Old Dominion University
Financial Statements

June 30, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Old Dominion University (the University), located in the City of Norfolk in the metropolitan Hampton Roads region of coastal Virginia, is a dynamic public research institution that serves its students and enriches the Commonwealth, the nation, and the world through rigorous academic programs, strategic partnerships, and active civic engagement. The University offers more than 175 programs available on campus and more than 120 programs through online learning ODUOnline. The seven academic colleges and a Graduate School -- Arts and Letters, Business, Education and Professional Studies, Engineering and Technology, Health Sciences, Sciences, and Honors - offer over 100 baccalaureate programs as well as 43 master's programs, two education specialist programs, 22 doctoral programs, and an award-winning distance learning program. The University provides a world-class education to more than 23,000 undergraduate and graduate students and has a strong global network of over 165,000 alumni across all 50 states and 53 countries.

The University's local, regional, and national impact continues to grow. Our entrepreneurial approach drives research and collaboration, and the University contributes $2.6 billion annually to the Hampton Roads economy. Old Dominion University is one of the largest generators of new jobs in the region. Not only do we educate the workforce of tomorrow, but Old Dominion University's Veterans Business Outreach Center is taking a leading role in training veteran entrepreneurs and retaining veteran-owned small business enterprises in our region. The University is also committed to providing research-driven solutions. Our world-class researchers partner with business, industry, government, and investment leaders to create answers for society's most pressing challenges. Old Dominion University has nationally known research strengths in coastal resilience, modeling and simulation, bioelectrics, cybersecurity, and port logistics and maritime engineering and is a key academic research partner for the Thomas Jefferson National Laboratory and NASA-Langley Research Center. Currently our research teams generate over $60 million in annual funding and are working on projects at our research centers across the state. These initiatives not only fill a vital need in the workforce, but they are propelling job creation and economic growth by tying in nicely into regional strengths—federal labs, the port, military, Chesapeake Bay, and health care.

As an agency of the Commonwealth of Virginia, Old Dominion University is included as a component unit in the Commonwealth of Virginia's Annual Comprehensive Financial Report. The 17 members of Old Dominion University's Board of Visitors, who are appointed by the Governor of Virginia, govern University operations.

Overview of the Financial Statements and Financial Analysis

The Management's Discussion and Analysis (MD&A) is required supplementary information under the 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 Old Dominion University's 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, 2022. Note that although the University's foundations, identified as component units under Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, 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, 2021. Since this presentation includes highly summarized data, it should be read in conjunction with the accompanying financial statements, notes to the financial statements, and required 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 Position (balance sheet), the Statement of Revenues, Expenses and Changes in Net Position (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 Position

The Statement of Net Position presents the University's assets, deferred outflows, liabilities, deferred inflows, and net position as of the end of the fiscal year. The purpose of this statement is to present to the financial statement readers a snapshot of the University's financial position at year end. From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the University's operations. It also allows readers to determine how much the University owes vendors and creditors.

Net position is divided into three major categories. The first category, net investment in capital assets, depicts the University's equity in property, plant, and equipment owned by the University. The next category is restricted which is divided into two categories in the financial statements, nonexpendable and expendable. Restricted nonexpendable net position consists solely of the University's permanent endowment funds and is only available for investment purposes. Expendable restricted net position is available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on them. The final category is unrestricted net position which is available to the institution for any lawful purpose of the institution.

The University participates in post-employment benefit programs that are sponsored by the Commonwealth and administered by the Virginia Retirement System (VRS). These programs include the Group Life Insurance Program, Retiree Health Insurance Credit Program (HIC), Virginia Sickness and Disability Program, and Line of Duty Act Program. The University also participates in the Pre-Medicare Retiree Healthcare Plan, sponsored by the Commonwealth and administered by the Department of Human Resources Management (DHRM). The University has recorded its proportionate share in the financial statements of the Other Post-Employment Benefits (OPEB) liability, asset, expense, deferred outflows, and deferred inflows.

Condensed Summary of Net Position

(Amounts in thousands)

	As of June 30, 2022	As of June 30, 2021	Increase / (Decrease)	Percent Change
Assets and deferred outflows:				
Current	$ 241,112	$ 158,855	$ 82,257	51.8%
Capital Assets, net of accumulated depreciation and amortization	855,360	780,701	74,659	9.6%
Other noncurrent	115,405	106,633	8,772	8.2%
Total assets	1,211,877	1,046,189	165,688	15.8%
Deferred outflows of resources	36,039	48,730	(12,691)	-26.0%
Total assets & deferred outflows	1,247,916	1,094,919	152,997	14.0%
Liabilities and deferred inflows:				
Current	123,426	90,255	33,171	36.8%
Noncurrent	448,857	475,404	(26,547)	-5.6%
Total liabilities	572,283	565,659	6,624	1.2%
Deferred inflows of resources	85,662	25,489	60,173	236.1%
Total liabilities & deferred inflows	657,945	591,148	66,797	11.3%
Net position:				
Net investment in capital assets	532,240	535,526	(3,286)	-0.6%
Restricted	65,544	40,777	24,767	60.7%
Unrestricted	(7,813)	(72,532)	64,719	89.2%
Total net position	$ 589,971	$ 503,771	$ 86,200	17.1%

Total University assets and deferred outflows of resources increased by $153.0 million or 14.0% bringing the total to $1.2 billion at fiscal year-end 2022. The increase in current assets of $82.3 million or 51.8% was primarily due to increases in cash and cash equivalents of $48.8 million or 41.2%, an increase in accounts receivable/due from the Commonwealth of $26.7 million or 92.6%, and an increase in appropriations available of $6.8 million or 207.8%. Capital, net of accumulated depreciation and amortization, increased $74.7 million or 9.6% primarily due to implementation of GASB Statement No. 87 (GASB 87) ($58.5 million) and ongoing construction of the Health Sciences building ($11.3 million) and Whitehurst Hall ($10.2 million). Other noncurrent assets increased $8.8 million or 8.2% largely due to restricted cash, changes in the OPEB asset, and an increase of $3.6 million or 100% in prepaid expenses. The decrease in deferred outflows of $12.7 million or 26.0% was primarily related to pension and OPEB related transactions.

Total liabilities and deferred inflows of resources increased $66.8 million or 11.3%. Current liabilities increased $33.2 million or 36.8% due to a $19.2 million or 77.8% increase in unearned revenue largely related to American Rescue Plan Act (ARPA) and Coronavirus Aid, Relief and Economic Security Act funding that will be distributed in FY2023, a $6.4 million or 38.8% increase in the current portion of long term liabilities largely due to debt restructuring that moved the current portion of debt to the end of the payment schedule, a $4.9 million increase in accounts payable or 12.5%, and an increase of $3.5 million or 50.5% in obligations under securities lending. Noncurrent liabilities decreased by $26.5 million or 5.6% resulting from a net decrease in pension liability ($78.1 million) offset by the increase related to the implementation of GASB 87 ($72.5 million), coupled with a $10.0 million decline in OPEB liability. Deferred inflows of resources increased $60.2 million or 236.1% as the result of pension and OPEB related transactions.

The increase in total assets and deferred outflows of $153.0 million or 14.0% coupled with the increase in total liabilities and deferred inflows of $66.8 million or 11.3% resulted in an overall increase in the University's financial position over the prior fiscal year of $86.2 million or 17.1%. The University's net position remains strong even after recording the net pension and OPEB liabilities of $122.4 million. The growth in the overall net position reflects the University's continued investment in facilities and equipment in support of the University's mission, as well as prudent management of the University's fiscal resources.

Statement of Revenues, Expenses and Changes in Net Position

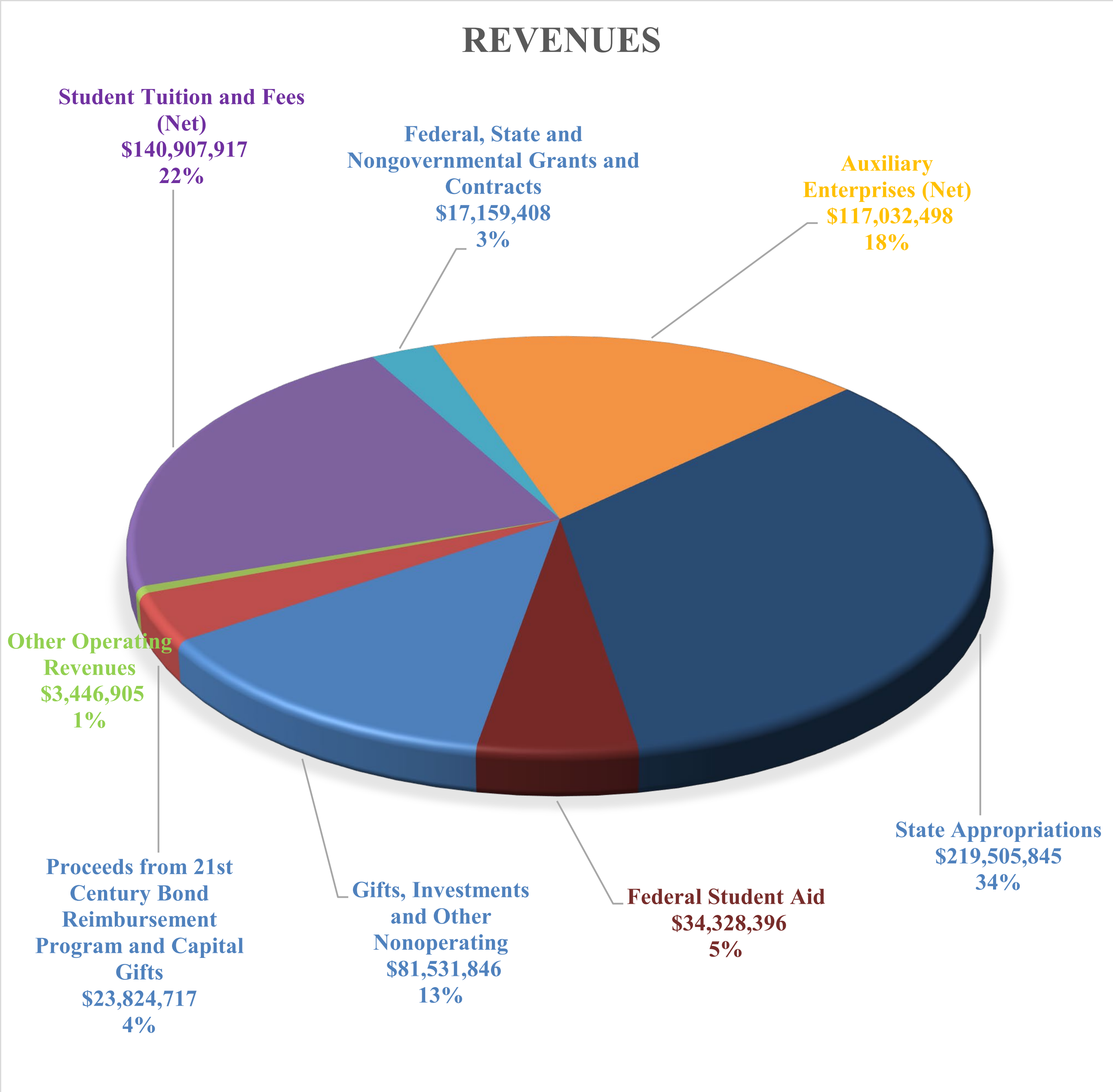
Changes in total net position, as presented on the Statement of Net Position, are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and nonoperating, and the expenses paid by the University, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the University during the fiscal year.

Generally, 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 and fringe benefits for faculty and staff are the largest type of operating expense.

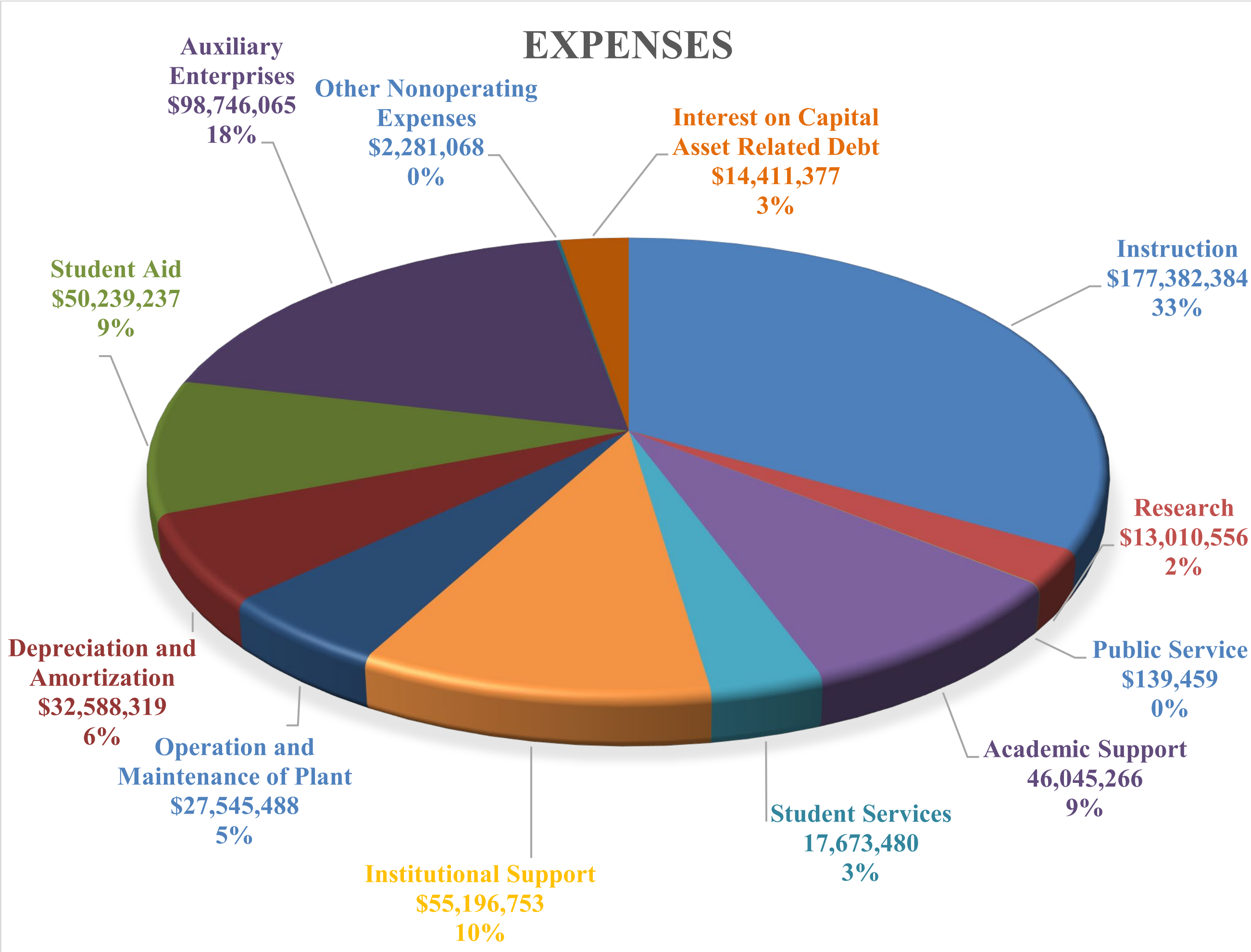
Nonoperating revenues are revenues received for which goods and services are not provided. For example, the University's state appropriations are nonoperating because they are provided by the state legislature without the legislature directly receiving commensurate goods and services for those revenues.

