Old Dominion University
Financial Statements

June 30, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Old Dominion University (the University), located in the City of Norfolk in the metropolitan Hampton Roads region of coastal Virginia, is a dynamic public research institution that serves its students and enriches the Commonwealth, the nation, and the world through rigorous academic programs, strategic partnerships, and active civic engagement. The University offers more than 175 programs available on campus and more than 120 programs through online learning ODUGlobal. The seven academic colleges and three schools (Arts and Letters, Business, Education and Professional Studies, Engineering and Technology, Health Sciences, Sciences, and Honors colleges along with a Graduate School, School of Cybersecurity and School of Nursing) offer over 90 baccalaureate programs as well as 43 master's programs, two education specialist programs, over 22 doctoral programs, and an award-winning distance learning program. The University provides a world-class education to more than 23,000 undergraduate and graduate students and has a strong global network of over 165,000 alumni across all 50 states and 53 countries.

The University's local, regional, and national impact continues to grow. Our entrepreneurial approach drives research and collaboration, and the University contributes $2.6 billion annually to the Virginia 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 plays a leading role in training veteran entrepreneurs and retaining veteran-owned small business enterprises in our region. The University is also committed to providing research-driven solutions. Our world-class researchers partner with business, industry, government, and investment leaders to create answers for society's most pressing challenges. Old Dominion University has nationally known research strengths in coastal resilience, modeling and simulation, bioelectrics, cybersecurity, port logistics, and maritime engineering, and is a key academic research partner for the Thomas Jefferson National Laboratory and the NASA-Langley Research Center. Currently our research teams generate over $50 million in annual funding and are working on projects at our research centers across the state. These initiatives not only fill a vital need in the workforce, but they are propelling job creation and economic growth by tying into regional strengths—federal labs, the port, military, Chesapeake Bay, and health care.

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

Overview of the Financial Statements and Financial Analysis

The Management's Discussion and Analysis (MD&A) is required supplementary information under the Governmental Accounting Standards Board (GASB) reporting model. It is designed to assist readers in understanding the accompanying financial statements and provides an objective, easily readable analysis of Old Dominion University's financial activities based on currently known facts, decisions, and conditions. This discussion includes an analysis of the University's financial condition and results of operations for the fiscal year ended June 30, 2023. 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, 2022. 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, represents the University's total investment in capital assets, net of accumulated depreciation, amortization and outstanding obligations related to those capital assets. The second category is restricted which is subdivided 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 third category is unrestricted net position which is available to the institution for any lawful purpose of the institution.

Condensed Summary of Net Position

(Amounts in thousands)

	As of June, 2023	As of June, 2022 (Restated)	Change Amount	Change Percent
Assets and Deferred Outflows				
Current assets	$ 270,628	$ 241,112	$ 29,516	12.2%
Capital assets, net*	892,050	855,360	36,690	4.3%
Other noncurrent assets	90,280	115,405	(25,125)	-21.8%
Total Assets	1,252,958	1,211,877	41,081	3.4%
Deferred outflows of resources	30,250	36,039	(5,789)	-16.1%
Total assets and deferred outflows	1,283,208	1,247,916	35,292	2.8%
Liabilities and Deferred Inflows				
Current liabilities	134,883	123,426	11,457	9.3%
Other noncurrent liabilities	444,674	448,857	(4,183)	-0.9%
Total Liabilities	579,557	572,283	7,274	1.3%
Deferred inflows of resources	40,696	85,662	(44,966)	-52.5%
Total liabilities and deferred inflows	620,253	657,945	(37,692)	-5.7%
Net Position				
Net investment in capital assets	570,438	532,240	38,198	7.2%
Restricted	49,172	65,544	(16,372)	-25.0%
Unrestricted	43,345	(7,813)	51,158	654.8%
FY22 Restatement**	-	(3,680)	3,680	100.0%
Total net position	$ 662,955	$ 586,291	76,664	13.1%

