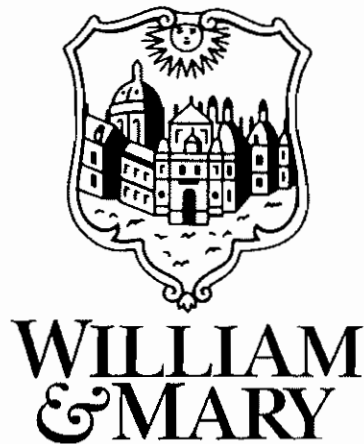


# BOARD OF VISITORS OF THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA

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## COMMITTEE MEETINGS

*Richard Bland College - James B. McNeer Hall Room 104*  
*William and Mary - Blow Memorial Hall Board Room*

November 28 - 30, 2012

## **SCHEDULE**

Board of Visitors Committee Meetings  
The College of William and Mary

November 28-30, 2012  
Blow Memorial Hall - College of William and Mary  
James B. McNeer Hall – Richard Bland College

### **WEDNESDAY, NOVEMBER 28:**

#### **BOARD CONFERENCE ROOM - COMMITTEE ON AUDIT AND COMPLIANCE**

3:30-5:00 p.m.      Committee on Audit and Compliance      John C. Thomas, Chair  
                                 (Mr. Stump)      Michael Tang, Vice Chair  
                                 Edward L. Flippen  
                                 John E. Littel  
                                 Leigh A. Pence  
                                 L. Clifford Schroeder, Sr.

A.    Approval of Minutes  
B.    Report from Auditor of Public Accounts  
C.    Report from Director of Internal Audit  
      1.    Enclosure F, page 11  
      2.    **Resolution 5**, page 12  
      3.    **Resolution 6**, page 13  
C.    Report from Compliance and Policy Officer  
D.    Closed Session (if necessary)

#### **BOARD ROOM – COMMITTEE ON ATHLETICS**

4:00-5:00 p.m.      Committee on Athletics      Peter A. Snyder, Chair  
                                 (Mr. Driscoll)      Kendrick F. Ashton, Jr., Vice Chair  
                                 Keith S. Fimian  
                                 Thomas R. Frantz  
                                 Todd A. Stottlemeyer

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

Board of Visitors  
SCHEDULE  
November 28-30, 2012

**RECTOR'S OFFICE – EXECUTIVE COMMITTEE**

5:00-6:15 p.m.      Executive Committee

Jeffrey B. Trammell, Chair  
Charles A. Banks III, Vice Chair  
Dennis H. Liberson, Secretary

Robert E. Scott  
Todd A. Stottlemeyer  
Michael Tang  
John C. Thomas

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

**PLUMERI HOUSE - 119 CHANDLER COURT**

6:30 p.m.      Board Reception and Dinner

Board of Visitors  
SCHEDULE  
November 28-30, 2012

**THURSDAY, NOVEMBER 29:**

**DAWSON CIRCLE**

8:00 a.m. Depart for Richard Bland College

**JAMES B. McNEER HALL ROOM 104 - RICHARD BLAND COLLEGE**

9:30-11:45 a.m. Richard Bland College Committee Dennis H. Liberson, Chair  
(President Sydow) Ann Green Baise, Vice Chair  
Kendrick F. Ashton, Jr.  
Keith S. Fimian  
Edward L. Flippen  
John E. Littel

- A. Optional campus tours
- B. Strategic Planning Forum
- C. Approval of Minutes
- D. General Reports
- E. Action Material
  - 1. **Resolution 1**, pages 18-19
  - 2. **Resolution 2**, pages 20-29
  - 3. **Resolution 3**, page 30
  - 4. **Resolution 4**, page 31
  - 5. **Resolution 14**, page 32 (joint with William and Mary)
- F. Informational Material
  - 1. Enclosure A, pages 33-36
  - 2. Enclosure B, pages 37-39
  - 3. Enclosure C, pages 40
  - 4. Enclosure D, page 41
  - 5. Enclosure E, page 42
- G. Closed Session (if necessary)

11:45-12:45 p.m. Working lunch

12:45 p.m. Depart for Williamsburg

Board of Visitors  
SCHEDULE  
November 28-30, 2012

**BOARD ROOM - COMMITTEE ON ACADEMIC AFFAIRS**

2:00-2:45 p.m.      Committee on Academic Affairs      Robert E. Scott, Chair  
                                 (Provost Halleran)      Todd A. Stottlemeyer, Vice Chair  
                                 Peter A. Snyder  
                                 Michael Tang

- A. Approval of Minutes
- B. Report from Provost
- C. Report from Faculty Liaison Committee Chair
- D. Closed Session (if necessary)
- E. Action Material
  - 1. **Resolution 7**, pages 44-45
  - 2. **Resolution 8**, pages 46-51
  - 3. **Resolution 9**, page 52
  - 4. **Resolution 10**, page 53

**BOARD ROOM**

2:45-3:30 p.m.      Provost Report and Faculty Presentation      Mr. Scott

**BOARD ROOM - COMMITTEE ON STUDENT AFFAIRS**

3:30-4:30 p.m.      Committee on Student Affairs      Leigh A. Pence, Chair  
                                 (Ms. Ambler)      John C. Thomas, Vice Chair

- A. Report from Vice President for Student Affairs
- B. Report from Student Liaison

**BOARD ROOM - COMMITTEE ON DEVELOPMENT**

4:30-5:30 p.m.      Committee on Development      Thomas R. Frantz, Chair  
                                 (Mr. Granger)      L. Clifford Schroeder, Sr., Vice Chair  
                                      Michael Tang, Vice Chair

- A. Approval of Minutes
- B. University Development Report
- C. Closed Session (if necessary)

Recess Committee meetings

5:45 p.m.      Depart for Gloucester

**CHARLIE & MARI ANN BANKS' HOME – 5631 WHITE HALL ROAD**

6:30-8:30 p.m.      Reception and Dinner

Board of Visitors  
SCHEDULE  
November 28-30, 2012

**FRIDAY, NOVEMBER 30:**

**BOARD DINING ROOM**

7:30 a.m.                      Breakfast available

**BOARD ROOM - COMMITTEE ON ADMINISTRATION, BUILDINGS AND GROUNDS**

8:00-8:45 a.m.    Committee on Administration, Buildings  
and Grounds

(Provost Halleran, Ms. Martin)  
Ann Green Baise  
Thomas R. Frantz  
L. Clifford Schroeder, Sr.  
Peter A. Snyder  
John C. Thomas

Charles A. Banks III, Chair  
Dennis H. Liberson, Vice Chair

- A.    Approval of Minutes
- B.    Report from Provost
- C.    Report from Building Official
- D.    Report from Virginia Institute of Marine Science Dean/Director
  - 1.    Enclosure G, pages 57-59
- E.    Report from Vice President for Administration
  - 1.    Enclosure H, pages 60-66
  - 2.    **Resolution 11**, page 67
  - 3.    **Resolution 12**, pages 68-70
  - 4.    **Resolution 13**, page 71
- F.    Closed Session (if necessary)

Board of Visitors  
SCHEDULE  
November 28-30, 2012

**BOARD ROOM - COMMITTEE ON FINANCIAL AFFAIRS**

8:45-10:00 a.m. Committee on Financial Affairs  
(Provost Halleran, Mr. Jones)

Todd A. Stottlemyer, Chair  
Charles A. Banks III, Vice Chair  
Edward L. Flippen, Vice Chair

Kendrick F. Ashton, Jr.  
Thomas R. Frantz  
Robert E. Scott

- A. Approval of Minutes
- B. Closed Session (if necessary)
- C. Report from Vice President for Finance
  - 1. **Resolution 14**, page 74 (joint with Richard Bland)
  - 2. **Resolution 15**, page 75
  - 3. Enclosure I, pages 76-85
- D. Report from Virginia Institute of Marine Science Dean
  - 1. Enclosure J, page 86
- E. Investment Portfolio Evaluation Overview
  - 1. Enclosure K (see separate booklet)

**BOARD ROOM - COMMITTEE ON STRATEGIC INITIATIVES AND NEW VENTURES**

10:00-11:00 a.m. Committee on Strategic Initiatives and New Ventures  
(Provost Halleran, Mr. Golden) Edward

**Entrepreneurship** Michael Tang, Chair  
Edward L. Flippin, Vice Chair  
Robert E. Scott, Vice Chair  
Peter A. Snyder, Vice Chair

- A. Communications Update
- B. Strategic Planning
  - 1. Strategic Planning Overview
  - 2. Enclosure L, pages 88-89
- C. New Ventures
- D. Closed Session (if necessary)

11:00 a.m.            Adjourn Committee meetings

**BOARD ROOM - BOARD OF VISITORS MEETING:**

11:15 a.m. FULL BOARD MEETING - see MEETING AGENDA

Mr. Trammell

**BLOW ROOM 201:**

Lunch with student leaders

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

November 28-30, 2012  
Board Room - Blow Memorial Hall

RICHARD BLAND COLLEGE

Resolution 1, pages 18-19	2012-2018 Six-Year Plan (Update)
Resolution 2, pages 20-29	Resolution to Approve the Establishment of the Richard Bland College Faculty Senate and Bylaws of the Organization
Resolution 3, page 30	Retirement of Dr. Russell E. Whitaker, Jr. Vice President of Administration and Finance
Resolution 4, page 31	Retirement of Frances S. Scarbrough Human Resources Director
Resolution 14, page 32	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, 2012 ( <i>joint with William and Mary</i> )
Enclosure A, pages 33-36	Shared Governance at Richard Bland College: College Council
Enclosure B, pages 37-39	2012-2013 Operating Budget Update
Enclosure C, page 40	Capital Outlay Progress Report
Enclosure D, page 41	2012-2013 Enrollment Update
Enclosure E, page 42	Student Representative Report

COLLEGE OF WILLIAM AND MARY

Resolution 5, page 12	Approval of 2013 Internal Audit Work Plan
Resolution 6, page 13	Repeal of the Code of Conduct Governing Student Loan Practices



Board of Visitors  
AGENDA ITEMS  
November 28-30, 2012

Resolution 7, pages 44-45	Appointments to Fill Vacancies in the Instructional Faculty
Resolution 8, pages 46-51	Appointments to Fill Vacancies in the Professionals and Professional Faculty
Resolution 9, page 52	Award of Academic Tenure
Resolution 10, page 53	Faculty Leave of Absence
Resolution 11, page 67	Resolution to Approve Purchase of Properties: 427 Scotland Street & 406 Jamestown Road
Resolution 12, pages 68-70	Resolution to Approve the Inter-Agency Transfer Agreement of Longhill Connector Land to Eastern State
Resolution 13, page 71	Resolution to Approve Closure of Landfill and Recordation of Deed
Resolution 14, page 74	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, 2012 ( <i>joint with Richard Bland College</i> )
Resolution 15, page 75	Receipt of the Financial Report of the Intercollegiate Athletic Department for the Fiscal Year Ended June 30, 2012
Resolution 16, <i>tab #16</i>	Revisions to the <i>Bylaws</i> of the Board of Visitors of the College of William and Mary
Enclosure F, page 11	Report of Internal Audit Activity Since September 20, 2012
Enclosure G, pages 57-59	Virginia Institute of Marine Science Capital Outlay Project Progress Report
Enclosure H, pages 60-66	College of William and Mary Capital Outlay Project Progress Report

Board of Visitors  
AGENDA ITEMS  
November 28-30, 2012

Enclosure I, pages 76-85

College of William and Mary FY 2012-2013  
Operating Budget Summary

Enclosure J, page 86

Virginia Institute of Marine Science FY 2012-  
2013 Operating Budget Summary

Enclosure K

Investment Portfolio Evaluation for Periods  
Ending September, 2012 (**see separate  
booklet**)

Enclosure L, pages 88-89

University Dashboard Update

COMMITTEE ON AUDIT AND COMPLIANCE  
November 28, 2012  
3:30 – 5:00 p.m.  
Board Conference Room - Blow Memorial Hall

John C. Thomas, Chair  
Michael Tang, Vice Chair

- I. Introductory Remarks - Mr. Thomas
- II. Approval of Minutes - September 20, 2012
- III. Report from the Auditor of Public Accounts
- IV. Report from Director of Internal Audit - Michael L. Stump
  - A. Report of Internal Audit Activity Since September 20, 2012 - Enclosure F.
  - B. Approval of 2013 Internal Audit Work Plan - **Resolution 5**.
  - C. Repeal of the Code of Conduct Governing Student Loan Practices – **Resolution 6**.
- V. Report from Compliance and Policy Officer – Kiersten L. Boyce
- VI. Closed Session (if necessary)
- VII. Open Session - Certification of Closed Session **Resolution**
- VIII. Discussion
- IX. Adjourn

## COMMITTEE ON AUDIT AND COMPLIANCE

MINUTES – SEPTEMBER 20, 2012

**MINUTES**  
**Committee on Audit and Compliance**  
**September 20, 2012**  
**Board Conference Room - Blow Memorial Hall**

Attendees: John C. Thomas, Chair; Michael Tang, Vice Chair; John E. Littel; and Leigh A. Pence. Board members present: Rector Jeffrey B. Trammell; Kendrick F. Ashton, Jr.; Ann Green Baise; and Dennis H. Liberson. From the Auditor of Public Accounts: Laurie Hicks. Others present: Kiersten L. Boyce; Edmund A. Brummer, III; Courtney M. Carpenter; Donald R. Challis; Katherine Chiglinski; Michael J. Fox; Michael R. Halleran; Gina L. Hoatson; Samuel E. Jones; Jennifer B. Latour; Deborah A. Love; Anna B. Martin; Beverly Morris; Suzanne Raitt; Michael L. Stump; President Debbie L. Sydow; Sherree T. Walker; and Brian W. Whitson

Chair John C. Thomas called the meeting to order at 7:45 a.m. and, recognizing that with the presence of the Rector a quorum was present, asked for a motion to approve the minutes of the April 25, 2012, meeting. Motion was made by Mr. Tang, seconded by Mr. Littel and approved by voice vote.

Mr. Thomas introduced Laurie Hicks, from the Auditor of Public Accounts (APA), to the Committee. He informed the Committee that the audit report was late this year. Ms. Hicks explained that the audit report was delayed while the APA sorted out issues involving capital and operating leases involving Richard Bland College and the Richard Bland College Foundation. Ms. Hicks stated that the audit report is usually completed by the April following the end of the fiscal year. There were no instances of fraud and the financial statements were accurate. Mr. Thomas thanked Ms. Hicks for her efforts and asked her to contact him if she had any concerns during the next audit.

Mr. Thomas moved that, pursuant to Section 2.2-3711.A.1 and 7 of the Code of Virginia, the meeting be closed to discuss personnel matters pertaining to specific personnel and for briefings by legal counsel or staff members pertaining to specific legal matters. Motion was seconded by Mr. Tang and approved by voice vote. Observers were asked to leave the room and the Committee went into closed session at 7:53 a.m.

The Committee reconvened in open session at 8:21 a.m. Mr. Thomas 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. Tang and approved by roll call vote conducted by Mr. Thomas (Certification **Resolution** is appended.)

Mr. Thomas asked Mr. Stump for his report. Mr. Stump informed the Committee that Cherice Carlos, one of the office's three senior auditors, is now a Certified Fraud Examiner (CFE). His office completed six audit projects, involving procurement, contracting authority, clearance controls over departing employees, and procurement and small purchase credit cards at Richard Bland College. Eight projects were in process, including security reviews of the data centers.

Committee on Audit and Compliance  
MINUTES  
Page 2

Mr. Thomas informed the Committee of its new name: Audit and Compliance. The Committee's oversight now includes risk management, safety, and security – in addition to audit and compliance. He briefly discussed the Freeh Report and informed the Committee that the College is ahead of many of the issues documented in the Report.

Mr. Thomas asked Ms. Boyce for her report. Ms. Boyce reviewed the status of her implementation plans and reviewed the report she gave the Audit Committee during the April meeting. She briefed the Committee on her assessment of the College's controls for preventing, detecting, and remediating sexual abuse of minors and summarized her recommendations. The Committee discussed the reporting requirements of the Clery Act.

Mr. Thomas asked Ms. Boyce about her upcoming compliance exam. She described the Society of Corporate Compliance and Ethics and its certification, the CCEP. Ms. Boyce plans to attend the Society's meeting in October 2012.

Mr. Thomas asked Ms. Boyce about her staffing. Ms. Boyce explained that one key recommendation of the Freeh Report is to staff the Compliance Office similarly to the Internal Audit Office. This has not been done; however, efforts to increase office efficiency are underway.

Ms. Boyce discussed the draft sexual harassment policy she completed and the new on-line process for review of draft policies. She informed the Committee that a review of the College's background check policy is underway. Approximately half of the College's employees have not undergone background checks. The Committee stressed the importance of background checks.

Ms. Boyce discussed her efforts to establish a hotline for reporting, including anonymous reporting, of suspected misconduct, policy violations, and unethical or illegal behavior. The hotline would be managed by a third party and promoted to the campus community, along with other mechanisms for reporting misconduct.

Ms. Boyce explained that the College is improving compliance with the Clery Act's requirement to collect certain crime information by identifying CSAs (Campus Security Authorities) and ensuring CSAs understand their obligations. A brief discussion ensued.

Ms. Boyce explained that the Freeh Report recommends that the Board be briefed on internal investigations – a practice already in place. To date, there have been three completed investigations. The hotline will likely increase the number of investigations. Ms. Boyce is reviewing the Faculty Handbook's investigation procedures in order to reduce the time required for investigations of instructional faculty.

Mr. Thomas thanked Ms. Boyce for her report and efforts and asked Ms. Martin for her report.

Ms. Martin informed the Committee that the College was successful in obtaining a \$210,000 grant, which includes \$10,000 of contributed staff time, to fund the development of the College's

Committee on Audit and Compliance  
MINUTES  
Page 3

Multi-Campus Hazard Mitigation Plan. The Plan will include the main (Williamsburg) campus, VIMS, the Peninsula Center, and the DC office and help ensure the safety of students, faculty, staff, and visitors by minimizing hazards to physical assets and operations. The Plan will evaluate vulnerabilities and include mitigation strategies (some of these strategies may be eligible for future federal and state grants) that eliminate or reduce vulnerabilities as defined by FEMA and the Commonwealth.

At Mr. Littel's request, Ms. Martin will provide the Committee with the risk management presentation she referenced in her remarks.

There being no further business, the Committee adjourned at 9:16 a.m.

September 20, 2012

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: 4

NAYS: 0

ABSENT DURING CLOSED SESSION:

  
John C. Thomas  
Chair  
Committee on Audit



COLLEGE OF WILLIAM AND MARY and RICHARD BLAND COLLEGE  
REPORT OF INTERNAL AUDIT ACTIVITY SINCE SEPTEMBER 20, 2012

<u>Projects</u>	<u>Completion Date</u>
• Hotline investigation (RBC)	Sept 24
• Hotline investigation (WM)	Oct 10
• Hotline investigation (RBC)	Oct 24

<u>Projects in process</u>	<u>Estimated Completion Date</u>
• Assist Auditor of Public Accounts	Ongoing
• Centralized billing and VA benefits – management request	Ongoing
• Data centers review	Dec 2013
• EVMS financial evaluation	Ongoing
• Highland – Judge Thomas' request	Feb 2013
• President's Business Innovation Comm – President's request	Ongoing
• President's discretionary funds	Dec 2013
• Risk Management Steering Committee – management request	Ongoing
• Small Purchase Charge Card Program	Ongoing
• VIMS Shellfish Pathology Lab controls – management request	Feb 2013

COLLEGE OF WILLIAM AND MARY  
APPROVAL OF 2013 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 2013 Work Plan for the Office of Internal Audit includes the following areas; items *italicized* are management requests:

1. ARMICS – risk management and internal controls directive
2. Auditor of Public Accounts (APA) Support\*
3. *Arts and Sciences - PBK ticket office and Theatre, Speech, and Dance – Dean Conley's request*
4. Board of Visitors' resolution/policy compilation and review
5. *Centralized billing and VA benefits – management request\**
6. *EVMS – management request*
7. Fraud, Waste and Abuse Hotline; internal hotline and investigations\*
8. *Highland - Judge Thomas' request*
9. *Human Resources (RBC) – President Sydow's request*
10. Personnel hiring and evaluation committees\*
11. *President Reveley's Business Innovation Committee\**
12. Related foundations\*
13. *Risk Management Committee – management request\**
14. Small purchase cards\*
15. *Vendor create and modification process – management request\**
16. *VIMS Analytical Services center - Dean Wells' request*
17. *VIMS Vessel Operations center - Dean Wells' request*
18. William and Mary Police Department - assist investigations\*
19. Additional requests from the Board and management\*

\*Ongoing projects

The 2013 Work Plan has been reviewed by the Committee on Audit and Compliance 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 2013 Work Plan for the Office of Internal Audit is approved by the Board of Visitors.

COLLEGE OF WILLIAM AND MARY  
REPEAL OF THE CODE OF CONDUCT  
GOVERNING STUDENT LOAN PRACTICES

In recognition of changes to the student loan process, in particular the shift of the administration of subsidized student loans from lending institutions such as banks to universities themselves via so-called "direct lending," the July 16, 2007, resolution adopted by the Board of Visitors regarding the adoption of a Code of Conduct Governing Student Loan Practices no longer serves its intended purpose. Lending institutions no longer may gain "preferred lender" status as referenced in the Code, the primary intent of which was to protect the integrity of that selection process.

Furthermore, the College's Code of Ethics, adopted by the Board of Visitors on April 17, 2009, and other policies administered by the Compliance and Policy Office cover the remaining parts of the adopted Code of Conduct.

THEREFORE, BE IT RESOLVED, That the Board of Visitors of the College of William and Mary repeals the Code of Conduct Governing Student Loan Practices and the compliance process it obligated, but affirms an ongoing commitment to the highest standard of ethics in conduct related to student loans and financial aid.

COMMITTEE ON ATHLETICS  
November 28, 2012  
4:00 – 5:00 p.m.  
Board Room – Blow Memorial Hall

Peter A. Snyder, Chair  
Kendrick F. Ashton, Jr., Vice Chair

- I. Introductory Remarks – Mr. Snyder
- II. Approval of Minutes – September 20, 2012
- III. Student-Athlete Interview
- IV. Colonial Athletic Association
  - A. Membership Update
    - 1. Football
    - 2. All Sports
- V. Vision Plan Update
- VI. [www.tribeathletics.com](http://www.tribeathletics.com)
  - A. Digital Platform
- VII. Closed Session (if necessary)
- VIII. Open Session – Certification of Closed Session **Resolution**
- IX. Events
  - A. Lord Botetourt Auction - 7 PM, Friday, February 8, 2013
  - B. Celebration of Women's Athletics - Noon, Saturday, February 9, 2013
  - C. Scholarship Luncheon - Sunday, February 10, 2013
  - D. Athletic Hall of Fame - Saturday, April 13, 2013
  - D. Athletic Awards Reception - Tuesday, April 23, 2013
- X. Adjourn

COMMITTEE ON ATHLETICS

MINUTES – SEPTEMBER 20, 2012

**MINUTES**  
**Committee on Athletics**  
**September 20, 2012**  
**Board Room – Blow Memorial Hall**

Committee members present: Peter A. Snyder, Chair; Kendrick F. Ashton, Jr., Vice Chair; Thomas R. Frantz; Todd A. Stottlemeyer. Board members present: Rector Jeffrey B. Trammell, Robert E. Scott; faculty representative William J. Hausman. Others present: President W. Taylor Reveley III; Virginia M. Ambler, Karen R. Cottrell, Edward C. Driscoll, Jr., Michael J. Fox, W. Fanchon Glover, James R. Golden, Samuel E. Jones, Brian W. Whitson, Sandra J. Wilms, members of the Faculty Liaison Committee and other administrative staff.

Chair Peter A. Snyder called the meeting to order at 8:30 a.m., and introduced and welcomed Vice Chair Kendrick Ashton. In his opening comments, Mr. Snyder reviewed the agenda and then called on Director of Athletics Terry Driscoll.

Mr. Driscoll presented a PowerPoint presentation that reviewed the FY2012-2013 budget, including a comparison of athletic revenue sources and student fee analysis of Virginia NCAA Division 1 schools and intercollegiate athletics participation and sports sponsorship, which led to a general discussion.

Mr. Driscoll also provided an update on the Athletic Department vision project, noting areas for review include administrative functions, operational/support areas, financial sources and sport specific needs. A general discussion ensued.

Recognizing that a quorum was present, Mr. Frantz moved adoption of the minutes of the April 26, 2012, meeting. Motion was seconded by Mr. Stottlemeyer and approved by voice vote.

There being no further business, the Committee adjourned at 9:30 a.m.

EXECUTIVE COMMITTEE  
November 28, 2012  
5:00 – 6:15 p.m.  
Rector's Office - Blow Memorial Hall

Jeffrey B. Trammell, Chair  
Charles A. Banks III, Vice Chair  
Dennis H. Liberson, Secretary

- I. Introductory Remarks - Mr. Trammell
- II. Approval of Minutes – September 19, 2012
- III. Closed Session (if necessary)
- IV. Open Session - Certification of Closed Session **Resolution**
- V. Adjourn

EXECUTIVE COMMITTEE

MINUTES - SEPTEMBER 19, 2012



**MINUTES**  
**Executive Committee**  
**September 19, 2012**  
**Rector's Office – Blow Memorial Hall**

Attendees: Jeffrey B. Trammell, Chair; Charles A. Banks III, Vice Chair; Dennis H. Liberson; Robert E. Scott; Todd A. Stottlemeyer; Michael Tang and John C. Thomas. Others in attendance: President W. Taylor Reveley III, and Michael J. Fox.

Chair Jeffrey B. Trammell called the meeting to order at 4:30 p.m. Recognizing that a quorum was present, Mr. Trammell moved adoption of the minutes of the meeting of April 25, 2012. Motion was seconded by Mr. Banks and approved by voice vote of the Committee.

Mr. Trammell offered some welcoming remarks and reviewed the agenda for the Board meeting.

Mr. Trammell 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 personnel matters pertaining to the evaluation of specific executive employees; and matters pertaining to the consideration of honorary degrees for Charter Day and Commencement 2013, as provided for in Section 2.2-3711.A.1., and 10., of the Code of Virginia. Motion was seconded by Mr. Banks and approved by voice vote. The observers were asked to leave the room and the Committee went into closed session at 4:34 p.m.

The Executive Committee reconvened in open session at 6:08 p.m. Mr. Trammell reviewed the topics discussed during closed session, then moved adoption of the Resolution certifying that the closed session was held in compliance with the Freedom of Information Act. Motion was seconded by Mr. Banks and approved by roll call vote of the Committee members conducted by Secretary to the Board Michael Fox (**Certification Resolution** is appended).

There being no further business, the Committee adjourned at 6:08 p.m.

September 19, 2012

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:

  
Jeffrey B. Trammell  
Chair  
Executive Committee

RICHARD BLAND COLLEGE COMMITTEE  
November 29, 2012  
9:30 a.m. – 12:30 p.m.  
Richard Bland College – James B. McNeer Hall Room 104

Dennis H. Liberson, Chair  
Ann Green Baise, Vice Chair

- I. Optional Campus tours
  - A. Tour of McNeer Hall
  - B. Tour of Residence Halls
  - C. Driving tour of RBC campus
- II. Introductory Remarks – Mr. Liberson
- III. Strategic Planning Forum
  - A. Current state – strengths, weaknesses, opportunities and threats
  - B. Exploration of alternative futures
  - C. Discussion
- IV. Approval of Minutes – September 20, 2012
- V. General Reports
  - A. Report from President Debbie L. Sydow
  - B. Report from Faculty Representative – Barbara Morgan
  - C. Report from Student Representative – Jessica Salazar
- VI. Action Material
  - A. 2012-2018 Six-Year Plan (Update) **Resolution 1**
  - B. Resolution to Approve the Establishment of the Richard Bland College Faculty Senate and Bylaws of the Organization **Resolution 2**
  - C. Retirement of Dr. Russell E. Whitaker, Jr. Vice President of Administration and Finance **Resolution 3**
  - D. Retirement of Frances S. Scarbrough Human Resources Director **Resolution 4**

RICHARD BLAND COLLEGE COMMITTEE  
November 29, 2012

- E. 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, 2012 (*joint with William and Mary*).

**Resolution 14**

VII. Informational Material

- A. Shared Governance at Richard Bland College:  
College Council
- B. 2012-2013 Operating Budget Update
- C. Capital Outlay Progress Report
- D. 2012-2013 Enrollment Update
- E. Student Representative Report

Enclosure A

Enclosure B

Enclosure C

Enclosure D

Enclosure E

VIII. Closed Session

IX. Open Session – Certification of Closed Session **Resolution**

X. Discussion

XI. Adjourn

RICHARD BLAND COLLEGE COMMITTEE

MINUTES – SEPTEMBER 20, 2012

**MINUTES**  
**Richard Bland College Committee**  
**September 20, 2012**  
**Board Conference Room – Blow Memorial Hall**

Attendees: Dennis H. Liberson, Chair; Ann Green Baise, Vice Chair; Kendrick F. Ashton, Jr.; John E. Littel. Others in attendance: faculty representative Barbara M. Morgan, student representative Jessica C. Salazar; President Debbie L. Sydow, Assistant Attorney General Deborah A. Love; Mr. Scott Davis, Mr. Tyler Hart and Ms. Beverly Morris.

Chair Dennis Liberson called the Richard Bland College Committee to order at 9:30 a.m. and welcomed the new committee members. Recognizing that a quorum was present, Mr. Liberson asked for a motion to approve the minutes of the meeting of April 26, 2012. Motion was made by Mr. Littel, seconded by Mr. Ashton, and approved by voice vote of the Committee.

President Debbie Sydow advised that while the report from faculty representative Barbara Morgan was contained in a hand out, the report from student representative Jessica Salazar was contained in the agenda book. Professor Morgan advised that the faculty is working to finalize the Faculty Senate bylaws and will present them to the Board for approval at the November meeting. Ms. Salazar reported on the importance of faculty and student relationships.

President Sydow introduced J. Tyler Hart, Interim Director of Academic and Institutional Effectiveness, who reported on the development of the Certificate in Liberal Arts Program, as detailed in Enclosure C. A brief discussion ensued.

President Sydow delivered a PowerPoint presentation that focused on lessons learned over the past five decades of Richard Bland College's history, and presented the outline of a plan to re-focus, re-invest and re-invent the College so as to align its mission and goals with the educational and economic development of the Commonwealth. Challenges and opportunities to build upon primary strengths and assets were discussed and a general discussion ensued.

Mr. Liberson advised the Committee that he would like to schedule a separate committee meeting in the spring to focus specifically on strategic planning and the mission and goals for Richard Bland.

Following President Sydow's presentation, Mr. Liberson asked for a motion to approve **Resolution 1**, Resolution to Approve President's 2012-2013 Goals for Richard Bland College. Motion was made by Mr. Littel, seconded by Mr. Ashton and approved by voice vote of the Committee.

Mr. Liberson asked for a motion to approve **Resolution 2**, Appointment to Fill a Vacancy in the Instructional Faculty. Motion was made by Ms. Baise, seconded by Mr. Ashton and approved by voice vote of the Committee.

Richard Bland College Committee  
MINUTES  
Page 2

Mr. Liberson asked for a motion to approve **Resolution 3**, Appointment to Fill a Vacancy in the Professional Faculty. Motion was made by Mr. Littel, seconded by Mr. Ashton and approved by voice vote of the Committee.

Mr. Liberson asked for a motion to approve **Resolution 4**, Retirement of Patricia A. Harvey, Director of Institutional Effectiveness, and **Resolution 5**, Retirement of Michael M. Shriver, Director of Facilities. Motion was made by Ms. Baise. Mr. Ashton offered an amendment to Resolution 4 to correct a typographical error. Motion was seconded by Mr. Littel and approved as amended by voice vote of the Committee. (**Resolution 4(R)** is appended.)

Mr. Liberson reviewed the background then asked for a motion to approve handout **Resolution 21**, Resolution Regarding Repairs to President's Residence. Motion was made by Mr. Littel, seconded by Mr. Ashton and approved by voice vote of the Committee. (**Resolution 21** is appended.)

Mr. Liberson moved that the Committee convene in Executive Session for the purpose of discussing personnel matters pertaining to specific personnel, as provided for in Section 2.2-3711.A. 1., of the Code of Virginia. Motion was seconded by Mr. Ashton and approved by voice vote of the Committee. Observers were asked to leave the room and the Committee went into closed session at 10:26 a.m.

The Committee reconvened in open session at 10:38 a.m. Mr. Liberson reviewed the topic discussed in the closed session and asked for a motion to adopt the **Resolution** certifying the closed session was held in accordance with the Freedom of Information Act. Motion was made by Ms. Baise, seconded by Mr. Littel and approved by roll call vote conducted by Mr. Liberson (Certification **Resolution** is appended.)

There being no further business, the Committee adjourned at 10:38 a.m.

**RICHARD BLAND COLLEGE  
RETIREMENT OF PATRICIA A. HARVEY  
DIRECTOR OF INSTITUTIONAL EFFECTIVENESS**

Patricia A. Harvey joined the administration of Richard Bland College in 1997. During her tenure, she has served as Director of Institutional Effectiveness and Director of Institutional Research. Ms. Harvey retired June 30, 2012 after 15 years of service.

Ms. Harvey received her A.A. in Liberal Arts from the University of Maryland (Europe) in 1979, her A.S. in Computer Science from Monterey Peninsula College in 1981, her B.A. in Mathematics from Hampton University in 1985, and M.B.A. from The College of William and Mary in 1988.

Ms. Harvey has been actively involved in the development of reporting procedures to SCHEV, and other state agencies. She has been instrumental in establishing institutional assessment processes and procedures, helped establish the College's first six year financial plan for submission to the General Assembly, and has worked with business and finance staff in implementing requirements for ARMICS. In recent years, Ms. Harvey has advised students and taught part time in the business and mathematics department.

She has also been active in community organizations, serving on the boards of the Kiwanis Club, Swift Creek Mill Playhouse, and Sycamore Rouge among others. She is also active in the art community in Petersburg. Her commitment to the students and the College will be greatly missed.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Patricia A. Harvey and expresses its appreciation to her for the many contributions she has made to Richard Bland College, and with deep gratitude for her fifteen years of devoted service to the College, approves a change in status from Director of Institutional Effectiveness to Director of Institutional Effectiveness, Emerita.

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



**RICHARD BLAND COLLEGE**  
**RESOLUTION REGARDING REPAIRS TO PRESIDENT'S RESIDENCE**

WHEREAS, the Richard Bland College President's Residence was originally built in the early 1920's as a wood frame farm house, and underwent substantial repairs and renovation in 1976, followed by more modest repairs in 1996; and

WHEREAS, upon the former president's departure from the Residence in June 2012, it was apparent that substantial repairs were necessary to render the Residence safe and suitable for occupancy by incoming President Debbie Sydow; and

WHEREAS, such work was initiated in June 2012, and thereafter it became apparent that the contract documentation failed to demonstrate compliance with the requirements of the Commonwealth of Virginia relating to public procurement; and

WHEREAS, in order to evaluate the work already performed and to ensure the proper completion of the project, the Rector directed that appropriate personnel from the College of William and Mary assume supervision of the renovation until its completion; and

WHEREAS, it appears that the work performed was necessary and appropriate, and it is anticipated that the project will be completed within the limits of available funds;

BE IT THEREFORE RESOLVED, that the Board of Visitors of The College of William and Mary in Virginia is satisfied that this matter has been resolved appropriately; and

BE IT FURTHER RESOLVED, that the Board thanks the staff of the College of William and Mary for its assistance to Richard Bland College, and thanks President Sydow for her patience as the Residence is readied.

September 20, 2012

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors Richard Bland College 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, '2.2-3712.D. of the Code of Virginia requires a certification by this Committee that such closed session was conducted in conformity with Virginia law;

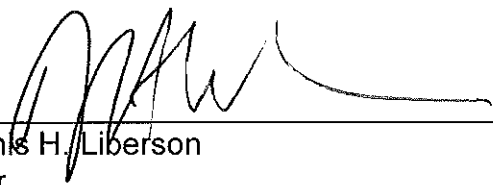
NOW, THEREFORE, BE IT RESOLVED, That the Richard Bland College Committee, reconvening in open session, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session 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: 4

NAYS: 0

ABSENT DURING CLOSED SESSION:

  
\_\_\_\_\_  
Dennis H. Liberson  
Chair  
Richard Bland College Committee

**RICHARD BLAND COLLEGE**

**2012-2018 SIX YEAR PLAN (UPDATE)**

WHEREAS, Richard Bland College provides a general education transfer curriculum to the citizens of the Commonwealth and the nation; and

WHEREAS, consistent with the requirement of the Higher Education Opportunity Act (the Act), the College developed its initial 2012-2018 Institutional Six-Year Plan rooted in the goals set forth in the objectives of the Act; and

WHEREAS, the Commonwealth's planning process requires an update to the six-year plan on an annual basis, incorporating funding actions by the Commonwealth as reflected in the final FY 2013 budget approved by each institution's Board of Visitors; and

WHEREAS, the new president and administration has set forth additional goals and strategies to advance the organizational efficiency and effectiveness of the College, including administrative reorganization to reduce operating costs; reinvestment of recovered funds in the College's core academic mission; expanded public-private partnerships with Army Logistics University, Southside Regional Medical Center, et al; and an evaluation and expansion of the College's academic portfolio and course delivery to include online options for certificate and degree completion; and

WHEREAS, the College continues to evaluate opportunities to improve efficiency and effectiveness of its academic programs and administration;

THEREFORE, BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of The College of William and Mary in Virginia, approves the College's 2012-2018 Institutional Six-Year Plan update to reflect FY 2013 expenditures and tuition and fee charges consistent with the College's FY 2013 operating budgets as approved by the Board; and

BE IT FURTHER RESOLVED, That the Board defers setting tuition rates for FY 2014 pending consideration of tuition options that more fully address the Higher Education Commission's goal of improved affordability for lower and middle-income families consistent with Higher Education Advisory Committee income guidelines, while providing the resources necessary to implement the College's 2012-2018 Institutional Six-Year Plan.

**RICHARD BLAND COLLEGE****2012-2018 SIX YEAR PLAN (UPDATE)****Incremental Expense by Priority**

<b><u>PRIORITY</u></b>	<b><u>FY 2014</u></b>
1. Distance Learning Platform	\$ 125,000
2. Army Logistics University Program Development	\$ 138,000
3. Academic Program Evaluation and Expansion	\$ 403,500
4. Nursing 2+2 Program	\$ 74,700
5. Associate to BSN 2+2 Program	\$ 265,000
6. Orientation Program	\$ 31,000
7. Dual Enrollment Expansion	\$ 163,700
8. Financial Aid	\$ 10,000
	<hr/>
	\$ 1,210,900

**RESOLUTION TO APPROVE THE ESTABLISHMENT OF THE RICHARD BLAND  
COLLEGE FACULTY SENATE AND BYLAWS OF THE ORGANIZATION**

The Richard Bland College Faculty seeks to establish a Faculty Senate that will contribute to the shared governance model newly established at Richard Bland College. The Bylaws of the Faculty Senate are consistent with the Bylaws of the Board of Visitors.

RESOLVED, That upon recommendation of the President, the Board of Visitors of The College of William and Mary in Virginia approves the establishment of the Richard Bland College Faculty Senate; and

BE IT FURTHER RESOLVED, That upon recommendation of the President, the Board of Visitors approves the Bylaws of the Faculty Senate as follows, effective immediately.

## RICHARD BLAND COLLEGE FACULTY SENATE BYLAWS

### Article I

#### **Name**

The name of this organization shall be the Faculty Senate of Richard Bland College, hereinafter referred to as the Senate.

### Article II.

#### **Purpose and Scope**

Section 1 The purpose of the Senate shall be to advise the President on matters affecting the welfare of the College and to ensure effective faculty participation in the governance of the College as a whole.

Section 2 The Senate will seek to achieve this purpose by facilitating communication and collaboration between faculty and administration and promoting the welfare of students, faculty and the College in general.

(a) This includes but is not limited to: studying issues and recommending policies to the administration and participating in the development of the educational, curricular, research and service components of the College.

(b) The Senate shall have timely access to the agendas of the Board of Visitors that pertain to Richard Bland College, strategic planning for Richard Bland College, reports of all college-wide committees, and preliminary drafts of the college budget.

### Article III

#### **Membership**

Section 1 The membership of the Senate shall consist of the regular, or voting members, and the associate, or non-voting members.

Section 2 The regular members shall be all tenured and tenure track teaching faculty, and the associate members shall be all other teaching faculty.

### Article IV

#### **Officers**

Section 1 The officers of the Senate shall be the Chair, the Vice-Chair, and Secretary.

Section 2 The Chair, Vice-Chair, and Secretary will be elected from the voting members in April by secret ballot. Nominations may be sent to the Secretary in advance of the Senate meeting or may be made at the Senate meeting. No one may be nominated without his or her consent. Self-nominations are acceptable. The Secretary will disseminate the names of the nominees to the faculty.

Section 3 The term of office is 24 months or until successors are elected and shall begin on July 1.

Section 4 Division chairs are not eligible to serve on the Executive Committee. The Chair and Vice-Chair cannot serve more than two consecutive terms. The Secretary cannot serve more than three consecutive terms.

## Article V

### **Responsibilities of the Officers**

Section 1 The Chair shall preside over the meetings of the Senate and the Executive Committee. S/he shall have regular meetings with the administration to discuss matters that affect or are of concern to the teaching faculty and shall report to the teaching faculty any administrative actions affecting them.

Section 2 The Vice-Chair shall serve as acting Chair during the absence of the Chair, assist the Chair in meetings with the Senate and with the administration, and assume the position of Chair if the Chair resigns, takes a leave of absence or is not attending meetings.

Section 3 The Secretary shall record the minutes of the Senate and Executive Committee meetings. S/he shall distribute a copy to all members of the faculty and administration no later than one week after a meeting. S/he shall archive a copy of the minutes in both print and electronic formats. S/he shall receive items for the agendas of Senate and Executive Committee meetings and send the agendas out to faculty.

Section 4 A parliamentarian shall be nominated and elected at the first Senate meeting of the fall semester by the members of the Senate. S/he shall serve for a term of one year or until a successor is elected.

Section 5 A vote of no-confidence by two-thirds of the Senate will remove an officer. Any voting member of the Senate may call for a vote of no-confidence to be taken in either a regular meeting of the Senate or a special meeting. The members of the Senate must be notified and given a reason for the no confidence vote at least one week in advance.

Section 6 The Officers may request a stipend and/or a reduction in workload commensurate with their duties.

## Article VI

### Meetings

- Section 1 The Senate shall meet once a month on a regularly scheduled day and time to be decided by the Senate prior to each semester unless the Executive Committee deems a meeting unnecessary. Regular meetings shall be open to any interested party of the Richard Bland College community. The agenda for all meetings of the Senate shall be set by the Officers at least five business days in advance and sent to the faculty.
- Section 2 Special meetings may be called by the Executive Committee or a committee chair. They shall generally be open to any interested party of the Richard Bland College community. The agenda shall be assembled by the person(s) calling the special meeting. Faculty members will be notified at least 5 business days before a meeting.
- Section 3 A quorum for voting will be defined as a majority of the regular members of the Senate, including the officers. At the request of any one member of the Senate, a secret ballot shall be taken on any motion brought to vote.
- Section 4 The non-voting representative to the Board of Visitors will give a report to the Senate in a timely manner.

## Article VII

### Executive Committee

- Section 1 The Executive Committee shall be composed of the Chair, Vice-Chair, Secretary, and two Executive Senators.
- Section 2 Executive Senators (one from each division) will be elected at their respective division meetings within two weeks of the election of officers. Nominations may be sent to the Division Chair or may be made at the meetings. The length of a term is 24 months, and they cannot serve more than three consecutive terms.
- Section 3 The members of the Executive Committee shall attend all Senate and Executive Committee meetings. They shall be reasonably accessible to those they represent, gather information from them and present it to the Executive Committee and/or Senate for discussion, make recommendations to the Senate, and make formal recommendations of the Senate to the Chief Academic Officer and/or College Council. They shall appoint any special committees of the Senate that may be needed.
- Section 4 The Executive Committee shall meet once a month on a regularly scheduled day and time to be decided by the Committee prior to each semester. The agenda for all regular



Executive Committee meetings will be e-mailed to all faculty at least 5 business days in advance by the Secretary.

Section 5 Special meetings may be called by the Chair. Officers will be notified at least 5 business days before such a meeting.

Section 6 Any faculty member, staff member, or administrator may be placed on the agenda to address the Executive Committee. S/he must contact the Chair or Vice-Chair at least 5 business days in advance of the meeting to be placed on the agenda.

Section 7 The Chair-elect will be invited to all Executive committee meetings before taking office.

Section 8 Executive Senators shall report the activities and decisions of the Executive Committee back to their division. At their request, senators will be given a slot on the agenda of division meetings to facilitate these responsibilities.

Section 9 The Vice-Chair and the Executive Senators will be recommended to the President for consideration as the nominee for the non-voting representative to the Board of Visitors.

Section 10 All vacancies shall be promptly filled.

(a) If an Executive Senator must resign, take a leave of absence or is not attending meetings, the division will hold another election in the same manner as described above.

(b) If the Chair must resign, take a leave of absence or is not attending meetings, the Vice-Chair will assume the role of Chair.

(c) If the Vice-Chair or Secretary must resign, take a leave of absence or is not attending meetings, the Senate will hold another election in the same manner as described above.

(d) If an officer serves for more than one calendar year, it will be considered as a full term.

## Article VIII

### Academic Divisions of the Faculty

Section 1 The Senate shall be organized into two academic divisions: the Division of Humanities and Social Sciences and the Division of Science and Quantitative Methods:

(a) The Division of Humanities and Social Sciences shall be composed of the following academic disciplines: Art, Business, Economics, English, French, Geography, Government, History, International Studies, Music, Philosophy, Psychology, Religion, Sociology, Spanish, Speech, and Theatre.

(b) The Division of Science and Quantitative Methods shall be composed of the following academic disciplines: Accounting, Biology, Chemistry, Computer Science, Health, Mathematics, Physical Education, and Physics.

Section 2 A Division Chair will be elected by each academic division subject to the recommendation of the Chief Academic Officer to the President for final approval. Division Chairs shall hold office for a term of three years, subject to annual review by the President, or until they are re-elected or their successors elected. A Division Chair shall not serve more than two consecutive terms.

Section 3 The method of election for Division Chair will be by written nomination submitted to the Parliamentarian along with nominations from the floor and by secret ballot.

Section 4 The responsibilities of the Division Chairs to the Chief Academic Officer and to the faculty of the Division shall include:

- (a) providing leadership to an academic division;
- (b) distributing to faculty members the mission, goals, and policies of the College;
- (c) coordinating the instructional and professional responsibilities of the Division;
- (d) providing the faculty of the Division with appropriate opportunities for professional involvement;
- (e) reviewing periodically the curriculum of the Division and recommending revision;
- (f) ensuring that course outlines, course syllabi, and textbook selections follow College policies and procedures;
- (g) recommending the composition of faculty search committees within the Division in consultation with appropriate faculty members;
- (h) reviewing the qualifications of adjunct applicants in consultation with appropriate faculty members;
- (i) orienting new faculty, adjunct faculty, and substitute instructors to the Division;
- (j) participating in the evaluation of faculty members;
- (k) recommending each semester's course offerings, class schedule, and instructional assignments;
- (l) arranging for substitute instructors in case of the extended absence of regular instructors;
- (m) developing the preliminary budget and supervising administration of the approved Division budget;
- (n) giving leadership in the planning and purchasing of instructional supplies and equipment;
- (o) scheduling meetings of the Division as necessary and distributing accurate minutes to the College community.

Section 5 A Division Chair may be removed by a vote of no-confidence from two-thirds of the division. Any member of the division may call for a vote of no-confidence to be taken in either a division meeting or a special meeting. The members of the division must be notified and the reason given at least 5 business days in advance.

Article IX

**Committees of the Senate**

Section 1 The Elected Committees of the Senate shall be:

- (a) the Academic Standards Committee,
- (b) the Instructional Programs Committee,
- (c) the Faculty Affairs Committee,
- (d) the Student Affairs Committee, and
- (e) other committees elected by the voting Faculty.

Section 2 Each committee will have a total of six full-time faculty members, three from each division. Members will be elected by their division for a two-year term or until their successors are elected. Members may serve no more than two consecutive terms on the same committee. Membership of less than one year shall be considered a partial term and will not restrict the serving of an additional two consecutive terms. Membership of one year or more shall be considered a full term. The method of election for each standing committee will be by written nomination submitted to the Division Chair along with nominations from the floor and by secret ballot. The Chair is an ex officio, non-voting member of all committees of the Senate.

Section 3 All committees shall announce their meetings at least 5 business days in advance, distribute their minutes to all faculty and administrative staff, and generally seek the widest possible input from the faculty. Ten days after distribution of the minutes, any action or policy recommendation from the committee will automatically be recommended to the Senate for its consideration and recommendation to the Chief Academic Officer and/or College Council.

- (a) The Chief Academic Officer and/or College Council shall then communicate with the Senate within 30 days of the disposition of the recommendation.
- (b) If the Chief Academic Officer and/or College Council supports the recommendation, then s/he is responsible for submitting the recommendation to the President for action, as well as keeping the Senate informed of progress.
- (c) If minor changes are needed to the recommendation, then the Executive Committee and Chief Academic Officer and/or College Council will meet in an effort to come to a consensus. The Executive Committee shall decide whether the changes are acceptable or must be returned to the Senate for another vote.
- (d) If the Chief Academic Officer and/or College Council denies the recommendation, the denial with reasoning shall be provided in writing to the Senate. The Senate may appeal the denial to the President.

Section 4 There shall be student representation on all committees not involving student records, faculty affairs, or other confidential matters. The Coordinator of Student Activities

shall be responsible for these appointments of students, cooperating with the Student Assembly.

Section 5 The following sub-sections describe the composition and responsibilities of the elected committees:

A. The Academic Standards Committee

1. The responsibilities of this committee shall include:
  - (a) developing admission standards and policies consistent with the stated goals of the College and its primary responsibility;
  - (b) developing academic standards and policies conducive to quality education;
  - (c) reviewing and determining academic status of students in cases not clearly delineated by established standards;
  - (d) hearing and deciding, subject to any further right of appeal, individual exceptions and/or appeals in areas such as admissions, academic status, adjustment of academic records, and waiver of degree requirements in exceptional cases; and
  - (e) certifying degree candidates to the Registrar.
2. Composition of the Committee shall be in accordance with Article IX, Section 2.
3. In addition, the Chief Academic Officer and/or designees and the Registrar will be ex officio non-voting members.

B. The Instructional Programs Committee

1. The responsibilities of this committee shall include:
  - (a) reviewing, proposing, and considering modifications of policies, procedures, and programs of the Library;
  - (b) keeping informed of the degree requirements of area colleges and of national curriculum trends;
  - (c) reviewing, proposing, and considering modifications of, additions to, or deletions from the degree requirements and curricula;
  - (d) seeking the advice of the representatives of the academic discipline involved before making changes in policy or programs that will be presented to the Chief Academic Officer and to the President of the College for approval and inclusion in the College catalogue; and
  - (e) reviewing and recommending modifications of, additions to, or deletions from policies, programs, course descriptions, and syllabi to the Chief Academic Officer and to the President of the College for approval.
2. Composition of the Committee shall be in accordance with Article IX, Section 2.
3. In addition, the Chief Academic Officer and/or designees, the Registrar, the Division Chairs, the Director of the Library, and the faculty representative to the Board of Visitors will be ex officio non-voting members. There will also be two voting student members.

C. Faculty Affairs Committee

1. The responsibilities of this committee shall include:
  - (a) studying the concerns of the faculty with regard to faculty welfare in such areas as salaries, fringe benefits, and working conditions;
  - (b) proposing various programs and policies for faculty development in such areas as in-service activities, continuing education, promotions and tenure; and
  - (c) oversee the activities of the Faculty Development Coordinator; and
  - (d) reviewing, proposing, and considering modifications of, additions to, or deletions from the By-laws of the Faculty Senate on an annual basis.
2. Composition of the Committee shall be in accordance with Article IX, Section 2.
3. In addition, the Chief Academic Officer and/or designees and the faculty representative to the Board of Visitors will be ex officio non-voting members.

D. The Student Affairs Committee

1. The responsibilities of this committee shall include:
  - (a) overseeing the activities of the student organizations;
  - (b) overseeing the athletic and intramural programs;
  - (c) overseeing the disposition of funds available for all student activities;
  - (d) developing guidelines for physical conditions, parking, safety and traffic on the campus grounds;
  - (e) approving or disallowing petitions on parking tickets; and
  - (f) developing recommendations relating to the process of student advising and financial aid.
2. Composition of the Committee shall be in accordance with Article IX, Section 2.
3. In addition, the Chief Academic Officer and/or designees will be ex officio non-voting members. There will also be four voting student members.

Article X

**Parliamentary Authority**

The meetings and the recording of minutes of the Senate shall abide by Robert's Rules of Order Newly Revised in all of its proceedings and committee meetings.

Article XI

**Amendments**

Section I These by-laws may be amended at any scheduled meeting by a two-thirds vote of the Senate of the regular members present provided that the amendment has been submitted to the Senate in writing at least ten days prior to the next meeting of the Senate and distributed to the faculty by the Secretary.

Section 2 The By-laws become effective upon approval by the President of Richard Bland College and the Board of Visitors of The College of William and Mary in Virginia.

Section 3 These By-laws recognize the provision in the By-laws of the Board of Visitors with regard to inconsistencies, as follows: "All By-laws of the faculties and other organizations of the College and its branch colleges must be consistent with the By-laws of the Board.

### **Provisos for Transition to a Faculty Senate**

Section 1 The Chair of the Faculty Affairs Committee will call for nominations for the positions of Chair, Vice-Chair, and Secretary within ten days of approval of the By-Laws by the Board of Visitors.

(a) Nominations will be submitted to the Chair who will then distribute a list of the nominees for each position to all regular members of the faculty. S/he will call a special faculty meeting for the purpose of electing the officers of the Senate for one week hence.

(b) If the Chair is seeking election for a position, a member of the Faculty Affairs Committee who is not running will assume the position of temporary chair.

(c) The members of the Faculty Affairs Committee who are not seeking election will count the ballots.

Section 2 Election of Executive Senators will take place in division meetings as outlined in the By-Laws.

Section 3 The Chair (or temporary chair) of the Faculty Affairs Committee will send out results of elections.

Section 4 A partial term counts as a full term.

**RICHARD BLAND COLLEGE  
RETIREMENT OF DR. RUSSELL E. WHITAKER, JR.  
VICE PRESIDENT OF ADMINISTRATION AND FINANCE**

Russell E. Whitaker, Jr. joined the administration of Richard Bland College in 1974. During his tenure, he has served as Director of Continuing Education, Chief Fiscal Officer, Dean of Financial and Administrative Services, Dean of Administration and Finance, and Vice President of Administration and Finance. Dr. Whitaker retired on November 1, 2012 after 38 years of service.

Dr. Whitaker received his A.A. Degree from Richard Bland College in 1967, his B.S. in History and Social Science from Virginia Commonwealth University in 1969, his M.Ed. in Industrial Education from Virginia State College in 1972 and his Ed.D. from the College of William and Mary in Higher Education Administration in 1986.

Dr. Whitaker served in the U.S. Army Reserve and was a public school teacher and Adult Education Coordinator. He has served actively in his community on the Dinwiddie Ruritan Club, on the Board of Directors of the Prince George Rescue Squad, with Crater Community Hospice, and various other organizations. He has been actively involved in the Richard Bland College Foundation, serving as Treasurer and Member of the Board of Directors.

Dr. Whitaker was instrumental in the expansion of Richard Bland College. He was a member of the administrative team and coordinated efforts and brought to fruition the addition of the Student Residential Village and most recently the construction of a new LEED Gold certified science and technology facility, James B. McNeer Hall, which is the first new academic building in forty years.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Dr. Russell E. Whitaker, Jr. and expresses its appreciation for the many contributions he has made to Richard Bland College and, with deep gratitude for his 38 years of devoted service to the College, approves a change in status from Vice President of Administration and Finance to Vice President of Administration and Finance 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 Dr. Russell E. Whitaker, Jr. with best wishes for continuing and creative work in the years ahead.

**RICHARD BLAND COLLEGE  
RETIREMENT OF FRANCES S. SCARBROUGH  
HUMAN RESOURCES DIRECTOR**

Frances S. Scarbrough was hired by Richard Bland College in December, 1968. Mrs. Scarbrough received an Associate in Science in Business Degree from Richard Bland College in 1982 and attended Saint Leo College after graduating from Richard Bland College.

During her employment, Mrs. Scarbrough held several positions, including Secretary to the Registrar, College Accountant, Assistant Human Resource Director and most recently Human Resources Director. She will retire on January 1, 2013, after a total of forty-four years of service. During her tenure, Mrs. Scarbrough worked with all four Presidents of Richard Bland.

Mrs. Scarbrough was actively involved with different HR Organizations, including College and University Personnel Association (CUPA) and the International Personnel Management Association (IMPA), where she served on the board for several years. In 2001, she was appointed by the Virginia Retirement System to serve as a charter member on the Commonwealth's Optional Retirement Plan for Higher Education Advisory Committee. Mrs. Scarbrough served on this committee through December, 2007. The College was asked by the State Department of Accounts, under Mrs. Scarbrough's direction, to be the first agency to go live in implementing the state's first electronic payroll system (CIPPS).

Mrs. Scarbrough was very active in the Tri-Cities P. Buckley Moss Chapter. She was president of the Chapter for two years and became very interested not only in the Moss artwork but in the fact that the artist believes in helping children with disabilities since Ms. Moss was diagnosed at an early age as dyslexic. While Chapter President, Mrs. Scarbrough was involved with helping children with disabilities. In her spare time, she enjoys shopping, reading, bike riding and her six grandchildren.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Frances S. Scarbrough and expresses its appreciation to her for the many contributions she has made to Richard Bland College, with deep gratitude for her forty-four years of devoted service to the College.

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



Board of Visitors

Resolution 14

November 28-30, 2012

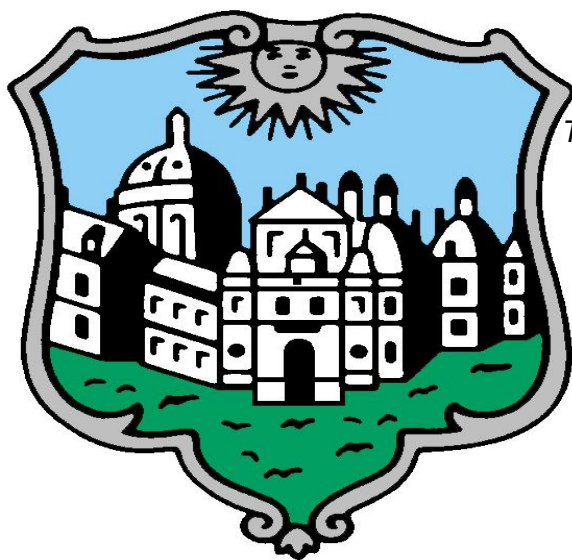
Page 1 of 1

**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, 2012**

The Consolidated Financial Report of The College of William and Mary in Virginia and Richard Bland College for the fiscal year ended June 30, 2012, has been presented by the Vice President for Finance and the Vice President 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 2011-2012. 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 the Year Ended June 30, 2012 (*see separate booklet*) for 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, 2012**

2011-2012 CONSOLIDATED FINANCIAL REPORT  
FOR  
THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA  
AND  
RICHARD BLAND COLLEGE

November 9, 2012

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

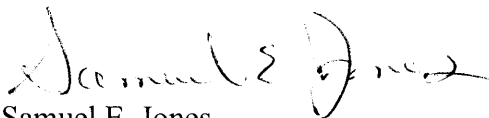
We are pleased to submit the following consolidated annual financial report for The College of William and Mary and Richard Bland College for the fiscal year ended June 30, 2012. Financial management has prepared and is responsible for the consolidated financial statements and all information in the 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 2011-12 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



Beverly P. Morris  
Interim Director of Financial Management  
Richard Bland College

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

**June 30, 2012**

**The Board of Visitors**

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Charles A. Banks III - Vice Rector  
Dennis H. Liberson - Secretary

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Colin G. Campbell  
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Peter A. Snyder  
Todd A. Stottlemeyer  
Michael Tang  
John C. Thomas

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Kaveh Sadeghian - College of William and Mary  
Emily R. Michalek - Richard Bland College

**Faculty Representatives**

Alan J. Meese - College of William and Mary  
Stephen E. Martin - Richard Bland College

**OFFICERS OF ADMINISTRATION**

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Michael R. Halleran, Provost  
Virginia M. Ambler, 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  
LeAnn Binger, Provost and Dean of Faculty  
Russell E. Whitaker, Jr., Vice President of Administration and Finance

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

**ANNUAL FINANCIAL REPORT 2011 - 2012**

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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, 2012 and the prior year ending June 30, 2011. 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 2012. 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 (RBC). 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 "Colleges" 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 significant financial activity during the year. While affiliated foundations are not under the direct control of the 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, 2012. 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 2012</u>	<u>FY 2011</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<u>Assets:</u>				
Current	\$ 70,873,133	\$ 58,698,066	\$12,175,067	20.74%
Capital, net of accumulated depreciation	699,630,341	701,308,876	(1,678,535)	-0.24%
Other non-current	120,267,473	110,252,618	10,014,855	9.08%
Total assets	<u>890,770,947</u>	<u>870,259,560</u>	<u>20,511,387</u>	<u>2.36%</u>
<u>Liabilities:</u>				
Current	75,172,877	72,306,301	2,866,576	3.96%
Non-current	221,944,706	222,179,900	(235,194)	-0.11%
Total liabilities	<u>297,117,583</u>	<u>294,486,201</u>	<u>2,631,382</u>	<u>0.89%</u>
<u>Net Assets:</u>				
Invested in capital assets, net of related debt	483,765,246	485,065,444	(1,300,198)	-0.27%
Restricted	79,651,407	70,630,862	9,020,545	12.77%
Unrestricted	30,236,711	20,077,053	10,159,658	50.60%
Total net assets	<u>\$593,653,364</u>	<u>\$575,773,359</u>	<u>\$17,880,005</u>	<u>3.11%</u>

The overall result of the College’s fiscal year 2012 operations was an increase in net assets of approximately \$17.9 million or 3.1 percent to \$593.7 million. The increase in net assets occurred in the categories of restricted (\$9.0 million) and unrestricted (\$10.2 million) net assets. In addition to the College’s net assets as shown above, net assets for the College’s affiliated foundations totaled \$634.4 million.

The \$1.3million decrease in capital net assets, net of related debt, reflects the College and VIMS’ change in capitalization threshold for capital assets from \$2,000 to \$5,000. 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 increased by \$12.2 million primarily as a result of an overall increase in cash and cash equivalents offset by a decrease in investments and amounts due from the Commonwealth of Virginia. The amounts due from the Commonwealth reflect routine and recurring requests for bond proceeds for capital construction. The increase in Other Non-Current Assets reflects the net increase in cash, cash equivalents and restricted investments.

Total liabilities increased slightly driven by increases in deferred revenue, deposits held in custody for others and the current portion of long-term liabilities. See footnote 7 for the details of the accounts payable and accrued expenses and footnote 10 for the long-term debt details.

## 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 2012</u>	<u>FY 2011</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating revenues	\$ 270,401,471	\$ 242,417,920	\$27,983,551	11.54%
Operating expenses	<u>356,429,081</u>	<u>337,426,850</u>	<u>19,002,231</u>	5.63%
Operating gain/(loss)	(86,027,610)	(95,008,930)	8,981,320	9.45%
Net Non-operating revenues	<u>86,811,719</u>	<u>101,912,686</u>	<u>(15,100,967)</u>	-14.82%
Income/(Loss) before other revenues	784,109	6,903,756	(6,119,647)	88.64%
Net other revenues	<u>20,555,531</u>	<u>42,231,642</u>	<u>(21,676,111)</u>	-51.33%
Increase in net assets	<u><u>\$21,339,640</u></u>	<u><u>\$49,135,398</u></u>	<u><u>(\$27,795,758)</u></u>	-56.57%

Overall, the result from operations was an increase in net assets of \$21.3 million. This increase was attributable to increases in Operating Revenues offset by an increase in operating expenses and a decrease in Non-Operating and Net Other Revenues.

The increase in operating revenues was driven by primarily by an increase in tuition and fees, grant and contract as well as auxiliary enterprise. See the following section of Summary of Revenues for further details.

Operating expenses increased notably in the four programs of Student Aid, Instruction, Academic Support and Student Services. See the following section of Summary of Expenses for further details.

With the inclusion of state appropriations for the College in the non-operating category, the College will typically display an operating loss for the year.

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



Summary of Revenues

	<u>FY2012</u>	<u>FY2011</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Revenues:				
Student Tuition and Fees, net of scholarship allowances	\$ 139,365,551	\$ 122,740,797	\$ 16,624,754	13.54%
Federal, State, Local and Non-governmental grants and contracts	45,702,027	44,115,237	1,586,790	3.60%
Auxiliary Enterprise, net of scholarship allowances	79,401,760	71,794,030	7,607,730	10.60%
Other	5,932,133	3,767,856	2,164,277	57.44%
Total Operating Revenues	<u>270,401,471</u>	<u>242,417,920</u>	<u>27,983,551</u>	<u>11.54%</u>
Non-Operating:				
State Appropriations	61,101,776	67,058,280	(5,956,504)	-8.88%
Gifts, Investment Income and other income and expenses	25,709,943	34,854,406	(9,144,463)	-26.24%
Total Non-Operating	<u>86,811,719</u>	<u>101,912,686</u>	<u>(15,100,967)</u>	<u>-14.82%</u>
Capital Revenues, Gains and (Losses):				
Capital Appropriations	9,902,380	29,139,531	(19,237,151)	-66.02%
Capital Grants and Gifts	10,653,151	13,092,111	(2,438,960)	-18.63%
Total Capital Revenues, Gains and (Losses)	<u>20,555,531</u>	<u>42,231,642</u>	<u>(21,676,111)</u>	<u>-51.33%</u>
Total Revenues	<u>\$ 377,768,721</u>	<u>\$ 386,562,248</u>	<u>\$ (8,793,527)</u>	<u>-2.27%</u>

Within the operating revenue category, student tuition and fees increased \$13.2 million, net of scholarship allowances, reflecting the increase approved by the Board of Visitors in the Spring of 2011. An increase in Federal, State and Local grants was offset by a reduction in non-governmental funding for research for a slight overall increase in revenues. The increase in Auxiliary Enterprise revenues is attributable to the Board approved fee increases and increased sales.

The Capital Revenues decrease reflects a decrease in capital appropriations given the completion of the capital construction projects.

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

### Summary of Operating Expenses

	<u>FY 2012</u>	<u>FY 2011</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Expenses:				
Instruction	\$97,989,332	\$94,581,663	\$3,407,669	3.60%
Research	48,221,990	47,796,508	425,482	0.89%
Public Service	68,442	52,740	15,702	29.77%
Academic Support	29,626,975	27,596,836	2,030,139	7.36%
Student Services	13,994,086	11,017,209	2,976,877	27.02%
Institutional Support	27,166,785	26,503,476	663,309	2.50%
Operation and Maintenance of Plant	23,472,575	27,551,256	-4,078,681	-14.80%
Student Aid	33,246,613	14,875,398	18,371,215	123.50%
Auxiliary Enterprise	57,826,571	63,901,228	-6,074,657	-9.51%
Depreciation	23,761,878	22,951,758	810,120	3.53%
Other Operating Expenses	1,053,834	598,778	455,056	76.00%
Total Operating Expenses	<u><u>\$356,429,081</u></u>	<u><u>\$337,426,850</u></u>	<u><u>\$19,002,231</u></u>	<u><u>5.63%</u></u>

For fiscal year 2011, operating expenses increased notably in the four programs; Student Aid, Instruction, Academic Support and Student Services.

### 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>FY2012</u>	<u>FY 2011</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<u>Cash Flows from:</u>				
Operating Activities	\$ (59,927,275)	\$ (72,253,252)	\$12,325,977	17.06%
Non-capital Financing	96,759,485.00	99,232,682	(2,473,197)	-2.49%
Capital Financing	(11,021,124.00)	(15,332,663)	4,311,539	28.12%
Investing Activities	6,265,688.00	10,492,973	(4,227,285)	40.29%
Net Increase in Cash	<u><u>\$ 32,076,774</u></u>	<u><u>\$ 22,139,740</u></u>	<u><u>\$ 9,937,034</u></u>	<u><u>-44.88%</u></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 2012 were tuition and fees - \$133.7 million, auxiliary enterprise revenues \$78.9 million, state appropriations - \$61.1 million, and research grants and contracts - \$45.4 million.

The primary uses of operating cash in fiscal year 2012 were payments to employees - \$194.3 million representing salaries, wages and fringe benefits and payments to suppliers of goods and services - \$96.9 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 2012 were proceeds from capital appropriations - \$11.3 million, bond sales - \$25.6 million and capital grants and gifts - \$9.8 million. The primary uses of cash were for debt payments - \$29.3 million and capital expenditures - \$29.2 million.

## Capital Asset and Debt Administration

### The College of William & Mary

General –The impact of the national recession continues to ripple down to College level as the total volume of work has declined significantly. FY 2012 marks the low point of College construction placement and project delivery since the 2001 bond issue ignited higher education construction in the Commonwealth. Support for construction of primary academic facilities (education and general) has dropped to the point that only one of five projects delivered in the last two years has included state funds – a ratio which is a direct reflection of the continuing fiscal climate.

Completed Projects – Twenty-three projects listed as “placed into service” were completed prior to FY 2012, and residual funds in each budget have been used to restore items deleted from project scopes during design to reduce estimated costs prior to contract bid/negotiation and/or to purchase equipment required to optimize facility functionality. These projects will be closed as rapidly as possible.

Projects in Progress - Fourteen projects are currently in design (3) and construction (11)

Design – Three projects have elements in design. Two are the final phases of utility infrastructure projects, Emergency Generators and Power Plant Utilities Improvements, which will design an emergency power automatic transfer switch for the campus museum and offices for Power Plant maintenance staff within the renovated plant, respectively. The third is design of additional kitchen space within the Commons Dining Facility.

Construction - Eleven projects are in construction. Five are for residence hall construction and improvement, four renovate academic/academic administration facilities, one supports intercollegiate athletic facility repairs and a final project renews/augments critical infrastructure.

Residence Life - The residence life projects consist of construction of a new 187 bed fraternity complex and four dormitory repair umbrella projects focused on envelope repairs, structural improvements, HVAC upgrades and fire safety. The fraternity complex consists of 11 two story, 17 bed houses and a community building. The complex provides additional beds to accommodate an expanding undergraduate population and places the Greek community in the heart of student residential housing.

Academic/Academic Administration – The four academic/academic administration projects provide final adjustments to the addition and renovation of the Physics building, final adjustments to the renovation of the Art and Art History building, renovation of the 1909 home of the English department, and an upgrade for building systems within the historic Brafferton. Small Hall, the home to Physics, provides vibration free, “heavy” labs with sufficient power and associated cooling to support graduate level research featuring cutting edge laser technology in partnership with private industry. Final steps in the renovation include installation of lab entry security for laser labs, laser curtain installation, incorporation of radiation security features and lecture hall seating modifications. The second project is a basic building systems renewal of Andrews Hall, home to Art and Art History which repairs structural masonry defects and brings mechanical, electrical, fire sprinkler and associated controls into compliance with current building codes to ensure systems operability and occupant safety. A major fire alarm and fire sprinkler installation in the previously unprotected foundry area has been added per the direction of the Building Code Official to ensure fire safety during foundry pours. The English Department project will renovate the 1909 era Tucker Hall. The project will re-program interior space to house the current staff, reconfigure instructional space to support seminar size classes and equip all instructional space with state of the art audio/visual equipment and data connectivity to support modern pedagogy. The building

systems in this century old hall will be simultaneously replaced to meet current code standards and to ensure full accessibility, LEED Silver sustainability and state of the art life safety provisions. Design was paused in 2010 but is now complete. Project costs have been submitted to the Bureau of Capital Outlay Management for review and approval of construction funds. The final project is renovation of the Brafferton, a former 18th century Indian School, which now houses the offices of the President, the Provost and their staffs. The proposed scope will upgrade building systems with minimal disruption to existing programming and virtually no destruction of historic fabric.

Intercollegiate Athletics - An intercollegiate umbrella will address long standing deficiencies at existing facilities by reroofing the campus arena, providing new lighting for an athletic field complex and replacing deteriorating windows in Zable Stadium.

Utilities/Infrastructure - The final infrastructure project provides a cooling addition to the existing steam plant and constructs the first phase of chilled water/steam distribution to ten of twenty seven supported buildings. The creation of a district plant significantly increases energy efficiency as it simultaneously replaces sixty year plant and piping with geometrically increasing failure/repair rates.

A new Six Year Plan for the 2014-2020 period will be submitted in May, 2013. The plan will mark a significant transition functionally and fiscally. New construction will include a shift in focus to support the arts, technology and renovation of older academic facilities and dormitories. Funding support will continue to rely heavily on College and donor support during this period of fiscal recession and recovery.

#### Virginia Institute of Marine Science

The Marine Research Building Complex is comprised of two buildings, a seawater laboratory and a scientific building. Construction started in August 2005; a final certificate of use and occupancy was issued for the Seawater Research Laboratory on April 2, 2007 and for Andrews Hall on July 17, 2009. Installation of a second seawater line was completed in July 2012 and the project is now closed.

The Property Acquisitions have four appropriations for property at the Gloucester Point and Wachapreague campuses, the Virginia Estuarine & Coastal Research Reserve and the Chesapeake Bay National Estuarine Research Reserve in Virginia programs. The appropriation for "Acquisition: Master Plan Properties" involves the purchase of properties contiguous to the Gloucester Point campus. VIMS is currently in the process to acquire property which should be complete by Fall 2012. VIMS purchased two properties for its Wachapreague campus in May and June 2011, respectively. 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". VIMS purchased the Catlett Islands from Timberneck, L.L.C. for the Chesapeake Bay National Estuarine Research Reserve in Virginia Program in May 2012 and the appropriation remains open for future properties to become available.