Condensed Summary of Revenues, Expenses and Changes in Net Position
(Amounts in thousands)

	Year Ended June 30, 2022	Year Ended June 30, 2021	Increase / (Decrease)	Percent Change
Operating revenues:				
Student tuition and fees	$ 140,908	$ 154,310	$ (13,402)	-8.7%
Federal grants and contracts	9,179	10,379	(1,200)	-11.6%
State, local & nongovernmental grants	7,980	5,592	2,388	42.7%
Auxiliary enterprises	117,033	85,455	31,578	37.0%
Other operating revenues	3,447	3,242	205	6.3%
Total operating revenues	278,547	258,978	19,569	7.6%
Operating expenses:				
Instruction	177,382	169,013	8,369	5.0%
Research	13,011	1,565	11,446	731.4%
Public service	139	151	(12)	-7.9%
Academic support	46,045	36,492	9,553	26.2%
Student services	17,674	17,606	68	0.4%
Institutional support	55,197	63,675	(8,478)	-13.3%
Operation and maintenance	27,546	38,492	(10,946)	-28.4%
Depreciation and amortization	32,588	25,267	7,321	29.0%
Scholarships and fellowships	50,239	32,224	18,015	55.9%
Auxiliary activities	98,746	85,963	12,783	14.9%
Total operating expenses	518,567	470,448	48,119	10.2%
Operating loss	(240,020)	(211,470)	(28,550)	-13.5%
Net nonoperating revenues and expenses	319,121	238,437	80,684	33.8%
Income before other revenues/ (expenses)/gains/(losses)	79,101	26,967	52,134	193.3%
Net other revenues and expenses	23,377	33,662	(10,285)	-30.6%
Increase in net position	102,478	60,629	41,849	69.0%
Net position - beginning of year	503,772	443,142	60,630	13.7%
Miscellaneous Restatements	(5,577)	-	(5,577)	-100.0%
GASB 87 Restatement	(10,702)	-	(10,702)	-100.0%
Net position - end of year	$ 589,971	$ 503,771	$ 86,200	17.1%



Total operating revenues increased $19.6 million or 7.6% due to an increase of $31.6 million or 37.0% in auxiliary revenue from the resumption of normal campus activities and an increase of $2.4 million or 42.7% in state, local, and non-governmental grants and contracts. This increase was offset by a decrease in student tuition and fees of $13.4 million or 8.7% related to reduced enrollment and a decrease in federal grants and contracts of $1.2 million or 11.6%. Net nonoperating revenues (expenses) increased $80.7 million or 33.8% as a result of increases in state appropriations of $64.1 million or 41.2% and Coronavirus Relief funding of $28.8 million or 84.4% offset by a decrease in investment income of $8.2 million or 119.5%. Net other revenues (expenses) decreased $10.3 million or 30.6% as a result of a decrease of $14.4 million or 43.1% in proceeds from the 21st Century and Equipment Trust Fund Bond Reimbursement Programs offset by an increase of $3.7 million or 100% in capital appropriations.



Operating expenses increased by $48.1 million or 10.2%. The increase is made up of increases in the purchases of goods and services of $18.8 million or 17.1%, in student aid of $8.3 million or 19.6%, in compensation and benefits of $8.2 million or 3.0%, in depreciation and amortization of $7.3 million or 29.0%, and in plant and equipment of $5.5 million or 27.4%. The majority of this is due to the resumption of on campus activities following the pandemic shut down as well as an increase in depreciation related to the implementation of GASB 87.

Statement of Cash Flows

The Statement of Cash Flows provides relevant information that aids in the assessment of the University's ability to generate cash to meet present and future obligations and provides detailed information reflecting the University's sources and uses of cash during the fiscal year. The statement is divided into five sections. The first section deals with operating cash flows and reflects the sources and uses to support the essential mission of the University. The primary sources are tuition and fees ($135.7 million) and auxiliary enterprises ($111.0 million). The primary uses are payments to employees including salaries, wages, and fringe benefits ($298.9 million), payments for scholarships and fellowships ($51.4 million), and payments for supplies and services ($126.8 million).

The second section presents cash flows from non-capital financing activities and reflects nonoperating sources and uses of cash primarily to support operations. The largest sources are from state appropriations ($211.2 million), federal grants and contracts ($37.1 million), Pell grants ($34.3 million), gifts and grants ($18.3 million), and other revenues ($0.9 million).

The third section represents cash flows from capital financing activities and details the activities related to the acquisition and construction of capital assets including related debt payments. The primary source of funds are contributions from the Commonwealth ($22.5 million) and bond proceeds ($7.1 million). The primary uses are purchases of capital assets ($22.7 million) and principal and interest payments on capital debt ($19.8 million).

The fourth section deals with cash flows from investing activities and reflects the cash flows generated from investments which includes proceeds from sale of investments ($0.8 million). The last section, which is not included below, reconciles the net cash used by operating activities to the operating loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Condensed Summary of Cash Flows
(Amounts in thousands)

	Year ended June 30, 2022	Year ended June 30, 2021	Increase / (Decrease)	Percent Change
Cash flows from operating activities	$ (237,929)	$ (190,879)	$ (47,050)	-24.6 %
Cash flows from non-capital financing activities	301,813	244,749	57,064	23.3 %
Cash flows from capital financing activities	(7,472)	(36,414)	28,942	79.5 %
Cash flows from investing activities	(2,255)	1,274	(3,529)	-277.0 %
Net change in cash	$ 54,157	$ 18,730	$ 35,427	189.1 %

Capital Asset and Debt Administration

The University continues to maintain and upgrade current structures, as well as adding new facilities. Investment in the development and renewal of capital assets is one of the key factors in sustaining the high quality of the University's academic, research, and residential life functions. Overall, funds invested in capital assets reflect the ongoing campus construction as indicated in Note 5. Capital asset additions for June 30, 2022, include increases of $128.4 million in buildings, $38.9 million in construction in progress, $6.0 million in equipment, and $2.4 million in infrastructure.

New and ongoing capital projects were underway along with the placing of assets in service during the fiscal year which resulted in a net decrease in construction in progress of $94.5 million. Additions to construction in progress include ongoing construction of the Health Sciences building, LR Hill Locker Room project, Whitehurst Hall, and several maintenance reserve renovations. These additions were offset by the completion of the Owens House residence hall. Projects were financed through issuance of General Obligation and revenue bonds and receipt of capital gifts.

Financial stewardship requires effective management of resources, including the use of long term debt to finance capital projects. The University's long term debt decreased $2.5 million as reflected in Notes 7 and 8. The net decrease is the result of normal principal payments offset by bond issuance for the Student Health and Wellness addition.

Uncompleted construction increased from $10.6 million at June 30, 2021, to $59.7 million at June 30, 2022. These obligations are for future efforts and therefore have not been accrued as expenses or liabilities on the University's financial statements. The increase is primarily the result of the ongoing construction of the Health Sciences Building ($46.0 million) and the Student Health and Wellness addition ($8.3 million), offset by the completion of the Owens House residence hall.

Economic Outlook

Budget actions taken by the Governor and the General Assembly for the FY2022 budget include full restoration of $12.0 million for Educational and General resources, $5.3 million for in-state need based student financial assistance, $4.5 million to maintain affordable access, $2.8 million of one-time Educational and General funding for unavoidable cost increases, and $2.5 million for the establishment of the Joint School of Public Health.

The University also received Capital Outlay authority and funding for the new Health Sciences Building ($76.1 million), Campus-wide Stormwater Improvements ($5.2 million), and planning authority for the proposed Biology Building.

The state budget also provides language and partial funding for well-deserved 5% compensation increases for full-time faculty, administrators, and staff, as well as adjunct faculty and wage-hourly employees.

The proactive financial and operational planning executed in FY2021 established the financial platform from which to establish a $8.6 million dollar Educational & General Institutional Reserve Fund in FY2022, as well as additional stability funding to address enrollment mitigation and ongoing operational support for Covid-19 testing and operational support in FY2022.

The 2021-2022 tuition and fee changes were developed with consideration for the impact of escalating college costs on Virginia students and their families and the Tuition Moderation Plan, maintaining tuition and mandatory fees at 2020-2021 rates.

Recognizing the current and future landscape of enrollment planning and financial sustainability, the University enacted a budget reduction planning exercise during FY2022 in preparation for the development of the FY2023 Operating Budget and Plan. The labor market, inflation, and supply chain delays have impacted Old Dominion University during FY2022, much like all Higher Education and other human capital dependent industries. These influences on costs and resource availability are expected to continue into FY2023.

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OLD DOMINION UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2022

	Old Dominion University	Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and cash equivalents (Note 2)	$ 167,205,514	$ 21,916,912
Accounts receivable (Net of allowance for doubtful accounts $4,188,708) (Note 4)	53,324,008	21,303,977
Contributions receivable (Net of allowance for doubtful collections $968,519) (Note 11)	-	8,510,901
Due from the Commonwealth (Note 4)	2,127,690	-
Appropriations available	10,119,626	-
Travel advances	-	85,986
Prepaid expenses	6,554,482	1,228,557
Inventory	501,354	-
Notes receivable (Net of allowance for doubtful accounts $300,745)	1,279,474	-
Other assets	-	289,922
Total current assets	241,112,148	53,336,255
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2)	66,068,393	-
Endowment investments (Note 3)	27,969,899	-
Investments (Notes 2 and 11)	11,127,405	388,295,577
Accounts receivable	-	33,333,460
Contributions receivable (Net of allowance for doubtful collections $2,470,070) (Note 11)	-	18,461,159
Prepaid expenses	3,595,848	-
Notes receivable (Net of allowance for doubtful accounts $81,070)	350,087	-
Nondepreciable capital assets (Notes 5 and 11)	94,534,734	20,412,338
Capital assets, net (Notes 5 and 11)	760,825,139	18,142,882
Other post-employment benefits asset (Note 16)	6,293,043	-
Total noncurrent assets	970,764,548	478,645,416
Total assets	1,211,876,696	531,981,671
Deferred outflows of resources:		
Pension related (Note 13)	23,847,141	-
Other post-employment benefits related (Note 16)	8,093,173	-
Loss on refunding of debt (Note 8)	4,098,554	-
Total deferred outflows of resources	36,038,868	-
Total assets and deferred outflows of resources	$ 1,247,915,564	$531,981,671
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current liabilities:		
Accounts payable and accrued expenses (Note 6)	$ 44,315,986	$ 9,642,610
Unearned revenue	43,957,100	237,476
Obligations under securities lending (Note 2)	10,292,987	-
Deposits held in custody for others	1,903,854	10,478,864
Other liabilities	-	30,052,283
Line of credit	-	5,110,986
Long term liabilities - current portion (Notes 7 and 11)	22,956,066	4,522,488
Total current liabilities	123,425,993	60,044,707
Noncurrent liabilities (Notes 7 and 11)	448,857,445	52,777,948
Total liabilities	572,283,438	112,822,655
Deferred inflows of resources:		
Gain on Refunding of Debt (Note 8)	1,292,099	-
Pension related (Note 13)	58,948,146	-
Other post-employment benefits related (Note 16)	25,421,459	-
Total deferred inflows of resources	85,661,704	-
Total liabilities and deferred inflows of resources	657,945,142	112,822,655
NET POSITION		
Net investment in capital assets	532,239,811	33,443,636
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	6,962,713	-
Permanently restricted	-	169,536,506
Expendable:		
Scholarships and fellowships	12,289,396	-
Research	4,304,539	-
Loans	1,527,377	-
Capital projects	19,646,616	-
Temporarily restricted	-	165,203,967
Departmental uses	20,813,836	-
Unrestricted	(7,813,866)	50,974,907
Total net position	$ 589,970,422	$419,159,016

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

OLD DOMINION UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2022

	Old Dominion University	Component Units
Operating revenues:		
Student tuition and fees (Net of scholarship allowances of $41,695,416)	$ 140,907,917	$ -
Gifts and contributions	-	34,173,413
Federal grants and contracts	9,179,401	-
State grants and contracts	5,768,853	-
Indirect cost	-	9,103,479
Sponsored research	-	47,540,017
Nongovernmental grants and contracts	2,211,154	-
Auxiliary enterprises (Net of scholarship allowances of $24,128,284)	117,032,498	-
Other operating revenues	3,446,906	8,873,236
Total operating revenues	278,546,729	99,690,145
Operating expenses:		
Instruction	177,382,384	2,682,619
Research	13,010,556	46,109,803
Public service	139,459	-
Academic support	46,045,266	8,725,733
Student services	17,673,480	-
Institutional support	55,196,753	22,535,182
Operation and maintenance	27,545,488	156,724
Depreciation and amortization	32,588,319	711,765
Student aid	50,239,237	7,621,889
Auxiliary activities	98,746,065	-
Total operating expenses (Note 9)	518,567,007	88,543,715
Operating income (loss)	(240,020,278)	11,146,430
Nonoperating revenues (expenses):		
State appropriations (Note 10)	219,505,845	-
Pell grant revenue	34,328,396	-
Coronavirus relief funding revenue (Note 20)	62,981,640	-
Gifts	18,335,908	-
Investment income/(loss) (Net of investment expenses of $443,480)	(1,340,427)	40,870,019
OPEB-related contribution revenue	929,975	
Other nonoperating revenues	619,943	-
Other nonoperating expenses	(328,805)	-
Interest on capital asset-related debt and leases	(14,411,378)	-
Payments to Commonwealth from state appropriations	(1,108,899)	-
Payments to Treasury Board	(374,473)	-
Payments to grantors	(16,023)	-
Net nonoperating revenues (expenses)	319,121,702	40,870,019
Income before other revenues, (expenses), gains, and (losses)	79,101,424	52,016,449
Proceeds from VCBA 21st Century and Equipment Trust Fund bond reimbursement programs	18,972,956	-
Capital gifts and grants	1,181,539	-
Capital appropriations (Note 10)	3,670,222	-
Gain/(loss) on disposal of plant assets and right to use assets	(348,590)	(1,100,000)
Bond issuance expense	(104,277)	-
Build America bond interest	4,804	-
Contributions to permanent endowments	-	9,637,389
Total other revenues, (expenses), gains, and (losses)	23,376,654	8,537,389
Increase in net position	102,478,078	60,553,838
Net position - beginning of year	503,771,630	358,605,178
GASB 87 Restatement (Note 1)	(10,701,622)	
Other Miscellaneous Restatements (Note 1)	(5,577,664)	
Net position - end of year	$ 589,970,422	$ 419,159,016

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

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2022

Cash flows from operating activities:	
Student tuition and fees	$ 135,662,048
Grants and contracts	17,038,275
Auxiliary enterprises	111,050,795
Other receipts	3,400,429
Payments to employees and fringe benefits	(298,886,768)
Payments for services and supplies	(126,768,396)
Payments for travel	(5,729,936)
Payments for scholarships and fellowships	(51,402,440)
Payments for noncapitalized improvements and equipment	(23,190,595)
Collections of loans from students	349,138
Custodial receipts	9,884,057
Custodial payments	(9,335,657)
Net cash used by operating activities	(237,929,051)
Cash flows from non-capital financing activities:	
State appropriations	211,188,076
Pell grant revenue	34,328,396
Gifts and grants for other than capital purposes	18,325,339
William D. Ford direct lending receipts	83,717,607
William D. Ford direct lending disbursements	(83,717,607)
PLUS loan receipts	14,989,816
PLUS loan disbursements	(14,989,816)
Federal grants and contracts	37,097,366
Refunded to federal government	(2,100)
Other receipts	875,446
Net cash provided by non-capital financing activities	301,812,523
Cash flows from capital financing activities:	
Contributions from the Commonwealth	22,515,751
Capital appropriations	3,670,222
Bond premium	694,277
Proceeds from bonds	7,111,475
Capital gifts	1,166,595
Proceeds from capital debt and investments	19,048
Cost of bond issuance	(104,277)
Purchase of capital assets	(22,714,621)
Principal paid on capital debt, leases and installments	(8,461,559)
Interest paid on capital debt, leases and installments	(11,368,902)
Net cash used by capital financing activities	(7,471,990)
Cash flows from investing activities:	
Interest on investments	(1,631,978)
Proceeds from sale of investments	812,486
Purchase of investments	(1,435,382)
Net cash provided by investing activities	(2,254,874)
Net change in cash	54,156,608
Cash and cash equivalents - beginning of the year	168,824,312
Cash and cash equivalents - end of the year	$ 222,980,920

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

RECONCILIATION OF STATEMENT OF CASH FLOWS TO
STATEMENT OF NET POSITION:

Statement of Net Position	
Cash and cash equivalents	$ 233,273,907
Less: Securities lending - Treasurer of Virginia	(10,292,987)
Net cash and cash equivalents	$ 222,980,920

RECONCILIATION OF NET OPERATING (LOSS) TO NET CASH
USED BY OPERATING ACTIVITIES:

Operating (loss)	$ (240,020,278)
Adjustments to reconcile net income/(loss) to net cash used by operating activities:	
Depreciation and amortization	32,588,319
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Net receivables	(6,970,492)
Prepaid expenses	(2,825,801)
Inventory	(43,516)
OPEB asset	(2,268,968)
Deferred outflows of resources related to pensions	(10,591,394)
Deferred outflows of resources related to OPEB	(941,795)
Accounts payable and accrued expenses	6,006,749
Deposits	(805,836)
Unearned revenue	15,514,429
Net pension liability	(78,067,187)
Net OPEB liability	(9,988,568)
Deferred inflows of resources related to pensions	56,864,910
Deferred inflows of resources related to OPEB	3,620,377
Net cash used by operating activities	$ (237,929,051)

Non-cash investing, capital and financing activities:	
Change in fair value of investments	$ (2,189,839)
Amortization of bond premium	$ 2,492,910
Right to use assets acquired through the assumption of a liability	$ 1,375,241
Amortization of bond premium (discount) and gain (loss) on debt refunding	$ 846,238
Change in receivables relating to nonoperating income	$ (162,324)
Loss on disposal of plant assets & right to use assets	$ (348,590)
Retainage payable	$ 1,753,685

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

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Old Dominion 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 financial report is prepared for the Commonwealth 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 University includes all entities over which the University exercises or has the ability to exercise oversight authority for financial reporting purposes. Under GASB *Codification of Governmental Accounting and Financial Reporting Standards* Section 2100, the Old Dominion University Educational Foundation, the Old Dominion University Real Estate Foundation, the Old Dominion Athletic Foundation, and the Old Dominion University Research Foundation (the Foundations) are included as component units of the University. These foundations are legally separate and tax-exempt organizations formed to promote the achievements and further the aims and purposes of the University.

