Closed Session **Resolution** Mr. Wolf

Rector should review topics discussed during closed session for benefit of observers, then move adoption of **Resolution** certifying closed session was held in compliance with Freedom of Information Act. Motion will be seconded and Rector or designee will conduct roll call vote of the Board members for adoption. Upon passage, Rector should sign the resolution and direct that it be appended to the official minutes of this meeting.

XI. Closing remarks

XII. Adjournment Mr. Wolf

BOARD DINING ROOM

12:30 p.m. Lunch

FULL BOARD MEETING
MINUTES – SEPTEMBER 16-18, 2009

MINUTES
Meeting of the Board of Visitors
The College of William and Mary in Virginia

September 16-18, 2009

The Board of Visitors of The College of William and Mary in Virginia met on the campus in Williamsburg on Wednesday, Thursday and Friday, September 16-18, 2009.

On Wednesday, September 16, the Committee on Audit met in the Board Conference Room and the Committee on Administration met in the Board Room.

Those present on Wednesday were:

Janet M. Brashear	Suzann W. Matthews
Colin G. Campbell	Anita O. Poston
Thomas E. Capps	Robert E. Scott
Timothy P. Dunn	John Charles Thomas
John W. Gerdelman	Jeffrey B. Trammell
Sarah I. Gore	Henry C. Wolf, Rector
R. Philip Herget III	Faculty representative: Katherine M. Kulick
Kathy Y. Hornsby	Student representative: Sarah D. Rojas
Dennis H. Liberson	

Absent: Charles A. Banks III
Michael Tang

Others present were:

Michael R. Halleran	Michael J. Fox
Samuel E. Jones	James R. Golden
Anna B. Martin	Michael L. Stump
Kiersten L. Boyce	Brian W. Whitson
John E. Donaldson	Sandra J. Wilms

Also in attendance were Assistant Attorney General Deborah Love, Staff Liaison Mary Molineux; and Richard Bland College Dean of Administration and Finance Russell E. Whitaker, Jr.

Following the committee meetings, the full Board convened at 7:00 p.m. for dinner at 1200 South England Street. Also present were William and Mary President W. Taylor Reveley III and Richard Bland College President James B. McNeer.

At 7:40 p.m., the Rector moved that, pursuant to Section 2.2-3711.A.1., of the Code of Virginia, the meeting be closed in order to discuss personnel matters involving identifiable college employees. Motion was seconded by Ms. Brashear and approved by voice vote. The observers were asked to leave the room and the Board went into closed session at 7:40 p.m.

The Board reconvened in open session at 9:15 p.m. Mr. Wolf reviewed the topic discussed during closed session for the benefit of the observers, then moved adoption of the **Resolution**

Board of Visitors

MINUTES

Page 2

certifying that the closed session was held in compliance with the Freedom of Information Act. Motion was seconded by Ms. Brashear and approved by roll call vote of the Committee members conducted by Secretary of the Board Janet Brashear. (Certification Resolution is appended).

There being no further business, the Board adjourned at 9:15 p.m.

On Thursday, September 17, the Executive Committee met in the Rector's Office, while the Committee on Financial Affairs, Committee on Buildings and Grounds, Committee on Development and Alumni Affairs, Committee on Athletics, Committee on Student Affairs and Committee on Strategic Initiatives met in the Board Room, and the Committee on Academic Affairs and the Richard Bland College Committee met in the Board Conference Room.

Those present on Thursday were:

Charles A. Banks III	Suzann W. Matthews
Janet M. Brashear	Anita O. Poston
Colin G. Campbell	Robert E. Scott
Thomas E. Capps	John Charles Thomas
Timothy P. Dunn	Jeffrey B. Trammell
John W. Gerdelman	Henry C. Wolf, Rector
Sarah I. Gore	Faculty representatives: Katherine M. Kulick
R. Philip Herget III	Alexandra Duckworth
Kathy Y. Hornsby	Student representative: Sarah D. Rojas
Dennis H. Liberson	D. Ryan Goodwin

Absent: Michael Tang

Others present were:

W. Taylor Reveley III	Karen R. Cottrell
Michael R. Halleran	John E. Donaldson
Virginia M. Ambler	Edward C. Driscoll, Jr.
James R. Golden	Michael J. Fox
Samuel E. Jones	W. Fanchon Glover
Anna B. Martin	Michael L. Stump
Sean M. Pieri	Brian W. Whitson
Kiersten L. Boyce	Sandra J. Wilms
Michael J. Connolly	

Also in attendance were Assistant Attorney General Deborah Love, Staff Liaison Mary Molineux; Dean Connie K. McCarthy, Dean Virginia L. McLaughlin, Richard Bland College President James B. McNeer, Provost Vernon R. Lindquist, Director of Institutional Advancement LeAnn Binger and Dean of Administration and Finance Russell E. Whitaker, Jr., and members of the William and Mary Faculty Liaison Committee.

At 9:05 a.m. Rector Henry C. Wolf convened the Board, welcomed new Board member Dennis Liberson, advised that new Board member Michael Tang was not able to attend this meeting,

and congratulated Jeff Trammell and John Charles Thomas on their reappointments. The Rector also welcomed William and Mary faculty representative Katherine Kulick, who was serving her second term, William and Mary student representative Sarah Rojas, serving her first term, and William and Mary staff liaison Mary Molineux.

Noting the recent deaths of two former members of the Board of Visitors – Frank Batten, Sr., who was a member of the Board of Visitors from 1990-1994 and whose funeral was held this morning, and Harriet Nachman Storm, Class of 1964, member of the Board of Visitors from 1979-1984, Secretary of the Board 1987-1988 and President of the William & Mary Cypher Society since 1989, whose funeral will be held tomorrow – the Rector asked for a moment of silence in their memory.

The Rector advised that the meeting schedule had been revised from the published schedule in order to complete the full Board meeting in time for members of the Board and administration to attend Mrs. Storm's funeral on Friday morning at 10:00 a.m. in Hampton. The tour of the new Business School building would be rescheduled to Friday at the conclusion of the meeting.

In his opening remarks President W. Taylor Reveley III introduced the new Provost Michael Halleran and also welcomed new member Dennis Liberson. The President commented briefly on the state budget reductions.

The Board then moved to committee meetings.

At 2:00 p.m. the Board convened as a committee of the whole. Ms. Gore presided as chair of the **Committee on Athletics** and called on Director of Athletics Terry Driscoll. Mr. Driscoll reported on the teams, discussed the Athletics Mission Statement and Goals and provided an update on the athletic mascot selection process currently underway. Mr. Driscoll presented a short quiz on athletic facts and discussed several upcoming special events. There being no further business, the Committee adjourned at 2:30 p.m.

In his report, Provost Michael Halleran briefly discussed his educational philosophy and what he hopes to accomplish during the strategic planning process currently underway.

Faculty Assembly Vice President and Chair of the Faculty Liaison Committee Professor Kathleen Slevin highlighted nine faculty members, and discussed their work at William and Mary in the areas of research, teaching and service, illustrating the unique and complementary nature of these areas at the College.

Following the faculty presentation, the Board took a short break at 3:15 p.m.

At 3:32 p.m. the Board reconvened. Mr. Thomas presided as chair of the **Committee on Student Affairs** and called on Vice President for Student Affairs Virginia Ambler. Ms. Ambler provided a brief update on Opening Convocation, the new Career Center construction project, residential capacity, the Coalition Assessment Project for Greek life and fraternity housing concerns, as well as Town-Gown relationships. Ms. Ambler introduced Dr. Virginia D. Wells, Director and Staff Physician of the Student Health Center, who provided a brief update on student health services on campus.

Ms. Ambler then introduced Vernon J. Hurte, the new Director of the Center for Student Diversity, formerly the Office of Multicultural Affairs. Mr. Hurte provided a brief overview of the office, its expanded scope and its expanded space. A brief discussion ensued.

Student Liaisons Sravya Yeleswarapu and Nataniel Montoya discussed student interest in several areas, including changes in Greek life, the recent noise ordinance enacted by the City of Williamsburg, and efforts to alleviate mistrust between students and City residents. Noting that the administration and student leaders have become increasingly focused over the summer and into the semester on the issue of fostering campus traditions and culture as well as improving and adding to them or creating new ones altogether, they discussed several ways in which new initiatives were being implemented as well as future plans. Following brief discussion and there being no further business, the Committee adjourned at 4:29 p.m.

At 4:30 p.m. Mr. Trammell presided as chair of the **Committee on Strategic Initiatives**. Mr. Trammell thanked Vice President Jim Golden and the Strategic Initiatives Committee for their continuing hard work, as well as Vice Chair Janet Brashear for her key role as Chair of the Strategic Initiatives Committee.