The Improvement Project of Electrical Upgrades involves upgrading the electrical distribution system in 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 substantially complete. VIMS will purchase and install UPS systems in various laboratories with the remaining funds.

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. The project is on hold.

The Research Storage Facility project involves the construction of a 4,900 square foot facility that is needed to secure research equipment and instruments that are currently stored outdoors. The project was completed in December 2011.

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. The research had been conducted in former oyster shucking houses from the late 1800's. Substantial completion was on February 3, 2012. VIMS has moved into the new facility and the contractor is completing the punch list items.

### Richard Bland College

Major Projects in Progress at June 30, 2012:

	Expenditures to Date
Student Center Renovation	\$ 1,035,652
Total	<u>\$ 1,035,652</u>

The Student Center Renovation construction is on-going. The anticipated date of completion is during FY 2013.

### 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, 2011 the College has outstanding balances for Section 9(c) bonds and Section 9(d) bonds of \$53.7 million and \$150.8 million respectively.

The outstanding balance of 9(c) bonds can be summarized in four major categories as follows: (1) Renovation of Dormitories - \$19.4 million, (2) Commons Dining Hall - \$7.6 million, (3) Other housing / residence - \$5.7 million, (4) New Dormitory - \$16.3 million, and (5) University Center -\$1.6 million. The majority of the 9(d) balance at June 30, 2011 is related to the new school of business building, Miller Hall, - \$39.7 million, the Barksdale dormitories - \$21.2 million, Cooling Plant - \$21.8 million, Integrated Science Center - \$16.9 million and the Parking Deck -\$9.5 million.

### Economic Outlook

The College's economic health reflects our ability to recruit students, our status as a public institution within the Commonwealth of Virginia's higher education system, our ability to raise revenue through tuition and fees, grants and contracts and private funds, and our ability to reallocate funds in support of higher priorities.

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. Freshman applications to the College reached a new high of 13,660 for Fall 2012. The credentials of our admitted students remain strong, 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.

The rebound in endowment value that began in FY 2010 continued through FY 2012. By June 30, 2012, the consolidated value of endowments held by all of the various entities supporting the College and its programs totaled \$644.2 million, an increase of 30.2% since FY 2008, and a record high for the College. While investment performance reflected the challenge of investing in sometimes turbulent national and global markets, strong gift flow and significant growth in assets held in external trusts more than compensated. The Board of Visitors' endowment and the William and Mary Investment Trust, the largest of the College's investment portfolios, remain highly diversified across asset classes.

With the opening of the School of Education and the Sherman and Gloria Cohen Career Center, the facilities focus shifts to planning for the final phase of the Integrated Science Center and the renovation of both Tucker and Tyler Halls. Since the ISC 3 and Tucker Hall projects had been previously authorized by the State, the College requested and received permission to move forward with Tyler Hall planning. On the non-academic side, the William and Mary Real Estate Foundation opened Tribe Square for Fall, 2011. Located just across Richmond Road from campus, Tribe Square provided 56 apartment-style beds as well as four commercial spaces. On-campus, construction of the new fraternity houses is underway. When complete in Summer, 2013, these houses will not only dramatically improve fraternity housing, but add an additional 187 beds to our on-campus inventory, reaffirming once again the College's residential commitment.

In the short-term, fiscal year 2013 budgets continue our progress. Within available resources the budgets reflect priorities included in the College's Strategic Plan and the Six-Year Plan approved by the Board of Visitors in response to the recently passed Higher Education Opportunity Act. This Act reaffirmed "the Commonwealth's commitment...to having a distinctive 'public ivy' at William and Mary".

Long-term, the Board of Visitors and the administration are focused on how best to attract and retain the very best students, faculty and staff while enhancing quality, affordability, and access. Well into its strategic planning process, the College will this year assess progress to date and identify more intentional investments to move the College forward. Under the general theme of "Breaking Boundaries", possible initiatives include enhancing the "360 degree" nature of a William and Mary education, leadership development, expanding technology-based instructional methods, interdisciplinary opportunities, applied learning, and global education and awareness. These investments will occur even as the College continues to address the six original "grand challenges" that have driven recent funding decisions.

All of the College's constituencies will need to contribute to this effort. While we do not expect the state to restore those funds lost since 2008, the Commonwealth will continue to play an important role in the College's future, providing both operating and facilities support. We can expect state resources to be targeted to support the various initiatives highlighted in the Higher Education Opportunity Act. Internally, the deans and vice presidents remain focused on ways to improve the efficiency and effectiveness of program delivery, allowing for the reallocation of funds to higher priority needs. Tuition and fees remain a part of the funding solution, recognizing that any action increasing the cost to students must address access and affordability issues. Finally, private fund raising, both annual giving and endowment, remains crucial to both the short- and long-term financial health of the institution. The Board of Visitors, in partnership with the College of William and Mary Foundation, the William and Mary Alumni Association, and the various other foundations and boards supporting the College, continues to invest those resources necessary to grow the College's giving profile and endowment.

As noted above, recent state funding action has cleared a variety of capital needs. As a result, the College is able to shift its facility focus to the programmatic and spaces needs of its various arts programs. Prior studies have more than adequately documented the condition and space needs in theatre, speech, dance, music, art and art history, and the Muscarelle Museum of Art. To be funded with both state and private funds, planning is underway for an "Arts Quarter" that will provide quality instructional, performance, and exhibition space for our students, faculty, and visitors.

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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, 2012**

	<b>ASSETS</b>	<b>Colleges</b>	<b>Component Units</b>
Current assets:			
Cash and cash equivalents (Note 3)	\$ 49,896,351	\$ 21,967,908	
Investments (Note 3)	2,459,080	955,692	
Appropriation available	281,686	-	
Receivables, net of allowance for doubtful accounts (Note 5)	13,827,647	1,906,293	
Notes receivable (Note 5)	20,941	-	
Due from commonwealth	2,068,744	-	
Inventories	807,924	40,319	
Pledges receivable	-	7,948,925	
Prepaid expenses	1,427,924	615,819	
Other assets	82,836	14,915	
Total current assets	70,873,133	33,449,871	
Non-current assets:			
Restricted cash and cash equivalents (Note 3)	43,549,934	19,715,256	
Restricted investments (Note 3)	64,537,738	435,044,383	
Investments (Note 3)	9,091,673	11,995,721	
Receivables	-	23,673,342	
Notes receivable, net of allowance for doubtful accounts (Note 5)	3,088,128	-	
Pledges receivable	-	12,750,259	
Capital assets, nondepreciable (Note 6)	133,307,189	11,849,287	
Capital assets, depreciable net of accumulated depreciation of \$335,526,543 (Note 6)	566,323,152	15,143,635	
Other assets	-	1,506,592	
Other restricted assets	-	136,883,891	
Total non-current assets	819,897,814	668,562,366	
Total assets	890,770,947	702,012,237	
	<b>LIABILITIES</b>		
Current liabilities:			
Accounts payable and accrued expenses (Note 7)	34,263,442	1,795,345	
Deferred revenue	13,684,090	1,691,693	
Deposits held in custody for others	3,078,155	19,655	
Obligations under securities lending program	139,525	-	
Long-term liabilities-current portion (Note 9)	23,664,491	1,884,316	
Short term debt	-	2,635,000	
Other liabilities	343,174	33,043	
Total current liabilities	75,172,877	8,059,052	
Long-term liabilities-non-current portion (Note 9)	221,944,706	59,536,120	
Total liabilities	297,117,583	67,595,172	
	<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	483,765,246	11,601,830	
Restricted for:			
Nonexpendable:			
Scholarships and fellowships	14,437,880	90,124,469	
Research	-	5,861,795	
Loans	-	24,230	
Departmental uses	27,195,681	124,633,047	
Other	-	182,488,048	
Expendable:			
Scholarships and fellowships	7,693,609	62,936,460	
Research	-	2,318,540	
Debt service	599,510	-	
Capital projects	3,422,586	7,076,090	
Loans	721,043	49,945	
Departmental uses	25,581,098	101,268,589	
Other	-	13,945,100	
Unrestricted	30,236,711	32,088,922	
Total net assets	\$ 593,653,364	\$ 634,417,065	

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, 2012**

	<b>Colleges</b>	<b>Component Units</b>
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$24,602,458	\$ 139,365,551	\$ -
Gifts and contributions	-	15,988,737
Federal grants and contracts	39,125,012	-
State grants and contracts	2,203,945	-
Local grants and contracts	401,159	-
Nongovernmental grants and contracts	3,971,911	-
Auxiliary enterprises, net of scholarship allowances of \$10,876,628	79,401,760	-
Other	5,932,133	11,604,268
	<hr/>	<hr/>
Total operating revenues	270,401,471	27,593,005
	<hr/>	<hr/>
Operating expenses: (Note 11)		
Instruction	97,989,332	3,958,874
Research	48,221,990	526,022
Public service	68,442	948,439
Academic support	29,626,975	5,365,409
Student services	13,994,086	1,286,177
Institutional support	27,166,785	12,686,923
Operation and maintenance of plant	23,472,575	1,094,897
Student aid	33,246,613	6,143,259
Auxiliary enterprises	57,826,571	831,101
Depreciation	23,761,878	819,088
Other	1,053,834	6,916,956
	<hr/>	<hr/>
Total operating expenses	356,429,081	40,577,145
	<hr/>	<hr/>
Operating loss	(86,027,610)	(12,984,140)
	<hr/>	<hr/>
Non-operating revenues/(expenses):		
State appropriations (Note 12)	61,101,776	-
Gifts	17,177,812	-
Net investment revenue	(1,926,708)	(5,546,231)
Pell grant revenue	5,183,669	-
ARRA State Fiscal Stabilization Funds	940,873	-
Interest on capital asset related debt	(7,631,176)	(147,454)
Other non-operating revenue	12,392,152	19,722,074
Other non-operating expense	(426,679)	(5,318,495)
	<hr/>	<hr/>
Net non-operating revenues	86,811,719	8,709,894
	<hr/>	<hr/>
Income/(loss) before other revenues, expenses, gains or losses	784,109	(4,274,246)
	<hr/>	<hr/>
Capital appropriations	9,902,380	-
Capital grants and contributions	10,653,151	184,212
Additions to permanent endowments	-	18,322,449
	<hr/>	<hr/>
Net other revenues, expenses, gains or losses	20,555,531	18,506,661
	<hr/>	<hr/>
Increase in net assets	21,339,640	14,232,415
	<hr/>	<hr/>
Net assets - beginning of year, restated (Note 2)	572,313,724	620,184,650
	<hr/>	<hr/>
Net assets - end of year	\$ 593,653,364	\$ 634,417,065
	<hr/>	<hr/>

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, 2012**

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Cash flows from operating activities:	
Tuition and fees	\$ 133,696,948
Scholarships	(21,356,891)
Research grants and contracts	45,383,644
Auxiliary enterprise charges	78,942,364
Payments to suppliers	(96,912,996)
Payments to employees	(194,299,574)
Payments for operation and maintenance of facilities	(12,559,399)
Loans issued to students and employees	(392,299)
Collection of loans to students and employees	467,829
Other receipts	7,627,775
Other payments	(524,676)
	<hr/>
Net cash used by operating activities	(59,927,275)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	61,101,776
Gifts	17,177,812
Agency receipts	5,874,486
Agency payments	(5,190,190)
Direct Loan receipts	47,405,825
Direct Loan disbursements	(47,405,825)
Other non-operating receipts	18,222,280
Other non-operating disbursements	(426,679)
	<hr/>
Net cash provided by noncapital financing activities	96,759,485
	<hr/>
Cash flows from capital financing activities:	
Proceeds from issuance of capital debt	25,640,084
Capital appropriations	11,293,309
Capital grants and contributions	9,774,795
Insurance payments	680,113
Capital expenditures	(29,214,049)
Principal paid on capital-related debt	(20,612,944)
Interest paid on capital-related debt	(8,648,289)
Proceeds from sale of capital assets	65,857
	<hr/>
Net cash used by capital and related financing activities	(11,021,124)
	<hr/>
Cash flows from investing activities:	
Investment income	(1,871,737)
Investments	8,137,425
	<hr/>
Net cash provided by investing activities	6,265,688
	<hr/>
Net increase/(decrease) in cash	32,076,774
Cash-beginning of year*	61,234,170
	<hr/>
Cash-end of year	\$ 93,310,944
	<hr/>

**The College of William and Mary in Virginia  
and Richard Bland College - Consolidated Report  
Statement of Cash Flows  
For the Year Ended June 30, 2012**

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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	\$ 49,896,351
Restricted cash and cash equivalents	43,549,934
Less: Securities lending -Treasurer of Virginia	<u>(135,341)</u>

Net cash and cash equivalents	<u><u>\$ 93,310,944</u></u>
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Reconciliation of net operating expenses to net cash used by operating activities:

Net operating loss	\$ (86,027,610)
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Adjustments to reconcile net operating expenses to cash used by operating activities:

Depreciation expense	23,761,878
Changes in assets and liabilities:	
Receivables-net	864,788
Inventories	(330,087)
Prepaid expense	(152,549)
Accounts payable	2,140,612
Deferred revenue	469,360
Deposit held for others	(223,064)
Compensated absences	94,073
Other liability	<u>(524,676)</u>

Net cash used in operating activities	<u><u>\$ (59,927,275)</u></u>
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**NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL  
AND RELATED FINANCING TRANSACTIONS**

Amortization of a deferred loss	\$ 1,326,362
Donated capital assets	\$ 878,356
Reduction/amortization of bond premium and debt issuance costs	\$ 309,249

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, 2012**

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

## NOTES TO FINANCIAL STATEMENTS

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### 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 which the Foundations hold and invest are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundations 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. 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, 2012:

Assets	<u>\$ 616,655</u>
Liabilities	139,602
Net Assets	<u>477,053</u>
Liabilities and Net Assets	<u>\$ 616,655</u>

The total unaudited receipts and disbursements of the OIEAHC were \$1,896,364 and \$1,936,994 respectively, for the year ended June 30, 2012. 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, 2012, the Colleges' prepaid expenses included items such as insurance premiums, membership dues, conference registrations for fiscal year 2013 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. All three campuses capitalize 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. GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets for financial statement periods beginning after June 15, 2009. The Williamsburg and York River campuses capitalize intangible assets with a cost greater than or equal to \$50,000 except for internally generated computer software which is capitalized at a cost of \$100,000 or greater. Richard Bland College capitalizes intangible assets with a cost greater than or equal to \$20,000.

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
Intangible Assets – computer software	3-20 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, 2012. This is primarily comprised of revenue for student tuition paid 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 Direct Loans, which includes Stafford Loans, Parent Loans for Undergraduate Students (PLUS) and Graduate PLUS Loans. 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, 2011 have been restated to reflect further evaluation of assets and liabilities.

Net assets as previously reported June 30, 2011	\$ 575,773,359
Reduction in assets due to increase in capital asset capitalization threshold	(5,291,475)
Adjustment to fund balance for grant transactions	<u>1,831,840</u>
Net asset balance at July 1, 2011	<u><u>\$ 572,313,724</u></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, Resolution 12(R) November 21-22, 2002, and as updated by the Board in April 2012 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, mutual 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. The College's investment policy does not limit the amount invested in U.S. Government or Agency Securities. As of June 30, 2012, 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 had no investments in foreign currency but had foreign deposits in the amount of \$280,499 as of June 30, 2012.

## 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.

### Interest Rate Risk: Maturities

Type of Investment	Fair Value	Less than 1 year	1-5 years	6-10 years	Greater than 10 years
Agency unsecured bonds and notes:					
Federal Home Loan Bank	\$ 2,000,360	\$ 2,000,360	\$ -	\$ -	\$ -
Federal Farm Credit Bank	998,804	998,804	-	-	-
Ridgeworth Fund - U.S. Government Sec	9,091,673	-	9,091,673	-	-
Mutual and money market funds:					
Money market	61,659,339	61,659,339	-	-	-
Mutual funds - Investment Funds	6,097,658	-	-	3,021,772	3,075,886
Mutual funds - PIMCO Funds	9,988,437	-	-	9,988,437	-
Mutual funds - PIONEER Strategic Income	9,725,688	-	-	-	9,725,688
Mutual funds - Calvert Social Investment Fund	44,467	-	-	44,467	-
Mutual funds - Wells Fargo	169,973	169,973	-	-	-
State non-arbitrage program	24,082,548	24,082,548	-	-	-
Securities lending	135,341	135,341	-	-	-
	<u>\$ 123,994,288</u>	<u>\$ 89,046,365</u>	<u>\$ 9,091,673</u>	<u>\$ 13,054,676</u>	<u>\$ 12,801,574</u>

## Credit & Concentration of Credit Risks

	Fair Value	S&P Credit Quality Rating AA+	Unrated
<u>Cash Equivalents</u>			
Certificate of deposit	\$ 170,000	\$ -	\$ 170,000
Money market	61,659,339	-	61,659,339
State non-arbitrage program	24,082,548	-	24,082,548
Securities lending	135,341	-	135,341
Total cash equivalents	86,047,228	-	86,047,228
<u>Investments</u>			
Agency unsecured bonds and notes:			
Federal Home Loan Bank	\$ 2,000,360	\$ 2,000,360	\$ -
Federal Farm Credit Bank	998,804	-	998,804
Ridgeworth Fund - U.S. Government Securities	9,091,673	-	9,091,673
Mutual funds:			
Investment Funds	6,097,658	-	6,097,658
PIMCO Funds	9,988,437	-	9,988,437
PIONEER Strategic Income Fund	9,725,688	-	9,725,688
Calvert Social Investment Fund	44,467	-	44,467
Wells Fargo	169,973	-	169,973
Total investments	38,117,060	\$ 2,000,360	\$ 36,116,700
<u>Other Investments</u>			
Other	37,521,366		
Securities lending	4,184		
Rare coins	280		
Property held as investment for endowments	445,600		
Total other investments	37,971,430		
Total cash equivalents and investments	\$ 162,135,718		

## 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 2012, had a net appreciation of \$8,633,049 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 - \$4,100,878, Restricted for Expendable Research - \$21,073, Restricted for Expendable Capital Projects - \$147,232, Restricted for Expendable Departmental Uses - \$3,368,186 and Unrestricted - \$995,680. The amount for Research was reclassified to unrestricted because the total net assets Restricted Expendable Research was negative.

## 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, 2012 as follows:

Accounts receivable consisted of the following at June 30, 2012:

Student Tuition and Fees	\$ 3,644,535
Auxiliary Enterprises	1,274,706
Federal, State and Non-Governmental Grants & Contracts	6,272,627
Other Activities	<u>2,683,571</u>
Gross Receivables	13,875,439
Less: allowance for doubtful accounts	<u>(47,792)</u>
Net Receivables	\$ <u>13,827,647</u>

Notes receivable consisted of the following at June 30, 2012:

Current portion:	
Federal student loans and promissory notes	\$ <u>20,941</u>
Non-current portion:	
Federal student loans and promissory notes	\$ 3,157,944
Less: allowance for doubtful accounts	<u>(69,816)</u>
Net non-current notes receivable	\$ <u>3,088,128</u>

## 6. CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2012 consists of the following:

	Beginning Balance	Beginning Balance Adjustments	Additions	Reductions	Ending Balance
Non-depreciable capital assets:					
Land	\$ 14,257,770	\$ (7,055)	\$ 807,703	\$ -	\$ 15,058,418
Inexhaustible artwork and Historical treasures	72,478,892	-	902,373	(12,310)	73,368,955
Construction in Progress	44,755,691	-	19,563,636	(19,439,511)	44,879,816
Total non-depreciable capital assets	131,492,353	(7,055)	21,273,712	(19,451,821)	133,307,189
Depreciable capital assets:					
Buildings	667,691,019	(42,700)	16,186,031	(974,241)	682,860,109
Equipment	85,796,508	(13,989,610)	4,942,303	(1,730,066)	75,019,135
Infrastructure	42,532,130	(17,459)	235,768	-	42,750,439
Other improvements	5,895,056	(4,004)	2,863,443	-	8,754,495
Library Materials	85,811,533	-	1,455,783	(227,871)	87,039,445
Computer software	5,121,258	-	304,814	-	5,426,072
Total depreciable capital assets	892,847,504	(14,053,773)	25,988,142	(2,932,178)	901,849,695
Less accumulated depreciation for:					
Buildings	156,934,862	(35,865)	15,295,011	(820,951)	171,373,057
Equipment	54,248,498	(8,718,182)	5,026,013	(1,448,713)	49,107,616
Infrastructure	25,494,132	(11,302)	1,378,542	-	26,861,372
Other improvements	3,879,253	(4,004)	432,866	-	4,308,115
Library Materials	77,877,634	-	1,535,181	(227,871)	79,184,944
Computer software	4,596,602	-	94,837	-	4,691,439
Total accumulated depreciation	323,030,981	(8,769,353)	23,762,450	(2,497,535)	335,526,543
Depreciable capital assets, net	569,816,523	(5,284,420)	2,225,692	(434,643)	566,323,152
Total capital assets, net	\$ 701,308,876	\$ (5,291,475)	\$ 23,499,404	\$ (19,886,464)	\$ 699,630,341

### 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 \$33.99 for fiscal year 2012. The average cost of the Law Library purchases of books was \$105.43 for fiscal year 2012. 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 \$79.30 for fiscal year 2012. The average cost of library books purchased for Richard Bland College was \$14.68 for fiscal year 2012. The changes reflected in the valuation are due to the recognition of depreciation in accordance with GASB Statements No. 34 and 35, as well as purchases, donations and disposals.

### 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 was a fire on November 18, 2010 at the VIMS Wachapreague campus which completely destroyed a laboratory and its contents. The impairment loss was recognized in the FY11 financial statements. During FY12, \$500,000 of insurance recoveries for this loss was received by the Institute. VIMS does plan to rebuild the facility.

Proceeds from other insurance recoveries attributable to capital assets are reported as a capital related financing activity in the Statement of Cash Flows. Accordingly, \$180,113 of proceeds from insurance recoveries are classified as a capital related financing activity.

GASB 42 also requires the disclosure of idle assets at the close of each fiscal year. As of June 30, 2012 there were several vacant or unused buildings on the main William and Mary campus and at the Dillard Complex. The carrying value of these unused buildings at year-end was \$1,895,515.

## 7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2012:

### Current Liabilities:

Employee salaries, wages, and fringe benefits payable	\$ 18,801,024
Vendors and supplies accounts payable	8,468,962
Capital projects accounts and retainage payable	<u>6,993,456</u>
Total current liabilities-accounts payable and accrued liabilities	<u>\$ 34,263,442</u>

## 8. COMMITMENTS

At June 30, 2012, outstanding construction commitments totaled approximately \$44,929,652.

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, 2012, was \$4,672,628.

As of June 30, 2012, the following total future minimum rental payments are due under the above leases:

<u>Year Ending June 30, 2012</u>	<u>Amount</u>
2013	\$ 4,280,354
2014	1,501,335
2015	1,418,966
2016	1,154,853
2017	<u>650,232</u>
Total	<u>\$ 9,005,740</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, 2012 is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Installment Purchases	\$ 5,979,315	\$ 26,797	\$ (522,519)	\$ 5,483,593	\$ 561,072
Capital Lease Payable	24,593,595	-	(449,359)	24,144,236	470,894
Notes Payable	159,955,401	35,469,723	(44,661,650)	150,763,474	10,345,000
Bonds Payable	<u>41,437,379</u>	<u>20,214,630</u>	<u>(7,938,265)</u>	<u>53,713,744</u>	<u>4,126,146</u>
Total long-term debt	231,965,690	55,711,150	(53,571,793)	234,105,047	15,503,112
Perkins Loan Fund Balance	2,498,565	-	-	2,498,565	-
Accrued compensated absences	<u>8,911,512</u>	<u>9,022,898</u>	<u>(8,928,825)</u>	<u>9,005,585</u>	<u>8,161,379</u>
Total long-term liabilities	<u>\$243,375,767</u>	<u>\$ 64,734,048</u>	<u>\$ (62,500,618)</u>	<u>\$245,609,197</u>	<u>\$ 23,664,491</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, 2012</u>
Section 9(c) bonds payable:			
Dormitory, Series 2004B2	3.000 - 5.000	2017	256,943
Dormitory, Series 2004B3	3.000 - 5.000	2017	1,144,123
Dormitory, Series 2004B4	3.000 - 5.000	2018	2,443,250
Dormitory, Series 2004B5	3.000 - 5.000	2020	2,323,816
Dormitory, Series 2005A1	3.500 - 5.000	2026	1,870,000
Dormitory, Series 2006A1	4.000 - 5.000	2014	40,000
Dormitory, Series 2006A2	4.000 - 5.000	2015	760,000
Dormitory, Series 2008B	3.000 - 5.000	2013	106,203
Dormitory, Series 2009C	3.000 - 4.000	2021	383,984
Dormitory, Series 2009C	3.000 - 4.000	2022	2,582,213
Dormitory, Series 2009D	2.500 - 5.000	2022	1,940,000
Renovate Residence Halls, Series 2010A2	2.000 - 5.000	2030	4,160,000
Dormitory, Series 2012A	3.000 - 5.000	2013	21,031
Dormitory, Series 2012A	3.000 - 5.000	2016	429,179
Dormitory, Series 2012A	3.000 - 5.000	2013	136,598
Dormitory, Series 2012A	3.000 - 5.000	2024	779,720
Renovation of Dormitories			19,377,060
Graduate Housing, Series 2006B	4.000 - 5.000	2026	2,240,000
Graduate Housing, Series 2008B	3.000 - 5.000	2028	2,145,000
Graduate Housing, Series 2009D	2.500 - 5.000	2022	1,270,000
Graduate Housing			5,655,000
Construct New Dormitory, Series 2010A2	2.000 - 5.000	2030	1,885,000
Construct New Dormitory, Series 2011A	3.000 - 5.000	2031	14,400,000
Construct New Dormitory			16,285,000
University Center, Series 2008B	3.000 - 5.000	2013	806,998
University Center, Series 2012A	3.000 - 5.000	2013	7,010
University Center			814,008
Underground Utility, Series 2004B1	3.000 - 5.000	2017	669,021
Underground Utility, Series 2012A	3.000 - 5.000	2016	388,481
Underground Utility			1,057,502
Renovate Commons Dining Hall, Series 2005A2	3.500 - 5.000	2026	3,075,000
Renovate Commons Dining Hall, Series 2009D	2.500 - 5.000	2022	3,200,000
Renovate Commons Dining Hall, Series 2012A	3.000 - 5.000	2024	1,289,537
Commons Dining Hall			7,564,537
Total bonds payable			50,753,107
Deferred Gain/(Loss) on Advance Refundings			(917,613)
Unamortized premiums (discounts)			3,878,250
Net bonds payable			<u>\$ 53,713,744</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. The following are notes outstanding at year-end:

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Maturity</u>	<u>Outstanding Balance as of June 30, 2012</u>
Section 9(d) Bonds:			
Barksdale Dormitory, Series 2003A	2.000 - 5.000	2024	\$ 175,000
Barksdale Dormitory, Series 2004A	3.000 - 5.000	2025	1,470,000
Barksdale Dormitory, Series 2005A	3.500 - 5.000	2026	3,995,000
Barksdale Dormitory, Series 2006A	3.000 - 5.000	2027	1,620,000
Barksdale Dormitory, Series 2010B	2.000 - 5.000	2021	450,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2024	640,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2025	6,495,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2025	6,330,000
William and Mary Hall, Series 2004B	3.000 - 5.000	2016	685,000
William and Mary Hall, Series 2007B	4.000- 4.250	2018	165,000
Parking Deck, Series 2003A	2.000 - 5.000	2024	370,000
Parking Deck, Series 2004A	3.000 - 5.000	2025	315,000
Parking Deck, Series 2005A	3.500 - 5.000	2026	1,975,000
Parking Deck, Series 2010B	2.000 - 5.000	2021	950,000
Parking Deck, Series 2012A	3.000 - 5.000	2024	1,355,000
Parking Deck, Series 2012A	3.000 - 5.000	2025	1,385,000
Parking Deck, Series 2012A	3.000 - 5.000	2025	3,140,000
Recreation Sports Center, Series 2003A	2.000 - 5.000	2024	90,000
Recreation Sports Center, Series 2004A	3.500 - 5.000	2025	1,040,000
Recreation Sports Center, Series 2005A	3.500 - 5.000	2026	770,000
Recreation Sports Center, Series 2010B	2.000 - 5.000	2021	220,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2024	315,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	4,585,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	1,225,000
Improve Athletics Facilities, Series 2005A	3.500 - 5.000	2026	1,065,000
Improve Athletics Facilities, Series 2006A	3.000 - 5.000	2027	650,000
Improve Athletics Facilities, Series 2012A	3.000 - 5.000	2025	1,655,000
Marshall-Wythe Library, Series 2004B	3.000 - 5.000	2019	1,010,000
Law School Library, Series 2003A	2.000 - 5.000	2024	105,000
Law School Library, Series 2007A	4.500 - 5.000	2027	3,185,000
Law School Library, Series 2010B	2.000 - 5.000	2021	260,000
Law School Library, Series 2012A	3.000 - 5.000	2024	385,000
Magnet Facility, Series 2003A	2.000 - 5.000	2024	225,000
Magnet Facility, Series 2010B	2.000 - 5.000	2021	570,000
Magnet Facility, Series 2012A	3.000 - 5.000	2024	805,000
Williamsburg Hospital/School of Education, 2006A	3.000 - 5.000	2027	2,030,000
J. Laycock Football Facility, Series 2006A	3.000 - 5.000	2027	4,675,000

Residence Hall Fire Safety Systems, Series 2006A	3.000 - 5.000	2027	1,640,000
School of Business, Series 2007A	4.500 - 5.000	2027	20,585,000
School of Business, Series 2009A	2.750 - 4.000	2016	19,070,000
Integrated Science Center, Series 2007A	4.500 - 5.000	2027	10,795,000
Integrated Science Center, Series 2009A	2.750 - 5.000	2029	6,060,000
Power Plant Renovations, Series 2007A	4.500 - 5.000	2027	4,225,000
Busch Field Astroturf Replacement, Series 2009B	2.000 - 5.000	2029	1,335,000
Cooling Plant & Utilities, Series 2009B	2.000 - 5.000	2029	11,000,000
Cooling Plant & Utilities, Series 2010A1&A2	2.000 - 5.500	2031	10,765,000
AshLawn Barn, Series 2010A1&A2	2.000 - 5.500	2031	750,000
Total 9 (d) bonds			142,605,000

Deferred Gain/(Loss) on Advance Refundings	(3,082,644)
Unamortized premiums (discounts)	11,241,118

Net notes payable \$150,763,474

### Installment Purchases

At June 30, 2012, installment purchases consist of the current and long-term portions of obligations resulting from various contracts used to finance energy performance contracts and 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. The outstanding balance of installment purchases as of June 30, 2012 is \$5,483,593.

### Capital Lease

Richard Bland College (RBC) has entered into a thirty year capital lease with Richard Bland College Foundation (RBCF) for the provision of a student housing complex with two dormitories on the RBC campus. RBC has accounted for the acquisition of the complex and its furniture and equipment as a capital lease, and therefore has recorded the facility and furnishings as depreciable capital assets and has also recorded a corresponding lease liability in long-term debt on the Statement of Net Assets. The outstanding balance as of June 30, 2012 is \$24,144,236.

Long-term debt matures as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>BAB Interest Subsidy</u>	<u>Net Interest</u>
2013	\$ 15,503,112	\$ 9,929,376	\$ 204,644	\$ 9,724,732
2014	15,146,995	9,352,038	204,644	9,147,394
2015	15,974,671	8,667,395	204,644	8,462,751
2016	16,333,480	7,944,467	204,644	7,739,823
2017	11,599,122	7,295,362	202,439	7,092,923
2018-2022	59,539,029	28,070,907	931,946	27,138,961
2023-2027	58,988,959	13,582,930	617,628	12,965,302
2028-2032	20,989,147	4,095,790	159,631	3,936,159
2033-2037	6,608,060	1,436,270	-	1,436,270
2038-2042	2,303,361	109,938	-	109,938
Refunding gains/(losses)	(4,000,257)	-	-	-
Unamortized premiums	15,119,368	-	-	-
Total	<u>\$ 234,105,047</u>	<u>\$ 90,484,473</u>	<u>\$ 2,730,220</u>	<u>\$ 87,754,253</u>

## Defeasance of Debt

In March 2012, the Treasury Board and VCBA issued Educational Facilities Revenue Refunding Bonds, Series 2012A with a true interest cost (TIC) of 1.5829 percent. The sale of these bonds enabled the College to advance refund certain 9(c) and 9(d) bonds issued from 2002 through 2005 with interest rates ranging from 4.0 percent to 5.0 percent. The original bonds were used to finance the construction of a dormitory, parking deck and nuclear magnet facility, and renovation of the student recreation center and law library and various dormitories. 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 is as follows:

<u>Series</u>	<u>Type</u>	<u>Debt Outstanding</u>	<u>Amount Defeased</u>	<u>Percentage Defeased</u>
2002	9C	\$ 1,233,849	\$ 1,233,849	100%
2005	9C	7,610,000	2,070,000	27%
		<u>\$ 8,843,849</u>	<u>\$ 3,303,849</u>	37%
2003	9D	\$ 4,845,000	\$ 3,880,000	80%
2004	9D	15,790,000	12,965,000	82%
2005	9D	20,615,000	12,810,000	62%
		<u>\$ 41,250,000</u>	<u>\$ 29,655,000</u>	72%

The College's portion of the accounting loss recognized in the financial statements was \$3,529,302. The net economic gain attributable to the College was \$2,472,817 and will result in a decreased cash flow requirement of \$2,813,420 over the remaining life of the debt.

## Prior Year Defeasance of Debt

The Commonwealth of Virginia, on behalf of the College, issued bonds in previous and current fiscal years for which the proceeds were deposited into irrevocable trusts with escrow agents to provide for all future debt service on the refunded bonds. Accordingly, the trust account assets and the related liability for the defeased bonds are not included in the College's financial statements. At June 30, 2012, \$41,933,849 of the defeased bonds was outstanding.

## 11. 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	\$ 89,049,629	\$ 7,102,690	\$ 1,312,961	\$ 524,052	\$ -	\$ 97,989,332
Research	32,066,175	12,234,996	1,335,762	2,585,057	-	48,221,990
Public service	17,371	51,060	-	11	-	68,442
Academic support	21,282,778	3,291,632	153,601	4,898,964	-	29,626,975
Student services	9,012,830	4,747,388	68,228	165,640	-	13,994,086
Institutional support	21,702,436	5,168,617	196,724	99,008	-	27,166,785
Operation and maintenance of plant	6,961,725	15,960,573	9,062	541,215	-	23,472,575
Depreciation	-	-	-	-	23,761,878	23,761,878
Scholarships and related expenses	1,552,662	3,698,084	27,988,771	7,096	-	33,246,613
Auxiliary enterprises	18,901,507	44,901,855	(9,683,157)	3,706,366	-	57,826,571
Other	17,552	1,036,282	-	-	-	1,053,834
Total	<u>\$ 200,564,665</u>	<u>\$ 98,193,177</u>	<u>\$ 21,381,952</u>	<u>\$ 12,527,409</u>	<u>\$ 23,761,878</u>	<u>\$ 356,429,081</u>

## 12. 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 890 - 2011 Acts of Assembly (Educational and General Programs)		\$ 56,750,947
Student financial assistance		4,167,642
Supplemental appropriations:		
Prior year reappropriations	177,533	
VIVA libraries	32,811	
Salary, benefit, and other changes per Chapter 890	883,384	
Marine research graduate assistantships	238,527	
Commonwealth Technology Research award	80,000	
Interest earnings and credit card rebates	(98)	
Eminent Scholars/Biomedical research	<u>435,865</u>	1,848,022
Appropriation reductions:		
Appropriation Act Part 3 transfers	16,950	
School efficiency review	1,350	
HEETF debt payments	261,334	
Out of state building fee	<u>1,289,070</u>	(1,568,704)
Reversions to the General Fund of the Commonwealth		<u>(96,131)</u>
Appropriations as adjusted		<u>\$ 61,101,776</u>

## 13. 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 2012; 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
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 3,016,900	\$ 3,975,797	\$ 2,833,444	\$ 622,598
Investments	955,692	-	-	-
Pledges receivable, net - current portion	2,203,754	829,277	3,889,807	-
Receivables, net	596,034	82,711	149,189	71,556
Inventories	-	-	-	40,319
Prepays	383,354	53,355	132,345	39,233
Due from the College	383	-	-	-
Other assets	-	-	-	-
Total Current Assets	7,156,117	4,941,140	7,004,785	773,706
Non-current Assets				
Restricted cash and cash equivalents	3,667,778	2,484,854	12,723,040	-
Restricted investments	378,953,670	24,122,943	21,058,569	-
Restricted other assets	136,062,700	342,277	308,702	-
Investments	671,770	3,537,330	(747,888)	5,430,527
Pledges receivable, net	5,050,807	775,685	5,374,657	-
Capital assets, nondepreciable	9,193,722	321,627	-	31,800
Capital assets, net of accumulated depreciation	8,268,213	27,971	13,376	195,565
Due from the College	-	-	-	-
Other assets	907,244	-	-	-
Total non-current assets	542,775,904	31,612,687	38,730,456	5,657,892
Total Assets	549,932,021	36,553,827	45,735,241	6,431,598
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable and accrued expenses	495,470	100,829	277,241	346,416
Deferred revenue	50,280	260,523	34,701	1,346,189
Deposits held in custody for others	-	-	19,655	-
Long-term liabilities - current portion	1,201,111	-	-	-
Due to the College	-	-	-	-
Short-term debt	2,145,000	-	-	-
Other liabilities	-	-	-	-
Total Current Liabilities	3,891,861	361,352	331,597	1,692,605
Non-current Liabilities				
Other long-term liabilities	179,632	394,750	-	-
Long-term liabilities	29,722,512	-	-	-
Total Liabilities	33,794,005	756,102	331,597	1,692,605
<b>NET ASSETS</b>				
Restricted for:				
Nonexpendable:				
Scholarships and Fellowships	79,939,205	5,386,737	437,684	-
Research	4,646,550	-	-	-
Loans	-	-	24,230	-
Departmental Uses	80,935,281	7,251,602	36,396,164	-
Other	178,988,556	-	148,698	-
Expendable:				
Scholarships and Fellowships	56,489,448	4,984,643	527,559	-
Research	1,967,179	-	11,007	-
Capital Projects	2,633,497	2,023,547	2,419,046	-
Loans	-	-	49,945	-
Departmental Uses	80,577,838	8,328,287	3,863,432	1,101,660
Other	11,753,519	622,069	47,344	-
Invested in Capital Assets, net of related debt	7,297,105	349,598	13,376	227,365
Unrestricted	10,909,838	6,851,242	1,465,159	3,409,968
Total Net Assets	\$ 516,138,016	\$ 35,797,725	\$ 45,403,644	\$ 4,738,993

William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total Component Units
\$ 4,791,218	\$ 270,004	\$ 281,674	\$ 6,176,273	\$ 21,967,908
-	-	-	-	955,692
729,250	276,908	19,929	-	7,948,925
8,481	-	455,495	71,550	1,435,016
-	-	-	-	40,319
-	-	-	7,532	615,819
-	-	470,894	-	471,277
-	-	14,915	-	14,915
5,528,949	546,912	1,242,907	6,255,355	33,449,871
-	250,410	589,174	-	19,715,256
-	7,615,739	3,293,462	-	435,044,383
-	-	29,686	140,526	136,883,891
2,537,243	566,739	-	-	11,995,721
1,092,673	451,290	5,147	-	12,750,259
-	-	-	2,302,138	11,849,287
66,069	-	-	6,572,441	15,143,635
-	-	23,673,342	-	23,673,342
-	-	-	599,348	1,506,592
3,695,985	8,884,178	27,590,811	9,614,453	668,562,366
9,224,934	9,431,090	28,833,718	15,869,808	702,012,237
-	33,712	433,981	107,696	1,795,345
-	-	-	-	1,691,693
-	-	-	-	19,655
-	-	557,411	125,794	1,884,316
-	-	-	3,357	3,357
-	-	-	490,000	2,635,000
-	-	29,686	-	29,686
-	33,712	1,021,078	726,847	8,059,052
-	-	-	18,860	593,242
-	-	24,437,300	4,783,066	58,942,878
-	33,712	25,458,378	5,528,773	67,595,172
-	1,445,720	2,915,123	-	90,124,469
-	1,215,245	-	-	5,861,795
-	-	-	-	24,230
-	50,000	-	-	124,633,047
-	3,350,794	-	-	182,488,048
609,249	325,561	-	-	62,936,460
-	340,354	-	-	2,318,540
-	-	-	-	7,076,090
-	-	-	-	49,945
5,940,401	1,456,971	-	-	101,268,589
-	395,584	986,058	140,526	13,945,100
66,069	-	-	3,648,317	11,601,830
2,609,215	817,149	(525,841)	6,552,192	32,088,922
\$ 9,224,934	\$ 9,397,378	\$ 3,375,340	\$ 10,341,035	\$ 634,417,065

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	\$ 2,912,434	\$ 2,089,530	\$ 3,520,113	\$ 2,378,562
Other	2,405,563	961,976	4,720,066	1,123,680
Total operating revenues	5,317,997	3,051,506	8,240,179	3,502,242
Operating expenses:				
Instruction	3,245,416	395,117	229,699	-
Research	170,319	-	59,952	-
Public service	78,268	89,909	779,262	-
Academic support	1,234,662	1,364,168	2,756,259	-
Student services	93,160	18,855	1,174,162	-
Institutional support	5,290,817	647,107	1,225,310	768,218
Operation and maintenance of plant	806,614	282,150	-	-
Scholarships & fellowships	5,816,450	34,125	26,462	-
Auxiliary enterprises	620,288	-	45,082	-
Depreciation	540,059	23,356	6,423	57,859
Independent operations	-	-	-	-
Other	2,618,781	-	-	2,915,182
Total operating expenses	20,514,834	2,854,787	6,302,611	3,741,259
Operating gain/(loss)	(15,196,837)	196,719	1,937,568	(239,017)
Non-operating revenues and expenses:				
Net investment revenue (expense)	(4,535,571)	(391,170)	(260,125)	(172,231)
Interest on capital asset related debt	(147,454)	-	-	-
Other non-operating revenue	19,722,074	-	-	-
Other non-operating expense	-	-	(5,318,495)	-
Net non-operating revenues	15,039,049	(391,170)	(5,578,620)	(172,231)
Income before other revenues	(157,788)	(194,451)	(3,641,052)	(411,248)
Other revenues:				
Capital grants and contributions	1,087,530	-	(1,028,318)	-
Additions to permanent endowments	13,569,475	421,075	3,008,353	-
Net other revenues	14,657,005	421,075	1,980,035	-
Change in net assets, before transfers	14,499,217	226,624	(1,661,017)	(411,248)
Contribution between Foundations	28,033	-	-	124,646
Transfers	28,033	-	-	124,646
Change in net assets	14,527,250	226,624	(1,661,017)	(286,602)
Net assets - beginning of year	501,610,766	35,571,101	47,064,661	5,025,595
Net assets - end of year	\$ 516,138,016	\$ 35,797,725	\$ 45,403,644	\$ 4,738,993

William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total Component Units
\$ 4,593,659	\$ 260,612	\$ 92,088	\$ 141,739	\$ 15,988,737
685,929	-	1,114,032	593,022	11,604,268
5,279,588	260,612	1,206,120	734,761	27,593,005
-	88,642	-	-	3,958,874
-	295,751	-	-	526,022
-	1,000	-	-	948,439
-	10,320	-	-	5,365,409
-	-	-	-	1,286,177
4,283,030	169,144	52,620	250,677	12,686,923
-	6,133	-	-	1,094,897
-	52,422	213,800	-	6,143,259
-	-	-	165,731	831,101
20,257	-	-	171,134	819,088
-	-	-	139,391	139,391
-	22,623	1,220,979	-	6,777,565
4,303,287	646,035	1,487,399	726,933	40,577,145
976,301	(385,423)	(281,279)	7,828	(12,984,140)
18,868	(83,424)	(131,150)	8,572	(5,546,231)
-	-	-	-	(147,454)
-	-	-	-	19,722,074
-	-	-	-	(5,318,495)
18,868	(83,424)	(131,150)	8,572	8,709,894
995,169	(468,847)	(412,429)	16,400	(4,274,246)
-	-	-	125,000	184,212
-	1,243,308	80,238	-	18,322,449
-	1,243,308	80,238	125,000	18,506,661
995,169	774,461	(332,191)	141,400	14,232,415
(277,679)	-	-	125,000	-
(277,679)	-	-	125,000	-
717,490	774,461	(332,191)	266,400	14,232,415
8,507,444	8,622,917	3,707,531	10,074,635	620,184,650
\$ 9,224,934	\$ 9,397,378	\$ 3,375,340	\$ 10,341,035	\$ 634,417,065

## 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
Mutual and money market funds	\$ 4,978,259	\$ 511,558	\$ -	\$ 4,361,702	\$ 5,649	\$ -	\$ 2,630,619	\$ 12,487,787
U.S. treasury and agency securities	7,795,200	-	-	-	-	-	-	7,795,200
Common and preferred stocks	187,550	-	658,894	1,068,825	-	-	662,843	2,578,112
Notes receivable	1,432,860	-	-	-	-	-	-	1,432,860
Pooled investments	364,498,655	27,148,715	19,572,249	-	-	8,182,478	-	419,402,097
Real estate	1,202,424	-	-	-	106,000	-	-	1,308,424
Other	486,184	-	79,538	-	2,425,594	-	-	2,991,316
Total								
Investments	<u>\$ 380,581,132</u>	<u>\$ 27,660,273</u>	<u>\$ 20,310,681</u>	<u>\$ 5,430,527</u>	<u>\$ 2,537,243</u>	<u>\$ 8,182,478</u>	<u>\$ 3,293,462</u>	<u>\$ 447,995,796</u>

## 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	William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	Total
Total pledges receivable	\$ 8,087,933	\$ 1,866,941	\$ 10,939,790	\$ 2,265,150	\$ 735,225	\$ 28,428	\$ 23,923,467
Less:							
Allowance for uncollectibles	(654,637)	(207,517)	(819,459)	(328,220)	-	(776)	(2,010,609)
Discounting to present value	(178,735)	(54,462)	(855,867)	(115,007)	(7,027)	(2,576)	(1,213,674)
Net pledges receivable	7,254,561	1,604,962	9,264,464	1,821,923	728,198	25,076	20,699,184
Less:							
Current pledges receivable	(2,203,754)	(829,277)	(3,889,807)	(729,250)	(276,908)	(19,929)	(7,948,925)
Total non-current pledges receivable	<u>\$ 5,050,807</u>	<u>\$ 775,685</u>	<u>\$ 5,374,657</u>	<u>\$ 1,092,673</u>	<u>\$ 451,290</u>	<u>\$ 5,147</u>	<u>\$ 12,750,259</u>

## Capital Assets

	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	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total
Nondepreciable:								
Land	\$ 3,365,927	\$ 262,916	\$ -	\$ -	\$ -	\$ -	\$ 2,302,138	\$ 5,930,981
Historical treasures and inexhaustible works of art	5,827,795	58,711	-	31,800	-	-	-	5,918,306
Total nondepreciable capital assets	<u>\$ 9,193,722</u>	<u>\$ 321,627</u>	<u>\$ -</u>	<u>\$ 31,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,302,138</u>	<u>\$ 11,849,287</u>
Depreciable:								
Building	\$ 7,553,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,597,322	\$ 14,150,655
Equipment, vehicles and furniture	7,355,979	142,811	93,752	494,661	102,996	2,995	170,126	8,363,320
Improvements, other than building	338,138	-	-	388,658	-	-	-	726,796
	15,247,450	142,811	93,752	883,319	102,996	2,995	6,767,448	23,240,771
Less accumulated depreciation	(6,979,237)	(114,840)	(80,376)	(687,754)	(36,927)	(2,995)	(195,007)	(8,097,136)
Total depreciable capital assets	<u>\$ 8,268,213</u>	<u>\$ 27,971</u>	<u>\$ 13,376</u>	<u>\$ 195,565</u>	<u>\$ 66,069</u>	<u>\$ -</u>	<u>\$ 6,572,441</u>	<u>\$ 15,143,635</u>

## Long-term Liabilities

	The College of William & Mary Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total
Compensated absences	\$ 124,615	\$ -	\$ -	\$ 124,615
Notes payable	4,222,623	-	-	4,222,623
Bonds payable	8,090,000	24,994,711	4,908,860	37,993,571
Other liabilities	18,486,385	-	-	18,486,385
Total long-term liabilities	30,923,623	24,994,711	4,908,860	60,827,194
Less current portion	<u>(1,201,111)</u>	<u>(557,411)</u>	<u>(125,794)</u>	<u>(1,884,316)</u>
Total long-term liabilities	<u>\$ 29,722,512</u>	<u>\$ 24,437,300</u>	<u>\$ 4,783,066</u>	<u>\$ 58,942,878</u>

## 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 Wells Fargo Bank, NA) 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 Associates, and to provide working capital to Reliance. As such, most of the loan proceeds have in turn been advanced to the REF, and the majority of the interest on the note is reflected as expenses of the Real Estate Foundation. This line of credit has been increased to \$3,000,000 with all principal and accrued interest due and payable on June 29, 2013. Interest only, which accrues daily at the LIBOR market index rate plus 1.35% is payable monthly. The amount outstanding was \$2,145,000 at June 30, 2012 and 2011. Interest paid during the years ended June 30, 2012 and 2011, was \$34,623 and \$34,846, respectively.

During the fiscal year ended June 30, 2009, the Foundation entered into a borrowing arrangement with SunTrust Bank in the amount of \$2,636,140 for renovation of the College's Admissions Office. The terms of the loan were revised during the fiscal year ended June 30, 2011. Under the original terms, interest was payable monthly at a fixed rate of 4.43% and principal was payable in two equal annual installments on February 28, 2011 and 2012. Under the revised terms, interest accrues at a rate of 4.99% and is payable monthly. Principal is payable annually over a ten year term, with the final amount due on February 1, 2021. SunTrust is granted a security interest in all deposits and investments maintained with SunTrust and any affiliates. The balance outstanding on the loan at June 30, 2012 and 2011 was \$2,426,419 and \$2,636,098, respectively. Interest paid during the fiscal years ending June 30, 2012 and 2011, on the loans was \$130,217 and \$113,628, respectively.

During the year ended June 30, 2011 the Foundation and CEI entered into a joint borrowing arrangement with SunTrust Bank to fund expansion of the telecommunications system. The agreement provided for loan draws up to the amount of \$1,450,000 through August 7, 2011. The terms of the note require the Foundation to maintain at all times unrestricted and temporarily restricted net assets in excess of 200% of the Foundation's total funded debt. Interest at a rate of 3.97% is payable monthly. Principal is payable annually over a five year term, with the final amount due January 15, 2016. SunTrust is granted a security interest in all deposits and investments maintained with SunTrust and any affiliates. The amount outstanding at June 30, 2012 and 2011 was \$1,182,000 and \$1,000,000, respectively. Interest paid during the fiscal years ended June 30, 2012 and 2011, on the loans was \$52,196 and \$6,948, respectively.

In December 2011, the Foundation and CWMF Ventures entered into a joint borrowing arrangement with SunTrust Bank to fund certain costs of unwinding the interest rate swap and various costs associated with refinancing the variable rate bonds. Interest accrues at a rate of 3.73%. Payments of interest and principal are due quarterly, with the final payment due December 23, 2021. SunTrust is granted a security interest in all deposits and investments maintained with SunTrust and any affiliates. The balance outstanding at June 30, 2012 was \$614,205. Interest paid during the fiscal year ended June 30, 2012 was \$12,025.

### Bonds Payable

In December 2006, the Economic Development Authority of James City County, Virginia issued variable rate revenue bonds in the amount of \$9,070,000 ("Series 2006 Bonds") and loaned the proceeds from the sale of the Series 2006 Bonds to the Foundation and CWMF Ventures. The Series 2006 Bonds financed the cost of property acquisition, construction 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. Interest on the Series 2006 Bonds was 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, was the minimum interest rate required to sell the Series 2006 Bonds at a price of par on the applicable date. During the term of the bonds, the Foundation and CWMF Ventures had the option to direct a change in the type of interest period by delivering written notice to the trustee and remarketing agent.

The Series 2006 Bonds bore a stated maturity date, subject to prior redemption or purchase, of December 1, 2036. The Foundation and CWMF Ventures redeemed in full the Series 2006 Bonds on January 16, 2012 with the proceeds from a revenue refunding bond as described below. The remaining unamortized discount on the original sale of the Series 2006 Bonds in the amount of \$34,350 was expensed. The recorded amount of the Series 2006 Bonds outstanding at June 30, 2012 and 2011, was \$0 and \$8,055,650, respectively, based on the original purchase price to the underwriter of the Series 2006 Bonds. The face value of Series 2006 Bonds outstanding at June 30, 2012 and 2011, was \$0 and \$8,090,000, respectively. As the Series 2006 Bonds bore interest at a floating rate which was reset weekly, fair value of the Series

2006 Bonds was approximately their face value. Interest paid to bondholders for the years ended June 30, 2012 and 2011, was \$22,253 and \$57,561, respectively.

The Series 2006 Bonds were also secured by an irrevocable direct pay letter of credit issued by SunTrust Bank. The initial expiration date of the letter of credit was 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 provided for automatic one-year extensions through December 31, 2036, unless SunTrust provided at least two years notice of its intent to terminate. SunTrust provided such notice that the letter of credit would expire December 31, 2011. The expiration date was subsequently extended to April 1, 2012. The terms of the letter of credit also required the Foundation at all times to maintain unrestricted and temporarily restricted net assets equal to at least 200% 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 Series 2006 Bonds were secured by the pledge of all right, title and interest in those Series 2006 Bonds. Unreimbursed draws under the letter of credit bore interest at the rate of LIBOR plus 1.50% per annum. During the years ended June 30, 2012 and 2011, 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 Series 2006 Bondholders. The letter of credit and related documents were terminated in January 2012 in connection with the redemption of the Series 2006 Bonds. The total interest paid on the letter of credit during the fiscal years ended June 30, 2012 and 2011, was \$0. As of June 30, 2012 and 2011, there was no amount outstanding under the letter of credit. The total available under the letter of credit was based on the amount of Bonds outstanding, plus 40 days interest at 10%. The total amount of the letter credit was \$0 and \$8,179,889 as of June 30, 2012 and 2011, respectively, and the entire amount was available to draw.

In December 2011, the Authority issued a revenue refunding bond in the amount of \$8,090,000 ("Series 2011 Bond"), and loaned the proceeds to the Foundation and CWMF Ventures ("Obligors"). The Series 2011 Bond was acquired by SunTrust Bank, as Series 2011 Bondholder. Proceeds from sale of the Series 2011 Bond were used to redeem the Series 2006 Bonds. The Series 2011 Bond bears interest at a fixed rate of 2.96% per annum, subject to the put rights of the Series 2011 Bondholder as described below, and interest payments are due quarterly on each January 1, April 1, July 1 and October 1. The Series 2011 Bondholder has the option to tender the Series 2011 Bond for payment on December 1, 2021, the first optional put date, unless extended under the terms of the loan agreement to not earlier than December 1, 2026. An additional extension may be made to not earlier than December 1, 2031. The Obligors are required to maintain assets so that on each June 30, unrestricted and temporarily restricted net assets shall exceed 200% of the total funded debt.

During the fiscal year ended June 30, 2009, the Foundation executed an interest rate swap on a \$7,000,000 notional amount. The Foundation used this interest-rate derivative instrument to manage its interest rate exposure on a portion of the Series 2006 Bonds. The Foundation does not enter into derivative instruments for any purpose other than to mitigate the impact of changes in interest rates on its cash flows. The Foundation made monthly payments at a fixed annual rate of 2.05%, and received monthly payments at a floating rate based on 67% of the one month LIBOR. The interest rate swap was terminated in December 2011 at a cost of \$534,580. The fair value of the interest rate swap was \$0 and \$671,976 at June 30, 2012 and 2011, respectively.

### 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. The facility was revised in September 2004, December 2006, and October 2009 and was replaced in November 2011. The amount available under the agreement could be used for loans and for letters of credit. Interest rate on the facility was of the 30-day LIBOR plus 2.50%, with a minimum of 3%. The Foundation guaranteed up to \$2,500,000, and members of the C.C. Casey Limited Company (the "Casey Group") guaranteed up to \$2,500,000. Outstanding loan balances of \$0 and \$2,300,000 existed as of June 30, 2012 and 2011, respectively. Letters of credit outstanding under this facility at June 30, 2012 and 2011, were \$0 and \$1,623,750, respectively. The letters of credit were issued to guarantee the completion of site improvements as required by James City County. Upon completion of those improvements, these letters of credit were terminated, with no residual liability. No draws had been made on the letters of credit as of June 30, 2012 and 2011.

During the fiscal year ended June 30, 2012 New Town Associates entered into two financing arrangements, with Chesapeake Bank and SunTrust Bank, to replace its borrowing agreement with SunTrust. The Chesapeake Bank agreement is a \$3,000,000 line of credit available for the issuance of loans and letters of credit, and is secured by a lien on New Town Associates' commercial land and improvements, as well as the assignment of rents, profits and leases. This facility bears an interest rate of 5.5%, and matures November 22, 2015. The Foundation guarantees 50% of the balance of the Chesapeake facility, not to exceed \$1,500,000. As of June 30, 2012 the principal amount outstanding under this



note was \$2,192,526. Letters of credit outstanding under this facility totaled \$606,000 at June 30, 2012. The SunTrust Bank agreement is a \$2,000,000 unsecured line of credit available for the issuance of loans and letters of credit. The SunTrust facility bears an interest rate equal to the three-month LIBOR Rate plus 2.50% with a minimum of 3%, and matures on October 31, 2013. Each of the Foundation and the Casey Group guarantees the full amount outstanding under the facility. However, a separate mutual indemnity agreement has been executed between the guarantors whereby each of the Foundation and the Casey Group will reimburse the other should the amount paid by a guarantor group in connection with the guaranty exceed 50%. As a result the Foundation's ultimate liability under the guaranty is limited to 50%. As of June 30, 2012 the principal amount of loans outstanding under the SunTrust agreement was \$129,911. Letters of credit outstanding under this agreement totaled \$1,398,950 at June 30, 2012.

## WILLIAM AND MARY BUSINESS SCHOOL FOUNDATION

### Commitments and Contingencies

On January 31, 2007, the Foundation entered into a Development Agreement and a Reimbursement Agreement (Agreements) with the College of William and Mary (College), in connection with the construction and equipping of a new academic building, Alan B. Miller Hall, for the College's Mason School of Business (Project). The total cost of the Project was approximately \$75 million. In order to finance the cost of construction and equipping the building, two bond series were issued by the College – 2008 Series A bonds for \$23,6050,000, and 2009 Series A bonds for \$23,650,000.

By the terms of the Reimbursement Agreement, the Foundation must reimburse the College for all debt service due on the 2009 Series A bonds and all periodic fees due and payable with respect to the 2009 Series A bonds after their issuance, including fees and expenses of the bond trustee, fees of the remarketing agent and fees of any financial institution providing credit support. In addition, the Foundation has pledged as security for the payments all of its assets that are not subject to donor or other legal restrictions, as defined in the Reimbursement Agreement.

By the terms of the bond issue, the Foundation has no direct obligation for payment of the 2008 Series A bonds.

The 2009 Series A bonds have a seven-year term, with principal payments due annually beginning in 2012 and interest payments due biannually. The Foundation paid to the College \$864,608 in interest payments and \$4,280,000 in principal during 2012.

## 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% with adjustments beginning in 2016 and every 5 years thereafter at 70% 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 Dinwiddie, Virginia.

## WILLIAM & MARY REAL ESTATE FOUNDATION

### Tribe Square

During 2010, the Foundation began development of properties held and referred to as Tribe Square. The development consists of two properties already held by the foundation, and three properties that were transferred to the Foundation

from the College on July 16, 2010. This transfer is included in the statement of activities as transfers from the College of William & Mary in the amount of \$245,000.

The properties are being developed into a mixed use property known as Tribe Square, which consists of one floor retail space and two floors student housing. Construction was completed during 2012 and the building was put into service. The Foundation entered into a commercial management agreement dated December 6, 2010 with an agent to manage the property on behalf of the Foundation. The agreement is for one-year term beginning on August 1, 2011 and ending on July 31, 2012, and continuing on an annual basis unless and until terminated by either party. The services to be provided by the agent include the operation and maintenance of the property, as well as financial duties as defined in the agreement. The management fee paid to the agent will be \$ 20,940 per annum. At year-end, the Foundation has executed four lease agreements for tenants in the first floor retail area. The student housing space is being leased to the College.

#### Bonds Payable

The Foundation closed a tax-exempt student housing facilities revenue bond, dated September 16, 2011. The bond was issued through the Economic Development Authority of the City of Williamsburg for a principal amount of \$5 million. The proceeds of this bond were used to finance the costs to acquire, construct, and equip the student apartment portion of Tribe Square, and pay certain expenses of issuing the bond. The bond is secured by the rents and revenues of Tribe Square, and the property itself.

The rate of interest on this bond is 3.75% per annum. The principal balance of this bond is being amortized over the twenty-five year term of the bond, with equal payments of principal and interest in the amount of \$25,855.44 due monthly, commencing on October 16, 2011. The outstanding principal balance is \$4,908,860 at June 30, 2012.

The bond, which is bank held, has an option for the bank to require the Foundation to repurchase the bond once the bond is 10 years past the issuance date. If this option is exercised the Foundation would pay the aggregate unpaid principal plus accrued interest through the date of such payment. The bank must give the Foundation 120 days' notice prior to the tender date if this option is exercised.

## 14. 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 \$35,556,293 for the year ended June 30, 2012. Total payroll costs were \$131,779,152 for the year ended June 30, 2012.

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 \$2,401,553 for the year ended June 30, 2012. These contributions represent approximately 6.75 percent of covered payroll for the period July 2011 to June 2012.

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, 2012. 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 or 8.50 percent depending on whether the employee is in Plan 1 or Plan 2, plus interest and dividends. Plan 1 consists of employees who became a member prior to July 1, 2010. Plan 2 consists of employees who became a member on or after July 1, 2010.

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 \$7,302,997 for the year ended June 30, 2012. Contributions to the optional retirement plans were calculated using the base salary amount of \$71,310,597 for fiscal year 2012. The College of William and Mary and Richard Bland College's total payroll for fiscal year 2012 was \$131,779,152.

### 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 \$10 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 \$755,359 for fiscal year 2012.

## 15. 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.

## 16. 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, 2012, 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.

## 17. 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.

## **SHARED GOVERNANCE AT RICHARD BLAND COLLEGE COLLEGE COUNCIL**

### **SHARED GOVERNANCE**

At Richard Bland College, shared governance is a mutual commitment among faculty, Board of Visitors and the president's administration—each in accordance with their respective roles and responsibilities—to work collaboratively to achieve the mission and strategic goals of the college in an environment of transparency, trust and respect.

As Richard Bland College strives to reinvent itself to the extent necessary to respond to the higher education needs of the Commonwealth, a comprehensive, integrated system for shared governance is being introduced as a means of capitalizing on the collective intelligence and specific expertise of each stakeholder to advance the mission and strategic goals of the College. This system is inclusive of a Faculty Senate that will govern faculty input into institutional decision-making, College Council (described below) and college committees.

### **PURPOSE & RESPONSIBILITIES OF COLLEGE COUNCIL**

The purpose of the College Council will be to:

1. Improve collaboration, transparency and institutional effectiveness by serving as a central body responsible for reviewing proposals of macro-level, college-wide significance that are submitted by one of the recognized College Committees or stakeholder bodies (e.g., Faculty Senate, Student Assembly).
2. Improve the College's capacity to achieve its goals and promote organizational excellence.
3. Foster an atmosphere that embraces diversity and encourages collegiality by facilitating consistent, effective campus-wide involvement in planning and institutional effectiveness.
4. Ensure continuous improvement of shared governance at Richard Bland College.
5. Formulate recommendations to the president for review and action.

B. The primary responsibilities of the College Council will include, but not be limited to:

1. Facilitate shared governance at Richard Bland College.
2. Serve in an advisory capacity to the president.

3. Review and recommend to the president actions on proposals for new programs, projects, or services with cross-institutional significance.
4. Review progress toward the mission, goals and outcomes established in the College's Strategic Plan; regularly communicate updates to the campus community regarding progress; and periodically recommend new or alternative actions to support achievement of established targets.
5. Review and monitor compliance with all external accrediting and licensing agencies, e.g., SACS.

#### MEMBERSHIP

- A. The membership of the College Council will be comprised of administrators, faculty, staff and student representatives. Inaugural membership will include:

Administrators (3) – Chief Academic Officer, Chief Student Services Officer, Chief Financial Officer, or as appointed by president

Faculty (3) – Faculty Senate Chair and Vice Chair, Faculty Representative to BOV. The Faculty Senate Chair will appoint a third representative to College Council in the event that the Vice Chair is selected by the president to serve as Faculty Representative to the Board of Visitors.

Staff (1) - appointed by president

Student (1) - Student Representative to the Board of Visitors

- B. The roles and responsibilities of the membership are to:

1. Represent the collective views of their respective constituencies.
2. Report to their respective constituencies on the work of the College Council.
3. Solicit input from their respective constituencies on matters that come before the College Council.
4. Review the agenda and all supplemental information prior to meetings.

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CHAIR

College Council Chair membership will submit nominations, and the Chair will be appointed by the president.

MEETINGS

- A. The College Council will determine and establish its own meeting schedule, subject to the following provisions:
  - 1. The College Council will meet monthly during the College's academic year, and at least once during the summer.
    - a. The summer meeting will serve as a retreat for setting the College Council's agenda and goals for the upcoming academic year.
  - 2. Special meetings of the College Council may be scheduled at the request of the College President or the chair.
- B. The agenda for all meetings will be established by the chair and will be distributed to the campus community one week prior to the meeting.
  - 1. In the case of a special meeting, the chair will establish the agenda in consultation with the callers of said meeting.
  - 2. Meeting agendas will follow a standard format acceptable to the Council to include review and recommendations of proposals and recommendations from College Committees or stakeholder bodies, as well as standing items based on a calendar of critical topics to be reviewed and discussed throughout the year.
  - 3. The agenda for regular meetings, including proposals for consideration and all relevant documentation, will be distributed to the membership no later than one week prior to the meeting.
- C. The minutes of all meetings will note actions taken on proposals brought before the College Council and will be made publicly available to the College community within one week after the meeting.

CONDUCT OF BUSINESS

- A. Proposals, including supporting documentation (e.g., detailed information regarding why the proposal was developed and a description of the benefits to the College of adopting the

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proposal), will be submitted to the College Council not less than one week prior to the meeting at which they are to be considered.

- B. As a standard protocol, the College Council will provide a written response to all proposals within two weeks after the meeting at which they were considered.
- C. All formal recommendations to the College President will be submitted in writing using a standard format.
  - 1. All formal recommendations to the College President will include the supporting materials that were submitted by the committee/entity that developed the proposal.
  - 2. The College Council will strive for consensus opinion, but in the event that this is not possible, the Council may issue its recommendations in the form of majority-minority reports.
  - 3. All recommendations to the College President will be recorded in the minutes.
- D. Unless otherwise provided herein, the College Council will follow Robert's Rules of Order, Newly Revised Edition

#### COLLEGE COMMITTEES

- A. Officially recognized college committees will include"
  - 1. Academic and Institutional Effectiveness
  - 2. Financial and Asset Management
  - 3. Student Enrollment, Retention and Campus Life
- B. The College Council will be the reporting home for official College Committees and for Ad Hoc Committees.
- C. The College Council will have the authority to recommend to the President the creation or dissolution of College Committees.



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**RICHARD BLAND COLLEGE  
2012-13 OPERATING BUDGET UPDATE**

**EDUCATIONAL & GENERAL**

	Actual 2009-10	Actual 2010-11	Actual 2011-12	Approved 2012-13	To Date 10/31/12
<b>REVENUE</b>					
General Funds	\$ 6,062,200	\$ 5,234,621	\$ 4,908,736	\$ 5,245,000	\$ 5,238,116
Nongeneral	3,509,190	3,714,578	3,733,224	4,200,000	1,826,003
Central Appropriations	(148,222)	(133,332)	86,971	37,000	197,421
Prior Year Reappropriations	112	24,800	177,333	150,000	96,131
ARRA	155,539	200,000	520,569	-	-
General Fund Reversion	(819,326)	-	-	-	-
General Fund Carryover	-	-	(96,131)	-	-
<b>TOTAL REVENUE</b>	<b>\$ 8,759,293</b>	<b>\$ 9,040,646</b>	<b>\$ 9,330,902</b>	<b>\$ 9,632,000</b>	<b>\$ 7,357,671</b>
<b>EXPENDITURES</b>					
Instruction	\$ 3,082,695	\$ 2,890,044	\$ 2,180,586	\$ 3,637,000	\$ 1,288,741
Public Service	-	-	400	1,000	-
Academic Support	329,585	291,137	312,967	40,000	125,070
Student Services	984,503	988,523	1,072,911	1,160,000	431,788
Institutional Support	2,766,213	2,773,697	2,748,172	2,750,000	1,132,014
Operation of Plant	1,415,317	1,719,711	1,957,696	1,324,000	623,018
ARRA	155,539	200,000	520,579	-	-
Contingency	-	-	-	360,000	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,733,850</b>	<b>\$ 8,863,114</b>	<b>\$ 8,793,311</b>	<b>\$ 9,272,000</b>	<b>\$ 3,600,632</b>

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**RICHARD BLAND COLLEGE  
2012-13 OPERATING BUDGET UPDATE**

**SCHOLARSHIPS AND LOAN ASSISTANCE  
FINANCIAL AID**

	Actual 2009-10	Actual 2010-11	Actual 2011-12	Approved 2012-13	To Date 10/31/12
<b>REVENUE</b>					
General Funds	\$ 313,819	\$ 331,255	\$ 398,528	\$ 381,736	\$ 232,657
Nongeneral Funds	40,000	50,000	60,000	60,000	24,832
<b>TOTAL REVENUE</b>	<b>\$ 353,819</b>	<b>\$ 381,255</b>	<b>\$ 458,528</b>	<b>\$ 441,736</b>	<b>\$ 257,489</b>
<b>EXPENDITURES</b>					
Scholarships	\$ 353,819	\$ 381,255	\$ 458,528	\$ 441,736	\$ 257,489

**FINANCIAL ASSISTANCE FOR E&G PROGRAMS  
SPONSORED PROGRAMS**

<b>REVENUE</b>					
General Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Nongeneral Funds	19,700	9,668	10,708	25,000	621
<b>TOTAL REVENUE</b>	<b>\$ 19,700</b>	<b>\$ 9,668</b>	<b>\$ 10,708</b>	<b>\$ 25,000</b>	<b>\$ 621</b>
<b>EXPENDITURES</b>					
Sponsored Programs	\$ 19,700	\$ 9,668	\$ 10,708	\$ -	\$ 621

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**RICHARD BLAND COLLEGE  
2012-13 OPERATING BUDGET UPDATE**

**AUXILIARY ENTERPRISES**

	Actual 2009-10	Actual 2010-11	Actual 2011-12	Approved 2012-13	To Date 10/31/12
<b>REVENUE</b>					
Fund Balance	\$ 1,704,628	\$ 1,655,677	\$ 1,659,215	\$ 1,006,000	\$ 1,722,961
Residences	1,832,350	2,073,819	2,125,838	2,250,000	1,076,445
Special Funds	9,480	9,840	5,100	30,000	-
General Auxiliary Income	159,304	164,692	172,976	150,000	90,864
Parking	147,640	144,915	133,603	140,000	62,780
Intramural Athletics	22,100	22,910	23,813	25,000	16,524
Health Services	151,503	148,635	141,975	150,000	75,600
Food Services	79,275	79,500	91,490	80,000	48,780

<b>TOTAL REVENUE</b>	\$ 4,106,280	\$ 4,299,988	\$ 4,354,010	\$ 3,831,000	\$ 3,093,954
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**EXPENDITURES**

Residences	\$ 1,981,918	\$ 1,957,555	\$ 2,185,759	\$ 2,300,000	\$ 1,029,475
General Operating	138,660	232,473	155,463	100,000	65,234
Parking	9,000	138,013	52,223	70,000	63,395
Intramural Athletics	12,640	18,805	25,103	25,000	1,211
Health Services	14,142	20,150	117,929	40,000	3,517
Food Services	98,726	87,778	94,592	75,000	36,014
Indirect Costs	194,317	186,000	-	175,000	-
Renewal/Replacement	-	-	-	525,000	-

<b>TOTAL EXPENDITURES</b>	\$ 2,449,403	\$ 2,640,772	\$ 2,631,049	\$ 3,310,000	\$ 1,198,846
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**PRIVATE FUNDS**

<b>REVENUE</b>					
Private Funds	\$ 14,215	\$ 7,690	\$ 16,033	\$ 22,000	\$ 8,011
<b>EXPENDITURES</b>					
Scholarships	\$ 15,600	\$ 21,193	\$ 15,700	\$ 22,000	\$ 7,600

## **RICHARD BLAND COLLEGE CAPITAL OUTLAY PROGRESS REPORT**

### **Residential Village Reclassification**

The student housing facility was leased to the College under the terms of an operating lease that was signed when the facility was originally constructed. In prior years, the Richard Bland College Foundation capitalized property and equipment related to the costs of constructing and furnishing the student housing facility on its financial statements. During the year ended June 30, 2012, the Auditor of Public Accounts determined that the property and equipment should be presented on the financial statements of the College instead of the RBC Foundation financial records. In addition, it was determined that the operating lease was a direct financing lease and the Foundation should have an investment in the direct financing lease representing amounts due from the College under the terms of the lease. As of result of this restatement, the College's financial statements will reflect an increase in capital assets and lease payable. Management for the College and the Foundation concur with this restatement.

### **Ernst Hall Renovation**

Approved Capital Outlay-2 (CO-2) forms were received on Nov. 12, 2012 for two projects. Planning money was approved for the renovation of Ernst Hall. The approved amount is \$550,952, which represents \$275,476 in Pool Bond Funded money to be matched by RBC General Fund money. This represents approximately 60% of total architect/engineer (a/e) funds requested and will provide design to the working drawing stage.

