Old Dominion University
Financial Statements

June 30, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Old Dominion University is a comprehensive, multicultural, and student-centered residential doctoral research university whose central mission is to provide students with the best education possible. The University's seven academic colleges and a Graduate School -- Arts and Letters, Business, Education, Engineering and Technology, Health Sciences, Sciences, and Honors -- offer 91 baccalaureate programs, 41 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 24,100 undergraduate and graduate students from all 50 states and 89 countries and has a strong global network of 150,000+ alumni.

The University's local, regional, and national impact continues to grow. Our entrepreneurial approach drives research and collaboration, and the University contributes nearly $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 made groundbreaking advances in modeling and simulation, bioelectrics, maritime health and systems, ports and logistics, nanotechnologies, sea level rise, and alternative energies. Currently our research teams generate $57.2 million in annual funding and are working on more than 400 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 Comprehensive Annual Financial Report. The 17 members of Old Dominion University's Board of Visitors, whom 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, 2020. 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, 2019. 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, 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, 2020	As of June 30, 2019	Increase / (Decrease)	Percent Change
Assets and deferred outflows:				
Current	$ 139,679	$ 168,516	$ (28,837)	-17.1%
Capital, net of accumulated depreciation	757,979	665,377	92,602	13.9%
Other noncurrent	95,203	59,669	35,534	59.6%
Deferred outflows of resources	42,403	28,504	13,899	48.8%
Total assets & deferred outflows	1,035,264	922,066	113,198	12.3%
Liabilities and deferred inflows:				
Current	106,438	95,854	10,584	11.0%
Noncurrent	455,539	404,413	51,126	12.6%
Deferred inflows of resources	30,145	28,073	2,072	7.4%
Total liabilities & deferred inflows	592,122	528,340	63,782	12.1%
Net position:				
Net investment in capital assets	511,472	438,845	72,627	16.5%
Restricted	35,961	35,916	45	0.1%
Unrestricted	(104,291)	(81,035)	(23,256)	-28.7%
Total net position	$ 443,142	$ 393,726	$ 49,416	12.6%

Total University assets and deferred outflows of resources increased by $113.2 million or 12.3% bringing the total to $1.0 billion at fiscal year-end 2020. The decrease in current assets of $28.8 million or 17.1% was primarily due to a decrease in auxiliary funding for capital projects and transfers to unrestricted investments and cash refunds due to closing of operations for the COVID-19 pandemic coupled with variation in the timing of payments to vendors. Capital, net of accumulated depreciation, increased $92.6 million or 13.9% primarily due to ongoing construction of Foreman Field Stadium, Chemistry building, Owens House residence hall, Health Sciences building, and Women's Volleyball facility coupled with normal depreciation. Other noncurrent assets increased $35.5 million or 59.6% largely due to cash and investments activity related to bond proceeds and transfers from restricted donations offset by a decrease in investments due to decline in investment returns. The increase in deferred outflows of $13.9 million or 48.8% was a result of pension related transactions and OPEB related transactions offset by debt refunding.

Total liabilities and deferred inflows of resources increased $63.8 million or 12.1%. Current liabilities increased $10.6 million or 11.0% primarily due to the timing of payments for goods or services offset by an increase in unearned revenue. Noncurrent liabilities increased by $51.1 million or 12.6% as a result of new bond and note issuances, bond refunding and normal payment of debt, coupled by a net increase in pension and OPEB liability. Deferred inflows of resources increased $2.1 million or 7.4% as the result of pension and OPEB related transactions.

The increase in total assets and deferred outflows of $113.2 million coupled with the increase in total liabilities and deferred inflows of $63.8 million resulted in an overall increase in the University's financial position over the prior fiscal year of $49.4 million or 12.6%. The University's net position remains strong even after recording the net pension and OPEB liabilities of $193.6 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

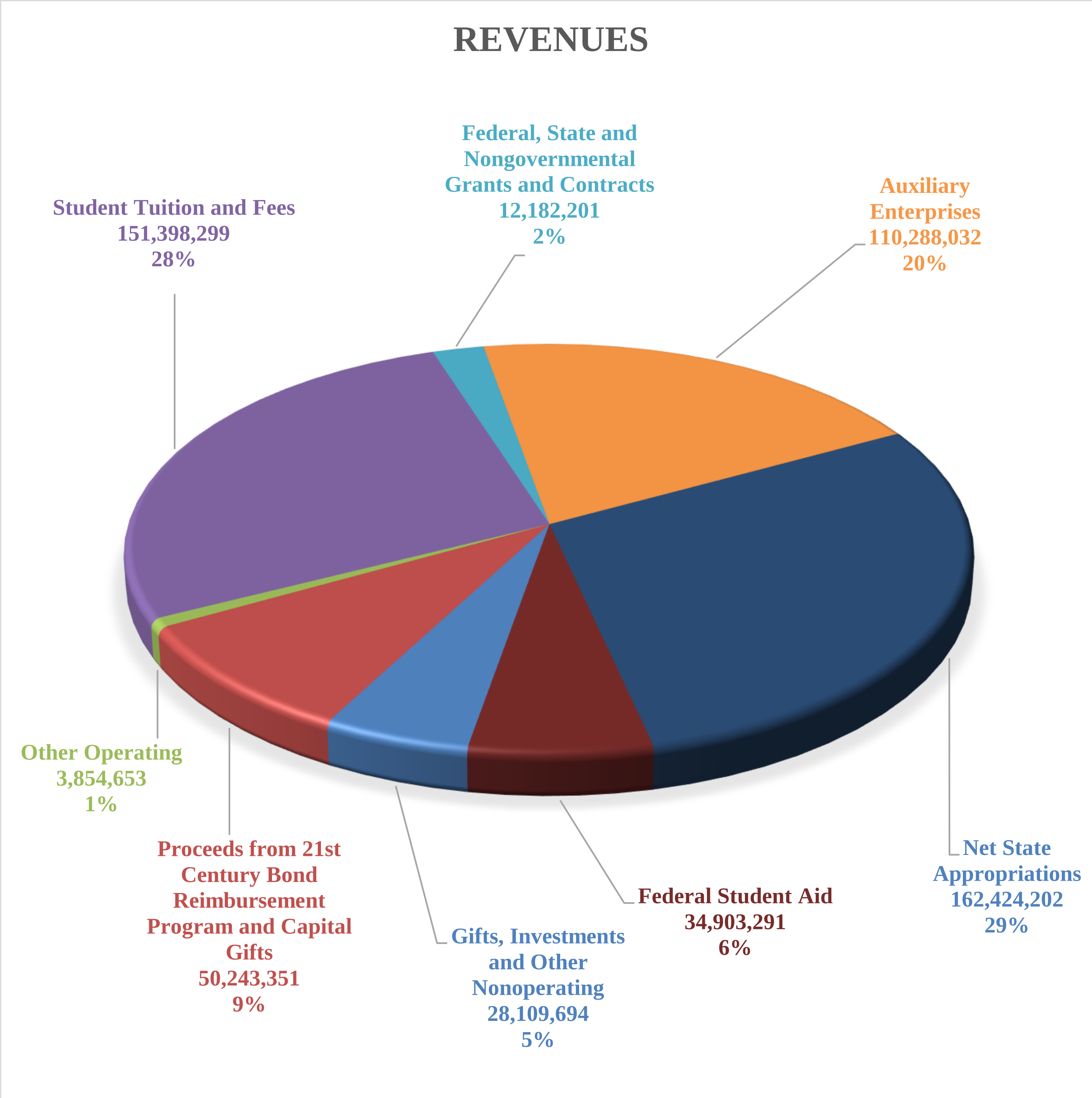
Changes in total net position, as presented on the Statement of Net Position, are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and nonoperating, and 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.

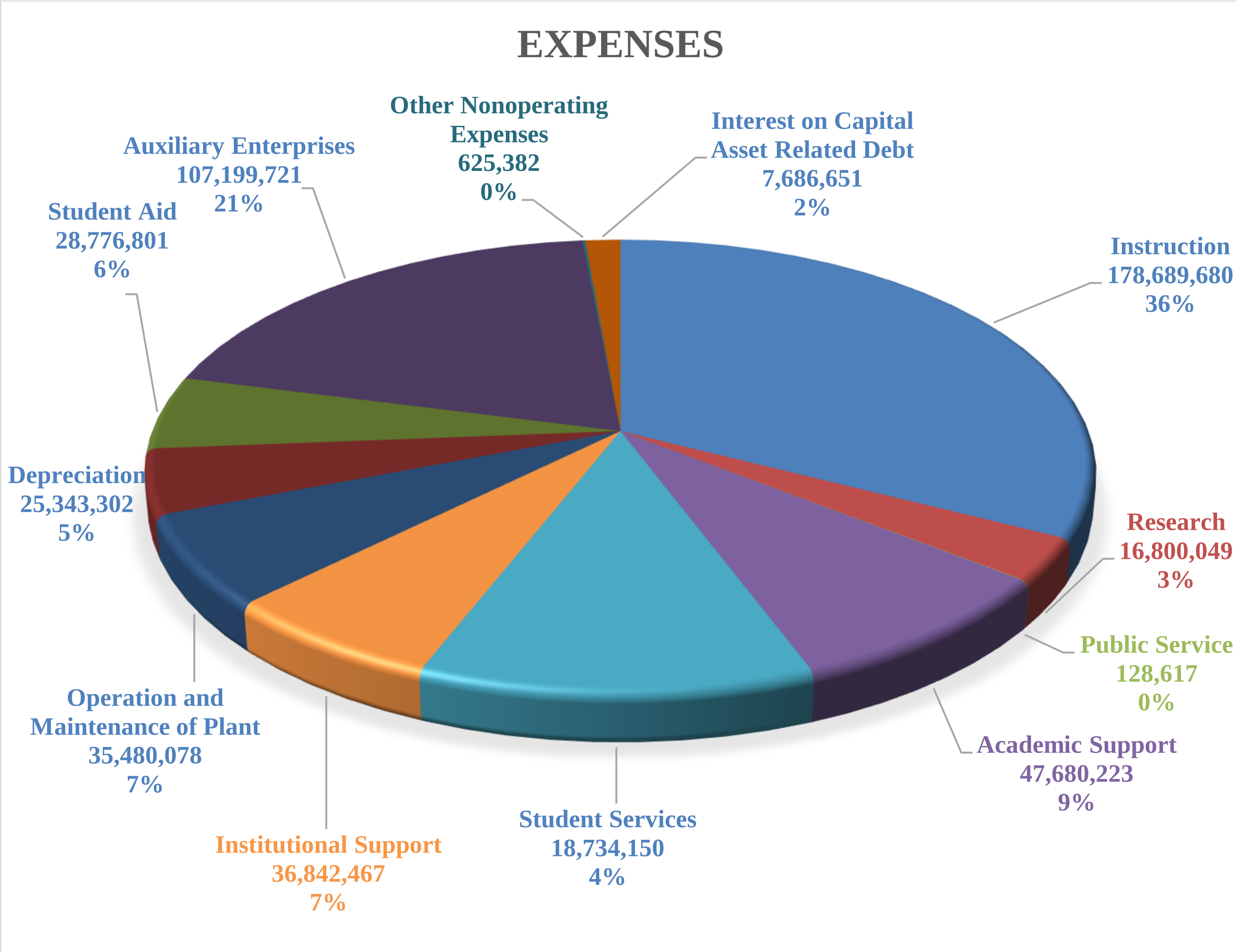
Nonoperating revenues are revenues received for which goods and services are not provided. For example, the University's state appropriations are nonoperating because they are provided by the state legislature without the legislature directly receiving commensurate goods and services for those revenues.