Ms. Brashear briefly commented on the distribution of the progress report, which included implementation steps for FY2010 and the evolving planning framework for FY2011-2014, noting that the framework is flexible and will be adjusted as necessary to changing conditions. Ms. Brashear noted that the next steps involve development of metrics and a preliminary dashboard with holistic measures of success.

Vice President for Strategic Initiatives James Golden and Provost Michael Halleran provided an update on the strategic planning process, the six challenges, the evolving implementation framework and the draft dashboard. Ms. Brashear facilitated the general discussion that ensued, followed by the outlining of next steps.

Mr. Golden discussed the ongoing communications review process, including actions being implemented and other issues under study.

There being no further business, the Board recessed at 5:47 p.m.

On Friday, September 18, the Rector convened the full Board meeting at 8:00 a.m.

Charles A. Banks III	Suzann W. Matthews
Janet M. Brashear	Anita O. Poston
Colin G. Campbell	Robert E. Scott
Timothy P. Dunn	John Charles Thomas
John W. Gerdelman	Jeffrey B. Trammell
Sarah I. Gore	Henry C. Wolf, Rector
R. Philip Herget III	Faculty representatives: Katherine M. Kulick
Kathy Y. Hornsby	Student representative: Sarah D. Rojas
Dennis H. Liberson	D. Ryan Goodwin

Absent: Thomas E. Capps
Michael Tang

Others present were:

W. Taylor Reveley III	Carolyn R. Cook
Michael R. Halleran	Karen R. Cottrell
Virginia M. Ambler	John E. Donaldson
James R. Golden	Edward C. Driscoll, Jr.
Samuel E. Jones	Michael J. Fox
Anna B. Martin	W. Fanchon Glover
Sean M. Pieri	Michael L. Stump
Kiersten L. Boyce	Brian W. Whitson
Michael J. Connolly	Sandra J. Wilms

Also in attendance were Assistant Attorney General Deborah Love, Staff Liaison Mary Molineux; Dean/Director John T. Wells, Richard Bland College President James B. McNeer, Provost Vernon R. Lindquist, Director of Institutional Advancement LeAnn Binger and Dean of Administration and Finance Russell E. Whitaker, Jr.

Recognizing that a quorum was present, the Rector asked for a motion to approve the minutes of the meeting of April 15-17, 2009. Motion was made by Ms. Poston, seconded by Mr. Gerdelman and approved by voice vote.

The Rector briefly reported on his campus meetings on September 8-9 with faculty, staff and student leadership, senior administrators and academic deans, as well as an open campus forum with President Reveley. The Rector advised that he hopes to continue these meetings throughout the year as a way to initiate dialogue with the campus community.

Following the brief opening remarks, the Rector moved that the Board of Visitors convene in Closed Session for the purpose of discussing personnel actions involving the appointment, promotions, tenure and leaves of specific college employees; discussing matters relating to the investment of public funds in the Real Estate Foundation and the acquisition and development of real property in the City of Williamsburg for the benefit of the College; discussions with legal counsel pertaining to actual litigation and briefings by staff members regarding specific legal issues involving specific College employees; discussing specific recommendations related to alumni fundraising and the status of current development activities; and discussing matters pertaining to the consideration of honorary degrees, as provided for in Section 2.2-3711.A.1., 3., 7., 8., and 10., of the Code of Virginia. Motion was seconded by Ms. Brashear and approved by voice vote. The Rector advised that the first portion of the closed session would be an executive session with President Reveley followed by the closed session under the Code citations as noted. The Board went into executive session at 8:02 a.m. and moved into the closed session at 8:47 a.m.

The Board reconvened in open session at 9:07 a.m. The Rector reviewed the topics discussed during closed session, then moved adoption of the **Resolution** certifying the closed session was held in compliance with the Freedom of Information Act. Motion was seconded by Mr. Scott and approved by roll call vote of the Board members conducted by Secretary to the Board Michael Fox. (Certification **Resolution** is appended).

Board of Visitors

MINUTES

Page 6

In the absence of Mr. Capps, Mr. Campbell reported for the Committee on Audit. There were no action items.

Mr. Gerdelman reported for the Committee on Administration, noting that the Committee had discussed the new requirement for a campus threat assessment group, resulting from laws passed in the wake of the shootings at Virginia Tech, and the Office of the Attorney General had suggested amending the language of the originally distributed resolution to reflect occasional consultation with that office.

Mr. Gerdelman then distributed the revised resolution discussed by the Committee and asked for a motion to adopt **Resolution 1(R)**, Establishment of the Campus Assessment and Intervention Team. Motion was made by Mr. Scott, seconded by Mr. Thomas and approved by voice vote.

Mr. Banks reported for the Committee on Financial Affairs, and asked for motions to adopt the resolutions.

Mr. Gerdelman moved adoption of **Resolution 2**, College of William and Mary FY2010-12 Operating Budget Requests. Motion was seconded by Mr. Herget and approved by voice vote.

Ms. Gore moved adoption of **Resolution 3**, Virginia Institute of Marine FY2010-12 Science Operating Budget Requests. Motion was seconded by Mr. Gerdelman and approved by voice vote.

Mr. Banks distributed and asked for a motion to adopt **Resolution 18**, Revision of Board of Visitors Investment Policy and Appointment of Investment Managers, which was discussed during the Committee meeting, noting that it was being introduced by the President in accordance with the *Bylaws*. Motion was made by Ms. Brashear, seconded by Ms. Gore and approved by voice vote. (**Resolution 18** is appended).

Ms. Brashear reported for the Committee on Buildings and Grounds, and asked for a motion to adopt the resolutions as a block.

Ms. Gore moved adoption of **Resolution 4**, Demolition of Multiple Structures; **Resolution 5**, Resolution of the Board of Visitors of the College of William and Mary - Pooled 9(D) Bond Projects: Improve Athletic Facilities, Construct/Replace Cooling Plant and Utility Improvements; **Resolution 6**, Utility Easements; and **Resolution 7**, Conservation Easement: School of Business Construction Site. Motion was seconded by Mr. Banks and approved by voice vote.

Mr. Herget reported for the Committee on Development and Alumni Affairs. There were no action items.

Ms. Hornsby reported for the Richard Bland College Committee, and asked President McNeer for a brief report.

President McNeer briefly reviewed the background on the issue of recertification by the State Council of Higher Education (SCHEV) and reported that the College is working with SCHEV

staff to develop methodologies and strategies for the remedial plan that will be amenable to the SCHEV Committee. Ms. Hornsby noted that she and the Rector had attended a meeting with SCHEV staff on September 10 along with administrative staff from Richard Bland and William and Mary to discuss the remedial plan. The President commented on fall enrollment and the residential facilities, noting that Project Phoenix was hosted on campus this summer in the new dorms. The new science building is underway and community support of the College continues to grow. President McNeer advised that a campus meeting to discuss the budget will be held during the next week.

Ms. Hornsby asked for a motion to adopt the resolutions as a block. Ms. Brashear moved adoption of **Resolution 14**, Appointment of Assistant Professor of Biology Kevin Peters; **Resolution 15**, Appointment of Assistant Professor of Biology Angela Burcham; **Resolution 16**, Appointment of Assistant Professor of Mathematics Lauran Johnson; and **Resolution 17**, 2010-12 Biennium Budget Requests. Motion was seconded by Mr. Scott and approved by voice vote.

Ms. Poston reported for the Committee on Academic Affairs, and asked for a motion to adopt the resolutions as a block.

Mr. Scott moved adoption of **Resolution 8**, Appointment to Fill Vacancies in the Instructional Faculty; **Resolution 9**, Appointments to Fill Vacancies In the Professionals and Professional Faculty; **Resolution 10**, Confirmation of Academic Tenure; **Resolution 11**, Designated Professorship; **Resolution 12**, Faculty Leaves of Absence; and **Resolution 13**, Revision to the Bylaws of the Virginia Institute of Marine Science/School of Marine Science. Motion was seconded by Mr. Gerdelman and approved by voice vote.

The Rector advised that the report of the Executive Committee had been given in closed session.

There was no old business.

There was no new business.

The Rector advised that the tour of the Mason School of Business originally planned for Thursday afternoon had been rescheduled to this morning. Following the tour box lunches will be available in the Board Dining Room, beginning at 10:30 a.m.

There being no further business, the Board adjourned at 9:32 a.m.

