WILLIAM & MARY

CHARTERED 1693

Unaudited Consolidated Financial Report
For The Year Ended June 30, 2023

VIMS | WILLIAM & MARY
VIRGINIA INSTITUTE OF MARINE SCIENCE

RICHARD BLAND COLLEGE of WILLIAM & MARY

William & Mary
Richard Bland College

June 30, 2023

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

ANNUAL FINANCIAL REPORT 2022 - 2023

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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 fiscal year ended June 30, 2023 (FY23) and the prior fiscal year ended June 30, 2022 (FY22). 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 FY23. 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 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 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 framework. 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 is limited to W&M, VIMS and RBC, exclusive of the component units.

Financial Summary

Statement of Net Position

The Statement of Net Position provides a combined snapshot of the university's 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, 2023. 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's and college's capital assets net of accumulated depreciation and amortization and any debt attributable to their acquisition, construction, or improvements.

(2) Restricted – reflects the university's 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 university or college, respectively, for any lawful purpose in support of the university's 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

	FY 2023	FY 2022	Dollar Change	Percent Change
Assets:				
Current	$ 247,610,650	$206,561,035	$ 41,049,615	19.87%
Capital, net of accumulated depreciation and amortization	1,140,341,593	1,062,263,452	78,078,141	7.35%
Other non-current	226,740,737	196,063,370	30,677,367	15.65%
Total assets	1,614,692,980	1,464,887,857	149,805,123	10.23%
Deferred outflows of resources:				
Pension related	16,819,349	19,747,896	(2,928,547)	(14.83%)
Other post-employment benefits	9,294,802	9,782,260	(487,458)	(4.98%)
Loss on refunding of debt	3,232,554	3,982,794	(750,240)	(18.84%)
Total deferred outflows of resources	29,346,705	33,512,950	(4,166,245)	(12.43%)
Liabilities:				
Current	132,324,797	112,893,153	19,431,644	17.21%
Non-current	470,801,882	468,245,018	2,556,864	0.55%
Total liabilities	603,126,679	581,138,171	21,988,508	3.78%
Deferred inflows of resources:				
Pension related	19,901,649	52,778,844	(32,877,195)	(62.29%)
Other post-employment benefits	20,667,053	27,331,881	(6,664,828)	(24.38%)
Gain on refunding of debt	682,746	861,834	(179,088)	(20.78%)
Lease receivable	2,676,968	2,780,678.00	(103,710)	(3.73%)
Total deferred inflows of resources	43,928,416	83,753,237	(39,824,821)	(47.55%)
Net Position:				
Net investment in capital assets	861,471,975	779,960,211	81,511,764	10.45%
Restricted	117,093,388	85,509,878	31,583,510	36.94%
Unrestricted	18,419,227	(31,960,690)	50,379,917	157.63%
Total net position	$ 996,984,590	$833,509,399	$163,475,191	19.61%

The overall result of the combined FY23 operations was a growth in net position of approximately $163.5 million or an increase of 19.6%, bringing the total net position to $997.0 million. The growth was a result of an increase in net investment in capital assets of $81.5 million, unrestricted funds of $50.4 million and restricted funds of $31.6 million.

Total assets increased by $149.8 million. Current assets increased $41.0 million primarily due to an increase in cash and investments along with an increase in appropriation available for capital projects. Capital assets, net of accumulated depreciation and amortization, increased by $78.1 million due to ongoing construction projects offset by capitalization of completed projects. These projects are discussed in more detail under *Capital Asset and Debt*

Administration below. Other non-current assets increased by $30.7 million due to the effect of market conditions on investment performance. The $4.2 million decrease in deferred outflows of resources is primarily due to pension related outflows.

Total liabilities overall increased by $22.0 million. Current liabilities being the primary factor that led to the increase of $19.4 million. Current liabilities growth was a result of outstanding amounts payable for capital projects and payables relating to salaries and fringe benefits. The decrease in deferred inflows of resources is primarily attributed to actuarial calculations related to 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

	FY 2023	FY 2022	Dollar Change	Percent Change
Operating revenues	$ 397,117,866	$ 371,641,250	$ 25,476,616	6.86%
Operating expenses	563,915,689	512,101,323	51,814,366	10.12%
Operating gain/(loss)	(166,797,823)	(140,460,073)	(26,337,750)	(18.75%)
Net Non-operating revenues	191,965,371	138,040,746	53,924,625	39.06%
Income/(Loss) before other revenues	25,167,548	(2,419,327)	27,586,875	1140.27%
Net other revenues	138,307,643	102,066,254	36,241,389	35.51%
Increase in net position	$ 163,475,191	$ 99,646,927	$ 63,828,264	64.05%

Overall, the result from operations was an increase in net position of $163.5 million. This resulted in a net change year over year of $63.8 million or 64.1%. 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 W&M, VIMS and RBC are treated as non-operating revenues, therefore the university and college will typically display an operating loss for the year. For FY23, state appropriations contributed almost $120.1 million or 16.5 % of all revenue across the three entities.

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

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

	FY 2023	FY 2022	Dollar Change	Percent Change
Operating Revenues:				
Student Tuition and Fees, net of scholarship allowances	$ 216,368,794	$ 209,826,719	$ 6,542,075	3.12%
Federal, State, Local and Non-governmental grants and contracts	54,929,657	47,805,906	7,123,751	14.90%
Auxiliary Enterprise, net of scholarship allowances	112,019,517	102,181,194	9,838,323	9.63%
Other	13,799,898	11,827,431	1,972,467	16.68%
Total Operating Revenues	397,117,866	371,641,250	25,476,616	6.86%
Non-Operating:				
State Appropriations	120,127,742	105,191,333	14,936,409	14.20%
Gifts, Investment Income and other income and expenses	71,837,629	32,849,413	38,988,216	118.69%
Total Non-Operating	191,965,371	138,040,746	53,924,625	39.06%
Other Revenues, Gains and (Losses):				
Capital Appropriations	128,424,991	93,408,468	35,016,523	37.49%
Capital Grants and Gifts	11,540,792	8,439,255	3,101,537	36.75%
Gain/(Loss) on disposal of assets	(1,658,140)	218,531	(1,876,671)	858.77%
Total Other Revenues, Gains and (Losses)	138,307,643	102,066,254	36,241,389	35.51%
Total Revenues	$ 727,390,880	$ 611,748,250	$ 115,642,630	18.90%

Operating revenue increased $25.5 million or 6.9% as compared to the prior year. There was an increase in student tuition and fees of $6.5 million or 3.1%, due primarily to enrollment growth and incremental tuition increases in graduate and professional programs of the university. Auxiliary enterprise revenue increased in response to the continuing return to normal operating levels following the pandemic as well as Board approved increases to auxiliary student fees and housing plan. Non-operating revenues increased primarily as a result of investment income due to market conditions coupled with a growth in State Appropriations. The university experienced an increase in Total Other Revenues due to increases in capital appropriations.

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

Summary of Operating Expenses

	FY 2023	FY 2022	Dollar Change	Percent Change
Operating expenses:				
Instruction	$ 152,468,826	$ 141,879,373	$ 10,589,453	7.46%
Research	68,244,440	58,420,006	9,824,434	16.82%
Public service	201,073	81,753	119,320	145.95%
Academic support	53,496,458	45,103,686	8,392,772	18.61%
Student services	24,546,484	15,800,946	8,745,538	55.35%
Institutional support	60,168,544	53,968,653	6,199,891	11.49%
Operation and maintenance of plant	32,590,682	34,103,926	(1,513,244)	(4.44%)
Student aid	22,544,560	30,417,483	(7,872,923)	(25.88%)
Auxiliary enterprise	102,408,573	87,486,726	14,921,847	17.06%
Depreciation and amortization	47,008,369	44,838,320	2,170,049	4.84%
Other operating expenses	237,680	451	237,229	52,600.67%
Total operating expenses	$ 563,915,689	$ 512,101,323	$ 51,814,366	10.12%

For FY23, operating expenses increased by $51.8 million or 10.1%. The increase was due to salaries, wages and benefit increases, as well as, increases in services and supplies as the university and college continues to return to normal operating levels following pandemic conditions. The decline in Student Aid was a result of a decrease in COVID-19 related funding.

Statement of Cash Flows

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

Summary Statement of Cash Flows

	FY 2023	FY 2022	Dollar Change	Percent Change
Cash Flows from:				
Operating Activities	$ (141,003,810)	$ (107,818,359)	$ (33,185,451)	(30.78%)
Non-Capital Financing	184,009,477	172,556,373	11,453,104	6.64%
Capital and Related Financing	(12,845,634)	(52,010,958)	39,165,324	75.30%
Investing Activities	3,108,284	(19,847,909)	22,956,193	115.66%
Net Increase/(Decrease) in Cash	$ 33,268,317	$ (7,120,853)	$ 40,389,170	567.20%

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 23 were: tuition and fees - $205.3 million, state appropriations - $120.1 million, auxiliary enterprise revenues - $109.2 million, research grants and contracts - $61.1 million, and gifts – $57.8 million.

The primary uses of operating cash in FY23 were payments to employees - $309.6 million representing salaries, wages, and fringe benefits and payments to suppliers of goods and services - $170.9 million.

Cash flow from capital financing activities reflects the activities associated with the acquisition and construction of capital assets including related debt payments. The primary sources of cash in FY23 were: capital appropriations - $106.6 million and capital grants and contributions - $11.4 million. The primary uses of cash were for capital expenditures - $107.1 million and debt payments - $33.2 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 FY23.

- ***Projects Completed in FY23*** –Five projects were completed and placed into service in FY23.
  - King Health Center (Campus Living Center),
  - Sadler West Addition,
  - Blow Hall Data IT Center Renovation,
  - Swem Library – Side Deck,
  - Millie West Tennis Facility.

- ***Projects in Progress*** – Including the 10 projects highlighted in 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:

- Dillard - Practice Field project will construct an additional field at the Dillard Complex to allow for Athletic practices as well as Campus Recreation usage. The project includes site work, the addition of lighting, a scoreboard, and netting.

- 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.

- Compton Drive Multiuse Pathway project will Construct a Multi-Use Pathway along Compton Drive. Work is being partially funded by VDOT.

- National Pan Hellenic Council Plots Landscape Design will provide a new landscape design for nine plots in the lower Sunken Garden meadow area.

- Old Dominion Hall Renovation will renovate the 43,000 square feet residence hall, providing upgraded infrastructure, new windows, roof system upgrades, new interior and exterior doors, new HVAC system, new plumbing pipes and fixtures, new electrical and fire protection systems, and new interior finishes throughout the building. Additional common spaces will be created, and the building will include ADA compliant features, abatement of all hazardous materials, and inclusion of sustainability initiatives.

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. Expected completion is beginning of Fall 2023 semester.

- Integrated Science Center, Phase 4 (ISC4) will support the Mathematics, Computer Science, and Engineering Design 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 with completion scheduled for Fall 2025.

- 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. The 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.

- Monroe Hall Renovation will renovate the 40,000 square feet residence hall, providing upgraded infrastructure, new windows, roof system upgrades, new interior and exterior doors, new HVAC system, new plumbing pipes and fixtures, new electrical and fire protection systems, and new interior finishes throughout the building. Additional common spaces will be created, and the building will include ADA compliant features, abatement of all hazardous materials, and inclusion of sustainability initiatives. Construction began at the close of the Spring 2023 semester and will extend through August 2024.

- Muscarelle Museum Expansion will renovate the existing 19,000 square foot museum and construct a 30,000 square foot addition. This will provide a more modern, program-oriented facility which will include exhibit space and teaching space. Substantial completion is expected in October 2024.

Looking ahead, W&M will continue significant design and construction efforts in the coming year with Fine and Performing Arts Phase I and II coming online in FY24. The design of One Tribe Place - 1984 Demolition and Code Upgrades will complete and construction activities for Integrative Science Center 4, Muscarelle Museum, Monroe Hall and Kaplan Arena have begun. Design phases for Old Dominion Hall Renovation, Lake Matoaka Dam Spillway and National Pan Hellenic Council Plots Landscape Design will all continue during FY 24. We 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, in progress, or in design during FY23.

- ***Project Completed in FY23*** –Projects completed and placed into service in FY23.

  - The Oyster Hatchery is 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.

- ***Projects in Progress -*** VIMS had several projects under construction in FY23.

  - The New Research Facility project involves the planning of a new building to replace the existing Chesapeake Bay Hall building with a new 68,000 square foot building to provide research, education, and office space for the Departments of Aquatic Health Sciences, Biological Sciences, Fisheries Science, and Physical Sciences. Construction is underway.

  - The Eastern Shore Laboratory Complex project involves the 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.

Richard Bland College

The following provides highlights of the capital project in progress FY23.

- ***Project in Progress in FY23*** - 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's and college's long-term debt is comprised of bonds payable, notes payable, installment purchases, long-term lease liabilities, subscription-based information technology arrangements (SBITAs), and financed purchase obligation. 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. The university issued General Revenue Pledge Bonds which were used to finance capital projects that will produce revenue to repay the debt as well as general corporate purposes. The university's and college's notes payable consist 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's and college's general revenues. As of June 30, 2023, the university and college had $204.6 million in Bonds Payable and $111.6 million in Notes Payable, respectively. The university and college financed $1.1 million in equipment through installment purchases as of June 30, 2023. The college has a Financed Purchase Obligation totaling $17.9. The university and college had several building and equipment long term lease obligations totaling $21.0 million as well as SBITAs totaling $8.1 million as of June 30, 2023.

Economic Outlook

The university's strong economic health continued into FY23 evidenced by the overall growth in net position of $163.5 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. The university remains focused on diversifying sources of revenue that align with its overall strategic direction as well as controlling costs through generating efficiencies and analyzing cost drivers over time.

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 17,548 students seeking admission for Fall 2023. With an incoming class size of 1,619 undergraduate students, W&M has almost 11 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. Student enrollment at RBC, a separate two-year college governed by the Board of Visitors, has continued to trend upward emerging from the pandemic and reflects the strategic efforts to diversify programs and services in response to demographics and demands. Given the ongoing uncertainty around student enrollment forecasts and behaviors, the college continues to forecast revenues conservatively, monitor enrollments closely, and manage its budget.

Heading into FY 24, the university's board of visitors approved an operating budget assuming a stable incoming class after a period of growth to increase undergraduate enrollment by 600. The Board approved increases to tuition of 4.7% for in-state undergraduates and 4.9% for out-of-state undergraduates, the university's two main enrollment revenue drivers, as well as a 3.9% increase to general fees supporting auxiliary operations. Summer 2023 revenue is mostly on par with the prior year with some declines in graduate program revenue. The university updates revenue projections throughout the year based upon student billing to ensure that projected resources are available to support allocated expenditure budgets. In addition, the university continues to take a long-term view, allowing it to implement sustained and strategic solutions.