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

	Year Ended June 30, 2020	Year Ended June 30, 2019	Increase / (Decrease)	Percent Change
Operating revenues:				
Student tuition and fees	$ 151,398	$ 149,819	$ 1,579	1.1%
Federal grants and contracts	9,122	8,048	1,074	13.3%
State, local & nongovernmental grants	3,060	4,080	(1,020)	-25.0%
Auxiliary enterprises	110,288	121,784	(11,496)	-9.4%
Other operating revenues	3,855	4,381	(526)	-12.0%
Total operating revenues	277,723	288,112	(10,389)	-3.6%
Operating expenses:				
Instruction	178,690	173,353	5,337	3.1%
Research	16,800	14,274	2,526	17.7%
Public service	129	872	(743)	-85.2%
Academic support	47,680	48,333	(653)	-1.4%
Student services	18,734	18,594	140	0.8%
Institutional support	36,842	34,369	2,473	7.2%
Operation and maintenance	35,480	36,701	(1,221)	-3.3%
Depreciation	25,343	24,361	982	4.0%
Scholarships and fellowships	28,777	19,896	8,881	44.6%
Auxiliary activities	107,200	118,932	(11,732)	-9.9%
Total operating expenses	495,675	489,685	5,990	1.2%
Operating loss	(217,952)	(201,573)	(16,379)	-8.1%
Net nonoperating revenues and	217,497	202,325	15,172	7.5%
Income before other revenues/ (expenses)/gains/(losses)	(455)	752	(1,207)	-160.5%
Net other revenues and expenses	49,871	15,547	34,324	220.8%
Increase in net position	49,416	16,299	33,117	203.2%
Net position - beginning of year	393,726	377,427	16,299	4.3%
Net position - end of year	$ 443,142	$ 393,726	$ 49,416	12.6%



Total operating revenues decreased $10.4 million or 3.6% due to a decline in auxiliary revenue including a reclassification to unearned revenue, offset with increases in tuition and fee revenue. The growth in tuition and fee revenue was due to a slight rise in freshman class and transfer students. Nonoperating revenue increased $16.2 million or 7.7% as a result of increases in Coronavirus Aid, Relief, and Economic Security (CARES) Act-Student Aid (new funding) and State Appropriations offset by slight decreases in Pell grant revenue, gifts, and investment income. Finally, other revenues increased $33.4 million or 198.6% as a result of proceeds from the 21st Century and Equipment Trust Fund bond reimbursement programs.



Operating expenses increased by $6.0 million or 1.2%. The increase is primarily due to purchases of goods and services; student aid; operation and maintenance of facilities; construction of new facilities; offset by a decrease in research initiative and auxiliary.

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 ($181.5 million) and auxiliary enterprises ($146.5 million). The primary uses are payments to employees including salaries, wages, and fringe benefits ($278.4 million) and payments to vendors ($118.6 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 state appropriations ($163.2 million) and gifts and grants ($51.2 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 is bond proceeds from reimbursements from the Commonwealth ($50.0 million) and proceeds from bonds

($53.9 million). The primary uses are purchases of capital assets ($120.2 million) and principal and interest payments on capital debt ($30.8 million).

The fourth section deals with cash flows from investing activities and reflects the cash flows generated from investments which includes interest ($0.5 million), proceeds from sale of investments ($1.2 million), and purchases 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, 2020	2019	Increase / (Decrease)	Percent Change
Cash flows from operating activities	$ (175,267)	$ (181,368)	$ 6,101	3.4 %
Cash flows from non-capital financing activities	224,267	206,337	17,930	8.7 %
Cash flows from capital financing activities	(40,793)	(24,125)	(16,668)	-69.1 %
Cash flows from investing activities	2,523	865	1,658	191.7 %
Net change in cash	$ 10,730	$ 1,709	$ 9,021	527.9 %

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, 2020 include increases of $109.4 million in construction in progress, $68.3 million in buildings, $11.6 million in equipment, $0.5 million in library books and $1.0 million in computer software.

Several new and ongoing capital projects were added and completed during the fiscal year which resulted in a net increase in construction in progress of $36.6 million. Additions to construction in progress include ongoing construction of the new Owens House residence hall, Chemistry building, Women's Volleyball facility, Health Sciences building, and several maintenance reserve renovations offset by the completion of the Foreman Field and the Webb Center Café 1201 renovations. 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 increased $37.1 million as reflected in Notes 7 and 8. The net increase is the result of bond issuance for the residence hall (Owens House) and student wellness center coupled bond refunding and normal payments towards current debt.

Uncompleted construction decreased from $102.7 million at June 30, 2019 to $20.4 million at June 30, 2020, as reflected in Note 12. These obligations are for future efforts and therefore have not been accrued as expenses or liabilities on the University's financial statements. The decrease is primarily the result of completion of the Foreman Field reconstruction, Webb Center Café 1201 renovations, and near completion of the Owens House residence hall.

Economic Outlook

The COVID-19 Pandemic has brought about unprecedented financial, operational, and public health challenges for Old Dominion University. In March 2020, the University moved from traditional classroom teaching to alternative virtual instruction and in April 2020, the University closed business operations to the public as a result of the COVID-19 global outbreak. For the health and safety of the campus community, the majority of on-campus operations and events were cancelled or delayed. Faculty and staff began teleworking in March for the remainder of the spring and summer semesters. In June Old Dominion University faculty, administration, and staff shifted their focus to the necessary preparations to "re-open" the campus for the Fall semester, with the following guiding principles:

- Putting the health and safety of our university community first and foremost
- Focus on return to in-person instruction and student success
- Support for affected employees
- Long-term financial stability
- Actions based on best available information

Budget actions taken by the Governor and General Assembly for FY 2021 include new General Fund investments of $10.0 million for educational and general operations; $3.2 million for tuition moderation, and $5.6 million for in-state need based aid. However, in response to the anticipated economic impact of the pandemic, all new General Fund investments were unallotted, pending further action of the General Assembly.

The University received Capital Outlay authority of $5.2 million for campus-wide storm water improvements; $77.0 million for the new Health Sciences Building, and non-general fund planning authority for the proposed Biology Building.

In addition, the University was awarded direct federal support through the CARES Act in the amount of $7.8 million for Emergency Financial Aid Grants to Students; $7.8 million for Institutional Support funding, and $0.8 million under the Strengthening Institutions Program (SIP) for serving low-income students. The University also was awarded additional CARES Act funding from the Commonwealth of Virginia, receiving $1.1 million of Coronavirus Relief Funds (CRF).

The 2020-2021 tuition and fee changes were developed with consideration for the impact of escalating college costs on all students and their families, as well as the financial burden that many families are facing in these uncertain times. As a result, tuition and mandatory fees for all students were maintained at 2019-2020 rates.

Faced with additional costs of facility preparations; shifting to remote learning and telework; purchase of personal protection equipment, and conducting COVID-19 testing, along with the potential for significant reductions in both tuition and state general fund support, the university developed proactive financial and operational plans for the 2020-2021 academic year. The provisional budget plan implemented in June 2020, includes a combination of base budget reductions and one-time savings strategies that create the capacity to respond to fluctuations in unanticipated costs and resources.

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OLD DOMINION UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2020

	Old Dominion University	Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and cash equivalents (Note 2)	$ 102,394,425	$ 13,246,679
Accounts receivable (Net of allowance for doubtful accounts $1,623,315) (Note 4)	16,658,501	16,992,336
Contributions receivable (Net of allowance for doubtful collections $532,207) (Note 11)	-	7,947,495
Due from the Commonwealth (Note 4)	8,003,683	-
Appropriations available	1,508,066	-
Travel advances	-	17,350
Prepaid expenses	9,379,396	593,457
Inventory	396,438	-
Notes receivable (Net of allowance for doubtful accounts $370,156)	1,338,373	-
Other assets	-	268,253
Total current assets	139,678,882	39,065,570
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2)	52,450,412	-
Endowment investments (Note 3)	21,626,675	-
Investments (Notes 2 and 11)	14,635,237	298,638,548
Accounts receivable	-	38,333,869
Contributions receivable (Net of allowance for doubtful collections $484,487) (Note 11)	-	29,485,880
Notes receivable (Net of allowance for doubtful accounts $180,821)	769,805	-
Nondepreciable capital assets (Notes 5 and 11)	155,149,453	19,227,403
Depreciable capital assets (Notes 5 and 11)	602,829,564	18,259,334
Other post-employment benefits asset (Note 16)	3,620,569	-
Other assets	2,100,000	-
Total noncurrent assets	853,181,715	403,945,034
Total assets	992,860,597	443,010,604
Deferred outflows of resources:		
Pension related (Note 13)	27,783,663	-
Other post-employment benefits related (Note 16)	8,296,445	-
Loss on refunding of debt	6,322,906	-
Total deferred outflows of resources	42,403,014	-
Total assets and deferred outflows of resources	$ 1,035,263,611	$ 443,010,604
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current liabilities:		
Accounts payable and accrued expenses (Note 6)	$ 47,213,544	$ 7,071,561
Unearned revenue	24,761,963	6,115,069
Obligations under securities lending (Note 2)	4,750,150	-
Deposits held in custody for others	2,605,876	32,324
Other liabilities	-	26,110,717
Line of credit	-	5,540,559
Long-term liabilities - current portion (Notes 7 and 11)	27,106,601	4,272,438
Total current liabilities	106,438,134	49,142,668
Noncurrent liabilities (Notes 7 and 11)	455,538,517	62,117,713
Total liabilities	561,976,651	111,260,381
Deferred inflows of resources:		
Pension related (Note 13)	7,096,566	-
Other post-employment benefits related (Note 16)	23,048,016	-
Total deferred inflows of resources	30,144,582	-
Total liabilities and deferred inflows of resources	592,121,233	111,260,381
NET POSITION		
Net investment in capital assets	511,471,694	31,946,178
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	5,665,645	-
Permanently restricted	-	151,805,851
Expendable:		
Scholarships and fellowships	9,170,978	-
Research	2,971,128	-
Loans	2,363,207	-
Capital projects	975,780	-
Temporarily restricted	-	109,380,552
Departmental uses	14,814,213	-
Unrestricted	(104,290,267)	38,617,642
Total net position	$ 443,142,378	$ 331,750,223

