



Committee on Financial Affairs

Board of Visitors
November 18, 2022

**I.
Unaudited
FY22
Consolidated
Financials
(Action)**

**II.
Unaudited
FY22
Intercollegiate
Report
(Action)**

**III.
Graduate and
Professional
Tuition
Increase
(Action)**

Evolve to Excel: Optimize places, workflows and systems

- Modernize our campus — dining, dorms, classrooms and other learning spaces — so that students, faculty and staff thrive
- Attract and retain outstanding employees and students to further our mission
- Create a financial model that ensures an exceptional W&M experience



I. Unaudited Reports

FY22 Consolidated Financial Statements



October

Staff submitted unaudited statements to Virginia Department of Accounts based on Commonwealth's reporting schedule



Today's Action

BOV receives unaudited consolidated financial report



Future Actions

1/23: Auditor of Public Accounts begins audit
4/23: BOV Audit, Risk and Compliance Committee receives audit report (substantially complete)

Consolidated statements reflect all 3 entities under BOV control

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

VA's reporting process requires significant coordination and time

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

Summary of Changes FY21-FY22

- Net position increases
 - Assets: Capital projects
 - Deferred Inflows/Outflows: Pension and post-employment benefits
 - Liabilities: Pension related offset by long-term leases
- Revenue increases
 - Operating: Tuition and auxiliary enterprises
 - Tuition increase due to enrollment growth and increases in graduate and professional programs
 - Auxiliary revenue increased due to return to normal operating levels
 - Non-operating: Market conditions on investments offset by increases in appropriations
 - Other: Capital appropriations
- Expense increases
 - Return to normal operating levels post pandemic

Total net position up 13.5% or \$99.2M.

	FY22		FY21		% Change	
	University	Component Units	University	Component Units	University	Component Units
Assets	\$1,465.4	\$1,387.2	\$1,351.9	\$1,411.9	8.4%	(1.8%)
Deferred Outflows	33.5	--	45.2	--	(25.9%)	--
Liabilities	584.9	68.4	633.5	74.2	(7.7%)	(7.8%)
Deferred Inflows	80.9	--	29.7	--	172.4%	--
Total Net Position	\$ 833.1	\$1,318.8	\$ 733.9	\$1,337.7	13.5%	(1.4%)

Revenue growth driven by operating and other revenue dollars

	FY22		FY21		% Change	
	University	Comp Units	University	Comp Units	University	Comp Units
Operating	\$367.1	\$29.1	\$323.4	\$28.9	13.5%	0.7%
Non-Operating (net)	138.0	(15.5)	171.6	274.6	(19.6%)	(105.6%)
Other	102.1	34.7	39.6	47.6	157.8%	(27.1%)
Total Revenue	\$607.2	\$48.3	\$534.6	\$351.1	13.6%	(86.2%)

All operating revenue increased

Operating Revenues	FY22	FY21	Dollar Change	% Change
Student Tuition and Fees, net of scholarship allowances	\$ 209.8	\$ 196.4	\$13.4	6.8%
Federal, State, Local /Non-governmental grants and contracts	47.8	43.3	4.5	10.4%
Auxiliary Enterprise, net of scholarship allowances	101.8	77.7	24.1	31.0%
Other	7.7	5.9	1.8	30.5%
Total Operating Revenues	\$367.1	\$323.3	\$ 43.8	13.5%

State and capital appropriations grew

Non-Operating Revenues	FY22	FY21	Dollar Change	% Change
State Appropriations	\$105.2	\$ 94.1	\$ 11.1	11.8%
Gifts, Investment Income and other income and expenses	32.8	77.5	(44.7)	(57.7%)
Total Non-Operating	\$138.0	\$171.6	(\$33.6)	(19.6%)
Other Revenues, Gains and (Losses)	FY22	FY21	Dollar Change	% Change
Capital Appropriations	\$ 93.4	\$ 32.3	\$61.1	189.2%
Capital Grants and Gifts	8.5	8.5	0.0	0.0%
Loss on disposal of assets	0.2	(1.2)	1.4	116.7%
Total Other Revenues, Gains and (Losses)	\$ 102.1	\$ 39.6	\$ 62.5	157.8%
TOTAL REVENUES	\$ 607.2	\$ 534.5	\$ 72.7	13.6%

Expenses increased 8.4%

Categories	FY22	FY21	Dollar Change	% Change
Instruction	\$141.9	\$136.2	\$ 5.7	4.2%
Research/Public Service	58.5	55.0	3.5	6.4%
Academic Support	45.1	43.7	1.4	3.2%
Student Services	15.8	15.2	0.6	3.9%
Institutional Support	49.8	52.9	(3.1)	(5.9%)
Plant Operations	34.1	34.1	0.0	0.0%
Student Aid*	30.4	21.4	9.0	42.1%
Auxiliary Enterprises	87.5	70.1	17.4	24.8%
Depreciation	44.8	39.9	4.9	12.3%
Other	0.0	0.2	(0.2)	100.0%
Total Expenditures	\$507.9	\$468.7	39.2	8.4%

*Student aid is calculated net of scholarship allowances.