### **Umbrella Maintenance Project**

\$112,000 was approved to begin planning on an Umbrella Maintenance Project. This project includes a new chiller for Statesman Hall, converting key system in the Center for Student Affairs to an electronic card key system, installation of a generator and sprinkler/fire alarm system in the maintenance building and the construction of a maintenance storage facility.

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**RICHARD BLAND COLLEGE  
2012-2013 ENROLLMENT UPDATE**

	Actual FTE	Goal FTE	% Difference	# of FTE Over(Under) Goal
2011-2012 Expected Annualized FTE	1,160			
Summer 2012	141	193	-26.94%	(52)
Fall 2012	1,122	1,167	-3.86%	(45)
Spring 2013 (estimated)	1,012	1,012		
Pamplin Park	5			
Online Certification	7			
Flex Start	25			
Estimated Spring 2013 Total	1,049	1,012	3.66%	37
Summer 2013 (estimated)	141	141		
Pamplin Park	18			
Expanded Online Offerings (4 new courses)	15			
Summer HS Program (2 cohorts)	20			
Summer Developmental	51			
Estimated Summer 2013 Total	245	141	73.76%	104
2012-2013 Expected Annualized FTE	1,208	1,160	4.14%	48

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**RICHARD BLAND COLLEGE  
STUDENT REPRESENTATIVE REPORT**

During my last report, I discussed how Richard Bland College was developing relationships between and among our school community. This was done by initializing learning communities and also introducing The Brown Bag Lunch series by Dr. Love, a history professor. Over the last few months Richard Bland has benefited a great deal from both of these programs. A sense of strong community and communication has developed here on campus.

With this sense of community and our strong relationships emerging, we can now see a focus and theme of determination from the student body. This is due to a larger student body determined to graduate from Richard Bland as well as students having greater determination to participate and to have a more well-rounded experience from our college.

Graduation is an essential part of every student's career in their education. This semester our advisors are pushing the goal of graduation from Richard Bland College more than ever. All freshmen are required to take RBC 101 a class that shows students how to put together a portfolio and to make the decision of what kind of associates degree they would like to complete. They work with their advisors on choosing classes and as well as have discussions on what is the end goal of their education and what steps they need to take in order make their goal a reality.

Secondly, participation throughout campus has improved greatly from the beginning of the semester. You see more students getting involved in our sports teams and clubs. Having more participation gives students a feeling of pride when thinking or talking about Richard Bland.

Our new athletic director, Chuck Moore, is initiating many new activities at our gym. For recreational purposes, we will hopefully be seeing many new fitness programs such as Zumba or Kickboxing. However, even more exciting, Coach Moore is looking to spearhead the opportunity to participate in the National Junior College Athletic Association which will gateway into intercollegiate sports. By next year, he is hoping to have at least 4 intercollegiate teams. This opportunity will allow many students to become more involved on campus.

Students are also taking more responsibility on what goes on campus as well as throughout the outreaching community. Just recently, the Residence Halls made a program called the "Penny Wars." This allowed the residents to put their spare change, especially there pennies, into a jar to help donate to a can food drive. This was done over a seven day period and the students collected more than \$122.00 to give to charity. This was an awesome turn out and really gave the residents a sense of accomplishment.

This year more than ever has allowed students to give their opinion on who Richard Bland College is and what our vision of it is for the future.

Respectfully submitted,

Jessica Salazar  
Richard Bland College Student Representative

COMMITTEE ON ACADEMIC AFFAIRS

November 29, 2012

2:00 – 2:45 p.m.

Board Room - Blow Memorial Hall

Robert E. Scott, Chair

Todd Stottlemeyer, Vice Chair

- I. Introductory Remarks - Mr. Scott
- II. Approval of Minutes – September 20, 2012
- III. Report from Provost Michael R. Halleran
- IV. Report from Faculty Liaison Committee Chair Suzanne Raitt
- V. Closed session (if necessary)
- VI. Open Session
  - A. Certification of Closed Session **Resolution**
  - B. Action Materials - Provost Michael R. Halleran
    - 1. Appointments to Fill Vacancies in the Instructional Faculty **Resolution 7**
    - 2. Appointments to Fill Vacancies in the Professionals and Professional Faculty **Resolution 8**
    - 3. Award of Academic Tenure **Resolution 9**
    - 4. Faculty Leave of Absence **Resolution 10**
- VII. Discussion
- VIII. Adjourn

# COMMITTEE ON ACADEMIC AFFAIRS

MINUTES – SEPTEMBER 20, 2012



**MINUTES**  
**Committee on Academic Affairs**  
**September 20, 2012**  
**Board Room – Blow Memorial Hall**

Attendees: Robert E. Scott, Chair; Todd A. Stottlemeyer, Vice Chair; Michael Tang. Board members present: Leigh A. Pence, L. Clifford Schroeder, Sr., and faculty representative William J. Hausman. Others present: President W. Taylor Reveley III, Provost Michael R. Halleran; Dean Katharine Conley; members of the Faculty Liaison Committee and other College staff.

Chair Robert Scott called the Committee to order at 9:30 a.m. Following brief opening remarks and recognizing that a quorum was present, Mr. Scott moved to approve the minutes of the meeting of April 26, 2012. Motion was seconded by Mr. Tang and approved by voice vote of the Committee.

Provost Michael Halleran provided a brief update on creative adaptation projects, and commented briefly on the curriculum review. Three searches for senior administrators are underway: Vice President for Development, Dean of the School of Education and Director of the Omohundro Institute of Early American History and Culture. A brief discussion ensued.

The Provost introduced the new Dean of the Faculty of Arts and Sciences Katharine Conley. Dean Conley shared thoughts on her goals, including expanding the intellectual footprint of Arts and Sciences and its faculty. A brief discussion ensued.

Faculty Liaison Committee Chair Professor Suzanne Raitt provided a quick introduction to Faculty Assembly issues, to be developed in more detail during the Faculty Presentation to the full Board.

Mr. Scott moved that the Committee convene in Executive Session for the purpose of discussing and/or approving personnel actions pertaining to the appointments, promotions and leaves of executive, instructional and professional faculty, as provided for in Section 2.2-3711.A. 1., of the Code of Virginia. Motion was seconded by Mr. Stottlemeyer and approved by voice vote. The Committee went into closed session at 10:09 a.m.

The Committee reconvened in open session at 10:27 a.m. Mr. Scott reviewed the topics discussed during closed session, and 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. Stottlemeyer and approved by roll call vote of the Board members conducted by Secretary to the Board Michael Fox. (Certification **Resolution** is appended.)

Mr. Scott moved adoption as a block of **Resolution 6**, Appointments to Fill Vacancies in the Executive Faculty; **Resolution 7**, Appointments to Fill Vacancies in the Instructional Faculty; **Resolution 8**, Appointments to Fill Vacancies in the Professionals and Professional Faculty; **Resolution 9**, Designated Professorships; **Resolution 10**, Term Distinguished Professorships; and **Resolution 11**, Faculty Leaves of Absence. Motion was seconded by Mr. Stottlemeyer and approved by voice vote of the Committee.

There being no further business, the Committee adjourned at 10:29 a.m.

September 20, 2012

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: 3

NAYS: 0

ABSENT DURING CLOSED SESSION:

  
\_\_\_\_\_  
Robert E. Scott  
Chair  
Committee on Academic Affairs

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

Vacancies in the Instructional Faculty of the College of William and Mary have resulted because of resignations, terminations and 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 effective with the 2012-2013 academic year:

GREGORY W. GROSSMAN, Assistant Professor of Military Science

A.A., North Carolina Fayetteville Technical Community College, 1995

B.A., Campbell University, Buies Creek, 1997

M.A., Cameron University, 2001

Campbell University

Assistant Professor, 2011-2012

U.S. Army

Operations Officer, 2010-2011

Commander, 2009-2010

Brigade S4, 2008-2009

Operations Officer, 2006-2007

Human Resources OIC, 2005-2006

Battalion OIC, 2003-2005

Platoon Leader, 2002-2003

ANDREJA NOVAKOVIC, Assistant Professor of Philosophy

B.A., Bryn Mawr College, 2004

M.A. (2008); Ph.D. (2012), Columbia University

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

ANDREW A. PETRIE, Assistant Professor of Military Science

B.S., James Madison University, 2004

U.S. Army

Commander, 2011-2012

Brigade Engineer, 2010

Assistant Brigade Engineer, 2008-2009

Assistant S3; S4, 2007-2008

Company XO, 2006-2007

Platoon Leader, 2004-2005

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:

TAMI C. BACK, Director of Strategic Communications and Outreach,  
Earl Gregg Swem Library, effective October 1, 2012

B.A., Christopher Newport University, 2003  
M.A., Old Dominion University, 2009

City of Hampton  
Communications Coordinator, 2010-2012  
Public Communications Assistant, 2003-2010

Daily Press Newspaper  
Free-Lance Writer/Intern Reporter, 2002-2003

Christopher Newport University  
Managing Editor, The Captain's Log, 2001-2002

CINNAMON A. BAKER, Assistant Dean, Career Services, William & Mary  
Law School, effective November 10, 2012

B.F.A., Florida State University, 1994  
J.D., University of Dayton School of Law, 2004

Barry University School of Law  
Director of Career Services, 2007-2012

Akerman, Senterfitt & Eidson, P.A.  
Conflicts of Interest Associate, 2005-2007

The Princeton Review  
Instructor, 2005

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

DEBORAH CORNELL, Cataloging and Metadata Librarian, Earl  
Gregg Swem Library, effective October 22, 2012

B.A., The University of Texas at Arlington, 1996  
M.I.S., University of North Texas, 2003

The Art Institute of California-Hollywood  
Interim Librarian, 2010-2012

JibJab Media, Inc.  
Digital Assets Manager, 2008-2009

Charles E. Young Research Library, Department of Special Collections,  
University of California  
Digital Archives Cataloger, 2005-2008

The University of Texas at Arlington  
Library Assistant II, 1998-2005

KIMBERLY MALLORY, Director of Flex Program and Professional  
Admissions, Mason School of Business, effective November 12, 2012

B.S., Tusculum College, 2005  
M.B.A., University of Tennessee, 2009

University of Tennessee Center for Executive Education  
Director, Global Business Development and Student Recruitment, 2012  
Director, Regional Business Development and Assistant Director,  
Professional MBA Program, 2010-2012  
Director, Leadership and Regional Programs, 2006-2010  
Program Coordinator, 2000-2006

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

ROBERT W. MORMAN, Director of Building Services, Facilities  
Management, effective December 10, 2012

Purdue University  
General Manager, Building Services, 2006-2012

Arnett Health Systems  
Supervisor of Environmental Services, 1998-2005

Executive Management Services, Inc.  
District Manager, 1997-1998

ServiceMaster Services, Inc.  
Operations Manager, 1995-1997

ELIZA G. PARRISH, Director of Alumni Relations, Mason School of  
Business, effective November 26, 2012

B.S., Emerson College, 1975

Suffolk University  
Senior Director of Alumni Relations, 2011-2012  
Director of Alumni Relations, Sawyer Business School, 2007-2011

Linden Ponds Retirement Community  
Director of Giving and Events, 2004-2007

Massachusetts Institute of Technology  
Director, Alumni Relations, Sloan School of Management, 2000-2003

Dana-Farber Cancer Institute  
Director, Marathon Programs, 1998-2000

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

GEORGE P. PODOLIN, Assistant Dean, Career Services, William & Mary  
Law School, effective December 10, 2012

A.B., Duke University, 1988  
M.A., University of Pennsylvania, 1996  
J.D., Yale Law School, 1999

Schnader, Harrison, Segal & Lewis, LLP  
Associate, Litigation Services Department, 2012

Hoyle, Fickler, Herschel & Mathes, LLP  
Associate, 2008-2012

Hangley, Aronchick, Segal & Pudlin  
Associate, Litigation Department, 2001-2008

KATHRYN L. RICHARDS, Reunion Gift Officer, University Development,  
effective September 25, 2012

B.A., University of Exeter, 2008

Legal Aid Society of Eastern Virginia  
Community Resources Liaison, 2011-2012  
Eligibility Worker, 2010-2011

International School of Choueifat, United Arab Emirates  
Class Teacher, 2008-2009

University of Exeter, United Kingdom  
Annual Fund Caller, 2007-2008



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

STACEY BUSBEE SUMMERFIELD, Director of Parent and Family  
Giving, University Development, effective October 10, 2012

B.A., College of William & Mary, 2004  
M.A.L.S., Northwestern University, 2008

The University of Chicago  
Associate Director, Parents Program, 2010-2012  
Assistant Director of Annual Fund, Alumni Emeriti and Reunions, 2008-2010  
Assistant Director of Annual Fund, Direct Response Philanthropy, 2008

Northwestern University  
Program Assistant, Office of Foundation Relations, 2006-2008

Near North Montessori School  
Development Liaison, 2005-2006

MICHAEL A. TURNER, Director of Programs and Special Projects,  
Office of the University Registrar, effective November 25, 2012

B.S., Old Dominion University, 1990  
M.Ed., College of William & Mary, 2011

Virginia Community College System  
Coordinator of Student Affairs/Academic Services and Research, 2006-2012

Tidewater Community College  
Supervisor, Peoplesoft/Oracle SIS/Lifecycle Support Team, 2004-2005

Thomas Nelson Community College  
Associate Registrar, 1996-2004

Christopher Newport University  
Enrollment Systems Analyst, Office of the Registrar, 1995-1996

Old Dominion University  
Transcript Supervisor, 1992-1995  
Data Processing Coordinator, 1987-1992

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

DANIEL HAYDEN WEDDINGTON, Digital Archivist, Earl Gregg Swem  
Library, effective, January 7, 2013

B.A., Eastern Kentucky University, 2008  
M.L.I.S., University of Kentucky, 2012

Eastern Kentucky University  
Library Associate, Special Collections and Archives, 2012  
Library Associate, Business Library and Academic Commons, 2010-2012  
Archival Assistant, Special Collections and Archives, 2007-2008

University of Kentucky  
Staff Associate, Division of Writing, Rhetoric and Digital Media, 2008-2010

KARIN WULF, Director, Omohundro Institute of Early American History and  
Culture, effective, July 1, 2013

B.A., American University, 1985  
M.A. (1990); Ph.D. (1993), Johns Hopkins University

College of William & Mary  
Associate Professor, 2005-2012  
Book Review Editor, William and Mary Quarterly, 2004-2012  
Visiting Associate Professor, 2004-2005  
Visiting Book Review Editor, William and Mary Quarterly, 2002-2004

American University  
Associate Professor, 2000-2005  
Assistant Professor, 1995-2000

Old Dominion University  
Assistant Professor, 1993-1995

Board of Visitors

Resolution   9  

November 28-30, 2012

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COLLEGE OF WILLIAM AND MARY  
AWARD OF ACADEMIC TENURE

The following member of the Instructional Faculty at the College of William and Mary has been recommended for the award of academic tenure by the appropriate departmental committee and chair, the appropriate dean, and by the Provost and President.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the following member of the Faculty be awarded academic tenure, effective with the beginning of the 2012-2013 academic year:

AHMAD ATIF AHMAD, Department of Religious Studies

COLLEGE OF WILLIAM AND MARY  
FACULTY LEAVE OF ABSENCE

The following faculty member has requested a leave of absence without pay or partial pay during the 2012-2013 academic year for the reason given.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves this leave of absence:

CHARLES F. MCGOVERN, Associate Professor of History and American Studies, to accept a fellowship with the Smithsonian Institution for the Spring 2013 semester.

COMMITTEE ON STUDENT AFFAIRS

November 29, 2012

3:30 – 4:30 p.m.

Board Room - Blow Memorial Hall

Leigh A. Pence, Chair

John C. Thomas, Vice Chair

- I.     Introductory Remarks - Ms. Pence
- II.    Report from Vice President for Student Affairs – Virginia M. Ambler
  1.     Update on 2012-13 Initiatives
  2.     Planning and Assessment in Student Affairs  
-- *Jodi Fisler, Assistant to the Vice President &  
Director of Student Affairs Planning and Assessment*
- III.   Report from Student Liaisons
- IV.   Discussion
- V.     Adjourn

COMMITTEE ON DEVELOPMENT

November 29, 2012

4:30 – 5:30 p.m.

Board Room - Blow Memorial Hall

Thomas R. Frantz, Chair

L. Clifford Schroeder, Sr., Vice Chair

Michael Tang, Vice Chair

- I. Opening Remarks – Mr. Frantz
- II. Approval of Minutes – September 20, 2012
- III. University Development Report – Interim Vice President Earl T. Granger, III
- IV. Closed Session (if necessary)
- V. Open Session - Certification of Closed Session **Resolution**
- VI. Discussion
- VII. Adjourn

COMMITTEE ON DEVELOPMENT

MINUTES - SEPTEMBER 20, 2012

**MINUTES**  
**Committee on Development**  
**September 20, 2012**  
**Board Room - Blow Memorial Hall**

Attendees: Thomas R. Frantz, Chair; Michael Tang, Vice Chair; L. Clifford Schroeder, Sr., Vice Chair. Board members present: Rector Jeffrey B. Trammell, Kendrick F. Ashton, Jr., Ann G. Baise, Charles A. Banks, III, Laura L. Flippin, Dennis H. Liberson, John E. Littel, Leigh A. Pence, Robert E. Scott, Peter A. Snyder, Todd A. Stottlemeyer, John C. Thomas; Faculty Representative William J. Hausman and Staff Liaison Lydia C. Whitaker. Others attending: President W. Taylor Reveley III, Provost Michael R. Halleran, Virginia M. Ambler, Jennifer M. Bateman, Molly A. Bodnar, Francis C. Bradford, Henry R. Broadus, Carrie L. Cooper, Karen R. Cottrell, Edward C. Driscoll, Jr., Lee J. Foster, Michael J. Fox, Sue H. Gerdelman, W. Fanchon Glover, James R. Golden, Earl T. Granger, III, Jeff S. Herrick, Samuel E. Jones, Anna B. Martin, Jeremy P. Martin, Jennifer J. Morgan, Teresa L. Munford, Michael L. Stump, Diana Villarreal, Lee G. Walsh, Lemondre Watson, John T. Wells, Brian W. Whitson, Sandra J. Wilms, and Renell M. Wynn.

Chair Thomas R. Frantz called the meeting to order at 11:30 a.m. He welcomed the new Board members and thanked Phil Herget for all the great work that he has done with this Committee. Mr. Frantz shared his fundraising experience and explained the guidelines that he follows.

Rector Jeffrey Trammell thanked Mr. Frantz for accepting this role. He then welcomed all the Board of Visitors, staff, faculty and guests. Mr. Trammell recognized Lemondre Watson and Diana Villarreal, Senior Class Co-Chairs, and thanked them for their support.

Recognizing that a quorum was present, Mr. Frantz moved adoption of the minutes of the meeting of April 26, 2012. Motion was seconded by Mr. Scott and approved by voice vote of the Committee.

Mr. Frantz moved adoption as a block of **Resolution 14**, Establishment of the Roby – Sherman Scholarship Fund; **Resolution 15**, Establishment of the Virginia Institute of Marine Science Endowment. Motion was seconded by Mr. Schroeder and approved by voice vote.

Mr. Frantz moved that the Committee on Development 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 Mr. Schroeder and approved by voice vote. The observers were asked to leave the room and the Committee went into closed session at 11:37 a.m.

The Committee reconvened in open session at 12:31 p.m. Mr. Frantz 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 Mr. Schroeder 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 12:32 p.m.



September 20, 2012

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Visitors Committee on Development 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, 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: 15

NAYS: 0

ABSENT DURING CLOSED SESSION:



Thomas R. Frantz  
Chair  
Committee on Development

COMMITTEE ON ADMINISTRATION, BUILDINGS AND GROUNDS

November 30, 2012

8:00 – 8:45 a.m.

Board Room - Blow Memorial Hall

Charles A. Banks III, Chair  
Dennis H. Liberson, Vice Chair

- I. Introductory Remarks – Mr. Banks
- II. Approval of Minutes – September 20, 2012
- III. Report from Provost – Michael R. Halleran
- IV. Report from Building Official – Robert P. Dillman
- V. Report from Virginia Institute of Marine Science – Dean/Director John T. Wells
  - A. Capital Outlay Project Progress Report. Enclosure G.
- VI. Report from Vice President for Administration - Anna B. Martin
  - A. Capital Outlay Project Progress Report. Enclosure H.
  - B. Resolution to Approve Purchase of Properties: 427 Scotland Street & 406 Jamestown Road **Resolution 11**.
  - C. Resolution to Approve the Inter-Agency Transfer Agreement of Longhill Connector Land to Eastern State **Resolution 12**.
  - D. Resolution to Approve Closure of Landfill and Recordation of Deed **Resolution 13**.
- VII. Report from Vice President for Administration - Anna B. Martin
- VIII. Closed Session (if necessary)
- IX. Open Session - Certification of Closed Session **Resolution**
- X. Discussion
- XI. Adjourn

COMMITTEE ON ADMINISTRATION,  
BUILDINGS AND GROUNDS

MINUTES – SEPTEMBER 20, 2012

**MINUTES**  
**Committee on Administration, Buildings and Grounds**  
**September 20, 2012**  
**Board Room – Blow Memorial Hall**

Attendees: Charles A. Banks, III, Chair; Dennis H. Liberson, Vice Chair; Ann Green Baise, Thomas R. Frantz, L. Clifford Schroeder, Sr., John C. Thomas. Other Board members present: Rector Jeffrey B. Trammell, Robert E. Scott, Leigh A. Pence, faculty representative William J. Hausman. Others present: President W. Taylor Reveley, Provost Michael A. Halleran, Dean John T. Wells, Vice President Anna B. Martin, Vice President Virginia M. Ambler, University Counsel Deborah A. Love, and Building Official Robert P. Dillman.

Chair Charles Banks called the meeting to order at 10:40 a.m. Recognizing that a quorum was present, Mr. Banks requested a motion to approve the minutes of the April 26, 2012, meetings of the Committee on Buildings and Grounds, and the Committee on Administration. Motion was made by Mr. Frantz, seconded by Mr. Liberson, and approved by voice vote of the Committee.

Provost Halleran had no report.

Building Code Official Robert Dillman introduced himself to the newly combined committee and its members. He briefly explained his reporting relationship to the Board, and his duties and professional responsibilities. He reported on both building permits issued and final certificates of occupancy issued. The Committee had no questions.

Dean Wells reviewed the 2012 actions of the General Assembly, and reviewed the budget amendments being submitted to the Department of Planning and Budget for the Governor's consideration. The Governor delivers his budget to the General Assembly in late December.

Vice President Martin reviewed the mission of the Buildings and Grounds committee, including its approval of the College's six year (2014-2020) Capital Plan, which is due to the Department of Planning and Budget in April, 2013. Ms. Martin discussed the likely small size of the plan relative to previous plans, and the necessity for a master plan that will inform the succeeding six year plan for 2016-2022.

Ms. Martin reported on the capital amendments being submitted to the Department of Planning and Budget for the Governor's consideration. Ms. Martin also reported on the progress of various projects, such as the necessity for a revisited RFP for the Arts Complex project. Ms. Martin updated the committee on project progress for Fraternity Housing, the Sadler Center Expansion, and Integrated Science Center III. She also reported on the actions of the recent Design Review Board meeting, on which Mr. Banks, by virtue of his chairmanship on this committee, also serves as the DRB chair.

Ms. Martin presented the annual resolutions for the sale of 9c revenue bonds and 9d pooled bonds, for capital projects previously authorized, as detailed in **Resolution 12**, Resolution of the Board of Visitors of the College of William and Mary - 2012 9(D) Pooled Bond Program:

Committee on Administration

MINUTES

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Improve Auxiliary Facilities; and **Resolution 13**, Resolution of the Board of Visitors of the College of William and Mary - 2012 9(C) Revenue Bond Program: New Dormitory and Renovate Dormitories. Mr. Thomas moved to approve both resolutions, and forward them to the full Board for approval. Motion was seconded by Mr. Frantz and approved by voice vote of the Committee.

Ms. Martin informed the Committee that responsibility for issues relating to campus safety and risk management have now moved to the Committee on Audit and Compliance. Human Resources, Information Technology, and Sustainability will continue to report annually to this Committee. Mr. Banks requested that IT have the flexibility to report more often than annually. He noted that a report on contract management will occur at the November meeting. The Committee discussed other topics of interest.

The reports completed, and there being no further business, the Committee adjourned at 11:20 a.m.

## **VIRGINIA INSTITUTE OF MARINE SCIENCE CAPITAL OUTLAY PROJECT PROGRESS REPORT**

### **268-17950 Research Vessel**

Appropriation Amount: \$8,050,000

Design Team: TBD

Fund Sources: VCBA Bonds

Biennium: 2012-2014

Obligated to Date: \$1,341

Contractor: TBD

This appropriation funds the planning and construction of a new custom designed research vessel to replace the R/V Bay Eagle. The steering committee has developed a Science Mission Profile and General Specifications for the vessel and is currently preparing a Request For Proposal (RFP) for naval architectural services. In August 2012, the committee visited the University of Maryland Center for Environmental Science to investigate the procurement and operation of their research vessel, the Rachael Carson. In September 2012, the committee visited the fishing trawler Darana R which is used for Mid-Atlantic survey sampling.

### **268-17993 Consolidated Scientific Research Facility**

Appropriation Amount: \$823,438

Design Team: TBD

Fund Sources: Central Capital Planning Fund  
Higher Education Operating

Biennium: 2012-2014

Obligated to Date: \$0

Contractor: TBD

This appropriation funds the planning of a new 32,000 square-foot building to provide research, study, office and technology space for Marine Advisory Services, the Center for Resource Management (CCRM), the Physical Sciences modeling group and the Publication/Communication and Computer Centers in a single facility. Planning is expected to begin January 2013.

### **268-90001 Seaside Hall Replacement**

Anticipated Project Budget: \$1,923,429

Design Team: VIA Design Architects, Inc.

Fund Sources: Insurance Recovery

Biennium: 2010-2012

Obligated to Date: \$1,629,639

Contractor: E.T.Gresham Company, Inc.

This project supports the construction of a new 3,100 square foot library, classroom, and laboratory building which was completely destroyed by fire on November 18, 2010. The building is ready for occupancy and the project is complete.

November 28-30, 2012

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**268-17724 Eastern Shore Seawater Laboratory**

Appropriation Amount: \$3,674,892  
Design Team: VIA Design Architects, Inc.  
Fund Source: VCBA Bonds

Biennium: 2008-2010  
Obligated to Date: \$3,674,892  
Contractor: Nason Construction, Inc.

This 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 project is complete.

**268-17447 Electrical Upgrades, Chesapeake Bay Hall**

Appropriation Amount: \$267,500  
Design Team: McKinney & Company  
Fund Source: General Funds  
VCBA Bonds

Biennium: 2006-2008  
Obligated to Date: \$243,578  
Contractor: E.G. Middleton, Inc.

This project involved upgrading the electrical distribution system at Chesapeake Bay Hall. The construction project was completed, inspected, and accepted on July 16, 2012. The remaining funds are being used to procure additional UPS units that are essential to support laboratory equipment. The project will be completed in the Winter of 2013.

**268-17400 Property Acquisition: CBNERRVA**

Appropriation Amount: \$1,490,500  
Fund Source: Federal Funds

Biennium: 2006-2008  
Obligated to Date: \$820,138

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. VIMS purchased the Catlett Islands from Timberneck, L.L.C. in May 2012 and the appropriation remains open for future properties to become available.

**268-16634 Property Acquisition: VA-NERRS**

Appropriation Amount: \$350,000  
Fund Source: Federal Funds

Biennium: 2000-2002  
Obligated to Date: \$193,000

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.

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Page   3   of   3  **268-16299 Property Acquisition: Master Plan Properties**

Appropriation Amount: \$1,100,000

Biennium: 2000-2002

Fund Sources: VCBA Bonds

Obligated to Date: \$604,254

Higher Education Operating

This appropriation involves the purchase of properties contiguous to the Gloucester Point campus. VIMS is in the process of acquiring the Moxley Property located at 1460 Greate Road. The Purchase Agreement has been signed by the owners and VIMS has procured services of various vendors to provide an environmental assessment, title search and closing. The property purchase and closing date is anticipated for December 2012.

**268-16149 Property Acquisition: Wachapreague**

Appropriation Amount: \$743,926

Biennium: 1998-2000

Fund Sources: Private Funds

Obligated to Date: \$733,028

Higher Education Operating

This appropriation involves the purchase of properties at the Eastern Shore Laboratory campus at Wachapreague, Virginia. No purchases have been made since June 2011; however the appropriation remains open for future acquisitions.

**268-12331 Maintenance Reserve**

Appropriation Amounts:

Fund Source: VCBA Bonds	\$261,639	June 30, 2011 Balance
	\$193,060	2012
	\$193,060	2013

The following Maintenance Reserve projects are scheduled for repairs this fiscal year:

- Replace the Roof on the Customer Service Building and Laboratory
- Repairs to CBH Exhaust System
- Point Up Exterior of Three Buildings
- Dredge the Boat Basin Channel at Gloucester Point



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

**204-17650 Construct: Integrated Science Center Ph 3**

Design Team: EYP	Biennium: 2008 – 2010
Budget: \$4.8 M (SD/PD)	Contractor: Whiting Turner
Funding Source: VCBA	Obligated to date: \$2,784,621

Description: The project is an 113,000 GSF facility, designed for scientific research in existing applications (applied science, biology, chemistry, and psychology), future programs (inter-disciplinary), and computer modeling. The \$85M project is included in the Commonwealth's VCBA pooled project program.

Progress: Preliminary design is complete and design documents have been submitted for code review. Cost data was submitted to BCOM on November 9<sup>th</sup> for review and determination of the total project budget. Funds sufficient to execute the next phase of design (construction documents/working drawings) will then be released.

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

Appropriation Amount: \$31,540,332	Biennium: 2008-2010
Fund Source: VCBA, 9d Bond	Obligated to Date: \$30,995,362

**204-17651-01 – Construct: Cooling Plant Addition COMPLETE**

Budget: \$6,020,401	Obligated to Date: \$5,241,530
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**204-17651-03 – Replace: Historic Campus Utility Improvements COMPLETE**

Budget: \$802,000	Obligated to date: \$616,794
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**204-17651-02 & 04 – Replace: Historic Campus Utility Improvements**

Design Team: RMF Engineering	Biennium: 2008 - 2010
Budget : \$24,717,931	Obligated to date: \$25,137,039
Funding Source: VCBA, 9(d) bond	Contractor: Mid-Atlantic Infrastructure Systems (MIS)

Description: Design and installation of distribution piping to support steam and chilled water from the central district utility plant to the Historic Campus.

Progress: Twenty- six North Campus buildings are connected to the renovated and expanded central district heating and cooling utility plant, replacing systems that were 50-70 years old. The contractor is preparing for a final inspection in November.

**204-17652 Renovate: Tucker Hall**

Design Team: Cunningham-Quill  
Budget: \$11,530,576  
Funding Source: VCBA

Biennium: 2008 – 2010  
Contractor: Donley's  
Obligated to date: \$10,043,412

Description: The project reconfigures and improves the 1909 era Tucker Hall, last upgraded in 1980 when the Law School moved to its South Henry Street campus, and the department of English moved in. Building systems, instructional space, access, and technology will be modernized.

Progress: The final Guaranteed Maximum Price (GMP) budget was approved by BCOM on September 6<sup>th</sup>. Structural demolition of floor slabs to permit installation of an additional stair tower and an elevator is underway. Project completion is expected by August, 2013 to enable classes to resume in fall 2013.

**204-17809 Improve: Athletic Facilities (Umbrella)**

Design Team: Multiple  
Budget: \$2,589,437 (\$6.5M in authority)  
Funding Source: 9d bonds

Biennia: 2012 - 2014  
Contractor: Multiple  
Obligated to Date: \$1,488,232

Description: Three sub-projects will address long standing athletic facility deficiencies. The sub-projects are William & Mary Hall Roof Replacement, Busch Field Lighting Repairs and Zable Stadium Window Replacement.

Progress: Busch Field lighting repairs were completed on June 24<sup>th</sup>. W&M Hall Roof replacement will be completed by October 30<sup>th</sup>. The contract for the Zable Windows has been withdrawn due to a non-responsive bidder. The contract has been awarded to the next lowest bidder for execution in summer 2013.

**204 – 17994 Renovate: Tyler Hall**

Design Team: Mitchell-Matthews  
Budget: \$547,000  
Funding Source: HEO, to be reimbursed by VCBA

Biennium: 2012 – 2014  
Contractor: W.M. Jordan  
Obligated to date: \$1,337,525

Description: The project will reconfigure and improve the 1909 era Tyler Hall, last upgraded in 1980. Building systems, instructional space, and technology will be modernized. The attic level will be built-out as faculty office space.

Progress: Schematic drawings were submitted for code review on November 2<sup>nd</sup> and comments returned. Preliminary drawing (PD) submission is scheduled for February, 2013, and construction drawings by July, 2013. Construction will begin once Tyler Hall is vacated by the current occupants, but, in any case, no later than February 2014

**204 – 17934 Sadler Center Dining Addition**

Design Team: Clark-Nexsen  
Budget: \$8,000,000  
Funding Source: VCBA (9d bond)

Biennium: 2012 – 2014  
Contractor: Whiting Turner  
Obligated to date: \$1,337,525

Description: The project will create 300 additional seats to the Sadler dining room and re-configure the serving area in order to meet student demand resulting from increased student levels and the mandatory meal plan program initiated last year (2011- 2012).

Progress: Permit drawings for the foundation, structural frame and chilled water system are being reviewed by CRT to enable a Dec construction start. Permit drawings for remaining building systems will be submitted in mid-January to allow substantial completion by the first week of August, in time for the fall 2013 semester.

**204 – 18001 Renovate: The Brafferton and Brafferton Kitchen**

Design Team: GWWO  
Budget: \$4.5M  
Funding Source: Private funds/VCBA funds

Biennium: 2012 - 2014  
Contractor: Virtexco  
Obligated to Date: \$2,931,389

Description: The project renews building systems within the Brafferton and Brafferton kitchen. The project will seal the exterior envelope (roof, windows, foundation), install state of the art building systems (HVAC, Fire systems, HA access), and restore affected building fabric.

Progress: Building occupants were relocated in June. Basement archeological investigation was conducted over the summer. The GMP was approved by BCOM on September 6th. Excavation to enable placement of new basement floor slabs, underpinning of selected basement walls and selective demolition of building systems and third floor partitions are all in progress. Project completion: July, 2013.

**204 – 18002 Improve: Accessibility Infrastructure**

Design Team: Clark-Nexsen  
Budget: \$3,000,000  
Funding Source: \$1.4M GF/\$1.6M VCBA

Biennium: 2012 – 2014  
Contractor: TBD  
Obligated to date: \$0

Description: Study to examine and improve accessibility issues at facilities not currently targeted for renovation within the next decade, and to assess and improve various campus pathway conditions.

Progress: Site investigations have been completed, a design scope determined and an A/E design proposal received. Design will begin upon completion of fee negotiations. Construction is anticipated to begin in summer 2013.

**204 – 18003 Improve: Lake Matoaka Dam Spillway**

Design Team: Draper Aden  
Budget: \$3,169,182  
Funding Source: VCBA

Biennium: 2012 – 2014  
Contractor: TBD  
Obligated to date: \$0

Description: State Dam Safety Regulations now require that the spillways of all high hazard dams must pass two times (2x) the probable maximum flood (PMF) and withstand overtopping. The project will enable the dam to withstand overtopping by armoring the downstream face of the dam using articulated concrete blocks (ACB).

Progress: The College has coordinated the design concept with the Division of Dam Safety and negotiated a design contract with a qualified engineer. Construction will start in late 2013.

**204 – 18004 Improve: Campus Stormwater Infrastructure**

Design Team: Draper Aden  
Budget: \$3,391,198  
Funding Source: VCBA

Biennium: 2012 – 2014  
Contractor: TBD  
Obligated to date: \$0

Description: The College will create a new Stormwater Management Plan to achieve compliance with new state stormwater regulation and emerging federal Total Maximum Daily Limit (TMDL) pollutant guidelines for the protection of the Chesapeake Bay. The plan will ensure future projects achieve regulatory compliance. Planning will include inventory of existing stormwater structures, and "watershed modeling" to determine existing stormwater flow and sediment/contaminant loadings.

Progress: The College has completed fee negotiations, and a funding request for the pre-planning phase was submitted to BCOM on November 12<sup>th</sup>. The funds are required to support due diligence studies/analysis in support a new management plan.

**204 – 18005 Construct: Cooling Plant and Replace Utilities, Phase IV**

Design Team: RMF  
Budget: \$3,500,000  
Funding Source: VCBA

Biennium: 2012 – 2014  
Contractor: TBD  
Obligated to date: \$0

Description: Fit out of the Power Plant cooling addition with a 400 ton thermal storage "ice" plant to provide "peak shaving" capability during periods of peak power demand for campus cooling. The Thermal Storage will also provide operating redundancy for existing three 900 ton chillers.

Progress: RMF Engineers has initiated design, which will be complete by May, 2013, to enable a summer, 2013 start. Estimated construction duration is six months.

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**Performing Arts Quarter Feasibility Study**

Design Team: TBD  
Budget: TBD  
Funding Source: HEO 0306

Biennium: 2012 - 14  
Contractor: TBD  
Obligated to Date: \$0

Description: Using data from previous studies, the study will develop options for the adaptive reuse of PBK Hall in conjunction with the potential construction of new space to the south and east of PBK to house Music, Theater and Dance.

Progress: The A/E firms were shortlisted on Nov 15<sup>th</sup>. Five firms will be interviewed on December 12<sup>th</sup> and 13<sup>th</sup>. The successful firm will work to design a preferred concept for inclusion in the College's six-year capital plan.

**204-17555 Improve: Dormitory Renovations**

Design Team: Multiple  
Budget: \$2.5M  
Funding Source: 9c bonds

Biennium: 2008 -10  
Contractor: Multiple  
Obligated to Date: \$2,414,072

Description: The last project is design of Barrett Hall window replacement and chilled water piping to accommodate air-conditioning (2013).

Progress: Design and code review are complete. Bids are due Nov 28<sup>th</sup>. Window replacement is scheduled for summer 2013 under project 204-17933. Chilled water piping connections will be installed in summer 2014.

**204-17808 Construct: New Fraternity Housing**

Design Team: Moseley-Treanor Associates  
Budget: \$26.8M  
Funding Source: 9c Bonds

Biennium: 2010 - 2012  
Contractor: WM Jordan  
Obligated to date: \$24,227,508

Description: Design of a Fraternity Complex consisting of eleven 17-bed fraternity houses (total 187) and a community building.

Progress: A final GMP contract was awarded in August. Ten of twelve foundations are in place as of this report and structural framing is in progress on all ten facilities. Substantial completion is scheduled for July, 2013.

**204-17811 Improve: Dormitory Renovations (Umbrella)**

Design Team: Multiple  
Budget: \$4.5M  
Funding Source: 9c bonds

Biennium: 2010 -12  
Contractor: Multiple  
Obligated to Date: \$3,811,660

Description: Final project: Reves Hall Fire Alarm/HVAC modifications.

Progress: Code review of the fire alarm design will occur in December. A study to address elimination of existing condensation issues is also under review. If approved, a summer 2013 installation may be possible.

**204-17933 Improve: Dormitory Renovations (Umbrella)**

Design Team: Multiple	Biennium: 2010 -12
Budget: \$5.0M	Contractor: Multiple
Funding Source: 9c bonds	Obligated to Date: \$670,451

Description: Project will include construction of Barrett Hall window replacement and chilled water piping; Old Dominion window replacement; Landrum roof replacement; and renovations of Chandler and Landrum Halls if funding permits.

Progress: As noted above, Barrett Hall window replacement and chilled water piping designs have been executed under project 204-17555. Bids for the window replacement are due November 28<sup>th</sup>. Design for Chandler Hall renovation is in progress. An advertisement for design of Landrum Hall renovation will be issued in December.

**204-17933-01 Renovate: Chandler Hall**

Design Team: Boynton-Rothschild-Rowland	Biennium: 2012 - 2014
Budget: \$841,300	Contractor: TBD
Funding Source: 0306	Obligated to date: \$670,451

Description: A full interior & exterior renovation of the 151 bed Chandler Hall, including roof replacement, window replacement, building systems replacement, and interior finishes.

Progress: The architect completed preliminary design on November 9th. Code Review was executed November 12<sup>th</sup> – 20<sup>th</sup>. Comments have been issued. A kick-off meeting with the CM was held November 15<sup>th</sup> to initiate constructability reviews and associated cost estimating. Design is scheduled for completion in February, 2013, and project completion by June, 2014.

**2012 – 2014 Major Repair and Maintenance Reserve**

2010 - 2012 (Carry Forward):	\$2,092,949
2012 - 2014 Appropriation:	\$2,825,634
FY 2013: \$1,412,817	
FY 2014: \$1,412,817	
<b>Grand Total:</b>	<b>\$4,918,583</b>

**2010 - 2012**

Completed projects:

• 204 – 00006 – 4	Wren Wheelchair Lift	\$ 51,737
• 204 – 00009 – 2	Jones Hall – Adair Hall Sewer Repair	\$ 19,222
• 204 – 00009 – 3	Power Plant Sewer Repair	\$ 54,095
• 204 – 00010	PBK Structural Repairs	\$817,813
• 204 – 00009 – 4	Exterior Lighting Repair – Gooch Drive	\$ 59,646
• 204 – 00027 – 2	Blair Fire Alarm Panel	\$ 66,743
• 204 – 00051	T-12 Lighting Retrofit	\$351,274
• 204 – 00055 – 4	Swem Pavilion B Windows/Doors	\$676,760
• 204 – 00077 – 2	Washington Hall DDC Controls	\$ 39,550
• 204 – 00077 – 3	Jones Hall DCC Controls	\$242,896
• 204 – 12001 –	Swem Controls	\$379,408

Projects ready for bid/award:

• 204 – 00050	Replace: Halon Systems (Blow/Jones)	\$472,611
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Projects in design:

• 204 – 00007	ADA Accessibility (Jones Hall Elevator)	\$117,818
• 204 – 00027-1	Ewell Hall Attic Fire Alarm Replacement	\$161,693
		<u>\$3,511,176</u>

**2012 - 2014**

Completed projects:

• 204 – TBD	Old Dominion Fire Alarm Repair (E&G)	\$ 30,002
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Projects in design:

• 204 – TBD	Hoke House Addition Repairs	\$ 44,000
• 204 – TBD	Muscarella Fire Alarm/Fire Sprinkler Repl	\$ 475,680
• 204 – 00009 – 5	Sorority Court Waterline Repairs	\$ 350,000
• 204 – 00009 – 6	W&M Hall Area Street Lighting Repairs	\$ 50,000
• 204 – 06014	Jones Hall HVAC Repairs	<u>\$ 200,000</u>
		\$1,513,680

**Total** **\$4,660,858**

**COLLEGE OF WILLIAM AND MARY  
RESOLUTION TO APPROVE PURCHASE OF PROPERTIES:  
427 SCOTLAND STREET & 406 JAMESTOWN ROAD**

**WHEREAS**, from time to time, the College has the opportunity to purchase property that is adjacent to the campus, of strategic interest to the College, at a bargain price to the institution, or for some other equally compelling reason; and

**WHEREAS**, the 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, as renewed in 2009, allows the Board of Visitors to use its non-general funds to purchase property without the approval of the Governor, the General Assembly, or any other Commonwealth agency; and

**WHEREAS**, the Agreement authorized the College to establish its own policies and procedures for the purchase of property, using the Commonwealth's due diligence policies as a model template; and

**WHEREAS**, the College was approached by the ownership group holding title to both properties at 427 Scotland Street and 406 Jamestown Road; and

**WHEREAS**, both properties are of strategic interest to the College, and are offered as a package deal because the ownership wishes to dissolve and liquidate its business interests; and

**WHEREAS**, 427 Scotland Street is a 5880 square foot commercial building that the College had rented for its School of Education Gifted & Talented Program; and

**WHEREAS**, 406 Jamestown Road is a 1938 square foot residence currently leased to students, but surrounded by College-owned property; and

**WHEREAS**, the College did not want to lose this opportunity, and proceeded with negotiating a price of \$1.51M for the combination of two properties, with an assumption of settlement occurring prior to January 1, 2013; and

**WHEREAS**, the College has begun its due diligence activities in advance of signing a purchase contract, pending Board approval;

**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 purchase both properties at the agreed-upon package price of \$1.51M, pending successful completion of the due diligence effort, and in accordance with all authorities, policies, and procedures in force and necessary under the Agreement; and

**FURTHER RESOLVED**, That the Vice President for Administration, and the University Counsel are authorized to execute any and all documents pertaining to the acquisition.



**COLLEGE OF WILLIAM AND MARY  
RESOLUTION TO APPROVE  
INTER-AGENCY TRANSFER AGREEMENT  
LONGHILL CONNECTOR LAND TO EASTERN STATE**

**WHEREAS**, the COMMONWEALTH OF VIRGINIA, DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (Transferee), seeks to have transferred from the COMMONWEALTH OF VIRGINIA, THE COLLEGE OF WILLIAM AND MARY (Transferor) that certain "Residue Parcel" located along the westerly edge of Longhill Connector Road, immediately to the North of its intersection with Ironbound Road, containing 0.9199 ± acres, as indicated on the attached plat dated June 25, 1987; and

**WHEREAS**, Virginia Code § 2.2-1150(A)(2) provides that, when it is deemed to be in the public interest, property owned by the Commonwealth and held in the possession of a department, agency or institution of the Commonwealth may be transferred to the possession of another department, agency or institution of the Commonwealth by the execution of an agreement between the heads of such departments, agencies or institutions; and

**WHEREAS**, the Transferor, in furtherance of the public interest, may agree to transfer the Residue Parcel to the Transferee possession, upon approval of the Board of Visitors; and

**WHEREAS**, the Residue Parcel is a portion of the same property (now commonly known as the Dillard Complex) conveyed from the State Mental Health and Mental Retardation Board (now the Department of Behavioral Health and Developmental Services) to The College of William and Mary by agreement dated September 24, 1980, and recorded in Deed Book 209, Page 68, in the Clerk's Office of the Circuit Court for the City of Williamsburg and County of James City, Virginia; and

**WHEREAS**, when the Longhill Connector Road was sited and constructed to connect Ironbound Road to Longhill Road, this residue parcel was inadvertently left on the Eastern State side of the Longhill Connector Road; and

**WHEREAS**, there is no lease, conveyance, easement, function, or strategic interest that would prevent the College from transferring the Residue Parcel; and

**WHEREAS**, under the 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; as renewed, allows the Board of Visitors to make such an inter-agency transfer;

**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 transfer the

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Residue Parcel to the COMMONWEALTH OF VIRGINIA, DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES, in accordance with all authorities, policies, and procedures in force and necessary to accomplish same; and

**BE IT FURTHER RESOLVED,** That the Vice President for Administration is authorized to execute any and all documents pertaining to the transfer.



**COLLEGE OF WILLIAM AND MARY  
RESOLUTION TO APPROVE CLOSURE OF LANDFILL  
AND RECORDATION OF DEED**

**WHEREAS**, the College of William and Mary requests Board of Visitors' approval to officially close the College's landfill, located on South Henry Street, and which was last active in 1990; and

**WHEREAS**, the College has been monitoring the landfill in accordance with the supervising environmental entity at the Commonwealth level since its non-use designation in 1990; and

**WHEREAS**, at the direction of the current supervising entity, the Department of Environmental Quality (DEQ), the College shall perform the following in accordance with 9VAC20-81-170:

- a. Post one sign at the entrance of the landfill notifying all persons of the closing, and the prohibition against further receipt of waste materials. Install suitable barriers to prevent access and new waste from being deposited; and
- b. Submit to the local land recording authority a survey plat prepared by a professional land surveyor indicating the location and dimensions of the landfill, and the locations of groundwater monitoring wells, and landfill gas monitoring probes; and
- c. Record a notation on the deed to the landfill property, which will be found during title searches, notifying any potential purchaser that the land has been used to manage solid waste and its use is restricted under 9VAC20-81-170 A 2 c; and

**WHEREAS**, these actions shall constitute the official closure of the landfill;

**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 officially close the landfill in accordance with DEQ, Commonwealth authorities, policies, and procedures in force and required; and more particularly, to record the required notation to the property deed for information in perpetuity on the property's use as a landfill; and

**BE IT FURTHER RESOLVED**, That the Vice President for Administration, the University Counsel, and any other necessary College officials are authorized to execute any and all documents pertaining to said closure, deed, and monitoring as may be required.

COMMITTEE ON FINANCIAL AFFAIRS

November 30, 2012

8:45 – 10:00 a.m.

Board Room - Blow Memorial Hall

Todd A. Stottlemeyer, Chair  
Charles A. Banks III, Vice Chair  
Edward L. Flippen, Vice Chair

- I. Introductory Remarks - Mr. Stottlemeyer
- II. Approval of Minutes - September 21, 2012
- 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. State Budget Development.
  - 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, 2012 (*joint with Richard Bland College*). **Resolution** 14.
  - C. Receipt of the Financial Report of the Intercollegiate Athletic Department for the Fiscal Year Ended June 30, 2012. **Resolution** 15.
  - D. Peer Comparison: Tuition and Fees.
  - E. FY 2012-2013 Operating Budget Summary. Enclosure I.
- VI. Report from Virginia Institute of Marine Science Dean John T. Wells
  - A. FY 2012-13 Operating Budget Summary. Enclosure J.

COMMITTEE ON FINANCIAL AFFAIRS  
November 30, 2012

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

- A. Investment Update for Period Ending September 30, 2012.  
Enclosure   K  . (*see separate booklet*)

VIII. Discussion

IX. Adjourn

COMMITTEE ON FINANCIAL AFFAIRS

MINUTES – SEPTEMBER 21, 2012

**MINUTES**  
**Committee on Financial Affairs**  
**September 21, 2012**  
**Board Room - Blow Memorial Hall**

Attendees: Todd A. Stottlemeyer, Chair; Charles A. Banks III, Vice Chair; Edward L. Flippen, Vice Chair; Kendrick F. Ashton, Jr.; Thomas R. Frantz; and Robert E. Scott. Board members present: Rector Jeffrey B. Trammell; Ann Green Baise; Dennis H. Liberson; John E. Littel; Leigh A. Pence; L. Clifford Schroeder, Sr.; Michael Tang; John C. Thomas; faculty representative William Hausman; and staff liaison Lydia Whitaker. Others in attendance: Assistant Attorney General Deborah Love; President W. Taylor Reveley III; Provost Michael R. Halleran; Virginia M. Ambler; James R. Golden; Samuel E. Jones; Anna B Martin; Michael L. Stump; Michael J. Fox; Richard Bland College President Debbie L. Sydow; Virginia Institute of Marine Science Dean and Director John T. Wells; other College and VIMS staff; and staff from Wells Fargo Advisors, the Board of Visitors' investment consultant.

Chair Todd Stottlemeyer convened the Committee on Financial Affairs in the Board Room at 9:40 a.m. Recognizing that a quorum was present, Mr. Stottlemeyer requested a motion to approve the minutes of the April 27, 2012 meeting. Motion was made by Mr. Scott, seconded by Mr. Flippen and approved by voice vote of the Committee.

Mr. Stottlemeyer called on Joseph Montgomery and staff from Wells Fargo Advisors, the College's investment consultants, to report on investment performance. For the fiscal year ending June 30, 2012, the Board of Visitors portfolio was down 2.7%. Since June, the endowment has shown a good recovery and, with the addition of new funds, is valued at \$68.8 million as of September 14, 2012. Due to underperformance, the Investments Subcommittee elected to terminate Alethia, the large cap manager, in May 2012. A Request For Proposals was issued and fifteen managers responded. Wells Fargo Advisors completed their review and assessment of proposals submitted and, with the concurrence of the Investments Subcommittee, recommended that the previous large cap growth manager be replaced with Goldman Sachs as stated in **Resolution 18**, Appointment of Investment Manager, distributed during the Committee meeting. Mr. Stottlemeyer requested a motion to approve **Resolution 18**. Motion was made by Mr. Banks, seconded by Mr. Scott and approved by voice vote of the Committee. (**Resolution 18** is appended.)

Vice President Samuel E. Jones presented to the Committee the College's annual update to the Six-Year Plan. The priorities of the Six-Year Plan have not changed since last year, with the funding of merit-based raises for faculty and staff remaining at the top of the list. The updated Plan incorporates funding actions reflected in the FY 2013 budget approved by the Board of Visitors and FY 2014 expenditures as proposed in the original Six-Year Plan, adjusted to include \$3,721,000 to support faculty salary increases as a first step in achieving the 60<sup>th</sup> percentile of the College's peer institutions. Planned FY 2014 expenditures include \$9,016,700 in College support supplemented by incremental state funding and further reallocation of funds within the College's overall operating budget.



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MINUTES  
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John Wells, Dean and Director of the Virginia Institute of Marine Science, presented to the Committee the updated Six-Year Plan for VIMS which reflected FY 2013 expenditures consistent with the Institute's FY 2013 operating budget as approved by the Board, and FY 2014 expenditures as proposed in the Institute's original Six-Year Plan adjusted to reflect the impact of any state funding actions.

Mr. Jones reviewed **Resolution 16**, FY 2014 Operating and Capital Budget Amendments for the College to be submitted to the Governor for consideration; these include:

Operating	Enrollment Growth
	Center for Energy and the Environment
Capital	Renovation: Tyler Hall
	Renovation: Residence Life Facilities

Dean Wells reviewed **Resolution 17**, FY 2014 Operating and Capital Amendments for the Virginia Institute of Marine Science to be submitted to the Governor for consideration; these include:

Operating	Establish Two Faculty Positions
	Enhance Coastal Modeling & Simulation Activities
	Improve Longevity of Highly-Sophisticated Instrumentation
Capital	Replace and Relocate Oyster Hatchery
	Replace and Relocate Facilities Management Complex
	Construct ESL Education and Administration Complex

Following brief discussion, Mr. Stottlemeyer requested a motion to approve as a block **Resolution 16**, College of William and Mary FY 2014 Operating and Capital Budget Amendments; **Resolution 17**, Virginia Institute of Marine Science FY 2014 Operating and Capital Budget Amendments; and handout **Resolution 19**, Six-Year Plan Update, which was distributed during the Committee meeting. Motion was made by Mr. Scott, seconded by Mr. Banks and approved by voice vote of the Committee. (**Resolution 19** is appended.)

There being no further business, the Committee adjourned at 10:53 a.m.

COLLEGE OF WILLIAM AND MARY  
APPOINTMENT OF INVESTMENT MANAGER

At the May, 2012 meeting of the Investments Subcommittee of the Committee on Financial Affairs, Wells Fargo Advisors, financial advisor to the Board of Visitors for investment of private funds, recommended that the Board replace its current large cap growth manager. This recommendation resulted from the Investment Subcommittee's request that Wells Fargo evaluate the performance of the Board's existing manager in this area relative to other manager options. As a result, the Subcommittee authorized Wells Fargo Advisors to work with the College to issue a request for proposals (RFP).

On September 13, 2012, Wells Fargo Advisors presented the results of the RFP process to the Investments Subcommittee. After review and discussion, the Investments Subcommittee recommends to the Committee on Financial Affairs and the Board of Visitors that the Board replace its previous large cap growth manager with Goldman Sachs Asset Management.

THEREFORE, BE IT RESOLVED that the Board of Visitors of the College of William and Mary in Virginia accepts the recommendation of the Committee on Financial Affairs that its previous large cap growth manager be replaced and that Goldman Sachs Asset Management be retained as the College's large cap growth manager.

**COLLEGE OF WILLIAM AND MARY****SIX-YEAR PLAN UPDATE**

WHEREAS, the College of William & Mary has a long tradition of providing an excellent liberal arts education to the citizens of the Commonwealth and the nation; and

WHEREAS, the Governor's Commission on Higher Education has indicated "the Commonwealth's commitment . . . to having a distinctive 'public ivy' at William & Mary;" and

WHEREAS, consistent with the requirement of the Higher Education Opportunity Act (the Act), the College developed its initial Six-Year Plan rooted in this commitment, the goals set out in its Strategic Plan, and the objectives of the Act; and

WHEREAS, the Commonwealth's planning process requires an update to the six year-plan on an annual basis, incorporating funding actions by the Commonwealth as reflected in the final FY 2013 budget approved by each institution's Board of Visitors.

WHEREAS, the College has reviewed those expenditures necessary to support and enhance its instructional, research, student service, and administrative operations, prioritized those expenditures, and recommended funding through a combination of Commonwealth, College, and reallocated revenue; and

WHEREAS, the College continues to evaluate opportunities to improve the effectiveness and efficiency of its academic and administrative programs and activities;

THEREFORE, BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary, approves the College's Six-year Plan Update to reflect FY 2013 expenditures and tuition and fee charges consistent with the College's FY 2013 operating budgets as approved by the Board, and FY 2014 expenditures as proposed in the College's original Six-Year Plan adjusted to include \$3,721,000 supporting faculty salary increases as a first step to achieve the 60<sup>th</sup> percentile of the State Council of Higher Education in Virginia's (SCHEV) approved faculty salary peer group for the College. Planned FY 2014 expenditures include \$9,016,700 in College support supplemented by incremental state funding and further reallocation of funds within the College's overall operating budget.

BE IT FURTHER RESOLVED, That the Board defers setting tuition rates for FY 2014 pending consideration of tuition options that more fully address the Higher Education Commission's goal of improved affordability for lower and middle-income families consistent with Higher Education Advisory Committee income guidelines while providing the resources necessary to implement the College's Six-Year Plan.

BE IT FURTHER RESOLVED, That in response to the Commonwealth's direction that the Virginia Institute of Marine Science prepare a separate Six-Year Plan, the Board of Visitors of the College of William and Mary approves the Institute's Six-Year Plan Update to reflect FY 2013 expenditures consistent with the Institute's FY 2013 operating budget as approved by the Board, and FY 2014 expenditures as proposed in the Institute's original Six-Year Plan adjusted to reflect the impact of any state funding actions.

*College of William and Mary*  
**SIX YEAR PLAN UPDATE**  
**Incremental Expense by Priority**

<b><u>PRIORITY</u></b>	<b><u>FY 2014</u></b>
1. Faculty and Staff Salaries	\$ 5,725,000
2. Undergraduate Financial Aid	\$ 1,840,000
3. Enrollment	\$ 356,000
4. Marine Science Minor	Funded in FY 2013
5. Graduate Financial Aid	\$ 500,000
6. Instructional Technology	\$ 80,000
7. Campus Security	\$ 159,000
8. Sustainability	Funded in FY 2013
9. Business Process Improvement	\$ 300,000
10. Operating Funds	\$ 217,000
11. Library	\$ 328,000
12. B & G Maintenance	\$ 300,000
13. Utilities	\$ 245,000
14. Center for Energy & Environment	\$ 400,000
15. Research Opportunity Fund	\$ 200,000
16. Undergraduate Research	\$ 250,000
17. International Programs	\$ 347,700
	<hr/>
	\$ 11,247,700

*Virginia Institute of Marine Science*  
***SIX YEAR PLAN UPDATE***  
**Incremental Expense by Priority**

<b><u>PRIORITY</u></b>	<b><u>FY 2014</u></b>
1. Increase Graduate Financial Aid	\$ 496,987
2. Establish Faculty Positions	\$ 251,411
3. Enhance Coastal Model & Simulation Activities	\$ 409,302
4. Improve Longevity of Highly-Sophisticated Instrumentation	\$ 300,000
5. Establish a Stable and Centralized Funding Base for Fish Surveys	\$ 604,000
6. Implement a Post-Graduate Commonwealth Coastal & Marine Fellowship Program	\$ 250,000
7. Establish a Commonwealth Chesapeake Bay Observing System	\$ 215,000
8. Develop and Support New Management & Policy Approaches through the CCRM	\$ 383,000
	<hr/>
	\$ 2,909,700

Board of Visitors

Resolution 14

November 28-30, 2012

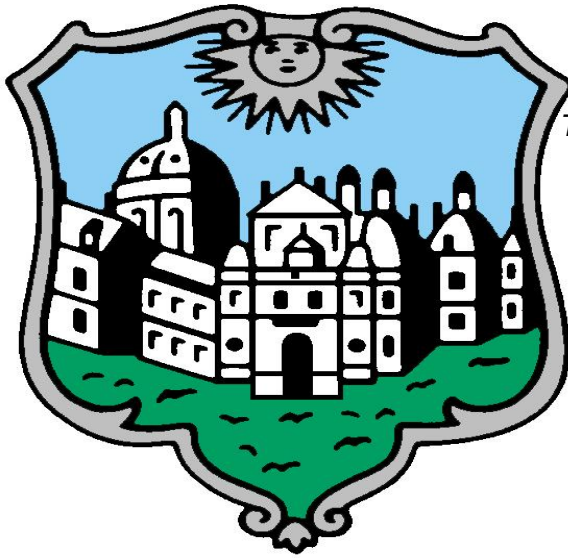
Page 1 of 1

**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, 2012**

The Consolidated Financial Report of The College of William and Mary in Virginia and Richard Bland College for the fiscal year ended June 30, 2012, has been presented by the Vice President for Finance and the Vice President 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 2011-2012. 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 the Year Ended June 30, 2012 (*see separate booklet*) for 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, 2012**

2011-2012 CONSOLIDATED FINANCIAL REPORT  
FOR  
THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA  
AND  
RICHARD BLAND COLLEGE

November 9, 2012

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

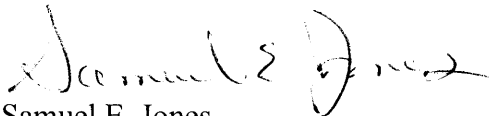
We are pleased to submit the following consolidated annual financial report for The College of William and Mary and Richard Bland College for the fiscal year ended June 30, 2012. Financial management has prepared and is responsible for the consolidated financial statements and all information in the 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 2011-12 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



Beverly P. Morris  
Interim Director of Financial Management  
Richard Bland College



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

**June 30, 2012**

**The Board of Visitors**

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Charles A. Banks III - Vice Rector  
Dennis H. Liberson - Secretary

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Colin G. Campbell  
Timothy P. Dunn  
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Michael Tang  
John C. Thomas

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Kaveh Sadeghian - College of William and Mary  
Emily R. Michalek - Richard Bland College

**Faculty Representatives**

Alan J. Meese - College of William and Mary  
Stephen E. Martin - Richard Bland College

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

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Michael R. Halleran, Provost  
Virginia M. Ambler, 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  
LeAnn Binger, Provost and Dean of Faculty  
Russell E. Whitaker, Jr., Vice President of Administration and Finance

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

**ANNUAL FINANCIAL REPORT 2011 - 2012**

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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, 2012 and the prior year ending June 30, 2011. 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 2012. 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 (RBC). 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 "Colleges" 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 significant financial activity during the year. While affiliated foundations are not under the direct control of the 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, 2012. 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 2012</u>	<u>FY 2011</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<u>Assets:</u>				
Current	\$ 70,873,133	\$ 58,698,066	\$12,175,067	20.74%
Capital, net of accumulated depreciation	699,630,341	701,308,876	(1,678,535)	-0.24%
Other non-current	120,267,473	110,252,618	10,014,855	9.08%
Total assets	<u>890,770,947</u>	<u>870,259,560</u>	<u>20,511,387</u>	<u>2.36%</u>
<u>Liabilities:</u>				
Current	75,172,877	72,306,301	2,866,576	3.96%
Non-current	221,944,706	222,179,900	(235,194)	-0.11%
Total liabilities	<u>297,117,583</u>	<u>294,486,201</u>	<u>2,631,382</u>	<u>0.89%</u>
<u>Net Assets:</u>				
Invested in capital assets, net of related debt	483,765,246	485,065,444	(1,300,198)	-0.27%
Restricted	79,651,407	70,630,862	9,020,545	12.77%
Unrestricted	30,236,711	20,077,053	10,159,658	50.60%
Total net assets	<u>\$593,653,364</u>	<u>\$575,773,359</u>	<u>\$17,880,005</u>	<u>3.11%</u>

The overall result of the College’s fiscal year 2012 operations was an increase in net assets of approximately \$17.9 million or 3.1 percent to \$593.7 million. The increase in net assets occurred in the categories of restricted (\$9.0 million) and unrestricted (\$10.2 million) net assets. In addition to the College’s net assets as shown above, net assets for the College’s affiliated foundations totaled \$634.4 million.

The \$1.3million decrease in capital net assets, net of related debt, reflects the College and VIMS’ change in capitalization threshold for capital assets from \$2,000 to \$5,000. 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 increased by \$12.2 million primarily as a result of an overall increase in cash and cash equivalents offset by a decrease in investments and amounts due from the Commonwealth of Virginia. The amounts due from the Commonwealth reflect routine and recurring requests for bond proceeds for capital construction. The increase in Other Non-Current Assets reflects the net increase in cash, cash equivalents and restricted investments.

Total liabilities increased slightly driven by increases in deferred revenue, deposits held in custody for others and the current portion of long-term liabilities. See footnote 7 for the details of the accounts payable and accrued expenses and footnote 10 for the long-term debt details.

## 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 2012</u>	<u>FY 2011</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating revenues	\$ 270,401,471	\$ 242,417,920	\$27,983,551	11.54%
Operating expenses	<u>356,429,081</u>	<u>337,426,850</u>	<u>19,002,231</u>	5.63%
Operating gain/(loss)	(86,027,610)	(95,008,930)	8,981,320	9.45%
Net Non-operating revenues	<u>86,811,719</u>	<u>101,912,686</u>	<u>(15,100,967)</u>	-14.82%
Income/(Loss) before other revenues	784,109	6,903,756	(6,119,647)	88.64%
Net other revenues	<u>20,555,531</u>	<u>42,231,642</u>	<u>(21,676,111)</u>	-51.33%
Increase in net assets	<u><u>\$21,339,640</u></u>	<u><u>\$49,135,398</u></u>	<u><u>(\$27,795,758)</u></u>	-56.57%

Overall, the result from operations was an increase in net assets of \$21.3 million. This increase was attributable to increases in Operating Revenues offset by an increase in operating expenses and a decrease in Non-Operating and Net Other Revenues.

The increase in operating revenues was driven by primarily by an increase in tuition and fees, grant and contract as well as auxiliary enterprise. See the following section of Summary of Revenues for further details.

Operating expenses increased notably in the four programs of Student Aid, Instruction, Academic Support and Student Services. See the following section of Summary of Expenses for further details.

With the inclusion of state appropriations for the College in the non-operating category, the College will typically display an operating loss for the year.

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

Summary of Revenues

	<u>FY2012</u>	<u>FY2011</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Revenues:				
Student Tuition and Fees, net of scholarship allowances	\$ 139,365,551	\$ 122,740,797	\$ 16,624,754	13.54%
Federal, State, Local and Non-governmental grants and contracts	45,702,027	44,115,237	1,586,790	3.60%
Auxiliary Enterprise, net of scholarship allowances	79,401,760	71,794,030	7,607,730	10.60%
Other	5,932,133	3,767,856	2,164,277	57.44%
Total Operating Revenues	<u>270,401,471</u>	<u>242,417,920</u>	<u>27,983,551</u>	<u>11.54%</u>
Non-Operating:				
State Appropriations	61,101,776	67,058,280	(5,956,504)	-8.88%
Gifts, Investment Income and other income and expenses	25,709,943	34,854,406	(9,144,463)	-26.24%
Total Non-Operating	<u>86,811,719</u>	<u>101,912,686</u>	<u>(15,100,967)</u>	<u>-14.82%</u>
Capital Revenues, Gains and (Losses):				
Capital Appropriations	9,902,380	29,139,531	(19,237,151)	-66.02%
Capital Grants and Gifts	10,653,151	13,092,111	(2,438,960)	-18.63%
Total Capital Revenues, Gains and (Losses)	<u>20,555,531</u>	<u>42,231,642</u>	<u>(21,676,111)</u>	<u>-51.33%</u>
Total Revenues	<u>\$ 377,768,721</u>	<u>\$ 386,562,248</u>	<u>\$ (8,793,527)</u>	<u>-2.27%</u>

Within the operating revenue category, student tuition and fees increased \$13.2 million, net of scholarship allowances, reflecting the increase approved by the Board of Visitors in the Spring of 2011. An increase in Federal, State and Local grants was offset by a reduction in non-governmental funding for research for a slight overall increase in revenues. The increase in Auxiliary Enterprise revenues is attributable to the Board approved fee increases and increased sales.

The Capital Revenues decrease reflects a decrease in capital appropriations given the completion of the capital construction projects.

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

### Summary of Operating Expenses

	<u>FY 2012</u>	<u>FY 2011</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Expenses:				
Instruction	\$97,989,332	\$94,581,663	\$3,407,669	3.60%
Research	48,221,990	47,796,508	425,482	0.89%
Public Service	68,442	52,740	15,702	29.77%
Academic Support	29,626,975	27,596,836	2,030,139	7.36%
Student Services	13,994,086	11,017,209	2,976,877	27.02%
Institutional Support	27,166,785	26,503,476	663,309	2.50%
Operation and Maintenance of Plant	23,472,575	27,551,256	-4,078,681	-14.80%
Student Aid	33,246,613	14,875,398	18,371,215	123.50%
Auxiliary Enterprise	57,826,571	63,901,228	-6,074,657	-9.51%
Depreciation	23,761,878	22,951,758	810,120	3.53%
Other Operating Expenses	1,053,834	598,778	455,056	76.00%
Total Operating Expenses	<u>\$356,429,081</u>	<u>\$337,426,850</u>	<u>\$19,002,231</u>	<u>5.63%</u>

For fiscal year 2011, operating expenses increased notably in the four programs; Student Aid, Instruction, Academic Support and Student Services.

### 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>FY2012</u>	<u>FY 2011</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<u>Cash Flows from:</u>				
Operating Activities	\$ (59,927,275)	\$ (72,253,252)	\$12,325,977	17.06%
Non-capital Financing	96,759,485.00	99,232,682	(2,473,197)	-2.49%
Capital Financing	(11,021,124.00)	(15,332,663)	4,311,539	28.12%
Investing Activities	6,265,688.00	10,492,973	(4,227,285)	40.29%
Net Increase in Cash	<u>\$ 32,076,774</u>	<u>\$ 22,139,740</u>	<u>\$ 9,937,034</u>	<u>-44.88%</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 2012 were tuition and fees - \$133.7 million, auxiliary enterprise revenues \$78.9 million, state appropriations - \$61.1 million, and research grants and contracts - \$45.4 million.

The primary uses of operating cash in fiscal year 2012 were payments to employees - \$194.3 million representing salaries, wages and fringe benefits and payments to suppliers of goods and services - \$96.9 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 2012 were proceeds from capital appropriations - \$11.3 million, bond sales - \$25.6 million and capital grants and gifts - \$9.8 million. The primary uses of cash were for debt payments - \$29.3 million and capital expenditures - \$29.2 million.

## Capital Asset and Debt Administration

### The College of William & Mary

General –The impact of the national recession continues to ripple down to College level as the total volume of work has declined significantly. FY 2012 marks the low point of College construction placement and project delivery since the 2001 bond issue ignited higher education construction in the Commonwealth. Support for construction of primary academic facilities (education and general) has dropped to the point that only one of five projects delivered in the last two years has included state funds – a ratio which is a direct reflection of the continuing fiscal climate.

Completed Projects – Twenty-three projects listed as “placed into service” were completed prior to FY 2012, and residual funds in each budget have been used to restore items deleted from project scopes during design to reduce estimated costs prior to contract bid/negotiation and/or to purchase equipment required to optimize facility functionality. These projects will be closed as rapidly as possible.

Projects in Progress - Fourteen projects are currently in design (3) and construction (11)

Design – Three projects have elements in design. Two are the final phases of utility infrastructure projects, Emergency Generators and Power Plant Utilities Improvements, which will design an emergency power automatic transfer switch for the campus museum and offices for Power Plant maintenance staff within the renovated plant, respectively. The third is design of additional kitchen space within the Commons Dining Facility.

Construction - Eleven projects are in construction. Five are for residence hall construction and improvement, four renovate academic/academic administration facilities, one supports intercollegiate athletic facility repairs and a final project renews/augments critical infrastructure.

Residence Life - The residence life projects consist of construction of a new 187 bed fraternity complex and four dormitory repair umbrella projects focused on envelope repairs, structural improvements, HVAC upgrades and fire safety. The fraternity complex consists of 11 two story, 17 bed houses and a community building. The complex provides additional beds to accommodate an expanding undergraduate population and places the Greek community in the heart of student residential housing.

Academic/Academic Administration – The four academic/academic administration projects provide final adjustments to the addition and renovation of the Physics building, final adjustments to the renovation of the Art and Art History building, renovation of the 1909 home of the English department, and an upgrade for building systems within the historic Brafferton. Small Hall, the home to Physics, provides vibration free, “heavy” labs with sufficient power and associated cooling to support graduate level research featuring cutting edge laser technology in partnership with private industry. Final steps in the renovation include installation of lab entry security for laser labs, laser curtain installation, incorporation of radiation security features and lecture hall seating modifications. The second project is a basic building systems renewal of Andrews Hall, home to Art and Art History which repairs structural masonry defects and brings mechanical, electrical, fire sprinkler and associated controls into compliance with current building codes to ensure systems operability and occupant safety. A major fire alarm and fire sprinkler installation in the previously unprotected foundry area has been added per the direction of the Building Code Official to ensure fire safety during foundry pours. The English Department project will renovate the 1909 era Tucker Hall. The project will re-program interior space to house the current staff, reconfigure instructional space to support seminar size classes and equip all instructional space with state of the art audio/visual equipment and data connectivity to support modern pedagogy. The building



systems in this century old hall will be simultaneously replaced to meet current code standards and to ensure full accessibility, LEED Silver sustainability and state of the art life safety provisions. Design was paused in 2010 but is now complete. Project costs have been submitted to the Bureau of Capital Outlay Management for review and approval of construction funds. The final project is renovation of the Brafferton, a former 18th century Indian School, which now houses the offices of the President, the Provost and their staffs. The proposed scope will upgrade building systems with minimal disruption to existing programming and virtually no destruction of historic fabric.

Intercollegiate Athletics - An intercollegiate umbrella will address long standing deficiencies at existing facilities by reroofing the campus arena, providing new lighting for an athletic field complex and replacing deteriorating windows in Zable Stadium.