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, 2020

	Old Dominion University	Component Units
Operating revenues:		
Student tuition and fees (Net of scholarship allowances of $40,056,247)	$ 151,398,299	$ -
Gifts and contributions	-	26,802,536
Federal grants and contracts	9,122,321	-
State grants and contracts	1,847,962	-
Nongovernmental grants and contracts	1,211,918	-
Indirect cost	-	8,531,048
Sponsored research	-	39,970,158
Auxiliary enterprises (Net of scholarship allowances of $22,747,932)	110,288,032	-
Other operating revenues	3,854,653	9,182,921
Total operating revenues	277,723,185	84,486,663
Operating expenses:		
Instruction	178,689,680	2,518,209
Research	16,800,049	45,275,867
Public service	128,617	-
Academic support	47,680,223	7,418,246
Student services	18,734,150	-
Institutional support	36,842,467	15,219,146
Operation and maintenance	35,480,078	570,440
Depreciation	25,343,302	548,289
Student aid	28,776,801	6,414,758
Auxiliary activities	107,199,721	-
Total operating expenses (Note 9)	495,675,088	77,964,955
Operating income (loss)	(217,951,903)	6,521,708
Nonoperating revenues (expenses):		
State appropriations (Note 10)	163,907,574	-
Pell grant revenue	34,903,291	-
CARES Act revenue	7,100,340	-
Gifts	16,331,486	-
Investment income/(loss) (Net of investment expenses of $526,116)	1,831,618	25,273,391
Other nonoperating revenues	2,838,466	-
Other nonoperating expenses	(241,242)	-
Interest on capital asset-related debt	(7,686,651)	-
Payments to Commonwealth from state appropriations	(1,108,899)	-
Payments to Treasury Board	(374,473)	-
Payments to grantors	(4,144)	-
Net nonoperating revenues (expenses)	217,497,366	25,273,391
Income before other revenues, (expenses), gains, and (losses)	(454,537)	31,795,099
Proceeds from VCBA 21st Century and Equipment Trust Fund bond reimbursement programs	50,087,897	-
Capital gifts and grants	155,454	-
Gain/(loss) on disposal of plant assets	(35,906)	611
Bond issuance expense	(344,090)	-
Build America bond interest	7,784	-
Contributions to permanent endowments	-	12,295,420
Total other revenues, (expenses), gains, and (losses)	49,871,139	12,296,031
Increase in net position	49,416,602	44,091,130
Net position - beginning of year	393,725,776	287,659,093
Net position - end of year	$ 443,142,378	$ 331,750,223

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

OLD DOMINION UNIVERSITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2020

Cash flows from operating activities:	
Student tuition and fees	$ 181,456,589
Grants and contracts	12,770,653
Auxiliary enterprises	146,462,070
Other receipts	3,845,813
Payments to employees and fringe benefits	(278,354,450)
Payments for services and supplies	(118,565,804)
Payments for travel	(6,020,951)
Payments for scholarships and fellowships	(100,512,464)
Payments for noncapitalized improvements and equipment	(16,629,542)
Collections of loans from students	280,828
Net cash used by operating activities	(175,267,258)
Cash flows from non-capital financing activities:	
State appropriations	163,161,924
Pell grant revenue	34,903,291
Gifts and grants for other than capital purposes	16,267,037
William D. Ford direct lending receipts	97,087,883
William D. Ford direct lending disbursements	(97,087,883)
PLUS loan receipts	22,750,439
PLUS loan disbursements	(22,750,439)
Federal grants and contracts	(71,679)
Refunded to federal government	(4,144)
Other receipts	10,114,928
Custodial receipts	4,103,562
Custodial payments	(4,208,034)
Net cash provided by non-capital financing activities	224,266,885
Cash flows from capital financing activities:	
Contributions from the Commonwealth	49,999,211
Bond premium	6,600,179
Proceeds from bonds	53,857,936
Capital gifts	109,975
Proceeds from capital debt and investments	40,852
Cost of bond issuance	(336,673)
Purchase of capital assets	(120,241,350)
Principal paid on capital debt, leases and installments	(19,621,197)
Interest paid on capital debt, leases and installments	(11,201,714)
Net cash used by capital financing activities	(40,792,781)
Cash flows from investing activities:	
Interest on investments	529,606
Proceeds from sale of investments	1,214,885
Purchase of investments	778,230
Net cash provided by investing activities	2,522,721
Net change in cash	10,729,567
Cash and cash equivalents - beginning of the year	139,365,120
Cash and cash equivalents - end of the year	$ 150,094,687

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

Statement of Net Position	
Cash and cash equivalents	$ 154,844,837
Less: Securities lending - Treasurer of Virginia	(4,750,150)
Net cash and cash equivalents	$ 150,094,687

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

Operating (loss)	$ (217,951,903)
Adjustments to reconcile net income/(loss) to net cash used by operating activities:	
Depreciation expense	25,343,302
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Receivables, net	2,214,567
Prepaid expenses	(9,024,343)
Inventory	82,667
OPEB asset	486,431
Deferred outflows of resources related to pensions	(12,719,221)
Deferred outflows of resources related to OPEB	(2,257,720)
Accounts payable and accrued expenses	9,115,020
Deposits	(91,977)
Unearned revenue	13,453,014
Net pension liability	20,780,619
OPEB liability	(6,769,159)
Deferred inflows of resources related to pensions	(3,084,434)
Deferred inflows of resources related to OPEB	5,155,879
Net cash used by operating activities	$ (175,267,258)

Non-cash investing, capital and financing activities:	
Change in fair value of investments	$ 861,274
Capitalization of interest expense	$ 2,059,212
Amortization of bond premium	$ 3,022,398
Change in receivables relating to nonoperating income	$ 132,991
Loss on disposal of plant assets	$ (35,906)
Retainage payable	$ 4,202,732

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, 2020

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 Governmental Accounting Standards Board (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, 2019. The Research Foundation coordinates and accounts for substantially all grants and contracts awarded for research at the University. 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 Governmental Accounting Standards Board (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 year 2021 that were paid in advance as of June 30, 2020.

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. 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. Interest expense of $2,059,212 relating to construction is capitalized net of interest income earned on resources set aside for this purpose for the year ended June 30, 2020. The 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 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	3-25 years

Noncurrent Other Assets

Other assets represent Board approved investment in the Real Estate Foundation of $2,100,000 for the purpose of acquiring land for the University Village project.

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, 2020. 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 Virginia Retirement System (VRS) State Employee Retirement Plan and the Virginia Law Officers' System (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 Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. 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 Virginia Retirement System (VRS) State Employee Health Insurance Credit Program is a single employer plan that is presented as a multiple-employer, cost-sharing plan. 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 Virginia Retirement System (VRS) Disability Insurance Program (Virginia Sickness and Disability Program) is a single employer plan that is presented as a multiple-employer, cost-sharing plan. 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 Virginia Retirement System (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.

Unearned Revenue

Unearned revenue primarily includes amounts received for tuition and fees and certain auxiliary activities and advance payments on grants and contracts prior to the end of the fiscal year, but related to the period after June 30, 2020.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of bonds payable, installment purchases, and capital 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 Virginia Retirement System (VRS) and Other Post-Employment Benefit (OPEB) liability for OPEB plans managed by VRS except for Pre-Medicare Retiree Healthcare which 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.

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 and losses on the disposal of capital assets. All other expenses are classified as operating expenses.

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.

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 2020, funding has been provided to the University from two programs managed by the Virginia College Building Authority (VCBA): 21st Century 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

GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement were effective for reporting periods beginning after December 15, 2018. The statement has no effect on the University's financial statements.

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, 2020. The following risk disclosures are required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*:

Custodial Credit Risk (Category 3 deposits and investments) - 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, a 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, 2020.

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, 2020, 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 weighted average 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 for June 30, 2020. 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.*

Summary of Cash and Cash Equivalents:

Cash with Treasurer of Virginia	$ 72,568,664
Cash not with Treasurer of Virginia	52,223,203
Cash equivalent	30,052,970
Total cash and cash equivalents	$ 154,844,837

Deposits

At June 30, 2020, the carrying value of the University's deposit with banks was $52,223,203 and the bank balance was $46,225,744. 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, 2020, 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 are set forth in the Investment of Public Funds Act, Section 2.2-4500 through 2.2-4518, et seq., *Code of Virginia*. 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 $4,750,150 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 Comprehensive Annual Financial Report (CAFR).

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 net asset value (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 Net Asset Value (NAV) are held with Old Dominion University Educational Foundation and the Commonfund; balances at June 30, 2020 were $24,334,217 and $7,139,564, 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 the 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. The 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, 2020

	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:								
BB&T/Treasurer of VA (Securities Lending)	NR	$ 4,819,332	$ 4,819,332	$ -	$ -	$ 4,819,332		
SNAP	AAAm	25,233,638	25,233,638	-	-	25,233,638		
Total Cash Equivalents		30,052,970	30,052,970	-	-	$ 30,052,970		
Investments by Fair Value (FV):								
U.S. Treasury Securities [1]	NA	849,289	121,906	434,290	293,093		$ 849,289	$ -
Corporate Bonds	AAA	36,990	-	-	36,990		-	36,990
	AA	36,912	-	-	36,912		-	36,912
	AA-	86,049	-	21,035	65,014		-	86,049
	A+	86,524	25,253	34,976	26,295		-	86,524
	A	425,246	59,652	265,406	100,188		-	425,246
	A-	209,292	-	135,236	74,056		-	209,292
Municipal Securities	AAA	26,014	-	26,014	-		-	26,014
	AA+	57,623	-	30,410	27,213		-	57,623
	AA	15,813	-	15,813	-		-	15,813
	AA-	67,090	25,000	42,090	-		-	67,090
U.S. Government Agency Mortgage Backed	AA+	346,980	50,367	211,821	84,792		346,980	-
Foreign Bonds/Notes	AA-	63,050	-	25,363	37,687		-	63,050
	A+	63,724	30,978	32,746	-		-	63,724
	A-	36,720	-	-	36,720		-	36,720
Mutual Funds Equity [2]		1,938,639	-	-	-		1,938,639	-
Mutual Funds - Intl Equity [2]		442,176	-	-	-		442,176	-
Total Investments by Fair Value (FV)		4,788,131	313,156	1,275,200	818,960		$ 3,577,084	$ 1,211,047
Investments Measured at Net Asset Value (NAV):								
Mutual Funds	AA	7,139,564	-	7,139,564	-			
Educational Foundation Educational Foundation	NA	24,334,217	-	24,334,217	-			
Total Investments Measured at the NAV		31,473,781	-	31,473,781	-			
Total Cash Equivalents and Investments		$ 66,314,882	$ 30,366,126	$ 32,748,981	$ 818,960			

[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	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual Funds	$ 7,139,564	-	Weekly	5 Business Days
Mutual Funds with ODU Educational Foundation	24,334,217	-	N/A	N/A
	$ 31,473,781			

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 2020, the payout percentage was 4.0%. The payout percentage is reviewed and adjusted annually, as deemed prudent.