The Educational and Real Estate Foundations receive, administer, and distribute gifts for the furtherance of educational activities and objectives of the University. The Athletic Foundation receives, administers, and distributes gifts for the furtherance of educational and athletic activities of the University. For additional information on these foundations, contact Foundation Offices at 4417 Monarch Way, 4th Floor, Norfolk, Virginia 23529. The Educational, Real Estate, and Athletic Foundations have adopted December 31 as their year end. All amounts reflected are as of December 31, 2021. The Research Foundation coordinates and accounts for substantially all grants and contracts awarded for research at the University and has adopted June 30 as their year end. For additional information, contact the Research Foundation at 4111 Monarch Way, Suite 204, Norfolk, Virginia 23508.

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. Because these restricted resources held by the Foundations can only be used by or for the benefit of the University, the Foundations are considered component units of the University and are discretely presented in the financial statements.

Basis of Presentation

The University's accounting policies conform with generally accepted accounting principles as prescribed by the GASB in the *Codification of Governmental Accounting and Financial Reporting Standards*. The University follows accounting and reporting standards for reporting by special-purpose governments engaged only in business-type activities.

The Foundations are private, nonprofit organizations, and as such the financial statement presentation follows the recommendation of accounting literature related to nonprofits. As a result, reclassifications have been made to convert the Foundation's financial information to GASB format.

Basis of Accounting

For reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, its statements have been presented using the economic resource measurement focus and the accrual basis of accounting; whereby, revenues are recognized when earned and expenses are recorded when an obligation has been incurred, regardless of the timing of related cash flows. All intra-agency transactions have been eliminated.

Cash and Cash Equivalents

In accordance with the GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, definition, cash and cash equivalents consist of cash on hand, money market funds, and temporary highly liquid investments with an original maturity of three months or less.

Investments

The University accounts for its investments at fair value and measures them by using the market approach valuation technique. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in accordance with GASB Statement No. 72, *Fair Value Measurement and Application.* All investment income, including changes in the fair value of investments (unrealized gains and losses), is reported as nonoperating revenue in the Statement of Revenues, Expenses and Changes in Net Position.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprises' sales and services. Receivables also include amounts due from the federal, 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 allowance for doubtful accounts.

Notes Receivable

Notes receivable consist of amounts due from Federal Perkins Loan Program and Nursing Student Loan Program.

Prepaid Expenses

The University's prepaid expenses include membership dues, subscriptions, maintenance and support, lease payments, and insurance payments for fiscal years through 2027 that were paid in advance as of June 30, 2022.

Inventories

Inventories are valued at the lower of cost (generally determined on the first-in, first-out method) or market, and consist primarily of expendable supplies held for consumption.

Noncurrent Cash and Investments

Cash and investments that are externally restricted to make debt service payments, reserve funds, or purchase or construct capital and other noncurrent assets, are classified as noncurrent assets in the Statement of Net Position.

Capital Assets

Capital assets include land, buildings and other improvements, library materials, equipment, intangibles, and infrastructure assets such as campus lighting. Intangible assets include computer software and right to use lease assets. Capital assets generally are defined by the University as assets with an estimated useful life in excess of one year and an initial cost of $5,000 or more, except for computer software which is capitalized at a cost of $100,000. Library materials are valued using published average prices for library acquisitions. Donated capital assets are recorded at the acquisition value at the date of donation, with the exception of intra-entity capital asset donations which, in accordance with GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, are recorded at the carrying value of the asset on the transferor's books as of the date of transfer. Other assets are recorded at actual cost or estimated historical cost if purchased or constructed, except for intra-entity purchases which are recorded at the transferor's carrying value. Expenses for major capital assets and improvements (construction in progress) are capitalized as projects are constructed. 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. Certain maintenance and replacement reserves have been established to fund costs relating to residences and other auxiliary activities.

Depreciation and amortization 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	5-50 years
Other improvements and infrastructure	2-30 years
Equipment	2-25 years
Library materials	5 years
Intangible assets:	
Computer software	3-25 years
Right to use assets	2-45 years

Right to use lease assets represent the University's right to use an underlying asset for a lease term, and are initially measured as the sum of the following:

- Amount of the initial measurement of the related lease liability
- Lease payments made prior to the commencement of the lease term, less any lease incentives
- Initial direct costs that are ancillary charges necessary to place the lease asset into service

Right to use lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Amortization expense is combined with depreciation expense in the Statement of Revenues, Expenses, and Changes in Net Position.

Accrued Compensated Absences

Accrued leave reflected in the accompanying financial statements represents the amount of annual, sick, and compensatory leave earned but not taken as of June 30, 2022. The amount reflects all earned vacation, sick, and compensatory leave payable under the Commonwealth of Virginia's leave pay-out policy and the University's faculty administrators' leave pay-out policy upon employment termination. The applicable share of employer related taxes payable on the eventual termination payments is also included.

Pensions

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

Other Post-Employment Benefits (OPEB)

- Group Life Insurance

The VRS Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees or participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- State Employee Health Insurance Credit Program

The VRS State Employee Health Insurance Credit Program is a single employer plan that is presented as a multiple-employer, cost-sharing plan. The State Employee Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The State Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired state employees. For purposes of measuring the net State Employee Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the State Employee Health Insurance Credit Program OPEB, and the State Employee Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the VRS State Employee Health Insurance Credit Program; and the additions to/deductions from the VRS State Employee Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- VRS Disability Insurance Program

The VRS Disability Insurance Program (Virginia Sickness and Disability Program) is a single employer plan that is presented as a multiple-employer, cost-sharing plan. The Disability Insurance Program was established pursuant to §51.1-1100 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Disability Insurance Program is a managed care program that provides sick, family and personal leave, and short term and long term disability benefits for State Police Officers, state employees, and VaLORS employees. For purposes of measuring the net Disability Insurance Program OPEB asset, deferred outflows of resources and deferred inflows of resources related to the Disability Insurance Program OPEB, and Disability Insurance Program OPEB expense, information about the fiduciary net position of the VRS Disability Insurance Program OPEB Plan and the additions to/deductions from the VRS Disability Insurance Program OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- Line of Duty Act Program

The VRS Line of Duty Act Program is a multiple-employer, cost-sharing plan. The Line of Duty Act Program was established pursuant to §9.1-400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Line of Duty Act Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. For purposes of measuring the net Line of Duty Act Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Line of Duty Act Program OPEB, and Line of Duty Act Program OPEB expense, information about the fiduciary net position of the VRS Line of Duty Act Program OPEB Plan and the additions to/deductions from the VRS Line of Duty Act Program OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- Pre-Medicare Retiree Healthcare

Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes. The program was established by Title 2.2, Chapter 28 of the *Code of Virginia*, for retirees who are not yet eligible to participate in Medicare. It is the same health insurance program offered to active employees and managed by the Virginia Department of Human Resource Management. After retirement, the University no longer subsidizes the retiree's premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, retiree rates are effectively lower than what might otherwise be available outside of this benefit.

Lease Liabilities

Lease liabilities are the University's obligation to pay owners for the right to use the present service capacity of their assets. The University determines if an arrangement contains a long term lease obligation at the inception of a contract. The lease classification is determined at the commencement date, the date the University has the right to control the property. The lease term includes renewal options that are reasonably certain of being exercised. Lease liabilities are measured at the present value of payments expected to be made during the lease term. Short term leases with a term of 12 months or less, including all applicable renewal options, and/or a present value of future minimum lease payments of less than $50,000 are not recorded on the Statement of Net Position and are recognized as outflows of resources in the period to which the payments relate. Measurement of the lease liability includes the following, if required by a lease:

- Fixed payments
- Variable payments that are fixed in substance
- Amounts that are reasonably certain of being required to be paid under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain that the University will exercise that option
- Payments for penalties for terminating the lease
- Any lease incentives
- Any other payments that are reasonably certain of being required based on an assessment of all relevant factors

Variable payments are not included in the measurement of the lease liability and are recognized as outflows of resources in the period to which those payments relate.

For measurement of lease liabilities, the present value of payments expected to be made during the lease term is calculated using the discount rate implicit in the lease agreement.

For real estate leases, the present value of payments expected to be made during the lease term is calculated using the discount rate implicit in the lease agreement and if unavailable, then the University will use the current market rate for lending for office properties within the Commonwealth. For equipment leases, the present value of payments expected to be made during the lease term is calculated using the discount rate implicit in the lease agreement and if unavailable, the University will use the incremental default rate in the Commonwealth's lease accounting system at the beginning of the lease term.

Unearned Revenue

Unearned revenue represents revenue collected but not earned as of June 30. This primarily includes amounts received for tuition and fees and certain auxiliary activities as well as advance payments received on grants and contracts prior to the end of the fiscal year but related to the period after June 30, 2022.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of bonds payable and long term lease obligations with contractual maturities greater than one year as well as estimated amounts for accrued compensated absences that will not be paid within the next fiscal year. Also included is pension liability for defined benefit plans administrated by the VRS and OPEB liability for OPEB plans managed by VRS. The Pre-Medicare Retiree Healthcare OPEB is administered by Department of Human Resource Management (DHRM).

Discounts, Premiums, and Bond Issuance Costs

Bonds payable on the Statement of Net Position are reported net of related discounts and premiums, which are amortized over the life of the debt. Debt issuance costs are expensed as non-operating expenses.

Deferred Inflows and Outflows of Resources

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

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

Net Position

GASB standards require the classification of net position into three components: net investment in capital assets, amounts that are restricted, and amounts that are unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets consists of total investments in capital assets, net accumulated depreciation, and outstanding debt obligations.

Restricted Net Position:

Nonexpendable includes endowment and similar type assets whose use is limited by donors or other outside sources, and as a condition of the gift, the principal is to be maintained in perpetuity.

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 Position represents resources derived from student tuition and fees, state appropriations, unrestricted gifts, interest income, and sales and services of educational departments and auxiliary enterprises.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. Restricted funds remain classified as such until restrictions have been satisfied.

Classification of Revenues and Expenses

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

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, such as state appropriations, investment, and interest income.

Nonoperating expenses primarily include interest on debt related to the purchase of capital assets, losses on the disposal of capital assets, and payments to the Commonwealth related to debt service. All other expenses are classified as operating expenses.

Scholarship Allowances

Student tuition and fee revenues and certain other revenues from charges to students are reported net of scholarship allowances in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship allowances are the differences between the actual charge for goods and services provided by the University and the amounts that are paid by students and/or third parties on the students' behalf. Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). The alternative method is a simple proportionality algorithm that computes scholarship discounts and allowances on a university-wide basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

Student financial assistance grants and other federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenues in the accompanying Statement of Revenues, Expenses and Changes in Net Position. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the University has recorded a scholarship allowance.

Federal Financial Assistance Programs

The University participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study, Stafford Loans, Parent Loans for Undergraduate and Graduate Students (PLUS and GPLUS), and Teacher Education Assistance for College and Higher Education grants (TEACH). Federal programs are audited in accordance with generally accepted governmental auditing standards.

Commonwealth Equipment and Capital Project Reimbursement Programs

The Commonwealth has established several programs to provide state-supported institutions of higher education with bond proceeds for financing the acquisition and replacement of instructional and research equipment and facilities. During fiscal year 2022, funding has been provided to the University from two programs managed by the Virginia College Building Authority (VCBA): 21st Century program and Equipment Trust Fund. The VCBA issues bonds and uses the proceeds to reimburse the University and other institutions of higher education for expenses incurred in the acquisition of equipment and facilities. The liability is assumed by the Commonwealth and is not reflected as a liability of the University.

The Statement of Net Position line item "Due from the Commonwealth" includes pending reimbursement at year end from these programs, as further described in Note 4. The Statement of Revenue, Expenses and Changes in Net Position line item "Proceeds from VCBA 21st Century and Equipment Trust Fund bond reimbursement programs" includes reimbursements during the year for the acquisition of equipment and facilities under these programs.

New Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. For the University, the requirements of this Statement are effective as of the fiscal year beginning July 1, 2021.

The University adopted this new accounting standard on July 1, 2021, on a retrospective basis and applied the new standard to all leases existing as of July 1, 2021. This resulted in the recognition of lease liabilities of $118,316,365 and right to use lease assets of $114,818,267, net of accumulated amortization, on the Statement of Net Position as of June 30, 2022. See Note 5 – Capital Assets and Note 7 – Noncurrent Liabilities.

Right to Use Assets

ODU has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease prepayments necessary to place the lease into service. The related assets are reported in the right to use leased assets subsection of Note 5 – Capital Assets. The right to use assets are amortized on a straight-line basis over the life of the related lease or the life of the asset, if shorter than the lease term.

Beginning Net Position Restatement

In addition to the restatement of beginning net position related to the implementation of GASB 87, during the year the University became aware of certain balances which had not been reported correctly in prior fiscal years. The restatement table below reflects the effect of the implementation of GASB 87, prior period equipment and infrastructure disposals, correction of other assets related to assets held at the Foundations, recognition of prior period amortization of unearned revenue related to a long term service contract, and recognition of prior period deposit forfeiture revenue.

Beginning net position - July 1, 2021	$ 503,771,630
Net depreciable capital assets - building	(56,291,196)
Long term right to use capital asset, net	45,589,573
Equipment disposals	(42,348)
Other assets	(2,100,000)
Amortization of unearned revenue	(4,149,414)
Deposit forfeitures	714,100
Adjusted beginning net position	$ 487,492,344

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The following information is provided with respect to the University's cash, cash equivalents, and investments as of June 30, 2022. The following risk disclosures are required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*:

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The University is not exposed to custodial credit risk at June 30, 2022.

Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations. GASB Statement No. 40, *Deposit and Investment Risk Disclosures,* requires the disclosure of the credit quality rating on any investments subject to credit risk. The University does not have a credit rate risk policy. The University's portfolio can be characterized as having minimal exposure to credit risk as indicated by the majority of credit ratings being A- or better.

Concentration of credit risk - The risk of loss attributed to the magnitude of a government's investment in a single issuer of fixed income securities. The University does not have a concentration of credit risk policy. As of June 30, 2022, the University does not have investments in any one issuer (excluding investments issued or explicitly guaranteed by the U.S. government and mutual fund or pool investments) representing 5% or more of its total investments.