Resolution 11: Receive Unaudited FY22 Consolidated Financial Report

THEREFORE, BE IT RESOLVED, that the Unaudited Consolidated Financial Report for the Year Ended June 30, 2022 for William & Mary, Virginia Institute of Marine Science, and Richard Bland College is hereby received by the Board of Visitors

FY22 Unaudited Athletics Financial Report

- NCAA requires annual online report
- Virginia APA is responsible for review of statements to ensure that they meet NCAA Agreed-Upon Procedures Guidelines



Revenue grew 14.2% - return to normal operations

Operating Revenues	FY22	FY21	% Change
Ticket sales	\$ 773,500	\$ 19,400	3887.1%
Student fees	15,805,600	15,662,100	0.9%
Indirect institutional support	919,600	1,481,700	(37.9%)
Contributions	4,871,000	3,024,600	61.0%
NCAA Distributions	1,124,300	1,143,500	(1.7%)
Royalties, licensing, advertising and sponsorships	945,900	636,200	48.7%
Endowment and investment income	4,990,500	4,028,600	23.9%
All Other	1,510,900	1,104,900	36.7%
Total Revenue**	\$30,941,300	\$27,101,000	14.2%

** Figures may not add due to rounding.

Expenditures increased 19.4%

Operating Expenditures	FY22	FY21	% Change
Athletic Student Aid	\$ 10,072,400	\$ 9,270,100	8.7%
Coaching Salaries & Benefits	5,882,500	4,965,700	18.5%
Staff Salaries & Benefits	4,710,000	4,644,500	1.4%
Team Travel	1,726,200	541,200	219.0%
Severance Payments	539,400	606,000	(11.0%)
Facility Debt Service, Leases & Rental Fees	1,515,200	1,754,000	(13.6%)
Direct Overhead & Administration Costs	1,199,100	852,500	40.7%
Sports Equipment, Uniforms & Supplies	1,134,000	1,101,800	2.9%
Game Expenses	902,900	327,500	175.7%
All Other Expenses	3,046,000	1,680,300	81.3%
Total Expenses*	\$30,727,700	\$25,743,600	19.4%
Net Income	\$213,600	\$1,357,400	

* Figures may not add due to rounding.

Resolution 12: Receive FY22 Unaudited Athletics Financial Report

THEREFORE, BE IT RESOLVED, that the Unaudited Financial Report of William & Mary's Intercollegiate Athletics Department for the Year Ended June 30, 2022, is hereby received by the Board of Visitors



II. Graduate and Professional Tuition Increases

Moving all graduate programs to market

- General graduate proposed increase consistent with 6-year plan
- Law School tuition lags state and national competitors by 7.3% (IS)-34.2% (OOS) with average discount of 49% (IS) for and 61% (OOS)
- Business School increases reflect inflationary cost and market research on competitors. New certificate programs aligned to current programs

General Graduate and Law School Tuition Increases

	FY23		Proposed FY24		Dollar Change	
	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>
General Graduate Tuition						
Full-time Graduate Rate	\$ 10,516	\$ 28,305	\$ 10,905	\$ 29,352	\$ 389	\$ 1,047
Part-time Including Summer Session(s) - Per Credit	\$ 584	\$ 1,573	\$ 606	\$ 1,631	\$ 22	\$ 58
Law School						
Juris Doctor (J.D.)						
Incoming	\$ 31,668	\$ 48,837	\$ 36,418	\$ 58,604	\$ 4,750	\$ 9,767
Continuing 2L	\$ 31,668	\$ 48,837	\$ 33,252	\$ 51,279	\$ 1,584	\$ 2,442
Continuing 3L	\$ 31,668	\$ 46,830	\$ 33,252	\$ 49,172	\$ 1,584	\$ 2,342
Residential LLM	\$ 31,668	\$ 48,837	\$ 36,418	\$ 58,604	\$ 4,750	\$ 9,767