At June 30, 2020, net appreciation of $1,425,198 is available to be spent, which is reflected in the Statement of Net Position of $96,306 in Restricted for Nonexpendable Scholarships and Fellowships, $4,289 in Restricted for Expendable Scholarships and Fellowships, and $1,324,603 in Unrestricted.

NOTE 4: ACCOUNTS RECEIVABLE

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

Student tuition and fees	$ 12,819,879
Auxiliary enterprises	1,720,688
Federal, state, and nongovernmental grants and contracts	3,690,285
Other activities	50,964
Gross receivables	18,281,816
Less allowance for doubtful accounts	(1,623,315)
Net accounts receivable	$ 16,658,501

B. Due from the Commonwealth consisted of the following at June 30, 2020:

Equipment trust fund reimbursement	$ 3,769,574
Virginia College Building Authority 21st Century bond reimbursements	4,234,109
Total due from Commonwealth of Virginia	$ 8,003,683

NOTE 5: CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2020 is presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$ 37,040,495	$ -	$ -	$ 37,040,495
Construction in progress	81,478,564	109,394,552	72,764,158	118,108,958
Total nondepreciable capital assets	118,519,059	109,394,552	72,764,158	155,149,453
Depreciable capital assets:				
Buildings	808,615,143	68,284,394	106,388	876,793,149
Equipment	92,921,200	11,617,141	17,608	104,520,733
Infrastructure	3,286,162	-	-	3,286,162
Improvements other than buildings	17,123,678	-	-	17,123,678
Library books	69,999,535	492,309	11,359,551	59,132,293
Intangible assets	2,592,653	957,362	-	3,550,015
Total depreciable capital assets	994,538,371	81,351,206	11,483,547	1,064,406,030
Less accumulated depreciation for:				
Buildings	297,075,287	15,602,716	70,480	312,607,523
Equipment	65,978,767	6,951,016	17,608	72,912,175
Infrastructure	2,016,228	263,423	-	2,279,651
Improvements other than buildings	11,446,799	1,812,621	-	13,259,420
Library books	68,763,817	619,064	11,359,549	58,023,332
Intangible assets	2,399,903	94,462	-	2,494,365
Total accumulated depreciation	447,680,801	25,343,302	11,447,637	461,576,466
Depreciable capital assets, net	546,857,570	56,007,904	35,910	602,829,564
Total capital assets, net	$ 665,376,629	$ 165,402,456	$ 72,800,068	$ 757,979,017

NOTE 6: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

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

Employee salaries, wages, and fringe benefits payable	$ 20,955,902
Retainage payable	4,202,732
Interest payable	2,682,244
Virginia Retirement System payable	1,095,324
Vendors and suppliers accounts payable	18,277,342
Current liabilities - accounts payable and accrued expenses	$ 47,213,544

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, 2020 is presented as follows:

	Beginning Balance	Additions		Reductions		Ending Balance	Current Portion
Long-term debt:							
General obligation bonds	$ 42,758,637	$ 58,243,731		$ 8,960,162		$ 92,042,206	$ 5,685,014
Revenue bonds	146,171,979	4,046,532		13,095,321		137,123,190	11,610,000
Installment purchases	560,675	-		184,011		376,664	186,877
Capital leases	51,558,236	-		2,928,779		48,629,457	2,786,811
Total long-term debt	241,049,527	62,290,263		25,168,273		278,171,517	20,268,702
Accrued compensated absences	9,006,575	8,010,900		6,660,598		10,356,877	6,088,257
Net pension liability	117,932,000	20,780,619	*	-		138,712,619	-
OPEB liability	61,621,729	-		6,769,159	**	54,852,570	749,642
Federal loan program contributions	338,614	212,921		-		551,535	-
Total long-term liabilities	$ 429,948,445	$ 91,294,703		$ 38,598,030		$ 482,645,118	$ 27,106,601

* *Additions reflect net increase.*

** *Reductions reflect net decrease.*

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 Fund revenues include General Fund appropriations, tuition and fees, auxiliary enterprise revenues, and other revenues not required by law to be used for another purpose. The University issued 9(d) bonds through the Virginia College Building Authority's (VCBA) 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	2020
General obligation bonds:			
Dormitory, Series 2019B	5.00%	2022	$ 345,000
Dormitory, Series 2019B	5.00%	2022	510,000
Dormitory, Series 2019B	5.00%	2022	995,000
Dormitory, Series 2010A	3.15% - 4.40%	2030	1,120,000
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	4,732,824
Dormitory, Series 2015B	5.00%	2027	2,050,326
Dormitory, Series 2015B	5.00%	2028	20,151,326
Dormitory, Series 2019A	2.00% - 5.00%	2039	48,110,000
Total general obligation bonds			81,370,802
Revenue bonds:			
Recreation, Series 2010B	5.00%	2021	630,000
Recreation, Series 2010B	5.00%	2022	3,415,000
Parking, Series 2009A	3.75% - 5.00%	2021	15,000
Parking, Series 2010B	5.00%	2021	360,000
Parking, Series 2010B	5.00%	2022	1,045,000
Parking, Series 2010B	5.00%	2021	120,000
Parking, Series 2012A	5.00%	2024	370,000
Parking, Series 2012A	3.00% - 5.00%	2025	1,270,000
Parking, Series 2014B	4.00% - 5.00%	2026	2,990,000
Parking, Series 2015B	3.00% - 5.00%	2029	3,095,000
Parking, Series 2016A	3.00% - 5.00%	2028	1,235,000
Athletic Fac. Exp., Series 2012A	3.00% - 5.00%	2025	745,000
Athletic Fac. Exp., Series 2012A	3.00% - 5.00%	2025	1,105,000
Athletic Fac. Exp., Series 2014B	4.00%	2026	255,000

Description	Interest Rates	Maturity	2020
Athletic Fac. Exp., Series 2014B	5.00%	2024	220,000
Athletic Fac. Exp., Series 2014B	4.00% - 5.00%	2026	175,000
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 2012A	3.00% - 5.00%	2025	615,000
H&PE Renovation, Series 2012A	3.00% - 5.00%	2025	1,105,000
H&PE Renovation, Series 2014B	4.00%	2026	255,000
H&PE Renovation, Series 2014B	4.00% - 5.00%	2026	5,520,000
H&PE Renovation, Series 2016A	3.00% - 5.00%	2028	2,285,000
Indoor Tennis Court, Series 2012A	3.00% - 5.00%	2025	460,000
Indoor Tennis Court, Series 2012A	3.00% - 5.00%	2025	865,000
Indoor Tennis Court, Series 2014B	4.00%	2026	200,000
Indoor Tennis Court, Series 2014B	5.00%	2024	60,000
Indoor Tennis Court, Series 2014B	4.00% - 5.00%	2026	95,000
Indoor Tennis Court, Series 2016A	3.00%	2027	35,000
Indoor Tennis Court, Series 2016A	3.00% - 5.00%	2028	30,000
Dormitory, Series 2012A	3.00% - 5.00%	2025	7,240,000
Dormitory, Series 2014B	4.00%	2026	1,670,000
Powhatan Sports Ctr, Series 2009A	3.75% - 5.00%	2021	75,000
Powhatan Sports Ctr, Series 2010A	4.00% - 5.50%	2031	585,000
Powhatan Sports Ctr, Series 2014A	5.00%	2035	2,505,000
Powhatan Sports Ctr, Series 2014B	4.00% - 5.00%	2026	2,280,000
Powhatan Sports Ctr, Series 2015B	3.00% - 5.00%	2029	15,620,000
Powhatan Sports Ctr, Series 2016A	3.00% - 5.00%	2028	945,000
Webb Center Expansion, Series 2014A	5.00%	2035	2,110,000
Webb Center Expansion, Series 2016A	3.00% - 5.00%	2030	430,000
Campus Dining Impr., Series 2014A	5.00%	2035	17,470,000
Foreman Field Reconstruction, Series 2018A	4.00% - 5.00%	2039	39,745,000
Student Health and Wellness, Series 2019A	2.25% - 5.00%	2040	3,660,000
Total revenue bonds			123,155,000
Installment purchases	1.56%	2022	376,664
Capital leases	Various	2029-34	48,629,457
Total bonds, installment purchases, and capital leases			253,531,923
Unamortized bond premium, general obligation bonds			10,671,404
Unamortized bond premium, revenue bonds			13,968,190
Total bonds, installment purchases, capital leases, and unamortized bond premiums			$ 278,171,517

Long-term debt matures as follows:

	Principal	Interest
2021	$ 20,268,700	$ 10,810,321
2022	20,482,889	9,828,732
2023	18,699,207	9,065,985
2024	19,641,526	8,155,302
2025	20,340,608	7,294,702
2026-2030	79,998,181	23,866,689
2031-2035	48,260,812	9,574,989
2036-2040	25,840,000	1,991,847
Total	$ 253,531,923	$ 80,588,567

Defeasance of Debt

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, 2020, none of the defeased bonds were outstanding.

In August 2019, the Treasury Board completed the sale of General Obligation Refunding Bonds, Series 2019B on behalf of the University and issued $2,720,000 to refund $2,952,794 of Series 2002, 2005, and 2006B bonds. The resulting net loss of $25,768 will be amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

The details of each bond issue refunded are below:

Bonds Title	**Bonds Refunded**	**Interest Rate (Bond Refunded)**	**Refunding Bond Issued**	**Interest Rate Refunding Bonds**	**Accounting Gain/ (Loss)**	**Reduction in Debt Service**	**Economic Gain/ (Loss)**
Student Housing, Series 2002	$ 532,794	4.00%	$ 500,000	5.00%	$ (1,232)	$ 30,060	$ 29,585
Student Housing, Series 2005	870,000	5.00%	755,000	5.00%	(8,821)	134,905	59,077
Student Housing, Series 2006B	1,550,000	5.00%	1,465,000	5.00%	(15,715)	108,853	106,974
Total	$ 2,952,794		$ 2,720,000		$ (25,768)	$ 273,818	$ 195,636

Assets Purchased Under Capital Leases

At June 30, 2020, assets purchased under capital leases were included in depreciable capital assets with a historical cost of $81,063,301 and accumulated depreciation of $23,965,643. The assets are net of accumulated depreciation. The University's capital lease obligations are mainly with the Old Dominion University Real Estate Foundation for the following buildings: Bookstore (42,138 square foot), President's House (6,103 square foot), Parking Garage D (288,575 square foot), and Village Apartments (457,004 square foot).