Board of Visitors

September 16, 2009

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors of The College of William and Mary in Virginia 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 Board of Visitors that such closed session was conducted in conformity with Virginia law;

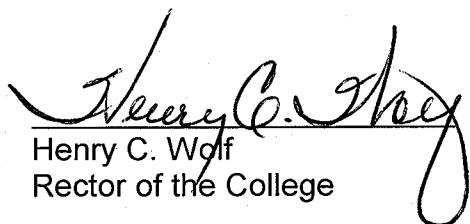
NOW, THEREFORE, BE IT RESOLVED, That the Board of Visitors, reconvening in open session, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this 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 Board of Visitors.

VOTE

AYES: 15

NAYS: 0

ABSENT DURING CLOSED SESSION: Banks, Tang


Henry C. Wolf
Rector of the College

Board of Visitors

September 18, 2009

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors of The College of William and Mary in Virginia 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 Board of Visitors that such closed session was conducted in conformity with Virginia law;

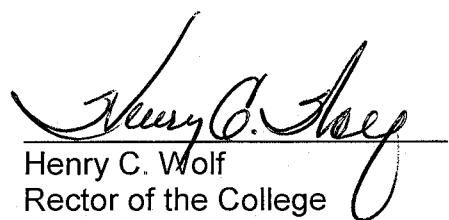
NOW, THEREFORE, BE IT RESOLVED, That the Board of Visitors, reconvening in open session, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this 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 Board of Visitors.

VOTE

AYES: 15

NAYS: 0

ABSENT DURING CLOSED SESSION:



Henry C. Wolf
Rector of the College

September 16-18, 2009

Page 1 of 1

**COLLEGE OF WILLIAM AND MARY
ESTABLISHMENT OF THE
CAMPUS ASSESSMENT AND INTERVENTION TEAM**

WHEREAS The General Assembly of Virginia amended and reenacted §44-146.18 of the Code of Virginia by adding in Chapter 1 of Title 23 sections numbered 23-9.2:9, 23-9.2:10, and 23-9.2:11 relating to crisis and emergency management for public institutions of higher education; and

WHEREAS §23-9.2:10 states that “The board of visitors or other governing body of each public institution of higher education shall determine a committee structure on campus of individuals charged with education and prevention of violence on campus”; and

WHEREAS, §23-9.2:10 B and C provide that the committee shall include members from law enforcement, student affairs, human resources, counseling services, residence life, and other constituencies as needed and “shall be charged with (i) providing guidance to students, faculty and staff regarding recognition of threatening or aberrant behavior that may represent a threat to the community; (ii) identification of members of the campus community to whom threatening behavior should be reported; and (iii) policies and procedures for the assessment of individuals whose behavior may present a threat, appropriate means of intervention with such individuals, and sufficient means of action...,” which policies and procedures shall be implemented by a threat assessment team; and

WHEREAS The College recognizes and endorses the value of establishing such a committee for these purposes;

THEREFORE BE IT RESOLVED, by the Rector and the Board of Visitors of the College of William and Mary in Virginia, that the Campus Assessment and Intervention Team be established to carry out the purposes of §23-9.2:10 of Chapter 1 of Title 23 of the Code of Virginia, including creation of specific threat assessment teams as necessary, and other related purposes; and

FURTHER RESOLVED that the Team membership shall include representatives from law enforcement, student affairs, human resources, residence life, counseling services, and legal affairs, as well as other individuals the Team may require from time to time, and shall consult with the Office of the Attorney General as needed.

COLLEGE OF WILLIAM AND MARY

REVISION OF BOARD OF VISITORS
INVESTMENT POLICY AND APPOINTMENT OF INVESTMENT MANAGERS

Over the past several months the Investment Subcommittee of the Committee of Financial Affairs of the Board of Visitors of the College of William and Mary met with Wells Fargo Advisors, the Board's investment consultant, to consider 1) changes in the asset allocation targets applicable to the Board's long term endowment investments, 2) a move from passive to active investment of bond funds, and 3) investment of a portion of Board of Visitors funds in alternative investments through a "fund-of-funds" approach.

As a result of these discussions, the Investment Subcommittee recommends to the Committee of Financial Affairs the following actions:

1. Consistent with the accompanying schedule, revise the current asset allocation targets, reducing the percentage allocation to equities, increasing the percentage allocation to bonds, and increasing the percentage allocation to alternative investments
2. Move its U. S. bond investment from passive to active management, retaining the PIMCO Total Return Fund and the Pioneer Strategic Income Fund as complementary active managers.
3. Invest five percent of the investment portfolio in alternative investments through the Alternative Strategies Group, Inc. fund of funds vehicles.

THEREFORE, BE IT RESOLVED that the Committee of Financial Affairs accepts the recommendation of the Investment Subcommittee to revise the current asset allocation targets, reducing the percentage allocation to equities, increasing the percentage allocation to bonds, and increasing the percentage allocation to alternative investments.

BE IT FURTHER RESOLVED that Committee of Financial Affairs accepts the recommendation of the Investment Subcommittee to move its U. S. bond investment from passive to active management, retaining the PIMCO Total Return Fund and the Pioneer Strategic Income Fund as complementary active managers.

BE IT FURTHER RESOLVED that Committee of Financial Affairs accepts the recommendation of the Investment Subcommittee to invest five percent of the investment portfolio in alternative investments through the Alternative Strategies Group, Inc. fund of funds vehicles.

THEREFORE, BE IT FURTHER RESOLVED that the Board of Visitors of the College of William and Mary in Virginia accepts the recommendation of the Committee on Financial Affairs to change the asset allocation targets applicable to the Board's long term endowment investments, move from passive to active investment of bond funds, and invest of a portion of Board of Visitors funds in alternative investments through a "fund-of-funds" approach.

BE IT FURTHER RESOLVED that the Board of Visitors directs that the College of William and Mary Investment and Spending Policy for Endowment be modified as necessary to reflect these actions.

College of William and Mary
Current and Proposed Asset Allocation

<u>Asset Class</u>	<u>Current Target</u>	<u>Recommended Target</u>
<u>Equities</u>		
Large-Cap Stocks	40%	25%
Mid-Cap Stocks	12.5%	12.0%
Small-Cap Stocks	7.5%	7.0%
Foreign Developed	10%	9.0%
Foreign Emerging	<u>4%</u> 74%	<u>2%</u> 55%
<u>Bonds</u>		
U.S. Bonds	20%	30%
Non-U.S. Bonds	<u>5%</u> 25%	<u>10%</u> 40%
Alternatives	<u>1%</u>	<u>5%</u>
Grand Total	100%	100%

RICHARD BLAND COLLEGE
AGENDA ITEMS

**RICHARD BLAND COLLEGE
2009 - 2010 OPERATING BUDGET UPDATE**

The 2009-10 operating budget which follows has been adjusted to reflect the most recent budget reduction announced by Governor Kaine. The following factors have resulted in the budget as presented:

1. The most recent reduction of \$683,772 brings the total reduction for 2009-10 to \$1,280,778.
2. Budget reductions have been partially offset by ARRA allocations of \$343,420 and \$318,112, a total of \$661,532. The net reduction totals 13.9% for the fiscal year.
3. The College has implemented the following actions to meet reduction targets:
 - Layoff of two (2) full-time employees and three (3) part-time employees.
 - Reductions in departmental budgets ranging from 25% to 50%.
 - A partial spending freeze to include most travel, equipment purchases and faculty and staff development.
 - A reduction in student employment hours.

This budget will continue to be monitored and adjusted as required.

RESOLVED, upon recommendation of the President, the Board of Visitors of the College of William and Mary in Virginia approves the revised 2009-10 operating budget for Richard Bland College.

