

WILLIAM & MARY Board of Visitors

PRE-READS

NOVEMBER 19-20, 2020
ALUMNI HOUSE

WILLIAM & MARY

BOARD OF VISITORS
PRE-READS
NOVEMBER 19-20, 2020

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2019 William & Mary Faculty Survey Report



**An Initiative of the
William & Mary Faculty Assembly**

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I. EXECUTIVE SUMMARY

Background

The William & Mary Faculty Survey is an on-going initiative of the Faculty Assembly conducted approximately every three years to assess faculty attitudes, perceptions, and opinions on a wide range of issues. The 2019 version of the survey was developed by the Faculty Affairs Committee of the Faculty Assembly. For questions or clarification about the analyses contained herein, contact Cathy Forestell at caforestell@wm.edu.

Survey Approach and Overall Response

In 2015, a working group of the Faculty Assembly reduced the length of the faculty survey to increase response rates and to provide a more succinct and timely report to the faculty. Questions for the 2015 survey were selected based on their ability to provide 1) timely information about current issues, new policies, or initiatives on campus; 2) unique information that could not be obtained elsewhere; and 3) longitudinal information that, in combination with information from previous surveys, might help to detect trends in how perceptions and attitudes have changed over time. Although some additional questions that pertain to satisfaction with the administration, the degree to which the institution was serving its mission and goals, and campus climate were added to the 2019 survey, many of the questions have been maintained from the 2015 survey. The 2019 survey included a range of questions that touched on the following themes:

- **Job Satisfaction** – Assessed the degree to which faculty are satisfied with their positions at W&M. The survey also asked faculty about their satisfaction with 21 aspects of their position that related to teaching, research, and well-being.
- **Faculty Retention** – Asked whether faculty have considered leaving W&M and if so why.
- **Faculty Evaluation** – Assessed whether faculty felt that they are fairly evaluated during the merit process and the degree to which performance standards were clear for tenure and promotion.
- **Research & Grant Support** – Asked what type of grant support faculty have received and their level of satisfaction with the services provided by various offices across campus that support applications for and management of these grants.
- **University Governance & Administration** – Assessed faculty satisfaction with the central administration (i.e., President, VPs, Provost, BOV etc.) over the past academic year.
- **Goals & Mission of the University** – Assessed the degree to which faculty feel that William & Mary is achieving its mission and goals.
- **Discrimination & University Climate** – Asked about whether faculty have witnessed or experienced discrimination and how often they assist students who have experienced discrimination or sexual assault?
- **Budget Priorities** – Faculty rated nineteen budget items and indicated which they thought were 1st, 2nd, or 3rd highest priority.
- **Faculty Comments** – Faculty were invited to elaborate on their responses to items in this survey and to raise additional issues that were not included in the survey.

The 2019 survey had strong participation with 65% of all faculty responding; a 22% increase from the 2015 survey. Below we provide an overview of findings for each section of the survey.

Job Satisfaction

Overall, 79% of respondents indicated that they were satisfied with their position at W&M, which was similar to 2015 (74%), but higher than 2013 (66%). Of note, there appears to be a substantial drop in rates of dissatisfied faculty members (i.e., 7% drop in TE faculty over 10 years and 20% drop in NTE faculty over 6 years). While satisfaction was similar across academic rank, across schools and units there was more variability. The highest satisfaction was reported at VIMS (86%) and the lowest satisfaction was reported at the Business School (68%). Across schools and academic units, faculty indicated strong satisfaction for *support for teaching at W&M, teaching load, wellbeing of the campus community, and faculty collegiality and engagement*. Faculty were also satisfied with their *overall benefits*, but unsurprisingly, not with the lack of *tuition benefits for dependents*. With the exception of faculty at VIMS and the Business School, TE and NTE faculty were more dissatisfied than satisfied with *faculty salaries overall* at W&M. It is important to distinguish this question from *satisfaction with personal salary*, where responses were mixed.

Faculty Retention

More than 20% of the faculty are actively looking elsewhere for a job and almost half have considered leaving W&M in the past three years. This is lower than in 2015 when 69% of faculty indicated that they had considered leaving W&M. The top four reasons for considering leaving W&M were: *dissatisfaction with salary* (72%), *dissatisfaction with the research support* (38%), and lack of *tuition benefits for dependents* (28%). In addition, when prompted, 34% of faculty identified the following additional reasons for why they considered leaving: 1) the lack of leadership from various levels of administration; 2) increased expectations and workload; 3) lack of belonging, equity, and inclusion 4) lack of institutional support for professional development and growth.

Tuition remission is an ongoing theme throughout this survey as well as a survey conducted by the Faculty Assembly in the 2017-18 academic year, in which faculty spontaneously raised this issue. Previous research conducted by working groups on campus have shown that about 80% of our peer institutions provide some form of tuition remission to faculty. A previous report conducted by the Faculty Compensation Board, concluded that we are disadvantaged relative to the vast majority of our peer institutions and have an opportunity to creatively retain our most at-risk faculty and staff along while attracting new employees that may not consider W&M financially viable. Rough estimations suggested that full tuition remission would cost approximately \$300,000 per year. Today, with our current tuition rate, this estimation would be approximately \$500,000.

Faculty Evaluation

Across A&S, the School of Business, and the School of Education, less than half of the faculty felt that they were fairly evaluated during the merit process, whereas 25-30% did not. Results were mixed at the Law School, with 30% indicated that they were fairly evaluated and 30% indicating they were not fairly evaluated. At VIMS more than two thirds of faculty indicated that they were fairly evaluated during the merit process. Fewer continuing NTE (39%) than TE (51%) faculty members and fewer women (46%) than men (57%) perceived that they were fairly evaluated for merit.

Faculty generally indicated that standards were clear for the tenure and promotion processes. Of note, 73% of Associate professors, who have been through the process recently, indicated that these standards were clear. The only exception was the School of Business, where only 27% of faculty indicated that the standards for promotion were clear and 42% indicated that this process was unclear. Similarly, few continuing NTE faculty (29%) indicated that the performance standards for promotion were clear.

Another aspect of faculty evaluation, student evaluation of teaching, is currently undergoing review by the Faculty Affairs Subcommittee of the Faculty Assembly. A report outlining their findings and recommendations should be available in Spring 2020.

Research and Grant Support

Of the 463 faculty who responded to these questions, 272 indicated that they received at least one external grant and 261 indicated that they had previously received an internal grant over the past three years. With the exception of VIMS, where approximately half of the faculty indicated they were satisfied with the support received for *identifying* external grants, satisfaction was low across schools and academic areas – ranging from 6% satisfied in the School of Education to 33% satisfied in A&S Area III (Natural Sciences and Mathematics).

Moreover, few faculty were satisfied with the support they received for *applying* for external grants. With the exception of A&S Area III (48% satisfied), satisfied faculty ranged from 3% in the School of Business to 32% at VIMS. There are a number of factors that could contribute to these low satisfaction rates – we believe that it would be in the best interest of the institution to identify and rectify ongoing issues with this process, given the revenue that external grants provide.

Faculty who had received external grants in the past three years indicated their satisfaction with the support they received in managing their grants. Again, few faculty appear to be satisfied with the support they received from the Office of Sponsored Projects (range: 3 - 22% satisfied, with the exception of A&S Area III where 48% were satisfied), Human Resources (range: 3 - 16% satisfied), Accounts Payable (range: 9 - 15% satisfied, with the exception of VIMS where 46% were satisfied).

University Governance and Administration

These questions asked about faculty satisfaction with the central administration (i.e., President, VPs, Provost, BOV etc.) over the past academic year. Responses were fairly consistent compared to responses in 2015; in both surveys about half of faculty indicated that they were satisfied with the administration, overall. Of note, compared to the 2015 survey, more NTE faculty indicated that they were satisfied with the *level of communication with faculty* (24% satisfied in 2015, 48% satisfied in 2019). However, fewer faculty were satisfied with the *commitment to improving faculty salaries* in 2019 relative to 2015 (overall: 40% satisfied in 2015, 19% satisfied in 2019).

Goals & Mission of the University

Faculty generally agreed that W&M is pursuing its goals and mission, overall. TE faculty were most satisfied with the institution's success in *attracting outstanding students* (82%), *attracting faculty who*

value teaching (78%), and *providing a challenging Liberal Arts & Sciences curriculum that encourages depth, breadth, and curiosity* (65%). There was less agreement that the professional schools and graduate programs were *offering high quality programs that were preparing students for intellectual, professional, and public leadership* (range 41 - 45%). However, this may have been due to the lack of knowledge about professional programs from the perspective of A&S; approximately 30% of A&S faculty indicated that they were “Not Sure” about these questions.

Discrimination & University Climate

Over a third of faculty indicated that they witnessed discrimination based on race, gender, or ideology at least sometimes at William & Mary. Approximately a quarter of minority (i.e., non-White) respondents indicated that they witnessed discrimination based on race at W&M, and approximately a quarter of women indicated that they witnessed discrimination based on gender. While about 60% of faculty indicated they had assisted a student who had experienced discrimination, few indicated that they had reported incidents of discrimination or counseled a student who had experienced sexual assault.

Overall, more than 75% of faculty members at William & Mary indicated that they never or seldom experienced discrimination. However, fewer minority (i.e., non-White) respondents indicated that they never or seldom experienced discrimination (64%). The design of the questions included in this survey make it difficult to provide further interpretation of these findings. In future surveys, the Faculty Assembly should further probe the issue of discrimination at William & Mary to identify ongoing issues within our community.

Budget Priorities

Approximately 45% of faculty indicated that *increasing the number of TE lines* was one of the top three budget priorities. This was followed by *providing need-based aid to undergraduates* (33%), and *internal funding for research support* (25%). Of note, 20% of faculty identified *graduate and professional student stipends* and 18% identified *facilities (building maintenance and renovation)* as budget priorities.

Faculty Comments

Ninety faculty contributed comments at the end of the survey. Comments centered around six themes:

1. Diversity and inclusion/campus climate
2. University governance and administration
3. Educational quality
4. Research and grant support
5. Graduate student support
6. Faculty salary and support

Interpreting Tables and Figures in this Report

For all questions that assessed faculty satisfaction throughout the 2019 survey, response options were: "Very Satisfied," "Satisfied," "Neither Satisfied nor Dissatisfied", "Dissatisfied", and "Very Dissatisfied." In general, for the tables and figures, faculty who indicated that they were either “Very Satisfied” or “Satisfied” were combined to form the category of “Satisfied”, while those who indicated that they were either “Very Dissatisfied” or

“Dissatisfied” were combined to form the category of “Dissatisfied”. Similarly, for questions that assessed faculty agreement, those who indicated that they “Strongly Agree” were combined with those who indicate that they “Agree”, and those who “Strongly Disagree” were combined with those who “Disagree”.

Therefore, it is important to remember that graphs and tables that show low percentages of “Satisfied” and “Dissatisfied” faculty suggest that many faculty are undecided or do not feel strongly about the issue. One example of this is the question about level of satisfaction about *Job support for spouses/partners of faculty members* (Figure 7, on page 13). In general, 50-60% of faculty indicated that they were “Neither Satisfied nor Dissatisfied” with the level of support for spouses/partners. The same reasoning applies to tables and figures that assess faculty agreement with various issues.

In tables and figures throughout the survey, responses from faculty in Arts & Sciences are divided into academic areas: A&S I (Humanities), A&S II (Social Sciences), and A&S III (Natural Sciences and Mathematics). Refer to the A&S bylaws (Article 1, Section 3) [here](#) to see which departments are included in each of these academic areas.

II. RESPONSE RATES ¹

The 2019 survey was made available to approximately 884 full-time and part-time instructional faculty members on September 9th, 2019 and remained open to faculty until October 28th. A total of 469 William & Mary faculty (166 females, 199 males, two non-binary, and 102 unspecified gender) responded. Of those who indicated their race ($N=343$), 303 were White, 13 were Asian, 11 were Black, nine were Hispanic, and seven were mixed race or other. Of the 462 respondents who indicated their faculty status (i.e., whether they were tenured/tenure eligible or non-tenure-eligible), 321 were tenured or tenure-eligible (TE) faculty, and 141 were non-tenure-eligible (NTE) faculty². Table 1 presents the percentage of each unit's faculty who responded to the survey in 2019 relative to previous years. Although the response rate for this survey (65%) increased relative to 2015 (43%), there is decline in response relative to earlier surveys which boasted response rates of about 73%. Tables 2 and 3 show the breakdown of respondents by rank for TE and NTE faculty. As in 2015, the percentages of respondents by academic rank reflect the percentages of TE and NTE faculty at W&M in each rank.

Table 1: Response Rate for each Academic Area or School, 2006 - 2019

Academic Area	2019	2015	2013	2009	2006
A&S Humanities	75%	48%	80%	85%	85%
A&S Social Sciences	50%	41%	70%	55%	70%
A&S Natural Sciences	62%	52%	89%	90%	86%
School of Business	44%	38%	70%	65%	81%
School of Education	69%	50%	87%	75%	76%
School of Law	79%	45%	38%	52%	39%
School of Marine Science/ VIMS	77%	29%	42%	49%	54%
Total Mean Response Rate	65%	43%	74%	72%	73%

Table 2: TE Share of Responses by Academic Rank

Academic Rank	2019		2015	
	Percentage	<i>n</i>	Percentage	<i>n</i>
Assistant Professor	17%	56	19%	49
Associate Professor	30%	94	36%	92
Full Professor	53%	168	45%	114
Total	100%	318	100%	255

Note: three tenured professors did not indicate their rank.

Table 3: NTE Share of Responses by Academic Rank

Appointment Category	2019		2015	
	Percentage	<i>n</i>	Percentage	<i>n</i>
Continuing	42%	59	49%	30
Specified Term	58%	80	51%	31
	100%	139	100%	61

Note: two NTE professors did not indicate their NTE status.

¹ Because not every individual answered every question, the total number of respondents varies between questions.

² In this report the term "NTE" encompasses all types of instructional faculty who do not occupy a tenure line. "TE" encompasses all faculty who are eligible to apply for tenure, whether or not they have yet achieved tenure.

III. GENERAL SATISFACTION

The survey asked faculty how satisfied they are overall with their position at William & Mary and how satisfied they were with 21 selected aspects of employment. Response options were: "Very Satisfied," "Satisfied," "Neither Satisfied nor Dissatisfied", "Dissatisfied", and "Very Dissatisfied."

A. OVERALL JOB SATISFACTION

a. Job satisfaction compared to previous surveys

**Table 4: Job Satisfaction Levels Over Time
for TE and NTE faculty members**

<i>On the whole, how satisfied are you with your position at the College?</i>		
Year	Satisfied	Dissatisfied
2019 TE	79%	10%
2015 TE	74%	14%
2013 TE	66%	34%
2009 TE	83%	17%
2019 NTE	77%	13%
2015 NTE	77%	15%
2013 NTE	68%	32%

Note: percentages do not add up to 100% for 2015 and 2019 because "neither satisfied nor dissatisfied was included as an option for these years.

b. Overall Job Satisfaction by Academic Rank

Table 5: Overall Satisfaction by Academic Rank for TE and NTE faculty members

<i>On the whole, how satisfied are you with your position at William & Mary?</i>					
Academic Rank	Very Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Very Dissatisfied
Assistant Professor	32%	48%	9%	9%	2%
Associate Professor	23%	49%	16%	7%	4%
Full Professor	27%	55%	9%	6%	2%
TE Total	27%	52%	11%	7%	3%
Continuing	19%	59%	7%	8%	3%
Specified Term	31%	45%	9%	10%	5%
NTE Total	26%	51%	8%	9%	4%

Notes: - One TE and three NTE faculty members did not answer this question.
- Percentages may not add to 100% due to rounding.

c. *Overall Job Satisfaction of Faculty by Academic Area or School*

Table 6: Overall Satisfaction by Academic Area or School in 2019

	<i>On the whole, how satisfied are you with your position at the College?</i>				
Academic Area	Very Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Very Dissatisfied
Arts and Sciences Area I (Humanities)	25%	48%	11%	8%	7%
Arts and Sciences Area II (Social Sciences)	30%	52%	10%	6%	2%
Arts and Sciences Area III (Natural Sciences and Mathematics)	26%	52%	10%	10%	2%
Mason School of Business	21%	47%	18%	6%	6%
School of Education	32%	56%	6%	3%	3%
Law School	19%	60%	11%	8%	0%
School of Marine Science/VIMS	35%	51%	5%	8%	0%
Total	26%	51%	10%	8%	4%

Table 7: Overall Satisfaction by Academic Area or School in 2015

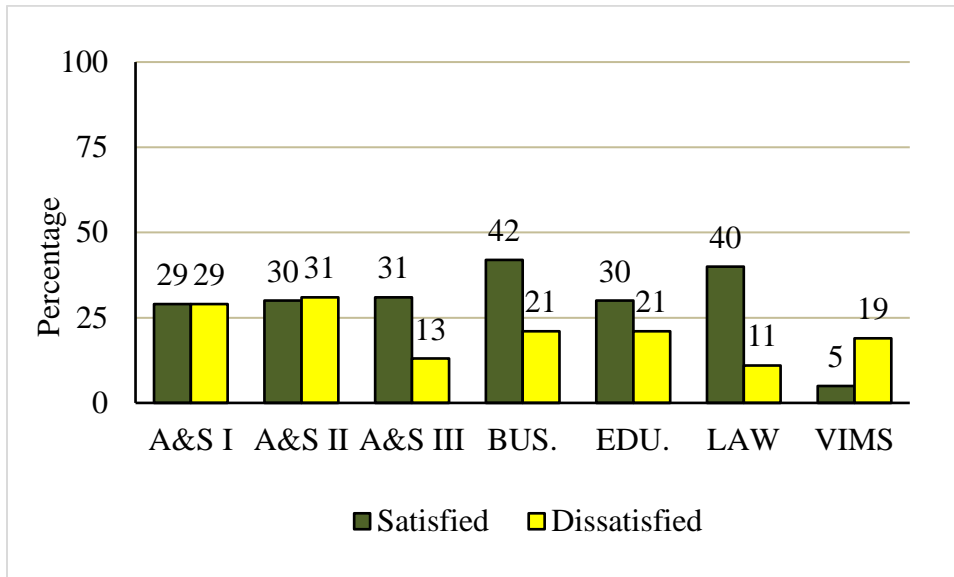
	<i>On the whole, how satisfied are you with your position at the College?</i>				
Academic Area	Very Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Very Dissatisfied
Arts and Sciences Area I (Humanities)	15%	54%	9%	17%	5%
Arts and Sciences Area II (Social Sciences)	26%	51%	16%	7%	0%
Arts and Sciences Area III (Natural Sciences and Mathematics)	26%	43%	19%	7%	4%
Mason School of Business	52%	30%	0%	13%	4%
School of Education	22%	52%	13%	9%	4%
Law School	41%	45%	0%	14%	0%
School of Marine Science/VIMS	29%	53%	6%	12%	0%
Total	26%	48%	12%	11%	3%

B. JOB SATISFACTION— 21 SELECTED ASPECTS OF EMPLOYMENT

To explore job satisfaction levels in detail, the survey asked faculty how satisfied they were in general with 21 specific aspects of their work at the W&M. Due to the small number of NTEs within each school, their data are combined with TE data in all analyses in this section, except for those related to salary.

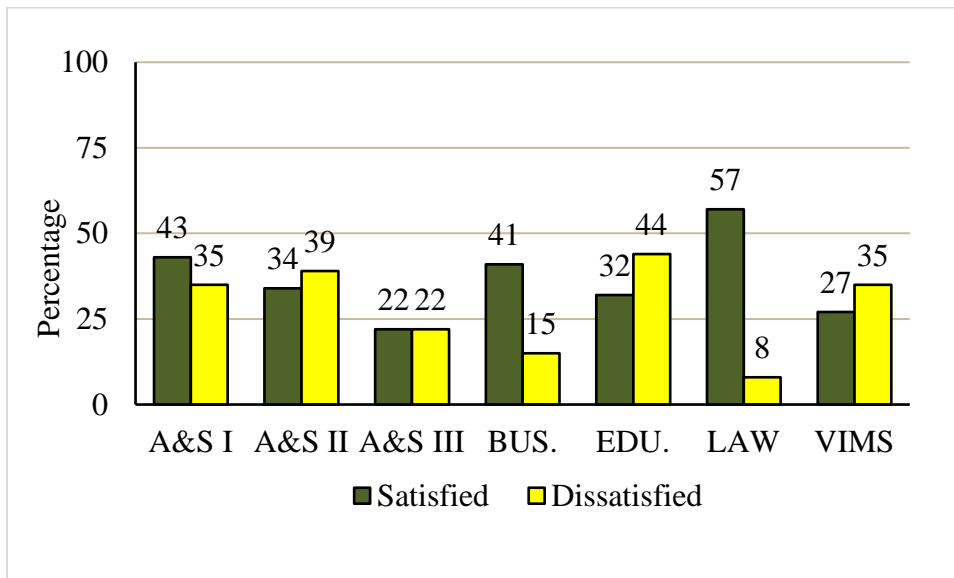
a. Level of support for internal summer research grants for faculty

Figure 1: How satisfied are you with the level of support for internal summer research grants at W&M?



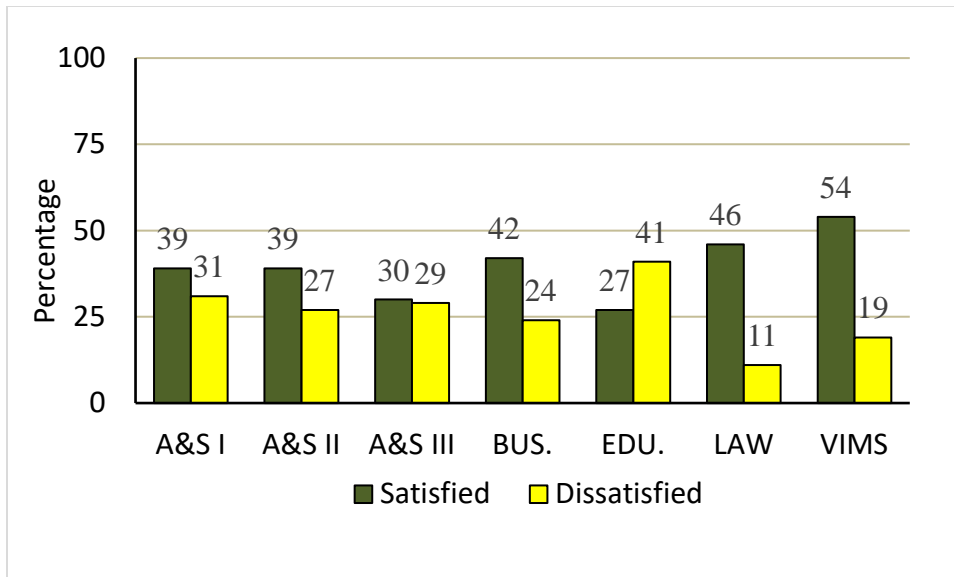
b. Travel support for research presentations at conferences

Figure 2: How satisfied are you with travel support for research presentations at W&M?



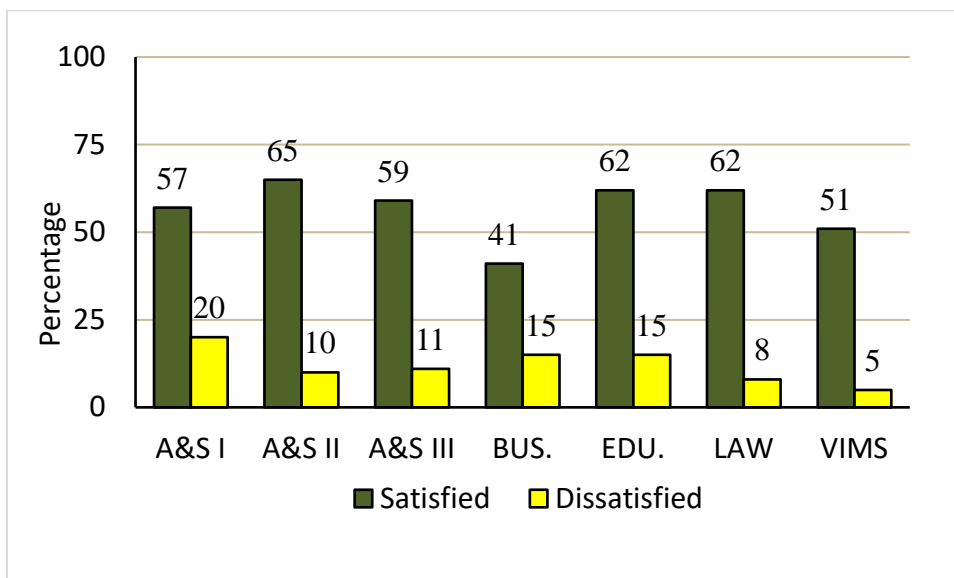
c. Overall research support

Figure 3: How satisfied are you with overall research support at W&M?



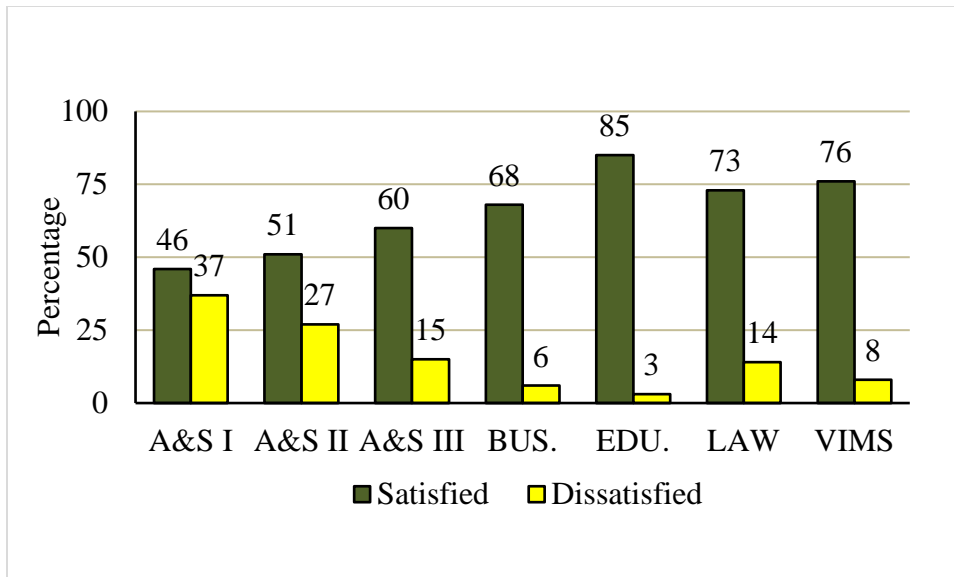
d. Support for teaching (faculty development)

Figure 4: How satisfied are you with the level of support for teaching (faculty development) at W&M?



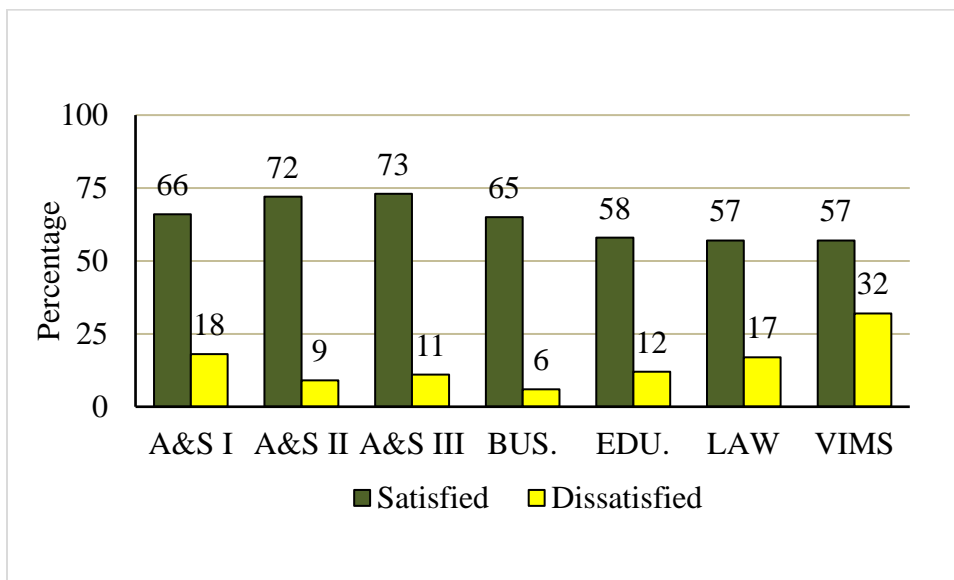
e. Availability of classroom space appropriate for teaching needs

Figure 5: How satisfied are you with the availability of classroom space at W&M?



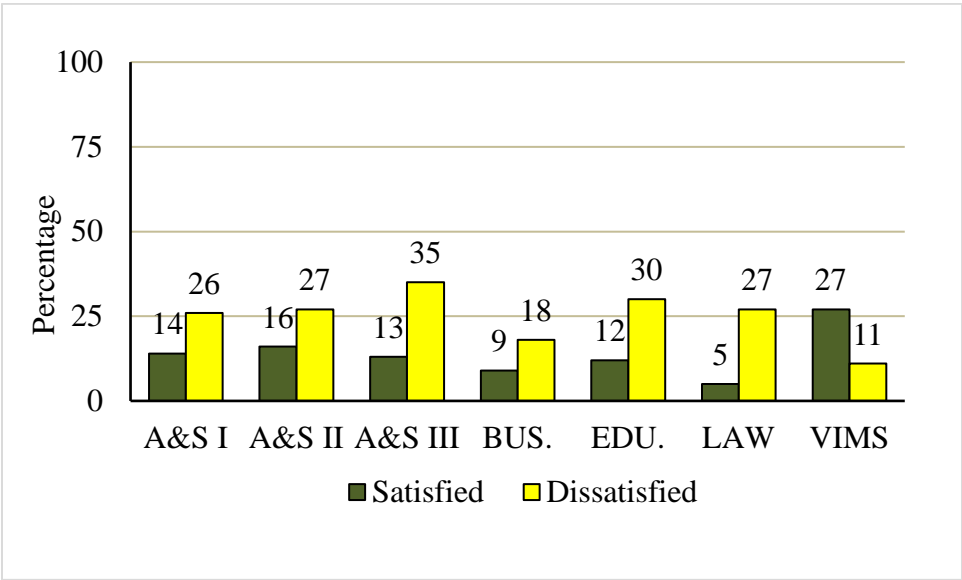
f. Support provided by secretarial/office staff

Figure 6: How satisfied are you with the level of support provided by secretarial/office staff at W&M?



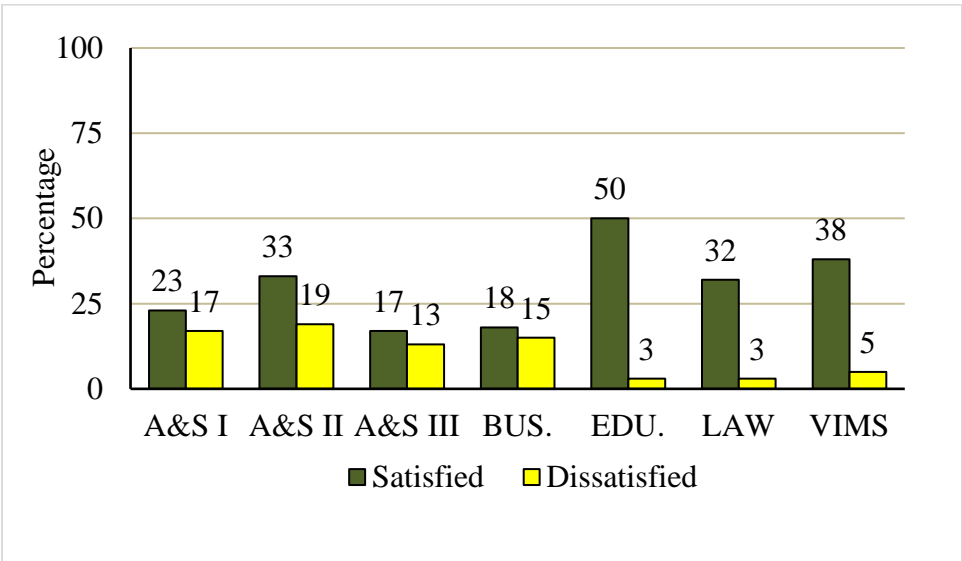
g. Job support for spouses/partners of faculty members

Figure 7: How satisfied are you with the level of support for spouses/partners of faculty members at W&M?



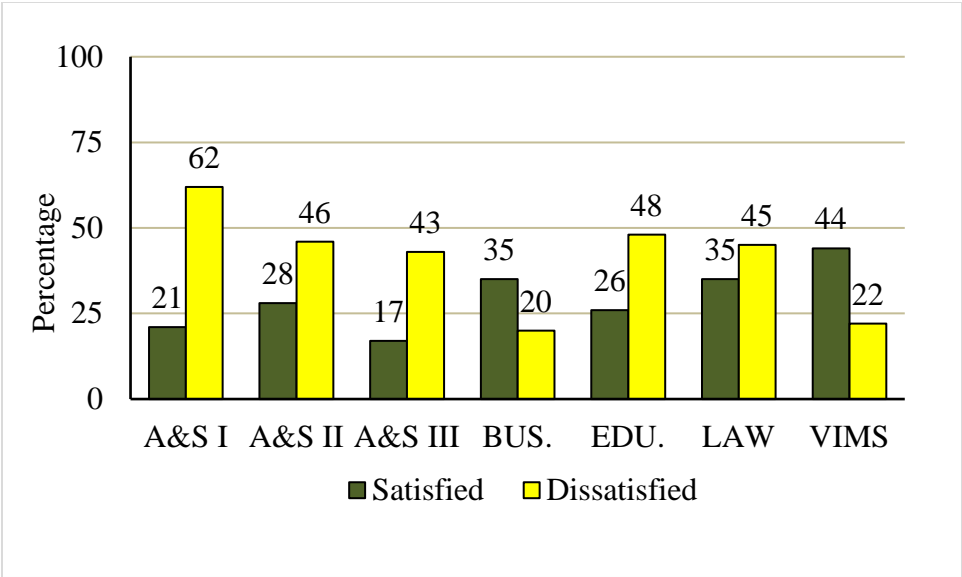
h. Support for faculty who are caregivers

Figure 8: How satisfied are you with the level of support for faculty who are caregivers at W&M?



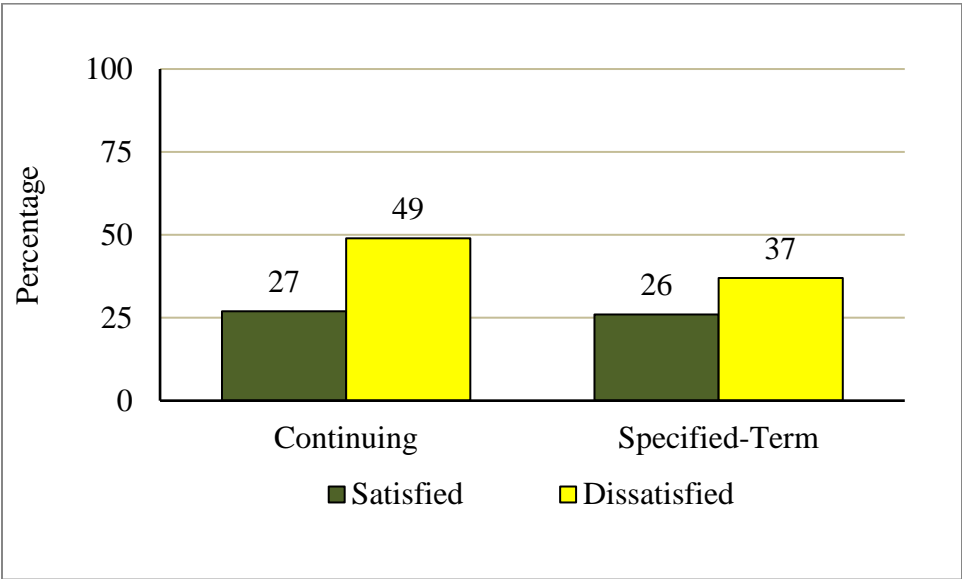
i. Faculty salaries in general (TE faculty)

Figure 9: How satisfied are you with the level of support for faculty salaries at W&M?



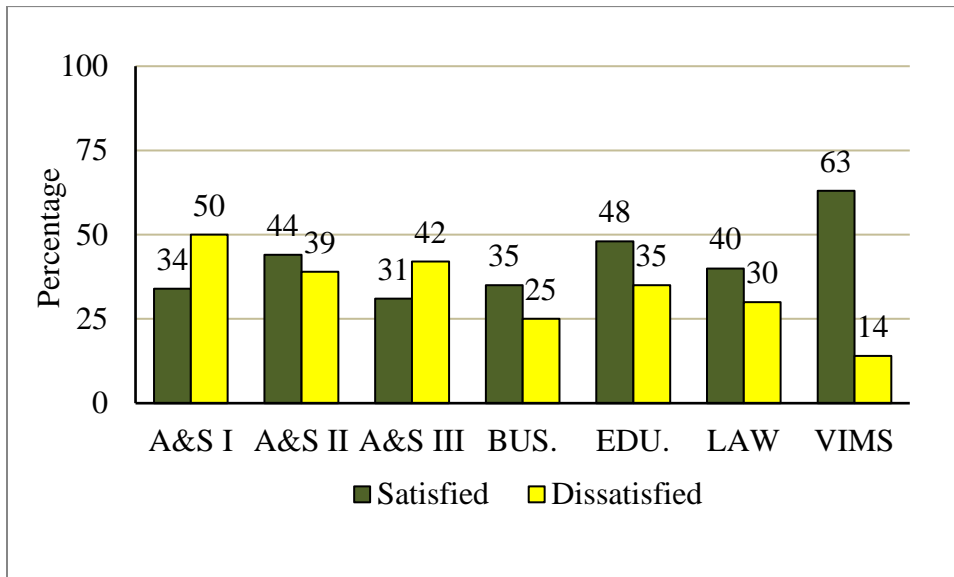
j. Faculty salaries in general (NTE faculty)

Figure 10: How satisfied are you with the level of support for faculty salaries at W&M?



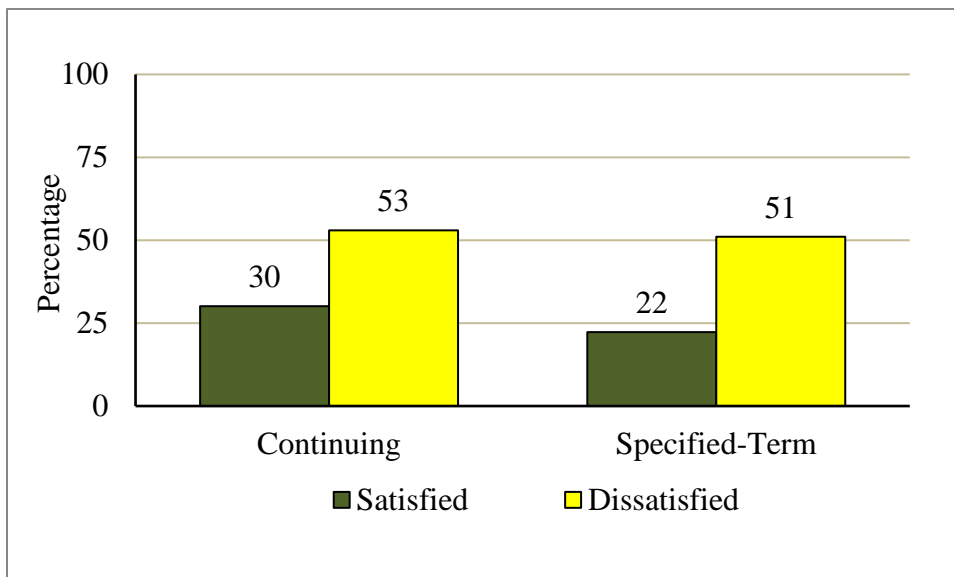
k. Personal salary (TE faculty)

Figure 11: How satisfied are you with the level of support for your salary at W&M?



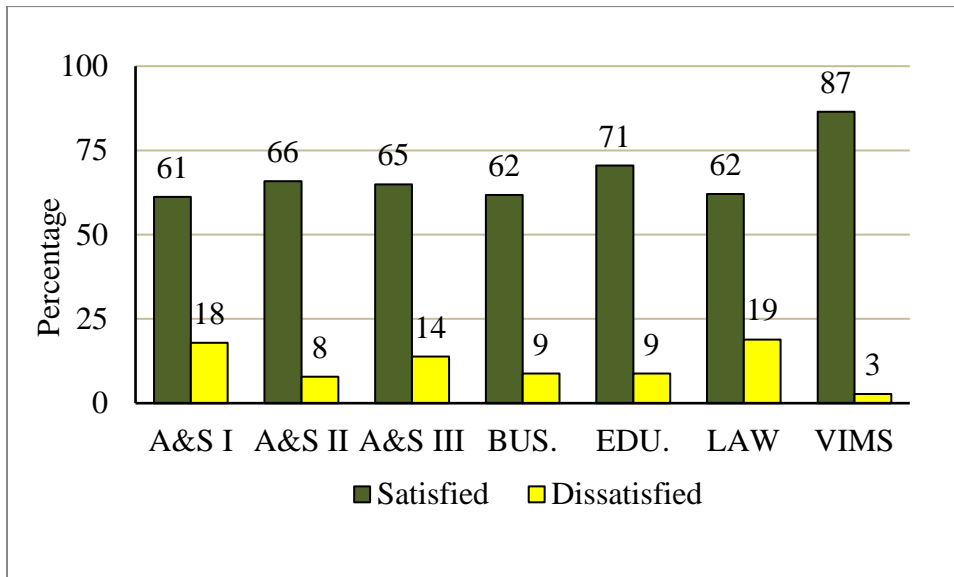
l. Personal salary (NTE Faculty)

Figure 12: How satisfied are you with the level of support for your salary at W&M?



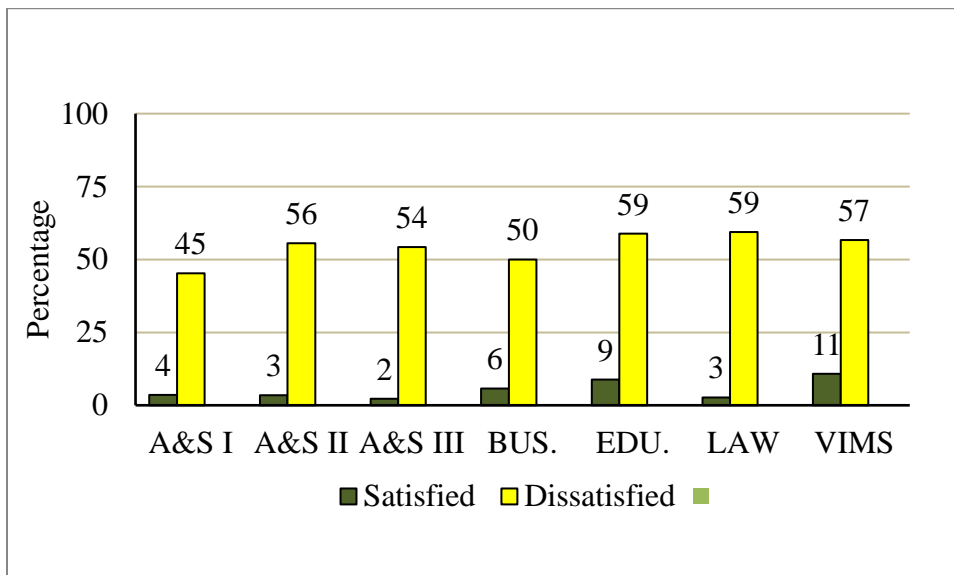
m. Overall benefits

Figure 13: How satisfied are you with the level of support for overall benefits at W&M?



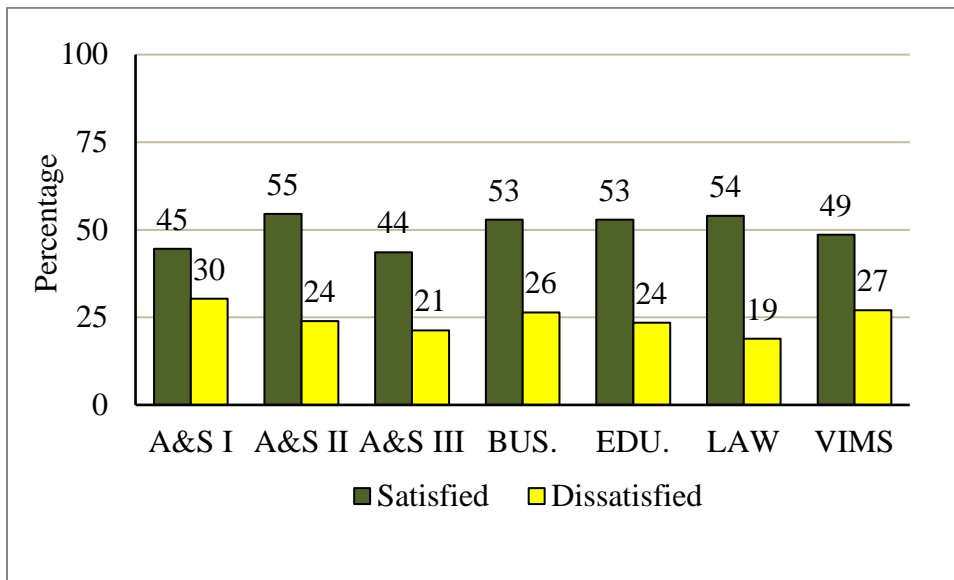
n. Tuition benefits for dependents

Figure 14: How satisfied are you with the level of support for tuition benefits for dependents at W&M?



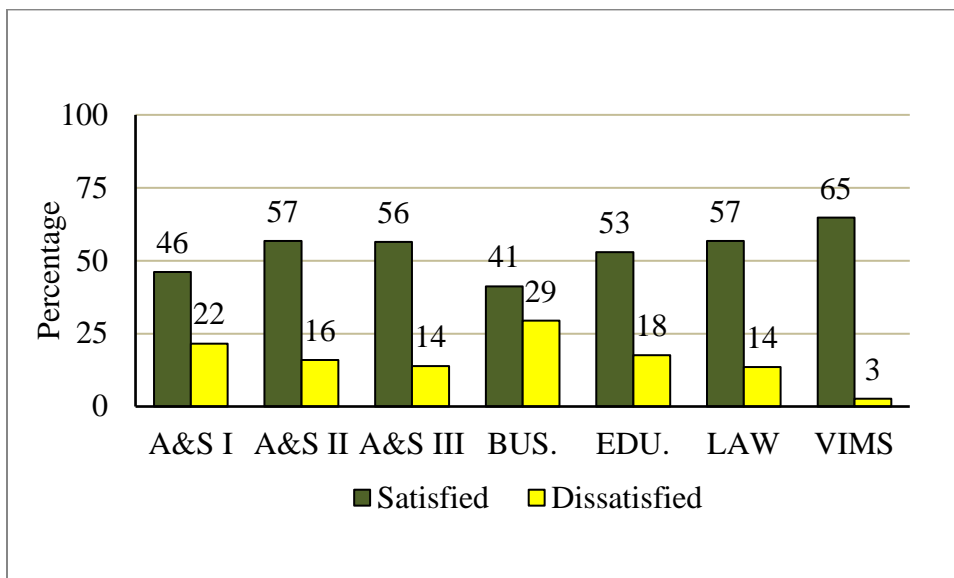
o. Ability to manage workload, stress, and burnout

Figure 15: How satisfied are you with your ability to manage workload, stress, and burnout at W&M?



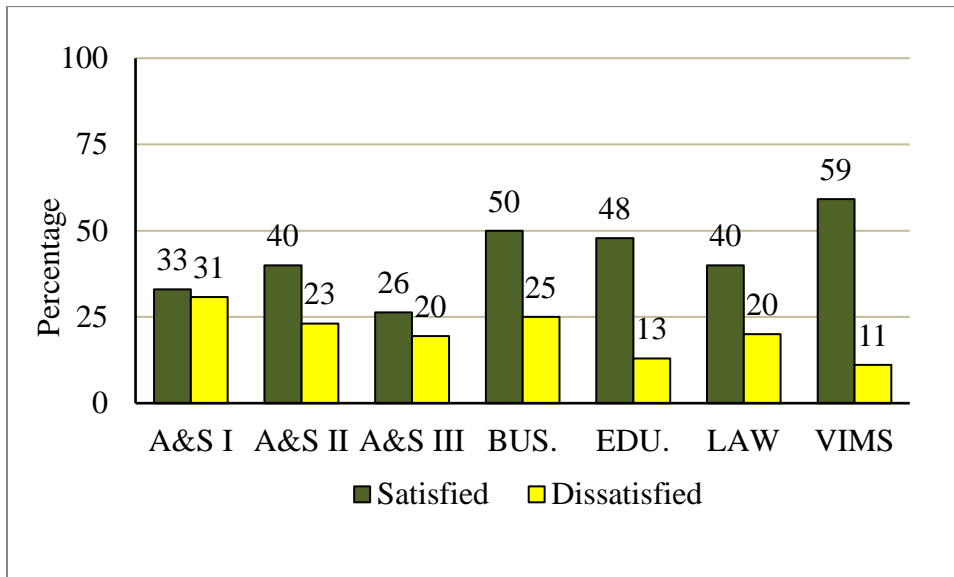
p. Expectations for balancing and integrating teaching and scholarship

Figure 16: How satisfied are you with expectations for balancing and integrating teaching and scholarship at W&M?



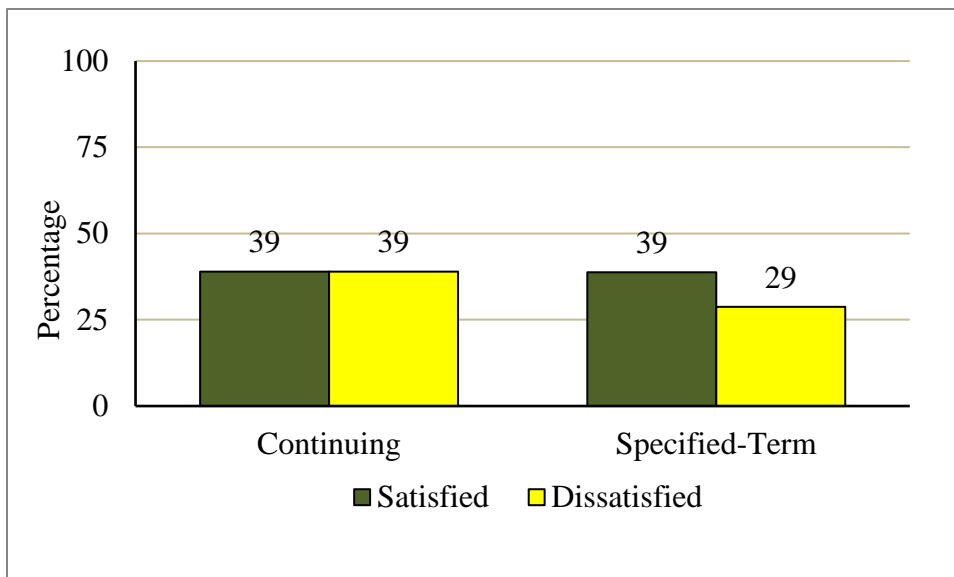
q. NTE inclusion (TE faculty)

Figure 17: How satisfied are you with NTE inclusion at W&M?



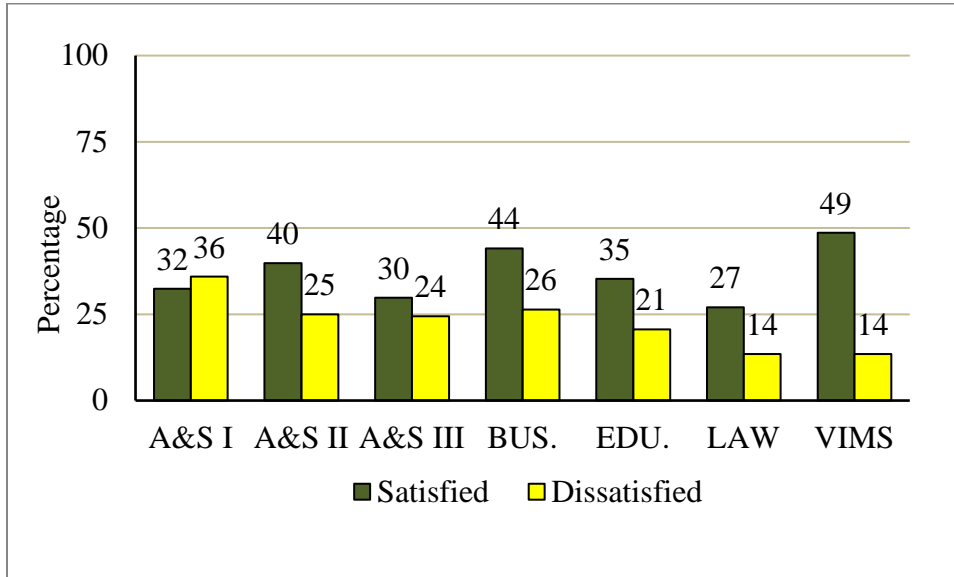
r. NTE inclusion (NTE faculty)

Figure 18: How satisfied are you with NTE inclusion at W&M?



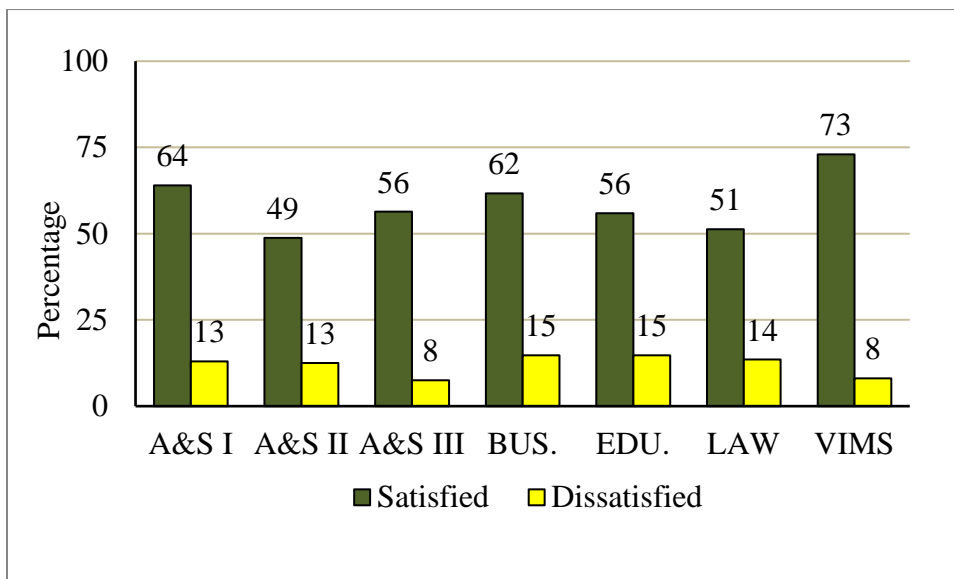
s. *Faculty retention*

Figure 19: How satisfied are you with faculty retention at W&M?



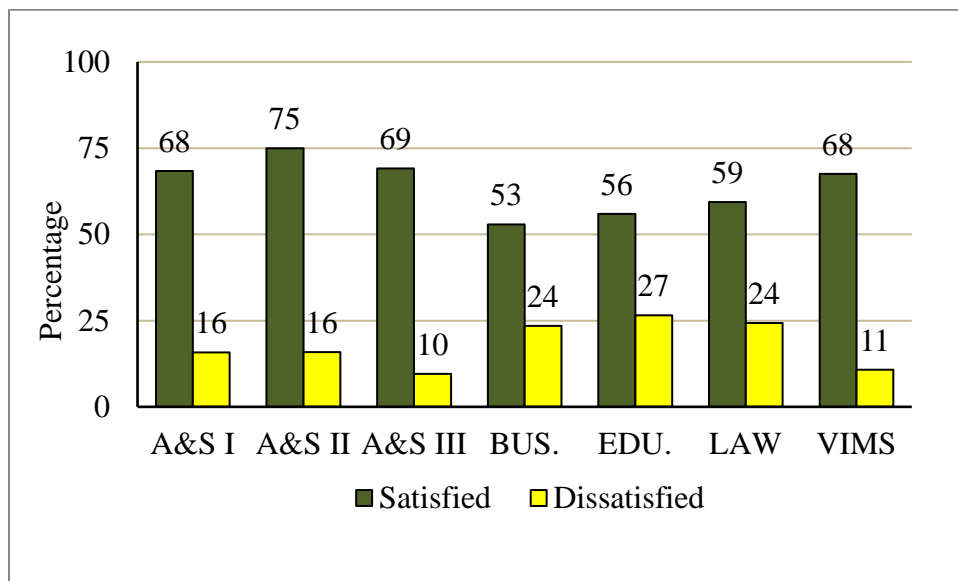
t. *Well-being of campus community*

Figure 20: How satisfied are you with the well-being of the campus community at W&M?



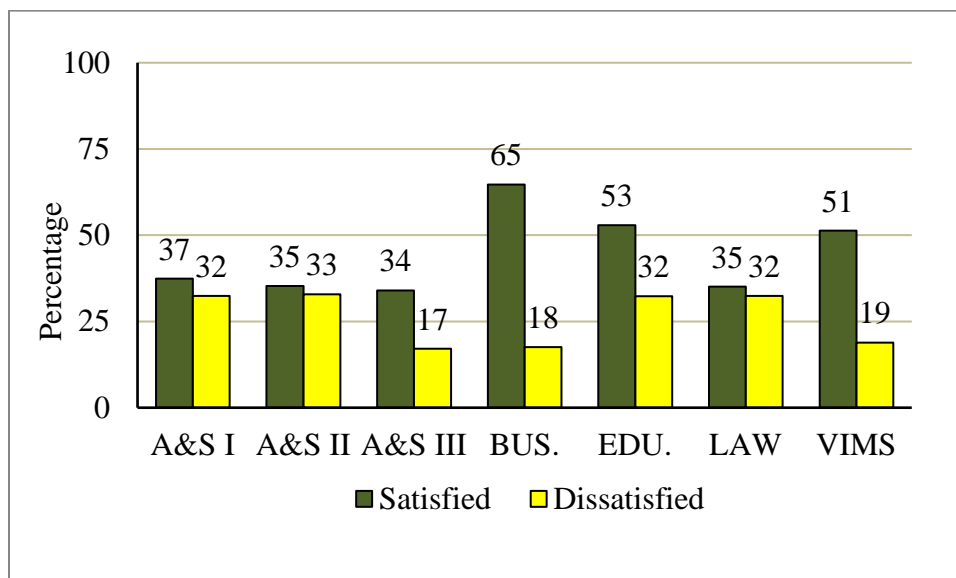
u. *Faculty collegiality and engagement*

Figure 21: How satisfied are you with faculty collegiality and engagement at W&M?



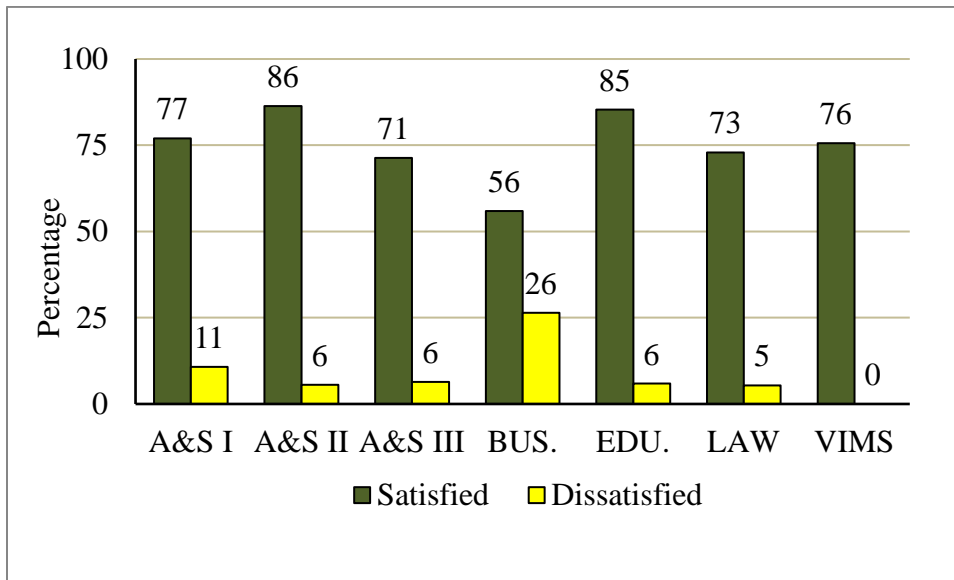
v. *Diversity & inclusion*

Figure 22: How satisfied are you with diversity & inclusion at W&M?



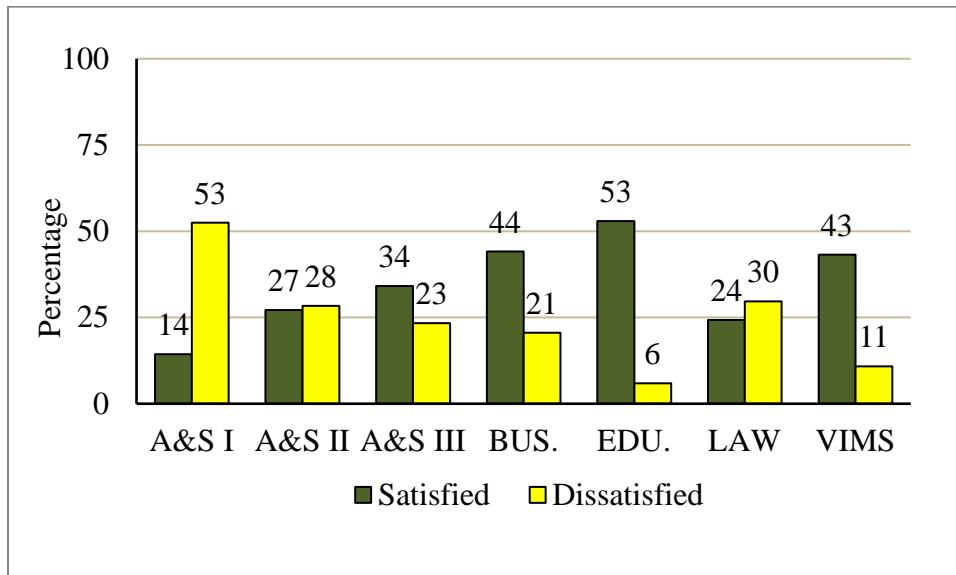
w. *Teaching Load*

Figure 23: How satisfied are you with the teaching load at W&M?



x. *NTE Ratio*

Figure 24: How satisfied are you with the NTE ratio at W&M?



C. OVERALL JOB SATISFACTION BASED ON GENDER AND ACADEMIC RANK

In Table 8, we assessed satisfaction as a function of gender (169 women, 199 men). Because of the small number of faculty who identified as non-binary ($n = 2$), they were not included in this analyses. In Table 9, TE and NTE faculty are categorized as a function of their academic rank. Responses from 2019 were compared to those from 2015. Twelve new questions were added to this section of the 2019 survey, therefore 2015 comparisons are not available for these questions. Moreover, NTE responses were not categorized as a function of employment status in 2015.

a. Job satisfaction: Responses grouped by gender

Table 8: Job Satisfaction Grouped by Gender

	Percentage of faculty satisfied with each of the following aspects of their work:			
	Women		Men	
	Satisfied	Dissatisfied	Satisfied	Dissatisfied
Level of support of summer grants	28.3%	28.9%	30.6%	16.0%
Travel Support	38.6%	34.3%	34.2%	28.6%
Overall Research Support	35.5%	30.7%	44.3%	22.1%
Teaching Support	60.9%	16.3%	59.8%	9.0%
Availability of Classroom space	53.0%	24.1%	65.8%	18.6%
Secretarial/office support	72.9%	13.2%	69.9%	12.5%
Spouse/partner support	11.4%	29.0%	17.1%	23.7%
Caregiver support	29.5%	16.2%	27.6%	9.0%
Salaries, general	24.7%	56.1%	30.1%	35.7%
Salaries, personal	36.1%	44.0%	40.7%	37.2%
Overall Benefits	72.3%	7.8%	65.8%	14.1%
Tuition Benefits	2.4%	51.8%	6.5%	54.3%
Ability to Manage Workload and Stress	47.6%	26.5%	53.8%	23.1%
Expectations for Balancing and Integrating Teaching and Scholarship	50.0%	21.7%	59.3%	10.5%
NTE Inclusion	36.1%	29.5%	41.3%	23.6%
Faculty Retention	32.5%	24.7%	44.7%	23.6%
Well-being of Campus Community	59.6%	13.8%	63.8%	8.5%
Faculty Collegiality	69.9%	15.7%	70.4%	13.1%
Diversity and Inclusion	33.7%	35.5%	43.8%	22.1%
Teaching Load	79.5%	10.8%	78.9%	5.5%
Ratio of NTE to TE Faculty	29.5%	33.7%	29.6%	29.6%

b. Job satisfaction: Responses grouped by academic rank

**Table 9: Job Satisfaction for each Work Category
Grouped by Academic Rank**

Percentage of faculty satisfied with each of the following aspects of their work:				
	2019		2015	
Academic Rank	Satisfied	Dissatisfied	Satisfied	Dissatisfied
<u>Level of support of summer grants</u>				
Assistant Professors	48%	23%	39%	39%
Associate Professors	27%	35%	21%	38%
Full Professors	38%	19%	33%	29%
Specified-term NTE	14%	54%	8%	13%
Continuing NTE	10%	70%		
<u>Support for Travel</u>				
Assistant Professors	41%	20%	31%	47%
Associate Professors	36%	39%	28%	50%
Full Professors	39%	33%	36%	39%
Specified-term NTE	30%	18%	40%	26%
Continuing NTE	34%	31%		
<u>Overall Research Support</u>				
Assistant Professors	55%	29%		
Associate Professors	38%	34%		
Full Professors	46%	31%		
Specified-term NTE	20%	14%		
Continuing NTE	25%	22%		
<u>Teaching support (Faculty Development)</u>				
Assistant Professors	63%	11%	61%	12%
Associate Professors	62%	14%	55%	13%
Full Professors	63%	10%	63%	8%
Specified-term NTE	53%	13%	48%	14%
Continuing NTE	51%	19%		
<u>Availability of Classroom space</u>				
Assistant Professors	66%	20%	61%	12%
Associate Professors	50%	29%	33%	50%
Full Professors	63%	20%	53%	24%
Specified-term NTE	56%	21%	69%	14%
Continuing NTE	63%	20%		

Percentage of faculty satisfied with each of the following aspects of their work:				
	2019		2015	
Academic Rank	Satisfied	Dissatisfied	Satisfied	Dissatisfied
<u>Secretarial/office support</u>				
Assistant Professors	70%	20%	65%	22%
Associate Professors	66%	18%	53%	26%
Full Professors	64%	17%	69%	13%
Specified-term NTE	76%	9%	74%	11%
Continuing NTE	70%	15%		
<u>Spouse/partner support</u>				
Assistant Professors	13%	36%	12%	29%
Associate Professors	10%	33%	14%	35%
Full Professors	20%	27%	21%	26%
Specified-term NTE	8%	19%	21%	16%
Continuing NTE	17%	17%		
<u>Caregiver Support</u>				
Assistant Professors	27%	7%	16%	14%
Associate Professors	23%	20%	14%	21%
Full Professors	35%	13%	29%	11%
Specified-term NTE	24%	11%	11%	6%
Continuing NTE	18%	9%		
<u>Salaries, generally</u>				
Assistant Professors	34%	47%	18%	51%
Associate Professors	43%	48%	21%	49%
Full Professors	29%	45%	24%	50%
Specified-term NTE	26%	38%	29%	34%
Continuing NTE	27%	49%		
<u>Salaries, personal</u>				
Assistant Professors	34%	45%	26%	53%
Associate Professors	33%	42%	27%	40%
Full Professors	35%	35%	47%	39%
Specified-term NTE	23%	51%	28%	53%
Continuing NTE	31%	53%		
<u>Overall Benefits</u>				
Assistant Professors	75%	11%		
Associate Professors	60%	13%		
Full Professors	68%	11%		
Specified-term NTE	59%	18%		
Continuing NTE	76%	9%		

Percentage of faculty satisfied with each of the following aspects of their work:				
	2019		2015	
Academic Rank	Satisfied	Dissatisfied	Satisfied	Dissatisfied
<u>Tuition Benefits</u>				
Assistant Professors	0%	55%		
Associate Professors	3%	63%		
Full Professors	5%	58%		
Specified-term NTE	23%	28%		
Continuing NTE	36%	51%		
<u>Ability to Manage Workload and Stress</u>				
Assistant Professors	54%	21%		
Associate Professors	38%	32%		
Full Professors	51%	24%		
Specified-term NTE	58%	20%		
Continuing NTE	48%	22%		
<u>Expectations for Balancing and Integrating Teaching and Scholarship</u>				
Assistant Professors	59%	16%		
Associate Professors	59%	21%		
Full Professors	66%	16%		
Specified-term NTE	29%	13%		
Continuing NTE	37%	19%		
<u>NTE Inclusion</u>				
Assistant Professors	34%	34%		
Associate Professors	30%	23%		
Full Professors	43%	19%		
Specified-term NTE	39%	29%		
Continuing NTE	39%	39%		
<u>Faculty Retention</u>				
Assistant Professors	34%	27%		
Associate Professors	29%	40%		
Full Professors	41%	24%		
Specified-term NTE	33%	16%		
Continuing NTE	36%	19%		
<u>Well-being of Campus Community</u>				
Assistant Professors	61%	4%		
Associate Professors	42%	19%		
Full Professors	61%	13%		
Specified-term NTE	71%	5%		
Continuing NTE	66%	10%		

Percentage of faculty satisfied with each of the following aspects of their work:				
	2019		2015	
Academic Rank	Satisfied	Dissatisfied	Satisfied	Dissatisfied
<u>Faculty Collegiality</u>				
Assistant Professors	71%	9%		
Associate Professors	64%	23%		
Full Professors	66%	17%		
Specified-term NTE	78%	9%		
Continuing NTE	63%	17%		
<u>Diversity & Inclusion</u>				
Assistant Professors	39%	34%		
Associate Professors	24%	44%		
Full Professors	42%	19%		
Specified-term NTE	55%	23%		
Continuing NTE	49%	27%		
<u>Teaching Load</u>				
Assistant Professors	84%	7%		
Associate Professors	80%	6%		
Full Professors	84%	4%		
Specified-term NTE	64%	19%		
Continuing NTE	61%	12%		
<u>NTE to TE Ratio</u>				
Assistant Professors	34%	21%		
Associate Professors	22%	45%		
Full Professors	29%	33%		
Specified-term NTE	28%	20%		
Continuing NTE	37%	20%		

IV. FACULTY RETENTION

This section of the survey asked faculty whether they are currently in the job market and if they have contemplated leaving William & Mary over the past three years (Tables 10 and 11) and if so, about their reasons for such contemplation (Table 14). Table 11 groups NTE faculty into continuing and specified term to determine whether sentiments were consistent across these groups. Tables 12 and 13 are included for comparison from the 2015 survey.