Utilities/Infrastructure - The final infrastructure project provides a cooling addition to the existing steam plant and constructs the first phase of chilled water/steam distribution to ten of twenty seven supported buildings. The creation of a district plant significantly increases energy efficiency as it simultaneously replaces sixty year plant and piping with geometrically increasing failure/repair rates.

A new Six Year Plan for the 2014-2020 period will be submitted in May, 2013. The plan will mark a significant transition functionally and fiscally. New construction will include a shift in focus to support the arts, technology and renovation of older academic facilities and dormitories. Funding support will continue to rely heavily on College and donor support during this period of fiscal recession and recovery.

#### Virginia Institute of Marine Science

The Marine Research Building Complex is comprised of two buildings, a seawater laboratory and a scientific building. Construction started in August 2005; a final certificate of use and occupancy was issued for the Seawater Research Laboratory on April 2, 2007 and for Andrews Hall on July 17, 2009. Installation of a second seawater line was completed in July 2012 and the project is now closed.

The Property Acquisitions have four appropriations for property at the Gloucester Point and Wachapreague campuses, the Virginia Estuarine & Coastal Research Reserve and the Chesapeake Bay National Estuarine Research Reserve in Virginia programs. The appropriation for "Acquisition: Master Plan Properties" involves the purchase of properties contiguous to the Gloucester Point campus. VIMS is currently in the process to acquire property which should be complete by Fall 2012. VIMS purchased two properties for its Wachapreague campus in May and June 2011, respectively. 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". VIMS purchased the Catlett Islands from Timberneck, L.L.C. for the Chesapeake Bay National Estuarine Research Reserve in Virginia Program in May 2012 and the appropriation remains open for future properties to become available.

The Improvement Project of Electrical Upgrades involves upgrading the electrical distribution system in 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 substantially complete. VIMS will purchase and install UPS systems in various laboratories with the remaining funds.

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. The project is on hold.

The Research Storage Facility project involves the construction of a 4,900 square foot facility that is needed to secure research equipment and instruments that are currently stored outdoors. The project was completed in December 2011.

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.

The research had been conducted in former oyster shucking houses from the late 1800's. Substantial completion was on February 3, 2012. VIMS has moved into the new facility and the contractor is completing the punch list items.

### Richard Bland College

Major Projects in Progress at June 30, 2012:

	Expenditures to Date
Student Center Renovation	\$ 1,035,652
Total	<u>\$ 1,035,652</u>

The Student Center Renovation construction is on-going. The anticipated date of completion is during FY 2013.

### 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, 2011 the College has outstanding balances for Section 9(c) bonds and Section 9(d) bonds of \$53.7 million and \$150.8 million respectively.

The outstanding balance of 9(c) bonds can be summarized in four major categories as follows: (1) Renovation of Dormitories - \$19.4 million, (2) Commons Dining Hall - \$7.6 million, (3) Other housing / residence - \$5.7 million, (4) New Dormitory - \$16.3 million, and (5) University Center -\$1.6 million. The majority of the 9(d) balance at June 30, 2011 is related to the new school of business building, Miller Hall, - \$39.7 million, the Barksdale dormitories - \$21.2 million, Cooling Plant - \$21.8 million, Integrated Science Center - \$16.9 million and the Parking Deck -\$9.5 million.

### Economic Outlook

The College's economic health reflects our ability to recruit students, our status as a public institution within the Commonwealth of Virginia's higher education system, our ability to raise revenue through tuition and fees, grants and contracts and private funds, and our ability to reallocate funds in support of higher priorities.

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. Freshman applications to the College reached a new high of 13,660 for Fall 2012. The credentials of our admitted students remain strong, 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.

The rebound in endowment value that began in FY 2010 continued through FY 2012. By June 30, 2012, the consolidated value of endowments held by all of the various entities supporting the College and its programs totaled \$644.2 million, an increase of 30.2% since FY 2008, and a record high for the College. While investment performance reflected the challenge of investing in sometimes turbulent national and global markets, strong gift flow and significant growth in assets held in external trusts more than compensated. The Board of Visitors' endowment and the William and Mary Investment Trust, the largest of the College's investment portfolios, remain highly diversified across asset classes.

With the opening of the School of Education and the Sherman and Gloria Cohen Career Center, the facilities focus shifts to planning for the final phase of the Integrated Science Center and the renovation of both Tucker and Tyler Halls. Since the ISC 3 and Tucker Hall projects had been previously authorized by the State, the College requested and received permission to move forward with Tyler Hall planning. On the non-academic side, the William and Mary Real Estate Foundation opened Tribe Square for Fall, 2011. Located just across Richmond Road from campus, Tribe Square provided 56 apartment-style beds as well as four commercial spaces. On-campus, construction of the new fraternity houses is underway. When complete in Summer, 2013, these houses will not only dramatically improve fraternity housing, but add an additional 187 beds to our on-campus inventory, reaffirming once again the College's residential commitment.

In the short-term, fiscal year 2013 budgets continue our progress. Within available resources the budgets reflect priorities included in the College's Strategic Plan and the Six-Year Plan approved by the Board of Visitors in response to the recently passed Higher Education Opportunity Act. This Act reaffirmed "the Commonwealth's commitment...to having a distinctive 'public ivy' at William and Mary".

Long-term, the Board of Visitors and the administration are focused on how best to attract and retain the very best students, faculty and staff while enhancing quality, affordability, and access. Well into its strategic planning process, the College will this year assess progress to date and identify more intentional investments to move the College forward. Under the general theme of "Breaking Boundaries", possible initiatives include enhancing the "360 degree" nature of a William and Mary education, leadership development, expanding technology-based instructional methods, interdisciplinary opportunities, applied learning, and global education and awareness. These investments will occur even as the College continues to address the six original "grand challenges" that have driven recent funding decisions.

All of the College's constituencies will need to contribute to this effort. While we do not expect the state to restore those funds lost since 2008, the Commonwealth will continue to play an important role in the College's future, providing both operating and facilities support. We can expect state resources to be targeted to support the various initiatives highlighted in the Higher Education Opportunity Act. Internally, the deans and vice presidents remain focused on ways to improve the efficiency and effectiveness of program delivery, allowing for the reallocation of funds to higher priority needs. Tuition and fees remain a part of the funding solution, recognizing that any action increasing the cost to students must address access and affordability issues. Finally, private fund raising, both annual giving and endowment, remains crucial to both the short- and long-term financial health of the institution. The Board of Visitors, in partnership with the College of William and Mary Foundation, the William and Mary Alumni Association, and the various other foundations and boards supporting the College, continues to invest those resources necessary to grow the College's giving profile and endowment.

As noted above, recent state funding action has cleared a variety of capital needs. As a result, the College is able to shift its facility focus to the programmatic and spaces needs of its various arts programs. Prior studies have more than adequately documented the condition and space needs in theatre, speech, dance, music, art and art history, and the Muscarelle Museum of Art. To be funded with both state and private funds, planning is underway for an "Arts Quarter" that will provide quality instructional, performance, and exhibition space for our students, faculty, and visitors.

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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, 2012**

	<b>ASSETS</b>	<b>Colleges</b>	<b>Component Units</b>
Current assets:			
Cash and cash equivalents (Note 3)	\$ 49,896,351	\$ 21,967,908	
Investments (Note 3)	2,459,080	955,692	
Appropriation available	281,686	-	
Receivables, net of allowance for doubtful accounts (Note 5)	13,827,647	1,906,293	
Notes receivable (Note 5)	20,941	-	
Due from commonwealth	2,068,744	-	
Inventories	807,924	40,319	
Pledges receivable	-	7,948,925	
Prepaid expenses	1,427,924	615,819	
Other assets	82,836	14,915	
Total current assets	70,873,133	33,449,871	
Non-current assets:			
Restricted cash and cash equivalents (Note 3)	43,549,934	19,715,256	
Restricted investments (Note 3)	64,537,738	435,044,383	
Investments (Note 3)	9,091,673	11,995,721	
Receivables	-	23,673,342	
Notes receivable, net of allowance for doubtful accounts (Note 5)	3,088,128	-	
Pledges receivable	-	12,750,259	
Capital assets, nondepreciable (Note 6)	133,307,189	11,849,287	
Capital assets, depreciable net of accumulated depreciation of \$335,526,543 (Note 6)	566,323,152	15,143,635	
Other assets	-	1,506,592	
Other restricted assets	-	136,883,891	
Total non-current assets	819,897,814	668,562,366	
Total assets	890,770,947	702,012,237	
	<b>LIABILITIES</b>		
Current liabilities:			
Accounts payable and accrued expenses (Note 7)	34,263,442	1,795,345	
Deferred revenue	13,684,090	1,691,693	
Deposits held in custody for others	3,078,155	19,655	
Obligations under securities lending program	139,525	-	
Long-term liabilities-current portion (Note 9)	23,664,491	1,884,316	
Short term debt	-	2,635,000	
Other liabilities	343,174	33,043	
Total current liabilities	75,172,877	8,059,052	
Long-term liabilities-non-current portion (Note 9)	221,944,706	59,536,120	
Total liabilities	297,117,583	67,595,172	
	<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	483,765,246	11,601,830	
Restricted for:			
Nonexpendable:			
Scholarships and fellowships	14,437,880	90,124,469	
Research	-	5,861,795	
Loans	-	24,230	
Departmental uses	27,195,681	124,633,047	
Other	-	182,488,048	
Expendable:			
Scholarships and fellowships	7,693,609	62,936,460	
Research	-	2,318,540	
Debt service	599,510	-	
Capital projects	3,422,586	7,076,090	
Loans	721,043	49,945	
Departmental uses	25,581,098	101,268,589	
Other	-	13,945,100	
Unrestricted	30,236,711	32,088,922	
Total net assets	\$ 593,653,364	\$ 634,417,065	

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, 2012**

	<b>Colleges</b>	<b>Component Units</b>
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$24,602,458	\$ 139,365,551	\$ -
Gifts and contributions	-	15,988,737
Federal grants and contracts	39,125,012	-
State grants and contracts	2,203,945	-
Local grants and contracts	401,159	-
Nongovernmental grants and contracts	3,971,911	-
Auxiliary enterprises, net of scholarship allowances of \$10,876,628	79,401,760	-
Other	5,932,133	11,604,268
Total operating revenues	270,401,471	27,593,005
Operating expenses: (Note 11)		
Instruction	97,989,332	3,958,874
Research	48,221,990	526,022
Public service	68,442	948,439
Academic support	29,626,975	5,365,409
Student services	13,994,086	1,286,177
Institutional support	27,166,785	12,686,923
Operation and maintenance of plant	23,472,575	1,094,897
Student aid	33,246,613	6,143,259
Auxiliary enterprises	57,826,571	831,101
Depreciation	23,761,878	819,088
Other	1,053,834	6,916,956
Total operating expenses	356,429,081	40,577,145
Operating loss	(86,027,610)	(12,984,140)
Non-operating revenues/(expenses):		
State appropriations (Note 12)	61,101,776	-
Gifts	17,177,812	-
Net investment revenue	(1,926,708)	(5,546,231)
Pell grant revenue	5,183,669	-
ARRA State Fiscal Stabilization Funds	940,873	-
Interest on capital asset related debt	(7,631,176)	(147,454)
Other non-operating revenue	12,392,152	19,722,074
Other non-operating expense	(426,679)	(5,318,495)
Net non-operating revenues	86,811,719	8,709,894
Income/(loss) before other revenues, expenses, gains or losses	784,109	(4,274,246)
Capital appropriations	9,902,380	-
Capital grants and contributions	10,653,151	184,212
Additions to permanent endowments	-	18,322,449
Net other revenues, expenses, gains or losses	20,555,531	18,506,661
Increase in net assets	21,339,640	14,232,415
Net assets - beginning of year, restated (Note 2)	572,313,724	620,184,650
Net assets - end of year	\$ 593,653,364	\$ 634,417,065

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, 2012**

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Cash flows from operating activities:	
Tuition and fees	\$ 133,696,948
Scholarships	(21,356,891)
Research grants and contracts	45,383,644
Auxiliary enterprise charges	78,942,364
Payments to suppliers	(96,912,996)
Payments to employees	(194,299,574)
Payments for operation and maintenance of facilities	(12,559,399)
Loans issued to students and employees	(392,299)
Collection of loans to students and employees	467,829
Other receipts	7,627,775
Other payments	(524,676)
	<hr/>
Net cash used by operating activities	(59,927,275)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	61,101,776
Gifts	17,177,812
Agency receipts	5,874,486
Agency payments	(5,190,190)
Direct Loan receipts	47,405,825
Direct Loan disbursements	(47,405,825)
Other non-operating receipts	18,222,280
Other non-operating disbursements	(426,679)
	<hr/>
Net cash provided by noncapital financing activities	96,759,485
	<hr/>
Cash flows from capital financing activities:	
Proceeds from issuance of capital debt	25,640,084
Capital appropriations	11,293,309
Capital grants and contributions	9,774,795
Insurance payments	680,113
Capital expenditures	(29,214,049)
Principal paid on capital-related debt	(20,612,944)
Interest paid on capital-related debt	(8,648,289)
Proceeds from sale of capital assets	65,857
	<hr/>
Net cash used by capital and related financing activities	(11,021,124)
	<hr/>
Cash flows from investing activities:	
Investment income	(1,871,737)
Investments	8,137,425
	<hr/>
Net cash provided by investing activities	6,265,688
	<hr/>
Net increase/(decrease) in cash	32,076,774
Cash-beginning of year*	61,234,170
	<hr/>
Cash-end of year	\$ 93,310,944
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**The College of William and Mary in Virginia  
and Richard Bland College - Consolidated Report  
Statement of Cash Flows  
For the Year Ended June 30, 2012**

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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	\$ 49,896,351
Restricted cash and cash equivalents	43,549,934
Less: Securities lending -Treasurer of Virginia	<u>(135,341)</u>

Net cash and cash equivalents	<u><u>\$ 93,310,944</u></u>
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Reconciliation of net operating expenses to net cash used by operating activities:

Net operating loss	\$ (86,027,610)
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Adjustments to reconcile net operating expenses to cash used by operating activities:

Depreciation expense	23,761,878
Changes in assets and liabilities:	
Receivables-net	864,788
Inventories	(330,087)
Prepaid expense	(152,549)
Accounts payable	2,140,612
Deferred revenue	469,360
Deposit held for others	(223,064)
Compensated absences	94,073
Other liability	<u>(524,676)</u>

Net cash used in operating activities	<u><u>\$ (59,927,275)</u></u>
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**NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL  
AND RELATED FINANCING TRANSACTIONS**

Amortization of a deferred loss	\$ 1,326,362
Donated capital assets	\$ 878,356
Reduction/amortization of bond premium and debt issuance costs	\$ 309,249

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, 2012**

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

## NOTES TO FINANCIAL STATEMENTS

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### 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 which the Foundations hold and invest are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundations 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. 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, 2012:

Assets	<u>\$ 616,655</u>
Liabilities	139,602
Net Assets	<u>477,053</u>
Liabilities and Net Assets	<u>\$ 616,655</u>

The total unaudited receipts and disbursements of the OIEAHC were \$1,896,364 and \$1,936,994 respectively, for the year ended June 30, 2012. 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, 2012, the Colleges' prepaid expenses included items such as insurance premiums, membership dues, conference registrations for fiscal year 2013 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. All three campuses capitalize 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. GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets for financial statement periods beginning after June 15, 2009. The Williamsburg and York River campuses capitalize intangible assets with a cost greater than or equal to \$50,000 except for internally generated computer software which is capitalized at a cost of \$100,000 or greater. Richard Bland College capitalizes intangible assets with a cost greater than or equal to \$20,000.

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
Intangible Assets – computer software	3-20 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, 2012. This is primarily comprised of revenue for student tuition paid 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 Direct Loans, which includes Stafford Loans, Parent Loans for Undergraduate Students (PLUS) and Graduate PLUS Loans. 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, 2011 have been restated to reflect further evaluation of assets and liabilities.

Net assets as previously reported June 30, 2011	\$ 575,773,359
Reduction in assets due to increase in capital asset capitalization threshold	(5,291,475)
Adjustment to fund balance for grant transactions	<u>1,831,840</u>
Net asset balance at July 1, 2011	<u><u>\$ 572,313,724</u></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, Resolution 12(R) November 21-22, 2002, and as updated by the Board in April 2012 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, mutual 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. The College's investment policy does not limit the amount invested in U.S. Government or Agency Securities. As of June 30, 2012, 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 had no investments in foreign currency but had foreign deposits in the amount of \$280,499 as of June 30, 2012.

## 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.

### Interest Rate Risk: Maturities

Type of Investment	Fair Value	Less than 1 year	1-5 years	6-10 years	Greater than 10 years
Agency unsecured bonds and notes:					
Federal Home Loan Bank	\$ 2,000,360	\$ 2,000,360	\$ -	\$ -	\$ -
Federal Farm Credit Bank	998,804	998,804	-	-	-
Ridgeworth Fund - U.S. Government Sec	9,091,673	-	9,091,673	-	-
Mutual and money market funds:					
Money market	61,659,339	61,659,339	-	-	-
Mutual funds - Investment Funds	6,097,658	-	-	3,021,772	3,075,886
Mutual funds - PIMCO Funds	9,988,437	-	-	9,988,437	-
Mutual funds - PIONEER Strategic Income	9,725,688	-	-	-	9,725,688
Mutual funds - Calvert Social Investment Fund	44,467	-	-	44,467	-
Mutual funds - Wells Fargo	169,973	169,973	-	-	-
State non-arbitrage program	24,082,548	24,082,548	-	-	-
Securities lending	135,341	135,341	-	-	-
	<u>\$ 123,994,288</u>	<u>\$ 89,046,365</u>	<u>\$ 9,091,673</u>	<u>\$ 13,054,676</u>	<u>\$ 12,801,574</u>

## Credit & Concentration of Credit Risks

	Fair Value	S&P Credit Quality Rating AA+	Unrated
<u>Cash Equivalents</u>			
Certificate of deposit	\$ 170,000	\$ -	\$ 170,000
Money market	61,659,339	-	61,659,339
State non-arbitrage program	24,082,548	-	24,082,548
Securities lending	135,341	-	135,341
Total cash equivalents	86,047,228	-	86,047,228
<u>Investments</u>			
Agency unsecured bonds and notes:			
Federal Home Loan Bank	\$ 2,000,360	\$ 2,000,360	\$ -
Federal Farm Credit Bank	998,804	-	998,804
Ridgeworth Fund - U.S. Government Securities	9,091,673	-	9,091,673
Mutual funds:			
Investment Funds	6,097,658	-	6,097,658
PIMCO Funds	9,988,437	-	9,988,437
PIONEER Strategic Income Fund	9,725,688	-	9,725,688
Calvert Social Investment Fund	44,467	-	44,467
Wells Fargo	169,973	-	169,973
Total investments	38,117,060	\$ 2,000,360	\$ 36,116,700
<u>Other Investments</u>			
Other	37,521,366		
Securities lending	4,184		
Rare coins	280		
Property held as investment for endowments	445,600		
Total other investments	37,971,430		
Total cash equivalents and investments	\$ 162,135,718		

## 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 2012, had a net appreciation of \$8,633,049 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 - \$4,100,878, Restricted for Expendable Research - \$21,073, Restricted for Expendable Capital Projects - \$147,232, Restricted for Expendable Departmental Uses - \$3,368,186 and Unrestricted - \$995,680. The amount for Research was reclassified to unrestricted because the total net assets Restricted Expendable Research was negative.

## 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, 2012 as follows:

Accounts receivable consisted of the following at June 30, 2012:

Student Tuition and Fees	\$ 3,644,535
Auxiliary Enterprises	1,274,706
Federal, State and Non-Governmental Grants & Contracts	6,272,627
Other Activities	<u>2,683,571</u>
Gross Receivables	13,875,439
Less: allowance for doubtful accounts	<u>(47,792)</u>
Net Receivables	\$ <u>13,827,647</u>

Notes receivable consisted of the following at June 30, 2012:

Current portion:	
Federal student loans and promissory notes	\$ <u>20,941</u>
Non-current portion:	
Federal student loans and promissory notes	\$ 3,157,944
Less: allowance for doubtful accounts	<u>(69,816)</u>
Net non-current notes receivable	\$ <u>3,088,128</u>

## 6. CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2012 consists of the following:

	Beginning Balance	Beginning Balance Adjustments	Additions	Reductions	Ending Balance
Non-depreciable capital assets:					
Land	\$ 14,257,770	\$ (7,055)	\$ 807,703	\$ -	\$ 15,058,418
Inexhaustible artwork and Historical treasures	72,478,892	-	902,373	(12,310)	73,368,955
Construction in Progress	44,755,691	-	19,563,636	(19,439,511)	44,879,816
Total non-depreciable capital assets	131,492,353	(7,055)	21,273,712	(19,451,821)	133,307,189
Depreciable capital assets:					
Buildings	667,691,019	(42,700)	16,186,031	(974,241)	682,860,109
Equipment	85,796,508	(13,989,610)	4,942,303	(1,730,066)	75,019,135
Infrastructure	42,532,130	(17,459)	235,768	-	42,750,439
Other improvements	5,895,056	(4,004)	2,863,443	-	8,754,495
Library Materials	85,811,533	-	1,455,783	(227,871)	87,039,445
Computer software	5,121,258	-	304,814	-	5,426,072
Total depreciable capital assets	892,847,504	(14,053,773)	25,988,142	(2,932,178)	901,849,695
Less accumulated depreciation for:					
Buildings	156,934,862	(35,865)	15,295,011	(820,951)	171,373,057
Equipment	54,248,498	(8,718,182)	5,026,013	(1,448,713)	49,107,616
Infrastructure	25,494,132	(11,302)	1,378,542	-	26,861,372
Other improvements	3,879,253	(4,004)	432,866	-	4,308,115
Library Materials	77,877,634	-	1,535,181	(227,871)	79,184,944
Computer software	4,596,602	-	94,837	-	4,691,439
Total accumulated depreciation	323,030,981	(8,769,353)	23,762,450	(2,497,535)	335,526,543
Depreciable capital assets, net	569,816,523	(5,284,420)	2,225,692	(434,643)	566,323,152
Total capital assets, net	\$ 701,308,876	\$ (5,291,475)	\$ 23,499,404	\$ (19,886,464)	\$ 699,630,341

### 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 \$33.99 for fiscal year 2012. The average cost of the Law Library purchases of books was \$105.43 for fiscal year 2012. 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 \$79.30 for fiscal year 2012. The average cost of library books purchased for Richard Bland College was \$14.68 for fiscal year 2012. The changes reflected in the valuation are due to the recognition of depreciation in accordance with GASB Statements No. 34 and 35, as well as purchases, donations and disposals.

### 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 was a fire on November 18, 2010 at the VIMS Wachapreague campus which completely destroyed a laboratory and its contents. The impairment loss was recognized in the FY11 financial statements. During FY12, \$500,000 of insurance recoveries for this loss was received by the Institute. VIMS does plan to rebuild the facility.

Proceeds from other insurance recoveries attributable to capital assets are reported as a capital related financing activity in the Statement of Cash Flows. Accordingly, \$180,113 of proceeds from insurance recoveries are classified as a capital related financing activity.

GASB 42 also requires the disclosure of idle assets at the close of each fiscal year. As of June 30, 2012 there were several vacant or unused buildings on the main William and Mary campus and at the Dillard Complex. The carrying value of these unused buildings at year-end was \$1,895,515.

## 7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2012:

### Current Liabilities:

Employee salaries, wages, and fringe benefits payable	\$ 18,801,024
Vendors and supplies accounts payable	8,468,962
Capital projects accounts and retainage payable	<u>6,993,456</u>
Total current liabilities-accounts payable and accrued liabilities	<u>\$ 34,263,442</u>

## 8. COMMITMENTS

At June 30, 2012, outstanding construction commitments totaled approximately \$44,929,652.

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, 2012, was \$4,672,628.

As of June 30, 2012, the following total future minimum rental payments are due under the above leases:

<u>Year Ending June 30, 2012</u>	<u>Amount</u>
2013	\$ 4,280,354
2014	1,501,335
2015	1,418,966
2016	1,154,853
2017	<u>650,232</u>
Total	<u>\$ 9,005,740</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, 2012 is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Installment Purchases	\$ 5,979,315	\$ 26,797	\$ (522,519)	\$ 5,483,593	\$ 561,072
Capital Lease Payable	24,593,595	-	(449,359)	24,144,236	470,894
Notes Payable	159,955,401	35,469,723	(44,661,650)	150,763,474	10,345,000
Bonds Payable	<u>41,437,379</u>	<u>20,214,630</u>	<u>(7,938,265)</u>	<u>53,713,744</u>	<u>4,126,146</u>
Total long-term debt	231,965,690	55,711,150	(53,571,793)	234,105,047	15,503,112
Perkins Loan Fund Balance	2,498,565	-	-	2,498,565	-
Accrued compensated absences	<u>8,911,512</u>	<u>9,022,898</u>	<u>(8,928,825)</u>	<u>9,005,585</u>	<u>8,161,379</u>
Total long-term liabilities	<u>\$243,375,767</u>	<u>\$ 64,734,048</u>	<u>\$ (62,500,618)</u>	<u>\$245,609,197</u>	<u>\$ 23,664,491</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, 2012</u>
Section 9(c) bonds payable:			
Dormitory, Series 2004B2	3.000 - 5.000	2017	256,943
Dormitory, Series 2004B3	3.000 - 5.000	2017	1,144,123
Dormitory, Series 2004B4	3.000 - 5.000	2018	2,443,250
Dormitory, Series 2004B5	3.000 - 5.000	2020	2,323,816
Dormitory, Series 2005A1	3.500 - 5.000	2026	1,870,000
Dormitory, Series 2006A1	4.000 - 5.000	2014	40,000
Dormitory, Series 2006A2	4.000 - 5.000	2015	760,000
Dormitory, Series 2008B	3.000 - 5.000	2013	106,203
Dormitory, Series 2009C	3.000 - 4.000	2021	383,984
Dormitory, Series 2009C	3.000 - 4.000	2022	2,582,213
Dormitory, Series 2009D	2.500 - 5.000	2022	1,940,000
Renovate Residence Halls, Series 2010A2	2.000 - 5.000	2030	4,160,000
Dormitory, Series 2012A	3.000 - 5.000	2013	21,031
Dormitory, Series 2012A	3.000 - 5.000	2016	429,179
Dormitory, Series 2012A	3.000 - 5.000	2013	136,598
Dormitory, Series 2012A	3.000 - 5.000	2024	779,720
Renovation of Dormitories			19,377,060
Graduate Housing, Series 2006B	4.000 - 5.000	2026	2,240,000
Graduate Housing, Series 2008B	3.000 - 5.000	2028	2,145,000
Graduate Housing, Series 2009D	2.500 - 5.000	2022	1,270,000
Graduate Housing			5,655,000
Construct New Dormitory, Series 2010A2	2.000 - 5.000	2030	1,885,000
Construct New Dormitory, Series 2011A	3.000 - 5.000	2031	14,400,000
Construct New Dormitory			16,285,000
University Center, Series 2008B	3.000 - 5.000	2013	806,998
University Center, Series 2012A	3.000 - 5.000	2013	7,010
University Center			814,008
Underground Utility, Series 2004B1	3.000 - 5.000	2017	669,021
Underground Utility, Series 2012A	3.000 - 5.000	2016	388,481
Underground Utility			1,057,502
Renovate Commons Dining Hall, Series 2005A2	3.500 - 5.000	2026	3,075,000
Renovate Commons Dining Hall, Series 2009D	2.500 - 5.000	2022	3,200,000
Renovate Commons Dining Hall, Series 2012A	3.000 - 5.000	2024	1,289,537
Commons Dining Hall			7,564,537
Total bonds payable			50,753,107
Deferred Gain/(Loss) on Advance Refundings			(917,613)
Unamortized premiums (discounts)			3,878,250
Net bonds payable			<u>\$ 53,713,744</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. The following are notes outstanding at year-end:

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Maturity</u>	<u>Outstanding Balance as of June 30, 2012</u>
Section 9(d) Bonds:			
Barksdale Dormitory, Series 2003A	2.000 - 5.000	2024	\$ 175,000
Barksdale Dormitory, Series 2004A	3.000 - 5.000	2025	1,470,000
Barksdale Dormitory, Series 2005A	3.500 - 5.000	2026	3,995,000
Barksdale Dormitory, Series 2006A	3.000 - 5.000	2027	1,620,000
Barksdale Dormitory, Series 2010B	2.000 - 5.000	2021	450,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2024	640,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2025	6,495,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2025	6,330,000
William and Mary Hall, Series 2004B	3.000 - 5.000	2016	685,000
William and Mary Hall, Series 2007B	4.000- 4.250	2018	165,000
Parking Deck, Series 2003A	2.000 - 5.000	2024	370,000
Parking Deck, Series 2004A	3.000 - 5.000	2025	315,000
Parking Deck, Series 2005A	3.500 - 5.000	2026	1,975,000
Parking Deck, Series 2010B	2.000 - 5.000	2021	950,000
Parking Deck, Series 2012A	3.000 - 5.000	2024	1,355,000
Parking Deck, Series 2012A	3.000 - 5.000	2025	1,385,000
Parking Deck, Series 2012A	3.000 - 5.000	2025	3,140,000
Recreation Sports Center, Series 2003A	2.000 - 5.000	2024	90,000
Recreation Sports Center, Series 2004A	3.500 - 5.000	2025	1,040,000
Recreation Sports Center, Series 2005A	3.500 - 5.000	2026	770,000
Recreation Sports Center, Series 2010B	2.000 - 5.000	2021	220,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2024	315,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	4,585,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	1,225,000
Improve Athletics Facilities, Series 2005A	3.500 - 5.000	2026	1,065,000
Improve Athletics Facilities, Series 2006A	3.000 - 5.000	2027	650,000
Improve Athletics Facilities, Series 2012A	3.000 - 5.000	2025	1,655,000
Marshall-Wythe Library, Series 2004B	3.000 - 5.000	2019	1,010,000
Law School Library, Series 2003A	2.000 - 5.000	2024	105,000
Law School Library, Series 2007A	4.500 - 5.000	2027	3,185,000
Law School Library, Series 2010B	2.000 - 5.000	2021	260,000
Law School Library, Series 2012A	3.000 - 5.000	2024	385,000
Magnet Facility, Series 2003A	2.000 - 5.000	2024	225,000
Magnet Facility, Series 2010B	2.000 - 5.000	2021	570,000
Magnet Facility, Series 2012A	3.000 - 5.000	2024	805,000
Williamsburg Hospital/School of Education, 2006A	3.000 - 5.000	2027	2,030,000
J. Laycock Football Facility, Series 2006A	3.000 - 5.000	2027	4,675,000

Residence Hall Fire Safety Systems, Series 2006A	3.000 - 5.000	2027	1,640,000
School of Business, Series 2007A	4.500 - 5.000	2027	20,585,000
School of Business, Series 2009A	2.750 - 4.000	2016	19,070,000
Integrated Science Center, Series 2007A	4.500 - 5.000	2027	10,795,000
Integrated Science Center, Series 2009A	2.750 - 5.000	2029	6,060,000
Power Plant Renovations, Series 2007A	4.500 - 5.000	2027	4,225,000
Busch Field Astroturf Replacement, Series 2009B	2.000 - 5.000	2029	1,335,000
Cooling Plant & Utilities, Series 2009B	2.000 - 5.000	2029	11,000,000
Cooling Plant & Utilities, Series 2010A1&A2	2.000 - 5.500	2031	10,765,000
AshLawn Barn, Series 2010A1&A2	2.000 - 5.500	2031	750,000
Total 9 (d) bonds			142,605,000

Deferred Gain/(Loss) on Advance Refundings	(3,082,644)
Unamortized premiums (discounts)	11,241,118

Net notes payable \$150,763,474

### Installment Purchases

At June 30, 2012, installment purchases consist of the current and long-term portions of obligations resulting from various contracts used to finance energy performance contracts and 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. The outstanding balance of installment purchases as of June 30, 2012 is \$5,483,593.

### Capital Lease

Richard Bland College (RBC) has entered into a thirty year capital lease with Richard Bland College Foundation (RBCF) for the provision of a student housing complex with two dormitories on the RBC campus. RBC has accounted for the acquisition of the complex and its furniture and equipment as a capital lease, and therefore has recorded the facility and furnishings as depreciable capital assets and has also recorded a corresponding lease liability in long-term debt on the Statement of Net Assets. The outstanding balance as of June 30, 2012 is \$24,144,236.

Long-term debt matures as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>BAB Interest Subsidy</u>	<u>Net Interest</u>
2013	\$ 15,503,112	\$ 9,929,376	\$ 204,644	\$ 9,724,732
2014	15,146,995	9,352,038	204,644	9,147,394
2015	15,974,671	8,667,395	204,644	8,462,751
2016	16,333,480	7,944,467	204,644	7,739,823
2017	11,599,122	7,295,362	202,439	7,092,923
2018-2022	59,539,029	28,070,907	931,946	27,138,961
2023-2027	58,988,959	13,582,930	617,628	12,965,302
2028-2032	20,989,147	4,095,790	159,631	3,936,159
2033-2037	6,608,060	1,436,270	-	1,436,270
2038-2042	2,303,361	109,938	-	109,938
Refunding gains/(losses)	(4,000,257)	-	-	-
Unamortized premiums	15,119,368	-	-	-
Total	<u>\$ 234,105,047</u>	<u>\$ 90,484,473</u>	<u>\$ 2,730,220</u>	<u>\$ 87,754,253</u>

## Defeasance of Debt

In March 2012, the Treasury Board and VCBA issued Educational Facilities Revenue Refunding Bonds, Series 2012A with a true interest cost (TIC) of 1.5829 percent. The sale of these bonds enabled the College to advance refund certain 9(c) and 9(d) bonds issued from 2002 through 2005 with interest rates ranging from 4.0 percent to 5.0 percent. The original bonds were used to finance the construction of a dormitory, parking deck and nuclear magnet facility, and renovation of the student recreation center and law library and various dormitories. 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 is as follows:

<u>Series</u>	<u>Type</u>	<u>Debt Outstanding</u>	<u>Amount Defeased</u>	<u>Percentage Defeased</u>
2002	9C	\$ 1,233,849	\$ 1,233,849	100%
2005	9C	7,610,000	2,070,000	27%
		<u>\$ 8,843,849</u>	<u>\$ 3,303,849</u>	37%
2003	9D	\$ 4,845,000	\$ 3,880,000	80%
2004	9D	15,790,000	12,965,000	82%
2005	9D	20,615,000	12,810,000	62%
		<u>\$ 41,250,000</u>	<u>\$ 29,655,000</u>	72%

The College's portion of the accounting loss recognized in the financial statements was \$3,529,302. The net economic gain attributable to the College was \$2,472,817 and will result in a decreased cash flow requirement of \$2,813,420 over the remaining life of the debt.

## Prior Year Defeasance of Debt

The Commonwealth of Virginia, on behalf of the College, issued bonds in previous and current fiscal years for which the proceeds were deposited into irrevocable trusts with escrow agents to provide for all future debt service on the refunded bonds. Accordingly, the trust account assets and the related liability for the defeased bonds are not included in the College's financial statements. At June 30, 2012, \$41,933,849 of the defeased bonds was outstanding.

## 11. 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	\$ 89,049,629	\$ 7,102,690	\$ 1,312,961	\$ 524,052	\$ -	\$ 97,989,332
Research	32,066,175	12,234,996	1,335,762	2,585,057	-	48,221,990
Public service	17,371	51,060	-	11	-	68,442
Academic support	21,282,778	3,291,632	153,601	4,898,964	-	29,626,975
Student services	9,012,830	4,747,388	68,228	165,640	-	13,994,086
Institutional support	21,702,436	5,168,617	196,724	99,008	-	27,166,785
Operation and maintenance of plant	6,961,725	15,960,573	9,062	541,215	-	23,472,575
Depreciation	-	-	-	-	23,761,878	23,761,878
Scholarships and related expenses	1,552,662	3,698,084	27,988,771	7,096	-	33,246,613
Auxiliary enterprises	18,901,507	44,901,855	(9,683,157)	3,706,366	-	57,826,571
Other	17,552	1,036,282	-	-	-	1,053,834
Total	<u>\$ 200,564,665</u>	<u>\$ 98,193,177</u>	<u>\$ 21,381,952</u>	<u>\$ 12,527,409</u>	<u>\$ 23,761,878</u>	<u>\$ 356,429,081</u>

## 12. 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 890 - 2011 Acts of Assembly (Educational and General Programs)		\$ 56,750,947
Student financial assistance		4,167,642
Supplemental appropriations:		
Prior year reappropriations	177,533	
VIVA libraries	32,811	
Salary, benefit, and other changes per Chapter 890	883,384	
Marine research graduate assistantships	238,527	
Commonwealth Technology Research award	80,000	
Interest earnings and credit card rebates	(98)	
Eminent Scholars/Biomedical research	<u>435,865</u>	1,848,022
Appropriation reductions:		
Appropriation Act Part 3 transfers	16,950	
School efficiency review	1,350	
HEETF debt payments	261,334	
Out of state building fee	<u>1,289,070</u>	(1,568,704)
Reversions to the General Fund of the Commonwealth		<u>(96,131)</u>
Appropriations as adjusted		<u>\$ 61,101,776</u>

## 13. 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 2012; 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
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 3,016,900	\$ 3,975,797	\$ 2,833,444	\$ 622,598
Investments	955,692	-	-	-
Pledges receivable, net - current portion	2,203,754	829,277	3,889,807	-
Receivables, net	596,034	82,711	149,189	71,556
Inventories	-	-	-	40,319
Prepays	383,354	53,355	132,345	39,233
Due from the College	383	-	-	-
Other assets	-	-	-	-
Total Current Assets	7,156,117	4,941,140	7,004,785	773,706
Non-current Assets				
Restricted cash and cash equivalents	3,667,778	2,484,854	12,723,040	-
Restricted investments	378,953,670	24,122,943	21,058,569	-
Restricted other assets	136,062,700	342,277	308,702	-
Investments	671,770	3,537,330	(747,888)	5,430,527
Pledges receivable, net	5,050,807	775,685	5,374,657	-
Capital assets, nondepreciable	9,193,722	321,627	-	31,800
Capital assets, net of accumulated depreciation	8,268,213	27,971	13,376	195,565
Due from the College	-	-	-	-
Other assets	907,244	-	-	-
Total non-current assets	542,775,904	31,612,687	38,730,456	5,657,892
Total Assets	549,932,021	36,553,827	45,735,241	6,431,598
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable and accrued expenses	495,470	100,829	277,241	346,416
Deferred revenue	50,280	260,523	34,701	1,346,189
Deposits held in custody for others	-	-	19,655	-
Long-term liabilities - current portion	1,201,111	-	-	-
Due to the College	-	-	-	-
Short-term debt	2,145,000	-	-	-
Other liabilities	-	-	-	-
Total Current Liabilities	3,891,861	361,352	331,597	1,692,605
Non-current Liabilities				
Other long-term liabilities	179,632	394,750	-	-
Long-term liabilities	29,722,512	-	-	-
Total Liabilities	33,794,005	756,102	331,597	1,692,605
<b>NET ASSETS</b>				
Restricted for:				
Nonexpendable:				
Scholarships and Fellowships	79,939,205	5,386,737	437,684	-
Research	4,646,550	-	-	-
Loans	-	-	24,230	-
Departmental Uses	80,935,281	7,251,602	36,396,164	-
Other	178,988,556	-	148,698	-
Expendable:				
Scholarships and Fellowships	56,489,448	4,984,643	527,559	-
Research	1,967,179	-	11,007	-
Capital Projects	2,633,497	2,023,547	2,419,046	-
Loans	-	-	49,945	-
Departmental Uses	80,577,838	8,328,287	3,863,432	1,101,660
Other	11,753,519	622,069	47,344	-
Invested in Capital Assets, net of related debt	7,297,105	349,598	13,376	227,365
Unrestricted	10,909,838	6,851,242	1,465,159	3,409,968
Total Net Assets	\$ 516,138,016	\$ 35,797,725	\$ 45,403,644	\$ 4,738,993

William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total Component Units
\$ 4,791,218	\$ 270,004	\$ 281,674	\$ 6,176,273	\$ 21,967,908
-	-	-	-	955,692
729,250	276,908	19,929	-	7,948,925
8,481	-	455,495	71,550	1,435,016
-	-	-	-	40,319
-	-	-	7,532	615,819
-	-	470,894	-	471,277
-	-	14,915	-	14,915
5,528,949	546,912	1,242,907	6,255,355	33,449,871
-	250,410	589,174	-	19,715,256
-	7,615,739	3,293,462	-	435,044,383
-	-	29,686	140,526	136,883,891
2,537,243	566,739	-	-	11,995,721
1,092,673	451,290	5,147	-	12,750,259
-	-	-	2,302,138	11,849,287
66,069	-	-	6,572,441	15,143,635
-	-	23,673,342	-	23,673,342
-	-	-	599,348	1,506,592
3,695,985	8,884,178	27,590,811	9,614,453	668,562,366
9,224,934	9,431,090	28,833,718	15,869,808	702,012,237
-	33,712	433,981	107,696	1,795,345
-	-	-	-	1,691,693
-	-	-	-	19,655
-	-	557,411	125,794	1,884,316
-	-	-	3,357	3,357
-	-	-	490,000	2,635,000
-	-	29,686	-	29,686
-	33,712	1,021,078	726,847	8,059,052
-	-	-	18,860	593,242
-	-	24,437,300	4,783,066	58,942,878
-	33,712	25,458,378	5,528,773	67,595,172
-	1,445,720	2,915,123	-	90,124,469
-	1,215,245	-	-	5,861,795
-	-	-	-	24,230
-	50,000	-	-	124,633,047
-	3,350,794	-	-	182,488,048
609,249	325,561	-	-	62,936,460
-	340,354	-	-	2,318,540
-	-	-	-	7,076,090
-	-	-	-	49,945
5,940,401	1,456,971	-	-	101,268,589
-	395,584	986,058	140,526	13,945,100
66,069	-	-	3,648,317	11,601,830
2,609,215	817,149	(525,841)	6,552,192	32,088,922
\$ 9,224,934	\$ 9,397,378	\$ 3,375,340	\$ 10,341,035	\$ 634,417,065

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	\$ 2,912,434	\$ 2,089,530	\$ 3,520,113	\$ 2,378,562
Other	2,405,563	961,976	4,720,066	1,123,680
Total operating revenues	5,317,997	3,051,506	8,240,179	3,502,242
Operating expenses:				
Instruction	3,245,416	395,117	229,699	-
Research	170,319	-	59,952	-
Public service	78,268	89,909	779,262	-
Academic support	1,234,662	1,364,168	2,756,259	-
Student services	93,160	18,855	1,174,162	-
Institutional support	5,290,817	647,107	1,225,310	768,218
Operation and maintenance of plant	806,614	282,150	-	-
Scholarships & fellowships	5,816,450	34,125	26,462	-
Auxiliary enterprises	620,288	-	45,082	-
Depreciation	540,059	23,356	6,423	57,859
Independent operations	-	-	-	-
Other	2,618,781	-	-	2,915,182
Total operating expenses	20,514,834	2,854,787	6,302,611	3,741,259
Operating gain/(loss)	(15,196,837)	196,719	1,937,568	(239,017)
Non-operating revenues and expenses:				
Net investment revenue (expense)	(4,535,571)	(391,170)	(260,125)	(172,231)
Interest on capital asset related debt	(147,454)	-	-	-
Other non-operating revenue	19,722,074	-	-	-
Other non-operating expense	-	-	(5,318,495)	-
Net non-operating revenues	15,039,049	(391,170)	(5,578,620)	(172,231)
Income before other revenues	(157,788)	(194,451)	(3,641,052)	(411,248)
Other revenues:				
Capital grants and contributions	1,087,530	-	(1,028,318)	-
Additions to permanent endowments	13,569,475	421,075	3,008,353	-
Net other revenues	14,657,005	421,075	1,980,035	-
Change in net assets, before transfers	14,499,217	226,624	(1,661,017)	(411,248)
Contribution between Foundations	28,033	-	-	124,646
Transfers	28,033	-	-	124,646
Change in net assets	14,527,250	226,624	(1,661,017)	(286,602)
Net assets - beginning of year	501,610,766	35,571,101	47,064,661	5,025,595
Net assets - end of year	\$ 516,138,016	\$ 35,797,725	\$ 45,403,644	\$ 4,738,993



William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total Component Units
\$ 4,593,659	\$ 260,612	\$ 92,088	\$ 141,739	\$ 15,988,737
685,929	-	1,114,032	593,022	11,604,268
5,279,588	260,612	1,206,120	734,761	27,593,005
-	88,642	-	-	3,958,874
-	295,751	-	-	526,022
-	1,000	-	-	948,439
-	10,320	-	-	5,365,409
-	-	-	-	1,286,177
4,283,030	169,144	52,620	250,677	12,686,923
-	6,133	-	-	1,094,897
-	52,422	213,800	-	6,143,259
-	-	-	165,731	831,101
20,257	-	-	171,134	819,088
-	-	-	139,391	139,391
-	22,623	1,220,979	-	6,777,565
4,303,287	646,035	1,487,399	726,933	40,577,145
976,301	(385,423)	(281,279)	7,828	(12,984,140)
18,868	(83,424)	(131,150)	8,572	(5,546,231)
-	-	-	-	(147,454)
-	-	-	-	19,722,074
-	-	-	-	(5,318,495)
18,868	(83,424)	(131,150)	8,572	8,709,894
995,169	(468,847)	(412,429)	16,400	(4,274,246)
-	-	-	125,000	184,212
-	1,243,308	80,238	-	18,322,449
-	1,243,308	80,238	125,000	18,506,661
995,169	774,461	(332,191)	141,400	14,232,415
(277,679)	-	-	125,000	-
(277,679)	-	-	125,000	-
717,490	774,461	(332,191)	266,400	14,232,415
8,507,444	8,622,917	3,707,531	10,074,635	620,184,650
\$ 9,224,934	\$ 9,397,378	\$ 3,375,340	\$ 10,341,035	\$ 634,417,065

## 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
Mutual and money market funds	\$ 4,978,259	\$ 511,558	\$ -	\$ 4,361,702	\$ 5,649	\$ -	\$ 2,630,619	\$ 12,487,787
U.S. treasury and agency securities	7,795,200	-	-	-	-	-	-	7,795,200
Common and preferred stocks	187,550	-	658,894	1,068,825	-	-	662,843	2,578,112
Notes receivable	1,432,860	-	-	-	-	-	-	1,432,860
Pooled investments	364,498,655	27,148,715	19,572,249	-	-	8,182,478	-	419,402,097
Real estate	1,202,424	-	-	-	106,000	-	-	1,308,424
Other	486,184	-	79,538	-	2,425,594	-	-	2,991,316
Total								
Investments	<u>\$ 380,581,132</u>	<u>\$ 27,660,273</u>	<u>\$ 20,310,681</u>	<u>\$ 5,430,527</u>	<u>\$ 2,537,243</u>	<u>\$ 8,182,478</u>	<u>\$ 3,293,462</u>	<u>\$ 447,995,796</u>

## 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	William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	Total
Total pledges receivable	\$ 8,087,933	\$ 1,866,941	\$ 10,939,790	\$ 2,265,150	\$ 735,225	\$ 28,428	\$ 23,923,467
Less:							
Allowance for uncollectibles	(654,637)	(207,517)	(819,459)	(328,220)	-	(776)	(2,010,609)
Discounting to present value	(178,735)	(54,462)	(855,867)	(115,007)	(7,027)	(2,576)	(1,213,674)
Net pledges receivable	7,254,561	1,604,962	9,264,464	1,821,923	728,198	25,076	20,699,184
Less:							
Current pledges receivable	(2,203,754)	(829,277)	(3,889,807)	(729,250)	(276,908)	(19,929)	(7,948,925)
Total non-current pledges receivable	<u>\$ 5,050,807</u>	<u>\$ 775,685</u>	<u>\$ 5,374,657</u>	<u>\$ 1,092,673</u>	<u>\$ 451,290</u>	<u>\$ 5,147</u>	<u>\$ 12,750,259</u>

## Capital Assets

	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	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total
Nondepreciable:								
Land	\$ 3,365,927	\$ 262,916	\$ -	\$ -	\$ -	\$ -	\$ 2,302,138	\$ 5,930,981
Historical treasures and inexhaustible works of art	5,827,795	58,711	-	31,800	-	-	-	5,918,306
Total nondepreciable capital assets	<u>\$ 9,193,722</u>	<u>\$ 321,627</u>	<u>\$ -</u>	<u>\$ 31,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,302,138</u>	<u>\$ 11,849,287</u>
Depreciable:								
Building	\$ 7,553,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,597,322	\$ 14,150,655
Equipment, vehicles and furniture	7,355,979	142,811	93,752	494,661	102,996	2,995	170,126	8,363,320
Improvements, other than building	338,138	-	-	388,658	-	-	-	726,796
	15,247,450	142,811	93,752	883,319	102,996	2,995	6,767,448	23,240,771
Less accumulated depreciation	(6,979,237)	(114,840)	(80,376)	(687,754)	(36,927)	(2,995)	(195,007)	(8,097,136)
Total depreciable capital assets	<u>\$ 8,268,213</u>	<u>\$ 27,971</u>	<u>\$ 13,376</u>	<u>\$ 195,565</u>	<u>\$ 66,069</u>	<u>\$ -</u>	<u>\$ 6,572,441</u>	<u>\$ 15,143,635</u>

## Long-term Liabilities

	The College of William & Mary Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total
Compensated absences	\$ 124,615	\$ -	\$ -	\$ 124,615
Notes payable	4,222,623	-	-	4,222,623
Bonds payable	8,090,000	24,994,711	4,908,860	37,993,571
Other liabilities	18,486,385	-	-	18,486,385
Total long-term liabilities	30,923,623	24,994,711	4,908,860	60,827,194
Less current portion	<u>(1,201,111)</u>	<u>(557,411)</u>	<u>(125,794)</u>	<u>(1,884,316)</u>
Total long-term liabilities	<u>\$ 29,722,512</u>	<u>\$ 24,437,300</u>	<u>\$ 4,783,066</u>	<u>\$ 58,942,878</u>

## 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 Wells Fargo Bank, NA) 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 Associates, and to provide working capital to Reliance. As such, most of the loan proceeds have in turn been advanced to the REF, and the majority of the interest on the note is reflected as expenses of the Real Estate Foundation. This line of credit has been increased to \$3,000,000 with all principal and accrued interest due and payable on June 29, 2013. Interest only, which accrues daily at the LIBOR market index rate plus 1.35% is payable monthly. The amount outstanding was \$2,145,000 at June 30, 2012 and 2011. Interest paid during the years ended June 30, 2012 and 2011, was \$34,623 and \$34,846, respectively.

During the fiscal year ended June 30, 2009, the Foundation entered into a borrowing arrangement with SunTrust Bank in the amount of \$2,636,140 for renovation of the College's Admissions Office. The terms of the loan were revised during the fiscal year ended June 30, 2011. Under the original terms, interest was payable monthly at a fixed rate of 4.43% and principal was payable in two equal annual installments on February 28, 2011 and 2012. Under the revised terms, interest accrues at a rate of 4.99% and is payable monthly. Principal is payable annually over a ten year term, with the final amount due on February 1, 2021. SunTrust is granted a security interest in all deposits and investments maintained with SunTrust and any affiliates. The balance outstanding on the loan at June 30, 2012 and 2011 was \$2,426,419 and \$2,636,098, respectively. Interest paid during the fiscal years ending June 30, 2012 and 2011, on the loans was \$130,217 and \$113,628, respectively.

During the year ended June 30, 2011 the Foundation and CEI entered into a joint borrowing arrangement with SunTrust Bank to fund expansion of the telecommunications system. The agreement provided for loan draws up to the amount of \$1,450,000 through August 7, 2011. The terms of the note require the Foundation to maintain at all times unrestricted and temporarily restricted net assets in excess of 200% of the Foundation's total funded debt. Interest at a rate of 3.97% is payable monthly. Principal is payable annually over a five year term, with the final amount due January 15, 2016. SunTrust is granted a security interest in all deposits and investments maintained with SunTrust and any affiliates. The amount outstanding at June 30, 2012 and 2011 was \$1,182,000 and \$1,000,000, respectively. Interest paid during the fiscal years ended June 30, 2012 and 2011, on the loans was \$52,196 and \$6,948, respectively.

In December 2011, the Foundation and CWMF Ventures entered into a joint borrowing arrangement with SunTrust Bank to fund certain costs of unwinding the interest rate swap and various costs associated with refinancing the variable rate bonds. Interest accrues at a rate of 3.73%. Payments of interest and principal are due quarterly, with the final payment due December 23, 2021. SunTrust is granted a security interest in all deposits and investments maintained with SunTrust and any affiliates. The balance outstanding at June 30, 2012 was \$614,205. Interest paid during the fiscal year ended June 30, 2012 was \$12,025.

### Bonds Payable

In December 2006, the Economic Development Authority of James City County, Virginia issued variable rate revenue bonds in the amount of \$9,070,000 ("Series 2006 Bonds") and loaned the proceeds from the sale of the Series 2006 Bonds to the Foundation and CWMF Ventures. The Series 2006 Bonds financed the cost of property acquisition, construction 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. Interest on the Series 2006 Bonds was 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, was the minimum interest rate required to sell the Series 2006 Bonds at a price of par on the applicable date. During the term of the bonds, the Foundation and CWMF Ventures had the option to direct a change in the type of interest period by delivering written notice to the trustee and remarketing agent.

The Series 2006 Bonds bore a stated maturity date, subject to prior redemption or purchase, of December 1, 2036. The Foundation and CWMF Ventures redeemed in full the Series 2006 Bonds on January 16, 2012 with the proceeds from a revenue refunding bond as described below. The remaining unamortized discount on the original sale of the Series 2006 Bonds in the amount of \$34,350 was expensed. The recorded amount of the Series 2006 Bonds outstanding at June 30, 2012 and 2011, was \$0 and \$8,055,650, respectively, based on the original purchase price to the underwriter of the Series 2006 Bonds. The face value of Series 2006 Bonds outstanding at June 30, 2012 and 2011, was \$0 and \$8,090,000, respectively. As the Series 2006 Bonds bore interest at a floating rate which was reset weekly, fair value of the Series

2006 Bonds was approximately their face value. Interest paid to bondholders for the years ended June 30, 2012 and 2011, was \$22,253 and \$57,561, respectively.

The Series 2006 Bonds were also secured by an irrevocable direct pay letter of credit issued by SunTrust Bank. The initial expiration date of the letter of credit was 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 provided for automatic one-year extensions through December 31, 2036, unless SunTrust provided at least two years notice of its intent to terminate. SunTrust provided such notice that the letter of credit would expire December 31, 2011. The expiration date was subsequently extended to April 1, 2012. The terms of the letter of credit also required the Foundation at all times to maintain unrestricted and temporarily restricted net assets equal to at least 200% 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 Series 2006 Bonds were secured by the pledge of all right, title and interest in those Series 2006 Bonds. Unreimbursed draws under the letter of credit bore interest at the rate of LIBOR plus 1.50% per annum. During the years ended June 30, 2012 and 2011, 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 Series 2006 Bondholders. The letter of credit and related documents were terminated in January 2012 in connection with the redemption of the Series 2006 Bonds. The total interest paid on the letter of credit during the fiscal years ended June 30, 2012 and 2011, was \$0. As of June 30, 2012 and 2011, there was no amount outstanding under the letter of credit. The total available under the letter of credit was based on the amount of Bonds outstanding, plus 40 days interest at 10%. The total amount of the letter credit was \$0 and \$8,179,889 as of June 30, 2012 and 2011, respectively, and the entire amount was available to draw.

In December 2011, the Authority issued a revenue refunding bond in the amount of \$8,090,000 ("Series 2011 Bond"), and loaned the proceeds to the Foundation and CWMF Ventures ("Obligors"). The Series 2011 Bond was acquired by SunTrust Bank, as Series 2011 Bondholder. Proceeds from sale of the Series 2011 Bond were used to redeem the Series 2006 Bonds. The Series 2011 Bond bears interest at a fixed rate of 2.96% per annum, subject to the put rights of the Series 2011 Bondholder as described below, and interest payments are due quarterly on each January 1, April 1, July 1 and October 1. The Series 2011 Bondholder has the option to tender the Series 2011 Bond for payment on December 1, 2021, the first optional put date, unless extended under the terms of the loan agreement to not earlier than December 1, 2026. An additional extension may be made to not earlier than December 1, 2031. The Obligors are required to maintain assets so that on each June 30, unrestricted and temporarily restricted net assets shall exceed 200% of the total funded debt.

During the fiscal year ended June 30, 2009, the Foundation executed an interest rate swap on a \$7,000,000 notional amount. The Foundation used this interest-rate derivative instrument to manage its interest rate exposure on a portion of the Series 2006 Bonds. The Foundation does not enter into derivative instruments for any purpose other than to mitigate the impact of changes in interest rates on its cash flows. The Foundation made monthly payments at a fixed annual rate of 2.05%, and received monthly payments at a floating rate based on 67% of the one month LIBOR. The interest rate swap was terminated in December 2011 at a cost of \$534,580. The fair value of the interest rate swap was \$0 and \$671,976 at June 30, 2012 and 2011, respectively.

### 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. The facility was revised in September 2004, December 2006, and October 2009 and was replaced in November 2011. The amount available under the agreement could be used for loans and for letters of credit. Interest rate on the facility was of the 30-day LIBOR plus 2.50%, with a minimum of 3%. The Foundation guaranteed up to \$2,500,000, and members of the C.C. Casey Limited Company (the "Casey Group") guaranteed up to \$2,500,000. Outstanding loan balances of \$0 and \$2,300,000 existed as of June 30, 2012 and 2011, respectively. Letters of credit outstanding under this facility at June 30, 2012 and 2011, were \$0 and \$1,623,750, respectively. The letters of credit were issued to guarantee the completion of site improvements as required by James City County. Upon completion of those improvements, these letters of credit were terminated, with no residual liability. No draws had been made on the letters of credit as of June 30, 2012 and 2011.

During the fiscal year ended June 30, 2012 New Town Associates entered into two financing arrangements, with Chesapeake Bank and SunTrust Bank, to replace its borrowing agreement with SunTrust. The Chesapeake Bank agreement is a \$3,000,000 line of credit available for the issuance of loans and letters of credit, and is secured by a lien on New Town Associates' commercial land and improvements, as well as the assignment of rents, profits and leases. This facility bears an interest rate of 5.5%, and matures November 22, 2015. The Foundation guarantees 50% of the balance of the Chesapeake facility, not to exceed \$1,500,000. As of June 30, 2012 the principal amount outstanding under this

note was \$2,192,526. Letters of credit outstanding under this facility totaled \$606,000 at June 30, 2012. The SunTrust Bank agreement is a \$2,000,000 unsecured line of credit available for the issuance of loans and letters of credit. The SunTrust facility bears an interest rate equal to the three-month LIBOR Rate plus 2.50% with a minimum of 3%, and matures on October 31, 2013. Each of the Foundation and the Casey Group guarantees the full amount outstanding under the facility. However, a separate mutual indemnity agreement has been executed between the guarantors whereby each of the Foundation and the Casey Group will reimburse the other should the amount paid by a guarantor group in connection with the guaranty exceed 50%. As a result the Foundation's ultimate liability under the guaranty is limited to 50%. As of June 30, 2012 the principal amount of loans outstanding under the SunTrust agreement was \$129,911. Letters of credit outstanding under this agreement totaled \$1,398,950 at June 30, 2012.

## WILLIAM AND MARY BUSINESS SCHOOL FOUNDATION

### Commitments and Contingencies

On January 31, 2007, the Foundation entered into a Development Agreement and a Reimbursement Agreement (Agreements) with the College of William and Mary (College), in connection with the construction and equipping of a new academic building, Alan B. Miller Hall, for the College's Mason School of Business (Project). The total cost of the Project was approximately \$75 million. In order to finance the cost of construction and equipping the building, two bond series were issued by the College – 2008 Series A bonds for \$23,6050,000, and 2009 Series A bonds for \$23,650,000.

By the terms of the Reimbursement Agreement, the Foundation must reimburse the College for all debt service due on the 2009 Series A bonds and all periodic fees due and payable with respect to the 2009 Series A bonds after their issuance, including fees and expenses of the bond trustee, fees of the remarketing agent and fees of any financial institution providing credit support. In addition, the Foundation has pledged as security for the payments all of its assets that are not subject to donor or other legal restrictions, as defined in the Reimbursement Agreement.

By the terms of the bond issue, the Foundation has no direct obligation for payment of the 2008 Series A bonds.

The 2009 Series A bonds have a seven-year term, with principal payments due annually beginning in 2012 and interest payments due biannually. The Foundation paid to the College \$864,608 in interest payments and \$4,280,000 in principal during 2012.

## 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% with adjustments beginning in 2016 and every 5 years thereafter at 70% 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 Dinwiddie, Virginia.

## WILLIAM & MARY REAL ESTATE FOUNDATION

### Tribe Square

During 2010, the Foundation began development of properties held and referred to as Tribe Square. The development consists of two properties already held by the foundation, and three properties that were transferred to the Foundation

from the College on July 16, 2010. This transfer is included in the statement of activities as transfers from the College of William & Mary in the amount of \$245,000.

The properties are being developed into a mixed use property known as Tribe Square, which consists of one floor retail space and two floors student housing. Construction was completed during 2012 and the building was put into service. The Foundation entered into a commercial management agreement dated December 6, 2010 with an agent to manage the property on behalf of the Foundation. The agreement is for one-year term beginning on August 1, 2011 and ending on July 31, 2012, and continuing on an annual basis unless and until terminated by either party. The services to be provided by the agent include the operation and maintenance of the property, as well as financial duties as defined in the agreement. The management fee paid to the agent will be \$ 20,940 per annum. At year-end, the Foundation has executed four lease agreements for tenants in the first floor retail area. The student housing space is being leased to the College.

### Bonds Payable

The Foundation closed a tax-exempt student housing facilities revenue bond, dated September 16, 2011. The bond was issued through the Economic Development Authority of the City of Williamsburg for a principal amount of \$5 million. The proceeds of this bond were used to finance the costs to acquire, construct, and equip the student apartment portion of Tribe Square, and pay certain expenses of issuing the bond. The bond is secured by the rents and revenues of Tribe Square, and the property itself.

The rate of interest on this bond is 3.75% per annum. The principal balance of this bond is being amortized over the twenty-five year term of the bond, with equal payments of principal and interest in the amount of \$25,855.44 due monthly, commencing on October 16, 2011. The outstanding principal balance is \$4,908,860 at June 30, 2012.

The bond, which is bank held, has an option for the bank to require the Foundation to repurchase the bond once the bond is 10 years past the issuance date. If this option is exercised the Foundation would pay the aggregate unpaid principal plus accrued interest through the date of such payment. The bank must give the Foundation 120 days' notice prior to the tender date if this option is exercised.

## 14. 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 \$35,556,293 for the year ended June 30, 2012. Total payroll costs were \$131,779,152 for the year ended June 30, 2012.

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 \$2,401,553 for the year ended June 30, 2012. These contributions represent approximately 6.75 percent of covered payroll for the period July 2011 to June 2012.

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, 2012. 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 or 8.50 percent depending on whether the employee is in Plan 1 or Plan 2, plus interest and dividends. Plan 1 consists of employees who became a member prior to July 1, 2010. Plan 2 consists of employees who became a member on or after July 1, 2010.

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 \$7,302,997 for the year ended June 30, 2012. Contributions to the optional retirement plans were calculated using the base salary amount of \$71,310,597 for fiscal year 2012. The College of William and Mary and Richard Bland College's total payroll for fiscal year 2012 was \$131,779,152.

### 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 \$10 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 \$755,359 for fiscal year 2012.

## 15. 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.

## 16. 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, 2012, 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.

## 17. 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 15

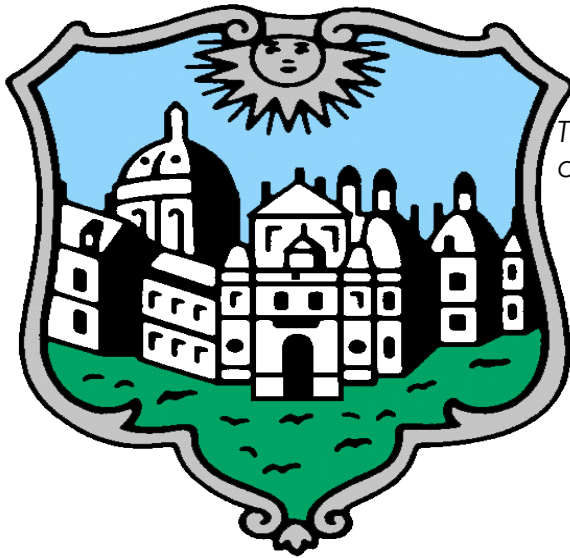
November 28-30, 2012

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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, 2012**

The summarized Financial Report of the Intercollegiate Athletic Department for the fiscal year ended June 30, 2012, 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 Unaudited Financial Report of Intercollegiate Athletics for the Year Ended June 30, 2012 (*see separate booklet*), is hereby received by the Board of Visitors.



The College  
of **WILLIAM  
& MARY**

IN  
VIRGINIA

**UNAUDITED  
FINANCIAL REPORT OF INTERCOLLEGIATE ATHLETICS  
FOR THE YEAR ENDED  
JUNE 30, 2012**

**THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA**  
Williamsburg, VA

**June 30, 2012**

**THE BOARD OF VISITORS**

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Charles A. Banks III - Vice Rector  
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**ADMINISTRATIVE OFFICERS**

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Edward C. Driscoll, Athletic Director  
  
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, 2012

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**THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA**  
**SCHEDULE OF REVENUES AND EXPENSES OF**  
**INTERCOLLEGIATE ATHLETIC PROGRAMS**  
**For the Year Ended June 30, 2012**

	Football	Men's Basketball	Women's Basketball	Other* Sports	Non-Program Specific	Total
Operating revenues:						
Student fees					\$ 10,910,040	\$ 10,910,040
Contributions (Note 2)	\$ 1,945,660	\$ 552,657	\$ 118,373	\$ 645,249	245,675	3,507,614
Endowment and investment income (Note 3)	676,762	180,907	127,282	799,465	82,744	1,867,160
Ticket sales	693,617	142,802	11,449	39,629	116	887,613
Guarantees	267,318	150,000	-	18,250	-	435,568
Direct institutional support	846	-	-	55,000	1,557	57,403
Indirect facilities and administrative support	56,550	29,233	20,207	344,083	77,191	527,264
NCAA/conference distributions	185,652	234,963	52,660	588,766	152,987	1,215,028
Broadcast, television, radio & internet rights	-	-	-	-	9,440	9,440
Program sales, concessions, novelty sales & parking	55,315	2,100	200	502	-	58,117
Royalties, advertisements and sponsorships	281,515	66,722	43,349	95,697	142,769	630,052
Sports camp revenues	-	-	-	1,009	35,179	36,188
Other	11,329	620	660	181,057	147,917	341,583
Subtotal operating revenues	4,174,564	1,360,004	374,180	2,768,707	11,805,615	20,483,070
Operating expenses:						
Athletics student aid	2,219,265	525,351	612,542	3,607,799	23,500	6,988,457
Guarantees	50,000	4,479	3,892	8,187	-	66,558
Coaching salaries, benefits, & bonuses paid by the College and related entities	972,024	580,261	286,782	1,693,404	-	3,532,471
Support staff/administrative salaries, benefits, and bonuses paid by the College and related entities	51,858	58,760	51,905	5,419	2,643,258	2,811,200
Severance payments	-	-	-	20,988	4,044	25,032
Recruiting	131,210	76,827	42,429	144,115	-	394,581
Team travel	271,591	174,237	123,193	958,790	-	1,527,811
Equipment, uniforms and supplies	108,986	39,410	32,489	269,423	58,725	509,033
Game expenses	171,745	116,084	83,334	262,994	-	634,157
Fund raising, marketing and promotion	78	-	-	-	419,964	420,042
Direct facilities, maintenance and rental	878,574	4,960	119	679,690	77,243	1,640,586
Spirit groups	-	-	-	-	30,229	30,229
Indirect facilities and administrative support	56,550	29,233	20,207	344,083	77,191	527,264
Medical expenses and medical insurance	15,990	902	873	13,192	306,662	337,619
Memberships and dues	-	795	667	6,901	90,874	99,237
Other operating expenses	55,284	24,544	21,688	71,094	668,010	840,620
Subtotal operating expenses	\$ 4,983,155	\$ 1,635,843	\$ 1,280,120	\$ 8,086,079	\$ 4,399,700	\$ 20,384,897
Excess (deficiency) of revenues over (under) expenses						98,173

\* 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 EXPENSES OF**  
**INTERCOLLEGIATE ATHLETIC PROGRAMS**  
**AS OF JUNE 30, 2012**

1. BASIS OF PRESENTATION

The accompanying Schedule of Revenues and Expenses of Intercollegiate Athletic Programs has been prepared on the accrual basis of accounting. The purpose of the schedule is to present a summary of current fund revenues and expenses of the intercollegiate athletic programs of the College for the year ended June 30, 2012. 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, expenses, transfers and other deductions for the year ended. Revenues and expenses are directly identifiable with each category presented and reported accordingly.

2. CONTRIBUTIONS

The Athletic Educational Foundation (AEF) of the College of William and Mary in Virginia, Incorporated, also referred to as the Tribe Club, raises funds and collects contributions for the benefit of the Intercollegiate Athletics Department. The College received \$ 3,075,219 from the AEF during the year ended June 30, 2012.

The AEF receives directly from various individuals and businesses donations in the form of goods or services for the athletic program. The College received \$432,395 from individuals and businesses in donations during the year ended June 30, 2012.

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 Foundation's budgetary restrictions. The College received \$1,867,160 of endowment and investment income from the Foundation for the benefit of the Intercollegiate Athletics Department for the year ended June 30, 2012.

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 \$5,000.

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

Buildings	40-50 years
Improvements other than Buildings	10-50 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, 2012 is as follows:

Depreciable capital assets:	
Buildings	\$27,514,143
Improvements other than Buildings	799,483
Infrastructure	2,628,105
Equipment	<u>2,679,156</u>
Total depreciable capital assets	<u>33,620,887</u>
Less Accumulated depreciation for:	
Buildings	9,539,158
Improvements other than Buildings	240,957
Infrastructure	1,802,725
Equipment	<u>1,455,339</u>
Total accumulated depreciation	<u>13,038,179</u>
Total capital assets, net	<u>\$20,582,708</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, 2012	% used by Athletics	Athletics Balance June 30, 2012
Section 9(d) Bonds:					
William and Mary Hall, Series 2004B	3.000-5.000	2016	685,000	85%	\$ 582,250
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	90,000	15%	13,500
Recreation Sports Center, Series 2004A	3.500-5.000	2025	1,040,000	15%	156,000
Recreation Sports Center, Series 2005A	3.500-5.000	2026	770,000	15%	115,500
Recreation Sports Center, Series 2010B	2.000-5.000	2021	220,000	15%	33,000
Recreation Sports Center, Series 2012A	3.000-5.000	2024	315,000	15%	47,250
Recreation Sports Center, Series 2012A	3.000-5.000	2025	4,585,000	15%	687,750
Recreation Sports Center, Series 2012A	3.000-5.000	2025	1,225,000	15%	183,750
Improve Athletics Facilities, Series 2005A	3.500-5.000	2026	1,065,000	100%	1,065,000
Improve Athletics Facilities, Series 2006A	3.000-5.000	2027	650,000	100%	650,000
Improve Athletics Facilities, Series 2012A	3.000-5.000	2025	1,655,000	100%	1,655,000
J. Laycock Football Facility, Series 2006A	3.000-5.000	2027	4,675,000	100%	4,675,000
Busch Field Astroturf Replacement 2009B	3.000-5.000	2030	1,335,000	100%	<u>1,335,000</u>
Total					<u>\$ 11,339,250</u>

Long-term debt matures as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 613,250	\$ 508,401
2014	640,500	486,520
2015	678,500	453,545
2016	707,000	418,908
2017	745,750	382,589
2018-2022	3,671,750	1,368,254
2023-2027	3,967,500	438,804
2028-2032	<u>315,000</u>	<u>23,750</u>
Total	<u>\$ 11,339,250</u>	<u>\$ 4,080,771</u>

## 6. INDIRECT COSTS

The College recovers a percentage of each auxiliary enterprise's expenses, including athletics, to cover overhead costs such as utilities and custodial services. In the fiscal year ended June 30, 2012 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."