RICHARD BLAND COLLEGE
2009 -2010 OPERATING BUDGET UPDATE

EDUCATIONAL & GENERAL

	<u>Actual 2006-07</u>	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Approved 2009-10</u>	<u>Revised 2009-10</u>	<u>To Date 9/30/09</u>
<u>REVENUE</u>						
General Funds	\$ 5,423,512	\$ 5,947,972	\$ 6,119,777	\$ 6,062,000	\$ 6,062,000	\$ 6,062,200
Nongeneral	2,492,278	2,719,406	3,282,470	3,332,000	3,390,000	1,548,729
Central Appropriations	113,086	205,153	(35,083)	(30,694)	(68,282)	(68,282)
Prior Year Reappropriations	150,970	152,807	101,997	343,420	661,532	-
General Fund Reversion	-	(291,936)	(295,397)	(597,006)	(1,280,778)	-
TOTAL REVENUE	\$ 8,179,846	\$ 8,733,402	\$ 9,173,764	\$ 9,109,720	\$ 8,764,472	\$ 7,542,647
<u>EXPENDITURES</u>						
Instruction	\$ 3,173,690	\$ 3,436,449	\$ 3,478,496	\$ 3,760,000	\$ 3,647,000	\$ 895,036
Public Service	-	-	-	1,000	1,000	-
Academic Support	302,418	335,742	339,316	430,000	410,000	92,313
Student Services	782,686	962,433	971,741	1,037,000	997,000	292,227
Institutional Support	2,316,969	2,488,697	2,888,116	2,602,000	2,522,000	809,034
Operation of Plant	1,520,891	1,506,606	1,544,941	1,190,000	1,145,000	365,367
Contingency	-	-	-	89,720	42,472	-
TOTAL EXPENDITURES	\$ 8,096,654	\$ 8,729,927	\$ 9,222,610	\$ 9,109,720	\$ 8,764,472	\$ 2,453,977

RICHARD BLAND COLLEGE
2009 -2010 OPERATING BUDGET UPDATE

SCHOLARSHIPS AND LOAN ASSISTANCE
FINANCIAL AID

	<u>Actual 2006-07</u>	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Approved 2009-10</u>	<u>Revised 2009-10</u>	<u>To Date 9/30/2009</u>
REVENUE						
General Funds	\$ 261,985	\$ 277,856	\$ 308,417	\$ 313,819	\$ 313,819	\$ 313,819
Nongeneral Funds	-	-	-	40,000	40,000	-
TOTAL REVENUE	\$ 261,985	\$ 277,856	\$ 308,417	\$ 353,819	\$ 353,819	\$ 313,819
EXPENDITURES						
Scholarships	\$ 261,985	\$ 277,856	\$ 308,417	\$ 353,819	\$ 353,819	\$ 166,702

FINANCIAL ASSISTANCE FOR E & G PROGRAMS
SPONSORED PROGRAMS

	<u>REVENUE</u>	<u>EXPENDITURES</u>
General Funds	\$ 23,332	\$ 7,638
Nongeneral Funds	-	35,869
TOTAL REVENUE	\$ 23,332	\$ 7,638
Sponsored Programs	\$ 23,332	\$ 34,633
		\$ 25,000
		\$ 25,000

RICHARD BLAND COLLEGE
2009 -2010 OPERATING BUDGET UPDATE

AUXILIARY ENTERPRISES

	<u>Actual 2006-07</u>	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Approved 2009-10</u>	<u>Revised 2009-10</u>	<u>To Date 9/30/2009</u>
REVENUE						
Fund Balance	\$ 246,727	\$ 287,654	\$ 358,885	\$ 1,800,000	\$ 1,800,000	\$ 1,704,627
Residences	-	74,500	1,477,489	1,115,000	1,115,000	19,600
Special Funds	28,807	33,123	9,480	35,000	35,000	2,370
General Auxiliary Fees	14,290	16,848	155,299	170,000	170,000	-
Parking	44,895	44,600	135,294	110,000	110,000	4,130
Intramural Athletics	4,287	4,212	22,130	19,000	19,000	-
Health Services	-	-	142,147	160,000	160,000	3,214
Food Services	-	-	85,280	55,000	55,000	13,400
TOTAL REVENUE	\$ 339,006	\$ 460,937	\$ 2,386,004	\$ 3,464,000	\$ 3,464,000	\$ 1,747,341
EXPENDITURES						
Residences	\$ 27,372	\$ 18	\$ 212,807	\$ 1,700,000	\$ 2,205,000	\$ 711,365
General Operating	7,836	20,846	67,028	80,000	80,000	27,220
Parking	7,644	7,896	43,047	50,000	50,000	909
Intramural Athletics	-	5,034	14,805	18,000	18,000	168
Health Services	-	-	16,028	150,000	150,000	2,401
Food Services	-	-	83,345	50,000	50,000	28,053
Indirect Costs	8,500	12,000	244,317	250,000	250,000	-
Renewal/Replacement	-	56,257	-	50,000	50,000	-
TOTAL EXPENDITURES	\$ 51,352	\$ 102,051	\$ 681,377	\$ 2,348,000	\$ 2,853,000	\$ 770,116
PRIVATE FUNDS						
REVENUE						
Private Funds	\$ 11,296	\$ 15,157	\$ 21,329	\$ 22,000	\$ 22,000	\$ 986
EXPENDITURES						
Scholarships	\$ 11,400	\$ 11,600	\$ 12,800	\$ 22,000	\$ 22,000	\$ 22,000

COLLEGE OF WILLIAM AND MARY
AGENDA ITEMS

**COLLEGE OF WILLIAM & MARY
RESOLUTION TO APPROVE
POLICY FOR APPOINTMENTS AND TERMINATIONS FOR
PROFESSIONALS AND PROFESSIONAL FACULTY**

WHEREAS, under the Restructured Higher Education Financial and Administrative Operations Act of 2005, Chapter 4.10 of Title 23 of the Code of Virginia (the "Restructuring Act"), the College and the Commonwealth entered into a Management Agreement effective July 1, 2006; and

WHEREAS, pursuant to the authority granted by the Restructuring Act and the Management Agreement, the College established the University Human Resources System, effective as of July 1, 2006, which covers all College employees other than those Classified employees employed by the College prior to such date; and

WHEREAS, the University Human Resources System approved on November 21, 2008, by the Board of Visitors describes new and revised policies and procedures for University employees; and

WHEREAS, these policies include an Appointments and Terminations policy for Professionals and Professional Faculty that constitutes modifications of the existing Human Resources System, specifically those elements of the system set forth in the Policies and Procedures Regarding Employment and Performance Review of Administrative and Professional Faculty, approved by the Board of Visitors on November 3, 1989; and

WHEREAS, the Board of Visitors has reviewed the proposed policy relating to Appointments and Terminations for Professionals and Professional Faculty, a copy of which is attached hereto;

THEREFORE, BE IT RESOLVED, That, upon recommendation of the President, the attached Policy for Appointments and Terminations for Professionals and Professional Faculty is hereby approved; and

BE IT FURTHER RESOLVED, That the authority to amend or revise the Policy for Appointments and Terminations for Professionals and Professional Faculty, and to make further delegation of authority for its implementation, be delegated to the Provost, and

BE IT FINALLY RESOLVED, That the authority to revise, amend, or eliminate the Policies and Procedures Regarding Employment and Performance of Administrative and Professional Faculty be delegated to the President, or his designee.

WILLIAM
& MARY*Administrative Policy and Procedures Manual*

Title: Appointments and Termination of Professionals and Professional Faculty	Number:
Effective Date: November 20, 2009	Responsible Office: Provost
Revision Date: N/A	Page: 1 of 4

I. SCOPE

This policy applies to professionals and professional faculty of the College of William and Mary and the Virginia Institute of Marine Science (the "College").

II. PURPOSE

The purpose of this policy is to describe the conditions and procedures for the appointment and termination of professionals and professional faculty ("professionals").

III. POLICY STATEMENT

Professionals are administrative, technical, academic, clinical and research employees, including employees in recognized professional areas requiring advanced formal study or special experience, who are appointed by the Provost. Professionals are hired either through regular, continuing appointments, or, in certain circumstances, restricted, temporary appointments. Professionals are subject to involuntary separation for budgetary or operational reasons as set forth in this Policy and may also be terminated for cause.

IV. APPOINTMENTS

Professionals are generally employed through regular (continuing) appointments. Restricted appointments are used in certain circumstances, as described under B, below. All appointment decisions are subject to the authority of the Provost.

All appointments are contingent upon availability of funds, including appropriation of funds by the General Assembly. This means that an appointment may be rescinded or terminated for budgetary reasons, as described under V.C, below.

Appointments are also subject to satisfactory performance by the professional. Unsatisfactory performance is a basis for removal for cause. See V.A, below.

A. Reassignments

The Provost has complete discretion to reassign administrative duties and titles at any time. For example, a professional may be reassigned to work in a different department or office, under a different supervisor. For a professional who is also an instructional faculty member with tenure or a continuing academic appointment, the Provost may relieve the individual of his or her administrative appointment and related duties.

The salary for any position subject to reassignment shall be adjusted, as appropriate, pursuant to the College Policy on Compensation. Reassignments, including demotions, are not subject to notice requirements, provided that a reduction in salary shall be effective no sooner than 30 days following the provision of written notice of the reduced salary to the affected professional.

B. Restricted Appointments

Restricted appointments are positions that either are funded through sponsored contracts or grants, or have a specified ending or termination date, regardless of the funding source. Professionals with restricted appointments may be converted to regular, continuing appointments at the discretion of the College.