A. Faculty Who Have Considered Leaving

Table 10:

TE & NTE³ faculty who are Considering Leaving W&M

	% TE	<i>n</i>	% NTE	<i>n</i>
<i>I am currently on the job market.</i>	22%	71	29%	40
<i>I have considered leaving WM.</i>	47%	150	55%	77

Table 11:

NTE Faculty who are Considering Leaving W&M

	% Continuing	<i>n</i>	% Specified Term	<i>n</i>
<i>I am currently on the job market.</i>	33%	15	32%	25
<i>I have considered leaving WM.</i>	61%	35	52%	41

B. Faculty Who Have Considered Leaving (2015 Survey)

Table 12:

TE & NTE⁴ faculty who are Considering Leaving W&M

	% TE	<i>n</i>	% NTE	<i>n</i>
<i>I am currently on the job market.</i>	23%	57	39%	23
<i>I have considered leaving WM.</i>	62%	157	69%	42

Table 13:

NTE Faculty who are Considering Leaving W&M

	% Continuing	<i>n</i>	% Specified Term	<i>n</i>
<i>I am currently on the job market.</i>	17%	15	60%	25
<i>I have considered leaving WM.</i>	63%	35	74%	41

³ Five TE and four NTE professors did not indicate whether they were on the job market and three TE and three NTE professors did not indicate whether they had considered leaving W&M in the past three years.

⁴ Six people did not indicate whether they were on the job market and three of these people did not respond to either of these questions..

Reasons Why Faculty Consider Leaving W&M

Faculty who indicated that had considered leaving over the past three years were asked to indicate which of the options listed in Table 14 reflected their reasons for wanting to leave. Faculty could choose multiple answers. Fifty-two faculty indicated that there were “other reasons” beyond those listed. When asked to elaborate, six themes emerged; faculty indicated frustrations with 1) the lack of leadership from various levels of administration; 2) increased expectations and workload; 3) lack of belonging, equity, and inclusion 4) lack of institutional support for professional development and growth. Additionally, specified term NTEs indicated the need for a permanent position.

Table 14: Reasons why TE and NTE Faculty Considered Leaving W&M in the Past Three Years

Faculty Retention	Please indicate why you have considered leaving your position at William & Mary. (check all that apply)					
	TE		Continuing NTE		Specified-term NTE	
	% Yes	<i>n</i>	% Yes	<i>n</i>	% Yes	<i>n</i>
Desire for reduced teaching load	8%	11	14%	5	19%	7
Desire to join a department or school that places more emphasis on my research specialty.	25%	36	9%	3	16%	6
Dissatisfaction with my salary at W&M	72%	105	62%	22	62%	23
Dissatisfaction with the level of collegiality in my department or school	19%	27	29%	10	14%	5
Dissatisfaction with the research support that I receive	38%	56	20%	7	24%	9
Desire for a tenure-eligible position	0%	0	46%	16	43%	16
Tuition benefits for dependents	28%	41	34%	12	11%	4
Spouse/partner hiring issue	13%	19	17%	6	14%	5
Other reason	34%	49	37%	13	32%	12

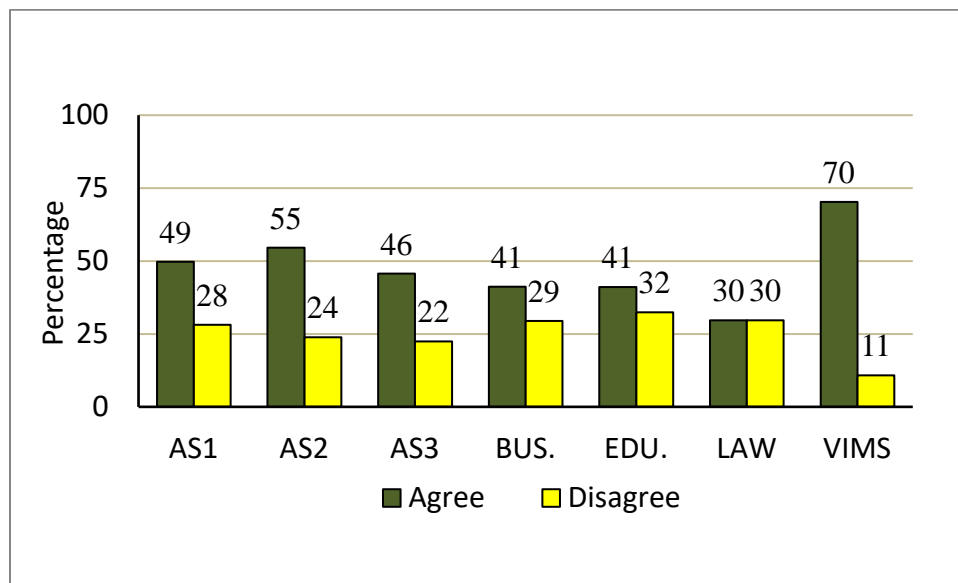
Note: percentages are based on the number of faculty who indicated they had considered leaving; people could choose multiple answers.

V: FACULTY EVALUATION

This section focused on the extent to which faculty felt that they are fairly evaluated during the merit process in their department or school, and the degree to which performance standards were clear for tenure and promotion in their department or school. Response options were: “Strongly Agree”, “Agree”, “Neither Agree nor Disagree”, “Disagree”, and “Strongly Disagree.” In the graphs that follow, NTE responses are combined with TE data for the questions about merit evaluation (Figure 25) and clarity of standards for promotion (Figure 17) and only TE data are shown for clarity of tenure standards (Figure 16). In the tables, faculty are divided by rank (for TE faculty) and appointment category (for NTE faculty).

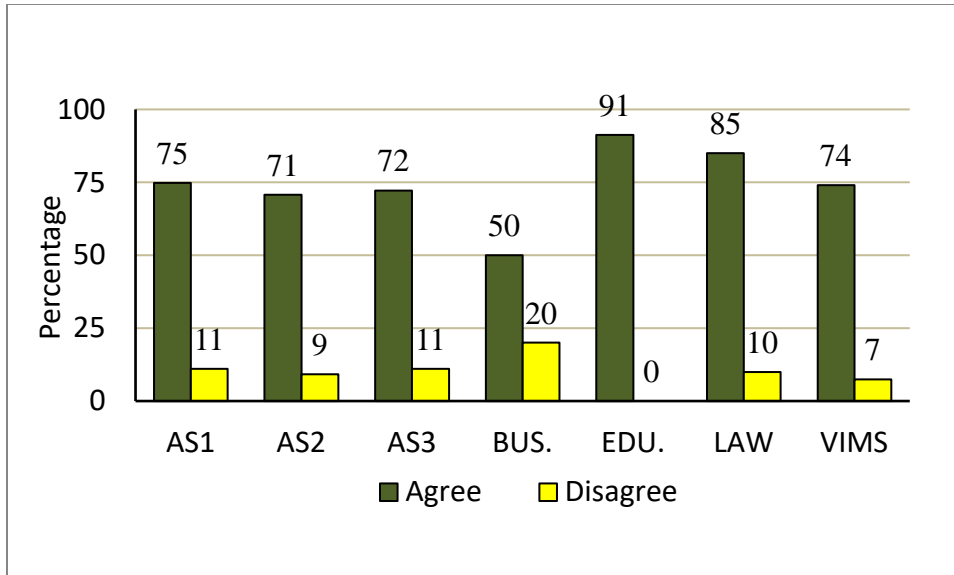
A. Fair Evaluation for Merit

Figure 25: Fair Evaluation during the Merit Process



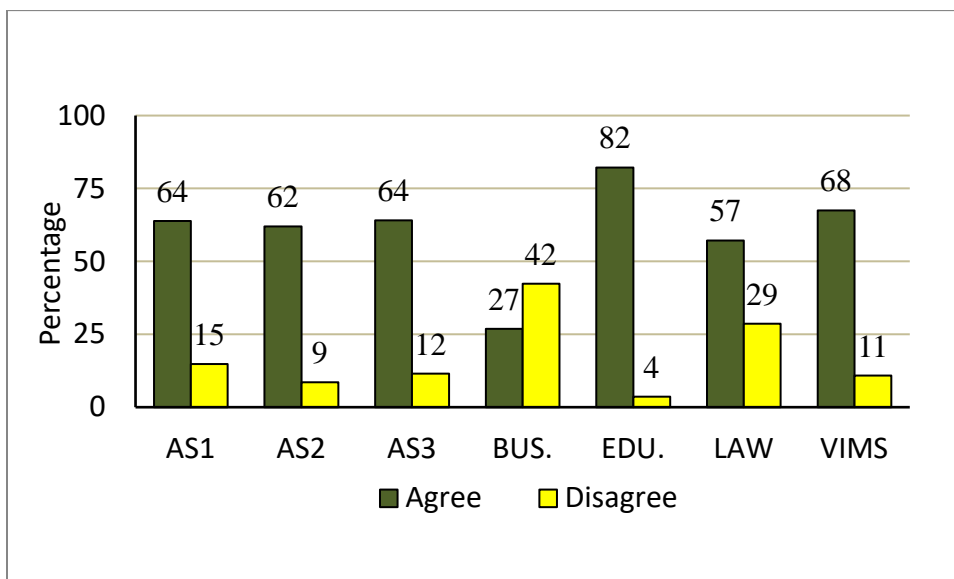
B. Performance Standards Clear for Tenure (TE only)

Figure 26: Performance Standards Clear for Tenure; TE Faculty Only



C. Performance Standards Clear for Promotion (TE & Continuing NTE)

Figure 27: Performance Standard Clear for Promotion; TE and Continuing NTE Faculty



D. Faculty Evaluation: Responses grouped by Academic Rank and Appointment Category

Table 15 shows the degree to which faculty agree that they are fairly evaluated for merit, and performance standards are clear for tenure and promotion as a function of academic rank. Only the tenured and tenure-eligible faculty were asked the degree to which they agreed that performance standards are clear for tenure and only continuing NTEs were included in the analyses that asked about clarity of performance standards for promotion.

Table 15: Faculty Evaluation Grouped by Academic Rank

Academic Rank	Fairly Evaluated during Merit Process		Performance Standards are clear for Tenure		Performance Standards are clear for Promotion		<i>n</i>
	Agree	Disagree	Agree	Disagree	Agree	Disagree	
Assistant Professors	50%	16%	57%	12%	54%	12%	56
Associate Professors	51%	24%	73%	14%	64%	14%	94
Full Professors	51%	32%	80%	7%	76%	8%	167
NTE: Continuing	39%	29%	N/A	N/A	29%	34%	57
NTE: Specified-term	51%	15%	N/A	N/A	N/A	N/A	78

E. Faculty Evaluation: Responses Grouped by Gender

Table 16 shows faculty perceptions of merit evaluations and tenure and promotion standards by women ($n = 166$) and men ($n = 199$).

Table 16: Faculty Evaluation grouped by Gender

	Fairly Evaluated during Merit Process		Performance Standards are clear for Tenure		Performance Standards are clear for Promotion	
	Agree	Disagree	Agree	Disagree	Agree	Disagree
Women	46%	31%	62%	12%	56%	26%
Men	57%	21%	67%	11%	58%	12%

VI. RESEARCH & GRANT SUPPORT

This section of the survey asked faculty about the type of grant support they have received over the past three years (Table 17) and their level of satisfaction with the services provided by various offices across campus in identifying potential funding sources and in managing grants (Table 18).

A. Types of External Research Grants Awarded

Of the 463 faculty members who responded to this question, 272⁵ indicated that they had received at least one external grant over the last three years and 261 indicated that they received an internal grant.

Table 17: Research Grants grouped by Academic Area or School

Academic Area	Have you received funding for your work from the following agencies?								
	Foundation		Internal		Federal		Business/Industry		Total
	% Yes	<i>n</i>	% Yes	<i>n</i>	% Yes	<i>n</i>	% Yes	<i>n</i>	<i>n</i>
A&S Humanities	37%	51	61%	85	13%	18	6%	8	139
A&S Social Sciences	46%	40	61%	54	27%	24	10%	9	88
A&S Natural Sciences	46%	43	55%	52	56%	53	19%	18	94
School of Business	38%	13	38%	13	9%	3	21%	7	34
School of Education	47%	16	38%	13	29%	10	12%	4	34
School of Law	30%	11	60%	22	11%	4	14%	5	37
School of Marine Sciences/ VIMS	73%	27	49%	18	97%	36	41%	15	37
Total		203		261		149		66	463

B. Satisfaction with Support for Managing External Research Grants: Responses Grouped by Academic Area or School

All respondents were asked whether they were satisfied with the support they received in identifying and applying for grants. Next the 272 respondents, who indicated that they had received at least one external grant in the past three years, additionally were asked how satisfied they were with the support they received from the Office of Sponsored Projects, Human Resources, and Accounts Payable in managing their grants. In Table 18, responses are divided by academic area or school. Because of the small number of respondents from the School of Business ($n = 7$), their results are not included for the last three questions.

⁵ Note that because some faculty indicated that they received grants from more than one external source, this number does not correspond with the total of individuals who received external grants in the Table 15.

Table 18:
Satisfaction with Administrative Support for Grants
by Academic Area or School

Academic Area or School	Satisfied	Dissatisfied	<i>n</i>
Satisfaction with Support Received for Identifying Grants			
A&S Humanities	26%	24%	139
A&S Social Sciences	26%	17%	88
A&S Natural Sciences	33%	13%	94
School of Business	6%	12%	34
School of Education	12%	53%	34
School of Law	30%	8%	37
School of Marine Sciences/ VIMS	46%	32%	37
Satisfaction with Support Received for Applying for Grants			
A&S Humanities	22%	22%	139
A&S Social Sciences	27%	18%	88
A&S Natural Sciences	48%	18%	94
School of Business	3%	12%	34
School of Education	18%	53%	34
School of Law	19%	11%	37
School of Marine Sciences/ VIMS	32%	40%	37
Satisfaction with the Office of Sponsored Programs			
A&S Humanities	13%	7%	60
A&S Social Sciences	22%	10%	48
A&S Natural Sciences	48%	15%	67
School of Education	15%	35%	22
School of Law	3%	8%	10
School of Marine Sciences/ VIMS	19%	54%	37
Satisfaction with Human Resources			
A&S Humanities	7%	11%	53
A&S Social Sciences	3%	16%	35
A&S Natural Sciences	16%	19%	51
School of Education	9%	35%	18
School of Law	3%	5%	10
School of Marine Sciences/ VIMS	14%	57%	35
Satisfaction with Accounts Payable			
A&S Humanities	12%	12%	61
A&S Social Sciences	11%	14%	41
A&S Natural Sciences	15%	17%	51
School of Education	9%	26%	21
School of Law	8%	3%	12
School of Marine Sciences/ VIMS	46%	14%	34

VII. UNIVERSITY GOVERNANCE & ADMINISTRATION

Table 19 compiles responses to questions regarding faculty satisfaction with the central administration (i.e., President, VPs, Provost, BOV etc.) over the past academic year for TE and NTE faculty. Responses from 2019 were compared to those from 2015, which asked about faculty satisfaction over the previous three years. Five new questions were added to this section of the 2019 survey, therefore 2015 comparisons are not available for these questions.

Table 19: TE and NTE Faculty Members' Satisfaction with the Record of Central Administration

<i>How satisfied are you with the record of the central administration in the following areas:</i>	2019				2015			
	NTE		TE		NTE		TE	
	Satisfied	Dissatisfied	Satisfied	Dissatisfied	Satisfied	Dissatisfied	Satisfied	Dissatisfied
Representation to External Constituencies	37%	6%	39%	8%	36%	8%	38%	14%
Developing Partnerships with R&D Entities	12%	3%	11%	12%				
Setting Priorities for Building Repair & Construction	27%	21%	31%	21%	27%	15%	34%	21%
Establishing Budget Priorities	17%	20%	21%	30%	24%	29%	22%	32%
Commitment to Improving Faculty Compensation & Salary	17%	37%	21%	41%	29%	33%	51%	26%
Communication with Faculty	48%	15%	42%	21%	24%	29%	40%	34%
Consultation on Policy Decisions	29%	14%	29%	24%	34%	22%	26%	39%
Faculty inclusion in Administrative Searches	30%	9%	37%	19%	30%	10%	34%	17%
Support for Teaching	42%	12%	55%	9%	62%	12%	60%	16%
Setting Appropriate Goals for Research	19%	6%	26%	16%	29%	17%	29%	41%
Support for Graduate and Professional Programs	22%	11%	22%	25%	32%	14%	24%	26%
Support for Faculty Role in Shared Governance	35%	9%	38%	22%	36%	19%	37%	24%
Securing Increased Private Giving	26%	5%	39%	12%				
Encouraging Broad Viewpoints about University Priorities	40%	15%	39%	15%				
Protecting Free Speech and Academic Freedom	45%	12%	44%	14%				
Accountability for Increasing W&M's Research Output	19%	4%	17%	20%				
Overall satisfaction with Administration	47%	17%	46%	18%	51%	20%	42%	30%

VIII. GOALS & MISSION OF THE UNIVERSITY

Table 20 compiles responses to questions regarding the extent to which William & Mary is achieving a range of goals. Response choices included “Strongly Agree”, “Agree”, “Neither Agree nor Disagree”, “Disagree”, “Strongly Disagree”, and “Not Sure”. This was the first time these questions were asked. Responses for NTE and TE faculty are included below. The category “Agree” includes all of those who indicated that they strongly agree or agree with each statement, whereas the category “Disagree” includes those who indicated that they strongly disagree or disagree with each statement.

Table 20: TE and NTE Faculty Members’ Perceptions of whether William & Mary is Achieving its Mission & Goals

<i>In pursuing its mission, do you agree that WM is currently achieving the following goals:</i>	NTE			TE		
	Agree	Disagree	Not Sure	Agree	Disagree	Not Sure
Attracting outstanding students	77%	4%	2%	82%	6%	2%
Attracting faculty who are nationally and internationally recognized	54%	9%	9%	56%	17%	3%
Attracting faculty who value teaching	60%	12%	9%	78%	6%	3%
Providing a challenging Liberal Arts & Sciences curriculum that encourages creativity	64%	7%	10%	63%	8%	10%
Providing a challenging Liberal Arts & Sciences curriculum that encourages independent thought	64%	9%	9%	61%	9%	10%
Providing a challenging Liberal Arts & Sciences curriculum that encourages depth, breadth, and curiosity	63%	9%	9%	65%	9%	9%
Offering high quality graduate and professional programs that prepare students for intellectual leadership	45%	8%	20%	46%	12%	20%
Offering high quality graduate and professional programs that prepare students for professional leadership	45%	6%	23%	43%	9%	24%
Offering high quality graduate and professional programs that prepare students for public leadership	41%	4%	25%	37%	10%	24%
Instilling a concern for the human condition in students	55%	8%	14%	47%	8%	17%
Instilling a concern for public well-being	59%	6%	12%	53%	9%	12%
Instilling a life-long commitment to learning in students	62%	7%	12%	59%	6%	13%
Using the scholarship and skills of its faculty and students to address specific real-world problems	56%	4%	14%	52%	10%	11%

IX. DISCRIMINATION & UNIVERSITY CLIMATE

This section of the survey asked faculty whether they had ever witnessed discrimination at William & Mary, how often they had assisted students who had experienced discrimination or sexual assault, and how often they had experienced discrimination themselves. Response options for these questions were “Very Often”, “Often”, “Sometimes”, “Seldom”, and “Never.” This is the first time these questions were asked.

A. Witnessed Discrimination at William & Mary

Table 21 compiles data for the all of the faculty combined. Figure 28 categorizes faculty by race for the question of whether they have witnessed discrimination based on race, and Figure 29 categorizes faculty by gender for the question of whether they had witnessed discrimination based on gender.

a. Witnessed Discrimination; Faculty as a whole

Table 21: The Extent to which Faculty have Witnessed Discrimination

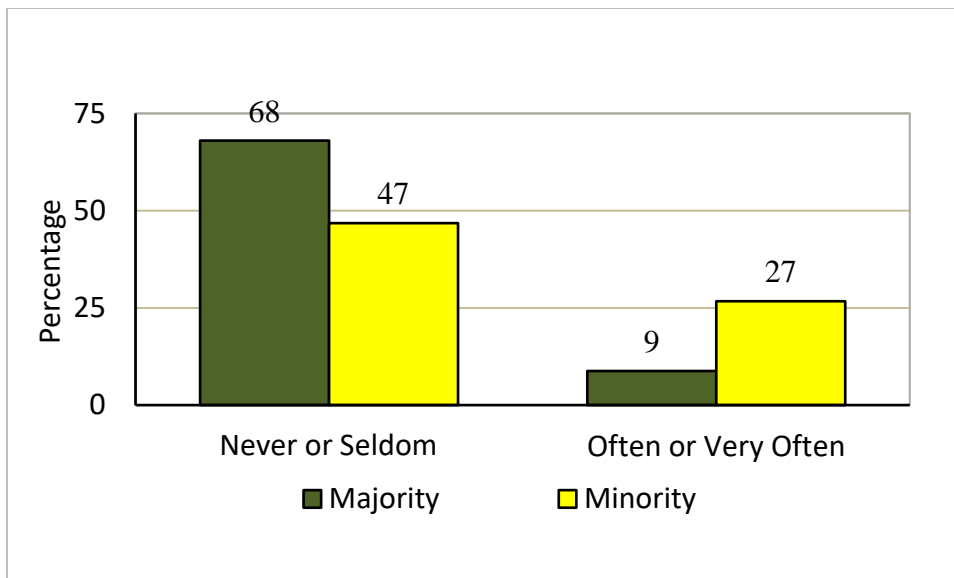
<i>At William & Mary, how often have you witnessed discrimination based on:</i>	Never	Seldom	Sometimes	Often	Very Often
Race	41%	26%	22%	8%	3%
Gender	33%	25%	26%	12%	4%
Ideology	40%	24%	28%	6%	2%
Religion	56%	25%	15%	4%	0%
Sexual Orientation	56%	25%	16%	2%	1%
Other Identities	60%	22%	13%	2%	2%

*Note – Percentages may not add to 100% due to rounding

b. Witnessed discrimination based on race: Responses grouped by majority/minority racial status

Figure 28 shows faculty's responses as a function of their racial background. Because of the small number of minority respondents, respondents were divided into "Majority (White; $n = 303$) and minority (non-White; $n = 40$) categories for this analysis.

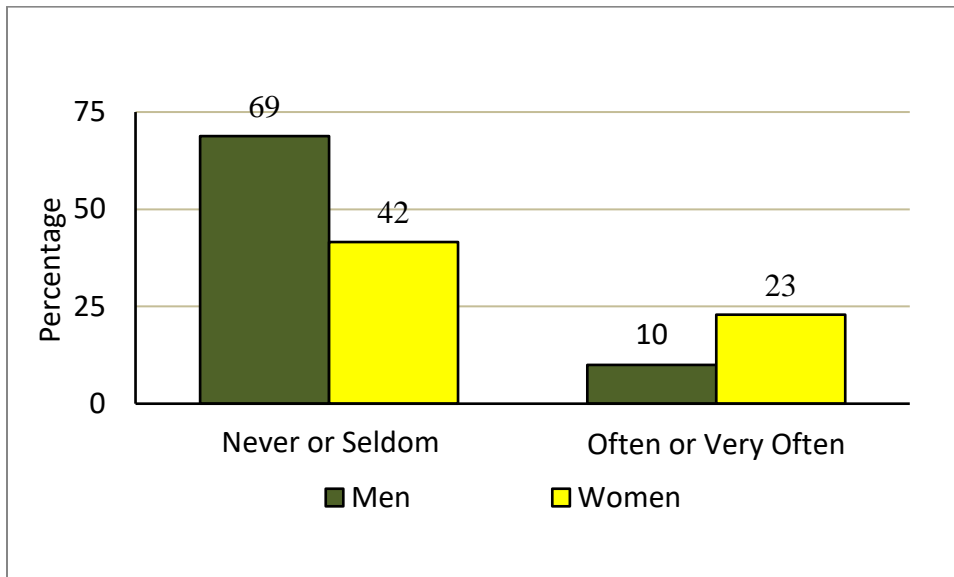
Figure 28: How often have you witnessed discrimination based on race?



c. Witnessed discrimination based on gender: Responses grouped by gender

Figure 29 shows how often male and female faculty indicated that they witnessed discrimination based on gender. Only those who indicated their gender were categorized (164 women, 198 men). Because of the small number of faculty who identified as non-binary ($n = 2$), they were not included in this analysis.

Figure 29: How often have you witnessed discrimination based on gender?



B. Assisted Students who had Experienced Discrimination or Sexual Assault

Table 22: The Extent to which Faculty have Assisted Students who have Experienced Discrimination or Sexual Assault *

<i>At William & Mary, how often have you ...</i>	Never	Seldom	Sometimes	Often	Very Often
assisted a student who had experienced discrimination?	42%	28%	22%	6%	2%
reported an incident of discrimination to a campus authority?	78%	14%	6%	1%	1%
counseled a student who had experienced sexual assault	74%	18%	8%	0%	0%

*Note: percentages may not add to 100% due to rounding

C. How often Faculty Members have Experienced Discrimination

a. Experienced discrimination: Responses grouped by academic rank

Table 23: The Extent to which Faculty have Experienced Discrimination by Academic Rank*

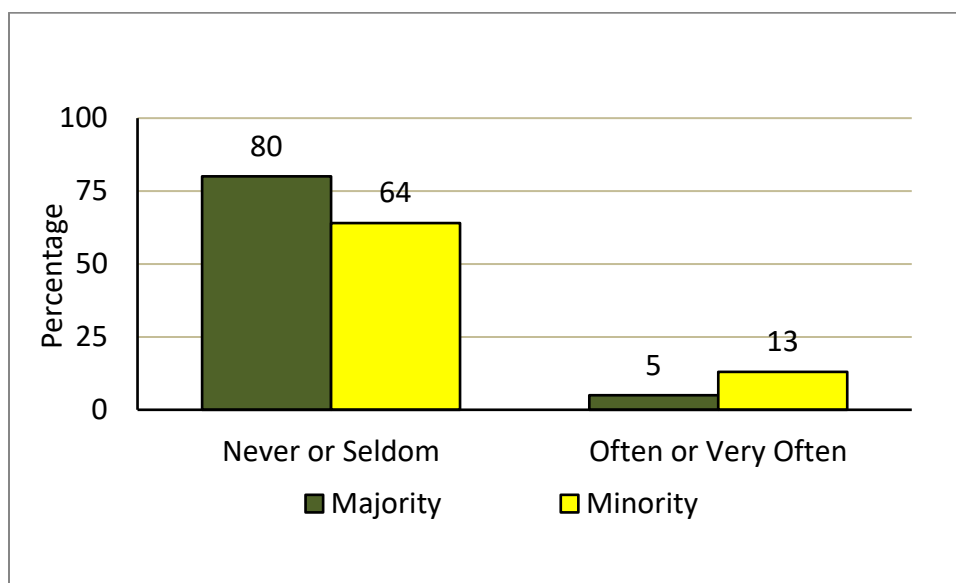
	At William & Mary, how often have you experienced discrimination or felt excluded because of your identity?				
Academic Rank	Never	Seldom	Sometimes	Often	Very Often
Assistant Professors	68%	9%	15%	6%	2%
Associate Professors	60%	15%	18%	4%	2%
Full Professors	60%	16%	19%	3%	2%
NTE: Continuing	72%	8%	15%	5%	0%
NTE: Specified-term	75%	8%	15%	1%	1%

*Note: percentages may not add to 100% due to rounding

b. Experienced discrimination: Responses grouped by majority/minority racial status

Figure 30 shows the extent to which faculty have experienced discrimination as a function of the respondents' racial background. Because of the small number of minority respondents, faculty were divided into "majority" (White; $n = 305$) and "minority" (non-White; $n = 47$) categories for this analyses.

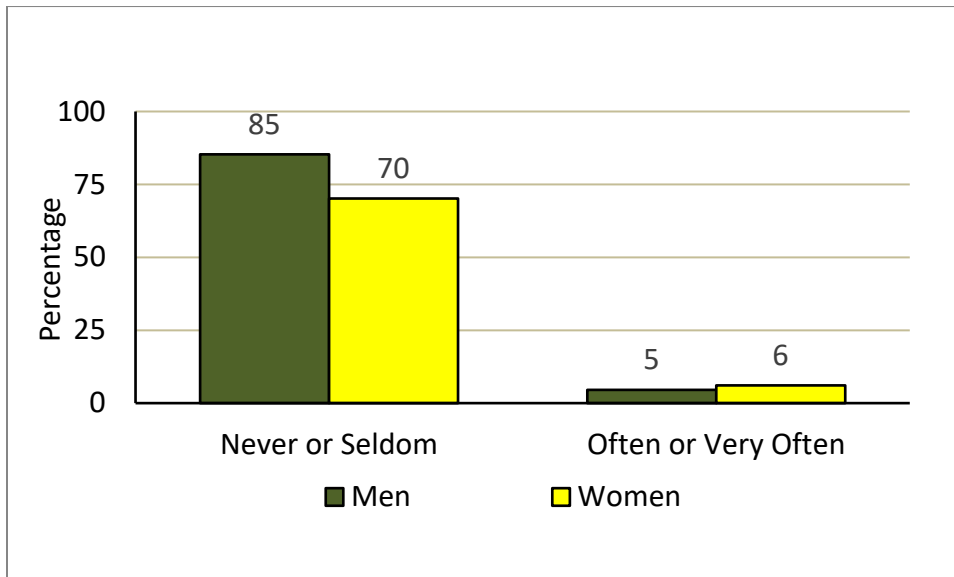
Figure 30: How often have you experienced discrimination?



c. Experienced discrimination: Responses grouped by gender

Figure 31 shows how often faculty indicated that they experienced discrimination as a function of the gender of the respondents. Only those who indicated their gender were categorized (164 women, 198 men). Because of the small number of faculty who identified as non-binary ($n=2$), they were not included in this analysis.

Figure 31: How often have you experienced discrimination?



D. Self-censored or Changed Course content because of Fear Negative Reactions

The last two questions in this section asked faculty how often they have self-censored themselves in discussions of potentially controversial topics or changed course content because they feared illiberal reactions. In this section, responses are broken down by faculty rank (Table 22), then by school or academic unit (Table 23).

a. Self-censored or changed course content: Responses grouped by academic rank

Table 24: Self-censored or Changed Course Content by Academic Rank

Academic Rank	At W&M, how often have you self-censored yourself in discussions of potentially controversial topics because of social pressure or fear of administrative retaliation?		At W&M, how often have you changed course content because you feared illiberal actions by a few?	
	Never/Seldom	Often/Very Often	Never/Seldom	Often/Very Often
Assistant Professors	54%	18%	72%	15%
Associate Professors	52%	24%	77%	10%
Full Professors	60%	15%	83%	3%
NTE: Continuing	62%	19%	83%	4%
NTE: Specified-term	58%	21%	80%	7%

b. Self-censored or changed course content: Responses grouped by school or academic unit

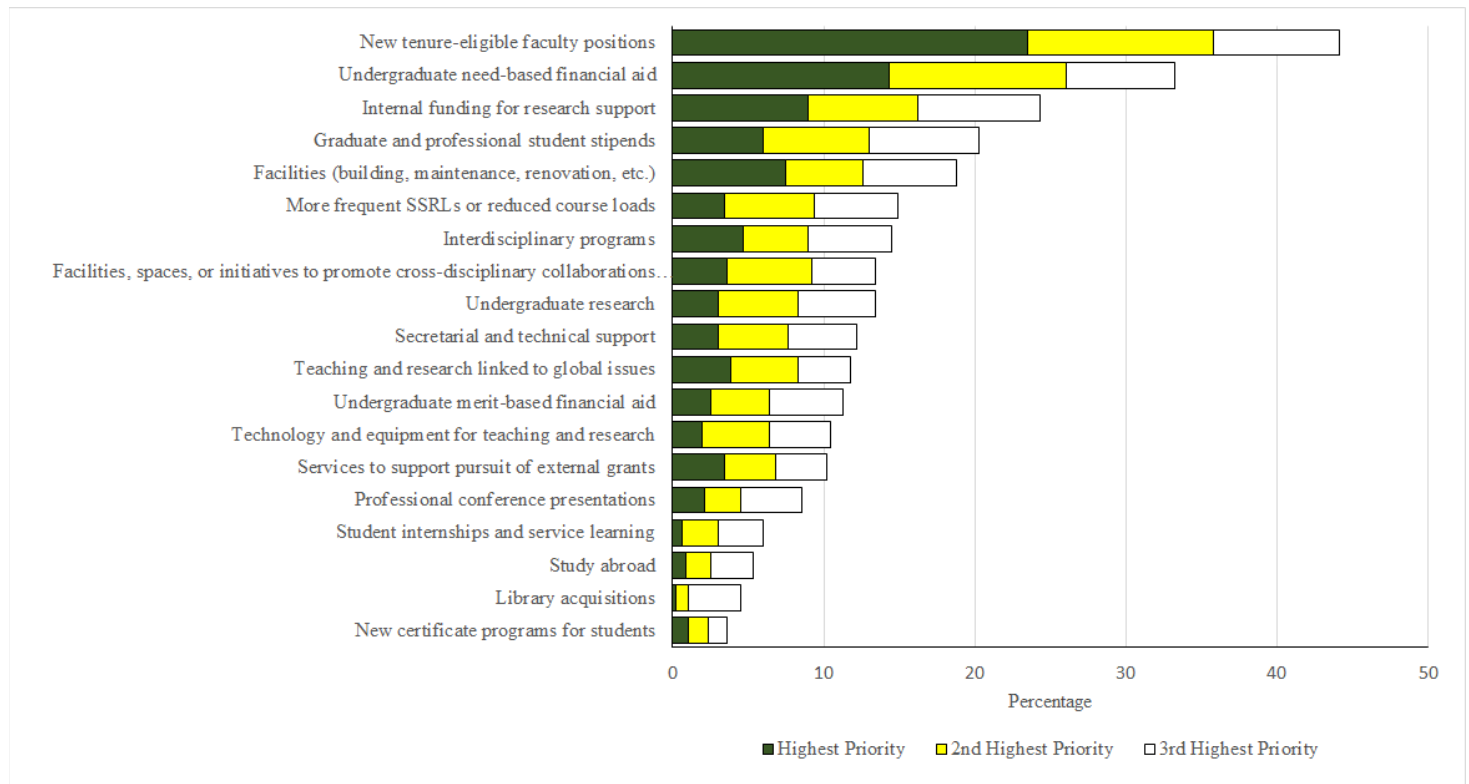
Table 25: Self-censored or Changed Course Content by Academic Area or School

School or Academic Unit	<i>At W&M, how often have you self-censored yourself in discussions of potentially controversial topics because of social pressure or fear of administrative retaliation?</i>		<i>At W&M, how often have you changed course content because you feared illiberal actions by a few?</i>	
	Never/Seldom	Often/Very Often	Never/Seldom	Often/Very Often
A&S Humanities	52%	20%	75%	8%
A&S Social Sciences	63%	15%	79%	8%
A&S Natural Sciences	58%	25%	81%	8%
School of Business	57%	13%	77%	3%
School of Education	48%	29%	77%	6%
School of Law	37%	20%	67%	7%
School of Marine Sciences/ VIMS	73%	14%	100%	0%

VIII: BUDGET PRIORITIES

In the final section of the survey, respondents were asked to rate 19 budget items in terms of whether W&M should reduce funding, make no change in funding or increase funding for each of the items. They were then presented with a list of the items for which they had indicated “no change in funding” or “increased funding” and asked to indicate which items were the highest budget priority, the second highest priority, and the third highest priority. Figure 32 shows each of the budget items and the percentage of faculty who indicated they are the highest budget priority (green), 2nd highest budget priority (yellow) and third highest priority (white).

Figure 32: Percentage of Faculty who Chose Each Item as their First, Second, and Third Budget Priority



XI: FACULTY COMMENTS

Approximately, ninety faculty provided comments at the end of the survey. These comments centered around six themes:

A. Diversity & Inclusion / Campus Climate Issues (17 comments)

Some faculty expressed frustrations about the failure of the University to address issues of diversity of religion and ideology, as well as lack of support for faculty disabilities. Some felt that there was little tolerance for conservative viewpoints on campus. Some faculty expressed concern about the poor work environment in their academic unit and indicated that they did not feel welcome on campus.

B. University Governance & Administration (24 comments)

Faculty expressed frustration with the growth of the administration and the feeling that the administration has a “top down” approach, with little faculty governance and input – especially about academic matters. Several individuals expressed dissatisfaction with the exclusion of faculty from search processes. Others were concerned about the trend toward corporatizing the University. There was also some dissatisfaction with the Deans within academic schools or units.

C. Educational Quality (8 comments)

Faculty expressed concern about the advertised 12:1 (now 11:1) student-to-faculty ratio when many departments’ student-to-faculty ratios are much higher. Some expressed concern about the emphasis on activities that happen outside of the classroom and thought that we should increase our focus on helping students excel in the classroom.

D. Research and grant support (8 comments)

Several faculty commented on the need for greater research and grant support along with expressing frustrations with offices that support grant applications and management. It was also suggested that more internal funding for research would be helpful given that so many faculty spend substantial time and energy on service-related activities and undergraduate research projects. Although students receive funding to engage in research – resources needed for their projects are often not funded.

E. Graduate student support (3 comments)

Some faculty felt that graduate and professional students’ stipends should be increased to remain competitive. One individual suggested that money could be diverted from need-based aid to increase stipends. Unlike many schools, W&M does not provide health insurance to graduate students.

F. Faculty salary and support (27 comments)

Many expressed dissatisfaction with the recent lack of merit-based raises at W&M. Others expressed frustration with the increasing service expectations and the assumption that we will do more with less. There was also concern about the low compensation and lack of overall campus support for NTE faculty members. Some expressed frustration with the lack of tuition remission for dependents. They felt that this benefit would increase retention and make us more attractive to job applicants.

Investment Portfolio Evaluation For Periods Ending September 30, 2020:



Board of Visitors Endowment

Contents

- I. Executive Summary
- II. Equity Sector Review
- III. Fixed Income Sector Review
- IV. Green Fund Update

The Optimal Service Group

428 McLaws Circle
Williamsburg, VA 23185
Toll Free: 1-888-465-8422
Fax: 1-757-564-3026

Name	Phone	E-mail
Joseph W. Montgomery, CFP®, AIF® Managing Director - Investments	Phone: (757) 220-1782 Mobile: (757) 570-4545	joe.montgomery@wfa.com
R. Bryce Lee, CFA, CIMA®, CAIA, FRM, AIF® Managing Director- Investments Senior Institutional Consultant	Phone: (757) 258-1687 Mobile: (757) 753-5001	bryce.lee@wfa.com
Robin S. Wilcox, AIF® Vice President - Investments	Phone: (757) 258-5980 Mobile: (757) 753-5057	robin.wilcox@wfa.com
Karen H. Logan, CIMA®, AIF® Vice President- Investments Senior Institutional Consultant	Phone: (757) 258-1673 Mobile: (804) 852-3549	karen.logan@wfa.com
H. James Johnson, III, AIF® Associate Vice President- Investments Senior Institutional Consultant	Phone: (757) 258-1671 Mobile: (757) 634-2021	james.johnson3@wfa.com

Index Name	September	3 mo	YTD	1 Year	3 Years	5 Years	10 Years
Dow Jones Industrial Average	(2.2)	8.2	(0.9)	5.7	10.0	14.0	12.7
NASDAQ	(5.1)	11.2	25.3	41.0	21.0	20.6	18.1
S&P 500	(3.8)	8.9	5.6	15.1	12.3	14.1	13.7
Russell 1000	(3.7)	9.5	6.4	16.0	12.4	14.1	13.8
Russell 1000 Value	(2.5)	5.6	(11.6)	(5.0)	2.6	7.7	9.9
Russell 1000 Growth	(4.7)	13.2	24.3	37.5	21.7	20.1	17.3
Russell Midcap	(1.9)	7.5	(2.3)	4.6	7.1	10.1	11.8
Russell Midcap Value	(2.3)	6.4	(12.8)	(7.3)	0.8	6.4	9.7
Russell Midcap Growth	(1.4)	9.4	13.9	23.2	16.2	15.5	14.6
Russell 2000	(3.3)	4.9	(8.7)	0.4	1.8	8.0	9.9
Russell 2000 Value	(4.7)	2.6	(21.5)	(14.9)	(5.1)	4.1	7.1
Russell 2000 Growth	(2.1)	7.2	3.9	15.7	8.2	11.4	12.3
Russell 2500	(2.6)	5.9	(5.8)	2.2	4.5	9.0	10.8
Russell 3000	(3.6)	9.2	5.4	15.0	11.6	13.7	13.5
MSCI EAFE Index	(2.6)	4.8	(7.1)	0.5	0.6	5.3	4.6
MSCI World Index	(3.4)	7.9	1.7	10.4	7.7	10.5	9.4
MSCI World Ex. US Index	(2.8)	4.9	(7.1)	0.2	0.6	5.3	4.4
MSCI EM (EMERGING MARKETS)	(1.6)	9.6	(1.2)	10.5	2.4	9.0	2.5
MSCI FM (FRONTIER MARKETS)	0.7	8.3	(8.8)	(2.7)	(1.7)	3.8	3.0
MSCI ACWI	(3.2)	8.1	1.4	10.4	7.1	10.3	8.5
MSCI ACWI ex USA	(2.5)	6.3	(5.4)	3.0	1.2	6.2	4.0
Barclays U.S. Aggregate	(0.1)	0.6	6.8	7.0	5.2	4.2	3.6
Barclays U.S. Government/Credit	(0.0)	0.8	8.0	8.0	5.9	4.7	3.9
Barclays Intermediate U.S. Government/Credit	(0.0)	0.6	5.9	6.3	4.4	3.4	2.9
Barclays Municipal Bond	0.0	1.2	3.3	4.1	4.3	3.8	4.0
BofA Merrill Lynch Convertible Securities	(2.5)	15.0	27.9	38.6	17.3	15.9	12.8
BofA Merrill Lynch High Yield Master	(1.0)	4.7	(0.3)	2.3	3.8	6.6	6.3
JPM GBI-EM Global Ex US	(2.0)	0.6	(6.3)	(1.4)	0.2	4.8	0.5
JPM EMBI Global Diversified	(1.9)	2.3	(0.5)	1.3	3.5	6.1	5.4
FTSE World Government Bond Index	(0.2)	2.9	7.1	6.8	4.4	3.9	1.9
FTSE Nareit All Equity REITs	(2.7)	1.2	(12.3)	(12.2)	3.5	6.6	9.2
HFRI Fund of Funds Composite Index	(0.3)	4.2	2.1	5.2	2.7	3.0	2.8
Dow UBS Commodity Index	(2.8)	8.2	(14.9)	(10.5)	(3.5)	(2.2)	(4.7)

Data Sources: Morningstar Direct

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*All returns longer than one year are annualized

% of Account	\$ Value		3Q20	FYTD	One Year	Three Years ¹	Five Years ¹	Seven Years ¹	Ten Years ¹	Changes (1/1/03)	Incept (Mgr)	Incept Bench
100.0%	\$ 87,739,877	Total BOV Account	5.1	5.1	4.8	4.3	6.8	5.5	6.5	7.3	6.8	6.9
		Target Benchmark²	4.8	4.8	6.4	5.1	7.2	6.4	7.4	7.5		
		Policy Benchmark³	6.0	6.0	9.1	6.2	7.7	6.9	7.8	7.4		
5.9%	\$ 5,137,090	Blackrock: Large Cap Value	6.0	6.0	(2.2)	3.0	8.3	8.3	10.1	9.0	5.8	6.0
		Russell 1000 Value	5.6	5.6	(5.0)	2.6	7.7	7.4	9.9	8.2		
6.1%	\$ 5,374,623	Polen Growth	10.0	10.0	--	--	--	--	--	--	5.3	5.1
		Russell 1000 Growth	13.2	13.2	--	--	--	--	--	--		
5.0%	\$ 4,392,852	Fidelity 500 Index	8.9	8.9	--	--	--	--	--	--	3.1	3.1
		S&P 500	8.9	8.9	--	--	--	--	--	--		
3.6%	\$ 3,178,388	iShares Russell Mid-Cap Growth ETF	9.3	9.3	23.0	16.0	--	--	--	--	16.3	16.5
		Russell MidCap Growth	9.4	9.4	23.2	16.2	--	--	--	--		
3.4%	\$ 2,987,425	JP Morgan Mid Cap Value	4.4	4.4	(10.9)	--	--	--	--	--	(0.5)	0.8
		Russell MidCap Value	6.4	6.4	(7.3)	--	--	--	--	--		
3.2%	\$ 2,850,293	Dreyfus Small Cap Index	3.1	3.1	(8.6)	(0.7)	6.7	--	--	--	5.5	6.9
3.3%	\$ 2,925,209	Mass Mutual Small Cap Fund	6.2	6.2	2.6	--	--	--	--	--	2.8	1.7
		Russell 2000	4.9	4.9	0.4	1.8	8.0	--	--	--		
4.7%	\$ 4,150,135	Dodge & Cox International	0.4	0.4	(9.4)	(5.9)	2.2	0.8	--	7.7	4.1	5.5
5.2%	\$ 4,536,915	MFS International	8.5	8.5	17.7	9.9	11.9	--	--	--	10.1	2.8
		MSCI EAFE	4.8	4.8	0.5	0.6	5.3	3.0	--	6.7		
4.1%	\$ 3,564,826	Oppenheimer Developing Markets	8.3	8.3	10.4	4.3	--	--	--	--	10.0	8.5
		MSCI EM (Emerging Markets)	9.6	9.6	10.5	2.4	--	--	--	--		
1.0%	\$ 874,009	Fidelity Int'l Small Cap Equity	7.5	7.5	1.0	--	--	--	--	--	(0.6)	0.9
		MSCI ACWI Ex US Small	10.5	10.5	7.0	--	--	--	--	--		
3.0%	\$ 2,624,295	Lazard Global Infrastructure	(1.6)	(1.6)	--	--	--	--	--	--	(0.3)	(1.4)
		S&P Global Infrastructure	1.6	1.6	--	--	--	--	--	--		
12.5%	\$ 10,975,668	Pioneer Strategic Income	4.0	4.0	3.7	3.7	4.6	4.1	4.5	--	5.2	4.1
9.3%	\$ 8,183,040	Dodge & Cox Income Fund	1.5	1.5	7.7	5.5	5.2	4.6	--	--	4.4	4.0
9.4%	\$ 8,216,715	Met West Total Return	1.3	1.3	--	--	--	--	--	--	(0.4)	(0.9)
		Barclays U.S. Aggregate	0.6	0.6	7.0	5.2	4.2	4.0	3.6	--		
3.0%	\$ 2,639,198	Principal Preferreds	4.5	4.5	--	--	--	--	--	--	1.3	0.6
		BOV Preferreds Index	3.9	3.9	--	--	--	--	--	--		
3.9%	\$ 3,435,388	GMO: Emerging Mkt Fixed Inc	3.1	3.1	2.1	2.2	6.9	5.7	7.0	10.4	12.0	8.9
		JPM EMBI Global Diversified	2.3	2.3	1.3	3.5	6.1	5.6	5.4	7.9		
8.4%	\$ 7,347,305	Combined Alternatives (1 mo lag)	2.1	2.1	(2.4)	0.2	0.3	1.6	1.6	--	1.5	3.1
		HFRI FOFs Index (1 mo lag)	5.8	5.8	7.2	3.6	3.2	3.6	3.3	--		
5.0%	\$ 4,346,505	Cash										

¹ Annualized

² From 11/17/17: 10% S&P 500, 10% Russ Midcap, 11% Russ 2000, 13% MSCI EAFE, 6% MSCI Emerging Mkts Eq, 3% MSCI ACWI Ex US Small Eq, 2% FTSE NAREIT, 24% Barclays US Aggregate, 6% Citi World Government Bond, 5% JPM EMBI Global Diversified, 10% HFRI Index; From 4/1/12: 25% S&P 500, 12% Russ Midcap, 7% Russ 2000, 9% MSCI EAFE, 2% MSCI Emerging Mkts, 25% Barclays US Aggregate, 5% Citi World Government Bond, 5% JPM EMBI Global Diversified, 10% HFRI Index; From 11/1/09: 25% S&P 500, 12% Russ Midcap, 7% Russ 2000, 9% MSCI EAFE, 2% MSCI Emerging Mkts Free, 30% Barclays US Aggregate, 5% Citi World Government Bond, 5% JPM EMBI Global Diversified, 5% HFRI Index; From 1/1/03, 40% S&P 500, 12.5% Russ Midcap, 7.5% Russ 2000, 10% MSCI EAFE, 4% MSCI Emerging Mkts Free, 20% Barclays US Aggregate, 2.5% Citi World Government Bond, 2.5% JPM EMBI+; Prior to 1/1/03, 60% Russell 3000, 15% MSCI World Ex-US, 25% Barclays Aggregate

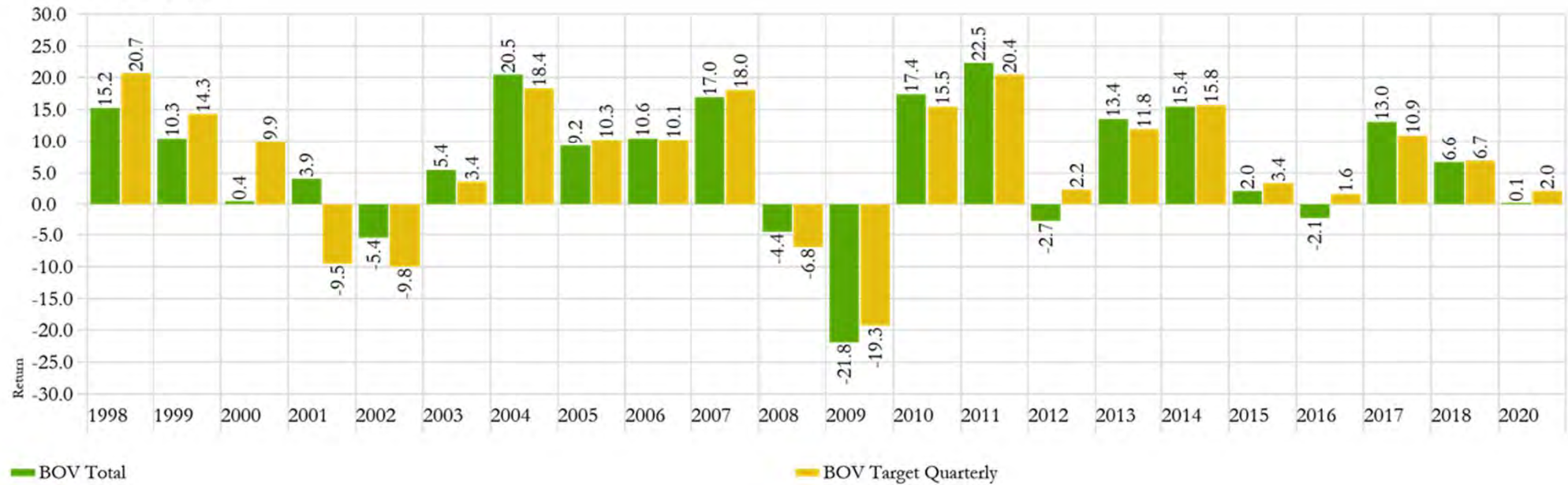
³ From 11/17/17: 33% Russell 3000, 35% Barclays Global Aggregate, 22% MSCI ACWI ex US, 10% HFRI; From 4/1/12, 44% Russell 3000, 35% Barclays US Aggregate, 11% MSCI World ex US, 10% HFRI; From 1/1/10, 44% Russell 3000, 40% Barclays US Aggregate, 11% MSCI World ex US, 5% HFRI; From 1/1/96 60% Russell 3000, 25% Barclays US Aggregate, 15% MSCI World Ex US

+ 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 4th quarter of 2002. There is no guarantee as to the accuracy of our calculations for the managers or the Total BOV Account.

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Performance is net of investment management fees

Fiscal Year Returns



Fiscal Year Returns

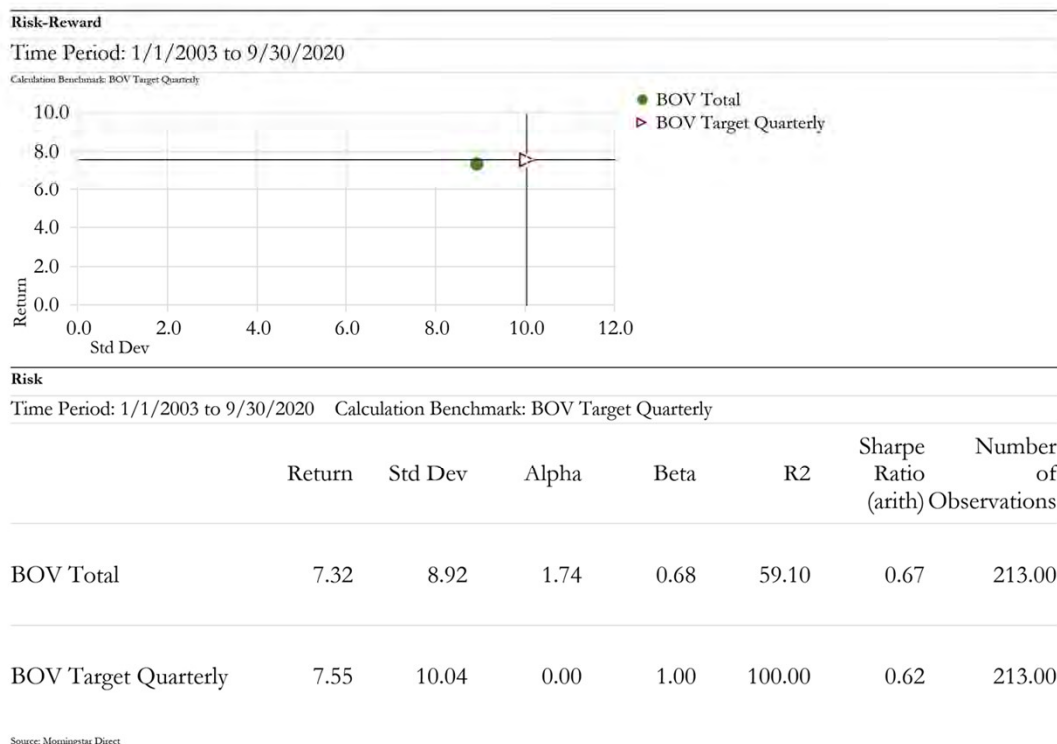
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
BOV Total	15.20	10.35	0.37	3.89	-5.38	5.38	20.46	9.20	10.56	17.01	-4.38	-21.82	17.37	22.53	-2.71	13.44	15.41	2.04	-2.15	12.98	6.60	4.67	0.08
BOV Target Quarterly	20.72	14.34	9.87	-9.50	-9.82	3.40	18.40	10.31	10.15	18.03	-6.76	-19.29	15.50	20.44	2.20	11.77	15.78	3.36	1.57	10.88	6.75	4.94	2.02

Source: Morningstar Direct

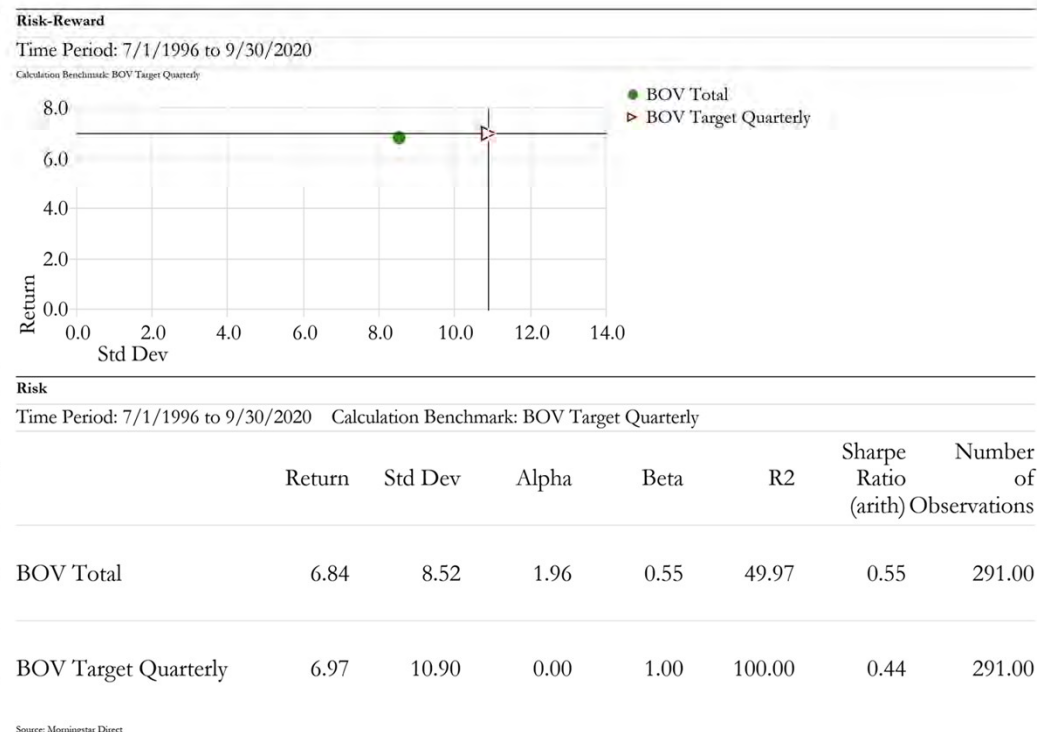
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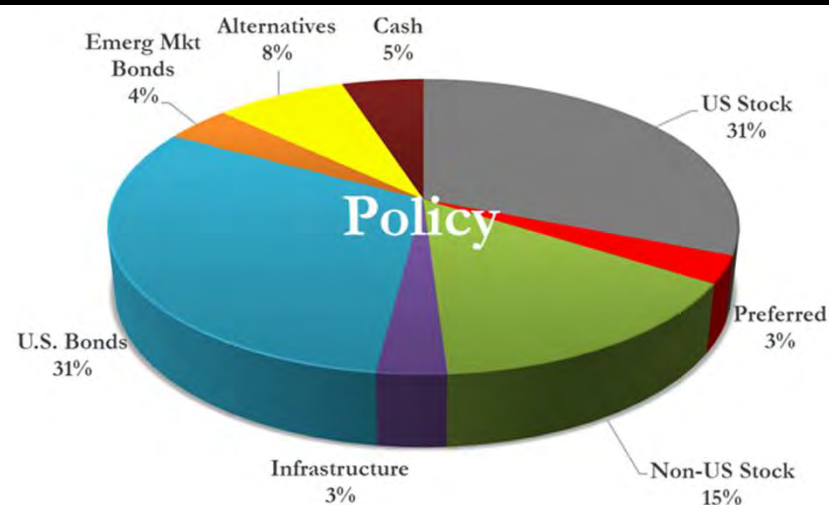
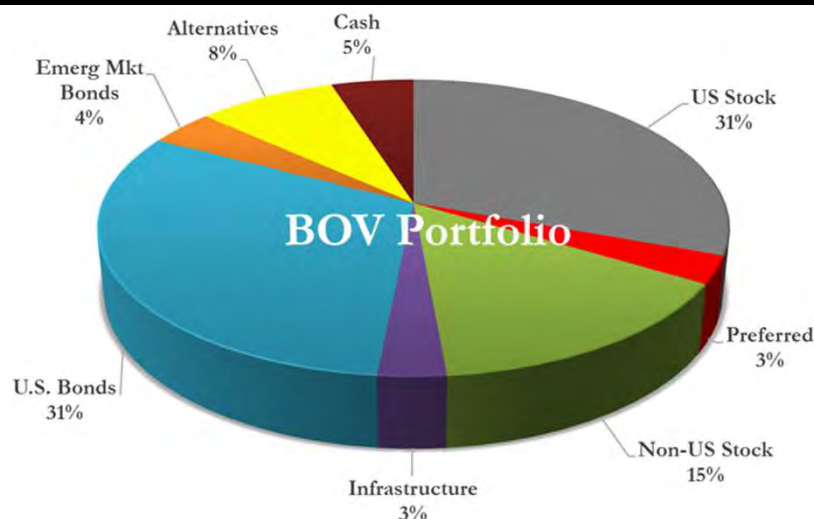
Since Changes



Since Inception



BOV Target Benchmark: From 11/17/17- Present: 33% Russell 3000, 35% Barclays US Aggregate, 22% MSCI World ex US, 10% HFRI; From 4/1/12, 44% Russell 3000, 35% Barclays US Aggregate, 11% MSCI World ex US, 10% HFRI; From 1/1/10, 44% Russell 3000, 40% Barclays US Aggregate, 11% MSCI World ex US, 5% HFRI; From 1/1/96 60% Russell 3000, 25% Barclays US Aggregate, 15% MSCI World Ex US



Manager	Domestic Fixed Income	Global Fixed Income	Domestic Equity	REITs	Non-US Equity	Alternative	Cash Equiv.	Total
Polen Large Growth	0	0	5,374,623	0	0	0	0	5,374,623
Fidelity 500 Index Fund	0	0	4,392,852	0	0	0	0	4,392,852
Blackrock Large Value	0	0	5,137,090	0	0	0	0	5,137,090
JP Morgan Midcap Value	0	0	2,987,425	0	0	0	0	2,987,425
iShares Russell Mid Growth ETF	0	0	3,178,388	0	0	0	0	3,178,388
Mass Mutual Small Cap	0	0	2,925,209	0	0	0	0	2,925,209
Dreyfus Small Cap	0	0	2,850,293	0	0	0	0	2,850,293
Dodge & Cox International	0	0	0	0	4,150,135	0	0	4,150,135
MFS International Value	0	0	0	0	4,536,915	0	0	4,536,915
Oppenheimer Developing Mkts	0	0	0	0	3,564,826	0	0	3,564,826
Fidelity Int'l Small Cap Eq	0	0	0	0	874,009	0	0	874,009
Dodge & Cox Income Fund	8,183,040	0	0	0	0	0	0	8,183,040
Met West Total Return	8,216,715	0	0	0	0	0	0	8,216,715
Grantham, Mayo EMD	0	3,435,388	0	0	0	0	0	3,435,388
Principal Preferreds	2,639,198	0	0	0	0	0	0	2,639,198
Lazard Global Infrastructure	0	0	0	0	2,624,295	0	0	2,624,295
Pioneer Strategic Income	10,975,668	0	0	0	0	0	0	10,975,668
Cash & Equivalents	0	0	0	0	0	0	4,346,505	4,346,505
Combined Alternatives	0	0	0	0	0	7,347,305	0	7,347,305
Total BOV Account	30,014,621	3,435,388	26,845,879	0	15,750,179	7,347,305	4,346,505	87,739,877
% of Total Fund	34.2%	3.9%	30.6%	0.0%	18.0%	8.4%	5.0%	100%

* 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.