Interest rate risk - The risk that changes in interest rates will adversely affect the fair value of an investment. GASB Statement No. 40, *Deposit and Investment Risk Disclosures,* requires disclosure of maturities for any investments subject to interest rate risk. None of the University's investments are considered highly sensitive to changes in interest rates. The University does not have an interest rate risk policy. Interest rate information is organized by investment type and amount using maturity.

Foreign currency risk - The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University has no foreign deposits but does have foreign investments through pooled investments for June 30, 2022. The foreign investments are traded in U.S. dollars, and the risk is considered to be low. The University does not have a foreign currency risk policy.

Cash and Cash Equivalents

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 deposits held by the University are maintained in accounts that are collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400, et seq., *Code of Virginia*. Cash and cash equivalents represent cash with the Treasurer, cash on hand, and temporary investments with original maturities of 90 days or less, and cash equivalents with the Virginia State Non-Arbitrage Program (SNAP). SNAP offers a professionally managed money market mutual fund, which provides a temporary pooled investment vehicle for proceeds pending expenditure, and with record keeping, depository, and arbitrage rebate calculations. SNAP complies will all standards of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. SNAP investments are reported using the net asset value (NAV) per share, which is calculated on an amortized cost basis that provides a NAV that approximates fair value. Cash and cash equivalents reporting requirements are defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting.*

Cash with Treasurer of Virginia	$ 112,723,233
Cash not with Treasurer of Virginia	43,989,753
Cash equivalent	10,492,528
Total current cash and cash equivalents	$ 167,205,514

Deposits

At June 30, 2022, the carrying value of the University's deposit with banks was $66,336,308 and the bank balance was $69,047,421. The carrying value of deposits differs from the bank balance because of reconciling items such as deposits in transit and outstanding checks. The deposits of the University are secured in accordance with the provisions of the Virginia Security for Public Deposits Act, Section 2.2-4400, et seq., of the *Code of Virginia*. The act requires any public depository that receives or holds public deposits to pledge collateral to the Treasury Board to cover public deposits in excess of federal deposit insurance. The required collateral percentage is determined by the Treasury Board and ranges from 50% to 100% for financial institutions choosing the pooled method of collateralization and from 105% to 130% for financial institutions choosing the dedicated method of collateralization. At June 30, 2022, the University's deposits were not exposed to custodial credit risk.

Investments

The investment policy of the University is established by the Board of Visitors and monitored by the Board's Administration and Finance Committee. Authorized investments include U.S. Treasury and agency securities, municipal securities, corporate debt securities of domestic corporations, agency mortgage-backed securities, negotiable certificates of deposit, repurchase agreements, common and preferred equities, and mutual and money market funds.

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. Long term investments have an original maturity greater than one year.

Security Lending Transactions

The University participates in the State Treasury's securities lending program. Collateral held for security lending transactions of $10,292,987 represents the University's allocated share of cash collateral received and reinvested and securities received by the State Treasury securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Annual Comprehensive Financial Report.

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.

Fair Value Measurement

The University implemented GASB Statement No. 72, *Fair Value Measurement and Application,* which establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 - inputs are quoted prices for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs are unobservable inputs for an asset or liability and should be used only when relevant level 1 and level 2 inputs are unavailable.

The University establishes the fair value of its investments in funds that do not have a readily determinable fair value by using NAV per share, or its equivalent, as reported by the external fund manager when NAV per share is calculated as of the measurement date in a manner consistent with FASB's measurement principles for investment companies.

Investments measured at NAV are held with Old Dominion University Educational Foundation and Commonfund. Balances at June 30, 2022, were $27,333,173 and $6,924,751, respectively.

The Educational Foundation manages the University's investments using the same investment strategy as endowments, which they also manage. The primary investment objective of the endowment is to provide a real rate of return over inflation sufficient to support, in perpetuity, the mission of the University. To achieve the endowment objective, the endowment's assets are invested to generate appreciation and/or dividend and interest income while maintaining acceptable risk levels. To accomplish this goal, the endowment diversifies assets among several asset classes. The investment objective of Commonfund is to produce a total rate of return in excess of its benchmark, the Bank of America Merrill Lynch 1 – 3 Year Treasury Index, but attaches greater emphasis to its goal of generating a higher current yield than short term money market investments in a manner that mitigates the chances of a negative total return over any 12 month period. Commonfund seeks to achieve its investment objective by allocating assets to managers who employ various strategies emphasizing sector rotation, security selection, yield curve position, liquidity, and diversification.

Investments Measured at Fair Value including categorization of credit quality and interest rate risk

Investments held on June 30, 2022

	Standard & Poor's Credit Quality Rating	Value	Less than 1 Year	1-5 Years	6-10 Years	Fair Value Measurement (Per GASB 72): Not Applicable to Fair Value Measurement	Level 1 [(3)]	Level 2 [(4)]
Cash Equivalents:								
Treasurer of VA (Securities Lending)	NA	$ 10,492,528	$ 10,492,528	$ -	$ -	$ 10,492,528		
SNAP	AAAm	18,292,582	18,292,582	-	-	18,292,582		
Total Cash Equivalents		$ 28,785,110	$ 28,785,110	$ -	$ -	$ 28,785,110		
Investments by Fair Value:								
U.S. Treasury Securities [(1)]	NA	$ 913,491	$ 82,913	$ 473,980	$ 356,598	-	$ 913,491	$ -
Corporate Bonds	AAA	32,974	-	32,974	-	-	-	32,974
	AA+	20,341	-	-	20,341	-	-	20,341
	AA	44,096	-	44,096	-	-	-	44,096
	AA-	45,688	-	22,137	23,551	-	-	45,688
	A+	30,425	-	-	30,425	-	-	30,425
	A	283,128	-	185,239	97,889	-	-	283,128
	A-	117,957	45,072	32,955	39,930	-	-	117,957
Municipal Securities	AAA	108,141	-	108,141	-	-	-	108,141
	AA+	125,107	-	100,921	24,186	-	-	125,107
	AA	53,745	-	53,745	-	-	-	53,745
U.S. Government Agency Mortgage Backed	AA+	208,062	49,971	107,855	50,236	-	208,062	-
Foreign Bonds/Notes	AA-	45,918	-	45,918	-	-	-	45,918
	A+	33,252	-	33,252	-	-	-	33,252
	A	66,494	-	66,494	-	-	-	66,494
	A-	97,937	-	97,937	-	-	-	97,937
Mutual Funds Equity [(2)]		2,370,017	-	-	-	-	2,370,017	-
Mutual Funds - Intl Equity [(2)]		246,897	-	-	-	-	246,897	-
Total Investments by Fair Value		$ 4,843,670	$ 177,956	$ 1,405,644	$ 643,156		$ 3,738,467	$ 1,105,203
Investments Measured at NAV:								
Mutual Funds	AA	$ 6,924,751	$ -	$ 6,924,751	$ -			
Investment in ODU Educational Foundation External Investment Pool	NA	27,333,173	-	27,333,173	-			
Total Investments Measured at the NAV		$ 34,257,924	$ -	$ 34,257,924	$ -			
Total Cash Equivalents and Investments		$ 67,886,704	$ 28,963,066	$ 35,663,568	$ 643,156			

(1) Credit quality ratings are not required for U.S. government and agency securities that are explicitly guaranteed by the U.S. government and equity funds.

(2) Credit quality ratings and interest rate risk are not required by equity investments.

(3) Level 1 is based upon quoted market prices.

(4) Level 2 is based on quoted prices for similar instruments in active markets or quoted markets for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets.

Additional Disclosure for Investments Measured using NAV Estimate

	Fair Value	Redemption Frequency	Redemption Notice Period
Mutual Funds	$ 6,924,751	Weekly	5 Business Days
Investment in ODU Educational Foundation External Investment	27,333,173	N/A	N/A
	$ 34,257,924		

NOTE 3: DONOR RESTRICTED ENDOWMENT

Investments of the University's endowment funds are pooled and consist primarily of gifts and bequests, the use of which is restricted by donor-imposed limitations.

The Uniform Prudent Management of Institutional Funds Act, Code of Virginia Section 64.2-1100 et. seq., permits the spending policy adopted by the Board of Visitors to appropriate an amount of realized and unrealized endowment appreciation as the Board determines to be prudent. In determining the amount of appreciation to appropriate, the Board is required by the Act to consider such factors as long term and short term needs of the institution, present and anticipated financial requirements, expected total return on investments, price level trends, and general economic conditions. The amount available for spending is determined by applying a predetermined rate to the twelve-quarter moving average of the market value of each endowment for the period ending on the previous September 30. For fiscal year 2022, the rate was 4.0%. The rate is reviewed and adjusted annually, as deemed prudent.

At June 30, 2022, net appreciation of $1,844,709 is reflected in the following Net Position components: $134,779 in Restricted for Nonexpendable Scholarships and Fellowships, $231,385 in Restricted for Expendable Scholarships and Fellowships, and $1,478,545 in Unrestricted.

NOTE 4: ACCOUNTS RECEIVABLE

A. Accounts receivable consisted of the following at June 30, 2022:

Student Tuition and Fees	$ 18,191,115
Auxiliary Enterprise	3,712,453
Federal, State, and Non-governmental Grants and Contracts	34,328,159
Other Activities	1,280,989
Gross Receivables	57,512,716
Less Allowance for Doubtful Accounts	(4,188,708)
Net Accounts Receivable	$ 53,324,008

B. Due from the Commonwealth consisted of the following at June 30, 2022:

9(c) General Obligation Bond requisition	$	1,198,518
Virginia College Building 21st Century Bond reimbursement		929,172
Total due from Commonwealth of Virginia	$	2,127,690

NOTE 5: CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2022, is presented below. Beginning balances have been restated due to the implementation of GASB 87 and to reflect corrections for prior period equipment and infrastructure disposals.

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$ 37,040,495	$ -	$ -	$ 37,040,495
Construction in progress	151,949,358	38,937,954	133,393,073	57,494,239
Total nondepreciable capital assets	188,989,853	38,937,954	133,393,073	94,534,734
Depreciable and amortizable capital assets:				
Buildings	795,729,847	128,419,043	-	924,148,890
Equipment	115,000,070	6,017,652	138,218	120,879,504
Infrastructure	3,256,142	2,372,435	-	5,628,577
Improvements other than buildings	17,123,677	-	-	17,123,677
Library books	59,717,662	624,955	9,372	60,333,245
Intangible assets				
Computer software	3,744,003	121,713	-	3,865,716
Right to use leased assets				
Buildings	116,799,219	1,375,241	268,037	117,906,423
Equipment	178,671	-	-	178,671
Land	2,456,188	-	-	2,456,188
Total depreciable and amortizable capital assets	1,114,005,479	138,931,039	415,627	1,252,520,891
Less accumulated depreciation and amortization for:				
Buildings	305,476,655	17,939,526	-	323,416,181
Equipment	77,464,896	6,146,104	23,099	83,587,901
Infrastructure	2,286,674	297,194	-	2,583,868
Improvements other than buildings	12,880,790	571,511	-	13,452,301
Library books	58,569,306	575,879	9,373	59,135,812
Intangible assets				
Computer software	2,515,191	179,439	-	2,694,630
Right to use leased assets				
Buildings	-	6,708,746	53,607	6,655,139
Equipment	-	4,549	-	4,549
Land	-	165,370	-	165,370
Total accumulated depreciation and amortization	459,193,512	32,588,318	86,079	491,695,751
Depreciable and amortizable capital assets, net	654,811,967	106,342,721	329,548	760,825,140
Total capital assets, net	$ 843,801,820	$ 145,280,675	$ 133,722,622	$ 855,359,873

NOTE 6: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2022:

Employee salaries, wages, and fringe benefits payable	$	22,227,132
Retainage payable		1,753,685
Interest payable		1,787,806
Virginia Retirement System payable		1,172,860
Vendors and suppliers accounts payable		17,374,503
Current liabilities - accounts payable and accrued expenses	$	44,315,986

NOTE 7: NONCURRENT LIABILITIES

The University's noncurrent liabilities consist of long term debt (further described in Note 8) and other noncurrent liabilities. A summary of changes in noncurrent liabilities for the year ending June 30, 2022, is presented below. Lease liability beginning balance has been restated due to the implementation of GASB 87:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Current Portion
Long term debt:					
General Obligation bonds	$ 101,094,403	$ -	$ 1,446,372	$ 99,648,031	$ 6,507,893
Revenue bonds	123,464,782	5,304,277	6,346,538	122,422,521	5,385,000
Total long term debt	224,559,185	5,304,277	7,792,910	222,070,552	11,892,893
Accrued compensated absences	10,809,422	8,159,117	9,383,393	9,585,146	6,985,412
Lease Liability	119,070,619	1,553,912	3,464,714	117,159,817	3,236,729
Net pension liability	158,035,756	-	78,067,187	79,968,569	-
OPEB liability	52,458,194	-	9,988,568	42,469,626	841,032
Federal loan program contributions	559,802	-	-	559,802	-
Total long term liabilities	$ 565,492,978	$ 15,017,306	$ 108,696,772	$ 471,813,512	$ 22,956,066

The University is committed under various long term right to use leases for buildings, land, and equipment. In general, the leases are for varying terms up to 30 years with varying renewal options up to 30 years, for each type of lease. Discount rates for real estate leases ranged from 5.75% - 7.5%, and a discount rate of 3.25% was used for equipment leases. See Note 1 - Lease Liabilities for details on determining discount rates.

Four leases include a purchase option at the end of the lease term for $1 each. Many leases include escalation clauses, commonly ranging between 2.0% - 2.5%. For leases that include a clause restricting the use of the premises, the majority restrict the use to University needs or specifically for the operation of a University program. One restricts the use for a museum, and another restricts the use for a bookstore, café, and office.

Not included in the lease liability is a variable lease for equipment. This lease is paid monthly including both variable and fixed terms for rental of equipment, maintenance and supplies and has six-one year renewal options remaining. Because the fixed amounts could not be isolated from the variable, this lease was considered variable in whole. In FY2022, the University paid $83.2 thousand in rental payments related to this agreement.

The University has, as of June 30, 2022, the following future minimum rental payments due under the above leases:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2023	$ 3,236,729	$ 7,905,996	$ 11,142,725
2024	3,321,995	7,723,346	11,045,341
2025	3,320,736	7,539,894	10,860,630
2026	3,642,393	7,347,652	10,990,045
2027	3,778,063	7,139,743	10,917,806
2028 - 2032	21,868,240	32,092,136	53,960,376
2033 - 2037	7,323,352	27,344,461	34,667,813
2038 - 2042	8,184,970	25,179,223	33,364,193
2043 - 2047	16,188,820	20,749,149	36,937,969
2048 - 2052	28,507,240	12,574,592	41,081,832
2053 - 2055	17,787,278	1,601,620	19,388,898
Total	$ 117,159,816	$ 157,197,812	$ 274,357,628

NOTE 8: LONG TERM DEBT

The University has issued two categories of bonds pursuant to Section 9 of Article X of the Constitution of Virginia. Section 9(c) bonds are general obligation bonds issued by the Commonwealth of Virginia on behalf of the University which are secured by the net revenues of the completed project and the full faith, credit, and taxing power of the Commonwealth 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 of Virginia, legally, morally, or otherwise. Pledged General 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 9(d) bonds through the VCBA's Pooled Bond Program created by the Virginia General Assembly in 1996. Through the Pooled Bond Program, the VCBA 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, not otherwise obligated, also secures these notes.