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

Board of Visitors

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	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Approved 2012-2013 <u>Budget</u>	Year to Date Through <u>9/30/12</u>
<b>CARRYOVER BALANCE</b>				
<b>REVENUE</b>				
Federal Stimulus Funds	\$ 6,943,426	\$ 0	\$ 0	\$ 0
General Funds				
Educational/General	40,468,124	36,086,016	38,146,486	9,210,824
Student Aid	3,620,227	3,801,479	3,870,482	3,870,482
Sponsored Programs	414,000	414,000	1,800,000	18,806
Nongeneral Funds				
Educational/General	104,833,567	114,126,476	118,453,744	59,971,104
Student Aid	11,669,617	16,473,331	17,827,565	17,827,565
Auxiliary Enterprise	81,120,439	85,844,824	87,561,134	33,618,600
Sponsored Programs	31,484,073	27,815,177	28,850,000	9,810,790
Private Funds	11,822,623	11,980,923	11,444,953	1,524,266
<b>Total Revenue</b>	<b>\$ 292,376,096</b>	<b>\$ 296,542,226</b>	<b>\$ 307,954,364</b>	<b>\$ 135,852,437</b>
<b>EXPENDITURES</b>				
Instruction	\$ 84,125,717	\$ 83,738,512	\$ 89,608,192	\$ 24,681,557
Research	1,057,239	1,211,472	1,363,488	519,031
Public Service	51,929	57,936	53,139	19,287
Academic Support	25,007,397	24,459,412	25,465,377	6,961,286
Student Services	8,430,764	8,844,961	8,306,806	2,120,685
Institutional Support	21,428,918	21,571,241	23,679,023	7,143,803
Plant Operations	17,660,001	16,366,345	17,451,663	4,695,684
Student Aid	17,982,111	23,280,397	25,367,150	23,442,416
Auxiliary Enterprise	76,226,174	82,083,973	85,712,359	22,555,525
Sponsored Programs	31,898,073	28,229,177	30,650,000	9,829,596
<b>Total Expenditures</b>	<b>\$ 283,868,323</b>	<b>\$ 289,843,426</b>	<b>\$ 307,657,197</b>	<b>\$ 101,968,870</b>

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

	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Approved 2012-2013 <u>Budget</u>	Year to Date Through 9/30/12
REVENUE:				
Federal Stimulus Funds	\$6,943,426	\$0	\$0	\$0
General Funds	40,468,124	36,086,016	38,146,486	9,210,824
Nongeneral Funds	\$104,833,567	\$114,126,476	118,453,744	\$59,971,104
Total Revenue	\$152,245,117	\$150,212,492	\$156,600,230	\$69,181,928
EXPENDITURES:				
Instruction	\$83,314,623	\$82,924,339	\$88,424,697	\$24,508,454
Research	853,270	955,879	948,413	436,472
Public Service	8,306	8,277	8,021	1,798
Academic Support	24,448,507	23,978,107	24,483,797	6,714,886
Student Services	8,116,604	8,686,997	8,185,060	2,093,427
Institutional Support	18,198,069	16,680,484	17,166,899	4,832,780
Plant Operations	17,265,065	16,318,181	17,383,343	4,674,723
Total Expenditures	\$152,204,444	\$149,552,264	\$156,600,230	\$43,262,540

The College of William and Mary  
Student Financial Assistance\*  
2012-2013 Operating Budget Summary

	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Board Approved 2012-2013 <u>Budget</u>	Year to Date Through 9/30/12
REVENUE:				
General Funds	\$3,620,227	\$3,801,479	\$3,870,482	\$3,870,482
Nongeneral Funds	11,669,617	16,473,331	17,827,565	17,827,565
Auxiliary Enterprises			247,807	247,807
Total Revenue	\$15,289,844	\$20,274,810	\$21,945,854	\$21,945,854
EXPENDITURES:				
	\$15,257,056	\$20,274,810	\$21,945,854	\$21,945,854

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

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

	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Approved 2012-2013 <u>Budget</u>	Year to Date Through 9/30/12
<b><u>REVENUE</u></b>				
Federal Stimulus Funds	\$6,943,426	\$0	\$0	\$0
General Funds	40,468,124	36,086,016	38,146,484	9,210,824
Nongeneral Funds	104,833,567	114,126,476	118,453,744	\$59,971,104
<b>TOTAL REVENUE</b>	<b>\$152,245,117</b>	<b>\$150,212,492</b>	<b>\$156,600,228</b>	<b>\$69,181,928</b>
<b><u>EXPENDITURES</u></b>				
<b><u>Instruction</u></b>				
Personal Services	\$73,629,791	\$77,055,642	\$81,215,009	\$22,862,972
Contractual Services	3,938,195	2,988,256	3,380,566	584,641
Supplies and Materials	648,368	699,638	818,075	152,389
Transfer Payments	2,960,258	1,152,384	1,184,728	112,070
Continuous Charges	474,432	383,655	477,757	82,186
Property & Improvements	58,849	99,456	100,000	2
Equipment	1,602,847	545,307	1,248,562	714,194
Indirect Costs	1,885	0	0	0
<b>TOTAL</b>	<b>\$83,314,623</b>	<b>\$82,924,339</b>	<b>\$88,424,697</b>	<b>\$24,508,454</b>

	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Approved 2012-2013 <u>Budget</u>	Year to Date Through 9/30/12
<b><u>Research</u></b>				
Personal Services	\$495,040	\$649,918	\$645,882	\$180,683
Contractual Services	61,076	55,457	51,746	7,277
Supplies and Materials	1,258	1,944	520	621
Transfer Payments	284,965	246,465	244,965	244,965
Continuous Charges	592	556	300	0
Property & Improvements	0	6	0	0
Equipment	10,339	1,533	5,000	2,926
<b>TOTAL</b>	<b>\$853,270</b>	<b>\$955,879</b>	<b>\$948,413</b>	<b>\$436,472</b>
<b><u>Public Service</u></b>				
Personal Services	\$1,543	\$0	\$760	\$0
Contractual Services	6,649	7,171	5,784	1,798
Supplies and Materials	0	105	477	0
Continuous Charges	0	1,000	1000	0
Equipment	115	0	0	0
<b>TOTAL</b>	<b>\$8,306</b>	<b>\$8,277</b>	<b>\$8,021</b>	<b>\$1,798</b>
<b><u>Academic Support</u></b>				
<b>LIBRARIES:</b>				
Personal Services	\$5,179,592	\$5,289,202	\$5,627,678	\$1,565,938
Contractual Services	712,663	1,292,468	926,061	20,302

	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Approved 2012-2013 <u>Budget</u>	Year to Date Through 9/30/12
Supplies and Materials	58,873	37,542	38,658	10,058
Transfer Payments	0	0	0	0
Continuous Charges	4	8,020	5,000	0
Property & Improvements	0	0	0	0
Equipment	3,694,597	3,119,663	3,495,809	510,350
<b>TOTAL</b>	<b>\$9,645,729</b>	<b>\$9,746,895</b>	<b>\$10,093,206</b>	<b>\$2,147,830</b>
OTHER ACAD. SUPPORT:				
Personal Services	\$11,709,868	\$11,556,501	\$11,641,659	\$3,425,354
Contractual Services	1,917,972	1,720,289	1,790,395	818,705
Supplies and Materials	59,840	117,588	91,701	22,656
Transfer Payments	112,599	140,491	123,506	99,168
Continuous Charges	114,436	157,112	140,167	59,840
Property & Improvements	36,532	3,045	0	1,720
Equipment	837,501	536,186	603,163	180,795
Obligations	14,029	0	0	0
<b>TOTAL</b>	<b>\$14,802,778</b>	<b>\$14,231,211</b>	<b>\$14,390,591</b>	<b>\$4,608,238</b>
<b>TOTAL ACADEMIC SUPPORT</b>	<b>\$24,448,507</b>	<b>\$23,978,107</b>	<b>\$24,483,797</b>	<b>\$6,756,068</b>

	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Approved 2012-2013 <u>Budget</u>	Year to Date Through 9/30/12
<b><u>Student Services</u></b>				
Personal Services	\$6,895,763	\$7,372,765	\$6,955,581	\$1,796,758
Contractual Services	925,352	1,022,977	912,655	226,795
Supplies and Materials	145,673	162,449	154,059	18,655
Transfer Payments	68,344	65,654	69,039	25,014
Continuous Charges	3,857	13,953	4,150	301
Property & Improvements	9,589	415	0	0
Equipment	68,026	48,784	89,576	25,904
TOTAL	<b>\$8,116,604</b>	<b>\$8,686,997</b>	<b>\$8,185,060</b>	<b>\$2,093,427</b>
<b><u>Institutional Support</u></b>				
Personal Services	\$15,577,617	\$13,569,653	\$14,354,987	\$4,238,278
Contractual Services	1,500,147	1,614,527	1,778,916	461,651
Supplies and Materials	197,259	168,925	168,216	43,901
Transfer Payments	142,676	80,088	72,490	27,389
Continuous Charges	484,182	1,016,519	569,319	22,187
Property & Improvements	14,699	3,651	0	0
Equipment	276,560	227,097	222,971	38,850
VIMS Service Centers	0	25	0	524
Obligations	4,929	0	0	0
TOTAL	<b>\$18,198,069</b>	<b>\$16,680,484</b>	<b>\$17,166,899</b>	<b>\$4,832,780</b>

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	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Approved 2012-2013 <u>Budget</u>	Year to Date Through 9/30/12
<b><u>Plant Operations</u></b>				
Personal Services	\$5,191,152	\$4,342,843	\$4,932,970	\$670,520
Contractual Services	5,876,269	5,315,745	5,374,687	2,009,019
Supplies and Materials	1,810,488	1,762,157	1,631,635	317,076
Transfer Payments	0	1,713	0	0
Continuous Charges	4,061,056	4,844,830	4,969,592	1,644,627
Property & Improvements	205,268	51,419	144,575	4,444
Equipment	120,832	(525)	329,884	29,037
<b>TOTAL</b>	<b>\$17,265,065</b>	<b>\$16,318,181</b>	<b>\$17,383,343</b>	<b>\$4,674,723</b>
<b>E&amp;G PROGRAM TOTAL</b>	<b>\$152,204,444</b>	<b>\$149,552,264</b>	<b>\$156,600,230</b>	<b>\$43,303,722</b>



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

	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Approved 2012-2013 <u>Budget</u>	Year to Date Through 9/30/2012
<b>REVENUE</b>				
Residence Life	\$23,860,980	\$24,293,056	\$25,071,000	\$10,641,647
Food Service	13,906,637	14,806,373	14,961,390	5,963,637
Telecom/Network	3,664,668	3,584,150	3,515,230	1,383,963
Student Unions	2,899,844	2,898,509	2,901,000	1,321,074
W&M Hall	2,172,942	2,363,126	2,325,250	1,105,198
Athletics	18,755,845	19,452,717	20,370,090	6,071,251
Other	<u>15,859,523</u>	<u>18,446,893</u>	<u>18,417,174</u>	<u>7,131,830</u>
Total Revenue	\$81,120,439	\$85,844,824	\$87,561,134	\$33,618,600
<b>EXPENDITURES</b>				
Residence Life	\$22,235,788	\$22,958,496	\$24,967,000	\$7,756,229
Food Service	12,191,866	13,595,181	14,280,004	1,228,626
Telecom/Network	3,509,928	3,569,041	3,411,615	469,455
Student Unions	2,714,689	2,925,710	2,789,800	764,738
W&M Hall	2,109,104	2,075,466	2,039,400	504,506
Athletics	18,744,923	19,367,785	20,370,090	6,441,825
Other	<u>14,719,876</u>	<u>17,592,294</u>	<u>17,854,450</u>	<u>5,390,146</u>
Total Expenditures	\$76,226,174	\$82,083,973	\$85,712,359	\$22,555,525

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

	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Approved 2012-2013 <u>Budget</u>	Year to Date Through 9/30/2012
REVENUE				
General Fund	\$414,000	\$414,000	\$1,800,000	\$18,806
Nongeneral Fund	31,484,073	27,815,177	28,850,000	9,810,790
Total Revenue	\$31,898,073	\$28,229,177	\$30,650,000	\$9,829,596
EXPENDITURES				
	\$31,898,073	\$28,229,177	\$30,650,000	\$9,829,596

**THE COLLEGE OF WILLIAM & MARY  
PRIVATE FUNDS BUDGET SUMMARY**

	2010-2011 Actual	2011-2012 Actual	Approved 2012-2013 Budget	Year to Date Through 9/30/12
<b>REVENUE:</b>				
Distributed Endowment Income	\$2,017,708	\$2,102,696	\$2,334,953	\$582,518
Administrative Overhead Allocation	200,000	200,000	200,000	50,000
Transfers from Other Sources	102,084	518,021	173,000	0
Interest on Cash Balances	153,395	90,444	125,000	6,735
Annual Gifts	8,451,745	7,397,505	7,300,000	795,729
Drawdown from BOV Quasi Endowment	0	1,000,000	775,000	0
Distribution from External Trusts	34,328	21,210	17,000	0
Other Revenue	863,363	651,047	520,000	89,284
<b>Total Revenue</b>	<b>\$11,822,623</b>	<b>\$11,980,923</b>	<b>\$11,444,953</b>	<b>\$1,524,266</b>
<b>EXPENDITURES:</b>				
Instruction	\$811,094	\$814,173	\$1,183,495	173,103
Research	203,969	255,593	415,075	82,559
Public Service	43,623	49,659	45,118	17,489
Academic Support	558,890	481,305	981,580	246,400
Student Services	314,160	157,964	121,746	27,258
Institutional Support	3,230,849	4,890,757	6,512,124	2,311,023
Plant: Operations & Capital Improvements	394,936	48,164	68,320	20,961
Student Aid	2,725,055	3,005,587	3,421,296	1,496,562
<b>Total Expenditures</b>	<b>\$8,282,576</b>	<b>\$9,703,202</b>	<b>\$12,748,754</b>	<b>\$4,375,355</b>

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

	2010-2011 <u>Actual</u>	2011-2012 <u>Actual</u>	Approved 2012-13 <u>Budget</u>	Year to Date Through 9/30/12
<b><u>REVENUE</u></b>				
General Fund	\$18,576,281	\$16,941,420	\$18,205,067	\$5,040,927
Nongeneral Funds				
Educational/General	\$1,759,741	2,464,708	1,852,132	\$307,869
Federal Stimulus	\$2,704,790	420,304	0	\$0
Eminent Scholars	\$0	0	75,000	
Sponsored Programs	<u>\$18,609,523</u>	<u>20,281,919</u>	<u>21,500,000</u>	<u>\$6,343,824</u>
Total Revenue	\$41,650,335	\$40,108,351	\$41,632,199	\$11,692,620
<b><u>EXPENDITURES</u></b>				
Instruction	\$1,394,266	\$1,393,923	\$1,804,997	\$415,709
Research and Advisory Services	\$9,431,887	7,992,794	8,513,433	\$2,113,806
Academic Support	\$4,580,226	4,279,554	3,839,488	\$1,176,464
Institutional Support	\$3,159,290	1,895,487	1,630,036	\$1,049,320
Plant Operations	\$3,721,015	3,972,685	4,104,718	\$1,031,759
Student Financial Assistance	\$715,798	238,527	238,527	\$34,212
Sponsored Programs	<u>\$18,609,523</u>	<u>20,281,919</u>	<u>21,500,000</u>	<u>\$6,343,824</u>
Total Expenditures	\$41,612,005	\$40,054,889	\$41,631,199	\$12,165,094



## Investment Portfolio Evaluation For Periods Ending September 30, 2012



Board of Visitors Endowment



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## Section

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- II. Equity Sector Review
- III. Fixed Income Sector Review
- IV. Capital Markets 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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Index Name	3Q12	YTD	1 year	3 years	5 years	10 years
Dow Jones Industrial Average	5.0	12.2	26.5	14.5	2.2	8.6
NASDAQ Composite	6.5	20.7	30.6	14.8	3.9	11.2
S&P 500	6.4	16.4	30.2	13.2	1.1	8.0
S&P 500 Value	6.3	15.8	30.8	11.4	(1.6)	7.8
S&P 500 Growth	6.4	17.0	29.7	14.9	3.6	8.1
Russell 1000	6.3	16.3	30.1	13.3	1.2	8.4
Russell 1000 Value	6.5	15.8	30.9	11.8	(0.9)	8.2
Russell 1000 Growth	6.1	16.8	29.2	14.7	3.2	8.4
Russell Midcap	5.6	14.0	28.0	14.3	2.2	11.2
Russell Midcap Value	5.8	14.0	29.3	13.9	1.7	11.0
Russell Midcap Growth	5.4	13.9	26.7	14.7	2.5	11.1
Russell 2000	5.3	14.2	31.9	13.0	2.2	10.2
Russell 2000 Value	5.7	14.4	32.6	11.7	1.4	9.7
Russell 2000 Growth	4.8	14.1	31.2	14.2	3.0	10.6
Russell 3000	6.2	16.1	30.2	13.3	1.3	8.5
MSCI EAFE Index	7.0	10.6	14.3	2.6	(4.8)	8.7
MSCI World Index	6.8	13.6	22.3	8.1	(1.6)	8.6
MSCI World Ex. US Index	7.4	10.4	14.4	3.0	(4.4)	9.2
MSCI ACWI	7.0	13.4	21.7	7.8	(1.5)	9.2
MSCI ACWI ex USA	7.5	10.9	15.0	3.6	(3.7)	10.3
MSCI EM (EMERGING MARKETS)	7.9	12.3	17.3	6.0	(1.0)	17.4
MSCI FM (FRONTIER MARKETS)	7.4	6.0	4.0	(1.0)	N/A	N/A
Barclays Capital U.S. Aggregate	1.6	4.0	5.2	6.2	6.5	5.3
Barclays Capital U.S. Government/Credit	1.7	4.4	5.7	6.5	6.6	5.4
Barclays Capital Intermediate U.S. Government/Credit	1.4	3.5	4.4	5.2	5.7	4.8
Barclays Capital Municipal Bond	2.3	6.1	8.3	6.0	6.1	5.0
BofA Merrill Lynch Convertible Securities	4.5	11.7	16.5	9.9	3.7	7.9
BofA Merrill Lynch High Yield Master	4.6	11.9	18.8	12.6	9.0	10.6
Citigroup World Government Bond Index	3.0	3.4	3.3	4.3	6.5	6.7
JPM EMBI Global Diversified	6.6	14.2	19.6	11.8	10.1	11.7
Citigroup 3-month T-bill	0.0	0.1	0.1	0.1	0.6	1.7
HFRI Fund of Funds Composite Index	2.4	3.4	2.9	1.5	(1.6)	3.6
CS Tremont Managed Futures Index	1.7	0.1	(4.0)	1.6	4.2	4.9
Wilshire REIT	(0.2)	14.7	32.4	20.7	1.7	11.4
Dow UBS Commodity Index	9.7	5.6	6.0	5.3	(3.0)	5.2

Data Sources: Zephyr StyleAdvisor & Barclay's Capital

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**Market Summary:** Equity markets surged forward during the 3<sup>rd</sup> quarter on the back of strong earnings despite an economic environment that includes sluggish growth, unimpressive economic indicators, fast approaching spending cuts and tax increases, a presidential election, and ongoing fiscal concerns in Europe. Second quarter GDP had been revised by the Commerce Department to 1.3% annualized growth from 1.7%. Estimates for the third quarter are within this range. In its latest reading, the unemployment rate dropped from 8.1% to 7.8% as a result of a spike in the household survey which is a smaller and more volatile component of the overall employment measure. Based on this and other economic data, the Federal Reserve announced another round of quantitative easing that would begin immediately and run until economic data improves. The program calls for the Fed to purchase up to \$40 billion dollars of mortgage-related securities per month.

Domestic equity indices finished the quarter with gains between 5.0% and 6.5%. Year-to-date, gains are now in the mid-teens with the NASDAQ Composite leading with a gain of 20.7% through quarter-end. Large-cap stocks have outperformed slightly compared to small and mid-cap stocks. Energy was the top performing sector within the S&P 500 followed closely by the telecommunications sector. International equities also performed well during the quarter with gains around 7.0%. These markets trail slightly the domestic markets for the year-to-date period.

The bond market registered small but steady gains during the quarter. Following in the trend of the past several quarters, non-traditional sectors such as high yield, convertibles, and emerging market debt have been the leaders. Corporate (+3.8% for the quarter) and municipal (+2.3%) bonds have lead all investment grade sectors. The Fed's announcement of QE3 sent Treasury yields higher though it was short lived. Along with the announcement of QE3, the Fed also stated that short-term rates would remain at exceptionally low levels through mid-2015.

**Total Portfolio:** *The William & Mary Board of Visitors (BOV) Endowment* gained 4.5% for the quarter, 0.3% better than the Policy Benchmark. Overall portfolio asset allocation was in compliance with policy targets at quarter-end.

**Domestic Equity:** The large cap growth portfolio remained invested in the SPY Exchange Traded Fund until a suitable active manager is found. We anticipate the account will transition in December of 2012.

**Blackrock's Large Cap Value** portfolio posted a gain of 6.0% for the 3<sup>rd</sup> quarter, trailing the Russell 1000 Value's gain of 6.5%. Our Manager Strategy Group has placed this manager on "Watch" after Chief Equity Strategist and Lead Portfolio Manager Bob Doll suddenly announced his retirement effective July 1, 2012. The abruptness of this decision is cause for some concern but the portfolio's core process and philosophy will remain intact. Chris Leavy has served as the CIO for the Fundamental Equities group at BlackRock since 2010. Peter Stournaras joined the team in 2010 and has implemented a few quantitative process enhancements that are intended to reduce the model's sensitivity to the changing risk on/off dynamics of the market.

The **Wells Fargo Advantage Discovery Fund** (Mid Cap Growth) underperformed its benchmark, the Russell MidCap Growth Index, for the quarter, but has outperformed over all historical time periods ending September 30, 2012. Stock selection in Information Technology was the main driver of the fund's recent underperformance.

The **Artisan Mid Cap Value** portfolio was up 3.9% for the quarter, but lagged the Russell Mid Cap Value index by 190 bps. The underperformance is in part due to Artisan's bottom-up decision making which has led them to have more exposure to the semiconductor and IT distributor stocks (these were among the weaker returners in the quarter). Since the early June lows, stocks have climbed steadily higher and pullbacks have been somewhat scarce. In this type of market environment, the opportunities for great values are generally fewer.

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**International Equity:** *Artio International* added 4.3% for the quarter, but underperformed the MSCI EAFE which returned 7.0%. While allocation decisions between emerging and developed markets (including Japan) had a slightly positive impact on returns, they were offset by stock selection. In the developed markets, the financial and materials sectors were the largest detractors. Over the course of the quarter, the financial sector was the benchmark's best performer and was helped in large part by the ECB's announcement that they would purchase unlimited amounts of government debt. As a result, the portfolio's underweight was a significant detractor. Artio believes there will be a longer term decoupling of emerging markets. As a result, they continue to hold direct investments within local emerging markets as well as global franchises within the developed world.

**Domestic Fixed Income:** The *PIMCO Total Return Fund* posted a 160 bps advantage over the benchmark for the quarter (3.2% vs. 1.6%). The fund was recently the subject of Manager Strategy Group (MSG) due diligence. The fund is a core bond holding, focusing on high-quality, intermediate-term bonds, while attempting to be sensitive to risk. It is also able to invest in non-index holdings such as emerging market debt and currencies. The fund's investment team has managed to navigate both difficult markets and economic downturns with skill and results. MSG reiterated the recommended rating for the fund.

The *Pioneer Strategic Income Fund* had a strong quarter, outperforming the Barclays Aggregate by 250 bps (4.1% vs. 2.5%). Asset allocation, relative lower quality, security selection, and non-dollar currency positions drove the Fund's strong outperformance.

**International Fixed Income:** The *GMO Global Bond Strategy* returned 5.4% for the 3rd quarter, outpacing the Citigroup World Government Bond Index's gain of 3.0%. The U.S. Dollar's decline versus key developed currencies drove positive results followed by the 11 basis points drop in the index yield. The dollar was weak during the quarter as the Fed expanded its QE policy and Congress took no action on the fiscal cliff.

The *GMO Emerging Country Debt Strategy* returned a notable gain of 10.3% in the quarter, well ahead of the J.P. Morgan EMBI Global Diversified Index return of 6.6%. Overweights to Argentina, Venezuela, and Iraq were additive for the quarter. The droughts in the U.S. and other countries raised prices of soybeans, Argentina's main source of foreign exchange.

**Alternatives:** The alternative portfolio includes managed futures, hedge funds, and private equity. The overall alternative portfolio was positive for the three months ending August 31, 2012 (+1.3% compared to +1.2% for the HFRI Fund of Funds Index). Gresham Commodities trailed its respective benchmark but added significant absolute returns with a gain of 11.9% for the same three month period. After a challenging year for commodities, the strategy has performed relatively better than its benchmark. Managed futures have also had a difficult time gaining traction as the market has not followed a steady trend. The low volatility fund, Aurora, has eked out meager gains for the three-month period as have the diversified strategies Dorchester and Corbin Pinehurst. The K2 Long/Short fund was the second-best performing strategy for the period with value added over the one-year period.

**October Update:** Global growth remained slow in October but there was good news as jobless claims dropped from 8.1% to 7.8%. Still on investors' minds though was the pending election and, more importantly, how the year-end fiscal cliff was going to be addressed. There was a flight to quality as bonds outperformed stocks for the month. Net of fees, the BOV Portfolio declined just 0.1% in October bringing the Fiscal-Year-To-Date return to +4.4%. These results compare favorably to the policy benchmark returns of +0.6% and +3.7%, respectively.

	3q12	FYTD	One Year	Three Years <sup>1</sup>	Five Years <sup>1</sup>	Changes (1/1/03)	Incept (Mgr) <sup>2</sup>	Incept Bench <sup>2</sup>
<b>Total BOV Account</b>	<b>4.5</b>	<b>4.5</b>	<b>16.5</b>	<b>8.4</b>	<b>1.4</b>	<b>8.0</b>	<b>7.0</b>	<b>6.6</b>
<b>Target Benchmark<sup>3</sup></b>	<b>4.2</b>	<b>4.2</b>	<b>16.6</b>	<b>9.4</b>	<b>1.7</b>	<b>7.4</b>		
<b>Blackrock: Large Cap Value</b>	<b>6.0</b>	<b>6.0</b>	<b>25.7</b>	<b>8.6</b>	<b>(2.1)</b>	--	<b>0.8</b>	<b>2.4</b>
Russell 1000 Value	6.5	6.5	30.9	11.8	(0.9)	--		
<b>SPY (Aletheia prior to June 2012)</b>	<b>5.3</b>	<b>5.3</b>	<b>10.8</b>	<b>3.6</b>	--	--	<b>(5.1)</b>	<b>3.6</b>
Russell 1000 Growth	6.1	6.1	29.2	14.7	--	--		
<b>Wells Fargo: Mid Cap Growth</b>	<b>4.3</b>	<b>4.3</b>	<b>32.1</b>	<b>19.0</b>	<b>4.1</b>	--	<b>7.0</b>	<b>4.4</b>
Russell MidCap Growth	5.4	5.4	26.7	14.7	2.5	--		
<b>Artisan Mid Cap Value</b>	<b>3.9</b>	<b>3.9</b>	<b>21.4</b>	<b>11.8</b>	--	--	<b>21.4</b>	<b>25.4</b>
Russell MidCap Value	5.8	5.8	29.3	13.9	--	--		
<b>Royce: Small-Cap</b>	<b>4.2</b>	<b>4.2</b>	<b>36.7</b>	<b>11.7</b>	<b>2.0</b>	<b>11.8</b>	<b>11.8</b>	<b>9.8</b>
Russell 2000	5.3	5.3	31.9	13.0	2.2	9.8		
<b>Dodge &amp; Cox (Delaware prior to Feb 2012)</b>	<b>7.4</b>	<b>7.4</b>	<b>9.0</b>	<b>1.6</b>	<b>(5.0)</b>	<b>8.1</b>	<b>6.2</b>	<b>4.2</b>
<b>Artio Int'l Growth</b>	<b>4.3</b>	<b>4.3</b>	<b>9.8</b>	<b>(2.2)</b>	--	--	<b>9.2</b>	<b>14.9</b>
MSCI EAFE	7.0	7.0	14.3	2.6	(4.8)	8.2		
<b>State Street: Emerging Markets</b>	<b>6.2</b>	<b>6.2</b>	<b>16.7</b>	<b>4.9</b>	<b>(3.8)</b>	<b>15.3</b>	<b>15.3</b>	<b>16.7</b>
MSCI EM (Emerging Markets)	7.9	7.9	17.3	6.0	(1.0)	16.7		
<b>PIMCO Total Return Fund</b>	<b>3.2</b>	<b>3.2</b>	<b>11.5</b>	--	--	--	<b>8.0</b>	<b>6.7</b>
<b>Pioneer Strategic Income</b>	<b>4.1</b>	<b>4.1</b>	<b>12.1</b>	--	--	--	<b>9.0</b>	<b>6.7</b>
Barclays Capital U.S. Aggregate	1.6	1.6	5.2	6.2	6.5	--		
<b>GMO: Global Fixed Inc</b>	<b>5.4</b>	<b>5.4</b>	<b>8.1</b>	<b>10.3</b>	<b>6.1</b>	<b>7.1</b>	<b>7.1</b>	<b>6.4</b>
Citigroup World Govt Bond Index	3.0	3.0	3.3	4.3	6.5	6.4		
<b>GMO: Emerging Mkt Fixed Inc</b>	<b>10.3</b>	<b>10.3</b>	<b>28.4</b>	<b>19.4</b>	<b>10.9</b>	<b>14.8</b>	<b>14.8</b>	<b>11.0</b>
JPM EMBI Global Diversified	6.6	6.6	19.6	11.8	10.1	11.0		
<b>Combined Alternatives (1 mo lag)</b>	<b>1.3</b>	<b>1.3</b>	<b>(0.7)</b>	--	--	--	<b>1.3</b>	<b>0.4</b>
HFRI FOFs Index (1 mo lag)	1.2	1.2	(0.8)	--	--	--		

<sup>1</sup> Annualized

<sup>2</sup> Total BOV Account (7/1/96) = Target Benchmark; Blackrock Large Cap Value (5/1/06) = Russell 1000 Value; Wells Fargo MidCap (4/1/06) = Russell MidCap Growth; Artisan Mid Cap 5/26/09 = Russell MidCap Value; Royce (1/8/03) = Russell 2000; Delaware Int'l (7/1/96) = MSCI EAFE; Artio Int'l (6/4/09) = MSCI EAFE; State Street Emerging Mkts (1/24/03) = MSCI Emerging Markets Free; PIMCO Total Return Fund and Pioneer Strategic Income Fund (11/3/09) = Barclays Capital US Aggregate; GMO Global Fixed (2/11/03) = Citi World Govt Bond Index; GMO Emerging Mkt Fixed (2/11/03) = JPM EMBI Global Diversified.

<sup>3</sup> 44% Russell 3000, 35% Barclays Aggregate, 11% MSCI World Ex-US, 10% HFRI Fund-of-Funds (one-month lag) from 3/1/12; 44% Russell 3000, 40% Barclays Aggregate, 11% MSCI World Ex-US, 5% HFRI Fund-of-Funds (one-month lag) from 1/1/10 - 2/29/12; 60% Russell 3000, 20% Barclays Aggregate, 15% MSCI World Ex-US from 1/1/96-12/31/09

+ 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 Wells Fargo Advisors to ensure the accuracy of the results. Based on information provided by SunTrust, Wells Fargo Advisors began calculating quarterly results starting in the 4<sup>th</sup> quarter of 2002. There is no guarantee as to the accuracy of our calculations for the managers or the Total BOV Account.

Performance is net of investment management fees



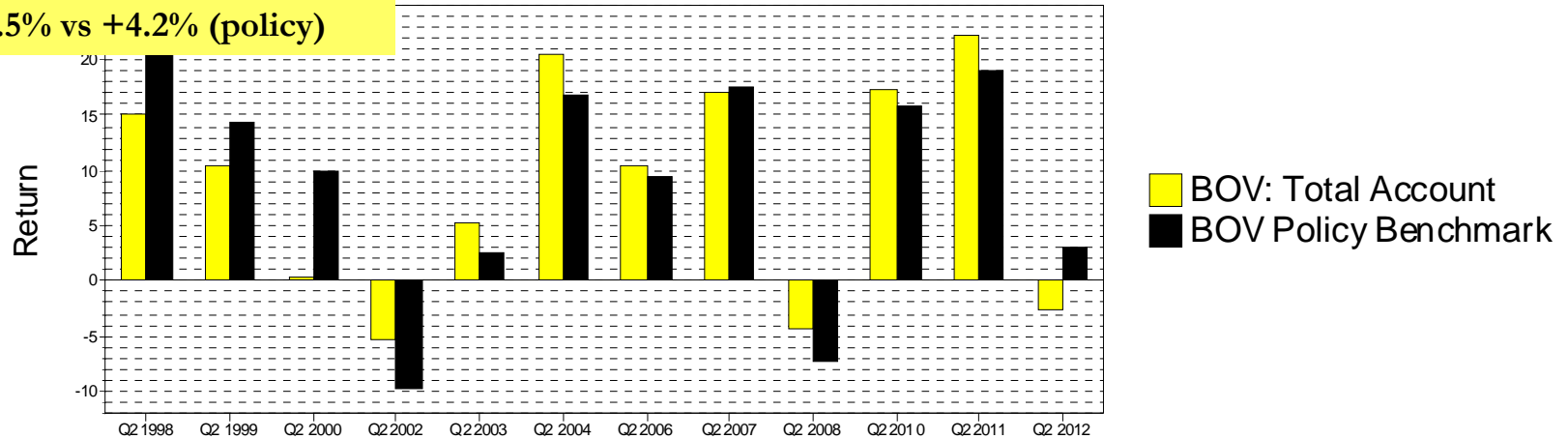
**BOV Current Fiscal YTD**  
**(7/1/12 – 9/30/12)**  
**+4.5% vs +4.2% (policy)**

## W&M BOV: Total Account

Zephyr StyleADVISOR: Wells Fargo Advisors

### Manager vs Benchmark: Return

4-Quarter Moving Windows, Computed Yearly

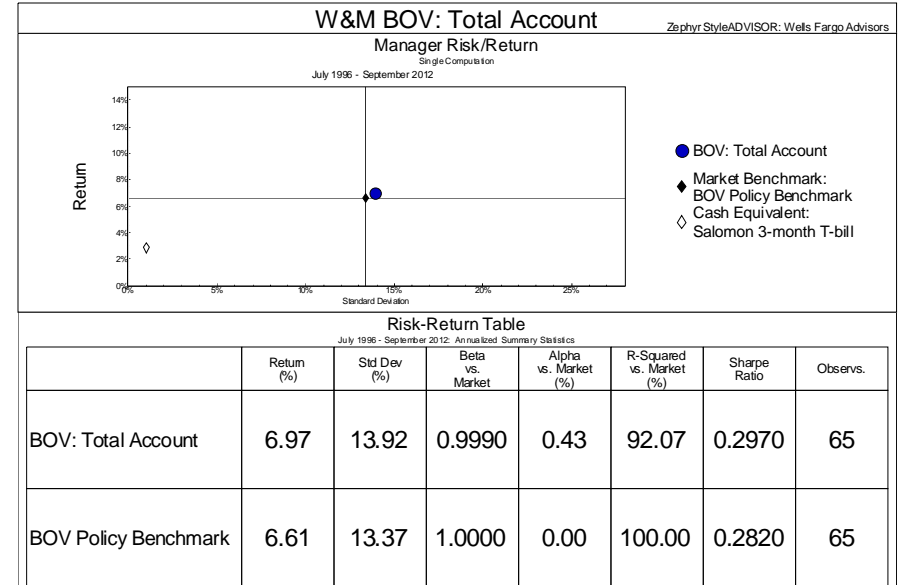
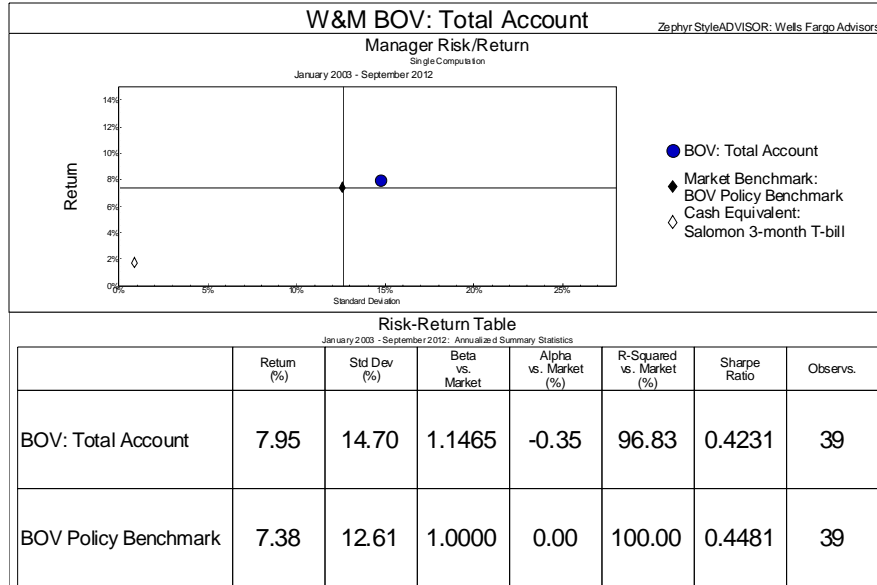


### Manager vs Benchmark: Return

4-Quarter Moving Windows, Computed Yearly

	Jun 1998	Jun 1999	Jun 2000	Jun 2001	Jun 2002	Jun 2003	Jun 2004	Jun 2005	Jun 2006	Jun 2007	Jun 2008	Jun 2009	Jun 2010	Jun 2011	Jun 2012
BOV: Total Account	15.20%	10.35%	0.37%	3.89%	-5.38%	5.38%	20.46%	9.20%	10.56%	17.01%	-4.38%	-21.82%	17.37%	22.25%	-2.70%
BOV Policy Benchmark	20.77%	14.38%	9.91%	-9.45%	-9.78%	2.66%	16.87%	8.88%	9.45%	17.57%	-7.18%	-19.53%	15.97%	19.14%	3.16%

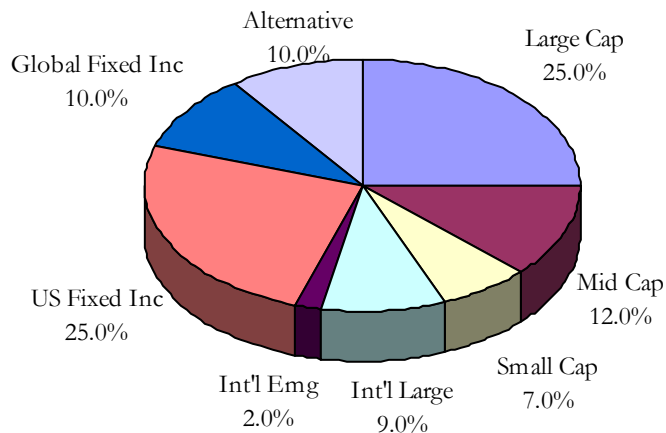
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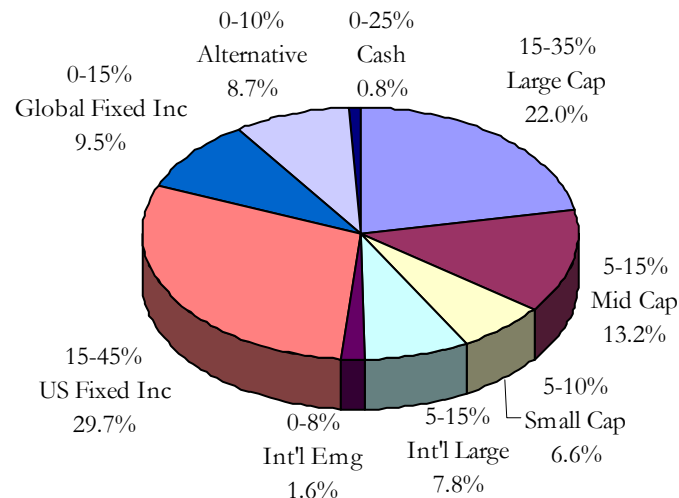
\* Policy Benchmark = 44% Russell 3000, 35% Barclays Aggregate, 11% MSCI World Ex-US, 10% HFRI Fund-of-Funds (one-month lag) from 3/1/12; 44% Russell 3000, 40% Barclays Aggregate, 11% MSCI World Ex-US, 5% HFRI Fund-of-Funds (one-month lag) from 1/1/10 – 2/29/12; 60% Russell 3000, 20% Barclays Aggregate, 15% MSCI World Ex-US from 1/1/96-12/31/09

**Policy**

*As of September 30, 2012*



**BOV Portfolio**



<u>Manager</u>	<u>Domestic Fixed Income</u>	<u>Global Fixed Income</u>	<u>Domestic Equity</u>	<u>Non-US Equity</u>	<u>Alternative</u>	<u>Cash Equiv.</u>	<u>Total</u>
SPY	0	0	6,760,131	0	0	0	6,760,131
Blackrock	0	0	8,273,366	0	0	0	8,273,366
Dodge & Cox	0	0	0	2,701,640	0	0	2,701,640
Grantham, Mayo	0	6,468,634	0	0	0	0	6,468,634
Artisan MC	0	0	4,178,172	0	0	0	4,178,172
Artio Int'l	0	0	0	2,642,802	0	0	2,642,802
Royce & Associates	0	0	4,537,537	0	0	0	4,537,537
State Street Global Advisors	0	0	0	1,094,016	0	0	1,094,016
Pimco Total Return Fund	10,235,938	0	0	0	0	0	10,235,938
Pioneer Strategic Income	10,041,175	0	0	0	0	0	10,041,175
Wells Capital	0	0	4,829,722	0	0	0	4,829,722
Cash & Equivalents	0	0	0	0	0	543,235	543,235
Private Equity Partners II	0	0	0	0	6,607	0	6,607
Combined Alternatives	0	0	0	0	5,942,962	0	5,942,962
<b>Total BOV Account</b>	<b>20,277,113</b>	<b>6,468,634</b>	<b>28,578,929</b>	<b>6,438,458</b>	<b>5,949,569</b>	<b>543,235</b>	<b>68,255,937</b>
<b>% of Total Fund</b>	<b>29.7%</b>	<b>9.5%</b>	<b>41.9%</b>	<b>9.4%</b>	<b>8.7%</b>	<b>0.8%</b>	

\* Values (except "Alternatives") are reflected at market as reported by SunTrust; Alternatives are reported by Wells Fargo Advisors; beginning and ending market values include accrued income on fixed income assets only. Private Equity Partners II values were reported by W&M.

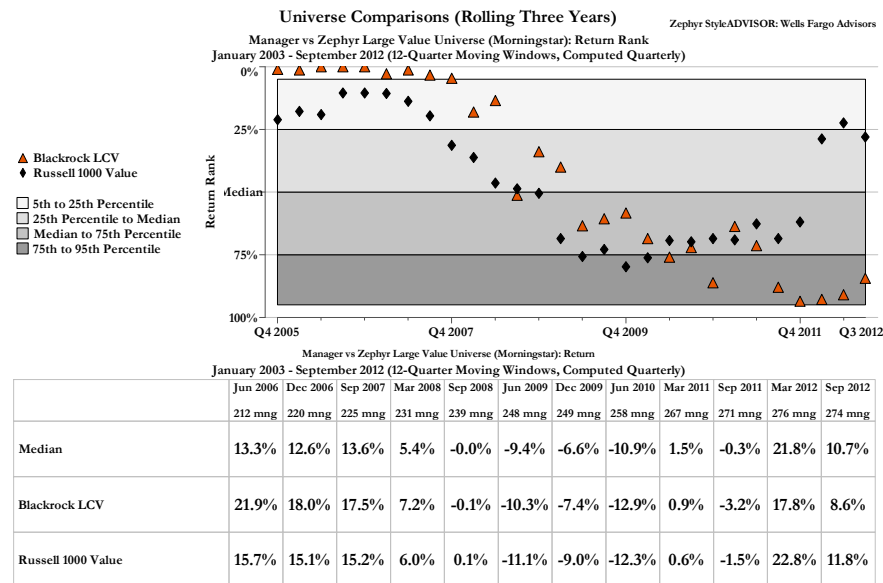
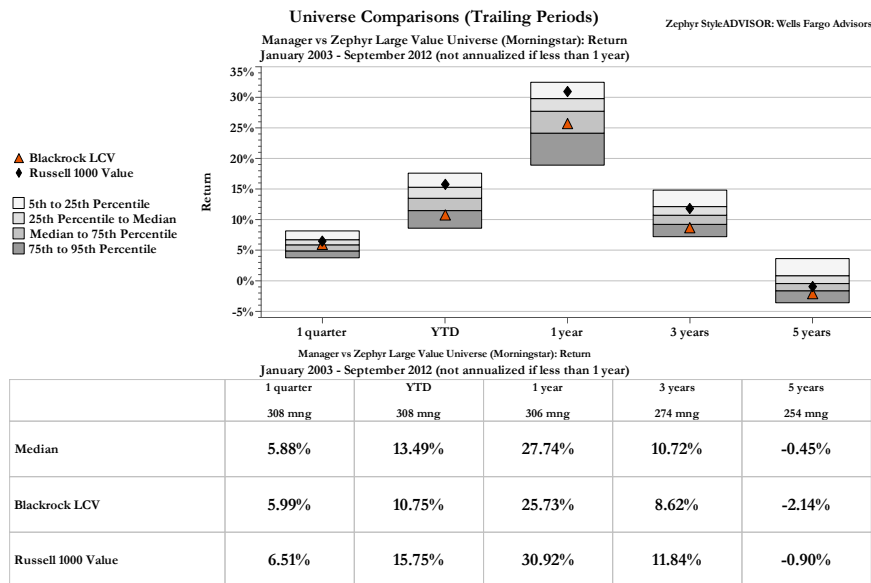
	<b>William &amp; Mary BOV Endowment</b>
<b>6/30/12 Market Value</b>	<b>65,304,433</b>
Net Additions/Withdrawals	5,875
Expenses	<u>(20,830)</u>
<i>Net Cash Flow</i>	<i>(14,956)</i>
Net Income	348,870
Net Realized Gain/(Loss)	(28,621)
Change Unrealized Gain/(Loss)	<u>2,639,602</u>
<i>Total Investment Gain/(Loss)</i>	<i>2,959,850</i>
<b>9/30/12 Market Value</b>	<b>68,249,328</b>

•All account values (excluding “Alternatives”) are reported by SunTrust; “Alternative values are reported by Wells Fargo Advisors; to comply with GIPS Performance reporting standards, beginning and ending market values include fixed income accruals.

•Ending value excludes PEP II.

## II. Equity Sector (Large-Cap Value\*)

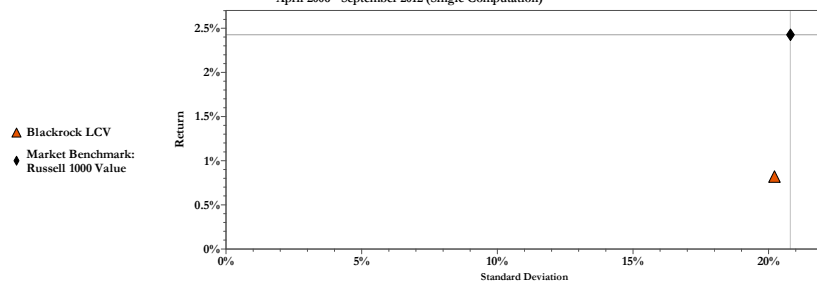
Periods Ending September 30, 2012 - Performance



\* 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.

Return/Risk (April 2006 - September 2012)  
April 2006 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

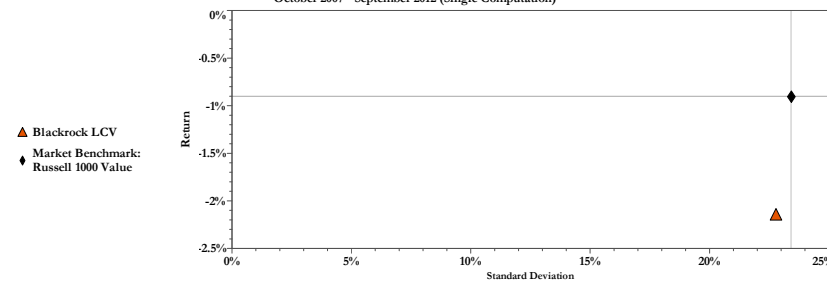


Annualized Summary Statistics: April 2006 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Obsvrs.
Blackrock LCV	0.82	20.22	0.93	-1.36	92.01	-0.04	26.00
Russell 1000 Value	2.43	20.80	1.00	0.00	100.00	0.04	26.00

Return/Risk (Five Years Ending September 2012)  
October 2007 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

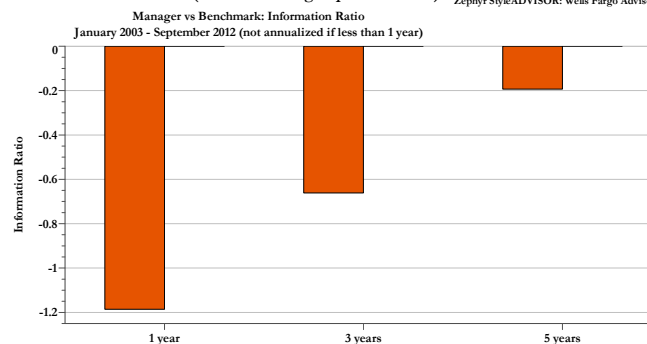


Annualized Summary Statistics: October 2007 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Obsvrs.
Blackrock LCV	-2.14	22.79	0.94	-1.23	92.52	-0.12	20.00
Russell 1000 Value	-0.90	23.42	1.00	0.00	100.00	-0.07	20.00

Information Ratio (Periods Ending September 2012)

Zephyr StyleADVISOR: Wells Fargo Advisors



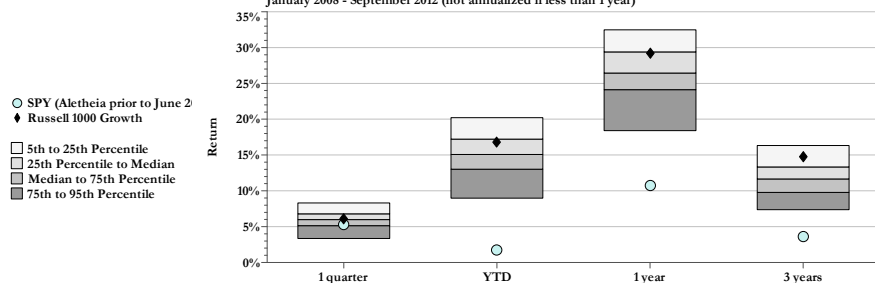
	1 year	3 years	5 years
Blackrock LCV	-1.19	-0.66	-0.19

\* 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.

## Universe Comparisons (Trailing Periods)

Manager vs Zephyr Large Growth Universe (Morningstar): Return  
January 2008 - September 2012 (not annualized if less than 1 year)

Zephyr StylcADVISOR: Wells Fargo Advisors



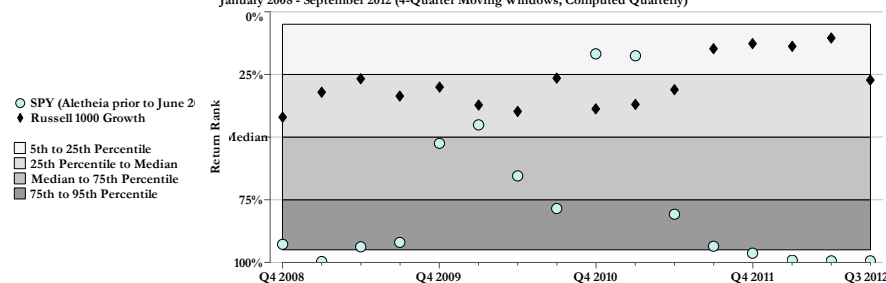
Manager vs Zephyr Large Growth Universe (Morningstar): Return  
January 2008 - September 2012 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	3 years
	609 mng	609 mng	606 mng	572 mng
Median	5.99%	15.07%	26.44%	11.65%
SPY (Aletheia prior to June 2012)	5.29%	1.72%	10.75%	3.62%
Russell 1000 Growth	6.11%	16.80%	29.19%	14.73%

## Universe Comparisons (Rolling One Year)\*

Manager vs Zephyr Large Growth Universe (Morningstar): Return Rank  
January 2008 - September 2012 (4-Quarter Moving Windows, Computed Quarterly)

Zephyr StylcADVISOR: Wells Fargo Advisors



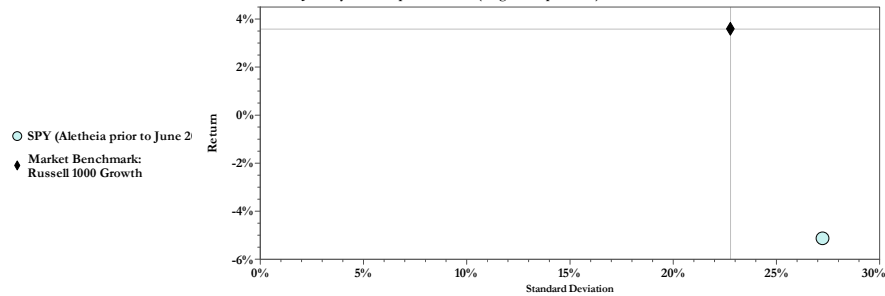
Manager vs Zephyr Large Growth Universe (Morningstar): Return  
January 2008 - September 2012 (4-Quarter Moving Windows, Computed Quarterly)

	Mar 2009	Jun 2009	Sep 2009	Mar 2010	Jun 2010	Sep 2010	Mar 2011	Jun 2011	Sep 2011	Mar 2012	Jun 2012	Sep 2012
	562 mng	569 mng	570 mng	577 mng	579 mng	585 mng	594 mng	597 mng	607 mng	612 mng	618 mng	606 mng
Median	-36.1%	-27.0%	-3.6%	47.7%	12.6%	10.2%	16.9%	32.8%	-0.5%	6.4%	0.7%	26.4%
SPY (Aletheia prior to June 2012)	-47.0%	-37.7%	-11.5%	48.5%	11.0%	7.6%	21.4%	28.0%	-6.6%	-6.4%	-13.8%	10.8%
Russell 1000 Growth	-34.3%	-24.5%	-1.9%	49.8%	13.6%	12.7%	18.3%	35.0%	3.8%	11.0%	5.8%	29.2%

\*Longer time periods are shown for illustrative purposes. Aletheia's actual performance began on 12/1/07

Return/Risk (January 2008 - September 2012)  
January 2008 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

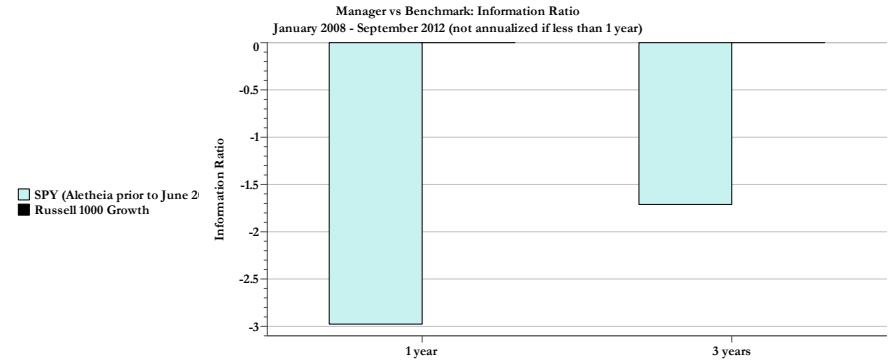


Annualized Summary Statistics: January 2008 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
SPY (Aletheia prior to June 2012)	-5.13	27.25	1.14	-8.13	91.36	-0.21	19.00
Russell 1000 Growth	3.58	22.77	1.00	0.00	100.00	0.14	19.00

Information Ratio (Periods Ending September 2012)

Zephyr StyleADVISOR: Wells Fargo Advisors



Manager vs Benchmark: Information Ratio  
January 2008 - September 2012 (not annualized if less than 1 year)

	1 year	3 years
SPY (Aletheia prior to June 2012)	-2.98	-1.71



Characteristic	Blackrock	SPDR's SPY	Combined BOV Large-Cap	S&P 500	Over/(Under) Weight
Median Cap (\$MM)	18,470	12,280	15,687	12,280	3,407
Avg Cap (\$MM)	100,990	122,281	110,564	118,730	(8,166)
Yield (%)	2.05	2.20	2.12	2.21	(0.09)
P/E Ratio	14.03	13.83	13.94	18.35	(4.41)
Price / Book	1.90	2.17	2.02	3.78	(1.76)
# of Stocks	70	502		500	

**Blackrock**

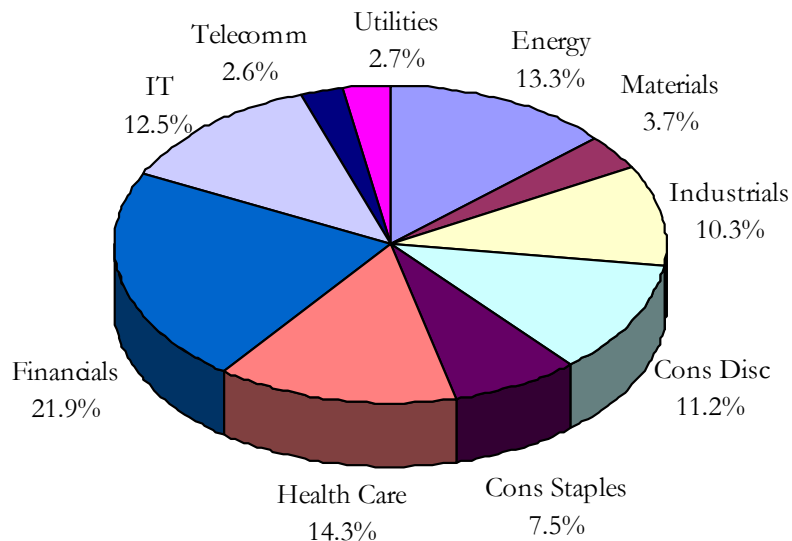
Top Ten Equity Holdings	% of Portfolio
EXXON MOBIL	5.4
CHEVRON	4.6
PFIZER	4.0
JP MORGAN CHASE	3.6
MERCK & CO	2.9
CITIGROUP	2.7
UNITEDHEALTH	2.0
MARATHON PETROLEUM	1.8
GOLDMAN SACHS	1.7
TYCO INTERNATIONAL	1.6

**SPY**

Top Ten Equity Holdings	% of Portfolio
APPLE	4.9
EXXON MOBIL	3.3
GENERAL ELECTRIC CO	1.9
CHEVRON	1.8
MICROSOFT CORP	1.7
INTERNATIONAL BUSINESS MACH	1.7
AT&T INC	1.7
GOOGLE INC	1.6
PROCTOR & GAMBLE CO	1.5
JOHNSON & JOHNSON	1.5

Data Source: Blackrock, InvestorForce

**Combined BOV Large-Cap Sector Distribution**



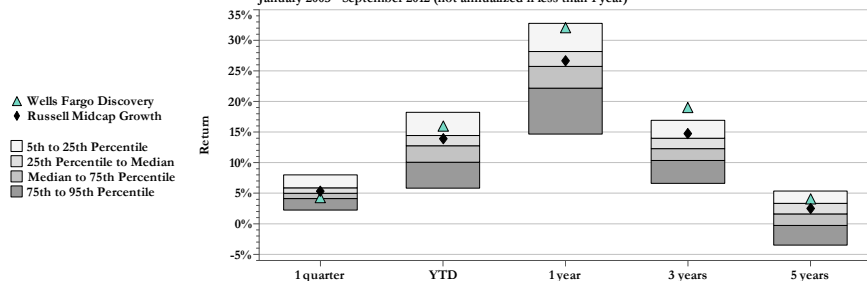
	Blackrock Weight	SPY Weight	Combined BOV Large-Cap	S&P 500 Weight	Over / (Under) Weight
Energy	14.9%	11.3%	13.3%	11.3%	2.0%
Materials	3.9%	3.5%	3.7%	3.5%	0.2%
Industrials	10.6%	9.8%	10.2%	9.8%	0.4%
Consumer Discretionary	11.4%	11.0%	11.2%	11.0%	0.2%
Consumer Staples	4.8%	10.9%	7.5%	10.9%	-3.4%
Health Care	16.1%	12.0%	14.3%	12.0%	2.3%
Financials	27.9%	14.6%	21.9%	14.6%	7.3%
Information Technology	6.2%	20.1%	12.5%	20.1%	-7.6%
Telecomm Service	2.0%	3.3%	2.6%	3.3%	-0.7%
Utilities	2.1%	3.5%	2.7%	3.5%	-0.8%

Data Source: Blackrock, InvestorForce

## Universe Comparisons (Trailing Periods)

Manager vs Zephyr Mid Growth Universe (Morningstar): Return  
January 2003 - September 2012 (not annualized if less than 1 year)

Zephyr StylcADVISOR: Wells Fargo Advisors



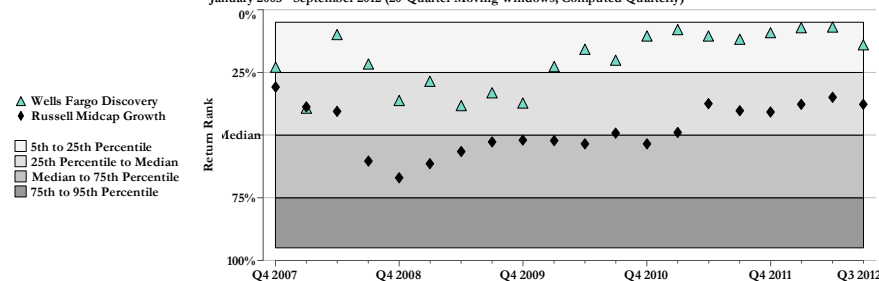
Manager vs Zephyr Mid Growth Universe (Morningstar): Return  
January 2003 - September 2012 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	3 years	5 years
	318 mng	318 mng	318 mng	288 mng	265 mng
Median	4.99%	12.76%	25.72%	12.29%	1.60%
Wells Fargo Discovery	4.28%	16.02%	32.12%	19.02%	4.06%
Russell Midcap Growth	5.35%	13.88%	26.69%	14.73%	2.54%

## Universe Comparisons (Rolling Three Years)

Manager vs Zephyr Mid Growth Universe (Morningstar): Return Rank  
January 2003 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

Zephyr StylcADVISOR: Wells Fargo Advisors



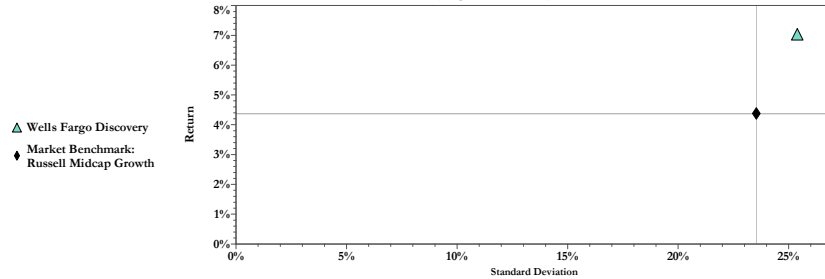
Manager vs Zephyr Mid Growth Universe (Morningstar): Return  
January 2003 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

	Mar 2008	Sep 2008	Dec 2008	Jun 2009	Dec 2009	Mar 2010	Sep 2010	Mar 2011	Jun 2011	Dec 2011	Jun 2012	Sep 2012
	217 mng	222 mng	224 mng	227 mng	236 mng	239 mng	244 mng	253 mng	259 mng	264 mng	265 mng	265 mng
Median	14.6%	7.1%	-1.2%	-0.1%	2.6%	4.4%	2.8%	4.9%	5.6%	1.9%	1.0%	1.6%
Wells Fargo Discovery	15.1%	8.9%	-0.5%	0.4%	3.1%	6.2%	4.8%	8.0%	8.8%	5.5%	4.6%	4.1%
Russell Midcap Growth	15.2%	6.5%	-2.3%	-0.4%	2.4%	4.3%	2.9%	4.9%	6.3%	2.4%	1.9%	2.5%

\* Please note that we have linked Wells' composite historical returns for periods prior to 4/1/06 with BOV actual results starting with the 2<sup>nd</sup> quarter of 2006.

Return/Risk (April 2006 - September 2012)  
April 2006 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

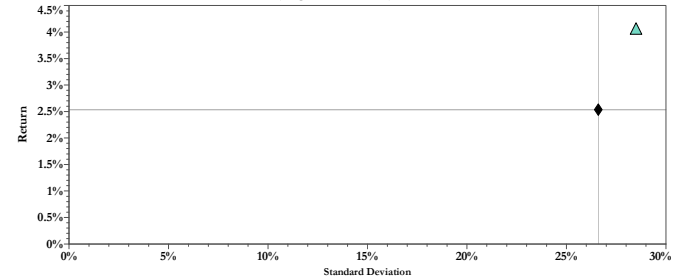


Annualized Summary Statistics: April 2006 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
Wells Fargo Discovery	7.03	25.39	1.04	2.81	92.20	0.21	26.00
Russell Midcap Growth	4.38	23.54	1.00	0.00	100.00	0.12	26.00

Return/Risk (Five Years Ending September 2012)  
October 2007 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

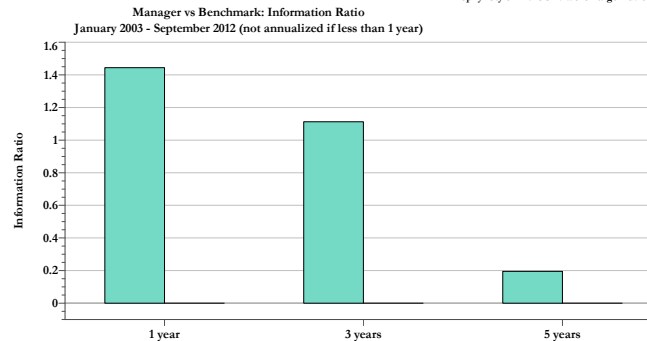


Annualized Summary Statistics: October 2007 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
Wells Fargo Discovery	4.06	28.51	1.03	1.88	92.57	0.12	20.00
Russell Midcap Growth	2.54	26.61	1.00	0.00	100.00	0.07	20.00

Information Ratio (Periods Ending September 2012)

Zephyr StyleADVISOR: Wells Fargo Advisors



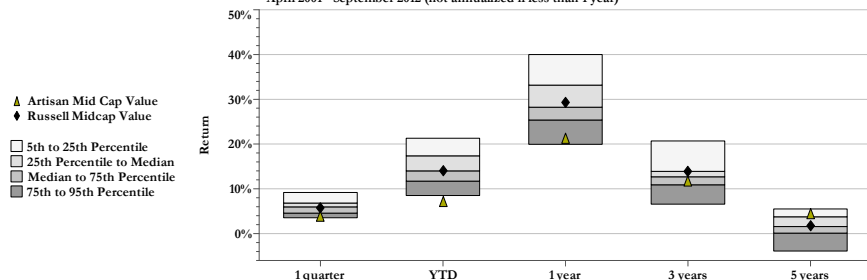
	1 year	3 years	5 years
Wells Fargo Discovery	1.44	1.11	0.20

\* Please note that we have linked Wells' composite historical returns for periods prior to 4/1/06 with BOV actual results starting with the 2<sup>nd</sup> quarter of 2006.

## Universe Comparisons (Trailing Periods)

Manager vs Zephyr Mid Value Universe (Morningstar): Return  
April 2001 - September 2012 (not annualized if less than 1 year)

Zephyr StyleADVISOR: Wells Fargo Advisors



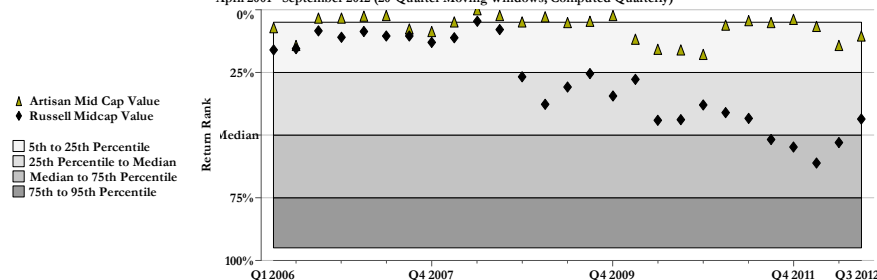
Manager vs Zephyr Mid Value Universe (Morningstar): Return  
April 2001 - September 2012 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	3 years	5 years
	59 mng	59 mng	59 mng	54 mng	49 mng
Median	5.96%	14.01%	28.23%	12.69%	1.58%
Artisan Mid Cap Value	3.94%	7.21%	21.35%	11.80%	4.47%
Russell Midcap Value	5.80%	14.03%	29.28%	13.86%	1.73%

## Universe Comparisons (Rolling Three Years)

Manager vs Zephyr Mid Value Universe (Morningstar): Return Rank  
April 2001 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

Zephyr StyleADVISOR: Wells Fargo Advisors



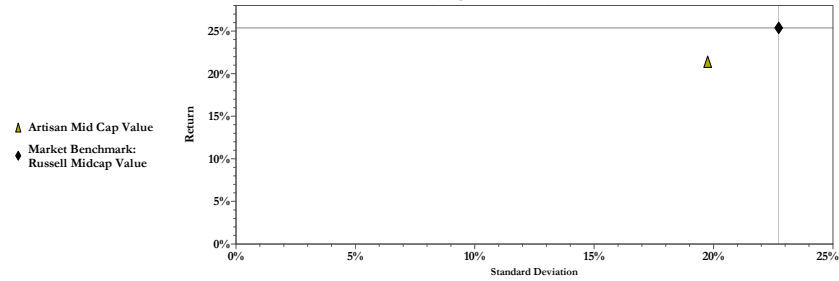
Manager vs Zephyr Mid Value Universe (Morningstar): Return  
April 2001 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

	Sep 2006	Mar 2007	Sep 2007	Mar 2008	Dec 2008	Jun 2009	Dec 2009	Jun 2010	Mar 2011	Sep 2011	Mar 2012	Sep 2012
	29 mng	30 mng	33 mng	33 mng	35 mng	38 mng	38 mng	40 mng	44 mng	46 mng	47 mng	49 mng
Median	12.3%	10.8%	17.9%	13.5%	-1.8%	-2.1%	0.6%	-0.5%	3.2%	-0.8%	1.7%	1.6%
Artisan Mid Cap Value	18.9%	16.7%	22.0%	18.0%	4.1%	4.4%	6.2%	2.9%	6.9%	3.5%	5.4%	4.5%
Russell Midcap Value	16.6%	15.2%	21.0%	16.8%	0.3%	-0.4%	2.0%	0.7%	4.0%	-0.8%	1.3%	1.7%

\* Please note that we have linked Artisan's composite historical returns for periods prior to 6/1/09 with BOV actual results starting with June 2009.

Return/Risk (June 2009 - September 2012)  
April 2009 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

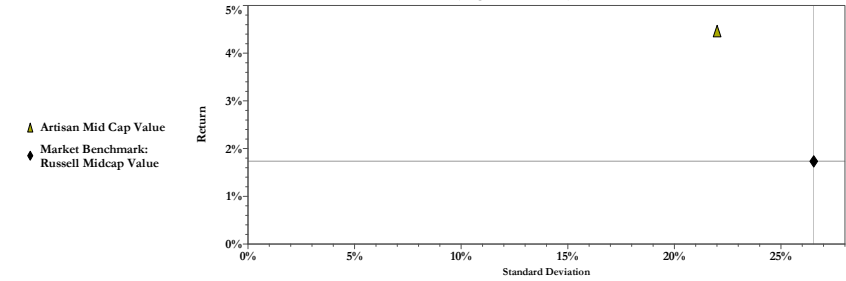


Annualized Summary Statistics: April 2009 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
Artisan Mid Cap Value	21.39	19.76	0.84	0.08	93.54	1.08	14.00
Russell Midcap Value	25.37	22.73	1.00	0.00	100.00	1.11	14.00

Return/Risk (Five Years Ending September 2012)  
October 2007 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

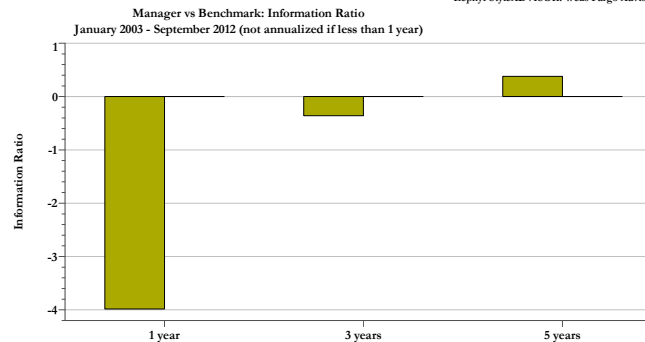


Annualized Summary Statistics: October 2007 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
Artisan Mid Cap Value	4.47	22.00	0.81	2.59	94.73	0.17	20.00
Russell Midcap Value	1.73	26.53	1.00	0.00	100.00	0.04	20.00

Information Ratio (Periods Ending September 2012)

Zephyr StyleADVISOR: Wells Fargo Advisors



Manager vs Benchmark: Information Ratio  
January 2003 - September 2012 (not annualized if less than 1 year)

	1 year	3 years	5 years
Artisan Mid Cap Value	-3.98	-0.36	0.38

\* Please note that we have linked Artisan's composite historical returns for periods prior to 6/1/09 with BOV actual results starting with June 2009.