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	Total
Instruction	$ 153,018,469	$ 20,018,647	$ -	$ 5,652,564	$ -	$ 178,689,680
Research	8,773,769	7,777,847	-	248,433	-	16,800,049
Public service	73,363	55,254	-	-	-	128,617
Academic support	32,738,528	10,786,223	-	4,155,472	-	47,680,223
Student services	15,370,506	3,292,368	-	71,276	-	18,734,150
Institutional support	29,893,576	6,901,162	-	47,729	-	36,842,467
Operation and maintenance of plant	14,960,976	18,091,800	-	2,427,302	-	35,480,078
Depreciation expense	-	-	-	-	25,343,302	25,343,302
Scholarship and related expenses	-	615,714	28,161,087	-	-	28,776,801
Auxiliary activities	33,759,366	61,342,366	10,812,208	1,285,781	-	107,199,721
Total	$ 288,588,553	$ 128,881,381	$ 38,973,295	$ 13,888,557	$ 25,343,302	$ 495,675,088

NOTE 10: STATE APPROPRIATIONS

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

The following is a summary of state appropriations received by the University, including all supplemental appropriations and reversions:

Original legislative appropriation per Chapter 854:	
Educational and general programs	$ 126,680,452
Student financial assistance/grants	27,366,141
Supplemental adjustments:	
Central fund transfers - compensation and benefits	2,975,089
Online Virginia Network Authority (OVN)	1,550,000
Grants	4,687,306
Education and general reversion	(3,947,763)
Tuition moderation funding	3,124,000
The Virtual Library of Virginia (VIVA)	18,229
Credit card rebates and interest	617,648
Tech talent investment pipeline	836,472
Adjusted appropriations	$ 163,907,574

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. 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	$ 510,790	$ 415,893	$ 5,571,016	$ 6,748,980	$ 13,246,679
Accounts receivable, net	31,258	520,865	3,456,792	12,983,421	16,992,336
Contributions receivable, net	3,757,213	4,190,282	-	-	7,947,495
Travel advances	-	-	-	17,350	17,350
Prepaid expenses	77,842	23,881	144,707	347,027	593,457
Other assets	75,097	193,156	-	-	268,253
Total current assets	4,452,200	5,344,077	9,172,515	20,096,778	39,065,570
Noncurrent assets:					
Investments	45,588,981	241,871,268	2,112,289	9,066,010	298,638,548
Accounts receivable	-	-	38,333,869	-	38,333,869
Contributions receivable, net	10,225,362	12,957,307	6,303,211	-	29,485,880
Nondepreciable capital assets	-	-	19,074,010	153,393	19,227,403
Capital assets	45,831	1,750,260	13,715,434	2,747,809	18,259,334
Total noncurrent assets	55,860,174	256,578,835	79,538,813	11,967,212	403,945,034
Total assets	$ 60,312,374	$ 261,922,912	$ 88,711,328	$ 32,063,990	$ 443,010,604
LIABILITIES					
Current liabilities:					
Accounts payable	$ 238,337	$ 152,402	$ 325,318	$ 6,355,504	$ 7,071,561
Unearned revenue	4,560	-	245,046	5,865,463	6,115,069
Deposits held in custody for others	-	-	32,324	-	32,324
Agency related payables	-	26,110,717	-	-	26,110,717
Line of credit	-	-	5,540,559	-	5,540,559
Long-term liabilities – current portion	-	141,525	4,130,913	-	4,272,438
Total current liabilities	242,897	26,404,644	10,274,160	12,220,967	49,142,668
Noncurrent liabilities	-	740,212	61,377,501	-	62,117,713
Total liabilities	242,897	27,144,856	71,651,661	12,220,967	111,260,381
NET POSITION					
Net investment in capital assets	45,831	1,750,260	27,248,885	2,901,202	31,946,178
Permanently restricted	12,559,129	139,246,722	-	-	151,805,851
Temporarily restricted	24,579,451	76,802,406	7,998,695	-	109,380,552
Unrestricted	22,885,066	16,978,668	(18,187,913)	16,941,821	38,617,642
Total net position	$ 60,069,477	$ 234,778,056	$ 17,059,667	$ 19,843,023	$ 331,750,223

	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	$ 10,426,744	$ 15,974,291	$ 401,501	$ -	$ 26,802,536
Indirect cost	-	-	-	8,531,048	8,531,048
Sponsored research	-	-	-	39,970,158	39,970,158
Other operating revenues	201,295	335,863	6,627,156	2,018,607	9,182,921
Total operating revenues	10,628,039	16,310,154	7,028,657	50,519,813	84,486,663
Operating expenses:					
Instruction	-	2,518,209	-	-	2,518,209
Research	-	-	-	45,275,867	45,275,867
Academic support	1,878,410	5,539,836	-	-	7,418,246
Institutional support	2,600,740	1,444,717	5,643,844	5,529,845	15,219,146
Operation and maintenance of plant	-	570,440	-	-	570,440
Depreciation	43,526	21,404	483,359	-	548,289
Student aid	3,190,748	3,224,010	-	-	6,414,758
Total operating expenses	7,713,424	13,318,616	6,127,203	50,805,712	77,964,955
Operating gain/(loss)	2,914,615	2,991,538	901,454	(285,899)	6,521,708
Investment income (loss)	5,767,753	20,477,392	(1,424,402)	452,648	25,273,391
Gain on disposal of plant assets	611	-	-	-	611
Contributions to permanent endowments	774,397	11,521,023	-	-	12,295,420
Increase/(decrease) in net position	9,457,376	34,989,953	(522,948)	166,749	44,091,130
Beginning net position	50,612,101	199,788,103	17,582,615	19,676,274	287,659,093
Ending net position	$ 60,069,477	$ 234,778,056	$ 17,059,667	$ 19,843,023	$ 331,750,223

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	$ 3,960,663	$ 4,519,039	$ -	$ 8,479,702
Less allowance for doubtful accounts	203,450	328,757	-	532,207
Net current accounts receivable	3,757,213	4,190,282	-	7,947,495
Receivable due in greater than 1 year, net of discount ($2,908,405)	10,250,104	13,417,052	6,303,211	29,970,367
Less allowance for doubtful accounts	24,742	459,745	-	484,487
Net noncurrent contributions receivable	10,225,362	12,957,307	6,303,211	29,485,880
Total contributions receivable	$ 13,982,575	$ 17,147,589	$ 6,303,211	$ 37,433,375

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	$ -	$ -	$ -	$ 4,309,289	$ 4,309,289
Common & preferred stocks	43,976	761,707	-	456	806,139
Certificates of deposit	-	-	-	3,785,646	3,785,646
Mutual and money market funds	31,457,329	134,422,754	1,306,538	970,619	168,157,240
Partnerships	14,087,676	80,576,090	805,751	-	95,469,517
Managed investments	-	26,110,717	-	-	26,110,717
Total	$ 45,588,981	$241,871,268	$ 2,112,289	$ 9,066,010	$298,638,548

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	$ -	$ -	$ 19,074,010	$ 54,802	$ 19,128,812
Construction in progress	-	-	-	98,591	98,591
Total capital assets not being depreciated	-	-	19,074,010	153,393	19,227,403
Depreciable capital assets:					
Buildings	-	-	14,682,859	904,310	15,587,169
Equipment	456,255	2,734,048	441,716	21,843,323	25,475,342
Total capital assets being depreciated	456,255	2,734,048	15,124,575	22,747,633	41,062,511
Less accumulated depreciation for:					
Buildings	-	-	1,323,418	896,497	2,219,915
Equipment	410,424	983,788	85,723	19,103,327	20,583,262
Total accumulated depreciation	410,424	983,788	1,409,141	19,999,824	22,803,177
Total depreciable capital assets, net	45,831	1,750,260	13,715,434	2,747,809	18,259,334
Total capital assets, net	$ 45,831	$ 1,750,260	$ 32,789,444	$ 2,901,202	$ 37,486,737

Long-Term Liabilities

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

Description	Interest Rates	Maturity	2019
Bonds payable:			
Norfolk Redevelopment & Housing Authority Revenue Bonds Series 2015	3.800%	2033	$ 37,480,000
Norfolk Redevelopment & Housing Authority Revenue Bonds Series 2015	5.465%	2031	8,655,000
Norfolk Airport Authority $10,000,000 Revenue Bond (Barry Art Museum) Series 2016	2.455%	2025	6,666,667
Total bonds payable			52,801,667
Notes payable:			
Bookstore	5.585%	2033	3,902,836
President's House	4.500%	2028	1,378,446
Bank Street	3.100%	2029	1,020,822
Total notes payable			6,302,104
Total bonds and notes payable			59,103,771
Unamortized bond issuance costs			(57,687)
Other long-term liabilities			7,344,067
Total long-term debt			$ 66,390,151

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

2020	$ 4,120,527
2021	4,257,938
2022	4,396,506
2023	4,546,358
2024	4,701,401
Thereafter	37,081,041
Total	$ 59,103,771

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, 2020, the University will repay $48,629,457. At the expiration of the lease terms, the Old Dominion University Real Estate Foundation shall transfer the properties to the University. As such, the University has recorded capital leases relating to these lease agreements.

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 for the year ended June 30, 2020 totaled $11,560,889; $1,484,733; $6,876,887; and $12,999,076 respectively. This includes gift transfers, payments for facilities, and payments for services.

In September 2003, the University's Board of Visitors approved a $2,100,000 investment to the Real Estate Foundation for the purpose of acquiring land for the University Village project. This is reflected in the Real Estate Foundation's land amount.

Component Unit Subsequent Event

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve. As such, it is uncertain as to the full magnitude that the pandemic will have on the Foundations' financial condition, liquidity, and future results of operations. The Foundations' management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, donors, industry, and workforce. Management of the Real Estate Foundation has estimated an immaterial change in investments. Management is also actively involved in monitoring the impact related to the collectability of promises to give as it represents a significant asset to the Foundations. The Foundations reviewed governmental relief opportunities that arose in response to the COVID-19 outbreak under the CARES Act, but management determined the Foundations did not qualify and, therefore, did not apply.

The Educational Foundation pool value was down at June 30, 2020 1.39% from December 31, 2019 and the Athletic Foundation investment pool was up 1.31%. At December 31, 2020, the Educational Foundation was up 10.24% and Athletic Foundation was up 18.88% compared to December 31, 2019.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Foundations are not able to estimate further effects of the COVID-19 outbreak on its results of operations, financial conditions, or liquidity for 2021.

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

NOTE 12: COMMITMENTS

At June 30, 2020, the University was a party to construction contracts totaling approximately $117,076,083 of which $96,654,189 has been incurred.

The University is committed under various operating leases for equipment and space. In general, the equipment leases and the space leases are for varying terms with appropriate renewal options for each type of lease. In most cases, the University expects that in the normal course of business, similar leases will replace these leases. Rental expense was approximately $8,820,698 for the year ended June 30, 2020.