Description	Interest Rates	Maturity	As of June 30, 2022
General Obligation bonds:			
Dormitory, Series 2010A	3.45% - 4.40%	2030	915,000
Dormitory, Series 2012A	5.00%	2024	654,765
Dormitory, Series 2013B	4.00%	2025	349,247
Dormitory, Series 2013B	4.00%	2026	2,352,314
Dormitory, Series 2013B	4.00% - 5.00%	2025	2,954,452
Dormitory, Series 2015B	5.00%	2027	2,050,327
Dormitory, Series 2015B	5.00%	2028	15,889,222
Dormitory, Series 2019A	2.00% - 5.00%	2039	44,545,000
Dormitory, Series 2020A	1.625% - 4.00%	2040	10,005,000
Dormitory, Series 2021A	5.00%	2032	170,000
Dormitory, Series 2021A	5.00%	2028	695,000
Dormitory, Series 2021A	3.00%	2029	875,000
Dormitory, Series 2021A	5.00%	2029	1,620,000
Dormitory, Series 2021A	3.00%	2030	2,125,000
Dormitory, Series 2021A	2.00%	2040	1,755,000
Dormitory, Series 2021B	2.45%	2041	1,930,000
Dormitory, Series 2021B	5.00%	2026	215,000
Dormitory, Series 2021B	3.00%	2027	255,000
Dormitory, Series 2021B	5.00%	2027	395,000
Dormitory, Series 2021B	3.00%	2028	505,000
Total General Obligation bonds			90,255,327
Revenue bonds:			
Recreation, Series 2021B	5.00%	2024	1,605,000
Recreation, Series 2021B	5.00%	2024	490,000
Parking, Series 2021B	0.48% - 0.61%	2026	405,000
Parking, Series 2021B	0.48% - 0.77%	2027	1,130,000
Parking, Series 2014B	4.00% - 5.00%	2026	2,085,000
Parking, Series 2015B	3.00% - 5.00%	2029	2,535,000
Parking, Series 2016A	3.00% - 5.00%	2028	1,235,000
Athletic Fac. Exp., Series 2021B	0.48% - 0.77%	2027	655,000
Athletic Fac. Exp., Series 2021B	0.48% - 0.94%	2028	980,000
Athletic Fac. Exp., Series 2014B	4.00%	2026	255,000
Athletic Fac. Exp., Series 2014B	5.00%	2024	115,000

Description	Interest Rates	Maturity	As of June 30, 2022
Athletic Fac. Exp., Series 2016A	3.00%	2027	190,000
Athletic Fac. Exp., Series 2016A	3.00% - 5.00%	2028	60,000
H&PE Renovation, Series 2021B	0.48% - 0.77%	2027	550,000
H&PE Renovation, Series 2021B	0.48% - 0.94%	2028	980,000
H&PE Renovation, Series 2014B	4.00%	2026	255,000
H&PE Renovation, Series 2014B	4.00% - 5.00%	2026	3,860,000
H&PE Renovation, Series 2016A	3.00% - 5.00%	2028	2,285,000
Indoor Tennis Court, Series 2021B	0.48% - 0.77%	2027	410,000
Indoor Tennis Court, Series 2012A	0.48% - 0.94%	2028	765,000
Indoor Tennis Court, Series 2014B	4.00%	2026	200,000
Indoor Tennis Court, Series 2014B	5.00%	2024	30,000
Indoor Tennis Court, Series 2014B	4.00% - 5.00%	2026	65,000
Indoor Tennis Court, Series 2016A	3.00%	2027	35,000
Indoor Tennis Court, Series 2016A	3.00% - 5.00%	2028	30,000
Dormitory, Series 2021B	0.48% - 0.94%	2028	6,405,000
Dormitory, Series 2014B	4.00%	2026	1,670,000
Powhatan Sports Ctr, Series 2010A	4.35% - 5.50%	2031	495,000
Powhatan Sports Ctr, Series 2014A	5.00%	2035	275,000
Powhatan Sports Ctr, Series 2014B	4.00% - 5.00%	2026	1,595,000
Powhatan Sports Ctr, Series 2015B	3.00% - 5.00%	2029	12,780,000
Powhatan Sports Ctr, Series 2016A	3.00% - 5.00%	2028	945,000
Powhatan Sports Ctr, Series 2021B	0.48% - 2.21%	2037	2,445,000
Webb Center Expansion, Series 2021B	0.48% - 2.21%	2037	2,060,000
Webb Center Expansion, Series 2016A	3.00% - 5.00%	2030	360,000
Webb Center Expansion, Series 2014A	5.00%	2025	235,000
Campus Dining Impr., Series 2021B	0.48% - 2.21%	2037	17,045,000
Campus Dining Impr., Series 2014A	5.00%	2025	1,910,000
Foreman Field Reconstruction, Series 2018A	4.00% - 5.00%	2039	37,090,000
Student Health and Wellness, Series 2019A	2.25% - 5.00%	2040	3,425,000
Student Health and Wellness, Series 2022A	3.00% - 5.00%	2041	4,610,000
Total revenue bonds			114,675,000
Total bonds			204,930,327
Unamortized bond premium, General Obligation bonds			9,392,704
Unamortized bond premium, revenue bonds			7,747,521
Total bonds and unamortized bond premiums			$ 222,070,552

Long term debt matures as follows:

	Principal	Interest
2023	$ 11,892,893	$ 7,412,399
2024	19,285,941	6,733,427
2025	17,812,345	6,048,271
2026	18,591,626	5,346,099
2027	18,978,670	4,626,203
2028-2032	55,443,852	14,832,856
2033-2037	42,190,000	6,834,313
2038-2042	20,735,000	1,034,732
Total	$ 204,930,326	$ 52,868,301

The Commonwealth of Virginia, on behalf of the University, issued bonds in previous fiscal years for which the proceeds were deposited into an irrevocable trust with an escrow agent to provide for all future debt service on the refunded bonds. Accordingly, the trust account assets and the related liability for the defeased bonds are not reflected in the University's financial statements. At June 30, 2022, $26,250,000 of the defeased bonds were outstanding. Gains or losses associated with refunding transactions are reflected as deferred inflows and outflows, respectively, and are amortized over the shorter of the life of the old or new debt.

NOTE 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 Position, and by natural classification which is the basis for amounts shown in the Statement of Cash Flows.

	Compensation and Benefits	Goods and Services	Scholarships and Fellowships	Plant and Equipment	Depreciation/ Amortization	Total
Instruction	$ 154,723,597	$ 21,517,940	$ -	$ 1,140,847	$ -	$ 177,382,384
Research	8,193,028	3,748,410	-	1,069,118	-	13,010,556
Public service	73,808	65,651	-	-	-	139,459
Academic support	29,268,706	11,069,555	-	5,707,005	-	46,045,266
Student services	14,191,617	3,336,204	-	145,659	-	17,673,480
Institutional support	33,308,820	20,822,961	-	1,064,972	-	55,196,753
Operation and maintenance of plant	13,098,878	12,444,781	-	2,001,829	-	27,545,488
Depreciation/amortization expense	-	-	-	-	32,588,319	32,588,319
Student aid	-	393,887	49,845,350	-	-	50,239,237
Auxiliary activities	28,478,970	55,076,041	938,845	14,252,209	-	98,746,065
Total	$ 281,337,424	$ 128,475,430	$ 50,784,195	$ 25,381,639	$ 32,588,319	$ 518,567,007

NOTE 10: APPROPRIATIONS

The University receives state and capital 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 appropriations received by the University, including all supplemental appropriations and reversions:

Original legislative appropriation per Chapter 552:	
Educational and general programs	$ 148,448,380
Student financial assistance/grants	32,729,311
Supplemental adjustments:	
Affordable Access funding	7,307,600
Online Virginia Network Authority (OVN)	1,850,000
Grants	9,898,384
Education and general reversion	(19,542,904)
Reappropriated FY2021 cash	30,398,569
General Fund Central Appropriations distributions	6,446,531
The Virtual Library of Virginia	21,841
Credit card rebates and interest	467,217
Tech talent investment pipeline	1,480,916
Adjusted appropriations	$ 219,505,845

Capital project general fund appropriations were recognized by the University from the Commonwealth for the year ended June 30, 2022. During the year, $3,670,222 million in capital appropriations have been allocated to E&G maintenance reserve projects.

NOTE 11: COMPONENT UNIT FINANCIAL INFORMATION

The University's component units are presented in the aggregate on the face of the financial statements. Below is a condensed summary of each foundation and the corresponding footnotes. The University has four component units - Old Dominion Athletic Foundation, Old Dominion University Educational Foundation, Old Dominion University Real Estate Foundation, and Old Dominion University Research Foundation. The Old Dominion Athletic Foundation, Old Dominion University Educational Foundation, and the Old Dominion University Real Estate Foundation all have a December 31 year end, while the Old Dominion University Research Foundation's year ends on June 30. These organizations are separately incorporated entities and other auditors examine the related financial statements.

	Old Dominion Athletic Foundation	Old Dominion University Educational Foundation	Old Dominion University Real Estate Foundation	Old Dominion University Research Foundation	TOTAL
STATEMENT OF NET POSITION					
ASSETS					
Current assets:					
Cash and cash equivalents	$ 4,093,856	$ 358,200	$ 5,557,888	$ 11,906,968	$ 21,916,912
Accounts receivable, net	84,992	51,432	3,784,711	17,382,842	21,303,977
Contributions receivable, net	5,096,285	3,414,616	-	-	8,510,901
Travel advances	-	-	-	85,986	85,986
Prepaid expenses	96,814	31,099	207,305	893,339	1,228,557
Other assets	82,885	207,037	-	-	289,922
Total current assets	9,454,832	4,062,384	9,549,904	30,269,135	53,336,255
Noncurrent assets:					
Investments	57,794,792	321,146,507	3,190,101	6,164,177	388,295,577
Accounts receivable	-	-	33,333,460	-	33,333,460
Contributions receivable, net	7,978,330	6,568,018	3,914,811	-	18,461,159
Nondepreciable capital assets	-	924,000.00	19,177,409	310,929	20,412,338
Capital assets	90,712	3,217,034	12,885,106	1,950,030	18,142,882
Total noncurrent assets	65,863,834	331,855,559	72,500,887	8,425,136	478,645,416
Total assets	$ 75,318,666	$ 335,917,943	$ 82,050,791	$ 38,694,271	$ 531,981,671
LIABILITIES					
Current liabilities:					
Accounts payable	$ 732,123	$ 463,065	$ 380,173	$ 8,067,249	$ 9,642,610
Unearned revenue	1,990	-	235,486	-	237,476
Deposits held in custody for others	-	-	24,634	10,454,230	10,478,864
Agency related payables	-	30,052,283	-	-	30,052,283
Line of credit	-	-	5,110,986	-	5,110,986
Long-term liabilities – current portion	-	141,525	4,380,963	-	4,522,488
Total current liabilities	734,113	30,656,873	10,132,242	18,521,479	60,044,707
Noncurrent liabilities	-	666,017	52,111,931	-	52,777,948
Total liabilities	734,113	31,322,890	62,244,173	18,521,479	112,822,655
NET POSITION					
Net investment in capital assets	90,712	4,140,436	26,951,529	2,260,959	33,443,636
Permanently restricted	19,273,645	150,262,861	-	-	169,536,506
Temporarily restricted	28,577,843	131,311,313	5,314,811	-	165,203,967
Unrestricted	26,642,353	18,880,443	(12,459,722)	17,911,833	50,974,907
Total net position	$ 74,584,553	$ 304,595,053	$ 19,806,618	$ 20,172,792	$ 419,159,016

	Old Dominion Athletic Foundation	Old Dominion University Educational Foundation	Old Dominion University Real Estate Foundation	Old Dominion University Research Foundation	TOTAL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION					
Operating revenues:					
Gifts and contributions	$ 6,414,035	$ 27,393,793	$ 365,585	$ -	$ 34,173,413
Indirect cost	-	-	-	9,103,479	9,103,479
Sponsored research	-	-	-	47,540,017	47,540,017
Other operating revenues	174,569	458,808	5,990,227	2,249,632	8,873,236
Total operating revenues	6,588,604	27,852,601	6,355,812	58,893,128	99,690,145
Operating expenses:					
Instruction	-	2,682,619	-	-	2,682,619
Research	-	-	-	46,109,803	46,109,803
Academic support	2,527,136	6,198,597	-	-	8,725,733
Institutional support	2,183,364	1,825,358	5,151,304	13,375,156	22,535,182
Operation and maintenance of plant	-	156,724	-	-	156,724
Depreciation	13,978	174,052	523,735	-	711,765
Student aid	3,853,154	3,768,735	-	-	7,621,889
Total operating expenses	8,577,632	14,806,085	5,675,039	59,484,959	88,543,715
Operating gain/(loss)	(1,989,028)	13,046,516	680,773	(591,831)	11,146,430
Investment income/(loss)	8,625,132	29,556,373	3,248,685	(560,171)	40,870,019
Gain on disposal of plant assets	-	(1,100,000)	-	-	(1,100,000)
Contributions to permanent endowments	428,610	9,208,779	-	-	9,637,389
Increase/(decrease) in net position	7,064,714	50,711,668	3,929,458	(1,152,002)	60,553,838
Beginning net position	67,519,839	253,883,385	15,877,160	21,324,794	358,605,178
Ending net position	$ 74,584,553	$ 304,595,053	$ 19,806,618	$ 20,172,792	$ 419,159,016

Contributions Receivable

	Old Dominion Athletic Foundation	Old Dominion University Educational Foundation	Old Dominion University Real Estate Foundation	TOTAL
Current Receivable				
Receivable due in less than one year	$ 5,496,900	$ 3,982,520	$ -	$ 9,479,420
Less allowance for doubtful accounts	400,615	567,904	-	968,519
Net current accounts receivable	5,096,285	3,414,616	-	8,510,901
Receivable due in greater than one year, net of discount ($1,514,111)	8,006,748	9,009,670	3,914,811	20,931,229
Less allowance for doubtful accounts	28,418	2,441,652	-	2,470,070
Net noncurrent contributions receivable	7,978,330	6,568,018	3,914,811	18,461,159
Total contributions receivable	$ 13,074,615	$ 9,982,634	$ 3,914,811	$ 26,972,060

Investments

The Foundations record investments at market value except for real estate held for investment, which is recorded at the lower of cost or fair market value.

Summary Schedule of Investments

	Old Dominion Athletic Foundation	Old Dominion University Educational Foundation	Old Dominion University Real Estate Foundation	Old Dominion University Research Foundation	TOTAL
U.S. treasury and agency securities	$ -	$ -	$ -	$ 4,000,100	$ 4,000,100
Common & preferred stocks	-	88,260,732	-	12,577	88,273,309
Certificates of deposit	-	-	-	1,073,666	1,073,666
Mutual and money market funds	6,355,966	118,939,135	405,281	1,077,834	126,778,216
Partnerships	-	83,894,357	-	-	83,894,357
Managed investments	51,438,826	30,052,283	2,784,820	-	84,275,929
Total	$ 57,794,792	$ 321,146,507	$ 3,190,101	$ 6,164,177	$ 388,295,577

Capital Assets

	Old Dominion Athletic Foundation	Old Dominion University Educational Foundation	Old Dominion University Real Estate Foundation	Old Dominion University Research Foundation	Total
Nondepreciable capital assets:					
Land	$ -	$ 924,000.00	$ 19,177,409	$ -	$ 20,101,409
Construction in progress	-	-	-	310,929	310,929
Total capital assets not being depreciated	-	924,000	19,177,409	310,929	20,412,338
Depreciable capital assets:					
Buildings	-	3,276,000	14,892,193	7,954	18,176,147
Equipment	496,748	68,243	447,088	22,577,814	23,589,893
Total capital assets being depreciated	496,748	3,344,243	15,339,281	22,585,768	41,766,040
Less accumulated depreciation for:					
Buildings	-	59,564	2,233,605	5,391	2,298,560
Equipment	406,036	67,645	220,570	20,630,347	21,324,598
Total accumulated depreciation	406,036	127,209	2,454,175	20,635,738	23,623,158
Total depreciable capital assets, net	90,712	3,217,034	12,885,106	1,950,030	18,142,882
Total capital assets, net	$ 90,712	$ 4,141,034	$ 32,062,515	$ 2,260,959	$ 38,555,220

Long Term Liabilities

Old Dominion University Real Estate Foundation and Old Dominion University Educational Foundation:

Description	Interest Rates	Maturity	As of December 31, 2021
Bonds payable:			
Norfolk Redevelopment & Housing Authority Revenue Bonds Series 2015	3.800%	2033	$ 33,325,000
Norfolk Redevelopment & Housing Authority Revenue Bonds Series 2015	5.465%	2031	7,535,000
Norfolk Airport Authority $10,000,000 Revenue Bond (Barry Art Museum) Series 2016	2.455%	2025	4,444,445
Total bonds payable			45,304,445
Notes payable:			
Bookstore	5.585%	2033	3,494,735
President's House	2.490%	2031	1,325,164
Bank Street	3.100%	2029	822,499
Total notes payable			5,642,398
Total bonds and notes payable			50,946,843
Unamortized bond issuance costs			(38,459)
Other long term liabilities (Real Estate Foundation)			5,584,510
Other long term liabilities (Educational Foundation)			807,542
Total long-term debt			$ 57,300,436

Long term debt maturities are as follows for bonds payable and notes payable:

2022	$ 4,370,577
2023	7,548,014
2024	4,414,102
2025	4,556,020
2026	3,591,890
Thereafter	26,466,240
Total	$ 50,946,843

Other Significant Transactions with Old Dominion University

The University has entered into various Deed of Lease Agreements with Old Dominion University Real Estate Foundation. Under the agreements as of June 30, 2022, the University will repay $42,914,154.