*Net of accumulated depreciation and amortization

**Footnote 1 further describes the beginning balance restatement as found in fiscal year 2023.

Total University assets and deferred outflows of resources increased by $35.3 million or 2.8% bringing the total to $1.3 billion at fiscal year end 2023. The increase in current assets of $29.5 million or 12.2% is attributed to an increase in cash receipts during the year attributed primarily to an increase in receipts from state appropriations ($23.8 million) and from gifts ($6.6 million). Capital assets, net of accumulated depreciation and amortization, increased $36.7 million or 4.3% primarily due to implementation of GASB Statement No. 96 ($8.8 million), additions to Construction in Progress for the Whitehurst Hall renovations ($3.6 million), the Student Health and Wellness facility ($7.9 million), the Biology building ($4.5 million) and the Health Sciences building ($31.8 million). Other noncurrent assets decreased $25.1 million or 21.8% largely due to a decrease in restricted cash ($38.0 million). The decrease in deferred outflows of $5.8 million or 16.1% was primarily related to pension-related transactions.

Total liabilities and deferred inflows of resources decreased $37.7 million or 5.7%. Current liabilities increased $11.4 million or 9.3% due to an increase in accounts payable ($15.2 million), an increase in revenue bonds ($7.1 million), an increase in Subscription-Based Information Technology Arrangement (SBITA) liabilities ($2.4 million), and decreases in unearned revenue ($13.0 million), and deposits ($1.0 million). Noncurrent liabilities decreased by $4.2 million or 0.9% resulting from a net increase in pension and OPEB liabilities ($17.3 million) and an increase in SBITA liabilities ($3.0 million) offset by a decrease in bonds and notes payable ($21.3 million), and lease liability ($2.1 million). Deferred inflows of resources decreased by $45.0 million or 52.5% as the result of pension and OPEB related transactions.

The increase in total assets and deferred outflows of $35.3 million or 2.8% coupled with the decrease in total liabilities and deferred inflows of $37.7 million or 5.7% resulted in an overall increase in the University's financial position over the prior fiscal year of $76.7 million or 13.1%. The University's net position remains strong and 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.

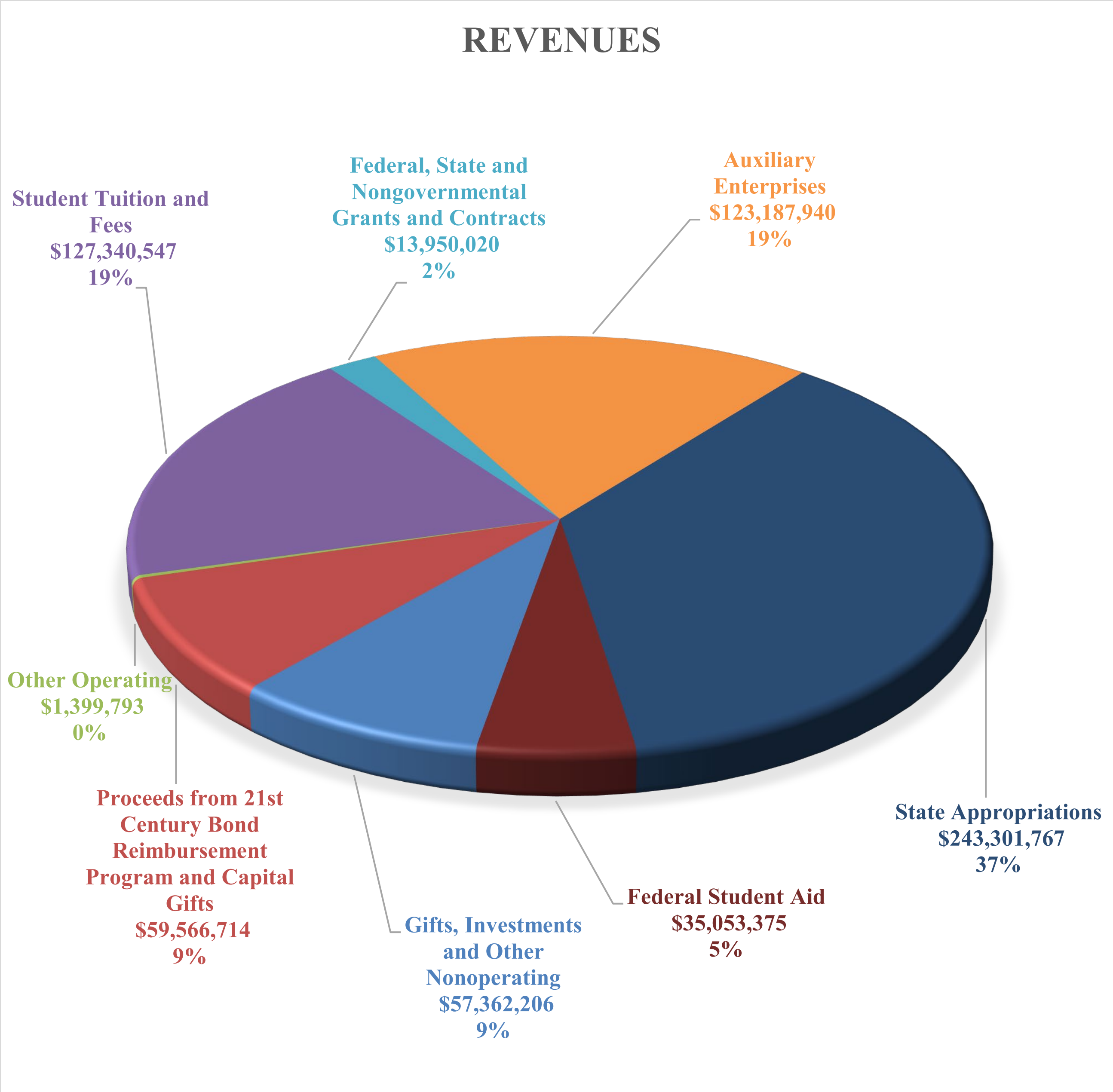
Nonoperating revenues are revenues received for which goods and services are not provided. For example, the University's state appropriations are nonoperating because they are provided by the state legislature without the legislature directly receiving commensurate goods and services for those revenues.

