



2009-2010 Financial Statements

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June 27, 2011

Dr. Kim Luckes, Acting President
and The Board of Visitors
Norfolk State University
700 Park Avenue
Norfolk, VA 23504

The official Financial Statements of Norfolk State University (NSU) for the fiscal year ended June 30, 2010 are hereby submitted. The statements include an accompanying statement of net assets, statement of revenues, expenses, changes in net assets and statement of cash flows, along with accompanying notes and schedules.

These financial statements were prepared in conformity with Generally Accepted Accounting Principles and represent a comprehensive record of the financial position of NSU operations for the fiscal year ended June 30, 2010.

Responsibility for both the accuracy and the completeness of the data and the fairness of presentation, including disclosures is the responsibility of University management. University management assumes full responsibility and to the best of our knowledge and belief asserts that the information is accurate in all material aspects. To provide a reasonable basis for making these representations, University management has established balanced internal controls designed to protect the University's assets from loss, theft and misuse and established an accounting system to compile sufficient reliable information for the preparation of the University's statements.

The Commonwealth of Virginia Auditor of Public Accounts audited and rendered an opinion on the University's financial statements on pages 37 and 38 below and issued a report on internal controls titled *"Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters"*, dated June 7, 2011. For purpose of full disclosure, this report is a component of the Financial Statements.

The Governmental Accounting Standard Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter, the Management's Discussion and Analysis section and the Auditor of Public Accounts' report should all be read in conjunction to gain enhanced understanding of the University's basic financial statements.

The preparation of the financial statements is a collaborative effort of many staff. Led by the University Controller and the staff in the Office of the Controller, all of the staff in the Division of Finance and Administration are to be commended for their efforts in maintaining the fiscal integrity and financial information of the University throughout the year and they are especially recognized and appreciated for the preparation and presentation of the financial statements.

Sincerely,



Regina V.K. Williams
Interim Vice President
Finance and Administration

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

The following Management's Discussion and Analysis (MD&A) is required supplemental information under the new Governmental Accounting Standards Board (GASB) reporting model. It is designed to assist readers in understanding the accompanying financial statements and provides an objective, easily readable analysis of Norfolk State University's (University) financial activities based on currently known facts, decisions, and conditions. This discussion includes an analysis of the University's financial condition and results of operations for the fiscal year ended June 30, 2010. Note that although the University's foundations identified as component units under GASB Statement 39 are reported in the financial statements, they are excluded from this MD&A, except where specifically noted. Comparative numbers, where presented, are for the fiscal year ended June 30, 2010. Since this presentation includes highly summarized data, it should be read in conjunction with the accompanying financial statements, notes to financial statements, and other supplementary information. University management is responsible for all of the financial information presented, including this discussion and analysis.

The three basic financial statements are the Statement of Net Assets (balance sheet), the Statement of Revenues, Expenses, and Changes in Net Assets (operating statement), and the Statement of Cash Flows. The following analysis discusses elements from each of these statements, as well as an overview of the University's activities.

Statement of Net Assets

The Statement of Net Assets presents the University's assets, liabilities, and net assets as of the end of the fiscal year. The purpose of this statement is to present to the financial statement readers a fiscal snapshot at June 30, 2010. From the data presented, readers of the Statement of Net Assets are able to determine the assets available to continue the University's operations. They are also able to determine how much the University owes vendors and creditors.

Net assets are divided into three major categories. The first category, "Invested in capital assets, net of debt," represents the University's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. The next category is "Restricted net assets-Expendable" which are restricted resources available for expenditure by the University, but must be spent for purposes as determined by the donors and/or other entities that have placed time or purpose restrictions on the use of the asset. Unrestricted net assets are available to the University for any lawful purpose in support of educational, general, and auxiliary activities.

Statement of Net Assets
(amounts in thousands)

	As of June 30,		Increase/(Decrease)	
	2010	2009*	Amount	Percent
Assets:				
Current	\$ 35,152	\$ 27,338	\$ 7,814	28.6%
Capital, net of accumulated depreciation	154,552	147,496	7,056	4.8%
Other non-current	9,829	11,332	(1,503)	-13.3%
Total assets	199,533	186,166	13,367	7.2%
Liabilities:				
Current	33,849	27,055	6,794	25.1%
Non-current	39,440	42,689	(3,249)	-7.6%
Total liabilities	73,289	69,744	3,545	5.1%
Net assets:				
Invested in capital assets, net of related debt	109,316	105,381	3,935	3.7%
Restricted	3,479	5,804	(2,325)	-40.1%
Unrestricted	13,449	5,236	8,213	156.9%
Total net assets	\$ 126,244	\$ 116,421	\$ 9,823	8.4%

*Some fiscal year 2009 amounts have been restated. See footnote 17 for details.

In 2010, the University's total net assets increased by \$9,822,564 mainly due to a 2009 capital appropriation reversion of \$4,481,662. The increase can also be attributed to receipts from the American Recovery and Reinvestment Fiscal Stabilization Grant (stimulus grant) and enrollment growth coupled with an overall decrease in expenses (except student aid). The increase of \$13,367,162 in total assets is related to an increase in amounts due from the Commonwealth for capital projects and unspent 2010 stimulus funds and an increase in depreciable capital assets as a result of completing construction on Phase I of the new student center. Total liabilities increased \$3,544,594 mainly due to the University receiving a treasury anticipation loan from the Commonwealth of \$8,509,162 to fund start up costs related to Phase II of the new student center. The loan will be repaid when bond proceeds are received in the next fiscal year. Noncurrent liabilities decreased by \$3,248,834 due to the retirement of long-term debt.

Statement of Revenues, Expenses, and Changes in Net Assets

Changes in total net assets as presented on the Statement of Net Assets are based on the activity as presented in the Statement of Revenues, Expenses, and Changes in Net Assets. The purpose of this statement is to present the University's operating and nonoperating revenues recognized and expenses incurred and any other revenues, expenses, gains, and losses.

Generally speaking, operating revenues are received for providing goods and services to students and other constituencies of the institution. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to carry out the

University's mission. Salaries, wages and fringe benefits for faculty and staff are the largest type of operating expenses.

Nonoperating revenues are revenues received for which goods and services are not provided. For example, the University's state appropriations are nonoperating because they are provided by the state legislature without the legislature directly receiving commensurate goods and services for those revenues.

Statement of Revenues, Expenses, and Changes in Net Assets
(amounts in thousands)

	Year ended June 30,		Increase/(Decrease)	
	2010	2009*	Amount	Percent
Operating revenues:				
Student tuition and fees, net of scholarship allowances of \$8,700 and \$7,724	\$ 25,873	\$ 23,982	\$ 1,891	7.9%
Federal grants and contracts	15,089	14,540	549	3.8%
State grants and contracts	2,024	1,631	393	24.1%
Nongovernmental grants and contracts	1,487	1,823	(336)	-18.4%
Auxiliary enterprises, net of scholarship allowances of \$10,633 and \$9,214	27,734	25,197	2,537	10.1%
Other operating revenues	762	819	(57)	-7.0%
Total operating revenues	72,969	67,992	4,977	7.3%
Operating expenses:				
Instruction	34,286	34,360	(74)	-0.2%
Research	7,182	7,428	(246)	-3.3%
Public service	1,204	1,298	(94)	-7.2%
Academic support	16,472	16,642	(170)	-1.0%
Student services	5,304	5,742	(438)	-7.6%
Institutional support	12,002	11,608	394	3.4%
Operation and maintenance of plant	9,012	10,166	(1,154)	-11.4%
Depreciation	8,954	9,515	(561)	-5.9%
Student aid	20,864	15,219	5,645	37.1%
Auxiliary activities	19,840	19,705	135	0.7%
Total operating expenses	135,120	131,683	3,437	2.6%
Operating loss	(62,151)	(63,691)	1,540	-2.4%
Net nonoperating revenues and expenses	64,296	60,847	3,449	5.7%
Increase before other revenues, expenses, gains, and losses	2,145	(2,844)	4,989	-175.4%
Net other revenues	7,678	1,100	6,578	598.0%
Increase in net assets	9,823	(1,744)	11,567	-663.2%
Net assets - beginning of year (note 17)	116,421	118,165	(1,744)	-1.5%
Net assets - end of year	\$ 126,244	\$ 116,421	\$ 9,823	8.4%

*Some fiscal year 2009 amounts have been restated. See footnote 17 for details.