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 2022-2024 Appropriation Act, Chapter 1, adopted by the General Assembly during a special session in 2023 and signed into law by the Governor, included additional funding for Virginia's public high education institutions. W&M received $1,873,000 million in base funding to support affordable access for Virginia students and families, along with $367,000 in base support for financial aid. The affordable access funding offset the additional cost included in the budget associated with a 2% salary increase.

As of June 30, 2023, the market value of W&M's total endowment was greater than $1.4 billion, up slightly over the prior year. The Board of Visitors' endowment and endowments managed by the 1693 Partners Fund 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 raised more than $70 million. Alumni remain strongly connected to the alma mater with William & Mary maintaining its top public university for alumni participation for the eighth consecutive year.

Investments in academic facilities and infrastructure remain strong. The completion of the Sadler West Addition consolidates activities, and programs for Student Affairs that enhances the student experience. With support from the Commonwealth for construction and renovation of academic facilities, W&M is nearing completion of the first phase of the Fine and Performing Arts Complex, two state-of-the-art educational and performance facilities for its music, theater, dance, and speech programs. In addition, the university's art museum, the Muscarelle, is being renovated and expanded. The university is also working on the last phase of the Integrated Science Center, a compilation of four buildings with a common focus. Construction of the final phase is progressing and will strengthen the university's growing presence in the data sciences and its commitment to the Commonwealth of Virginia to increase the number of graduates in computer science given current and anticipated workforce needs. With support from the Commonwealth, VIMS is also continuing to invest in its facilities, with the New Research Facility, and Eastern Shore Research Facilities all under construction.

Continuing to look for innovative ideas to improve the student's living and learning experience, William & Mary entered into a public-private partnership in July 2022 to develop approximately 1,200 residential beds over five (5) buildings as well as a new 50,000 square foot dining facility to replace existing facilities. The partnership structure allows William & Mary to deliver high quality buildings, in keeping with our campus standards, at an accelerated pace. The project provides our current and future students the benefit of best in class facilities in which to live, learn, and dine.

In the year ahead, William & Mary continues implementing *Vision 2026*, which provides the university's strategic direction for the future and the financial plan to support that direction. The university's continued financial growth and ability to navigate the changing landscape have left it well positioned to take advantage of the opportunities ahead.

Consolidated Financial Statements

William & Mary, Virginia Institute of Marine Science and Richard Bland College - Consolidated Report
Statement of Net Position
As of June 30, 2023

	University	Component Units
ASSETS		
Current assets:		
Cash and cash equivalents (Note 3)	$ 116,287,889	$ 26,443,345
Investments (Note 3)	47,685,180	67,939,800
Appropriation available	35,989,068	-
Receivables, net of allowance for doubtful accounts (Note 5)	25,771,459	7,457,234
Notes receivable (Note 5)	176,015	-
Due from Commonwealth	14,941,064	-
Inventories	807,227	21,482
Pledges receivable	-	19,536,785
Prepaid expenses	4,937,944	1,184,041
Other assets	1,014,804	23,856
Total current assets	247,610,650	122,606,543
Non-current assets:		
Restricted cash and cash equivalents (Note 3)	28,205,333	2,457,351
Restricted investments (Note 3)	98,800,244	585,547,507
Investments (Note 3)	93,487,428	443,940,871
Receivables (Note 5)	2,039,007	17,039,479
Notes receivable, net of allowance for doubtful accounts (Note 5)	424,192	-
Pledges receivable	-	9,974,672
Capital assets, nondepreciable (Note 6)	333,497,072	19,869,699
Capital assets, net of accumulated depreciation and amortization (Note 6)	806,844,521	24,735,078
Other assets	-	1,945,873
Other restricted assets	3,784,533	208,786,858
Total non-current assets	1,367,082,330	1,314,297,388
Total assets	1,614,692,980	1,436,903,931
DEFERRED OUTFLOWS OF RESOURCES		
Pension related (Note 14)	16,819,349	
Other postemployment benefits (Note 15)	9,294,802	
Loss on refunding of debt	3,232,554	
Total deferred outflows of resources	29,346,705	
Total assets and deferred outflows of resources	1,644,039,685	
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses (Note 7)	80,237,060	3,195,273
Unearned revenue	15,929,328	226,701
Deposits held in custody for others	712,071	276,374
Obligations under securities lending program	214,289	-
Long-term liabilities-current portion (Note 9)	35,229,914	5,089,171
Short term debt	-	3,866,189
Other liabilities	2,135	6,784
Total current liabilities	132,324,797	12,660,492
Long-term liabilities-non-current portion (Note 9)	470,801,882	60,892,395
Total liabilities	603,126,679	73,552,887
DEFERRED INFLOWS OF RESOURCES		
Pension related (Note 14)	19,901,649	
Other postemployment benefits (Note 15)	20,667,053	
Gain on refunding of debt	682,746	
Lease receivable	2,676,968	
Total deferred inflows of resources	43,928,416	
Total liabilities and deferred inflows of resources	647,055,095	
NET POSITION		
Net investment in capital assets	861,471,975	20,153,467
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	11,221,979	216,912,670
Research	-	29,361,122
Loans	-	24,230
Departmental uses	46,172,686	204,951,709
Other	-	265,015,385
Expendable:		
Scholarships and fellowships	10,052,860	178,463,518
Research	3,540,201	18,555,030
Debt service	188,510	-
Capital projects	22,552,903	23,783,202
Loans	417,925	136,014
Departmental uses	22,946,324	271,310,676
Other	-	58,389,022
Unrestricted	18,419,227	76,294,999
Total net position	$ 996,984,590	$ 1,363,351,044

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, 2023

	University	Component Units
Operating revenues:		
Student tuition and fees, net of scholarship allowances of $46,954,646	$ 216,368,794	$ -
Gifts and contributions	-	22,540,177
Federal grants and contracts	42,043,944	-
State grants and contracts	4,135,489	-
Local grants and contracts	208,043	-
Nongovernmental grants and contracts	8,542,181	-
Auxiliary enterprises, net of scholarship allowances of $23,302,801	112,019,517	-
Other	13,799,898	7,419,982
Total operating revenues	397,117,866	29,960,159
Operating expenses: (Note 11)		
Instruction	152,468,826	7,921,735
Research	68,244,440	2,430,325
Public service	201,073	128,493
Academic support	53,496,458	6,981,397
Student services	24,546,484	1,166,400
Institutional support	60,168,544	17,259,394
Operation and maintenance of plant	32,590,682	9,056,588
Student aid	22,544,560	20,066,158
Auxiliary enterprises	102,408,573	6,462,860
Depreciation and amortization	47,008,369	981,189
Other	237,680	6,893,274
Total operating expenses	563,915,689	79,347,813
Operating loss	(166,797,823)	(49,387,654)
Non-operating revenues/(expenses):		
State appropriations (Note 12)	120,127,742	-
Gifts	57,792,825	-
Net investment revenue	14,896,296	64,621,713
Pell grant revenue	6,270,264	-
Coronavirus relief funds - CARES, CRRSAA and ARP acts	2,451,666	-
Interest on capital asset related debt	(10,363,397)	(808,793)
Other non-operating revenue	6,547,770	3,633,880
Other non-operating expense	(5,757,795)	(286,115)
Net non-operating revenues	191,965,371	67,160,685
Income/(loss) before other revenues, expenses, gains or losses	25,167,548	17,773,031
Capital appropriations	128,424,991	-
Capital grants and contributions	11,540,792	2,032,427
Loss on disposal of assets	(1,658,140)	-
Additions to permanent endowments	-	24,757,990
Net other revenues, expenses, gains or losses	138,307,643	26,790,417
Increase/(Decrease) in net position	163,475,191	44,563,448
Net position - beginning of year, restated (Note 13)	833,509,399	1,318,787,596
Net position - end of year	$ 996,984,590	$ 1,363,351,044

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, 2023

Cash flows from operating activities:	
Tuition and fees	$ 205,279,317
Scholarships	(24,849,652)
Research grants and contracts	61,120,579
Auxiliary enterprise charges	109,152,839
Payments to suppliers	(170,912,743)
Payments to employees	(309,600,183)
Payments for operation and maintenance of facilities	(23,304,014)
Collection of loans to students and employees	259,705
Custodial receipts	280,988
Custodial disbursements	(249,202)
Other receipts	12,088,477
Other payments	(269,921)
Net cash used by operating activities	(141,003,810)
Cash flows from noncapital financing activities:	
State appropriations	120,127,742
Gifts	57,792,825
Direct Loan receipts	52,989,640
Direct Loan disbursements	(52,989,640)
Interest paid on noncapital debt	(2,233,702)
Pell grant revenue	6,270,264
Coronavirus relief funds - CARES, CRRSAA and ARP acts	1,094,476
Other non-operating receipts	5,611,340
Other non-operating disbursements	(4,653,468)
Net cash provided by noncapital financing activities	184,009,477
Cash flows from capital financing activities:	
Proceeds from issuance of capital debt	9,190,014
Capital appropriations	106,623,209
Capital grants and contributions	11,395,694
Insurance payments	57,444
Capital expenditures	(107,098,280)
Principal paid on capital-related debt	(23,909,431)
Interest paid on capital-related debt	(9,240,311)
Proceeds from sale of capital assets	136,027
Net cash used by capital and related financing activities	(12,845,634)
Cash flows from investing activities:	
Investment income	6,171,704
Investment expense	(220,194)
Proceeds from sale of investments	204,432,667
Purchase of investments	(207,275,893)
Net cash used by investing activities	3,108,284
Net increase/(decrease) in cash	33,268,317
Cash and Cash Equivalents -beginning of year	111,010,616
Cash and Cash Equivalents -end of year	$ 144,278,933

William & Mary, Virginia Institute of Marine Science and Richard Bland College - Consolidated Report
Statement of Cash Flows
For the Year Ended June 30, 2023

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	$	116,287,889
Restricted cash and cash equivalents		28,205,333
Less: Securities lending -Treasurer of Virginia		(214,289)
Net cash and cash equivalents	$	144,278,933
Reconciliation of net operating expenses to net cash used by operating activities:		
Net operating loss	$	(166,797,823)
Adjustments to reconcile net operating expenses to cash used by operating activities:		
Depreciation and amortization expense		47,008,369
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Receivables-net		(5,116,226)
Inventories		(57,570)
Prepaid expense		396,564
Accounts payable		3,954,043
Unearned revenue		966,925
Custodial funds		(654)
Federal loan contribution		(277,302)
Compensated absences		1,295,770
Pension liability		16,508,515
Deferred outflows of resources related to pension obligations		2,928,547
Deferred inflows of resources related to pension obligations		(32,877,194)
Other post-employment benefits liability		(3,164,370)
Other post-employment benefits asset		541,916
Deferred outflows of resources related to other post-employment benefits		487,458
Deferred inflows of resources related to other post-empoyment benefits		(6,664,828)
Deferred inflows of resources related to lease receivable		(103,710)
Other liability		(32,240)
Net cash used in operating activities	$	(141,003,810)

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

Amortization of gain/loss on bond refunding	$	571,152
Amortization of bond premium	$	1,711,250
Donated capital assets	$	145,098
Loss on disposal of assets	$	1,024,883
Capital assets acquired through accounts payable	$	35,740,171
Net change in value of investments	$	8,564,044

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

Notes to
Financial Statements

Year Ended June 30, 2023

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 include 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 the "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's and college's Board of Visitors are 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 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 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 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 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 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. 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 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. 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 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 Statements 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, are 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 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

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, is effective for fiscal year 2023. The objective of this statement is to improve financial reporting related to public-private and public-public partnership arrangements (PPPs). This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). In FY23, the university did not have any arrangements as defined by GASB 94.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, is effective for fiscal year 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The university has recorded intangible right-to-use assets and liabilities in accordance with the requirements of this statement.

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. The university's lease receivable is measured at net present value of the lease payments expected to be received during the lease term. 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, 2023, the university's and college's prepaid expenses included items such as insurance premiums, membership dues, conference registrations and publication subscriptions for FY24 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. The university's 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. The university and college capitalize an intangible right-to-use asset for leases with a cost greater than or equal to $50,000. Right-to-use assets represent the university's and college's right to use an underlying asset for a lease term. The university capitalizes an intangible right-to-use asset for SBITAs with a cost greater than or equal to $25,000. Richard Bland College capitalizes an intangible right-to-use asset for SBITAs with a cost 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
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. Intangible right-to-use assets are amortized using the straight-line method over the period of the lease or agreement. Amortization expense is combined with depreciation expense in the Statement of Revenues, Expenses and Changes in Net Position.

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, 2023. 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 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, long-term lease liability, financed purchase obligations, SBITA liability 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 purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS State Employee Retirement Plan and the VaLORS Retirement Plan; and the additions to/deductions from the VRS State Employee Retirement Plan's and the VaLORS Retirements 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's 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 amortization 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's 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 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 – non-operating expenses include interest on debt related to the purchase of capital assets and losses on the disposal of capital assets. All other expenses are classified as operating expenses.

2. RESTATEMENT OF NET POSITION

There were no restatements to beginning net position reported in the university's and college's financial statements as of June 30, 2023.

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' approved policy, 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.

In March of 2022, the university entered into a Member Deposit Agreement (the "Agreement") with the 1693 Partners Fund (the "Fund") and during fiscal year 2023, transferred the university's endowment assets to the Fund. The Fund is a non-profit, nonstock corporation organized under Virginia Law for exclusively charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 and more specifically to serve as a pooled investment vehicle to invest and hold the designated investment assets of eligible organizations that support William & Mary. The Fund is managed by executives of the 1693 Management Company (a wholly-owned subsidiary of the William & Mary Foundation). The Northern Trust Company acts as custodian for the Fund.

The Agreement details the terms and conditions for deposits to, withdrawals from and operations of the Fund. Each member is entitled to its pro rata share of the value of the undivided net assets of the Fund, considering the aggregate investment returns (positive and negative) on the assets held in the Fund net of expenses and any taxes payable by the Fund, and adjusting for deposits and withdrawals of the Members. Net assets of the Fund attributable to the university totaled $86,648,741 and $0 at June 30, 2023 and 2022, respectively.

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's and college's investment policy does not limit the amount invested in U.S. Government or Agency Securities. As of June 30, 2023, none of the investments in stocks or bonds of any one issuer represents five percent or more of the total investments; therefore, the university and college had no concentration of credit risk.