Condensed Summary of Revenues, Expenses and Changes in Net Position

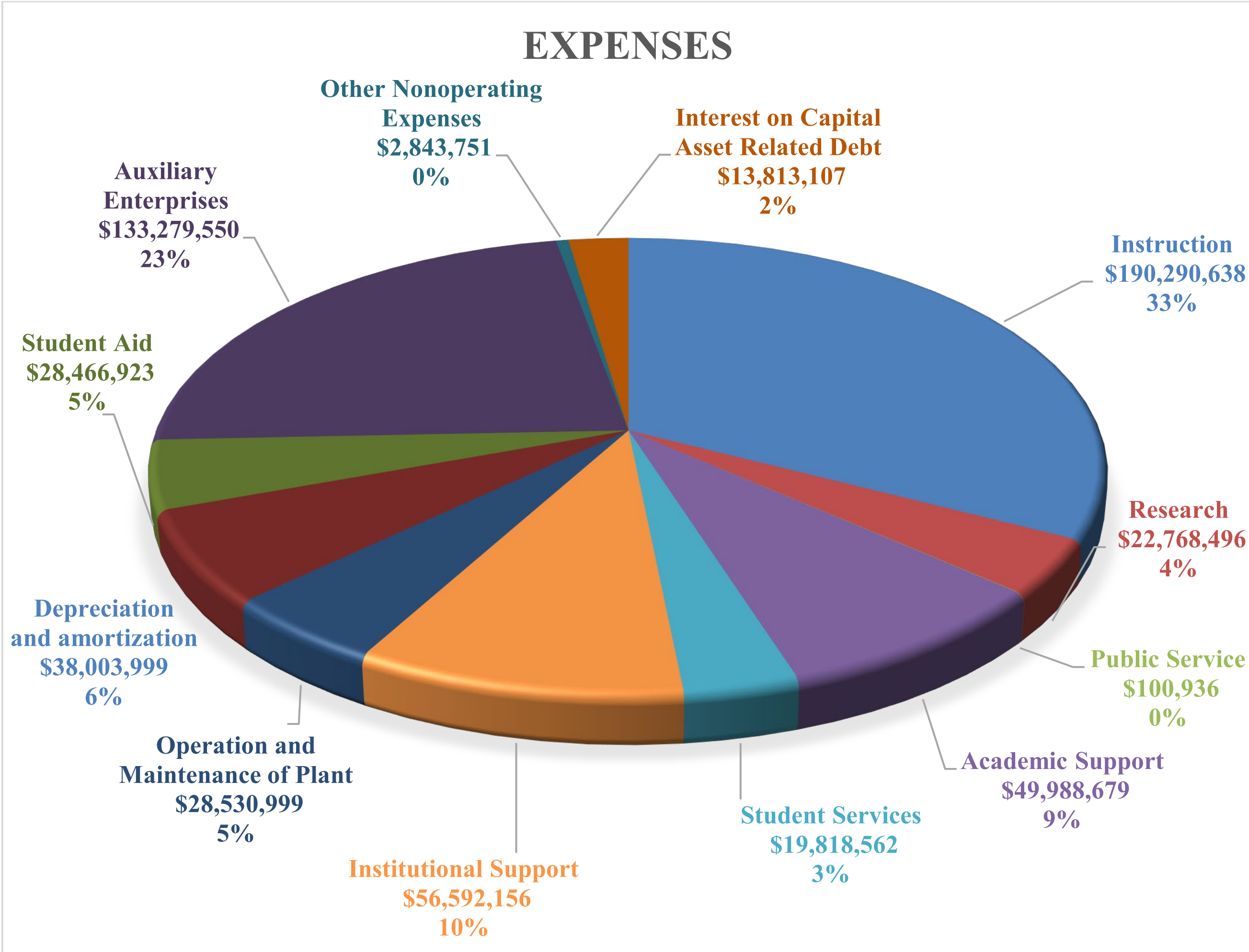
(Amounts in thousands)