Operating revenues primarily include tuition and fees, auxiliary enterprises and revenues from grants and contracts. The increase of \$4,976,526 in operating revenues is mainly attributed to an increase in student tuition and fees and auxiliary enterprises revenue as a result of enrollment growth and 2010 rate increases.

Total operating expenses increased \$3,437,425 in 2010 due an increase in student aid which was offset by decreases in all other functional areas in response to reduced appropriations received from the Commonwealth.

The increase of \$3,448,660 in net nonoperating revenues and expenses is mainly attributed to an increase in Pell grant revenues and stimulus funds received in 2010 which was offset by a reduction in state appropriations.

Statement of Cash Flows

The final statement presented by the University is the Statement of Cash Flows. This statement presents detailed information about the institution's cash activity during the year. Operating cash flows shows the net cash used by the operating activities of the University. Significant sources of cash include student tuition and fees (\$ 25,120,904), grants and contracts (\$17,834,500), auxiliary enterprises receipts (\$27,084,082) and other receipts (\$8,969,809) which include proceeds from the treasury anticipation loan. Major uses of cash include payments for salaries, wages, and fringe benefits (\$72,133,798), payments for services and supplies (\$10,226,872), payments for scholarships and fellowships (\$27,860,778), and payments for noncapitalized plant improvements and equipment (\$14,763,176).

The next section reflects the cash flows from non-capital financial activities and includes state appropriations for the University's educational and general programs and financial aid (\$46,038,381), Pell grants (\$16,444,136) and American Recovery and Reinvestment Fiscal Stabilization Grant (\$2,826,052). The cash flows from capital financing activities section reflect cash used for capital and related items. Primary sources of cash are proceeds from bond issues (\$7,135,541). Significant cash outflows include the purchase of capital assets (\$18,491,867), repayment of principal and interest on capital related debt (\$3,615,199), and interest paid on capital debt (\$1,760,255). Cash flows from investing activities include interest income on investments (\$73,370). The final section of the cash flow statement reconciles the net cash used by operating activities to the operating loss reflected on the Statement of Revenue, Expenses, and Changes in Net Assets.

Statement of Cash Flows (amounts in thousands)

	<u>2010</u>	<u>2009</u>	<u>Amount</u>	<u>Percent</u>
Cash flows from operating activities	\$ (49,576)	\$ (55,395)	\$ 5,819	-10.5%
Cash flows from noncapital financial activities	65,402	62,518	2,884	4.6%
Cash flows from capital financing activities	(16,189)	(21,665)	5,476	-25.3%
Cash flows from investing activities	<u>77</u>	<u>353</u>	<u>(276)</u>	-78.2%
Net change in cash	<u>\$ (286)</u>	<u>\$ (14,189)</u>	<u>\$ 13,903</u>	

Capital Asset and Debt Administration

Overall, invested in capital assets increased \$4,523,207 due to the completion of Phase I of the new student center and the retirement of long-term debt. Future construction projects include Phase II of the new student center and new library with anticipated completion dates of August 2011 and December 2011 respectively.

As calculated under the State Council of Higher Education in Virginia's formula, the University's 2010 debt service to expenditures ratio was 2.51%. This ratio measures the University's ability to satisfy its long-term debt as it becomes due. No new long-term debt was issued in 2010; however, the University has applied for Series 2010A Pooled 9D bonds for Phase II of the new student center and anticipates funding in 2011.

Overall, unpaid construction and other related contractual commitments on capital projects increased from \$5,302,815 in 2009 to \$42,048,832 in 2010. Construction in progress on these contracts totaled \$18,442,906 as of June 30, 2010.

Economic Outlook

As one of Virginia's comprehensive higher education institutions, the University's economic outlook is closely tied to the Commonwealth. Economic factors related to the Commonwealth can be found in the Commonwealth's Comprehensive Annual Financial Report (CAFR). There is a direct correlation between the amount of state appropriations and establishment of tuition and fees. As such, it is largely dependent upon ongoing financial and political support from the state government. State appropriations in fiscal year 2010 covered only 43 percent of operating expenses, excluding auxiliary activities and depreciation, compared to 50 percent in fiscal year 2009. To offset the decline in state appropriations for fiscal year 2010, the University's Board of Visitors approved an overall increase of 6.16% in tuition and fees for in-state undergraduates.

The University's financial position improved with an overall increase of \$10,411,020 in net assets for the 2010 fiscal year. The increase is attributed to enrollment growth, tuition and fee rate increases, the receipt of the American Recovery and Reinvestment Fiscal Stabilization Grant and a decrease in capital appropriations reverting back to the Commonwealth.

Management continues to evaluate and review current policies and procedures in an effort to enhance operational efficiency and fiscal stability while providing excellent services to its students and constituents. Our goals, priorities and vision are reflected throughout the University's strategic plan, most specifically in the areas of enhancing student success, funding, facilities and grounds and organizational effectiveness. Resources will continue to be closely monitored to ensure its ability to counter unknown internal and external issues.

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NORFOLK STATE UNIVERSITY
STATEMENT OF NET ASSETS
As of June 30, 2010

ASSETS

	Norfolk State University	Component Units
Current assets:		
Cash and cash equivalents (Note 2)	\$ 19,976,419	\$ 1,535,150
Cash held for securities lending (Note 2)	3,726,004	
Short-term investments (Note 2)	2,008,161	-
Accounts receivable, Net of allowance for doubtful accounts of \$397,256 (Note 3)	3,415,048	333,918
Contributions Receivable, Net of allowance for uncollectible contributions of \$171,851	-	334,510
Due from the Commonwealth	5,046,347	-
Prepaid expenses	632,311	63,649
Notes receivable, Net of allowance for doubtful accounts of \$75,800	237,077	-
Unamortized bond issuance expense	110,834	1,561,874
Other assets	-	234,481
Total current assets	35,152,201	4,063,582
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2)	3,864,234	3,169,738
Appropriation available/due from primary government	4,074,964	-
Investments (Note 2)	-	18,108,380
Contributions receivable	-	1,350,139
Notes receivable, Net of allowance for doubtful accounts of \$1,932,578	1,889,257	-
Nondepreciable capital assets (Note 4)	23,999,341	545,384
Depreciable capital assets, net (Note 4)	130,552,993	26,605,305
Total noncurrent assets	164,380,789	49,778,946
Total assets	199,532,990	53,842,528

LIABILITIES

Current liabilities:		
Accounts payable and accrued expenses (Note 5)	8,204,743	701,058
Deferred revenue	4,229,472	22,053
Obligations under securities lending	5,734,165	-
Deposits held in custody for others	2,415,241	-
Due to the Commonwealth	8,509,162	-
Long-term liabilities - current portion (Note 6)	4,755,859	70,000
Total current liabilities	33,848,642	793,111
Noncurrent liabilities (Note 6)	39,440,216	36,432,928
Total liabilities	73,288,858	37,226,039

NET ASSETS

Invested in capital assets, Net of related debt	109,316,039	396,668
Restricted for:		
Nonexpendable:		7,754,783
Expendable:	3,479,425	9,830,693
Other	-	-
Unrestricted	13,448,668	(1,365,655)
Total net assets	\$ 126,244,132	\$ 16,616,489