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

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 their maximum maturity lengths of investments and structuring its portfolio to maintain adequate liquidity to ensure the university's and college's ability to meet their 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, 2023. 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, 2023:

Investments Measured at Fair Value

	6/30/2023	Level 1	Level 2
Investments by Fair Value Level			
Debt Securities			
Corporate Bonds	$ 35,893,791	$ -	$ 35,893,791
Commercial Paper	1,718,831	-	1,718,831
Agency Unsecured Bonds and Notes	15,310,637	15,310,637	-
Agency Mortgage Backed Securities	8,546,149	-	8,546,149
Asset Backed Securities	6,690,531	-	6,690,531
International and Emerging Markets	4,988,987	2,664,608	2,324,379
U.S. Treasury and Agency Securities	22,144,684	21,920,850	223,834
Mutual Funds	11,487,085	11,487,085	-
Fixed Income and Commingled Funds	11,800,091	11,800,091	-
Total Debt Securities	118,580,786	63,183,271	55,397,515
Equity Securities			
Equity Index Funds	21,780,588	21,780,588	-
Equity International and Emerging Markets	9,018,334	9,018,334	-
Real Estate	6,600	6,600	-
Total Equity Securities	30,805,522	30,805,522	-
Total Investments by Fair Value level	149,386,308	93,988,793	55,397,515
Other - Rare Coin	280		
Investments measured at the Net Asset Value (NAV)			
Pooled Investments - 1693 Partners Fund	86,648,741		
REIT	2,601,459		
Relative Value	46,214		
Private Equity	2,022,183		
Total Investments measured at the NAV	91,318,597		
Total Investments	$ 240,705,185		

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's and college's investments measured at Net Asset Value:

Investments Measured at NAV

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled Investments - 1693 Partners Fund	86,648,741	-	Quarterly	45 days
REIT	2,601,459	-	Interval	35 days
Relative Value	46,214	-	Liquidating	
Private Equity	2,022,183	1,782,981	Illiquid	
Total Investments measured at NAV	$ 91,318,597	$ 1,782,981		

Interest Rate Risk: Maturities

Type of Investment	June 30, 2023	Less than 1 year	1-5 years	6-10 years	Greater than 10 years
Agency unsecured bonds and notes:					
Federal Farm Credit Bank	$ 992,310	$ -	$ 992,310	$ -	$ -
Federal Home Loan Bank	10,070,782	8,998,517	1,072,265	-	-
Federal Home Loan Mortgage Corp	2,096,743	1,986,000	110,743	-	-
Federal National Mortgage Assn	2,150,802	1,866,351	284,451	-	-
Agency mortgage backed securities:					
Federal Home Loan Mortgage Corp	1,613,326	3	1,613,323	-	-
Federal National Mortgage Assn	6,932,823	-	2,849,967	511,372	3,571,484
Asset Backed Securities	6,690,531	-	5,146,237	473,653	1,070,641
Commercial Paper	1,718,831	1,718,831	-	-	-
Corporate Bonds	35,893,791	18,540,374	17,353,417	-	-
Fixed Income and Commingled Funds	11,800,091	-	1,072,805	5,212,027	5,515,259
International and Emerging Markets Funds	4,988,987	1,531,021	1,321,078	-	2,136,888
Mutual and money market funds:					
Money market	1,109,369	1,109,369	-	-	-
Mutual funds - Alternative Investments	1,864,569	1,864,569	-	-	-
Mutual funds - Debt Proceeds Quasi Endowment	8,777,766	1,242,310	1,589,076	5,946,380	-
Mutual funds - Green Funds	202,950	-	-	202,950	-
Mutual funds - Osher Lifelong Learning Institute	216,549	39,629	31,562	145,358	-
Mutual funds - Wells Fargo	425,251	-	425,251	-	-
State non-arbitrage program	16,781,295	16,781,295	-	-	-
U.S. Treasury and Agency Securities					
United States Treasury Notes	21,920,850	16,144,300	5,776,550	-	-
Government National Mortgage Association	223,834	-	-	-	223,834
	$ 136,471,450	$ 71,822,569	$ 39,639,035	$ 12,491,740	$12,518,106

Credit & Concentration of Credit Risks

	June 30, 2023	Moody's Credit Rating	S&P Credit Rating	Fitch Credit Rating	Unrated
Cash Equivalents					
Money market AAA-mf	$ 1,109,369	$ 1,109,369	$ -	$ -	$ -
State non-arbitrage program - AAAm	16,781,295	-	16,781,295	-	-
Securities lending	214,289	-	-	-	214,289
Total cash equivalents	18,104,953	1,109,369	16,781,295	-	214,289
Investments					
Agency unsecured bonds and notes:					
Federal Farm Credit Bank AA+	992,310	-	992,310	-	-
Federal Home Loan Bank - AA+	7,096,633	-	7,096,633	-	-
Federal Home Loan Bank -Unrated	2,974,150	-	-	-	2,974,150
Federal Home Loan Mortgage Corp - AA+	1,986,000	-	1,986,000	-	-
Federal Home Loan Mortgage Corp - AAA	110,743	110,743	-	-	-
Federal National Mortgage Assn - AA+	2,150,801	-	2,150,801	-	-
Commercial Paper	1,718,831	-	-	-	1,718,831
Agency mortgage backed securities:					
Federal Home Loan Bank	1,613,326	-	-	-	1,613,326
Federal National Mortgage Assn	6,932,823	-	-	-	6,932,823
Asset Backed Securities - AAA	6,690,531	1,973,581	4,716,950	-	-
Corporate Bonds:	502,924	-	-	-	502,924
Aaa	70,439	-	70,439	-	-
AA	1,380,540	-	1,380,540	-	-
AA-	3,729,965	-	3,729,965	-	-
AA2	199,954	199,954	-	-	-
A1	1,193,859	1,193,859	-	-	-
A+	3,419,412	-	3,419,412	-	-
A	6,460,488	-	5,196,349	1,264,139	-
A2	1,909,949	1,909,949	-	-	-
A3	3,710,862	3,710,862	-	-	-
A-	12,562,452	-	10,995,933	1,566,519	-
BBB+	554,331	-	554,331	-	-
BBB	198,616	-	198,616	-	-
Fixed Income and Commingled Funds	11,800,091	-	-		11,800,091
International and Emerging Markets Funds	2,136,887	-	-	-	2,136,887
AA-	487,725	-	487,725	-	-
A+	237,450	-	-	237,450	-
A	988,755	-	875,146	113,609	-
A-	1,138,170	-	1,138,170	-	-
Mutual funds:					
Alternative Investments					
Aaa-mf	1,864,569	1,864,569	-	-	-
Bond Proceeds Quasi Endowment	7,535,456	-	-	-	7,535,456
Aaa-mf	1,242,310	1,242,310	-	-	-
Green Funds	202,950	-	-	-	202,950
Osher Lifelong Learning Institute	213,282	-	-	-	213,282
Aaa-mf	3,267	3,267	-	-	-
Wells Fargo	425,251	-	-	-	425,251
Total investments	$ 96,436,101	$ 12,209,094	$ 44,989,320	$ 3,181,717	$ 36,055,971

Other Investments	
Equity and other investments not subject to credit risk	57,623,462
Investments held in 1693 Partners Fund	86,648,741
Rare coins	280
Property held as investment for endowments	6,600
Total other investments	144,279,083
Total cash equivalents and investments	$ 258,820,138

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 Prudent Management of Institutional Funds Act, Code of Virginia Section 64.2-1100 et. seq., 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 at calendar year end using the previous twelve quarters. The payout percentage is reviewed and adjusted annually as deemed prudent.

William & Mary, at FY23 year-end, had a net appreciation of $13,849,281 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 - $7,493,414, Restricted Expendable for Departmental Uses - $5,109,222, and Unrestricted - $1,246,645. 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 RECEIVABLE

Receivables include transactions related to accounts and notes receivable are shown net of allowance for doubtful accounts for the year ending June 30, 2023 as follows:

Student tuition and fees	$	6,482,144
Auxiliary enterprises		3,690,324
Federal, state and non-governmental grants & contracts		11,047,564
Lease receivable, current portion		637,961
Other Activities		4,400,410
Gross Receivables		26,258,403
Less: allowance for doubtful accounts		(486,944)
Net Receivables		25,771,459
Lease receivable, non-current portion	$	2,039,007

Notes receivable consisted of the following at June 30, 2023:

Current portion:		
Federal student loans and promissory notes	$	176,015
Non-current portion:		
Federal student loans and promissory notes	$	465,046
Less: allowance for doubtful accounts		(40,854)
Net non-current notes receivable	$	424,192

Lease Receivable

Leases receivable represents contractual receipts for the right to use the present service capacity of a leased asset. The university has two right to use leases for buildings in which the university is a lessor for a sublease. The lease agreements have a term of 7 and 10 years. As of June 30, 2023, the university has a receivable of $2,676,968. The university received $384,120 in rent revenue in fiscal year 2023.

6. CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2023 consists of the following:

	Beginning Balance		Additions	Reductions	Ending Balance
Non-depreciable capital assets:					
Land	$ 26,649,859		$ 2,745	$ -	$ 26,652,604
Inexhaustible artwork and Historical treasures	79,418,403		1,387,704	(1,025)	80,805,082
Construction in progress	174,942,956		112,211,960	(61,115,530)	226,039,386
Total non-depreciable capital assets	281,011,218		113,602,409	(61,116,555)	333,497,072
Depreciable capital assets:					
Buildings	1,060,569,437		58,170,492	(7,084,025)	1,111,655,904
Equipment	109,061,212		6,567,944	(6,025,132)	109,604,024
Infrastructure	86,766,797		439,784	-	87,206,581
Other improvements	23,640,762		3,205,339	-	26,846,101
Library materials	68,646,287		752,302	(89,463)	69,309,126
Computer software	8,238,945	*	-	(2,897,187)	5,341,758
Right-to-use intangible assets					
Buildings	31,238,724		-	(3,254,151)	27,984,573
Equipment	108,324		466,386	-	574,710
Subscription assets	6,466,234	*	4,158,294	-	10,624,528
Total depreciable and amortizable capital assets	1,394,736,722		73,760,541	(19,349,958)	1,449,147,305
Less accumulated depreciation for:					
Buildings	405,590,740		30,253,787	(6,395,842)	429,448,685
Equipment	71,535,087		5,519,200	(4,718,844)	72,335,443
Infrastructure	47,697,816		1,938,281	1	49,636,098
Other improvements	9,990,569		1,395,789	(1)	11,386,357
Library materials	64,154,343		941,494	(89,462)	65,006,375
Computer software	9,748,055		11,154	(4,431,393)	5,327,816
Less accumulated amortization for:					
Right-to-use intangible assets					
Buildings	4,734,778		5,109,106	$ (2,554,532)	7,289,352
Equipment	33,100		146,398	$ -	179,498
Subscription assets	-		1,693,160	$ -	1,693,160
Total accumulated depreciation and amortization	613,484,488		47,008,369	(18,190,073)	642,302,784
Capital assets, net	781,252,234		26,752,172	(1,159,885)	806,844,521
Total capital assets, net	$ 1,062,263,452		$ 140,354,581	$ (62,276,440)	$ 1,140,341,593

- Beginning balances have been restated due to the implementation of GASB Statement No. 96 SBITAs.

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 $56.17 for FY23. The average cost of the Law Library purchases of books was $122.49 for FY23. Special collections maintained by each library are valued at historical cost or acquisition value. The average cost of library books purchased for VIMS was $74.10 for FY23. RBC did not purchase any library books during FY23. 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, 2023:

Current Liabilities:	
Employee salaries, wages, and fringe benefits payable	$ 31,841,795
Vendors and supplies accounts payable	13,519,371
Capital projects accounts and retainage payable	31,636,497
Accrued interest payable	3,239,397
Total current liabilities-accounts payable and accrued liabilities	$ 80,237,060

8. COMMITMENTS

At June 30, 2023, outstanding construction commitments totaled approximately $262,855,434.

The commitments for computer software that were previously reported have been reclassified as Subscription-Based Information Technology Arrangements with the implementation of GASB No. 96.

9. LONG-TERM LIABILITIES

The university's 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, 2023 is presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Installment purchases	$ 1,528,179	$ -	$ (478,084)	$ 1,050,095	$ 490,669
Long-term lease liability	26,255,145	466,386	(5,674,847)	21,046,684	3,861,826
SBITA liability	6,466,234 **	4,138,294	(2,489,923)	8,114,605	2,205,233
Financed purchase obligation	18,744,988	-	(838,774)	17,906,214	866,735
Notes payable	111,403,593	9,248,548	(9,089,375)	111,562,766	8,475,000
Bonds payable	212,257,708	-	(7,699,376)	204,558,332	7,408,819
Total long-term debt	376,655,847	13,853,228	(26,270,379)	364,238,696	23,308,282
Perkins loan fund balance	599,555	-	(277,302)	322,253	-
Accrued compensated absences	13,191,130	14,486,900	(13,191,130)	14,486,900	10,827,500
Net pension liability	67,356,096	16,508,515 *	-	83,864,611	-
OPEB liability	46,283,706	-	(3,164,370) *	43,119,336	1,094,132
Total long-term liabilities	$ 504,086,334	$ 44,848,643	$ (42,903,181)	$ 506,031,796	$ 35,229,914

* net change is shown
** Beginning balances have been restated due to the implementation of GASB Statement No. 96 SBITAs.
Categories of liabilities have changed due to the implementation of GASB Statement No. 96 SBITAs.