July 1, 2020 – September 30, 2020

William & Mary
BOV Endowment

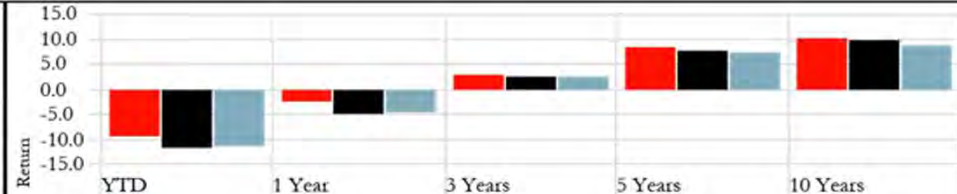
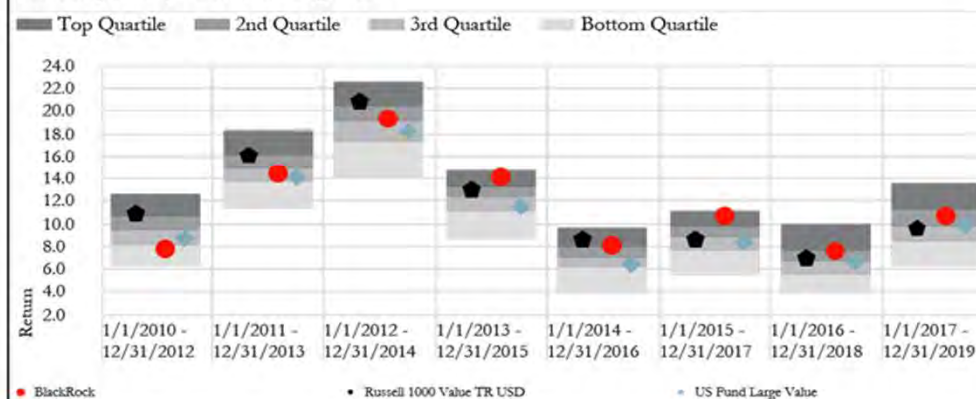
6/30/20 Market Value	83,750,603
Net Additions/Withdrawals	(272,913)
Expenses	<u>(11,361)</u>
<i>Net Cash Flow</i>	<i>(284,274)</i>
Net Income	306,205
Net Realized Gain/(Loss)	4,112,765
Change Unrealized Gain/(Loss)	<u>(145,422)</u>
<i>Total Investment Gain/(Loss)</i>	<i>4,273,548</i>
9/30/20 Market Value	87,739,877

- *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.*

II. Equity Sector (Large-Cap Value*)

Periods Ending September 30, 2020 - Performance

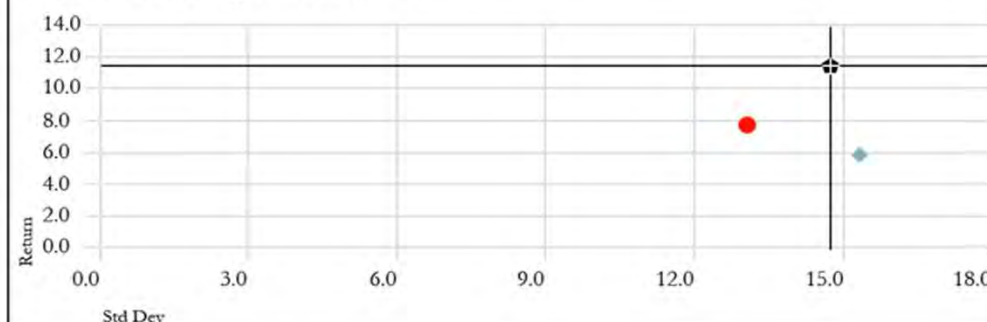
Peer Group (5-95%): Funds - U.S. - Large Value



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years
BlackRock	-9.28	-2.22	2.99	8.33	10.06
Russell 1000 Value TR USD	-11.58	-5.03	2.63	7.66	9.95
US Fund Large Value	-11.25	-4.70	2.42	7.14	8.87

Time Period: Since Inception to 9/30/2020



Time Period: 1/1/2007 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
BlackRock	24.60	-8.95	19.96	14.16	-0.81	11.75	34.20	13.43	-1.44	12.08	15.49	-35.00	5.69
Russell 1000 Value TR USD	26.54	-8.27	13.66	17.34	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85	-0.17
US Fund Large Value	25.04	-8.53	15.94	14.81	-4.05	10.21	31.21	14.57	-0.75	13.66	24.13	-37.09	1.42

Time Period: Since Inception to 9/30/2020

	Inv	Bmk1
Return	7.77	6.25
Std Dev	13.07	15.08
Downside Deviation	6.01	0.00
Alpha	2.79	0.00
Beta	0.71	1.00
R2	66.65	100.00
Tracking Error	8.76	0.00
Treynor Ratio (geo)	8.60	4.58
Sharpe Ratio	0.52	0.37
Information Ratio (geo)	0.16	

Drawdown



Source: Morningstar Direct

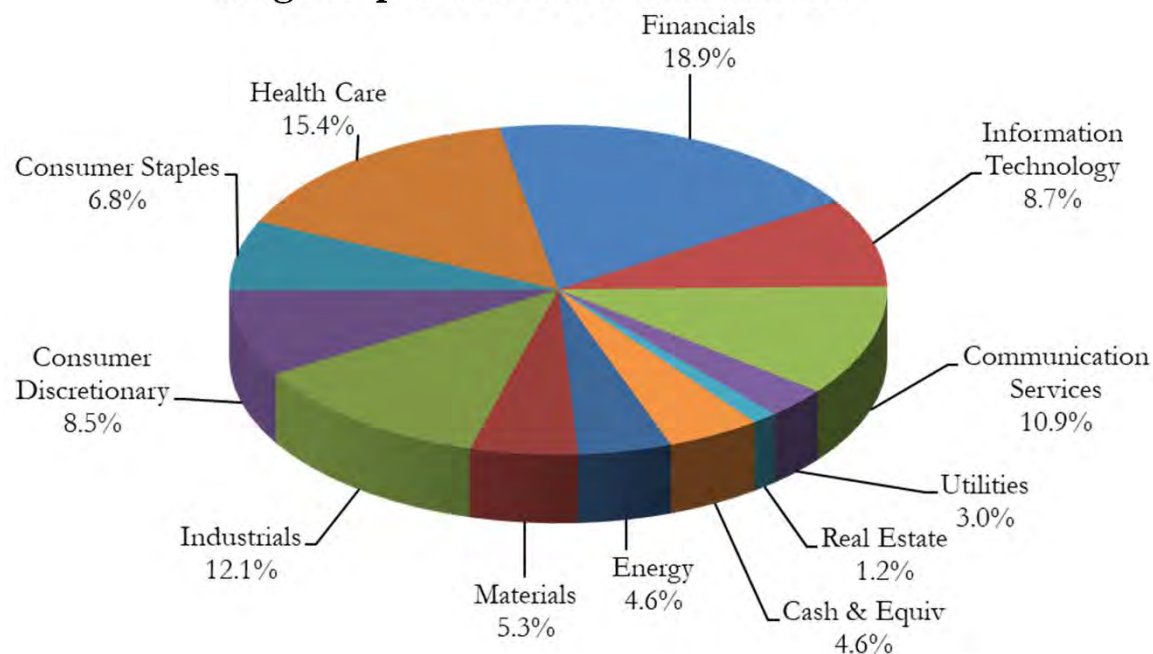
* Please note that we have linked BlackRock's composite historical returns for periods prior to 5/1/06 with BOV actual results starting on May 1, 2006.

Top Ten Equity Holdings	% of Portfolio
Berkshire Hathaway Inc	4.8
Pfizer	3.3
JPMorgan Chase	3.1
Comcast A	3.0
Quanta Services	2.8
General Motors	2.4
Siemens AG	2.3
Alphabet	2.3
Koninklijke Philips NV	2.2
Dollar Tree	2.2

Characteristics	Portfolio	Benchmark
Beta	0.99	-
Sharpe Ratio 3 Year	0.19	0.14
Sharpe Ratio 5 Year	0.53	0.48
Information Ratio 3 Year	0.40	-
Information Ratio 5 Year	0.42	-
Tracking Error	3.16	-
Number of Stocks (short)	65 (0)	850 (0)
% of Top 10 Positions	28.54	9.19
Weighted Market Cap Avg. (in millions)	153,017	121,312
Dividend Yield FY0	2.61	2.65
Historical 5 year DPS Growth	6.84	9.05
Price/Earnings FY0	13.01	15.31
Price/Book FY0	1.66	1.95
Price/Sales FY0	1.12	1.54
Price/Cash Flow FY0	7.06	8.74

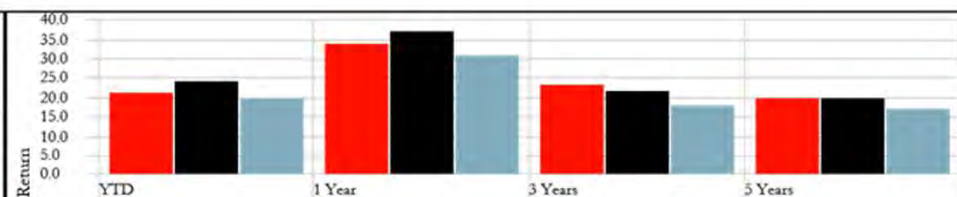
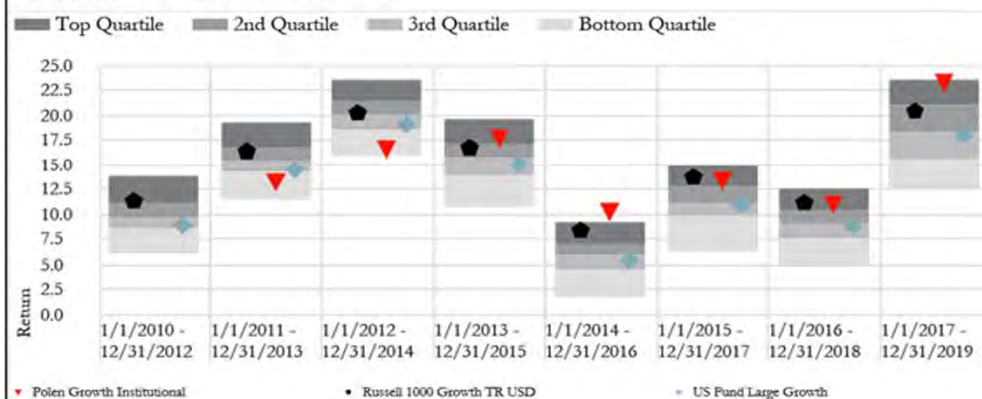
Data Source: Blackrock, Morningstar Direct

Large-Cap Value Sector Distribution



	Blackrock Weight	Russell 1000 Value	Over / (Under)
Energy	4.6%	4.3%	0.3%
Materials	5.3%	4.8%	0.5%
Industrials	12.1%	13.0%	-0.9%
Consumer Discretionary	8.5%	7.5%	1.0%
Consumer Staples	6.8%	8.4%	-1.5%
Health Care	15.4%	14.1%	1.3%
Financials	18.9%	18.4%	0.5%
Information Technology	8.7%	9.5%	-0.8%
Communication Services	10.9%	9.6%	1.3%
Utilities	3.0%	5.8%	-2.8%
Real Estate	1.2%	4.6%	-3.4%
Cash & Equiv	4.6%	0.0%	

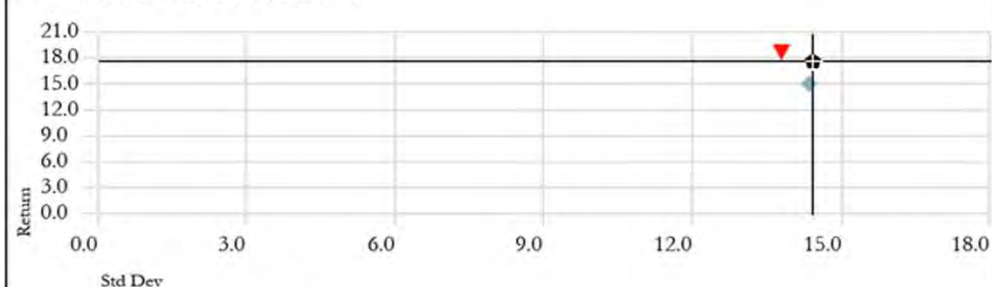
Peer Group (5-95%): Funds - U.S. - Large Growth



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years
Polen Growth Institutional	21.27	33.77	23.45	19.73
Russell 1000 Growth TR USD	24.33	37.53	21.67	20.10
US Fund Large Growth	19.82	31.02	17.99	16.80

Time Period: 5/1/2013 to 9/30/2020



Time Period: 1/1/2016 to 12/31/2019

	2019	2018	2017	2016
Polen Growth Institutional	37.15	7.82	26.45	0.68
Russell 1000 Growth TR USD	36.39	-1.51	30.21	7.08
US Fund Large Growth	31.90	-2.09	27.67	3.23

Time Period: 5/1/2013 to 9/30/2020

	Inv	Bmk1
Return	18.57	17.56
Std Dev	13.79	14.44
Downside Deviation	2.78	0.00
Alpha	2.12	0.00
Beta	0.92	1.00
R2	92.56	100.00
Tracking Error	3.95	0.00
Treynor Ratio (geo)	19.19	16.62
Sharpe Ratio	1.25	1.14
Information Ratio (geo)	0.22	

Portfolio Date: 8/31/2020



Portfolio Date: 8/31/2020

	Portfolio Weighting %
Microsoft Corp	10.47
Facebook Inc A	9.03
Adobe Inc	7.44
Alphabet Inc Class C	6.64
Abbott Laboratories	5.51
Mastercard Inc A	5.01
Salesforce.com Inc	4.94
Visa Inc Class A	4.84
Zoetis Inc Class A	4.50
Accenture PLC Class A	4.33

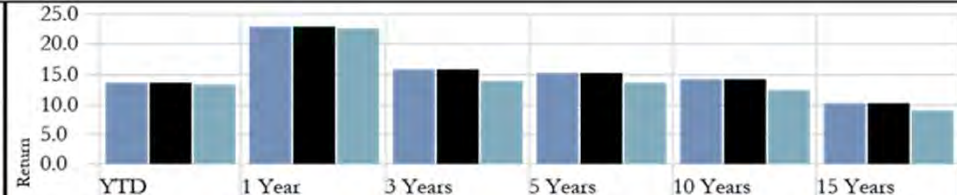
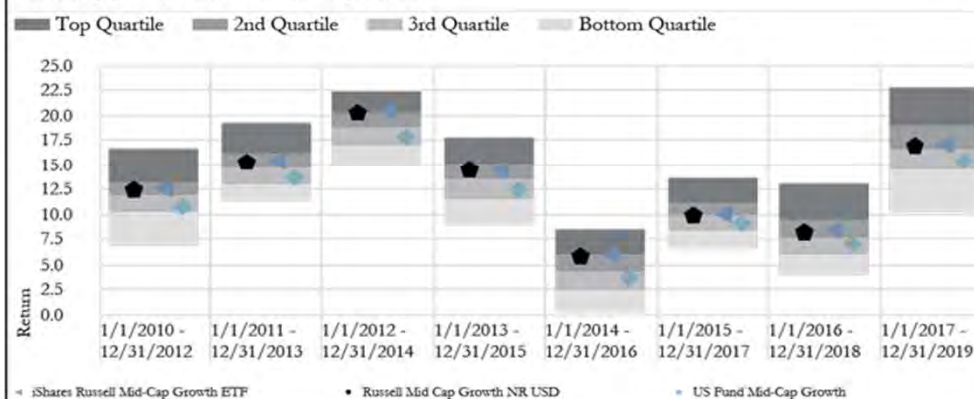
Polen Growth Institutional - Snapshot

Ticker	POLIX
Morningstar Category	US Fund Large Growth
Morningstar Rating Overall	★★★★
Inception Date	9/15/2010
Global Broad Category Group	Equity

Source: Morningstar Direct

Equity Sector (Mid Cap Growth)

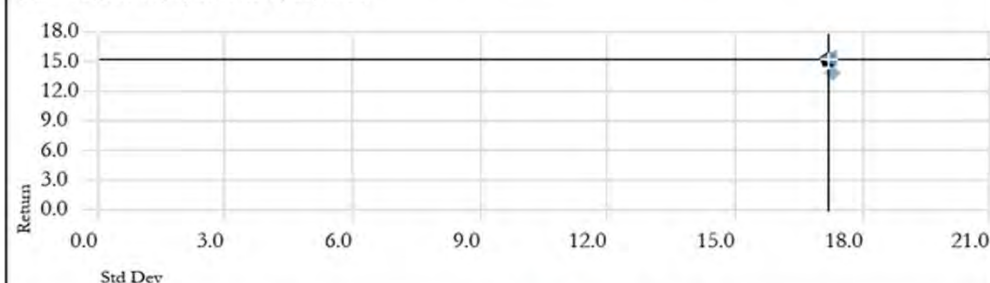
Peer Group (5-95%): Funds - U.S. - Mid-Cap Growth



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
iShares Russell Mid-Cap Growth ETF	13.75	22.98	15.97	15.28	14.32	10.29
Russell Mid Cap Growth NR USD	13.75	22.97	15.93	15.20	14.21	10.19
US Fund Mid-Cap Growth	13.45	22.58	14.12	13.77	12.57	8.92

Time Period: 10/1/2015 to 9/30/2020



Time Period: 1/1/2011 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
iShares Russell Mid-Cap Growth ETF	35.14	-4.95	24.98	7.15	-0.39	11.68	35.44	15.62	-1.82
Russell Mid Cap Growth NR USD	35.14	-5.02	24.88	6.96	-0.51	11.56	35.34	15.43	-1.93
US Fund Mid-Cap Growth	32.52	-6.65	23.91	6.03	-0.95	7.00	34.93	14.07	-3.96

Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	15.28	15.20
Std Dev	17.22	17.22
Downside Deviation	0.02	0.00
Alpha	0.08	0.00
Beta	1.00	1.00
R2	100.00	100.00
Tracking Error	0.04	0.00
Treynor Ratio (geo)	13.95	13.86
Sharpe Ratio	0.85	0.84
Information Ratio (geo)	1.81	

Portfolio Date: 9/30/2020



	%
Basic Materials	1.3
Consumer Cyclical	11.9
Financial Services	3.6
Real Estate	2.5
Consumer Defensive	5.0
Healthcare	22.6
Utilities	0.1
Communication Services	6.7
Energy	0.4
Industrials	11.9
Technology	34.1
Total	100.0

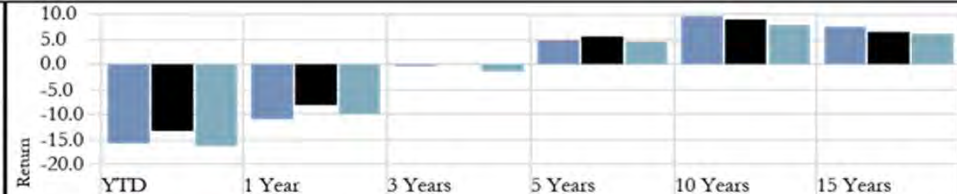
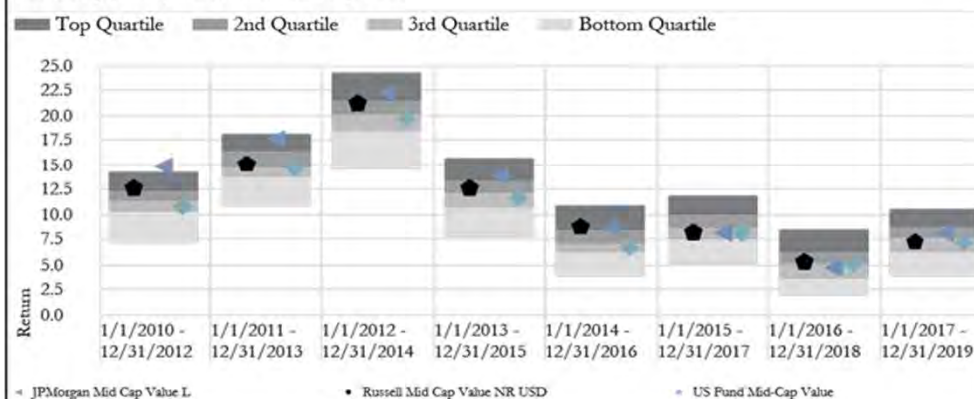
Portfolio Date: 9/30/2020

	Portfolio Weighting %	Ticker	IWP
DocuSign Inc	1.35		
Veeva Systems Inc Class A	1.32		
Lululemon Athletica Inc	1.32		
Chipotle Mexican Grill Inc Class A	1.22		
O'Reilly Automotive Inc	1.19		
CoStar Group Inc	1.17		
IDEXX Laboratories Inc	1.17		
Spotify Technology SA	1.12		
KLA Corp	1.06		
Splunk Inc	1.05		
Inception Date		7/17/2001	
Morningstar Rating Overall		★★★★	
Fund Size		13,651,783,602.00	
Annual Report Net Expense Ratio		0.24	
Management Fee		0.24	

Source: Morningstar Direct

Equity Sector (Mid Cap Value)

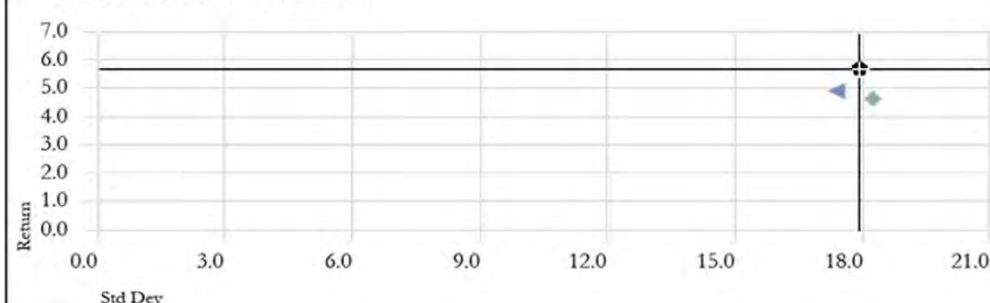
Peer Group (5-95%): Funds - U.S. - Mid-Cap Value



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
JPMorgan Mid Cap Value L	-15.91	-10.91	-0.51	4.90	9.66	7.29
Russell Mid Cap Value NR USD	-13.31	-7.96	0.12	5.66	9.00	6.35
US Fund Mid-Cap Value	-16.06	-9.99	-1.27	4.62	7.96	5.86

Time Period: 10/1/2015 to 9/30/2020



Time Period: 1/1/2011 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
JPMorgan Mid Cap Value L	26.63	-11.65	13.67	14.62	-2.35	15.14	31.99	20.48	2.42
Russell Mid Cap Value NR USD	26.17	-12.88	12.62	19.19	-5.39	14.07	32.66	17.70	-2.03
US Fund Mid-Cap Value	25.18	-12.86	13.22	18.06	-5.41	9.31	35.14	16.60	-3.96

Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	4.90	5.66
Std Dev	17.37	17.95
Downside Deviation	1.78	0.00
Alpha	-0.59	0.00
Beta	0.96	1.00
R2	98.60	100.00
Tracking Error	2.18	0.00
Treynor Ratio (geo)	3.83	4.43
Sharpe Ratio	0.30	0.34
Information Ratio (geo)	-0.33	

Portfolio Date: 8/31/2020



	%
*Basic Materials	2.9
*Consumer Cyclical	13.7
*Financial Services	20.7
Real Estate	12.1
*Consumer Defensive	5.2
Healthcare	7.7
*Utilities	8.4
*Communication Services	3.3
*Energy	5.6
*Industrials	12.2
*Technology	8.1
Total	100.0

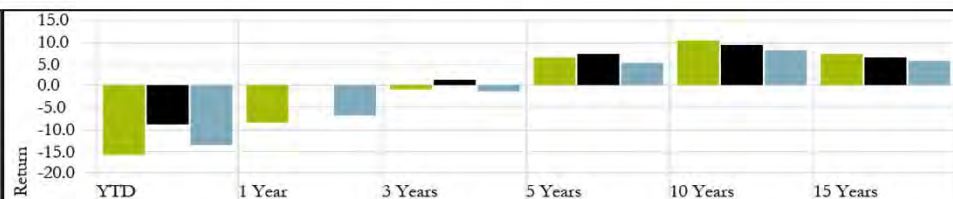
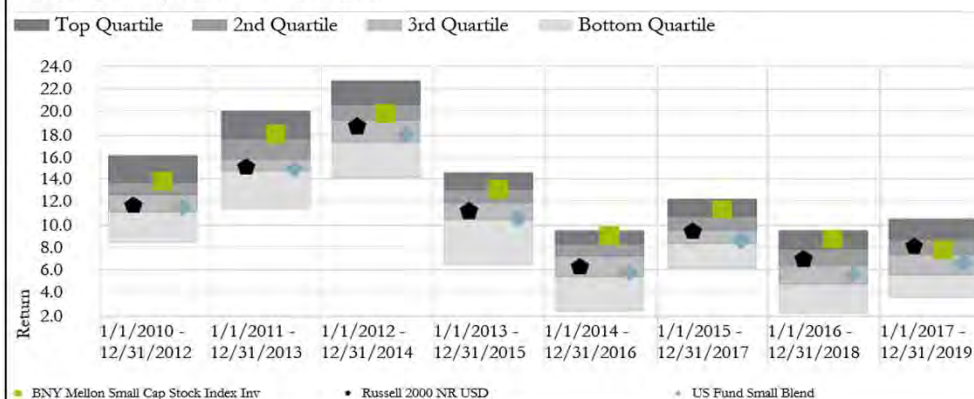
Portfolio Date: 8/31/2020

	Portfolio Weighting %
JPMorgan Prime Money Market IM	2.19
Xcel Energy Inc	1.87
WEC Energy Group Inc	1.75
T. Rowe Price Group Inc	1.69
Zimmer Biomet Holdings Inc	1.68
Ameriprise Financial Inc	1.65
Loews Corp	1.63
AutoZone Inc	1.56
Best Buy Co Inc	1.55
M&T Bank Corp	1.46

Ticker	FLMVX
Inception Date	11/13/1997
Morningstar Rating Overall	★★★★
Fund Size	13,239,614,685.00
Annual Report Net Expense Ratio	0.74
Management Fee	0.65

Source: Morningstar Direct

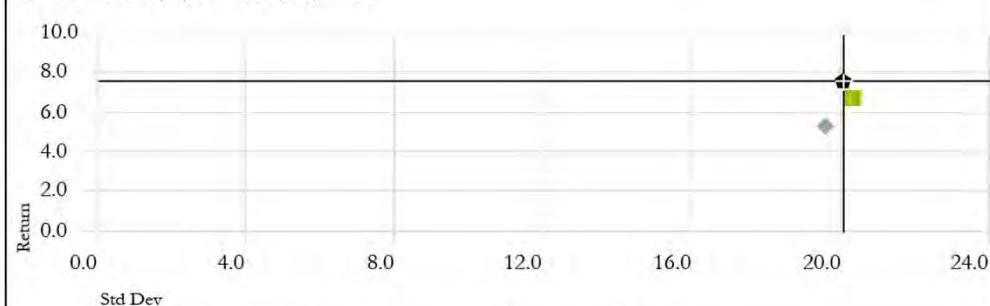
Peer Group (5-95%): Funds - U.S. - Small Blend



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
BNY Mellon Small Cap Stock Index Inv	-15.43	-8.56	-0.74	6.68	10.14	7.16
Russell 2000 NR USD	-8.96	-0.02	1.36	7.56	9.41	6.60
US Fund Small Blend	-13.55	-6.62	-1.19	5.34	8.12	5.62

Time Period: 10/1/2015 to 9/30/2020



Time Period: 1/1/2011 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
BNY Mellon Small Cap Stock Index Inv	22.29	-8.88	12.41	25.84	-2.24	5.41	40.76	16.02	0.82
Russell 2000 NR USD	25.00	-11.35	14.21	20.78	-4.79	4.50	38.29	15.85	-4.55
US Fund Small Blend	23.75	-12.72	12.28	20.78	-5.38	3.79	37.39	15.46	-4.07

Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	6.68	7.56
Std Dev	20.35	20.08
Downside Deviation	2.17	0.00
Alpha	-0.78	0.00
Beta	1.00	1.00
R2	97.81	100.00
Tracking Error	3.02	0.00
Treynor Ratio (geo)	5.43	6.32
Sharpe Ratio	0.37	0.41
Information Ratio (geo)	-0.27	

Portfolio Date: 9/30/2020



	%
Basic Materials	5.6
Consumer Cyclical	13.3
Financial Services	14.7
Real Estate	9.4
Consumer Defensive	3.6
Healthcare	13.3
Utilities	1.6
Communication Services	2.9
Energy	2.8
Industrials	18.3
Technology	14.6
Total	100.0

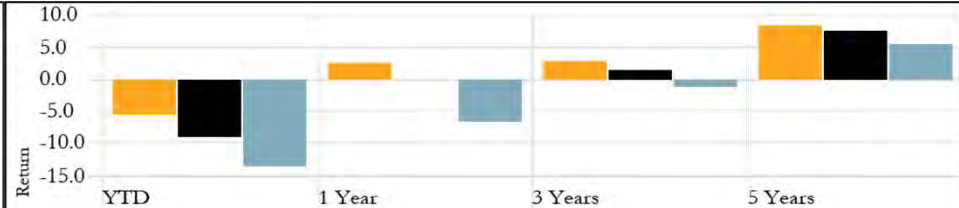
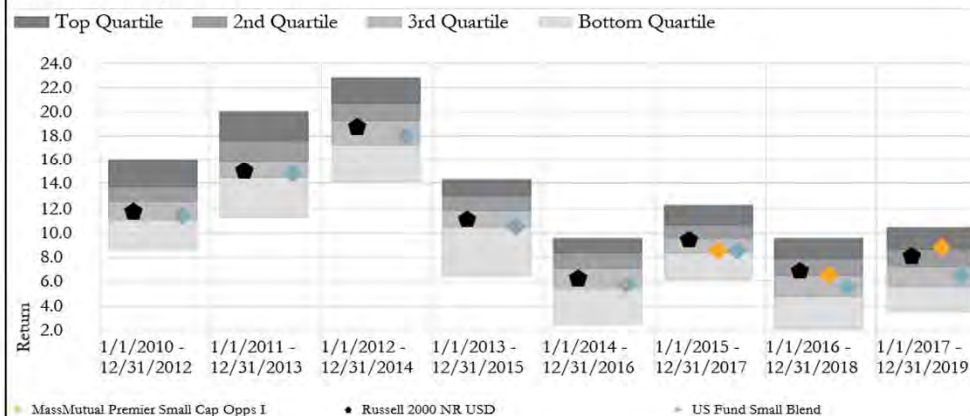
Portfolio Date: 9/30/2020

	Portfolio Weighting %
Momenta Pharmaceuticals Inc	0.92
Stamps.com Inc	0.62
Simpson Manufacturing Co Inc	0.62
Neogen Corp	0.62
Me ritage Homes Corp	0.61
NeoGenomics Inc	0.61
Kinsale Capital Group Inc	0.60
Exponent Inc	0.55
UFP Industries Inc	0.51
Proto Labs Inc	0.51

Ticker	DISSX
Inception Date	6/30/1997
Morningstar Rating Overall	★★★★
Fund Size	1,475,136,597.00
Annual Report Net Expense Ratio	0.50
Management Fee	0.25

Source: Morningstar Direct

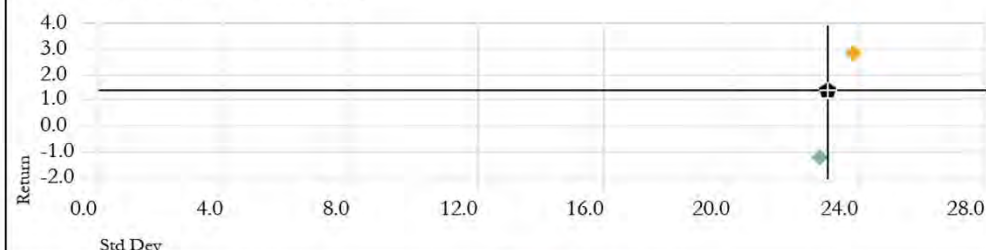
Peer Group (5-95%): Funds - U.S. - Small Blend



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years
MassMutual Premier Small Cap Opps I	-5.61	2.62	2.82	8.35
Russell 2000 NR USD	-8.96	-0.02	1.36	7.56
US Fund Small Blend	-13.55	-6.62	-1.19	5.34

Time Period: 10/1/2017 to 9/30/2020



Time Period: 1/1/2018 to 12/31/2019

	2019	2018
MassMutual Premier Small Cap Opps I	26.31	-10.50
Russell 2000 NR USD	25.00	-11.35
US Fund Small Blend	23.75	-12.72

Time Period: 10/1/2017 to 9/30/2020

	Inv	Bmk1
Return	2.82	1.36
Std Dev	23.83	23.01
Downside Deviation	2.23	0.00
Alpha	1.55	0.00
Beta	1.02	1.00
R2	97.59	100.00
Tracking Error	3.74	0.00
Treynor Ratio (geo)	1.16	-0.25
Sharpe Ratio	0.17	0.11
Information Ratio (geo)	0.39	

Portfolio Date: 9/30/2020



	%
*Basic Materials	3.5
*Consumer Cyclical	11.1
*Financial Services	12.8
Real Estate	6.0
*Consumer Defensive	5.4
Healthcare	19.0
*Utilities	3.8
*Communication Services	0.9
*Energy	3.8
Industrials	20.3
*Technology	13.4
Total	100.0

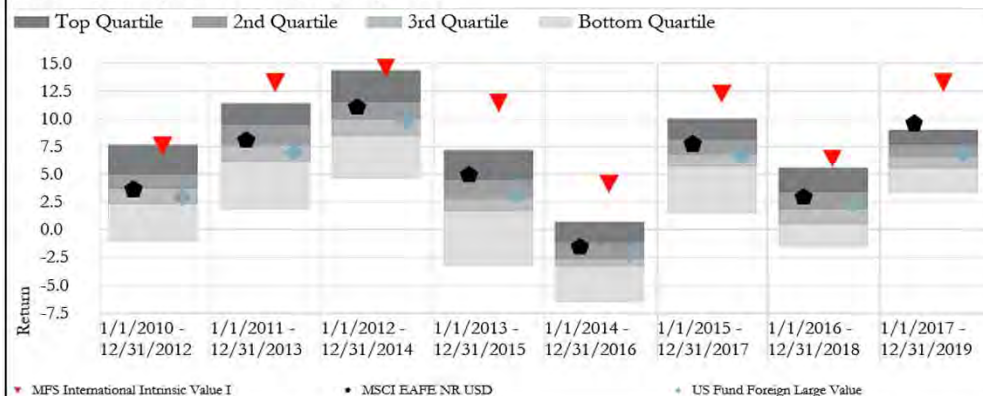
Portfolio Date: 9/30/2020

	Portfolio Weighting %	Ticker	MSOOX
Renewable Energy Group Inc	2.58		
LHC Group Inc	2.58		
BJ's Wholesale Club Holdings Inc	2.37		
AutoNation Inc	2.06		
Tandem Diabetes Care Inc	2.02		
ASGN Inc	1.99		
Emergent BioSolutions Inc	1.91		
Rexnord Corp	1.79		
Four Corners Property Trust Inc	1.79		
Semtech Corp	1.71		
Inception Date			4/1/2014
Morningstar Rating Overall			★★★★
Fund Size			234,370,396.00
Annual Report Net Expense Ratio			0.70
Management Fee			0.58

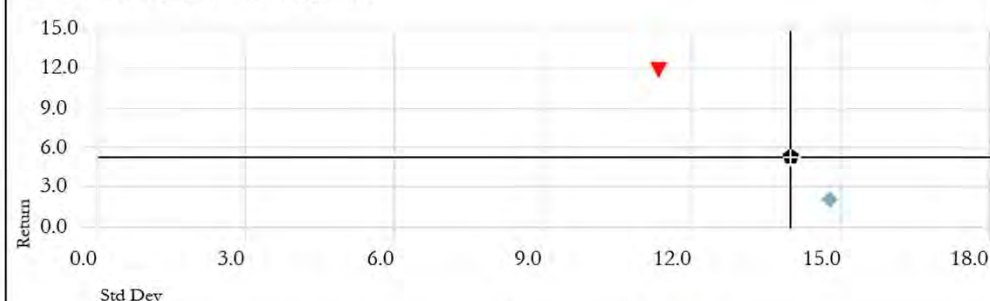
Source: Morningstar Direct

Equity Sector (International Developed)

Peer Group (5-95%): Funds - U.S. - Foreign Large Value



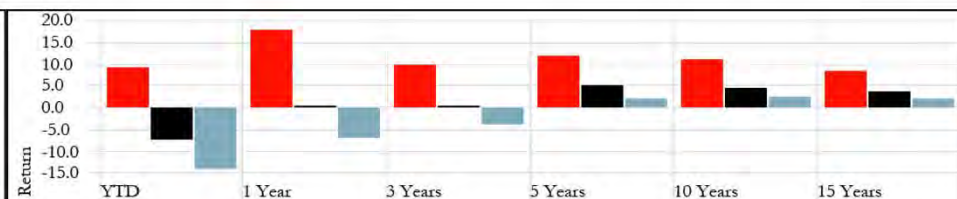
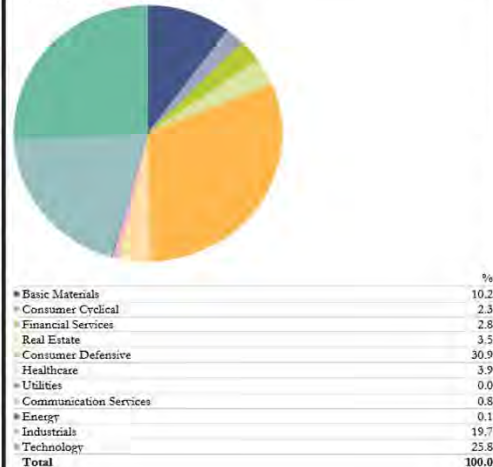
Time Period: 10/1/2015 to 9/30/2020



Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	11.88	5.26
Std Dev	11.34	14.01
Downside Deviation	3.18	0.00
Alpha	7.17	0.00
Beta	0.72	1.00
R2	79.22	100.00
Tracking Error	6.49	0.00
Treynor Ratio (geo)	14.67	4.04
Sharpe Ratio	0.94	0.35
Information Ratio (geo)	0.97	

Portfolio Date: 9/30/2020



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
MFS International Intrinsic Value I	9.55	17.71	9.95	11.88	10.90	8.66
MSCI EAFE NR USD	-7.09	0.49	0.62	5.26	4.62	3.73
US Fund Foreign Large Value	-14.17	-6.93	-3.94	2.12	2.50	2.11

Time Period: 1/1/2011 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
MFS International Intrinsic Value I	25.88	-9.01	27.15	4.18	6.77	1.52	27.66	16.10	-1.69
MSCI EAFE NR USD	22.01	-13.79	25.03	1.00	-0.81	-4.90	22.78	17.32	-12.14
US Fund Foreign Large Value	17.80	-15.44	22.08	3.34	-3.10	-6.32	20.81	16.21	-12.77

Portfolio Date: 9/30/2020

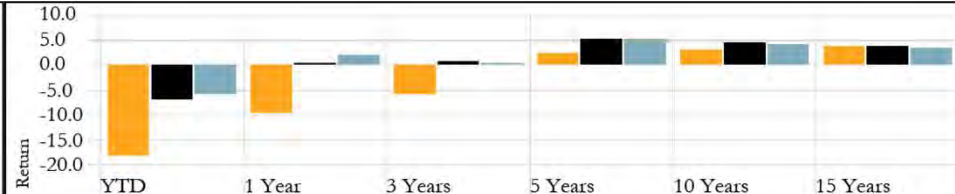
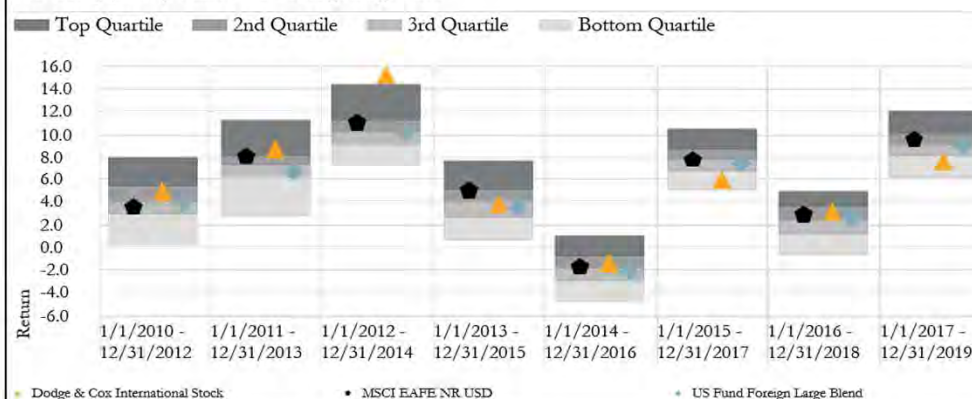
	Portfolio Weighting %
Nestle SA	4.87
Cadence Design Systems Inc	4.54
Givaudan SA	3.64
Taiwan Semiconductor Manufacturing Co Ltd ADR	3.24
Schneider Electric SE	2.81
Ansys Inc	2.49
Henkel AG & Co KGaA Participating Preferred	2.37
Reckitt Benckiser Group PLC	2.26
L'Oreal SA	2.25
Pernod Ricard SA	2.13

Ticker	MINIX
Inception Date	1/2/1997
Morningstar Rating Overall	★★★★★
Fund Size	28,519,795,711.00
Annual Report Net Expense Ratio	0.73
Management Fee	0.61

Source: Morningstar Direct

Equity Sector (International Developed)

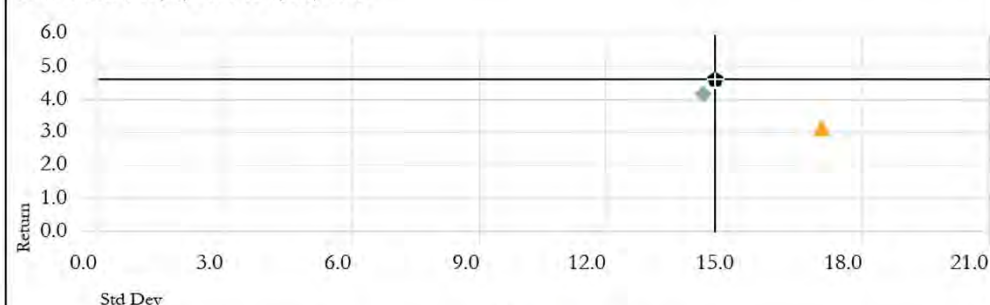
Peer Group (5-95%): Funds - U.S. - Foreign Large Blend



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
Dodge & Cox International Stock	-18.12	-9.43	-5.85	2.21	3.13	3.54
MSCI EAFE NR USD	-7.09	0.49	0.62	5.26	4.62	3.73
US Fund Foreign Large Blend	-5.86	2.03	0.51	5.02	4.14	3.44

Time Period: 10/1/2010 to 9/30/2020



Time Period: 1/1/2011 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Dodge & Cox International Stock	22.78	-17.98	23.94	8.26	-11.35	0.08	26.31	21.03	-15.97
MSCI EAFE NR USD	22.01	-13.79	25.03	1.00	-0.81	-4.90	22.78	17.32	-12.14
US Fund Foreign Large Blend	21.59	-14.59	25.12	0.79	-1.59	-4.98	19.44	18.29	-13.97

Time Period: 10/1/2010 to 9/30/2020

	Inv	Bmk1
Return	3.13	4.62
Std Dev	17.04	14.57
Downside Deviation	4.05	0.00
Alpha	-1.62	0.00
Beta	1.12	1.00
R2	91.52	100.00
Tracking Error	5.26	0.00
Treynor Ratio (geo)	2.24	3.98
Sharpe Ratio	0.23	0.34
Information Ratio (geo)	-0.27	

Portfolio Date: 9/30/2020

	%
Basic Materials	8.5
Consumer Cyclical	9.3
Financial Services	27.4
Real Estate	2.1
Consumer Defensive	2.6
Healthcare	13.2
Utilities	0.7
Communication Services	9.7
Energy	6.7
Industrials	10.3
Technology	9.6
Total	100.0

Portfolio Date: 9/30/2020

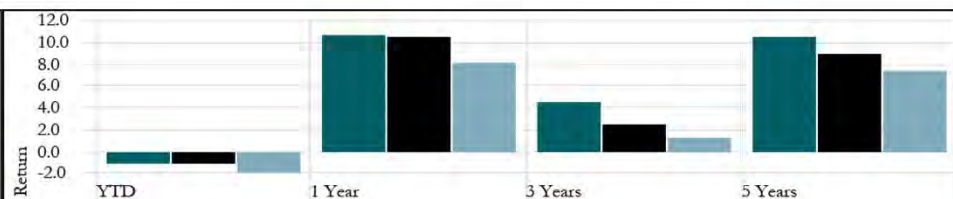
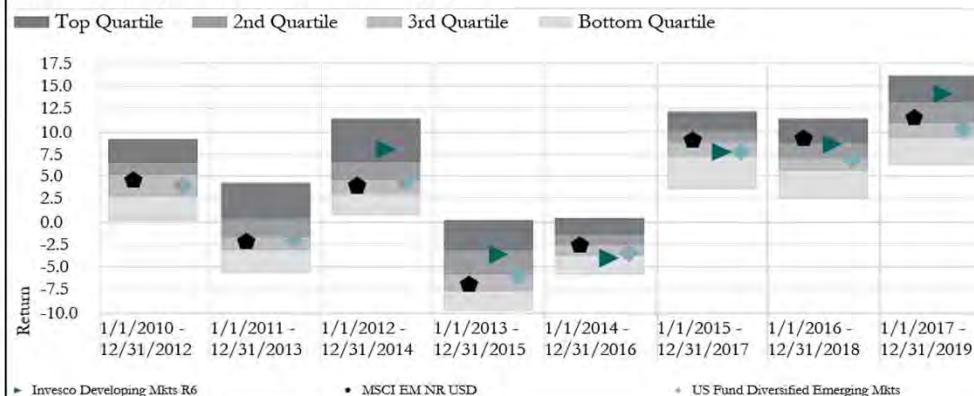
	Portfolio Weighting %
Samsung Electronics Co Ltd Participating Preferred	3.60
Sanofi SA	3.30
BNP Paribas	3.01
ICICI Bank Ltd	2.92
UBS Group AG	2.83
Mitsubishi Electric Corp	2.82
Credit Suisse Group AG	2.79
GlaxoSmithKline PLC	2.62
Novartis AG	2.60
Honda Motor Co Ltd	2.49

Ticker	DODFX
Inception Date	5/1/2001
Morningstar Rating Overall	★★★
Fund Size	35,106,335,149.00
Annual Report Net Expense Ratio	0.63
Management Fee	0.60

Source: Morningstar Direct

Equity Sector (Emerging Markets)

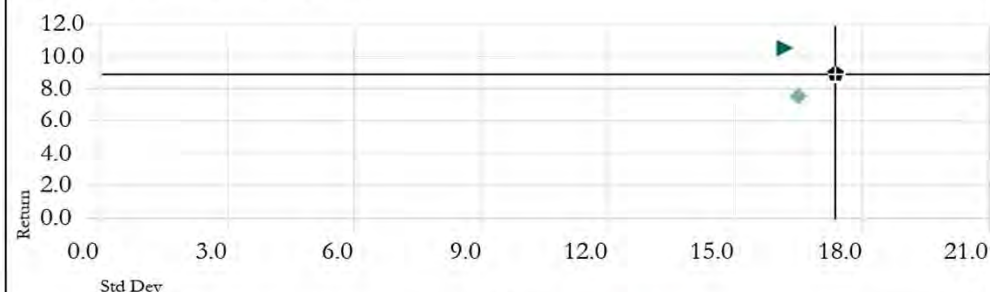
Peer Group (5-95%): Funds - U.S. - Diversified Emerging Mkts



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years
Invesco Developing Mkts R6	-1.14	10.60	4.51	10.56
MSCI EM NR USD	-1.16	10.54	2.42	8.97
US Fund Diversified Emerging Mkts	-1.96	8.16	1.32	7.49

Time Period: 10/1/2015 to 9/30/2020



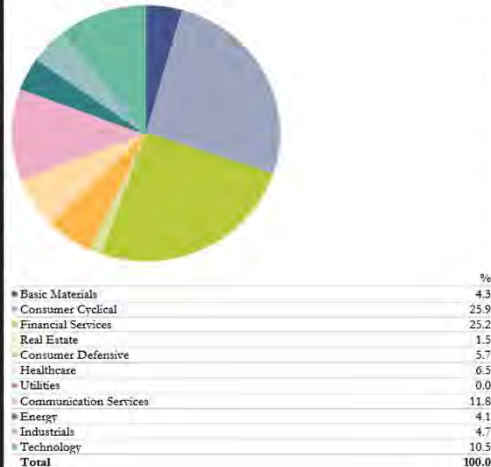
Time Period: 1/1/2014 to 12/31/2019

	2019	2018	2017	2016	2015	2014
Invesco Developing Mkts R6	24.53	-11.79	35.33	7.38	-13.67	-4.39
MSCI EM NR USD	18.42	-14.57	37.28	11.19	-14.92	-2.19
US Fund Diversified Emerging Mkts	19.25	-16.07	34.17	8.47	-13.79	-3.01

Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	10.56	8.97
Std Dev	16.19	17.36
Downside Deviation	2.69	0.00
Alpha	2.13	0.00
Beta	0.90	1.00
R2	94.06	100.00
Tracking Error	4.29	0.00
Treynor Ratio (geo)	10.26	7.70
Sharpe Ratio	0.63	0.51
Information Ratio (geo)	0.34	

Portfolio Date: 6/30/2020



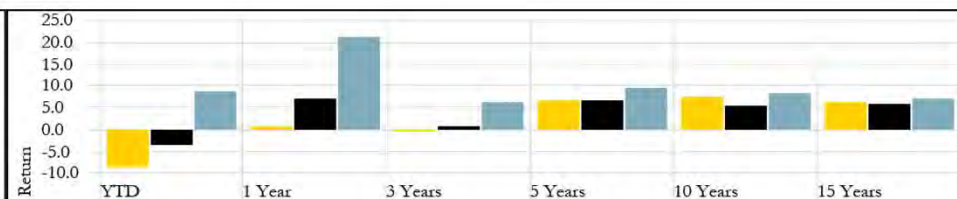
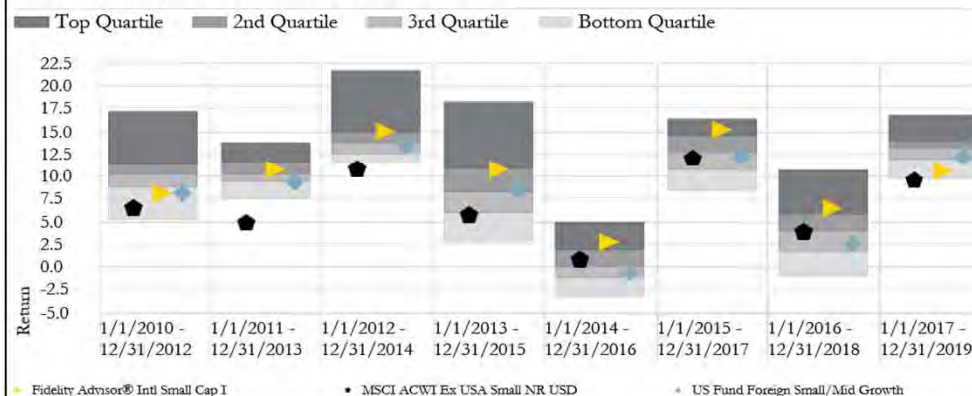
Portfolio Date: 6/30/2020

	Portfolio Weighting %
Tencent Holdings Ltd	7.80
Taiwan Semiconductor Manufacturing Co Ltd	6.14
Kering SA	5.42
Alibaba Group Holding Ltd ADR	5.09
AIA Group Ltd	4.35
NOVATEK PJSC GDR	3.84
Housing Development Finance Corp Ltd	3.79
Yum China Holdings Inc	3.71
ZTO Express (Cayman) Inc ADR	3.26
Kotak Mahindra Bank Ltd	3.18

Ticker	ODVIX
Inception Date	12/29/2011
Morningstar Rating Overall	★★★★
Fund Size	41,656,879,252.00
Annual Report Net Expense Ratio	0.83
Management Fee	0.75

Source: Morningstar Direct

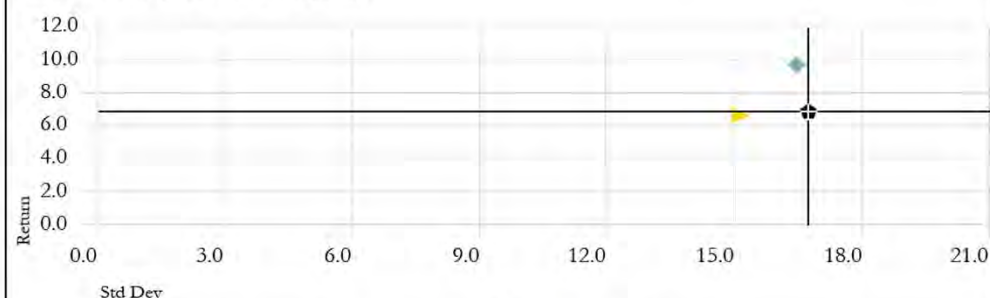
Peer Group (5-95%): Funds - U.S. - Foreign Small/Mid Growth



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
Fidelity Advisor® Intl Small Cap I	-8.81	0.96	-0.64	6.61	7.42	6.21
MSCI ACWI Ex USA Small NR USD	-3.64	6.97	0.93	6.80	5.31	5.68
US Fund Foreign Small/Mid Growth	8.99	21.29	6.47	9.63	8.22	7.20

Time Period: 10/1/2015 to 9/30/2020



Time Period: 1/1/2011 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fidelity Advisor® Intl Small Cap I	21.44	-16.05	32.86	8.20	6.44	-5.30	35.26	19.06	-15.50
MSCI ACWI Ex USA Small NR USD	22.42	-18.20	31.65	3.91	2.60	-4.03	19.73	18.52	-18.50
US Fund Foreign Small/Mid Growth	27.78	-18.34	36.19	-2.98	7.05	-5.40	26.61	22.20	-14.72

Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1	
Return	6.61	6.80	%
Std Dev	15.15	16.74	
Downside Deviation	2.66	0.00	
Alpha	0.34	0.00	
Beta	0.89	1.00	
R2	96.29	100.00	
Tracking Error	3.48	0.00	
Treynor Ratio (geo)	6.05	5.56	
Sharpe Ratio	0.42	0.41	
Information Ratio (geo)	-0.05		

Portfolio Date: 7/31/2020

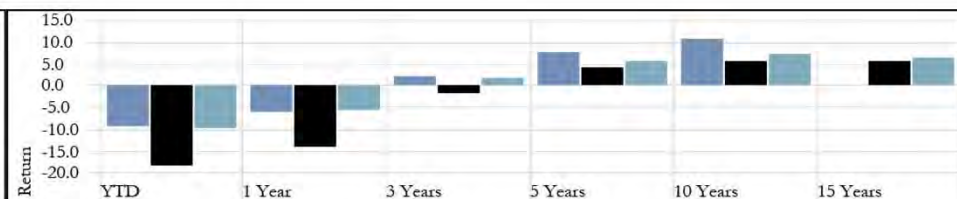
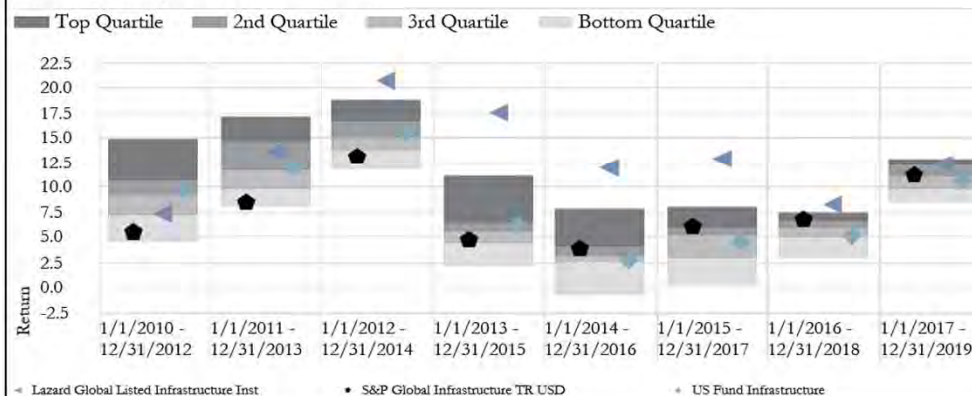
	%
Basic Materials	6.3
Consumer Cyclical	13.1
Financial Services	11.6
Real Estate	9.2
Consumer Defensive	9.6
Healthcare	8.2
Utilities	0.0
Communication Services	1.9
Energy	2.6
Industrials	25.5
Technology	12.0
Total	100.0

Portfolio Date: 7/31/2020

	Portfolio Weighting %	Ticker	FIXIX
Fidelity Reverse Str Tr	3.50		
Arata Corp	1.46		
RHI Magnesita NV Ordinary Shares	1.30		
Arcland Sakamoto Co Ltd	1.26		
Persol Holdings Co Ltd	1.17		
Renesas Electronics Corp	1.14		
Open Text Corp	1.11		
Mytilineos SA	1.05		
SITC International Holdings Co Ltd	1.03		
TP ICap PLC	1.02		

Source: Morningstar Direct

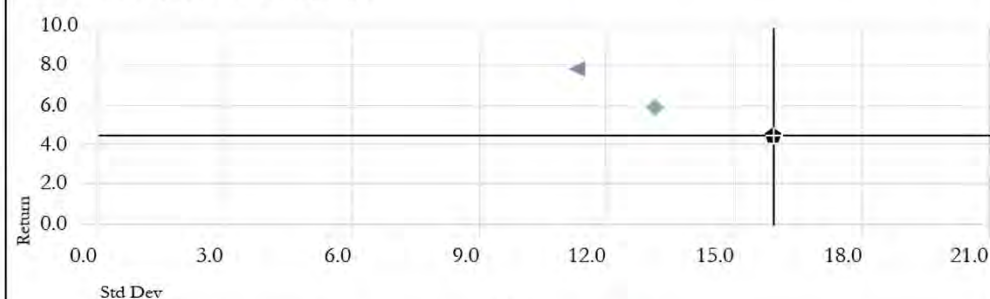
Peer Group (5-95%): Funds - U.S. - Infrastructure



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
Lazard Global Listed Infrastructure Inst	-9.04	-5.63	2.35	7.83	10.71	
S&P Global Infrastructure TR USD	-18.08	-13.89	-1.38	4.46	5.52	5.50
US Fund Infrastructure	-9.76	-5.43	2.04	5.88	7.28	6.39

Time Period: 10/1/2015 to 9/30/2020



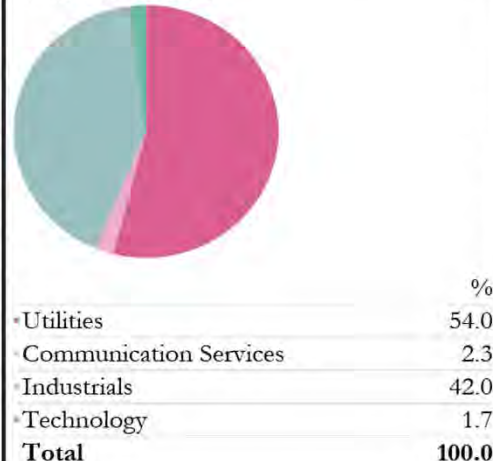
Time Period: 1/1/2011 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Lazard Global Listed Infrastructure Inst	22.26	-3.73	20.80	9.30	9.30	17.95	26.56	18.05	-1.56
S&P Global Infrastructure TR USD	26.99	-9.50	20.13	12.43	-11.46	12.98	14.99	11.89	-0.39
US Fund Infrastructure	27.13	-8.88	17.00	9.17	-10.38	10.50	21.02	15.15	1.11

Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	7.83	4.46
Std Dev	11.29	15.92
Downside Deviation	4.77	0.00
Alpha	4.22	0.00
Beta	0.62	1.00
R2	76.49	100.00
Tracking Error	8.15	0.00
Treynor Ratio (geo)	10.61	3.25
Sharpe Ratio	0.62	0.29
Information Ratio (geo)	0.40	

Portfolio Date: 9/30/2020



Portfolio Date: 9/30/2020

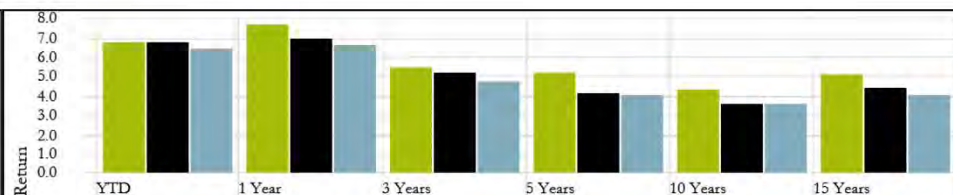
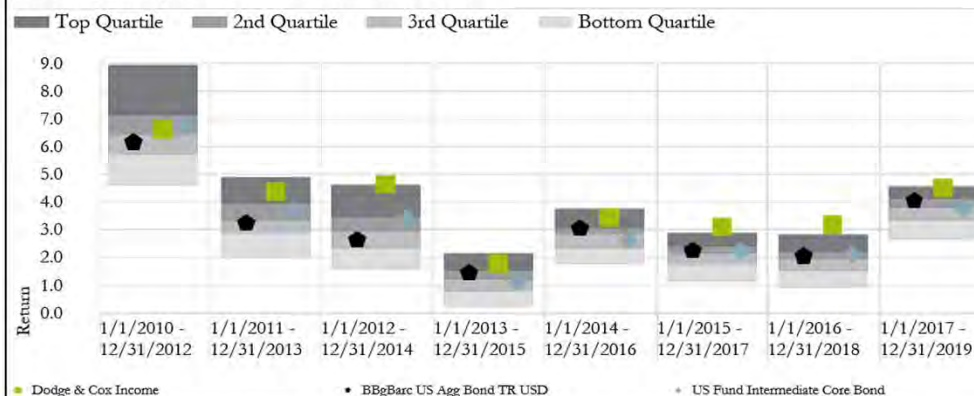
	Portfolio Weighting %
State Str Instl Invt Tr	11.60
National Grid PLC	8.78
Ferrovial SA	7.39
CSX Corp	7.36
Terna SpA	4.93
Snam SpA	4.87
Atlantia SpA	4.85
Vinci SA	4.75
United Utilities Group PLC	4.47
Transurban Group	4.03

Ticker	GLIXF
Inception Date	12/31/2009
Morningstar Rating Overall	★★★★★
Fund Size	7,247,515,698.00
Annual Report Net Expense Ratio	0.95
Management Fee	0.90

Source: Morningstar Direct

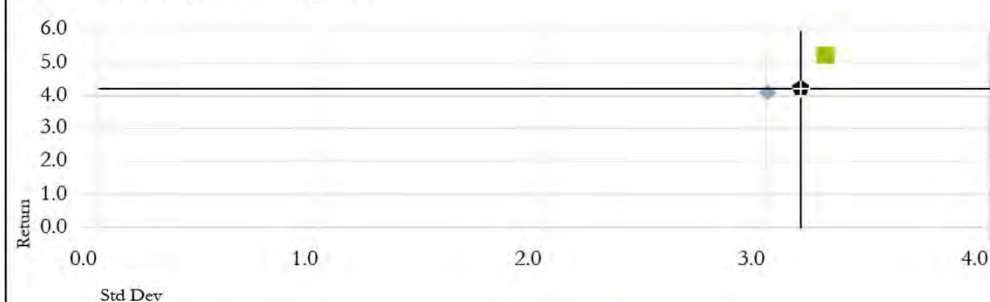
III. Fixed Income Sector (US Bonds)

Peer Group (5-95%): Funds - U.S. - Intermediate Core Bond



	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
Dodge & Cox Income	6.80	7.70	5.49	5.22	4.41	5.11
BBGBarc US Agg Bond TR USD	6.79	6.98	5.24	4.18	3.64	4.48
US Fund Intermediate Core Bond	6.52	6.65	4.80	4.09	3.60	4.09

Time Period: 10/1/2015 to 9/30/2020



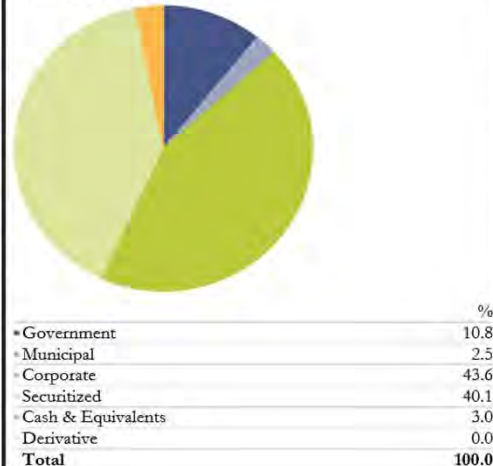
Time Period: 1/1/2010 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Dodge & Cox Income	9.73	-0.31	4.36	5.61	-0.59	5.48	p.64	7.94	4.76	7.17
BBGBarc US Agg Bond TR USD	8.72	0.01	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	6.54
US Fund Intermediate Core Bond	8.06	-0.50	3.71	3.23	-0.26	5.18	-1.42	7.01	5.86	7.72

Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	5.22	4.18
Std Dev	3.27	3.15
Downside Deviation	1.68	0.00
Alpha	1.67	0.00
Beta	0.78	1.00
R2	55.01	100.00
Tracking Error	2.31	0.00
Treynor Ratio (geo)	5.15	2.97
Sharpe Ratio	1.22	0.95
Information Ratio (geo)	0.43	

Portfolio Date: 9/30/2020



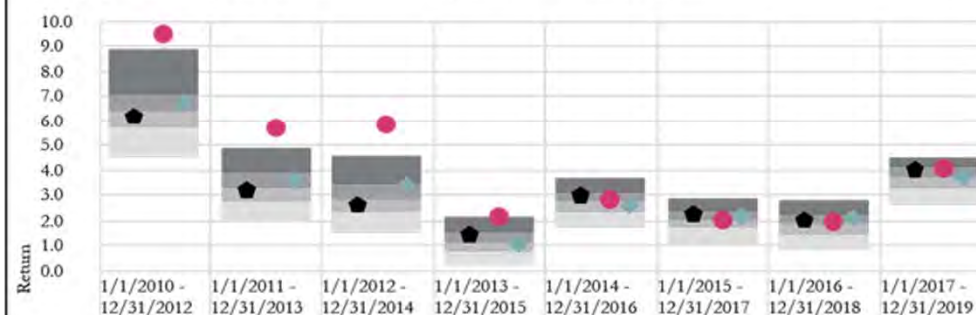
Portfolio Date: 9/30/2020

	Portfolio Weighting %	
Federal National Mortgage Association 2%	3.81	Ticker: DODIX
United States Treasury Notes 0.12%	3.23	Inception Date: 1/3/1989
United States Treasury Notes 0.12%	3.12	Morningstar Rating Overall: ★★★★★
United States Treasury Notes 0.38%	1.89	Fund Size: 67,010,183,694.00
Imperial Brands Finance Plc 4.25%	0.93	Annual Report Net Expense Ratio: 0.42
		Management Fee: 0.40

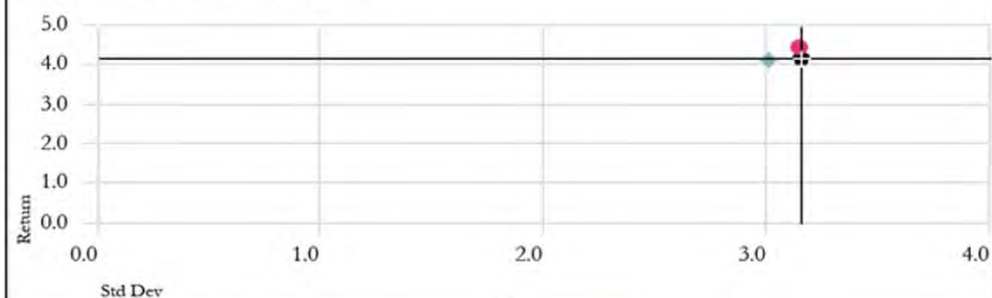
Source: Morningstar Direct

Peer Group (5-95%): Funds - U.S. - Intermediate Core Bond

Top Quartile 2nd Quartile 3rd Quartile Bottom Quartile



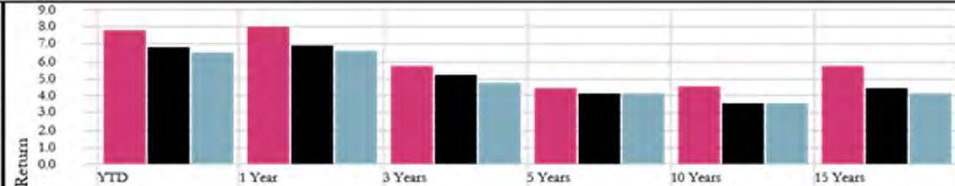
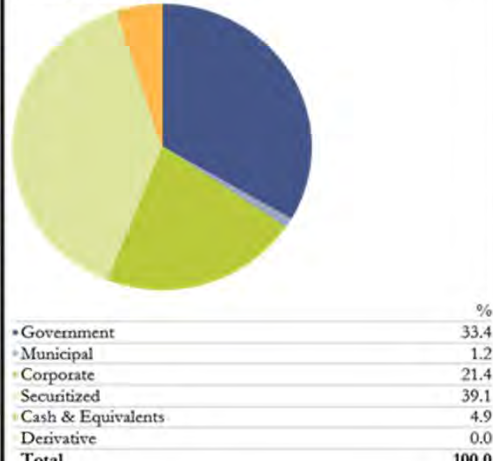
Time Period: 10/1/2015 to 9/30/2020



Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	4.45	4.18
Std Dev	3.15	3.15
Downside Deviation	0.40	0.00
Alpha	0.32	0.00
Beta	0.98	1.00
R2	96.51	100.00
Tracking Error	0.59	0.00
Treynor Ratio (geo)	3.31	2.97
Sharpe Ratio	1.04	0.95
Information Ratio (geo)	0.45	