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

NORFOLK STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2010

	Norfolk State University	Component Units
Operating revenues:		
Student tuition and fees, Net of scholarship allowances of \$8,700,005	\$ 25,873,463	\$ -
Gifts and contributions	-	757,858
Federal grants and contracts	15,088,752	-
State grants and contracts	2,023,531	-
Nongovernmental grants and contracts	1,487,227	-
Public service	516,554	-
Auxiliary enterprises, Net of scholarship allowances of \$10,632,641	27,733,741	-
Other operating revenues	245,356	4,764,460
Total operating revenues	72,968,624	5,522,318
Operating expenses		
Instruction	34,285,791	-
Research	7,181,899	-
Public service	1,203,850	-
Academic support	16,471,936	-
Student services	5,303,704	-
Institutional support	12,002,173	4,600,369
Operation and maintenance - Plant	9,012,689	1,069,552
Depreciation	8,953,707	1,099,259
Student aid	20,864,130	1,161,878
Auxiliary activities (Note 8)	19,840,504	-
Total operating expenses (Note 9)	135,120,383	7,931,058
Operating gain (loss)	(62,151,759)	(2,408,740)
Nonoperating revenues (expenses)		
State appropriations (Note 10)	46,038,381	-
Investment income net of investment expense	73,370	1,708,730
Interest on capital asset - related debt	(1,760,255)	(1,146,968)
Gifts	674,139	889,477
Pell grants	16,444,136	-
American Recovery & Reinvestment Fiscal Stabilization Grant	2,826,052	-
Other non-operating revenue	-	20,083
Net nonoperating revenues (expenses)	64,295,823	1,471,322
Increase (decrease) before other revenues, expenses, gains or losses	2,144,064	(937,418)
Capital bond proceeds	7,135,541	-
Capital reversion	(2)	-
Capital gifts and grants	542,961	-
Contributions to permanently restricted endowments	-	585,174
Net other revenues	7,678,500	585,174
Increase (decrease) in net assets	9,822,564	(352,244)
Net assets - Beginning of year as restated (Note 17)	116,421,568	16,968,733
Net assets - End of year	\$ 126,244,132	\$ 16,616,489

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

NORFOLK STATE UNIVERSITY
STATEMENT OF CASH FLOW
For the Year Ended June 30, 2010

Cash flows from operating activities:	
Student tuition and fees	25,120,904
Grants and contracts	17,834,500
Public service	516,554
Auxiliary enterprises	27,084,082
Other receipts	8,969,809
Payments to employees	(55,429,244)
Payments for fringe benefits	(16,704,554)
Payments for services and supplies	(10,226,871)
Payments for utilities	(4,655,688)
Payments scholarships and fellowships	(27,860,778)
Payments for noncapitalized plant improvements and equipment	(14,763,176)
Collections of loans from students	13,600,177
Loans issued to students	(13,061,856)
Net cash used by operating activities:	<u>(49,576,141)</u>
Cash flows from noncapital financing activities:	
State appropriations	46,038,381
Direct lending receipts	50,897,893
Direct lending payments	(50,894,066)
Agency receipts	46,759,709
Agency payments	(46,670,010)
Pell Grant receipts	16,444,136
American Recovery & Reinvestment Fiscal Stabilization Grant	2,826,052
Net cash provided by noncapital financing activities	<u>65,402,095</u>
Cash flows from capital financing activities:	
Capital reversion	(2)
Capital gifts	542,961
Proceeds from bond issues	7,135,541
Purchase of capital assets	(18,491,867)
Principal paid on capital debt, leases, and installments	(3,615,199)
Interest paid on capital debt, leases, and installments	(1,760,255)
Net cash provided capital financing activities	<u>(16,188,821)</u>
Cash flows from investing activities:	
Interest on investments	73,370
Payment of bond issue cost	3,225
Net cash provided by investing activities	<u>76,595</u>
Net decrease in cash	(286,272)
Cash and cash equivalents - Beginning of the year	<u>24,126,919</u>
Cash and cash equivalents - End of the year	<u>\$ 23,840,647</u>

Reconciliation of Net Operating Loss to Net Cash
used by operating activities:

Operating loss	\$ (62,151,759)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation expense	8,953,707
Changes in assets and liabilities:	
Receivables, net	(1,439,563)
Due from the Commonwealth	(2,248,446)
Due to the Commonwealth	8,509,162
Notes receivable, net	27,830
Prepaid expenses	(381,822)
Accounts payable and accrued expenses and securities lending obligation	(1,438,094)
Deferred revenue	(150,930)
Deposits held in custody of others	743,774
Net cash used by operating activities	<u>\$ (49,576,141)</u>

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

**NORFOLK STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Norfolk State University (the "University") is a comprehensive university that is part of the Commonwealth of Virginia's statewide system of public higher education. The University's Board of Visitors, appointed by the Governor, is responsible for overseeing governance of the University. A separate report is prepared for the Commonwealth of Virginia, which includes all agencies, higher education institutions, boards, commissions, and authorities over which the Commonwealth exercises, or has the ability to exercise, oversight authority. The University is a component unit of the Commonwealth of Virginia and is included in the basic financial statements of the Commonwealth.

The Norfolk State University Foundation, Inc., and Subsidiary, the Athletics Foundation of Norfolk State University, Inc. and the Enterprise and Empowerment Foundation at Norfolk State University meet criteria under GASB Statement No. 39 qualifying them as component units of the University.

The Norfolk State University Foundation, Inc and its wholly owned subsidiary, Marshall Avenue Properties, Inc. is a legally separate, not-for-profit organization established to provide financial support to Norfolk State University.

The Athletics Foundation of Norfolk State University, Inc. is a legally separate, not-for-profit charitable organization governed by a local Board of Directors dedicated to raising funds for the benefit, scholarship, and educational needs of students attending and participating in athletic programs at Norfolk State University.

The Enterprise and Empowerment Foundation is a legally separate, not-for-profit charitable organization governed by a Board of Directors dedicated to raising funds for a development called the Marie V. McDemmond Center for Applied Research. The development is organized around a public private partnership and is designed to create a digital village that acts as a hub for the Hampton Roads region's technology-led economic development agenda.

Complete financial statements for the component units can be obtained by writing the Assistant Vice President for Advancement/Fiscal Officer for Foundations, Norfolk State University Foundation, c/o University Advancement, 700 Park Ave., Suite 410, Norfolk, VA, 23504.

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

During the year ended June 30, 2010 the Norfolk State University Foundation and the Norfolk State Athletic Foundation made distributions of \$674,139 to or on behalf of the University for both restricted and unrestricted purposes.

B. Basis of Presentation

The financial statements have been prepared in accordance with GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Government*, and GASB Statement 35, *Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities*. The University follows Statement 34 requirements for “reporting by special purpose governments engaged only in business-type activities.” The financial statement presentation provides a comprehensive entity-wide look at the University’s financial activities and replaces the fund-group perspective previously reported.

Effective with fiscal year 2010, the University implemented GASB Statement 51, *Accounting and Financial Reporting for Intangible Assets*; GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies in reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

The foundations are private, non-profit organizations that report under Financial Accounting Standards Board (FASB) standards, including FASB Statement 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the foundation’s financial information in the University’s financial reporting entity for these differences.

C. Basis of Accounting

The University’s financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Bond premiums and discounts are deferred and amortized over the life of the debt. All significant intra-agency transactions have been eliminated.

The University’s accounting policies conform with generally accepted accounting principles as prescribed by GASB, including all applicable GASB pronouncements, as well as applicable FASB statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

D. 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.

E. Investments

In accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, purchased investments, interest bearing temporary investments classified with cash, and investments received as gifts are recorded at fair value. All investment income, including changes in the fair value of investments (unrealized gains and losses), are reported as non-operating revenue in the Statement of Revenues, Expenses, and Changes in Net Assets.

F. Prepaid Expenses

Prepays are reported using the purchase method whereby purchases are recorded as expenses when acquired and adjusted for unused benefits at the end of the fiscal year. As of June 30, 2010, the University's prepaid expenses included items such as insurance premiums, advertising, and publication subscriptions, which include initial and renewal annual subscriptions for technical and professional publications.