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. William & Mary last issued general revenue pledge bonds in October 2020. William & Mary bonds are issued for the university's general corporate purposes, to finance capital projects, and refund a portion of the university's outstanding debt. Listed below are the bonds outstanding at year-end:

Description	Interest Rates (%)	Fiscal year Maturity	Balance as of June 30, 2023
Section 9(c) Bonds:			
Construct New Dormitory, Series 2010A2	3.600-4.400	2030	$ 840,000
Construct New Dormitory, Series 2013A	2.000-3.000	2033	5,175,000
Construct New Dormitory, Series 2020B	0.550-1.410	2031	8,480,000
Construct New Dormitory			14,495,000

Description	Interest Rates (%)	Fiscal year Maturity	Balance as of June 30, 2023
Dormitory Phase IV, Series 2012A	5.000	2024	399,746
Dormitory Phase IV, Series 2013B	4.000	2026	844,462
Dormitory Phase VIII, Series 2013A	2.000-3.000	2033	2,745,000
Dormitory Phase VIII, Series 2014A	3.000-5.000	2034	5,885,000
Dormitory Phase X, Series 2019A	2.000-5.000	2039	1,930,000
Dormitory Renovations Phase IX, Series 2015A	3.000-5.000	2034	3,135,000
Dormitory Renovations Phase IX, Series 2018A	3.000-5.000	2038	11,160,000
Dormitory Renovations Phase IX, Series 2019A	2.000-5.000	2039	2,260,000
Renovation of Dormitories			28,359,208
Graduate Housing, Series 2013B	4.000	2026	918,987
Graduate Housing 6&7, Series 2015B	5.000	2028	836,021
Graduate Housing			1,755,008
Renovate Commons Dining Hall, Series 2012A	5.000	2024	659,581
Renovate Commons Dining Hall, Series 2013B	4.000	2026	1,389,450
Commons Dining Hall			2,049,031
Renovate Residence Halls, Series 2010A2	3.600-4.400	2030	1,835,000
RBC Student Housing Conversion 2016A	3.000-5.000	2036	1,900,000
W&M General Revenue Pledge Bonds:			
Barksdale Dormitory, Series 2020B	0.971-3.023	2036	$ 6,920,000
Construct New Dormitory, Series 2020B	0.971-2.312	2032	477,904
Dormitory Phase IV, Series 2020B	0.971-2.312	2032	925,613
Dormitory Phase VIII, Series 2020B	0.971-2.312	2032	575,515
Dormitory Phase X, Series 2020B	0.971-2.312	2032	75,273
Dormitory Renovations Phase IX, Series 2020B	0.971-2.312	2032	535,411
Dormitory Renovations Phase IX, Series 2020B	0.971-2.592	2035	6,105,000
Renovation of Dormitories			8,216,812
Graduate Housing, Series 2020B	0.971-2.312	2032	239,797
Graduate Housing 6&7, Series 2020B	0.971-2.312	2032	124,694
Graduate Housing			364,491
Improve Athletics Facilities, Series 2020B	0.971-3.023	2036	925,000
Improve Athletics Facilities II, Series 2020B	1.561-2.542	2034	1,320,000
Improve Athletics Facilities			2,245,000

Description	Interest Rates (%)	Fiscal year Maturity	Balance as of June 30, 2023
Improve Aux Facilities, Series 2020B	0.971-2.417	2033	4,965,000
Improve Aux Facilities, Series 2020B	1.561-2.542	2034	830,000
Improve Aux Facilities			5,795,000
Law Library, Series 2020B	0.971-3.023	2036	225,000
Law School Renovations, Series 2020B	1.561-2.542	2034	5,590,000
Law School Renovations			5,815,000
Magnet Facility, Series 2020B	0.971-3.023	2036	470,000
One Tribe Place, Series 2020B	1.561-2.542	2034	18,955,000
Parking Deck, Series 2020B	0.971-3.023	2036	3,175,000
Recreation Sports Center, Series 2020B	0.971-3.023	2036	3,010,000
Renovate Commons Dining Hall, Series 2020B	0.971-2.312	2032	498,778
Renovate Residence Halls, Series 2020B	0.971-2.312	2032	212,015
Taxable New Money-Capital Projects, Series 2020B	3.023	2040	3,935,000
Taxable New Money-General Purposes, Series 2020B	1.942-3.123	2051	75,110,000
Tax-exempt Dormitory Renovations, Series 2020A	3.000-5.000	2038	13,665,000
Total bonds payable			199,258,248
Net unamortized premiums (discounts)			5,300,084
Net bonds payable			$ 204,558,332

Notes Payable

Section 9(d) bonds, issued through the Virginia College Building Authority's Pooled Bond Program 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	Balance as of June 30, 2023
Section 9(d) Bonds:			
Ash Lawn-Highland Barn, Series 2010A1&A2	4.550-5.500	2031	$ 375,000

Description	Interest Rates (%)	Fiscal year Maturity	Balance as of June 30, 2023
Barksdale Dormitory, Series 2014B	5.000	2024	120,000
Barksdale Dormitory, Series 2014B	4.000	2026	980,000
Barksdale Dormitory, Series 2016A	3.000	2027	375,000
Barksdale Dormitory			1,475,000
Busch Field Astroturf Replacement, Series 2016A	3.000-5.000	2030	640,000
Cooling Plant & Utilities, Series 2010A1&A2	4.550-5.500	2031	5,395,000
Cooling Plant & Utilities, Series 2016A	3.000-5.000	2030	5,465,000
Cooling Plant & Utilities			10,860,000
Improve Athletics Facilities, Series 2019A	5.000	2030	3,145,000
Improve Athletics Facilities, Series 2014B	5.000	2024	45,000
Improve Athletics Facilities, Series 2014B	4.000	2026	260,000
Improve Athletics Facilities, Series 2016A	3.000	2027	150,000
Improve Athletics Facilities II, Series 2017A	2.125-5.000	2038	1,765,000
Improve Athletics Facilities			5,365,000
Improve Aux Facilities Project 2017A	2.125-5.000	2038	6,625,000
Integrated Science Center, Series 2014B	4.000-5.000	2026	2,340,000
Integrated Science Center, Series 2015B	3.000-5.000	2029	2,685,000
Integrated Science Center, Series 2016A	3.000-5.000	2028	1,800,000
Integrated Science Center			6,825,000
Integrative Wellness Center 2015A	3.000-5.000	2036	7,175,000
J. Laycock Football Facility, Series 2014B	5.000	2024	345,000
J. Laycock Football Facility, Series 2016A	3.000	2027	1,100,000
J. Laycock Football Facility			1,445,000
Kaplan Arena & SPC, Series 2023A	4.000-5.000	2043	8,165,000
Law School Library, Series 2014B	4.000-5.000	2026	690,000
Law School Library, Series 2016A	3.000-5.000	2028	525,000
Law School Library			1,215,000
Parking Deck, Series 2014B	4.000	2026	485,000
Power Plant Renovations, Series 2014B	4.000-5.000	2026	920,000
Power Plant Renovations, Series 2016A	3.000-5.000	2028	700,000
Power Plant Renovations			1,620,000
Recreation Sports Center, Series 2014B	4.000	2026	190,000

Description	Interest Rates (%)	Fiscal year Maturity	Balance as of June 30, 2023
Residence Hall Fire Safety Systems, Series 2014B	5.000	2024	120,000
Residence Hall Fire Safety Systems, Series 2016A	3.000	2027	375,000
Residence Hall Fire Safety Systems			495,000
Sadler Center West, Series 2018A&B	4.000-5.000	2039	21,390,000
Sadler Center West, Series 2022A	3.000-5.000	2042	6,595,000
			27,985,000
School of Business, Series 2014B	4.000-5.000	2026	4,465,000
School of Business, Series 2016A	3.000-5.000	2028	3,425,000
School of Business			7,890,000
West Utilities Plant 2017A	2.125-5.000	2038	11,410,000
Williamsburg Hospital/School of Education 2014B	5.000	2024	150,000
Williamsburg Hospital/School of Education, 2016A	3.000	2027	470,000
Williamsburg Hospital/School of Education			620,000
RBC Student Housing Conversion 2017A	5.000	2038	1,315,000
Total 9(d) bonds			102,175,000
Net unamortized premiums (discounts)			9,387,766
Net notes payable			$ 111,562,766

Installment Purchases

At June 30, 2023, 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 1.27 to 3.99 percent. 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 four outstanding installment purchases: one for energy efficient equipment, one for video conferencing equipment, one for research equipment and one for water quality equipment. Three 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, 2023 is $905,691.

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, 2023 is $144,404.

Long-Term Lease Liability

The university and college have several right-to-use leases for buildings and equipment. The building leases range from two to ten-year terms, including varying renewal options, and the equipment leases are three years. There are several leases with variable payments due to escalation clauses in the renewal terms. The present value of payments expected to be made during the lease term is calculated using the discount rate implicit in the lease agreement and, if unavailable, the university will use the university's incremental borrowing rate. Building lease assets total $27,984,573 with a corresponding accumulated amortization of $7,289,352. The equipment lease assets total $574,710 with a corresponding accumulated amortization of $179,498.

Subscription-Based Information Technology Arrangements

The university and college have several subscription-based information technology arrangements (SBITAs). The SBITAs range from two to ten-year terms, including varying renewal options. There are several agreements with variable payments due to escalation clauses in the renewal terms. The present value of payments expected to be made during the agreement term is calculated using the discount rate implicit in the SBITA and, if unavailable, the university will use the university's incremental borrowing rate. SBITA assets total $10,624,528 with a corresponding accumulated amortization of $1,693,160.

As of June 30, 2023, the principal and interest obligations under installment purchases and leases mature as follows:

	Direct Borrowings		Long-term Lease Liability		SBITAs	
	Installment Purchases					
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 490,669	$ 31,074	$ 3,861,826	$ 649,295	$ 2,205,233	$ 260,413
2025	357,408	18,091	3,883,319	520,761	$ 1,761,342	$ 188,452
2026	202,018	7,455	3,854,042	390,942	$ 605,594	$ 133,155
2027	-	-	3,994,576	264,124	$ 587,799	$ 114,153
2028	-	-	2,663,022	145,223	$ 477,776	$ 95,739
2029-2033	-	-	2,789,899	137,279	$ 2,157,506	$ 241,114
2034-2038	-	-	-	-	$ 319,355	$ 9,968
Total	$ 1,050,095	$ 56,620	$ 21,046,684	$ 2,107,624	$ 8,114,605	$ 1,042,994

Financed Purchase Obligation

Richard Bland College (RBC) has entered into a thirty-year financed purchase obligation with Richard Bland College Foundation (RBCF) for the provision of a student housing complex with two dormitories on the RBC campus. 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 financed purchase is included with depreciation and amortization expense in the Statement of Revenues, Expenses and Changes in Net Position. The outstanding balance of the financed purchase obligation as of June 30, 2023 is $17,906,214.

As of June 30, 2023, the principal and interest obligations under the financed purchase obligation mature as follows:

Fiscal Year	Financed purchase obligation Principal	Interest	Total
2024	$ 866,735	$ 579,663	$ 1,446,398
2025	900,248	765,141	1,665,389
2026	935,058	610,655	1,545,713
2027	971,214	574,500	1,545,714
2028	1,008,767	536,946	1,545,713
2029-2033	5,695,976	2,068,591	7,764,567
2034-2038	6,842,198	886,368	7,728,566
2039-2042	686,018	14,522	700,540
Total	$ 17,906,214	$ 6,036,386	$ 23,942,600

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.

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.

Bonds and notes payable mature as follows:

Fiscal Year	Bonds and Notes Principal	Interest	BAB Interest Subsidy	Net Bond and Note Interest
2024	$ 15,883,819	$ 9,841,205	$ 139,654	$ 9,701,551
2025	16,485,858	9,207,569	124,725	9,082,844
2026	18,950,770	8,568,807	108,630	8,460,177
2027	19,391,609	7,918,602	91,043	7,827,559
2028	19,171,191	7,278,618	71,225	7,207,393
2029-2033	88,140,000	27,616,100	88,405	27,527,695
2034-2038	56,380,000	15,325,529	-	15,325,529
2039-2043	27,195,000	8,607,140	-	8,607,140
2044-2048	23,740,000	4,783,031	-	4,783,031
2049-2053	16,095,000	1,015,600	-	1,015,600
Unamortized premiums	14,687,850			
Total	$ 316,121,098	$ 100,162,202	$ 623,682	$ 99,538,520

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 and Amortization	Total
Instruction	124,459,350	21,759,359	2,443,148	3,806,969	-	152,468,826
Research	45,559,114	20,524,617	720,508	1,440,201	-	68,244,440
Public service	65,681	98,817	29,178	7,397	-	201,073
Academic support	40,455,778	7,641,815	476,289	4,922,576	-	53,496,458
Student services	12,072,298	10,073,035	349,622	2,051,529	-	24,546,484
Institutional support	43,481,719	13,470,965	322,128	2,893,732	-	60,168,544
Operation and maintenance of plant	1,066,553	26,887,778	5,059	4,631,292	-	32,590,682
Scholarships and related expenses	1,978,596	74,421	20,489,142	2,401	-	22,544,560
Auxiliary enterprises	29,358,917	68,328,252	22,182	4,699,222	-	102,408,573
Depreciation and amortization	-	-	-	-	47,008,369	47,008,369
Other	230,839	6,299	-	542	-	237,680
Total	298,728,845	168,865,358	24,857,256	24,455,861	47,008,369	563,915,689

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 2 - 2022 Acts of Assembly (Educational and General Services)		
		$ 105,394,914
Student financial assistance		7,795,304
Supplemental appropriations:		
Virtual Libraries of Virginia - VIVA	13,550	
Central appropriation distribution benefit changes	5,266,869	
Tech talent transfer	1,384,198	
Marine science resources and environmental research	191,001	
Transfer of interest earnings and credit card rebates	77,773	
Biomedical research	75,000	
Clinical faculty grant	5,000	
Affordable access funding	49,900	
Gear up	31,943	
		7,095,234
Reductions:		
Reversion to general fund		(157,710)
Appropriations as adjusted		$ 120,127,742

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	$ 11,232,495	$ 29,333	$ 2,390,004	$ 525,884
Investments	67,826,541	113,259	-	-
Pledges receivable, net - current portion	16,333,101	568,532	1,095,639	685
Receivables, net	4,294,217	-	110,363	98,694
Inventories	-	-	-	21,482
Prepaids	1,107,560	18,743	13,145	8,700
Due from the university	169,297	49,131	48,806	15,456
Other assets	-	-	-	-
Total current assets	100,963,211	778,998	3,657,957	670,901
Non-current assets				
Restricted cash and cash equivalents	2,095	91,752	1,061,996	-
Restricted investments	406,726,147	53,623,522	101,603,042	620,096
Restricted other assets	206,973,966	534,715	1,278,177	-
Investments	419,490,628	11,605,353	906,515	10,915,554
Pledges receivable, net	4,927,006	847,476	1,507,792	15,074
Capital assets, nondepreciable	9,510,671	325,127	-	-
Capital assets, net of accumulated depreciation	5,152,347	-	-	78,681
Due from the university	-	-	-	-
Other assets	1,831,107	-	-	-
Total non-current assets	1,054,613,967	67,027,945	106,357,522	11,629,405
Total assets	1,155,577,178	67,806,943	110,015,479	12,300,306
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	94,903	147,105	187,052	88,721
Unearned revenue	26,545	-	-	77,927
Deposits held in custody for others	266,019	-	10,355	-
Long-term liabilities - current portion	1,127,995	-	-	-
Due to the university/other foundations	1,908,664	-	-	-
Short-term debt	-	-	-	-
Other liabilities	-	-	-	6,784
Total current liabilities	3,424,126	147,105	197,407	173,432
Non-current liabilities				
Long-term liabilities	31,175,657	-	-	-
Total liabilities	34,599,783	147,105	197,407	173,432
NET POSITION				
Net investment in capital assets	5,983,408	325,127	-	78,681
Restricted for:				
Nonexpendable:				
Scholarships and fellowships	176,316,570	13,065,266	22,921,485	-
Research	14,265,940	-	1,037,500	-
Loans	-	-	24,230	-
Departmental uses	154,168,465	10,468,156	40,315,088	-
Other	264,886,737	-	128,648	-
Expendable:				
Scholarships and fellowships	161,887,495	12,870,366	3,705,657	-
Research	18,102,823	-	452,207	-
Capital projects	23,449,918	-	333,284	-
Loans	-	-	136,014	-
Departmental uses	204,057,463	16,833,506	37,368,407	620,096
Other	53,484,508	1,454,503	107,427	-
Unrestricted	44,374,068	12,642,914	3,288,125	11,428,097
Total net position	$ 1,120,977,395	$ 67,659,838	$ 109,818,072	$ 12,126,874