Portfolio Date: 9/30/2020



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
Metropolitan West Total Return Bd I	7.82	8.03	5.75	4.45	4.60	5.78
BBgBarc US Agg Bond TR USD	6.79	6.98	5.24	4.18	3.64	4.48
US Fund Intermediate Core Bond	6.52	6.65	4.80	4.09	3.60	4.09

Time Period: 1/1/2010 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Metropolitan West Total Return Bd I	9.09	0.16	3.43	2.46	0.29	5.99	0.50	11.54	5.52	11.65
BBgBarc US Agg Bond TR USD	8.72	0.01	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	6.54
US Fund Intermediate Core Bond	8.06	-0.50	3.71	3.23	-0.26	5.18	-1.42	7.01	5.86	7.72

Portfolio Date: 9/30/2020

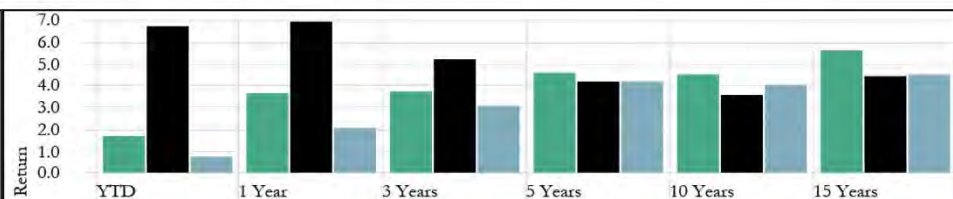
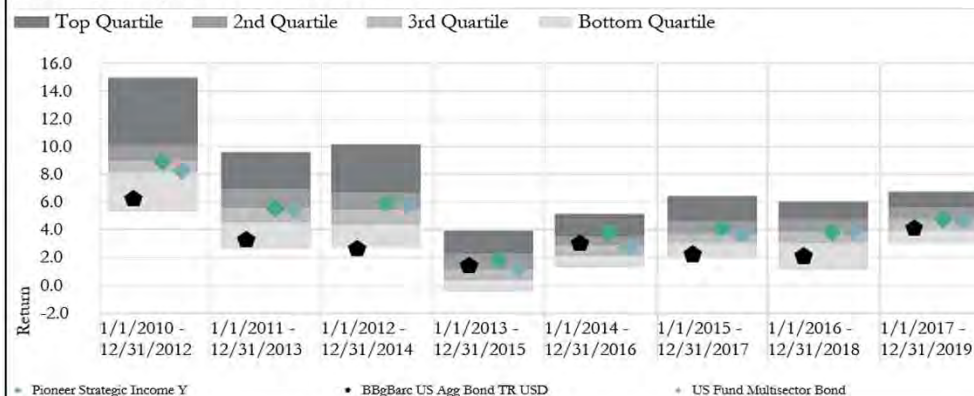
	Portfolio Weighting %
US Treasury Note 0.12%	8.44
United States Treasury Notes 0.25%	6.65
Federal National Mortgage Association 2%	5.32
US Treasury Note 0.25%	4.45
United States Treasury Bonds 1.38%	4.03

Ticker	MWTIX
Inception Date	3/31/2000
Morningstar Rating Overall	★★★★
Fund Size	89,311,113,840.00
Annual Report Net Expense Ratio	0.45
Management Fee	0.35

Source: Morningstar Direct

Fixed Income Sector (US Bonds)

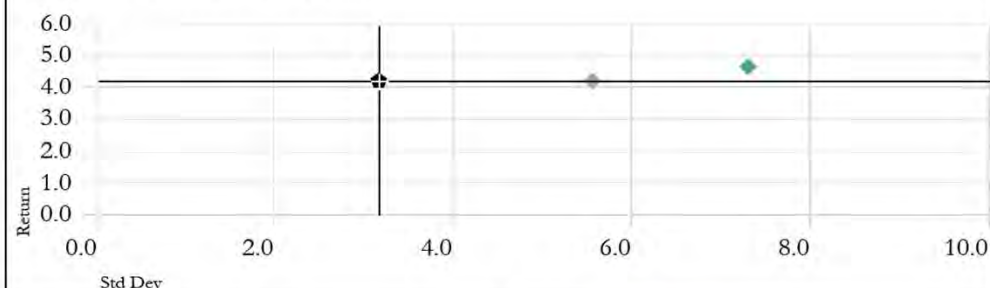
Peer Group (5-95%): Funds - U.S. - Multisector Bond



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
Pioneer Strategic Income Y	1.72	3.71	3.73	4.64	4.52	5.68
BBgBarc US Agg Bond TR USD	6.79	6.98	5.24	4.18	3.64	4.48
US Fund Multisector Bond	0.77	2.03	3.07	4.22	4.04	4.52

Time Period: 10/1/2015 to 9/30/2020



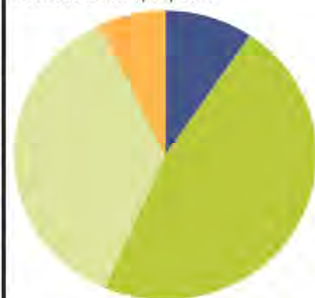
Time Period: 1/1/2010 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Pioneer Strategic Income Y	10.55	-1.60	5.54	7.97	-1.15	4.92	1.80	11.49	3.54	11.97
BBgBarc US Agg Bond TR USD	8.72	0.01	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	6.54
US Fund Multisector Bond	9.80	-1.52	6.07	7.52	-2.18	3.63	1.87	11.71	3.37	10.86

Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	4.64	4.18
Std Dev	7.29	3.15
Downside Deviation	5.96	0.00
Alpha	1.00	0.00
Beta	0.89	1.00
R2	14.57	100.00
Tracking Error	6.76	0.00
Treynor Ratio (geo)	3.84	2.97
Sharpe Ratio	0.50	0.95
Information Ratio (geo)	0.07	

Portfolio Date: 8/31/2020



	%
Government	9.4
Municipal	0.2
Corporate	47.0
Securitized	36.4
Cash & Equivalents	7.0
Derivative	0.0
Total	100.0

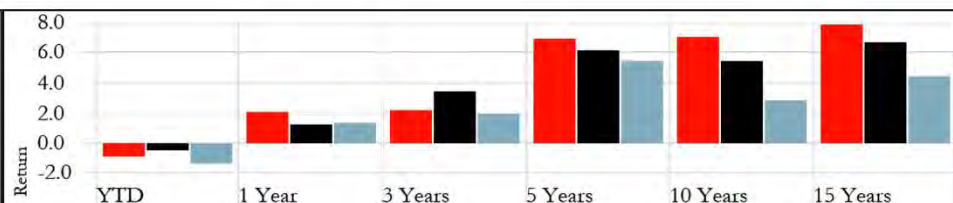
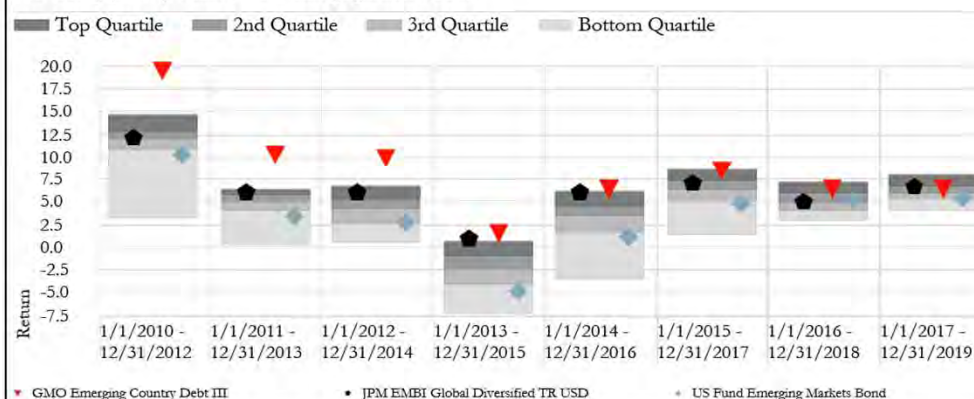
Portfolio Date: 8/31/2020

	Portfolio Weighting %	Ticker	STRYX
United States Treasury Bonds 1%	2.11	Inception Date	9/9/2004
United States Treasury Bonds 0%	1.45	Morningstar Rating Overall	★★★
Wells Fargo & Co 7 1/2 % Non Cum Perp Conv Pfd Shs -A- Series -L-	1.10	Fund Size	4,412,003,571.00
Liberty Mutual Insurance Company 7.7%	0.89	Annual Report Net Expense Ratio	0.73
Anheuser-Busch InBev Worldwide Inc. 5.55%	0.86	Management Fee	0.56

Source: Morningstar Direct

Fixed Income Sector (EM Debt)

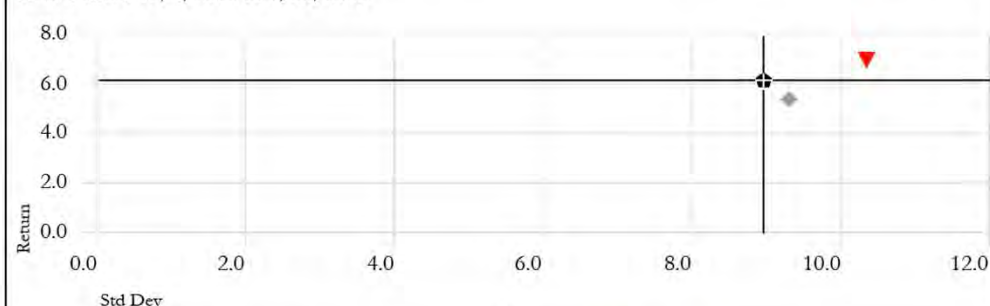
Peer Group (5-95%): Funds - U.S. - Emerging Markets Bond



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
GMO Emerging Country Debt III	-0.80	2.14	2.18	6.92	7.04	7.92
JPM EMBI Global Diversified TR USD	-0.51	1.29	3.49	6.15	5.43	6.64
US Fund Emerging Markets Bond	-1.30	1.32	1.95	5.38	2.81	4.46

Time Period: 10/1/2015 to 9/30/2020



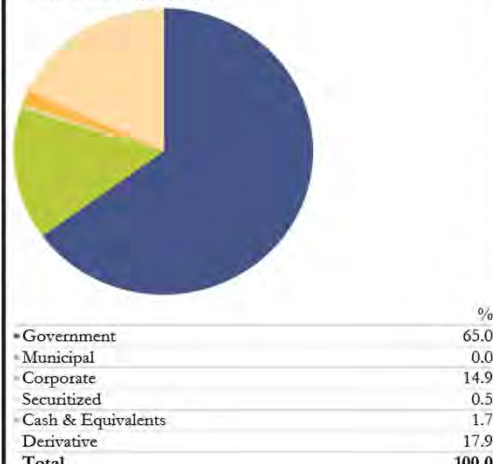
Time Period: 1/1/2011 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
GMO Emerging Country Debt III	14.28	-5.91	12.48	13.86	0.02	5.98	-1.18	26.73	7.50
JPM EMBI Global Diversified TR USD	15.04	-4.26	10.26	10.15	1.18	7.43	-5.25	17.44	7.35
US Fund Emerging Markets Bond	12.59	-4.93	10.25	10.51	-5.99	-0.80	-7.27	17.95	1.98

Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	6.92	6.15
Std Dev	10.34	8.98
Downside Deviation	1.67	0.00
Alpha	0.21	0.00
Beta	1.13	1.00
R2	95.45	100.00
Tracking Error	2.48	0.00
Treynor Ratio (geo)	5.04	4.91
Sharpe Ratio	0.59	0.58
Information Ratio (geo)	0.29	

Portfolio Date: 5/31/2020

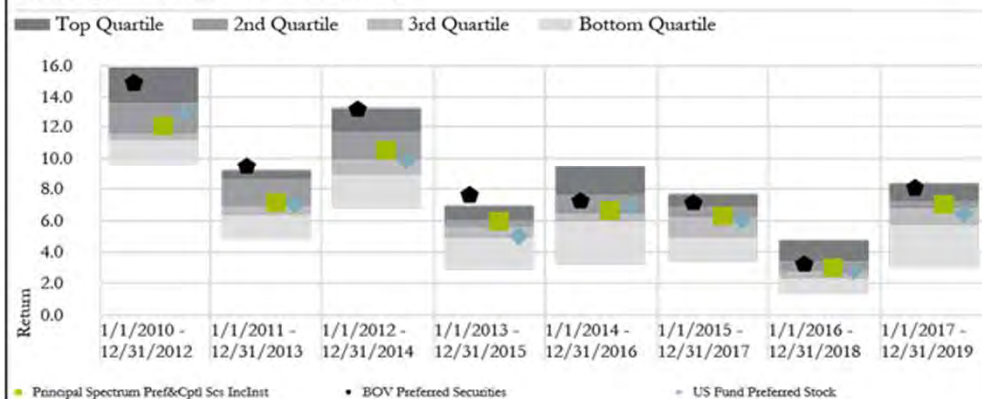


Portfolio Date: 5/31/2020

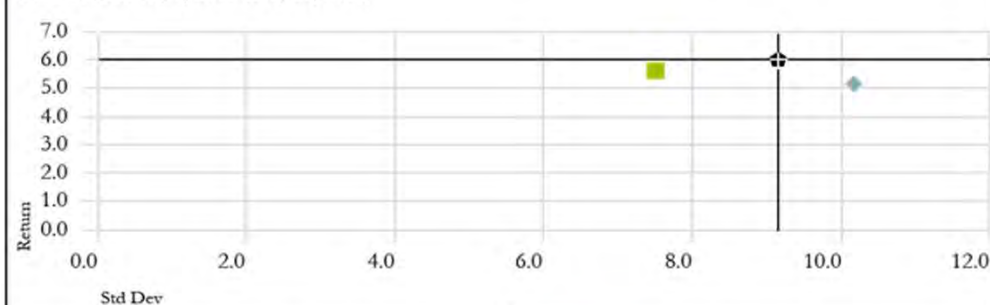
	Portfolio Weighting %	Ticker	GMCDX
Petroleos Mexicanos	7.69%	2.24	
United States Treasury Notes	0.13%	1.63	
GMO US Treasury		1.53	
Republic of South Africa	5.75%	1.48	
Saudi Arabia (Kingdom of)	4.5%	1.40	
Mexico (United Mexican States)	5.63%	1.30	
National Power Corp.	9.63%	1.24	
State of Qatar	4.4%	1.19	
Indonesia (Republic of)	6.63%	1.18	
Oman (Sultanate Of)	6.75%	1.15	
Inception Date			4/19/1994
Morningstar Rating Overall			★★★★★
Fund Size			4,300,287,959.00
Annual Report Net Expense Ratio			0.54
Management Fee			0.50

Source: Morningstar Direct

Peer Group (5-95%): Funds - U.S. - Preferred Stock



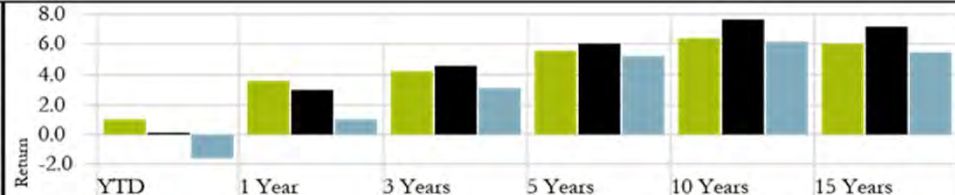
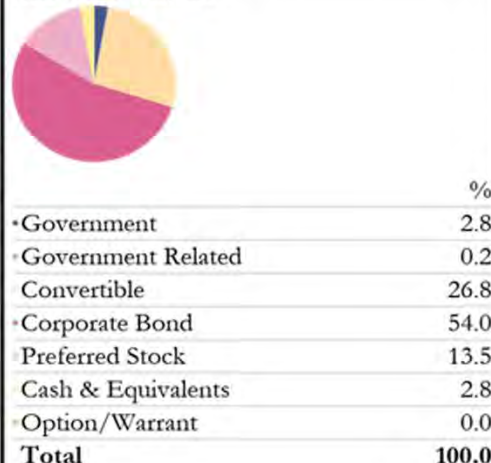
Time Period: 10/1/2015 to 9/30/2020



Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	5.59	6.04
Std Dev	7.50	9.14
Downside Deviation	1.31	0.00
Alpha	0.38	0.00
Beta	0.81	1.00
R2	98.45	100.00
Tracking Error	1.94	0.00
Treynor Ratio (geo)	5.36	4.81
Sharpe Ratio	0.61	0.56
Information Ratio (geo)	-0.22	

Portfolio Date: 9/30/2020



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
Principal Spectrum Pref&Cptl Scs IncInst	0.98	3.65	4.23	5.59	6.46	6.10
BOV Preferred Securities	0.16	2.93	4.59	6.04	7.61	7.13
US Fund Preferred Stock	-1.55	0.95	3.06	5.14	6.15	5.49

Time Period: 1/1/2011 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Principal Spectrum Pref&Cptl Scs IncInst	16.44	-4.54	10.50	3.72	5.04	11.54	1.81	19.18	1.53
BOV Preferred Securities	19.26	-5.48	12.27	3.74	5.86	12.35	5.00	23.11	1.91
US Fund Preferred Stock	17.63	-5.49	9.78	5.66	3.18	11.44	1.11	18.05	2.26

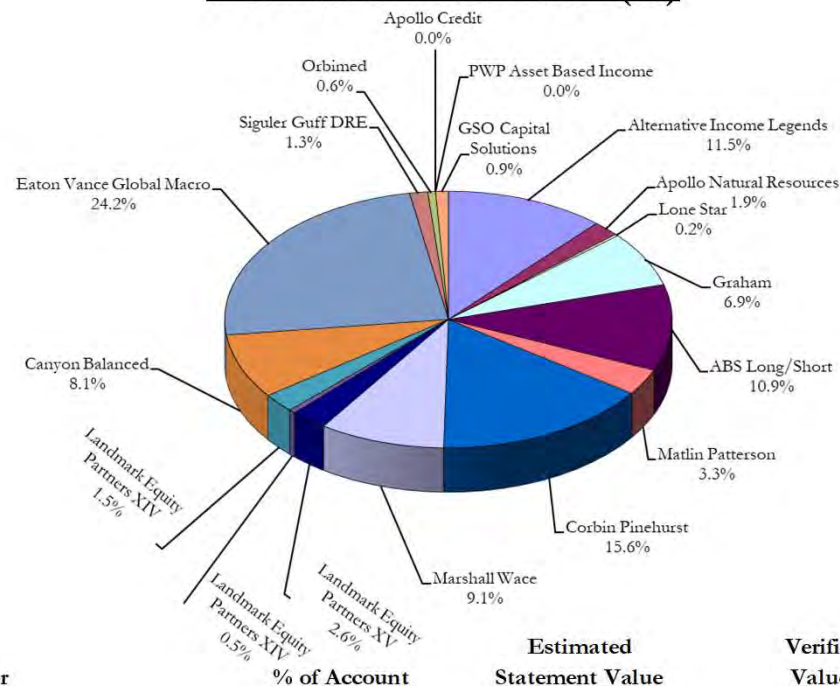
Portfolio Date: 9/30/2020

	Portfolio Weighting %
JPMorgan Chase & Co Deposit Svc Rpt 1/10th Non-Conv Perp PM Sht Series -S-	2.15
The Charles Schwab Corporation 3.38%	1.55
Bank of America Corporation 6.5%	1.49
Domestic Energy Inc 4.65%	1.44
Trust Financial Corporation 4.9%	1.34
HSBC Capital Funding Dollar I.L.P. 10.18%	1.30
Citigroup Inc. 6.25%	1.29
Nationwide Financial Services, Inc. 6.75%	1.27
Liberty Mutual Group, Inc. 7.8%	1.24
Wells Fargo & Co 7 1/2 % Non-Conv Perp Corr PM Sht -A- Series -L-	1.18

Ticker	PPSIX
Inception Date	5/1/2002
Morningstar Rating Overall	★★★★
Fund Size	7,658,043,113.00
Annual Report Net Expense Ratio	0.81
Management Fee	0.70

Source: Morningstar Direct

Alternative Breakdown (%)



Manager	% of Account	Estimated Statement Value	Verified Values	Verified As Of
Alternative Income Legends	11.5%	\$846,850	\$0	6/30/2020
Apollo Natural Resources	1.9%	\$140,925	\$140,925	6/30/2020
Lone Star	0.2%	\$16,957	\$11,806	3/31/2020
Graham	6.9%	\$510,164	\$483,281	6/30/2020
ABS Long/Short	10.9%	\$797,834	\$781,946	6/30/2020
Matlin Patterson	3.3%	\$240,299	\$447,839	6/30/2020
Corbin Pinehurst	15.6%	\$1,145,560	\$1,123,193	6/30/2020
Marshall Wace	9.1%	\$666,393	\$636,074	6/30/2020
Landmark Equity Partners XV	2.6%	\$193,733	\$182,844	3/31/2020
Landmark Equity Partners XIV	0.5%	\$35,399	\$35,399	3/31/2020
Landmark Equity Partners XVI	2.4%	\$175,508	\$140,539	3/31/2020
Canyon Balanced	8.1%	\$598,290	\$589,570	6/30/2020
Eaton Vance Global Macro	24.2%	\$1,774,859	\$1,774,859	6/30/2020
Siguler Guff DRE	1.3%	\$95,850	\$81,217	3/31/2020
Orbimed	0.6%	\$41,150	\$41,150	6/30/2020
Apollo Credit	--	\$16	\$616,121	6/30/2020
PWP Asset Based Income	--	\$0	\$60,341	3/31/2020
GSO Capital Solutions	0.9%	\$67,519	\$55,183	3/31/2020
Total	100.0%	\$7,347,305	\$7,202,286	

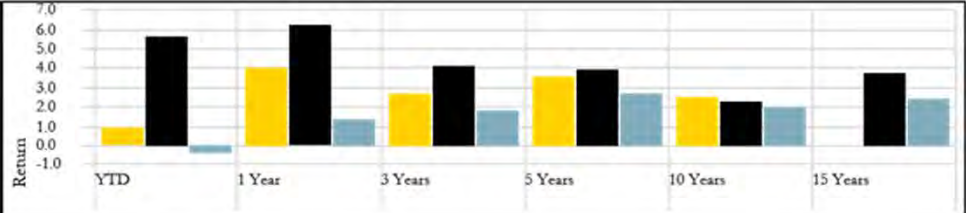
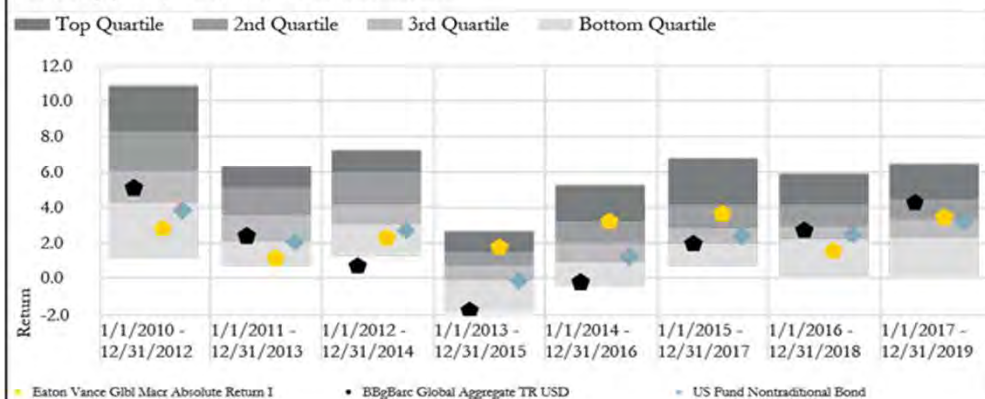
% of Account	\$ Value		3Q20	FYTD	One Year	Three Years*	Five Years*	Incept (Mgr)*	Incept Bench*
100%	\$ 7,347,305	<i>Combined Alternatives (1 mo lag)</i>	2.1	2.1	(2.4)	0.2	0.3	1.5	3.1
		<i>HFRI FoF Index (1 mo lag)</i>	5.8	5.8	7.2	3.6	3.2		
		<u>Lower Volatility</u>							
8%	\$ 598,290	Canyon Balanced	8.6	8.6	(11.0)	--	--	(2.3)	2.2
24%	\$ 1,774,859	Eaton Vance Global Macro	1.2	1.2	4.0	--	--	2.5	2.2
		<i>HFRI Conservative Index</i>	4.5	4.5	2.0	--	--		
		<u>Diversified</u>							
0%	\$ 16	Apollo Credit	--	--	--	--	--	1.4	4.5
16%	\$ 1,145,560	Corbin Pinehurst	6.7	6.7	6.0	4.1	3.8	4.7	3.1
12%	\$ 846,850	Alternative Income Legends	(0.0)	(0.0)	(5.8)	(1.7)	0.1	(0.4)	3.1
3%	\$ 240,299	Matlin Patterson	0.9	0.9	(35.2)	--	--	(18.5)	3.4
		<i>HFRI Fund of Funds</i>	5.8	5.8	7.2	3.6	3.2		
		<u>Hedged Equity</u>							
11%	\$ 797,834	ABS Global L/S (K2 prior to 12/12)	5.3	5.3	7.3	2.9	2.2	3.7	4.9
9%	\$ 666,393	Marshall Wace	5.7	5.7	6.5	--	--	5.4	3.4
		<i>HFRI Equity Hedge</i>	10.2	10.2	10.0	4.8	5.5		
		<u>Absolute Return</u>							
7%	\$ 510,164	Graham	6.8	6.8	(3.7)	--	--	(0.8)	(0.4)
		<i>HFRI Market Neutral</i>	1.0	1.0	(0.7)	--	--		
		<u>*Private Capital</u>							
2%	\$ 140,925	Apollo Natural Resources						(7.9)	
0%	\$ 35,399	Landmark Equity Partners XIV						6.0	
3%	\$ 193,733	Landmark Equity Partners XV						9.3	
2%	\$ 175,508	Landmark Equity Partners XVI						23.2	
1%	\$ 95,850	Sigular Guff DRE						10.4	
0%	\$ 16,957	Lone Star						--	
1%	\$ 41,150	Orbimed						--	
0%	\$ 67,519	GSO Capital Solutions						(25.8)	

All returns are on a one-month lag. Performance greater than 1 year is annualized.

* Performance displayed for Private Capital represents IRR of respective strategy per each inception date.

Data Source: Wells Fargo Advisors

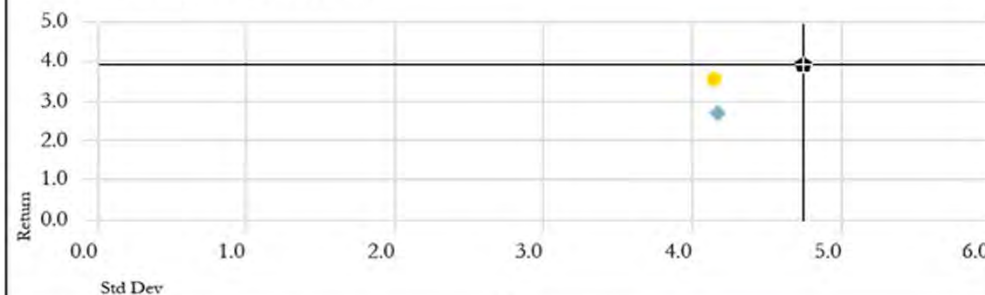
Peer Group (5-95%): Funds - U.S. - Nontraditional Bond



As of Date: 9/30/2020

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
Eaton Vance Gbl Macr Absolute Return I	0.92	4.02	2.68	3.54	2.48	
BBgBarc Global Aggregate TR USD	5.72	6.24	4.10	3.92	2.36	3.78
US Fund Nontraditional Bond	-0.37	1.34	1.81	2.70	2.05	2.45

Time Period: 10/1/2015 to 9/30/2020



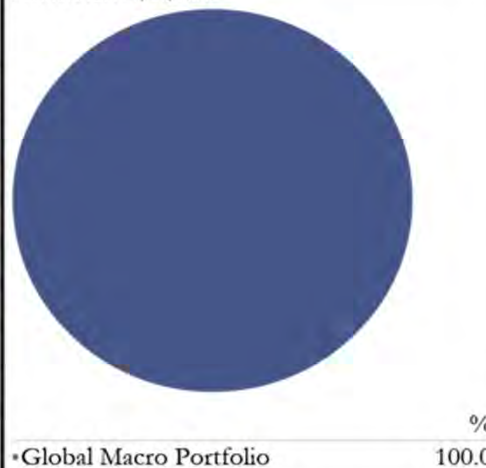
Time Period: 1/1/2011 to 12/31/2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Eaton Vance Gbl Macr Absolute Return I	9.76	-3.29	4.29	4.00	2.63	3.03	-0.24	4.11	-0.39
BBgBarc Global Aggregate TR USD	6.84	-1.20	7.39	2.09	-3.15	0.59	-2.60	4.32	5.64
US Fund Nontraditional Bond	6.69	-1.17	4.06	5.28	-1.41	1.24	0.29	7.50	-1.29

Time Period: 10/1/2015 to 9/30/2020

	Inv	Bmk1
Return	3.54	3.92
Std Dev	4.15	4.74
Downside Deviation	3.82	0.00
Alpha	1.65	0.00
Beta	0.27	1.00
R2	9.48	100.00
Tracking Error	5.27	0.00
Treynor Ratio (geo)	8.67	2.72
Sharpe Ratio	0.58	0.59
Information Ratio (geo)	-0.07	

Portfolio Date: 7/31/2020

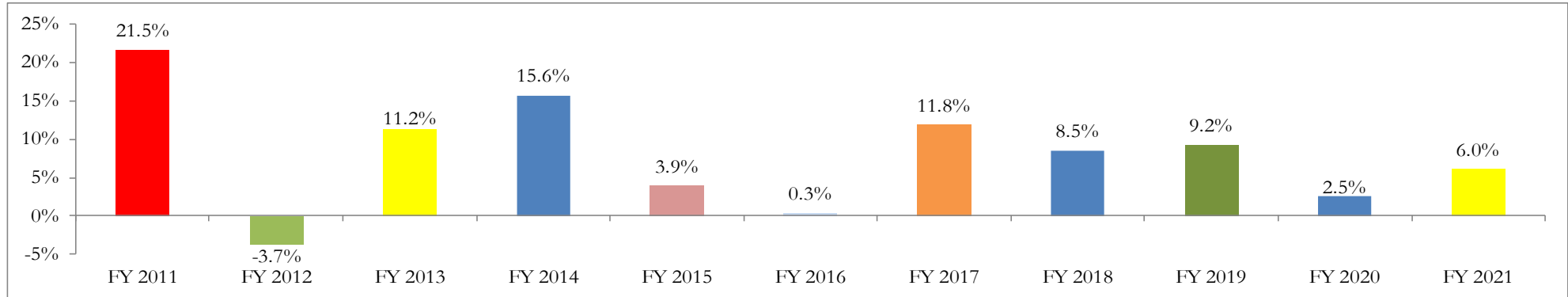


Ticker	EIGMX
Inception Date	6/27/2007
Morningstar Rating Overall	★★★
Fund Size	3,173,192,217.00
Annual Report Net Expense Ratio	0.75
Management Fee	0.55

Source: Morningstar Direct

Performance for
William & Mary Green Fund

Rates of Return



Performance Inception Date:

January 23, 2009

Since Inception ROR: 8.96%

Fiscal Year-To-Date 2021 ROR: 6.04%

Beginning Market Value (July 1, 2020): \$ 700,045

Quarter

Contributions

Withdrawals

3Q20

\$ (11,502)

4Q20

1Q21

2Q21

Total Net Flows FYTD \$ (11,502)

Invested Capital FYTD \$ 688,543

Appreciation/Depreciation \$ 42,735

Ending Market Value (September 30, 2020) \$ 731,278

Returns are calculated net of transaction costs and net of management fees.

Returns greater than one year are annualized.

Account data is on a trade date basis and accrued income is included in beginning and ending values. Performance is based on current market prices, as available.

Certain assets are excluded from Beginning and Ending Values and are not included in performance calculations. Selected annuities, certain types of direct investments, mutual funds held outside the firm, precious metals, coins, bullion, or any assets subject to tax- withholding (TEFRA) are among the assets not included in values or performance calculations.

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PAST PERFORMANCE: Past performance is not an indication of future results.

DATA SOURCES: Information found in this document was derived from the following sources: Zephyr Associates, Investor Force/MSCI, Barclays Capital, Standard & Poor's, Morningstar, Thomson Reuters, direct material from managers/funds, and other sources we deem reliable.

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.

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

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.

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 Government/Credit - This index includes all bonds that are in the Barclays Capital Government Bond and the Barclays Capital Credit Bond indices.

Barclays Aggregate Bond - This index is made up of the Barclays Capital Government/Credit, the Mortgage-Backed Securities, and the Asset-Backed Securities indices. All issues in the index are rated investment grade or higher, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

William & Mary Diversity Dashboard





















Office of Institutional Research

November, 2020

(This report is updated annually at the November BOV meeting.)

William & Mary Diversity: Enrollment Trend									
Fall Enrollment (N)	5-yr. Sparkline Graph	10 years ago (2010- 11)	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Undergraduate Students		5,842	6,217	6,209	6,199	6,300	6,190		
Men		2,646	2,699	2,631	2,618	2,663	2,587		
Women		3,196	3,518	3,578	3,581	3,637	3,603		
Non-resident Alien		160	353	374	389	382	371		
Students of Color		1,446	1,798	1,798	1,809	1,844	1,898		
American Indian/Alaska Native		37	9	10	10	10	11		
Asian		425	504	488	479	471	520		
Black or African American		402	460	440	451	450	410		
Hispanic/Latinx		441	549	568	580	592	597		
Native Hawaiian/Pacific Islander		8	0				5		
Two or more races		133	276	291	286	317	355		
Graduate Students		2,102	2,183	2,341	2,455	2,440	2,517		
Men		1,019	1,049	1,182	1,210	1,162	1,182		
Women		1,083	1,134	1,159	1,245	1,278	1,335		
Non-resident Alien		232	311	318	326	329	295		
Students of Color		292	359	422	489	490	476		
American Indian/Alaska Native				8	6	6			
Asian		56	69	74	89	86	105		
Black or African American		161	146	168	191	202	169		
Hispanic/Latinx		45	93	112	128	125	107		
Native Hawaiian/Pacific Islander			0						
Two or more races		23	50	58	73	69	90		

* For confidentiality, all the cells with small number less than 5 are masked.

William & Mary Diversity: Enrollment Trend									
Fall Enrollment (%)	5-yr. Sparkline Graph	10 years ago (2010- 11)	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median.	Top 100 Universities- Median.
Undergraduate Students									
Men		45%	43%	42%	42%	42%	42%	42%	48%
Women		55%	57%	58%	58%	58%	58%	58%	52%
Non-resident Alien		3%	6%	6%	6%	6%	6%	2%	10%
Students of Color		25%	31%	31%	31%	31%	33%	27%	37%
American Indian/Alaska Native		1%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%
Asian		7%	9%	8%	8%	8%	9%	5%	14%
Black or African American		7%	8%	8%	8%	8%	7%	9%	6%
Hispanic		8%	9%	10%	10%	10%	10%	7%	12%
Native Hawaiian/Pacific Islander		< 0.5%		< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%
Two or more races		2%	5%	5%	5%	5%	6%	5%	5%
Graduate Students									
Men		48%	48%	50%	49%	48%	47%	39%	47%
Women		52%	52%	50%	51%	52%	53%	61%	53%
Non-resident Alien		11%	14%	14%	13%	13%	12%	8%	25%
Students of Color ¹		16%	19%	21%	23%	23%	21%	20%	29%
American Indian/Alaska Native		< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%
Asian		3%	4%	4%	4%	4%	5%	4%	10%
Black or African American		9%	8%	8%	9%	10%	8%	9%	7%
Hispanic		2%	5%	6%	6%	6%	5%	5%	9%
Native Hawaiian/Pacific Islander		< 0.5%		< 0.5%	< 0.5%	< 0.5%	< 0.5%		< 0.5%
Two or more races		1%	3%	3%	3%	3%	4%	3%	3%

1. Non-resident Aliens are excluded from the denominator in the percentage calculation.

William & Mary Diversity: Full-time Instructional Faculty Trend									
MEASURES	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (N)		632	668	684	703	702	716		
Men		386	407	406	410	410	415		
Women		246	261	278	293	292	301		
Non-resident Alien		23	25	35	36	39	39		
Faculty of Color		78	80	88	95	97	107		
American Indian/Alaska Native									
Asian		35	35	36	39	41	48		
Black or African American		19	22	23	27	27	29		
Hispanic/Latinx		16	14	17	20	20	21		
Native Hawaiian/Pacific Islander		0	0	0	0	0	0		
Two or more races		7	8	9	8	8	8		
	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (%)									
Men		61%	61%	59%	58%	58%	58%	54%	59%
Women		39%	39%	41%	42%	42%	42%	46%	41%
Non-resident Alien		4%	4%	5%	5%	6%	5%	4%	5%
Faculty of Color ²		13%	12%	14%	14%	15%	16%	18%	23%
American Indian/Alaska Native		< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%
Asian		6%	5%	6%	6%	6%	7%	10%	13%
Black or African American		3%	3%	4%	4%	4%	4%	4%	4%
Hispanic/Latinx		3%	2%	3%	3%	3%	3%	3%	5%
Native Hawaiian/Pacific Islander		1%	1%	1%	1%	1%	1%	1%	1%
Two or more races		1%	1%	1%	1%	1%	1%	1%	1%

* For confidentiality, all the cells with small number less than 5 are masked.

1. IPEDS started to collect instructional faculty only data since 2013-14

2. Non-resident Aliens are excluded from the denominator in the percentage calculation.

W&M College of Arts & Sciences Diversity: Full-time Instructional Faculty Trend									
MEASURES	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (N)		449	474	484	509	511	514		
Men		269	286	283	293	296	299		
Women		180	188	201	216	215	215		
Non-resident Alien		23	23	32	32	34	34		
Faculty of Color		52	56	60	67	67	73		
American Indian/Alaska Native									
Asian		22	24	26	30	29	35		
Black or African American		11	14	14	17	17	16		
Hispanic/Latinx		12	10	12	13	13	14		
Native Hawaiian/Pacific Islander		0	0	0	0	0	0		
Two or more races		6	7	7	6	7	7		
	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (%)									
Men		60%	60%	58%	58%	58%	58%		
Women		40%	40%	42%	42%	42%	42%		
Non-resident Alien		5%	5%	7%	6%	7%	7%		
Faculty of Color ²		12%	12%	13%	14%	14%	15%		
American Indian/Alaska Native		< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%		
Asian		5%	5%	6%	6%	6%	7%		
Black or African American		3%	3%	3%	4%	4%	3%		
Hispanic/Latinx		3%	2%	3%	3%	3%	3%		
Native Hawaiian/Pacific Islander									
Two or more races		1%	2%	2%	1%	1%	1%		

* For confidentiality, all the cells with small number less than 5 are masked.

1. IPEDS started to collect instructional faculty only data since 2013-14

2. Non-resident Aliens are excluded from the denominator in the percentage calculation.

W&M School of Business Diversity: Full-time Instructional Faculty Trend									
MEASURES	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (N)		55	60	62	61	62	64		
Men		39	42	42	39	40	40		
Women		16	18	20	22	22	24		
Non-resident Alien		0							
Faculty of Color		7	7	8	9	11	14		
American Indian/Alaska Native		0	0	0	0	0	0		
Asian					5	5	6		
Black or African American									
Hispanic/Latinx									
Native Hawaiian/Pacific Islander		0	0	0	0	0	0		
Two or more races		0	0	0	0	0	0		
	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (%)									
Men		71%	70%	68%	64%	65%	63%		
Women		29%	30%	32%	36%	35%	38%		
Non-resident Alien			2%	2%	2%	5%	6%		
Faculty of Color ²		13%	12%	13%	15%	19%	23%		
American Indian/Alaska Native		4%	3%	3%	3%	7%	8%		
Asian		7%	7%	7%	8%	8%	10%		
Black or African American		2%	2%	3%	3%	3%	5%		
Hispanic/Latinx		2%	2%	3%	3%	3%	5%		
Native Hawaiian/Pacific Islander									
Two or more races									

* For confidentiality, all the cells with small number less than 5 are masked.

1. IPEDS started to collect instructional faculty only data since 2013-14

2. Non-resident Aliens are excluded from the denominator in the percentage calculation.

W&M School of Education Diversity: Full-time Instructional Faculty Trend									
MEASURES	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (N)		38	38	40	42	44	46		
Men		17	16	19	20	20	18		
Women		21	22	21	22	24	28		
Non-resident Alien		0	0	0	0	0	0		
Faculty of Color		7	6	9	11	12	11		
American Indian/Alaska Native		0	0	0	0	0	0		
Asian									
Black or African American					5	5	5		
Hispanic/Latinx									
Native Hawaiian/Pacific Islander		0	0	0	0	0	0		
Two or more races			0						
	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (%)									
Men		45%	42%	48%	48%	45%	39%		
Women		55%	58%	53%	52%	55%	61%		
Non-resident Alien		0%	2%	2%	2%	5%	6%		
Faculty of Color ²		18%	16%	23%	26%	27%	24%		
American Indian/Alaska Native		5%	5%	5%	5%	7%	7%		
Asian		5%	5%	5%	5%	7%	7%		
Black or African American		8%	8%	10%	12%	11%	11%		
Hispanic/Latinx		3%	3%	5%	7%	7%	4%		
Native Hawaiian/Pacific Islander									
Two or more races		3%		3%	2%	2%	2%		

* For confidentiality, all the cells with small number less than 5 are masked.

1. IPEDS started to collect instructional faculty only data since 2013-14

2. Non-resident Aliens are excluded from the denominator in the percentage calculation.

W&M School of Law Diversity: Full-time Instructional Faculty Trend									
MEASURES	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (N)		44	44	46	47	44	49		
Men		25	25	25	27	25	27		
Women		19	19	21	20	19	22		
Non-resident Alien		0	0						
Faculty of Color									
American Indian/Alaska Native		0	0	0	0	0	0		
Asian		0			0	0	0		
Black or African American					0	0			
Hispanic/Latinx									
Native Hawaiian/Pacific Islander		0	0	0	0	0	0		
Two or more races		0	0	0	0	0	0		
	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (%)									
Men		57%	57%	54%	57%	57%	55%		
Women		43%	43%	46%	43%	43%	45%		
Non-resident Alien				2%	6%	5%	2%		
Faculty of Color ²		5%	7%	9%	5%	5%	8%		
American Indian/Alaska Native									
Asian		0%	2%	2%					
Black or African American		2%	2%	2%			4%		
Hispanic/Latinx		2%	2%	4%	5%	5%	4%		
Native Hawaiian/Pacific Islander									
Two or more races									

* For confidentiality, all the cells with small number less than 5 are masked.

1. IPEDS started to collect instructional faculty only data since 2013-14

2. Non-resident Aliens are excluded from the denominator in the percentage calculation.

W&M School of Marine Science (VIMS): Full-time Instructional Faculty Trend									
MEASURES	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (N)		46	52	52	44	41	40		
Men		36	38	37	31	29	28		
Women		10	14	15	13	12	12		
Non-resident Alien		0			0	0	0		
Faculty of Color		9	8	7	6	5	5		
American Indian/Alaska Native		0	0	0	0	0	0		
Asian		8	6	5	5	5	5		
Black or African American		0	0	0	0	0	0		
Hispanic/Latinx					0	0	0		
Native Hawaiian/Pacific Islander		0	0	0	0	0	0		
Two or more races		0				0	0		
	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Instructional Faculty (%)									
Men		78%	73%	71%	70%	71%	70%		
Women		22%	27%	29%	30%	29%	30%		
Non-resident Alien			2%	2%					
Faculty of Color ²		20%	16%	14%	14%	12%	13%		
American Indian/Alaska Native		17%	12%	10%	11%	12%	13%		
Asian									
Black or African American									
Hispanic/Latinx		2%	2%	2%					
Native Hawaiian/Pacific Islander									
Two or more races			2%	2%	2%				

* For confidentiality, all the cells with small number less than 5 are masked.

1. IPEDS started to collect instructional faculty only data since 2013-14

2. Non-resident Aliens are excluded from the denominator in the percentage calculation.

W&M Diversity: Full-time Non-Instructional Staff									
Employment (n)	5-yr. Sparkline Graph	7 years ago (2013-14)	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities- Median	Top 100 Universities- Median
FT Non-Instructional Staff (n)		1,498	1,638	1,664	1,676	1,712	1,749		
Men		612	660	654	652	668	702		
Women		886	978	1,010	1,024	1,044	1,047		
Non-resident Alien		21	24	33	27	29	34		
Persons of Color		378	420	416	417	419	444		
American Indian/Alaska Native					8	5	7		
Asian		34	42	38	37	36	41		
Black or African American		304	311	310	303	300	320		
Hispanic/Latinx		30	53	46	43	48	52		
Native Hawaiian/Pacific Islander			0						
Two or more races		6	11	14	22	26	20		
FT Non-Instructional Staff (%)									
Men		41%	40%	39%	39%	39%	40%	41%	43%
Women		59%	60%	61%	61%	61%	60%	59%	57%
Non-resident Alien		1%	1%	2%	2%	2%	2%	< 0.5%	4%
Persons of Color ¹		26%	26%	26%	25%	25%	26%	19%	23%
American Indian/Alaska Native		< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%
Asian		2%	3%	2%	2%	2%	2%	2%	6%
Black or African American		21%	19%	19%	18%	18%	19%	13%	9%
Hispanic/Latinx		2%	3%	3%	3%	3%	3%	3%	6%
Native Hawaiian/Pacific Islander		< 0.5%		< 0.5%	< 0.5%	< 0.5%	< 0.5%		< 0.5%
Two or more races		< 0.5%	1%	1%	1%	2%	1%	1%	1%

* For confidentiality, all the cells with small number less than 5 are masked.

1. Non-resident Aliens are excluded from the denominator in the percentage calculation.

W&M Diversity: Management Occupations ¹							
Leadership Positions	3-yr. Sparkline Graph	10 years ago (2010- 11) ²	2017-18	2018-19	2019-20	VA Public Universi- ties- Median.	Top 100 Universi- ties- Median.
Management Occupations (n)		71	90	104	100		
Men		41	43	48	46		
Women		30	47	56	54		
Non-resident Alien		0					
Persons of Color		5		7	10		
American Indian/Alaska Native		0					
Asian		0					
Black or African American		5		6	7		
Hispanic/Latinx		0					
Native Hawaiian/Pacific Islander		0					
Two or more races		0					
Management Occupations (%)		291					
Men			48%	46%	46%	44%	45%
Women			52%	54%	54%	56%	55%
Non-resident Alien							< 0.5%
Persons of Color ³			4%	7%	10%	11%	15%
American Indian/Alaska Native							< 0.5%
Asian						1%	4%
Black or African American		7%	3%	6%	7%	9%	7%
Hispanic/Latinx			1%	1%	2%	1%	3%
Native Hawaiian/Pacific Islander							
Two or more races							1%

* For confidentiality, all the cells with small number less than 5 are masked.

1. Management Occupations data prior to 2017-18 are flawed due to the new Management SOC (standard occupational category) codes implementation since 2010-11, so the 2014-2017 data omitted here.

2. William & Mary started to report management positions by the current race/ethnicity categories since 2010-11

3. Non-resident Aliens are excluded from the denominator in the percentage calculation.

Diversity Trend: U.S. News Top 100 Universities Doctorates Awarded							
Arts & Humanities ¹	5-yr. Sparkline Graph	10 years ago (2010-11) ²	2014-15	2015-16	2016-17	2017-18	2018-19
Doctorates Awarded (n)		3,724	3,894	3,831	3,695	3,688	3,678
Men		1,704	1,861	1,708	1,757	1,743	1,725
Women		2,020	2,033	2,123	1,938	1,945	1,953
Non-resident Alien		798	759	751	747	833	894
Scholars of Color		471	527	552	544	540	546
American Indian/Alaska Native		10	7	14	16	6	9
Asian		163	172	147	152	159	159
Black or African American		103	97	129	89	104	94
Hispanic/Latinx		168	207	200	226	211	200
Native Hawaiian/Pacific Islander		1	0	3	1	1	1
Two or more races		26	44	59	60	59	89
Doctorates Awarded (%)							
Men		46%	48%	45%	48%	47%	47%
Women		54%	52%	55%	52%	53%	53%
Non-resident Alien		21%	19%	20%	20%	23%	24%
Scholars of Color ³		16%	17%	18%	18%	19%	20%
American Indian/Alaska Native		< 0.5%	< 0.5%	1%	1%	< 0.5%	< 0.5%
Asian		6%	6%	5%	5%	6%	6%
Black or African American		4%	3%	4%	3%	4%	3%
Hispanic/Latinx		6%	7%	7%	8%	7%	7%
Native Hawaiian/Pacific Islander		< 0.5%		< 0.5%	< 0.5%	< 0.5%	< 0.5%
Two or more races		1%	1%	2%	2%	2%	3%

1. Art & Humanities includes the following CIP codes: 16 Foreign Languages, 23 English, 24 Liberal Arts, 38.01 Philosophy, 50 Performing Arts and 54 History, according CGS-GRE definition.

2. Universities started to report the completion by current race/ethnicity categories since 2010-11.

3. Non-resident Aliens are excluded from the denominator in the percentage calculation.

Diversity Trend: U.S. News Top 100 Universities Doctorates Awarded							
Social Sciences ¹	5-yr. Sparkline Graph	10 years ago (2010-11) ²	2014-15	2015-16	2016-17	2017-18	2018-19
Doctorates Awarded (n)							
Men		4,179	4,380	4,347	4,366	4,278	4,219
Women		1,796	1,938	1,969	1,944	1,896	1,870
Non-resident Alien		2,383	2,442	2,378	2,422	2,382	2,349
Scholars of Color		1,061	1,052	1,095	1,146	1,148	1,172
American Indian/Alaska Native		677	772	736	781	820	849
Asian		10	18	17	11	18	5
Black or African American		235	241	203	211	262	247
Hispanic/Latinx		211	224	208	231	209	219
Native Hawaiian/Pacific Islander		190	226	239	242	236	272
Two or more races		3	2	5	1	2	2
Doctorates Awarded (%)							
Men		43%	44%	45%	45%	44%	44%
Women		57%	56%	55%	55%	56%	56%
Non-resident Alien		25%	24%	25%	26%	27%	28%
Scholars of Color ³		22%	23%	23%	24%	26%	28%
American Indian/Alaska Native		< 0.5%	1%	1%	< 0.5%	1%	< 0.5%
Asian		< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%
Black or African American		8%	7%	6%	7%	8%	8%
Hispanic/Latinx		7%	7%	6%	7%	7%	7%
Native Hawaiian/Pacific Islander		6%	7%	7%	8%	8%	9%
Two or more races		< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%

1. Social Sciences includes the following CIP codes: 05 Area, Ethnic, Cultural, Gender, and Group Studies, 42 Psychology, and 45 Social Sciences, according CGS-GRE definition.

2. Universities started to report the completion by current race/ethnicity categories since 2010-11.









3. Non-resident Aliens are excluded from the denominator in the percentage calculation.

Diversity Trend: U.S. News Top 100 Universities Doctorates Awarded							
Natural & Computational Sciences ¹	5-yr. Sparkline Graph	10 years ago (2010-11) ²	2014-15	2015-16	2016-17	2017-18	2018-19
Doctorates Awarded (n)							
Men		10,385	11,093	11,392	11,322	11,554	11,618
Women		4,144	4,490	4,473	4,444	4,651	4,522
Non-resident Alien		3,592	3,986	4,058	3,966	4,138	4,212
Scholars of Color		1,319	1,554	1,683	1,778	1,805	1,914
American Indian/Alaska Native		22	18	28	21	10	14
Asian		705	777	774	863	820	861
Black or African American		220	214	236	218	258	217
Hispanic/Latinx		305	401	446	453	500	528
Native Hawaiian/Pacific Islander		16	9	8	10	11	11
Two or more races		51	135	191	213	206	283
Doctorates Awarded (%)							
Men		60%	60%	61%	61%	60%	61%
Women		40%	40%	39%	39%	40%	39%
Non-resident Alien		35%	36%	36%	35%	36%	36%
Scholars of Color ³		19%	22%	23%	24%	24%	26%
American Indian/Alaska Native		< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%
Asian		10%	11%	11%	12%	11%	12%
Black or African American		3%	3%	3%	3%	4%	3%
Hispanic/Latinx		5%	6%	6%	6%	7%	7%
Native Hawaiian/Pacific Islander		< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%	< 0.5%
Two or more races		1%	2%	3%	3%	3%	4%

1. Natural & Computational Sciences includes the following CIP codes: 11 Computer Sciences, 26 Biological and Biomedical Sciences, 27 Mathematics and Statistics, and 40 Physical Sciences, according CGS-GRE definition.

2. Universities started to report the completion by current race/ethnicity categories since 2010-11.

3. Non-resident Aliens are excluded from the denominator in the percentage calculation.

William & Mary Diversity: New Hire Trend									
Newly Hired FT Instructional Faculty within the fiscal year	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19 ³	2019-20	VA Public Universities-Median	Top 100 Universities-Median
Newly Hired FT Instructional Faculty (%)			41	62	63	44	66		
Men		60%	56%	50%	52%	57%	45%	52%	50%
Women		40%	44%	50%	48%	43%	55%	49%	50%
Non-resident Alien		21%	22%	27%	21%	30%	17%	5%	16%
Faculty of Color ²		16%	9%	18%	24%	13%	24%	19%	25%
American Indian/Alaska Native									
Asian		3%	6%	4%	8%	6%	13%	12%	13%
Black or African American		5%	3%	7%	8%		4%	4%	5%
Hispanic/Latinx		8%		7%	8%		5%	3%	6%
Native Hawaiian/Pacific Islander									
Two or more races						6%	2%		1%

1. IPEDS started to collect instructional faculty only data since 2013-14.











2. Non-resident Aliens are excluded from the denominator in the percentage calculation.

3. More notes on 2018-19

a. Definition of New Hire changed in terms of hiring periods from 2016-17. Prior to 2016-17, IPEDS looked at new hired between 7/1-10/31 of the current reporting year (4 months). Since 2016-17, IPEDS looked at 11/1 of prior year – 10/31 of current year (12 months a full year). As most instructional faculties are hired in the fall which sits in the old 4-month period, we don't see big changes in the data before/after 2016-17.

b. IPEDS definition of New Hire specifies that employee must be New to the institution (hired for the first time) or after a break in service. So those who transferred from Part-time/NTE/Staff to FT/TTE/NTE faculty will not be captured AGAIN as New Hire by IPEDS definition.

c. Regarding to 2018-19 newly hired 44 FT faculty, there were two faculty of color who moved within university from NTE to TTE. However, because of IPEDS New Hire definition, they were not counted as New Hire at 2018-19 since they were counted as New Hire when they were first time hired to the university.

William & Mary Diversity: New Hire Trend									
Newly Hired FT T/TE Instructional Faculty within the fiscal year	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19 ³	2019-20	VA Public Universities-Median	Top 100 Universities-Median
Newly Hired FT T/TE Instructional Faculty (%)			18	27	27	14	22		
Men		77%	67%	56%	52%	57%	50%	56%	53%
Women		23%	33%	44%	48%	43%	50%	44%	47%
Non-resident Alien		17%	22%	19%	26%	43%	18%	13%	19%
Faculty of Color ²		18%	14%	27%	39%	25%	22%	16%	26%
American Indian/Alaska Native									
Asian			7%	9%	4%	13%	6%	9%	15%
Black or African American		9%	7%	9%	15%	^{3c}	6%	4%	5%
Hispanic/Latinx		9%		9%	20%	^{3c}	6%	2%	6%
Native Hawaiian/Pacific Islander									
Two or more races						13%	6%		

1. IPEDS started to collect instructional faculty only data since 2013-14.











2. Non-resident Aliens are excluded from the denominator in the percentage calculation.

3. More notes on 2018-19

a. Definition of New Hire changed in terms of hiring periods from 2016-17. Prior to 2016-17, IPEDS looked at new hired between 7/1-10/31 of the current reporting year (4 months). Since 2016-17, IPEDS looked at 11/1 of prior year – 10/31 of current year (12 months a full year). As most instructional faculties are hired in the fall which sits in the old 4-month period, we don't see big changes in the data before/after 2016-17.

b. IPEDS definition of New Hire specifies that employee must be New to the institution (hired for the first time) or after a break in service. So those who transferred from Part-time/NTE/Staff to FT/TTE/NTE faculty will not be captured again as New Hire by IPEDS definition.

c. Regarding to 2018-19 newly hired 44 FT faculty, there were two faculty of color who moved within university from NTE to TTE. However, because of IPEDS New Hire definition, they were not counted as New Hire at 2018-19 since they were counted as New Hire when they were first time hired to the university.

William & Mary Diversity: Ongoing Retention of New Hire Cohorts Trend ⁴									
Retention of Newly Hired FT T/TE Instructional Faculty Cohorts	5-yr. Sparkline Graph	7 years ago (2013-14) ¹	2015-16	2016-17	2017-18	2018-19	2019-20	VA Public Universities-Median	Top 100 Universities-Median
Newly Hired FT T/TE Instructional Faculty (%)			18	27	27	14	22		
Men		80%	75%	93%	79%	100%	100%		
Women		67%	83%	83%	69%	67%	100%		
Non-resident Alien		50%	75%	80%	57%	67%	100%		
Faculty of Color ²		0%	100%	83%	88%	100%	100%		
American Indian/Alaska Native									
Asian			100%	100%	100%	100%	100%		
Black or African American		0%	100%	50%	100%	^{3c}	100%		
Hispanic/Latinx		0%		100%	75%	^{3c}	100%		
Native Hawaiian/Pacific Islander									
Two or more races						100%	100%		

1. IPEDS started to collect instructional faculty only data since 2013-14.

2. Non-resident Aliens are excluded from the denominator in the percentage calculation.

3. More notes on 2018-19

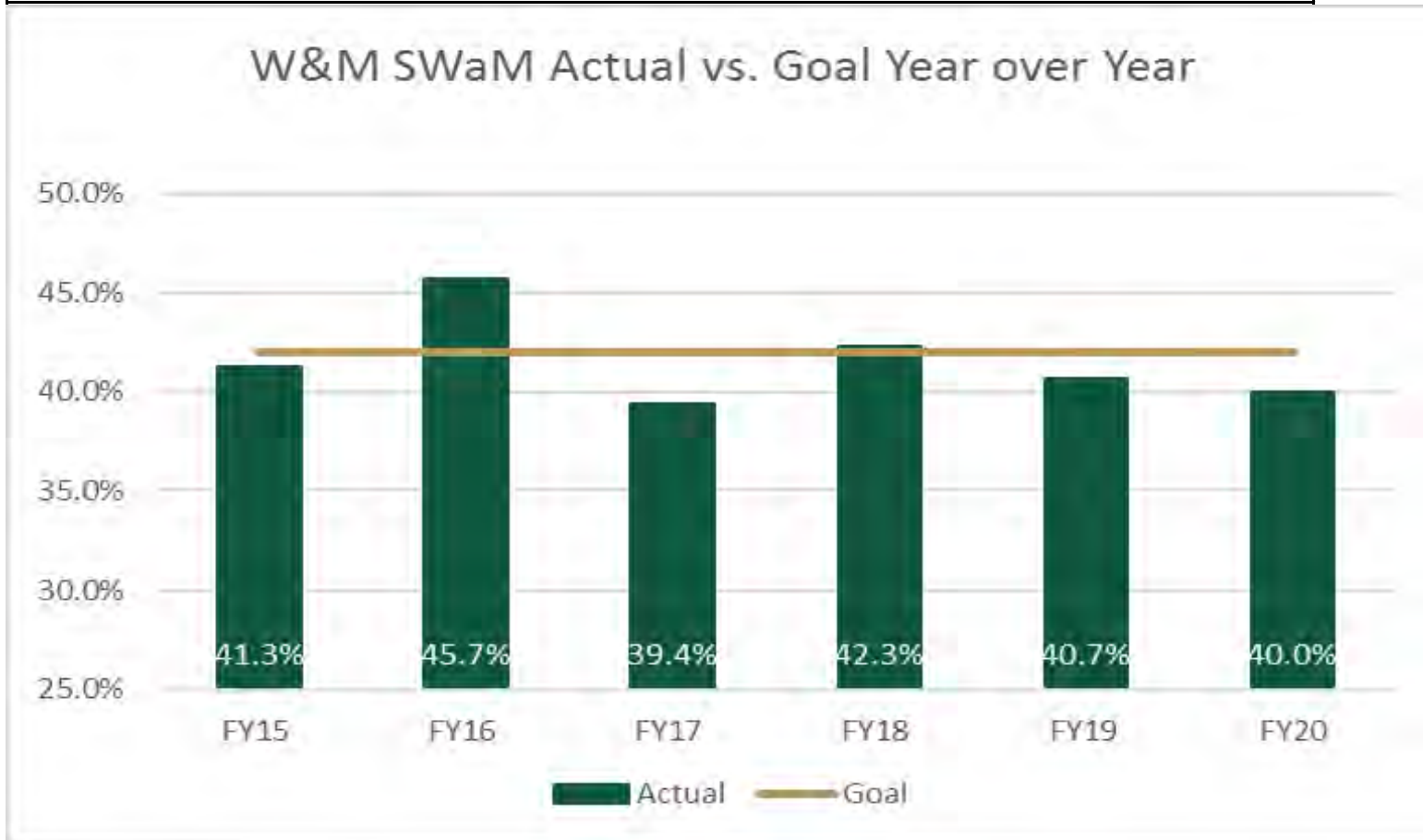
a. Definition of New Hire changed in terms of hiring periods from 2016-17. Prior to 2016-17, IPEDS looked at new hired between 7/1-10/31 of the current reporting

b. IPEDS definition of New Hire specifies that employee must be New to the institution (hired for the first time) or after a break in service. So those who transferred

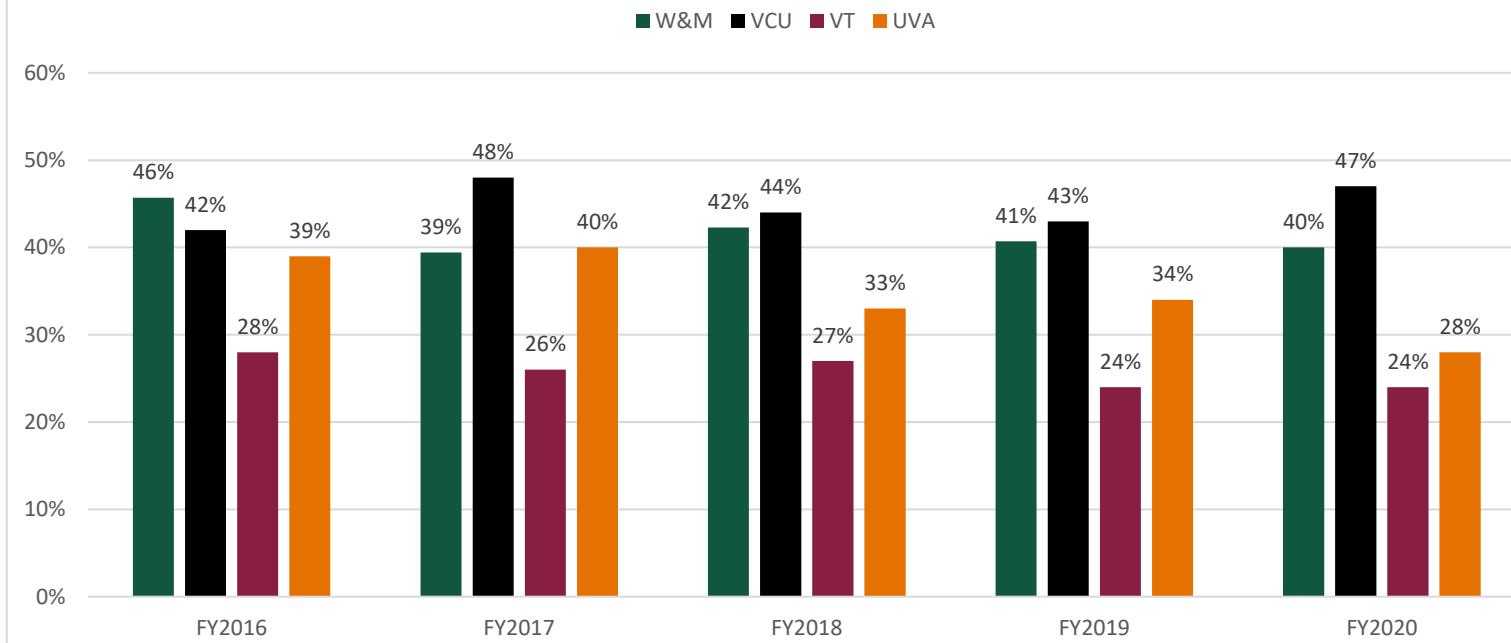
c. Regarding to 2018-19 newly hired 44 FT faculty, there were two faculty of color who moved within university from NTE to TTE. However, because of IPEDS New

4. Percentages represent the proportion of the cohort in each group still employed as T/TE faculty through Nov 1, 2020.

William & Mary Diversity: SWaM Vendor Utilization							
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Goal
W&M SWaM Vendor Utilization	41%	46%	39%	42%	41%	40%	42%
Small	26%	27%	28%	32%	32%	29%	
Woman-owned	11%	12%	8%	6%	6%	9%	
Minority-owned	4%	6%	3%	4%	3%	3%	
Tier III Virginia Benchmark Universities (avg.)		36%	38%	35%	34%	33%	
University of Virginia		39%	40%	33%	34%	28%	
Virginia Commonwealth University		42%	48%	44%	43%	47%	
Virginia Tech		28%	26%	27%	24%	24%	



Tier III SWaM Utilization Comparison, FY2016 - FY2020



WILLIAM & MARY

2020 DEBT MANAGEMENT REPORT

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

- Providing guidance to the university in undertaking long-term debt obligations benefiting the university;
- Establishing a structured framework for the issuance of long-term debt;
- Providing an on-going process for the university to evaluate the level of its annual debt service and consolidated debt burden; and
- Documenting the due diligence used in executing and managing the university debt portfolio and use of its financial resources.
- To assist the university in achieving and/or maintaining credit ratings necessary to be eligible for authority under the Restructured Higher Education Financial and Administrative Operations Act.

The Debt Management Policy is applicable to William & Mary (W&M), the Virginia Institute of Marine Science (VIMS), and Richard Bland College (RBC).

Background

As of June 30, 2020, W&M had not issued its own debt but had debt issued on its behalf by the Commonwealth of Virginia. W&M remains responsible for principal and interest associated with this debt.

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

On August 25, 2020 the Board of Visitors authorized the issuance of tax exempt and taxable debt. In October 2020, the university issued Series 2020A and 2020B tax exempt and taxable debt, respectively. Proceeds from these series will be used, together with other available funds, for the university's general purposes, including (i) the financing and refinancing of the costs of certain capital projects, (ii) the refunding of a portion of the outstanding principal amount of selected outstanding debt, and (iii) operational needs as identified by the university.

Standard & Poor's Bond Rating

W&M is required to be rated by one of the major credit rating firms as part of its application for Tier 3 status under the state's Higher Education Restructuring Act. The Act required that institutions have at least an "AA-" credit rating for consideration as a Tier 3 institution. In October 2020, Standard and Poor's reaffirmed the university's "AA" issuer credit rating for the university citing key criteria for the rating as: the university's continued solid enrollment and demand flexibility with high student quality and robust retention, abundant brand recognition, conservative use of debt, history of significant fund raising and endowment levels, experienced senior management team that carefully balances program growth costs with new revenue resources, as well as prudent updates to existing facilities.