1. Personnel Supported by Grants. Professionals in grant-funded positions terminate upon expiration of the supporting grant. These positions may provide for continued employment conditioned upon the receipt of a subsequent grant, in which case the appointment will terminate with the unavailability or termination of the subsequent grant. Failure to provide notice of termination will not prolong employment beyond grant's funding period.
2. Specified-Term and Other Restricted Appointments. Certain professionals may be hired for a specified period or project. Such professionals may include those employed in the Department of Athletics. These restricted appointments are not renewable and automatically terminate on the date specified with no notice or other action required unless otherwise specified.

V. TERMINATION AND OTHER FORMS OF INVOLUNTARY SEPARATION AND REDUCTION; CERTAIN AMICABLE SEPARATION AGREEMENTS**A. Removal for Cause**

Removal for Cause is termination for serious, willful, or repeated misconduct, or deficiencies in performance such as:

- unethical conduct or dishonesty, including falsification of credentials or records, and misappropriation or misuse of College funds or property;
- serious, knowing, or repeated violation of policy or law;
- malfeasance;
- serious or repeated insubordination;
- inappropriate behavior that adversely affects College operations;
- convicted criminal conduct occurring (i) on the job, or (ii) off the job, if plainly related to or affecting job performance, detrimental to the College's reputation, or of such a nature that retention of the professional would be negligent in light of the College's duties to itself, the public, students, or other employees;

- inability, unwillingness, or refusal to perform functions of the job, including job abandonment; and
- unsatisfactory performance in accordance with the applicable College policy on performance planning and evaluation for professionals and professional faculty.

A professional may be discharged for cause at any time. Professionals who are removed for cause are not eligible for severance benefits.

The Office of the Provost will send the professional written notice of the College's intent to terminate. The professional will have an opportunity to respond, in person or in writing, by explaining why the planned action should not occur. The termination notice will specify the deadline for the professional's response, which must be at least five working days after the date of the notice. The professional may be placed on administrative (paid) leave pending the termination date, at the College's discretion.

B. Abolition or Reduction of Position for Operational Reasons.

A professional position may be eliminated or reduced (changed from full-time to part-time, made seasonal, etc.) if the College determines that the services being performed are no longer required or can be reduced. This determination may be made at the College's discretion for operational reasons.

A position may be abolished or reduced at any time provided that the affected professional is given written notice at least 90 days prior to the effective date. If the position is reduced in scope, the professional may decline to continue in the position. If the professional declines, it would still be considered an involuntary separation eligible for severance. The notice will specify the severance benefits for which the professional is eligible (see "Severance Benefits for Professionals and Professional Faculty"). Unless otherwise negotiated, an employee is expected to perform his or her duties during the notice period.

C. Termination or Reduction of Position for Budgetary Reasons

Inadequate funding or other fiscal constraints can result in termination or reduction of a position(s) by the College at its discretion. In implementing terminations and reductions necessitated by inadequate funding, the College will give due consideration to the effect of a position on the College's mission and the need for efficient use of available resources.

A position may be terminated or reduced at any time provided that the affected professional is given written notice at least 90 days prior to the effect date. The notice will specify the severance benefits for which the professional is eligible (see "Severance Benefits for Professionals and Professional Faculty"). Unless otherwise negotiated, an employee is expected to perform his or her duties during the notice period. If the position is reduced in scope for budgetary reasons, the professional may decline to continue in the position. If the professional declines, it would still be considered an involuntary separation eligible for severance.

D. Negotiated Separations

The College, at its discretion and as an alternative to other methods of termination, may negotiate separation agreements with professionals. Such agreements may be used where unsuccessful job matches, irresolvable conflicts or other circumstances lead the parties to agree that a negotiated end to the employment relationship is in the parties' best interest. Such agreements must be approved by the Provost.

E. Access to Grievance Process

Professionals who have been terminated have access to the College's grievance procedure for professionals.

VI. RESIGNATION

Notice of intention to resign should be given in writing at least 30 days before the effective date of resignation.

VII. AUTHORITY, INTERPRETATION AND AMENDMENT

This policy was approved by the Board of Visitors. Interpretation of this policy is the responsibility of the Provost. The Provost may amend or revise this policy at any time. Nothing herein limits the ability of the Provost to delegate his authority or designated roles under this policy.

This policy replaces and supersedes all prior policies governing appointments and termination of professionals, including those set forth in the "Policies and Procedures Regarding Employment and Performance Review of Administrative and Professional Faculty," under Section IV ("Contracts, Terminations, and Notice").

D. Negotiated Separations

The College, at its discretion and as an alternative to other methods of termination, may negotiate separation agreements with professionals. Such agreements may be used where unsuccessful job matches, irresolvable conflicts or other circumstances lead the parties to agree that a negotiated end to the employment relationship is in the parties' best interest. Such agreements must be approved by the Provost.

E. Access to Grievance Process

Professionals who have been terminated have access to the College's grievance procedure for professionals.

VI. RESIGNATION

Notice of intention to resign should be given in writing at least 30 days before the effective date of resignation.

VII. AUTHORITY, INTERPRETATION AND AMENDMENT

This policy was approved by the Board of Visitors. Interpretation of this policy is the responsibility of the Provost. The Provost may amend or revise this policy at any time. Nothing herein limits the ability of the Provost to delegate his authority or designated roles under this policy.

This policy replaces and supersedes all prior policies governing appointments and termination of professionals, including those set forth in the "Policies and Procedures Regarding Employment and Performance Review of Administrative and Professional Faculty," under Section IV ("Contracts, Terminations, and Notice").

COLLEGE OF WILLIAM AND MARY
APPROVAL OF 2010 INTERNAL AUDIT WORK PLAN

As provided in the Office of Internal Audit Charter, the Director is responsible for preparing comprehensive work plans based upon his judgment and a risk assessment model.

The proposed 2010 Work Plan for the Office of Internal Audit includes the following areas:

1. ARMICS – risk management and internal controls directive
2. ARRA – Stimulus funding
3. Auditor of Public Accounts (APA) Support
4. Banner enterprise application review – Richard Bland College
5. Budget reductions – William and Mary and Richard Bland College
6. Financial Statements – compliance and desk review
7. Fraud, Waste and Abuse Hotline; internal investigations
8. Information technology security and organization review
9. Parking Services follow-up
10. Personnel evaluation committees
11. President's Benchmarking Committee
12. Related foundations
13. Risk Management Committee
14. Small purchase cards
15. Strategic Initiatives Creative Services – management request
16. William and Mary Police Department – assist investigations
17. Additional requests from the Board and management

The 2010 Work Plan has been reviewed by the Committee on Audit and management of the College of William and Mary and Richard Bland College, and is hereby recommended to the Board of Visitors.

THEREFORE, BE IT RESOLVED, That the 2010 Work Plan for the Office of Internal Audit is approved by the Board of Visitors.

VIRGINIA INSTITUTE OF MARINE SCIENCE

**RESOLUTION TO DEMOLISH
PIER HOUSE ON EASTERN SHORE AND
THE SOWERS HOUSE AT GLOUCESTER POINT**

WHEREAS, the Virginia Institute of Marine Science requests Board of Visitors' approval to demolish two buildings, the Pier House on the Eastern Shore campus at Wachapreague and the Sowers House on the Gloucester Point campus. The Pier House is in very poor condition and a small enclosure will be constructed for the pump equipment. The Sowers House will be demolished to relocate external research tanks near the new Seawater Research Laboratory.

WHEREAS, the College and the Commonwealth entered into a 2006 Management Agreement (the "Agreement"), governed by the restructured Higher Education Financial and Administrative Operations Act of 2005, Chapter 4.10 of the Title 23 of the *Code of Virginia*; and

WHEREAS, the Agreement was renewed in 2009; and

WHEREAS, the Agreement authorizes the College's Board of Visitors to approve demolition of buildings subject to review by the Art and Architectural Review Board and the Department of Historic Resources; and

WHEREAS, the Virginia Institute of Marine Science will follow established policies and procedures for each demolition; thus,

THEREFORE, BE IT RESOLVED, by the Rector and the Board of Visitors of the College of William and Mary in Virginia, that approval is given to the Virginia Institute of Marine Science to demolish the Pier House (268-B88) and the Sowers House (268-B114) in accordance with all authorities, policies, and procedures in force and necessary to accomplish same; and that

FURTHER RESOLVED, the Vice President for Administration, the Associate Vice President for Facilities Management, and the College Building Official are authorized to execute any and all documents pertaining to the removal of said buildings.