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	$ 5,999,591	$ 913,401	$ -	$ 5,352,637	$ 26,443,345
Investments	-	-	-	-	67,939,800
Pledges receivable, net - current portion	1,350,988	187,840	-	-	19,536,785
Receivables, net	-	-	18,295	1,083,286	5,604,855
Inventories	-	-	-	-	21,482
Prepaids	-	-	-	35,893	1,184,041
Due from the university	110,044	492	1,184,307	274,846	1,852,379
Other assets	-	-	-	23,856	23,856
Total current assets	7,460,623	1,101,733	1,202,602	6,770,518	122,606,543
Non-current assets					
Restricted cash and cash equivalents	-	1,075,522	225,986	-	2,457,351
Restricted investments	-	15,858,614	7,116,086	-	585,547,507
Restricted other assets	-	-	-	-	208,786,858
Investments	15,587	1,007,234	-	-	443,940,871
Pledges receivable, net	1,714,409	962,915	-	-	9,974,672
Capital assets, nondepreciable	-	-	20,415	10,013,486	19,869,699
Capital assets, net of accumulated depreciation	-	-	49,361	19,454,689	24,735,078
Due from the university	-	-	17,039,479	-	17,039,479
Other assets	-	-	-	114,766	1,945,873
Total non-current assets	1,729,996	18,904,285	24,451,327	29,582,941	1,314,297,388
Total assets	9,190,619	20,006,018	25,653,929	36,353,459	1,436,903,931
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	-	-	137,587	208,433	863,801
Unearned revenue	-	-	3,550	118,679	226,701
Deposits held in custody for others	-	-	-	-	276,374
Long-term liabilities - current portion	-	-	866,735	3,094,441	5,089,171
Due to the university/other foundations	-	-	-	422,808	2,331,472
Short-term debt	-	-	-	3,866,189	3,866,189
Other liabilities	-	-	-	-	6,784
Total current liabilities	-	-	1,007,872	7,710,550	12,660,492
Non-current liabilities					
Long-term liabilities	-	-	17,039,479	12,677,259	60,892,395
Total liabilities	-	-	18,047,351	20,387,809	73,552,887
NET POSITION					
Net investment in capital assets	-	-	69,776	13,696,475	20,153,467
Restricted for:					
Nonexpendable:					
Scholarships and fellowships	-	-	4,609,349	-	216,912,670
Research	-	14,057,682	-	-	29,361,122
Loans	-	-	-	-	24,230
Departmental uses	-	-	-	-	204,951,709
Other	-	-	-	-	265,015,385
Expendable:					
Scholarships and fellowships	-	-	-	-	178,463,518
Research	-	-	-	-	18,555,030
Capital projects	-	-	-	-	23,783,202
Loans	-	-	-	-	136,014
Departmental uses	8,403,503	4,027,701	-	-	271,310,676
Other	-	-	3,342,584	-	58,389,022
Unrestricted	787,116	1,920,635	(415,131)	2,269,175	76,294,999
Total net position	$ 9,190,619	$ 20,006,018	$ 7,606,578	$ 15,965,650	$ 1,363,351,044

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	$ 6,897,274	$ 3,642,859	$ 3,031,417	$ 409,231
Other	1,895,823	199,846	-	816,526
Total operating revenues	8,793,097	3,842,705	3,031,417	1,225,757
Operating expenses:				
Instruction	5,832,550	1,402,120	576,313	-
Research	2,014,831	-	250,420	-
Public service	52,433	5,575	2,000	-
Academic support	5,710,626	723,722	66,096	-
Student services	297,655	13,319	855,426	-
Institutional support	11,327,385	894,795	2,696,546	298,696
Operation and maintenance of plant	8,968,085	76,371	-	-
Scholarships & fellowships	13,902,219	3,273,136	1,175,296	46,000
Auxiliary enterprises	2,319,542	-	13,786	-
Depreciation	335,651	-	-	14,269
Independent operations	-	-	-	-
Other	1,893,253	1,543,225	-	1,336,359
Total operating expenses	52,654,230	7,932,263	5,635,883	1,695,324
Operating gain/(loss)	(43,861,133)	(4,089,558)	(2,604,466)	(469,567)
Non-operating revenues and expenses:				
Net investment revenue (expense)	56,216,683	4,221,213	1,020,167	959,291
Interest on capital asset related debt	(222,132)	-	-	-
Other non-operating revenue	3,633,880	-	-	-
Other non-operating expenses	(235,232)	-	(50,883)	-
Net non-operating revenues	59,393,199	4,221,213	969,284	959,291
Income before other revenues	15,532,066	131,655	(1,635,182)	489,724
Other revenues:				
Capital grants and contributions	2,032,427	-	-	-
Additions to permanent endowments	13,156,334	695,584	10,245,762	-
Net other revenues	15,188,761	695,584	10,245,762	-
Change in net position, before transfers	30,720,827	827,239	8,610,580	489,724
Contribution between Foundations	(331,735)	5,000	-	236,844
Transfers	(331,735)	5,000	-	236,844
Change in net position	30,389,092	832,239	8,610,580	726,568
Net position - beginning of year	1,090,588,303	66,827,599	101,207,492	11,400,306
Net position - end of year	$ 1,120,977,395	$ 67,659,838	$ 109,818,072	$ 12,126,874

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	$ 7,407,516	$ 882,664	$ 218,607	$ 50,609	$ 22,540,177
Other	186,211	-	1,109,859	3,211,717	7,419,982
Total operating revenues	7,593,727	882,664	1,328,466	3,262,326	29,960,159
Operating expenses:					
Instruction	-	110,752	-	-	7,921,735
Research	-	165,074	-	-	2,430,325
Public service	-	68,485	-	-	128,493
Academic support	-	480,953	-	-	6,981,397
Student services	-	-	-	-	1,166,400
Institutional support	748,501	501,068	323,071	469,332	17,259,394
Operation and maintenance of plant	-	12,132	-	-	9,056,588
Scholarships & fellowships	1,241,136	165,302	263,069	-	20,066,158
Auxiliary enterprises	4,076,984	-	-	52,548	6,462,860
Depreciation	13,134	-	5,343	612,792	981,189
Independent operations	-	-	-	991,537	991,537
Other	-	106,752	1,022,148	-	5,901,737
Total operating expenses	6,079,755	1,610,518	1,613,631	2,126,209	79,347,813
Operating gain/(loss)	1,513,972	(727,854)	(285,165)	1,136,117	(49,387,654)
Non-operating revenues and expenses:					
Net investment revenue (expense)	94,246	1,430,219	651,356	28,538	64,621,713
Interest on capital asset related debt	-	-	-	(586,661)	(808,793)
Other non-operating revenue	-	-	-	-	3,633,880
Other non-operating expenses	-	-	-	-	(286,115)
Net non-operating revenues	94,246	1,430,219	651,356	(558,123)	67,160,685
Income before other revenues	1,608,218	702,365	366,191	577,994	17,773,031
Other revenues:					
Capital grants and contributions	-	-	-	-	2,032,427
Additions to permanent endowments	-	660,310	-	-	24,757,990
Net other revenues	-	660,310	-	-	26,790,417
Change in net position, before transfers	1,608,218	1,362,675	366,191	577,994	44,563,448
Contribution between Foundations	89,891	-	-	-	-
Transfers	89,891	-	-	-	-
Change in net position	1,698,109	1,362,675	366,191	577,994	44,563,448
Net position - beginning of year	7,492,510	18,643,343	7,240,387	15,387,656	1,318,787,596
Net position - end of year	$ 9,190,619	$ 20,006,018	$ 7,606,578	$ 15,965,650	$ 1,363,351,044

	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	$ -	$ -	$ 274,104	$ -	$ -	$ -	$ -	$ 274,104
Mutual and money market funds	5,698,799	-	31,753,613	10,785,709	15,587	15,094,432	7,116,086	70,464,226
Corporate bonds	-	-	4,189,744	-	-	-	-	4,189,744
U.S. treasury and agency securities	68,829,589	113,259	1,932,140	-	-	-	-	70,874,988
Common and preferred stocks		-	2,789,092	-	-	-	-	2,789,092
Pooled investments	818,338,318	65,228,875	58,648,340	-	-	-	-	942,215,533
Real estate	987,982	-	-	-	-	-	-	987,982
Other	188,628	-	2,922,524	749,941	-	1,771,416	-	5,632,509
Total Investments	$ 894,043,316	$ 65,342,134	$ 102,509,557	$ 11,535,650	$ 15,587	$ 16,865,848	$ 7,116,086	$ 1,097,428,178

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 Richard Bland College Foundation and 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	Total
Total pledges receivable	$ 22,336,742	$ 1,557,924	$ 2,988,230	$ 15,759	$ 3,851,934	$ 1,186,759	$ 31,937,348
Less:							
Allowance for uncollectibles	(546,803)	(110,311)	(126,500)	-	(589,565)	-	(1,373,179)
Discounting to present value	(529,832)	(31,605)	(258,299)	-	(196,972)	(36,004)	(1,052,712)
Net pledges receivable	21,260,107	1,416,008	2,603,431	15,759	3,065,397	1,150,755	29,511,457
Less:							
Current pledges receivable	(16,333,101)	(568,532)	(1,095,639)	(685)	(1,350,988)	(187,840)	(19,536,785)
Total non-current pledges receivable	$ 4,927,006	$ 847,476	$ 1,507,792	$ 15,074	$ 1,714,409	$ 962,915	$ 9,974,672

Capital Assets

	William & Mary Foundation	Marshall-Wythe School of Law Foundation	William & Mary Alumni Association Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total
Nondepreciable:						
Land	$ 3,365,927	$ 262,916	$ -	$ 5,500	$ 6,815,245	$ 10,449,588
Construction in progress	-	-	-	-	3,198,241	3,198,241
Historical treasures and inexhaustable works of art	6,144,744	62,211	-	14,915	-	6,221,870
Total nondepreciable capital assets	$ 9,510,671	$ 325,127	$ -	$ 20,415	$ 10,013,486	$ 19,869,699
Depreciable:						
Building	$ 7,417,017	$ -	$ 378,914	$ -	$ 23,736,248	$ 31,532,179
Equipment, vehicles and furniture	6,777,889	84,722	384,736	64,560	410,436	7,722,343
Improvements, other than building	338,138	-	-	-	-	338,138
	14,533,044	84,722	763,650	64,560	24,146,684	39,592,660
Less accumulated depreciation	(9,380,697)	(84,722)	(684,969)	(15,199)	(4,691,995)	(14,857,582)
Total depreciable capital assets	$ 5,152,347	$ -	$ 78,681	$ 49,361	$ 19,454,689	$ 24,735,078

Long-term Liabilities

	William & Mary Foundation	Richard Bland College Foundation	William & Mary Real Estate Foundation	Total
Compensated absences	$ 665,266	$ -	$ -	$ 665,266
Notes payable	1,710,464	-	12,640,811	14,351,275
Bonds payable	6,090,000	17,906,214	3,130,889	27,127,103
Trust & Annuity Obligations	3,452,174	-	-	3,452,174
Other liabilities	20,385,748	-	-	20,385,748
Total long-term liabilities	32,303,652	17,906,214	15,771,700	65,981,566
Less current portion	1,127,995	866,735	3,094,441	5,089,171
Total long-term liabilities	$ 31,175,657	$ 17,039,479	$ 12,677,259	$ 60,892,395

Restatement of Beginning Net Position

Net position as previously reported June 30, 2022	$ 1,318,802,960
William & Mary Alumni Association	(15,364)
Net position at July 1, 2022	$ 1,318,787,596

THE WILLIAM & MARY FOUNDATION

Long-term Liabilities

1693 Partners Funds (the "Fund") is a nonstock corporation organized on October 25, 2019, under the laws of the Commonwealth of Virginia. The fund is classified as a 501(C)(3) public charity. The Fund's purpose is to invest and hold the deposited assets of the university and the foundations and other non-profit organizations that primarily benefit or support the university and its constituent departments, programs and schools, on a commingled, long-term investment basis, for their mutual benefit. The Foundation appoints the majority of the board of the fund, and as a result of this control, the accounts of the Fund are included in the consolidated financial statements of the Foundation. The Fund commenced investment activities effective January 1, 2021. The Northern Trust company acts as custodian for the Fund.

The Fund entered into Member Deposit Agreements with the Foundation, the Marshall-Wythe School of Law Foundation, the William & Mary Business School Foundation, the 1693 Foundation, and the university. The Agreements detail the terms and conditions for deposits to, withdrawals from, and operations of the Fund. Each Member is entitled in contract to its pro rata share of the value of the undivided net assets of the Fund, taking into account the aggregate investment returns on the assets held in the Fund, net of expenses of any taxes payable by the fund, and adjusting for deposits and withdrawals of the Members. Net assets of the Fund attributable to MWSLF, WMBSF, and the university totaled $210,525,959 and $120,899,820 at June 30, 2023 and 2022, respectively, and are included in investments and funds held for others in the Foundation's consolidated statement of financial position.

On July 1, 2020, the Foundation executed an open-end revolving line of credit with Truist Bank in the amount of $5,000,000. The line of credit is unsecured. Interest accrued at a floating rate per annum equal to the Secured Overnight Financing Rate plus 1.37% and was payable monthly. The line of credit was also subject to an unused commitment fee equal to 0.20% per annum. The line of credit was closed in May of 2022. There were no advances from the line of credit during the year ended June 30, 2023 and 2022. Unused commitment fees paid during the years ended June 30, 2023 and 2022 totaled $0 and $7,611, respectively.

On July 1, 2020, the Foundation executed a note payable to Truist Bank in the amount of $2,100,000. The proceeds were used to fund a new client relationship management system implementation project. The note is unsecured and accrues interest at a rate of 4.56% per annum payable monthly. Beginning on July 1, 2021, the note is payable on a fixed payment schedule consisting of equal monthly installments of principal and interest. The final payment is due on July 1, 2030. The balance outstanding at June 30, 2023 and 2022 was $1,722,827 and $1,923,832, respectively. Interest paid on the loan during the years ended June 30, 2023 and 2022 was $85,734 and $94,833, respectively.

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. 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. On October 1, 2020, the bond agreement was amended to change the definition of the optional put date. Per the amendment, the Series 2011 Bondholder has the option to tender the Series 2011 Bond for payment on December 1, 2026, the first optional put date, unless extended under the terms of the loan agreement to not earlier than December 1, 2031. The final maturity date is December 1, 2036. In December 2021, CWMF Ventures paid down the bonds by $2,000,000. Interest expense, including amortization of bond issuance costs, on the Series 2011 Bond during the years June 30, 2023 and 2022, was $222,132 and $259,583, respectively.

The terms of the line of credit, notes and bonds payable 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 Foundation is in compliance with all debt 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 $76,371, in 2023 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 August 5, 2038. The primary purpose of this loan is to refund and redeem in full the outstanding principal amount of the Authorities' $27,000,000 Series 2006 Revenue Bonds (Richard Bland College Foundation Student Housing Facilities), the proceeds of which were used to finance the costs of construction and equipping of a student housing facility located in Dinwiddie, Virginia.