G. Receivables

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

H. Capital Assets

Capital assets include land, buildings and other improvements, library materials, equipment and infrastructure assets such as parking lots, sidewalks, campus lighting, intangible assets and computer network cabling systems. The University generally defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost except for land acquired prior to 1979, which is valued at appraisal value. Library materials are valued using published average prices for library acquisitions. Donated capital assets are recorded at the estimated fair market value at the date of contribution. Expenses for major capital assets and improvements are capitalized (construction-in-progress) as projects are constructed. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose. The University holds a number of patents which were obtained with the sole intent of earning revenue in the future. As such, they do not meet the capitalization criteria of an intangible asset set out in GASB 51 and are not included in Capital Assets. The University also includes any software development projects in excess of \$100,000 as an intangible asset capitalizable under GASB 51 and included in Other Improvements and Infrastructure. Any software purchased prior to July 1, 2009 was modified to the extent that it became internally generated software and is not required to be retroactively capitalized under GASB 51. The University has chosen not to retroactively capitalize internally generated software. The costs of normal maintenance and repairs that do not add to an asset's value or materially extend its useful life are not capitalized. The University has reviewed its capital assets for impairment using criteria set forth in GASB 42, *Impairment of Capital Assets*, and has no impaired assets at year end.

Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories. Useful lives by asset categories are listed below:

- Buildings - 30 years
- Other improvements and infrastructure – 8 to 25 years
- Equipment – 4 to 20 years
- Library materials - 5 years

The University's art collections are held for public exhibition, education, and research in furtherance of public service rather than financial gain; are protected, kept unencumbered, cared for, and preserved; and are subject to University policy that requires the proceeds from sales of collection items to be used to acquire other items for the collection. Since these conditions exist and historical cost data for the collections are not available; in accordance with GASB Statement 34, no balances are reported in the accompanying financial statements.

I. Noncurrent Cash and Investments

Cash and investments that are externally restricted to make debt service payments, maintain sinking or replacement reserve funds or to purchase or construct capital and other non-current assets are classified as non-current assets in the Statement of Net Assets.

J. Deferred Revenue

Deferred revenue represents monies received, but not earned as of June 30, 2010. This primarily includes amounts received for tuition and fees and certain auxiliary activities in advance of the academic term as well as advance payments on grants and contracts that have not been spent or earned before the end of the fiscal year.

K. Accrued Compensated Absences

The amount of leave earned, but not taken by non-faculty salaried employees is recorded as a liability on the Statement of Net Assets. The amount reflects, as of June 30, all unused vacation leave, sabbatical leave, and the amount payable upon termination under the Commonwealth of Virginia's sick leave payout policy. The applicable share of employer-related taxes payable on the eventual termination payments is also included.

L. Non-current Liabilities

Non-current liabilities include principal amounts of bonds payable and notes payable 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.

M. Federal Financial Assistance Programs

The University participates in federally-funded Pell Grants, Supplemental Educational Opportunity Grants, Federal Work-Study, and Perkins Loan programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations*, and the Compliance Supplement.

N. Net Assets

GASB Statement 34 requires that the Statement of Net Assets report the difference between assets and liabilities as net assets, not fund balances. Accordingly, the University's net assets are classified as follows:

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

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

Unrestricted Net Assets – 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 policy is to first apply the expense toward restricted resources and then toward unrestricted. Restricted funds remain classified as such until restrictions have been satisfied.

O. Revenue and Expense Classifications

Operating revenues include activities that have the characteristics of exchange transactions, such as: (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship allowances; and (3) federal, state, and nongovernmental grants and contracts.

Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts, and other revenue sources that are defined as non-operating revenues by GASB Statement 9, and GASB Statement 34, such as state appropriations and investment and interest income.

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

P. Scholarship Discounts and Allowances

Student tuition and fees revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the Statement of Revenue, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the student's behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that such revenues are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Pursuant to Section 2.2-1800, et seq., Code of Virginia, all state funds of the University are maintained by the Treasurer of Virginia, who is responsible for the collection, disbursement, custody, and investment of State funds. Cash is defined as demand deposits, non-negotiable time deposits, and certificates of deposit in accordance with Section 2.2-4400, et seq., Code of Virginia. Cash equivalents are defined as investments with a maturity of less than three months. Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”). Under the Act, banks and saving institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice will pledge collateral that ranges in amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized. Cash equivalents also include the Virginia State Non-Arbitrage Program (SNAP). SNAP is an open-end management investment company registered with the federal Security and Exchange Commission.

The carrying amount of cash not held by the Treasurer of Virginia is \$631,370. The carrying amount is the University’s bank balance reported at June 30, 2010 for the University’s energy lease project activity and deposits held in custody for others. The Virginia Security for Public Deposits Act eliminates any custodial credit risk for the University.

A. Investments

The investment policy of the University is established by the Board of Visitors and monitored by the Board’s Audit and Finance Committee. Authorized investments are set forth in the Investment of Public Funds Act of the Code of Virginia, Sections 2.2-4500 through 2.2-4516. Authorized investments include Certificates of Deposit, Commercial Paper, Bankers Acceptances, Repurchase Agreements, Agency Notes and Bonds, and Treasury Bills. The University’s investments are in investment pools held by the Treasurer of Virginia and are not categorized as to levels of risk. Investments fall into two groups: short and long-term. Short-term investments have an original maturity of over 90 days but less than or equal to one year.

GASB Statement 40, *Deposit and Investment Risk Disclosures*, requires the following risk disclosures:

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. As of June 30, 2010, none of the University’s investments involve concentration of credit risk.

Custodial Credit Risk – The custodial credit risk is the risk that, in the event of failure of the counterparty, the University would 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 therefore, the University does not have this risk.

Interest rate risk – The interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University limits its exposure to interest rate risk by limiting the maximum maturity lengths of investments and structuring the portfolio to maintain adequate liquidity to ensure the University’s ability to meet its operating requirements.

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

B. Securities Lending Transactions

Securities lending transactions represent the College's allocated share of securities received for securities lending transactions held in the General Account of the Commonwealth. Loaned securities, for which the collateral is reported on the Statement of Net Assets, are non-categorized as to credit risk. The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies. Details of the General Account securities lending program are included in the Commonwealth's *Comprehensive Annual Financial Report*.

C. Credit & Concentration of Credit Risks

<u>Cash equivalents:</u>	<u>Fair Value</u>	<u>0-3 months</u>	<u>Credit Rating</u>
Repurchase agreements	\$ 3,321,954	\$ 3,321,954	AAA
Money market funds	851,182	851,182	A-1
SNAP	2,401,018	2,401,018	AAAm
Securities lending	3,726,004	3,726,004	Unrated
<u>Investments:</u>			
Securities lending	<u>2,008,161</u>	<u>2,008,161</u>	Unrated
Totals	<u>\$ 12,308,319</u>	<u>\$ 12,308,319</u>	

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2010:

Student tuition and fees	\$1,624,963
Federal, state, and nongovernmental grants and contracts	1,626,598
Other activities	<u>560,743</u>
Gross receivables	3,812,304
Less: Allowance for doubtful accounts	<u>(397,256)</u>
Net accounts receivable	<u>\$3,415,048</u>

Contributions Receivable – Norfolk State University Foundation

Pledges receivable represent pledges made by individuals, corporations, and organizations for various purposes. The following details the timing of expected receipts on pledges receivable at June 30, 2010:

Contributions currently due	\$ 506,361
Less – allowance for uncollectible pledges	<u>(171,851)</u>
Current contributions receivable	<u>334,510</u>
Contributions due in one to five years	1,493,293
Contributions due in more than five years	33,000
Less – time value discount	<u>(176,154)</u>
Non-current contributions receivable	<u>1,350,139</u>
Total contributions receivable	<u>\$ 1,684,649</u>

4. CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2010, is presented as follows.

	Beginning Balance <u>7/1/2009*</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>June 30, 2010</u>
Nondepreciable capital assets:				
Land	\$ 4,786,099	\$ -	\$ -	\$ 4,786,099
Construction in progress	<u>29,531,610</u>	<u>14,494,486</u>	<u>24,812,854</u>	<u>19,213,242</u>
Total nondepreciable capital assets	<u>34,317,709</u>	<u>14,494,486</u>	<u>24,812,854</u>	<u>23,999,341</u>
Depreciable capital assets:				
Buildings	196,355,781	24,812,854	1,487,772	219,680,863
Infrastructure	5,394,616	-	-	5,394,616
Equipment	29,823,003	1,630,857	3,270,454	28,183,406
Other improvements	60,823	-	-	60,823
Library materials	<u>7,436,930</u>	<u>191,995</u>	<u>91,518</u>	<u>7,537,407</u>
Total depreciable capital assets	<u>239,071,153</u>	<u>26,635,706</u>	<u>4,849,744</u>	<u>260,857,114</u>
Less accumulated depreciation for:				
Buildings	93,638,121	6,592,156	1,375,061	98,855,216
Infrastructure	5,089,812	127,684	-	5,217,496
Equipment	20,736,418	2,023,865	3,076,141	19,684,140
Other improvements	28,297	3,622	-	31,919
Library materials	<u>6,400,488</u>	<u>206,381</u>	<u>91,518</u>	<u>6,515,351</u>
Total accumulated depreciation	<u>125,893,136</u>	<u>8,953,707</u>	<u>4,542,720</u>	<u>130,304,122</u>
Depreciable capital assets, Net	<u>113,178,017</u>	<u>17,681,999</u>	<u>307,024</u>	<u>130,552,993</u>
Total capital assets, Net	<u>\$147,495,726</u>	<u>\$32,176,486</u>	<u>\$25,119,878</u>	<u>\$154,552,334</u>

*Some fiscal year 2009 amounts have been restated. See footnote 17 for details.