The University has, as of June 30, 2020, the following future minimum rental payments due under the above leases:

Year Ending June 30,	Operating Lease Obligation
2021	$ 6,968,860
2022	6,133,065
2023	5,529,450
2024	5,593,795
2025	1,330,159
2026-2030	9,945,550
2031-2035	216,022
2036-2040	194,420
Total	$ 35,911,321

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 following:

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

PLAN 1	PLAN 2	HYBRID PLAN
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.	**Eligible Members** Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010 and they were not vested as of January 1, 2013.	**Eligible Members** Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • 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 non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. 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** VRS non-hazard duty covered Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 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.	***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 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 payment.	**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** **<u>Defined Benefit Component:</u>** Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. **<u>Defined Contribution Component:</u>** 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 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** **<u>Defined Benefit Component:</u>** Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. **<u>Defined Contribution Component:</u>** Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. 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 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** **<u>Defined Benefit Component:</u>** See definition under Plan 1. **<u>Defined Contribution Component:</u>** The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
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 creditable service earned, purchased or granted on or after January 1, 2013. **VaLORS:** The retirement multiplier for VaLORS employees is 2.00%.	**Service Retirement Multiplier** **<u>Defined Benefit Component:</u>** **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. **<u>Defined Contribution Component:</u>** Not applicable.

<table>
<tr><th>PLAN 1</th><th>PLAN 2</th><th>HYBRID PLAN</th></tr>
<tr><td>Normal Retirement Age
VRS: Age 65.

VaLORS: Age 60.</td><td>Normal Retirement Age
VRS: Normal Social Security retirement age.

VaLORS: Same as Plan 1.</td><td>Normal Retirement Age
<u>Defined Benefit Component:</u>
VRS: Same as Plan 2.

VaLORS: Not applicable.

<u>Defined Contribution Component:</u>
Members are eligible to receive distributions upon leaving employment, subject to restrictions.</td></tr>
<tr><td>Earliest Unreduced Retirement Eligibility
VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.

VaLORS: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</td><td>Earliest Unreduced Retirement Eligibility
VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.

VaLORS: Same as Plan 1.</td><td>Earliest Unreduced Retirement Eligibility
<u>Defined Benefit Component:</u>
VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

VaLORS: Not applicable.

<u>Defined Contribution Component:</u>
Members are eligible to receive distributions upon leaving employment, subject to restrictions.</td></tr>
<tr><td>Earliest Reduced Retirement Eligibility
VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

VaLORS: Age 50 with at least five years of service credit.</td><td>Earliest Reduced Retirement Eligibility
VRS: Age 60 with at least five years (60 months) of creditable service.

VaLORS: Same as Plan 1.</td><td>Earliest Reduced Retirement Eligibility
<u>Defined Benefit Component:</u>
VRS: Age 60 with at least five years (60 months) of creditable service.

VaLORS: Not applicable.

<u>Defined Contribution Component:</u>
Members are eligible to receive distributions upon leaving employment, subject to restrictions.</td></tr>
</table>

PLAN 1	PLAN 2	HYBRID 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%.	**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%.	**Cost-of-Living Adjustment (COLA) in Retirement** **<u>Defined Benefit Component:</u>** Same as Plan 2. **<u>Defined Contribution Component:</u>** Not applicable.
<u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, 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 creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	**<u>Eligibility:</u>** Same as Plan 1.	**<u>Eligibility:</u>** Same as Plan 1 and Plan 2.
<u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • 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.	**<u>Exceptions to COLA Effective Dates:</u>** Same as Plan 1.	**<u>Exceptions to COLA Effective Dates:</u>** Same as Plan 1 and Plan 2.

<table>
<tr><th>PLAN 1</th><th>PLAN 2</th><th>HYBRID PLAN</th></tr>
<tr><td>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.</td><td></td><td></td></tr>
<tr><td>Disability Coverage
Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.

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.</td><td>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.</td><td>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.</td></tr>
</table>

PLAN 1	PLAN 2	HYBRID 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** **<u>Defined Benefit Component:</u>** Same as Plan 1, with the following exception: • Hybrid Retirement Plan members are ineligible for ported service. **<u>Defined Contribution Component:</u>** 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 contribution rate for the year ended June 30, 2020 was 13.52% of covered employee compensation for employees in the VRS State Employee Retirement Plan. For employees in the VaLORS Retirement Plan, the contribution rate was 21.61% of covered employee compensation. These rates were based on actuarially determined rates from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the University to the VRS State Employee Retirement Plan were $12,006,226 and $11,541,721 for the years ended June 30, 2020 and June 30, 2019, respectively. Contributions from the University to the VaLORS Retirement Plan were $499,366 and $487,720 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the University reported a liability of $134,235,543 for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of $4,477,076 for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The University's proportion of the Net Pension Liability was based on the University's actuarially determined employer contributions to the pension plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the University's proportion of the VRS State Employee Retirement Plan was 2.12407% as compared to 2.10523% at June 30, 2018. At June 30, 2019, the University's proportion of the VaLORS Retirement Plan was 0.64508% as compared to 0.63577% at June 30, 2018.

For the year ended June 30, 2020, the University recognized pension expense of $16,851,479 for the VRS State Employee Retirement Plan and $676,196 for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2018 and June 30, 2019, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2020, the University 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	$ 2,797,071	$ 3,611,112
Net difference between projected and actual earnings on pension plan investments	-	3,356,135
Change in assumptions	10,580,940	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,517,203	-
University contributions subsequent to the measurement date	12,006,226	-
Total	$ 26,901,440	$ 6,967,247

$12,006,226 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense in future reporting periods as follows:

Year ended June 30	
2021	$ 3,858,079
2022	$ 424,114
2023	$ 3,379,635
2024	$ 266,139
2025	$ -

At June 30, 2020, 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	$ 45,243	$ 51,622
Net difference between projected and actual earnings on pension plan investments	-	70,987
Change in assumptions	253,812	6,710
Changes in proportion and differences between employer contributions and proportionate share of contributions	83,802	-
University contributions subsequent to the measurement date	499,366	-
Total	$ 882,223	$ 129,319

$499,366 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense in future reporting periods as follows:

Year ended June 30	
2021	$ 182,980
2022	$ 63,728
2023	$ 326
2024	$ 6,504
2025	$ -

Actuarial Assumptions

VRS

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

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

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

Mortality rates:

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

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

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

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

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

VaLORS

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

Inflation	2.5%
Salary increases, including inflation	3.5% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

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

benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

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

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

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

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

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*, less that system's fiduciary net position. As of June 30, 2019, NPL amounts for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan are as follows:

	State Employee Retirement Plan	VaLORS Retirement Plan
Total pension liability	$ 25,409,842,000	$ 2,190,025,000
Plan fiduciary net position	19,090,110,000	1,495,990,000
Employer's net pension liability	$ 6,319,732,000	$ 694,035,000
Plan fiduciary net position as a percentage of the total pension liability	75.13%	68.31%

The total pension liability is calculated by the System's actuary and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25,* in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.63%

* The above allocation provides a one-year return of 7.63%. However, one year-returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019 the rate contributed by the 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, 2019 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University'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	$ 197,190,872	$ 134,235,543	$ 81,312,868

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 Retirement Plan net pension liability	$ 6,287,386	$ 4,477,076	$ 2,981,457

Pension Plan Fiduciary Net Position

Detailed information about the VRS State Employee Retirement Plan's Fiduciary Net Position or the VaLORS Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications/2019-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2020, the University reported a payable of $740,212 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

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 Fidelity Investments Tax-Exempt Services Company. 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 $6,515,922 for the year ended June 30, 2020. Contributions to the optional retirement plans were calculated using the base salary amount $68,219,024 for fiscal year 2020.

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 2020 was a maximum match up to $20 per pay period or $40 per month. Employer contributions under this plan were approximately $588,461 for fiscal year 2020.

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).

<u>Plan Descriptions</u>

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

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

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

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

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 the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the Line of Duty Act Program (LODA). As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

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 Group Life Insurance Program was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: City of Richmond, City of Portsmouth, City of Roanoke, City of Norfolk, 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 member contributions and accrued interest.

Benefit Amounts

The benefits payable under the Group Life Insurance Program 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, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option.

Reduction in Benefit Amounts

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

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

For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statute in 2015. This amount will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,463 as of June 30, 2020.

Health Insurance Credit (HIC):

Eligible Employees

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

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

Benefit Amounts

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

- At Retirement – For State employees who retire with at least 15 years of service credit, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount.
- Disability Retirement – For State employees, other than state police officers, who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP), the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher.

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

  For State police officers employees with a work-related disability, there is no benefit provided under the State Employee Retiree Health Insurance Credit Program if the premiums are being paid under the Virginia Line of Duty Act. However, they may receive the credit for premiums paid for other qualified health plans.

Health Insurance Credit Program Notes:

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

Virginia Sickness and Disability Program (VSDP):

Eligible Employees

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

Eligible employees are enrolled automatically upon employment. They include:

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

Benefit Amounts

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

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

Disability Insurance Program (VSDP) Plan Notes

- Employees hired or rehired on or after July 1, 2009, must satisfy eligibility periods before becoming eligible for non-work-related short-term disability benefits and certain income-replacement levels.
- A state employee who is approved for VSDP benefits on or after the date that is five years prior to his or her normal retirement date is eligible for up 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 State, SPORS, and VaLORS Plans, with a maximum COLA of 4.00%.
- For participating full-time employees receiving supplemental (work-related) disability benefits, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement.
    - 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS, and VaLORS Plans, with a maximum COLA of 4.00%.

Line of Duty Act (LODA):

Eligible Employees

The eligible employees of the Line of Duty Act Program (LODA) are paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS).

Benefit Amounts

The Line of Duty Act Program (LODA) provides death and health insurance benefits for eligible individuals:

- Death – The Line of Duty Act program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows:
    - $100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after.
    - $25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date.
    - An additional $20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.
- Health Insurance – The Line of Duty Act program provides health insurance benefits.
    - Prior to July 1, 2017, these benefits were managed through the various employer plans and maintained the benefits that existed prior to the employee's death or disability. These premiums were reimbursed to the employer by the LODA program.
    - Beginning July 1, 2017, the health insurance benefits are managed through the Virginia Department of Human Resources Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors, and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by the Line of Duty Act.