In June 2020, the Foundation received approval for deferral of the principal payment due in November, 2020, as well as a deferral of three months of interest. The deferred principal and interest are due to be repaid by May 5, 2024.

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, 2023 the Foundation had a receivable of $18,326,370 due from the college.

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. At July 1, 2021, the Foundation executed a new lease with the university for a five-year term ending June 30, 2026, with an automatic renewal for an additional five-year term ending on June 30, 2031. Annual base rent is $535,012, payable in two equal installments on October 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. Lease income received under this lease was $580,488 and $535,012 for 2023 and 2022, respectively.

The Foundation leases the Tribe Square office space to the university pursuant to a lease agreement 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. Lease income earned under this lease was $70,930 and $70,931 for 2023 and 2022, respectively.

Discovery II

The Discovery II property is leased to the university for use as office space under an agreement through June 30, 2024. Annual base rent is $445,900, 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. Lease income received under this lease was $478,780 and $470,585 for 2023 and 2022, respectively.

Richmond Hall

The Richmond Hall property is leased to the university and has a lease agreement through July 31, 2024. Annual base rent is $1,176,861, payable in two equal semiannual installments, 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 $1,415,051 and $1,310,734 for 2023 and 2022, respectively.

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. During 2021, a sublease was executed with a third party. Monthly rental payments were received from the university through March 2021, at which time the third party began paying rent to the Foundation.

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 $3,224,924 at June 30, 2023.

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. No such notice has been received by the Foundation.

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 $2,559,530 at June 30, 2023.

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 October 31, 2023. The note requires certain covenants to be met. At June 30, 2023, the Foundation was in compliance with these covenants.

The Foundation obtained a promissory note August 4, 2017, five (5) year term, and refinanced August 4, 2022. 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 $4,954,879 at June 30, 2023.

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, 2023, the Foundation was in compliance with these covenants. A balloon installment payment for all unpaid principal and the interest was scheduled to be due at note maturity on August 4, 2022. Effective August 4, 2022, prior to the note maturing, the Foundation refinanced the note with the same lender to mature on August 4, 2027. 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 was refinanced on June 30, 2021, with a 9-year term. The note bears interest at a fixed rate of 2.55% and requires 24 monthly payments of principal of $15,000 plus accrued interest and subsequently, beginning, July 31, 2023, 84 monthly payments of principal and interest totaling $19,920. The outstanding principal balance is $5,140,000 at June 30, 2023.

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. The note was refinanced with a different financial institution on June 30, 2021. A balloon installment payment for all unpaid principal and interest is due at note maturity on July 31, 2030. An additional draw of $1,000,000 was made during 2023. Amounts outstanding are collateralized by assignment of rents and leases. The note requires certain covenants to be met. At June 30, 2023, the Foundation was in compliance with these covenants.

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, 2023, totaled $46,401,695.55; $7,526,526; $5,099,651; and $4,682,293, respectively. This includes gift transfers, payments for facilities and payments for services. Direct payments from the university to the William & Mary Foundation and William & Mary Real Estate Foundation for the year ended June 30, 2023, totaled $3,893,405 and $3,736,621, respectively, for rent of 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 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 $10,958,581 for the year ended June 30, 2023. Contributions to the optional retirement plans were calculated using the base salary amount of $116,145,023 for fiscal year 2023. William & Mary, which includes the Virginia Institute of Marine Science, and Richard Bland College's total payroll for fiscal year 2023 was $238,915,215.

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 $617,536 for fiscal year 2023.

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**
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** Same as Plan 1.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit 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.
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, they were vested as of January 1, 2013, and they have not taken a refund. **Hybrid Opt-In Election** VRS 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. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.	**Eligible Members** Employees are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund, or their membership date is prior to July 1, 2010, and they were not vested as of January 1, 2013. **Hybrid Opt-In Election** Same as Plan 1.	**Eligible Members** Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Full-time permanent, salaried 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 ***Non-Eligible Members** Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Members of the Virginia Law Officers' Retirement System (VaLORS) 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.

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 pretax 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 for the future benefit payments.	**Retirement Contributions** Same as Plan 1.	**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 required to match those voluntary contributions according to specified percentages.
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.	**Service Credit** Same as Plan 1.	**Service Credit** *Defined Benefit Component:* 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. *Defined Contributions Component:*

		Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.
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 refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** *Defined Benefit Component:* 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 benefit component. *Defined Contributions Component:* 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. Members are always 100% vested in the contributions that they make. 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. • 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. Distributions not required, except as governed by law.
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.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** *Defined Benefit Component:* See definition under Plan 1 *Defined Contribution Component:* 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.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
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%. **VaLORS:** The retirement multiplier for VaLORS employees is 1.70% or 2.00%.	**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. **VaLORS:** The retirement multiplier for VaLORS employees is 2.00% applied to	**Service Retirement Multiplier** *Defined Benefit Component:* **VRS:** The retirement multiplier for the defined benefit component is 1.00%. 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. **VaLORS:** Not applicable.

	hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement.	*Defined Contribution Component:* Not applicable.
Normal Retirement Age **VRS:** Age 65. **VaLORS:** Age 60.	**Normal Retirement Age** **VRS:** Normal Social Security retirement age. **VaLORS:** Same as Plan 1.	**Normal Retirement Age** *Defined Benefit Component:* **VRS:** Same as Plan 2. **VaLORS:** Not applicable. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
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. **VaLORS:** Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**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. **VaLORS:** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** *Defined Benefit Component:* **VRS:** Same as Plan 2 **VaLORS:** Not applicable. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
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. **VaLORS:** Age 50 with at least five years of service credit.	**Earliest Reduced Retirement Eligibility** **VRS:** Age 60 with at least five years (60 months) of service credit. **VaLORS:** Same as Plan 1.	**Earliest Reduced Retirement Eligibility** *Defined Benefit Component:* **VRS:** Same as Plan 2 **VaLORS:** Not applicable. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.

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%. **Eligibility:** 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. 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. **Exceptions to COLA Effective Dates:** The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • 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	**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%. **Eligibility:** Same as Plan 1 **Exceptions to COLA Effective Dates:** Same as Plan 1	**Cost-of-Living Adjustment (COLA) in Retirement** *Defined Benefit Component:* Same as Plan 2. *Defined Contribution Component:* Not applicable. **Eligibility:** Same as Plan 1 and Plan 2. **Exceptions to COLA Effective Dates:** Same as Plan 1 and Plan 2.

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.		
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP) and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.	**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. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP) and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	**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. 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.
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: • 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, 2023 was 14.46% of covered employee compensation for employees in the VRS State Employee Retirement Plan. For employees in the VaLORS Retirement Plan, the contribution rate was 24.60% of covered employee compensation. These rates were the final approved General Assembly rate which were based on an actuarially determined rate(s) from an actuarial valuation as of June 30, 2021. The actuarially determined rates, when combined with employee contributions, were 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 $12,533,548 and $11,029,258 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions from the university and college to the VaLORS Retirement Plan were $422,846 and $318,133 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

At June 30, 2023, the university and college reported a liability of $81,147,404 for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of $2,717,207 for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The university's and college's proportion of the Net Pension Liability was based on the university's and college's actuarially determined employer contributions to the pension plans for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the university's and college's proportion of the VRS State Employee Retirement Plan was 1.38% for William & Mary, 0.29% for VIMS, and 0.12% for RBC as compared to 1.40% for William & Mary, 0.30% for VIMS, and 0.11% for RBC at June 30, 2021. At June 30, 2022, the university's and college's proportion of the VaLORS Retirement Plan was 0.35% for William & Mary, and 0.08% for RBC as compared to 0.33% for William & Mary, and 0.06% for RBC at June 30, 2021.

For the year ended June 30, 2023, the university and college recognized pension expense of $3,248,656 for the VRS State Employee Retirement Plan and $514,522 for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2021 and June 30, 2022 a portion of the pension expense was related to deferred amounts from changes in proportion and differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2023, 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	-	5,367,285
Net difference between projected and actual earnings on pension plan investments	-	11,827,290
Change in assumptions	3,255,723	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	401,831	2,470,008
Employer contributions subsequent to the measurement date	12,533,548	
Total	$ 16,191,102	$ 19,664,583

VaLORS Retirement Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	31,023	14,223
Net difference between projected and actual earnings on pension plan investments	-	222,843
Change in assumptions	37,073	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	137,305	-
Employer contributions subsequent to the measurement date	422,846	
Total	$ 628,247	$ 237,066

The university and college had $12,956,394 reported as deferred outflows of resources related to pensions resulting from the university's 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, 2024. 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:

Year ended June 30
($ thousands)

	VRS Retirement Plan	VaLORS Retirement Plan
FY 2023	$ (6,623)	$ 104
FY 2024	$ (6,368)	$ (92)
FY 2025	$ (8,611)	$ (153)
FY 2026	$ 5,594	$ 109
FY 2027	$ -	$ -

Actuarial Assumptions

The total pension liability for the VRS State Employee Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Mortality rates:

Pre-retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females.

Mortality Improvement:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all

Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

The total pension liability for the VaLORS Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Mortality rates:

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service

Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net Pension Liability

The net pension liability (NPL) is calculated separately for each plan and represents that particular plan's total pension liability determined in accordance with GASB Statement No. 67, less that plan's fiduciary net position. As of June 30, 2022, NPL amounts for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan are as follows (amounts expressed in thousands):

	State Employee Retirement Plan	**VaLORS Retirement Plan**
Total Pension Liability	$ 27,117,746	$ 2,474,068
Plan Fiduciary Net Position	22,579,326	1,841,041
Employers' Net Pension Liability (Asset)	$ 4,538,420	$ 633,027
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.26%	74.41%

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)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expectected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	**100.00%**		**5.33%**
		Inflation	2.50%
		Expected arithmetic nominal return*	**7.83%**

* The above allocation provides a one-year expected return of 7.83%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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, 2022, 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, 2022, 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's and College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the university's 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's 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	$ 138,683	$ 81,147	$ 33,460

The following presents the university's 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	$ 4,135	$ 2,717	$ 1,562

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 2022 Annual Report. A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-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 $448,400 in payables to VRS.

15. OTHER POSTEMPLOYMENT BENEFITS

The university and college participate in other postemployment benefit (OPEB) 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, teachers 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

Eligible Employees

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:

- City of Richmond
- City of Portsmouth
- City of Roanoke
- City of Norfolk
- Roanoke City School Board

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.

Benefit Amounts

The benefits payable under the Group Life Insurance Program have several components.

- *Natural Death Benefit:* The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- *Accidental Death Benefit:* The accidental death benefit is double the natural death benefit.
- *Other Benefit Provisions:* In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
    - Accidental dismemberment benefit
    - Seatbelt benefit
    - Repatriation benefit
    - Felonious assault benefit
    - Accelerated death benefit option

Reduction in Benefit Amounts

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.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)
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 $8,984 as of June 30, 2023.

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 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% 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, 2023, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 $1,137,504 and $1,045,426 for the years ended June 30, 2023, and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately $30.4 million to the Group Life Insurance plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

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, 2023, the university and college reported a liability of $11,000,505 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. The university's and college's proportion of the Net GLI OPEB Liability was based on the university's and college's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the university's and college's proportion was 0.78% for William & Mary, 0.10% for VIMS, and 0.03% for RBC as compared to 0.79% for William & Mary, 0.11% for VIMS, and 0.03% for RBC at June 30, 2021.

For the year ended June 30, 2023, the university and college recognized GLI OPEB expense of $272,081. 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, 2023, 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	871,101	441,314
Net difference between projected and actual earnings on GLI OPEB program investments	-	687,370
Changes in assumptions	410,302	1,071,494
Changes in proportionate share	120,111	595,874
Employer contributions subsequent to the measurement date	1,137,504	
Total	$ 2,539,018	$ 2,796,052

The university and college had $1,137,504 reported as deferred outflows of resources related to the GLI OPEB resulting from the university's 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, 2024. 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 2024	$	(293)
FY 2025	$	(327)
FY 2026	$	(664)
FY 2027	$	(1)
FY 2028	$	(110)
Thereafter	$	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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	4.00%
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

Mortality rates – General State Employees

Pre-retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – Teachers

Pre-retirement:
Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-retirement:
Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-disablement:
Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Mortality rates – SPORS Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – VaLORS Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change

Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – JRS Employees

Pre-retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males and females set back 2 years

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

Mortality rates – Largest 10 Locality Employers – General Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – Non-Largest 10 Locality Employers – General Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – Largest 10 Locality Employers – Hazardous Duty Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – Non-Largest 10 Locality Employers – Hazardous Duty Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Discount Rate	No change

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, 2022, NOL amounts for the Group Life Insurance Program are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	$ 3,672,085
Plan Fiduciary Net Position	2,467,989
GLI Net OPEB Liability (Asset)	$ 1,204,096
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%

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)	Long-Term Asset Allocation	Arithmetic Long-Term Rate of Return	Weighted Average Long-Term Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi -Asset Public Strategies	6.00%	3.73%	0.22%
PIP- Private Investment Partnership	3.00%	6.55%	0.20%
Total	**100.00%**		**5.33%**
	Inflation		2.50%
Expected arithmetic nominal return *			7.83%

* The above allocation provides a one-year return of 7.83%. 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. These results provide a range of

returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

** On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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 employer contributions 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, 2022, the rate contributed by the entity 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, 2022 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's and College's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the university's and college's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the university's 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%)**
The university's and college's proportionate share of the Group Life Insurance Program Net OPEB liability	$ 16,007	$ 11,001	$ 6,955

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 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-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 $108,391 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

Eligible Employees
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.

Eligible employees are enrolled automatically upon employment. They include:

- Full-time and part-time permanent salaried state employees covered under VRS, SPORS, VaLORS and JRS.

Benefit Amounts
The State Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:

- *At Retirement:* For State employees who retire, 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, 2023, was 1.12% 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, 2021. 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 $2,376,411 and $2,179,992 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately $8.5 million which was applied to the Health Insurance Credit Plan for state employees. This special payment was authorized by a budget amendment included Chapter 1 of the 2022 Appropriation Act.

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, 2022 the university and college reported a liability of $21,429,724 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, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. The university's and college's proportion of the Net VRS State Employee Health Insurance Credit Program OPEB Liability was based on the university's and college's actuarially determined employer contributions to the VRS State Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating state employers. At June 30, 2022, the university's and college's proportion of the VRS State Employee Health Insurance Credit Program was 2.23% for William & Mary, 0.29% for VIMS, and 0.09% for RBC as compared to 2.25% for William & Mary, 0.30% for VIMS, and 0.09% for RBC at June 30, 2021.