Characteristic	Wells	Artisan	Combined BOV Mid-Cap	Russell Mid- Cap	Over/(Under) Weight
Avg Cap (\$MM)	2,980	8,200	5,401	4,270	1131
Yield (%)	0.32	0.57	0.44	1.60	(1.16)
P/E Ratio	25.23	11.53	18.88	18.88	(0.00)
Price / Book	3.90	1.60	2.83	3.16	(0.33)
5 yr EPS Growth (%)	10.83	10.60	10.72	6.44	4.28
# of Stocks	89	57	146	795	

**Wells Fargo**

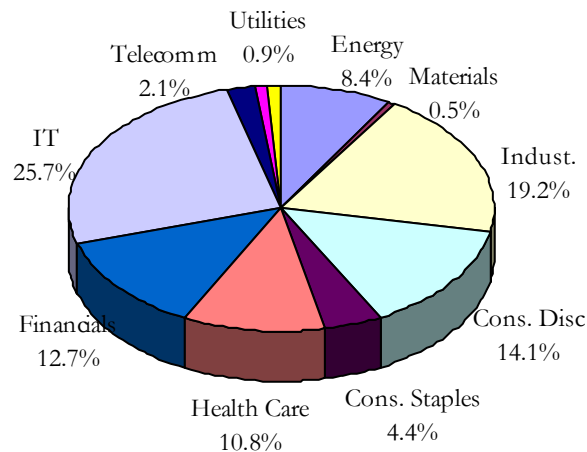
Top Ten Equity Holdings	% of Portfolio
Kansas City Southern	3.0
SBA Communications Corp	2.6
TransDigm Group Incorporated	2.5
Aspen Technologies	2.0
Alliance Data Systems	1.9
CommVault Systems Incorporated	1.9
Tibco Software	1.8
Affiliated Managers Group	1.8
BroadSoft Incorporated	1.8
GNC Holdings Incorporated	1.7

**Artisan Partners**

Top Ten Equity Holdings	% of Portfolio
Alleghany Corp	2.7
The Western Union Co	2.7
Analog Devices Inc	2.5
The Progressive Corp	2.5
Avnet Inc	2.4
The Kroger Co	2.4
Rockwell Collins Inc	2.4
The Allstate Corp	2.4
Cimarex Energy Co	2.3
Cigna Corp	2.3

Data Source: Wells Fargo, Artisan, VESTEK

### BOV Mid-Cap Sector Distribution



	Wells Fargo Weight	Artisan Weight	Combined BOV Mid-Cap	Russ Mid-Cap Weight	Over / (Under) Weight
Energy	5.0	12.3	8.4	6.7	1.7
Materials	1.0	0.0	0.5	6.2	(5.6)
Industrials	19.0	19.5	19.2	11.9	7.3
Consumer Discretionary	19.0	8.5	14.1	15.6	(1.5)
Consumer Staples	5.0	3.6	4.4	6.2	(1.8)
Health Care	16.0	4.8	10.8	9.7	1.1
Financials	5.0	21.6	12.7	19.1	(6.4)
Information Technology	24.0	27.7	25.7	13.3	12.4
Telecomm Service	4.0	0.0	2.1	1.6	0.5
Utilities	0.0	2.0	0.9	5.9	(5.0)

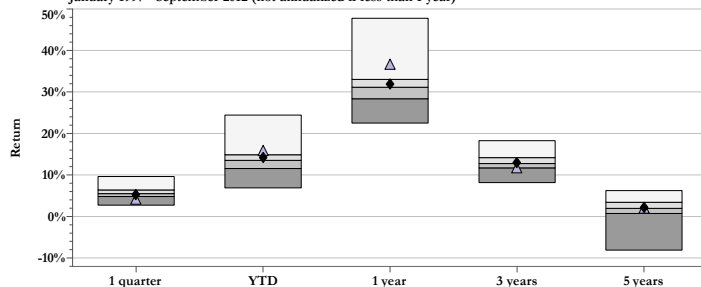
Data Source: Wells Fargo, Artisan, VESTEK



## Universe Comparisons (Trailing Periods)

Manager vs Zephyr Small Core Universe (Morningstar): Return  
January 1997 - September 2012 (not annualized if less than 1 year)

Zephyr StyleADVISOR: Wells Fargo Advisors



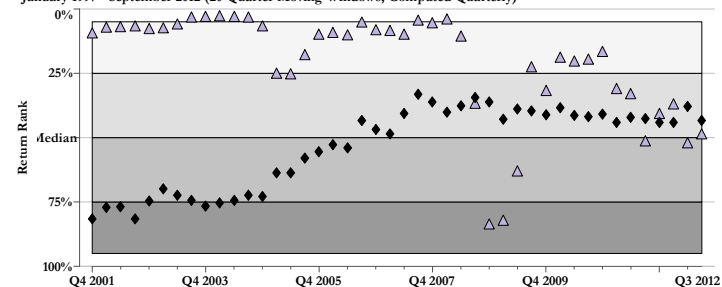
Manager vs Zephyr Small Core Universe (Morningstar): Return  
January 1997 - September 2012 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	3 years	5 years
	126 mng	126 mng	126 mng	118 mng	104 mng
Median	5.51%	13.52%	31.14%	12.77%	1.94%
Royce Opportunity	4.24%	15.96%	36.67%	11.70%	1.99%
Russell 2000	5.25%	14.23%	31.91%	12.99%	2.21%

## Universe Comparisons (Rolling Three Years)

Manager vs Zephyr Small Core Universe (Morningstar): Return Rank  
January 1997 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

Zephyr StyleADVISOR: Wells Fargo Advisors

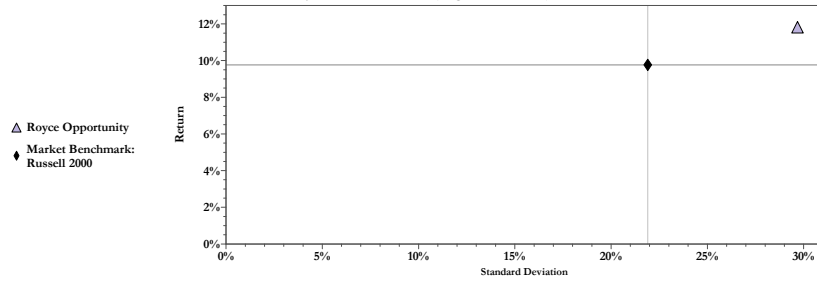


Manager vs Zephyr Small Core Universe (Morningstar): Return  
January 1997 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

	Sep 2002	Sep 2003	Sep 2004	Jun 2005	Jun 2006	Jun 2007	Mar 2008	Mar 2009	Mar 2010	Dec 2010	Dec 2011	Sep 2012
	43 mng	50 mng	56 mng	61 mng	68 mng	75 mng	80 mng	86 mng	91 mng	94 mng	100 mng	104 mng
Median	0.1%	10.1%	10.7%	7.9%	8.9%	13.5%	14.4%	-5.7%	2.9%	4.2%	-0.2%	1.9%
Royce Opportunity	6.8%	22.2%	19.0%	14.2%	13.8%	18.1%	19.1%	-8.5%	4.9%	6.6%	0.2%	2.0%
Russell 2000	-3.2%	7.5%	7.4%	5.7%	8.5%	13.9%	14.9%	-5.2%	3.4%	4.5%	0.2%	2.2%

Return/Risk (January 2003 - September 2012)  
January 2003 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

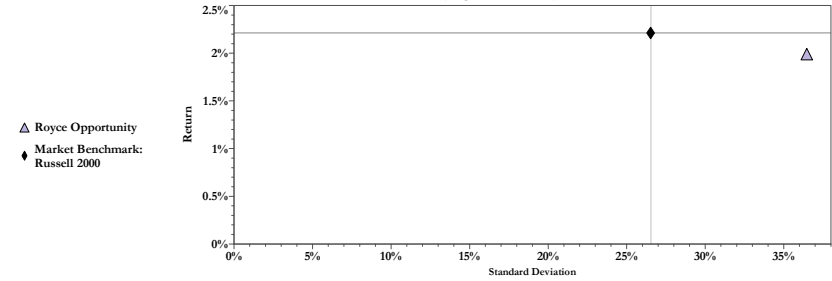


Annualized Summary Statistics: January 2003 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Obsvrs.
Royce Opportunity	11.81	29.69	1.33	-0.01	95.64	0.34	39.00
Russell 2000	9.77	21.90	1.00	0.00	100.00	0.37	39.00

Return/Risk (Five Years Ending September 2012)  
October 2007 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

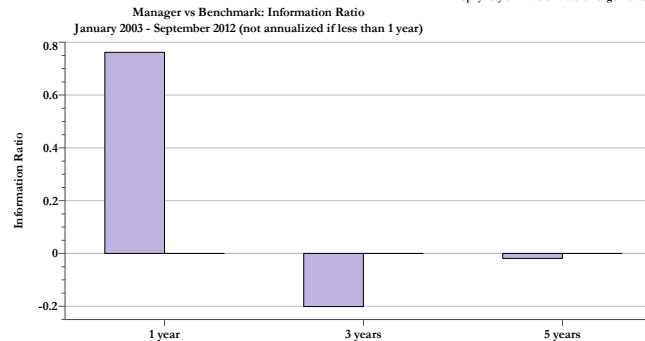


Annualized Summary Statistics: October 2007 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Obsvrs.
Royce Opportunity	1.99	36.48	1.35	0.83	95.82	0.04	20.00
Russell 2000	2.21	26.54	1.00	0.00	100.00	0.06	20.00

Information Ratio (Periods Ending September 2012)

Zephyr StyleADVISOR: Wells Fargo Advisors



Manager vs Benchmark: Information Ratio  
January 2003 - September 2012 (not annualized if less than 1 year)

	1 year	3 years	5 years
Royce Opportunity	0.76	-0.20	-0.02

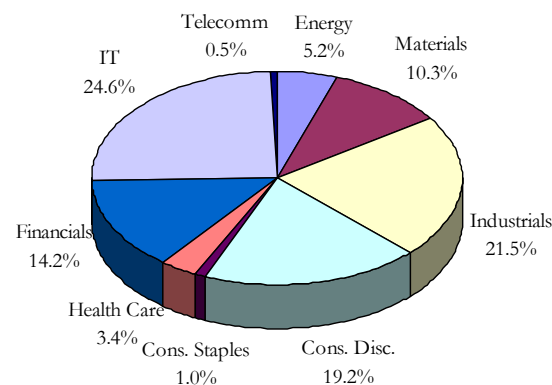
**Royce**

Top Ten Equity Holdings	% of Portfolio
Apogee Enterprises	0.8%
Jones Group	0.8%
Trex Company	0.8%
Kaiser Aluminum	0.7%
Unifi	0.7%
Cambrex Corporation	0.7%
Quanex Building	0.7%
TRC Companies	0.7%
PolyOne Corporation	0.7%
LaSalle Hotel Properties	0.7%

Characteristic	Royce	Russell 2000
Average Capitalization (\$MM)	608	1,280
Yield	0.0	1.3
P/E Ratio	14.0	15.2
Price/Book	1.2	2.8
# Holdings	312	1975

Sector Allocation	% of Portfolio	Russell 2000	Difference
Energy	4.9	6.1	(1.2)
Materials	9.7	5.0	4.7
Industrials	20.2	14.7	5.5
Consumer Discretionary	18.0	13.9	4.1
Consumer Staples	0.9	3.6	(2.7)
Health Care	3.2	13.4	(10.2)
Financials	13.3	21.7	(8.4)
Information Technology	23.1	17.1	6.0
Telecomm Service	0.5	0.8	(0.3)
Utilities	0.0	3.6	(3.6)

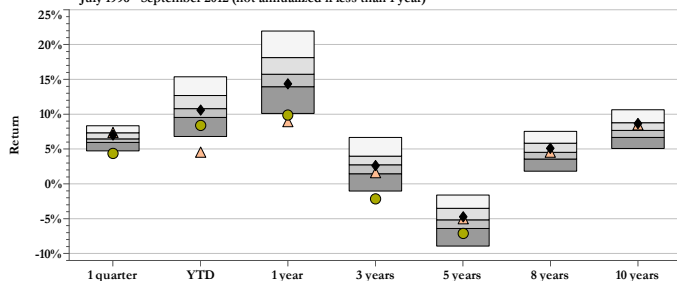
**Sector Distribution**



\* Source: Royce, VESTEK

**Universe Comparisons (Trailing Periods)**  
Manager vs Morningstar Foreign Large Blend: Return  
July 1996 - September 2012 (not annualized if less than 1 year)

Zephyr StyleADVISOR: Wells Fargo Advisors

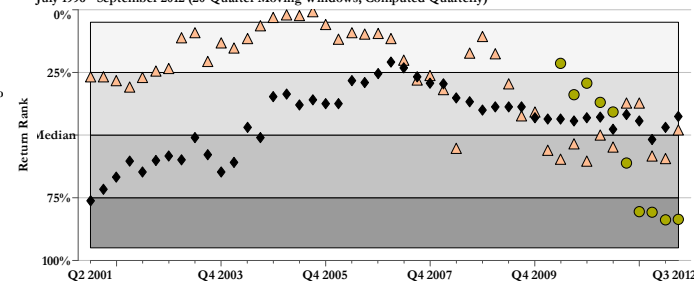


Manager vs Morningstar Foreign Large Blend: Return  
July 1996 - September 2012 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	3 years	5 years	8 years	10 years
	851 mng	840 mng	838 mng	798 mng	708 mng	563 mng	519 mng
Median	6.45%	10.80%	15.74%	2.73%	-5.16%	4.52%	7.68%
Dodge & Cox (Delaware prior to Feb)	7.41%	4.57%	8.97%	1.60%	-5.04%	4.51%	8.47%
Artio International Equity	4.33%	8.38%	9.83%	-2.20%	-7.10%	N/A	N/A
MSCI EAFE Index	6.98%	10.59%	14.33%	2.59%	-4.77%	5.06%	8.69%

**Universe Comparisons (Rolling Three Years)**  
Manager vs Morningstar Foreign Large Blend: Return Rank  
July 1996 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

Zephyr StyleADVISOR: Wells Fargo Advisors



Manager vs Morningstar Foreign Large Blend: Return  
July 1996 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

	Mar 2002	Mar 2003	Mar 2004	Mar 2005	Mar 2006	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Sep 2012
	310 mng	356 mng	394 mng	424 mng	472 mng	515 mng	526 mng	551 mng	571 mng	616 mng	671 mng	708 mng
Median	2.5%	-6.4%	1.4%	-1.9%	9.3%	14.0%	20.9%	1.6%	3.6%	2.6%	-4.5%	-5.2%
Dodge & Cox (Delaware prior to Feb)	4.6%	-2.0%	6.3%	8.4%	12.9%	17.6%	22.4%	4.1%	4.1%	2.1%	-3.8%	-5.0%
Artio International Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.9%	-6.0%	-7.1%
MSCI EAFE Index	1.6%	-6.9%	0.8%	-0.8%	10.0%	15.4%	22.1%	2.1%	4.0%	2.9%	-4.3%	-4.8%

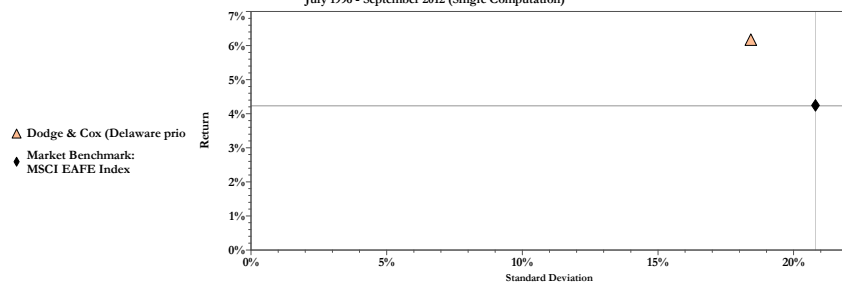
\* Please note that we have linked Artio's composite historical returns for periods prior to 6/1/09 with BOV actual results starting with June 2009.

# Equity Sector (International Developed)

## Periods Ending September 30, 2012– Risk Measures

Return/Risk (July 1996 - September 2012)  
July 1996 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

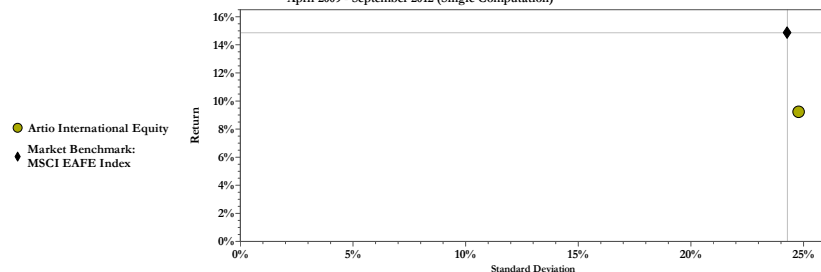


Annualized Summary Statistics: July 1996 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
Dodge & Cox (Delaware prior to Feb	6.18	18.43	0.84	2.47	88.91	0.18	65.00
MSCI EAFE Index	4.24	20.80	1.00	0.00	100.00	0.07	65.00

Return/Risk (June 2009 - September 2012)  
April 2009 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

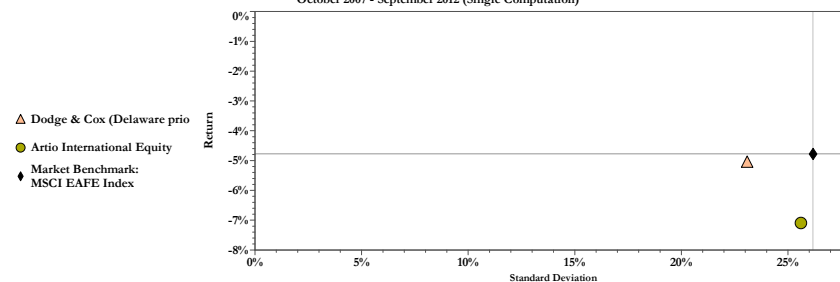


Annualized Summary Statistics: April 2009 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
Artio International Equity	9.22	24.79	1.01	-5.03	97.87	0.37	14.00
MSCI EAFE Index	14.86	24.29	1.00	0.00	100.00	0.61	14.00

Return/Risk (Five Years Ending September 2012)  
October 2007 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

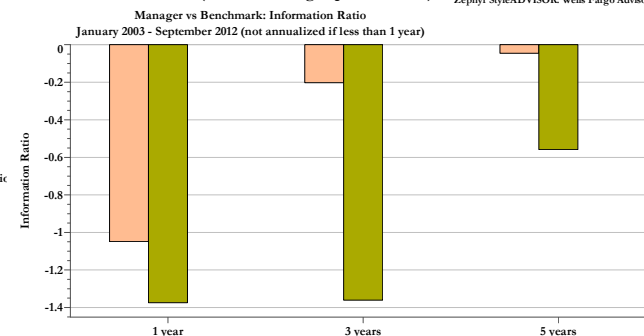


Annualized Summary Statistics: October 2007 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
Dodge & Cox (Delaware prior to Feb	-5.04	23.08	0.86	-1.23	95.86	-0.25	20.00
Artio International Equity	-7.10	25.62	0.97	-2.54	97.47	-0.30	20.00
MSCI EAFE Index	-4.77	26.17	1.00	0.00	100.00	-0.21	20.00

Information Ratio (Periods Ending September 2012)

Zephyr StyleADVISOR: Wells Fargo Advisors



Manager vs Benchmark: Information Ratio  
January 2003 - September 2012 (not annualized if less than 1 year)

	1 year	3 years	5 years
Dodge & Cox (Delaware prior to Feb	-1.05	-0.20	-0.05
Artio International Equity	-1.37	-1.36	-0.56

### Characteristics

Characteristic	Dodge & Cox	Artio	Combined BOV Intl	MSCI EAFE	Over/Under Weight
Avg. Capitalization (\$MM)	59,000	64,690	61,814	50,250	11,564
Price/Book Ratio (x)	1.0	1.6	1.3	2.4	(1.1)
P/E Ratio (x)	10.2	12.7	11.5	15.0	(3.6)
Dividend Yield (%)	2.1	3.4	2.7	3.5	(0.8)
# of Holdings	90	178	268	920	(652)

### Sector Distribution

Sector	Dodge & Cox	Artio	Combined BOV Weight	EAFE Weight	Over / (Under)
Consumer Discret.	13.1	13.0	13.0	10.1	2.9
Consumer Staples	2.6	11.7	7.1	12.0	(4.9)
Energy	6.2	7.9	7.0	8.3	(1.3)
Financials	24.0	16.1	20.1	23.5	(3.4)
Health Care	15.9	14.2	15.1	10.3	4.8
Industrials	8.5	8.3	8.4	12.4	(4.0)
Info. Technology	10.9	4.0	7.5	4.3	3.2
Materials	8.0	7.8	7.9	9.6	(1.7)
Telecomm	9.8	6.9	8.3	5.4	2.9
Utilities	0.0	4.5	2.2	4.1	(1.9)

### Dodge & Cox Top Ten

Top Ten Equity Holdings	% of Portfolio
Naspers, Ltd.	4.1
Sanofi	3.6
Roche Holding AG	3.5
GlaxoSmithKline	3.1
Lafarge SA	3.0
Vodafone Group	3.0
Bayer AG	2.9
Koninklijke Philips Electronics	2.8
Novartis AG	2.8
HSBC Holdings	2.7

### Artio Top Ten

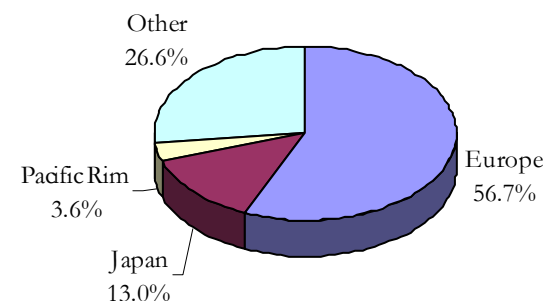
Top Ten Equity Holdings	% of Portfolio
Novartis AG	2.9
Royal Dutch Shell	2.4
Diageo PLC	2.3
Sanofi	2.2
GlaxoSmithKline PLC	2.2
Vodafone Group	2.2
Nestle SA	2.0
Roche Holding	1.9
Suncor Energy	1.7
Fresenius SE	1.7

Data Source: Delaware, Artio, MSCI EAFE

### Country Distribution

Country	Dodge & Cox Weight	Artio Weight	Combined BOV Weight	EAFE Weight	Over / (Under)
Australia	1.5	2.4	2.0	8.7	(6.7)
Austria	0.7	0.0	0.3	0.3	0.0
Belgium	0.0	0.0	0.0	1.1	(1.1)
Denmark	0.0	1.2	0.6	1.1	(0.5)
Finland	0.9	0.4	0.7	0.7	(0.0)
France	9.6	8.3	9.0	9.2	(0.2)
Germany	7.1	9.4	8.3	8.0	0.3
Greece	0.0	0.0	0.0	0.1	(0.1)
Hong Kong	1.7	1.6	1.7	3.0	(1.3)
Ireland	0.0	0.8	0.4	0.3	0.1
Italy	2.4	0.4	1.4	2.2	(0.8)
Japan	11.3	14.7	13.0	21.8	(8.8)
Netherlands	4.7	2.5	3.6	2.4	1.2
New Zealand	0.0	0.0	0.0	0.1	(0.1)
Norway	0.4	0.0	0.2	0.9	(0.7)
Portugal	0.0	0.0	0.0	0.2	(0.2)
Singapore/Malaysia	0.0	0.0	0.0	1.9	(1.9)
Spain	1.2	0.8	1.0	2.7	(1.7)
Sweden	1.5	1.2	1.4	3.1	(1.7)
Switzerland	13.1	10.6	11.9	8.5	3.4
United Kingdom	17.1	18.9	18.0	23.2	(5.2)
Other	26.6	26.7	26.6	0.5	26.1

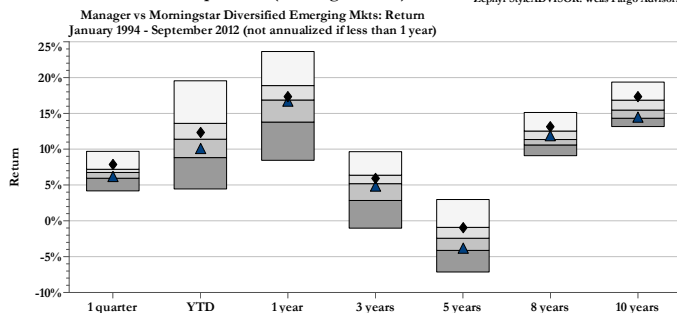
### Regional Distribution BOV Developed International



Data Source: Delaware, Artio, MSCI EAFE

## Universe Comparisons (Trailing Periods)

Zephyr StylcADVISOR: Wells Fargo Advisors

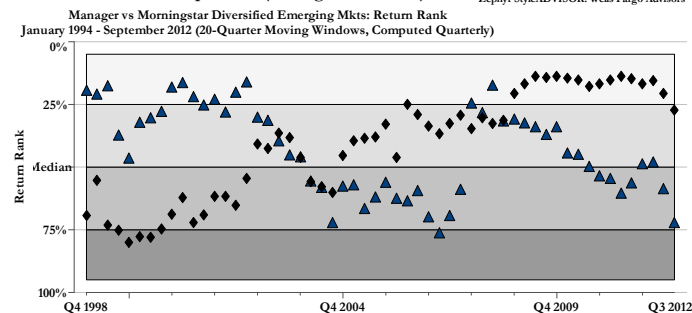


Manager vs Morningstar Diversified Emerging Mkts: Return  
January 1994 - September 2012 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	3 years	5 years	8 years	10 years
	613 mng	584 mng	540 mng	401 mng	307 mng	237 mng	224 mng
Median	6.75%	11.40%	16.88%	5.18%	-2.43%	11.36%	15.47%
SSGA - Emg Mkts	6.19%	10.12%	16.74%	4.88%	-3.83%	11.87%	14.44%
MSCI EMERGING MARKETS	7.89%	12.33%	17.33%	5.96%	-0.98%	13.14%	17.37%

## Universe Comparisons (Rolling Three Years)

Zephyr StylcADVISOR: Wells Fargo Advisors



Manager vs Morningstar Diversified Emerging Mkts: Return  
January 1994 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

	Dec 1999	Mar 2001	Jun 2002	Jun 2003	Sep 2004	Dec 2005	Dec 2006	Mar 2008	Jun 2009	Jun 2010	Sep 2011	Sep 2012
	81 mng	102 mng	152 mng	188 mng	207 mng	232 mng	232 mng	233 mng	245 mng	259 mng	289 mng	307 mng
Median	5.1%	-4.7%	-7.0%	0.4%	6.7%	18.5%	26.2%	34.7%	12.9%	10.7%	2.9%	-2.4%
SSGA - Emg Mkts	5.6%	-1.3%	-4.7%	1.8%	5.3%	18.3%	24.8%	36.1%	13.7%	11.1%	2.8%	-3.8%
MSCI EMERGING MARKETS	2.0%	-6.4%	-8.4%	2.5%	6.0%	19.4%	27.0%	36.0%	15.1%	13.1%	5.2%	-1.0%

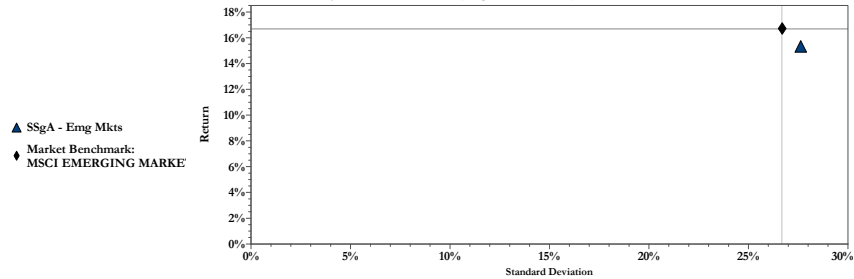


# Equity Sector (Emerging Markets)

## Periods Ending September 30, 2012– Risk Measures

Return/Risk (January 2003 - September 2012)  
January 2003 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

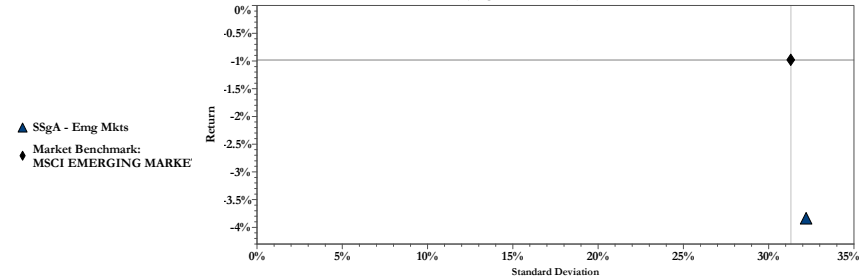


Annualized Summary Statistics: January 2003 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Obsvrs.
SSgA - Emg Mkts	15.33	27.62	1.03	-1.48	99.23	0.49	39.00
MSCI EMERGING MARKETS	16.70	26.68	1.00	0.00	100.00	0.56	39.00

Return/Risk (Five Years Ending September 2012)  
October 2007 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

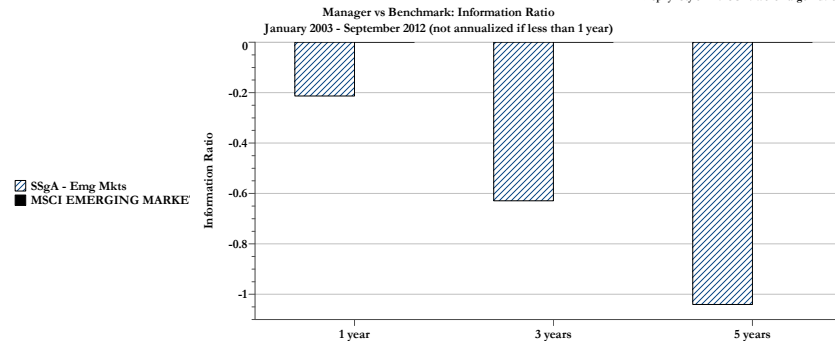


Annualized Summary Statistics: October 2007 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Obsvrs.
SSgA - Emg Mkts	-3.83	32.19	1.02	-2.56	99.33	-0.14	20.00
MSCI EMERGING MARKETS	-0.98	31.30	1.00	0.00	100.00	-0.05	20.00

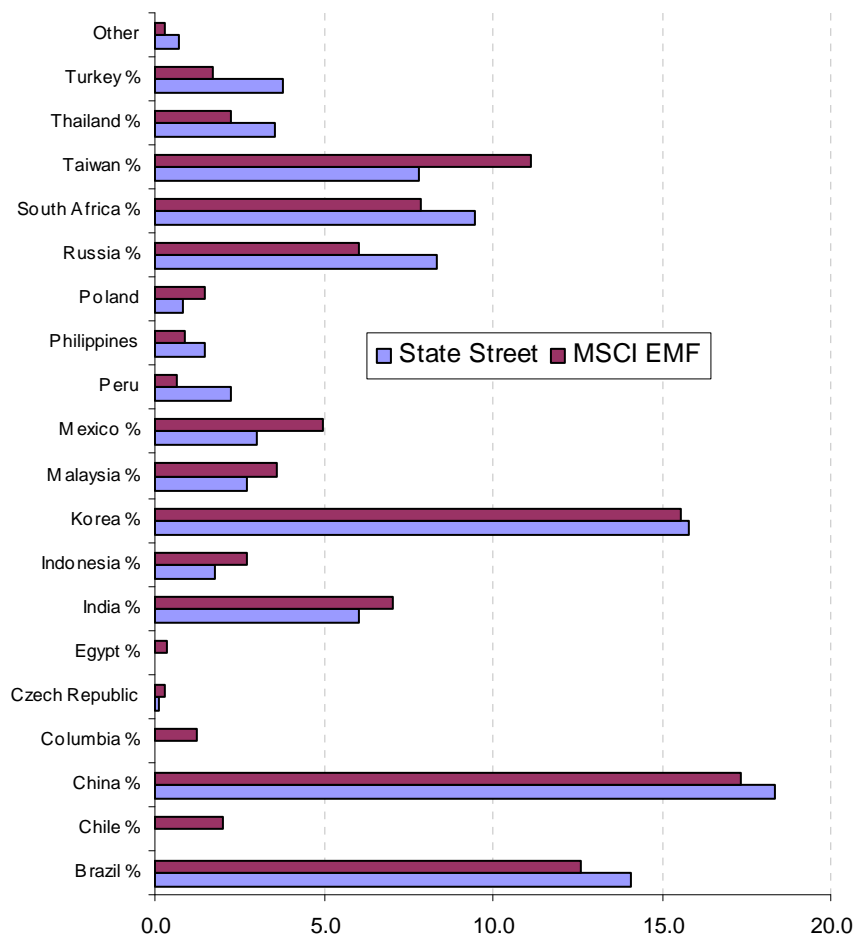
Information Ratio (Periods Ending September 2012)

Zephyr StyleADVISOR: Wells Fargo Advisors



	1 year	3 years	5 years
SSgA - Emg Mkts	-0.21	-0.63	-1.04

## Country Distribution



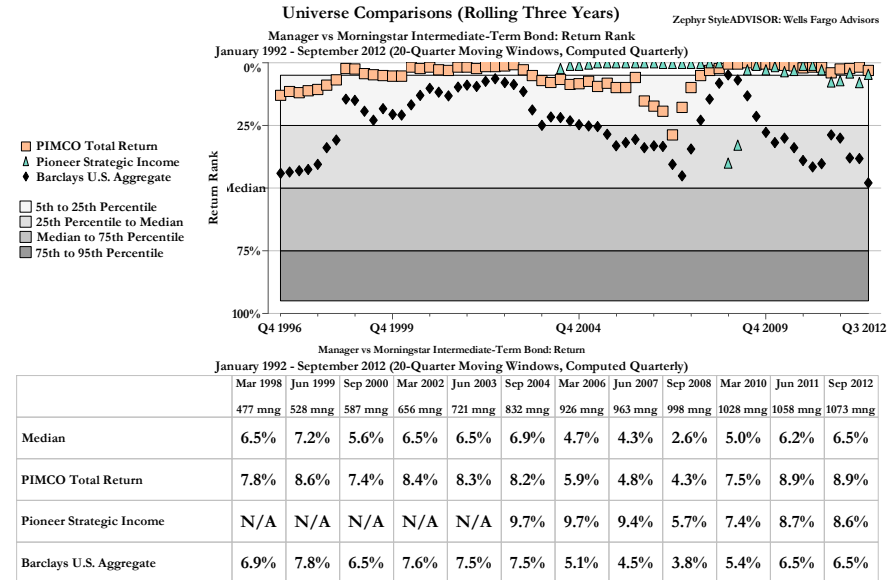
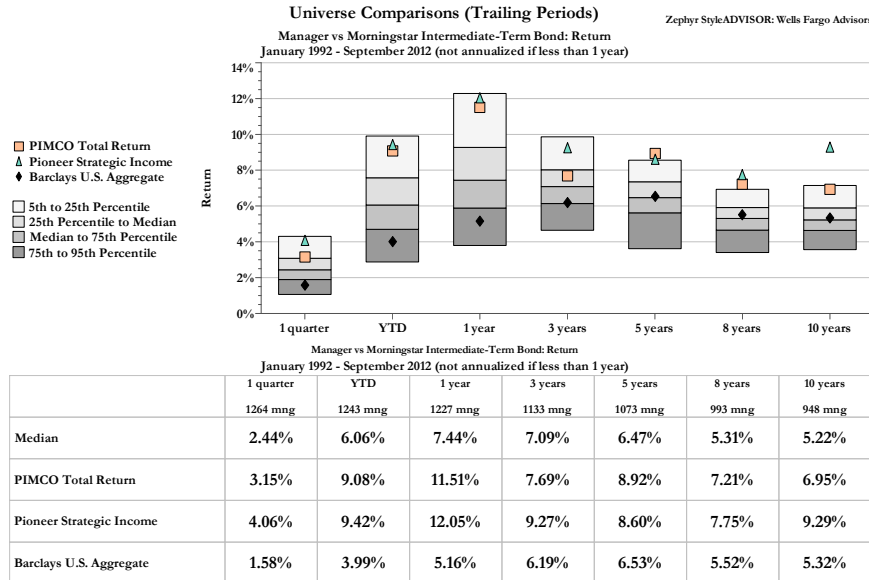
## Top Ten

Top Ten Equity Holdings	% of Portfolio
SAMSUNG ELECTRONICS CO LTD	4.3%
VALE SA-SP ADR	2.5%
GAZPROM OAO-SPON ADR	2.2%
CHINA MOBILE LTD	2.2%
HYUNDAI MOTOR CO	2.0%
TAIWAN SEMICONDUCTOR MANUFAC	1.8%
COMPANHIA DE BEBIDAS-PRF ADR	1.3%
SBERBANK	1.3%
LUKOIL OAO	1.3%
TENCENT HOLDINGS LTD	1.3%

Data Source: State Street, MSCI

# III. Fixed Income Sector (US Bonds)

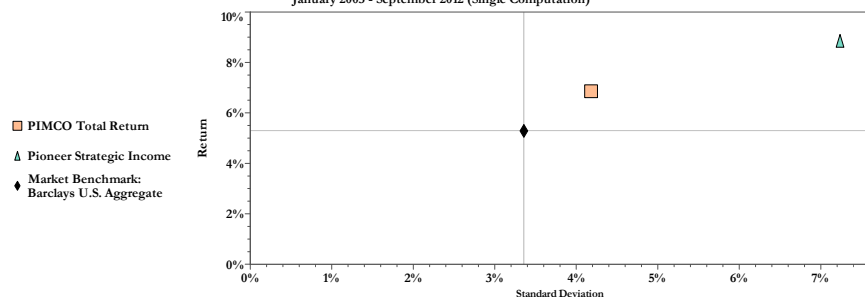
## Periods Ending September 30, 2012- Performance



\*Longer time periods are shown for illustrative purposes.  
 PIMCO Total Return Fund and Pioneer Strategic Income  
 Fund actual performance began on 11/3/09.

Return/Risk (January 2003 - September 2012)  
January 2003 - September 2012 (Single Computation)

Zephyr StykADVISOR: Wells Fargo Advisors

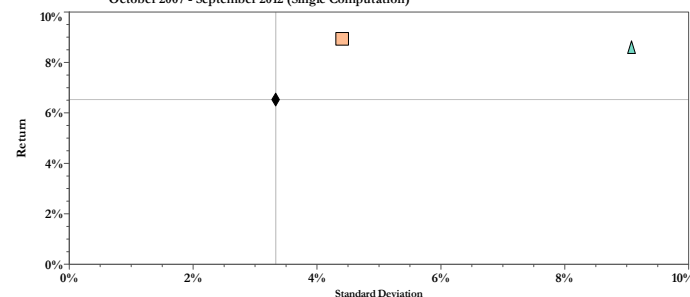


Annualized Summary Statistics: January 2003 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
PIMCO Total Return	6.87	4.18	0.99	1.57	63.90	1.23	39.00
Pioneer Strategic Income	8.87	7.24	0.36	7.11	2.85	0.99	39.00
Barclays U.S. Aggregate	5.30	3.36	1.00	0.00	100.00	1.06	39.00

Return/Risk (Five Years Ending September 2012)  
October 2007 - September 2012 (Single Computation)

Zephyr StykADVISOR: Wells Fargo Advisors



Annualized Summary Statistics: October 2007 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
PIMCO Total Return	8.92	4.41	0.86	3.22	42.69	1.88	20.00
Pioneer Strategic Income	8.60	9.08	-0.19	10.33	0.50	0.88	20.00
Barclays U.S. Aggregate	6.53	3.34	1.00	0.00	100.00	1.77	20.00

\*Longer time periods are shown for illustrative purposes. PIMCO Total Return Fund and Pioneer Strategic Income Fund actual performance began on 11/3/09.

As of September 30, 2012

	PIMCO Total Return	Pioneer Strategic Income	Fixed Combined	Barclays Aggregate	Over/(Under) Weight
Modified Adj. Duration	4.02	4.13	4.08	4.85	(0.8)
Average Maturity	5.93	10.11	8.04	6.73	1.3

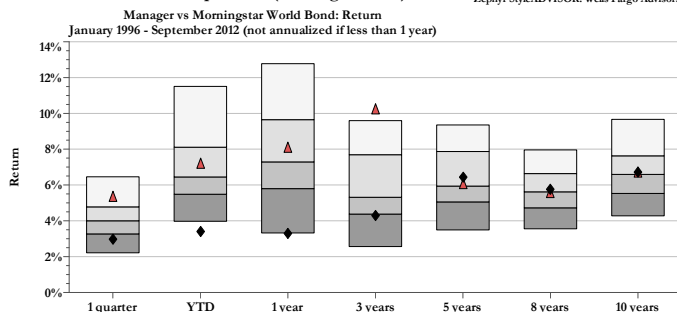
### Sector Distribution

Sector Allocation	PIMCO Total Return	Pioneer Strategic Income	Fixed Combined	Barclays Aggregate	Over/(Under) Weight
U.S. Treasury/Agency	23.0	2.4	12.6	42.6	(30.0)
Corporate	14.0	55.3	34.8	25.2	9.6
Mortgage	49.0	10.7	29.7	31.9	(2.2)
Asset-Backed	0.0	4.9	2.5	0.3	2.2
Other	20.0	24.7	22.4	0.0	22.4
Cash & Equivalents	(6.0)	2.0	(2.0)	0.0	(2.0)

Data Source: PIMCO, Pioneer, Barclays

### Universe Comparisons (Trailing Periods)

Zephyr StyleADVISOR: Wells Fargo Advisors

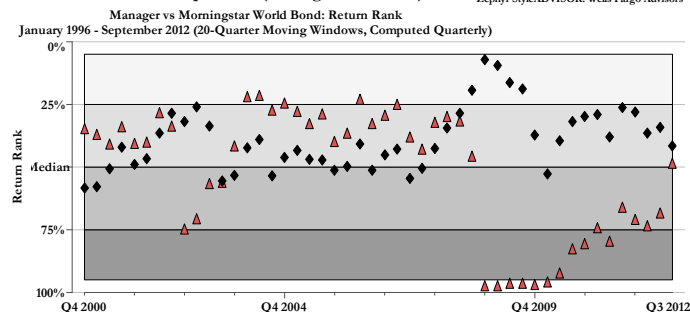


Manager vs Morningstar World Bond: Return  
January 1996 - September 2012 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	3 years	5 years	8 years	10 years
	367 mng	341 mng	331 mng	288 mng	236 mng	191 mng	184 mng
Median	4.00%	6.45%	7.29%	5.32%	5.94%	5.61%	6.59%
GMO Global Bond	5.36%	7.21%	8.13%	10.25%	6.06%	5.58%	6.73%
Citi World Govt Bond Index	2.99%	3.41%	3.29%	4.29%	6.45%	5.76%	6.71%

### Universe Comparisons (Rolling Three Years)

Zephyr StyleADVISOR: Wells Fargo Advisors

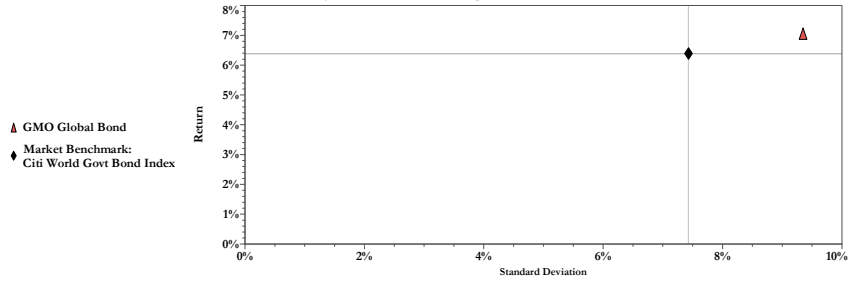


Manager vs Morningstar World Bond: Return  
January 1996 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

	Sep 2001	Sep 2002	Sep 2003	Sep 2004	Sep 2005	Sep 2006	Sep 2007	Sep 2008	Sep 2009	Sep 2010	Sep 2011	Sep 2012
	169 mng	174 mng	179 mng	181 mng	185 mng	185 mng	185 mng	185 mng	192 mng	195 mng	221 mng	236 mng
Median	3.0%	3.5%	5.7%	7.0%	8.1%	7.4%	7.0%	3.9%	5.7%	6.3%	6.2%	5.9%
GMO Global Bond	4.3%	4.7%	5.4%	8.1%	9.3%	8.5%	7.4%	4.0%	2.9%	5.2%	5.8%	6.1%
Citi World Govt Bond Index	3.3%	4.9%	5.4%	6.7%	8.2%	7.3%	7.0%	5.3%	6.6%	7.0%	7.5%	6.5%

Return/Risk (January 2003 - September 2012)  
January 2003 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

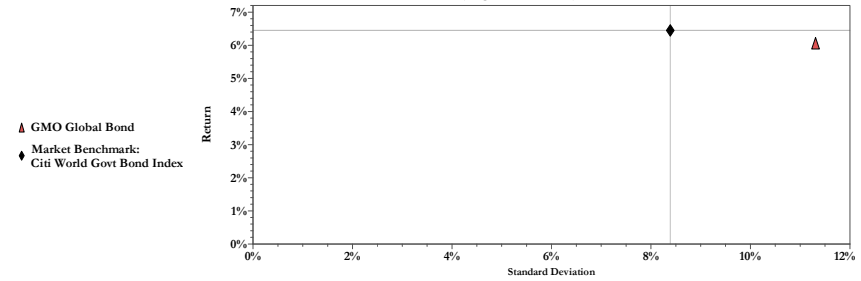


Annualized Summary Statistics: January 2003 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
GMO Global Bond	7.06	9.35	0.67	2.96	28.71	0.57	39.00
Citi World Govt Bond Index	6.39	7.43	1.00	0.00	100.00	0.63	39.00

Return/Risk (Five Years Ending September 2012)  
October 2007 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

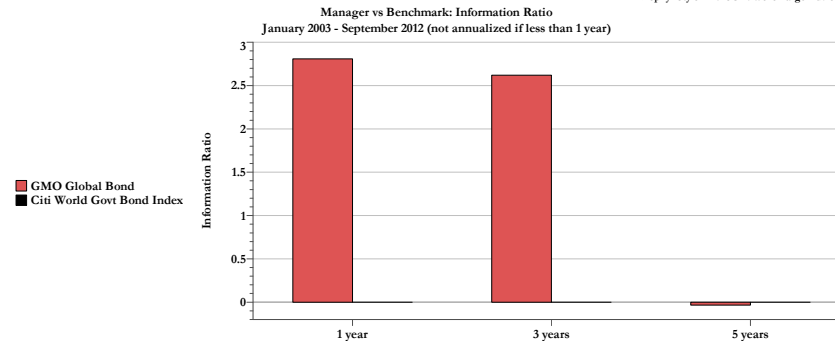


Annualized Summary Statistics: October 2007 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Observs.
GMO Global Bond	6.06	11.31	0.50	3.30	13.52	0.48	20.00
Citi World Govt Bond Index	6.45	8.39	1.00	0.00	100.00	0.69	20.00

Information Ratio (Periods Ending September 2012)

Zephyr StyleADVISOR: Wells Fargo Advisors



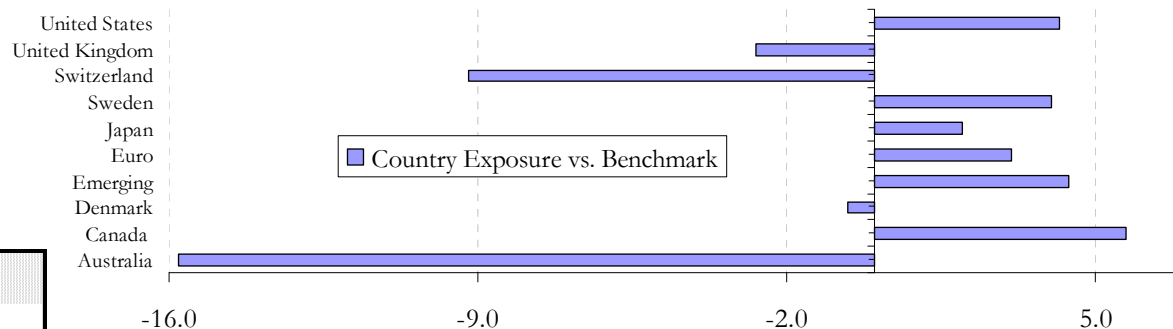
Manager vs Benchmark: Information Ratio  
January 2003 - September 2012 (not annualized if less than 1 year)

	1 year	3 years	5 years
GMO Global Bond	2.81	2.62	-0.03

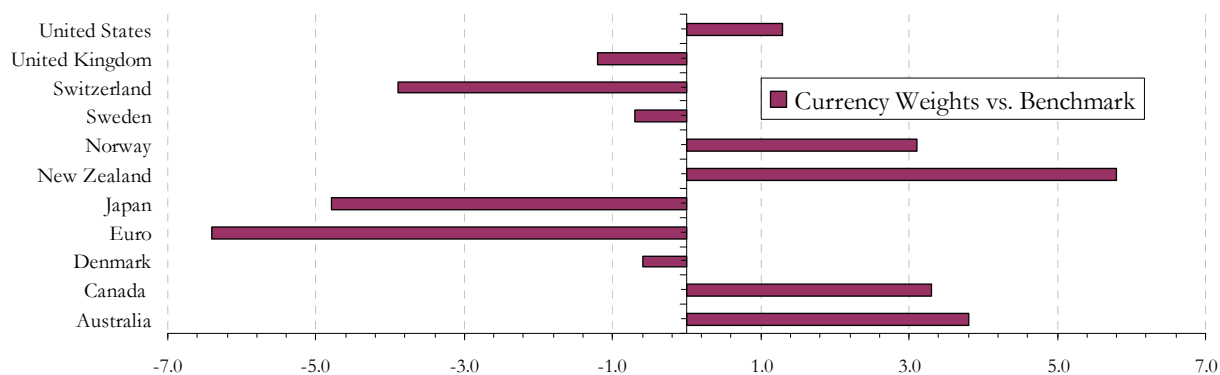
### Basic Characteristics

Characteristic	Portfolio
Modified Duration	7.2
Average Coupon	2.9%
Average Maturity	8.5
Average Yield	2.6%
EM Country Exposure	4.4%

### Country Exposure



### Currency Exposure



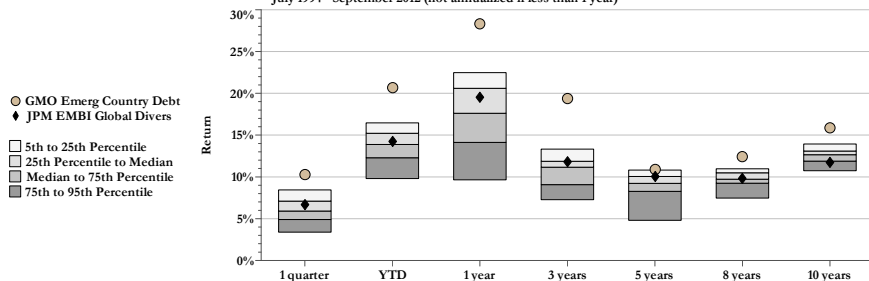
Data Source: GMO



### Universe Comparisons (Trailing Periods)

Manager vs Morningstar Emerging Markets Bond: Return  
July 1994 - September 2012 (not annualized if less than 1 year)

Zephyr StylcADVISOR: Wells Fargo Advisors



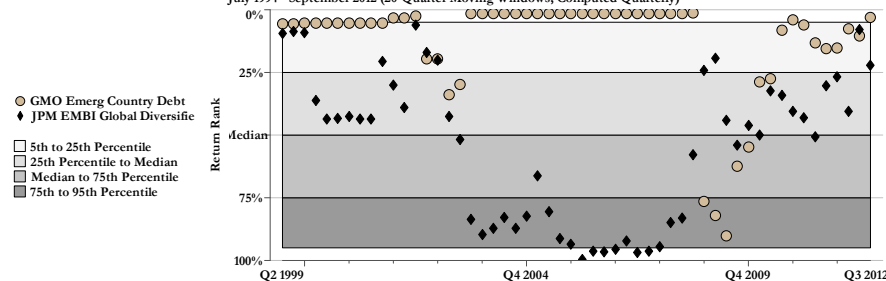
Manager vs Morningstar Emerging Markets Bond: Return  
July 1994 - September 2012 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	3 years	5 years	8 years	10 years
	246 mng	217 mng	211 mng	119 mng	96 mng	73 mng	68 mng
Median	5.92%	13.87%	17.60%	11.15%	9.22%	9.71%	12.66%
GMO Emerg Country Debt	10.29%	20.65%	28.35%	19.36%	10.89%	12.41%	15.83%
JPM EMBI Global Divers	6.64%	14.24%	19.55%	11.83%	10.08%	9.81%	11.74%

### Universe Comparisons (Rolling Three Years)

Manager vs Morningstar Emerging Markets Bond: Return Rank  
July 1994 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

Zephyr StylcADVISOR: Wells Fargo Advisors

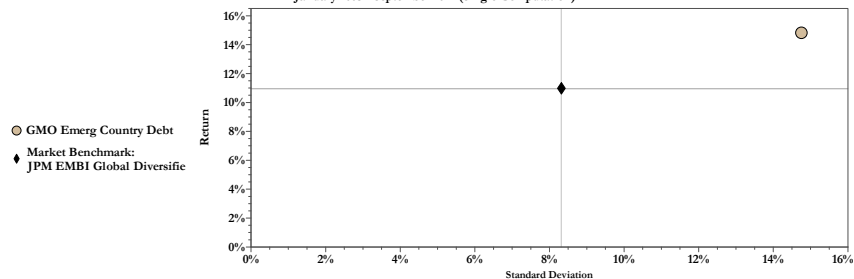


Manager vs Morningstar Emerging Markets Bond: Return  
July 1994 - September 2012 (20-Quarter Moving Windows, Computed Quarterly)

	Jun 2000	Jun 2001	Sep 2002	Sep 2003	Dec 2004	Dec 2005	Mar 2007	Mar 2008	Jun 2009	Jun 2010	Sep 2011	Sep 2012
	20 mng	20 mng	47 mng	65 mng	68 mng	68 mng	68 mng	68 mng	73 mng	74 mng	84 mng	96 mng
Median	13.0%	9.6%	3.4%	20.4%	15.4%	15.6%	14.1%	11.8%	8.0%	7.8%	7.2%	9.2%
GMO Emerg Country Debt	23.4%	16.6%	5.7%	26.5%	22.4%	20.7%	19.5%	16.1%	6.8%	8.3%	8.0%	10.9%
JPM EMBI Global Diversified	15.25	12.08	5.90	17.29	13.89	13.40	12.87	11.00	8.25	8.14	7.70	10.08

Return/Risk (January 2003 - September 2012)  
January 2003 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

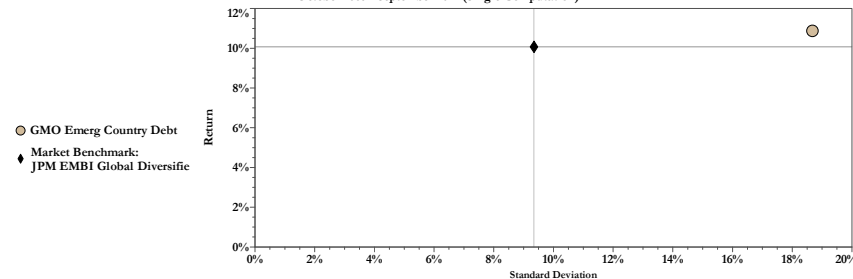


Annualized Summary Statistics: January 2003 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Obsvrs.
GMO Emerg Country Debt	14.82	14.75	1.63	-2.58	84.77	0.89	39.00
JPM EMBI Global Diversified	10.96	8.32	1.00	0.00	100.00	1.11	39.00

Return/Risk (Five Years Ending September 2012)  
October 2007 - September 2012 (Single Computation)

Zephyr StyleADVISOR: Wells Fargo Advisors

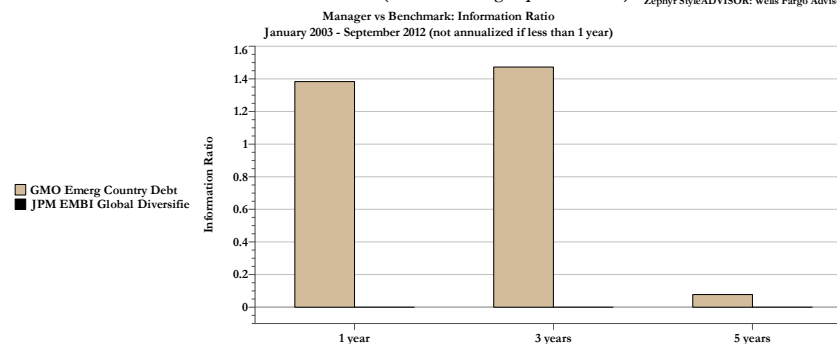


Annualized Summary Statistics: October 2007 - September 2012

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market	R-Squared vs. Market	Sharpe Ratio	Obsvrs.
GMO Emerg Country Debt	10.89	18.67	1.87	-6.53	87.20	0.55	20.00
JPM EMBI Global Diversified	10.08	9.34	1.00	0.00	100.00	1.01	20.00

Information Ratio (Periods Ending September 2012)

Zephyr StyleADVISOR: Wells Fargo Advisors



Manager vs Benchmark: Information Ratio  
January 2003 - September 2012 (not annualized if less than 1 year)

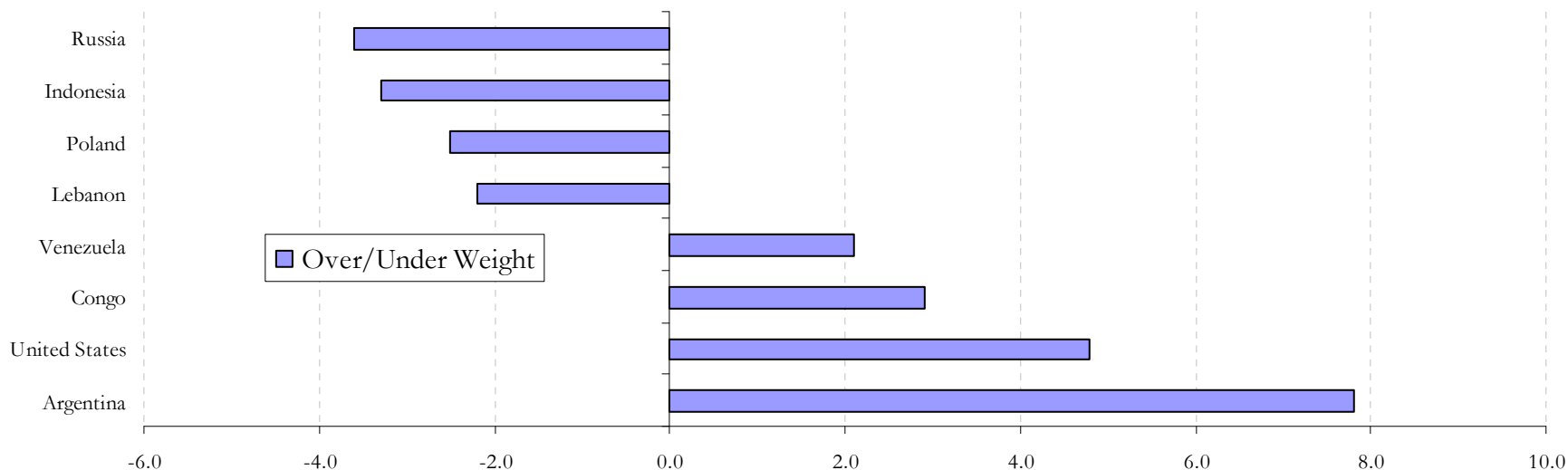
	1 year	3 years	5 years
GMO Emerg Country Debt	1.38	1.47	0.08

Currency Exposure	% of Fund
US Dollar	95.9
Euro	1.0
Japanese Yen	0.1
Malaysian Ringgits	0.8
Swiss Francs	0.1
Argentina Peso	1.6
British Pounds Sterling	0.2
S. African Unitary Rand	0.3

Characteristic	Portfolio
YTM	6.3%
Maturity	12.7
Modified Duration	7.1

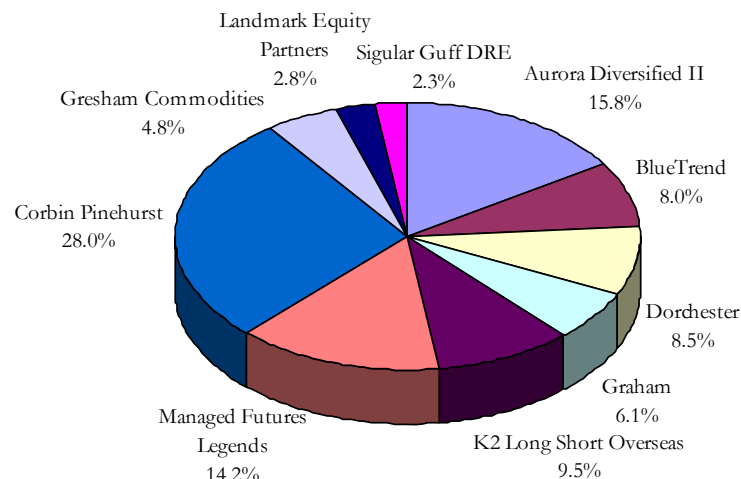
Quality Distribution	% of Fund	% of Index
Investment Grade	41.2	55.1
BB	22.8	25.9
B	29.0	17.8
<B	0.5	0.0
Not Rated	6.5	1.2

## Country Overweights/Underweights



Data Source: GMO

**Alternative Breakdown (%)**



<u>Manager</u>	<u>% of Account</u>	<u>Estimated Market Value</u>	<u>Verified Values</u>	<u>Verified As Of</u>
Aurora Diversified II	15.8%	\$938,682	\$947,107	9/30/2012
BlueTrend	8.0%	\$473,310	\$472,706	9/30/2012
Dorchester	8.5%	\$508,094	\$510,508	9/30/2012
Graham	6.1%	\$360,127	\$347,575	9/30/2012
K2 Long Short Overseas	9.5%	\$566,748	\$566,503	8/31/2012
Managed Futures Legends	14.2%	\$845,252	\$820,825	9/30/2012
Corbin Pinchurst	28.0%	\$1,664,282	\$1,670,664	8/31/2012
Gresham Commodities	4.8%	\$283,177	\$284,404	9/30/2012
Landmark Equity Partners	2.8%	\$165,995	\$157,561	6/30/2012
Sigular Guff DRE	2.3%	<u>\$137,295</u>	<u>\$137,295</u>	<u>not recently verified</u>
<b>Total</b>	<b>100.0%</b>	<b>\$5,942,962</b>	<b>\$5,915,148</b>	

Data Source: Wells Fargo Advisors

	3q12	FYTD	One Year	Incept (Mgr) <sup>2</sup>	Incept Bench <sup>2</sup>	Performance Inception
<b>Combined Alternatives (1 mo lag)</b>	<b>1.3</b>	<b>1.3</b>	<b>(0.7)</b>	<b>1.3</b>	<b>0.4</b>	Jan-10
<b>HFRI FoF Index (1 mo lag)</b>	<b>1.2</b>	<b>1.2</b>	<b>(0.8)</b>			
<u>Lower Volatility</u>						
<b>Aurora Diversified II</b>	<b>0.8</b>	<b>0.8</b>	<b>(0.5)</b>	<b>(2.7)</b>	<b>(1.4)</b>	Feb-11
<b>HFRI Conservative Index</b>	<b>1.1</b>	<b>1.1</b>	<b>0.0</b>			
<u>Diversified</u>						
<b>Corbin Pinehurst</b>	<b>1.0</b>	<b>1.0</b>	<b>3.5</b>	<b>4.5</b>	<b>0.8</b>	Jan-10
<b>Dorchester</b>	<b>1.3</b>	<b>1.3</b>	<b>1.0</b>	<b>3.3</b>	<b>0.8</b>	Jan-10
<b>HFRI Fund of Funds</b>	<b>1.2</b>	<b>1.2</b>	<b>(0.8)</b>			
<u>Hedged Equity</u>						
<b>K2 Long Short Overseas</b>	<b>2.3</b>	<b>2.3</b>	<b>2.6</b>	<b>0.9</b>	<b>1.7</b>	Jan-10
<b>HFRI Equity Hedge</b>	<b>2.4</b>	<b>2.4</b>	<b>(1.0)</b>			
<u>Managed Futures</u>						
<b>BlueTrend</b>	<b>0.3</b>	<b>0.3</b>	<b>(1.8)</b>	<b>0.8</b>	<b>(1.2)</b>	Feb-11
<b>Graham</b>	<b>(3.2)</b>	<b>(3.2)</b>	<b>(9.0)</b>	<b>(4.9)</b>	<b>3.3</b>	Jan-10
<b>Managed Futures Legends</b>	<b>(1.6)</b>	<b>(1.6)</b>	<b>(6.1)</b>	<b>(3.4)</b>	<b>(1.2)</b>	Feb-11
<b>CS Tremont Managed Futures Index</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(3.4)</b>			
<u>Commodities</u>						
<b>Gresham Commodities</b>	<b>11.9</b>	<b>11.9</b>	<b>(8.1)</b>	<b>(2.8)</b>	<b>(7.0)</b>	Feb-11
<b>Dow UBS Commodity Index</b>	<b>13.8</b>	<b>13.8</b>	<b>(11.1)</b>			
<u>Private Equity</u>						
<b>Landmark Equity Partners</b>				<b>13.5</b>		Jan-10
<b>Singular Guff DRE</b>				<b>(0.9)</b>		Mar-11

All returns are on a one-month lag. Performance greater than 1 year is annualized.

Data Source: Wells Fargo Advisors

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## Capital Markets Overview

Following a disappointing second quarter, the U.S. markets rebounded and returned to positive performance. The major averages closed out the quarter by posting positive returns for the fourth consecutive month. The averages moved higher despite poor investor sentiment, lackluster earnings, modest GDP expansion coupled with below average job growth, high unemployment, and uncertainty surrounding the impending elections.

Investors received Quantitative Easing III (QE3), announced in mid-September, with apprehension. Many question the effectiveness of the Federal Reserve to make any meaningful impact on the economy through another round of easing. This program is, however, different than the previous two bond buying programs. QE3 will see smaller open-ended purchases. Despite investor caution, this announcement did have an immediate positive effect on the markets.

The NASDAQ Composite led the popular indices with a 6.5% return for the quarter, and is up 20.7% for the year. The S&P 500 Index added 2.6% in September, raising its third quarter return to 6.4%, and year-to-date return to 16.4%. The Dow Jones Industrial Average added 2.8% in September and 5.0% in the third quarter, to bring its year-to-date return to 12.2%. Small and mid-cap stocks underperformed large-cap stocks this quarter. The S&P 600 Small-Cap Index gained 5.4% and the S&P 400 Mid-Cap was up 5.4% as well.

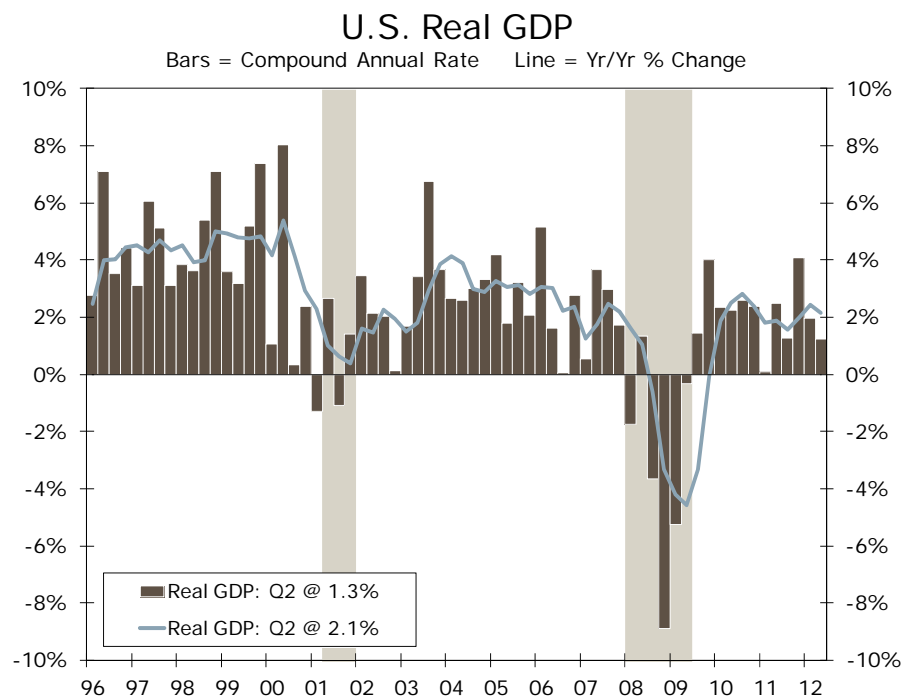
In Europe, concern over the region's debt crisis continued to fade, but most major economies remained sluggish. New ECB stimulus commentary aided Germany's DAX Index and the U.K.'s FTSE (100) as investors speculated that the central bank may implement more aggressive stimulus measures.

Treasury yields ended the third quarter little changed. All sectors of the bond market posted positive returns during the third quarter, with high yield, corporate bonds and preferred securities leading the way. The ten-year Treasury reached an all-time yield low of 1.39% during the quarter, and spreads tightened as investors searched for better yield opportunities.

On the commodity front, precious and industrial metals led within this asset class. A weakened U.S. dollar and the promise of additional liquidity from the Federal Reserve and European Central Bank drove prices higher.

## U.S. markets continue sluggish growth

- The U.S. economy continues to grow, but at a below average pace. Job growth has not been supported by expansion in the economy.
- GDP is growing at only half the rate of the past ten recoveries.
- The Federal Reserve announced new stimulus measures during the third quarter.
- Investors and retail consumers share a general lack of confidence in any new measure's effectiveness to stimulate the economy.

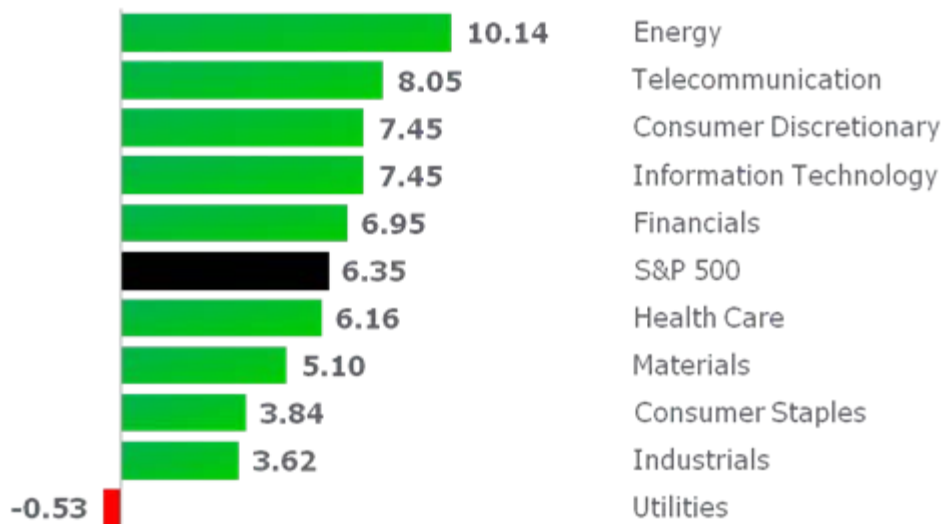




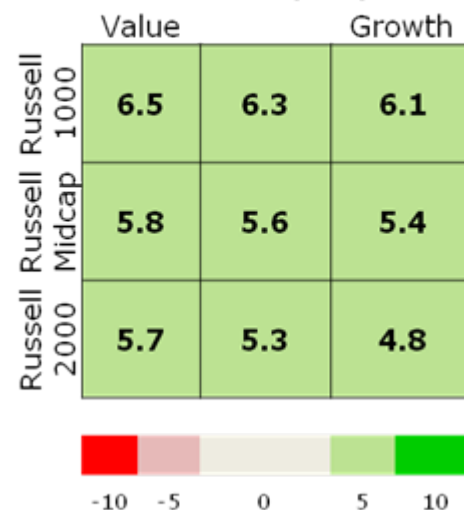
## A strong September left nearly all sectors positive for the quarter

- Energy and Telecom were the big winners of the quarter as subsectors in oil and gas refineries and wireless carriers enjoyed double digit gains.
- Utilities were the only negative sector for the quarter as a 4.1% decline in August led to softer performance for the quarter.
- Value outperformed growth as continued concern over the financial sectors in Europe and a slowdown in China tempered investors appetites for growth strategies.

**S&P 500 Third Quarter 2012 Sector Returns**

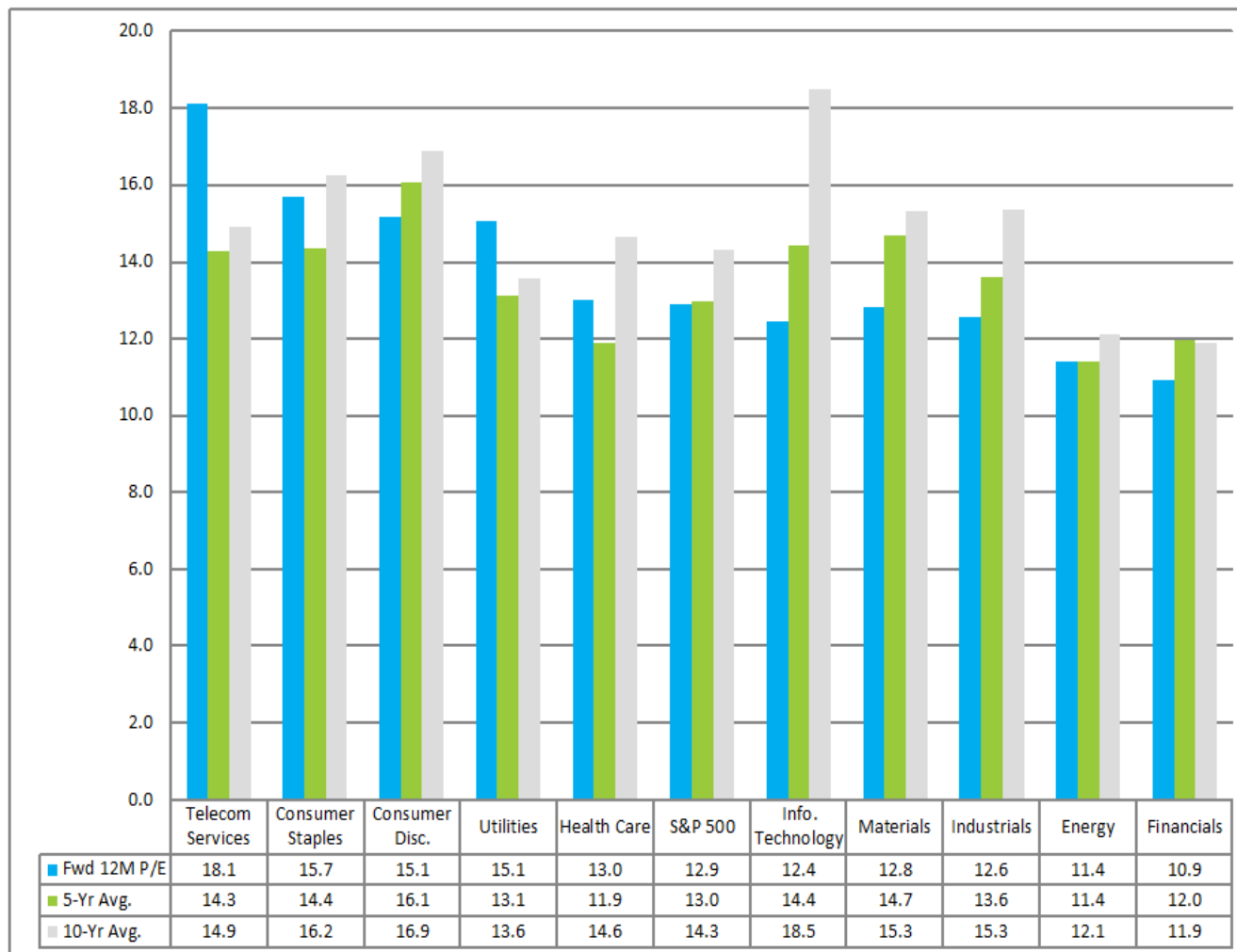


**Third Quarter Domestic Equity Returns**



Data Sources: FactSet, Zephyr  
StyleAdvisor, Barclay's Capital,  
MSCI Data, Standard & Poor's

## Sector Level Price/ Earnings Ratio



➤ Forward Price/Earnings Ratios for Telecom and Utilities are currently above historical 5 and 10-year averages.