	As of June, 2023	2022 (Restated)	Change Amount	Change Percent
Operating revenues	$ 265,878	$ 278,547	$ (12,669)	-4.5%
Operating expenses	567,841	518,567	49,274	9.5%
Operating loss	(301,963)	(240,020)	(61,943)	25.8%
Nonoperating revenues and expenses	319,479	319,121	358	0.1%
Income before other revenue, expenses, gains and losses	17,516	79,101	(61,585)	-77.9%
Other revenues, expenses, gains and losses	59,148	23,377	35,771	153.0%
Increase in net position	76,664	102,478	(25,814)	-25.2%
Net position - beginning of the year	589,971	503,772	86,199	17.1%
FY 22 GASB 87 restatements	-	(10,702)	10,702	100.0%
FY 22 Other Miscellaneous restatements	-	(5,577)	5,577	100.0%
FY 23 Other Miscellaneous restatements*	(5,960)	-	(5,960)	-100.0%
FY 23 GASB 96 restatements*	2,280	-	2,280	100.0%
Net position - end of the year	$ 662,955	$ 589,971	$ 72,984	12.4%

*Footnote 1 further describes the beginning balance restatement as found in fiscal year 2023.



Total operating revenues decreased by $12.7 million or 4.5% due to a decrease of $13.6 million or 9.6% in tuition revenue due to a reduction in enrollment. Net nonoperating revenues (expenses) increased $358 thousand or 0.1% as a result of decreases in Coronavirus Relief funding of $47.0 million offset by an increase in state appropriations ($23.8 million), gifts ($6.6 million), other revenues ($4.4 million), investment income ($7.3 million), and pension-related contributions ($4.8 million). Net other revenues (expenses) increased $35.8 million or 153.0% primarily as a result of an increases of $26.6 million in proceeds from the 21st Century and Equipment Trust Fund Bond Reimbursement Programs and capital appropriations of $8.7 million.



Operating expenses increased by $49.3 million or 9.5%. The increase is made up primarily of increases in instruction related expenses of $12.9 million , research of $9.8 million, academic support of $3.9 million, student services of $2.1 million, institutional support of $1.4 million, depreciation and amortization of $5.4 million, operation and maintenance of $1.0 million, and auxiliary activities of $34.5 million offset by decreases in student aid of $21.8 million. The majority of this is due to the full resumption of on campus activities following the pandemic shut down as well as an increase in personnel expenses.