Direct payments to the University from the Old Dominion University Educational Foundation, Old Dominion University Real Estate Foundation, Old Dominion Athletic Foundation, and the Old Dominion University Research Foundation totaled $12,248,187, $2,500, $6,380,290, and $11,084,155, respectively. This includes gift transfers, payments for facilities, and payments for services.

Component Unit Subsequent Event

On May 5, 2021, the Old Dominion Athletic Foundation Board approved funding a portion of the University's locker room renovations at the LR Hill Sports Complex at a cost not to exceed $1,750,000 from assets without donor restrictions, payable over the project period to include September 2022 and reduced by restricted donations raised for this purpose.

NOTE 12: COMMITMENTS

At June 30, 2022, the University was a party to construction contracts totaling approximately $91.1 million of which $31.5 million has been incurred. The University has committed to two future lease agreements totaling $1,795,290.

NOTE 13: RETIREMENT PLANS

Plan Description

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

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

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** Same as Plan 1.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, they were vested as of January 1, 2013, and they have not taken a refund.	**Eligible Members** Employees are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund, or their membership date is prior to July 1, 2010, and they were not vested as of January 1, 2013.	**Eligible Members** Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Full-time permanent, salaried state employees.* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.
Hybrid Opt-In Election VRS Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan	**Hybrid Opt-In Election** Same as Plan 1.	**Non-Eligible Members* Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Members of the Virginia Law Officers' Retirement System (VaLORS). Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions State employees, excluding state elected officials, and optional retirement plan participants, contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments.	**Retirement Contributions** Same as Plan 1.	**Retirement Contributions** A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	**Service Credit** Same as Plan 1.	**Service Credit** *Defined Benefit Component:* Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. *Defined Contributions Component:* Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** *Defined Benefit Component:* Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. *Defined Contributions Component:* Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required, except as governed by law.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** *Defined Benefit Component:* See definition under Plan 1 *Defined Contribution Component:* The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier ***VRS*****:** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. ***VaLORS*****:** The retirement multiplier for VaLORS employees is 1.70% or 2.00%.	**Service Retirement Multiplier** ***VRS*****:** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. ***VaLORS*****:** The retirement multiplier for VaLORS employees is 2.00%.	**Service Retirement Multiplier** *Defined Benefit Component:* ***VRS*****:** The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. ***VaLORS*****:** Not applicable. *Defined Contribution Component:* Not applicable.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Normal Retirement Age ***VRS:*** Age 65. ***VaLORS:*** Age 60.	**Normal Retirement Age** ***VRS:*** Normal Social Security retirement age. ***VaLORS:*** Same as Plan 1.	**Normal Retirement Age** *Defined Benefit Component:* ***VRS:*** Same as Plan 2. ***VaLORS:*** Not applicable. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility ***VRS:*** Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. ***VaLORS:*** Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**Earliest Unreduced Retirement Eligibility** ***VRS:*** Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90. ***VaLORS:*** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** *Defined Benefit Component:* ***VRS:*** Same as Plan 2. ***VaLORS:*** Not applicable. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility ***VRS:*** Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. ***VaLORS:*** Age 50 with at least five years of service credit.	**Earliest Reduced Retirement Eligibility** ***VRS:*** Age 60 with at least five years (60 months) of service credit. ***VaLORS:*** Same as Plan 1.	**Earliest Reduced Retirement Eligibility** *Defined Benefit Component:* ***VRS:*** Same as Plan 2. ***VaLORS:*** Not applicable. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. *Eligibility:* For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. *Exceptions to COLA Effective Dates:* The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short term or long term disability.	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. *Eligibility:* Same as Plan 1 *Exceptions to COLA Effective Dates:* Same as Plan 1	**Cost-of-Living Adjustment (COLA) in Retirement** *Defined Benefit Component:* Same as Plan 2. *Defined Contribution Component:* Not applicable. *Eligibility:* Same as Plan 1 and Plan 2. *Exceptions to COLA Effective Dates:* Same as Plan 1 and Plan 2.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.		
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.	**Disability Coverage** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.	**Disability Coverage** State employees (including Plan 1 and Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP) and are not eligible for disability retirement. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VSDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active-duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** *Defined Benefit Component:* Same as Plan 1, with the following exception: • Hybrid Retirement Plan members are ineligible for ported service. *Defined Contribution Component:* Not applicable.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each state agency's contractually required employer contribution rate for the fiscal year ended June 30, 2021 was 14.46% of covered employee compensation for employees in the VRS State Employee Retirement Plan. For employees in the VaLORS Retirement Plan, the contribution rate was 21.90% of covered employee compensation. These rates were based on actuarially determined rates from an actuarial valuation as of June 30, 2019. The actuarially determined rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the University to the VRS State Employee Retirement Plan were $13,254,684 and $12,704,499 for the years ended June 30, 2022, and June 30, 2021, respectively. Contributions from the University to the VaLORS Retirement Plan were $515,508 and $500,322 for the years ended June 30, 2022, and June 30, 2021, respectively.

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

At June 30, 2022, the University reported a liability of $76,560,300 for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of $3,408,269 for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The University's proportion of the Net Pension Liability was based on the University's actuarially determined employer contributions to the pension plans for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the University's proportion of the VRS State Employee Retirement Plan was 2.11071% as compared to 2.11376% at June 30, 2020. At June 30, 2021, the University's proportion of the VaLORS Retirement Plan was 0.65332% as compared to 0.62629% at June 30, 2020.

For the year ended June 30, 2022, the University recognized pension expense of $2,831,794 for the VRS State Employee Retirement Plan and $492,570 for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2020, and June 30, 2021, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions for the VRS State Employee Retirement Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 689,645	$ 4,396,071
Net difference between projected and actual earnings on pension plan investments	-	52,706,836
Change in assumptions	8,801,450	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	198,613	413,885
University contributions subsequent to the measurement date	13,254,684	-
Total	$ 22,944,392	$ 57,516,792

$13,254,684 reported as deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense in future reporting periods as follows:

Year ended June 30	
2023	$ (8,442,470)
2024	$ (11,434,037)
2025	$ (11,857,508)
2026	$ (16,093,069)
2027	$ -

At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions for the VaLORS Retirement Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 35,441	$ 93,812
Net difference between projected and actual earnings on pension plan investments	-	1,307,487
Change in assumptions	244,514	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	107,286	30,055
University contributions subsequent to the measurement date	515,508	-
Total	$ 902,749	$ 1,431,354

$515,508 reported as deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense in future reporting periods as follows:

Year ended June 30		
2023	$	(101,048)
2024	$	(239,095)
2025	$	(305,216)
2026	$	(398,754)
2027	$	-

Actuarial Assumptions
VRS

The total pension liability for the VRS State Employee Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

Mortality rates:

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

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

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

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

VaLORS

The total pension liability for the VaLORS Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

Mortality rates:

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

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

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

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability
The net pension liability (NPL) is calculated separately for each system and represents that particular plan's total pension liability determined in accordance with GASB Statement No. 67, less that plan's fiduciary net position. As of June 30, 2021, NPL amounts for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan are as follows (amounts expressed in thousands):

	State Employee Retirement Plan	VaLORS Retirement Plan
Total Pension Liability	$ 26,739,647	$ 2,390,609
Plan Fiduciary Net Position	23,112,417	1,868,924
Employers' Net Pension Liability (Asset)	$ 3,627,230	$ 521,685
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.44%	78.18%

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

Long term Expected Rate of Return

The long term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	**100.00%**		**4.89%**
	Inflation		2.50%
	Expected arithmetic nominal return *		**7.39%**

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by the University for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021, on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the VRS State Employee Retirement Plan net pension liability using the discount rate of 6.75%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
University's proportionate share of the VRS State Employee Retirement Plan Net Pension Liability	$ 143,407,306	$ 76,560,300	$ 20,545,886

The following presents the University's proportionate share of the VaLORS Retirement Plan net pension liability using the discount rate of 6.75%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
University's proportionate share of the VaLORS Employee Retirement Plan Net Pension Liability	$ 5,487,784	$ 3,408,269	$ 1,704,525

Pension Plan Fiduciary Net Position

Detailed information about the VRS State Employee Retirement Plan's Fiduciary Net Position or the VaLORS Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan
At June 30, 2022, the University reported a payable of $666,017 for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

NOTE 14: OTHER RETIREMENT PLANS

Full-time faculty and certain administrative staff participate in a defined contribution plan administered by two different providers rather than VRS. The two different providers are Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) Insurance Companies and VRS/DCP. Plan 1 is for employees hired prior to July 1, 2010, and retirement benefits received are based upon the employer's 10.4% contributions, plus net investment gains. Plan 2 is for employees hired on or after July 1, 2010, and retirement benefits received are based upon the employer's 8.5% contribution and the employee's 5.0% contribution, plus net investment gains.

Individual contracts issued under the plans provide for full, immediate vesting of both the University's and employee's contributions. Total pension expense recognized was $7,538,068 for the year ended June 30, 2022. Contributions to the optional retirement plans were calculated using the base salary amount $79,825,432 for fiscal year 2022.

NOTE 15: DEFERRED COMPENSATION

State employees may participate in the Commonwealth's Deferred Compensation Plan in accordance with Internal Revenue Code section 457(b). Under this plan, the University's cash match under the Internal Revenue Code section 401(a) during fiscal year 2022 was a maximum match up to $20 per pay period or $40 per month. Employer contributions under this plan were approximately $565,475 for fiscal year 2022.

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The University participates in other post-employment benefit (OPEB) programs that are sponsored by the Commonwealth and administered by the Virginia Retirement System (VRS, or the System) or the Department of Human Resources Management (DHRM). These programs include Group Life Insurance (GLI), Health Insurance Credit (HIC), Virginia Sickness and Disability Program (VSDP), Line of Duty Act (LODA), and Pre-Medicare Retiree Healthcare (PMRH).

Plan Descriptions
Group Life Insurance (GLI) - All full-time, salaried permanent employees of state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI program upon employment. This plan is administered by VRS, along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Health Insurance Credit (HIC) - All full-time, salaried permanent employees of state agencies are automatically covered by the VRS State Employee HIC Program. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Virginia Sickness and Disability Program (VSDP) - All full-time and part-time permanent salaried state employees who are covered under VRS, the State Police Officers' Retirement System (SPORS), or VaLORS hired on or after January 1, 1999, are automatically covered by VSDP upon employment. The Disability Insurance Program also covers state employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for disability retirement. This plan is administered by VRS, along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

Line of Duty Act (LODA) - All paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under VRS, SPORS, or VaLORs are automatically covered by the LODA program. As required by statute, the System is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

Pre-Medicare Retiree Healthcare (PMRH) - The Commonwealth provides a healthcare plan, established by Title 2.2, Chapter 28 of the *Code of Virginia*, for retirees who are not yet eligible to participate in Medicare.

Plan Provisions

Group Life Insurance (GLI):

Eligible Employees

The GLI Program was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: City of Richmond, City of Portsmouth, City of Roanoke, City of Norfolk, and Roanoke City School Board.

Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The benefits payable under GLI has several components.

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

Reduction in Benefit Amounts

The benefit amounts provided to members covered under GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,722 as of June 30, 2022.

Health Insurance Credit (HIC):

Eligible Employees

The State Employee Retiree HIC Program was established January 1, 1990, for retired state employees covered under VRS, SPORS, VaLORS and JRS who retire with at least 15 years of service credit.

Eligible employees are enrolled automatically upon employment. They include full-time and part-time permanent salaried state employees covered under VRS, SPORS, VaLORS, and JRS.

Benefit Amounts

The State Employee Retiree HIC Program provides the following benefits for eligible employees:

- At Retirement – For State employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount.
- Disability Retirement – For State employees, other than state police officers, who retire on disability or go on long term disability under VSDP, the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher.

  For State police officers employees with a non-work-related disability who retire on disability or go on long term disability under VSDP, the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher.

  For State police officers with a work-related disability, there is no benefit provided under HIC if the premiums are being paid under the LODA. However, they may receive the credit for premiums paid for other qualified health plans.

Health Insurance Credit Program Notes:

- The monthly HIC benefit cannot exceed the individual's premium amount.
- Employees who retire after being on long term disability under VSDP must have at least 15 years of service credit to qualify for HIC as a retiree.

Virginia Sickness and Disability Program (VSDP):

Eligible Employees

VSDP, also known as the Disability Insurance Trust Fund was established January 1, 1999, to provide short term and long term disability benefits for non-work-related and work-related disabilities.

Eligible employees are enrolled automatically upon employment. They include:

- Full-time and part-time permanent salaried state employees covered under VRS, SPORS and VaLORS (members new to VaLORS following its creation on October 1, 1999, have been enrolled since the inception of VSDP).
- State employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for VRS disability retirement.
- Public college and university faculty members who elect the VRS defined benefit plan. They may participate in VSDP or their institution's disability program, if offered. If the institution does not offer the program or the faculty member does not make an election, he or she is enrolled in VSDP.

Benefit Amounts

VSDP provides the following benefits for eligible employees:

- Leave – Sick, family, and personal leave. Eligible leave benefits are paid by the employer.
- Short term Disability – The program provides a short term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. The benefit provides income replacement beginning at 100% of the employee's pre-disability income, reducing to 80% and then 60% based on the period of the disability and the length of service of the employee. Short term disability benefits are paid by the employer.
- Long term Disability (LTD) – The program provides a long term disability benefit beginning after 125 workdays of short term disability and continuing until the employee reaches his or her normal retirement age. The benefit provides income replacement of 60% of the employee's pre-disability income. If an employee becomes disabled within five years of his or her normal retirement age, the employee will receive up to five years of VSDP benefits, provided he or she remains medically eligible. Long term disability benefits are paid for by the VSDP OPEB Plan.
- Income Replacement Adjustment – The program provides for an income replacement adjustment to 80% for catastrophic conditions.
- VSDP Long term Care Plan – The program also includes a self-funded long term care plan that assists with the cost of covered long term care services.

Disability Insurance Program (VSDP) Plan Notes

- Employees hired or rehired on or after July 1, 2009, must satisfy eligibility periods before becoming eligible for non-work-related short term disability benefits and certain income-replacement levels.
- A state employee who is approved for VSDP benefits on or after the date that is five years prior to his or her normal retirement date is eligible for up to five years of VSDP benefits.
- Employees on work-related short term disability receiving only a workers' compensation payment may be eligible to purchase service credit for this period if retirement contributions are not being withheld from the workers' compensation payment. The rate will be based on 5.00% of the employee's compensation.

Cost-of-Living Adjustment (COLA)

- During periods an employee receives long term disability benefits, the LTD benefit may be increased annually by an amount recommended by the actuary and approved by the Board.
    - Plan 1 employees vested as of 1/1/2013 – 100% of the VRS Plan 1 COLA (the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%).
    - Plan 1 employees non-vested as of 1/1/2013, Plan 2, and Hybrid Plan employees – 100% of the VRS Plan 2 and Hybrid COLA (the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%).
- For participating full-time employees taking service retirement, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement.
    - 100% of the increase in the pay over the previous plan year for continuing VSDP members in the VRS, SPORS, and VaLORS Plans, with a maximum COLA of 4.00%.
- For participating full-time employees receiving supplemental (work-related) disability benefits, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement.
    - 100% of the increase in the pay over the previous plan year for continuing VSDP members in the VRS, SPORS, and VaLORS Plans, with a maximum COLA of 4.00%.