Pre-Medicare Retiree Healthcare (PMRH):

Eligible Employees

- Following are eligibility requirements for Virginia Retirement System (VRS) retirees:
    - You are a retiring employee who is eligible for a monthly retirement benefit from VRS, and
    - You start receiving (do not defer) your retirement benefit immediately upon retirement*, and
    - Your last employer before retirement was the Commonwealth of Virginia, and
    - You were eligible for (even if you were not enrolled) coverage as an active employee in the State Employee 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 ORP, and
    - Your last employer before termination was the Commonwealth of Virginia, and
    - You were eligible for (even if you were not enrolled) coverage in the State Employee Health Benefits Program for active employees at the time of your termination, and
    - You meet the age and service requirements for an immediate retirement benefit under the non-ORP Virginia Retirement System plan that you would have been eligible for on your date of hire had you not elected the ORP, and

- You enroll in the State Retiree Health Benefits Program no later than 31 days from the date you lose coverage (or lose eligibility for coverage) in the State Health Benefits Program for active employees due to 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 his or her termination.

Contributions

Group Life Insurance (GLI):
The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the University were $934,969 and $887,264 for the years ended June 30, 2020 and June 30, 2019, 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, 2020 was 1.17% of covered employee compensation for employees in the VRS State Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the University to the VRS State Employee Health Insurance Credit Program were $2,079,690 and $1,977,602 for the years ended June 30, 2020 and June 30, 2019, respectively.

Virginia Sickness and Disability Program (VSDP):
The contribution requirements for the Disability Insurance Program (VSDP) are governed by §51.1-1140 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the Disability Insurance Program (VSDP) for the year ended June 30, 2020 was 0.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits payable during the year, with an adjustment to amortize the accrued OPEB assets. Contributions to the Disability Insurance Program (VSDP) from the University were $490,289 and $462,350 for the years ended June 30, 2020 and June 30, 2019, respectively.

Line of Duty Act (LODA):
The contribution requirements for the Line of Duty Act Program (LODA) are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the Line of Duty Act Program (LODA) for the year ended June 30, 2020 was $705.77 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits

payable during the year. Contributions to the Line of Duty Act Program (LODA) from the University were $30,348 and $29,642 for the years ended June 30, 2020 and June 30, 2019, 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 employer 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. Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes, and is administered by the Department of Human Resource Management. There were approximately 4,800 retirees and 89,000 active employees in the program in fiscal year 2019. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits.

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

At June 30, 2020, the University reported the following liabilities (assets) for its proportional share of these programs:

GLI	$	14,045,585
HIC	$	22,891,983
VSDP	$	(3,620,569)
LODA	$	792,415
PMRH	$	17,122,587

These liabilities (assets) were measured as of June 30, 2019 and the total OPEB liability used to calculate GLI, HIC,VSDP and LODA net liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019.Retiree Healthcare OPEB liability was measured as of June 30,2019 and was determined by an actuarial valuation as of June 30, 2019. For GLI, HIC, VSDP, and LODA programs, the University's proportion of each liability (asset) was based on the University's actuarially determined employer contributions to each plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. The University's proportion of the PMRH liability was based on its healthcare premium contributions as a percentage of the total employer's healthcare premium contributions for all participating employers.

At June 30, 2019 and June 30, 2018, the University's proportionate share was:

	June 30, 2019	June 30, 2018
GLI	0.86314%	0.87031%
HIC	2.47998%	2.45500%
VSDP	1.84539%	1.82348%
LODA	0.22086%	0.24502%
PMRH	2.52218%	2.50972%

For the year ended June 30, 2020, the University recognized the following expenses for these programs:

GLI	$	288,542
HIC	$	1,958,209
VSDP	$	275,153
LODA	$	68,971
PMRH	$	(1,706,931)

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

At June 30, 2020, 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	$ 934,116	$ 182,185
Net difference between projected and actual earnings on investments	-	288,507
Change in assumptions	886,756	423,536
Changes in proportion	5,427	167,369
University contributions subsequent to the measurement date	934,969	-
Total	$ 2,761,268	$ 1,061,597
Health Insurance Credit (HIC):		
Differences between expected and actual experience	$ 12,480	$ 278,135
Net difference between projected and actual earnings on investments	-	8,994
Change in assumptions	471,104	156,758
Changes in proportion	197,960	245,812
University contributions subsequent to the measurement date	2,079,690	-
Total	$ 2,761,234	$ 689,699
Virginia Sickness and Disability Program (VSDP):		
Differences between expected and actual experience	$ 463,560	$ 145,744
Net difference between projected and actual earnings on investments	-	139,817
Change in assumptions	65,711	206,200
Changes in proportion	-	118,115
University contributions subsequent to the measurement date	490,289	-
Total	$ 1,019,560	$ 609,876
Line of Duty Act (LODA):		
Differences between expected and actual experience	$ 115,177	$ -
Net difference between projected and actual earnings on investments	-	1,569
Change in assumptions	37,181	68,693
Changes in proportion	73,167	65,578
University contributions subsequent to the measurement date	30,348	-
Total	$ 255,873	$ 135,840
Pre-Medicare Retiree Healthcare (PMRH):		
Differences between expected and actual experience	$ -	$ 8,688,221
Change in assumptions	-	11,862,783
Changes in proportion	769,524	-
Amounts related to transactions subsequent to the measurement date	728,986	-
Total	$ 1,498,510	$ 20,551,004

The following amounts reported as deferred outflows of resources related to each program, resulting from transactions subsequent to the measurement date will be recognized as an adjustment of each program's net liability (asset) in the fiscal year ending June 30, 2021.

GLI	$ 934,969
HIC	$ 2,079,690
VSDP	$ 490,289
LODA	$ 30,348
PMRH	$ 728,986

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

Year ended June 30:	GLI	HIC	VSDP	LODA	PMRH
2021	$ 13,658	$ (42,071)	$ (73,579)	$ 13,633	$ (4,568,943)
2022	13,669	(42,089)	(73,554)	13,636	(4,568,943)
2023	135,863	(28,236)	752	13,879	(4,568,943)
2024	256,652	25,526	6,325	14,137	(3,792,309)
2025	270,348	68,947	9,575	14,214	(1,887,739)
Thereafter	74,512	9,768	49,876	20,186	(394,602)

Actuarial Assumptions (GLI, HIC, VSDP, LODA)

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

Inflation	2.50%
Salary increases, including inflation	
General state employees (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 rate assumptions (LODA)	
Under age 65	7.25% – 4.75%
Age 65 and older	5.50% – 4.75%
Investment rate of return (GLI, HIC, VSDP)	6.75%, net of investment expense, including inflation*
Year of ultimate trend rate (LODA)	
Post-65	Fiscal year ended 2023
Pre-65	Fiscal year ended 2028
Investment rate of return (LODA)	3.50%, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify the preparation of the OPEB liabilities. Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.50% was used since it approximates the risk-free rate of return.

Mortality rate – General State Employees (GLI, HIC, VSDP, LODA):

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions (GLI, HIC, VSDP) used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016.

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

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

Mortality rates – Teachers (GLI):

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Health Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.
The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality rates – SPORS Employees (GLI, HIC, VSDP, LODA):

Pre-Retirement:

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

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

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

The actuarial assumptions (GLI, HIC, VSDP) used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016.

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increase rate from 60% to 85%
Discount Rate (GLI, HIC, VSDP)	Decrease rate from 7.00% to 6.75%

Mortality rates – VaLORS Employees (GLI, HIC, VSDP, LODA):

Pre-Retirement:

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

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

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

The actuarial assumptions (GLI, HIC, VSDP) used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016.

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each age and service year through 9 years of service

Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decrease rate from 50% to 35%
Discount Rate (GLI, HIC, VSDP)	Decrease rate from 7.00% to 6.75%

Mortality rates – JRS Employees (GLI, HIC):

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Largest Ten Locality Employers – General Employees (GLI):

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with Scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with Scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change

Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Largest Ten Locality Employers – Hazardous Duty Employees (GLI, LODA):
Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

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

The actuarial assumptions (GLI) used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016.

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 60% to 70%
Discount Rate (GLI)	Decrease rate from 7.00% to 6.75%

Mortality rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees (GLI, LODA):
Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

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

The actuarial assumptions (GLI) used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016.

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate (GLI)	Decrease rate from 7.00% to 6.75%

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, 2019. The Department of Human Resource Management selected the economic, demographic, and healthcare claim cost assumptions. The actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 7.00% for medical and pharmacy and 4.00% for dental. The ultimate trend rates used were 4.50% for medical and pharmacy and 4.00% for dental.

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Measurement Date	June 30, 2019 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Effective Amortization Period	6.25 years
Discount Rate	3.51%
Projected Salary Increases	4.00%

Medical Trend under 65	Medial & Rx: 7.00% to 4.50% Dental: 4.00% before reflecting Excise tax
Year of Ultimate Trend	2029

Mortality rates: Mortality rates vary by participant status

Pre-Retirement:
RP-2014 Employee Rates; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females set back 1 year.

Post-Disablement:
RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2019.

Changes of Assumptions: The following actuarial assumptions were updated since the June 30, 2018 valuation based on recent experience:

- Spousal coverage – reduced the rate from 35% to 25%
- Retirement participation – reduced the rate from 60% to 50%

Spousal coverage and retiree participation were both reduced based on a blend of recent experience and the prior year assumptions. The mortality assumption was modified slightly to reflect modified pre-retirement Mortality base rates to exclude age over 65 instead of apply mortality improvement projection scale BB. The excise tax was modified to reflect updated projection of the tax thresholds. Trend rates were updated based on economic conditions as of 6/30/2019. Additionally, the discount rate was decreased from 3.87% to 3.51% based on the Bond Buyers GO 20 Municipal Bond Index.

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, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, less the associated fiduciary net position. As of June 30, 2019, NOL/NOA amounts for each program are as follows:

	GLI	HIC	VSDP	LODA
Total OPEB liability	$ 3,390,238,000	$ 1,032,094,000	$ 292,046,000	$ 361,626,000
Plan fiduciary net position	1,762,972,000	109,023,000	488,241,000	2,839,000
Net OPEB liability (asset)	$ 1,627,266,000	$ 923,071,000	$ (196,195,000)	$ 358,787,000
Plan fiduciary net position as a percentage of the total OPEB liability	52.00%	10.56%	167.18%	0.79%

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, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, 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)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
Inflation			2.50%
* Expected arithmetic nominal return			7.63%

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Long-Term Expected Rate of Return (LODA)

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.50% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 3.50% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2019.

Discount Rate (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, 2019, the rate contributed by participating employers to the GLI, HIC and VSDP 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, 2019, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the 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 (LODA)

The discount rate used to measure the total LODA OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Discount Rate (PMRH)

The discount rate was decreased from 3.87% to 3.51% based on the Bond Buyers GO 20 Municipal Bond Index.