Current Debt Position

As of June 30, 2020, outstanding long-term debt totaled \$246.5 million consisting of \$74.5 million in 9(c) bonds and \$172.0 million in 9(d) bonds including unamortized premiums/discounts (see Appendix A). Section 9(c) bonds are general obligation bonds issued by the Commonwealth on behalf of the university pursuant to Section 9 of Article X of the Constitution of Virginia. As such, while the university is responsible for repayment, these bonds are backed by the full faith and credit of the Commonwealth. Section 9(d) bonds are issued through the Virginia College Building Authority's Pooled Bond Program and backed by the general revenue pledge of the university. As debt is issued, the university's fee structure is adjusted to generate the funds necessary to support any new debt issuance or, in certain cases, private funds to support the necessary debt service are identified consistent with the requirements of the Debt Management Policy. William & Mary has also entered into capital lease agreements for the purchase of printers and copiers. The outstanding balance of these agreements as of June 30, 2020 is \$195,210.

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 Position. The outstanding balance of this capital lease as of June 30, 2020 is \$19,347,616. RBC also recognized other long-term debt through the agreement with the RBCF for non-capitalized expenses. The outstanding balance of this other debt as of June 30, 2020 is \$598,380.

Installment Purchases/Long Term Liability, contained in Appendix B, consist of long-term obligations resulting from various contracts used to finance energy performance contracts and acquisition of equipment at W&M, VIMS and RBC. The length of purchase agreements range from two to fifteen years, and the interest rate charges are from 1.27 to 4.70 percent. The outstanding balance of installment purchases as of June 30, 2020 is \$2,082,697. In addition, not reflected in the appendices, W&M has contractual agreements for software licenses which are recorded as a long-term liability in the amount of \$3,331,085.

FY 2020 Debt Issues – \$5.5 million in 9c debt for dormitory renovations and \$5.0 million for athletic facility improvements.

Variable Rate Debt -The university currently has no outstanding variable rate debt.

Annual Debt Service Cost as Percentage of Total Operating Expenses—The Debt Management Policy stipulates that maximum annual debt service cost as a percentage of total operating expense shall not exceed 10% and that debt issued in any given year shall be limited to an amount that allows the debt service to total operating expense ratio to remain at or below the 10% maximum. Operating expenses do not include depreciation expense. The ratios are calculated on a consolidated basis for all three entities: W&M, VIMS, and RBC. Information regarding this ratio follows:

**Consolidated Debt Ratio
William & Mary, VIMS, and Richard Bland College**

	<u>Debt Service</u>	<u>Operating Expense</u>	<u>Ratio</u>
FY 2017	\$23,274,959	\$ 425,181,061	5.5%
FY 2018	\$23,716,901	\$ 428,618,420	5.5%
FY 2019	\$26,157,290	\$ 431,232,597	6.1%
FY 2020 (e)	\$27,656,896	\$ 441,541,562	6.3%
FY 2021 (e)	\$17,388,587	\$ 450,372,393	3.9%
FY 2022 (e)	\$23,868,672	\$ 459,379,841	5.2%

- (e) The FY 2021 and 2022 ratios reflect the debt service as a result of the savings from restructuring the university's debt with the issuance of the Series 2020 A and B bonds and two percent annual growth in operating expense above FY 2020 levels. The FY 2020 operating expenses and debt service amounts are based on unaudited numbers. Appendix C provides details on the composition of the debt ratio for W&M/VIMS and RBC.

As of June 30, 2020, the Virginia Institute of Marine Science has long term debt through installment purchases only. VIMS does not have any new debt supported projects authorized by the Board of Visitors or the Commonwealth of Virginia.

The debt service ratio has remained relatively stable over the past few years. For FY 2021 and 2022 the drop for projections is attributable to the restructuring of debt and customizing the amortization for debt service relief.

Appendix C provides a breakdown of the debt ratios for the university, including VIMS, and Richard Bland College separately. Under William & Mary's management agreement with the Commonwealth, the university has the authority to issue its own debt. That authority does not extend to Richard Bland College.

Available Debt Authorization — Amounts related to debt-supported capital projects which have been authorized by the Commonwealth, but for which bonds have not yet been issued (as of November 2020). The amounts for the projects below are not included in the debt ratio calculations reported above.

<u>Project</u>	<u>Debt Authorization Remaining</u>
Auxiliary Facility Improvements	\$ 9,322,000
Construct Sadler West Addition	\$10,751,000
Dormitory Renovations	\$22,850,000
Renovate Kaplan Arena/Construct Sports Performance Center	\$55,000,000
Construct Parking Facilities	\$11,300,000

Related debt service will be included in future annual reports when the debt is issued.

Appendix A
Outstanding Bond Debt

Section 9(c) Bonds Payable:

Description	Interest Rates (%)	Fiscal year Maturity	Balance as of June 30, 2020
Section 9(c) bonds payable:			
Renovate Residence Halls, Series 2010A2	3.150 - 4.400	2030	\$ 2,525,000
Dormitory, Series 2012A	5.000	2024	779,720
Dormitory, Series 2013A	2.000 - 5.000	2033	3,420,000
Dormitory, Series 2013B	4.000	2026	844,462
Dormitory, Series 2014A	3.000 - 5.000	2034	7,090,000
Dormitory, Series 2015A	3.000 - 5.000	2035	9,120,000
Dormitory, Series 2018A	3.000 - 5.000	2038	12,625,000
Dormitory, Series 2019A	2.000 - 5.000	2039	4,725,000
Dormitory, Series 2019B	5.000	2022	<u>1,590,000</u>
Renovation of Dormitories			42,719,182
Graduate Housing, Series 2013B	4.000	2026	1,200,361
Graduate Housing, Series 2015B	5.000	2028	1,243,951
Graduate Housing, Series 2019B	5.000	2022	<u>510,000</u>
Graduate Housing			2,954,312
Construct New Dormitory, Series 2010A2	3.150 - 4.400	2030	1,150,000
Construct New Dormitory, Series 2011A	2.700 - 5.000	2031	9,565,000
Construct New Dormitory, Series 2013A	2.000 - 5.000	2033	<u>6,440,000</u>
Construct New Dormitory			17,155,000
Renovate Commons Dining Hall, Series 2012A	5.000	2024	1,289,537
Renovate Commons Dining Hall, Series 2013B	4.000	2026	1,389,450
Renovate Commons Dining Hall, Series 2019B	5.000	2022	<u>1,065,000</u>
Commons Dining Hall			3,743,987
RBC Student Housing Conversion 2016A	3.000 - 5.000	2036	2,200,000
Total bonds payable			68,772,481
Net unamortized premiums (discounts)			<u>5,764,183</u>
Net bonds payable			<u><u>\$ 74,536,664</u></u>

Section 9(d) Notes Payable:

Description	Interest Rates (%)	Fiscal year Maturity	Outstanding Balance as of June 30, 2020
Section 9(d) Bonds:			
Barksdale Dormitory, Series 2010B	5.000	2021	\$ 120,000
Barksdale Dormitory, Series 2012A	5.000	2024	365,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2025	3,630,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2025	4,235,000
Barksdale Dormitory, Series 2014B	4.000	2026	980,000
Barksdale Dormitory, Series 2014B	5.000	2024	445,000
Barksdale Dormitory, Series 2016A	3.000	2027	375,000
Barksdale Dormitory			<u>10,150,000</u>
Parking Deck, Series 2010B	5.000	2021	255,000
Parking Deck, Series 2012A	5.000	2024	770,000
Parking Deck, Series 2012A	3.000 - 5.000	2025	780,000
Parking Deck, Series 2012A	3.000 - 5.000	2025	2,100,000
Parking Deck, Series 2014B	4.000	2026	485,000
Parking Deck			<u>4,390,000</u>
Recreation Sports Center, Series 2010B	5.000	2021	60,000
Recreation Sports Center, Series 2012A	5.000	2024	180,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	2,575,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	820,000
Recreation Sports Center, Series 2014B	4.000	2026	190,000
Recreation Sports Center			<u>3,825,000</u>
Improve Athletics Facilities, Series 2012A	3.000 - 5.000	2025	1,105,000
Improve Athletics Facilities, Series 2014B	4.000	2026	260,000
Improve Athletics Facilities, Series 2014B	5.000	2024	170,000
Improve Athletics Facilities, Series 2016A	3.000	2027	150,000
Improve Athletics Facilities II, Series 2013A&B	3.000 - 5.000	2034	1,250,000
Improve Athletics Facilities II, Series 2017A	2.125 - 5.000	2038	2,000,000
Improve Athletics Facilities, Series 2019A	5.000	2030	4,180,000
Improve Athletics Facilities			<u>9,115,000</u>
Law School Library, Series 2010B	5.000	2021	70,000
Law School Library, Series 2012A	5.000	2024	220,000
Law School Library, Series 2014B	4.000 - 5.000	2026	1,290,000
Law School Renovations, Series 2013A&B	3.000 - 5.000	2034	5,295,000
Law School Library, Series 2016A	3.000 - 5.000	2028	525,000
Law School Library			<u>7,400,000</u>

Description	Interest Rates (%)	Fiscal year Maturity	Outstanding Balance as of June 30, 2020
Magnet Facility, Series 2010B	5.000	2021	155,000
Magnet Facility, Series 2012A	5.000	2024	<u>455,000</u>
Magnet Facility			610,000
School of Business, Series 2014B	4.000 - 5.000	2026	8,315,000
School of Business, Series 2016A	3.000 - 5.000	2028	<u>3,425,000</u>
School of Business			11,740,000
Integrated Science Center, Series 2009A	3.250	2021	15,000
Integrated Science Center, Series 2014B	4.000 - 5.000	2026	4,360,000
Integrated Science Center, Series 2015B	3.000 - 5.000	2029	3,755,000
Integrated Science Center, Series 2016A	3.000 - 5.000	2028	<u>1,800,000</u>
Integrated Science Center			9,930,000
Cooling Plant & Utilities, Series 2010A1&A2	4.000 - 5.500	2031	7,090,000
Cooling Plant & Utilities, Series 2016A	3.000 - 5.000	2030	<u>7,360,000</u>
Cooling Plant & Utilities			14,450,000
Power Plant Renovations, Series 2014B	4.000 - 5.000	2026	1,715,000
Power Plant Renovations, Series 2016A	3.000 - 5.000	2028	<u>700,000</u>
Power Plant Renovations			2,415,000
Busch Field Astro turf Replacement, Series 2016A	3.000 - 5.000	2030	860,000
Improve Aux Facilities Project 2017A	2.125 - 5.000	2038	7,505,000
West Utilities Plant 2017A	2.125 - 5.000	2038	12,940,000
Williamsburg Hospital/School of Education 2014B	5.000	2024	560,000
Williamsburg Hospital/School of Education, 2016A	3.000	2027	<u>470,000</u>
Williamsburg Hospital/School of Education			1,030,000
J. Laycock Football Facility, Series 2014B	5.000	2024	1,285,000
J. Laycock Football Facility, Series 2016A	3.000	2027	<u>1,100,000</u>
J. Laycock Football Facility			2,385,000
Residence Hall Fire Safety Systems, Series 2014B	5.000	2024	450,000
Residence Hall Fire Safety Systems, Series 2016A	3.000	2027	<u>375,000</u>
Residence Hall Fire Safety Systems			825,000
Ash Lawn-Highland Barn, Series 2010A1&A2	4.000 - 5.500	2031	495,000

Description	Interest Rates (%)	Fiscal year Maturity	Outstanding Balance as of June 30, 2020
Expand Sadler Center, Series 2012B	3.000 - 5.000	2033	5,360,000
Expand Sadler Center, Series 2013A&B	3.000 - 5.000	2034	785,000
Sadler Center West, Series 2018A&B	4.000 - 5.000	2039	23,840,000
Sadler Center			<u>29,985,000</u>
One Tribe Place, Series 2013A&B	3.000 - 5.000	2034	17,935,000
Integrative Wellness Center 2015A	3.000 - 5.000	2036	8,330,000
RBC Student Housing Conversion 2017A	2.125 - 5.000	2038	1,490,000
Total 9(d) bonds			157,805,000
Net unamortized premiums (discounts)			<u>14,198,700</u>
Net notes payable			<u><u>\$ 172,003,700</u></u>

Appendix B
Installment Purchases

	Outstanding Balance as of June 30, 2020
<u>William & Mary</u>	
Abacus Engineered System Service, W&M Hall	\$ 41,910
<u>Virginia Institute of Marine Science</u>	
Energy efficient equipment	1,025,203
Equipment purchase	69,695
Water quality monitoring equipment	379,081
<u>Richard Bland College</u>	
Energy efficient equipment	566,808
Totals	<u>\$ 2,082,697</u>

Appendix C

Annual Debt Service Cost as Percentage of Total Operating Expenses for W&M including VIMS

W&M/VIMS

	<u>Debt Service</u>	<u>Operating Expense</u>	<u>Ratio</u>
FY 2017	\$21,875,498	\$ 409,806,765	5.4%
FY 2018	\$22,152,296	\$ 412,758,474	5.4%
FY 2019	\$24,495,518	\$ 414,519,098	6.0%
FY 2020 (e)	\$25,971,274	\$ 423,380,248	6.1%
FY 2021 (e)	\$15,701,447	\$ 431,847,853	3.6%
FY 2022 (e)	\$22,164,748	\$ 440,484,810	5.0%

(e) The FY 2021 and 2022 ratios reflect the debt service as a result of the savings from restructuring the university's debt with the issuance of the Series 2020 A and B bonds and two percent annual growth in operating expense above FY 2020 levels. The FY 2020 operating expenses and debt service amounts are based on unaudited numbers.

Richard Bland College

	<u>Debt Service</u>	<u>Operating Expense</u>	<u>Ratio</u>
FY 2017	\$1,399,461	\$ 15,374,296	9.1%
FY 2018	\$1,564,605	\$ 15,859,946	9.9%
FY 2019	\$1,661,772	\$ 16,713,499	9.9%
FY 2020 (e)	\$1,685,622	\$ 18,161,314	9.3%
FY 2021 (e)	\$1,687,140	\$ 18,524,540	9.1%
FY 2022 (e)	\$1,703,924	\$ 18,895,031	9.0%

(e) The FY 2021 and 2022 ratios reflect two percent annual growth in operating expense above FY 2020 levels. The FY 2020 operating expenses and debt service amounts are based on unaudited numbers.

CONSOLIDATED DEBT MANAGEMENT POLICY

WHEREAS, the administration of William & Mary, including the Virginia Institute of Marine Science, and the administration of Richard Bland College, develop and periodically update, multi-year strategic, enrollment, and capital plans, establishing both short- and long-term goals for the institutions with approval by the Board of Visitors; and

WHEREAS; in the process of developing and executing those plans, the institution(s) may use debt as an instrument to provide adequate funding for its capital plan as well as selected other purposes; and

WHEREAS, pursuant to the authority in Chapter 10, Title 23.1 of the Code of Virginia, the university entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 2 of Chapters 933 and 943 of the 2006 Virginia Acts of Assembly, William & Mary has the administrative flexibility to issue and manage its own debt on behalf of the university and the Virginia Institute of Marine Science, which serves as the university's School of Marine Science; and

WHEREAS the management agreement with the Commonwealth of Virginia requires the university to have a formalized Debt Management Policy; and

WHEREAS The Board of Visitors approved a Debt Management Policy for William & Mary, the Virginia Institute of Marine Science, and Richard Bland College (Resolution 35, April 2007), which requires the policy to be reviewed and amended periodically;

THEREFORE, BE IT RESOLVED, on the recommendation of the administration, the Board of Visitors of William & Mary approves the revised Consolidated Debt Management Policy and directs that such policy be forwarded to the Secretary of Finance for the Commonwealth of Virginia in accordance with the university's management agreement.

**CONSOLIDATED DEBT MANAGEMENT POLICY AND RELATED
REPORTING REQUIREMENTS FOR WILLIAM & MARY, THE
VIRGINIA INSTITUTE OF MARINE SCIENCE AND RICHARD
BLAND COLLEGE**

Overview

~~In pursuing its vision for William & Mary, the administration and Board of Visitors of the institution develop, and periodically update, multi-year strategic, enrollment, and capital plans, establishing both short- and long-term goals for the university's various programs and activities. This policy outlines the circumstances under which the Board of Visitors may act to authorize the use of short- or long-term debt to support the capital plan or other selected strategic purposes of William & Mary, the Virginia Institute of Marine Science, and Richard Bland College (hereafter referred to collectively as "the institutions").. The university's use of debt plays a critical role in providing adequate funding for its capital plan as well as selected other purposes.~~

Scope and Objectives

The Debt Management Policy covers all forms of short-term and long-term debt including both fixed and variable rate options for capital construction projects, ~~and~~ capital leases, and other identified needs. Key objectives of the policy include the following:

- To provide guidance to ~~the university~~ the institutions in undertaking short-term and long-term debt obligations benefiting the university.
- To provide a structured framework for the issuance of short-term and long-term debt.
- To provide an ongoing process for ~~the university~~ the institutions to evaluate the level of its annual debt service support and consolidated debt burden.
- To document the exercise of due diligence in the execution and/or management of the ~~university~~ institutions' debt portfolios and use of ~~its~~ financial resources.
- To assist ~~the university~~ William & Mary in achieving and/or maintaining credit ratings necessary to be eligible for authority under the Restructured Higher Education Financial and Administrative Operations Act.

Covered Institutions and Agencies Authority and Applicability

Under Chapter 10, Title 23.1 of the Code of Virginia, William & Mary entered into a management agreement with the Commonwealth of Virginia, which was enacted as Chapter 2 of Chapter 933 of the 2006 Virginia Acts of Assembly. That agreement defines

William & Mary, including the Virginia Institute of Marine Science, as a “Covered Institution” and provides the university with the authority under Section X to issue its own debt. The authority has not been extended to Richard Bland College. However, because the Board of Visitors has financial responsibility for all three entities and as such their financial performance is required to be reported in a consolidated fashion, the policy applies to the aggregate performance of all three entities. The Debt Management Policy shall be applicable to William & Mary, the Virginia Institute of Marine Science, and Richard Bland College. For the purposes of this policy, William & Mary and the Virginia Institute of Marine Science are treated as one entity and Richard Bland College as a separate entity.

Authority

The Board of Visitors of William & Mary is authorized, in Title 23, Chapter 10 of the Code of Virginia to operate and manage the university including the establishment of debt management policies. As such, the Debt Management Policy will be reviewed periodically and modified as necessary by the Board of Visitors.

Under Chapter 10, Title 23.1 of the Code of Virginia, the university entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 2 of Chapter 933 of the 2006 Virginia Acts of Assembly. The management agreement enables the university to issue debt for any purposes consistent with its institutional mission.

The Debt Management section of the management agreement authorizes the President, or designee, to create and implement any and all debt management policies.

Responsible Party

- The Senior Vice President for Finance & Administration/Chief Operating Officer of William & Mary, (or the Dean of Administration and Finance/Chief Business Officer in the case of debt issued on behalf of Richard Bland College), shall be the primary person responsible for the development, implementation, and execution of the Debt Management Policy and will ensure that the policy meets the debt guidelines issued by the Commonwealth of Virginia’s Treasury Board. -

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- The university will ensure that the Debt Management Policy meets the debt guidelines issued by the Commonwealth of Virginia Treasury Board.

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Capital Projects

- Only capital projects that directly benefit the institution(s) ~~the university as appropriate~~ should be financed by William & Mary, the Virginia Institute of Marine Science, or Richard Bland College.

- All capital projects to be financed ~~must~~ should be part of each institution's approved Master Development Plan as approved by the Board of Visitors. In limited circumstances (e.g., a donor-funded project that was not envisioned at the time the Master Development Plan was adopted), the Board of Visitors may approve the issuance of debt for a capital project not provided for in the Master Development Plan.
- Generally, Ccapital projects funded with revenues (tuition and fees, unrestricted gifts, investment income, as well as existing assets) should be funded with long-term (no less than five year) obligations.
- Generally, Ccapital projects funded with restricted gifts and/or pledges should be considered for funding with ~~comparable~~ term obligations comparable to the scheduled receipt of the gifts.
- ~~Working capital needs should not be financed except where economic conditions exist that provide unique benefits to the university from the execution of an interim financing.~~
- Capital projects delivered through alternative financing guidelines such as the Public/Private Educational Facilities and Infrastructure Act should satisfy conditions in the Debt Management Policy ~~of the university~~ if the university institution is issuing long-term debt or executing a long-term capital financing lease.
- All debt issuances undertaken by the university or Richard Bland College should be coordinated with their respective university's capital planning processes.

Capital Leases

Only capital leases for real property or equipment that directly benefit William & Mary, the Virginia Institute of Marine Science, or Richard Bland College as appropriate should be financed by the institution(s). ~~William & Mary, the Virginia Institute of Marine Science, or Richard Bland College,~~ respectively.

Non-Capital Needs

~~The~~ The institution(s) university may enter into short-term or long-term financing arrangements in order to support strategic or operational initiatives ~~upon recommendation of the William & Mary's as approved by the Chief Operating Officer or Richard Bland College with approvals, as required, by the Board of Visitors and, if applicable, by the Commonwealth of Virginia. (or the Dean of Administration and Finance of Richard Bland~~

College, as appropriate).

Approvals

- ~~Upon the recommendation of William & Mary's Chief Operating Officer or Richard Bland College's Chief Business Officer, the Board of Visitors shall review the proposed use of short- or long-term debt for capital outlay, capital leases, or non-capital needs. The use of debt must be approved by the Board of Visitors. Capital or other long-term debt obligations and synthetic products undertaken by the university shall be first approved by the Senior Vice President for Finance & Administration Chief Operating Officer (or the Dean of Administration and Finance of Richard Bland College, as appropriate).~~
- ~~Capital or other long-term debt obligations and synthetic products undertaken by each institution shall be approved by the Board of Visitors of William & Mary.~~
- Additional approvals of the debt obligation and synthetic products shall be obtained as required by state law, regulations, or policy.

Capital Debt Funding

Prior to the issuance of any ~~long-term~~ debt, ~~the William & Mary's Senior Vice President for Finance & Administration Chief Operating Officer or Richard Bland College's Chief Business Officer (or the Dean of Administration and Finance of Richard Bland College, as appropriate)~~ shall prepare an analysis detailing the funding source(s) for the debt repayment, documenting that all principal and interest payments on the proposed debt can be funded from such sources.

- If ~~William & Mary plans to issue debt that includes the security for any capital financing program is~~ a General Revenue Pledge of the university as part of the security, the total unrestricted resources of the university shall be made available to pay this debt service.
- If the proposed funding source is from future general revenues of the university:
 - The operating budget of the university shall be modified to reflect this use of these net revenues.
- If the proposed funding source is from future gifts to the university from individual donors, related foundations, or other third party entities, the ~~Senior Vice President for Finance & Administration Chief Operating Officer (or the Chief Business Officer Dean of Administration and Finance of Richard Bland College, as appropriate)~~ shall ensure:
 - At least 75% of the ~~gifts~~ debt shall have been pledged at the time of the

debt issuance. These pledges should have a high degree of confidence for collection after deducting an appropriate amount as uncollectible;

- At least 25% of the amount of the pledged gifts shall have been received at the time of debt issuance;
- All funds received in support of the project shall be placed in an escrow account pending their use;
- A cash flow analysis of required annual debt service versus gift receipts is conducted and approved; and
- An alternative funding source shall be identified to fund the applicable debt service should the gifts not be received as scheduled.

- ~~If the proposed funding source is from future general revenues of the university;~~
- ~~The operating budget of the university shall be modified to reflect this use of these net revenues.~~

- If the proposed funding source is from existing assets of the university:
 - The existing assets shall be valued at that time and separated from other existing assets and invested in such a manner as to preserve the principal value of the asset to ensure that it will be sufficient to pay annual debt service when needed.
- If the proposed funding source is based on alternative financing guidelines:
 - The financing plan shall be approved by ~~the Senior Vice President for Finance & Administration~~ William & Mary's Chief Operating Officer (or the Dean of Administration and Finance of Richard Bland College's Chief Business Officer, as appropriate) ~~of the university~~ in a manner consistent with the Debt Management Policy.

Terms & Structure

The university-institution(s) will seek the lowest cost source of financing available that achieves the specified needs while ensuring that its overall debt structure is not exposing the university to unnecessary future interest rate risk.

- The university-institution(s) should utilize the Commonwealth Treasury Board General Obligation Revenue Bond Financing Program authorized by Article X, Section 9 C of the *Constitution of Virginia*, or the Virginia College Building Authority ("VCBA") unless, after analysis, a clearly superior alternative financing option is identified.
- ~~All available~~ As applicable, various structures should be reviewed prior to adopting a final plan of finance. The review should include, but not be limited to, an analysis of:
 - Fixed Rate, Variable Rate, and Synthetic Alternatives
 - Bank Qualified Designations

- Public Sale or Private Placement
 - Credit Enhanced, Stand-Alone Credit, or Non-Rated Credit Transactions
 - Long-term, Short-Term, or Interim Financing Alternatives
 - Tax-Exempt or Taxable Financing
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- The debt should be amortized over the useful life of the assets financed; however, in no case shall the final maturity of the debt be in excess of 20 years without the expressed approval of the Board of Visitors.
 - The debt should have a fixed periodic repayment amount over the amortization period unless an alternative repayment schedule is beneficial.
 - The use of capitalized interest should be minimized whenever possible.
 - Debt service reserve funds should be considered to enhance the security of the debt issue.
 - Debt should be structured in a manner that allows the coordination of borrowings and minimizes the effect of negative arbitrage on the borrowings.
 - The following ratio should be maintained based on existing debt and the proposed financing:
 - Maximum annual debt service costs as a percentage of total operating expenses shall not exceed 10%.
 - Debt issued in any given year shall be limited to an amount that allows the institution to maintain a maximum annual debt service cost as a percentage of total operating expense of less than 10%.

Refinancing Obligations

The university should periodically review its existing indebtedness (direct, indirect, or synthetic) to identify opportunities to reduce the annual debt service costs to the university.

- For refundings executed to provide annual debt service savings due to interest rate reductions, the following net present value savings thresholds shall generally apply unless the refinancing is undertaken by the Treasury Department on debt issued through the General Obligation Revenue Bond Financing Program or the Virginia College Building Authority:
 - 5% if call date is more than 5 years from the date of the refunding;
 - 3% if call date is within 5 years from the date of the refunding;
 - Or as specifically approved by the Board of Visitors.

- The final maturity on any refunding bonds should not generally exceed the final maturity on the refunded bonds.
- ~~All Any~~ refunding ~~undertaken directly by the institution s whether executed to provide relief from burdensome financial covenants or reduced annual debt service cost~~ shall be approved by the Board of Visitors.
- For refunding bonds, the ~~university institution~~ will seek to achieve approximate level annual debt service savings compared to the refunded bonds.

Synthetic Products

The university may desire to enter into contracts ancillary to its actual debt instruments. These contracts may include interest rate swaps, floors, caps, and/or other derivative types of products.

- These contracts are not to be used for speculative purposes, but may be used:
 - To achieve lower overall cost of funds
 - To hedge interest rate risk
 - To increase financial flexibility or
 - For other purposes as deemed appropriate
- All contracts should be based on and contain the terms and conditions set forth in the International Swap and Derivative Association, Inc. (“ISDA”) Master Agreement.
- Contracts with counterparties must be rated at least in the “A” Category by National Rating Agencies as long as the transaction is appropriately collateralized. Counterparties with credit ratings in the “AA” category are exempt from the collateral requirement.
- Prior to the execution of a synthetic product, ~~the William & Mary’s Senior Vice President for Finance & Administration~~ Chief Operating Officer ~~(or the Richard Bland College’s Chief Business Officer~~ Dean of Administration and Finance of Richard Bland College, as appropriate) should prepare a Recommended Financing Plan for Synthetic Products for review by the Board of Visitors. This plan shall include:
 - The objective of the use of the synthetic product
 - The type of synthetic product to be used
 - Identification of potential risks of the synthetic product
 - The firm (counterparty) to be used to provide the synthetic product
 - Structural provisions of the synthetic product
 - The termination provisions of the synthetic product and

- collateralization requirements
- What annual/quarterly reporting guideline will be required
- Bond counsel and financial advisor role in procuring the synthetic product

Reporting Requirements

Prior to the issuance of debt, ~~the William & Mary's Senior Vice President for Finance & Administration~~Chief Operating Officer (or Richard Bland College's Chief Business Officer ~~the Dean of Administration and Finance of Richard Bland College~~, as appropriate), shall prepare a Recommended Plan of Finance for review by the William & Mary Board of Visitors.

- The Recommended Plan of Finance shall include the following items:
 - Status of outstanding debt
 - Purpose of the financing
 - Security and/or source of future debt service payments
 - Description of the proposed sale (fixed, variable, synthetic, etc.) and how determined
- If the Recommended Plan of Finance includes the use of a synthetic product, then a Recommended Financing Plan for Synthetic Products shall also be prepared.
- On an annual or other periodic basis, ~~William & Mary's the Senior Vice President for Finance & Administration~~Chief Operating Officer and ~~the Richard Bland College's Chief Business Officer~~ Dean of Administration and Finance of Richard Bland College shall review and make recommendations on any required changes to the ~~William & Mary~~ Debt Management Policy.
- On an annual basis, ~~William & Mary's the Senior Vice President for Finance & Administration~~Chief Operating Officer and Richard Bland College's Chief Business Officer~~the Dean of Administration and Finance of Richard Bland College~~ shall prepare a report for review by the Board of Visitors. This report shall include:
 - Direct debt obligations of ~~the university~~; each institution as well as a consolidated report for the three entities consistent with the consolidated financial statements.
 - Amount of variable and fixed rate indebtedness and any recommendation as to the composition of this debt;
 - Existence and market value of any synthetic transactions;
 - Status of fund raising and pledges used to support any debt issuance;
 - Projected annual debt service cost and projected funding of direct,

- indirect, and synthetic based debt issues for the next three-year period;
- Status of credit agreements being used as credit enhancement;
- Compliance with all significant financial and operating covenants of existing indebtedness;
- Direct or indirect debt expected to be issued during the next 12 months;
- Planned synthetic transactions during the next 12 months;
- Status of any arbitrage rebate calculations on existing debt issues; and,
- ~~Estimated annual debt service savings available from refunding existing direct, indirect, or synthetic debt of the alumni agencies~~

Appendix A

Definitions

Annual Debt Service Cost – The maximum annual debt service cost (principal and interest payments) payable within any fiscal year on the university's direct debt reduced by any amounts whereby the agreed upon funding source is from the William & Mary Foundation or other related foundations.

Bond Counsel – An attorney (or firm of attorneys) retained by the issuer to give a legal opinion that the issuer is authorized to issue proposed securities, the issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal and/or state income taxation. Typically, bond counsel advises the issuer on statutory requirements, prepares authorizing resolutions or ordinances, trust indentures, official statements, closing documents and other documents required for the issuance of securities, conducts validation proceedings and supports the issuer in the event of litigation.

Capitalized Interest – A portion of the proceeds of an issue set aside to pay interest on the securities for a specified period of time. Interest is commonly capitalized for the construction period of a revenue-producing project.

Capital Lease – Shall have the same meaning as the term is defined in the Commonwealth Accounting Policy and Procedures (CAPP) Manual.

Call/Redemption – A transaction in which the issuer returns the principal amount represented by an outstanding security (plus, in some cases, an additional amount or "premium"). Redemption can be made at maturity of the security, as a result of the issuer's call of the securities prior to their stated maturity date, or in the case of variable rate debt, as a result of the security holder's election to exercise a put or tender option privilege.

Call Provisions – The terms of the bond contract giving the issuer the right, or requiring the issuer to redeem or "call" all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specified price, usually at or above par and stated as a percentage of the principal amount called.

Debt Service Reserve Fund – The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. May be funded with bond proceeds, or it may only be partly funded at issuance and reach its full funding requirement over time. If allowed in the bond documents, a surety policy from a bond insurance company or other qualified provider may be used to satisfy the debt service reserve requirement.

Direct Debt – Direct obligation of the university incurred to fund capital projects reduced by the amount of direct debt whose agreed upon repayment source is from the William &

Mary Foundation or other related foundations.

Financial Advisor – A consultant who advises the issuer on matters pertinent to the issue, such as structure, timing, marketing, fairness of pricing, terms and bond ratings.

General Revenue Pledge – Bonds or other obligations secured by the general operating revenues (rather than specific project revenues) of an institution of higher education. General operating revenues may include total gross university sponsored overhead, unrestricted endowment income, tuition and fees, indirect cost recoveries, auxiliary enterprise revenues, general fund appropriations and other revenues not required by law to be utilized for another purpose.

Gross Funding – Issuing the entire amount of the bond authorization with the intent to use any earnings on proceeds to pay additional project costs. Contrast with Net Funding.

Moral Obligation Debt – Refers to the structure under which the state or university pledges to consider replenishing a deficiency in the debt service reserve fund arising from the need to draw money from the fund when the underlying project revenues prove to be insufficient to service the debt.

Net Funding – A method of sizing the bond issue in which projected earnings on the bond proceeds are taken into account as a source of funds for project costs using anticipated spending schedules and an assumed rate of investment earnings. This results in a smaller overall issue size.

Present Value – The value at the current time of a cash payment or stream of payments which is expected to be received in the future, allowing for the fact that an amount received today could be invested to earn interest until the future date(s).

Present Value Savings – A method of calculating the aggregate amount of savings on a refunding transaction. In each semi-annual period, the present value of the debt service on the refunding bonds is subtracted from the present value of the debt service on the refunded bonds using the arbitrage yield on the refunding bonds as the discount rate. The present value savings in each year are added together to result in the aggregate present value savings.

Present Value Savings Percentage – The present value savings divided by the principal amount of the refunded bonds.

Refunding – A procedure whereby an issuer refinances outstanding bonds by issuing new bonds. Bonds are usually refunded to either reduce the issuer's interest costs or to remove a burdensome or restrictive covenant imposed by the legal terms of the bonds being refinanced. The new bonds are called the "refunding bonds," while the bonds being refinanced are called the "refunded bonds." An advance refunding is a type of refunding where outstanding

securities are refinanced by the proceeds of a new issue of securities more than 90 days prior to the date on which the outstanding securities become due or are callable. The proceeds of the new securities are deposited in escrow and invested in U.S. Government or federal agency securities, with principal and interest on the escrowed securities used to pay principal and interest on the refunded bonds up to and including the redemption or call. The Internal Revenue Code restricts the yield on such escrowed securities. A current refunding is a type of refunding where the proceeds of the new bonds are used within 90 days of closing to retire the refunded obligations. If the proceeds are not used immediately (i.e., on the day of closing) to retire the refunded obligations, it may still be necessary to establish a portfolio of escrow securities. However, the Internal Revenue Code does not impose the same yield restrictions on current refundings that they do on advance refundings.

Terms and Structure – As it relates to §2.2-2416 of the Code of Virginia, “terms and structure” is deemed to include the following: type of debt instrument/obligation, security, size, method and timing of sale, interest rate structure, principal amortization method, call provisions, number and level of credit ratings, investment of proceeds, credit enhancements, synthetic features, (e.g., caps, floors, forwards, swaps), disclosure, refunding parameters, method of selection of financing team, etc.

True Interest Cost (“TIC”) —~~Also known as “Canadian Interest Cost.”~~ A method of computing the issuer’s cost defined as that rate, compounded semi-annually, that is necessary to discount the amounts payable (on the respective principal and interest payment dates) to the purchase price received for the new securities, excluding accrued interest.

Trustee – A financial institution with trust powers that acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter – A firm that purchases a new issue of municipal securities for resale. The underwriter may acquire the securities either by negotiation with the issuer (e.g., RFP) or by award on the basis of competitive bidding.

Underwriter’s Counsel – An attorney or law firm retained to represent the interest of the underwriters in connection with the purchase of a new issue of municipal securities. The duties of the underwriter’s counsel may include review of the issuer’s bond resolution or ordinance and documentation on behalf of the underwriter, review of the official statement to determine the adequacy of disclosure, negotiation of the agreement among underwriters and preparation of the due diligence opinion.

**WILLIAM & MARY
CASH MANAGEMENT INVESTMENT POLICY**

WHEREAS, the Cash Management Investment Policy applies to the investment of operating funds belonging to William & Mary and under the control of the Board of Visitors; and

WHEREAS, under the Restructured Higher Education Financial and Administrative Operations Act, Chapter 10 Article 4 (§23.1-1013) of Title 23 of the Code of Virginia, the university, as a covered institution “may invest its operating funds in any obligations or securities that are considered legal investments for public funds in accordance with Chapter 45 (§2.2-4500 et seq.) of Title 2.2. Such institution’s governing board shall adopt written investment guidelines that provide that such investments shall be made solely in the interest of the covered institution and shall be undertaken with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.”; and

WHEREAS, the university’s operating funds and balances consist of tuition and fee revenue, expendable gift monies, endowment income, earned interest from investments, grants and sponsored research, proceeds from the sale of tax-exempt and taxable bonds issued directly by the university, rental income from owned properties, income received from external trusts, interest and dividends received on gifted securities, cash balances that reside in the university’s auxiliary accounts and agency accounts, and generally any other revenue received by the university as local funds not appropriated by or deposited with the Commonwealth of Virginia; and

WHEREAS, these institutionally, locally controlled operating funds are used to cover cash flow needs in the short-term for routine operational needs; and

WHEREAS, to the extent these funds may be held in reserve if they are not needed in the short-term, they can provide working capital for strategic investments intended to enhance operations and maintain or improve university infrastructure; and

WHEREAS, the university recently sold bonds, which included \$70 million in taxable debt designated for the university’s general purpose use; and

WHEREAS, the Board of Visitors most recent revisions to the university’s cash investment management policy, approved February 8, 2019, did not fully address or anticipate the university’s issuance of debt for these purposes;

NOW THEREFORE BE IT RESOLVED, That the Board of Visitors of the College of William & Mary in Virginia approves an updated Cash Management Investment Policy superseding any existing policy under the same name.

~~The College of~~ William & Mary**Cash Management Investment Policy****PURPOSE AND SCOPE**

The purpose of ~~this~~the Cash Management Investment Policy is to articulate the investment and operational guidelines and authorizations for ~~the non-general~~ operating cash balances and reserves, ~~referred to as local or private funds,~~ under the control and oversight of the Board of Visitors. This policy is crafted to adopt best practices in the prudent management of short and intermediate-term investments, complying with laws and regulations applicable to qualified public entities in Virginia. Accordingly, this policy does not cover the ~~College's~~university's investment of long-term or endowment assets, which is covered by university's *Investment and Spending Policy for Endowment*, most recently amended by the Board of Visitors on September 27, 2019. This policy also does not cover state general funds or proceeds from state issued tax-exempt bond, which are managed on behalf of the Commonwealth, ~~proceeds from tax-exempt bond issues, or guidelines in the procurement of banking services.~~ Except for cash in certain legally restricted and special accounts, the College shall consolidate cash and reserve balances to optimize College-wide liquidity management, maximize its investment earnings potential, and to increase efficiencies in the cost of investment management.

Statement of Objectives~~To ensure~~OBJECTIVE

~~—The primary objective for the~~ safety management of funds held in the ~~short-term and intermediate investment portfolio.~~

~~To maximize~~university's operating cash balances and reserves is to provide the highest investment return within the constraints of at defined levels of risk, while providing both safety of principal and ~~of maintaining~~ sufficient liquidity to meet ~~all operating the daily cash flow needs of the university.~~ The university's operating cash balances and ~~obligations that may~~ reserves shall be ~~reasonably anticipated~~ invested in instruments set forth in the Investment of Public Funds Act of the Commonwealth, as summarized below, and consistent with the Virginia Security for Public Deposits Act.

GOVERNING AUTHORITY: LAWS AND REGULATIONS

This Cash Management Investment Policy shall be governed by existing law and regulations that apply to the investment of public funds, specifically the *Virginia Security for Public Deposits Act*, Chapter 44 (§2.2-4400 et seq.) of Title 2.2 of the Code of Virginia, as amended; the *Investment of Public Funds Act*, Chapter 45 (§2.2-4500 et seq.) ~~of Title 2.2 of the Code of Virginia, as amended; the *Uniform Prudent Management of Institutional Funds Act*, Chapter 11, (§64.2-1100 et seq.) of Title 64.2 of the Code of Virginia, as amended; and Chapter 5 (§23-44.1)~~

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~~28 (§23.1-2803) of Title 23.1 of the Code of Virginia, as amended, concerning the College's investment of endowment income, gifts, standards of care, liability, and exemption from the Virginia Public Procurement Act. of Title 2.2 of the Code of Virginia.~~

Further authority as it relates to the investment of operating fund reserves and balances of or held by the [Collegeuniversity](#) is delegated to the Board of Visitors in a certain Management Agreement dated March 30, 2009, by and between the Commonwealth of Virginia and the Rector and Board of Visitors of the College of William & Mary, pursuant to the Restructured Higher Education Financial and Administrative Operations Act of 2005. Delegated authority to restructured institutions is further addressed by the General Assembly in §4-9.03 Level III Authority of the 2014-16 Appropriations Act passed on June 23, 2014: "The Management Agreements negotiated by the institutions contained in Chapters 675 and 685 Acts of the Assembly shall continue in effect unless the Governor, General Assembly, or the institutions determine that the Management Agreements need to be renegotiated or revised."

AUTHORIZED PERSONNEL AND DELEGATED AUTHORITY

The university's Chief Operating Officer (COO) or his/her designee(s), shall be authorized to invest all operating cash balances and reserves of the university. The authorized person(s) may also engage the support services of one or more investment consultant who, if authorized, may assist selecting investment managers for the assets.

The Chief Operating Officer or such person(s) he/she designates in writing is (are) authorized to make investment decisions under this policy, including the selection and contractual engagement of professional investment firms that would adhere to the guidelines presented herein and that of generally accepted prudent fiduciary practices. Any firm hired to provide advice or assistance with the investment program must agree to invest the university's funds in accordance with this policy. Investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The Chief Operating Officer and certain members of his/her staff shall also be responsible for maintaining internal controls that appropriately safeguard the investable assets of the university consistent with this policy and the permissions given for types of investment and engagement of external professional management.

STANDARDS OF CARE

~~The College will have the option to manage its non-general short and intermediate term operating cash reserves internally, only when necessary and feasible, and/or preferably through the exercised care of professional investment managers.~~

~~The College~~The university shall rely on the "prudent person" standard in the exercised care of its investments. Accordingly, as stated in the *Investment of Public Funds Act*, Chapter 45 (§2.2-4514 et seq.) of Title 2.2 of the Code of Virginia, investments shall be made "with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like

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character and with like aims.” [CollegeUniversity](#) employees and officials who exercise proper due diligence in following this investment policy according to the “prudent person” standard shall be relieved of personal responsibility for an individual security’s credit risk or market price changes. When investments are made in conformity with *Investment of Public Funds Act*, Chapter 45 of the Code of Virginia, §2.2-4516 states that “no treasurer or public depositor shall be liable for any loss therefrom in the absence of negligence, malfeasance, misfeasance, or nonfeasance on his part or on the part of his assistants or employees.” Furthermore, when deposits are made in conformity with the *Virginia Security for Public Deposits Act*, Chapter 44 of the Code of Virginia, §2.2-4410 states that “no official of a public depositor shall be personally liable for any loss resulting from the default or insolvency of any qualified public depository in the absence of negligence, malfeasance, misfeasance, or nonfeasance on his part or on the part of his agents.”

Members of William & Mary community are required to adhere to a Code of Ethics which was passed by the Board of Visitors on April 17, 2009. [CollegeUniversity](#) personnel involved with the investment of funds shall be governed by these ethical guidelines and furthermore shall take meaningful effort to refrain from actions or activities that would have the appearance of violating the nature and intent of the [College’suniversity’s](#) standards of ethical behavior.

Upon retention, external managers will be given a copy of this Cash Management Investment Policy and shall be required to maintain compliance with all directives stated herein. External managers shall be required to have a Code of Ethics or similar governing rules of ethical behavior that shall be disclosed to the [Collegeuniversity](#) prior to their formal engagement. Failure to maintain compliance with these governances may result in dismissal and other potential measures of recourse.

Before an entity can provide investment management services to the university, it must confirm in writing that it has reviewed this policy and is able to fully comply with all requirements. Furthermore, the entity must submit the following materials:

- Proof of its registration with the SEC under the Investment Advisers Act of 1940;
- An annual updated copy of Form ADV, Part II;
- Proof of its registration to conduct business in the Commonwealth of Virginia;
- Demonstrable evidence in providing like services under the *Investment of Public Funds Act*, Chapter 45 of the Code of Virginia; and
- Confirm use of only qualified security brokers/dealers. To achieve qualification, the broker/dealer should be financially stable and have the ability to effectively execute buy and sell transactions. The engaged manager(s) will maintain a list of qualified brokers/dealers who meet the criteria of this Policy; and
- Confirm that procedures for best execution will always be followed and that soft dollar commissions or credits for [university asset trades](#) will not be collected or otherwise utilized in the execution of investment services

ACCOUNT STRUCTURE FOR THE MANAGEMENT OF UNIVERSITY OPERATING FUNDS

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In order to meet the objectives of the university, investments will be divided into two major allocations: a primary liquidity allocation and an extended duration allocation.

- **Primary Liquidity:** The primary liquidity allocation is to be the major source for the disbursement requirements and operational needs of the university. Liquidity and safety of principal at the expense of return on investment are the foremost objectives of the Primary Liquidity allocation.
- **Extended Duration:** The remaining funds will be a secondary source of liquidity for the university. These funds do not need to be continuously available to meet the university's operating needs but may be called upon at some point during the university's annual operating cycle. The objective of the Extended Duration allocation is to generate an investment return, over the long-term, higher than the Primary Liquidity allocation. To generate higher investment returns, it is recognized that additional interest rate risk and credit risk, within prudent constraints, must be assumed in the management of the Extended Duration allocation. Investment strategies evolve as market conditions and interest rates change. However, in seeking higher investment returns, the portfolio managers will be cognizant of the university's objectives of liquidity and safety of principal. Securities lending is prohibited.

APPROVED INVESTMENTS

Within those allocations, the following investments are approved:

- **U.S. Treasury Bills**
- **U.S. Treasury Notes and Bonds**
- **U.S. Federal Agency Obligations** (including mortgage backed securities)
- **Money market mutual funds** (no-load open-ended investment funds) which invest in U.S. Treasury Bills, Notes, Bonds, Federal Agency Obligations, and high quality Corporate Obligations, provided such funds are registered under the Federal Investment Company Act of 1940 and rated at least "AAM" or the equivalent by a Nationally Recognized Statistical Rating Organization ("NRSRO") and properly registered for sale in Virginia under Chapter 5 of Title 13.1 ("the Securities Act") ~~the Securities Act (§13.1-501 et seq.)~~ of the Code of Virginia. Money market funds must comply with the diversification, quality, and maturity requirements of Rule 2a-7, or any successor rule, under the Federal Investment Company Act of 1940, provided the investments of such funds are restricted to investments otherwise permitted by the Code of Virginia.
- **Bond mutual funds, commingled investment funds, and bank common trust funds** (all classified as no-load open or closed-ended investment funds) which invest in high quality government (USD-denominated securities) and high quality corporate obligations. Funds must have an average effective maturity no longer than ~~five~~ years and an

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average portfolio duration no longer than 2two years. The average credit quality for a fund will carry a rating of “A” or better by two rating agencies, one of which shall be either Moody’s Investors Service, Inc., ~~or~~ Standard & Poor’s, Inc. or Fitch Ratings, Inc. Funds must be registered under the Federal Investment Company Act of 1940 and be properly registered for sale in Virginia under the Securities Act (§13.1-501 et seq.) of the Code of Virginia. Investments in these funds are restricted to investments otherwise permitted by the Code of Virginia for qualified public entities.

- **Bankers’ Acceptances** that are issued by domestic banks or domestic offices of foreign banks (in USD), which are eligible for purchase by the Federal Reserve System with a maturity of 180 days or less. The issuing corporation, or its guarantor, must have a short-term debt rating of no less than “A-1” (or its equivalent) by at least two NRSROs. The amount invested in any single bank will not exceed 5% of the total funds available for investment (based on book value on the date of acquisition).
- **“Prime quality” Commercial Paper** with a maturity of 270 days or less and a short-term debt rating of no less than “A-1” (or its equivalent) by at least two of the NRSROs following (Standard & Poor’s, Moody’s Investors Service, Inc., Fitch Ratings, Inc.) at time of purchase. Issuing corporations must be organized and operating under the laws of the United States or any state thereof and have a minimum net worth of \$50 million. The net income of the issuing corporation, or its guarantor, must have averaged at least \$3 million per year for the previous five years. All existing senior bonded indebtedness of the issuer, or its guarantor, must be rated “A” or better by at least two NRSROs of Standard & Poor’s, Moody’s Investors Service, Inc., Fitch Ratings, Inc.).
- **High quality corporate notes and obligations** ~~rated~~ received at least two of the following ratings at least “A” by Moody’s Investors Service, Inc., ~~and/or~~ or at least A by Fitch Ratings, Inc. and a maturity of no more than five years (as allowed by the Code of Virginia).
- **High quality asset-backed securities** with a maximum ~~average life of 3 years a~~ duration of no more than five years (as allowed by the Code of Virginia) and a rating of no less than “AAA” by two NRSROs, one of which must be either Standard & Poor’s, Inc. ~~or~~ Moody’s Investors Service, Inc., or Fitch Ratings, Inc.
- **Negotiable Certificates of Deposit and Negotiable Bank Deposit Notes** of domestic banks and domestic offices of foreign banks, lawfully authorized to do business in Virginia, with at least a rating ~~of~~ by two of the following: at least “A-1” by Standard & Poor’s, Inc. ~~and~~ “P-1” by Moody’s Investors Service, Inc., or “F1” by Fitch Ratings, Inc. for maturities of one year or less, and at least a rating ~~of~~ by two of the following: at least “AA” by Standard & Poor’s, Inc. ~~and~~ “Aa” by Moody’s Investors Service, Inc., or “AA” by Fitch Ratings, Inc. for maturities over one year and not exceeding five years. Negotiable Certificates of Deposit and Negotiable Bank Deposit Notes with any institution other than the College’s university’s primary depository shall not exceed levels of provided insurance by the Federal Deposit Insurance Corporation.

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- **Time Deposits** in any federally insured bank or savings institution that is qualified by the Virginia Treasury Board to accept public deposits. Deposits in any such institutions shall be at levels whereby the [College's university's](#) money shall remain fully insured by the Federal Deposit Insurance Corporation (or collateralized in full with U.S. Government or agency securities by the [College's university's](#) primary depository as assets belonging to a public entity covered under the *Virginia Security for Public Deposits Act*, Chapter 44 (§2.2-4400 et seq.) of Title 2.2 of the Code of Virginia).
- **Investment in overnight repurchase agreements.** Certain conditions for investment shall apply:
 - When investments are made in overnight repurchase agreements, the [College university](#) will require that its investments be 102% collateralized by U.S. Treasury and Agency obligations, and that this collateral be delivered to the [College's university's](#) custodian bank and identified according to Uniform Commercial Code book entry procedures on the custodian's books as property belonging ~~to the College of~~ William & Mary;
 - A master repurchase agreement or specific written repurchase agreement shall govern the transaction;
 - The securities are free and clear of any lien;
 - Qualified counterparties must be either member banks of the Federal Reserve System having total assets of more than \$10 billion and that are among the 50 largest commercial banks in the U.S.; or, non-bank dealers ~~who~~ that are designated by the Federal Reserve Bank of New York as primary dealers in government securities and report daily to the Federal Reserve Bank of New York;
 - The counterparty must have a long-term credit rating of at least "AA" or the equivalent from an NRSRO, a short-term credit rating of at least "A-1" or the equivalent from an NRSRO, been in business for at least [five](#) years, and be reputedly known among market participants.
- **State and Municipal Obligations** consisting of bonds, notes, and other general obligations of any state or municipal authority organized within the United States upon which there has been no default and having a rating of at least "AA" by Standard & Poor's, Inc., and "Aa" by Moody's Investors Service, Inc. and "AA" by Fitch Ratings, Inc., and maturing within two years of the date of purchase. Purchase of State and Municipal Obligations must comply with guidelines and restrictions found in the Code of Virginia.
- **Local Government Investment Pool (LGIP).** This highly diversified money market fund, administered by the Treasury Board of the Commonwealth of Virginia, referenced in Chapter 46 (§2.2-4600 et seq.) of Title 2.2 of the Code of Virginia (*Local Government Investment Pool Act*), offers public entities in Virginia a convenient and cost effective means to invest short-term monies adhering to all investment guidelines required by the Code of Virginia. The LGIP is rated "[AAAmAAAf](#)" by Standard & Poor's, Inc. (as of [June April 30, 2015 September 26, 2018 2020](#)) and must be rated "AAm" by Standard & Poor's, Inc. for the [College's university's](#) investment purposes.

DIVERSIFICATION OF APPROVED INVESTMENTS

Each individual portfolio within the primarily liquidity or extended duration allocations will be diversified so that no more than three percent of the value of the respective portfolios will be invested in the securities or individual trusts of any single issuer. The limitation shall *not* apply to securities of the U.S. Government, an agency thereof, U.S. Government sponsored enterprises, securities fully insured or fully guaranteed by the U.S. Government, or money market funds.

At the time of purchase, the maximum percentage in each eligible security type for the University's overall Primary Liquidity and Extended Duration allocation shall be maintained as follows:

Authorized Investments

<u>U.S. Treasury and Agency Securities</u>	<u>100%</u>
<u>Non-Negotiable Certificates of Deposit (CDs)</u>	<u>5%</u>
<u>Overnight/Open Treasury/Agency Repurchase Agreements</u>	<u>100%</u>
<u>Overnight/Open non-Treasury/Agency Repurchase Agreements</u>	<u>50%</u>
<u>Term Repurchase Agreements</u>	<u>20%</u>
<u>Bankers Acceptances</u>	<u>40%</u>
<u>Negotiable CDs and/or Negotiable Bank Deposit Notes</u>	<u>20%</u>
<u>Commercial Paper</u>	<u>35%</u>
<u>International Development Bank Obligations</u>	<u>5%</u>
<u>Corporate Bonds/Notes</u>	<u>50%</u>
<u>Money Market Funds</u>	<u>35%</u>
<u>Municipal Securities</u>	<u>10%</u>
<u>Asset-Backed Securities</u>	<u>40%</u>
<u>Combined Agency MBS, Agency/Private CMOs, CMBS, RMBS, PAC</u>	<u>50%</u>
<u>Agency MBS</u>	<u>50%</u>
<u>Agency CMOs (including PACs)</u>	<u>10%</u>
<u>CMBS</u>	<u>10%</u>
<u>Private RMBS (including CMOs and PACs)</u>	<u>5%</u>

Any foreign securities must be denominated in U.S. dollars.

DURATION AND MATURITY LIMITATIONS

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The The maximum allowable percentage of the College's short-term portfolio permitted in each single asset category is as follows along with the maximum limits allowed in the Code of Virginia:

	<u>CWM</u>	<u>Code VA</u>
— U.S. Government securities and its agencies	100%	100%
— Repurchase Agreements with Required U.S. Gov't Collateral	100%	100%
— Money Market Mutual Funds (100% U.S. Gov't & Agencies)	100%	100%
— Money Market Mutual Funds (Diversified)	35%	100%
— Commingled Investment Funds or Bank Common Trust Funds	50%	100%
— Bond Mutual Funds (100% U.S. Gov't & Agency Obligations)	100%	100%
— Bond Mutual Funds (Diversified)	50%	100%
— "Prime Quality" Commercial Paper (A-1 P1)	35%	35%
— High-quality Corporate Debt (A ratings by Moody's and S&P)	50%	100%
— Bankers' Acceptances	35%	100%
— Certificates of Deposit and Bank Deposit Notes	35%	100%
— Insured and/or collateralized bank deposits	50%	100%
— Asset-backed securities	35%	100%
— State and Municipal Obligations	20%	100%
State-run LGIP	100%	100%

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maximum maturity on any negotiable certificate of deposit or negotiable bank deposit note may not exceed five years.

Within the overall Primary Liquidity allocation, the maximum duration for any single asset-backed security at the time of purchase may not exceed one year. Within the overall Extended Duration allocation, the maximum duration for any single asset-backed or mortgage-backed security at the time of purchase may not exceed five years. In the event the duration of the individual security within either allocation subsequently exceeds its respective limit, the external manager shall notify the university's investment staff who shall determine whether the security should be sold.

The target duration (in years) for the Primary Liquidity allocation and the Extended Duration allocation are as follows:

	Target	Minimum	Maximum
Primary Liquidity:	.15	.0	.25
Extended Duration:	Per Applicable Benchmark		

PROHIBITED INVESTMENTS

Without the expressed consent of the Board of Visitors, evidenced by signatory authorization from the ~~Senior Vice President for Finance and Administration~~Chief Operating Officer, the following investments are prohibited:

- Floating rate notes with maturities under two years that have any embedded leverage or option ability (e.g., caps, floors, multiple reset features, etc.), however, U.S. Agency adjustable rate mortgage backed securities (ARMs) are permitted investments.
- Floating rate notes with maturities over two years
- Structured notes
- Swaps
- Other derivatives
- High Yield and Distressed Debt
- Reverse repurchase agreements
- Borrowing funds for the purpose of reinvesting the proceeds of such borrowing
- Investing in any security not specifically permitted by this Policy

Where written consent is given for investment in any of these categories, the Board of Visitors will require the investment manager to adhere to specific safeguards.

Investment Limits

~~No more than 5% of the portfolio shall be invested in specifically held securities of any single issuer. A single issuer shall incorporate all debt issued by parent, subsidiary, and affiliated companies, thereby limiting investment exposure to any one holding company or entity.~~

~~The following exceptions to this 5% single issuer limit shall apply:~~

— U.S. Treasury obligations	100% maximum
— Money market funds of only U.S. Gov't and Agency obligations	100% maximum
— Bond mutual funds of only U.S. Gov't and Agency obligations	100% maximum
— State run LGIP	100% maximum
— Each Federal Agency (held as discrete investments)	50% maximum
— Diversified money market and mutual funds	35% maximum
— Other types of mutual and commingled funds	35% maximum

~~There will be no more than \$20 million invested in a Core Balance strategy, separate from that of cash required for the College's immediate operating needs and liquidity requirements. This Core Balance strategy will be a part of the overall short-term investment portfolio and similarly follow allocation guidelines for approved and prohibited investments, albeit with longer average maturity and duration limits.~~

Foreign Securities

~~The direct purchase of discrete foreign securities that are not denominated in U.S. dollars will be prohibited in any College account set up under these guidelines for short and intermediate term investment. U.S. dollar denominated sovereign and supranational bonds (Yankee bonds) with one year or less of maturity of up to 3 years will be permitted for investment. Should a company whose security is held in a short or intermediate term investment account be acquired by a foreign company, the security may remain in the portfolio as long as it is determined by the portfolio manager that it is in the best economic interest of the College to hold the security for the short term. Exempt from this prohibition on foreign securities are high quality money market and commingled funds which may have foreign securities as a small component of the fund.~~

SECURITY DOWNGRADES

In the event that any security or fund held in the investment portfolio is downgraded below the rating requirement required by this policy, the security or fund shall be sold within ~~60~~ 45 days of such downgrade. However, if the downgraded security is near to maturity, within 90 days, the investment manager may continue to hold the security until maturity if the manager believes the downgrade does not present an inherent risk to achieving full redemption at par and that holding the security would be the best course of action for the university.

RISK PARAMETERS

Investment of the College'suniversity's operating cash will be undertaken by managing those risks that can affect the value of investments. Investment firms engaged by the Collegeuniversity will be required to continuously monitor the various types of risk inherent in a diversified institutional investment portfolio.

Interest rate risk will be controlled primarily by investing in bonds with various maturities. Controlling the portfolio's average maturity and duration will also mitigate the negative effects of interest rate risk. At no time will any individually owned security have an effective and/or legal maturity longer than five years. An overnight investment operating account will be used in conjunction with a sweep vehicle to/from the College'suniversity's main depository account. This operating account will be designed with instruments that provide immediate liquidity. **The short-term portfolio used for extended liquidity management, exclusive of the Core Balance strategy, shall maintain a weighted average effective maturity not to exceed 24 months and an average duration not to exceed 15 months.** ~~Core Balance investments, when managed separately in a discrete portfolio, shall maintain a weighted average effective maturity not to exceed 60-36 months and an average duration not to exceed 24 months. Core Balance investments represent balances for which the College has no immediate liquidity needs and can therefore be invested with a longer term horizon.~~

Credit risk is managed primarily by limiting the opportunity set to certain approved high quality investments as reflected above that conform to Virginia statutes. Rating agencies, herein

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referred to as NRSROs, such as Moody's [and Investors Service, Inc.](#), Standard & Poor's, [Inc.](#), [and Fitch Rating, Inc.](#), will be used as a measure to evaluate and monitor credit risk of held investments.

Counterparty risk will be continually monitored to ensure the continued financial strength and investment quality of the issuer.

LIQUIDITY CONSTRAINTS

~~Without the prior approval of the Senior Vice President for Finance and Administration of the College, no investments in specific securities shall be made where maturities exceed 3 years (where 5 years is the maximum permitted by this policy). Weighted average life will be used as a proxy for maturity date for mortgage-backed securities.~~ The portfolio shall maintain adequate liquidity to ensure the [College's university's](#) ability to meet its operating requirements. At all times, the [College university](#) shall maintain sufficient liquidity on an overnight basis to ensure clearance of its known payments and unanticipated presentment of checks. The [College university](#) and its engaged investment manager(s) shall constantly monitor cash levels and maintain a portfolio structure that allows sufficient liquidity within time periods of a day, week, month, and six-months, taking into consideration fluctuating cash levels associated with cyclical revenue and expenditure patterns.

AUTHORIZED PERSONNEL AND DELEGATED AUTHORITY

~~The Senior Vice President for Finance and Administration of the College or such person(s) he/she designates in writing is (are) authorized to make investment decisions under this policy for the College of William & Mary, including the selection and contractual engagement of professional investment firms that would adhere to the guidelines presented herein and that of generally accepted prudent fiduciary practices.~~

~~The Senior Vice President for Finance and Administration and certain members of his/her staff shall also be responsible for maintaining internal controls that appropriately safeguard the investable assets of the College consistent with this policy and the permissions given for types of investment and engagement of external professional management. Professional investment management firm(s) engaged by the College MUST be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940, showing proof of such prior to their hiring. Before an organization can provide investment management services to the College, it must confirm in writing that it has reviewed this Policy and is able to fully comply with all requirements. Furthermore, the organization must submit the following materials:~~

- ~~— Proof of its registration with the SEC under the Investment Advisors Act of 1940;~~
- ~~— An annual updated copy of Form ADV, Part II;~~
- ~~— Proof of its registration to conduct business in the Commonwealth of Virginia;~~
- ~~— Demonstrable evidence in providing like services under the Investment of Public Funds Act, Chapter 45 of the Code of Virginia; and~~
- ~~— Confirm use of only qualified security brokers/dealers. To achieve qualification, the broker/dealer should be financially stable and have the ability to effectively execute~~

~~buy and sell transactions. The engaged manager(s) will maintain a list of qualified brokers/dealers who meet the criteria of this Policy; and~~
~~Confirm that procedures for best execution will always be followed and that soft dollar commissions or credits for College asset trades will not be collected or otherwise utilized in the execution of investment services~~

REPORTING REQUIREMENTS

Engaged investment consultants or managers shall ~~be required to prepare and deliver~~ coordinate and reconcile transactions with the College's university's custodian in order to provide comprehensive monthly accounting and analytical reports ~~to the College~~ that provide the following information:

- Monthly buy and sell transactions;
- Monthly realized gains and losses on sales;
- Month-end holdings that show amortized book value, maturity date, yield-on-cost, market value and other features deemed relevant;
- Monthly transactions that account for income, fees and disbursements, purchase of accrued income, and other relevant activity; and,
- Monthly performance of asset categories and the aggregate portfolio.

Engaged investment managers shall be required to prepare and deliver comprehensive quarterly investment reports to the College university that provide the following information:

- Summary of recent market conditions, economic developments, a forecast of future economic activity, and an assessment of how the investment manager fared in the investment of the College's university's funds;
- A comprehensive quarter-end holdings report that further shows the calculated total rate of return for the quarter and year-to-date versus appropriate benchmarks; and,
- Any areas of policy concern warranting discussion with College university officials, as in the case of recommended revisions.

PERFORMANCE BENCHMARKS

Investment performance of the portfolio shall be monitored and evaluated using various individual benchmarks that have similar maturity, duration, and risk characteristics of those investments held in the portfolio. Overall portfolio performance shall be evaluated on an ongoing basis by management, taking into consideration asset allocation, quality and safety factors, maturities and implied risks, and various external market factors.

Accordingly, the College university shall use the 91 Day Treasury Bill Index as the primary benchmark in review of investment performance and may use other benchmarks such as the Merrill Lynch 3-month and 6-month Treasury Bill Indexes ~~and/or~~, the Bloomberg Barclays Capital ~~3-6~~ 3 and 6 Month Treasury Bill Index, and custom benchmarks including a Treasury bill component along with the Bloomberg Barclays 1-3 Year Government Index for purposes of comparability.

ACCOUNT BENCHMARKS

Primary Liquidity Bank of America Merrill Lynch 91 Day Treasury Bills Index, One Month LIBOR Index or other benchmark(s) that more appropriately reflects the manager(s) style within this particular allocation.

Extended Short Duration Bank of America Merrill Lynch 1-3 Year Treasury Index, Bloomberg Barclays 1-3 Year Government Bond Index, Bank of America Merrill Lynch 1-3 year Govt/Corporate Index or other benchmark(s) that more appropriately reflects the manager(s) style within this particular portfolio.

PERFORMANCE REVIEW AND EVALUATION REQUIREMENTS

External managers shall be ~~formally~~ evaluated by ~~management at least on~~ internal staff on an annual basis according to certain criterion that was used in the process of engagement as well as any other more contemporaneous factors that should be noted in a ~~formal~~ thorough evaluation. An overall rating of anything less than satisfactory will be cause for dismissal.

MONITORING THE CASH MANAGEMENT INVESTMENT POLICY

The Board of Visitors or its designated subcommittee thereof shall review this policy at least once every three years in order to ensure that the governances, provisions, and guidelines stated herein appropriately reflect the perspective and risk tolerances of the Board with respect to current market conditions. ~~Management~~ Staff will inform the Board of any violations to this policy, discussed below, and extenuating results.

OCCURRENCES OF NON-COMPLIANCE WITH THE POLICY AND PROCESS OF RESOLUTION

Compliance with stated guidelines in this policy is a requirement. Violations of any kind will require full explanation of the event. ~~Management~~ Staff will evaluate the severity of the violation, the circumstances by which it occurred, ~~and~~ the manager's corrective response, and recommend to the Senior Vice President for Finance and Administration suggestions for subsequent action. ~~Management will then decide what recourse to pursue in dealing with the manager.~~ Should the infraction be serious enough, the manager will be immediately dismissed. Multiple or recurring infractions may warrant immediate dismissal. Lesser infractions will also be documented and discussed with the manager's senior representatives. Resolution and types of restitution will be discussed with the manager depending on the severity of the violation.



WILLIAM & MARY

CHARTERED 1693

Unaudited Consolidated Financial Report For The Year Ended June 30, 2020



WILLIAM & MARY

CHARTERED 1693

2019-2020 CONSOLIDATED FINANCIAL REPORT
FOR
THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA,
VIRGINIA INSTITUTE OF MARINE SCIENCE
AND
RICHARD BLAND COLLEGE

November 1, 2020

To the Board of Visitors of The College of William and Mary (William & Mary), Virginia
Institute of Marine Science and Richard Bland College:

We are pleased to submit the unaudited consolidated annual financial report for William & Mary, Virginia Institute of Marine Science and Richard Bland College for the fiscal year ended June 30, 2020. 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 2019-20 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.