School of Business Graduate Tuition Increases

	FY23		Proposed FY24		Dollar Change	
	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>	<i>In-State</i>	<i>Out-of-State</i>
Business School (Full Program)						
Master of Accounting	\$ 28,764	\$ 39,372	\$ 29,915	\$ 40,947	\$ 1,151	\$ 1,575
MBA Program	\$ 28,944	\$ 39,676	\$ 30,391	\$ 41,660	\$ 1,447	\$ 1,984
MS in Business Analytics	\$ 37,800	\$ 44,836	\$ 39,690	\$ 47,078	\$ 1,890	\$ 2,242
Executive MBA (Total Program)	\$ 115,000	\$ 115,000	\$ 120,750	\$ 120,750	\$ 5,750	\$ 5,750
Military MBA	\$ 42,000	\$ 42,000	\$ 53,500	\$ 53,500	\$ 11,500	\$ 11,500
Business School (Per Credit Hour)						
Flex MBA	\$ 875	\$ 1,275	\$ 919	\$ 1,339	\$ 44	\$ 64
Online MBA	\$ 1,365	\$ 1,365	\$ 1,425	\$ 1,425	\$ 60	\$ 60
Online MSBA Core Program	\$ 1,352	\$ 1,352	\$ 1,406	\$ 1,406	\$ 54	\$ 54
Online Master in Finance	\$ 1,352	\$ 1,352	\$ 1,406	\$ 1,406	\$ 54	\$ 54
Online FBA Certificate	\$ 1,300	\$ 1,300	\$ 1,406	\$ 1,406	\$ 106	\$ 106
Online Finance Investment Mgmt. Certificate	\$ -	\$ -	\$ 1,406	\$ 1,406	\$ 1,406	\$ 1,406
Online Finance Corporate Finance Certificate	\$ -	\$ -	\$ 1,406	\$ 1,406	\$ 1,406	\$ 1,406
Online Finance Real Estate Certificate	\$ -	\$ -	\$ 1,406	\$ 1,406	\$ 1,406	\$ 1,406

Resolution 13: Approval of FY 2024 Graduate and Professional Tuition

THEREFORE, BE IT RESOLVED, That the Board of Visitors of The College of William and Mary in Virginia approves the Graduate and Professional Tuition outlined in Tables 1-3 for FY24.

THEREFORE, BE IT ALSO RESOLVED, that the Board will adopt comprehensive fees for students of all schools at its regularly scheduled meeting in April 2023.



Graduate and Professional Tuition Increases Appendix

Law School Tuition In State / Out of State Comparison (USN Rank 15-37)

- National Peers & Aspirant Schools - Public & Private
 - Lags I/S tuition by 30.6%; OOS by 10%
 - Lags I/S public school by 11.6%
- Virginia Ranked Schools – Public & Private
 - Lags I/S tuition by 34.2%; OOS by 7.3%
 - Lags I/S public school by 29%
- Average net tuition paid by 1L students
 - \$16,117 or a 49% discount for I/S
 - \$19,014 or a 61% discount for OOS

Rank	School	FY23 I/S Tuition	FY23 OOS Tuition
15	UCLA	\$ 53,910	\$ 64,417
16	Wash. U.	\$ 64,488	\$ 64,488
17	Vanderbilt	\$ 66,696	\$ 66,696
17	UT Austin	\$ 36,429	\$ 54,096
17	Boston U.	\$ 61,160	\$ 61,160
20	U. Southern Cal.	\$ 72,798	\$ 72,798
21	Florida*	\$ 21,804	\$ 38,040
21	Minnesota	\$ 45,504	\$ 54,696
23	UNC	\$ 21,141	\$ 41,353
23	BYU*	\$ 29,272	\$ 29,272
25	Notre Dame	\$ 65,436	\$ 65,436
25	Alabama	\$ 24,080	\$ 44,470
25	GW	\$ 67,380	\$ 67,380
28	Iowa	\$ 28,045	\$ 47,880
29	Georgia	\$ 17,604	\$ 36,362
30	Emory	\$ 63,600	\$ 63,600
30	Arizona State	\$ 28,364	\$ 48,570
30	George Mason*	\$ 23,836	\$ 39,684
30	Ohio State	\$ 33,320	\$ 48,572
35	Illinois	\$ 36,500	\$ 46,500
35	W&L	\$ 52,080	\$ 52,080
37	Boston College	\$ 63,130	\$ 63,130
37	Fordham	\$ 68,156	\$ 68,156
37	UC Davis	\$ 51,941	\$ 63,942
37	UC Irvine	\$ 52,158	\$ 62,273
37	Utah	\$ 33,090	\$ 49,635
37	Wake Forest	\$ 51,000	\$ 51,000
	Mean	\$ 45,664	\$ 54,285
30	William & Mary	\$ 31,668	\$ 48,837
	W&M % Below Mean	30.6%	10.0%
	<i>Mean w/o FL, BYU, GM</i>	<i>\$ 48,250</i>	<i>\$ 56,612</i>

Law School Tuition Increase

- Law School's tuition lags peer institutions, the proposed increases will allow for:
 - Improve U.S. News ranking by funding reduced 1L class size, an improved student-faculty ratio, increased selectivity, better LSAT and UGPA metrics, increased career placement percentages, better bar exam performance by our graduates, and greater expenditures per student;
 - Expand and increase financial aid and scholarships for deserving students;
 - Recruitment and retention of top faculty and increased support for faculty compensation and research productivity;
 - Increase support for students with respect to academic performance, bar passage, and career placement;
 - Right-size staffing that permits better student, faculty, and administrative support.



Questions and Discussion