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

The following presents the University's proportionate share of the OPEB liability (asset) using the discount rate of 6.75% for GLI, HIC, and VSDP; 3.50% for LODA; 3.51% 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 proportionate share of the OPEB liability (asset):

	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
GLI	$ 18,452,011	$ 14,045,585	$ 10,472,096
HIC	25,371,867	22,891,983	20,760,739
VSDP	(3,287,447)	(3,620,569)	(3,915,715)
	2.50%	3.50%	4.50%
LODA	$ 919,258	$ 792,415	$ 692,090
	2.51%	3.51%	4.51%
PMRH	$ 18,315,196	$ 17,122,587	$ 16,004,134

Sensitivity of the University's Proportionate Share of the LODA and PMRH 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 OPEB liability for these programs using a health care trend rate of 7.75% decreasing to 4.75%, for LODA and 7.00% 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
	6.75% decreasing to 3.75%	7.75% decreasing to 4.75%	8.75% decreasing to 5.75%
LODA	$ 669,979	$ 792,415	$ 946,820
	6.00% decreasing to 3.50%	7.00% decreasing to 4.50%	8.00% decreasing to 5.50%
PMRH	$ 15,291,186	$ 17,122,587	$ 19,290,050

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 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2019-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the GLI, HIC, and VSDP OPEB Programs

At June 30, 2020, the University reported a payable of the following:

GLI	$	99,742
HIC	$	90,143
VSDP	$	24,566
LODA	$	1,172

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, 2020, 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 final 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 Comprehensive Annual 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 $352,092 for the year ended June 30, 2020. 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, 2020.

NOTE 20: CORONAVIRUS RELIEF FUNDING

During the fiscal year, the University was awarded $16.3 million from the CARES Act for the Higher Education Emergency Relief Fund (HEERF). Of that amount, a minimum of $7.8 million was earmarked in accordance with CARES Act guidance for student aid to provide students with emergency hardship support related to the disruption of campus operations due to COVID-19. As of June 30, 2020, the University had spent $7.0 million on emergency aid to students related to the $7.8 million award. The remaining $0.8 million balance for students was spent prior to September 30, 2020.

The remaining $8.5 million unspent CARES award, which will be drawn in fiscal year 2021, will be used to cover costs associated with the disruption of campus operations due to COVID-19 for the Spring semester as well as ongoing costs associated with continuing to operate in a COVID-19 environment.

The University was also awarded $1.1 million in Coronavirus Relief Funding (CRF) as federal pass-through funds from the Commonwealth of Virginia during the fiscal year. The funds will primarily be used to reimburse computer and peripheral equipment used in online learning and teleworking, personal protective equipment, and preparing the campus for social distancing requirements.

NOTE 21: SUBSEQUENT EVENTS

As a result of the spread of COVID-19 in March and April 2020 and its impact to our region, the University transitioned from on campus teaching and administrative operations to a remote approach. Faculty and staff began teleworking in March for the remainder of the spring and summer semesters. This pandemic has presented financial challenges and concerns for future operations of the University. However, the overall impact of this event will take some time to work through, thus cannot reasonably be estimated at this time.

In October 2020, Old Dominion University was awarded $2.7 million as a federal pass-through from the Virginia Department of Education on a cost reimbursement basis. The funding source is from the Virginia Higher

Education CARES Act Governor's Emergency Education Relief Fund (GEERF) and will be used to cover costs associated with the disruption of campus operations and student assistance due to COVID-19.

On November 5, 2020, the Department of Treasury issued bonds which the University received $10.0 million with an average coupon rate of 2.40% from General Obligation Bonds, Series 2020A. The University will use the proceeds from the series for Whitehurst Student Housing Renovation Project. Interest payments will be made semi-annually. Principal payments will be made annually, with a final payment due June 1, 2040.

In February 2021, the Department of Treasury completed the sale of several notes with the Virginia College Building Authority (VCBA) on behalf of the University to participate in the Educational Facilities Revenue Refunding Bonds, Series 2021 bonds issued by the VCBA under its Pooled Bond Program. The total principal amount of these notes is $35.9 million. The proceeds of these notes were used to refund $32.2 million of outstanding notes. Interest payments will be made semi-annually, with coupon rates ranging from .48%-2.21%. Principal payments will be made annually, with a final payment due September 1, 2036.

Between January and March 2021, Old Dominion University received $5.9 million of the $8.5 million CARES Institutional Funds remaining (as of June 30, 2020) as reimbursement for housing refunds issued to students in April 2020 as the campus shut down in response to COVID-19.

In April 2021, the Department of Treasury completed the sale of several bonds on behalf of the University to participate in the General Obligation Restructuring Bonds Series 2021AB, restructuring the following series: Series 2005_2019B, 2006B_2019B, 2007B_2013B, 2008B_2015B, 2010A and 2019A. The total principal amount of these bonds is $10.5 million. The proceeds of these bonds were used to refund $11.3 million of outstanding bonds. Interest payments will be made semi-annually, with coupon rates ranging from 2.0%-5.0%. Principal payments will be made annually, with a final payment due June 1, 2041.

In May 2021, Old Dominion University was awarded $23.9 million in institutional funds and $22.3 million in student emergency grant funds under the Higher Education Emergency Relief Fund III (HEERF III) authorized by the American Rescue Plan (ARP). The funds will be used to serve students and ensure learning continues during the COVID-19 pandemic.

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 - 2020*

	University's proportion of the net pension liability	University's proportionate share of the net pension liability	University's covered payroll	University's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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 2020 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

VaLORS State Employee Retirement Plan
For the Years Ended June 30, 2015 - 2020*

	University's proportion of the net pension liability	University's proportionate share of the net pension liability	University's covered payroll	University's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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 2020 is the sixth year for this presentation, there are only six 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, 2011 through 2020

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contribution as a % of Covered Payroll
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%
2012	4,530,971	4,530,971	-	68,551,568	6.61%
2011	7,080,130	7,080,130	-	50,877,836	13.92%

VaLORS State Employee Retirement Plan
For the Years Ended June 30, 2011 through 2020

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contribution as a % of Covered Payroll
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%
2012	256,778	256,778	-	1,961,636	13.09%
2011	335,448	335,448	-	1,574,922	21.30%

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

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

The following changes in actuarial assumptions were made for the VaLORS Retirement Plan effective June 30, 2016 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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 2020*

	OPEB	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 employer's covered payroll	Plan fiduciary Net Position as a % of the total OPEB liability
2020	GLI	0.86314%	$ 14,045,585	$ 167,069,832	8.41%	52.00%
	HIC	2.47998%	22,891,983	166,881,208	13.72%	10.56%
	VSDP	(1.84539%)	(3,620,569)	72,465,076	(5.00%)	167.18%
2019	GLI	0.87031%	13,218,000	165,553,478	7.98%	51.22%
	HIC	2.45500%	22,397,000	165,366,625	13.54%	9.51%
	VSDP	(1.82348%)	(4,107,000)	71,820,029	(5.72%)	194.74%
2018	GLI	0.87092%	13,105,000	160,599,190	8.16%	48.86%
	HIC	2.48327%	22,611,000	160,524,635	14.09%	8.03%
	VSDP	(1.80542%)	(3,707,000)	67,887,520	(5.46%)	186.63%

	OPEB	University's proportion of the OPEB liability	University's proportionate share of the OPEB liability	Covered-employee payroll	University's proportionate share of the OPEB liability as a % of covered-employee payroll	Plan fiduciary Net Position as a % of the total OPEB liability
2020	LODA	0.22086%	$ 792,415	$ 2,736,854	28.95%	0.79%
	PMRH	2.52218%	17,122,587	145,158,026	11.80%	N/A
2019	LODA	0.24502%	768,000	2,553,819	30.07%	0.60%
	PMRH	2.50972%	25,238,729	155,274,739	16.25%	N/A
2018	LODA	0.23673%	622,000	2,531,599	24.57%	1.30%
	PMRH	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.

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only three years of data are available. However, additional years will be included as they become available.

Schedules of University's Other Post-Employment Benefits (OPEB) Contributions
For the years ended June 30, 2018 through 2020

	OPEB	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contribution as a % of employer's covered payroll
2020	GLI	$ 934,969	$ 934,969	$ -	$ 180,488,066	0.52%
	HIC	2,079,690	2,079,690	-	177,751,282	1.17%
	VSDP	490,289	490,289	-	79,078,871	0.62%
2019	GLI	887,264	887,264	-	167,069,832	0.53%
	HIC	1,977,602	1,977,602	-	166,881,208	1.19%
	VSDP	462,350	462,350	-	72,465,076	0.64%
2018	GLI	866,480	866,480	-	165,553,478	0.52%
	HIC	1,942,763	1,942,763	-	165,366,625	1.17%
	VSDP	472,933	472,933	-	71,820,029	0.66%

	OPEB	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Covered-employee payroll	Contribution as a % of covered-employee payroll
2020	LODA	$ 30,348	$ 30,348	$ -	$ 2,627,251	1.16% *
2019	LODA	29,642	29,642	-	2,736,854	1.08% *
2018	LODA	26,099	26,099	-	2,553,819	1.02% *

* The contributions for the Line of Duty Act (LODA) 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 employees in the OPEB plan.

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only three years of data are available. However, additional years will be included as they become available.

Notes to Required Supplementary Information for 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, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

(LODA) The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016.

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

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

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

Teachers (GLI):

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

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increase rate from 60% to 85%
Discount Rate (GLI, HIC, VSDP)	Decrease rate from 7.00% to 6.75%

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

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

JRS Employees (GLI, HIC):

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change

Discount Rate	Decrease rate from 7.00% to 6.75%

Largest Ten Locality Employers – General Employees (GLI):

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 60% to 70%

Discount Rate (GLI)	Decrease rate from 7.00% to 6.75%

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

Mortality Rates (Pre-retirement, post retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decrease rate from 60% to 45%
Discount Rate (GLI)	Decrease rate from 7.00% to 6.75%

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, 2018 valuation based on recent experience:

- Spousal coverage – reduced the rate from 35% to 25%
- Retirement participation – reduced the rate from 60% to 50%

Spousal coverage and retiree participation were both reduced based on a blend of recent experience and the prior year assumptions. The mortality assumption was modified slightly to reflect modified pre-retirement Mortality base rates to exclude age over 65 instead of apply mortality improvement projection scale BB. The excise tax was modified to reflect updated projection of the tax thresholds. Trend rates were updated based on economic conditions as of 6/30/2019. Additionally, the discount rate was decreased from 3.87% to 3.51% based on the Bond Buyers GO 20 Municipal Bond Index.

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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

June 22, 2021

The Honorable Ralph S. Northam
Governor of Virginia

The Honorable Kenneth R. Plum
Chairman, Joint Legislative Audit
and Review Commission

Board of Visitors
Old Dominion University

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of **Old Dominion University**, a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units of the University, which are discussed in Note 1 and Note 11. Those financial statements were audited by other

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auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units of the University, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Old Dominion University Educational and Real Estate Foundations and the Old Dominion Athletic Foundation that were audited by other auditors upon whose reports we are relying were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and aggregate discretely presented component units of Old Dominion University as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 77 through 79; 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 80 through 85. Such information, 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 the 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 June 22, 2021 on our consideration of Old Dominion University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University's internal control over financial reporting and compliance.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LDJ/clj

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