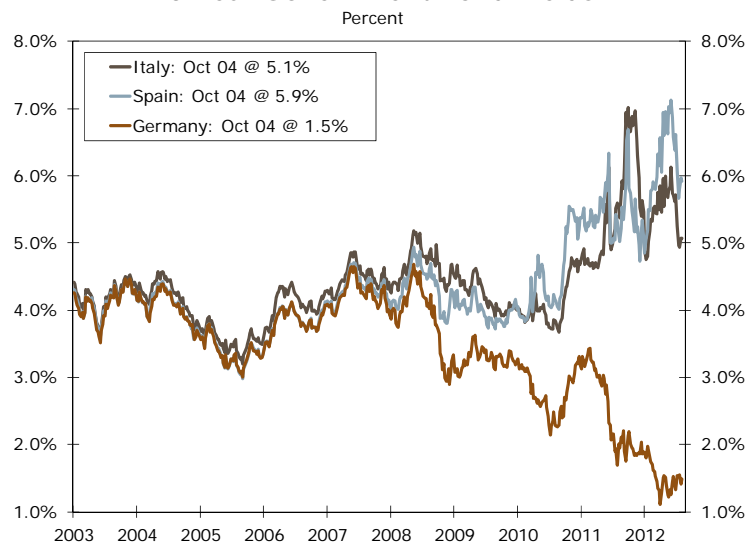
➤ Consumer Discretionary, Information Technology, Materials, Industrials, Energy and Financials forward P/E ratios remain below historical levels, as does the S&P 500 Composite.

Data Sources: FactSet, Zephyr  
StyleAdvisor, Barclay's Capital,  
BofA Endowment, including its  
M&P Data, Standard & Poor's

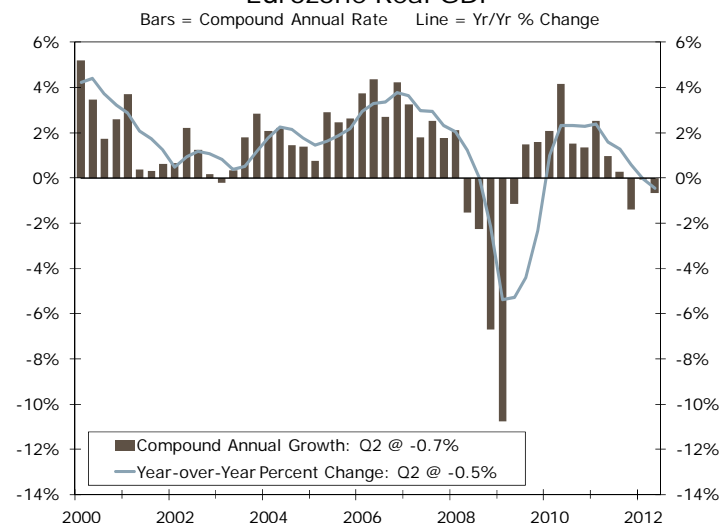
## International markets present a mixed bag of news

- European problems persist. European Union economies remain in recession. Spain is on the verge of joining the list of EU countries that have asked for a bailout.

10-Year Government Bond Yields



Eurozone Real GDP

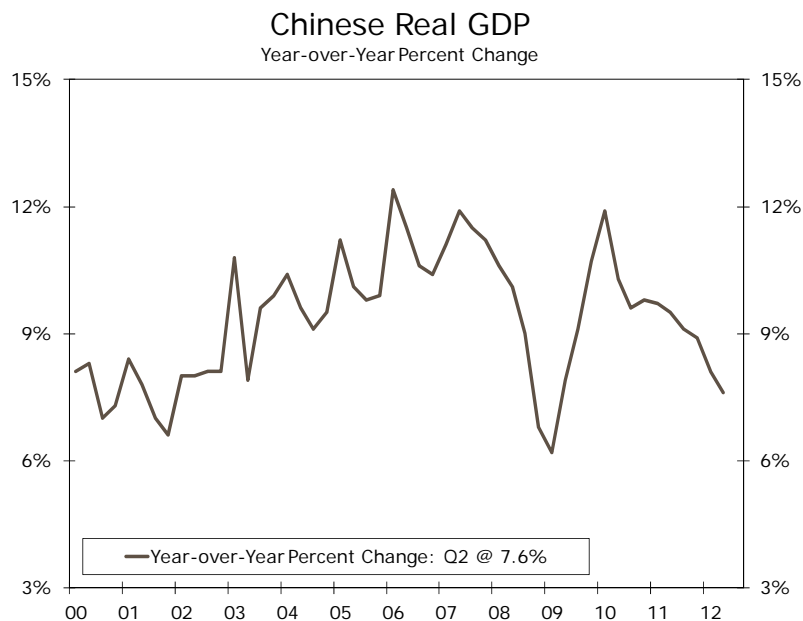


- ECB moves toward the direct purchase of sovereign debt. This will lower borrowing costs. However, this assistance is not unconditional. In return for ECB support, countries in need will have to commit to even deeper cuts and substantial fiscal reforms.
- A German constitutional court upheld the validity of the proposed European Stability Mechanism (ESM – provides emergency lending). This signals that stronger support from Bundesbank (the German central bank) for ESM's next course of action is forthcoming.

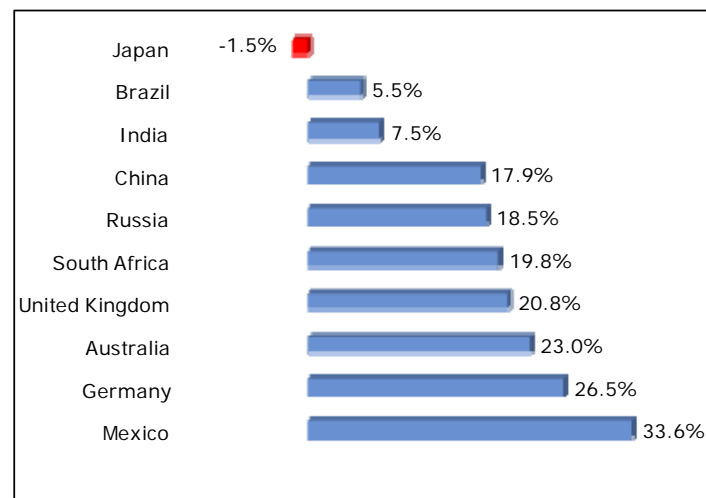
Data source: U.S. Department of  
Commerce, Bloomberg LP  
and Wells Fargo Securities, LLC

## International markets improving despite continued slowdown in China

- Policymakers in China believe that their long-term economic success is likely to come from consumer spending rather than investment spending. Therefore, China did not indicate a willingness to provide additional stimulus measures.
- International markets have rallied in the past four months on positive catalysts such as stimulative actions undertaken by U.S., European and Japanese central banks.



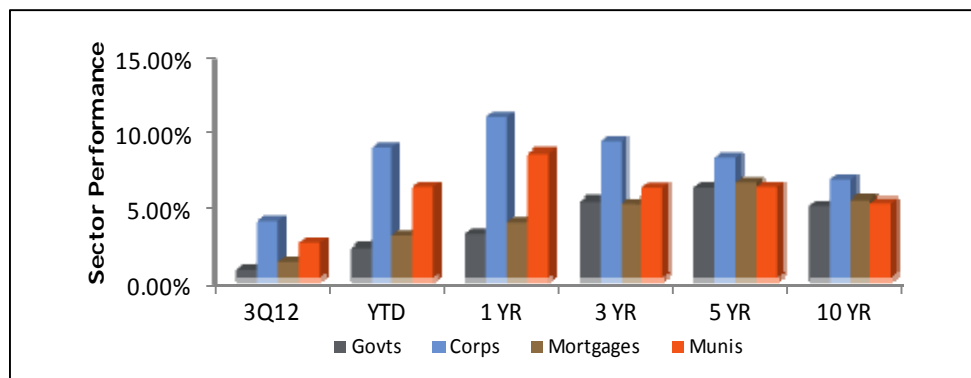
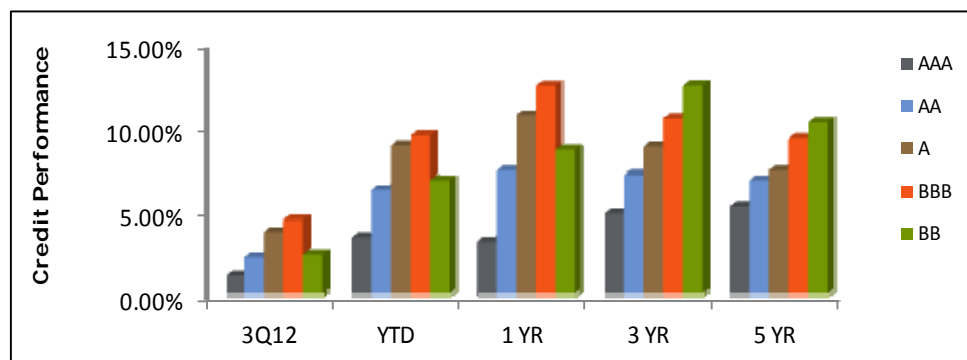
## One Year International (Gross) Returns As Of September 30, 2012



Data Sources: Zephyr  
StyleAdvisor, Barclays,  
Fitch

## Active monetary policy introduces volatility to fixed income markets

- Despite the ups and downs, all sectors of the bond market posted positive returns during the third quarter, with high yield, corporate bonds and preferred securities leading the way.

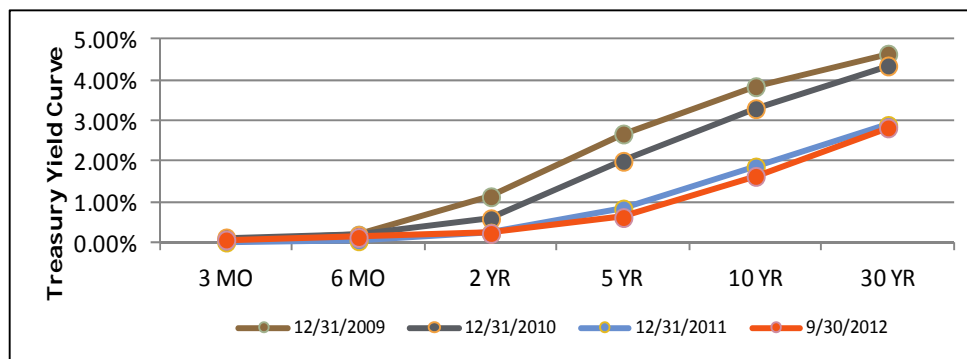
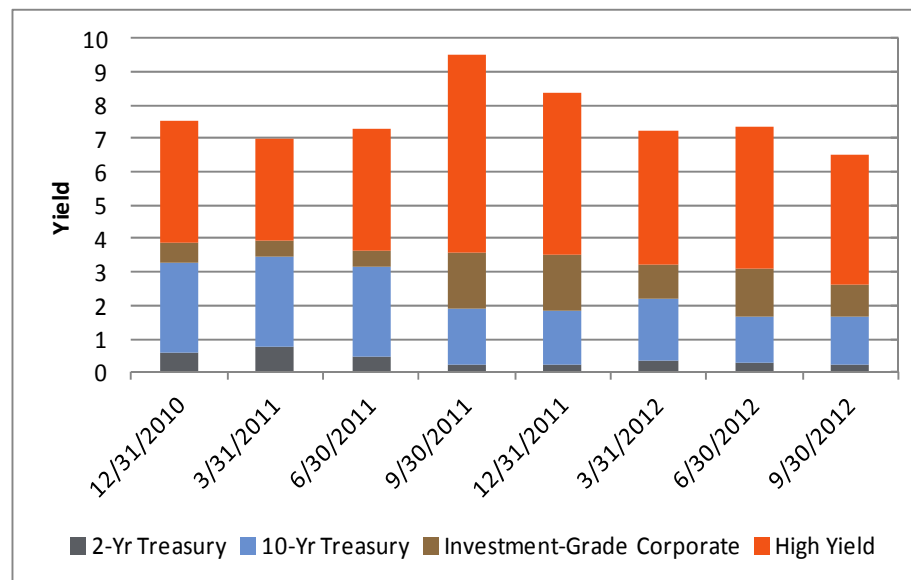


- Corporate bonds led fixed income sectors with a 3.8% return for the quarter followed by municipal bonds with a 2.3% return, compared to the Barclays Aggregate return of 1.6%.

Data Sources: Bloomberg L.P., Wells  
Fargo Securities, LLC, FactSet,  
Zenith Style Advisor, Barclays

## Treasury yields end third quarter little changed

- The Fed announcement of QE3 sent Treasury yields immediately higher, although they quickly returned to near previous levels.
- Investment grade credit spreads, or the excess yield investors demand over Treasuries, were 46 basis points tighter for intermediate term securities from the previous quarter.
- The biggest recent development for fixed income investors was the expansion of the Fed's balance sheet and the Fed statement that they would keep the federal funds rate at exceptionally low levels through mid-2015.



Data Sources: Zephyr

StyleAdvisor, Barclays, FactSet

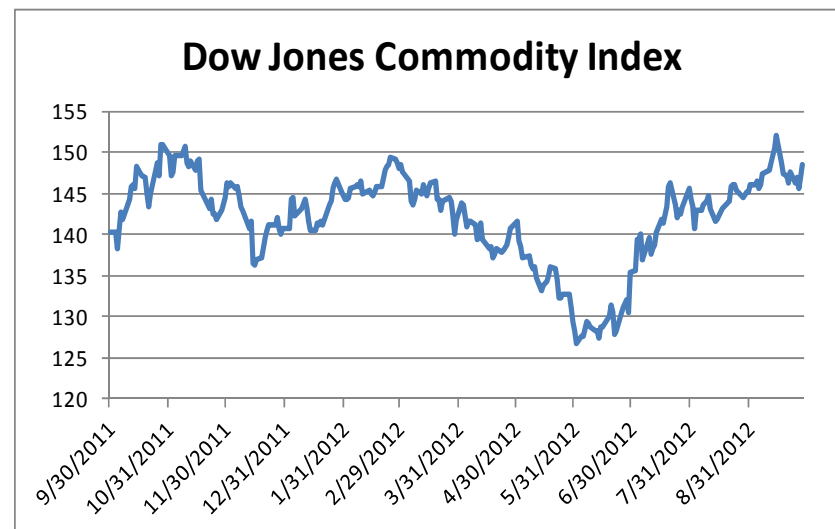
## New demand seen for commodities

- Precious and industrial metals rebounded sharply to the promise of additional liquidity from the ECB.
- Perceived stabilization in Europe led to a decline in the U.S. dollar and aided in the broad rise in commodities this quarter.

	Current	3 Mth Ago*	1 Yr Ago**
United States Dollar Index	79.94	81.63	78.55
U.S. Dollar per Euro	1.29	1.27	1.34
Japanese Yen per U.S. Dollar	77.80	79.79	77.08
U.S. Dollar per British Pounds	1.61	1.57	1.56

	Current	3 Mth Ago*	1 Yr Ago**
NY Gold (NYM\$/ozt)	1771.10	1603.50	1620.40
WTI Crude Oil (\$/bbl)	92.19	84.96	79.20
Copper (NYM\$/lbs)	3.77	3.49	3.15
Source: FactSet, Wells Fargo Advisors			

\*3 month ago as of June 30, 2012 \*\*1 year ago as of September 28, 2011



Source: Bloomberg L.P., Wells  
Fargo Securities, LLC,

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**ASSET CLASS SUITABILITY:** Stocks of small companies are typically more volatile than stocks of larger companies. They often involve higher risks because they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions. High-yield, non-investment grade bonds are only suitable for aggressive investors willing to take greater risks, which could result in loss of principal and interest payments. Global/International investing involves risks not typically associated with US investing, including currency fluctuations, political instability, uncertain economic conditions and different accounting standards.

**PAST PERFORMANCE:** Past performance is not an indication of future results.

**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 = ML Mortgage Master; Corporate Bonds = Salomon Corporate; 90 Day T-Bills = Salomon; Japanese Stocks = Salomon Japan BMI; High Yield Bonds = ML High Yield Master; Small Cap US Value = 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.



**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 EAFE** - 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 Capital Government/Credit** - This index includes all bonds that are in the Barclays Capital Government Bond and the Barclays Capital Credit Bond indices.

**Barclays Capital Government Intermediate** - All bonds covered by the Barclays Capital Government Bond index with maturities of 1 and 10 years.

**Barclays Capital 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 Capital Government Long Term** - All bonds covered by the Barclays Capital Government Bond index with maturities of 10 years or greater.

**Barclays Capital 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 Pre-refunded. 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.

COMMITTEE ON STRATEGIC INITIATIVES AND NEW VENTURES

November 30, 2012

10:00 – 11:00 a.m.

Board Room – Blow Memorial Hall

Michael Tang, Chair

Edward L. Flippen, Vice Chair

Robert E. Scott, Vice Chair

Peter A. Snyder, Vice Chair

- I. Introductory Remarks – Mr. Tang
- II. Communications Update – Vice President James R. Golden
- III. Strategic Planning – Provost Michael R. Halleran and Vice President Golden
  - A. Strategic Planning Overview
  - B. University Dashboard – Enclosure L.
- IV. New Ventures – Provost Halleran and Vice President Golden
  - A. EVMS Review Process
- V. Closed Session (if necessary)
- VI. Open Session – Certification of Closed Session **Resolution**
- VII. Adjourn

WILLIAM & MARY TOP LEVEL DASHBOARD

Measures+	W&M 2008-09	W&M 2009-10	W&M 2010-11	W&M 2011-12	W&M 2012-13	Target	UVA**	Grown**
<b>Challenge 1 – Leading Liberal Arts University</b>								
1. Undergraduate acceptance rate <sup>a</sup>	34%	34%	32%	35%	32% Prelim.	34%	33% (Fall 2011)	9% (Fall 2011)
2. Undergraduate yield rate <sup>a</sup>	35%	34%	35%	33%	33% Prelim.	34%	44% (Fall 2011)	55% (Fall 2011)
3. Undergraduate 25 <sup>th</sup> – 75 <sup>th</sup> percentile SAT score range <sup>b1</sup>	1250-1440	1240-1450	1260-1440	1240-1450	1250-1460 Prelim.	1250-1450	1240-1460 (Fall 2011)	1340-1520 (Fall 2011)
4. Undergraduate graduation rates <sup>a</sup>	91% 2003 cohort	90% 2004 cohort	91% 2005 cohort	Avail. 5/2013 2006 cohort	Avail. 5/2014 2007 cohort	93%	94% 2005 cohort	95% 2005 cohort
5. Student: faculty ratio <sup>b8</sup>	11:1	12:1	12:1	12:1	Avail. 2/2013	<13:1	16:1 (Fall 2011)	9:1 (Fall 2011)
6. Undergraduate small class percentage (2-15 students) <sup>b</sup>	45%	48%	47%	48%	Avail. 2/2013	50%	53% (Fall 2011)	70% (Fall 2011)
<b>Challenge 2 – Diversity</b>								
7. Undergraduate students who are members of historically underrepresented groups <sup>a9</sup>	22%	23%	25%	26%	27%		27% (Fall 2011)	33% (Fall 2011)
8. Undergraduate students who are nonresident aliens <sup>a</sup>	2%	2%	3%	3%	4%		6% (Fall 2011)	11% (Fall 2011)
9. Graduate/professional students who are members of historically underrepresented groups <sup>a9</sup>	13%	13%	14%	15%	16%		17% (Fall 2011)	22% (Fall 2011)
10. Graduate students who are nonresident aliens <sup>a</sup>	10%	12%	11%	12%	13%		12% (Fall 2011)	27% (Fall 2011)
11. Average per-borrower cumulative undergraduate debt <sup>a3</sup>	\$18,410 (2009 grads)	\$21,367 (2010 grads)	\$20,835 (2011 grads)	Avail. 12/2012	Avail. 12/2013	<\$20,000	\$20,951 (2011 grads)	\$22,455 (2011 grads)
<b>Challenge 3 – Lifelong Connection</b>								
12. Alumni giving participation rate: undergraduates with degrees <sup>a</sup>	22.4%	23.4%	23.9%	Avail. 9/2013	Avail. 9/2014	30% by 2014	22% (USNews)	35.3% (FY2011)
<b>Challenge 4 – Business Plan</b>								
13. US News & World Report: Financial resources rank <sup>b</sup>	88	85	97	112	Avail. 9/2013	<70	53 (2011-12)	26 (2011-12)
14. Total sponsored program expenditures (millions) <sup>b</sup>	\$50	\$54	\$57	Avail. 4/2013	Avail. 4/2014	\$60 by 2014	\$354 (2010-11)	\$121 (2010-11)
15. Debt Service as Percent of Operating Expense <sup>1</sup>	4.9%	6.7%	5.9%	6.6%	Avail. 9/2013	<7%	Not available	Not available
16. Annual Total Value of Private Gifts (in millions) <sup>a6</sup>	\$51	\$43	\$41	Avail. 9/2013	Avail. 9/2014	50	\$196 (2009-10)	\$167 (2009-10)
17. Endowment per student <sup>f</sup>	\$65,711	\$71,406	\$81,408	Avail. 11/2012	Avail. 11/2013		\$195,175 (FY11)	\$298,425 (FY11)
<b>Challenge 5 – Administrative Resources and Infrastructure</b>								
18. All E&G Facilities Condition Index <sup>a9</sup>	11.0%	7.6%	7.8%	6.3%	Avail. 2/2013	<10%	8.7% (2010-11)	Not available
<b>Challenge 6 – Communications</b>								
19. US News & World Report: National Universities <sup>b</sup> (Ranking for year data collected)	33	31 (tie)	33 (tie)	33 (tie)	Avail. 9/2013		24 (tie) (2011-12)	15 (tie) (2011-12)
20. US News & World Report: Public Universities <sup>b</sup> (Ranking for year data collected)	6	6	6	6	Avail. 9/2013		2 (tie) (2011-12)	Not applicable

+Preliminary list. A measure of the quality of faculty is under discussion.

\*Years vary by data availability as noted in W&M data

\*\*Denotes schools with a medical school and engineering program

<sup>a</sup> From Integrated Postsecondary Education Data System of US Dept. of Education Nat'l Center for Education Statistics (data for required reports could vary among schools by one year for some measures)

<sup>b</sup> From US News & World Report: rankings published in September based on data submitted in previous spring. Reported for year data collected.

<sup>c</sup> From Common Data Set (or institutional website, as available)

<sup>d</sup> From Council for Aid to Education/Voluntary Support of Education

<sup>e</sup> Calculated by facilities management for submission to State Council of Higher Education

<sup>f</sup> Internal calculation using data included in the College's annual audited financial statements

<sup>g</sup> From National Association of College and University Business Officers (NACUBO)

<sup>1</sup> Calculated by adding the 25<sup>th</sup> and 75<sup>th</sup> percentiles for Critical Reading and the percentiles for Math.

<sup>2</sup> Figures are estimates for current year or actual for previous year

<sup>3</sup> Average cumulative principal borrowed by undergraduate borrowers who started as freshmen at the institution and who had earned bachelor's in year previous to when IPEDS report was submitted

<sup>4</sup> Includes W&M and VIMS operating and non-operating expenditures; excludes independent operations, auxiliary and hospital services expenditures. Operating expenditures include instruction, research, public service, academic support, student services, institutional support, operation/maintenance of plant. FTE count includes both graduate and undergraduate students and is based on Fall Headcount (similar to NACUBO).

<sup>5</sup> The Facilities Condition Index (FCI) is a fitness indicator for the

College's facilities and infrastructure. The FCI is the ratio of known maintenance deficiencies to the current replacement value of academic facilities. Industry standards suggest that an FCI of 5% or less indicates good condition, 5% to 10% fair condition, and above 10% poor condition. "All E&G Facilities" are those facilities supported by general funds allocated by the Commonwealth. These facilities include "major" E&G facilities (classrooms, class lab facilities, Wren Building, Admissions, Blow Memorial Hall, Cohen Career Center) and "minor" E&G facilities (e.g., Jamestown Road Houses, Galt Houses, Quonset Huts, physical plant-related facilities). E&G facilities do not have a revenue generating component and exclude facilities that are self-supporting such as dormitories, athletic facilities, food service facilities.

<sup>6</sup> Annual rate based on Council for Aid to Education/ Voluntary Support of Education. For UVA, 2-year average from US News & World Report is used

<sup>7</sup> Also includes race reported as unknown and non-resident alien

<sup>8</sup> Does not include faculty or students in stand-alone graduate or professional programs (i.e., Law and, prior to 2010, VIMS)

<sup>9</sup> Underrepresented groups include American Indian or Alaska Native, Asian, Native Hawaiian/ Other Pacific Islander, Black or African American, Hispanic or Latino, Two or more races. Underrepresented groups do not include White, Unknown, Nonresident aliens.

September 21, 2012

**THE COLLEGE OF WILLIAM AND MARY  
BOARD OF VISITORS  
OFFICERS AND COMMITTEES**

**2012-2013**

**EXECUTIVE COMMITTEE**

Jeffrey B. Trammell, Chair  
Charles A. Banks III, Vice Chair  
Dennis H. Liberson, Secretary  
Robert E. Scott  
Todd A. Stottlemeyer  
Michael Tang  
John C. Thomas

**COMMITTEE ON ACADEMIC AFFAIRS**

Robert E. Scott, Chair  
Todd A. Stottlemeyer, Vice Chair  
Peter A. Snyder  
Michael Tang  
*Michael R. Halleran*

**COMMITTEE ON ADMINISTRATION, BUILDINGS AND GROUNDS**

Charles A. Banks III, Chair  
Dennis H. Liberson, Vice Chair  
Ann Green Baise  
Thomas R. Frantz  
L. Clifford Schroeder, Sr.  
Peter A. Snyder  
John C. Thomas  
*Michael R. Halleran*  
*Anna B. Martin*

**COMMITTEE ON ATHLETICS**

Peter A. Snyder, Chair  
Kendrick F. Ashton, Jr., Vice Chair  
Keith S. Fimian  
Thomas R. Frantz  
Todd A. Stottlemeyer  
*Edward C. Driscoll, Jr.*

**COMMITTEE ON AUDIT AND COMPLIANCE**

John C. Thomas, Chair  
Michael Tang, Vice Chair  
Edward L. Flippen  
John E. Littel  
Leigh A. Pence  
L. Clifford Schroeder, Sr.  
*Michael L. Stump*

**COMMITTEE ON FINANCIAL AFFAIRS**

Todd A. Stottlemeyer, Chair  
Charles A. Banks III, Vice Chair  
Edward L. Flippen, Vice Chair  
Kendrick F. Ashton, Jr.  
Thomas R. Frantz  
Robert E. Scott  
*Michael R. Halleran*  
*Samuel E. Jones*

**RICHARD BLAND COLLEGE COMMITTEE**

Dennis H. Liberson, Chair  
Ann Green Baise, Vice Chair  
Kendrick F. Ashton, Jr.  
Keith S. Fimian  
Edward L. Flippen  
John E. Littel  
*Debbie L. Sydow*

***COMMITTEES OF THE WHOLE:*****COMMITTEE ON ALUMNI RELATIONS**

Kendrick F. Ashton, Jr., Chair  
Peter A. Snyder, Vice Chair  
*Karen R. Cottrell*

**COMMITTEE ON DEVELOPMENT**

Thomas R. Frantz, Chair  
L. Clifford Schroeder, Sr., Vice Chair  
Michael Tang, Vice Chair  
*Earl T. Granger III*

**COMMITTEE ON STRATEGIC INITIATIVES AND NEW VENTURES**

Michael Tang, Chair  
Edward L. Flippen, Vice Chair  
Robert E. Scott, Vice Chair  
Peter A. Snyder, Vice Chair  
*Michael R. Halleran*  
*James R. Golden*

**COMMITTEE ON STUDENT AFFAIRS**

Leigh A. Pence, Chair  
John C. Thomas, Vice Chair  
*Virginia M. Ambler*

# Directions & Campus Map

(Richard Bland College signs are in place along each route.)

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## **From Interstate Route 95 (North or South - Exit 48B) Onto Wagner Road - West**

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Upon exiting I-95, travel to the second stoplight and turn right onto Crater Road (US Route 301-North). At the next stoplight, turn left onto Flank Road and travel approximately two miles to the second four-way stop intersection. Turn left onto Johnson Road and travel one mile to the Richard Bland College Campus.

## **From Interstate Route 85 (North or South - Exit 65) Onto Squirrel Level Road - East**

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Upon exiting I-85, travel to the stoplight at Defense Road. Continue on Squirrel Level Road (approximately one quarter mile) and turn left onto Wells Road. Travel on Wells Road approximately one-half mile; turn left (bridge over railroad tracks) onto Halifax Road. Continue on Halifax Road approximately one mile to Carson Road. Travel approximately one mile on Carson Road to Richard Bland College.

## **From Interstate Route 295 (North or South - Exit 3B) Onto Route 460 - West**

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Upon exiting I-295, travel west to the first stoplight and turn left onto Wagner Road. Travel to the third stoplight and turn right onto Crater Road (US Route 301-N). See I-95 above for directions from Crater Road to the campus.

## **From William and Mary via Route 5**

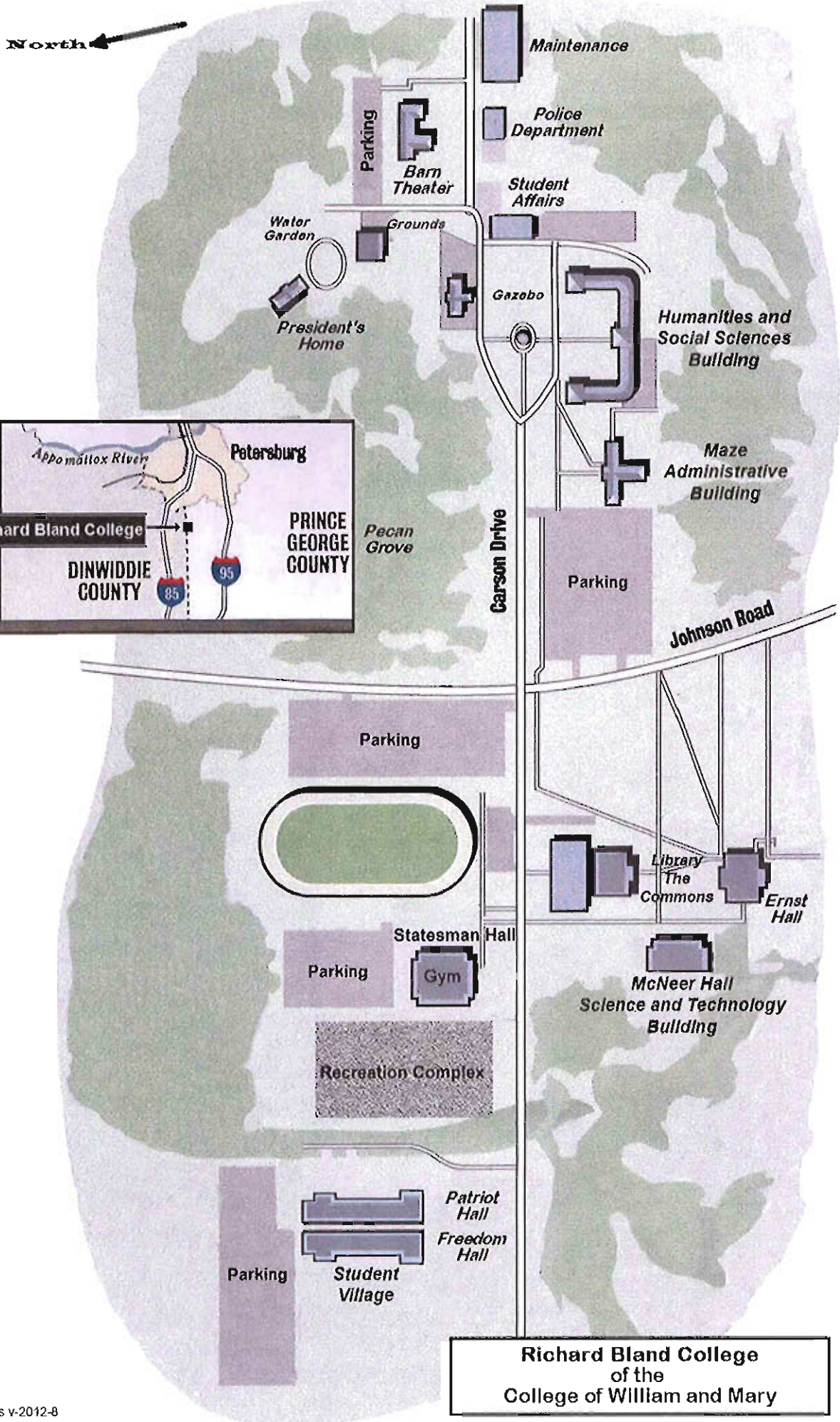
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Take Jamestown Road to Route 5 West toward Richmond. Drive approximately 25 miles until you come to Route 106 and turn left. This will take you over the James River on the Benjamin Harrison Bridge. Drive approximately 3 miles on 106 until it ends at the intersection with Route 10. Turn right and move into the left lane. Drive approximately 1 mile to Route 156, turn left (at the first light). Take 156 through Prince George Court House, where it turns into 106. When 106 crosses Route 460 (at a light) it becomes Wagner Road, keep straight to the intersection with Crater Road. Take a right on Crater Road at the stop light. Follow Crater Road to the first stop light, which is Flank Road, and turn left. Drive approximately two miles to Johnson Road at the second four-way stop. Turn left onto Johnson Road and travel one mile to the Richard Bland College campus.

At the last driveway, turn right toward Ernst Hall. This driveway leads to the faculty/staff parking lot for McNeer Hall, which is where parking is reserved for the Board.



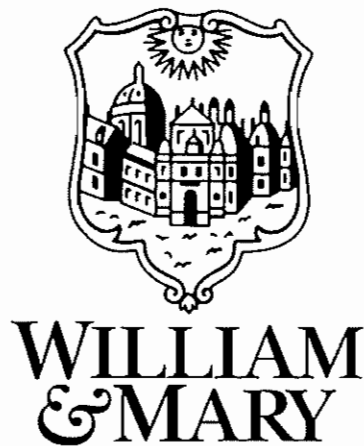
North



**Richard Bland College**  
of the  
College of William and Mary

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

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BOARD MEETING

*Board Room - Blow Memorial Hall*

November 30, 2012

**MEETING AGENDA**  
Board of Visitors  
The College of William and Mary

November 30, 2012 - 11:15 a.m.  
Board Room - Blow Memorial Hall

- I. Welcome and call to order Rector Jeffrey B. Trammell
- II. Approval of Minutes – September 19-21, 2012 Mr. Trammell
- III. Opening Remarks Mr. Trammell  
President W. Taylor Reveley III
- IV. Closed Session (if necessary) Mr. Trammell
- V. Open Session - Certification of Closed Session **Resolution** Mr. Trammell
- VI. Reports of Standing Committee chairs
  - A. Committee on Audit and Compliance John C. Thomas
    - 1. **Resolution 5:** Approval of 2013 Internal Audit Work Plan *tab #5*
    - 2. **Resolution 6:** Repeal of the Code of Conduct Governing  
Student Loan Practices *tab #6*
  - B. Committee on Athletics Peter A. Snyder
  - C. Richard Bland College Committee Dennis H. Liberson
    - 1. **Resolution 1:** 2012-2018 Six-Year Plan (Update) *tab #1*
    - 2. **Resolution 2:** Resolution to Approve the Establishment  
of the Richard Bland College Faculty Senate  
and Bylaws of the Organization *tab #2*
    - 3. **Resolution 3:** Retirement of Dr. Russell E. Whitaker, Jr.  
Vice President of Administration and  
Finance *tab #3*
    - 4. **Resolution 4:** Retirement of Frances S. Scarbrough  
Human Resources Director *tab #4*
    - 5. **Resolution 14:** 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, 2012  
(joint with William and Mary) *tab #14*

Board of Visitors  
MEETING AGENDA  
November 30, 2012

- D. Committee on Administration/Buildings and Grounds Charles A. Banks III
1. **Resolution 11:** Resolution to Approve Purchase of Properties:  
427 Scotland Street & 406 Jamestown Road *tab #11*
  2. **Resolution 12:** Resolution to Approve the Inter-Agency  
Transfer Agreement of Longhill Connector  
Land to Eastern State *tab #12*
  3. **Resolution 13:** Resolution to Approve Closure of Landfill  
and Recordation of Deed *tab #13*
- E. Committee on Financial Affairs Todd A. Stottlemeyer
1. **Resolution 14:** 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, 2012  
(*joint with Richard Bland College*). *tab #14*
  2. **Resolution 15:** Receipt of the Financial Report of the  
Intercollegiate Athletic Department  
for the Fiscal Year Ended June 30, 2012 *tab #15*
- F. Committee on Academic Affairs Robert E. Scott
1. **Resolution 7:** Appointments 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:** Award of Academic Tenure *tab #9*
  4. **Resolution 10:** Faculty Leave of Absence *tab #10*
- G. Executive Committee Mr. Trammell
- VII. Old Business Mr. Trammell
- A. **Resolution 16:** Revisions to the *Bylaws* of the Board  
of Visitors of the College of William and Mary *tab #16*
- VIII. New Business Mr. Trammell
- IX. Executive Session (if necessary) Mr. Trammell
- X. Open Session - Certification of Closed Session **Resolution** Mr. Trammell

Board of Visitors  
MEETING AGENDA  
November 30, 2012

XI. Closing remarks

XII. Adjournment

Mr. Trammell

**BLOW ROOM 201**

Lunch with student leaders

FULL BOARD MEETING

MINUTES – SEPTEMBER 19-21, 2012

**MINUTES**  
Meeting of the Board of Visitors  
The College of William and Mary in Virginia

September 19-21, 2012

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 19-21, 2012.

On Wednesday, September 19, the Executive Committee met from 4:30 to 6:00 p.m. in the Rector's Office. That evening the full Board convened for dinner in Plumeri House at 119 Chandler Court.

Those present on Wednesday were:

Kendrick F. Ashton, Jr.	L. Clifford Schroeder, Sr.
Ann Green Baise	Robert E. Scott
Charles A. Banks III	Peter A. Snyder
Laura L. Flippin	Todd A. Stottlemeyer
Thomas R. Frantz	Michael Tang
Dennis H. Liberson	John C. Thomas
John E. Littel	Jeffrey B. Trammell, Rector
Leigh A. Pence	

Absent: Keith S. Fimian  
Edward L. Flippen

Also present was William and Mary President W. Taylor Reveley III.

At 8:15 p.m. the Rector convened the full Board at Plumeri House, and asked for a motion that, pursuant to Section 2.2-3711.A.1., of the Code of Virginia, the meeting be closed for the purpose of discussing personnel matters pertaining to the evaluation of specific executive employees. Motion was made by Mr. Liberson, seconded by Mr. Trammell and approved by voice vote. The observers were asked to leave the room and the Board went into closed session at 8:15 p.m.

The Board reconvened in open session at 9:00 p.m. Mr. Trammell reviewed the topic discussed during closed session, 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 Mr. Liberson, seconded by Mr. Trammell and approved by roll call vote of the Committee members conducted by Secretary of the Board Dennis Liberson. (Certification **Resolution** is appended.)

There being no further business, the Board adjourned at 9:00 p.m.

On Thursday, September 20, the Committee on Audit & Compliance and the Richard Bland College Committee met in the Board Conference Room, while the Committee on Athletics, Committee on Academic Affairs, Committee on Administration/Buildings & Grounds,

Board of Visitors  
MINUTES  
Page 2

Committee on Development, Committee on Alumni Relations and Committee on Student Affairs met in the Board Room.

Those present on Thursday were:

Kendrick F. Ashton, Jr.	L. Clifford Schroeder, Sr.
Ann Green Baise	Robert E. Scott
Charles A. Banks III	Peter A. Snyder
Laura L. Flippin	Todd A. Stottlemeyer
Thomas R. Frantz	Michael Tang
Dennis H. Liberson	John C. Thomas
John E. Littel	Jeffrey B. Trammell, Rector
Leigh A. Pence	Faculty representative William J. Hausman

Absent: Keith S. Fimian  
Edward L. Flippen

Others present were:

W. Taylor Reveley III	Kiersten L. Boyce
Michael R. Halleran	Karen R. Cottrell
Virginia M. Ambler	Michael J. Fox
Edward C. Driscoll, Jr.	Fanchon Glover
James R. Golden	Michael L. Stump
Earl T. Granger, III	Brian W. Whitson
Samuel E. Jones	Sandra J. Wilms
Anna B. Martin	

Also in attendance were Assistant Attorney General Deborah Love, Staff Liaison Lydia C. Whitaker, Dean of University Libraries Carrie Cooper, Dean Katharine Conley, Dean Davison Douglas, Dean John T. Wells, members of the William and Mary Faculty Liaison Committee, and other William and Mary and Richard Bland staff.

The Committee on Athletics met from 8:30 to 9:30 a.m.; the Richard Bland College Committee met from 9:30 to 10:38 a.m.; the Committee on Academic Affairs met from 9:30 to 10:30 a.m., the Committee on Administration/Buildings & Grounds met from 10:35 to 11:30 a.m.; and the Committee on Development met from 11:30 to 12:30 p.m.

At 1:45 p.m. the Rector convened the Board for the Provost Report and Faculty Presentation. Mr. Scott called on Provost Michael Halleran who provided an update on creative adaptation projects and commented briefly on the curriculum review, US News and World Report rankings and the serious challenges faced by profoundly low resources (rank #112) and faculty retention issues. A brief discussion ensued.



The Provost introduced the Associate Provost for Enrollment and Dean of Admission Henry Broaddus, who reported on undergraduate enrollment for this fall. A brief discussion ensued.

Faculty Assembly Vice President and Faculty Liaison Chair Professor Suzanne Raitt reported on how William and Mary faculty currently use technology and advised the Board that the Faculty Assembly has asked the Provost to form a college-wide Committee on Pedagogical Digital Technology to research national trends in digital education to see whether or not they can be used at the College. A brief discussion ensued.

At 2:45 p.m. the Board convened as a committee of the whole for the **Committee on Alumni Relations**. Ms. Flippin presided as chair. Executive Vice President Karen Cottrell provided an update on upcoming regional engagement events which are being presented jointly with the Development Office. Director of Communications Mitch Vander Vorst reported on the increasing use of technology, new initiatives and innovations regarding fund raising and messaging, demonstrating different web sites to illustrate collaborative efforts undertaken. Ms. Cottrell discussed the changes being made to expand the Homecoming schedule and encourage broader participation. Following general discussion, and there being no further business, the Committee adjourned at 3:15 p.m. and the Board took a short break.

At 3:30 p.m., the Board convened as a committee of the whole for the **Committee on Student Affairs**. Ms. Pence presided as chair and introduced Vice President for Student Affairs Virginia Ambler. Ms. Ambler reported on the division reorganization and provided a broad overview of the functions of Student Affairs. Ms. Ambler reported that the division has been divided into five thematic areas – student health and wellness, campus living, student engagement and leadership, student success and career development – and discussed the functions under each area. She reviewed the major responsibilities of the Vice President's office and compared staff levels at other institutions with those of the various areas at William and Mary. A brief discussion ensued.

Student liaisons Kylee Ponder and Drew Chlan thanked the Board for listening to the student perspective. They reviewed fall events, including orientation and convocation, discussed efforts to encourage more graduate student involvement, provided an update on the Dalai Lama visit to campus and student reaction to upcoming events, including the new Greek housing complex and Homecoming. Following a brief discussion, and there being no further business, the Committee adjourned at 4:23 p.m.

The Board recessed until Friday morning.

On Friday, September 21, the Committee on Strategic Initiatives and New Ventures and the Committee on Financial Affairs met in the Board Room, prior to the full Board meeting.

Those present on Friday were:

Kendrick F. Ashton, Jr.	L. Clifford Schroeder, Sr.
Ann Green Baise	Robert E. Scott
Charles A. Banks III	Peter A. Snyder
Keith S. Fimian	Todd A. Stottlemeyer
Edward L. Flippen	Michael Tang
Thomas R. Frantz	John C. Thomas
Dennis H. Liberson	Jeffrey B. Trammell, Rector
John E. Little	Faculty representative William J. Hausman
Leigh A. Pence	Student representative Curtis A. Mills

Absent: Laura L. Flippin

Others present were:

W. Taylor Reveley III	Samuel E. Jones
Michael R. Halleran	Anna B. Martin
Kiersten L. Boyce	Michael J. Fox
Karen Cottrell	W. Fanchon Glover
Edward C. Driscoll, Jr.	Michael L. Stump
James R. Golden	Brian W. Whitson
Earl T. Granger III	Sandra J. Wilms

Also in attendance were Assistant Attorney General Deborah Love, Staff Liaison Lydia C. Whitaker, Richard Bland President Debbie L. Sydow, Dean Katharine Conley; Dean John T. Wells, members of the William and Mary Faculty Liaison Committee, and other William and Mary and Richard Bland staff.

The Rector convened the Board as a committee of the whole at 8:30 a.m. for the **Committee on Strategic Initiatives and New Ventures**. Michael Tang presided as chair and briefly reviewed the agenda.

Vice President Jim Golden reviewed the strategic planning process, noting that the Committee's title has been changed to include new ventures. Work continues to integrate communications across all areas.

Provost Michael Halleran and Vice President Golden presented a PowerPoint presentation that provided an update on the strategic management process, an overview of the strategic framework, discussion of the five-year review process and the vision/strategic focus. The new ventures overview focused on the EVMS proposal review and included a brief status report. A preliminary report is due to the President by October 15. A general discussion ensued, following which the Committee adjourned at 9:34 a.m.

The Committee on Financial Affairs met from 9:40 to 10:50 a.m.

Following a short break, the Rector convened the full Board at 11:00 a.m. and welcomed the new Board members. Following the President's brief welcoming remarks, the Rector asked for a moment of silence in memory of former Provost of the College Gillian T. Cell, who died on September 7.

The Rector read a letter of resignation from Laura Flippin, and noted that her contributions to the Board will be missed. He advised the Board that he had asked Kendrick Ashton to chair the Committee on Alumni Relations, and thanked Mr. Ashton for accepting.

The Rector moved that the Board of Visitors of the College of William and Mary convene in Closed Session for the purpose of discussing and/or approving personnel actions involving identifiable college employees and/or approving personnel actions pertaining to the appointment, promotion and leaves of specific executive, instructional and professional faculty; for consultation with legal counsel pertaining to legal matters requiring legal advice; and discussing specific recommendations related to fundraising strategies as well as current development activities, as provided for in Section 2.2-3711.A.1., 7., and 8. of the Code of Virginia. Motion was seconded by Mr. Schroeder and approved by voice vote. The Board went into closed session at 11:07 a.m.

The Board reconvened in open session at 11:15 a.m. The Rector reviewed the topics discussed during closed session, and 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. Banks and approved by roll call vote of the Board members conducted by Secretary to the Board Michael Fox. (Certification **Resolution** is appended.)

Noting that President Sydow needed to leave in order to catch a plane, the Rector ask Mr. Liberson to report for the **Richard Bland College Committee**. Mr. Liberson welcomed President Sydow to her first meeting and introduced the members of the Richard Bland staff present – Jeanne Holmes, Interim Director of Student Enrollment Management, and Scott Davis, Interim Director of Government, Community and Alumni Relations.

President Sydow gave a brief recap of her report given to the Richard Bland Committee, noting that her presentation had focused on lessons learned over the past five decades and her plan to re-focus, re-invest and re-invent the College so as to align its mission and goals with the educational and economic development of the Commonwealth. The President noted that while the current state of Richard Bland College is not sustainable from a business perspective, there are opportunities to build upon the College's primary strengths and assets in the coming years.

Mr. Liberson advised that the Committee had reviewed **Resolution 1**, Resolution to Approve President's 2012-2013 Goals for Richard Bland College; **Resolution 2**, Appointment to Fill a Vacancy in the Instructional Faculty; **Resolution 3**, Appointment to Fill a Vacancy in the Professional Faculty; **Resolution 4 (R)**, Retirement of Patricia A.

Harvey, Director of Institutional Effectiveness; **Resolution 5**, Retirement of Michael M. Shriver, Director of Facilities; and **handout Resolution 21**, Repairs to President's Residence, and asked for a motion to approve them as a block. Motion was made by Ms. Baise, seconded by Mr. Flippen and approved by voice vote. (**Resolution 4 (R)** and **Resolution 21** are appended.)

Mr. Thomas reported for the **Committee on Audit & Compliance**. There were no action items.

Mr. Snyder reported for the **Committee on Athletics**. There were no action items.

Mr. Banks reported for the **Committee on Administration/Buildings and Grounds**, noting that the two committees have now been combined. Mr. Banks advised that Mr. Frantz had been replaced on the College's Design Review Board by Mr. Thomas.

Noting that the Committee had reviewed two resolutions, Mr. Banks asked for a motion to adopt **Resolution 12**, Resolution of the Board of Visitors of the College of William and Mary in Virginia – 2012 9(D) Pooled Bond Program: Improve Auxiliary Facilities, and **Resolution 13**, Resolution of the Board of Visitors of the College of William and Mary in Virginia – 2012 9(C) Revenue Bond Program: Construct New Dormitory and Renovate Dormitories. Motion was made by Mr. Thomas, seconded by Mr. Schroeder and approved by voice vote.

Mr. Frantz reported for the **Committee on Development**, and introduced Earl Granger as the Interim Vice President for Development. Mr. Frantz moved adoption of **Resolution 14**, Establishment of the Roby-Sherman Scholarship Fund; and **Resolution 15**, Establishment of the Virginia Institute of Marine Science Endowment. Motion was seconded by Mr. Tang and approved by voice vote.

Mr. Stottlemeyer reported for the **Committee on Financial Affairs**, and moved adoption of **Resolution 16**, College of William and Mary FY 2014 Operating and Capital Budget Amendments; **Resolution 17**, Virginia Institute of Marine Science FY 2014 Operating and Capital Budget Amendments; **handout Resolution 18**, Appointment of Investment Manager; and **handout Resolution 19**, Six-Year Plan Update. Motion was seconded by Mr. Banks and approved by voice vote. (**Resolution 18** and **Resolution 19** are appended.)

Mr. Scott reported for the **Committee on Academic Affairs**, and moved adoption as a block **Resolution 6**, Appointment to Fill Vacancies in the Executive Faculty; **Resolution 7**, Appointments to Fill Vacancies in the Instructional Faculty; **Resolution 8**, Appointments to Fill Vacancies in the Professionals and Professional Faculty; **Resolution 9**, Designated Professorships; **Resolution 10**, Term Distinguished Professorships; and **Resolution 11**, Faculty Leaves of Absence. Motion was seconded by Mr. Stottlemeyer and approved by voice vote.

There was no report for the **Executive Committee**.

Recognizing that a quorum was present, the Rector asked for a motion to adopt the minutes of the meeting of April 25-27, 2012, and the Board retreat of July 20-21, 2012. Motion was made by Mr. Thomas, seconded by Mr. Liberson and approved by voice vote.

There was no old business.

Under new business, noting that it was a good idea to periodically review the Bylaws of the Board to make sure they reflect current expectations for the organization and operation of the Board as well as William and Mary and Richard Bland, the Rector asked University Counsel Deb Love to comment on **handout Resolution 20**, Resolution of the Board of Visitors of the College of William and Mary Regarding Changes to the Bylaws. Ms. Love noted that this review would undertake to reflect changes in the Board's committee structure, provide the Richard Bland College President flexibility in reorganization of the administrative structure, and clarify the Board's delegation of authority to transact business. Following a brief discussion, Mr. Trammell asked for a motion to adopt Resolution 20. Motion was made by Ms. Baise, seconded by Mr. Scott and approved by voice vote. (**Resolution 20** is appended.)

The Rector advised that one of the Board of Visitors representatives on the Real Estate Foundation Board of Directors, Kathy Hornsby, had resigned. To complete her term, the Rector advised that he had appointed Anita Poston as the second Board of Visitors representative.

The Rector moved that the Board of Visitors convene in Executive Session for the purpose of discussing personnel matters pertaining to identifiable William and Mary employees and annual performance evaluations of specific executive employees of William and Mary and Richard Bland, as provided for in Section 2.2-3711.A.1., of the Code of Virginia. Motion was seconded by Mr. Banks and approved by voice vote. The Board went into Executive Session at 11:50 a.m.

The Board reconvened in open session at 12:21 p.m. The Rector reviewed the topics discussed during closed session, and 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. Banks and approved by roll call vote of the Board members conducted by Secretary to the Board Michael Fox. (Certification **Resolution** is appended.)

There being no further business, the Board adjourned at 12:22 p.m.

Board of Visitors

September 19, 2012

### 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:

  
Jeffrey B. Trammell  
Rector of the College

Board of Visitors

September 21, 2012

### 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;

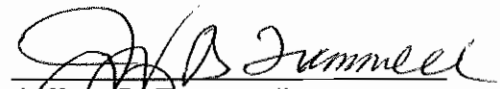
NOW, THEREFORE, BE IT RESOLVED, That the Board of Visitors, reconvening in open session, hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this 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: 16

NAYS: 0

ABSENT DURING CLOSED SESSION:

  
Jeffrey B. Trammell  
Rector of the College

**RICHARD BLAND COLLEGE  
RETIREMENT OF PATRICIA A. HARVEY  
DIRECTOR OF INSTITUTIONAL EFFECTIVENESS**

Patricia A. Harvey joined the administration of Richard Bland College in 1997. During her tenure, she has served as Director of Institutional Effectiveness and Director of Institutional Research. Ms. Harvey retired June 30, 2012 after 15 years of service.

Ms. Harvey received her A.A. in Liberal Arts from the University of Maryland (Europe) in 1979, her A.S. in Computer Science from Monterey Peninsula College in 1981, her B.A. in Mathematics from Hampton University in 1985, and M.B.A. from The College of William and Mary in 1988.

Ms. Harvey has been actively involved in the development of reporting procedures to SCHEV, and other state agencies. She has been instrumental in establishing institutional assessment processes and procedures, helped establish the College's first six year financial plan for submission to the General Assembly, and has worked with business and finance staff in implementing requirements for ARMICS. In recent years, Ms. Harvey has advised students and taught part time in the business and mathematics department.

She has also been active in community organizations, serving on the boards of the Kiwanis Club, Swift Creek Mill Playhouse, and Sycamore Rouge among others. She is also active in the art community in Petersburg. Her commitment to the students and the College will be greatly missed.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Patricia A. Harvey and expresses its appreciation to her for the many contributions she has made to Richard Bland College, and with deep gratitude for her fifteen years of devoted service to the College, approves a change in status from Director of Institutional Effectiveness to Director of Institutional Effectiveness, Emerita.

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



**RICHARD BLAND COLLEGE**  
**RESOLUTION REGARDING REPAIRS TO PRESIDENT'S RESIDENCE**

WHEREAS, the Richard Bland College President's Residence was originally built in the early 1920's as a wood frame farm house, and underwent substantial repairs and renovation in 1976, followed by more modest repairs in 1996; and

WHEREAS, upon the former president's departure from the Residence in June 2012, it was apparent that substantial repairs were necessary to render the Residence safe and suitable for occupancy by incoming President Debbie Sydow; and

WHEREAS, such work was initiated in June 2012, and thereafter it became apparent that the contract documentation failed to demonstrate compliance with the requirements of the Commonwealth of Virginia relating to public procurement; and

WHEREAS, in order to evaluate the work already performed and to ensure the proper completion of the project, the Rector directed that appropriate personnel from the College of William and Mary assume supervision of the renovation until its completion; and

WHEREAS, it appears that the work performed was necessary and appropriate, and it is anticipated that the project will be completed within the limits of available funds;

BE IT THEREFORE RESOLVED, that the Board of Visitors of The College of William and Mary in Virginia is satisfied that this matter has been resolved appropriately; and

BE IT FURTHER RESOLVED, that the Board thanks the staff of the College of William and Mary for its assistance to Richard Bland College, and thanks President Sydow for her patience as the Residence is readied.

COLLEGE OF WILLIAM AND MARY  
APPOINTMENT OF INVESTMENT MANAGER

At the May, 2012 meeting of the Investments Subcommittee of the Committee on Financial Affairs, Wells Fargo Advisors, financial advisor to the Board of Visitors for investment of private funds, recommended that the Board replace its current large cap growth manager. This recommendation resulted from the Investment Subcommittee's request that Wells Fargo evaluate the performance of the Board's existing manager in this area relative to other manager options. As a result, the Subcommittee authorized Wells Fargo Advisors to work with the College to issue a request for proposals (RFP).

On September 13, 2012, Wells Fargo Advisors presented the results of the RFP process to the Investments Subcommittee. After review and discussion, the Investments Subcommittee recommends to the Committee on Financial Affairs and the Board of Visitors that the Board replace its previous large cap growth manager with Goldman Sachs Asset Management.

THEREFORE, BE IT RESOLVED that the Board of Visitors of the College of William and Mary in Virginia accepts the recommendation of the Committee on Financial Affairs that its previous large cap growth manager be replaced and that Goldman Sachs Asset Management be retained as the College's large cap growth manager.

**COLLEGE OF WILLIAM AND MARY**

**SIX-YEAR PLAN UPDATE**

WHEREAS, the College of William & Mary has a long tradition of providing an excellent liberal arts education to the citizens of the Commonwealth and the nation; and

WHEREAS, the Governor's Commission on Higher Education has indicated "the Commonwealth's commitment . . . to having a distinctive 'public ivy' at William & Mary;" and

WHEREAS, consistent with the requirement of the Higher Education Opportunity Act (the Act), the College developed its initial Six-Year Plan rooted in this commitment, the goals set out in its Strategic Plan, and the objectives of the Act; and

WHEREAS, the Commonwealth's planning process requires an update to the six year-plan on an annual basis, incorporating funding actions by the Commonwealth as reflected in the final FY 2013 budget approved by each institution's Board of Visitors.

WHEREAS, the College has reviewed those expenditures necessary to support and enhance its instructional, research, student service, and administrative operations, prioritized those expenditures, and recommended funding through a combination of Commonwealth, College, and reallocated revenue; and

WHEREAS, the College continues to evaluate opportunities to improve the effectiveness and efficiency of its academic and administrative programs and activities;

THEREFORE, BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary, approves the College's Six-year Plan Update to reflect FY 2013 expenditures and tuition and fee charges consistent with the College's FY 2013 operating budgets as approved by the Board, and FY 2014 expenditures as proposed in the College's original Six-Year Plan adjusted to include \$3,721,000 supporting faculty salary increases as a first step to achieve the 60<sup>th</sup> percentile of the State Council of Higher Education in Virginia's (SCHEV) approved faculty salary peer group for the College. Planned FY 2014 expenditures include \$9,016,700 in College support supplemented by incremental state funding and further reallocation of funds within the College's overall operating budget.

BE IT FURTHER RESOLVED, That the Board defers setting tuition rates for FY 2014 pending consideration of tuition options that more fully address the Higher Education Commission's goal of improved affordability for lower and middle-income families consistent with Higher Education Advisory Committee income guidelines while providing the resources necessary to implement the College's Six-Year Plan.

BE IT FURTHER RESOLVED, That in response to the Commonwealth's direction that the Virginia Institute of Marine Science prepare a separate Six-Year Plan, the Board of Visitors of the College of William and Mary approves the Institute's Six-Year Plan Update to reflect FY 2013 expenditures consistent with the Institute's FY 2013 operating budget as approved by the Board, and FY 2014 expenditures as proposed in the Institute's original Six-Year Plan adjusted to reflect the impact of any state funding actions.

*College of William and Mary*  
**SIX YEAR PLAN UPDATE**

**Incremental Expense by Priority**

<b><u>PRIORITY</u></b>	<b><u>FY 2014</u></b>
1. Faculty and Staff Salaries	\$ 5,725,000
2. Undergraduate Financial Aid	\$ 1,840,000
3. Enrollment	\$ 356,000
4. Marine Science Minor	Funded in FY 2013
5. Graduate Financial Aid	\$ 500,000
6. Instructional Technology	\$ 80,000
7. Campus Security	\$ 159,000
8. Sustainability	Funded in FY 2013
9. Business Process Improvement	\$ 300,000
10. Operating Funds	\$ 217,000
11. Library	\$ 328,000
12. B & G Maintenance	\$ 300,000
13. Utilities	\$ 245,000
14. Center for Energy & Environment	\$ 400,000
15. Research Opportunity Fund	\$ 200,000
16. Undergraduate Research	\$ 250,000
17. International Programs	\$ 347,700
	<hr/>
	\$ 11,247,700

*Virginia Institute of Marine Science*  
**SIX YEAR PLAN UPDATE**  
**Incremental Expense by Priority**

<b><u>PRIORITY</u></b>	<b><u>FY 2014</u></b>
1. Increase Graduate Financial Aid	\$ 496,987
2. Establish Faculty Positions	\$ 251,411
3. Enhance Coastal Model & Simulation Activities	\$ 409,302
4. Improve Longevity of Highly-Sophisticated Instrumentation	\$ 300,000
5. Establish a Stable and Centralized Funding Base for Fish Surveys	\$ 604,000
6. Implement a Post-Graduate Commonwealth Coastal & Marine Fellowship Program	\$ 250,000
7. Establish a Commonwealth Chesapeake Bay Observing System	\$ 215,000
8. Develop and Support New Management & Policy Approaches through the CCRM	\$ 383,000
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	\$ 2,909,700

**RESOLUTION OF THE BOARD OF VISITORS OF THE  
COLLEGE OF WILLIAM AND MARY  
REGARDING CHANGES TO THE BYLAWS**

WHEREAS, the Bylaws of the Board of Visitors set forth basic expectations for the Board's organization and operation, as well as that of the College of William and Mary and Richard Bland College. In addition, the Bylaws contain delegations of the Board's authority to key designees at both institutions; and

WHEREAS, it is the practice of the Board periodically to revisit such organization and delegations to ensure that their forms permit the continued wise and prudent operation of the Board, the College of William and Mary, and Richard Bland College, and to make changes as appropriate; and

WHEREAS, the Board desires to: (1) give flexibility to the new President of Richard Bland College as she implements organizational changes that will better permit the College to flourish; (2) adjust its own organization to respond to changing needs; and (3) clarify its delegations of authority to transact business in the Board's name;

BE IT THEREFORE RESOLVED, that the Board of Visitors of The College of William and Mary in Virginia suspends the application of Article I, Sections 4, 7, 9, 12, and 15, as well as Article II, Section 9 (second paragraph), effective September 20, 2012; and

BE IT FURTHER RESOLVED, that the Rector work with the presidents of the College of William and Mary and Richard Bland College to prepare recommended changes to the Bylaws to achieve the goals set forth in this resolution, together with such other recommendations that seem prudent and appropriate. Such recommendations should be ready for the Board's consideration at its next regularly scheduled meeting.

Board of Visitors

September 21, 2012

### 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: 16

NAYS: 0

ABSENT DURING CLOSED SESSION:

  
Jeffrey B. Tammell  
Rector of the College

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

November 28-30, 2012  
Board Room - Blow Memorial Hall

RICHARD BLAND COLLEGE

Resolution 1, tab #1	2012-2018 Six-Year Plan (Update)
Resolution 2, tab #2	Resolution to Approve the Establishment of the Richard Bland College Faculty Senate and Bylaws of the Organization
Resolution 3, tab #3	Retirement of Dr. Russell E. Whitaker, Jr. Vice President of Administration and Finance
Resolution 4, tab #4	Retirement of Frances S. Scarbrough Human Resources Director
Resolution 14, tab #14	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, 2012 ( <i>joint with William and Mary</i> )

COLLEGE OF WILLIAM AND MARY

Resolution 5, tab #5	Approval of 2013 Internal Audit Work Plan
Resolution 6, tab #6	Repeal of the Code of Conduct Governing Student Loan Practices
Resolution 7, tab #7	Appointments to Fill Vacancies in the Instructional Faculty
Resolution 8, tab #8	Appointments to Fill Vacancies in the Professionals and Professional Faculty
Resolution 9, tab #9	Award of Academic Tenure
Resolution 10, tab #10	Faculty Leave of Absence
Resolution 11, tab #11	Resolution to Approve Purchase of Properties: 427 Scotland Street & 406 Jamestown Road



Board of Visitors  
AGENDA ITEMS  
November 28-30, 2012

Resolution 12, tab #12

Resolution to Approve the Inter-Agency  
Transfer Agreement of Longhill Connector  
Land to Eastern State

Resolution 13, tab #13

Resolution to Approve Closure of Landfill and  
Recordation of Deed

Resolution 14, tab #14

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, 2012 (*joint with Richard Bland  
College*)

Resolution 15, tab #15

Receipt of the Financial Report of the  
Intercollegiate Athletic Department for the  
Fiscal Year Ended June 30, 2012

Resolution 16, tab #16

Revisions to the *Bylaws* of the Board of  
Visitors of the College of William and Mary

RICHARD BLAND COLLEGE  
RESOLUTIONS

**RICHARD BLAND COLLEGE**

**2012-2018 SIX YEAR PLAN (UPDATE)**

WHEREAS, Richard Bland College provides a general education transfer curriculum to the citizens of the Commonwealth and the nation; and

WHEREAS, consistent with the requirement of the Higher Education Opportunity Act (the Act), the College developed its initial 2012-2018 Institutional Six-Year Plan rooted in the goals set forth in the objectives of the Act; and

WHEREAS, the Commonwealth's planning process requires an update to the six-year plan on an annual basis, incorporating funding actions by the Commonwealth as reflected in the final FY 2013 budget approved by each institution's Board of Visitors; and

WHEREAS, the new president and administration has set forth additional goals and strategies to advance the organizational efficiency and effectiveness of the College, including administrative reorganization to reduce operating costs; reinvestment of recovered funds in the College's core academic mission; expanded public-private partnerships with Army Logistics University, Southside Regional Medical Center, et al; and an evaluation and expansion of the College's academic portfolio and course delivery to include online options for certificate and degree completion; and

WHEREAS, the College continues to evaluate opportunities to improve efficiency and effectiveness of its academic programs and administration;

THEREFORE, BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of The College of William and Mary in Virginia, approves the College's 2012-2018 Institutional Six-Year Plan update to reflect FY 2013 expenditures and tuition and fee charges consistent with the College's FY 2013 operating budgets as approved by the Board; and

BE IT FURTHER RESOLVED, That the Board defers setting tuition rates for FY 2014 pending consideration of tuition options that more fully address the Higher Education Commission's goal of improved affordability for lower and middle-income families consistent with Higher Education Advisory Committee income guidelines, while providing the resources necessary to implement the College's 2012-2018 Institutional Six-Year Plan.

**RICHARD BLAND COLLEGE****2012-2018 SIX YEAR PLAN (UPDATE)****Incremental Expense by Priority**

<b><u>PRIORITY</u></b>	<b><u>FY 2014</u></b>
1. Distance Learning Platform	\$ 125,000
2. Army Logistics University Program Development	\$ 138,000
3. Academic Program Evaluation and Expansion	\$ 403,500
4. Nursing 2+2 Program	\$ 74,700
5. Associate to BSN 2+2 Program	\$ 265,000
6. Orientation Program	\$ 31,000
7. Dual Enrollment Expansion	\$ 163,700
8. Financial Aid	\$ 10,000
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	\$ 1,210,900

**RESOLUTION TO APPROVE THE ESTABLISHMENT OF THE RICHARD BLAND  
COLLEGE FACULTY SENATE AND BYLAWS OF THE ORGANIZATION**

The Richard Bland College Faculty seeks to establish a Faculty Senate that will contribute to the shared governance model newly established at Richard Bland College. The Bylaws of the Faculty Senate are consistent with the Bylaws of the Board of Visitors.

RESOLVED, That upon recommendation of the President, the Board of Visitors of The College of William and Mary in Virginia approves the establishment of the Richard Bland College Faculty Senate; and

BE IT FURTHER RESOLVED, That upon recommendation of the President, the Board of Visitors approves the Bylaws of the Faculty Senate as follows, effective immediately.

## RICHARD BLAND COLLEGE FACULTY SENATE BYLAWS

### Article I

#### **Name**

The name of this organization shall be the Faculty Senate of Richard Bland College, hereinafter referred to as the Senate.

### Article II.

#### **Purpose and Scope**

Section 1 The purpose of the Senate shall be to advise the President on matters affecting the welfare of the College and to ensure effective faculty participation in the governance of the College as a whole.

Section 2 The Senate will seek to achieve this purpose by facilitating communication and collaboration between faculty and administration and promoting the welfare of students, faculty and the College in general.

(a) This includes but is not limited to: studying issues and recommending policies to the administration and participating in the development of the educational, curricular, research and service components of the College.

(b) The Senate shall have timely access to the agendas of the Board of Visitors that pertain to Richard Bland College, strategic planning for Richard Bland College, reports of all college-wide committees, and preliminary drafts of the college budget.

### Article III

#### **Membership**

Section 1 The membership of the Senate shall consist of the regular, or voting members, and the associate, or non-voting members.

Section 2 The regular members shall be all tenured and tenure track teaching faculty, and the associate members shall be all other teaching faculty.

### Article IV

#### **Officers**

Section 1 The officers of the Senate shall be the Chair, the Vice-Chair, and Secretary.

Section 2 The Chair, Vice-Chair, and Secretary will be elected from the voting members in April by secret ballot. Nominations may be sent to the Secretary in advance of the Senate meeting or may be made at the Senate meeting. No one may be nominated without his or her consent. Self-nominations are acceptable. The Secretary will disseminate the names of the nominees to the faculty.

Section 3 The term of office is 24 months or until successors are elected and shall begin on July 1.

Section 4 Division chairs are not eligible to serve on the Executive Committee. The Chair and Vice-Chair cannot serve more than two consecutive terms. The Secretary cannot serve more than three consecutive terms.

#### Article V

##### **Responsibilities of the Officers**

Section 1 The Chair shall preside over the meetings of the Senate and the Executive Committee. S/he shall have regular meetings with the administration to discuss matters that affect or are of concern to the teaching faculty and shall report to the teaching faculty any administrative actions affecting them.

Section 2 The Vice-Chair shall serve as acting Chair during the absence of the Chair, assist the Chair in meetings with the Senate and with the administration, and assume the position of Chair if the Chair resigns, takes a leave of absence or is not attending meetings.

Section 3 The Secretary shall record the minutes of the Senate and Executive Committee meetings. S/he shall distribute a copy to all members of the faculty and administration no later than one week after a meeting. S/he shall archive a copy of the minutes in both print and electronic formats. S/he shall receive items for the agendas of Senate and Executive Committee meetings and send the agendas out to faculty.

Section 4 A parliamentarian shall be nominated and elected at the first Senate meeting of the fall semester by the members of the Senate. S/he shall serve for a term of one year or until a successor is elected.

Section 5 A vote of no-confidence by two-thirds of the Senate will remove an officer. Any voting member of the Senate may call for a vote of no-confidence to be taken in either a regular meeting of the Senate or a special meeting. The members of the Senate must be notified and given a reason for the no confidence vote at least one week in advance.

Section 6 The Officers may request a stipend and/or a reduction in workload commensurate with their duties.

## Article VI

### Meetings

- Section 1 The Senate shall meet once a month on a regularly scheduled day and time to be decided by the Senate prior to each semester unless the Executive Committee deems a meeting unnecessary. Regular meetings shall be open to any interested party of the Richard Bland College community. The agenda for all meetings of the Senate shall be set by the Officers at least five business days in advance and sent to the faculty.
- Section 2 Special meetings may be called by the Executive Committee or a committee chair. They shall generally be open to any interested party of the Richard Bland College community. The agenda shall be assembled by the person(s) calling the special meeting. Faculty members will be notified at least 5 business days before a meeting.
- Section 3 A quorum for voting will be defined as a majority of the regular members of the Senate, including the officers. At the request of any one member of the Senate, a secret ballot shall be taken on any motion brought to vote.
- Section 4 The non-voting representative to the Board of Visitors will give a report to the Senate in a timely manner.

## Article VII

### Executive Committee

- Section 1 The Executive Committee shall be composed of the Chair, Vice-Chair, Secretary, and two Executive Senators.
- Section 2 Executive Senators (one from each division) will be elected at their respective division meetings within two weeks of the election of officers. Nominations may be sent to the Division Chair or may be made at the meetings. The length of a term is 24 months, and they cannot serve more than three consecutive terms.
- Section 3 The members of the Executive Committee shall attend all Senate and Executive Committee meetings. They shall be reasonably accessible to those they represent, gather information from them and present it to the Executive Committee and/or Senate for discussion, make recommendations to the Senate, and make formal recommendations of the Senate to the Chief Academic Officer and/or College Council. They shall appoint any special committees of the Senate that may be needed.
- Section 4 The Executive Committee shall meet once a month on a regularly scheduled day and time to be decided by the Committee prior to each semester. The agenda for all regular



Executive Committee meetings will be e-mailed to all faculty at least 5 business days in advance by the Secretary.

Section 5 Special meetings may be called by the Chair. Officers will be notified at least 5 business days before such a meeting.

Section 6 Any faculty member, staff member, or administrator may be placed on the agenda to address the Executive Committee. S/he must contact the Chair or Vice-Chair at least 5 business days in advance of the meeting to be placed on the agenda.

Section 7 The Chair-elect will be invited to all Executive committee meetings before taking office.

Section 8 Executive Senators shall report the activities and decisions of the Executive Committee back to their division. At their request, senators will be given a slot on the agenda of division meetings to facilitate these responsibilities.

Section 9 The Vice-Chair and the Executive Senators will be recommended to the President for consideration as the nominee for the non-voting representative to the Board of Visitors.

Section 10 All vacancies shall be promptly filled.

(a) If an Executive Senator must resign, take a leave of absence or is not attending meetings, the division will hold another election in the same manner as described above.

(b) If the Chair must resign, take a leave of absence or is not attending meetings, the Vice-Chair will assume the role of Chair.

(c) If the Vice-Chair or Secretary must resign, take a leave of absence or is not attending meetings, the Senate will hold another election in the same manner as described above.

(d) If an officer serves for more than one calendar year, it will be considered as a full term.