Line of Duty Act (LODA):

Eligible Employees

The eligible employees of the LODA program include paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under VRS, SPORS, or VaLORS.

Benefit Amounts

LODA provides death and health insurance benefits for eligible individuals:

- Death – The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows:
  - $100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after.
  - $25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date.
  - An additional $20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.
- Health Insurance – The LODA program provides health insurance benefits.
  - The health insurance benefits are managed through the Virginia DHRM. The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors, and family members.

Pre-Medicare Retiree Healthcare (PMRH):

Eligible Employees

- Following are eligibility requirements for VRS retirees:
  - You are a retiring state employee who is eligible for a monthly retirement benefit from VRS, and
  - You start receiving (do not defer) your retirement benefits immediately upon retirement*, and
  - Your last employer before retirement was the Commonwealth of Virginia, and
  - You were eligible for (even if you were not enrolled) coverage as an active employee in the State Health Benefits Program until your retirement date (not including Extended Coverage/COBRA), and
  - You enroll no later than 31 days from your retirement date.

* For VRS retirees, this means that your employing agency reported a retirement contribution or leave without pay status for retirement in the month immediately prior to your retirement date. Some faculty members may also be eligible if they are paid on an alternate pay cycle but maintain eligibility for active coverage until their retirement date.

- Effective January 1, 2017**, following are eligibility requirements for Optional Retirement Plan (ORP) retirees:
  - You are a terminating state employee who participates in one of the qualified Optional Retirement Plans, and
  - Your last employer before termination was the Commonwealth of Virginia, and
  - You were eligible for (even if you were not enrolled) coverage in the State Employee Health Benefits Program for active employees at the time of your termination, and
  - You meet the age and service requirements for an immediate retirement benefit under the non-ORP VRS plan that you would have been eligible for on your date of hire had you not elected the ORP, and
  - You enroll in the State Retiree Health Benefits Program no later than 31 days from the date you lose coverage (or lose eligibility for coverage) in the State Health Benefits Program for active employees due to your termination of employment.

** This change applies to ORP terminations effective January 1, 2017, or later. Eligibility for those who terminated employment prior to January 1 should be determined based on the policy in place at the time of their termination.

Contributions

Group Life Insurance (GLI):

The contribution requirements for the GLI program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for GLI was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to GLI from the University were $981,908 and $936,044 for the years ended June 30, 2022, and June 30, 2021, respectively.

Health Insurance Credit (HIC):

The contribution requirement for active employees is governed by §51.1-1400(D) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each state agency's contractually required employer contribution rate for the year ended June 30, 2022, was 1.12% of covered employee compensation for employees in the VRS State Employee HIC Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the University to HIC were $2,046,381 and $1,950,206 for the years ended June 30, 2022 and June 30, 2021, respectively.

In June 2021, the Commonwealth made a special contribution of approximately $38.7 million which was applied to the HIC Plan for state employees. This special payment was authorized by a budget amendment included Chapter 552 of the 2021 Appropriation Act.

Virginia Sickness and Disability Program (VSDP):

The contribution requirements for VSDP are governed by §51.1-1140 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for VSDP for the year ended June 30, 2022, was 0.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits payable during the year, with an adjustment to amortize the accrued OPEB assets. Contributions to the VSDP from the University were $514,113 and $481,870 for the years ended June 30, 2022, and June 30, 2021, respectively.

Line of Duty Act (LODA):

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2022, was $722.55 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019, and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the University were $30,347 and $32,279 for the years ended June 30, 2022, and June 30, 2021, respectively.

Pre-Medicare Retiree Healthcare (PMRH):

The University does not pay a portion of the retirees' healthcare premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, this generally results in a higher rate for active employees. Therefore, the University effectively subsidizes the costs of the participating retirees' healthcare through payment of the University's portion of the premiums for active employees.

This fund is reported as part of the Commonwealth's Healthcare Internal Service Fund. Benefit payments are recognized when due and payable in accordance with the benefit terms. PMRH is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes and is administered by DHRM. There were approximately 4,100 retirees and 88,000 active employees in the program as of June 30, 2021. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits.

OPEB Liabilities (Assets), Expenses, and Deferred Outflows/Inflows of Resources

At June 30, 2022, the University reported the following liabilities (assets) for its proportional share of these programs:

GLI	$	9,821,095
HIC	$	20,317,875
VSDP	$	(6,293,043)
LODA	$	1,033,905
PMRH	$	11,296,751

These liabilities (assets) were measured as of June 30, 2021, and the total OPEB liability used to calculate GLI, HIC, VSDP and LODA net OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. PMRH OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021. For GLI, HIC, VSDP, and LODA programs, the University's proportion of each net OPEB liability (asset) was based on the University's actuarially determined employer contributions to each plan for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. The University's proportion of the OPEB PMRH liability was based on each employer's calculated healthcare premium contributions, to include the December premium holiday amounts, as a percentage of the total employer's calculated healthcare premium contributions for all participating employers.

At June 30, 2021, and June 30, 2020, the University's proportionate share was:

	June 30, 2021	June 30, 2020
GLI	0.84354%	0.86652%
HIC	2.40579%	2.46561%
VSDP	1.82555%	1.82342%
LODA	0.23445%	0.22331%
PMRH	2.51658%	2.53641%

For the year ended June 30, 2021, the University recognized the following expenses for these programs:

GLI	$	312,260
HIC	$	1,599,577
VSDP	$	(85,603)
LODA	$	102,275
PMRH	$	(4,290,095)

Since there was a change in proportionate share between measurement dates, a portion of these OPEB expenses were related to deferred amounts from changes in proportion.

At June 30, 2022, the University reported deferred outflows/inflows of resources related to these programs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Group Life Insurance (GLI):		
Differences between expected and actual experience	$ 1,120,130	$ 74,831
Net difference between projected and actual earnings on GLI OPEB program investments	-	2,344,084
Change in assumptions	541,434	1,343,736
Changes in proportionate share	38,297	374,990
University contribution subsequent to the measurement date	981,908	-
Total	$ 2,681,769	$ 4,137,641
Health Insurance Credit (HIC):		
Differences between expected and actual experience	$ 6,285	$ 661,614
Net difference between projected and actual earnings on HIC OPEB investments	-	385,634
Change in assumptions	526,202	57,321
Changes in proportionate share	119,536	662,544
University contribution subsequent to the measurement date	2,046,381	-
Total	$ 2,698,404	$ 1,767,113
Virginia Sickness and Disability Program (VSDP):		
Differences between expected and actual experience	$ 299,071	$ 1,020,391
Net difference between projected and actual earnings on VSDP OPEB investments	-	1,178,251
Change in assumptions	42,394	148,296
Changes in proportionate share	31,957	78,528
University contribution subsequent to the measurement date	514,113	-
Total	$ 887,535	$ 2,425,466
Line of Duty Act (LODA):		
Differences between expected and actual experience	$ 86,200	$ 156,542
Net difference between projected and actual earnings on LODA OPEB investments	-	5,987
Change in assumptions	286,116	49,456
Changes in proportionate share	90,684	49,162
University contributions subsequent to the measurement date	30,347	-
Total	$ 493,347	$ 261,147
Pre-Medicare Retiree Healthcare (PMRH):		
Difference between expected and actual experience	$ -	$ 5,743,710
Changes in assumptions	-	10,865,096
Changes in proportion	506,172	221,286
Amounts associated with transactions subsequent to the measurement date	825,946	-
Total	$ 1,332,118	$ 16,830,092

The following amounts reported as deferred outflows of resources related to each OPEB program, resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of each program's net OPEB liability (asset) in the fiscal year ending June 30, 2023.

GLI	$	981,908
HIC	$	2,046,381
VSDP	$	514,113
LODA	$	30,347
PMRH	$	825,946

Other amounts reported as deferred outflows and deferred inflows of resources related to each OPEB program will be recognized in each program's OPEB expense in future reporting periods as follows:

Year ended June 30:		GLI		HIC		VSDP		LODA		PMRH
2023	$	(573,918)	$	(287,386)	$	(460,507)	$	30,820	$	(5,731,604)
2024	$	(455,655)	$	(234,763)	$	(454,991)	$	31,095	$	(4,956,894)
2025	$	(442,071)	$	(191,444)	$	(451,755)	$	31,176	$	(3,056,726)
2026	$	(775,916)	$	(275,470)	$	(496,693)	$	31,262	$	(1,566,960)
2027	$	(190,220)	$	(122,355)	$	(153,615)	$	24,334	$	(791,593)
Thereafter	$	-	$	(3,672)	$	(34,483)	$	53,166	$	(220,143)

Actuarial Assumptions (GLI, HIC, VSDP, LODA)

The total OPEB liability for these programs was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation	
General state employees (GLI, HIC, VSDP)	3.50% – 5.35%
Teachers (GLI)	3.50% – 5.95%
SPORS employees (GLI, HIC, VSDP)	3.50% – 4.75%
VaLORS employees (GLI, HIC, VSDP)	3.50% – 4.75%
JRS employees (GLI, HIC)	4.50%
Locality – General employees (GLI)	3.50% – 5.35%
Locality – Hazardous Duty employees (GLI)	3.50% – 4.75%
Medical cost trend rates assumptions (LODA)	
Under age 65	7.00% – 4.75%
Ages 65 and older	5.375% – 4.75%
Investment rate of return (GLI, HIC, VSDP)	6.75%, net of investment expenses, including inflation
Year of ultimate trend rate (LODA)	
Under age 65	Fiscal year ended 2029
Ages 65 and older	Fiscal year ended 2024
Investment rate of return (LODA)	2.16%, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return.

Mortality rate – General State Employees (GLI, HIC, VSDP, LODA):
Pre-Retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years.

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

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

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

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

The actuarial assumptions (GLI, HIC, VSDP) used in the June 30, 2020, valuations were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2020, valuations were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

Changes to the actuarial assumptions as a result of the experience study and VRS Board action (GLI, HIC, VSDP) are as follows:

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

Mortality rates – Teachers (GLI):
Pre-Retirement:
Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

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

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

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

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

The actuarial assumptions (GLI) used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality rates – SPORS Employees (GLI, HIC, VSDP, LODA):
Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

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

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

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

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

The actuarial assumptions (GLI, HIC, VSDP) used in the June 30, 2020, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2020, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

Changes to the actuarial assumptions as a result of the experience study and VRS Board action (GLI, HIC, VSDP) are as follows:

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

<u>Mortality rates – VaLORS Employees (GLI, HIC, VSDP, LODA):</u>
Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

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

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

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

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

The actuarial assumptions (GLI, HIC, VSDP) used in the June 30, 2020, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA), used in the June 30, 2019, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

Changes to the actuarial assumptions as a result of the experience study and VRS Board action (GLI, HIC, VSDP) are as follows:

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

Mortality rates – JRS Employees (GLI, HIC):
Pre-Retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years.

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

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

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

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

The actuarial assumptions (GLI, HIC) used in the June 30, 2020, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (GLI, HIC) (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

Mortality rates – Largest 10 Locality Employers – General Employees (GLI):
Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

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

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

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

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

The actuarial assumptions (GLI) used in the June 30, 2020, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality rates – Non-Largest 10 Locality Employers – General Employees (GLI):

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

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

The actuarial assumptions (GLI) used in the June 30, 2020, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality rates – Largest 10 Locality Employers – Hazardous Duty Employees (GLI, LODA):

Pre-Retirement:

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

Post-Retirement:

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

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

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

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

The actuarial assumptions (GLI) used in the June 30, 2020, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2020, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

Changes to the actuarial assumptions as a result of the experience study and VRS Board action (GLI) are as follows:

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

Mortality rates – Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI, LODA):
Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

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

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

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

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

The actuarial assumptions (GLI) used in the June 30, 2020, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2020, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

Changes to the actuarial assumptions as a result of the experience study and VRS Board action (GLI) are as follows:

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

Actuarial Assumptions and Methods (PMRH)
The total Pre-Medicare Retiree Healthcare OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2021. The Department of Human Resource Management selected the economic, demographic, and healthcare claim cost assumptions. The actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 6.75 percent for medical and pharmacy and 4.0 percent for dental. The ultimate trend rates used were 4.50 percent for medical and pharmacy and 4.0 percent for dental.

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Measurement Date	June 30, 2021 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Effective Amortization Period	6.37 years
Discount Rate	2.16%

Projected Salary Increases	5.35% to 3.5% based on years of service from 1 year to 20 years or more
Medical Trend under 65	Medical & Rx: 6.75% to 4.50%, Dental: 4.00%
Year of Ultimate Trend	2033

Mortality - Mortality rates vary by participant status and gender
Pre-Retirement:
Pub-2010 Benefits Weighted General Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; females set forward 2 years.

Post-Retirement:
Pub-2010 Benefits Weighted General Healthy Retiree Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for females.

Post-Disablement:
Pub-2010 Benefits Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; males and females set forward 3 years.

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females.

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2021.

Changes of Assumptions: The following actuarial assumptions were updated since the June 30, 2020 valuation based on recent experience:

- Retirement participation – reduced the rate from 45% to 40%

Spousal coverage and retiree participation were based on a blend of recent experience and the prior year assumptions. The mortality table has been updated from adjusted RP-2014 mortality tables using Scale BB to adjusted Pub-2010 Headcount-Weighted mortality tables projected generationally with modified MP-2021 Improvement Scales.

No excise tax has been reflected due to the SECURE Act. Among the provisions was a repeal of three taxes and fees that were originally intended to help fund the Affordable Care Act (ACA): i) the excise tax on high cost health plans (Cadillac tax); ii) the annual fee on health insurance providers; and iii) the medical device excise tax.

The trend rates were updated based on economic conditions as of June 30, 2021. Additionally, the discount rate was decreased from 2.21% to 2.16% based on the Bond Buyers GO 20 Municipal Bond Index.

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

Net OPEB Liability (Asset)
The net OPEB liability (asset) (NOL/NOA) for GLI, HIC, VSDP, and LODA represents each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, measurement date, NOL/NOA amounts for each program are as follows (amounts expressed in thousands):

	GLI	HIC	VSDP	LODA
Total OPEB Liability	$ 3,577,346	$ 1,052,400	$ 267,198	$ 448,542
Plan Fiduciary Net Position	2,413,074	207,860	611,919	7,553
Net OPEB Liability (Asset)	$ 1,164,272	$ 844,540	$ (344,721)	$ 440,989
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	67.45%	19.75%	229.01%	1.68%

The total OPEB liability is calculated by the System's actuary and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB liability (asset) is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long term Expected Rate of Return (GLI, HIC, VSDP)

The long term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return *		7.39%

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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

Long term Expected Rate of Return (LODA)

The long term expected rate of return on LODA OPEB Program's investments was set at 2.16% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investment's 6.75% assumption. Instead, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2021.

Discount Rate (GLI, HIC, VSDP)

The discount rate used to measure the total OPEB liability was 6.75% for GLI, HIC, and VSDP. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2021, the rate contributed by participating employers to the GLI, HIC and VSDP OPEB Programs will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI, HIC and VSDP OPEB Program's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability for GLI, HIC, and VSDP programs.

Discount Rate (PMRH)

The discount rate decreased from 2.21% to 2.16% based on the Bond Buyers GO 20 Municipal Bond Index.