Capital Assets - Component Units

	NSU Foundation Inc.	The Athletics Foundation of Norfolk State University, Inc.	Enterprise and Empowerment Foundation at Norfolk State University	Total
Nondepreciable capital assets:				
Land	\$ 24,310	\$ -	\$ -	\$ 24,310
Development Costs	-	-	521,074	521,074
Total nondepreciable capital assets	24,310	-	521,074	545,384
Depreciable capital assets:				
Buildings	-	-	28,137,869	28,137,869
Equipment	799,877	36,502	2,391,863	3,228,242
Total depreciable capital assets	799,877	36,502	30,529,732	31,366,111
Less accumulated depreciation	(438,325)	(25,696)	(4,296,785)	(4,760,806)
Total depreciable capital assets, net	361,552	10,806	26,232,947	26,605,305
Total capital assets, net	\$ 385,862	\$ 10,806	\$ 26,754,021	\$ 27,150,689

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2010:

Vendors and suppliers accounts payable	\$3,036,017
Employee salaries, wages, and fringe benefits payable	4,354,979
Accrued interest payable	446,389
Spartan Suites rent and scholarships	367,358
Total accounts payable and accrued liabilities	<u>\$8,204,743</u>

6. NONCURRENT LIABILITIES

The University's non-current liabilities consist of long-term debt (further described in Note 7) and other non-current liabilities. A summary of changes in non-current liabilities for the year ending June 30, 2010, is presented as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Current <u>Portion</u>
Long-term debt:					
Bonds payable	\$9,263,150	\$ -	\$1,914,646	\$7,348,504	\$1,633,026
Notes payable	20,491,432	-	398,636	20,092,796	418,118
Installment Purchases	12,015,774	-	1,215,032	10,800,742	1,022,906
Unamortized Bond Premium	340,860	-	12,625	328,235	12,625
	<u>42,111,216</u>	<u>-</u>	<u>3,540,939</u>	<u>38,570,277</u>	<u>3,086,675</u>
Total long-term debt					
Accrued compensated absences	3,555,874	1,459,889	1,539,301	3,476,462	1,006,426
Capital projects retainage payable	1,019,327	611,104	1,019,327	611,104	611,104
Federal loan capital contributions	1,486,576	-	-	1,486,576	-
Deferred gain on early retirement of debt	117,279	-	65,625	51,654	51,654
	<u>117,279</u>	<u>-</u>	<u>65,625</u>	<u>51,654</u>	<u>51,654</u>
Total long-term liabilities	<u>\$ 48,290,272</u>	<u>\$ 2,070,993</u>	<u>\$ 6,165,192</u>	<u>\$ 44,196,073</u>	<u>\$ 4,755,859</u>

7. LONG TERM DEBT

Norfolk State University has issued two categories of bonds pursuant to Section 9 of Article X of the *Constitution of Virginia*. Section 9 (d) bonds are revenue bonds, which are limited obligations of the University payable exclusively from pledged general revenues and are not debt of the Commonwealth, legally, morally, or otherwise. Pledged general fund revenues include general fund appropriations, tuition and fees, auxiliary enterprise revenues, and other revenues not required by law to be used for another purpose. The University issued the 9(d) bond directly through underwriters and also participates in the Public Higher Education Financing Program (Pooled Bond Program) created by the Virginia General Assembly in 1996. Through the Pooled Bond Program, the Virginia College Building Authority (VCBA) also issues 9(d) bonds and uses the proceeds to purchase debt obligations (notes) of the University and various other institutions of higher education. The University's general revenue also secures these notes.

Section 9(c) bonds are general obligation bonds issued by the Commonwealth of Virginia on the behalf of the University, which are secured by the net revenues of the completed project and the full faith, credit, and taxing power of the Commonwealth of Virginia.

The University entered into a deed of bargain and sale with the City of Norfolk for the acquisition of the Brambleton Center. The note is payable in six full scholarships each year varying from \$4,953 to \$9,771 with the final amount due in 2019.

At June 30, 2010, installment purchases consist of the current and long-term portions of obligations resulting from various contracts used to finance the acquisition of equipment. The length of the purchase agreements are for five years and the interest rates charged are from 2.7008 percent to 3.757 percent.

		Interest Rates (%)	Maturity	Balance at June 30, 2010
Revenue bonds:				
	Dormitories:			
	Midrise Hall Series 2003 (c)	5.00	2011	714,956
	Phyllis Wheatley & Rosa Alexander 1985 (d)	3.00	2022	1,685,203
	Athletic Facility:			
	Dick Price Stadium Series 1996 (d)	5.125 - 5.375	2018	4,635,000
	Cafeteria:			
	Mary Scott Dozier Series 2003 (c)	5.00	2011	313,345
	Total revenue bonds			7,348,504
	Unamortized bond premium			328,235
	Net revenue bonds			\$ 7,676,739
Notes payable:				
	Brambleton Center, Series 1998		2019	228,696
	Student Center 2004 (d)	3.25 - 5.00	2036	20,035,000
	Total notes payable			20,263,696
	Less: Unamortized bond discount			(170,900)
	Net notes payable			\$ 20,092,796
Installments payable:				
	MELP	2.7008-3.757	2012	97,514
	Energy Lease Project	3.739 - 4.500	2016 - 2021	10,651,645
	Dyntek Server Farm Lease	8.25	2011	51,583
	Net installments payable			10,800,742
	Total			\$ 38,570,277

Long term debt matures as follows:

Long term debt matures as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2011	3,089,378	1,685,796
2012	2,074,219	1,551,068
2013	2,122,063	1,461,574
2014	2,215,122	1,368,290
2015	2,314,819	1,270,816
2016-2020	10,418,426	4,838,053
2021-2025	4,763,915	3,152,840
2026-2030	4,485,000	2,179,066
2031-2035	5,640,000	1,001,063
2036	1,290,000	30,638
Unamortized Premium	328,235	0
Unamortized Discount	<u>(170,900)</u>	<u>0</u>
Total	<u>\$38,570,277</u>	<u>\$18,539,204</u>

Enterprise and Empowerment Foundation Debt

In February 2005, the Enterprise and Empowerment Foundation entered into an agreement to finance the construction of a 620-bed student housing facility. The terms of the agreement obligate the Foundation pursuant to \$32,000,000 Tax-Exempt Variable Rate Demand Qualified 501(c)(3) Bonds Series 2005. The terms of the indenture call for varying annual maturities through July 1, 2034, with a variable interest rate determined based on the flexible weekly rate as determined by the remarketing agent; principal payments are due semiannually starting January 1, 2008. The terms of the agreement require a debt service coverage ratio of at least 1.2:1 beginning July 1, 2006.

Notes payable to bank, interest at LIBOR plus 1.5% due monthly, principal payments to be escrowed by the Foundation beginning July 1, 2008 through July 1, 2015, secured by property and equipment is \$1,210,000.