For the year ended June 30, 2023, the university and college recognized VRS State Employee Health Insurance Credit Program OPEB expense of $1,623,706. Since there was a change in proportionate share between measurement dates, a portion of the VRS State Employee Health Insurance Program Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2023, 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	3,671	1,295,163
Net difference between projected and actual earnings on State HIC OPEB program investments	-	11,627
Change in assumptions	716,910	10,817
Changes in proportionate share	115,936	858,260
Employer contributions subsequent to the measurement date	2,376,411	
Total	$ 3,212,928	$ 2,175,867

The university and college had $2,376,411 reported as deferred outflows of resources related to the State Employee HIC OPEB resulting from the university's 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, 2024. 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 2024	$	(326)
FY 2025	$	(347)
FY 2026	$	(356)
FY 2027	$	(169)
FY 2028	$	(137)
Thereafter	$	(4)

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, 2021, 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, 2022.

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	4.00%
Investment rate of return	6.75%, net of plan investment expenses, including inflation

Mortality rates – General State Employees

Pre-retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – SPORS Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – VaLORS Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – JRS Employees

Pre-retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males and females set back 2 years

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

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, 2021, NOL amounts for the VRS State Employee Health Insurance Credit Program are as follows (amounts expressed in thousands):

	State Employee HIC OPEB Plan
Total State Employee HIC OPEB Liability	$ 1,043,748
Plan Fiduciary Net Position	224,575
State Employee Net HIC OPEB Liability (Asset)	$ 819,173
Plan Fiduciary Net Position as a Percentage of the Total State Employee HIC OPEB Liability	21.52%

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)	Long-Term Asset Allocation	Arithmetic Long-Term Rate of Return	Weighted Average Long-Term Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi -Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	**100.00%**		**5.33%**
	Inflation		2.50%
	Expected arithmetic nominal return**		7.83%

* The above allocation provides a one-year return of 7.83%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

** On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50% 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, 2022, 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, 2022, 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's and College's Proportionate Share of the State Employee HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the university's 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's 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%)**
The university's and college's proportionate share of the VRS State Employee HIC OPEB Plan Net HIC OPEB Liability	$ 24,064	$ 21,430	$ 19,168

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 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-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 $93,038 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:

VSDP PLAN PROVISIONS

Eligible Employees
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.

Eligible employees are enrolled automatically upon employment. They include:

- 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.

Benefit Amounts
The Virginia Sickness and Disability Program (VSDP) provides the following benefits for eligible employees:

- *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 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, 2023, was 0.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 $422,972 and $349,167 for the years ended June 30, 2023, and June 30, 2022, 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, 2023, the university and college reported a liability (asset) of ($3,784,533) for their proportionate share of the Net VSDP OPEB Liability (Asset). The Net VSDP OPEB Liability (Asset) was measured as of June 30, 2022, and the total VSDP OPEB liability used to calculate the Net VSDP OPEB Liability (Asset) was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The university's and college's proportion of the Net VSDP OPEB Liability (Asset) was based on the agency's actuarially determined employer contributions to the VSDP OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the university's and college's proportion was 1.00% for William & Mary, 0.21% for VIMS, and 0.07% for RBC as compared to 0.99% for William & Mary, 0.21% for VIMS, and 0.06% for RBC at June 30, 2021.

For the year ended June 30, 2023, the university and college recognized VSDP OPEB expense of $86,379. 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, 2023, the university and college reported deferred outflows of resources and deferred inflows of resources related to the VSDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	380,969	563,371
Net difference between projected and actual earnings on VSDP OPEB program investments	-	208,968
Change in assumptions	21,836	74,349
Changes in proportionate share	182,504	81,395
Employer contributions subsequent to the measurement date	422,972	
Total	$ 1,008,281	$ 928,083

The university and college had $422,972 reported as deferred outflows of resources related to the VSDP OPEB resulting from the university's 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, 2024. 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 2024	$	(115)
FY 2025	$	(120)
FY 2026	$	(192)
FY 2027	$	34
FY 2028	$	4
Thereafter	$	46

Actuarial Assumptions

The total VSDP OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

Inflation	2.50%
Salary increases, including inflation –	
General state employees	3.5% – 5.35%
SPORS employees	3.5% – 4.75%
VaLORS employees	3.5% – 4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality rates – General State Employees

Pre-retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – SPORS Employees

Pre-retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – VaLORS Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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, 2022, NOA amounts for the Disability Insurance Program (VSDP) are as follows (amounts expressed in thousands):

	Virginia Sickness and Disability Program
Total VSDP OPEB Liability	307,764
Plan Fiduciary Net Position	602,916
VSDP Net OPEB Liability (Asset)	$ (295,152)
Plan Fiduciary Net Position as a Percentage of the Total VSDP OPEB	195.90%

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)	Long-Term Asset Allocation	Arithmetic Long-Term Rate of Return	Weighted Average Long-Term Rate of Return*
Public Equity	34.00%	5.71 %	1.94 %
Fixed Income	15.00%	2.04 %	0.31 %
Credit Strategies	14.00%	4.78 %	0.67 %
Real Assets	14.00%	4.47 %	0.63 %
Private Equity	14.00%	9.73 %	1.36 %
MAPS - Multi -Asset Public Strategies	6.00%	3.73 %	0.22 %
PIP- Private Investment Partnership	3.00%	6.55 %	0.20 %
Total	**100.00%**		**5.33 %**
	Inflation		2.50 %
	* Expected arithmetic nominal return		7.83 %

* The above allocation provides a one-year return of 7.83%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

** On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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, 2022, 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, 2022, 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's and College's Proportionate Share of the Net VSDP OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the university's and college's proportionate share of the net VSDP OPEB liability (asset) using the discount rate of 6.75%, as well as what the university's and college's proportionate share of the net VSDP

OPEB liability (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%)
The university's and college's proportionate share of the total VSDP Net OPEB Liability (Asset)	$ (3,483)	$ (3,785)	$ (4,049)

VSDP OPEB Fiduciary Net Position

Detailed information about the Disability Insurance Program (VSDP) Fiduciary Net Position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-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 $1,996 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 LODA OPEB, including eligibility, coverage and benefits is set out in the table below:

LINE OF DUTY ACT PROGRAM (LODA) PLAN PROVISIONS
Eligible Employees The eligible employees of the LODA Program include paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under VRS, SPORS, or VaLORS.
Benefit Amounts LODA provides death and health insurance benefits for eligible individuals: *Death:* The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: - $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 LODA program provides health insurance benefits.

- 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.

Contributions

The contribution requirements for the LODA Program 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 LODA Program for the year ended June 30, 2023, was $681.84 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021, 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 LODA Program from the entity were $21,819 and $30,960 for the years ended June 30, 2023, and June 30, 2022, 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, 2023, the university and college reported a liability of $853,757 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2022 and the total LODA OPEB Liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2022, the entity's proportion was 0.11% for William & Mary, and 0.12% for RBC as compared to 0.11% for William & Mary, and 0.11% for RBC at June 30, 2021.

For the year ended June 30, 2023 the university and college recognized LODA OPEB expense of $150,754. 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, 2023, 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	65,592	159,565
Net difference between projected and actual earnings on LODA OPEB program investments	-	3,651
Change in assumptions	238,089	210,576
Change in proportionate share	324,989	90,155
Employer contributions subsequent to the measurement date	21,819	
Total	$ 650,489	$ 463,947

The university and college had $21,819 reported as deferred outflows of resources related to the LODA OPEB resulting from the university's 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, 2024. 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 2024	$	36
FY 2025	$	36
FY 2026	$	36
FY 2027	$	36
FY 2028	$	31
Thereafter	$	(11)

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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	7.00% – 4.75%
Ages 65 and older	5.25% – 4.75%

Year of ultimate trend rate	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	3.69%, including inflation*

* Since *LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.69% was used since it approximates the risk-free rate of return.*

Mortality rates – General State Employees

Pre-retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years.

Post-retirement:
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females.

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years.

Beneficiaries and Survivors:
Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females.

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Mortality rates – SPORS Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Mortality rates – VaLORS Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Mortality rates – Largest 10 Locality Employers With Public Safety Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70

Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Mortality rates – Non-Largest 10 Locality Employers With Public Safety Employees

Pre-retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

<u>Net LODA OPEB Liability</u>

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, 2022, NOL amounts for the Line of Duty Act Program (LODA) are as follows (amounts expressed in thousands):

Total LODA OPEB Liability	$	385,669
Plan Fiduciary Net Position		7,214
LODA Net OPEB Liability (Asset)	$	378,455
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability		1.87%

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 3.69% 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 3.69% 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, 2022.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.69%. 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, 2022, 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's and College's Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate

The following presents the university's and college's proportionate share of the net LODA OPEB liability using the discount rate of 3.69%, as well as what the university's 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 (2.69%) or one percentage point higher (4.69%) than the current rate:

($ thousands)	**1.00% Decrease (2.69%)**	**Current Discount Rate (3.69%)**	**1.00% Increase (4.69%)**
The university's and college's proportionate share of the LODA Net OPEB Liability	$ 975	$ 854	$ 755

Sensitivity of the University's 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 provisions for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the university's and college's proportionate share of the net LODA OPEB liability using health care trend rate of 7.00% decreasing to 4.75%, as well as what the university's 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 (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

($ thousands)	**1.00% Decrease (6.00% decreasing to 3.75%)**	**Current Trend Rate (7.00% decreasing to 4.75%)**	**1.00% Increase (8.00% decreasing to 5.75%)**
The university's and college's proportionate share of the LODA Net OPEB Liability	$ 719	$ 854	$ 1,022

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 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-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 in) 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 in) 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 3,647 retirees and 92,839 active employees in the program as of June 30, 2022. 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, 2022. 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 8.00 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, 2022 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Effective Amortization Period	5.86 years
Discount Rate	3.54%
Projected Salary Increases	5.35% to 3.50% based on years of service from 1 year to 20 years or more
Medical Trend Under 65	Medical & Rx: 8.00% to 4.50% Dental: 4.00%
Year of Ultimate Trend	2033
Mortality	Mortality rates vary by participant status and gender

Pre-Retirement:	Pub-2010 Benefits Weighted General Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; females set forward 2 years
Post-Retirement:	Pub-2010 Benefits Weighted General Healthy Retiree Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for females
Post-Disablement:	Pub-2010 Benefits Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; males and females set forward 3 years
Beneficiaries and Survivors:	Pub-2010 Benefits Weighted General Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2022.

Changes of Assumptions: The following actuarial assumptions were updated since the June 30, 2021 valuation based on recent experience:

- Retiree Participation – reduced the rate from 40% to 35%

Retiree participation was based on a blend of recent experience and the prior year assumptions.

The trend rates were updated based on economic conditions as of June 30, 2022. Additionally, the discount rate was increased from 2.16% to 3.54% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.

There were no plan changes in the valuation since the prior year.

Pre-Medicare Retiree Healthcare OPEB Liabilities, OPEB Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources

On June 30, 2023 the university and college reported a liability of $9,835,350 for its proportionate share of the collective total Pre-Medicare Retiree Healthcare OPEB liability of $363.4 million. The Pre-Medicare Retiree Healthcare OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022. The covered employer's proportion of the Pre-Medicare Retiree Healthcare OPEB liability was based on each employer's calculated healthcare premium contributions as a percentage of the total employer's calculated healthcare premium contributions for all participating employers. On June 30, 2022, the university's and college's proportion was 2.7064% as compared to 2.7129% at June 30, 2021. For the year ended June 30, 2023, the university and college recognized Pre-Medicare Retiree Healthcare OPEB expense (gain) of ($5,320,975).

On June 30, 2023, 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	$ -	$ 4,491,573
(2) Change in assumptions	-	9,104,231
(3) Changes in proportion	808,665	707,300
(4) Rounding adjustment	-	-
(5) Subtotal	808,665	14,303,104
(6) Amounts associated with transactions subsequent to the measurement date	1,075,421	
(7) Total	$ 1,884,086	$ 14,303,104

The university and college had $1,075,421 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, 2024. 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 ended June 30 ($ thousands)		
FY 2024	$	(5,658)
FY 2025	$	(3,734)
FY 2026	$	(2,144)
FY 2027	$	(1,324)
FY 2028	$	(634)
Thereafter	$	-

Sensitivity of the University's and College's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents the university's and college's proportionate share of the Pre-Medicare Retiree Healthcare OPEB liability using the discount rate of 3.54%, 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 (2.54%) or one percentage point higher (4.54%) than the current rate:

($ thousands)	1.00% Decrease (2.54%)	Current Rate (3.54%)	1.00% Increase (4.54%)
OPEB Liability	$ 10,383	$ 9,835	$ 9,300

Sensitivity of the University's and College's Proportionate Share of the OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the university's and college's proportionate share of the Pre-Medicare Retiree Healthcare OPEB liability using healthcare cost trend rate of 8.00% 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 (7.00% decreasing to 3.50%) or one percentage point higher (9.00% decreasing to 5.50%) than the current rate:

($ thousands)	1.00% Decrease (7.00% decreasing to 3.50%)	Trend Rate (8.00% decreasing to 4.50%)	1.00% Increase (9.00% decreasing to 5.50%)
OPEB Liability	$ 8,954	$ 9,835	$ 10,850

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, 2023, 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 their insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth of Virginia's Annual Comprehensive Financial Report.

18. SUBSEQUENT EVENTS

In July 2023, William & Mary defeased $1,100,000 of Series 2014B and $375,000 of Series 2016A of Virginia College Building Authority Educational Facilities Revenue Bonds and $6,920,000 in Series 2020B Taxable General Pledge Bonds. $7,817,427.39 was deposited in an irrevocable trust for the defeasance of the debt.

Required Supplementary Information (RSI)
For the Fiscal Year Ended June 30, 2023

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans – VRS State Employee Retirement Plan
And VaLORS Retirement Plan
For the Fiscal Year Ended June 30, 2023

Schedule of Employer's Share of Net Pension Liability
VRS State Employee Retirement Plan
For the Measurement Dates of June 30, 2014 through 2022

	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	1.79%	$ 81,147,404	$ 76,274,260	106.39%	83.26%
2021	1.80%	$ 65,307,546	$ 73,551,165	88.79%	86.44%
2020	1.84%	$ 133,222,066	$ 76,741,332	173.60%	72.15%
2019	1.88%	$ 119,007,516	$ 75,292,682	158.06%	75.13%
2018	1.90%	$ 103,164,000	$ 75,543,886	136.56%	77.39%
2017	1.94%	$ 112,835,000	$ 69,557,841	162.22%	75.33%
2016	1.93%	$ 127,302,000	$ 73,645,076	172.86%	71.29%
2015	1.87%	$ 114,809,000	$ 70,307,029	163.30%	72.81%
2014	1.78%	$ 99,411,000	$ 66,605,228	149.25%	74.28%

Schedule is intended to show information for 10 years. Since 2022 is the ninth year for this presentation, there are only nine years available. However, additional years will be included as they become available.