**COLLEGE OF WILLIAM AND MARY
DEMOLITION OF THIEMES HOUSE**

WHEREAS, the College of William and Mary requests Board of Visitors' approval to demolish the building, Thiemes House (204-0133), located at 303 Richmond Road, adjacent to the convenience store, WAWA; and

WHEREAS, the site will be eventually incorporated into the William & Mary Real Estate Foundation's (WMREF) College Triangle Retail Project; and

WHEREAS, the College and the Commonwealth entered into a 2006 Management Agreement (the "Agreement"), governed by the restructured Higher Education Financial and Administrative Operations Act of 2005, Chapter 4.10 of the Title 23 of the *Code of Virginia*; and

WHEREAS, the Agreement was renewed in 2009; and

WHEREAS, the Agreement authorizes the College's Board of Visitors to approve demolition of buildings subject to review by the Art and Architectural Review Board and the Department of Historic Resources; and

WHEREAS, the College will follow policies and procedures established under the Agreement, and governing demolition; thus,

THEREFORE, BE IT RESOLVED, by the Rector and the Board of Visitors of The College of William and Mary in Virginia, that approval is given to the College to demolish Thiemes House (204-00133) in accordance with all authorities, policies, and procedures in force and necessary to accomplish same; and that

FURTHER RESOLVED, the Vice President for Administration, the Associate Vice President for Facilities Management, and the College Building Official are authorized to execute any and all contracts and documents necessary and pertaining to the removal of same.

**COLLEGE OF WILLIAM & MARY
2010-2016 CAPITAL OUTLAY PLAN REVISED**

In March of 2009, the College developed its proposed capital outlay six year plan for the biennia 2010-2016. The plan was developed in accordance with the Governor's guidance on six year capital plans. Typically developed in the spring of the odd numbered year, the plan, which also includes the 2010-16 Maintenance Reserve request, is completed over the ensuing summer in a series of submissions to the Department of Planning & Budget. The refined plan, along with the addition of a new project, is being brought to the Board of Visitors for final action.

The new project, "Construct Ash Lawn Barn," was added to the 2010-2012 biennium of the College's capital plan. The project will construct a 3,160 square foot barn, for the purposes of education, exhibitions, and special events. The project's recommended fund source is 9(d) pooled bond debt; Ash Lawn's existing revenue stream will service the debt.

In addition, the College made a series of submittals to the Department of Planning and Budget (DPB) and other agencies between April and September of 2009. Over the course of the process, project budgets were refined and adjusted. The attached spreadsheet reflects the final estimates that were reported to DPB.

RESOLVED, That the Board of Visitors of The College of William and Mary in Virginia approves the 2010-2016 Capital Outlay Plan Revised as recommended; and

BE IT FURTHER RESOLVED, That the Board hereby authorizes the Vice President for Administration to take whatever actions are necessary to support the process of budget development relative to the Governor and supporting agencies with respect to the 2010-2016 Capital Plan Revised.

College of William and Mary
2010-2016 Capital Plan REVISED

2010 - 2012 Capital Program Request					
Priority	Project	Fund	General Funds	Non-General Funds	Total Project Request
1a	Maintenance Reserve	0100	\$5,645,000		\$5,645,000
2	Construct: Cooling Plant/Utility Improvements , Ph 3	0100/0815	\$8,181,000	\$9,999,000	\$18,180,000
3	Improve: Lake Matteska Dam Spillway	0100	\$1,500,000		\$1,500,000
4	Renovate: Tucker Hall	0100	\$12,121,000		\$12,121,000
5	Construct: Monello/Crompton Pedestrian Pathways	0100	\$1,950,000		\$1,950,000
6	Construct: Integrated Science Center, Phase 3	0100	\$85,000,000		\$85,000,000
7	Improve: Campus Storm Water Infrastructure	0100	\$2,000,000		\$2,000,000
8	Design: Tyler Hall Renovation	0100	\$2,750,000		\$2,750,000
9	Design: Fine and Performing Arts Complex	0100/302	\$250,000	\$4,806,000	\$5,056,000
10	Renovate: Brafferton & Brafferton Kitchen	0100	\$4,406,000		\$4,406,000
11	Improve: Athletic Facilities	0815		\$6,500,000	\$6,500,000
12	Construct: New Dormitory	0813		\$25,800,000	\$25,800,000
13	Renovate: Residence Halls (Dormitories)	0813		\$4,500,000	\$4,500,000
14	Construct: Ash Lawn Barn	0813		\$800,000	\$800,000
	2010-2012 Biennium Totals		\$123,803,000	\$62,405,000	\$176,208,000
					\$5,063,730

Board of Visitors

Resolution 7

November 18-20, 2009

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COLLEGE OF WILLIAM AND MARY
APPOINTMENT TO FILL A VACANCY IN THE
INSTRUCTIONAL FACULTY

A vacancy in the Instructional Faculty of the College of William and Mary has resulted because of resignation, termination or the approval of an additional authorized position.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the appointment of the following individual to fill this position:

NICHOLAS CHRISTOFF, Assistant Professor of Military Science,
effective 1 October 2009

B.A. (1978); M.A. (1986), Rider University
M.B.A., University of California, Los Angeles, 1997
M.B.A., Vanderbilt University, 2007

Christopher Newport University
Assistant Professor, 2007, 2009

Fort Lee, Virginia
Personnel Management Officer, 1995-2007

COLLEGE OF WILLIAM AND MARY
APPOINTMENTS TO FILL VACANCIES IN THE
PROFESSIONALS AND PROFESSIONAL FACULTY

Vacancies in the Professionals and Professional Faculty of the College of William and Mary have resulted because of resignations, terminations or the approval of additional authorized positions.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the appointments of the following individuals to fill these positions:

CAROLYN K. DAVIS, Director of Auxiliary Services, effective
19 January 2010

B.A. (1973); M.B.A. (1980), College of William and Mary

University of Wisconsin
Assistant Campus Dean for Administrative Services, 2003-2009

DRS3, LLC, Broomfield, Co. (privately owned company providing travel and management services)
Managing Director, 1999-2003

Champion International Corporation
Director, Facilities Administration and Corporate Services, 1989-1999

JAMES A. FERNALD, Assistant Director of Marketing and Promotions, Athletics Department, effective 10 September 2009

B.A., Washington and Lee University, 2004

LSU Sports Properties
Account Executive, Operations/Client Services, 2007-2009

University of Virginia, Virginia Athletics Ticket Office
Sales Representative, 2006-2007

Board of Visitors

Resolution 8

November 18-20, 2009

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COLLEGE OF WILLIAM AND MARY
APPOINTMENTS TO FILL VACANCIES IN THE
PROFESSIONALS AND PROFESSIONAL FACULTY

BRAXTON THOMAS FONVILLE, Investment Officer, College of
William and Mary Foundation, effective December 1, 2009

B.S., University of North Carolina at Chapel Hill, 2009

University of North Carolina Management Company
Public Investment Intern, 2008-2009

WARRNETTA CRAWFORD MANN, Director of the Counseling Center,
Student Affairs, effective 10 December 2009

B.A., Vanderbilt University, 1988
M.A., University of Louisville, 1992
Psy.D., Spalding University, 2003

University of Virginia Counseling and Psychological Services
Multicultural Coordinator/Staff Psychologist, 2006-2009

University of Cincinnati Psychological Services Center
Coordinator of Clinical Services, 2005-2006
Senior Staff Therapist/Coordinator of Multi-Ethnic/Cross
Cultural Services and Women's Services, 2002-2004

Board of Visitors

Resolution 8

November 18-20, 2009

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COLLEGE OF WILLIAM AND MARY
APPOINTMENTS TO FILL VACANCIES IN THE
PROFESSIONALS AND PROFESSIONAL FACULTY

EDWARD D. MARIS-WOLF, Manager of International Programs,
Omohundro Institute of Early American History and Culture, effective
25 September 2009

B.A., Amherst College, 1997
M.A. (2002); Ph.D. (Candidate), College of William and Mary

College of William and Mary, Omohundro Institute of Early American
History and Culture
Assistant Editor, William and Mary Quarterly, 2009
Freelance Copyeditor, William and Mary Quarterly, 2008-2009

DENISE R. RIDLEY MCCOY, Assessment Analyst, Institutional Analysis
and Effectiveness, effective 4 November 2009

B.A., Christopher Newport University, 1986
M.B.A., College of William and Mary, 1993

College of William and Mary
Associate Director of Academic Projects, Academic Affairs
Assessment, Mason School of Business, 2008-2009
Administrative Project Manager, Academic Affairs, Mason School
of Business, 2007-2008
Administrative and Research Project Manager, Mason School
of Business, 2006-2007
Associate Director of Sponsored Programs, Office of Grants
and Research Administration, 2004-2006
Compliance and Research Administrator, Office of Grants
and Research Administration, 2001-2004