Respectfully submitted,

Amy S. Sebring
Chief Operating Officer
William & Mary

Paul Edwards
Chief Business Officer
Richard Bland College

**William & Mary
Richard Bland College**

June 30, 2020

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**WILLIAM & MARY,
VIRGINIA INSTITUTE OF MARINE SCIENCE
AND RICHARD BLAND COLLEGE**

ANNUAL FINANCIAL REPORT 2019 - 2020

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**William & Mary,
Virginia Institute of Marine Science,
and Richard Bland College
Consolidated Financial Statements**

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

This Management's Discussion and Analysis (MD&A) is required supplemental information to the consolidated financial statements designed to assist readers in understanding the accompanying financial statements. The following information includes a comparative analysis between the current fiscal year ended June 30, 2020 and the prior year ended June 30, 2019. 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 institution's financial status and results of operations for fiscal year ended June 30, 2020. William & Mary's (W&M) management has prepared the MD&A, along with the financial statements and footnotes. W&M's management is responsible for all of the information presented for William & Mary, the Virginia Institute of Marine Science (VIMS), and their affiliated foundations. Richard Bland College's (RBC) management is responsible for all of the information presented for RBC and its affiliated foundation.

The financial statements have been prepared in accordance with the Governmental Accounting Standards Board (GASB) reporting model. Accordingly, the three financial statements required are the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The aforementioned statements are summarized and analyzed in the MD&A.

These financial statements are consolidated statements that include W&M, VIMS, and RBC. All three entities are agencies of the Commonwealth of Virginia reporting to the Board of Visitors of The College of William and Mary in Virginia. W&M and VIMS, which serves as the university's School of Marine Science, are referred to collectively as the "university" and Richard Bland College is referred to as the "college" within the MD&A as well as in the consolidated financial statements.

The institutions' affiliated foundations are component units and are included in the accompanying financial statements in separate columns. However, the following MD&A does not include the foundations' financial condition and activities.

Financial Summary

Statement of Net Position

The Statement of Net Position provides a combined snapshot of the university and college's financial positions, specifically the assets, deferred outflows of resources, liabilities, deferred inflows of resources and resulting net position as of June 30, 2020. The information allows the reader to determine the combined assets available for future operations of all three entities, amounts owed by the university and college, and the categorization of net position as follows:

- (1) Net Investment in Capital Assets – reflects the university and college's capital assets net of accumulated depreciation and any debt attributable to their acquisition, construction or improvements.
- (2) Restricted – reflects the university and 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. 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 university and college that may be used at the discretion of the Board of Visitors for any lawful purpose in support of the university and college’s primary missions 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 Position

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<u>Assets:</u>				
Current	\$ 88,934,760	\$ 82,463,755	\$ 6,471,005	7.85%
Capital, net of accumulated depreciation	943,368,421	915,712,757	27,655,664	3.02%
Other non-current	161,544,932	172,381,677	(10,836,745)	-6.29%
Total assets	<u>1,193,848,113</u>	<u>1,170,558,189</u>	<u>23,289,924</u>	<u>1.99%</u>
<u>Deferred outflows of resources:</u>				
Pension related	23,064,379	12,460,489	10,603,890	85.10%
Other post-employment benefits	10,338,266	8,633,585	1,704,681	19.74%
Loss on refunding of debt	3,942,569	4,858,179	(915,610)	-18.85%
Total deferred outflows of resources	<u>37,345,214</u>	<u>25,952,253</u>	<u>11,392,961</u>	<u>43.90%</u>
<u>Liabilities:</u>				
Current	93,907,152	100,092,567	(6,185,415)	-6.18%
Non-current	434,939,958	435,770,741	(830,783)	-0.19%
Total liabilities	<u>528,847,110</u>	<u>535,863,308</u>	<u>(7,016,198)</u>	<u>-1.31%</u>
<u>Deferred inflows of resources:</u>				
Pension related	8,217,900	10,831,000	(2,613,100)	-24.13%
Other post-employment benefits	25,483,451	19,025,276	6,458,175	33.95%
Gain on refunding of debt	776,174	509,779	266,395	52.26%
Total deferred inflows of resources	<u>34,477,525</u>	<u>30,366,055</u>	<u>4,111,470</u>	<u>13.54%</u>
<u>Net Position:</u>				
Net investment in capital assets	701,520,412	668,965,954	32,554,458	4.87%
Restricted	86,380,417	89,595,322	(3,214,905)	-3.59%
Unrestricted	(120,032,137)	(128,280,197)	8,248,060	6.43%
Total net position	<u>\$ 667,868,692</u>	<u>\$ 630,281,079</u>	<u>\$ 37,587,613</u>	<u>5.96%</u>

The overall result of the combined FY20 operations was a growth in net position of approximately \$37.6 million or an increase of 6.0 percent, bringing total net position to \$667.9 million. The growth was a result primarily of an increase in the net investment in capital assets of \$32.6 million and unrestricted funds of \$8.2 million.

Total assets increased by \$23.3 million. Capital assets, net of accumulated depreciation, increased by \$27.7 million primarily as a result of ongoing construction projects for instruction, research and residential facilities offset by capitalization of completed projects. These projects are discussed in more detail under *Capital Asset and Debt Administration* below. Current assets increased by \$6.5 million due to an increase of \$12.1 million in cash offset by decreases in accounts receivable and amount due from the Commonwealth for reimbursement of capital project expenditures. Other non-current assets decreased \$10.8 million as a result of decreases in investments due to market conditions. The \$11.4 million increase in deferred outflows of resources is due to pension and other post-employment benefits (OPEB) obligations.

Current liabilities decreased \$6.2 million, and non-current liabilities decreased \$0.8 million, which reflects a net decrease in total liabilities of \$7.0 million. The change in current liabilities was attributable to a decrease in accounts payable and accrued expenses primarily due to the timing of payments for goods or services and construction projects as well as a decrease in unearned revenue. Non-current liabilities decreased slightly by \$0.8 million due to normal payment of debt and fluctuations in pension and OPEB obligations. The deferred inflows of resources changed as a result of increases in pension and OPEB liabilities.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the results from operations for the fiscal year. Revenues for the daily operation of the university and 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 Position

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating revenues	\$ 321,856,759	\$ 324,068,655	\$ (2,211,896)	-0.68%
Operating expenses	<u>479,243,805</u>	<u>467,645,138</u>	<u>11,598,667</u>	<u>2.48%</u>
Operating gain/(loss)	(157,387,046)	(143,576,483)	(13,810,563)	9.62%
Net Non-operating revenues	<u>150,735,438</u>	<u>142,098,447</u>	<u>8,636,991</u>	<u>6.08%</u>
Income/(Loss) before other revenues	(6,651,608)	(1,478,036)	(5,173,572)	-350.03%
Net other revenues	<u>44,239,221</u>	<u>38,411,204</u>	<u>5,828,017</u>	<u>15.17%</u>
Increase in net position	<u>\$ 37,587,613</u>	<u>\$ 36,933,168</u>	<u>\$ 654,445</u>	<u>1.77%</u>

Overall, the result from operations was an increase in net position of \$0.7 million or 1.77%. This resulted in a net change year over year of \$37.6 million. Details are provided in the following sections entitled *Summary of Operating and Non-Operating Revenues net of Non-Operating Expenses* and *Summary of Operating Expenses*.

State appropriations for the university and college are treated as non-operating revenues, therefore the university and college will typically display an operating loss for the year. For FY20, state appropriations contributed almost \$90.4 million or 60.0 % of non-operating revenue as shown in the summary below.

The following table provides additional details of the operating, non-operating and other revenues of the university and college's net of non-operating expenses.

Summary of Operating and Non-Operating Revenues net of Non-Operating Expenses

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Revenues:				
Student Tuition and Fees, net of scholarship allowances	\$ 182,958,064	\$ 176,441,292	\$ 6,516,772	3.69%
Federal, State, Local and Non-governmental grants and contracts	43,403,344	44,739,494	(1,336,150)	-2.99%
Auxiliary Enterprise, net of scholarship allowances	88,649,252	95,113,461	(6,464,209)	-6.80%
Other	6,846,099	7,774,408	(928,309)	-11.94%
Total Operating Revenues	<u>321,856,759</u>	<u>324,068,655</u>	<u>(2,211,896)</u>	<u>-0.68%</u>
Non-Operating:				
State Appropriations	90,401,326	80,754,614	9,646,712	11.95%
Gifts, Investment Income and other income and expenses	60,334,112	61,343,833	(1,009,721)	-1.65%
Total Non-Operating	<u>150,735,438</u>	<u>142,098,447</u>	<u>8,636,991</u>	<u>6.08%</u>
Other Revenues, Gains and (Losses):				
Capital Appropriations	22,807,700	24,279,423	(1,471,723)	-6.06%
Capital Grants and Gifts	21,642,116	14,396,010	7,246,106	50.33%
Loss on disposal of assets	(210,595)	(264,229)	53,634	-20.30%
Total Other Revenues, Gains and (Losses)	<u>44,239,221</u>	<u>38,411,204</u>	<u>5,828,017</u>	<u>15.17%</u>
Total Revenues	<u>\$ 516,831,418</u>	<u>\$ 504,578,306</u>	<u>\$ 12,253,112</u>	<u>2.43%</u>

Within the operating revenue category there was a slight decrease in operating revenues of \$2.2 million or less than 0.7% as compared to the prior year. There was an increase in student tuition and fees of \$6.5 million or 3.7% offset by a reduction in auxiliary enterprise revenue due primarily to student rebates for housing and meal plans. Non-operating revenues grew, with increases in State Appropriations, CARES Act and Coronavirus funding offset by decreases in gifts and investment income. The university and college experienced an increase in Total Other Revenues due to the timing of capital project funding and the completion of construction projects.

Details of the operating expenses of the university and college are summarized below:

Summary of Operating Expenses

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Expenses:				
Instruction	\$ 140,310,110	\$ 134,988,703	\$ 5,321,407	3.94%
Research	55,648,171	51,838,208	3,809,963	7.35%
Public Service	62,837	82,624	(19,787)	-23.95%
Academic Support	42,482,406	38,961,505	3,520,901	9.04%
Student Services	16,975,860	18,089,368	(1,113,508)	-6.16%
Institutional Support	47,483,518	46,678,912	804,606	1.72%
Operation and Maintenance of	29,319,059	27,775,075	1,543,984	5.56%
Student Aid	20,912,193	17,476,356	3,435,837	19.66%
Auxiliary Enterprise	88,121,892	95,311,784	(7,189,892)	-7.54%
Depreciation	37,702,243	36,412,541	1,289,702	3.54%
Other Operating Expenses	225,516	30,062	195,454	650.17%
Total Operating Expenses	<u>\$ 479,243,805</u>	<u>\$ 467,645,138</u>	<u>\$ 11,598,667</u>	<u>2.48%</u>

For FY20, the increase in operating expenses was a result of increases in Instruction, Research, Academic Support and Student Aid offset by decreases primarily in Auxiliary enterprises.

Statement of Cash Flows

The Statement of Cash Flows provides detailed information about the university and 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 university and college's ability to generate cash to meet current and future obligations.

Summary Statement of Cash Flows

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Cash Flows from:				
Operating Activities	\$ (117,682,827)	\$ (109,165,801)	\$ (8,517,026)	-7.80%
Non-Capital Financing	154,217,176	143,366,475	10,850,701	7.57%
Capital and Related Financing	(37,993,232)	(9,239,781)	(28,753,451)	-311.19%
Investing Activities	9,718,245	6,947,499	2,770,746	39.88%
Net Increase/(Decrease) in Cash	<u>\$ 8,259,362</u>	<u>\$ 31,908,392</u>	<u>\$ (23,649,030)</u>	<u>-74.12%</u>

Cash flow from operations and non-capital financing reflects the sources and uses of cash to support the core mission of the university and college. The primary sources of cash supporting the core mission of the university and college in FY 20 were: tuition and fees - \$179.0 million, auxiliary enterprise revenues - \$90.4 million, state appropriations - \$90.4 million, gifts - \$53.0 million and grants and contracts - \$41.6 million.

The primary uses of operating cash in FY20 were payments to employees - \$274.5 million representing salaries, wages, and fringe benefits and payments to suppliers of goods and services - \$126.6 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 FY20 were: capital appropriations - \$24.2 million, capital grants and contributions - \$21.4 million and proceeds from capital debt - \$10.7 million. The primary uses of cash were for capital expenditures - \$66.1 million and debt payments - \$17.5 million.

The change in cash flows from investing activities is due to investment income and purchase and sale of investments.

Capital Asset and Debt Administration

William & Mary

The following list provides highlights of capital projects completed, in progress, or in design during FY20.

- **Projects Completed in FY20** – Three projects were placed into service in FY20. The West Utility Plant, the Tribe Field Hockey Center and the Alumni House Expansion and Renovation were completed in FY20. These projects will be closed out as soon as warranty inspections are completed.
- **Projects in Progress** – Including the 12 projects highlighted on this document, there are over 50 projects currently in some phase of progress – concept development, design, construction, or close out.

Projects in Design – A brief description of each project in design at the end of the fiscal year is provided below:

- **Hearth. Memorial to the Enslaved**, a concept design selected from a multi-national competition to honor the enslaved persons that helped establish William & Mary, will be designed and constructed in the vicinity of the Wren Building.
- **Lake Matoaka Dam Spillway Improvement** project addresses Virginia dam safety regulations, which require that high risk dams have the capacity to pass off 90% of the flow created by probable maximum precipitation. The capacity will be created by hardening the downstream face of the dam using roller compacted concrete in order to allow passage of flow by overtopping without damage to the earthen embankment.
- **Muscarella Museum Renovation and Expansion** will renovate the existing 19,000 square foot museum and construct approximately a 30,000 square foot addition. This will provide a more modern, program oriented facility which will include exhibit space and teaching space.
- **Blow Hall IT Data Center Renovation** installs a new HVAC system for computer rack cooling to meet current cooling loads. The project also adds redundant power sources with two new uninterrupted power supplies and a new generator power source.

Integrated Science Center, Phase 4 (ISC4) will support the Mathematics, Computer Science, Engineering Design and Kinesiology & Health Sciences programs which are currently housed in facilities that lack sufficient space and robust building systems. This new facility will accommodate state of the art instruction and research by constructing approximately 116,000 square feet of new space and renovating 10,000 square feet of existing space in order to connect ISC 4 to the adjacent ISC 1. The facility will be constructed on the site of the former Millington Hall. The project has been authorized for preliminary design, but the state has not yet provided funding to complete the design and move to construction. Those funds will be requested in the 2021 legislative session.

- Sadler West Addition constructs a 46,000-square foot addition to the western side of the Sadler Center and renovates 8,000 square feet in the old Student Health Center. This project will allow for the relocation and consolidation of the university's mission essential student affairs programs, which are currently spread across multiple facilities on campus.
- Kaplan Arena Renovation & Addition provides a new, enlarged arena entry lobby and concourse, bowl improvements and the construction of an adjacent, connected Sports Performance Center. Project will renovate portions of the existing building to improve locker room and other student athlete spaces. Building systems will be improved as necessary. Bowl improvements will include seating upgrades, club seating and other fan experience improvements. The Sports Performance Center will provide a practice basketball/volleyball court, strength training, and sports therapy spaces.
- Swem Library Patio project constructs an accessible outdoor seating and gathering area to the east of the main entrance to Swem Library. Project will consist of brick pavers, steps, access ramp and associated landscaping

Projects in Construction - A brief description of each project in construction at the end of the fiscal year is provided below:

- Fine and Performing Arts Phase I and II will expand and renovate Phi Beta Kappa (PBK) Hall, construct a new music building, and improve pedestrian and vehicular circulation in the immediate vicinity. PBK will house Theater, Dance, and Speech and feature a 100 seat student laboratory, a 250 seat studio (black box) theater and a 499 seat renovated main theater. The music building will feature a 125 seat recital hall and a 450 seat recital hall. Both facilities will be uniquely suited to the instructional and acoustic needs of the supported programs. Construction is underway with a completion target of Fall 2022.
- Reveley Garden will construct a version of the 1926 Charles Gillette garden that was designed as part of William & Mary's Beaux-Arts campus plan but never built. The project will create new places of repose and beauty on the south side of W&M's campus, as well as move towards fulfilling Gillette's thoughtful and compelling design for the early twentieth-century campus. Construction underway with a Fall 2020 completion.
- The One Tribe Place renovations provided necessary structural repairs, remediated issues with storm water and waterproofing and addressed climate control issues in student rooms. Work continues to replace portions of the roof which is expected to conclude in Fall 2020.
- Law School Patio Renovations project provides improvements to the hardscape of the patio, addition of landscape plantings and a pergola. Construction contract in the award phase.

Looking ahead, W&M will be centered on significant construction efforts in the coming year with Fine and Performing Arts Phases I and II, Muscarelle Museum, Sadler Center and Kaplan Arena all active in 2021. W&M will also explore academic, auxiliary and administrative space needs balanced against existing inventory and master plan data to determine best courses of action for renovations or new construction to support current and future programs

Virginia Institute of Marine Science

The following list provides highlights of projects completed and in progress or in design during FY20.

- ***Projects Completed in FY20*** – Three projects were placed into service in FY20. The Research Vessel, Consolidated Scientific Research Facility and Facilities Management Building. The Consolidated Scientific Research Facility is waiting for the archaeologist to finalize their report and submit to the Department of Historical Resources for approval.

- ***Projects in Progress or Design*** - VIMS had several projects either in design or under construction in FY20.
 - The New Research Facility project involves the planning of a new building to replace the existing Chesapeake Bay Hall building with a new 65,000 square foot building to provide research, education, and office space for the Departments of Aquatic Health Sciences, Biological Sciences, Fisheries Science, and Physical Sciences. Schematic design was completed to identify scope and program requirements. The schematic cost estimates indicated that the construction budget was higher than the approved targeted project budget. VIMS reviewed both scope and cost to align with approved budgets.
 - The Eastern Shore Laboratory Complex project involves the planning and construction for a new building complex totaling 22,218 square feet that includes a new administration building, education building, visiting scientist/student center, shellfish aquaculture hatchery, maintenance shop, and a storage shop. Construction documents were reviewed by the Division of Engineering and Buildings (DEB) for final code analysis and permitting. One final resubmission is required. Bids were received by the General Contactor short list. VIMS and the design team worked with the responsible low bidder to align the construction costs with the available budget through negotiations and value engineering.
 - The Oyster Hatchery project involves the planning for a new state-of-the-art 22,000 square foot oyster hatchery which will house space for research, education, and training as well as space for outreach activities with industry that promotes economic development. Construction documents were reviewed by DEB for final code analysis and permitting. Responses to DEB's comments were finalized by Quinn Evans Architects. Kjellstrom and Lee, Inc (Construction Manager) priced the final documents.

Richard Bland College

The following list provides highlights of capital projects completed, in progress, or in design during FY20.

- ***Project in Design in FY20***-The Academic Innovation Center project includes new space for active learning, student collaboration, and student engagement as well as access to specialized high tech equipment for use by faculty and students. The new innovation center will include space for partnership classrooms, regular classrooms, collaboration classrooms, and recording studios. By renovating the second floor of the existing library and connecting the new spaces to the library, the innovation center and the library will combine to foster a seamless and natural flow of learning, information, research, experimentation, and discovery for students in every course offered by the college.

Debt Activity

The university and college's long-term debt is comprised of bonds payable, notes payable, capital lease 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 university and college. These bonds are used to finance capital projects which will produce revenue to repay the debt. The university and 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 university and college's general revenues. As of June 30, 2020, the university and college had \$74.5 million and \$172.0 million in outstanding balances for Section 9(c) and 9(d) bonds, respectively.

The outstanding balance of 9(c) bonds can be summarized in five major categories: (1) Renovation of Dormitories - \$42.7 million, (2) New Dormitory - \$17.2 million, (3) Commons Dining Hall - \$3.7 million, (4) Graduate Housing - \$3.0 million, and (5) RBC Student Housing Conversion - \$2.2 million. The remaining difference reflects \$5.7 million in unamortized premiums.

The majority of the 9(d) balance at June 30, 2020 is related to: Plant Renovations – \$29.8 million, Expansion of Sadler Center - \$30.0 million, One Tribe Place - \$18.0 million, Miller Hall School of Business - \$11.7 million, Barksdale dormitories - \$10.2 million, Integrated Science Center - \$9.9 million, McLeod Tyler Wellness Center - \$8.3, Marshall-Wythe Law School Library - \$7.4 million, Improvement of Auxiliary facilities \$8.3 million, the Parking Deck -\$4.4 million, Recreation Sports Center - \$3.8 million, Athletic related projects – \$12.4 million, and various other projects – \$3.6 million. The remaining difference reflects \$14.2 million in unamortized premiums.

Economic Outlook

The university ended fiscal year 2020 strong. Overall net assets increased and cost savings measures implemented in the last quarter of the year resulted in a net savings of approximately \$6 million. The university's economic health continues to reflect its strong student demand for a W&M degree, its ability to respond to changes quickly to reallocate funds to the university's highest priorities, and continued funding from the Commonwealth of Virginia, particularly for targeted initiatives and capital projects. The university continues to focus on diversifying sources of revenue that align with its overall strategic direction.

W&M continues to recruit, admit and retain top-caliber students even as the university competes against the most selective public and private institutions in the country. The freshman applicant pool continues to be strong, with 14,202 students seeking admission for Fall 2020. With an incoming class size of 1,526 undergraduate students, W&M has almost 9.3 applicants for every student enrolled. Given its robust applicant pool, the credentials of admitted students remain strong, reflecting the university's highly selective nature. These statistics, coupled with the university's academic reputation, suggest a strong continuing student demand for the future. Similarly, VIMS continues to see significant success in its academic, research and advisory programs, particularly in high profile areas such as coastal flooding, sea-level rise, and water quality. Over the past several years, enrollment at RBC, a separate two-year college governed by the Board of Visitors has fluctuated as the college has raised its admissions standards. Yet, over the past two academic years, enrollments stabilized as the college's investments in academic advising, student support services, and retention programs began to pay off. Given uncertainty around student responses to the novel coronavirus (COVID-19) pandemic, the college continues to forecast revenues conservatively, monitor enrollments closely, and manage its budget tightly.

Heading in to fiscal year 2021, the university's board of visitors approved an operating budget assuming no growth in enrollments over fiscal year 2020. Summer 2020 enrollments and related revenues were higher than the prior year, and while fall 2020 undergraduate registrations are slightly below prior year (less than 1% decline), graduate registration has led to a current overall increase of approximately 8%. The university has moved deliberately to provide students with significant options to meet their educational needs while the university continues to operate in the midst of a pandemic which is evident in the number of students choosing to take courses remotely or in a blended fashion. For students who are living on campus or residing locally, the university has taken an aggressive approach to COVID-19 testing, seeking to identify asymptomatic positives among the student population to limit spread. In addition, the university has adopted *Healthy Together*, a university-wide commitment to behavioral norms and expectations given the current public health crisis. Given the high level of uncertainty in the current environment, the university continues to monitor and plan for adjustments to the adopted fiscal year 2021 budget as needed, including ongoing cost-containment efforts and a mission critical budget review to ensure that resource allocations align with the university's most immediate needs and long-term strategic initiatives. By reducing expenditures on a one-time basis and an ongoing basis, the university remains well positioned to adjust its spending plan should circumstances change over the next 12 months. In addition, while adjusting to the immediate circumstance, the university continues to take a long-term view, allowing it to implement sustained and strategic solutions even in the midst of the current public health and economic uncertainty.

State support for operations is a function of general economic conditions and the priority assigned to higher education among competing demands for Commonwealth resources. The 2020-2022 Appropriation Act, Chapter 1289, adopted by the General Assembly and signed into law by the Governor, held funding constant with FY 2020 with the only changes related to funds held in central appropriations for past salary and fringe benefit changes moved to William & Mary's base General Fund allocation. Early indications from the ongoing special session are that there will be no FY

2021 reductions for higher education. We continue to monitor the ongoing discussions for any impact to William & Mary general fund allocations.

As of June 30, 2020 the market value of W&M's total endowment was greater than \$967.7 million. The portfolio remained strong with only a slight decrease over the prior year. The Board of Visitors' endowment and the William & Mary Investment Trust together these remain the largest of the investment portfolios and both remain highly diversified across asset classes.

William & Mary continues to benefit from the generosity of alumni and friends, foundations, and corporations. This year, the university completed its boldest fundraising campaign yet, with \$1.04 billion raised. Ties among alumni and alma mater strengthened its status as the No. 1 public university for alumni participation cemented several years in a row. Even in the midst of a pandemic and uncertainty in the world, the university raised more than \$149.9 million fiscal year 2020 — the single largest fundraising year ever for the university.

Investments in academic facilities and infrastructure remain strong. With support from the Commonwealth for construction and renovation of academic facilities, W&M is well under way in the construction of state-of-the-art educational and performance facilities for its music, theater, dance and speech programs. The last phase of the Integrated Science Center is in design and will accommodate state-of-the-art instruction and research space along with the expansion of the Sadler Center that will support the consolidation of activities and programs for Student Affairs. Likewise, with support from the Commonwealth, VIMS is also continuing to invest in its facilities and physical inventory, with the completion of construction of a new research vessel and Consolidated Scientific Research Facility. The New Research Facility, Oyster Hatchery, and Eastern Shore Research Facilities are under way.

Consolidated Financial Statements

**William & Mary, Virginia Institute of Marine Science and Richard Bland College - Consolidated Report
Statement of Net Position
As of June 30, 2020**

	ASSETS	University	Component Units
Current assets:			
Cash and cash equivalents (Note 3)	\$ 44,876,280	\$ 34,196,478	
Investments (Note 3)	19,496,715	36,348,673	
Appropriation available	1,050,796	-	
Receivables, net of allowance for doubtful accounts (Note 5)	16,664,257	3,879,138	
Notes receivable (Note 5)	340,042	-	
Due from commonwealth	2,514,237	-	
Inventories	623,315	12,009	
Pledges receivable	-	14,445,570	
Prepaid expenses	3,139,456	362,712	
Other assets	229,662	73,950	
Total current assets	88,934,760	89,318,530	
Non-current assets:			
Restricted cash and cash equivalents (Note 3)	41,066,489	16,065,659	
Restricted investments (Note 3)	89,807,270	468,847,555	
Investments (Note 3)	26,890,593	279,499,158	
Receivables	-	19,049,529	
Notes receivable, net of allowance for doubtful accounts (Note 5)	1,216,799	-	
Pledges receivable	-	39,252,556	
Capital assets, nondepreciable (Note 6)	155,077,122	16,263,555	
Capital assets, depreciable net of accumulated depreciation (Note 6)	788,291,299	25,680,455	
Other assets	-	2,587,909	
Other restricted assets	2,563,781	157,221,728	
Total non-current assets	1,104,913,353	1,024,468,104	
Total assets	1,193,848,113	1,113,786,634	
DEFERRED OUTFLOWS OF RESOURCES			
Pension related (Note 14)	23,064,379		
Other postemployment benefits (Note 15)	10,338,266		
Loss on refunding of debt	3,942,569		
Total deferred outflows of resources	37,345,214		
Total assets and deferred outflows of resources	1,231,193,327		
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses (Note 7)	45,783,592	1,304,536	
Unearned revenue	14,592,320	187,460	
Deposits held in custody for others	907,702	281,529	
Obligations under securities lending program	137,182	-	
Long-term liabilities-current portion (Note 9)	32,452,994	2,317,792	
Other liabilities	33,362	29,423	
Total current liabilities	93,907,152	4,120,740	
Long-term liabilities-non-current portion (Note 9)	434,939,958	63,106,157	
Total liabilities	528,847,110	67,226,897	
DEFERRED INFLOWS OF RESOURCES			
Pension related (Note 14)	8,217,900		
Other postemployment benefits (Note 15)	25,483,451		
Gain on refunding of debt	776,174		
Total deferred inflows of resources	34,477,525		
Total liabilities and deferred inflows of resources	563,324,635		
NET POSITION			
Net investment in capital assets	701,520,412	16,148,741	
Restricted for:			
Nonexpendable:			
Scholarships and fellowships	10,665,226	171,959,097	
Research	-	26,437,746	
Loans	-	24,230	
Departmental uses	44,497,055	180,277,764	
Other	-	207,369,530	
Expendable:			
Scholarships and fellowships	9,409,318	109,859,717	
Research	464,878	8,066,907	
Debt service	2,861,119	-	
Capital projects	953,030	32,019,362	
Loans	527,860	-	
Departmental uses	17,001,931	181,739,214	
Other	-	52,451,031	
Unrestricted	(120,032,137)	60,206,398	
Total net position	\$ 667,868,692	\$ 1,046,559,737	

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

William & Mary, Virginia Institute of Marine Science and Richard Bland College - Consolidated Report
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

	University	Component Units
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$47,115,182	\$ 182,958,064	\$ -
Gifts and contributions	-	23,853,013
Federal grants and contracts	32,974,302	-
State grants and contracts	3,681,429	-
Local grants and contracts	175,509	-
Nongovernmental grants and contracts	6,572,104	-
Auxiliary enterprises, net of scholarship allowances of \$20,196,818	88,649,252	-
Other	6,846,099	6,315,235
Total operating revenues	321,856,759	30,168,248
Operating expenses: (Note 11)		
Instruction	140,310,110	7,411,186
Research	55,648,171	1,213,766
Public service	62,837	404,204
Academic support	42,482,406	3,761,356
Student services	16,975,860	1,105,334
Institutional support	47,483,518	12,500,104
Operation and maintenance of plant	29,319,059	18,929,733
Student aid	20,912,193	17,087,933
Auxiliary enterprises	88,121,892	7,181,216
Depreciation	37,702,243	979,627
Other	225,516	4,639,351
Total operating expenses	479,243,805	75,213,810
Operating loss	(157,387,046)	(45,045,562)
Non-operating revenues/(expenses):		
State appropriations (Note 12)	90,401,326	-
Gifts	52,976,049	-
Net investment revenue	2,137,762	(1,378,030)
Pell grant revenue	5,908,558	-
CARES act and coronavirus relief funds	4,631,022	-
Interest on capital asset related debt	(5,980,435)	(794,962)
Other non-operating revenue	3,112,889	5,139,475
Other non-operating expense	(2,451,733)	(18,586,482)
Net non-operating revenues	150,735,438	(15,619,999)
Income/(loss) before other revenues, expenses, gains or losses	(6,651,608)	(60,665,561)
Capital appropriations	22,807,700	-
Capital grants and contributions	21,642,116	36,228,428
Loss on disposal of assets	(210,595)	-
Additions to permanent endowments	-	23,841,006
Net other revenues, expenses, gains or losses	44,239,221	60,069,434
Increase/(Decrease) in net position	37,587,613	(596,127)
Net position - beginning of year, restated	630,281,079	1,047,155,864
Net position - end of year	\$ 667,868,692	\$ 1,046,559,737

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

William & Mary, Virginia Institute of Marine Science and Richard Bland College - Consolidated Report
Statement of Cash Flows
For the Year Ended June 30, 2020

Cash flows from operating activities:	
Tuition and fees	\$ 179,021,709
Scholarships	(19,647,439)
Research grants and contracts	41,632,933
Auxiliary enterprise charges	90,394,152
Payments to suppliers	(126,617,912)
Payments to employees	(274,487,144)
Payments for operation and maintenance of facilities	(14,100,388)
Collection of loans to students and employees	512,240
Other receipts	5,839,616
Other payments	(230,594)
	<hr/>
Net cash used by operating activities	(117,682,827)
	<hr/>
Cash flows from noncapital financing activities:	
State appropriations	90,401,326
Gifts	52,976,049
Agency receipts	645,916
Agency payments	(1,167,716)
Direct Loan receipts	45,884,460
Direct Loan disbursements	(45,884,460)
Other non-operating receipts	13,697,698
Other non-operating disbursements	(2,336,097)
	<hr/>
Net cash provided by noncapital financing activities	154,217,176
	<hr/>
Cash flows from capital financing activities:	
Proceeds from issuance of capital debt	10,727,938
Capital appropriations	24,178,332
Capital grants and contributions	21,446,043
Payment to the Treasurer of Virginia	(796,803)
Insurance payments	223,704
Capital expenditures	(66,064,383)
Principal paid on capital-related debt	(17,488,293)
Interest paid on capital-related debt	(10,279,391)
Proceeds from sale of capital assets	59,621
	<hr/>
Net cash used by capital and related financing activities	(37,993,232)
	<hr/>
Cash flows from investing activities:	
Investment income	4,096,420
Investment expense	(242,472)
Proceeds from sale of investments	57,905,261
Purchase of investments	(52,040,964)
	<hr/>
Net cash provided by investing activities	9,718,245
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Net increase/(decrease) in cash	8,259,362
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Cash-beginning of year	77,546,225
	<hr/>
Cash-end of year	<u><u>\$ 85,805,587</u></u>

William & Mary, Virginia Institute of Marine Science and Richard Bland College - Consolidated Report
Statement of Cash Flows
For the Year Ended June 30, 2020

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

Statement of Net Position

Cash and cash equivalents	\$ 44,876,280
Restricted cash and cash equivalents	41,066,489
Less: Securities lending -Treasurer of Virginia	<u>(137,182)</u>

Net cash and cash equivalents \$ 85,805,587

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

Net operating loss \$ (157,387,046)

Adjustments to reconcile net operating expenses to cash used by operating activities

Depreciation expense	37,702,243
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources	
Receivables-net	3,127,963
Inventories	(84,508)
Prepaid expense	422,087
Accounts payable	(1,594,166)
Unearned revenue	(2,018,544)
Deposit held for others	101,217
Federal loan contribution	(888,020)
Compensated absences	919,807
Pension liability	16,346,172
Deferred outflows of resources related to pension obligations	(10,603,890)
Deferred inflows of resources related to pension obligations	(2,613,100)
Other post-employment benefits liability	(8,346,343)
Other post-employment benefits asset	405,219
Deferred outflows of resources related to other post-employment benefit	(1,704,681)
Deferred inflows of resources related to other post-employment benefit	6,458,175
Software licenses liability	2,079,664
Other liability	<u>(5,076)</u>

Net cash used in operating activities \$ (117,682,827)

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

Amortization of deferred loss	\$ 661,303
Donated capital assets	\$ 196,073
Loss on disposal of assets	\$ 210,594
Amortization of bond premium	\$ 2,773,654
Net change in value of investments	\$ (1,577,506)

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, 2020**

William & Mary, Virginia Institute of Marine Science, and Richard Bland College - Consolidated Report

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The consolidated financial statements of William & Mary includes the financial statements of William & Mary (W&M) located in Williamsburg, Virginia, Virginia Institute of Marine Science (VIMS), which serves as the school of Marine Science, collectively referred to as “university” and Richard Bland, referred to as the “college”. All three entities are recognized as distinct state agencies within the Commonwealth of Virginia’s statewide system of public higher education with a shared governing board appointed by the Governor of Virginia. In this capacity, the Board of Visitors is responsible for overseeing governance of all three entities. The university and college are a component unit of the Commonwealth of Virginia and are included in the general purpose financial statements of the Commonwealth.

The accompanying financial statements present all funds for which the university and college’s Board of Visitors is financially accountable. Related foundations and similar non-profit corporations for which the university and college are not financially accountable are also a part of the accompanying financial statements in accordance with the Governmental Accounting Standards Board (GASB) reporting model. These entities are legally separate and tax exempt organizations formed to promote the achievements and further the aims and purposes of the university and college. These component units are described in Note 13.

The university and college have nine component units – the William & Mary Foundation, The Marshall-Wythe School of Law Foundation, the William & Mary Alumni Association, the William & Mary Athletic Educational Foundation, the William & Mary School of Business Foundation, the Virginia Institute of Marine Science Foundation, the Richard Bland College Foundation, the William & Mary 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 university and college. The Foundations are private, non-profit organizations, and as such the financial statement presentation follows the recommendation of accounting literature related to non-profits. As a result, reclassifications have been made to convert the Foundation’s financial information to GASB format.

Although the university and college do 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 university and college by the donors. Because these restricted resources held by the Foundations can only be used by or for the benefit of the university and college, the Foundations are considered component units of the university and college and are discretely presented in the financial statements with the exception of the Intellectual Property Foundation. The Intellectual Property Foundation is presented blended in the university column because the university has a voting majority of the governing board of the Foundation.

The William & 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 William & Mary. For additional information on the William & Mary Foundation, contact the Foundation 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 William & Mary Law School. 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 & Mary Alumni Association is a private, not-for-profit corporation organized under the laws of the Commonwealth of Virginia which provides aid to W&M in its work and promotes and strengthens the bonds of interest between and among William & Mary 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 & 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 William & Mary, but it principally supports W&M's Athletic Department. For additional information on the Athletic Educational Foundation, contact the Foundation Office at 751 Ukrop Drive, Williamsburg, Virginia 23187.

The William & 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 W&M School of Business Administration and to support the School through the operations of the Foundation. For additional information on the William & Mary Business School Foundation, contact the Foundation Office at Post Office Box 2220, 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 VIMS 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 RBC'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, South Prince George, Virginia 23805.

The William & Mary Real Estate Foundation is a non-profit 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 William & Mary and VIMS. For additional information on the William & 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 William & Mary in support of the educational goals of the university. For additional information on the William & Mary Intellectual Property Foundation, contact the Foundation Office at Post Office Box 8795, Williamsburg, Virginia, 23187-8795.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the GASB, including all applicable GASB pronouncements. 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*. The university and college follow accounting and reporting standards for reporting as a special-purpose government engaged in business-type activities and accordingly, is reported within a single column in the basic financial statements.

Basis of Accounting

The financial statements of the university and 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.

Newly Adopted Accounting Pronouncements

The GASB has extended the effective dates of implementation of new standards due to the impacts of COVID 19. However, the Commonwealth is proceeding with implementing GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 90, *Majority Equity Interests*. GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities. Activities that meet the criteria are to be reported in separate fiduciary fund statements. GASB Statement No. 90, *Majority Equity Interests*, defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The university determined that it did not have any material fiduciary activity or majority equity interest in a legally separate organization and the financial statements were unaffected by the implementation of GASB 84 and GASB 90.

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

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that purchased investments, interest-bearing temporary investments classified with cash, and investments received as gifts be recorded at fair value, and reported in accordance with GASB Statement No. 72, *Fair Value Measurement and Application* (See Note 3). Realized and unrealized gains and losses are reported in investment income as non-operating revenue in the Statement of Revenues, Expenses, and Changes in Net Position.

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 university are reported using the consumption method and valued at average cost. RBC does not report any inventory.

Prepaid Expenses

As of June 30, 2020, the university and college's prepaid expenses included items such as insurance premiums, membership dues, conference registrations and publication subscriptions for FY21 that were paid in advance.

Capital Assets

Capital assets are recorded at historical cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. Construction expenses for capital assets and improvements are capitalized when expended. Interest expense of \$2,153,346 relating to construction is capitalized net of interest income earned on resources set aside for this purpose for the year ended June 30, 2020. The university and college's capitalization policy on equipment includes all items with an estimated useful life of two years or more. The university and college capitalize all items with a unit price greater than or equal to \$5,000. The university capitalizes buildings, improvements other than buildings and

infrastructure with a cost greater than or equal to \$100,000. Richard Bland College capitalizes buildings and improvements other than buildings with a cost 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. The university capitalizes 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 acquisition value at the date of donation. These collections, which include rare books, are considered inexhaustible and therefore are not depreciated.

Deferred Outflows of Resources

Deferred outflows of resources are defined as the consumption of net assets applicable to a future reporting period. The deferred outflows of resources have a positive effect on net position similar to assets.

Unearned Revenue

Unearned revenue represents revenue collected but not earned as of June 30, 2020. This is primarily comprised of revenue for student tuition and fees 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 Position, and as a component of compensation and benefit expense in the Statement of Revenues, Expenses, and Changes in Net Position. 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, capital lease 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. Also included is pension liability for defined benefit plans and other postemployment benefits administered through the Virginia Retirement System and other postemployment benefits administered through the Department of Human Resource Management.

Pensions

The Virginia Retirement System (VRS) State Employee Retirement Plan and the Virginia Law Officers' System (VaLORS) Retirement Plan are single employer pension plans that are treated like cost-sharing plans. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the VRS State Employee Retirement Plan and the VaLORS Retirement Plan, as well as the additions to/deductions from the VRS State Retirement Plan's and the VaLORS Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Virginia Retirement System (VRS) State Employee Health Insurance Credit Program is a single employer plan that is presented as a multiple-employer, cost-sharing plan. For purposes of measuring the net State Employee Health Insurance Credit Program OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) State Employee Health Insurance Credit Program; and the additions to/deductions from the VRS State Employee Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Virginia Retirement System (VRS) Disability Insurance Program (Virginia Sickness and Disability Program) is a single employer plan that is presented as a multiple-employer, cost-sharing plan. For purposes of measuring the net Disability Insurance Program OPEB liability (asset), deferred outflows of resources, deferred inflows of resources and OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Disability Insurance Program OPEB Plan and the additions to/deductions from the VRS Disability Insurance Program OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) is a multiple-employer, cost-sharing plan. For purposes of measuring the net Line of Duty Act Program OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Line of Duty Act Program OPEB Plan and the additions to/deductions from the VRS Line of Duty Act Program OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes and is administered by the Department of Human Resource Management. The employer does not pay a portion of the retirees' healthcare premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, this generally results in a higher rate for active employees. Therefore, the employer effectively subsidizes the costs of the participating retirees' healthcare through payment of the employer's portion of the premiums for active employees.

Deferred Inflows of Resources

Deferred inflows of resources are defined as the acquisition of net assets applicable to a future reporting period. The deferred inflows of resources have a negative effect on net position similar to liabilities.

Net Position

The university and college's net position is classified as follows:

Net Investment in Capital Assets – consists of total investment in capital assets, net of accumulated

depreciation and outstanding debt obligations.

Restricted Net Position – Nonexpendable – includes 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 Position – Expendable – represents funds that have been received for specific purposes and the university and college are legally or contractually obligated to spend the resources in accordance with restrictions imposed by external parties.

Unrestricted Net Position – represents 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 university and 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 Position. Scholarship allowances are the difference between the actual charge for goods and services provided by the university and 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 university-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 Position. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the university and college have recorded a scholarship allowance.

Federal Financial Assistance Programs

The university and college participate 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 2 CFR 200, subpart F.

Classification of Revenues and Expenses

The university and college present its revenues and expenses as operating or non-operating based on the following criteria:

Operating revenues - includes 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 - includes 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.

Operating and Non-operating expenses - includes 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 POSITION

There were no restatements to net position reported in the university's financial statements as of June 30, 2019.

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 university and 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 university and 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 with the exception of cash held by the university and college in foreign currency, when applicable. The Virginia Security for Public Deposits Act eliminates any custodial credit risk for the university and college. The university has cash equivalents with the Virginia State Non-Arbitrage Program (SNAP). SNAP offers a professionally managed money market mutual fund, which provides a temporary pooled investment vehicle for proceeds pending expenditure, and with record keeping, depository and arbitrage rebate calculations. SNAP complies with all standards of GASB Statement 79. SNAP investments are reported using the net asset value per share, which is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Investments

The investment policy of the university and 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 21, September 25-27, 2019, 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. Money market funds are cash equivalents and are presented at amortized cost.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of the credit quality rating on any investments subject to credit risk.

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 university and college's investment policy does not limit the amount invested in U.S. Government or Agency Securities. As of June 30, 2020, the university had 6.12% of its total investments in the Federal National Mortgage Association and 5.06% in the Federal Home Loan Mortgage Corporation.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of failure of the counterparty, the university and 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 university and college, and therefore, the university and college do 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 university and college limit their exposure to interest rate risk by limiting its maximum maturity lengths of investments and structuring its portfolio to maintain adequate liquidity to ensure the university and 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 university had no investments in foreign currency or foreign deposits as of June 30, 2020. The university does not have a foreign currency risk policy.

Fair Value Measurement

Certain assets and liabilities of the university and college are reflected in the accompanying financial statements at fair value. The university and college follow the provisions in GASB Statement 72, *Fair Value Measurement and Application*. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). GASB 72 establishes a fair value hierarchy and specifies that the valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described below:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities that the university and college have the ability to access at the measurement date.

Level 2—Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, or inputs other than quoted prices that are observable (directly or indirectly) for the asset or liability.

Level 3—Prices, inputs or sophisticated modeling techniques, which are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As required by GASB 72, assets and liabilities are classified within the level of the lowest significant input considered in determining fair value.

GASB 72 permits a governmental unit to establish the fair value of investments in non-governmental entities that do not have a readily determinable fair value by using the Net Asset Value ("NAV") per share (or its equivalent), such as member units or an ownership interest in partners' capital. The university and college use the NAV or its equivalent as provided by the investment funds to value its investments in certain limited partnerships. Investments valued using the NAV or its equivalent are not categorized within the fair value hierarchy.

The university and college categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The following table presents investments as of June 30, 2020:

Investments Measured at Fair Value

	<u>6/30/2020</u>	<u>Level 1</u>	<u>Level 2</u>
Investments by Fair Value Level			
Debt Securities			
Corporate Bonds	\$ 23,571,897	\$ 2,011,155	\$ 21,560,742
Commercial Paper	1,499,766	-	1,499,766
Agency Unsecured Bonds and Notes	6,372,674	6,372,674	-
Agency Mortgage Backed Securities	16,296,285	-	16,296,285
United States Treasury Notes	5,660,029	5,660,029	-
Mutual Funds	609,945	609,945	-
Fixed Income and Commingled Funds	<u>30,314,213</u>	<u>30,314,213</u>	<u>-</u>
Total Debt Securities	<u>84,324,809</u>	<u>44,968,016</u>	<u>39,356,793</u>
Equity Securities			
Common and Preferred Stocks	3,969,491	3,969,491	-
Equity Index Funds	24,570,325	24,570,325	-
Equity International and Emerging Markets	18,041,730	18,041,730	-
Real Estate	<u>1,620,799</u>	<u>1,620,799</u>	<u>-</u>
Total Equity Securities	<u>48,202,345</u>	<u>48,202,345</u>	<u>-</u>
Total Investments by Fair Value level	<u>132,527,154</u>	<u>93,170,361</u>	<u>39,356,793</u>
Other - Rare Coin	280		
Investments measured at the Net Asset Value (NAV)			
Equity Hedge Long/Short	1,320,748		
Diversified Event Driven	504,375		
Managed Futures/Commodities	454,385		
Relative Value	2,129,924		
Private Equity	<u>747,480</u>		
Total Investments measured at the NAV	<u>5,156,912</u>		
Total Investments	<u>\$ 137,684,346</u>		

Securities traded on U.S. or foreign exchanges are valued at the last reported sales price or, if there are no sales, at the latest bid quotation. Mutual funds and exchange traded funds listed on U.S. or foreign exchanges are valued at the closing net asset value; mutual funds not traded on national exchanges are valued in good faith at the pro-rata interest in the net assets of these entities. Short-term government and agency bonds and notes are valued based on market-driven observations and securities characteristics including ratings, coupons and redemptions. The values of limited partnerships are determined in good faith at the pro-rata interest in the net assets of these entities. Investments held by these entities are valued at prices which approximate fair value. The estimated fair value of certain investments in the underlying entities, which may include private placements and other securities for which values are not readily available, are determined in good faith by the investment advisors or third party administrators of the respective entities and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. These investments are valued using valuation techniques such as the market approach, income approach, and cost approach. The estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments, and these differences could be material.

The following table summarizes liquidity provisions related to the university and college's investments measured at Net Asset Value:

Investments Measured at NAV

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Equity Hedge Long/Short	\$ 1,320,748	\$ -	Monthly, Quarterly	35-95 days
Diversified Event Driven	504,375	-	Quarterly	95 days
Managed Futures/Commodities	454,385	-	Monthly	10 days
Relative Value	2,069,583	-	Quarterly, Semi-Annual	65-100 days
Relative Value	60,341	-	Liquidating	
Private Equity	<u>747,480</u>	<u>2,097,922</u>	Illiquid	
Total Investments measured at NAV	<u>\$ 5,156,912</u>	<u>\$ 2,097,922</u>		

Interest Rate Risk: Maturities

<u>Type of Investment</u>	<u>June 30, 2020</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>
Agency unsecured bonds and notes:				
Federal Home Loan Bank	\$ 2,249,843	\$ 2,249,843	\$ -	\$ -
Federal Home Loan Mortgage Corp	1,207,716	1,207,716	-	-
Federal National Mortgage Assn	2,915,115	1,658,877	1,256,238	-
United States Treasury Notes	5,660,029	4,004,461	1,655,568	-
Agency mortgage backed securities:				
Federal Home Loan Mortgage Corp	8,033,225	11,091	4,760,953	3,261,182
Federal National Mortgage Assn	8,263,060	-	2,343,455	5,919,606
Commercial Paper	1,499,766	1,499,766	-	-
Corporate Bonds	23,571,897	13,045,435	10,526,462	-
Fixed Income and Commingled Funds	30,314,213	2,039,312	18,162,965	10,111,936
Mutual and money market funds:				
Money market	11,133,363	11,133,363	-	-
Mutual funds - Green Funds	229,079	-	-	229,079
Mutual funds - Wells Fargo	380,866	-	380,866	-
State non-arbitrage program	<u>33,626,919</u>	<u>33,626,919</u>	<u>-</u>	<u>-</u>
	<u>\$ 129,085,090</u>	<u>\$ 70,476,782</u>	<u>\$ 39,086,506</u>	<u>\$ 19,521,802</u>

Credit & Concentration of Credit Risks

	<u>June 30, 2020</u>	<u>Moody's</u> <u>Credit Rating</u>	<u>S&P Credit</u> <u>Rating</u>	<u>Fitch</u> <u>Credit Rating</u>	<u>Unrated</u>
<u>Cash Equivalents</u>					
Money market - AAA	\$ 11,133,363	\$ -	\$ 11,133,363	\$ -	\$ -
Commercial Paper	1,499,766	-	-	-	1,499,766
State non-arbitrage program - AAAm	33,626,919	-	33,626,919	-	-
Securities lending	137,182	-	-	-	137,182
Total cash equivalents	<u>46,397,230</u>	<u>-</u>	<u>44,760,282</u>	<u>-</u>	<u>1,636,948</u>
<u>Investments</u>					
Agency unsecured bonds and notes:					
Federal Home Loan Bank	\$ 2,249,843	\$ -	\$ -	\$ -	\$ 2,249,843
Federal Home Loan Mortgage Corp - AA+	1,207,716	-	1,207,716	-	-
Federal National Mortgage Assn - AA+	2,915,115	-	2,915,115	-	-
Agency mortgage backed securities:					
Federal Home Loan Mortgage Corp	8,033,225	-	-	-	8,033,225
Federal National Mortgage Assn	8,263,060	-	-	-	8,263,060
Corporate Bonds:					
AA	620,775	-	620,775	-	-
AA-	151,901	-	151,901	-	-
A+	2,637,496	-	2,637,496	-	-
A	8,489,078	-	6,499,038	1,990,040	-
A2	1,301,804	1,301,804	-	-	-
A3	4,112,685	4,112,685	-	-	-
A-	6,258,158	-	6,258,158	-	-
Fixed Income and Commingled Funds	30,314,213	-	-	-	30,314,213
Mutual funds					
Green Funds					
AA	36,290	-	36,290	-	-
A	79,288	-	79,288	-	-
BBB	113,501	-	113,501	-	-
Wells Fargo	380,866	-	-	-	380,866
Total investments	<u>\$ 77,165,014</u>	<u>\$ 5,414,489</u>	<u>\$ 20,519,278</u>	<u>\$ 1,990,040</u>	<u>\$ 49,241,207</u>
<u>Other Investments</u>					
Equity and other investments	59,022,686				
Rare coins	280				
Property held as investment for endowments	6,600				
Total other investments	<u>59,029,566</u>				
Total cash equivalents and investments	<u>\$ 182,591,809</u>				

4. DONOR RESTRICTED ENDOWMENTS

Investments of the university'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.

William & Mary, at FY20 year-end, had a net appreciation of \$13,070,061 which is available to be spent and is reported in the Statement of Net Position in the following categories: Restricted Expendable for Scholarships and Fellowships - \$7,070,173, Restricted Expendable for Departmental Uses - \$4,834,375 and Unrestricted - \$1,165,513. The amount for Research was reclassified to Unrestricted because the total net position for Restricted Expendable for Research was negative for the university.

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, 2020 as follows:

Accounts receivable consisted of the following at June 30, 2020:

Student Tuition and Fees	\$ 4,979,156
Auxiliary Enterprises	453,007
Federal, State and Non-Governmental Grants & Contracts	7,468,829
Other Activities	<u>3,820,789</u>
Gross Receivables	16,721,781
Less: allowance for doubtful accounts	<u>(57,524)</u>
Net Receivables	<u><u>\$ 16,664,257</u></u>

Notes receivable consisted of the following at June 30, 2020:

Current portion:	
Federal student loans and promissory notes	<u><u>\$ 340,042</u></u>
Non-current portion:	
Federal student loans and promissory notes	\$ 1,293,979
Less: allowance for doubtful accounts	<u>(77,180)</u>
Net non-current notes receivable	<u><u>\$ 1,216,799</u></u>

6. CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2020 consists of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Non-depreciable capital assets:				
Land	\$ 25,412,406	\$ 40	\$ -	\$ 25,412,446
Inexhaustible artwork and Historical treasures	77,644,339	490,034	(13,910)	78,120,463
Construction in Progress	<u>52,352,001</u>	<u>56,840,854</u>	<u>(57,648,642)</u>	<u>51,544,213</u>
Total non-depreciable capital assets	<u>155,408,746</u>	<u>57,330,928</u>	<u>(57,662,552)</u>	<u>155,077,122</u>
Depreciable capital assets:				
Buildings	980,397,490	57,417,287	(27,715)	1,037,787,062
Equipment	99,573,130	4,584,461	(1,844,424)	102,313,167
Infrastructure	86,585,585	1,301	-	86,586,886
Other improvements	14,494,252	-	(1)	14,494,251
Library Materials	69,326,767	621,416	(287,682)	69,660,501
Computer software	<u>9,499,864</u>	<u>3,332,701</u>	<u>-</u>	<u>12,832,565</u>
Total depreciable capital assets	<u>1,259,877,088</u>	<u>65,957,166</u>	<u>(2,159,822)</u>	<u>1,323,674,432</u>
Less accumulated depreciation for:				
Buildings	319,454,048	27,350,777	(27,828)	346,776,997
Equipment	60,190,748	5,596,640	(1,577,783)	64,209,605
Infrastructure	41,896,715	1,931,227	1,107	43,829,049
Other improvements	7,755,226	612,369	-	8,367,595
Library Materials	63,558,397	1,112,260	(287,683)	64,382,974
Computer software	<u>6,717,943</u>	<u>1,098,970</u>	<u>-</u>	<u>7,816,913</u>
Total accumulated depreciation	<u>499,573,077</u>	<u>37,702,243</u>	<u>(1,892,187)</u>	<u>535,383,133</u>
Depreciable capital assets, net	<u>760,304,011</u>	<u>28,254,923</u>	<u>(267,635)</u>	<u>788,291,299</u>
Total capital assets, net	<u>\$ 915,712,757</u>	<u>\$ 85,585,851</u>	<u>\$ (57,930,187)</u>	<u>\$ 943,368,421</u>

Capitalization of Library Books

The methods employed to value the general collections of W&M's Earl Gregg Swem Library, W&M's Marshall-Wythe Law Library, VIMS' Hargis Library, and RBC's Library are based on average cost determined by each library. The average cost of the Swem Library purchases of books was \$46.57 for FY20. The average cost of the Law Library purchases of books was \$142.50 for FY20. Special collections maintained by each library are valued at historical cost or acquisition value. The average cost of library books purchased for VIMS was \$83.81 for FY20. The average cost of library books purchased for RBC was \$27.81 for FY20. 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.

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2020:

Current Liabilities:

Employee salaries, wages, and fringe benefits payable	\$ 29,118,243
Vendors and supplies accounts payable	5,472,679
Capital projects accounts and retainage payable	8,609,958
Accrued interest payable	<u>2,582,712</u>
Total current liabilities-accounts payable and accrued liabilities	<u><u>\$ 45,783,592</u></u>

8. COMMITMENTS

At June 30, 2020, outstanding construction commitments totaled approximately \$204,440,654.

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. Rental expense for the fiscal year ending June 30, 2020, was \$4,301,545.

As of June 30, 2020, the following total future minimum rental payments are due under the above leases:

<u>Year Ending June 30, 2020</u>	<u>Amount</u>
2021	\$ 3,271,112
2022	2,399,863
2023	2,137,294
2024	<u>335,243</u>
Total	<u><u>\$ 8,143,512</u></u>

9. LONG-TERM LIABILITIES

The university and 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, 2020 is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Installment Purchases	\$ 2,162,538	\$ 379,081	\$ (458,922)	\$ 2,082,697	\$ 421,957
Capital Leases Payable	20,359,279	46,106	(862,559)	19,542,826	823,491
Other long-term obligations	620,698	-	(22,318)	598,380	23,275
Notes Payable	180,172,680	4,981,256	(13,150,236)	172,003,700	12,070,000
Bonds Payable	<u>74,966,417</u>	<u>10,287,294</u>	<u>(10,717,047)</u>	<u>74,536,664</u>	<u>5,044,572</u>
Total long-term debt	278,281,612	15,693,737	(25,211,082)	268,764,267	18,383,295
Perkins Loan Fund Balance	2,306,325	-	(888,020)	1,418,305	-
Accrued compensated absences	11,941,092	12,860,901	(11,941,092)	12,860,901	12,590,268
Software licenses	1,251,421	3,332,701	(1,253,037)	3,331,085	680,967
Net Pension Liability	105,241,000	16,346,172 *		121,587,172	-
OPEB Liability	<u>67,777,565</u>		<u>(8,346,343) *</u>	<u>59,431,222</u>	<u>798,464</u>
Total long-term liabilities	<u>\$ 466,799,015</u>	<u>\$ 48,233,511</u>	<u>\$ (47,639,574)</u>	<u>\$ 467,392,952</u>	<u>\$32,452,994</u>

* net change is shown

10. LONG-TERM DEBT

Bonds Payable

William & Mary and Richard Bland College'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 university and 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:

Description	Interest Rates (%)	Fiscal year Maturity	Balance as of June 30, 2020
Section 9(c) bonds payable:			
Renovate Residence Halls, Series 2010A2	3.150 - 4.400	2030	\$ 2,525,000
Dormitory, Series 2012A	5.000	2024	779,720
Dormitory, Series 2013A	2.000 - 5.000	2033	3,420,000
Dormitory, Series 2013B	4.000	2026	844,462
Dormitory, Series 2014A	3.000 - 5.000	2034	7,090,000
Dormitory, Series 2015A	3.000 - 5.000	2035	9,120,000
Dormitory, Series 2018A	3.000 - 5.000	2038	12,625,000
Dormitory, Series 2019A	2.000 - 5.000	2039	4,725,000
Dormitory, Series 2019B	5.000	2022	1,590,000
Renovation of Dormitories			<u>42,719,182</u>
Graduate Housing, Series 2013B	4.000	2026	1,200,361
Graduate Housing, Series 2015B	5.000	2028	1,243,951
Graduate Housing, Series 2019B	5.000	2022	510,000
Graduate Housing			<u>2,954,312</u>
Construct New Dormitory, Series 2010A2	3.150 - 4.400	2030	1,150,000
Construct New Dormitory, Series 2011A	2.700 - 5.000	2031	9,565,000
Construct New Dormitory, Series 2013A	2.000 - 5.000	2033	6,440,000
Construct New Dormitory			<u>17,155,000</u>
Renovate Commons Dining Hall, Series 2012A	5.000	2024	1,289,537
Renovate Commons Dining Hall, Series 2013B	4.000	2026	1,389,450
Renovate Commons Dining Hall, Series 2019B	5.000	2022	1,065,000
Commons Dining Hall			<u>3,743,987</u>
RBC Student Housing Conversion 2016A	3.000 - 5.000	2036	2,200,000
Total bonds payable			68,772,481
Net unamortized premiums (discounts)			<u>5,764,183</u>
Net bonds payable			<u>\$ 74,536,664</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 William & Mary and Richard Bland College are issued to finance other capital projects. The principal and interest on bonds and notes are secured by the net income of specific auxiliary activities or from designated fee allocations. The following are notes outstanding at year-end:

Description	Interest Rates (%)	Fiscal year Maturity	Outstanding Balance as of June 30, 2020
Section 9(d) Bonds:			
Barksdale Dormitory, Series 2010B	5.000	2021	\$ 120,000
Barksdale Dormitory, Series 2012A	5.000	2024	365,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2025	3,630,000
Barksdale Dormitory, Series 2012A	3.000 - 5.000	2025	4,235,000
Barksdale Dormitory, Series 2014B	4.000	2026	980,000
Barksdale Dormitory, Series 2014B	5.000	2024	445,000
Barksdale Dormitory, Series 2016A	3.000	2027	375,000
Barksdale Dormitory			<u>10,150,000</u>
Parking Deck, Series 2010B	5.000	2021	255,000
Parking Deck, Series 2012A	5.000	2024	770,000
Parking Deck, Series 2012A	3.000 - 5.000	2025	780,000
Parking Deck, Series 2012A	3.000 - 5.000	2025	2,100,000
Parking Deck, Series 2014B	4.000	2026	485,000
Parking Deck			<u>4,390,000</u>
Recreation Sports Center, Series 2010B	5.000	2021	60,000
Recreation Sports Center, Series 2012A	5.000	2024	180,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	2,575,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	820,000
Recreation Sports Center, Series 2014B	4.000	2026	190,000
Recreation Sports Center			<u>3,825,000</u>
Improve Athletics Facilities, Series 2012A	3.000 - 5.000	2025	1,105,000
Improve Athletics Facilities, Series 2014B	4.000	2026	260,000
Improve Athletics Facilities, Series 2014B	5.000	2024	170,000
Improve Athletics Facilities, Series 2016A	3.000	2027	150,000
Improve Athletics Facilities II, Series 2013A&B	3.000 - 5.000	2034	1,250,000
Improve Athletics Facilities II, Series 2017A	2.125 - 5.000	2038	2,000,000
Improve Athletics Facilities, Series 2019A	5.000	2030	4,180,000
Improve Athletics Facilities			<u>9,115,000</u>
Law School Library, Series 2010B	5.000	2021	70,000
Law School Library, Series 2012A	5.000	2024	220,000
Law School Library, Series 2014B	4.000 - 5.000	2026	1,290,000
Law School Renovations, Series 2013A&B	3.000 - 5.000	2034	5,295,000
Law School Library, Series 2016A	3.000 - 5.000	2028	525,000
Law School Library			<u>7,400,000</u>
Magnet Facility, Series 2010B	5.000	2021	155,000
Magnet Facility, Series 2012A	5.000	2024	455,000
Magnet Facility			<u>610,000</u>

Description	Interest Rates (%)	Fiscal year Maturity	Outstanding Balance as of June 30, 2020
School of Business, Series 2014B	4.000 - 5.000	2026	8,315,000
School of Business, Series 2016A	3.000 - 5.000	2028	<u>3,425,000</u>
School of Business			11,740,000
Integrated Science Center, Series 2009A	3.250	2021	15,000
Integrated Science Center, Series 2014B	4.000 - 5.000	2026	4,360,000
Integrated Science Center, Series 2015B	3.000 - 5.000	2029	3,755,000
Integrated Science Center, Series 2016A	3.000 - 5.000	2028	<u>1,800,000</u>
Integrated Science Center			9,930,000
Cooling Plant & Utilities, Series 2010A1&A2	4.000 - 5.500	2031	7,090,000
Cooling Plant & Utilities, Series 2016A	3.000 - 5.000	2030	<u>7,360,000</u>
Cooling Plant & Utilities			14,450,000
Power Plant Renovations, Series 2014B	4.000 - 5.000	2026	1,715,000
Power Plant Renovations, Series 2016A	3.000 - 5.000	2028	<u>700,000</u>
Power Plant Renovations			2,415,000
Busch Field Astroturf Replacement, Series 2016A	3.000 - 5.000	2030	860,000
Improve Aux Facilities Project 2017A	2.125 - 5.000	2038	7,505,000
West Utilities Plant 2017A	2.125 - 5.000	2038	12,940,000
Williamsburg Hospital/School of Education 2014B	5.000	2024	560,000
Williamsburg Hospital/School of Education, 2016A	3.000	2027	<u>470,000</u>
Williamsburg Hospital/School of Education			1,030,000
J. Laycock Football Facility, Series 2014B	5.000	2024	1,285,000
J. Laycock Football Facility, Series 2016A	3.000	2027	<u>1,100,000</u>
J. Laycock Football Facility			2,385,000
Residence Hall Fire Safety Systems, Series 2014B	5.000	2024	450,000
Residence Hall Fire Safety Systems, Series 2016A	3.000	2027	<u>375,000</u>
Residence Hall Fire Safety Systems			825,000
Ash Lawn-Highland Barn, Series 2010A1&A2	4.000 - 5.500	2031	495,000
Expand Sadler Center, Series 2012B	3.000 - 5.000	2033	5,360,000
Expand Sadler Center, Series 2013A&B	3.000 - 5.000	2034	785,000
Sadler Center West, Series 2018A&B	4.000 - 5.000	2039	<u>23,840,000</u>
Sadler Center			29,985,000

Description	Interest Rates (%)	Fiscal year Maturity	Outstanding Balance as of June 30, 2020
One Tribe Place, Series 2013A&B	3.000 - 5.000	2034	17,935,000
Integrative Wellness Center 2015A	3.000 - 5.000	2036	8,330,000
RBC Student Housing Conversion 2017A	2.125 - 5.000	2038	1,490,000
Total 9(d) bonds			157,805,000
Net unamortized premiums (discounts)			14,198,700
Net notes payable			<u>\$ 172,003,700</u>

Installment Purchases

At June 30, 2020, 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 five to fifteen years, and the interest rate charges are from 1.61 to 4.70 percent. The outstanding balance of William & Mary's Energy Conservation Program installment purchase as of June 30, 2020 is \$41,910. Under the terms of this agreement, the university may not dispose of any item of the equipment without prior written consent of lessor, notwithstanding the fact that proceeds constitute a part of the equipment. The university has agreed to provide insurance in the amount of full replacement cost of the equipment against the risk of any direct physical loss or damage to the equipment as well as comprehensive general liability insurance. Prepayments cannot be made unless the university shall have given lessor not less than thirty days' prior notice. In the event of default, the lessor may retake possession of the equipment or items thereof.

VIMS has three outstanding installment purchases; one for energy efficient equipment, one for video conferencing equipment and one for research equipment. All of these are sub-contracts of the Commonwealth's MELP (Master Equipment Leasing Program). For these agreements, The Commonwealth of Virginia is the lessee. The amount outstanding at June 30, 2020 is \$1,473,979.

RBC has an outstanding installment purchase which was used to finance energy efficient equipment. This is also a sub-contract of the Commonwealth's MELP (Master Equipment Leasing Program). The amount outstanding at June 30, 2020 is \$566,808.

Capital Leases

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 Position. The RBC student housing complex is included in depreciable capital assets in the amount of \$24,148,380. Accumulated amortization on the assets acquired under the capital lease is included with depreciation expense in the Statement of Revenues, Expenses and Changes in Net Position. The outstanding balance of the lease liability as of June 30, 2020 is \$19,347,616. RBC has also recorded an Other Long-Term Obligation which is payable to RBCF for repayment of the bonds for the dormitories for the amount due on the bonds which is greater than the total fair value of assets received. The outstanding balance as of June 30, 2020 is \$598,380. William & Mary has entered into capital lease agreements for the purchase of printers and copiers. The outstanding balance of these agreements as of June 30, 2020 is \$195,210.

Lines of Credit and Other Debt Related Items

At this time, the university has no outstanding or unused lines of credit. The university has no assets that are pledged as collateral for debt.

Long-term debt matures as follows:

<u>Fiscal Year</u>	<u>Bonds and Notes</u>				<u>Capital Leases</u>	<u>Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>BAB Interest Subsidy</u>	<u>Net Bond and Note Interest</u>		<u>Installment Purchases Principal</u>	<u>Interest</u>
2021	\$ 17,114,572	\$ 9,259,818	\$ 178,665	\$ 9,081,153	\$ 846,765	\$ 421,957	\$ 64,452
2022	17,464,409	8,429,742	166,559	8,263,183	872,764	390,032	45,947
2023	18,115,252	7,558,497	153,575	7,404,922	889,091	399,676	36,302
2024	19,008,819	6,649,748	139,654	6,510,094	894,937	409,620	26,360
2025	19,090,858	5,817,045	124,725	5,692,320	917,491	273,629	16,106
2026-2030	74,293,570	18,897,182	351,459	18,545,723	5,211,503	187,783	7,396
2031-2035	44,545,000	6,944,212	7,844	6,936,368	6,426,874	-	-
2036-2040	16,945,001	1,090,556	-	1,090,556	4,081,781	-	-
Unamortized premiums	19,962,883						
Total	<u>\$ 246,540,364</u>	<u>\$ 64,646,798</u>	<u>\$ 1,122,481</u>	<u>\$ 63,524,317</u>	<u>\$ 20,141,206</u>	<u>\$ 2,082,697</u>	<u>\$ 196,563</u>

The interest subsidies for the Build America Bonds (BAB) being paid to the university by the federal government are subject to change in future years. In the event of a reduction or elimination of the subsidies, the university would be responsible for paying the full interest due on the BAB bonds.