Discount Rate (LODA)

The discount rate used to measure the total LODA OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2021, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Sensitivity of the University's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the University's proportionate share of the net OPEB liability (asset) using the discount rate of 6.75% for GLI, HIC, and VSDP; 2.16% for LODA; 2.16% for PMRH, as well as what the University's proportionate share of the OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

University's proportionate share of the OPEB liability (asset):

	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
GLI	$ 14,348,975	$ 9,821,095	$ 6,164,625
HIC	22,792,579	20,317,875	18,197,663
VSDP	(5,945,501)	(6,293,043)	(6,598,664)
	1.16%	2.16%	3.16%
LODA	$ 1,189,370	$ 1,033,905	$ 910,375
	1.16%	2.16%	3.16%
PMRH	$ 11,876,235	$ 11,296,751	$ 10,710,161

Sensitivity of the University's Proportionate Share of the LODA and PMRH Net OPEB Liabilities to Changes in the Health Care Trend Rate

Because the LODA and PMRH programs contain provisions for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the University's proportionate share of the net OPEB liability for these programs using a health care trend rate of 7.00% decreasing to 4.75%, for LODA and 6.75% decreasing to 4.50% for PMRH as well as what the University's proportionate share of the OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower or one percentage point higher than the current rate:

University proportionate share of the OPEB liability:

	1.00% Decrease	Current Health Care Trend Rate	1.00% Increase
	6.00% decreasing to 3.75%	7.00% decreasing to 4.75%	8.00% decreasing to 5.75%
LODA	$ 848,345	$ 1,033,905	$ 1,271,831
	5.75% decreasing to 3.50%	6.75% decreasing to 4.50%	7.75% decreasing to 5.50%
PMRH	$ 10,190,654	$ 11,296,751	$ 12,581,005

Fiduciary Net Position (GLI, HIC, VSDP, LODA)

Detailed information about Fiduciary Net Position for each of these programs is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the GLI, HIC, and VSDP OPEB Programs

At June 30, 2022, the University reported payables of the following:

GLI	$	89,619
HIC	$	63,648
VSDP	$	19,167
LODA	$	1,120

NOTE 17: 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 system 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, 2022, the University estimates that no material liabilities will result from such audits or questions.

Litigation

The University is a party to various litigations. While the outcome cannot be determined at this time, management is of the opinion that any ultimate liability to which the University may be exposed, if any, for these legal actions will not have a material effect on the University's financial position.

NOTE 18: RISK MANAGEMENT AND EMPLOYEE HEALTH CARE PLANS

The University is exposed to various risks of loss related to torts; theft or 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 Annual Comprehensive Financial Report.

NOTE 19: RELATED PARTY TRANSACTIONS

The Old Dominion University Museum Foundation and the University entered into an agreement on July 19, 2016, for the Museum Foundation to operate the Barry Art Museum. On December 6, 2016, an agreement was entered into which set the manner in which the University provides support to the Foundation. The Foundation reimburses the University for the salary and benefits of each University staff member proportionate to the time devoted to serving the Foundation and for supplies and travel. This amount totaled $333,137 for the year ended June 30, 2022. In addition, the University will donate space, computer services and other support to the Foundation. This amount totaled $2,500 for the year ended June 30, 2022.

NOTE 20: CORONAVIRUS RELIEF FUNDING

During the fiscal year, the University expended $24.0 million in Higher Education Emergency Relief Funds (HEERF) for emergency aid to students. The University was awarded an additional $2.0 million in Strengthening Institutions Program funds that will be drawn in FY2023 and are listed in accounts receivable on the Statement of Net Position. The University expended the remaining $34.2 million in HEERF available for institutional use toward the recovery of lost revenue associated with the disruption of campus operations. Of these funds, $24.0 million will be drawn in FY2023 and are listed in accounts receivable on the Statement of Net Position.

During the fiscal year, the University received $2.3 million in Online Virginia Network Authority ARPA funds. The majority of this was used toward computer and peripheral equipment used in online learning and teleworking. The remaining $0.7 million is reported as unearned revenue. The University was awarded an additional $2.1 million from a Virginia Department of Health grant during the fiscal year. The funds were spent in FY2022 for COVID-19 testing. The University received $13.2 million in ARPA funds which is reported in unearned revenue and scheduled for awards to students in the 2023-2024 academic year.

No additional funds remain for the use of the University from relief funding associated with COVID-19.

NOTE 21: SUBSEQUENT EVENTS

In December 2021, the University and Eastern Virginia Medical School (EVMS) signed a memorandum of understanding to explore opportunities to partner and create an academic health center; seek enhanced and consistent funding of EVMS from the Commonwealth of Virginia and community partners; and explore ways to better address health-care disparities in Hampton Roads. In July 2022, both entities launched joint functional teams to explore and assess operational needs related to a potential integration of the University and EVMS. While legislation has been voted on in the Legislative branches of the Commonwealth of Virginia, it has not yet been signed and appropriations have not been finalized. Since the timing is uncertain and the integration requires various additional approvals and appropriate funding, we are unable to estimate an impact on the University's operations and financial condition.

Required Supplementary Information

Required Supplementary Information for Pension Plans

Schedules of University's Share of Net Pension Liability

VRS State Employee Retirement Plan
For the Years Ended June 30, 2015 - 2022*

	University's Proportion of the Net Pension Liability (Asset)	University's Proportionate Share of the Net Pension Liability (Asset)	University's covered payroll	University's Proportionate Share of the Net Pension Liability (Asset) as a % of Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2022	2.11071%	$ 76,560,300	$ 87,859,606	87.14%	86.44%
2021	2.11376%	153,138,904	88,806,405	172.44%	72.15%
2020	2.12407%	134,235,543	89,848,245	149.40%	75.13%
2019	2.10523%	113,970,000	87,701,482	129.95%	77.39%
2018	2.08834%	121,699,000	84,076,306	144.75%	75.33%
2017	2.07063%	136,471,000	81,802,831	166.83%	71.29%
2016	2.01167%	123,166,000	77,640,742	158.64%	72.81%
2015	1.95702%	109,562,000	75,442,144	145.23%	74.28%

* The amounts presented have a measurement date of the previous fiscal year end.

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

VaLORS Employee Retirement Plan
For the Years Ended June 30, 2015 - 2022*

	University's Proportion of the Net Pension Liability (Asset)	University's Proportionate Share of the Net Pension Liability (Asset)	University's covered payroll	University's Proportionate Share of the Net Pension Liability (Asset) as a % of Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2022	0.65332%	$ 3,408,269	$ 2,284,575	149.19%	78.18%
2021	0.62629%	4,896,852	2,310,812	211.91%	65.74%
2020	0.64508%	4,477,076	2,259,305	198.16%	68.31%
2019	0.63577%	3,962,000	2,202,360	179.90%	69.56%
2018	0.61789%	4,055,000	2,122,770	191.02%	67.22%
2017	0.57858%	4,479,000	1,989,450	225.14%	61.01%
2016	0.48062%	3,416,000	1,631,065	209.43%	62.64%
2015	0.50752%	3,421,000	1,789,631	191.16%	63.05%

* The amounts presented have a measurement date of the previous fiscal year end.

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

Schedules of University Contributions

VRS State Employee Retirement Plan
For the Years Ended June 30, 2013 through 2022

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	University's Covered Payroll	Contribution as a % of Covered Payroll
2022	$ 13,254,684	$ 13,254,684	$ -	$ 91,664,481	14.46%
2021	12,704,499	12,704,499	-	87,859,606	14.46%
2020	12,006,626	12,006,626	-	88,806,405	13.52%
2019	11,541,721	11,541,721	-	89,848,245	12.85%
2018	11,344,717	11,344,717	-	87,701,482	12.94%
2017	11,023,973	11,023,973	-	84,076,306	13.11%
2016	11,261,826	11,261,826	-	81,802,831	13.77%
2015	9,425,735	9,425,735	-	77,640,742	12.14%
2014	6,608,367	6,608,367	-	75,442,144	8.76%
2013	6,165,085	6,165,085	-	70,144,229	8.79%

* Includes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

VaLORS Employee Retirement Plan
For the Years Ended June 30, 2013 through 2022

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contribution as a % of Covered Payroll
2022	$ 515,508	$ 515,508	$ -	$ 2,353,918	21.90%
2021	500,322	500,322	-	2,284,575	21.90%
2020	499,366	499,366	-	2,310,812	21.61%
2019	487,720	487,720	-	2,259,305	21.59%
2018	463,175	463,175	-	2,202,360	21.03%
2017	445,084	445,084	-	2,122,770	20.97%
2016	374,028	374,028	-	1,989,450	18.80%
2015	286,246	286,246	-	1,631,065	17.55%
2014	265,182	265,182	-	1,789,631	14.82%
2013	269,568	269,568	-	1,859,613	14.50%

Notes to Required Supplementary Information for Pension Plans

VRS State Employee Retirement Plan and VaLORS Retirement Plan

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions for the VRS - State Employee Retirement Plan as a result of the experience study and VRS Board action are as follows:

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

The following changes in actuarial assumptions were made for the VaLORS Retirement Plan effective June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Required Supplementary Information for Other Post-Employment Benefit Plans

Schedules of University's Share of Other Post-Employment Benefits (OPEB) Liabilities (Assets)
For the years ended June 30, 2018, through 2022*

Program	Year	University's Proportion of the Net OPEB Liability (Asset)	University's Proportionate Share of the Net OPEB Liability (Asset)	University's Covered Payroll		University's Proportionate Share of the Net OPEB Liability (Asset) as a % of Covered Payroll		Plan Fiduciary Net Position as a % of the Total OPEB Liability
GLI	2022	0.84354%	$ 9,821,095	$ 174,759,691		5.62%		67.45%
	2021	0.86652%	14,460,801	180,488,066		8.01%		52.64%
	2020	0.86314%	14,045,585	167,069,832		8.41%		52.00%
	2019	0.87031%	13,218,000	165,553,478		7.98%		51.22%
	2018	0.87092%	13,105,000	160,599,190		8.16%		48.86%
HIC	2022	2.40579%	20,317,875	173,966,550		11.68%		19.75%
	2021	2.46561%	22,634,450	177,751,282		12.73%		12.02%
	2020	2.47998%	22,891,983	166,881,208		13.72%		10.56%
	2019	2.45500%	22,397,000	165,366,625		13.54%		9.51%
	2018	2.48327%	22,611,000	160,524,635		14.09%		8.03%
VSDP	2022	(1.82555%)	(6,293,043)	78,964,544		(7.97%)		229.01%
	2021	(1.82342%)	(4,024,075)	79,078,871		(5.09%)		181.88%
	2020	(1.84539%)	(3,620,569)	72,465,076		(5.00%)		167.18%
	2019	(1.82348%)	(4,107,000)	71,820,029		(5.72%)		194.74%
	2018	(1.80542%)	(3,707,000)	67,887,520		(5.46%)		186.63%
LODA	2022	0.23445%	1,033,905	2,341,289	**	44.16%	**	1.68%
	2021	0.22331%	935,256	2,627,251	**	35.60%	**	1.02%
	2020	0.22086%	792,415	2,736,854	**	28.95%	**	0.79%
	2019	0.24502%	768,000	2,553,819	**	30.07%	**	0.60%
	2018	0.23673%	622,000	2,531,599	**	24.57%	**	1.30%

Program	Year	University's Proportion of the Collective Total OPEB Liability	University's Proportionate Share of the Collective Total OPEB Liability	University's Covered Employee Payroll	University's Proportionate share of the Collective Total OPEB Liability as a % of Covered Employee Payroll	Plan Fiduciary Net Position as a % of the Total OPEB Liability
PMRH	2022	2.51658%	$ 11,296,751	$ 159,551,820	7.08%	N/A
	2021	2.53641%	14,427,687	142,306,147	10.14%	N/A
	2020	2.52218%	17,122,587	145,158,026	11.80%	N/A
	2019	2.50972%	25,238,729	155,274,739	16.25%	N/A
	2018	2.50474%	32,534,160	151,985,039	21.41%	N/A

* The amounts presented have a measurement date of the previous fiscal year end.

** The contributions for the Line of Duty Act Program are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

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

Schedules of University's Other Post-Employment Benefits (OPEB) Contributions

For the years ended June 30, 2018, through 2022

Program	Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	University's covered payroll	Contribution as a % of University's covered payroll
GLI	2022	$ 981,908	$ 981,908	$ -	$ 181,834,806	0.54%
	2021	936,044	936,044	-	174,759,691	0.54%
	2020	934,969	934,969	-	180,488,066	0.52%
	2019	887,264	887,264	-	167,069,832	0.53%
	2018	866,480	866,480	-	165,553,478	0.52%
HIC	2022	2,046,381	2,046,381	-	182,712,621	1.12%
	2021	1,950,506	1,950,506	-	173,966,550	1.12%
	2020	2,079,690	2,079,690	-	177,751,282	1.17%
	2019	1,977,602	1,977,602	-	166,881,208	1.19%
	2018	1,942,763	1,942,763	-	165,366,625	1.17%
VSDP	2022	514,113	514,113	-	84,280,757	0.61%
	2021	481,870	481,870	-	78,964,544	0.61%
	2020	490,289	490,289	-	79,078,871	0.62%
	2019	462,350	462,350	-	72,465,076	0.64%
	2018	472,933	472,933	-	71,820,029	0.66%
LODA	2022	30,347	30,347	-	2,559,517 *	1.19% *
	2021	32,279	32,279	-	2,341,289 *	1.38% *
	2020	30,348	30,348	-	2,627,251 *	1.16% *
	2019	29,642	29,642	-	2,736,854 *	1.08% *
	2018	26,099	26,099	-	2,553,819 *	1.02% *

* The contributions for the Line of Duty Act Program are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

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

Notes to Required Supplementary Information for Other Post-Employment Benefit Plans

GLI, HIC, VSDP, and LODA Programs

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – (GLI, HIC, VSDP) The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

Changes to the actuarial assumptions as a result of the experience study and VRS Board action (GLI, HIC, VSDP) are as follows:

General State Employees (GLI, HIC, VSDP, LODA):

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

Teachers (GLI):

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service

Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

SPORS Employees (GLI, HIC, VSDP, LODA):

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

VaLORS Employees (GLI, HIC, VSDP, LODA):

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

JRS Employees (GLI, HIC):

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

Largest 10 Locality Employers – General Employees (GLI):

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

Non-Largest 10 Locality Employers – General Employees (GLI):

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service

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

Largest 10 Locality Employers – Hazardous Duty Employees (GLI, LODA):

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

Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI, LODA):

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

PMRH

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms – There have been no changes to the benefit provisions since the prior actuarial valuation.

Changes of assumptions – The following actuarial assumptions were updated since the June 30, 2020 valuation based on recent experience:

- Retirement participation – reduced the rate from 45% to 40%

Spousal coverage and retiree participation were based on a blend of recent experience and the prior year assumptions. The mortality table has been updated from adjusted RP-2014 mortality tables using Scale BB to adjusted Pub-2010 Headcount-Weighted mortality tables projected generationally with modified MP-2021 Improvement Scales.

No excise tax has been reflected due to the SECURE Act. Among the provisions was a repeal of three taxes and fees that were originally intended to help fund the Affordable Care Act (ACA): i) the excise tax on high-cost health plans (Cadillac tax); ii) the annual fee on health insurance providers; and iii) the medical device excise tax.

The trend rates were updated based on economic conditions as of June 30, 2021. Additionally, the discount rate was decreased from 2.21% to 2.16% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2022.

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

March 29, 2023

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
Old Dominion University

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

Opinions

We have audited the financial statements of the business-type activities and aggregate discretely presented component units of **Old Dominion University** (University), a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of the University as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units of the University, which are discussed in Notes 1 and 11. 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 solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. Except for the Old Dominion University Research Foundation, the financial statements of the component units of the University that were audited by other auditors upon whose reports we are relying, were not audited in accordance with Government Auditing Standards.

Emphasis of Matter

Change in Accounting Principle

As discussed in Notes 1, 5 and 7 of the accompanying financial statements, the University implemented Governmental Accounting Standards Board Statement No. 87, Leases, related to accounting and financial reporting for lease liabilities and intangible right-to-use assets. Our opinion is not modified with respect to this matter.

Correction of 2021 Financial Statements

As discussed in Note 1 of the accompanying financial statements, the fiscal year 2021 business-type activities have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements: Management's Discussion and Analysis on pages 3 through 10; the Schedules of University's Share of Net Pension Liability, the

Schedules of University Contributions, and the Notes to the Required Supplementary Information for Pension Plans on pages 82 through 84 the Schedules of University's Share of Other Post-Employment Benefits (OPEB) Liabilities (Assets), the Schedules of University's OPEB Contributions, and the Notes to the Required Supplementary Information for the OPEB Plans on pages 85 through 91 Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 29, 2023, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University's internal control over financial reporting and compliance.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LDJ/vks

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Norfolk, Virginia

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