Board of Visitors

Resolution 8

November 18-20, 2009

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COLLEGE OF WILLIAM AND MARY
APPOINTMENTS TO FILL VACANCIES IN THE
PROFESSIONALS AND PROFESSIONAL FACULTY

BASSANO DEAN NEFF, Director, Fiscal Operations, School of Education,
effective 10 October 2009

B.S., Old Dominion University, 1984

College of William and Mary
Accountant, Swem Library, 2003-2009

Virginia Department of Transportation
Budget Manager, 2002-2003
Financial Analyst, 2001-2002

College of William and Mary
Business System Analyst, Bursar's Office, 1999-2001
Manager, Student Accounts, Bursar's Office, 1989-1999

JENNIFER SEKULA, Head of Access Services, Marshall-Wythe School of
Law, effective 1 January 2010

B.S., College of William and Mary, 1994
M.S. (1998); J.D. (1998), Vermont Law School
M.S.L.S, Catholic University of America, 2002

College of William and Mary, The Wolf Law Library
Senior Reference Librarian
Foreign and International Law Specialist, 1999-2009

BENJAMIN C. SHEPARD, Area Director, Residence Life, effective
10 November 2009

B.S., Bradley University, 2005
M.A., Saint Louis University, 2008

Saint Louis University
Residence Hall Coordinator, 2006-2009

Bradley University
Residence Hall Director, 2003-2006
Assistant Residence Hall Director, 2002-2003

Board of Visitors

Resolution 9

November 18-20, 2009

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COLLEGE OF WILLIAM AND MARY
CHANCELLOR PROFESSORSHIP

The following member of the Instructional Faculty of the College of William and Mary has been recommended for a Chancellor Professorship.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the Chancellor Professorship for the following member of the Faculty of the College, effective January 1, 2010:

JOHN E GRAVES, Chancellor Professor of Marine Science, for a seven-year term.

COLLEGE OF WILLIAM AND MARY
RETIREMENT OF EUGENE M. BURRESON
SCHOOL OF MARINE SCIENCE

Professor Eugene M. Burreson joined the faculty of the College of William and Mary in 1977 as an Assistant Professor in the School of Marine Science and Program Manager for the BLM Middle Atlantic Outer Continental Shelf Environmental Studies program at VIMS. He was promoted to Associate Professor in 1985 and became Professor in 1993. Professor Burreson was named Head of the Department of Fisheries Science in 1996, and from 1996 to 2002 he served as Director for Research and Advisory Services. In July 2008, Professor Burreson was appointed Chancellor Professor.

Professor Burreson received his B.S. in Biology in 1965 from Eastern Oregon University, his M.S. in Zoology in 1973 from Oregon State University, and his Ph.D. in 1975 in Zoology/Oceanography from Oregon State University.

He is highly respected as a researcher internationally and has provided extraordinary leadership and governance service to VIMS, the Commonwealth, as well as to the international community. As Director for Research and Advisory Services, he passionately devoted himself to this position, fostered an efficient and productive research atmosphere at VIMS, and gave sound and rigorous scientific advice to the state, region, nation and international community.

Professor Burreson is an eminent shellfish pathologist. He is internationally recognized for his work on marine leeches. Professor Burreson is the head of the VIMS Shellfish Pathology Laboratory, which does all the oyster disease monitoring for the Commonwealth of Virginia. Gene's shellfish disease expertise is also internationally recognized, and scientists and regulators from around the world contact him for information and recommendations. Based on his expertise, the Office International de Epizooties (OIE) designated him the honor as the sole Reference Expert for molluscan diseases Perkinsosis and Haplosporidiosis. Similarly, the VIMS shellfish pathology laboratory is the sole OIE Reference Laboratory for these molluscan diseases. The OIE is a Paris, France-based international advisory organization on infectious animal diseases and is the official arbiter of the World Trade Organization for issues involving living animal products, including wild or aquacultured marine animals.

Professor Burreson's honors have been many. In 2000, a manuscript on which he was lead author published in the American Fisheries Society journal and the Journal of Aquatic Animal Health, was recognized as the best paper published in the journal that year. He is also one of the few recognized world experts in leech taxonomy. He received an NSF Partnership for Enhancing Expertise in Taxonomy (PEET) grant award, which is designed to enhance taxonomic research and train future generations of experts. Professor Burreson has received many other NSF awards as well. In 1989, VIMS awarded him the Outstanding Faculty Advisory Service Award for his activities to the Commonwealth and the Nation. The National Shellfisheries Association recognized him with their Honored Life Member Award, the association's highest honor, in 2009.

Over the years, Professor Burreson has obtained numerous competitive research grants from federal and state agencies that helped him to develop one of the strongest and most productive research programs at VIMS. Professor Burreson has been an outstanding mentor to many excellent and successful graduate students and post-doctoral associates. In 1993, he was recognized for his teaching excellence as a recipient of the Alumni Fellowship Award.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Professor Eugene M. Burreson effective January 1, 2010; expresses its appreciation to him for the many contributions he has made to the College of William and Mary; and approves, with deep gratitude for his thirty-three years of devoted service to the University, a change in status from Chancellor Professor of Marine Science to Chancellor Professor of Marine Science, Emeritus.

BE IT FURTHER RESOLVED, That this resolution be spread upon the minutes of the Board and a copy of the same be delivered to Professor Eugene M. Burreson with best wishes for continuing and creative work in the years ahead.

COLLEGE OF WILLIAM AND MARY

**REVISED FY 2009-10
OPERATING BUDGET FOR EDUCATIONAL AND GENERAL PROGRAMS**

On September 8, 2009, Governor Timothy M. Kaine released the FY 2010 Reduction Plan for the Commonwealth of Virginia. This plan responded to an estimated \$1.35 billion budget shortfall for the 2008-2010 biennium and was intended to bring the Commonwealth's general fund budget back into balance. This reduction plan marks the fourth time in two years that general fund reductions have occurred.

The Governor balances the budget through a series of base budget and one-time actions. In higher education, general fund support is reduced by 15% for four year institutions and 13% for two year institutions. To help mitigate the immediate impact of this mid-year reduction the Governor intends to provide higher education institutions with additional federal stimulus funds. The net effect will be that two year and four year institutions must address reductions of just over 6.9% and 8%, respectively.

For the College, a 15% reduction in state support totals \$6.2 million. At this point we expect to receive an additional \$2.8 million in federal stimulus funds and address the remaining \$3.4 million with a combination of increased revenue and budget reductions. The net effect on both revenue and expense budgets for this year is reflected in the accompanying Revised FY 2010 Educational and General Operating Budget.

THEREFORE, BE IT RESOLVED That the Board of Visitors of the College of William and Mary in Virginia approves the Revised FY 2010 Educational and General Programs Operating Budget of the College as reflected on the attached schedule.

COLLEGE OF WILLIAM AND MARY**REVISED FY 2009-10
OPERATING BUDGET FOR EDUCATIONAL AND GENERAL PROGRAMS**

	<u>Approved</u> <u>FY 2009-2010</u>	<u>Revised</u> <u>FY 2009-2010</u>	<u>Variance</u>
<u>REVENUE</u>			
Federal Funds	\$ 3,815,722	\$ 6,615,722	\$ 2,800,000
General Fund	40,977,444	34,778,267	(6,199,177)
Nongeneral Fund	<u>93,662,862</u>	<u>95,542,862</u>	<u>1,880,000</u>
Total Revenue	\$ 138,456,028	\$ 136,936,851	\$ (1,519,177)
<u>EXPENDITURES</u>			
Instruction	\$ 77,345,245	\$ 76,915,119	\$ (430,126)
Research	1,616,474	1,335,972	(280,502)
Public Service	8,021	8,021	—
Academic Support	21,951,726	21,626,695	(325,031)
Student Services	6,517,966	6,445,393	(72,573)
Institutional Support	14,222,640	14,000,867	(221,773)
Plant Operations	<u>16,793,956</u>	<u>16,604,784</u>	<u>(189,172)</u>
Total Expenditures	\$ 138,456,028	\$ 136,936,851	\$ (1,519,177)

Board of Visitors

Resolution 12

November 18-20, 2009

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**COLLEGE OF WILLIAM AND MARY
RECEIPT OF THE CONSOLIDATED FINANCIAL REPORT OF
THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA AND
RICHARD BLAND COLLEGE FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

The Consolidated Financial Report of The College of William and Mary in Virginia and Richard Bland College for the fiscal year ended June 30, 2009, has been presented by the Vice President for Finance and the Dean of Administration and Finance to the Presidents of the Colleges, who have approved it for presentation to the Rector and the Board of Visitors.

The statements included in this consolidated Financial Report provide a concise analysis of the College's financial affairs for fiscal year 2008-2009. The report is subject, of course, to a detailed audit to be directed by the Auditor of Public Accounts.