As of June 30, 2010, the Enterprise and Empowerment Foundation's bonds and notes payable mature as follows:

Future principal payments are as follows:

2011	\$ 70,000
2012	130,000
2013	185,000
2014	255,000
2015	320,000
Thereafter	<u>32,125,000</u>
	<u>\$ 33,085,000</u>

The bonds payable bear interest at a variable interest rate based on the flexible weekly rate as determined by the remarketing agent. To minimize the effect of changes in the variable rate, the Foundation entered an interest rate swap contract with a notional amount of \$32,000,000 with a term of 29 years. The contract pays interest at a fixed 3.733% rate and receives interest at 67% of LIBOR. The net interest loss of \$1,146,968 from changes in the swap contract's fair value during the fiscal year is included as interest on capital asset related debt in the Statement of Revenues, Expenses and Changes in Net Assets. The contract includes a provision for three optional early termination periods between January, 2016 and January, 2018.

8. AUXILIARY ACTIVITIES

Auxiliary operating revenues and expenses are distributed as shown in the following table for the year ended June 30, 2010. Additionally, the University used auxiliary revenues to pay debt service of \$2,342,967. This amount is not included in the auxiliary operating expenses below.

Revenues:

Residential, net of scholarship allowances of \$2,714,489	\$ 7,080,360
Athletics, net of scholarship allowances of \$3,053,122	7,963,638
Food services, net of scholarship allowances of \$1,905,205	4,969,458
Auxiliary enhancement, net of scholarship allowances of \$529,230	1,380,422
Student activities, net of scholarship allowances of \$666,480	1,738,420
Other auxiliary revenues, net of scholarship allowances of \$1,764,115	<u>4,601,443</u>

Total auxiliary enterprises revenues	<u>\$27,733,741</u>
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Expenses:

Residential	\$ 5,902,334
Athletics	6,363,460
Food services	3,639,089
Auxiliary enhancement	639,846
Student activities	1,619,805
Other auxiliary expenses	<u>1,675,970</u>

Total auxiliary enterprises expenses	<u>\$19,840,504</u>
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9. EXPENSES BY NATURAL CLASSIFICATIONS

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

	Salaries and Wages	Fringes Benefits	Services and Supplies	Scholarship and Fellowship	Utilities	Plant and Equipment	Depreciation	Total
Instruction	\$ 24,318,226	\$ 6,707,278	\$ 2,664,306	\$ 94,131	\$ -	\$ 501,850	\$ -	\$ 34,285,791
Research	2,919,721	664,772	1,222,014	881,731	-	1,493,660	-	\$ 7,181,899
Public Service	644,323	145,590	252,225	2,339	-	159,374	-	\$ 1,203,850
Academic Support	7,015,895	2,098,296	1,903,528	432,171	-	5,022,046	-	\$ 16,471,936
Student Services	3,151,995	1,074,783	810,070	32,426	-	234,431	-	\$ 5,303,704
Institutional Support	9,528,346	3,029,964	(1,861,949)	-	1,137,061	168,751	-	\$ 12,002,173
Operation and Maintenance-Plant	3,822,299	1,538,903	729,710	-	1,928,262	993,515	-	\$ 9,012,689
Depreciation	-	-	-	-	-	-	8,953,707	\$ 8,953,707
Scholarship and Fellowship	-	-	-	20,864,130	-	-	-	\$ 20,864,130
Auxiliary Activities	5,596,707	1,685,597	5,641,115	4,983,382	949,479	984,225	-	\$ 19,840,504
Total	56,997,512	16,945,182	11,361,018	27,290,309	4,014,802	9,557,852	8,953,707	135,120,383

10. STATE APPROPRIATIONS

The University receives state appropriations from the General Fund of the Commonwealth. The Appropriation Act specifies that such unexpended appropriations shall revert, as specifically provided by the General Assembly, at the end of the biennium. For years ending at the middle of a biennium, unexpended appropriations that have not been approved for reappropriation in the next year by the Governor become part of the General Fund of the Commonwealth and are, therefore, no longer available to the University for disbursements. The following is a summary of education and general state appropriations received by the University including all supplemental appropriations and reversions:

Original legislative appropriation:

Educational and general programs	\$47,486,432
Student financial assistance	6,754,328

Adjustments:

Appropriation Reduction	(6,186,892)
Savings from management actions	(1,241,942)
Caboose bill	(624,848)
Salary annualization, increases & regrades	(447,630)
Employer fringe benefit decreases	(52,502)
CSAP, LEAP, HETAP, and VA Military Survivors & Dependents	257,566
Interest earnings on E&G programs	48,977
Clinical Faculty Competitive Grant	23,786
Eminent Scholar	16,314
VIVA ILL allocation	4,792

Adjusted appropriation \$46,038,381

11. COMMITMENTS

At June 30, 2010, the University was committed to construction contracts totaling approximately \$72,701,960. Outstanding commitments on these contracts totaled \$42,048,832 as of June 30, 2010.

The University is committed under various operating leases for equipment and facilities. In general, the leases are for a one-year term and the University has renewal options on equipment and facilities for another one-year term. In most cases, the University expects that in the normal course of business, these leases will be replaced by similar leases. Rental expense for the fiscal year ended June 30, 2010, was \$1,918,835.

The City of Newport News lease contains an escalation clause, which allows for a base rent adjustment every two years. The percentage increase is equal to one-half of the percentage increase of the consumer price index for the corresponding period.

Norfolk State University has as of June 30, 2010, the following total future minimum rental payments due under the above leases:

<u>Year</u>	<u>Operating Lease Obligation</u>
2011	\$ 909,183
2012	702,271
2013	714,161
2014	722,389
2015	733,840
2016-2020	<u>3,203,242</u>
Total	<u>\$ 6,985,086</u>

12. RETIREMENT PLANS

Virginia Retirement System

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

The VRS does not measure assets and pension benefit obligations separately for individual state institutions. Therefore, all information relating to this plan is available at the statewide level only and can be found in the Commonwealth's *Comprehensive Annual Financial Report* (CAFR). The Commonwealth of Virginia, not the University, has the overall responsibility for contributions to this plan. The CAFR provides disclosure of the Commonwealth's unfunded pension benefit obligation at June 30, 2010. The same report contains historical trend information showing VRS's progress in accumulating sufficient assets to pay benefits when due.

The University's expenses include the amount assessed by the Commonwealth for contributions to VRS, which totaled approximately \$3,266,267 for the year ended, June 30, 2010. The

retirement contribution rate was 11.26 percent for the first three quarters of fiscal year 2010. For the fourth quarter contribution rate was 5% and represented the employer contribution for member share. The 6.26% employer contribution was suspended for the fourth quarter. Contributions to VRS were calculated using the base salary amount of approximately \$28,462,108 for the year ended June 30, 2010. The University's total payroll was approximately \$56,575,631 for the fiscal year ended June 30, 2010.

Optional Retirement Plans

Full-time faculty and certain administrative staff participate in a defined contribution plan administered by two different providers rather than the VRS. The two different providers are TIAA/CREF Insurance Companies and Fidelity Investments. This plan is a fixed-contribution program where the retirement benefits received are based upon the employer's (5.4 percent) and employee's (5.0 percent) contributions, plus interest and dividends.

Individual contracts issued under the plan provide for full and immediate vesting of both the University's and the employee's contributions. Total pension costs under this plan were approximately \$1,199,287 for year ended June 30, 2010. Contributions to the optional retirement plan were calculated using the base salary amount of approximately \$11,531,607 for fiscal year 2010.

Deferred Compensation Plan

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 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 \$39,420 for the fiscal year 2010.

13. POST-EMPLOYMENT BENEFITS

The Commonwealth participates in the VRS-administered statewide group life insurance program, which provides post-employment life insurance benefits to eligible retired and terminated employees. The Commonwealth also provides health care credits against the monthly health insurance premiums of its retirees who have at least 15 years of state service and participate in the state's health plan. Information related to these plans is available at the statewide level in the Commonwealth's *Comprehensive Annual Financial Report*.

14. CONTINGENCIES

Grants and Contracts

The University has received grants for specific purposes that are subject to review and audit by the grantor agencies. Claims against these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditures of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the University.