Defeasance of Debt

In August of 2019, the Commonwealth of Virginia issued General Obligation Refunding Bonds Series 2019B. The original bonds were used to finance various Dormitory Construction and Renovation projects. 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 trust account assets and the related liability have been removed from the financial statements.

The amount and percentage of debt defeased relating to the University is as follows:

<u>Series</u>	<u>Type</u>	<u>Debt Outstanding</u>	<u>Amount Defeased</u>	<u>Percentage Defeased</u>
2009C	9C	370,921	370,921	100%
2009C	9C	1,045,462	1,045,462	100%
2009D	9C	1,040,000	1,040,000	100%
2009D	9C	1,715,000	1,715,000	100%
2009D	9C	800,000	800,000	100%
		<u>\$ 4,971,383</u>	<u>\$ 4,971,383</u>	100%

The University's portion of the accounting gain recognized in the financial statements was \$520,703. The net economic gain attributable to the University was \$305,837 and will result in a decreased cash flow requirement of \$532,448 over the remaining life of the debt.

Prior Year Defeasance of Debt

The Commonwealth of Virginia, on behalf of the university, 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 university's financial statements. At June 30, 2020, \$2,246,034 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 Position 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	123,144,925	14,436,394	1,048,717	1,680,074	-	140,310,110
Research	40,402,086	13,723,301	411,477	1,111,307	-	55,648,171
Public service	7,340	49,435	-	6,062	-	62,837
Academic support	30,976,412	6,144,931	159,296	5,201,767	-	42,482,406
Student services	10,129,637	6,510,646	145,060	190,517	-	16,975,860
Institutional support	38,831,627	7,893,194	165,806	592,891	-	47,483,518
Operation and maintenance of plant	6,058,142	20,300,200	-	2,960,717	-	29,319,059
Scholarships and related expenses	3,271,253	64,980	17,570,960	5,000	-	20,912,193
Auxiliary enterprises	27,061,677	58,577,098	138,103	2,345,014	-	88,121,892
Depreciation	-	-	-	-	37,702,243	37,702,243
Other	220,106	4,716	-	694	-	225,516
Total	280,103,205	127,704,895	19,639,419	14,094,043	37,702,243	479,243,805

12. STATE APPROPRIATIONS

The following is a summary of state appropriations received by W&M, VIMS and RBC including all supplemental appropriations and reversions from the General Fund of the Commonwealth.

Chapter 854 - 2019 Acts of Assembly (Educational and General Programs) and Chapter 1283 - 2020 Acts of Assembly		\$ 78,335,278
Student financial assistance		6,396,357
Supplemental appropriations:		
VIVA libraries	20,587	
Tuition Moderation funding	1,450,000	
Central Appropriations distribution benefit changes	2,306,927	
Tech Talent Transfer	781,842	
SCHEV Innovation Grant	20,000	
Marine Science Resources and Environmental Research	160,501	
Credit card rebates	353,330	
Commonwealth Cyber Initiative	474,637	
Biomedical research	75,000	
Clinical faculty grant	56,886	
		5,699,710
Reductions:		
Central non-general fund cash transfers		(21,019)
Institutional Support for graduate outcomes survey		(9,000)
Appropriations as adjusted		<u>\$ 90,401,326</u>

13. COMPONENT UNIT FINANCIAL INFORMATION

The university and college have eight discretely presented component units – the William & Mary Foundation, the Marshall-Wythe School of Law Foundation, the William & Mary Alumni Association, the William & Mary Athletic Educational Foundation, the William & Mary School of Business Foundation, the Virginia Institute of Marine Science Foundation, the William & Mary Real Estate Foundation, and the Richard Bland College Foundation. These organizations are separately incorporated entities and other auditors examine the related financial statements. Summary financial statements and related disclosures follow for the component units.

Summary of Statement of Net Position - Component Units

	William & Mary Foundation	Marshall-Wythe School of Law Foundation	William & Mary Business School Foundation	William & Mary Alumni Association
ASSETS				
Current assets				
Cash and cash equivalents	\$ 22,553,547	\$ 735,557	\$ 5,370,815	\$ 483,939
Investments	34,074,413	1,276,358	997,902	-
Pledges receivable, net - current portion	10,654,215	1,103,787	896,188	50,860
Receivables, net	1,806,479	436	34,751	27,617
Inventories	-	-	-	12,009
Prepays	302,144	1,649	10,738	18,786
Due from the University	483,744	37,558	70,416	400
Other assets	-	-	-	-
Total current assets	69,874,542	3,155,345	7,380,810	593,611
Non-current assets				
Restricted cash and cash equivalents	934	4,033,255	10,220,755	-
Restricted investments	354,135,513	40,037,587	52,260,442	712,680
Restricted other assets	155,327,722	510,336	1,338,931	-
Investments	261,974,900	6,846,328	681,142	8,660,651
Pledges receivable, net	29,779,816	1,483,504	4,054,923	192,724
Capital assets, nondepreciable	9,485,671	325,127	-	-
Capital assets, net of accumulated depreciation	5,049,054	-	917	63,641
Due from the University	-	-	-	-
Other assets	2,369,699	-	-	-
Total non-current assets	818,123,309	53,236,137	68,557,110	9,629,696
Total assets	887,997,851	56,391,482	75,937,920	10,223,307
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	256,329	73,058	66,681	80,642
Deferred revenue	37,839	18,630	15,000	-
Deposits held in custody for others	263,081	-	18,448	-
Long-term liabilities - current portion	954,272	-	-	-
Due to the University	372,709	-	-	-
Due to other foundations	3,175	-	-	-
Other liabilities	-	-	-	29,423
Total current liabilities	1,887,405	91,688	100,129	110,065
Non-current liabilities				
Other long-term liabilities	452,528	179,386	-	-
Long-term liabilities	27,439,189	-	-	-
Total liabilities	29,779,122	271,074	100,129	110,065
NET POSITION				
Net investment in capital assets	5,312,730	325,127	917	63,641
Restricted for:				
Nonexpendable:				
Scholarships and fellowships	151,858,465	10,683,469	4,899,594	-
Research	10,884,272	-	1,037,500	-
Loans	-	-	24,230	-
Departmental uses	135,984,057	9,196,903	35,096,804	-
Other	207,242,082	-	127,448	-
Expendable:				
Scholarships and fellowships	97,816,701	9,587,926	2,455,090	-
Research	7,766,055	-	300,852	-
Capital projects	27,151,606	3,948,800	918,956	-
Departmental uses	131,975,267	14,119,357	25,956,856	905,404
Other	48,963,014	919,728	69,044	-
Unrestricted	33,264,480	7,339,098	4,950,500	9,144,197
Total net position	\$ 858,218,729	\$ 56,120,408	\$ 75,837,791	\$ 10,113,242

Summary of Statement of Net Position - Component Units

	William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total Component Units
ASSETS					
Current assets					
Cash and cash equivalents	\$ 483,381	\$ 789,035	\$ -	\$ 3,780,204	\$ 34,196,478
Investments	-	-	-	-	36,348,673
Pledges receivable, net - current portion	1,123,710	613,810	3,000	-	14,445,570
Receivables, net	-	-	-	198,212	2,067,495
Inventories	-	-	-	-	12,009
Prepays	-	-	1,950	27,445	362,712
Due from the University	164,693	240	1,054,592	-	1,811,643
Other assets	-	-	-	73,950	73,950
Total current assets	1,771,784	1,403,085	1,059,542	4,079,811	89,318,530
Non-current assets					
Restricted cash and cash equivalents	-	1,720,263	90,452	-	16,065,659
Restricted investments	1,010,622	14,416,219	6,274,492	-	468,847,555
Restricted other assets	-	-	-	44,739	157,221,728
Investments	-	1,336,137	-	-	279,499,158
Pledges receivable, net	686,210	3,055,379	-	-	39,252,556
Capital assets, nondepreciable	-	-	20,415	6,432,342	16,263,555
Capital assets, net of accumulated depreciation	45,531	-	13,286	20,508,026	25,680,455
Due from the University	-	-	19,049,529	-	19,049,529
Other assets	-	-	-	218,210	2,587,909
Total non-current assets	1,742,363	20,527,998	25,448,174	27,203,317	1,024,468,104
Total assets	3,514,147	21,931,083	26,507,716	31,283,128	1,113,786,634
LIABILITIES					
Current liabilities	-	-	-	-	-
Accounts payable and accrued expenses	-	-	123,286	223,265	823,261
Deferred revenue	9,265	-	3,994	102,732	187,460
Deposits held in custody for others	-	-	-	-	281,529
Long-term liabilities - current portion	-	-	775,811	587,709	2,317,792
Due to the University	-	-	37,858	67,533	478,100
Due to other foundations	-	-	-	-	3,175
Other liabilities	-	-	-	-	29,423
Total current liabilities	9,265	-	940,949	981,239	4,120,740
Non-current liabilities					
Other long-term liabilities	-	-	-	-	631,914
Long-term liabilities	-	-	19,049,489	15,985,565	62,474,243
Total liabilities	9,265	-	19,990,438	16,966,804	67,226,897
NET POSITION					
Net investment in capital assets	45,531	-	33,701	10,367,094	16,148,741
Restricted for:					
Nonexpendable:					
Scholarships and fellowships	-	-	4,517,569	-	171,959,097
Research	-	14,515,974	-	-	26,437,746
Loans	-	-	-	-	24,230
Departmental uses	-	-	-	-	180,277,764
Other	-	-	-	-	207,369,530
Expendable:					
Scholarships and fellowships	-	-	-	-	109,859,717
Research	-	-	-	-	8,066,907
Capital projects	-	-	-	-	32,019,362
Departmental uses	3,492,393	5,289,937	-	-	181,739,214
Other	-	-	2,454,506	44,739	52,451,031
Unrestricted	(33,042)	2,125,172	(488,498)	3,904,491	60,206,398
Total net position	\$ 3,504,882	\$ 21,931,083	\$ 6,517,278	\$ 14,316,324	\$ 1,046,559,737

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

	William & Mary Foundation	Marshall-Wythe School of Law Foundation	William & Mary Business School Foundation	William & Mary Alumni Association
Operating revenues:				
Gifts and contributions	\$ 10,195,817	\$ 2,663,794	\$ 4,516,815	\$ 667,229
Other	1,454,502	716,586	134,539	391,848
Total operating revenues	11,650,319	3,380,380	4,651,354	1,059,077
Operating expenses:				
Instruction	5,801,095	1,293,521	242,365	-
Research	717,370	-	245,710	-
Public service	36,734	7,225	287,114	-
Academic support	2,857,187	686,073	177,983	-
Student services	295,016	13,360	796,958	-
Institutional support	8,388,029	482,125	2,316,259	92,445
Operation and maintenance of plant	18,212,841	705,725	-	-
Scholarships & fellowships	10,607,605	5,055,924	841,880	71,522
Auxiliary enterprises	1,215,138	-	22,294	-
Depreciation	458,306	802	1,875	7,720
Independent operations	-	-	-	-
Other	1,835,754	-	-	1,214,512
Total operating expenses	50,425,075	8,244,755	4,932,438	1,386,199
Operating gain/(loss)	(38,774,756)	(4,864,375)	(281,084)	(327,122)
Non-operating revenues and expenses:				
Net investment revenue (expense)	(1,534,275)	(9,344)	154,579	(148,230)
Interest on capital asset related debt	(304,439)	-	-	-
Other non-operating revenue	5,139,475	-	-	-
Other non-operating expense	(18,586,482)	-	-	-
Net non-operating revenues	(15,285,721)	(9,344)	154,579	(148,230)
Income before other revenues	(54,060,477)	(4,873,719)	(126,505)	(475,352)
Other revenues:				
Capital grants and contributions	35,649,392	-	579,036	-
Additions to permanent endowments	18,993,955	2,106,344	2,239,776	-
Net other revenues	54,643,347	2,106,344	2,818,812	-
Change in net position, before transfers	582,870	(2,767,375)	2,692,307	(475,352)
Contribution between Foundations	(297,714)	6,500	-	282,467
Transfers	(297,714)	6,500	-	282,467
Change in net position	285,156	(2,760,875)	2,692,307	(192,885)
Net position - beginning of year	857,933,573	58,881,283	73,145,484	10,306,127
Net position - end of year	\$ 858,218,729	\$ 56,120,408	\$ 75,837,791	\$ 10,113,242

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

	William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total Component Units
Operating revenues:					
Gifts and contributions	\$ 3,208,354	\$ 1,740,337	\$ 187,881	\$ 672,786	\$ 23,853,013
Other	185,091	-	894,754	2,537,915	6,315,235
Total operating revenues	3,393,445	1,740,337	1,082,635	3,210,701	30,168,248
Operating expenses:					
Instruction	-	74,205	-	-	7,411,186
Research	-	250,686	-	-	1,213,766
Public service	-	73,131	-	-	404,204
Academic support	-	40,113	-	-	3,761,356
Student services	-	-	-	-	1,105,334
Institutional support	180,295	476,304	116,232	448,415	12,500,104
Operation and maintenance of plant	-	11,167	-	-	18,929,733
Scholarships & fellowships	-	217,631	293,371	-	17,087,933
Auxiliary enterprises	5,911,304	-	-	32,480	7,181,216
Depreciation	13,134	-	-	497,790	979,627
Independent operations	-	-	-	561,088	561,088
Other	-	221,257	806,740	-	4,078,263
Total operating expenses	6,104,733	1,364,494	1,216,343	1,539,773	75,213,810
Operating gain/(loss)	(2,711,288)	375,843	(133,708)	1,670,928	(45,045,562)
Non-operating revenues and expenses:					
Net investment revenue (expense)	60,357	(80,172)	175,020	4,035	(1,378,030)
Interest on capital asset related debt	-	-	-	(490,523)	(794,962)
Other non-operating revenue	-	-	-	-	5,139,475
Other non-operating expense	-	-	-	-	(18,586,482)
Net non-operating revenues	60,357	(80,172)	175,020	(486,488)	(15,619,999)
Income before other revenues	(2,650,931)	295,671	41,312	1,184,440	(60,665,561)
Other revenues:					
Capital grants and contributions	-	-	-	-	36,228,428
Additions to permanent endowments	-	500,931	-	-	23,841,006
Net other revenues	-	500,931	-	-	60,069,434
Change in net position, before transfers	(2,650,931)	796,602	41,312	1,184,440	(596,127)
Contribution between Foundations	(9,989)	-	-	18,736	-
Transfers	(9,989)	-	-	18,736	-
Change in net position	(2,660,920)	796,602	41,312	1,203,176	(596,127)
Net position - beginning of year	6,165,802	21,134,481	6,475,966	13,113,148	1,047,155,864
Net position - end of year	\$ 3,504,882	\$ 21,931,083	\$ 6,517,278	\$ 14,316,324	\$ 1,046,559,737

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.

	William & Mary Foundation	Marshall- Wythe School of Law Foundation	William & Mary Business School Foundation	William & Mary Alumni Association	William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	Total
Certificates of deposit	\$ -	\$ -	\$ 297,689	\$ -	\$ 999,274	\$ -	\$ -	\$ 1,296,963
Mutual and money market funds	4,911,784	-	-	9,373,331	11,348	-	6,274,492	20,570,955
Corporate bonds	-	-	48,950	-	-	-	-	48,950
U.S. treasury and agency securities	36,320,366	1,276,358	4,606,512	-	-	-	-	42,203,236
Common and preferred stocks	138,632	-	876,149	-	-	-	-	1,014,781
Notes receivable	750,000	-	-	-	-	-	-	750,000
Pooled investments	606,741,533	46,883,915	47,212,847	-	-	15,752,356	-	716,590,651
Real estate	987,982	-	-	-	-	-	-	987,982
Other	334,529	-	897,339	-	-	-	-	1,231,868
Total Investments	<u>\$ 650,184,826</u>	<u>\$ 48,160,273</u>	<u>\$ 53,939,486</u>	<u>\$ 9,373,331</u>	<u>\$ 1,010,622</u>	<u>\$ 15,752,356</u>	<u>\$ 6,274,492</u>	<u>\$ 784,695,386</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 & Mary Real Estate Foundation did not have any pledges receivable at year end.

	William & Mary Foundation	Marshall- Wythe School of Law Foundation	William & Mary Business School Foundation	William & Mary Alumni Association Foundation	William & Mary Athletic Educational Foundation	Virginia Institute of Marine Science Foundation	Richard Bland College Foundation	Total
Total pledges receivable	\$ 43,799,728	\$ 2,769,142	\$ 5,016,550	\$ 243,584	\$ 1,983,792	\$ 3,950,598	\$ 3,000	\$ 57,766,394
Less:								
Allowance for uncollectibles	(1,788,342)	(130,262)	(3,500)	-	(104,200)	-	-	(2,026,304)
Discounting to present value	(1,577,355)	(51,589)	(61,939)	-	(69,672)	(281,409)	-	(2,041,964)
Net pledges receivable	40,434,031	2,587,291	4,951,111	243,584	1,809,920	3,669,189	3,000	53,698,126
Less:								
Current pledges receivable	(10,654,215)	(1,103,787)	(896,188)	(50,860)	(1,123,710)	(613,810)	(3,000)	(14,445,570)
Total non-current pledges receivable	<u>\$ 29,779,816</u>	<u>\$ 1,483,504</u>	<u>\$ 4,054,923</u>	<u>\$ 192,724</u>	<u>\$ 686,210</u>	<u>\$ 3,055,379</u>	<u>\$ -</u>	<u>\$ 39,252,556</u>

Capital Assets

	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	\$ -	\$ -	\$ -	\$ 5,500	\$ 6,432,342	\$ 10,066,685
Construction in progress	-	-	-	-	-	-	-	-
Historical treasures and inexhaustable works of art	6,119,744	62,211	-	-	-	14,915	-	6,196,870
Total nondepreciable capital assets	<u>\$ 9,485,671</u>	<u>\$ 325,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,415</u>	<u>\$ 6,432,342</u>	<u>\$ 16,263,555</u>
Depreciable:								
Building	\$ 7,431,415			\$ 378,914	\$ -	\$ -	\$ 23,015,844	\$ 30,826,173
Equipment, vehicles and furniture	7,395,369	84,722	1,310	337,767	65,672	18,000	380,869	8,283,709
Improvements, other than building	338,138	-	-	-	-	-	-	338,138
	15,164,922	84,722	1,310	716,681	65,672	18,000	23,396,713	39,448,020
Less accumulated depreciation	(10,115,868)	(84,722)	(393)	(653,040)	(20,141)	(4,714)	(2,888,687)	(13,767,565)
Total depreciable capital assets	<u>\$ 5,049,054</u>	<u>\$ -</u>	<u>\$ 917</u>	<u>\$ 63,641</u>	<u>\$ 45,531</u>	<u>\$ 13,286</u>	<u>\$ 20,508,026</u>	<u>\$ 25,680,455</u>

Long-term Liabilities

	William & Mary Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total
Compensated absences	\$ 456,583	\$ -	\$ -	\$ 456,583
Notes payable	325,003	-	12,932,599	13,257,602
Bonds payable	8,077,177	19,825,300	3,640,675	31,543,152
Trust & Annuity Obligations	2,798,094	-	-	2,798,094
Other liabilities	16,736,604	-	-	16,736,604
Total long-term liabilities	28,393,461	19,825,300	16,573,274	64,792,035
Less current portion	954,272	775,811	587,709	2,317,792
Total long-term liabilities	<u>\$ 27,439,189</u>	<u>\$ 19,049,489</u>	<u>\$ 15,985,565</u>	<u>\$ 62,474,243</u>

WILLIAM & MARY FOUNDATION

Long-term Liabilities

During the fiscal year ended June 30, 2009, the Foundation entered into a borrowing arrangement with Truist Bank (formerly SunTrust Bank) in the amount of \$2,636,140 for renovation of the university's Admissions Office. The terms of the loan were revised during the fiscal year ended June 30, 2011. 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. Truist Bank is granted a security interest in all deposits and investments maintained with Truist and any of its affiliates. The terms of the note require the Foundation to maintain at all times net assets without donor restrictions and net assets restricted by the donor due to the passage of time or for a specified purpose and subject to the Foundation's spending policy and appropriation in excess of 200% of the Foundation's total funded debt. The balance outstanding at June 30, 2020 and 2019 was \$325,003 and \$634,560, respectively. The balance outstanding as of June 30, 2020 is due in the year ending June 30, 2021. Interest paid during the fiscal years ended June 30, 2020 and 2019, on the loans was \$25,713 and \$40,891, respectively.

The Foundation and its affiliates are in compliance with all debt covenants.

Bonds Payable

In December 2011, the Economic Development Authority of James City County, Virginia ("Authority") issued a revenue refunding bond in the amount of \$8,090,000 ("Series 2011 Bond"), and loaned the proceeds to the Foundation and College of William & Mary Foundation Ventures ("Obligors"). The Series 2011 Bond was acquired by Truist Bank, as Series 2011 Bondholder. Proceeds from sale of the Series 2011 Bond were used to redeem bonds issued in December 2006 by the Authority to finance 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 university. The Series 2011 Bond bore interest at a fixed rate of 2.96% per annum through December 31, 2017. As of January 1, 2018, the series 2011 Bond bears interest at a fixed rate of 3.59752% per annum, subject to the put rights of the Series 2011 Bondholder. 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 final maturity date is December 1, 2036. The Obligors are required to maintain assets so that at all times, net assets without donor restrictions and net assets restricted by the donor due to the passage of time or for a specified purpose and subject to the Foundation's spending policy and appropriation in excess of 200% of the total funded debt of the Obligors.

The Foundation is in compliance with all bond covenants.

The MARSHALL-WYTHE SCHOOL OF LAW FOUNDATION

Law Library Bond Issuance

The construction and renovations of the Wolf Law Library and Hixon Center at the Marshall-Wythe School of Law were funded by proceeds allocated to the Marshall-Wythe School of Law from William & Mary's 2007A(9D) Bond Issue and the 2013 A&B(9d) Bond Issue (the "Bonds"). The Foundation makes principal and interest payments to the university on the Bonds using private contributions restricted for the Law Library and Hixon Center additions. However, the Bonds were issued to and in the name of the university, and the Foundation is not obligated to make these debt service payments.

Bond payments made to the university totaled \$705,725, including principal and interest, in 2020 and are included in management and general expenses on the Foundation's statement of activities.

RICHARD BLAND COLLEGE FOUNDATION, INC.

Bonds Payable

During December 2006, the Foundation entered into loan agreements with the Industrial Development Authorities (“Authorities”) of Dinwiddie County, Virginia, Isle of Wight, Virginia, Prince George County, 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 was refinanced in October 2012 to lower the interest rate charged to the Foundation. The loan agreement interest rate was 4.23% and refinanced to 2.40%. The interest rate will adjust at the 10-year anniversary of the refinancing and every 5 years thereafter at 70% of the 5-year U. S. Treasury Note plus 120 basis points. The bonds are due November 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.

In 2017 the Foundation amended the bond notes with Towne Bank to adjust the payments from February and August to May and October to better align with revenue streams.

Investment in Direct Financing Lease

The Foundation has an investment in a direct financing lease in connection with its long-term leasing arrangement with the college. The terms of the lease include the leasing of a student housing facility located in Dinwiddie, Virginia originally constructed by the Foundation for the college. The lease is due in semi-annual installments and expires in August 2038. At June 30, 2020 the college had a liability of \$20,025,779 due to the foundation.

WILLIAM & MARY REAL ESTATE FOUNDATION

Tribe Square

The Foundation leases the Tribe Square student housing to the university pursuant to a lease agreement with an initial term ending June 30, 2016, with an automatic renewal for an additional five-year term ending on June 30, 2021. Annual base rent is \$459,816, payable in two equal installments on September 1 and March 1 of each lease year. The base rent may be increased annually by a percentage equal to the increase in the Consumer Price Index. In no event shall the base rent be less than the base rent payable for the preceding year. Rental income received under this lease was \$522,987 and \$513,740 for 2020 and 2019, respectively.

The Foundation leases the Tribe Square office space to the university pursuant to a lease agreement dated November 20, 2019 for a sixty-eight-month term commencing November 1, 2019 and ending June 30, 2025, with the right to renew for five one-year terms. Annual base rent is \$51,884, payable in two bi-annual installments, with the first installment due October 1, 2020, and each bi-annual installment thereafter due on March 1st and October 1st of the rent year. The base rent shall be paid during the initial term and any renewal term until such time that at least \$518,840 has been paid to the Foundation

Discovery II

The Discovery II property is leased to the university for use as office space under an agreement with an initial lease term ending June 30, 2018 with the right to renew the lease for up to five additional consecutive one-year terms. The university exercised the lease option during 2020 to extend the lease period through June 30, 2021. Annual base rent is \$382,200, payable in 12 equal installments, with each monthly installment due on the first business day of the month. The base rent may be increased annually by two percent. Rental income received under this lease was \$430,357 and \$421,980 for 2020 and 2019, respectively.

Richmond Hall

The property is leased to the university under an agreement with an initial lease term ending July 31, 2022 and the option to renew for five renewal terms of one year each. Annual base rent of \$1,176,861, payable in two equal semiannual installments, is due on September 1 and March 1 of each year. The base rent may be increased annually by a percentage equal to the increase in the Consumer Price Index. In no event shall the base rent be less than the base rent payable for the preceding year. Rental income received under this lease was \$1,230,971 and \$1,078,789 for 2020 and 2019, respectively.

327 Richmond Road

The Foundation leases office space at 327 Richmond Road in Williamsburg, Virginia to the university under a five-year lease through December 31, 2021. Rental income under this lease agreement was \$33,452 during both 2020 and 2019. The rate remains the same throughout the lease.

North Henry Street

The Foundation entered into a lease agreement for property on North Henry Street in Williamsburg, Virginia, November 20, 2019 for a sixty-six month term commencing January 1, 2020 and ending June 30, 2025 with the right to renew for one five-year term. Annual base rent is \$501,638, payable in 12 equal installments. The base rent shall be increased annually by two percent. Rental income earned under this lease was \$237,322 for 2020.

Bonds Payable

The Foundation obtained a tax-exempt student housing facilities revenue bond, dated September 16, 2011, twenty-five (25) year term. The bond bears interest at a fixed rate of 3.75%. Required monthly payments of principal and interest total \$25,855. The outstanding principal balance is \$3,756,137 at June 30, 2020.

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 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.

Promissory Note

The Foundation obtained a promissory note, dated June 3, 2013, ten (10) year term. The note bears interest at a fixed rate of 3.22%. Required monthly payments of principal and interest total \$18,007. The outstanding principal balance is \$2,937,747 at June 30, 2020.

The promissory note was issued through a private lender for a principal amount of \$3,689,000. The proceeds of this note were used to finance the costs to acquire Discovery II and pay certain expenses of issuing the note. The note is secured by the rents and revenues of Discovery II, and substantially all of the assets of WMREF Ventures, a subsidiary of the Foundation. A balloon payment in the amount of \$2,570,410 is due at note maturity on June 1, 2023.

The Foundation obtained a promissory note August 4, 2017, five (5) year term. The note bears interest at a fixed rate of 2.65%. Required monthly payments of principal and interest total \$27,373. The outstanding principal balance is \$5,507,045 at June 30, 2020.

The promissory note was issued through a private lender for a principal amount of \$6,000,000. The proceeds of this note were used to repay a line of credit and to finance the costs for the renovation and remodeling of Richmond Hall. The note requires certain covenants to be met. At June 30, 2020, the Foundation was in compliance with these covenants. A balloon installment payment for all unpaid principal and the interest is due at note maturity on August 4, 2022. Amounts outstanding are collateralized by the Foundation's deposits with the lender.

The Foundation obtained a promissory note dated November 19, 2019, ten (10) year term. The note bears interest at a fixed rate of 3.06%. Required monthly payments of interest total \$21,537. The outstanding principal balance is \$4,500,000 at June 30, 2020.

The promissory note was issued through a private lender for a principal amount of \$4,500,000. The proceeds of this note were used to finance the purchase of real property referred to as North Henry Street. This note required interest only payments through August 1, 2020. The note requires certain covenants to be met. At June 30, 2020, the Foundation was in compliance with these covenants. A balloon installment payment for all unpaid principal and interest is due at note maturity on August 1, 2030. Amounts outstanding are collateralized by real property and assignment of rents and leases.

Significant activity between the university and component units

Direct Payments to the university from the William & Mary Foundation, the Marshall-Wythe School of Law Foundation, the William & Mary Athletic Educational Foundation, and the William & Mary School of Business Foundation for the year ended June 30, 2020 totaled \$39,142,160; \$7,553,316; \$5,541,847; and \$4,186,480 respectively. This includes gift transfers, payments for facilities and payments for services. Direct payments from the university to the William & Mary Foundation for the year ended June 30, 2020 totaled \$1,529,773 for services provided by College Enterprises Inc. and rent for facilities.

14. RETIREMENT PLANS

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 Virginia Retirement System. As of January 1, 2018 TIAA-CREF is the university's plan administrator. Employees who became a member prior to January 1, 2018 have the option to choose either TIAA-CREF or Fidelity Investments as their investment provider. This is a fixed-contribution program where the retirement benefits received are based upon the employer's contributions of approximately 10.4 percent or 8.5 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 and are required to make a 5% contribution to their retirement account.

Individual contracts issued under the plan provide for full and immediate vesting of contributions of William & Mary, including the Virginia Institute of Marine Science, and Richard Bland College and their employees. Total pension costs under this plan were \$10,522,960 for the year ended June 30, 2020. Contributions to the optional retirement plans were calculated using the base salary amount of \$110,402,107 for fiscal year 2020. William & Mary, which includes the Virginia Institute of Marine Science, and Richard Bland College's total payroll for fiscal year 2020 was \$218,685,675.

Deferred Compensation

Employees of the university and college are employees of the Commonwealth of Virginia. State employees may participate in the Commonwealth's Deferred Compensation Plan. Participating employees can contribute to the plan each pay period with the Commonwealth matching up to \$20 per pay period. The dollar amount of the match can change depending on the funding available in the Commonwealth's budget. The Deferred Compensation Plan is a

qualified defined contribution plan under Section 401(a) of the Internal Revenue Code. Employer contributions under the Deferred Compensation Plan were approximately \$744,065 for fiscal year 2020.

General Information about the Pension Plan

Plan Description

All full-time, salaried permanent employees of state agencies are automatically covered by the VRS State Employee Retirement Plan or the VaLORS Retirement Plan upon employment. These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS State Employee Retirement Plan – Plan 1, Plan 2, and Hybrid; and two different benefit structures for covered employees in the VaLORS Retirement Plan – Plan 1 and Plan 2. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</p>	<p>About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • State employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 <p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Members of the Virginia Law Officers' Retirement System (VaLORS) <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p>Retirement Contributions State employees, excluding state elected officials, and optional retirement plan participants, contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding</p>	<p>Retirement Contributions Same as Plan 1.</p>	<p>Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is</p>

for the future benefit payment.		required to match those voluntary contributions according to specified percentages.
<p>Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit Same as Plan 1.</p>	<p>Service Credit <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined</p>

<p>refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>		<p>benefit component.</p> <p><u>Defined Contributions Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distributions not required, except as governed by law.</p>
<p>Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1</p> <p><u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>

<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>VaLORS: The retirement multiplier for VaLORS employees is 1.70% or 2.00%.</p>	<p>Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p> <p>VaLORS: The retirement multiplier for VaLORS employees is 2.00%.</p>	<p>Service Retirement Multiplier Defined Benefit Component: VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>VaLORS: Not applicable.</p> <p>Defined Contribution Component: Not applicable.</p>
<p>Normal Retirement Age VRS: Age 65.</p> <p>VaLORS: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>VaLORS: Same as Plan 1.</p>	<p>Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2.</p> <p>VaLORS: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p> <p>VaLORS: Age 60 with at least five years of service credit or</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.</p> <p>VaLORS: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.</p> <p>VaLORS: Not applicable.</p>

age 50 with at least 25 years of service credit.		<p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p>VaLORS: 50 with at least five years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>VaLORS: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>VaLORS: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as Plan 1</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement <u>Defined Benefit Component:</u> Same as Plan 2.</p> <p><u>Defined Contribution Component:</u> Not applicable.</p> <p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p>

<p><u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member Is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1</p>	<p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>
<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work</p>	<p>Disability Coverage State employees (including Plan 1 and Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VSDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>

related disability benefits.	related disability benefits.	
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service Defined Benefit Component: Same as Plan 1, with the following exception: <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. Defined Contribution Component: Not applicable.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each state agency's contractually required employer contribution rate for the fiscal year ended June 30, 2020 was 13.52% of covered employee compensation for employees in the VRS State Employee Retirement Plan. For employees in the VaLORS Retirement Plan, the contribution rate was 21.61% of covered employee compensation. These rates were based on actuarially determined rates from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the university and college to the VRS State Employee Retirement Plan were \$10,375,428 and \$10,172,038 for the years ended June 30, 2020 and June 30, 2019, respectively. Contributions from the university and college to the VaLORS Retirement Plan were \$296,504 and \$267,451 for the years ended June 30, 2020 and June 30, 2019, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the university and college reported a liability of \$119,007,516 for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of \$2,579,656 for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. The university and college's proportion of the Net Pension Liability was based on the university and college's actuarially determined employer contributions to the pension plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the university and college's proportion of the VRS State Employee Retirement Plan was 1.45% for William & Mary, 0.32% for VIMS, and 0.12% for RBC as compared to 1.46% for William & Mary, 0.32% for VIMS, and 0.12% for RBC at June 30, 2018. At June 30, 2019, the university and college's proportion of the VaLORS Retirement Plan was 0.32% for William & Mary, and 0.05% for RBC as compared to 0.28% for William & Mary, and 0.05% for RBC at June 30, 2018.

For the year ended June 30, 2020, the university and college recognized pension expense of \$13,428,170 for the VRS State Employee Retirement Plan and \$485,312 for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2018 and June 30, 2019 a portion of the pension expense was related to deferred

amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2020, the university and college reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

VRS Retirement Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	2,479,764	3,201,458
Net difference between projected and actual earnings on pension plan investments	-	2,975,406
Change in assumptions	9,380,611	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	173,966	1,949,161
Employer contributions subsequent to the measurement date	10,375,428	-
Total	<u>\$ 22,409,769</u>	<u>\$ 8,126,025</u>

VaLORS Retirement Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	26,068	29,744
Net difference between projected and actual earnings on pension plan investments	-	40,902
Change in assumptions	146,244	3,866
Changes in proportion and differences between employer contributions and proportionate share of contributions	185,794	17,363
Employer contributions subsequent to the measurement date	296,504	-
Total	<u>\$ 654,610</u>	<u>\$ 91,875</u>

The university and college had \$10,375,428 reported as deferred outflows of resources related to pensions resulting from the university and college's contributions subsequent to the measurement date that will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

(\$ thousands)

	<u>VRS Retirement Plan</u>	<u>VaLors Retirement Plan</u>
FY 2020	\$ 1,898	\$ 166
FY 2021	\$ (808)	\$ 96
FY 2022	\$ 2,583	\$ 188
FY 2023	\$ 236	\$ 4
FY 2024	\$ -	\$ -

Actuarial Assumptions

The total pension liability for the VRS State Employee Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
Salary increases, including inflation	3.5%-5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 25%
Discount Rate	Decrease rate from 7.00% to 6.75%

The total pension liability for the VaLORS Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
Salary increases, including inflation	3.5%-4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 1 year.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with Scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decrease rate from 50% to 35%
Discount Rate	Decrease rate from 7.00% to 6.75%

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2019, NPL amounts for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan are as follows (amounts expressed in thousands):

	<u>State Employee Retirement Plan</u>	<u>VaLORS Retirement Plan</u>
Total Pension Liability	\$ 25,409,842	\$ 2,190,025
Plan Fiduciary Net Position	<u>19,090,110</u>	<u>1,495,990</u>
Employers' Net Pension Liability (Asset)	<u>\$ 6,319,732</u>	<u>\$ 694,035</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.13%	68.31%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi -Asset Public Strategies	6.00%	3.52%	0.21%
PIP- Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%

Inflation	2.50%
Expected arithmetic nominal return *	7.63%

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the state agency for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University and College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the university and college's proportionate share of the VRS State Employee Retirement Plan net pension liability using the discount rate of 6.75%, as well as what the university and college's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

(\$ thousands)	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
The university and college's proportionate share of the VRS State Employee Retirement Plan Net Pension Liability	\$ 174,821	\$ 119,808	\$ 72,089

The following presents the university and college's proportionate share of the VaLORS Retirement Plan net pension liability using the discount rate of 6.75%, as well as what the university and college's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

(\$ thousands)	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
The university and college's proportionate share of the VaLORS Employee Retirement Plan Net Pension Liability	\$ 3,623	\$ 2,580	\$ 1,718

Pension Plan Fiduciary Net Position

Detailed information about the VRS State Employee Retirement Plan's Fiduciary Net Position or the VaLORS Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

The university and college reported \$428,312 in payables to VRS.

15. OTHER POSTEMPLOYMENT BENEFITS

The university and college participate in postemployment benefit programs that are sponsored by the Commonwealth and administered by the Virginia Retirement System. These programs include the Group Life Insurance Program, Virginia Sickness and Disability Program, Retiree Health Insurance Credit Program, and the Line of Duty Act Program. The university and college also participate in the Pre-Medicare Retiree Healthcare Plan, which is sponsored by the Commonwealth and administered by the Department of Human Resource Management.

General Information about the Group Life Insurance Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teacher and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <p>The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City Schools Board <p>Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.</p>
<p>Benefit Amounts</p> <p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"> • <u>Natural Death Benefit</u> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit. • <u>Other Benefit Provisions</u> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> ○ Accidental dismemberment benefit ○ Safety belt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option
<p>Reduction in Benefit Amounts</p> <p>The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</p> <p>For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,463 as of June 30, 2020.</p>

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020, was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the university and college were \$1,008,969 and \$967,560 for the years ended June 30, 2020 and June 30, 2019, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2020, the university and college reported a liability of \$15,428,924 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The university and college's proportion of the Net GLI OPEB Liability was based on the university and college's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2019, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the university and college's proportion was 0.81% for William & Mary, 0.11% for VIMS, and 0.03% for RBC as compared to 0.83% for William & Mary, 0.11% for VIMS, and 0.04% for RBC at June 30, 2018.

For the year ended June 30, 2020, the university and college recognized GLI OPEB expense of \$353,518. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	1,026,116	200,125
Net difference between projected and actual earnings on GLI OPEB program investments	-	316,923
Changes in assumptions	974,092	465,249
Changes in proportions	360,390	484,883
Employer contributions subsequent to the measurement date	1,008,969	-
Total	<u>\$ 3,369,567</u>	<u>\$ 1,467,180</u>

The university and college had \$1,008,969 reported as deferred outflows of resources related to the GLI OPEB resulting from the university and college's contributions subsequent to the measurement date that will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year ended June 30

(\$thousands)

FY 2021	\$	52
FY 2022	\$	52
FY 2023	\$	186
FY 2024	\$	288
FY 2025	\$	254
Thereafter	\$	63

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
Salary increases, including inflation –	
General state employees	3.50% - 5.35%
Teachers	3.50% - 5.95%
SPORS employees	3.50% - 4.75%
VaLORS employees	3.50% - 4.75%
JRS employees	4.50%
Locality – General employees	3.50% - 5.35%
Locality – Hazardous Duty employees	3.50% - 4.75%

Investment rate of return

6.75%, net of investment expenses,
including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Mortality rates – General State Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Health Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3

years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – SPORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – VaLORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – JRS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% compounding increase from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Largest Ten Locality Employers - General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the changes in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the changes in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the Measurement Date of June 30, 2019, NOL amounts for the Group Life Insurance Program are as follows (amounts expressed in thousands):

	<u>Group Life Insurance OPEB Program</u>
Total GLI OPEB Liability	\$ 3,390,238
Plan Fiduciary Net Position	<u>1,762,972</u>
GLI Net OPEB Liability (Asset)	<u>\$ 1,627,266</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.00%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic	Weighted Average
		Long-Term Expected Rate of Return	Long-Term Expected Rate of Return*
Public Equity	34.00 %	5.61 %	1.91 %
Fixed Income	15.00 %	0.88 %	0.13 %
Credit Strategies	14.00 %	5.13 %	0.72 %
Real Assets	14.00 %	5.27 %	0.74 %
Private Equity	14.00 %	8.77 %	1.23 %
MAPS - Multi -Asset Public Strategies	6.00 %	3.52 %	0.21 %
PIP- Private Investment Partnership	3.00 %	6.29 %	0.19 %
Total	100.00 %		5.13 %
Inflation			2.50 %
Expected arithmetic nominal return *			7.63 %

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the university and college for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the University and College's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the university and college's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the university and college's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

(\$thousands)	1.00% Decrease (5.75)%	Current Discount Rate (6.75%)	1.00% Increase (7.75)%
Employer's proportionate share of the Group Life Insurance Program	\$ 20,269	\$ 15,429	\$ 11,503
Net OPEB liability			

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the VRS Group Life Insurance OPEB Plan

The university and college reported \$96,587 in payables to the VRS Group Life Insurance OPEB plan.

General Information about the State Employee Health Insurance Credit Program

Plan Description

All full-time, salaried permanent employees of state agencies are automatically covered by the VRS State Employee Health Insurance Credit Program. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the State Health Insurance Credit Program OPEB, including eligibility, coverage and benefits is set out in the table below:

STATE EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS
<p>Eligible Employees</p> <p>The State Employee Retiree Health Insurance Credit Program was established January 1, 1990 for retired state employees covered under VRS, SPORS, VaLORS and JRS who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> • Full-time and part-time permanent salaried state employees covered under VRS, SPORS, VaLORS and JRS.
<p>Benefit Amounts</p> <p>The State Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> • At Retirement – For State employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.

- **Disability Retirement** – For State employees, other than state police officers, who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP), the monthly benefit is \$120.00 or \$4.00 per year of service, whichever is higher.

For State police officer employees with a non-work-related disability who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP) the monthly benefit is \$120.00 or \$4.00 per year of service, whichever is higher.

For State police officers with a work-related disability, there is no benefit provided under the State Employee Retiree Health Insurance Credit Program if the premiums are being paid under the Virginia Line of Duty Act. However, they may receive the credit for premiums paid for other qualified health plans.

Health Insurance Credit Program Notes:

- The monthly Health Insurance Credit benefit cannot exceed the individual's premium amount.
- Employees who retire after being on long-term disability under VSDP must have at least 15 years of service credit to qualify for the Health Insurance Credit as a retiree.

Contributions

The contribution requirement for active employees is governed by §51.1-1400(D) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each state agency's contractually required employer contribution rate for the year ended June 30, 2020 was 1.17% of covered employee compensation for employees in the VRS State Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the university and college to the VRS State Employee Health Insurance Credit Program were \$2,247,148 and \$2,153,476 for the years ended June 30, 2020 and June 30, 2019, respectively.

State Employee Health Insurance Credit Program OPEB Liabilities, State Employee Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to State Employee Health Insurance Credit Program OPEB

At June 30, 2020, the university and college reported a liability of \$25,086,861 for its proportionate share of the VRS State Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS State Employee Health Insurance Credit Program OPEB Liability was measured as of June 30, 2019 and the total VRS State Employee Health Insurance Credit Program OPEB liability used to calculate the Net VRS State Employee Health Insurance Credit Program OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward the measurement date of June 30, 2019. The university and college's proportion of the Net VRS State Employee Health Insurance Credit Program OPEB Liability was based on the university and college's actuarially determined employer contributions to the VRS State Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating state employers. At June 30, 2019, the university and college's proportion of the VRS State Employee Health Insurance Credit Program was 2.32% for William & Mary, 0.30% for VIMS, and 0.10% for RBC as compared to 2.35% for William & Mary, 0.31% for VIMS, and 0.11% for RBC at June 30, 2018.

For the year ended June 30, 2020, the university and college recognized VRS State Employee Health Insurance Credit Program OPEB expense of \$2,185,362. Since there was a change in proportionate share between measurement dates, a portion of the VRS State Employee Health Insurance Credit Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the university and college reported deferred outflows of resources and deferred inflows of resources related to the VRS State Employee Health Insurance Credit Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	13,676	304,803
Net difference between projected and actual earnings on State HIC OPEB program investments	-	9,855
Change in assumptions	516,273	171,788
Changes in proportion	404,020	475,710
Employer contributions subsequent to the measurement date	2,247,148	
Total	<u>\$ 3,181,117</u>	<u>\$ 962,156</u>

The university and college had \$2,247,148 reported as deferred outflows of resources related to the State Employee HIC OPEB resulting from the university and college's contributions subsequent to the measurement date that will be recognized as a reduction of the Net State Employee HIC OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the State Employee HIC OPEB will be recognized in the State Employee HIC OPEB expense in future reporting periods as follows:

Year ended June 30

(\$thousands)

FY 2021	\$	(7)
FY 2022	\$	(7)
FY 2023	\$	8
FY 2024	\$	-
FY 2025	\$	(21)
Thereafter	\$	(3)

Actuarial Assumptions

The total State Employee HIC OPEB liability for the VRS State Employee Health Insurance Credit Program was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
Salary increases, including inflation –	
General state employees	3.50% - 5.35%
SPORS employees	3.50% - 4.75%

VaLORS employees	3.50% - 4.75%
JRS employees	4.50%

Investment rate of return	6.75%, net of plan investment expenses, including inflation*
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* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Mortality rates – General State Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – SPORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – VaLORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – JRS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% compounding increase from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

Net State Employee HIC OPEB Liability

The net OPEB liability (NOL) for the State Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2019, NOL amounts for the VRS State Employee Health Insurance Credit Program is as follows (amounts expressed in thousands):

	State Employee HIC OPEB Plan
Total State Employee HIC OPEB Liability	\$ 1,032,094
Plan Fiduciary Net Position	<u>109,023</u>
State Employee Net HIC OPEB Liability (Asset)	<u>\$ 923,071</u>
Plan Fiduciary Net Position as a Percentage of the Total State Employee HIC OPEB Liability	10.56%

The total State Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net State Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on VRS System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi - Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
	Inflation		2.50%
	Expected arithmetic nominal return *		7.63%

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total State Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by the university and college for the VRS State Employee Health Insurance Credit Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the State Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total State Employee HIC OPEB liability.

Sensitivity of the University and College's Proportionate Share of the State Employee HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the university and college's proportionate share of the VRS State Employee Health Insurance Credit Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the university and college's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

(\$thousands)	1.00% Decrease (5.75)%	Current Discount Rate (6.75%)	1.00% Increase (7.75)%
Employer's proportionate share of the VRS State Employee HIC OPEB Plan	\$ 27,805	\$ 25,087	\$ 22,751
Net HIC OPEB Liability			

State Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS State Employee Health Insurance Credit Program's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the State Employee Health Insurance Credit Program OPEB Plan

The university and college reported \$89,358 in payables to the Health Insurance Credit Program OPEB Plan.

General Information about the VRS Disability Insurance Program

Plan Description

All full-time and part-time permanent salaried state employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) hired on or after January 1, 1999, are automatically covered by the Disability Insurance Program (VSDP) upon employment. The Disability Insurance Program also covers state employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for disability retirement. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

The specific information for Disability Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

DISABILITY INSURANCE PROGRAM (VSDP) PLAN PROVISIONS
<p>Eligible Employees</p> <p>The Virginia Sickness and Disability Program (VSDP), also known as the Disability Insurance Trust Fund was established January 1, 1999 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none">• Full-time and part-time permanent salaried state employees covered under VRS, SPORS and VaLORS (members new to VaLORS following its creation on October 1, 1999, have been enrolled since the inception of VSDP).• State employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for VRS disability retirement.• Public college and university faculty members who elect the VRS defined benefit plan. They may participate in VSDP or their institution's disability program, if offered. If the institution does not offer the program or the faculty member does not make an election, he or she is enrolled in VSDP.
<p>Benefit Amounts</p> <p>The Virginia Sickness and Disability Program (VSDP) provides the following benefits for eligible employees:</p> <ul style="list-style-type: none">• Leave – Sick, family and personal leave. Eligible leave benefits are paid by the employer.• Short-Term Disability – The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. The benefit provides income replacement beginning at 100% of the employee's pre-disability income, reducing to 80% and then 60% based on the period of the disability and the length of service of the employee. Short-

term disability benefits are paid by the employer.

- **Long-Term Disability (LTD)** – The program provides a long-term disability benefit beginning after 125 workdays of short-term disability and continuing until the employee reaches his or her normal retirement age. The benefit provides income replacement of 60% of the employee's pre-disability income. If an employee becomes disabled within five years of his or her normal retirement age, the employee will receive up to five years of VSDP benefits, provided he or she remains medically eligible. Long-term disability benefits are paid for by the Virginia Disability Insurance Program (VSDP) OPEB Plan.
- **Income Replacement Adjustment** – The program provides for an income replacement adjustment to 80% for catastrophic conditions.
- **VSDP Long-Term Care Plan** – The program also includes a self-funded long-term care plan that assists with the cost of covered long-term care services.

Disability Insurance Program (VSDP) Plan Notes:

- Employees hired or rehired on or after July 1, 2009, must satisfy eligibility periods before becoming eligible for non-work-related short-term disability benefits and certain income-replacement levels.
- A state employee who is approved for VSDP benefits on or after the date that is five years prior to his or her normal retirement date is eligible for up to five years of VSDP benefits.
- Employees on work-related short-term disability receiving only a workers' compensation payment may be eligible to purchase service credit for this period if retirement contributions are not being withheld from the workers' compensation payment. The rate will be based on 5.00% of the employee's compensation.

Cost-of-Living Adjustment (COLA)

- During periods an employee receives long-term disability benefits, the LTD benefit may be increased annually by an amount recommended by the actuary and approved by the Board.
 - Plan 1 employees vested as of 1/1/2013 – 100% of the VRS Plan 1 COLA (The first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%).
 - Plan 1 employee non-vested as of 1/1/2013, Plan 2 and Hybrid Plan employees – 100% of the VRS Plan 2 and Hybrid COLA (The first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%).
- For participating full-time employees taking service retirement, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement.
 - 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%
- For participating full-time employees receiving supplemental (work-related) disability benefits, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement
 - 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%.

Contributions

The contribution requirements for the Disability Insurance Program (VSDP) are governed by §51.1-1140 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the Disability Insurance

Program (VSDP) for the year ended June 30, 2020 was 0.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits payable during the year, with an adjustment to amortize the accrued OPEB assets. Contributions to the Disability Insurance Program (VSDP) from the entity were \$335,231 and \$403,834 for the years ended June 30, 2020 and June 30, 2019, respectively.

Disability Insurance Program (VSDP) OPEB Liabilities (Assets), VSDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VSDP OPEB

At June 30, 2020, the university and college reported an asset of \$2,563,781 for its proportionate share of the Net VSDP OPEB Asset. The Net VSDP OPEB Asset was measured as of June 30, 2019 and the total VSDP OPEB liability used to calculate the Net VSDP OPEB Asset was determined by an actuarial valuation as June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The university and college's proportion of the Net VSDP OPEB Asset was based on the university and college's actuarially determined employer contributions to the VSDP OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the university and college's proportion was 1.04% for William & Mary, 0.22% for VIMS, and 0.05% for RBC as compared to 1.05% for William & Mary, 0.22% for VIMS, and 0.05% for RBC at June 30, 2018.

For the year ended June 30, 2020, the university and college recognized VSDP OPEB expense of \$256,707. Since there was a change in proportionate share between measurement dates, a portion of the VSDP OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the university and college reported deferred outflows of resources and deferred inflows of resources related to the VSDP OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	328,254	103,205
Net difference between projected and actual earnings on VSDP OPEB program investments	-	99,006
Change in assumptions	46,532	146,014
Changes in proportion	258,858	25,541
Employer contributions subsequent to the measurement date	335,231	
Total	<u>\$ 968,875</u>	<u>\$ 373,766</u>

The university and college had \$335,231 reported as deferred outflows of resources related to the VSDP OPEB resulting from the university and college's contributions subsequent to the measurement date that will be recognized as an adjustment of the Net VSDP OPEB Asset in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VSDP OPEB will be recognized in VSDP OPEB expense in future reporting periods as follows:

Year ended June 30

(\$thousands)

FY 2021	\$	10
FY 2022	\$	10
FY 2023	\$	62
FY 2024	\$	66
FY 2025	\$	62
Thereafter	\$	50

Actuarial Assumptions

The total VSDP OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
Salary increases, including	
Inflation – General state employees	3.50% - 5.35%
SPORS employees	3.50% - 4.75%
VaLORS employees	3.50% - 4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Mortality rates – General State Employees**Pre-Retirement:**

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-	Updated to a more current mortality table – RP-2014
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retirement healthy, and disabled)	projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – SPORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – VaLORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%
Discount Rate	Decrease rate from 7.00% to 6.75%

Net VSDP OPEB Liability (Asset)

The net OPEB asset (NOA) for the Disability Insurance Program (VSDP) represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the Measurement Date of June 30, 2019, NOA amounts for the Disability Insurance Program (VSDP) are as follows (amounts expressed in thousands):

	Virginia Sickness and Disability Program
Total VSDP OPEB Liability	\$ 292,046
Plan Fiduciary Net Position	<u>488,241</u>
Employers' Net OPEB Liability (Asset)	<u>(\$ 196,195)</u>
Plan Fiduciary Net Position as a Percentage of the Total VSDP OPEB Liability	167.18%

The total VSDP OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB asset is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi - Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
	Inflation		2.50%
	Expected arithmetic nominal return *		7.63%

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total VSDP OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by participating employers to the VSDP OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VSDP OPEB Program's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total VSDP OPEB liability.

Sensitivity of the University and College's Proportionate Share of the Net VSDP OPEB Asset to Changes in the Discount Rate

The following presents the university and college's proportionate share of the net VSDP OPEB asset using the discount rate of 6.75%, as well as what the university and college's proportionate share of the net VSDP OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

(\$thousands)	1.00% Decrease (5.75)%	Current Discount Rate (6.75%)	1.00% Increase (7.75)%
Employer's proportionate share of the total VSDP			
Net OPEB Liability (Asset)	\$ (2,328)	\$ (2,564)	\$ (2,773)

VSDP OPEB Fiduciary Net Position

Detailed information about the Disability Insurance Program (VSDP) Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Disability Insurance Program (VSDP) OPEB Plan

The university and college reported \$15,449 in payables to the VSDP OPEB Plan.

General Information about the Line of Duty Act Program

Plan Description

All paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the Line of Duty Act Program (LODA). As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

The specific information for the Line of Duty Act Program OPEB, including eligibility, coverage and benefits is set out in the table below:

LINE OF DUTY ACT PROGRAM (LODA) PLAN PROVISIONS
<p>Eligible Employees</p> <p>The eligible employees of the Line of Duty Act Program (LODA) are paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS).</p>
<p>Benefit Amounts</p> <p>The Line of Duty Act Program (LODA) provides death and health insurance benefits for eligible individuals:</p> <ul style="list-style-type: none">• Death – The Line of Duty Act program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows:<ul style="list-style-type: none">○ \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after.○ \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date.○ An additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.• Health Insurance – The Line of Duty Act program provides health insurance benefits.<ul style="list-style-type: none">○ Prior to July 1, 2017, these benefits were managed through the various employer plans and maintained the benefits that existed prior to the employee's death or disability. These premiums were reimbursed to the employer by the LODA program.○ Beginning July 1, 2017, the health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are

modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by the Line of Duty Act.

Contributions

The contribution requirements for the Line of Duty Act Program (LODA) are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the Line of Duty Act Program (LODA) for the year ended June 30, 2020 was \$705.77 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the Line of Duty Act Program (LODA) from the university and college were \$28,231 and \$15,527 for the years ended June 30, 2020 and June 30, 2019, respectively.

Line of Duty Act Program (LODA) OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB

At June 30, 2020, the university and college reported a liability of \$415,044 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2019 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The university and college's proportion of the Net LODA OPEB Liability was based on the university and college's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2019, the university and college's proportion was 0.09% for William & Mary, and 0.02% for RBC as compared to 0.07% for William & Mary, and 0.06% for RBC at June 30, 2018.

For the year ended June 30, 2020, the university and college recognized LODA OPEB expense of \$32,449. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the university and college reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	60,326	-
Net difference between projected and actual earnings on LODA OPEB program investments	-	821
Change in assumptions	19,474	35,980
Changes in proportion	102,987	123,595
Employer contributions subsequent to the measurement date	28,231	
Total	<u>\$ 211,018</u>	<u>\$ 160,396</u>

The university and college had \$28,231 reported as deferred outflows of resources related to the LODA OPEB resulting from the university and college's contributions subsequent to the measurement date that will be recognized as a reduction of the Net LODA OPEB Liability in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

Year ended June 30

(\$thousands)

FY 2021	\$	3
FY 2022	\$	3
FY 2023	\$	4
FY 2024	\$	4
FY 2025	\$	4
Thereafter	\$	4

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.50%
Salary increases, including Inflation –	
General state employees	N/A
SPORS employees	N/A
VaLORS employees	N/A
Locality employees	N/A
Medical cost trend rates assumption –	
Under age 65	7.25% - 4.75%

Ages 65 and older 5.50% - 4.75%

Year of ultimate trend rate

Post-65

Fiscal year ended 2023

Pre-65

Fiscal year ended 2028

Investment rate of return

3.50%, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 3.50%. However, since the difference was minimal, a more conservative 3.50% investment return assumption has been used. Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.50% was used since it approximates the risk-free rate of return.

Mortality rates – General State Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

Mortality rates – SPORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%

Mortality rates – VaLORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%

Mortality rates – Largest Ten Locality Employers With Public Safety Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

Mortality rates – Non- Largest Ten Locality Employers With Public Safety Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

Net LODA OPEB Liability

The net OPEB liability (NOL) for the Line of Duty Act Program (LODA) represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the

Measurement Date of June 30, 2019, NOL amounts for the Line of Duty Act Program (LODA) are as follows (amounts expressed in thousands):

	<u>Line of Duty Program Act</u>
Total LODA OPEB Liability	\$ 361,626
Plan Fiduciary Net Position	<u>2,839</u>
Employers' Net OPEB Liability (Asset)	<u>\$ 358,787</u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	0.79%

The total LODA OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.50% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 3.50% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2019.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Sensitivity of the University and College's Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate

The following presents the university and college's proportionate share of the net LODA OPEB liability using the discount rate of 3.50%, as well as what the university and college's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

(\$thousands)	<u>1.00% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1.00% Increase (4.50%)</u>
Covered employer's proportionate share of the total LODA Net OPEB Liability	\$ 481	\$ 415	\$ 362

Sensitivity of the University and College's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the Line of Duty Act Program (LODA) contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the university and college's proportionate share of the net LODA OPEB liability using health care trend rate of 7.75% decreasing to 4.75%, as well

as what the university and college's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.75% decreasing to 3.75%) or one percentage point higher (8.75% decreasing to 5.75%) than the current rate:

	Current Health		
	1.00% Decrease	Trend Rate	1.00% Increase
	6.75% decreasing to	7.75% decreasing to	8.75% decreasing to
(\$thousands)	3.75%	4.75%	5.75%
Covered employers proportionate share of the LODA Net OPEB Liability	\$ 351	\$ 415	\$ 496

LODA OPEB Plan Fiduciary Net Position

Detailed information about the Line of Duty Act Program (LODA) Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

General Information about the Pre-Medicare Retiree Healthcare Plan

Plan Description

The Commonwealth provides a healthcare plan established by Title 2.2, Chapter 28 of the *Code of Virginia* for retirees who are not yet eligible to participate in Medicare.

Following are eligibility requirements for Virginia Retirement System retirees:

- You are a retiring state employee who is eligible for a monthly retirement benefit from the Virginia Retirement System (VRS), and
- You start receiving (do not defer) your retirement benefit immediately upon retirement*, and
- Your last employer before retirement was the Commonwealth of Virginia, and
- You were eligible for (even if you were not enrolled) coverage as an active employee in the State Health Benefits Program until your retirement date (not including Extended Coverage/COBRA), and
- You enroll no later than 31 days from your retirement date.

*For VRS retirees, this means that your employing agency reported a retirement contribution or leave without pay status for retirement in the month immediately prior to your retirement date. Some faculty members may also be eligible if they are paid on an alternate pay cycle but maintain eligibility for active coverage until their retirement date.

Effective January 1, 2017**, following are eligibility requirements for Optional Retirement Plan retirees:

- You are a terminating state employee who participates in one of the qualified Optional Retirement Plans, and
- Your last employer before termination was the Commonwealth of Virginia, and
- You were eligible for (even if you were not enrolled) coverage in the State Employee Health Benefits Program for active employees at the time of your termination, and
- You meet the age and service requirements for an immediate retirement benefit under the non-ORP Virginia Retirement System plan that you would have been eligible for on your date of hire had you not elected the ORP, and

- You enroll in the State Retiree Health Benefits Program no later than 31 days from the date you lose coverage (or lose eligibility for coverage) in the State Health Benefits Program for active employees due to your termination of employment.

****This change applies to ORP terminations effective January 1, 2017, or later. Eligibility for those who terminated employment prior to January 1 should be determined based on the policy in place at the time of their termination.**

The employer does not pay a portion of the retirees' healthcare premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, this generally results in a higher rate for active employees. Therefore, the employer effectively subsidizes the costs of the participating retirees' healthcare through payment of the employer's portion of the premiums for active employees.

This fund is reported as part of the Commonwealth's Healthcare Internal Service Fund. Benefit payments are recognized when due and payable in accordance with the benefit terms. Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes and is administered by the Department of Human Resource Management. There were approximately 4,800 retirees and 89,000 active employees in the program in fiscal year 2019. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits.

Actuarial Assumptions and Methods

The total Pre-Medicare Retiree Healthcare OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2019. The Department of Human Resource Management selected the economic, demographic and healthcare claim cost assumptions. The actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 7.00 percent for medical and pharmacy and 4.0 percent for dental. The ultimate trend rates used were 4.50 percent for medical and pharmacy and 4.0 percent for dental.

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Measurement Date	June 30, 2019 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Effective Amortization Period	6.25 years
Discount Rate	3.51%
Projected Salary Increases	4.0%
Medical Trend Under 65	Medical & Rx: 7.00% to 4.50% Dental: 4.00% Before reflecting Excise tax
Year of Ultimate Trend	2029
Mortality	Mortality rates vary by participant status
Pre-Retirement:	RP-2014 Employee Rates; males setback 1 year, 85% of rates; females setback 1 year
Post-Retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males

set forward 1 year; females setback 1 year

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2019.

Changes of Assumptions: The following actuarial assumptions were updated since the June 30, 2018 valuation based on recent experience:

- Spousal Coverage – reduced the rate from 35% to 25%
- Retiree Participation - reduced the rate from 60% to 50%

Spousal coverage and retiree participation were both reduced based on a blend of recent experience and the prior year assumptions. The mortality assumption was modified slightly to reflect modified pre-retirement Mortality base rates to exclude age over 65 instead of apply mortality improvement projection scale BB. The excise tax was modified to reflect updated projection of the tax thresholds. Trend rates were updated based on economic conditions as of 6/30/2019. Additionally, the discount rate was decreased from 3.87% to 3.51% based on the Bond Buyers GO 20 Municipal Bond Index.

Pre-Medicare Retiree Healthcare OPEB Liabilities, OPEB Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources

At June 30, 2020 the university and college reported a liability of \$18,500,393 for its proportionate share of the collective total Pre-Medicare Retiree Healthcare OPEB liability of \$678.9 million. The Pre-Medicare Retiree Healthcare OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2019. The covered employer's proportion of the Pre-Medicare Retiree Healthcare OPEB liability was based on each employer's healthcare premium contributions as a percentage of the total employer's healthcare premium contributions for all participating employers. At June 30, 2019, the participating employer's proportion was 2.7251% as compared to 2.7155% at June 30, 2018. For the year ended June 30, 2020, the participating employer recognized Pre-Medicare Retiree Healthcare OPEB expense of (\$1,659,385).

At June 30, 2020, the university and college reported deferred outflows of resources and deferred inflows of resources related to Pre-Medicare Retiree Healthcare from the following sources:

	Deferred Outflows	Deferred Inflows
(1) Difference between actual and expected experience	\$ -	\$ 9,387,336
(2) Change in assumptions	-	12,817,347
(3) Changes in proportion	1,820,044	315,270
(4) Rounding adjustment	-	-
(5) Subtotal	1,820,044	22,519,953
(6) Amounts associated with transactions subsequent to the measurement date	787,645	
(7) Total	\$ 2,607,689	\$ 22,519,953

The university and college had \$787,645 reported as deferred outflows of resources related to the Pre-Medicare Retiree Healthcare OPEB resulting from amounts associated with transactions subsequent to the measurement date that will be recognized as a reduction of the total OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pre-Medicare

Retiree Healthcare OPEB will be recognized in the Pre-Medicare Retiree Healthcare OPEB expense as follows:

Year End June 30:

2021	\$ 4,757,264
2022	\$ 4,757,264
2023	\$ 4,757,264
2024	\$ 3,968,742
2025	\$ 2,030,523
Total Thereafter	\$ 428,853

Sensitivity of the University and College's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents the university and college's proportionate share of the Pre-Medicare Retiree Healthcare OPEB liability using the discount rate of 3.51%, as well as what the employer's proportionate share of the Pre-Medicare Retiree Healthcare OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.51%) or one percentage point higher (4.51%) than the current rate:

	1% Decrease (2.51%)	Current Rate (3.51%)	1% Increase (4.51%)
OPEB Liability	\$19,788,967	\$18,500,393	\$17,291,941

Sensitivity of the University and College's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the university and college's proportionate share of the Pre-Medicare Retiree Healthcare OPEB liability using healthcare cost trend rate of 7.00% decreasing to 4.50%, as well as what the employer's proportionate share of the Pre-Medicare Retiree Healthcare OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (6.00% decreasing to 3.50%) or one percentage point higher (8.00% decreasing to 5.50%) than the current rate:

	1% Decrease (6.00% decreasing to 3.50%)	Trend Rate (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
OPEB Liability	\$16,521,624	\$18,500,393	\$20,842,266

16. CONTINGENCIES

Grants and Contracts

The university and 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, 2020, the university and college estimate that no material liabilities will result from such audits.

Litigation

Neither the university nor college are involved in any litigation at this time.

17. RISK MANAGEMENT

The university and college are 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 university and college participate 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 university and college pay 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.

18. ADVANCE FROM THE TREASURER OF VIRGINIA

Section 4-3.02 of the Appropriation Act describes the circumstances under which agencies and institutions may borrow funds from the state treasury, including prefunding for capital projects in anticipation of bond sale proceeds and operating funds in anticipation of federal revenues. As of June 30, 2020, there was \$0 in outstanding Advances from the Treasurer. The amount outstanding from June 30, 2019 was repaid with proceeds from bond proceeds used to renovate Landrum Hall Dormitory.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Renovate Landrum	\$ 796,803	-	(796,803)	\$ -

19. SUBSEQUENT EVENTS

In October of 2020, William & Mary issued Series 2020A Tax Exempt General Revenue Pledge bonds in the amount of \$13,665,000. The bonds were issued with interest rates varying from 3 to 5 percent and will mature in 2038. In addition, the university issued Series 2020B Taxable General Revenue Pledge bonds in the amount of \$137,495,000. The taxable bonds were issued with interest rates varying from .613 to 3.123 percent and will mature in 2051.