## Article VIII

### Academic Divisions of the Faculty

Section 1 The Senate shall be organized into two academic divisions: the Division of Humanities and Social Sciences and the Division of Science and Quantitative Methods:

(a) The Division of Humanities and Social Sciences shall be composed of the following academic disciplines: Art, Business, Economics, English, French, Geography, Government, History, International Studies, Music, Philosophy, Psychology, Religion, Sociology, Spanish, Speech, and Theatre.

(b) The Division of Science and Quantitative Methods shall be composed of the following academic disciplines: Accounting, Biology, Chemistry, Computer Science, Health, Mathematics, Physical Education, and Physics.

Section 2 A Division Chair will be elected by each academic division subject to the recommendation of the Chief Academic Officer to the President for final approval. Division Chairs shall hold office for a term of three years, subject to annual review by the President, or until they are re-elected or their successors elected. A Division Chair shall not serve more than two consecutive terms.

Section 3 The method of election for Division Chair will be by written nomination submitted to the Parliamentarian along with nominations from the floor and by secret ballot.

Section 4 The responsibilities of the Division Chairs to the Chief Academic Officer and to the faculty of the Division shall include:

- (a) providing leadership to an academic division;
- (b) distributing to faculty members the mission, goals, and policies of the College;
- (c) coordinating the instructional and professional responsibilities of the Division;
- (d) providing the faculty of the Division with appropriate opportunities for professional involvement;
- (e) reviewing periodically the curriculum of the Division and recommending revision;
- (f) ensuring that course outlines, course syllabi, and textbook selections follow College policies and procedures;
- (g) recommending the composition of faculty search committees within the Division in consultation with appropriate faculty members;
- (h) reviewing the qualifications of adjunct applicants in consultation with appropriate faculty members;
- (i) orienting new faculty, adjunct faculty, and substitute instructors to the Division;
- (j) participating in the evaluation of faculty members;
- (k) recommending each semester's course offerings, class schedule, and instructional assignments;
- (l) arranging for substitute instructors in case of the extended absence of regular instructors;
- (m) developing the preliminary budget and supervising administration of the approved Division budget;
- (n) giving leadership in the planning and purchasing of instructional supplies and equipment;
- (o) scheduling meetings of the Division as necessary and distributing accurate minutes to the College community.

Section 5 A Division Chair may be removed by a vote of no-confidence from two-thirds of the division. Any member of the division may call for a vote of no-confidence to be taken in either a division meeting or a special meeting. The members of the division must be notified and the reason given at least 5 business days in advance.

Article IX

**Committees of the Senate**

Section 1 The Elected Committees of the Senate shall be:

- (a) the Academic Standards Committee,
- (b) the Instructional Programs Committee,
- (c) the Faculty Affairs Committee,
- (d) the Student Affairs Committee, and
- (e) other committees elected by the voting Faculty.

Section 2 Each committee will have a total of six full-time faculty members, three from each division. Members will be elected by their division for a two-year term or until their successors are elected. Members may serve no more than two consecutive terms on the same committee. Membership of less than one year shall be considered a partial term and will not restrict the serving of an additional two consecutive terms. Membership of one year or more shall be considered a full term. The method of election for each standing committee will be by written nomination submitted to the Division Chair along with nominations from the floor and by secret ballot. The Chair is an ex officio, non-voting member of all committees of the Senate.

Section 3 All committees shall announce their meetings at least 5 business days in advance, distribute their minutes to all faculty and administrative staff, and generally seek the widest possible input from the faculty. Ten days after distribution of the minutes, any action or policy recommendation from the committee will automatically be recommended to the Senate for its consideration and recommendation to the Chief Academic Officer and/or College Council.

- (a) The Chief Academic Officer and/or College Council shall then communicate with the Senate within 30 days of the disposition of the recommendation.
- (b) If the Chief Academic Officer and/or College Council supports the recommendation, then s/he is responsible for submitting the recommendation to the President for action, as well as keeping the Senate informed of progress.
- (c) If minor changes are needed to the recommendation, then the Executive Committee and Chief Academic Officer and/or College Council will meet in an effort to come to a consensus. The Executive Committee shall decide whether the changes are acceptable or must be returned to the Senate for another vote.
- (d) If the Chief Academic Officer and/or College Council denies the recommendation, the denial with reasoning shall be provided in writing to the Senate. The Senate may appeal the denial to the President.

Section 4 There shall be student representation on all committees not involving student records, faculty affairs, or other confidential matters. The Coordinator of Student Activities

shall be responsible for these appointments of students, cooperating with the Student Assembly.

Section 5 The following sub-sections describe the composition and responsibilities of the elected committees:

A. The Academic Standards Committee

1. The responsibilities of this committee shall include:

- (a) developing admission standards and policies consistent with the stated goals of the College and its primary responsibility;
- (b) developing academic standards and policies conducive to quality education;
- (c) reviewing and determining academic status of students in cases not clearly delineated by established standards;
- (d) hearing and deciding, subject to any further right of appeal, individual exceptions and/or appeals in areas such as admissions, academic status, adjustment of academic records, and waiver of degree requirements in exceptional cases; and
- (e) certifying degree candidates to the Registrar.

2. Composition of the Committee shall be in accordance with Article IX, Section 2.

3. In addition, the Chief Academic Officer and/or designees and the Registrar will be ex officio non-voting members.

B. The Instructional Programs Committee

1. The responsibilities of this committee shall include:

- (a) reviewing, proposing, and considering modifications of policies, procedures, and programs of the Library;
- (b) keeping informed of the degree requirements of area colleges and of national curriculum trends;
- (c) reviewing, proposing, and considering modifications of, additions to, or deletions from the degree requirements and curricula;
- (d) seeking the advice of the representatives of the academic discipline involved before making changes in policy or programs that will be presented to the Chief Academic Officer and to the President of the College for approval and inclusion in the College catalogue; and
- (e) reviewing and recommending modifications of, additions to, or deletions from policies, programs, course descriptions, and syllabi to the Chief Academic Officer and to the President of the College for approval.

2. Composition of the Committee shall be in accordance with Article IX, Section 2.

3. In addition, the Chief Academic Officer and/or designees, the Registrar, the Division Chairs, the Director of the Library, and the faculty representative to the Board of Visitors will be ex officio non-voting members. There will also be two voting student members.

C. Faculty Affairs Committee

1. The responsibilities of this committee shall include:
  - (a) studying the concerns of the faculty with regard to faculty welfare in such areas as salaries, fringe benefits, and working conditions;
  - (b) proposing various programs and policies for faculty development in such areas as in-service activities, continuing education, promotions and tenure; and
  - (c) oversee the activities of the Faculty Development Coordinator; and
  - (d) reviewing, proposing, and considering modifications of, additions to, or deletions from the By-laws of the Faculty Senate on an annual basis.
2. Composition of the Committee shall be in accordance with Article IX, Section 2.
3. In addition, the Chief Academic Officer and/or designees and the faculty representative to the Board of Visitors will be ex officio non-voting members.

D. The Student Affairs Committee

1. The responsibilities of this committee shall include:
  - (a) overseeing the activities of the student organizations;
  - (b) overseeing the athletic and intramural programs;
  - (c) overseeing the disposition of funds available for all student activities;
  - (d) developing guidelines for physical conditions, parking, safety and traffic on the campus grounds;
  - (e) approving or disallowing petitions on parking tickets; and
  - (f) developing recommendations relating to the process of student advising and financial aid.
2. Composition of the Committee shall be in accordance with Article IX, Section 2.
3. In addition, the Chief Academic Officer and/or designees will be ex officio non-voting members. There will also be four voting student members.

Article X

**Parliamentary Authority**

The meetings and the recording of minutes of the Senate shall abide by Robert's Rules of Order Newly Revised in all of its proceedings and committee meetings.

Article XI

**Amendments**

Section 1 These by-laws may be amended at any scheduled meeting by a two-thirds vote of the Senate of the regular members present provided that the amendment has been submitted to the Senate in writing at least ten days prior to the next meeting of the Senate and distributed to the faculty by the Secretary.

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Section 2 The By-laws become effective upon approval by the President of Richard Bland College and the Board of Visitors of The College of William and Mary in Virginia.

Section 3 These By-laws recognize the provision in the By-laws of the Board of Visitors with regard to inconsistencies, as follows: "All By-laws of the faculties and other organizations of the College and its branch colleges must be consistent with the By-laws of the Board.

### **Provisos for Transition to a Faculty Senate**

Section 1 The Chair of the Faculty Affairs Committee will call for nominations for the positions of Chair, Vice-Chair, and Secretary within ten days of approval of the By-Laws by the Board of Visitors.

(a) Nominations will be submitted to the Chair who will then distribute a list of the nominees for each position to all regular members of the faculty. S/he will call a special faculty meeting for the purpose of electing the officers of the Senate for one week hence.

(b) If the Chair is seeking election for a position, a member of the Faculty Affairs Committee who is not running will assume the position of temporary chair.

(c) The members of the Faculty Affairs Committee who are not seeking election will count the ballots.

Section 2 Election of Executive Senators will take place in division meetings as outlined in the By-Laws.

Section 3 The Chair (or temporary chair) of the Faculty Affairs Committee will send out results of elections.

Section 4 A partial term counts as a full term.

**RICHARD BLAND COLLEGE  
RETIREMENT OF DR. RUSSELL E. WHITAKER, JR.  
VICE PRESIDENT OF ADMINISTRATION AND FINANCE**

Russell E. Whitaker, Jr. joined the administration of Richard Bland College in 1974. During his tenure, he has served as Director of Continuing Education, Chief Fiscal Officer, Dean of Financial and Administrative Services, Dean of Administration and Finance, and Vice President of Administration and Finance. Dr. Whitaker retired on November 1, 2012 after 38 years of service.

Dr. Whitaker received his A.A. Degree from Richard Bland College in 1967, his B.S. in History and Social Science from Virginia Commonwealth University in 1969, his M.Ed. in Industrial Education from Virginia State College in 1972 and his Ed.D. from the College of William and Mary in Higher Education Administration in 1986.

Dr. Whitaker served in the U.S. Army Reserve and was a public school teacher and Adult Education Coordinator. He has served actively in his community on the Dinwiddie Ruritan Club, on the Board of Directors of the Prince George Rescue Squad, with Crater Community Hospice, and various other organizations. He has been actively involved in the Richard Bland College Foundation, serving as Treasurer and Member of the Board of Directors.

Dr. Whitaker was instrumental in the expansion of Richard Bland College. He was a member of the administrative team and coordinated efforts and brought to fruition the addition of the Student Residential Village and most recently the construction of a new LEED Gold certified science and technology facility, James B. McNeer Hall, which is the first new academic building in forty years.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Dr. Russell E. Whitaker, Jr. and expresses its appreciation for the many contributions he has made to Richard Bland College and, with deep gratitude for his 38 years of devoted service to the College, approves a change in status from Vice President of Administration and Finance to Vice President of Administration and Finance 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 Dr. Russell E. Whitaker, Jr. with best wishes for continuing and creative work in the years ahead.

**RICHARD BLAND COLLEGE  
RETIREMENT OF FRANCES S. SCARBROUGH  
HUMAN RESOURCES DIRECTOR**

Frances S. Scarbrough was hired by Richard Bland College in December, 1968. Mrs. Scarbrough received an Associate in Science in Business Degree from Richard Bland College in 1982 and attended Saint Leo College after graduating from Richard Bland College.

During her employment, Mrs. Scarbrough held several positions, including Secretary to the Registrar, College Accountant, Assistant Human Resource Director and most recently Human Resources Director. She will retire on January 1, 2013, after a total of forty-four years of service. During her tenure, Mrs. Scarbrough worked with all four Presidents of Richard Bland.

Mrs. Scarbrough was actively involved with different HR Organizations, including College and University Personnel Association (CUPA) and the International Personnel Management Association (IMPA), where she served on the board for several years. In 2001, she was appointed by the Virginia Retirement System to serve as a charter member on the Commonwealth's Optional Retirement Plan for Higher Education Advisory Committee. Mrs. Scarbrough served on this committee through December, 2007. The College was asked by the State Department of Accounts, under Mrs. Scarbrough's direction, to be the first agency to go live in implementing the state's first electronic payroll system (CIPPS).

Mrs. Scarbrough was very active in the Tri-Cities P. Buckley Moss Chapter. She was president of the Chapter for two years and became very interested not only in the Moss artwork but in the fact that the artist believes in helping children with disabilities since Ms. Moss was diagnosed at an early age as dyslexic. While Chapter President, Mrs. Scarbrough was involved with helping children with disabilities. In her spare time, she enjoys shopping, reading, bike riding and her six grandchildren.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Frances S. Scarbrough and expresses its appreciation to her for the many contributions she has made to Richard Bland College, with deep gratitude for her forty-four years of devoted service to the College.

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



COLLEGE OF WILLIAM AND MARY  
RESOLUTIONS

COLLEGE OF WILLIAM AND MARY  
APPROVAL OF 2013 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 2013 Work Plan for the Office of Internal Audit includes the following areas; items *italicized* are management requests:

1. ARMICS – risk management and internal controls directive
2. Auditor of Public Accounts (APA) Support\*
3. *Arts and Sciences - PBK ticket office and Theatre, Speech, and Dance – Dean Conley's request*
4. Board of Visitors' resolution/policy compilation and review
5. *Centralized billing and VA benefits – management request\**
6. *EVMS – management request*
7. Fraud, Waste and Abuse Hotline; internal hotline and investigations\*
8. *Highland - Judge Thomas' request*
9. *Human Resources (RBC) – President Sydow's request*
10. Personnel hiring and evaluation committees\*
11. *President Reveley's Business Innovation Committee\**
12. Related foundations\*
13. *Risk Management Committee – management request\**
14. Small purchase cards\*
15. *Vendor create and modification process – management request\**
16. *VIMS Analytical Services center - Dean Wells' request*
17. *VIMS Vessel Operations center - Dean Wells' request*
18. William and Mary Police Department - assist investigations\*
19. Additional requests from the Board and management\*

\*Ongoing projects

The 2013 Work Plan has been reviewed by the Committee on Audit and Compliance 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 2013 Work Plan for the Office of Internal Audit is approved by the Board of Visitors.

COLLEGE OF WILLIAM AND MARY  
REPEAL OF THE CODE OF CONDUCT  
GOVERNING STUDENT LOAN PRACTICES

In recognition of changes to the student loan process, in particular the shift of the administration of subsidized student loans from lending institutions such as banks to universities themselves via so-called "direct lending," the July 16, 2007, resolution adopted by the Board of Visitors regarding the adoption of a Code of Conduct Governing Student Loan Practices no longer serves its intended purpose. Lending institutions no longer may gain "preferred lender" status as referenced in the Code, the primary intent of which was to protect the integrity of that selection process.

Furthermore, the College's Code of Ethics, adopted by the Board of Visitors on April 17, 2009, and other policies administered by the Compliance and Policy Office cover the remaining parts of the adopted Code of Conduct.

THEREFORE, BE IT RESOLVED, That the Board of Visitors of the College of William and Mary repeals the Code of Conduct Governing Student Loan Practices and the compliance process it obligated, but affirms an ongoing commitment to the highest standard of ethics in conduct related to student loans and financial aid.

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

Vacancies in the Instructional Faculty of the College of William and Mary have resulted because of resignations, terminations and 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 effective with the 2012-2013 academic year:

GREGORY W. GROSSMAN, Assistant Professor of Military Science

A.A., North Carolina Fayetteville Technical Community College, 1995

B.A., Campbell University, Buies Creek, 1997

M.A., Cameron University, 2001

Campbell University

Assistant Professor, 2011-2012

U.S. Army

Operations Officer, 2010-2011

Commander, 2009-2010

Brigade S4, 2008-2009

Operations Officer, 2006-2007

Human Resources OIC, 2005-2006

Battalion OIC, 2003-2005

Platoon Leader, 2002-2003

ANDREJA NOVAKOVIC, Assistant Professor of Philosophy

B.A., Bryn Mawr College, 2004

M.A. (2008); Ph.D. (2012), Columbia University

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

ANDREW A. PETRIE, Assistant Professor of Military Science

B.S., James Madison University, 2004

U.S. Army

Commander, 2011-2012

Brigade Engineer, 2010

Assistant Brigade Engineer, 2008-2009

Assistant S3; S4, 2007-2008

Company XO, 2006-2007

Platoon Leader, 2004-2005

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:

TAMI C. BACK, Director of Strategic Communications and Outreach,  
Earl Gregg Swem Library, effective October 1, 2012

B.A., Christopher Newport University, 2003  
M.A., Old Dominion University, 2009

City of Hampton  
Communications Coordinator, 2010-2012  
Public Communications Assistant, 2003-2010

Daily Press Newspaper  
Free-Lance Writer/Intern Reporter, 2002-2003

Christopher Newport University  
Managing Editor, The Captain's Log, 2001-2002

CINNAMON A. BAKER, Assistant Dean, Career Services, William & Mary  
Law School, effective November 10, 2012

B.F.A., Florida State University, 1994  
J.D., University of Dayton School of Law, 2004

Barry University School of Law  
Director of Career Services, 2007-2012

Akerman, Senterfitt & Eidson, P.A.  
Conflicts of Interest Associate, 2005-2007

The Princeton Review  
Instructor, 2005

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

DEBORAH CORNELL, Cataloging and Metadata Librarian, Earl  
Gregg Swem Library, effective October 22, 2012

B.A., The University of Texas at Arlington, 1996  
M.I.S., University of North Texas, 2003

The Art Institute of California-Hollywood  
Interim Librarian, 2010-2012

JibJab Media, Inc.  
Digital Assets Manager, 2008-2009

Charles E. Young Research Library, Department of Special Collections,  
University of California  
Digital Archives Cataloger, 2005-2008

The University of Texas at Arlington  
Library Assistant II, 1998-2005

KIMBERLY MALLORY, Director of Flex Program and Professional  
Admissions, Mason School of Business, effective November 12, 2012

B.S., Tusculum College, 2005  
M.B.A., University of Tennessee, 2009

University of Tennessee Center for Executive Education  
Director, Global Business Development and Student Recruitment, 2012  
Director, Regional Business Development and Assistant Director,  
Professional MBA Program, 2010-2012  
Director, Leadership and Regional Programs, 2006-2010  
Program Coordinator, 2000-2006

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

ROBERT W. MORMAN, Director of Building Services, Facilities  
Management, effective December 10, 2012

Purdue University  
General Manager, Building Services, 2006-2012

Arnett Health Systems  
Supervisor of Environmental Services, 1998-2005

Executive Management Services, Inc.  
District Manager, 1997-1998

ServiceMaster Services, Inc.  
Operations Manager, 1995-1997

ELIZA G. PARRISH, Director of Alumni Relations, Mason School of  
Business, effective November 26, 2012

B.S., Emerson College, 1975

Suffolk University  
Senior Director of Alumni Relations, 2011-2012  
Director of Alumni Relations, Sawyer Business School, 2007-2011

Linden Ponds Retirement Community  
Director of Giving and Events, 2004-2007

Massachusetts Institute of Technology  
Director, Alumni Relations, Sloan School of Management, 2000-2003

Dana-Farber Cancer Institute  
Director, Marathon Programs, 1998-2000



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

GEORGE P. PODOLIN, Assistant Dean, Career Services, William & Mary  
Law School, effective December 10, 2012

A.B., Duke University, 1988  
M.A., University of Pennsylvania, 1996  
J.D., Yale Law School, 1999

Schnader, Harrison, Segal & Lewis, LLP  
Associate, Litigation Services Department, 2012

Hoyle, Fickler, Herschel & Mathes, LLP  
Associate, 2008-2012

Hangley, Aronchick, Segal & Pudlin  
Associate, Litigation Department, 2001-2008

KATHRYN L. RICHARDS, Reunion Gift Officer, University Development,  
effective September 25, 2012

B.A., University of Exeter, 2008

Legal Aid Society of Eastern Virginia  
Community Resources Liaison, 2011-2012  
Eligibility Worker, 2010-2011

International School of Choueifat, United Arab Emirates  
Class Teacher, 2008-2009

University of Exeter, United Kingdom  
Annual Fund Caller, 2007-2008

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

STACEY BUSBEE SUMMERFIELD, Director of Parent and Family  
Giving, University Development, effective October 10, 2012

B.A., College of William & Mary, 2004  
M.A.L.S., Northwestern University, 2008

The University of Chicago  
Associate Director, Parents Program, 2010-2012  
Assistant Director of Annual Fund, Alumni Emeriti and Reunions, 2008-2010  
Assistant Director of Annual Fund, Direct Response Philanthropy, 2008

Northwestern University  
Program Assistant, Office of Foundation Relations, 2006-2008

Near North Montessori School  
Development Liaison, 2005-2006

MICHAEL A. TURNER, Director of Programs and Special Projects,  
Office of the University Registrar, effective November 25, 2012

B.S., Old Dominion University, 1990  
M.Ed., College of William & Mary, 2011

Virginia Community College System  
Coordinator of Student Affairs/Academic Services and Research, 2006-2012

Tidewater Community College  
Supervisor, Peoplesoft/Oracle SIS/Lifecycle Support Team, 2004-2005

Thomas Nelson Community College  
Associate Registrar, 1996-2004

Christopher Newport University  
Enrollment Systems Analyst, Office of the Registrar, 1995-1996

Old Dominion University  
Transcript Supervisor, 1992-1995  
Data Processing Coordinator, 1987-1992

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

DANIEL HAYDEN WEDDINGTON, Digital Archivist, Earl Gregg Swem  
Library, effective, January 7, 2013

B.A., Eastern Kentucky University, 2008  
M.L.I.S., University of Kentucky, 2012

Eastern Kentucky University  
Library Associate, Special Collections and Archives, 2012  
Library Associate, Business Library and Academic Commons, 2010-2012  
Archival Assistant, Special Collections and Archives, 2007-2008

University of Kentucky  
Staff Associate, Division of Writing, Rhetoric and Digital Media, 2008-2010

KARIN WULF, Director, Omohundro Institute of Early American History and  
Culture, effective, July 1, 2013

B.A., American University, 1985  
M.A. (1990); Ph.D. (1993), Johns Hopkins University

College of William & Mary  
Associate Professor, 2005-2012  
Book Review Editor, William and Mary Quarterly, 2004-2012  
Visiting Associate Professor, 2004-2005  
Visiting Book Review Editor, William and Mary Quarterly, 2002-2004

American University  
Associate Professor, 2000-2005  
Assistant Professor, 1995-2000

Old Dominion University  
Assistant Professor, 1993-1995

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COLLEGE OF WILLIAM AND MARY  
AWARD OF ACADEMIC TENURE

The following member of the Instructional Faculty at the College of William and Mary has been recommended for the award of academic tenure by the appropriate departmental committee and chair, the appropriate dean, and by the Provost and President.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the following member of the Faculty be awarded academic tenure, effective with the beginning of the 2012-2013 academic year:

AHMAD ATIF AHMAD, Department of Religious Studies

Board of Visitors

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COLLEGE OF WILLIAM AND MARY  
FACULTY LEAVE OF ABSENCE

The following faculty member has requested a leave of absence without pay or partial pay during the 2012-2013 academic year for the reason given.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves this leave of absence:

CHARLES F. MCGOVERN, Associate Professor of History and American Studies, to accept a fellowship with the Smithsonian Institution for the Spring 2013 semester.

**COLLEGE OF WILLIAM AND MARY  
RESOLUTION TO APPROVE PURCHASE OF PROPERTIES:  
427 SCOTLAND STREET & 406 JAMESTOWN ROAD**

**WHEREAS**, from time to time, the College has the opportunity to purchase property that is adjacent to the campus, of strategic interest to the College, at a bargain price to the institution, or for some other equally compelling reason; and

**WHEREAS**, the 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, as renewed in 2009, allows the Board of Visitors to use its non-general funds to purchase property without the approval of the Governor, the General Assembly, or any other Commonwealth agency; and

**WHEREAS**, the Agreement authorized the College to establish its own policies and procedures for the purchase of property, using the Commonwealth's due diligence policies as a model template; and

**WHEREAS**, the College was approached by the ownership group holding title to both properties at 427 Scotland Street and 406 Jamestown Road; and

**WHEREAS**, both properties are of strategic interest to the College, and are offered as a package deal because the ownership wishes to dissolve and liquidate its business interests; and

**WHEREAS**, 427 Scotland Street is a 5880 square foot commercial building that the College had rented for its School of Education Gifted & Talented Program; and

**WHEREAS**, 406 Jamestown Road is a 1938 square foot residence currently leased to students, but surrounded by College-owned property; and

**WHEREAS**, the College did not want to lose this opportunity, and proceeded with negotiating a price of \$1.51M for the combination of two properties, with an assumption of settlement occurring prior to January 1, 2013; and

**WHEREAS**, the College has begun its due diligence activities in advance of signing a purchase contract, pending Board approval;

**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 purchase both properties at the agreed-upon package price of \$1.51M, pending successful completion of the due diligence effort, and in accordance with all authorities, policies, and procedures in force and necessary under the Agreement; and

**FURTHER RESOLVED**, That the Vice President for Administration, and the University Counsel are authorized to execute any and all documents pertaining to the acquisition.

**COLLEGE OF WILLIAM AND MARY  
RESOLUTION TO APPROVE  
INTER-AGENCY TRANSFER AGREEMENT  
LONGHILL CONNECTOR LAND TO EASTERN STATE**

**WHEREAS**, the COMMONWEALTH OF VIRGINIA, DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (Transferee), seeks to have transferred from the COMMONWEALTH OF VIRGINIA, THE COLLEGE OF WILLIAM AND MARY (Transferor) that certain "Residue Parcel" located along the westerly edge of Longhill Connector Road, immediately to the North of its intersection with Ironbound Road, containing 0.9199 ± acres, as indicated on the attached plat dated June 25, 1987; and

**WHEREAS**, Virginia Code § 2.2-1150(A)(2) provides that, when it is deemed to be in the public interest, property owned by the Commonwealth and held in the possession of a department, agency or institution of the Commonwealth may be transferred to the possession of another department, agency or institution of the Commonwealth by the execution of an agreement between the heads of such departments, agencies or institutions; and

**WHEREAS**, the Transferor, in furtherance of the public interest, may agree to transfer the Residue Parcel to the Transferee possession, upon approval of the Board of Visitors; and

**WHEREAS**, the Residue Parcel is a portion of the same property (now commonly known as the Dillard Complex) conveyed from the State Mental Health and Mental Retardation Board (now the Department of Behavioral Health and Developmental Services) to The College of William and Mary by agreement dated September 24, 1980, and recorded in Deed Book 209, Page 68, in the Clerk's Office of the Circuit Court for the City of Williamsburg and County of James City, Virginia; and

**WHEREAS**, when the Longhill Connector Road was sited and constructed to connect Ironbound Road to Longhill Road, this residue parcel was inadvertently left on the Eastern State side of the Longhill Connector Road; and

**WHEREAS**, there is no lease, conveyance, easement, function, or strategic interest that would prevent the College from transferring the Residue Parcel; and

**WHEREAS**, under the 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; as renewed, allows the Board of Visitors to make such an inter-agency transfer;

**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 transfer the

Board of Visitors

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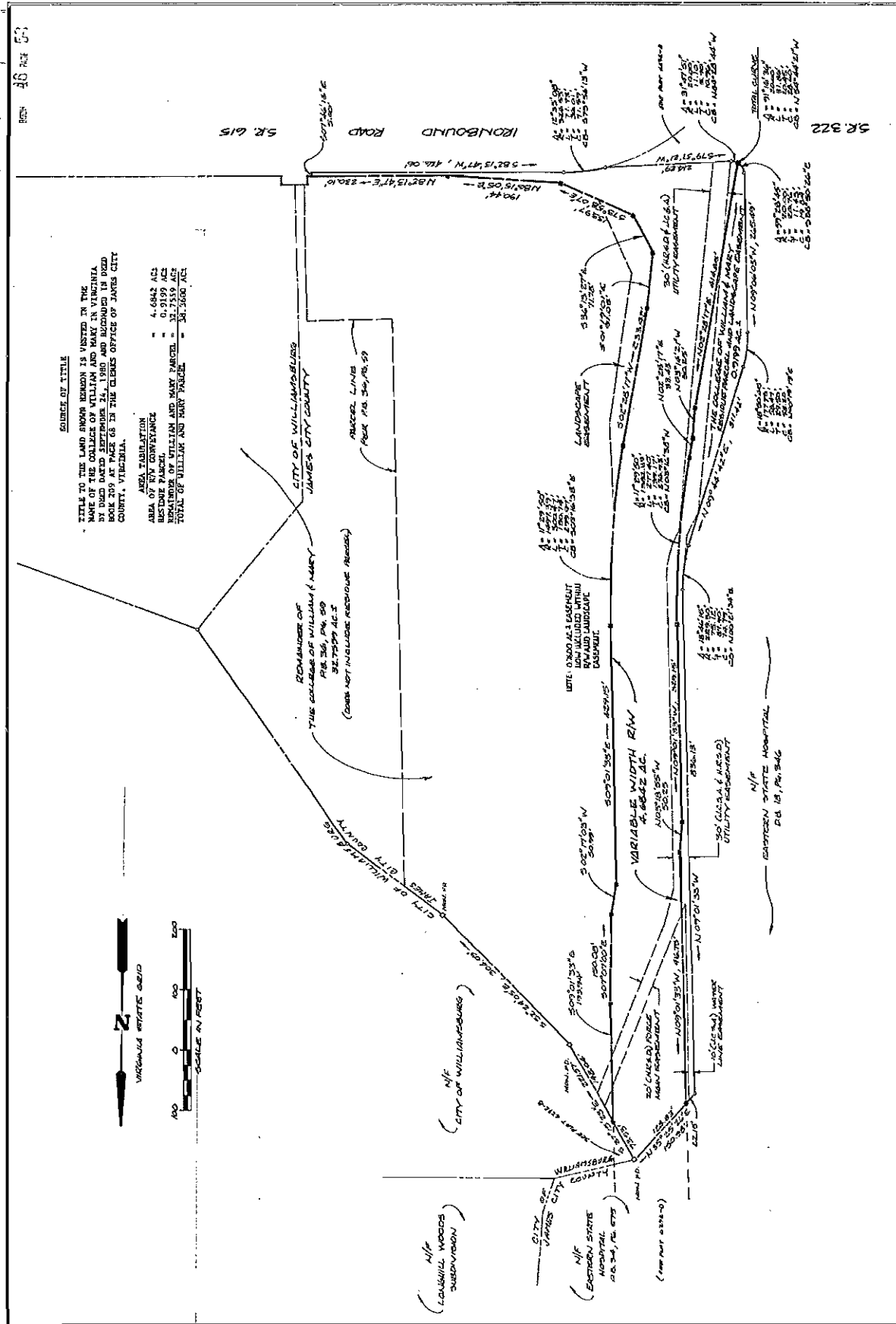
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Residue Parcel to the COMMONWEALTH OF VIRGINIA, DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES, in accordance with all authorities, policies, and procedures in force and necessary to accomplish same; and

**BE IT FURTHER RESOLVED,** That the Vice President for Administration is authorized to execute any and all documents pertaining to the transfer.



Revised as per University attorney, 1/9/13



Drawn	Check	Date
JAM	JAM	11/9/13
Revised	By	Date

Drawn	Check	Date
JAM	JAM	11/9/13
Revised	By	Date



**PLAT OF CORRECTION OF  
DEDICATION OF RIGHT-OF-WAY  
CONTAINING 4.6842 ACRES ±  
FROM THE COLLEGE OF WILLIAM AND MARY  
TO: VIRGINIA DEPARTMENT OF TRANSPORTATION**

**REVISION / COMMENT / NOTE**

NO.	DATE	REVISION / COMMENT / NOTE
1	11/9/13	ADDED LANDSCAPE CASEMENT

**AES, a professional corporation**  
1761 Jamestown Road, Williamsburg, Va. 23185  
804-293-0040  
Engineering, Planning, Surveying



**COLLEGE OF WILLIAM AND MARY  
RESOLUTION TO APPROVE CLOSURE OF LANDFILL  
AND RECORDATION OF DEED**

**WHEREAS**, the College of William and Mary requests Board of Visitors' approval to officially close the College's landfill, located on South Henry Street, and which was last active in 1990; and

**WHEREAS**, the College has been monitoring the landfill in accordance with the supervising environmental entity at the Commonwealth level since its non-use designation in 1990; and

**WHEREAS**, at the direction of the current supervising entity, the Department of Environmental Quality (DEQ), the College shall perform the following in accordance with 9VAC20-81-170:

- a. Post one sign at the entrance of the landfill notifying all persons of the closing, and the prohibition against further receipt of waste materials. Install suitable barriers to prevent access and new waste from being deposited; and
- b. Submit to the local land recording authority a survey plat prepared by a professional land surveyor indicating the location and dimensions of the landfill, and the locations of groundwater monitoring wells, and landfill gas monitoring probes; and
- c. Record a notation on the deed to the landfill property, which will be found during title searches, notifying any potential purchaser that the land has been used to manage solid waste and its use is restricted under 9VAC20-81-170 A 2 c; and

**WHEREAS**, these actions shall constitute the official closure of the landfill;

**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 officially close the landfill in accordance with DEQ, Commonwealth authorities, policies, and procedures in force and required; and more particularly, to record the required notation to the property deed for information in perpetuity on the property's use as a landfill; and

**BE IT FURTHER RESOLVED**, That the Vice President for Administration, the University Counsel, and any other necessary College officials are authorized to execute any and all documents pertaining to said closure, deed, and monitoring as may be required.

**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, 2012**

The Consolidated Financial Report of The College of William and Mary in Virginia and Richard Bland College for the fiscal year ended June 30, 2012, has been presented by the Vice President for Finance and the Vice President 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 2011-2012. 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 the Year Ended June 30, 2012 (*see separate booklet*) for The College of William and Mary in Virginia and Richard Bland College is hereby received by the Board of Visitors.

Board of Visitors

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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, 2012**

The summarized Financial Report of the Intercollegiate Athletic Department for the fiscal year ended June 30, 2012, 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 Unaudited Financial Report of Intercollegiate Athletics for the Year Ended June 30, 2012 (*see separate booklet*), is hereby received by the Board of Visitors.

**REVISIONS TO THE BYLAWS OF  
THE BOARD OF VISITORS OF  
THE COLLEGE OF WILLIAM AND MARY**

Revisions to the *Bylaws of the Board of Visitors* have been proposed in order to (1) modify the Board's committees; (2) give flexibility to the new President of Richard Bland College to implement organizational changes; (3) clarify the Board's delegations of authority to transact business in the Board's name; and (4) clean up typographical errors. The substantive changes, shown in redline/strikeout format on the following pages, are:

1. A description of the William and Mary Staff Liaison to the Board has been added to the Preamble.
2. The Board's committee structure has changed. The names of three committees (Administration, Buildings and Grounds; Strategic Initiatives and New Ventures; and Audit and Compliance) have been changed. These name changes appear in various places in the Bylaws. The responsibilities of the former committees for Administration and for Buildings and Grounds have been merged. Formerly part of the Committee on Administration, the responsibility for campus safety and security and risk management has been moved to the Committee on Audit and Compliance.
3. The authority of the President, the Provost, the Vice President for Finance, and the Vice President for Administration has been modified to clarify the authority of each to transact certain business on behalf of the College. The designated authority for the Provost and the two Vice Presidents relate to their other substantive responsibilities; the President has concurrent authority with all three officials.
4. The offices under the Vice President for Strategic Initiatives have been changed to reflect the current organization.
5. With respect to Richard Bland College: The current Bylaws designate certain required officers for the College (Provost, Vice President for Administration and Finance, and Director of Institutional Advancement). The proposed revision suggests certain offices, but authorizes the President to establish such offices as deemed necessary or appropriate. The organization is subject to the Board's approval, although Board approval will not be required for the selection of personnel to fill such offices. This is in contrast to the comparable situation at the College of William and Mary, for which the Bylaws retain the requirement of Board approval of the selection of, for example, vice presidents.

BE IT RESOLVED, That on the recommendation of the Rector of the College and officials at both William and Mary and Richard Bland College, the *Bylaws* of the Board of Visitors are hereby amended, effective immediately, as shown on the following pages.



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**BYLAWS**

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*Board of Visitors  
Code of Virginia*

Williamsburg, Virginia

## PREAMBLE

The Board of Visitors is the governing authority of the College of William and Mary, including the Virginia Institute of Marine Science and Richard Bland College. In executing its duties, the Board will be guided by the laws and policies of the Commonwealth of Virginia. It will strive to preserve the ideals and traditions of the institutions under its jurisdiction, including the student-administered Honor System that originated in the earliest years of the College of William and Mary.

From its membership the Board elects a Rector of the College, a Vice Rector of the College, and a Secretary of the Board. The Board appoints Presidents for both the College of William and Mary and Richard Bland College; and it appoints academic officers, faculties, and other employees essential to the effective operation of all the institutions under its control.

Appointed by and accountable to the Governor, the seventeen members of the Board of Visitors serve for terms of four years each. If any member of the Board fails to perform the duties of the office for one year without justification to the Board, the Rector may, after notifying that member, report such failure to the Governor.

Annually the Rector shall appoint the President of the Student Assembly of the College of William and Mary to the position of a non-voting, advisory representative on the Board of Visitors. Annually the Rector, in consultation with the Committee on Academic Affairs, shall appoint a full-time faculty member from among the former presidents of the William and Mary Faculty Assembly to the position of a non-voting, advisory representative on the Board of Visitors. Annually the Rector shall appoint a student and full-time faculty member from Richard Bland College nominated by the College President to the position of non-voting, advisory representatives. Faculty members from the College of William and Mary and Richard Bland College shall be eligible to serve two consecutive one-year terms.

The terms of office of each non-voting, advisory representative shall begin on the day following Commencement at each institution and will extend through the following year's Commencement. Each non-voting, advisory representative will sit with the Board of Visitors during the open sessions of those committee meetings and full meetings of the Board which deal with matters pertaining to the College of William and Mary or Richard Bland College, respectively. In the event a student or faculty representative is not able to complete the term, the Rector, acting in concert with the appropriate institution's President, will appoint a replacement.

Annually the Rector shall appoint a College of William and Mary Staff Liaison to serve as a non-voting liaison to bring a staff perspective to the Board. In selecting the Staff Liaison, the Rector shall alternate each year between the professional and operational staff. The term of office of the Staff Liaison shall begin on the day following Commencement and will extend through the following year's Commencement. In the event the Staff Liaison is unable to complete the term, the Rector will appoint a replacement.

## BYLAWS

### *Article I*

#### Section 1. MEETINGS

The Board of Visitors shall meet regularly four times each year on dates selected by the Rector of the College, the last session in the academic year being designated the regular annual meeting. Special meetings may be called by the Rector, and in the Rector's absence or disability, by the Vice Rector, or must be convened on request of any five members of the Board. Notice of meetings shall be provided in accordance with the relevant provisions of the Code of Virginia.

A simple majority of the membership of the Board shall constitute a quorum for the transaction of business.

In order to permit thorough consideration and to facilitate preparation of agendas and dissemination to all members of the Board, all proposed resolutions of the Board of Visitors shall be presented to the Secretary to the Board at least ten (10) days prior to the meeting at which they are proposed to be considered, with mailing to the members and constituent representatives to occur at least six (6) days prior to the meeting, except that the introduction of a motion and/or resolution for Board action may be offered at any time at the request of the Rector or the Presidents, or on those occasions when a two-thirds (2/3) majority of the members present at the meeting vote in the affirmative to suspend this rule.

The Secretary to the Board shall maintain minutes of all meetings of the Board and shall make them available at all reasonable times to any member of the Board, the President of the College, the President of Richard Bland College, and such others as required by law.

#### Section 2. OFFICERS

Prior to the annual meeting of every odd year, the Rector shall appoint a committee of at least three members of the Board to nominate candidates for the offices of Rector, Vice Rector, and Secretary. Nominations will also be accepted from the floor. The Board will proceed to elect officers from any members nominated at the annual meeting.

Each officer shall serve a two-year term commencing July 1 following the annual meeting, and each shall be eligible for re-election for one additional term.

The Rector shall preside over all meetings of the Board and, unless otherwise directed by the Board, determine the order of its business. The Rector shall perform other duties that may be prescribed by law or by the Board. When the Rector is absent or unable to discharge the duties of the office, the Vice Rector shall act as Rector. The Secretary shall act as Rector if neither the Rector nor the Vice Rector is available or able to perform the duties of that office.

Should a vacancy in an office occur prior to the conclusion of an elected term, the Rector ~~or his successor~~ shall appoint a committee of at least three members of the Board to



nominate a candidate to stand for election at the next meeting of the Board to complete the unexpired portion of such term.

### Section 3. EXECUTIVE COMMITTEE

The Executive Committee shall consist of the Rector, who shall serve as Chairperson, the Vice Rector, the Secretary of the Board, the Chairperson of the Committee on Financial Affairs, and three members of the Board at large to be appointed by the Rector for two-year terms. The Executive Committee shall exercise the powers and transact the business of the Board of Visitors between meetings of the full Board as needed. All members of the Board shall be informed promptly of any action taken.

The Executive Committee shall also recommend candidates for honorary degrees for selection by the Board of Visitors. All names submitted by the President of the College, by the President of Richard Bland College, by any member of the Board or by other individuals as candidates for honorary degrees shall be referred to the Executive Committee. It may also review and make recommendations on criteria and standards for the awarding of honorary degrees.

A simple majority of the members shall constitute a quorum.

In the event that a quorum is not present at a meeting of the Executive Committee, the Chairperson may appoint other Board members to the Executive Committee on an ad hoc basis to create a quorum for that meeting.

### Section 4. STANDING COMMITTEES

Immediately following the election of officers, the Rector shall appoint one member of the Board to chair each of the following standing committees and such other special committees as the Board may deem necessary or advisable: Richard Bland College Committee; Committee on Financial Affairs; Committee on Administration, Buildings and Grounds; ~~Committee on Administration~~; Committee on Academic Affairs; Committee on Development; Committee on Alumni Relations; Committee on Strategic Initiatives and New Ventures; Committee on Student Affairs; Committee on Athletics; and Committee on Audit and Compliance. The Rector shall also serve as an ex officio member of all committees. All committees may also function as committees of the whole.

If the Board elects to conduct its business as a committee of the whole, all members of the Board will be deemed to be members of the committee and a quorum shall consist of a majority of the members of the Board. If the Board chooses to use individual standing committees, the Rector shall appoint at least three members of the Board to each committee. The Rector may appoint vice chairs for all committees, including committees of the whole. A majority of the committee members shall constitute a quorum. As an ex officio member, the Rector may be counted towards a quorum. The Rector may replace chairs as necessary and remove members from committees or fill committee vacancies as necessary.

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#### Section 5. RICHARD BLAND COLLEGE COMMITTEE

The Richard Bland College Committee shall be composed of no fewer than five Board members. It shall consider and make recommendations concerning the financial and academic affairs of Richard Bland College, review the submission and approval of any and all budgets and the administration of the academic and financial policies and procedures of Richard Bland College. The Committee shall ~~serve as the Board contact with faculty and student liaison committees and~~ make recommendations on resolutions submitted by Richard Bland College for consideration by the Board of Visitors. The non-voting, advisory student and faculty representatives from Richard Bland College shall also serve as members of this Committee.

#### Section 6. COMMITTEE ON FINANCIAL AFFAIRS

The Committee on Financial Affairs shall consider and make recommendations concerning the general direction and control of the financial affairs of the College, and the Virginia Institute of Marine Science, concerning the submission and approval of any and all budgets; and concerning the administration of the financial policies and procedures established by the Board. It shall have power and authority, subject to the guidelines set by the Board of Visitors, to invest and reinvest all funds held by the Board as an endowment or in trust for the uses and purposes of the College, of Richard Bland College and of the Virginia Institute of Marine Science, and with the assistance of the President of the College and the President of Richard Bland College shall direct and control the handling of investments by an investment counsel or depository agent at any time employed by the Board of Visitors.

#### Section 7. COMMITTEE ON ADMINISTRATION, BUILDINGS AND GROUNDS

The Committee on Administration, Buildings and Grounds shall consider and make recommendations on all matters relating to: the buildings and grounds of the College, including the naming of College buildings; ~~referred to it by the Rector, the President of the College, or the Board;~~ the administrative operations of the College, including human resources policy in regard to classified employees, university employees and other non-instructional faculty members employed by the College; information technology; procurement; and any other matters referred to it by the Rector or the President of the College, particularly in relationship to the Authorities granted under The Restructured Higher Education Financial and Administrative Operations Act.

#### Section 8. COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs shall consider and make recommendations on matters affecting educational policies, faculty affairs and appointments, and academic organization of the College, and shall advise the President of the College on matters of personnel policy in regard to members of the faculty, classified personnel and others employed by the College. The Committee shall meet on a regular basis with representatives of the faculties of the College.

~~Section 9. COMMITTEE ON ADMINISTRATION~~

~~The Committee on Administration shall consider and make recommendations on policy matters pertaining to the administrative operations of the College, including such functions as human resources and shall advise the President of the College on matters of human resources policy in regard to classified employees, university employees and other non-instructional faculty members employed by the College; information technology; procurement; campus safety and security and risk management, and any other matters referred to it by the Rector or the President of the College, particularly in relationship to the Authorities granted under The Restructured Higher Education Financial and Administrative Operations Act.~~

Section ~~109~~. COMMITTEE ON DEVELOPMENT

The Committee on Development shall consult with the President of the College concerning the ways and means of promoting the general advancement of the College and fostering the relationship between the College and its communities and friends. It shall consider and make recommendations on such matters as appropriate.

Section ~~110~~. COMMITTEE ON ALUMNI RELATIONS

The Committee on Alumni Relations shall consider and make recommendations on policies fostering lifelong relationships and connections between the College and its alumni, as well as the College's career assistance for alumni, and on such matters as appropriate. The Committee shall meet on a regular basis with a representative of the Alumni Board of Directors.

Section ~~112~~. COMMITTEE ON STRATEGIC INITIATIVES AND NEW VENTURES

The Committee on Strategic Initiatives and New Ventures shall ~~consult with the President of the College concerning~~ consider and make recommendations on matters concerning strategic planning, new ventures, the ways and means of promoting economic development, public service and outreach, ~~by the College~~ and fostering the relationship between the College, its constituencies and all responsible governing bodies. ~~It shall consider and make recommendations on such matters as appropriate.~~

Section ~~132~~. COMMITTEE ON STUDENT AFFAIRS

The Committee on Student Affairs shall consider and make recommendations on policies concerning student life, discipline and the organization and administration of student affairs at the College. The Committee shall meet on a regular basis with representatives of the student bodies of the College.



Section 134. COMMITTEE ON ATHLETICS

The Committee on Athletics shall consider and make recommendations on matters affecting intercollegiate athletic policies, plans and personnel of the College.

Section 145. COMMITTEE ON AUDIT AND COMPLIANCE

The Committee on Audit and Compliance shall oversee the Office of Internal Audit, which is charged with the responsibility of auditing the College of William and Mary and Richard Bland College, and shall consider and make recommendations on policy matters pertaining to campus safety and security and risk management. The Director of Internal Audit shall be directly responsible to the Committee on Audit in the formation of an annual Audit Plan. The President of the College and the President of Richard Bland College may advise and consult with the Committee on any matter pertaining to internal auditing. The Committee shall perform an annual evaluation of the Director of Internal Audit during the Board's annual meeting for recommendation to the full Board.

*Article II*

*Administration*

Section 1. THE PRESIDENT OF THE COLLEGE

Under the authority and direction of the Board of Visitors, the President of the College is responsible for the administration and courses of instruction of The College of William and Mary in Virginia. The President shall be the authorized means of communications between the Board of Visitors and faculties, the Board and the students, and the Board and the various officers of instruction and administration employed in the College. The President is accountable to the Board for the administrative, fiscal and program performance of the College. Annually at a date set by the Rector of the College, the Board shall conduct an evaluation of the performance of the President for the preceding year.

The President shall be assisted by a Provost, a Vice President for Development, a Vice President for Student Affairs, a Vice President for Finance, a Vice President for Administration and a Vice President for Strategic Initiatives. The President shall establish, with the approval of the Board of Visitors, such faculty positions and other administrative offices that may be needed to carry out the work of the College. The President shall recommend to the Board appointments to all administrative and faculty positions. The President may appoint committees from members of the administrative staff and, upon recommendation of the Faculty Assembly, from members of the faculties of the College as in the President's judgment may be needed.

The President shall represent the College on public occasions and shall confer all properly authorized degrees, with the exception of honorary degrees, which shall be conferred by the Rector of the College or the Rector's duly authorized agent.

The President shall direct the operation of the College, supervise the work of the faculties and staff, and maintain the internal order and discipline of the College, and to this end shall hold all deans and members of the faculties to the faithful and efficient discharge of their duties. The President may exercise the right to preside over any meetings of the faculties.

As the chief administrative officer of the College, the President may attend all meetings of the Board of Visitors or any committee meetings of the Board, except as otherwise designated by the Board, and participate in the discussions of such committees, and submit recommendations on matters falling within the purview of such committees as may be appropriate.

The President, with the appropriate advice of administrative officers and the Faculty Assembly will formulate plans and operating policies and objectives for all phases of operation of the College and will develop and maintain an organizational plan through which these policies and objectives may be implemented, directed and controlled.

The President shall cause reports of the fiscal and other affairs of the College to be prepared and submitted to the Board of Visitors and to its committees and shall be responsible for planning, implementing, coordinating and evaluating the College's communications, information, community relations and public service programs.

The President ~~or Vice President for Finance~~ shall have the authority to transact business in the name of the College of William and Mary in Virginia, and shall have concurrent authority with the Provost, the Vice President for Finance, and the Vice President for Administration in the exercise of their delegated authority to transact business in the name of the College. The President shall have the authority to further delegate such authority; such delegation must be consistent with applicable law and regulations, and subject to guidelines for the exercise thereof.

~~including the transfer, conversion, endorsement, sale, purchase, assignment, conveyance and delivery of any and all shares of stocks, bonds, debentures, notes, and subscriptions warrants, cash or equivalent assets, evidence of indebtedness, real estate and other property, equipment, or other securities or assets now or hereafter standing in the name of or owned by the Board of Visitors of the College of William and Mary in Virginia, or bearing any similar designation indicating ownership by the College to make, execute and deliver, under the official seal of this body, any and all written instruments of assignment and transfer necessary or proper to effectuate the authority hereby conferred. The sale of real property requires the approval of the Board of Visitors and the Commonwealth of Virginia.~~

~~The President or Vice President for Finance shall have the authority to sign corporate resolutions similar in nature to the foregoing, stating the authority of those persons authorized to conduct business on behalf of the Board of Visitors and the College.~~

It is the duty of the President to bring to the attention of the Rector and the Board of Visitors all matters within the President's knowledge that in the President's opinion are in the interest of the College and require consideration by the Board.

In case of the death or resignation of the President, the Board of Visitors shall designate as promptly as possible an Interim President to serve until a President shall have been elected by the Board and shall have assumed office.



## Section 2. PROVOST

The Board of Visitors will, on recommendation of the President of the College, appoint a Provost who shall serve as the senior administrative and chief academic officer of the College under the President. The Provost shall administer the affairs of the College during the temporary absence or disability of the President, except as otherwise directed by the Board.

The Provost, under the direction of the President and in accordance with policies established by the Board of Visitors, has general purview over all educational programs, activities, personnel and policies of the College.

With the advice of the Faculty Assembly, the Provost is responsible jointly with the Vice President for Finance for budgetary planning, and for submitting recommendations to the President regarding allocation of the College's resources and expenditure of its funds. In the discharge of their joint budgetary responsibility, the Provost, the Vice President for Finance and the Vice President for Administration constitute the Administrative Budget Group, chaired by the Provost.

The Provost is responsible for working directly with the Deans, and the Faculty Assembly when appropriate, on academic planning, and on curricular, budgetary, personnel, and educational policy matters, for recommendation as appropriate to the President. In accordance with the provisions of the Faculty Handbook and the Code of Virginia and upon recommendation of the appropriate dean or administrative officer, the Provost shall submit to the President recommendations regarding salaries, appointments, promotions and dismissals of members of the staff and faculties of the College, and the establishment of new positions. Whenever feasible, the administration will provide the Board with relevant information about prospective appointees at least 30 days before the Board is scheduled to act on their appointments.

The Provost shall serve as the accreditation officer of the College. The Provost shall establish, under the direction of the President, and in consultation with the appropriate deans, Vice Presidents, and the Faculty Assembly, priorities regarding the College's needs for new financial resources for educational purposes.

The Provost shall recommend to the President of the College the calendar of the College, the curriculum of the faculties of the College, and the inauguration of new programs, the latter being subject to approval by the Board of Visitors. Such recommendation shall be formulated with due regard to the roles of the respective faculties, the Faculty Assembly, the educational mission of the College in the Virginia system of higher education, and budgetary and administrative feasibility.

Concurrently with the President, the Provost shall have the authority to transact business in the name of The College of William and Mary in Virginia, including any and all contracts for employment, sponsored projects, intellectual property rights, student or faculty exchange agreements, financial aid agreements, articulation agreements, and any other contracts or agreements necessary to carry out and support the operations of the College, with the exception of indebtedness and those particular assignments made to the Vice President for Finance and the Vice President for Administration. The Provost shall have the

authority to further delegate such authority; such delegation must be consistent with applicable law and regulations, and subject to guidelines for the exercise thereof.

### Section 3. VICE PRESIDENT FOR FINANCE

The Board of Visitors will, on recommendation of the President of the College, appoint a Vice President for Finance of the College. Under the direction of the President and in accordance with policies established by the Board of Visitors, the Vice President for Finance shall administer the business affairs of the College of William and Mary, and shall coordinate College activities with governmental entities. Under the direction of the President, the Vice President is responsible jointly with the Provost for budget planning, and for recommendations to the President regarding university resource allocation and expenditure budgets.

The Vice President for Finance is responsible for providing analysis and recommendations to the President and Provost regarding budget development and execution.

The Vice President for Finance is responsible for all budget development activities including the development of operating and capital budget initiatives to be submitted to the Commonwealth of Virginia and the integration of all budget development activities into the overall planning activities of the College.

The Vice President coordinates and/or conducts studies of College programs to enable evaluation of the effective and efficient use of resources to meet the highest priorities of the university. Evaluation may include consideration of alternative organization structures, delivery systems, or funding sources. The Vice President is responsible for budget execution activities including the allocation of resources available to the College, regardless of source; oversight of expenditures within College programs; and the availability of incremental revenue to meet College needs.

The Vice President for Finance shall be responsible for payrolls, financial contracts, and for annual fiscal reports. It shall be the Vice President's responsibility to assure that private funds under the custody of the Board of Visitors of the College of William and Mary are properly invested with the approval of the President and the Committee on Financial Affairs of the Board of Visitors.

All reports prepared by the Vice President for Finance will be submitted to the President and, where appropriate, transmitted by the President to the Board of Visitors.

Concurrently with the President, or the Vice President for Finance shall have the authority to transact business in the name of the College of William and Mary in Virginia, including: (1) the transfer, conversion, endorsement, sale, purchase, assignment, conveyance and delivery of any and all shares of stocks, bonds, debentures, notes, and subscriptions warrants, cash or equivalent assets, and evidence of indebtedness; (2) any and all contracts for the purchase of real estate and other property, equipment, or other securities or assets now or hereafter standing in the name of or owned by the Board of Visitors of the College of William and Mary in Virginia, or bearing any similar designation indicating ownership by the College; (3) agreements setting forth the terms for the acceptance of gifts to the College; and (4) any other agreements necessary to carry out and support the operations of the College, with the exception of those particular assignments made to the Provost or the



~~Vice President for Administration, to make, execute and deliver, under the official seal of this body, any and all written instruments of assignment and transfer necessary or proper to effectuate the authority hereby conferred.~~ The sale of real property requires the approval of the Board of Visitors and the Commonwealth of Virginia. The Vice President for Finance shall have the authority to further delegate such authority; such delegation must be consistent with applicable law and regulations, and subject to guidelines for the exercise thereof.

~~The President or Vice President for Finance shall have the authority to sign corporate resolutions similar in nature to the foregoing, stating the authority of those persons authorized to conduct business on behalf of the Board of Visitors and the College.~~

#### Section 4. VICE PRESIDENT FOR ADMINISTRATION

The Board of Visitors will, on recommendation of the President of the College, appoint a Vice President for Administration of the College. Under the direction of the President and in accordance with policies established by the Board of Visitors, the Vice President for Administration shall provide administrative and support services to the College.

The Vice President shall have custody of the College's valuable papers, such as evidence of title and contracts to which the College is a party. The Vice President shall be responsible for the deposit of copies of all deeds and deeds of trust in appropriate files of the College and for the proper recording of all such deeds. The Vice President shall determine that land surveys have been made on all properties of the College to indicate the precise lines of demarcation between the properties of the College of William and Mary and other properties.

The Vice President for Administration shall be responsible for the effective operation of the plant, the auxiliary enterprises, the general purchasing and supply system, human resources, campus security, and the buildings and grounds of the College. The Vice President shall take appropriate action to ~~as~~ ensure that the property and all materials in the College under the Vice President's cognizance are properly safeguarded and in good condition and that appropriate maintenance, safety and security procedures are established and sustained by those who are authorized to utilize the materials and property of the College.

All reports prepared by the Vice President for Administration will be submitted to the President and, where appropriate, transmitted by the President to the Board of Visitors.

The Vice President for Administration shall work with the Provost and the Vice President for Finance in preparing for submission to the President and the Board of Visitors recommendations on budgetary matters and on the filling of vacancies and the creation of new positions in the administrative area.

The Vice President for Administration shall have the authority to transact business in the name of ~~the~~ College of William and Mary in Virginia, including any and all contracts for the purchase or rental of professional services, supplies and equipment, including software and hardware; construction and professional services; the design and construction of facilities; non-disclosure and confidentiality agreements; real estate and property; leases or rental agreements; capital leases; acquisition or conveyance of, sale and any other type of property conveyance interest, including easements; equipment leases or fixed asset rental



agreements; use of College facilities; and any other agreements necessary to carry out and support the operations of the College, with the exception of indebtedness and those particular assignments made to the Provost or Vice President for Finance. ~~The sale of real property requires the approval of the Board of Visitors and the Commonwealth of Virginia. The Vice President for Administration shall have the authority to further delegate such authority; such delegation must be consistent with applicable law and regulations, and subject to guidelines for the exercise thereof.~~

~~The President or Vice President for Administration shall have the authority to sign corporate resolutions similar in nature to the foregoing, stating the authority of those persons authorized to conduct business on behalf of the Board of Visitors and the College.~~

## Section 5. VICE PRESIDENT FOR STRATEGIC INITIATIVES

On the recommendation of the President of the College, the Board of Visitors will appoint a Vice President for Strategic Initiatives. Under the direction of the President and in accordance with Board Policies, the Vice President for Strategic Initiatives shall develop and manage programs for economic development, for public service and outreach, and for community, government, and general public relations.

The Vice President for Strategic Initiatives shall assist the President and Provost with strategic planning; identify and evaluate alternatives for financial sustainability and continued preeminence in American higher education; assist the William and Mary Real Estate Foundation, especially in its efforts to expand student access to housing as well as retail and entertainment opportunities near campus; link College programs with the private sector for their mutual benefit; develop and coordinate economic development projects to leverage William and Mary's capabilities to support the region; communicate College benefits to the region to the State Council for Higher Education in Virginia and to the public; lead and coordinate William and Mary's support of state, regional and local economic development organizations; and provide ~~administrative~~ leadership and oversight of the Offices of Economic Development, Government Relations, University Relations, and PublicationsCreative Services.

The Vice President for Strategic Initiatives shall work with the Provost and Vice President for Finance in preparing for submission to the President and the Board of Visitors recommendations on budgetary matters and on the filling of vacancies and the creation of new positions in the Offices of Economic Development, Government Relations, University Relations, and PublicationsCreative Services.

## Section 6. VICE PRESIDENT FOR DEVELOPMENT

The Board of Visitors will, on recommendation of the President of the College, appoint a Vice President for Development. A primary responsibility of the Vice President for Development is to plan, implement, coordinate, and evaluate all programs and special events by which the university's voluntary private financial support--both for current operations and capital purposes, including endowment--will be sustained and increased. In accordance with policies and procedures established by the Board of Visitors, the Vice President shall organize and manage a comprehensive development program to seek and/or coordinate gifts and

grants from alumni, parents, other individuals, corporations, foundations and other organizations.

Under the direction of the President and in accordance with the policies of the Board of Visitors, the Vice President shall coordinate the efforts of the several volunteer groups which seek contributions in the name of or in support of the university, resolving any differences which may arise regarding the scheduling of fundraising initiatives and the potential sources of funds upon which each will concentrate.

The Vice President for Development shall maintain and/or coordinate information on gifts and grants to the College and its affiliates and supporting organizations for both current operations and capital purposes of the College, from all sources including endowments, in conjunction with other appropriate offices. The Vice President shall prepare and submit reports on the status of all the fundraising activities of the university and its affiliated and supporting organizations when such information is requested by the Board of Visitors or the President or when it might otherwise be timely.

The Vice President for Development shall, while reporting directly to the President, work with the Provost and the Vice President for Finance on all budgetary matters and the filling of vacancies and establishing of new positions in the Office of Development, for recommendation to the President and to the Board of Visitors.

#### Section 7. VICE PRESIDENT FOR STUDENT AFFAIRS

The Board of Visitors, on recommendation of the President of the College, will appoint a Vice President for Student Affairs, who shall, under the direction of the President, and in accordance with policies of the Board of Visitors, administer and coordinate the student life policies of the College and programs and activities bearing on student affairs, student development, student health services, counseling, and social and recreational programs and functions. The Vice President shall provide a program of academic support services; serve as liaison for student organizations; encourage meaningful extracurricular activities; maintain good order and discipline among students; and promote student well-being.

The Vice President for Student Affairs shall report to the President, but shall be responsible for coordinating responsibilities with the Provost to ensure a close working relationship between academic and student affairs. The Vice President for Student Affairs shall work with the Provost and the Vice President for Finance in preparing recommendations for the Board and the President on all budgetary matters and on the filling of vacancies and establishment of new positions in student affairs.

The Vice President for Student Affairs shall work cooperatively with the Vice Presidents for Finance and Administration to ensure the quality of all physical facilities utilized in support of student life programs, including the student residences, the Campus and University Centers, the Student Health Center, the Counseling Center and intramural and recreational sports facilities. The Vice President shall be responsible for the administration of the scheduling policies of the College, with the exception of the scheduling of academic facilities for instructional and research programs, and shall supervise the maintenance of the College calendar of events. The Vice President for Student Affairs shall be responsible for the proper administration of funds allocated in support of student activities.

## Section 8. DIRECTOR OF THE VIRGINIA INSTITUTE OF MARINE SCIENCE

The Board of Visitors will, on recommendation of the President of the College, appoint a Director of the Virginia Institute of Marine Science.

The Director, under the direction of the President, has general purview of and administrative responsibility for the affairs of the Institute, except that the Director shall work directly with the Provost and the Vice President for Finance on all financial and budgetary matters for recommendation as appropriate to the President.

## Section 9. PRESIDENT ~~AND OFFICERS~~ OF RICHARD BLAND COLLEGE

The President of Richard Bland College of the College of William and Mary shall have the same authority and responsibility for Richard Bland College as the President of the College does in Article II, Section 1, with the exception of the designation of assisting offices, and shall be directly responsible to the Board of Visitors. Annually at a date set by the Rector of the College, the Board shall conduct an evaluation of the performance of the President for the preceding year.

The President of Richard Bland College, while remaining responsible for the overall administration of the ~~e~~College, shall be assisted in the performance of duties by a ~~Provost, who shall serve as Dean of the Faculty, a Vice President of Administration and Finance, and a Director of Institutional Advancement~~ chief academic officer, a chief financial officer, or such other senior administrators as the President deems necessary or appropriate. The President shall set forth the authority and responsibilities of such offices, subject to the approval of the Board of Visitors. The authority, reporting relationships, and responsibilities of these officers shall be comparable, except where inappropriate, to their counterparts at the College of William and Mary as described herein in Article II, Sections 2-7.

The President shall have the authority to further delegate such authority as delegated to the President; such delegation must be consistent with applicable law and regulations, and subject to guidelines for the exercise thereof.

## Section 10. INTERNAL AUDITOR

The Board of Visitors shall, on recommendation of the President of the College and the President of Richard Bland College, appoint a Director of Internal Audit.

The Director of Internal Audit shall report directly to the Committee on Audit and Compliance and shall be responsible to the Committee for the administration and operation in the Office of Internal Audit and for the formation of an annual Audit Plan. The budget for and authorization of positions in the Office of Internal Audit shall be reviewed and approved by the Committee on Audit and Compliance.

The Director of Internal Audit shall consult with the President of the College and the President of Richard Bland College in the administration and operation of the Office of Internal Audit.



The Director of Internal Audit shall be evaluated annually by the Committee on Audit and Compliance during the Board's annual meeting for recommendation to the full Board.

#### Section 11. BUILDING OFFICIAL

The Board of Visitors shall, on recommendation of the President of the College, appoint a Building Official.

The Building Official is authorized to determine the suitability for occupancy of, and to issue certifications for building occupancy for, all capital projects undertaken at the institution and who, prior to issuing any such certification, shall ensure that the Virginia Uniform Statewide Building Code requirements are met for that capital project and that such project has been inspected by the Fire Marshal or his authorized designee.

The Building Official shall report directly and exclusively to the Board of Visitors through the Committee on Administration, Buildings and Grounds and shall be certified by the Virginia Department of Housing and Community Development to perform this function.

#### Section 12. POLICIES AND REGULATIONS

Policies for the governance of the College of William and Mary and Richard Bland College as made from time to time by the Board of Visitors shall be binding on the appropriate college communities and shall be published and distributed within the College and Richard Bland College by appropriate means. In addition, the President of the College or the President of Richard Bland College may adopt such rules and regulations as they may deem appropriate to the proper administration of their Colleges, provided they are not inconsistent with the policies of the Board of Visitors or the requirements of law. To this end the President of the College or Richard Bland College may define offenses against the discipline or good order of the College or Richard Bland College, prescribe penalties for the commission of the same, and establish procedures for determining guilt and penalty. They may similarly, with due regard to the Board of Visitors' policy on tenure rights and responsibilities and requirements of law, prescribe the conditions and procedures for dismissing, suspending, demoting, or reprimanding members of the faculty and staff.

It is intended that the President of the College and the President of Richard Bland College, in the exercise of the aforementioned rule-making authority, shall hold students, faculty and staff to those standards of personal conduct, competency and attendance to duty as are appropriate, in their judgment, to the welfare of the College and Richard Bland College and the attainment of their educational objectives, limited only by the requirements of law and directives of the Board of Visitors. No rule or regulation adopted by the President of the College or of Richard Bland College shall be deemed contrary to the policies of the Board of Visitors unless so determined by the Board itself after the promulgation of such rule or regulation.

*Article III*

*Instruction*

Section 1. INTRODUCTION

Subject to the legal obligations of The College of William and Mary in Virginia and to the approval of its Board of Visitors, and except as these Bylaws otherwise provide, actual instruction, including such matters as curriculum and degree requirements, is discharged by the respective faculties of The College of William and Mary in Virginia and of Richard Bland College.

Section 2. FACULTIES

Responsibility for instruction within the College of William and Mary and Richard Bland College shall be vested in the faculties of the college under the direction of the President except as otherwise provided herein. The faculties of the College of William and Mary shall include the President, Provost, academic deans, professors, associate professors, assistant professors, instructors, lecturers and persons of such other rank or title as the President may recommend.

The faculty of Richard Bland College shall include its President, ~~Provost~~, deans, professors, associate professors, assistant professors, instructors, and persons of such other rank or title as the President may designate.

The Bylaws of the respective faculties of the College and of the faculties of Richard Bland College, subject to being consistent with the Bylaws of the Board of Visitors, govern the organization, jurisdiction, and manner of operation thereof, and are approved and granted by the Board of Visitors. Such Bylaws may be amended by the Board on its own motion or by Board approval of amendments suggested by the respective faculties and recommended by the appropriate President.

Section 3. INSTRUCTIONAL OFFICERS

The Dean of the Faculty of Arts and Sciences and the Deans of the Schools of Business Administration, Education, Law and Marine Science shall have general responsibility for the Faculty under their jurisdiction and for the direction of the work of the Faculty or School. The Deans shall report to the Provost, and shall be responsible for working directly with the Provost on academic planning, on personnel matters and actions relating to faculty and on curricular, budgetary, and educational policy matters for recommendations as appropriate to the President, as provided in Article III, Section 2. They shall exercise leadership in the development of educational programs within their jurisdictions, and shall preside at meetings of the Faculty over which they have jurisdiction except when the President or the Provost chooses to preside.

The Dean of the Faculty of Arts and Sciences and the Dean of a School, except as otherwise provided, shall advise with the Provost in the formation of the Faculty, the determination of curriculum, and matters concerning all the interests under their jurisdiction.

~~In the capacity as Dean of the Faculty, the Provost of Richard Bland College shall have similar responsibility and authority, being responsible to the President of Richard Bland College.~~

All members of the faculties of The College of William and Mary in Virginia and of Richard Bland College shall be appointed and their salaries fixed annually by the Board of Visitors under recommendation of the President of the College or the President of Richard Bland College, who shall have conferred regarding such recommendations with the Provost, except as otherwise provided.

#### Section 4. DEAN OF UNIVERSITY LIBRARIES

The Board of Visitors on the recommendation of the President shall appoint a Dean of University Libraries. The Dean of University Libraries, under the direction of the Provost, has general purview over and administrative responsibility for the Earl Gregg Swem Library and those professional and departmental libraries of the university responsible to the Earl Gregg Swem Library.

#### Section 5. DEAN OF INTERNATIONAL AFFAIRS

The Board of Visitors on the recommendation of the President shall appoint a Dean of International Affairs. The Dean of International Affairs, under the direction of the Provost, has general purview over and administrative responsibility for the Emery and Wendy Reves Center for International Studies and works in collaboration with the other academic deans to develop and enhance the College's international programs.

### *Article IV*

#### *Curricula and Degrees*

#### Section 1. CURRICULA

Courses of study in The College of William and Mary in Virginia and in Richard Bland College shall be developed by the respective faculties, with due regard to intra-institutional relationships, the mission of the colleges, the role of the colleges in the Virginia System of Higher Education, and the fiscal capabilities of the colleges, and when approved by the President on advice of the Provost except as otherwise provided, they shall be published as the academic curricula of the colleges.

## Section 2. ADMISSION TO THE COLLEGE

The Board of Visitors shall determine the general policies for admission to The College of William and Mary in Virginia and to Richard Bland College.

## Section 3. DEGREES IN COURSE

Degrees in course as authorized shall be conferred upon students who have completed satisfactorily the course of study prescribed for such degrees, who are recommended by the appropriate faculty, and who are approved for such degrees by the Board of Visitors or the appropriate President as its agent.

### *Article V*

#### *Faculty and Student Committees*

Committees of the individual faculties of the College of William and Mary and of Richard Bland College, as well as student committees, may be invited by the Rector from time to time to attend a meeting of the Board or of an appropriate committee for the purpose of presenting matters in the interest and welfare of the faculty or students concerned.

Such committees shall be invited through the President of the College of William and Mary or the President of Richard Bland College.

### *Article VI*

#### *Chancellor*

The Board of Visitors may elect a Chancellor for The College of William and Mary in Virginia. The Chancellor's position is honorary, without responsibility, authority or compensation except for those duties and responsibilities specifically assigned to that position by the Board of Visitors. The Chancellor will serve for a period of seven years.

### *Article VII*

#### *Amendments and Repeal*

## Section 1. CONSTRUCTION

These Bylaws shall be construed consistently with the provisions of the ancient Royal Charter of The College of William and Mary in Virginia, and the laws of the Commonwealth of Virginia, and nothing contained herein shall affect or diminish the rights and powers thereby invested in the Board.

## Section 2. INCONSISTENCIES

All Bylaws of the Board previously adopted are hereby superseded. All Bylaws of the faculties and other organizations of the College and Richard Bland College must be consistent with the Bylaws of the Board.

## Section 3. NECESSARY VOTES

These Bylaws may be amended or superseded at any regular meeting of the Board with 30 days prior written notice, or at a special meeting duly called for the purpose, provided that every such amendment or repeal must receive not less than nine (9) affirmative votes.

## Section 4. SUSPENSION OF BYLAWS

These Bylaws or any one of them may be temporarily suspended at any meeting of the Board by a three-fourths affirmative vote of all members present provided that no rule shall be suspended until at least nine (9) members vote affirmatively therefor.

## Section 5. PARLIAMENTARY AUTHORITY

Meetings shall be conducted and minutes shall be taken in accordance with the current edition of Robert's "Rules of Order Newly Revised."



## RESOLUTION 17

Whereas, the Board of Visitors has approved the College's 6-year plan submitted to the State in October of this year; and

Whereas, the Board of Visitors is committed to meeting the SCHEV goal of having average faculty salaries reaching the 60<sup>th</sup> percentile of the College's SCHEV-defined peer group;

THEREFORE, BE IT RESOLVED, That the Board of Visitors will take action to achieve these goals no later than at its April 2013 meeting.

COLLEGE OF WILLIAM & MARY  
REQUEST FOR APPROPRIATION FROM THE  
2013 VIRGINIA GENERAL ASSEMBLY

WHEREAS, William & Mary (W&M) has been engaged in due diligence on possibly forging a substantial affiliation with Eastern Virginia Medical School (EVMS); and,

WHEREAS, the due diligence committee and its EVMS counterpart have identified possible valuable areas of partnership between the two schools;

NOW THEREFORE, BE IT RESOLVED, that the Board of Visitors directs W&M's senior administration to work with the senior leadership at EVMS and submit to the Governor and the General Assembly the following language for consideration in the 2013 General Assembly session:

*The Virginia General Assembly hereby appropriates \$1,000,000 to W&M and EVMS to allow the Boards of Visitors to explore possible increased collaboration and development of integrated academic programs. The two institutions shall address and evaluate options for the appropriate relationship between the two institutions and the clinical affiliates of EVMS to improve the health of the citizens of Greater Hampton Roads and the Commonwealth and to meet the region's healthcare workforce needs.*

## 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 MEETING DATES**

### **2012**

November 28-30 (November 29 at Richard Bland College)

### **2013**

February 6-8 (Charter Day February 8)

April 17-19 (Commencement weekend May 10-12)

September 25-27

November 20-22

**NOVEMBER 2012**