In addition, the University is required to comply with the various federal regulations issued by the Office of Management and Budget. Failure to comply with certain requirements of these regulations may result in questions concerning the allowability of related direct and indirect charges pursuant to such agreements. As of June 30, 2010, the University estimates that no material liabilities will result from such audits or questions.

Litigation

To its knowledge, the University has not been named as a defendant in a lawsuit and has no potential legal liability.

15. RISK MANAGEMENT AND EMPLOYEE HEALTH CARE PLANS

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The University participates in insurance plans maintained by the Commonwealth of Virginia. The state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, and air and watercraft plans. The University pays premiums to each of these Departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth's *Comprehensive Annual Financial Report*.

16. COMPONENT UNITS

STATEMENT OF NET ASSETS

	NSU Foundation Inc.	The Athletics Foundation of Norfolk State University, Inc.	Enterprise and Empowerment Foundation at Norfolk state University	Total
Assets:				
Current assets	\$ 864,616	\$ 84,372	\$ 3,114,594	\$ 4,063,582
Noncurrent assets	19,687,545	167,642	29,923,759	49,778,946
Total assets	<u>20,552,161</u>	<u>252,014</u>	<u>33,038,353</u>	<u>53,842,528</u>
Liabilities:				
Current liabilities	34,165	35,601	723,345	793,111
Noncurrent liabilities	53,127	-	36,379,801	36,432,928
Total liabilities	<u>87,292</u>	<u>35,601</u>	<u>37,103,146</u>	<u>37,226,039</u>
Net Assets	<u>\$ 20,464,869</u>	<u>\$ 216,413</u>	<u>\$ (4,064,793)</u>	<u>\$ 16,616,489</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	NSU Foundation Inc.	The Athletics Foundation of Norfolk State University, Inc.	Enterprise and Empowerment Foundation at Norfolk State University	Total
Operating revenues	\$ 132,537	\$ 277,582	\$ 5,112,199	\$ 5,522,318
Operating expenses	2,208,126	501,504	5,221,428	7,931,058
Operating gain	<u>(2,075,589)</u>	<u>(223,922)</u>	<u>(109,229)</u>	<u>(2,408,740)</u>
Net nonoperating revenues	2,416,332	201,958	(1,146,968)	1,471,322
Income (loss) before other revenues, expenses, gains or losses	<u>340,743</u>	<u>(21,964)</u>	<u>(1,256,197)</u>	<u>(937,418)</u>
Net other revenues	<u>585,174</u>	<u>-</u>	<u>-</u>	<u>585,174</u>
Increase (Decrease) in net assets	925,917	(21,964)	(1,256,197)	(352,244)
Net assets - Beginning of year	<u>19,538,952</u>	<u>238,377</u>	<u>(2,808,596)</u>	<u>16,968,733</u>
Net assets - End of year	<u>\$ 20,464,869</u>	<u>\$ 216,413</u>	<u>\$ (4,064,793)</u>	<u>\$ 16,616,489</u>

The following note was included in the audited financial statements for the Enterprise and Empowerment Foundation:

As shown in the accompanying consolidated financial statements, the Foundation incurred a decrease in net assets of \$1,256,197 during 2010 and a decrease in net assets of \$2,078,174 during 2009. Additionally, in 2009, the Foundation was not in compliance with its debt service ratio covenant which necessitated the obtaining of a waiver. These factors create an uncertainty as to the Foundation's ability to continue as a going concern. The Foundation has developed a plan to increase revenues, reduce expenses and manage compliance with its debt covenants. The ability of the Foundation to continue as a going concern is dependent upon the success of the plan. The consolidated financial statements do not include any adjustments that might be necessary should the Foundation be unable to continue as a going concern.

17. RESTATEMENT OF BEGINNING NET ASSETS

The following prior period adjustments were made to the beginning net assets previously reported in the University's financial statements at June 30, 2009.

Net assets reported at June 30, 2009	\$115,833,112
Correct prior period construction in progress	<u>588,456</u>
Net assets reported at July 1, 2009	<u>\$116,421,568</u>

18. SUBSEQUENT EVENTS

During November 2010, the Commonwealth Treasury Board completed the sale of the General Obligation Bonds, Series 2010A (Taxable Build America Bonds). The University's share of the total principal amount of the bonds issued is \$19.5 million. The University will use the proceeds of these bonds to finance completion of the Student Center Project which will replace the demolished Godwin building and centrally locate student service operations on campus. Payment on the bonds will be made semiannually, with an interest rate ranging from 3.0 to 4.66 percent. The final payment will be due in 2031.

In November 2009, the University received a treasury loan of \$8,509,162 from the Commonwealth to provide cash for obligations related to the construction project prior to the sale of the 2010A bonds. The treasury loan had a final payment date of November 30, 2010 and as a result, a portion of the bond proceeds was used to satisfy to the University's obligation to the Commonwealth of Virginia.

NORFOLK STATE UNIVERSITY
AUXILIARY ENTERPRISES STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2010

	Total	Food Services	Residential Services	Student Activities	Auxiliary Security	Student Center	Athletics
REVENUES							
Student Fees	18,278,798	-	-	2,047,498	1,417,742	1,206,896	9,767,414
Sales and Services	19,983,880	6,874,663	9,794,696	357,402	-	-	1,249,346
Investment Income	103,705	-	153	-	-	-	-
Other Fund Additions	-	-	-	-	-	-	-
TOTAL REVENUES & OTHER FUND ADDITIONS	38,366,383	6,874,663	9,794,849	2,404,900	1,417,742	1,206,896	11,016,760
EXPENSES OF OPERATIONS							
Personnel Services	5,708,999	-	1,525,830	64,099	371,323	320,721	2,229,083
Fringe Benefits	1,685,598	-	554,145	2,374	114,559	93,746	657,449
Supplies and Material	1,741,918	119,978	816,901	128,836	5,866	100,388	433,716
Equipment/Property Improvement	1,098,364	45,236	493,582	9,043	3,520	286,054	29,289
Current Charges and Obligations	1,920,043	90,251	1,030,845	264,562	9,107	83,924	112,991
Scholarships and Fellowships	4,632,347	-	1,101,641	577,108	-	-	2,953,598
Contractual Services	11,748,488	5,288,829	2,143,529	983,721	346,365	177,048	1,900,470
Subtotal	28,535,758	5,544,294	7,666,474	2,029,742	850,740	1,061,881	8,316,596
E & G Indirect Costs	2,222,984	-	779,171	206,290	86,464	107,923	845,246
Auxiliary Administration	(10,089)	-	171,178	50,252	18,995	23,708	254,740
Total Expense of Operations	30,748,653	5,544,294	8,616,823	2,286,285	956,199	1,193,512	9,416,582
Nonoperating Revenue							
Gifts and Grants	286,442	-	-	16,214	-	-	270,228
EXCESS OF REVENUE OVER (UNDER)							
EXPENSES OF OPERATION	7,904,173	1,330,370	1,178,026	134,830	461,543	13,384	1,870,406
MANDATORY TRANSFERS							
Debt Service	(2,342,967)	-	(1,287,036)	-	-	-	-
Nonmandatory Transfers	(1,032,707)	18,509	86,795	41,320	3,979	2,266	41,813
NET INCREASE (DECREASE)							
IN FUND BALANCE	4,528,499	1,348,879	(22,215)	176,150	465,522	15,650	1,912,220
Fund Balance Beginning of Year	13,299,421	3,537,718	1,810,641	24,770	105,407	1,014,405	(652,170)
Fund Balance End of Year	17,827,918	4,886,597	1,788,426	200,920	570,929	1,030,055	1,260,050