Required Supplementary Information (RSI)
For the Fiscal Year Ended June 30, 2020

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans – VRS State Employee Retirement Plan
And VaLORS Retirement Plan
For the Fiscal Year Ended June 30, 2020

Schedule of Employer's Share of Net Pension Liability

VRS State Employee Retirement Plan

For the Measurement Dates of June 30, 2019, 2018, 2017, 2016, 2015, and 2014

	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	1.88%	1.90%	1.94%	1.93%	1.87%	1.78%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 119,007,516	\$ 103,164,000	\$ 112,835,000	\$ 127,302,000	\$ 114,809,000	\$ 99,411,000
Employer's Covered Payroll	\$ 75,292,682	\$ 75,543,886	\$ 69,557,841	\$ 73,645,076	\$ 70,307,029	\$ 66,605,228
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	158.06%	136.56%	162.22%	172.86%	163.30%	149.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.13%	77.39%	75.33%	71.29%	72.81%	74.28%

Schedule is intended to show information for 10 years. Since 2019 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

Schedule of Employer's Share of Net Pension Liability

VaLORS Retirement Plan

For the Measurement Dates of June 30, 2019, 2018, 2017, 2016, 2015, and 2014

	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.37%	0.33%	0.34%	0.28%	0.28%	0.30%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,579,656	\$ 2,077,000	\$ 2,192,000	\$ 2,180,000	\$ 1,968,000	\$ 2,024,000
Employer's Covered Payroll	\$ 1,296,489	\$ 1,032,174	\$ 1,147,028	\$ 1,048,421	\$ 989,861	\$ 1,101,243
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	198.97%	201.23%	191.10%	207.93%	198.82%	183.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.31%	69.56%	67.22%	61.01%	62.64%	63.05%

Schedule is intended to show information for 10 years. Since 2019 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

Schedule of Employer Contributions
VRS State Employee Retirement Plan
For the Years Ended June 30, 2015 through 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2020	10,375,428	10,375,428	-	76,828,871	13.50%
2019	10,172,038	10,172,038	-	75,292,682	13.51%
2018	10,190,870	10,190,870	-	75,543,886	13.49%
2017	9,383,353	9,383,353	-	69,557,841	13.49%
2016	10,163,204	10,163,204	-	73,645,076	13.80%
2015	8,668,857	8,668,857	-	70,307,029	12.33%

Schedule is intended to show information for 10 years. Since 2020 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

Schedule of Employer Contributions
VaLORS Retirement Plan
For the Years Ended June 30, 2015 through 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2020	296,504	296,504	-	1,372,067	21.61%
2019	267,451	267,451	-	1,296,489	20.63%
2018	217,273	217,273	-	1,032,174	21.05%
2017	241,450	241,450	-	1,147,028	21.05%
2016	196,427	196,427	-	1,048,421	18.74%
2015	174,908	174,908	-	989,861	17.67%

Schedule is intended to show information for 10 years. Since 2020 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

**Notes to Required Supplementary Information
For the Year Ended June 30, 2020**

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 25%
Discount Rate	Decrease rate from 7.00% to 6.75%

The following changes in actuarial assumptions were made for the VaLORS Retirement Plan effective June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decrease rate from 50% to 35%
Discount Rate	Decrease rate from 7.00% to 6.75%

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans – Group Life Insurance Program
For the Fiscal Year Ended June 30, 2020

Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance Program (GLI)
For the Measurement Dates of June 30, 2019, 2018 and 2017

	2019	2018	2017
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.95%	0.98%	0.96%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 15,428,924	\$ 14,867,000	\$ 14,527,000
Employer's Covered Payroll	\$ 187,141,287	\$ 184,013,488	\$ 175,510,982
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	8.24%	8.08%	8.28%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2019 is the third year for this presentation, only three years of data is available. However, additional years will be included as they become available.

Schedule of Employer Contributions
For the Years Ended June 30, 2018 through 20120

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2020	1,008,969	1,008,969	-	195,662,692	0.52%
2019	967,560	967,560	-	187,141,287	0.52%
2018	965,839	965,839	-	184,013,488	0.52%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only three years of data is available. However, additional years will be included as they become available.

**Notes to Required Supplementary Information
For the Year Ended June 30, 2020**

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General State Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%
Discount Rate	Decrease rate from 7.00% to 6.75%

Teachers

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

SPORS Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%
Discount Rate	Decrease rate from 7.00% to 6.75%

VaLORS Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%
Discount Rate	Decrease rate from 7.00% to 6.75%

JRS Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

Largest Ten Locality Employers - General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

Largest Ten Locality Employers – Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers – Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans –
VRS State Employee Health Insurance Credit Program
For the Fiscal Year Ended June 30, 2019

Schedule of Employer's Share of Net OPEB Liability
Health Insurance Credit Program (HIC)
For the Measurement Dates of June 30, 2019, 2018 and 2017

	2019	2018	2017
Employer's Proportion of the Net HIC OPEB Liability (Asset)	2.72%	2.77%	2.75%
Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)	\$ 25,086,861	\$ 25,184,000	\$ 25,046,000
Employer's Covered Payroll	\$ 186,449,156	\$ 183,775,112	\$ 175,302,286
Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of its Covered Payroll	13.46%	13.70%	14.29%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	10.56%	9.51%	8.03%

Schedule is intended to show information for 10 years. Since 2019 is the third year for this presentation, only three years of data is available. However, additional years will be included as they become available.

Schedule of Employer Contributions
For the Years Ended June 30, 2018 through 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2020	2,247,148	2,247,148	-	194,830,795	1.15%
2019	2,153,476	2,153,476	-	186,449,156	1.15%
2018	2,171,883	2,171,883	-	183,775,112	1.18%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only three years of data are available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
For the Year Ended June 30, 2020

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General State Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%
Discount Rate	Decrease rate from 7.00% to 6.75%

SPORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

Line of Duty Disability	Increased rate from 60% to 85%
Discount Rate	Decrease rate from 7.00% to 6.75%

VaLORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%
Discount Rate	Decrease rate from 7.00% to 6.75%

JRS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans – Disability Insurance Program (VSDP)
For the Fiscal Year Ended June 30, 2020

Schedule of Employer's Share of Net OPEB Liability
Disability Insurance Program (VSDP)
For the Measurement Dates of June 30, 2019, 2018 and 2017

	2019	2018	2017
Employer's Proportion of the Net VSDP OPEB Liability (Asset)	(1.31%)	(1.32%)	(1.40%)
Employer's Proportionate Share of the Net VSDP OPEB Liability (Asset)	\$ (2,563,781)	\$ (2,969,000)	\$ (2,878,000)
Employer's Covered Payroll	\$ 62,759,406	\$ 48,325,541	\$ 50,320,184
Employer's Proportionate Share of the Net VSDP OPEB Liability (Asset) as a Percentage of its Covered Payroll	(4.09%)	(6.14%)	(5.72%)
Plan Fiduciary Net Position as a Percentage of the Total VSDP OPEB Liability	167.18%	194.74%	186.63%

Schedule is intended to show information for 10 years. Since 2019 is the third year for this presentation, only three years of data is available. However, additional years will be included as they become available.

Schedule of Employer Contributions
For the Years Ended June 30, 2018 through 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2020	335,231	335,231	-	54,831,088	0.61%
2019	403,834	403,834	-	62,759,406	0.64%
2018	415,658	415,658	-	48,325,541	0.86%

Schedule is intended to show information for 10 years. Since 2019 is the second year for this presentation, only two years of data is available. However, additional years will be included as they become available.

**Notes to Required Supplementary Information
For the Year Ended June 30, 2020**

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General State Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%
Discount Rate	Decrease rate of 7.00% to 6.75%

SPORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%
Discount Rate	Decrease rate of 7.00% to 6.75%

VaLORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%
Discount Rate	Decrease rate of 7.00% to 6.75%

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans – Line of Duty Act Program (LODA)
For the Fiscal Year Ended June 30, 2020

Schedule of Employer's Share of Net OPEB Liability

Line of Duty Act Program (LODA)

For the Measurement Dates of June 30, 2019, 2018 and 2017

	2019	2018	2017
Employer's Proportion of the Net LODA OPEB Liability (Asset)	0.12%	0.13%	0.12%
Employer's Proportionate Share of the Net LODA OPEB Liability (Asset)	\$ 415,044	\$ 418,000	\$ 318,000
Covered-Employee Payroll *	\$ 1,599,753	\$ 1,336,159	\$ 1,246,761
Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll	25.94%	31.28%	25.51%
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	0.79%	0.60%	1.30%

Schedule is intended to show information for 10 years. Since 2019 is the third year for this presentation, only three years of data is available. However, additional years will be included as they become available.

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

Schedule of Employer Contributions
For the Years Ended June 30, 2018 through 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll (4)	Contributions as a % of Covered- Employee Payroll (5)
2020	28,231	28,231	-	1,599,753	1.76%
2019	15,527	15,527	-	1,195,615	1.30%
2018	14,184	14,184	-	1,336,159	1.06%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only three years of data are available. However, additional years will be included as they become available.

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

Notes to Required Supplementary Information
For the Year Ended June 30, 2020

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

General State Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

SPORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages

Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%

VaLORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%

Employees In The Largest Ten Locality Employers With Public Safety Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

Employees In The Non- Largest Ten Locality Employers With Public Safety Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

Required Supplementary Information
Commonwealth of Virginia State Health Plans Program
for Pre-Medicare Retirees
For the Fiscal Year Ended June 30, 2020

Schedule of Employer's Share of Total OPEB Liability			
	2020*	2019*	2018*
Employer's proportion of the collective total OPEB liability	2.73%	2.72%	2.67%
Employer's proportionate share of the collective total OPEB liability	\$ 18,500,393	\$27,308,565	\$34,705,511
Employer's covered-employee payroll	\$ 184,310,602	\$179,447,798	\$167,819,342
Employer's proportionate share of the collective total OPEB liability as a percentage of its covered-employee payroll	10.04%	15.22%	20.68%
Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only three years of data is available. However, additional years will be included as they become available.			
* The amounts presented have a measurement date of the previous fiscal year end.			

Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms – There have been no changes to the benefit provisions since the prior actuarial valuation.

Changes of assumptions – The following actuarial assumptions were updated since the June 30, 2018 valuation based on recent experience:

- Spousal Coverage – reduced the rate from 35% to 25%
- Retiree Participation - reduced the rate from 60% to 50%

Spousal coverage and retiree participation were both reduced based on a blend of recent experience and the prior year assumptions. The mortality assumption was modified slightly to reflect modified pre-retirement Mortality base rates to exclude age over 65 instead of apply mortality improvement projection scale BB. The excise tax was modified to reflect updated projection of the tax thresholds. Trend rates were updated based on economic conditions as of 6/30/2019. Additionally, the discount rate was decreased from 3.87% to 3.51% based on the Bond Buyers GO 20 Municipal Bond Index.



WILLIAM & MARY

CHARTERED 1693

UNAUDITED
FINANCIAL REPORT OF INTERCOLLEGIATE ATHLETICS
FOR THE YEAR ENDED
JUNE 30, 2020

WILLIAM & MARY

BOARD OF VISITORS

June 30, 2020

John E. Littel - Rector
William H. Payne II - Vice Rector
Sue H. Gerdelman - Secretary

Mari Carmen Aponte
Mirza Baig
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Warren W. Buck III
S. Douglas Bunch
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H. Thomas Watkins III
Brian P. Woolfolk

UNIVERSITY OFFICIALS

Katherine A. Rowe, President

Samantha K. Huge, Director of Intercollegiate Athletics Programs

Chelsey P. Burk, Senior Associate Athletic Director for Finance and Administration

WILLIAM & MARY
SCHEDULE OF REVENUES AND EXPENSES OF
INTERCOLLEGIATE ATHLETICS PROGRAMS
For the year ended June 30, 2020

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
<u>Operating revenues:</u>						
Ticket sales	\$ 610,459	\$ 347,358	\$ 16,718	\$ 17,058	\$ -	\$ 991,593
Student fees	165,266	-	-	-	14,925,779	15,091,045
Direct institutional support	748	11,109	31,677	179,843	93,150	316,527
Indirect institutional support - athletic facilities debt service, lease and rental fees	236,568	51,293	49,018	126,963	823,334	1,287,176
Guarantees	750,000	270,000	5,000	12,100	-	1,037,100
Contributions (Note 2)	1,348,631	751,998	634,149	2,260,712	630,306	5,625,797
In-Kind	11,593	7,837	12,846	1,939	12,664	46,879
Media rights	21,179	-	-	-	17,289	38,469
NCAA distributions	85,360	37,367	31,951	182,247	493,232	830,157
Conference distributions (non-media or bowl)	-	-	-	-	-	-
Program, novelty, parking, and concession sales	75,936	8,320	1,168	1,198	-	86,622
Royalties, licensing, advertisement and sponsorships	148,557	21,100	5,600	38,687	699,426	913,370
Athletics restricted endowment and investments income (Note 3)	1,768,736	319,728	118,422	1,431,646	219,876	3,858,408
Other operating revenue	101,777	47,001	-	28,922	32,184	209,884
Total operating revenues	5,324,810	1,873,111	906,549	4,281,315	17,947,240	30,333,026
<u>Operating expenses:</u>						
Athletic student aid	3,205,720	871,866	745,315	4,989,145	6,240	9,818,286
Guarantees	-	27,000	-	17,332	-	44,332
Coaching salaries, benefits, and bonuses paid by the University and related entities	2,035,931	745,199	512,448	2,524,495	-	5,818,074
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	161,649	62,980	46,774	52,856	4,823,025	5,147,284
Severance Payments	-	327,295	-	-	-	327,295
Recruiting	71,983	75,720	52,651	135,332	-	335,686
Team travel	465,147	341,851	138,113	674,140	30,073	1,649,324
Sports equipment, uniforms, and supplies	357,552	74,359	48,796	423,386	382,115	1,286,209
Game expenses	375,478	186,310	87,154	166,239	-	815,181
Fundraising, marketing and promotion	-	-	-	-	439,374	439,374
Spirit groups	-	-	-	-	29,981	29,981
Athletic facility leases and rental fees	-	51,293	49,018	81,076	71,518	252,904
Athletic facility debt service	633,136	-	-	267,263	407,063	1,307,463
Direct overhead and administrative expenses	693,552	134	-	541,162	39,972	1,274,821
Indirect cost paid to the institution by athletics	87,581	-	-	55,650	379,176	522,407
Medical expenses and insurance	117	314	1,795	7,256	285,558	295,040
Memberships and dues	-	1,865	1,025	7,989	108,191	119,070
Student-Athlete Meals (non-travel)	97,954	36,548	21,446	80,929	-	236,878
Other operating expenses	49,948	12,558	15,140	55,869	524,957	658,472
Total operating expenses	8,235,749	2,815,292	1,719,676	10,080,121	7,527,243	30,378,081
Excess (deficiency) of revenues over (under) expenses	<u>\$ (2,910,939)</u>	<u>\$ (942,181)</u>	<u>\$ (813,127)</u>	<u>\$ (5,798,806)</u>	<u>\$ 10,419,997</u>	<u>\$ (45,055)</u>

Other Reporting Items:

Total athletics-related debt	\$ 13,900,000
Total institutional debt	\$ 242,487,643
Value of athletics-dedicated endowments	\$ 94,786,881
Value of institutional endowments	\$ 967,685,235
Total athletics-related capital expenditures	\$ 2,974,059

The accompanying Notes to the Schedule of Revenues and Expenses of Intercollegiate Athletics Programs are an integral part of this Schedule

WILLIAM & MARY
NOTES TO SCHEDULE OF REVENUES AND EXPENSES OF
INTERCOLLEGIATE ATHLETIC PROGRAMS
AS OF JUNE 30, 2020

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 revenues and expenses of the Intercollegiate Athletics Programs of the university for the year ended June 30, 2020 and includes both those intercollegiate athletics revenues and expenses under the direct accounting control of the university and those on behalf of the University's Intercollegiate Athletics Programs by outside organizations not under the university's control. Because the Schedule presents only a selected portion of the university's activities, it is not intended to, and does not present the financial position, changes in financial position, or cash flows for the year ended June 30, 2020. Revenues and expenses directly identifiable with each category of sport are presented and reported accordingly. Revenues and expenses not directly identifiable to a specific sport are reported under the category "Non-Program Specific."

2. CONTRIBUTIONS

The William & Mary Athletic Educational Foundation (WMAEF), Incorporated, also referred to as the Tribe Club, raises funds and collects contributions for the benefit of the Intercollegiate Athletics Department. The university received \$5,625,797 from the WMAEF during the year ended June 30, 2020.

The university received \$2,827,751 through the William & Mary Foundation for capital improvements to Kaplan Arena and Busch Field Team Facility. Capital contributions are not reported in the Intercollegiate Athletics Schedule of Revenues and Expenses.

3. ENDOWMENT AND INVESTMENT INCOME

The William & Mary Foundation is authorized to receive and administer gifts and bequests of all kinds. The Foundation makes such resources available to the university, which may be drawn as needed by the university within the Foundation's budgetary restrictions. The university received \$3,858,408 of endowment and investment income from the Foundation for the benefit of the Intercollegiate Athletics Department for the year ended June 30, 2020.

4. CAPITAL ASSETS

Capital assets are recorded at historical cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. Construction expenses for capital assets and improvements are capitalized when expended. The university's capitalization policy on equipment includes all items with an estimated useful life of two years or more. William & Mary 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, 2020 is as follows:

Depreciable capital assets:	
Buildings	\$ 62,174,387
Improvements other than Buildings	2,410,306
Infrastructure	2,628,105
Equipment	<u>4,252,988</u>
Total depreciable capital assets	<u>71,465,786</u>
Less Accumulated depreciation for:	
Buildings	\$18,765,437
Improvements other than Buildings	1,345,001
Infrastructure	2,628,105
Equipment	<u>3,000,132</u>
Total accumulated depreciation	<u>25,738,675</u>
Total capital assets, net	<u>\$ 45,727,111</u>

5. LONG-TERM DEBT

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

<u>Description</u>	<u>Interest Rates (%)</u>	<u>Fiscal Year Maturity</u>	<u>Balance as of June 30, 2020</u>	<u>% used by Athletics</u>	<u>Athletics Balance June 30, 2020</u>
Section 9(d) Bonds:					
Recreation Sports Center, Series 2010B	5.000	2021	60,000	15%	9,000
Recreation Sports Center, Series 2012A	5.000	2024	180,000	15%	27,000
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	2,575,000	15%	386,250
Recreation Sports Center, Series 2012A	3.000 - 5.000	2025	820,000	15%	123,000
Recreation Sports Center, Series 2014B	4.000	2026	190,000	15%	28,500
Improve Athletics Facilities, Series 2012A	3.000 - 5.000	2025	1,105,000	100%	1,105,000
Improve Athletics Facilities, Series 2014B	4.000	2026	260,000	100%	260,000
Improve Athletics Facilities, Series 2014B	5.000	2024	170,000	100%	170,000
Improve Athletics Facilities, Series 2016A	3.000	2027	150,000	100%	150,000
Improve Athletics Facilities II, Series 2013A&B	3.000 - 5.000	2034	1,250,000	70%	875,000
Improve Athletics Facilities II, Series 2017A	2.125 - 5.000	2038	675,000	10%	67,500
Improve Athletics Facilities II, Series 2017A	2.125 - 5.000	2038	1,325,000	15%	198,750
Improve Athletics Facilities, Series 2019A	5.000	2030	4,180,000	100%	4,180,000
Improve Auxiliary Facilities, Series 2017A	2.125 - 5.000	2038	3,075,000	100%	3,075,000
J. Laycock Football Facility, Series 2014B	5.000	2024	1,285,000	100%	1,285,000
J. Laycock Football Facility, Series 2016A	3.000	2027	1,100,000	100%	1,100,000
Busch Field Astroturf Replacement, Series 2016A	3.000 - 5.000	2030	860,000	100%	860,000
Total					<u>\$ 13,900,000</u>

Long-term debt matures as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2021	1,211,000	575,592
2022	1,269,000	514,082
2023-2027	6,822,000	1,618,106.02
2028-2032	3,071,250	502,898.47
2033-2037	1,281,750	130,620.00
2038	245,000	3,675.00
Total	<u>\$ 13,900,000</u>	<u>\$ 3,344,973</u>

6. INDIRECT COSTS

The university charges the Athletic Department an administrative fee. During the fiscal year, the Department paid \$522,407 to the university. This amount is included on the Indirect Cost Paid to the Institution by Athletics line item.

**WILLIAM & MARY AND VIMS
2020-2021 Operating Budget Summary**

	2018-2019 Actual	2019-2020 Actual	Approved 2020-2021 Budget	Projected 2020-2021 Budget¹	2020-2021 Year-to-Date 9/30/2020
Revenue					
General Funds					
Educational/General	67,705,902	75,084,004	76,433,665	76,499,735	21,913,224
Student Aid	4,521,322	4,907,326	4,904,200	4,904,200	2,264,003
Sponsored Programs	126,416	133,200	131,900	131,900	28,678
Nongeneral Funds					
Educational/General	168,847,883	178,295,742	173,990,252	173,459,602	84,319,137
Student Aid	39,995,668	43,478,196	45,551,100	45,551,100	25,318,729
Auxiliary Enterprise	121,425,697	115,472,671	127,072,006	105,407,541	44,614,276
Sponsored Programs/Eminent Scholars	49,033,316	48,080,064	54,675,000	54,675,000	15,202,567
University Private Funds	15,291,864	13,880,133	13,381,900	13,122,900	2,094,202
Eminent Scholars	55,775	57,686	75,000	75,000	-
Local Funds	<u>\$ 29,907,231</u>	<u>\$ 31,799,087</u>	<u>\$ 2,881,496</u>	<u>\$ 2,881,496</u>	<u>\$ 2,881,496</u>
Subtotal, University Revenues	\$ 496,911,074	\$ 511,188,109	\$ 499,096,519	\$ 476,708,474	\$ 198,636,311
Bequest designated funds - Interim Use for ISC4 Planning	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total, Revenue	\$ 499,911,074	\$ 511,188,109	\$ 499,096,519	\$ 476,708,474	\$ 198,636,311
Expenditures					
Instruction	127,014,630	131,610,506	130,114,024	130,476,587	38,971,641
Research and Advisory Services	13,307,232	15,951,948	14,485,771	14,310,242	4,074,212
Public Service	100,019	80,814	46,446	46,446	9,759
Academic Support	43,004,876	43,473,213	42,331,617	42,347,407	14,545,911
Student Services	16,056,979	15,126,633	10,958,302	11,305,502	3,303,414
Institutional Support	39,550,948	40,175,281	35,060,538	35,739,531	13,958,846
Plant Operations	23,735,126	25,360,838	25,599,345	25,642,826	5,921,178
Student Aid	53,962,926	59,974,798	56,515,458	56,693,492	29,480,360
Auxiliary Enterprise	119,562,610	114,785,894	122,736,241	131,336,241	27,027,233
Other	197,369	204,862	63,783	63,783	63,783
Sponsored Programs/Eminent Scholars	49,159,732	48,213,264	54,806,900	54,806,900	15,231,245
Contingency	-	-	2,422,300	-	-
E&G Debt Service ²	<u>4,289,058</u>	<u>4,283,121</u>	<u>4,161,687</u>	<u>4,161,687</u>	<u>434,223</u>
Total Expenditures	\$ 489,941,505	\$ 499,241,171	\$ 499,302,412	\$ 506,930,644	\$ 153,021,805

¹Projected changes to initially approved budget reflect already known revenue and expenditure decreases. Pending status of campus operation and/or any fee reductions, revenue could decrease.

²Debt service expenditures related to auxiliary enterprises and sponsored programs are included in those fund expense totals above.

³Local Funds are expensed based upon cash available from the related Foundation or available generated revenue.

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

	2018-2019	2019-2020	Approved	Projected	
	<u>Actual</u>	<u>Actual</u>	<u>2020-2021</u>	<u>2020-2021</u>	<u>2020-2021</u>
			<u>Budget</u>	<u>Budget</u>	<u>YTD 09-30-2020</u>
<u>REVENUE</u>					
General Fund	\$23,241,488	\$24,985,752	\$25,158,765	\$25,224,835	\$7,404,849
Nongeneral Funds					
Educational/General	1,783,559	1,675,663	1,888,402	1,888,402	255,018
Eminent Scholars	55,775	57,686	75,000	75,000	-
Sponsored Programs	20,947,892	19,170,688	23,250,000	23,250,000	5,851,797
Coronavirus Relief Funds	-	-	-	32,363	-
Total Revenue	\$46,028,714	\$45,889,789	\$50,372,167	\$50,470,600	\$13,511,663
<u>EXPENDITURES</u>					
Instruction	\$929,280	\$1,046,436	\$1,133,039	\$1,136,402	\$330,665
Research and Advisory Services	9,703,703	11,498,833	11,601,628	11,636,055	3,165,530
Academic Support	5,577,027	5,416,102	5,898,970	5,921,652	1,737,416
Institutional Support	3,776,055	3,748,904	3,159,830	3,154,310	1,231,461
Plant Operations	4,684,620	4,458,659	4,932,698	4,976,179	1,151,558
Student Financial Assistance	321,002	321,002	321,002	321,002	78,640
Sponsored Programs/Eminent Scholars	<u>21,003,667</u>	<u>19,228,374</u>	<u>23,325,000</u>	<u>23,325,000</u>	<u>5,851,797</u>
Total Expenditures	\$45,995,355	\$45,718,310	\$50,372,167	\$50,470,600	\$13,547,067

WILLIAM & MARY
2020-2021 Operating Budget Summary

Board of Visitors
November 19-20, 2020

COMMITTEE ON FINANCIAL AFFAIRS PRE-READ

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	2018-2019	2019-2020	Approved	Projected	2020-2021
	Actual	Actual	2020-2021	2020-2021	Year-to-Date
			Budget	Budget¹	9/30/2020
Revenue					
General Funds					
Educational/General	44,464,414	50,098,252	51,274,900	51,274,900	14,508,375
Student Aid	4,521,322	4,907,326	4,904,200	4,904,200	2,264,003
Sponsored Programs	126,416	133,200	131,900	131,900	28,678
Nongeneral Funds					
Educational/General	167,064,324	176,620,079	172,101,850	171,571,200	84,064,119
Student Aid	39,995,668	43,478,196	45,551,100	45,551,100	25,318,729
Auxiliary Enterprise	121,425,697	115,472,671	127,072,006	105,407,541	44,614,276
Sponsored Programs	28,029,649	28,851,690	31,350,000	31,350,000	9,350,770
University Private Funds	15,291,864	13,880,133	13,381,900	13,122,900	2,094,202
Local Funds	<u>\$ 29,907,231</u>	<u>\$ 31,799,087</u>	<u>\$ 2,881,496</u>	<u>\$ 2,881,496</u>	<u>\$ 2,881,496</u>
Subtotal, University Revenues	\$ 450,826,585	\$ 465,240,634	\$ 448,649,352	\$ 426,195,237	\$ 185,124,648
Bequest designated funds - Interim Use for ISC4 Planning	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total, Revenue	\$ 453,826,585	\$ 465,240,634	\$ 448,649,352	\$ 426,195,237	\$ 185,124,648
Expenditures					
Instruction	126,085,350	130,564,070	128,980,985	129,340,185	38,640,976
Research	3,603,529	4,453,115	2,884,143	2,674,187	908,682
Public Service	100,019	80,814	46,446	46,446	9,759
Academic Support	37,427,848	38,057,111	36,432,647	36,425,755	12,808,495
Student Services	16,056,979	15,126,633	10,958,302	11,305,502	3,303,414
Institutional Support	35,774,893	36,426,377	31,900,708	32,585,221	12,727,385
Plant Operations	19,050,505	20,902,179	20,666,647	20,666,647	4,769,620
Student Aid	53,641,924	59,653,796	56,194,456	56,372,490	29,401,720
Auxiliary Enterprise	119,562,610	114,785,894	122,736,241	131,336,241	27,027,233
Other	197,369	204,862	63,783	63,783	63,783
Sponsored Programs	28,156,065	28,984,890	31,481,900	31,481,900	9,379,448
Contingency	-	-	2,422,300	-	-
E&G Debt Service ²	<u>4,289,058</u>	<u>4,283,121</u>	<u>4,161,687</u>	<u>4,161,687</u>	<u>434,223</u>
Total Expenditures	\$ 443,946,150	\$ 453,522,862	\$ 448,930,245	\$ 456,460,044	\$ 139,474,738

¹Projected changes to initially approved budget reflect already known revenue and expenditure decreases. Pending status of campus operation and/or any fee reductions, revenue could decrease.

²Debt service expenditures related to auxiliary enterprises and sponsored programs are included in those fund expense totals above.

³Local Funds are expensed based upon cash available from the related Foundation or available generated revenue.

November 19-20, 2020

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WILLIAM & MARY
Education and General
2020-2021 Operating Budget Summary¹

	<u>2018-2019 Actual</u>	<u>2019-2020 Actual</u>	<u>Approved 2020-2021 Budget</u>	<u>Projected 2020-2021 Budget</u>	<u>2020-2021 Year-to-Date 9/30/2020</u>
Revenue					
General Funds	44,464,414	50,098,252	51,274,900	51,274,900	14,508,375
Nongeneral Funds	<u>167,064,324</u>	<u>176,620,079</u>	<u>172,101,850</u>	<u>171,571,200</u>	<u>84,064,119</u>
Total Revenue ²	\$ 211,528,738	\$ 226,718,331	\$ 223,376,750	\$ 222,846,100	\$ 98,572,494
 Expenditures³					
Instruction	113,928,209	118,312,933	125,252,300	125,611,500	36,211,222
Research	1,689,605	1,871,989	1,710,700	1,710,700	436,316
Public Service	11,574	8,476	7,900	7,900	936
Academic Support	32,453,456	32,865,283	34,144,300	34,144,300	11,759,375
Student Services	9,670,044	9,739,960	10,051,200	10,398,400	3,114,412
Institutional Support	27,701,674	26,562,457	28,330,300	29,023,900	9,670,160
Plant Operations	18,491,452	18,908,191	18,988,400	18,988,400	4,710,616
Debt Service ⁴	4,289,058	4,283,121	4,161,687	4,161,687	434,223
Contingency	<u>-</u>	<u>-</u>	<u>2,422,300</u>	<u>-</u>	<u>-</u>
Total Expenditures	\$ 208,235,073	\$ 212,552,410	\$ 225,069,087	\$ 224,046,787	\$ 66,337,261

¹Excludes required transfers to the state.²Excludes prior year cash balance carryover.³Includes known expenditures to date for fall semester COVID-19 response. Costs could grow depending on usage of cleaning/PPE supplies and frequency of replenishment.⁴Includes debt related to the Law School, School of Education, Business School, and ISC.

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WILLIAM & MARY
Auxiliary Enterprise
2020-2021 Operating Budget Summary¹

	2018-2019 Actual	2019-2020 Actual	Approved 2020-2021 Budget	Projected 2020-2021 Budget ²	2020-2021 Year-to-Date 9/30/2020
Revenue					
Food Service	23,274,739	20,343,898	23,044,600	19,168,300	7,258,402
Bookstore & Other Stores	2,569,816	1,918,864	1,954,025	1,954,025	267,048
Student Housing	34,761,218	31,269,778	36,417,500	27,217,301	13,395,385
Parking & Transportation	2,624,741	2,470,714	1,978,298	1,978,298	848,704
Technology	3,710,779	3,042,821	3,255,200	3,255,200	1,473,625
Student Health & Wellness	5,345,393	5,526,793	5,600,800	5,600,800	2,340,587
Kaplan Arena	2,724,988	2,808,008	2,798,600	2,798,600	1,297,824
Student Unions	3,245,585	3,268,650	3,236,100	3,236,100	1,476,469
Recreation Center & Campus Recreation	2,445,332	2,424,603	2,421,407	2,421,407	1,102,124
Athletics	27,381,446	28,407,737	29,231,800	23,000,000	7,103,651
Other Auxiliaries	6,024,115	5,815,115	7,796,670	3,466,370	2,200,026
COVID-19 Stabilization Funding	-	-	-	1,974,134	1,974,134
Debt Service Support	6,420,545	7,275,690	8,437,006	8,437,006	3,737,463
Total Revenue ³	\$ 120,528,697	\$ 114,572,671	\$ 126,172,006	\$ 104,507,541	\$ 44,475,442
Expenditures					
Food Service	21,064,321	17,602,738	20,899,000	20,899,000	3,432,064
Bookstore & Other Stores	3,340,067	2,891,331	2,748,575	2,748,575	606,737
Student Housing	34,900,111	33,210,248	35,109,400	35,109,400	6,800,420
Parking & Transportation	2,616,348	2,456,069	2,270,221	2,270,221	195,250
Technology	3,928,868	3,905,526	3,255,200	3,255,200	880,041
Student Health & Wellness	5,290,700	5,177,691	5,513,416	5,513,416	1,476,850
Kaplan Arena	2,772,502	2,491,841	2,798,600	2,798,600	481,396
Student Unions	3,172,787	3,321,625	3,223,800	3,223,800	761,324
Recreation Center & Campus Recreation	2,709,839	2,404,063	2,483,174	2,483,174	541,732
Athletics	27,663,210	28,441,692	29,231,800	29,231,800	8,742,443
Other Auxiliaries	5,674,353	4,935,828	7,162,214	7,162,214	951,414
COVID-19 Expenses ⁴	-	-	-	8,600,000	291,766
Debt Service ⁵	6,429,504	7,947,242	8,040,841	8,040,841	1,865,796
Total Expenditures	\$ 119,562,610	\$ 114,785,894	\$ 122,736,241	\$ 131,336,241	\$ 27,027,233

¹Does not include revenue allocated to support Student Aid.

²Projected changes to initially approved budget reflect already known revenue and expenditure decreases. Pending status of campus operation and/or any fee reductions, revenue could decrease.

³Excludes prior year cash balance carryover.

⁴Includes expenses for testing, staffing, contact tracing, etc. Expenses in this category may increase dependent upon status of spring operations.

⁵Debt service for auxiliary operations funded through student facility fees and private giving. Debt service is also included in operating expenses for housing, dining and parking.

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**WILLIAM & MARY
Sponsored Programs
2020-2021 Operating Budget Summary**

	<u>2018-2019 Actual</u>	<u>2019-2020 Actual</u>	<u>Approved 2020-2021 Budget</u>	<u>Projected 2020-2021 Budget2</u>	<u>2020-2021 Year-to-Date 9/30/2020</u>
Revenue					
General Fund	126,416	133,200	131,900	131,900	28,678
Nongeneral Fund	<u>28,029,649</u>	<u>28,851,690</u>	<u>31,350,000</u>	<u>31,350,000</u>	<u>9,350,770</u>
Total Revenue	\$ 28,156,065	\$ 28,984,890	\$ 31,481,900	\$ 31,481,900	\$ 9,379,448
Expenditures					
Operating Expenditures	27,975,006	28,805,963	31,300,275	31,300,275	9,379,448
Debt Service	<u>181,059</u>	<u>178,927</u>	<u>181,625</u>	<u>181,625</u>	<u>-</u>
Total Expenditures	\$ 28,156,065	\$ 28,984,890	\$ 31,481,900	\$ 31,481,900	\$ 9,379,448

WILLIAM & MARY
Student Financial Assistance
2020-2021 Operating Budget Summary¹

	2018-2019 Actual	2019-2020 Actual	Approved 2020-2021 Budget	Projected 2020-2021 Budget	2020-2021 Year-to-Date 9/30/2020
Revenue					
General Funds	4,521,322	4,907,326	4,904,200	4,904,200	2,264,003
Nongeneral Funds	39,995,668	43,478,196	45,351,100	45,351,100	25,213,729
Auxiliary Enterprises	897,000	900,000	900,000	900,000	138,834
CARES Act Funding ²	-	-	-	200,000	105,000
Total Revenue ³	\$ 45,413,990	\$ 49,285,522	\$ 51,155,300	\$ 51,355,300	\$ 27,721,566
Expenditures					
Total Expenditures	\$ 45,413,990	\$ 49,285,522	\$ 51,155,300	\$ 51,355,300	\$ 27,721,566

¹Excludes student financial assistance support included in Board of Visitors private fund budget.

²Federal funds received to directly support students in financial need. Also includes allocation of Governor Emergency Education Relief Funds to support in-state undergraduate financial assistance.

³Excludes prior year cash balance carryover.

WILLIAM & MARY
Private Funds
2020-2021 Operating Budget Summary

	2018-2019	2019-2020	Approved	Projected	Year-to-Date
	Actual	Actual	2020-2021	2020-2021	9/30/2020
			Budget	Budget¹	
Revenue					
Distributed Endowment Income	3,794,707	3,852,562	4,061,800	4,061,800	1,037,480
Administrative Overhead Allocation	300,000	300,000	300,000	300,000	76,575
Transfers from Other Sources	299,806	261,570	-	-	145,598
Earnings on Short-term Investments	1,325,573	1,173,530	640,000	640,000	181,623
Annual Gifts	8,582,048	7,418,851	8,000,000	7,990,000	590,282
Bequest for Campus	155,432		-	-	-
Drawdown from BOV Quasi Endowment	500,000		-	-	-
Distribution from External Trusts	29,895	32,587	30,100	30,100	3,889
Proceeds on Sale of Land Parcel	-		-	-	-
Other Revenue	304,403	841,033	350,000	101,000	58,754
Total University Private Funds Revenue	\$ 15,291,864	\$ 13,880,133	\$ 13,381,900	\$ 13,122,900	\$ 2,094,202
Other Private Funds					
Bequest designated funds - Interim Use for ISC4 Planning	3,000,000		-	-	
Total, Revenue	\$ 18,291,864	\$ 13,880,133	\$ 13,381,900	\$ 13,122,900	\$ 2,094,202
Expenditures					
Instruction	996,364	1,006,414	1,466,300	1,466,300	167,369
Research	789,107	697,257	785,500	575,544	84,423
Public Service	29,586	29,594	36,600	36,600	6,876
Academic Support	1,234,722	1,224,082	1,399,600	1,392,708	160,373
Student Services	808,521	625,012	800,500	800,500	82,401
Institutional Support	5,466,355	6,376,624	3,165,800	3,156,713	2,652,616
Plant: Operations & Capital Improvements	361,902	1,972,396	1,629,700	1,629,700	10,457
Student Aid	3,697,611	3,848,403	4,591,000	4,569,034	1,231,998
Total Expenditures	\$ 13,384,168	\$ 15,779,782	\$ 13,875,000	\$ 13,627,099	\$ 4,396,513

¹Projected decrease reflects the removal of funds that were moved from William & Mary to VIMS in the past. Overall funding is not changed since this decreased both revenue and expense.

WILLIAM & MARY
Local Funds¹
2020-2021 Operating Budget Summary

	<u>2018-2019</u> <u>Actual</u>	<u>2019-2020</u> <u>Actual</u>	<u>Approved</u> <u>2020-2021</u> <u>Budget²</u>	<u>Projected</u> <u>2020-2021</u> <u>Budget</u>	<u>Year-to-Date</u> <u>9/30/2020</u>
Revenue					
Contributions from William & Mary Foundation	9,214,261	11,765,943	230,317	230,317	230,317
Contributions from Law School Foundation	5,498,236	6,980,504	-	-	-
Contributions from Business School Foundation	2,770,225	3,905,364	-	-	-
Student Fees	2,744,236	2,319,575	1,015,878	1,015,878	1,015,878
Other Revenue	9,680,274	6,827,701	1,635,301	1,635,301	1,635,301
Total Revenue³	\$ 29,907,231	\$ 31,799,087	\$ 2,881,496	\$ 2,881,496	\$ 2,881,496
Expenditures					
Instruction	11,160,777	11,244,723	2,262,385	2,262,385	2,262,385
Research	1,124,817	1,883,869	387,943	387,943	387,943
Public Service	58,859	42,744	1,946	1,946	1,946
Academic Support	3,739,670	3,967,746	888,747	888,747	888,747
Student Services	5,578,414	4,761,661	106,602	106,602	106,602
Institutional Support	2,606,864	3,487,296	404,608	404,608	404,608
Plant: Operations & Capital Improvements	197,151	21,592	48,547	48,547	48,547
Student Aid	4,530,323	6,519,871	448,156	448,156	448,156
Other	197,369	204,862	63,783	63,783	63,783
Total Expenditures	\$ 29,194,243	\$ 32,134,363	\$ 4,612,718	\$ 4,612,718	\$ 4,612,718

¹Includes contributions from the William & Mary Foundation, Law School Foundation, and Business School Foundation. Expenses are incurred and then funds are brought over from each Foundation to offset all expenditures. Tribe Club contributions are part of the total athletics budget presented in the Auxiliary section. Also includes revenue from non-credit bearing activities, fees for study abroad, student clubs and activities, student health insurance, etc.

²Local Funds are expensed based upon cash available from the related Foundation or available generated revenue. Budgets are set equal to current revenue/expense to not impact comparison on overall summary.

³Excludes prior year cash balance carryover.

Financial Indicators Update FY20



WILLIAM & MARY

CHARTERED 1693

Why are financial ratios used in higher education?

- Provides high level assessment to assist boards and leaders in interpreting financial statements and overall financial strength
 - Use has evolved over the last 30 years
 - A mix of “art and science” in the assessment
 - 4 ratios benchmarked to industry standards
 - Composite Financial Index (CFI): Weights 4 ratios to estimate overall financial health
 - Industry best practice: Include foundations

What do the ratios tell you?

1. **Primary Reserve Ratio (35%)** - Are resources sufficient and flexible enough to support the mission?
2. **Viability Ratio (35%)** - Are financial resources, including debt, managed strategically to advance the mission?
3. **Return on Net Position (20%)** - Does asset performance and management support the strategic direction?
4. **Net Operating Ratio (10%)** - Do operating results indicate the institution is living within available resources?

Composite Financial Index (CFI) – weighted average of the four ratios

Methodology

- Analysis provided for the university, which includes W&M and VIMS. RBC is excluded
- Similarly, affiliated foundations include those that support W&M and VIMS
- APA methodology has differed historically
 - W&M, VIMS, and RBC consolidated
 - 2017 analysis excluded affiliated foundations
 - Anticipate 2020 analysis will include foundations
 - Different benchmarks used for some ratios

The Primary Reserve Ratio is supported by the strength of the foundations

- Ratio of expendable net position to total expenses
- Indicates how long the university could continue operations without revenue
- Provides a snapshot of the university's financial flexibility
- Aids in understanding the wealth needed to realize strategic objectives

	Accepted Benchmark *	FY 2020	University FY 2019	FY 2018	FY 2017	FY 2016
Primary Reserve	0.400	0.19	0.17	0.15	0.17	0.15

	Accepted Benchmark	FY 2020	University with Affiliated Foundations FY 2019	FY 2018	FY 2017	FY 2016
Primary Reserve	0.400	1.11	1.12	1.17	.90	0.81

*Strategic Financial Analysis in Higher Education, 7th Ed.

Note: Excludes pension liability

The Viability Ratio, with foundations included, exceeds benchmark

- Ratio of expendable net position to long-term debt
- Assesses the strategic management of resources, including debt
- Measures the availability of resources (expendable net position) to settle debt

	Accepted	University				
	Benchmark*	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Viability	1-1.25	0.36	0.31	0.30	0.33	0.28

	Accepted	University with Affiliated Foundations				
	Benchmark	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Viability	1-1.25	1.73	1.71	2.13	1.41	1.32

* APA recommends 1%. NACUBO benchmarks at 1.25% (McGladrey, LLP., 2013)

Return on Net Position Ratio exceeds industry benchmark

- Ratio of the change in net position to beginning total net position.
- Evaluates whether asset management supports the strategic mission
- Aids in determining the financial performance of net assets

	Accepted Benchmark*	<u>University</u>				
		FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Return on Net Position	> 0	0.05	0.04	0.04	0.06	0.07

	Accepted Benchmark	<u>University with Affiliated Foundations</u>				
		FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Return on Net Position	> 0	0.02	0.06	0.06	0.08	0.02

* The APA indicates there is generally no specific benchmark, but the ratio should be positive (ie., greater than zero).

Net Operating Revenues Ratio indicates that the enterprise is operating beyond its means

- Ratio of net income excl. capital revenues relative to total noncapital revenues
- Assesses if the university is operating within its means
- Helps gauge needed annual returns vis-à-vis university's mission

	Accepted Benchmark*	University				
		FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Net Operating Revenues	2% - 4%	-0.01	0.00	-0.03	0.00	-0.04

	Accepted Benchmark	University with Affiliated Foundations				
		FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Net Operating Revenues	2% - 4%	-0.04	0.07	0.07	0.11	-0.06

*NACUBO 2013 Planning and Budgeting Forum PowerPoint presentation by McGladrey, LLP

The financial strength of foundations underpins CFI assessment

- Indicates the strength of the institution
- Combination of the four core ratios with assigned weights.

	Accepted	<u>University</u>				
	Benchmark	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Composite Financial Index (CFI)	3.00	1.27	1.15	1.00	1.34	1.36

	Accepted	<u>University with Affiliated Foundations</u>				
	Benchmark	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Composite Financial Index (CFI)	3.00	4.57	5.93	6.50	5.35	3.47

Strategic Financial Analysis in Higher Education, 7th Ed.

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VIRGINIA INSTITUTE OF MARINE SCIENCE CAPITAL OUTLAY PROJECT PROGRESS REPORT

268-18344 Replace Oyster Hatchery

Appropriation Amount: \$21,773,446

Design Team: Quinn Evans Architects, Inc.

Fund Sources: VCBA Bonds

Biennium: 2016-2018

Obligated to Date: \$2,581,045

Contractor: Kjellstrom + Lee

Description: This appropriation funds the detailed planning and construction for a new state-of-the-art 22,000 square-foot Oyster Hatchery which will house space for research, education, and training as well as space for outreach activities with industry that promotes economic development.

Progress: The Division of Engineering & Buildings (DEB) has approved the pool funding appeal which provided an increase in the overall project funds. Design revisions have been completed and Permit Documents have been submitted to DEB for final review. The construction permit is anticipated to be received in late November 2020. The Construction Manager (CM) has submitted the final Guaranteed Maximum Price proposal and the contract is being ratified. Following contract agreement, the CM will mobilize and demolition is anticipated to begin in November 2020 and the project duration will be approximately 13 months for final completion.

268-18320 Eastern Shore Laboratory Education, Administration and Research Complex

Appropriation Amount: \$16,037,481

Design Team: VIA Design Architects, PC

Fund Sources: VCBA Bonds

Biennium: 2016-2018

Obligated to Date: \$2,598,512

Contractor: E.T. Gresham Company

Description: This appropriation funds the detailed planning and construction for a new building complex totaling 22,218 square-feet that includes a new Administration Building, Education Building, Visiting Scientist/Student Center, Shellfish Aquaculture Hatchery, Maintenance Shop, and a Storage Building.

Progress: Revised Working Drawings have been resubmitted to DEB for final permit approval. The contract with the General Contractor (GC) has been ratified and the GC has mobilized. Demolition is anticipated to begin in November 2020 and the project duration will be approximately 17 months for final completion.

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Page 2 of 3**268 - 18281 New Research Facility (Replace Chesapeake Bay Hall)**

Appropriation Amount: \$2,671,487

Biennium: 2016-2018

Design Team: Baskervill

Obligated to Date: \$2,208,257

Fund Sources: VCBA Bonds

Contractor: Kjellstrom + Lee

Description: This appropriation funds the detailed planning activities to replace the existing Chesapeake Bay Hall building with a new approximately 65,000 square-foot building to provide research, education, and office space for the Departments of Aquatic Health Sciences, Biological Sciences, Fisheries Science, and Physical Sciences.

Progress: Preliminary Design documents have been reviewed by DEB for code analysis and comments have been distributed to Baskervill for action following budget approval. Design documents are being reviewed by DEB for construction cost. Schematic Design cost estimates developed by the Architect/Engineers and CM, which were verified by DEB, have identified that the project exceeds the appropriated project budget which is inadequate to support the project. Following further funding approvals, design and construction phases will be approximately 2 years for final completion.

268 - 16634 Property Acquisition: VA-NERRS

Appropriation Amount: \$350,000

Biennium: 2000-2002

Fund Source: Federal Funds

Obligated to Date: \$193,000

Description: This appropriation funds the purchase of properties by the Virginia Estuarine & Coastal Research Reserve System using federal grants.

Progress: No current properties available. The appropriation remains open for future acquisitions.

268 - 16299 Property Acquisition: Master Plan Properties

Appropriation Amount: \$1,210,000

Biennium: 2000-2002

Fund Sources: VCBA Bonds

Obligated to Date: \$1,208,972

Higher Education Operating

Description: This appropriation funds the purchase of properties contiguous to the Gloucester Point campus.

Progress: No current properties available. The appropriation remains open for future acquisitions.

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Page 3 of 3 **268 - 16149 Property Acquisition: Wachapreague**

Appropriation Amount: \$778,026

Biennium: 1998-2000

Fund Sources: Private Funds

Obligated to Date: \$763,878

Higher Education Operating

Description: This appropriation funds the purchase of properties contiguous to the Eastern Shore Laboratory campus at Wachapreague, Virginia.

Progress: No current properties available. The appropriation remains open for future acquisitions.

268 - 12331 Maintenance Reserve

Funding Sources: VCBA (0817)

E&G (0100)

2020	Carry Over:	\$ 216,723
2021	Appropriation:	\$ 811,261
	Total:	\$ 1,027,984

Spent-to-date	(\$ 75,193)
	\$ 952,791

Remaining Project Commitments	(\$405,200)
Maintenance Reserve Fund Balance	\$ 547,591

Projects Currently Identified

Number	Planned Project Description	Status
268-2018-004	Boat Basin Bulkhead Repairs, Dredging, and Spoils Removal	Bid
268-2019-007	Andrews Hall Exhaust System Repair	Complete
268-2020-004	Andrews Hall Cooling Tower Replacement	Construction
268-2020-005	Watermen's Hall Exterior Repairs	Design
268-2020-006	Andrews and SRL Boiler Replacements	Construction

**WILLIAM & MARY
CAPITAL OUTLAY PROJECT PROGRESS REPORT**

204 – 18003 Improve Lake Matoaka Dam Spillway

Design Team: Draper Aden

Biennium: 2012-2014

Budget: \$5,118,913

Contractor: TBD

Funding Source: State

Obligated to date: \$1,323,500

Description: State Dam Safety Regulations currently require that the spillways of all high-hazard dams must pass 90% of the probable maximum flood. This results in a 7-foot overtopping of existing earthen dam.

Progress: Pre-qualified four construction contractors for sealed bid solicitation. All permits in hand. Evaluating design revision to mitigate impact to adjacent landowner.

204 – 18202 Construct West Utility Plant

Design Team: RMF Engineering

Biennium: 2016-2018

Budget: \$30,254,000

Contractor: DPR

Funding Source: State, W&M debt

Obligated to Date: \$29,061,547

Description: **(Phase I)** Construct an 11,500 GSF (gross square feet) utility plant building that will house three 1,200-ton chillers and three 9,900 MBH (million British Thermal Units per hour) boilers and connect to existing underground distribution networks. The plant is sized to accommodate one additional chiller and three boilers for future capacity demand. **(Phase II)** As the budget allows, chilled water and hot water lines will be piped into the West Campus area so that facilities and future projects may use this plant.

Progress: Phase II, as originally planned, was completed in August 2020, extending piping from west of the Ukrop Way Bridge to the manhole adjacent to the tennis courts next to Commons Dining Hall. Given remaining available contingency, an additional hot water boiler is being added to improve redundancy of service as buildings are added to the central plant.

204 – 18100-010 & 204-18218 One Tribe Place Remediation

Design Team: Clark Nexsen, WDP & Associates,
McKinney and Company

Biennium: 2016-2018

Budget: \$16,015,385

Contractor: Kjellstrom & Lee

Funding Source: W&M debt

Obligated to Date: \$15,260,205

Description: Perform design and construction activities to remediate the structural issues identified in the Post-Tension Structural Slab Assessment and Water Testing Final Report by WDP & Associates, Consulting Engineers. Finalize switchgear replacement and upgrades to the Fire Protection Systems in the occupied areas of the building.

Progress: Original building roof replacement will be completed by mid-November. Additional future work and long term use of all parts of the facility are under evaluation now. Budget has been allocated for new work in this space beginning in Summer 2021.

204 – 18292 Construct Fine and Performing Arts Complex, Ph 1 and 2

Design Team: Moseley/HGA

Biennium: 2016-2018

Budget: \$138,000,000

Contractor: Whiting-Turner Construction

Funding Source: State

Obligated to Date: \$21,663,193

Description: Design and construct two phases of a three phase “Arts Quarter” program. Major project components are:

Music Building – New construction of 74,529 GSF of new teaching and performance space for Music. Key program elements include four classrooms/seminar rooms, 16 teaching studios, 32 practice rooms, 100-person choral and 117-person instrument practice rooms, a 125-seat recital hall, and a 441-seat recital hall.

Phi Beta Kappa Hall (PBK) Addition/Renovation - Adaptive reuse of PBK Hall for Theater, Speech, and Dance resulting in a 99,485 GSF facility (61,751 GSF new + 37,734 GSF renovation). Key components include a 205-seat dance recital studio, 98-seat student lab, a 246-seat black box theater, and a 495-seat renovated main theater.

Progress: \$16.6M supplement was approved by 2020 General Assembly and funding has been released. GMP was established at \$111M. Building permit and contract are being processed.

204 – 18329 Design Integrated Science Center, Ph 4

Design Team: Goody Clancy/Baskervill

Biennium: 2018-2020

Budget: \$76,500,000

Contractor: Skanska

Funding Source: State

Obligated to Date: \$3,386,091

Description: This fourth phase of the Integrated Science Center (ISC) will house Mathematics, Computer Science, Kinesiology, and Design/Engineering. The project will construct 124,000 GSF of new space and renovate 10,000 GSF of existing space in order to connect to the adjacent ISC facility.

Progress: Preliminary design, Construction Manager (CM) cost estimate, and value engineering are complete. Division of Engineering and Buildings (DEB) reviewed Preliminary Design (PD) documents for cost and design. DEB funding report authorized \$57.5M for construction with a total project budget of \$76.5M. State authorization is needed to complete design and begin construction.

204 – 18360 Sadler West Addition

Design Team: Grimm & Parker/William Rawn

Biennium: 2018-2020

Budget: \$37,742,000

Contractor: Kjellstrom & Lee

Funding Source: W&M debt

Obligated to Date: \$4,530,024

Description: Construct a 46,000 GSF addition to the Sadler Center. The addition will house administrative space for Student Affairs and student organization offices currently in the Campus Center. The program includes reuse of the Student Health Center.

Progress: DEB's review of final working drawing (WD) comments is in progress. Final revisions approved for permit first week of November. Guaranteed Maximum Price (GMP) for construction was established at \$26.8M. Construction mobilization began on November 2.

204 – 18112-003 Blow Hall IT Data Center Renovation &**204 – 18017 (MR) Blow Hall Generator Increase**

Design Team: Clark Nexsen

Biennium: 2016-2018

Budget: \$2,279,400

Contractor: TBD

Funding Source: W&M debt, MR

Obligated to Date: \$218,111

Description: Install new IT racks with in row cooling; install new HVAC system for computer rack cooling to correct the hot and cold aisle air mixing; install redundant power sources - two electrical buses (A&B) for scalability and ease of maintenance; and, for uninterruptible power supply, two new uninterruptible power supplies will be installed and backed up by a new generator power source. The generator will be sized to handle the loads currently on the existing generator plus additional emergency loads.

Progress: DEB working drawing comments have been resolved. Solicitation has been issued. Three contractors are pre-qualified to bid. Bids are due December 2.

204 – 90010 Plan Martha Wren Briggs Center for Visual Arts

Design Team: Odell/Pelli Clarke Pelli

Biennium: 2016-2018

Budget: \$30,000,000

Contractor: Kjellstrom & Lee

Funding Source: Private funds

Obligated to Date: \$3,359,449

Description: Through a combination of renovation and additional construction to the existing museum, create updated and functional exhibition and support spaces.

Progress: Budget has been established. Conceptual design and layout have been established. Project team working to prioritize program needs most efficiently into the renovation of the existing museum and the new addition. Final exterior shapes and renderings are being evaluated.

204 – 90009 Design & Construct: Alumni House Addition/Renovation

Design Team: Glave & Holmes

Biennium: 2016-2018

Budget: \$23,013,000

Contractor: Kjellstrom & Lee

Funding Source: Private funds, Auxiliary funds

Obligated to Date: \$21,897,078

Description: A 35,000 GSF expansion of the Alumni Center which will include a welcome center, event spaces, and seated dining for 400 guests (795 seats for lecture seating).

Progress: Project is complete except for the Family Courtyard, which is expected to conclude by the end of November 2020.

204 – 80001 Reveley Garden, Phases 1 and 2

Design Team: Draper Aden Associates

Biennium: 2018-2020

Budget: \$1,983,241

Contractor: Branscome

Funding Source: Private funds, MR, Gift-in-kind

Obligated to Date: \$1,964,008

Description: Project includes creation of the 1926 Charles Gillette garden that was designed as part of W&M's Beaux-Arts campus plan but never constructed. Project creates a compelling outdoor circulation space and garden as intended by the original designer while merging with a modern campus. W&M is partnering with the Garden Club of Virginia (GCV) for a portion of the project scope.

Progress: Irrigation system installation has been completed. Final planting by GCV contractor is in progress.

204 – 80002 Memorial to African Americans Enslaved by William & Mary

Design Team: Baskervill

Biennium: 2020-2022

Budget: \$455,500 (design)

Contractor: Kjellstrom & Lee

Funding Source: Private funds

Obligated to Date: \$421,475

Description: Design and construction of a memorial to the enslaved persons and their families who supported the establishment of the university and subsequently maintained it. Selected from multiple entries in a multi-national competition, the chosen concept is a brick structure that represents a hearth. Located south of the Wren Building, it includes the names of enslaved workers and allows additional names to be added as new persons are identified.

Progress: Concept went through several iterations since the approval by the DRB in March 2020. Final concept was approved by Design Review Board in September. DEB completed PD review on October 28. WD development commenced October 26. The Department of General Services' Art and Architectural Review Board (AARB) reviewed the project on November 6. Contractor and Architect/Engineer continue to evaluate construction options for quality and cost. Narrative development is in progress.

204 – 90012 Kaplan Arena Renovation & Addition

November 19-20, 2020

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Design Team: Moseley/HNTB
Budget: \$57,600,000
Funding Source: Private funds

Biennium: 2020-2022
Contractor: DPR
Obligated to Date: \$4,479,324

Description: Renovate portions of existing structure, provide an addition on the north side to create a prominent entrance and construct a sports performance center and practice facility on the northwest side.

Progress: Moseley Architects in partnership with HNTB selected as the architect and engineering design firm (A/E). DPR selected as the project's construction manager (CM). Site and concept approved by DRB February 2020. Schematic Design (SD) was completed March 2020. CM, A/E, and Athletics continue working to develop PD within available budget.

November 19-20, 2020

Page 7 of 9**204 – 12713 Maintenance Reserve (MR)**

Funding Source: State/General funds

FY 2020	Carry Over	\$6,382,749
FY 2021	Appropriation	\$3,707,638
Total:		\$10,090,387

Projects Currently Identified	\$6,375,844
Maintenance Reserve Fund Balance	\$3,714,543

Projects Currently Identified

Number	Project Description
204 – 18005	Washington Hall Water Intrusion Repair
204 – 18006	Wren Building Water Intrusion Repair
204 – 18008	College Apartments Fire Alarm Design
204 – 18009	Law School VAV/FCU Replacement (Original Bldg)
204 – 18010	Washington Hall HVAC Controls Repair
204 – 18012	James Blair Mechanical Upgrades
204 – 18015	Swem Library Cooling Tower Replacement and Structural Repair
204 – 18017	Blow Hall Generator Increase
204 – 18025	Main Utility Plant Heat Exchanger Repair
204 – 19003	School of Education Rm 1011 Air Stratification Repair
204 – 19004	Admission Building Waterproofing
204 – 19005	Wren Building Gutter Repairs
204 – 19006	Lake Matoaka Art Studio Fume Hood Repair
204 – 19007	McGlothlin Street Hall Vacuum Pump Skid Repair
204 – 19008	McGlothlin Street Hall Attic HVAC Component Repair
204 – 19009	Swem Library Fire Pump Replacement
204 – 19010	Swem Library Main Bldg Window Flashing Repair Design
204 – 19013	Morton Hall Control Air Compressor/Hot Water Pump Replacement
204 – 19014	Facilities Management Bldg AHU2 & Chill Water

	Valves Replacement
204 – 19016	Swem Library Fire Alarm Replacement
204 – 19018	ISC Lab Compressed Air System Repair
204 – 19020	BMP Repairs
204 – 19022	Swem Library Terrazzo Floor Repair
204 – 19023	McGlothlin Street Hall Balcony Repair
204 – 19024	ISC Bi-Directional Antenna Installation
204 – 19025	Repair Building Automation Communication Trunk
204 – 19026	Alumni House Roof Replacement
204 – 19027	Pop Lab Boiler/FCU/Piping Replacement
204 – 19030	Stormwater Repairs/Renovations
204 – 20001	School of Education HVAC Component Replacement
204 – 20002	Wren Building HVAC Component Replacement
204 – 20003	Main Plant Floor Resurfacing and Seating
204 – 20004	Adair Hall – Repair Pool Leakage
204 – 20005	Replace Crim Dell Deck
204 – 20006	Main Plant Chilled Water Pump VFD Replacement
204 – 20007	James Blair Fire Pump Replacement
204 – 20008	Swem Library Loading Dock Ramp
204 – 20009	Blow Hall Fire Pump Replacement
204 – 20010	Blow Hall Fire Department Connection
204 – 20011	Brick Walkway Repair (Sunken Garden)
204 – 20012	Asphalt Paving 2020 (James Blair Drive, Alumni Drive & Bright St.)
204 – 20013	Campus Wide Historic Area Roof Repairs
204 – 20014	Blow Hall Cupola and Roof Repairs
204 – 20015	Stormwater Repairs Best Mgmt Practices
204 – 21XXX	Integrated Science Center Greenhouse Repairs
204 – 21XXX	Blair Hall Fire Pump Controller Repairs
204 – 21XXX	ISC Exhaust Fan and Duct Repairs
204 – 21XXX	Swem Library VAV Controls Replacement
204 – 21XXX	Jamestown Rd Houses – Asbestos Removal
204 – 21XXX	James Blair EPDM Roof Replacement
204 – 21XXX	Adair Hall – Roof Replacement
204 – 21XXX	Graduate Housing BMP Restoration
204 – 21XXX	Dillard Library Storage BMP Restoration
204 – 21XXX	Dillard Complex – Replace Underground Water Line

204 – 21XXX	Elevator Controls Replacement – Various buildings
204 – 21XXX	Swem Library Fire Sprinkler System Repairs
204 – 21XXX	Blow Hall Exterior Repairs

**WILLIAM & MARY
RESOLUTION TO MODIFY
THE CONSTITUTION OF THE STAFF ASSEMBLY**

WHEREAS, the members of the Staff Assembly have carefully reviewed carefully the Constitution of the Staff Assembly and made corrections and changes; and

WHEREAS, the members of the Staff Assembly approved these changes at their meeting on March 18, 2020;

THEREFORE, BE IT RESOLVED, that the Board of Visitors approves the proposed changes, effective immediately, and the Constitution of the Staff Assembly is now amended as per the attached document.

~~College of~~ William & Mary
Staff Assembly
Constitution and Bylaws

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CONSTITUTION OF THE STAFF ASSEMBLYArticle I. NameArticle II. PurposeArticle III. AuthorityArticle IV. MembershipArticle V. Amendments to the ConstitutionArticle VI. Dissolution of the Assembly~~Article I. Name~~~~Article II. Purpose~~~~Article III. Authority~~~~Article IV. Membership~~~~Article V. Amendments to the Constitution~~~~Article VI. Dissolution of the Assembly~~**Article I. Name**

The name of this organization is the Staff Assembly of ~~the College of~~ William & Mary.

In this document the term “~~the College of~~ William & Mary” or “the university” includes departments, divisions, and schools of ~~The College of~~ William & Mary, including the Virginia Institute of Marine Science.

The term “Staff” includes all operational and classified employees and non-student hourly wage employees of ~~the College of~~ William & Mary.

Article II. Purpose, Vision & Mission~~Vision:~~

~~To be a trusted partner working with those we represent and peer organization to build a more inclusive and engage community~~

~~Mission:~~

~~Staff Assembly is dedicated to engaging and empowering the W&M community by facilitating meaningful dialogues and connections regarding current and future needs.~~**Purpose:**

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The Staff Assembly will serve as a forum to facilitate communication among ~~all~~ Staff. The Staff Assembly will support a diverse, multi-campus university in accordance with College policy and the Statement of Rights and Responsibilities.

The Staff Assembly will function in an advisory capacity to the administration, promoting Staff interests in university governance by encouraging actions that address the current and future needs of the entire university community.

The Staff Assembly will promote honest and open communication between the administration and Staff and refer Staff concerns to the appropriate university officials.

The Staff Assembly will not serve as a substitute for the formal grievance procedures of the university.

The Staff Assembly will work with the administration, faculty, and students in all efforts to attain the goals of the university, while fostering a spirit of respect, dignity, unity and cooperation among the Staff. The Staff Assembly will recommend Staff representatives to university committees, as appropriate and permitted.

Vision:

To be a trusted partner working with those we represent, and peer organizations, and university leadership to build a more inclusive and engaged community.

Mission:

Staff Assembly is dedicated to engaging and empowering the William & Mary community by facilitating meaningful dialogues and connections regarding current and future needs of the university.

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Article III. Authority

This Constitution has been approved by the Board of Visitors of ~~the College of~~ William & Mary on April 16, 2010. The Staff Assembly has only such authority as conveyed by this Constitution and permitted by the university administration and State law.

Existence of the Staff Assembly does not preclude the right of a Staff member to belong to any other organization.

The Executive Board of the Staff Assembly derives its authority from the Staff Assembly.

Article IV. Membership

- A. The Staff Assembly consists of 24 members elected by the Staff (an approximate ratio of one voting member per 50 members of the staff). All 24 Assembly members represent The College of William & Mary as a whole; Members do not represent departments, units, or other staff constituencies. Elections will be conducted in accordance with the Bylaws and any procedures established by the Elections and Nominations Committee.
- B. Each Assembly member's General election term will begin May 1 and last for two years. Initially, twelve members will be elected at random as having a one-year (rather than two-year) term, such that terms will be staggered to permit election of approximately one-half of the Staff Assembly General election each year.
- C. The Executive Board by a majority vote may remove a member following three unexcused absences from regular Staff Assembly meetings during any consecutive twelve-month period.
- D. Members may be re-elected but may not serve more than two consecutive elected terms, which is defined as two successive two-year terms with no break in service. The duration from the end of a term through a mandatory ~~mid-term~~**special** election will satisfy a break in service. An appointed term does not count as an elected term.
- E. In the event of mid-term vacancies, the Staff Assembly must hold elections when the number of participating members falls to 20; otherwise, vacancies will be filled during the normal General election period. Each Assembly member's ~~Mid-term~~**special** election term will begin November 1 and last for the duration of the vacated seat.

Article V. Amendments

The approval process for amendments to the Constitution is as follows:

- A. A proposal for an amendment must be submitted to the Constitution & Bylaws Committee Chair for review and clarification. The Constitution and Bylaws Committee Chair will submit the proposal to the Executive Board for consideration.
- B. A written notice that an amendment is proposed must be given by the Executive Board to all members of the Staff Assembly in such time that it may be included on the agenda for the meeting at which the amendment will be proposed and at least five days before said

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meeting. The notice shall contain the proposed amendment in context or general nature of the matter. The proposed amendment may be discussed at the regular meeting at which the amendment is proposed.

C. Proposed amendments shall not be voted on until at least one regular meeting after the introduction.

D. Amendments to the Constitution will be deemed approved by the Staff Assembly upon approval by a simple majority vote of the Staff Assembly members present.

~~E. No amendment to Article II or III of the Constitution shall be effective unless approved by the Board of Visitors. All other amendments shall become effective upon Staff Assembly approval as provided under (D) above.~~

Article VI. Dissolution of the Assembly

The Staff Assembly may be dissolved by approval of two-thirds of Staff Assembly members casting or returning ballots, with at least forty percent of Staff voting.