RESOLVED, That the unaudited Consolidated Financial Report for fiscal year 2008-2009 of The College of William and Mary in Virginia and Richard Bland College is hereby received by the Board of Visitors.

Board of Visitors

Resolution 13

November 18-20, 2009

Page 1 of 1

**COLLEGE OF WILLIAM AND MARY
RECEIPT OF THE FINANCIAL REPORT OF
THE INTERCOLLEGIATE ATHLETIC DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

The summarized Financial Report of the Intercollegiate Athletic Department for the fiscal year ended June 30, 2009, has been presented by the Vice President for Finance to the President of the College, who has approved it for presentation to the Rector and the Board of Visitors.

RESOLVED, That the Financial Report of the Intercollegiate Athletic Department for fiscal year ended June 30, 2009, is hereby received by the Board of Visitors.

Board of Visitors

Resolution 14

November 18-20, 2009

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VIRGINIA INSTITUTE OF MARINE SCIENCE

REVISED FY 2009-10 OPERATING BUDGET

The revised State appropriation for the Virginia Institute of Marine Science provides \$16.1 million in general fund support. This appropriation is supplemented by nongeneral fund revenue estimated at \$27.4 million.

The proposed budget reflects the additional 15% general fund reduction of \$2.8 million in FY 2009-10. This reduction is partially offset by a projected additional \$1.3 million in Federal stimulus funds from the American Recovery and Reinvestment Act. The Federal stimulus funds are used to offset additional cuts to the instruction, academic support and institutional support programs. An additional \$0.2 million in reductions are due to general fund cuts in other State agencies and reduced funds for fringe benefits.

BE IT RESOLVED, That the Board of Visitors of the College of William and Mary in Virginia approves the FY 2009-10 revised operating budget of the Virginia Institute of Marine Science, as displayed on the attached schedule.

VIRGINIA INSTITUTE OF MARINE SCIENCE**REVISED FY 2009-10 OPERATING BUDGET**

	<u>Approved</u> <u>FY 2009-2010</u>	<u>Revised</u> <u>FY 2009-2010</u>	<u>Variance</u>
<u>REVENUE</u>			
General Fund	\$19,020,420	\$16,070,326	(\$2,950,094)
Nongeneral Fund			
Education and General	1,901,460	1,894,248	(7,212)
Federal Stimulus	660,246	1,959,192	1,298,946
Sponsored Programs	<u>23,500,000</u>	<u>23,500,000</u>	-
 TOTAL REVENUE	 \$45,082,126	 \$43,423,766	 (\$1,658,360)
 <u>EXPENDITURES</u>			
Instruction	\$1,849,809	\$1,840,762	(\$9,047)
Research & Advisory Services	8,665,525	8,428,714	(236,811)
Academic Support	4,132,490	3,818,389	(314,101)
Institutional Support	2,859,641	1,833,167	(1,026,474)
Plant and Maintenance	3,836,134	3,764,207	(71,927)
Student Financial Assistance	238,527	238,527	-
Sponsored Programs	<u>23,500,000</u>	<u>23,500,000</u>	-
 TOTAL EXPENDITURES	 \$45,082,126	 \$43,423,766	 (\$1,658,360)

AGENDA ITEMS
Board of Visitors Meeting
The College of William and Mary in Virginia

November 18-20, 2009
Board Room - Blow Memorial Hall

RICHARD BLAND COLLEGE

Resolution 1, *tab #1* 2009 - 2010 Operating Budget Update

Resolution 12, *tab #12* Receipt of the Consolidated Financial Report of the College of William and Mary in Virginia and Richard Bland College for the Fiscal Year Ended June 30, 2009
(*joint with William and Mary*)

COLLEGE OF WILLIAM AND MARY

Resolution 2, *tab #2* Resolution to Approve Policy for Appointments and Terminations for Professionals and Professional Faculty

Resolution 3, *tab #3* Approval of 2010 Internal Audit Work Plan

Resolution 4, *tab #4* Resolution to Demolish Pier House on Eastern Shore and the Sowers House at Gloucester Point

Resolution 5, *tab #5* Demolition of Thiemes House

Resolution 6, *tab #6* 2010-2016 Capital Outlay Plan Revised

Resolution 7, *tab #7* Appointment to Fill a Vacancy in the Instructional Faculty

Resolution 8, *tab #8* Appointments to Fill Vacancies in the Professionals and Professional Faculty

Resolution 9, *tab #9* Chancellor Professorship

Resolution 10, *tab #10* Retirement of Eugene M. Burreson
School of Marine Science

Board of Visitors
AGENDA ITEMS
November 18-20, 2009

Resolution 11, *tab #11*

College of William and Mary Revised FY 2009-10 Operating Budget for Educational and General Programs

Resolution 12, *tab #12*

Receipt of the Consolidated Financial Report of the College of William and Mary in Virginia and Richard Bland College for the Fiscal Year Ended June 30, 2009

(joint with Richard Bland College)

Resolution 13, *tab #13*

Receipt of the Financial Report of the Intercollegiate Athletic Department for the Fiscal Year Ended June 30, 2009

Resolution 14, *tab #14*

Virginia Institute of Marine Science Revised FY 2009-10 Operating Budget

BOARD OF VISITORS MEETING DATES

2009

November 19-20

2010

February 4-5 (Charter Day 2/6)

April 15-16 (Commencement weekend 5/14-16)

September 16-17

November 18-19 (November 18 at Richard Bland College)

MAY 2009

COLLEGE OF WILLIAM AND MARY**REVISED FY 2010 TUITION**

On April 17, 2009, the Board of Visitors of the College of William and Mary approved Resolution 4, FY2009-10 Operating Budget for Educational and General Programs and Resolution 5, FY2009-10 Tuition and Fee Structure for Full- and Part-time Students of the College, based on the Commonwealth of Virginia's revised 2008-10 operating budget as approved by the General Assembly and signed into law by the Governor. Subsequent to that action Governor Timothy M. Kaine determined that, due to the on-going effects of the current economic downturn, estimated general fund revenues of the Commonwealth would not support the Commonwealth's revised budget as approved.

As a result, on September 8, 2009, Governor Kaine released the FY 2010 Reduction Plan for the Commonwealth of Virginia. This plan responded to an estimated \$1.35 billion budget shortfall for the 2008-2010 biennium and was intended to bring the Commonwealth's general fund budget back into balance. This reduction plan marks the fourth time in two years that general fund reductions have occurred.

The Governor balances the budget through a series of base budget and one-time actions. In higher education, general fund support is reduced by 15% for four-year institutions and 13% for two-year institutions. To help mitigate the immediate impact of this mid-year reduction the Governor intends to provide higher education institutions with additional federal stimulus funds. The net effect will be that two-year and four-year institutions must address reductions of just over 6.9% and 8%, respectively.

For the College, a 15% reduction in state support totals \$6.2 million. At this point we expect to receive an additional \$2.8 million in federal stimulus funds and address the remaining \$3.4 million with a combination of increased revenue and budget reductions. Budget reductions identified to date total \$1.5 million. This amount includes \$800,000 through elimination of 18 positions, including 12 layoffs among our professional and classified staff effective January 2010. We will also cut an additional \$700,000 from the maintenance and operations budgets of our various schools, departments and programs.

The balance of the reduction will be supported by a base tuition increase of \$300 applicable to all full-time undergraduate, graduate business, and law students billable for the Spring 2010 semester. A summary of the tuition changes follows:

COLLEGE OF WILLIAM AND MARY**REVISED FY 2010 TUITION**

	<u>Current FY 2010 Tuition</u>	<u>Revised FY 2010 Tuition</u>	<u>Dollar Change</u>
Undergraduate			
In-state	\$ 6,388	\$ 6,688	\$300
Out-of-state	\$26,180	\$26,480	\$300
Graduate Business*			
In-state	\$17,386	\$17,686	\$300
Out-of-state	\$29,016	\$29,316	\$300
Law			
In-state	\$17,213	\$17,513	\$300
Out-of-state	\$27,043	\$27,343	\$300

*Applicable to MBA and Masters of Accountancy programs.

THEREFORE, BE IT RESOLVED, That the Board of Visitors of The College of William and Mary in Virginia approves a base tuition increase of \$300 applicable to all full-time undergraduate, graduate business, and law students as one component of the actions necessary to offset the mid-year loss of \$6.2 million in state support; and

THEREFORE, BE IT FURTHER RESOLVED, That the Board of Visitors approves the allocation of \$330,000 in private funds to offset the impact of this mid-year tuition increase on those students with demonstrated financial aid need.