Auxiliary Administration	Parking and Transportation	Contingency Fund	Printing Services	Fitness Center	Communication Systems Enhancement	Auxiliary Enhancement	Debt Service	Maintenance Reserve
-	398,419	615,562	-	204,904	193,640	1,077,599	1,349,124	-
651	561,864	-	409,824	108	-	735,326	-	-
6,825	-	-	-	-	-	96,727	-	-
-	-	-	-	-	-	-	-	-
7,476	960,283	615,562	409,824	205,012	193,640	1,909,652	1,349,124	-
728,407	353,185	-	35,984	80,367	-	-	-	-
121,201	102,418	-	18,381	21,325	-	-	-	-
55,990	21,335	-	46,283	2,506	-	10,119	-	-
27,800	15,231	-	2,272	7,580	-	2,226	-	176,531
8,428	5,944	-	299,579	13,440	-	970	-	-
-	-	-	-	-	-	-	-	-
(52,484)	60,527	28,460	80,941	7,544	119,859	639,082	24,598	-
889,342	558,640	28,460	483,440	132,762	119,859	652,397	24,598	176,531
0	56,777	-	49,134	13,493	12,182	66,305	-	-
(1,044,346)	27,269	-	32,101	2,964	2,676	450,373	-	-
(155,004)	642,686	28,460	564,675	149,219	134,717	1,169,076	24,598	176,531
-	-	-	-	-	-	-	-	-
162,480	317,597	587,102	(154,851)	55,793	58,923	740,576	1,324,526	(176,531)
-	-	-	-	-	-	-	(1,055,931)	-
6,603	2,259	(1,424,737)	-	7,094	288	2,537	2,036	176,531
169,083	319,856	(837,635)	(154,851)	62,887	59,211	743,113	270,631	-
58,406	1,427,031	2,838,290	(963,698)	243,654	186,821	3,275,268	392,878	-
227,489	1,746,887	2,000,655	(1,118,549)	306,541	246,032	4,018,381	663,509	-

NORFOLK STATE UNIVERSITY HIGHLIGHTS

FIVE YEARS IN REVIEW

FALL SEMESTER	2005-06	2006-07	2007-08	2008-09	2009-10
ENROLLMENT					
Total	6,096	6,238	6,155	6,325	6,993
In-State	4,533	4,806	4,844	5,149	5,712
Out-of-State	1,563	1,432	1,311	1,176	1,281
FRESHMAN APPLICATIONS					
Number of Applications Received	4,807	4,538	4,656	4,748	5,317
In-State	2,133	1,603	1,672	1,816	2,077
Out-of-State	2,674	2,935	2,984	2,932	3,240
Number of Applications Accepted	3,300	4,453	3,132	3,238	3,348
In-State	1,154	1,562	1,178	1,287	1,410
Out-of-State	2,146	2,891	1,954	1,951	1,938
Number of Accepted Enrolled	1,001	1,057	995	1,188	1,205
In-State	676	806	719	867	868
Out-of-State	325	251	276	321	337
TRANSFER APPLICATIONS					
Number of Applications Received	784	827	843	935	1,112
In-State	392	405	438	513	641
Out-of-State	392	422	405	422	471
Number of Applications Accepted	693	750	744	818	954
In-State	347	361	383	440	548
Out-of-State	346	389	361	378	406
Number of Accepted Enrolled	374	362	358	366	428
In-State	268	293	280	298	353
Out-of-State	106	69	78	68	75
GRADUATE APPLICATIONS					
Number of Applications Received	322	330	328	310	498
In-State	213	205	207	218	292
Out-of-State	109	125	121	92	206
Number of Applications Accepted	296	297	279	261	448
In-State	199	187	182	186	263
Out-of-State	97	110	97	75	185
Number of Accepted Enrolled	213	266	237	195	333
In-State	161	148	164	159	274
Out-of-State	52	118	73	36	59
TUITION AND FEES					
Undergraduate					
In-State	\$4,670	\$5,056	\$5,322	\$5,560	\$5,872
Out-of-State	\$14,480	\$15,376	\$16,242	\$16,807	\$17,931
Graduate					
In-State	\$6,308	\$6,820	\$7,182	\$7,658	\$8,069
Out-of-State	\$18,380	\$20,572	\$21,726	\$22,457	\$23,804
ROOM AND BOARD					
Total Room & Board	\$6,474	\$6,667	\$6,909	\$7,116	\$7,329
Room Rates	\$4,110	\$4,233	\$4,402	\$4,534	\$4,670
Board Rates	\$2,364	\$2,434	\$2,507	\$2,582	\$2,659

UNRESTRICTED CURRENT FUND REVENUES, EXPENDITURES, AND OTHER CHANGES
Years Ended June 30

	2005-06	2006-07	2007-08	2008-09	2009-10
Revenues					
Student Tuition and Fees	\$30,476,595	\$ 29,278,424	\$ 26,918,139	\$ 29,158,740	\$ 31,810,673
State Appropriations	43,899,220	45,228,371	46,130,592	44,935,008	38,986,387
Gifts, Grants, & Contracts	1,516,663	1,759,600	3,252,547	2,634,783	6,231,484
Sales and Services Auxiliary Enterprises	23,946,966	29,974,852	31,811,785	34,257,210	38,122,774
Other Sources	105,112	118,448	670,751	764,540	724,032
Total Current Revenues	\$99,944,556	\$ 106,359,695	\$108,783,814	\$111,750,281	\$115,875,350
Expenditures & Mandatory Transfers					
Educational & General	\$77,187,002	\$ 78,038,294	\$ 77,934,136	\$ 76,704,401	\$ 75,094,911
Auxiliary Enterprises	21,118,240	24,959,044	27,411,548	30,777,965	32,529,758
Total Expenditures & Mandatory Transfers	100,608,553	105,203,627	107,715,017	109,824,486	109,880,459
Other Transfers and Additions (Deductions)	(46,730)	2,993,059	279,380	11,157	144,725
Net Increase (Decrease) in Fund Balances	\$ (710,727)	\$ 4,149,127	\$ 1,348,176	\$ 1,936,952	\$ 6,139,616
GENERAL FUND APPROPRIATIONS AND OTHER REVENUES					
State General Fund Appropriations	\$43,899,220	\$ 45,228,371	\$ 46,130,592	\$ 44,935,008	\$ 38,986,387
Other Revenues	56,045,336	61,131,324	62,653,222	66,815,273	76,888,963
Total	\$99,944,556	\$ 106,359,695	\$108,783,814	\$111,750,281	\$115,875,350
FINANCIAL AID					
Loans	\$23,776,885	\$ 26,155,567	\$ 38,193,866	\$ 48,990,167	\$ 50,438,164
Grants/Scholarships	23,672,516	26,958,998	24,928,123	27,709,624	34,341,320
Other	1,247,069	1,305,008	652,649	1,008,823	3,684,844
Total	\$48,696,470	\$ 54,419,573	\$ 63,774,638	\$ 77,708,614	\$ 88,464,328



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

June 7, 2011

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable Charles J. Colgan
Chairman, Joint Legislative Audit
and Review Commission

Board of Visitors
Norfolk State University

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of Norfolk State University, a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2010, which collectively comprise the University's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the component units of the University, which are discussed in Note 1. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units of the University is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Norfolk State University Foundation Inc. and the Athletic Foundation of Norfolk State University Inc., that were audited by other auditors upon whose reports we are relying were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards. The financial statements of the Enterprise and Empowerment Foundation of Norfolk State University and Affiliates, which were audited by other auditors upon whose reports we are relying, were audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and

aggregate discretely presented component units of the University as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements of the University. The Auxiliary Enterprises Statement of Operations, Norfolk State University Highlights, and Unrestricted Current Fund Revenues, Expenditures, and Other Changes schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The Auxiliary Enterprises Statement of Operations, Norfolk State University Highlights, and Unrestricted Current Fund Revenues, Expenditures, and Other Changes schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with Government Auditing Standards, we have also issued our report dated June 7, 2011 on our consideration of the Norfolk State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.


AUDITOR OF PUBLIC ACCOUNTS

TS:alh

NORFOLK STATE UNIVERSITY
Norfolk, Virginia

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OFFICIALS

As of May 24, 2011

Kim Luckes, Acting President

Clarence Coleman, Vice Provost

Regina V. K. Williams, Interim Vice President for Finance and Administration

Sharon B. Lowe, Vice President for Student Affairs

Joseph C. Hall, Vice President for Research and Economic Development

Phillip D. Adams, Vice President for University Advancement