Schedule of Employer's Share of Net Pension Liability
VaLORS Employee Retirement Plan
For the Measurement Dates of June 30, 2014 through 2022

	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.43%	$ 2,717,207	$ 1,452,662	187.05%	74.41%
2021	0.39%	$ 2,048,550	$ 1,370,744	149.45%	78.18%
2020	0.37%	$ 2,902,582	$ 1,372,067	211.55%	65.74%
2019	0.37%	$ 2,579,656	$ 1,296,489	198.97%	68.31%
2018	0.33%	$ 2,077,000	$ 1,032,174	201.23%	69.56%
2017	0.34%	$ 2,192,000	$ 1,147,028	191.10%	67.22%
2016	0.28%	$ 2,180,000	$ 1,048,421	207.93%	61.01%
2015	0.28%	$ 1,968,000	$ 989,861	198.82%	62.64%
2014	0.30%	$ 2,024,000	$ 1,101,243	183.79%	63.05%

Schedule is intended to show information for 10 years. Since 2022 is the ninth year for this presentation, there are only nine 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 2023

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)
2023	12,533,548	12,533,548	-	86,677,372	14.46%
2022	11,029,258	11,029,258	-	76,274,260	14.46%
2021	10,635,498	10,635,498	-	73,551,165	14.46%
2020	10,375,428	10,375,428	-	76,741,332	13.52%
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 2023 is the ninth year for this presentation, there are only nine years available. However, additional years will be included as they become available.

Schedule of Employer Contributions
VaLORS Employee Retirement Plan
For the Years Ended June 30, 2015 through 2023

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)
2023	422,846	422,846		1,743,013	24.26%
2022	318,133	318,133	-	1,452,662	21.90%
2021	300,193	300,193	-	1,370,744	21.90%
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 2023 is the ninth year for this presentation, there are only nine years available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
For the Year Ended June 30, 2023

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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 for the VRS - State Employee Retirement Plan 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans – Group Life Insurance Program
For the Fiscal Year Ended June 30, 2023

Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance Program (GLI)
For the Measurement Dates of June 30, 2017 through 2022

	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability
2022	0.91%	$ 11,000,505	$ 193,597,407	5.68%	67.21%
2021	0.93%	$ 10,776,496	$ 186,345,000	5.78%	67.45%
2020	0.95%	$ 15,801,876	$ 195,662,692	8.08%	52.64%
2019	0.95%	$ 15,428,924	$ 187,141,287	8.24%	52.00%
2018	0.98%	$ 14,867,000	$ 184,013,488	8.08%	51.22%
2017	0.96%	$ 14,527,000	$ 175,510,982	8.28%	48.86%

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, only six 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 2023

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)
2023	1,137,504	1,137,504		210,648,889	0.54%
2022	1,045,426	1,045,426	-	193,597,407	0.54%
2021	1,006,263	1,006,263	-	186,345,000	0.54%
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 2023 is the sixth year for this presentation, only six years of data is available. However, additional years will be included as they become available.

Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Teachers

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

SPORS Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

VaLORS Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

JRS Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

Largest 10 Locality Employers – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest 10 Locality Employers – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Largest 10 Locality Employers – Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest 10 Locality Employers – Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans –
VRS State Employee Health Insurance Credit Program
For the Fiscal Year Ended June 30, 2023

Schedule of Employer's Share of Net OPEB Liability
Health Insurance Credit Program (HIC)
For the Measurement Dates of June 30, 2017 through 2022

	Employer's Proportion of the Net HIC OPEB Liability (Asset)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)	Employer's Covered Payroll	Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage	Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability
2022	2.62%	$ 21,429,724	$ 194,642,143	11.01%	21.52%
2021	2.65%	$ 22,341,478	$ 187,531,875	11.91%	19.75%
2020	2.70%	$ 24,762,572	$ 192,063,932	12.89%	12.02%
2019	2.72%	$ 25,086,861	$ 186,449,156	13.46%	10.56%
2018	2.77%	$ 25,184,000	$ 183,775,112	13.70%	9.51%
2017	2.75%	$ 25,046,000	$ 175,302,286	14.29%	8.03%

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, only six 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 2023

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)
2023	2,376,411	2,376,411	-	212,179,554	1.12%
2022	2,179,992	2,179,992	-	194,642,143	1.12%
2021	2,100,357	2,100,357	-	187,531,875	1.12%
2020	2,247,148	2,247,148	-	192,063,932	1.17%
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 2023 is the sixth year for this presentation, only six 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, 2023

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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

SPORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

VaLORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service

Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

JRS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans – Disability Insurance Program (VSDP)
For the Fiscal Year Ended June 30, 2023

Schedule of Employer's Share of Net OPEB Liability (Asset)
Disability Insurance Program (VSDP)
For the Measurement Dates of June 30, 2017 through 2022

	Employer's Proportion of the Net VSDP OPEB Liability (Asset)	Employer's Proportionate Share of the Net VSDP OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net VSDP OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total VSDP OPEB Liability
2022	(1.28%)	$ (3,784,533)	$ 57,240,492	(6.61%)	195.90%
2021	(1.26%)	$ (4,326,449)	$ 52,731,475	(8.20%)	229.01%
2020	(1.28%)	$ (2,816,953)	$ 54,069,516	(5.21%)	181.88%
2019	(1.31%)	$ (2,563,781)	$ 62,759,406	(4.09%)	167.18%
2018	(1.32%)	$ (2,969,000)	$ 48,325,541	(6.14%)	194.74%
2017	(1.40%)	$ (2,878,000)	$ 50,320,184	(5.72%)	186.63%

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, only six 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 2023

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)
2023	422,972	422,972	-	69,339,672	0.61%
2022	349,167	349,167	-	57,240,492	0.61%
2021	321,662	321,662	-	52,731,475	0.61%
2020	335,231	335,231	-	54,069,516	0.62%
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 2023 is the sixth year for this presentation, only six years of data is available. However, additional years will be included as they become available.

Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

SPORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

VaLORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70

Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans – Line of Duty Act Program (LODA)
For the Fiscal Year Ended June 30, 2023

Schedule of Employer's Share of Net OPEB Liability
Line of Duty Act Program (LODA)
For the Measurement Dates of June 30, 2017 through 2022

	Employer's Proportion of the Net LODA OPEB Liability (Asset)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset)	Covered-Employee Payroll	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered - Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability
2022	0.23%	$ 853,757	$ 1,688,028	50.58%	1.87%
2021	0.22%	$ 987,953	$ 1,656,440	59.64%	1.68%
2020	0.21%	$ 870,005	$ 1,599,753	54.38%	1.02%
2019	0.12%	$ 415,044	$ 1,195,615	34.71%	0.79%
2018	0.13%	$ 418,000	$ 1,336,159	31.28%	0.60%
2017	0.12%	$ 318,000	$ 1,246,761	25.51%	1.30%

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, only six 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 2023

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)
2023	21,819	21,819		1,879,239	1.16%
2022	30,960	30,960	-	1,688,028	1.83%
2021	30,845	30,845	-	1,656,440	1.86%
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 2023 is the sixth year for this presentation, only six 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, 2023

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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. 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)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

SPORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

VaLORS Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Employees in the Largest 10 Locality Employers With Public Safety Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Employees in the Non-Largest 10 Locality Employers With Public Safety Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70

Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Required Supplementary Information
Commonwealth of Virginia State Health Plans Program
For Pre-Medicare Retirees
For the Fiscal Year Ended June 30, 2023

Schedule of Employer's Share of Total OPEB Liability
Pre-Medicare Retiree Healthcare Plan
For the Measurement Dates of June 30, 2017 through 2022

	Employer's proportion of the collective total OPEB liability	Employer's proportionate share of the collective total OPEB liability	Employer's covered-employee payroll	Employer's proportionate share of the collective total OPEB liability as a percentage of its covered-employee payroll
2022	2.71%	$ 9,835,350	$ 198,772,947	4.95%
2021	2.71%	$ 12,177,779	$ 191,751,172	6.35%
2020	2.75%	$ 15,649,124	$ 183,749,331	8.52%
2019	2.73%	$ 18,500,393	$ 184,310,602	10.04%
2018	2.72%	$ 27,308,565	$ 179,447,798	15.22%
2017	2.67%	$ 34,705,511	$ 167,819,342	20.68%

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, only six years of data is available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

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, 2021 valuation based on recent experience:

- Retiree Participation – reduced the rate from 40% to 35%

Retiree participation was based on a blend of recent experience and the prior year assumptions.

The trend rates were updated based on economic conditions as of June 30, 2022. Additionally, the discount rate was decreased from 2.16% to 3.54% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.

William & Mary, Virginia Institute of Marine Science and Richard Bland College - Optional Supplementary Information
Combining Statement of Net Position
As of June 30, 2023

ASSETS	**W&M and VIMS**	**RBC**	**Combined**
Current assets:			
Cash and cash equivalents	$ 112,561,772	$ 3,726,117	$ 116,287,889
Investments	47,685,180	-	47,685,180
Appropriation available	35,699,264	289,804	35,989,068
Receivables, net of allowance for doubtful accounts	24,471,120	1,300,339	25,771,459
Notes receivable	176,015	-	176,015
Due from Commonwealth	13,824,450	1,116,614	14,941,064
Inventories	807,227	-	807,227
Prepaid expenses	4,438,223	499,721	4,937,944
Other assets	1,014,804	-	1,014,804
Total current assets	240,678,055	6,932,595	247,610,650
Non-current assets:			
Restricted cash and cash equivalents	28,168,758	36,575	28,205,333
Restricted investments	98,374,993	425,251	98,800,244
Investments	93,487,428	-	93,487,428
Receivables	2,039,007	-	2,039,007
Notes receivable, net of allowance for doubtful accounts	424,192	-	424,192
Capital assets, nondepreciable	324,617,971	8,879,101	333,497,072
Capital assets, net of accumulated depreciation and amortization	766,211,616	40,632,905	806,844,521
Other restricted assets	3,585,364	199,169	3,784,533
Total non-current assets	1,316,909,329	50,173,001	1,367,082,330
Total assets	1,557,587,384	57,105,596	1,614,692,980
Deferred outflows of resources			
Pension related	15,271,087	1,548,262	16,819,349
OPEBs	8,423,641	871,161	9,294,802
Loss on refunding of debt	3,232,554	-	3,232,554
Total deferred outflows of resources	26,927,282	2,419,423	29,346,705
Total assets and deferred outflows of resources	1,584,514,666	59,525,019	1,644,039,685
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	76,785,500	3,451,560	80,237,060
Unearned revenue	15,811,486	117,842	15,929,328
Deposits held in custody for others	523,671	188,400	712,071
Obligations under securities lending program	-	214,289	214,289
Long-term liabilities-current portion	33,558,297	1,671,617	35,229,914
Other liabilities	2,135	-	2,135
Total current liabilities	126,681,089	5,643,708	132,324,797
Long-term liabilities-non-current portion	442,522,990	28,278,892	470,801,882
Total liabilities	569,204,079	33,922,600	603,126,679
Deferred inflows of resources			
Pension related	18,439,675	1,461,974	19,901,649
OPEBs	19,309,630	1,357,423	20,667,053
Gain on refunding of debt	682,746	-	682,746
Lease receivable	2,676,968	-	2,676,968
Total deferred inflows of resources	41,109,019	2,819,397	43,928,416
Total liabilities and deferred inflows of resources	610,313,098	36,741,997	647,055,095
NET POSITION			
Net investment in capital assets	834,019,335	27,452,640	861,471,975
Restricted for:			
Nonexpendable:			
Scholarships and fellowships	10,985,861	236,118	11,221,979
Departmental uses	46,172,686	-	46,172,686
Expendable:			
Scholarships and fellowships	9,652,859	400,001	10,052,860
Research	3,540,201	-	3,540,201
Debt service	188,510	-	188,510
Capital projects	22,552,903	-	22,552,903
Loans	417,925	-	417,925
Departmental uses	22,432,989	513,335	22,946,324
Unrestricted	24,238,299	(5,819,072)	18,419,227
Total net position	$ 974,201,568	$ 22,783,022	$ 996,984,590

William & Mary, Virginia Institute of Marine Science and Richard Bland College - Optional Supplementary Information
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023

	W&M and VIMS	RBC	Combined
Operating revenues:			
Student tuition and fees, net of scholarship allowances of $45,392,211 and $1,562,435	$ 212,639,348	$ 3,729,446	$ 216,368,794
Federal grants and contracts	42,010,434	33,510	42,043,944
State grants and contracts	4,123,384	12,105	4,135,489
Local grants and contracts	208,043	-	208,043
Nongovernmental grants and contracts	8,542,181	-	8,542,181
Auxiliary enterprises, net of scholarship allowances of $21,527,340 and $1,775,461	107,781,590	4,237,927	112,019,517
Other	13,753,906	45,992	13,799,898
Total operating revenues	389,058,886	8,058,980	397,117,866
Operating expenses:			
Instruction	145,437,054	7,031,772	152,468,826
Research	68,018,964	225,476	68,244,440
Public service	201,073	-	201,073
Academic support	52,129,509	1,366,949	53,496,458
Student services	22,355,631	2,190,853	24,546,484
Institutional support	55,409,324	4,759,220	60,168,544
Operation and maintenance of plant	28,929,771	3,660,911	32,590,682
Student aid	20,837,359	1,707,201	22,544,560
Auxiliary enterprises	98,745,767	3,662,806	102,408,573
Depreciation and amortization	44,412,926	2,595,443	47,008,369
Other	237,680	-	237,680
Total operating expenses	536,715,058	27,200,631	563,915,689
Operating loss	(147,656,172)	(19,141,651)	(166,797,823)
Non-operating revenues/(expenses):			
State appropriations	105,108,479	15,019,263	120,127,742
Gifts	57,510,253	282,572	57,792,825
Net investment revenue	14,836,851	59,445	14,896,296
Pell grant revenue	4,572,189	1,698,075	6,270,264
Coronavirus relief funds - CARES and ARP acts	2,451,666	-	2,451,666
Interest on capital asset related debt	(9,612,591)	(750,806)	(10,363,397)
Other non-operating revenue	5,573,196	974,574	6,547,770
Other non-operating expense	(4,711,298)	(1,046,497)	(5,757,795)
Net non-operating revenues	175,728,745	16,236,626	191,965,371
Income/(loss) before other revenues, expenses, gains or losses	28,072,573	(2,905,025)	25,167,548
Capital appropriations	118,952,973	9,472,018	128,424,991
Capital grants and contributions	11,540,792	-	11,540,792
Gain on disposal of assets	(1,675,878)	17,738	(1,658,140)
Net other revenues, expenses, gains or losses	128,817,887	9,489,756	138,307,643
Increase/(Decrease) in net position	156,890,460	6,584,731	163,475,191
Net position - beginning of year	817,311,108	16,198,291	833,509,399
Net position - end of year	$ 974,201,568	$ 22,783,022	$ 996,984,590