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 ($123.5 million) and auxiliary enterprises ($124.3 million). The primary uses are payments to employees including salaries, wages, and fringe benefits ($322.1 million), payments for supplies and services ($157.3 million), and payments for scholarships and fellowships ($38.9 million).

The second section presents cash flows from non-capital financing activities and reflects nonoperating sources and uses of cash primarily to support operations. The largest sources are from state appropriations ($243.8 million), Pell grants ($35.1 million), gifts and grants ($24.9 million), and federal grants and contracts ($18.4 million).

The third section represents cash flows from capital financing activities and details the activities related to the acquisition and construction of capital assets including related debt payments. The primary source of funds are contributions from the Commonwealth ($20.9 million) and capital appropriations ($12.4 million). The primary uses are purchases of capital assets ($62.8 million) and principal and interest payments on capital debt ($32.7 million).

The fourth section deals with cash flows from investing activities and reflects the cash flows generated from investments which includes proceeds from sale of investments ($6.2 million) and interest and dividends on investments ($2.9 million) which are partially offset by purchases of investments ($3.2 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, 2023	Year ended June 30, 2022	Increase / (Decrease)	Percent Change
Cash flows from operating activities	$ (260,853)	$ (237,929)	$ (22,924)	-9.6 %
Cash flows from non-capital financing activities	323,658	301,813	21,845	7.2 %
Cash flows from capital financing activities	(60,597)	(7,472)	(53,125)	-711.0 %
Cash flows from investing activities	5,958	(2,255)	8,213	-364.2 %
Net change in cash	$ 8,166	$ 54,157	$ (45,991)	-84.9 %

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, 2023, include increases of $54.0 million in construction in progress, $15.9 million in buildings, $11.3 million in equipment, $5.0 million in right of use subscriptions, $1.4 million in right of use buildings, and $1.1 million in infrastructure.

New and ongoing capital projects were underway along with the placing of assets in service during the fiscal year which resulted in a net decrease in construction in progress of $15.9 million. Additions to construction in progress include ongoing construction of the Health Sciences building, Biology building, Student Health and Wellness Center, and several maintenance reserve renovations. These additions were offset by the completion of the Women's Volleyball facility and several renovation projects. Projects were financed through issuance of General Obligation and revenue bonds and receipt of capital gifts.

Financial stewardship requires effective management of resources, including the use of long-term debt to finance capital projects. The University's long-term debt decreased $13.9 million as reflected in Notes 7 and 8. The net decrease is the result of normal principal payments and no additional bond issuance during the fiscal year.

Uncompleted construction decreased from $59.7 million at June 30, 2022, to $25.0 million at June 30, 2023. 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 the ongoing construction of the Health Sciences Building ($16.8 million), Kaufman Hall ($3.0 million), and the Student Health and Wellness Center ($1.7 million).

Economic Outlook

Chapter 1, 2023 Special Session 1, enacted September 14, 2023, amended the Commonwealth of Virginia's budget for the 2022-2024 biennium (FY2023 and FY2024). The amended budget for higher education institutions included $75.0 million for base operations in education and general programs, $5.75 million to address nursing shortages through supporting compensation for nursing faculty, and $62.5 million for in-state need based student financial assistance, all in the second year. The University's increase of general fund support pursuant to these amendments was $17.9 million, of which $8.0 million was appropriated to education and general programs, and $9.9 million was appropriated to student financial aid.

The amended budget also included $37.5 million to enhance efforts to recruit and retain students eligible for Pell grant assistance. These funds were appropriated to the State Council of Higher Education for Virginia and will be awarded to institutions through a grant process.

The University also received an increase of $1.2 million for maintenance reserve funding, of which $1.0 million is designated as one-time funding to address deferred maintenance. Eastern Virginia Medical School (EVMS) received $14.0 million to support the costs associated with planning and initial integration activities necessary to ensure a successful transition to the University.

The state budget also provides language and partial funding for 2% compensation increases for full-time faculty, administrators, and staff, as well as adjunct faculty and wage-hourly employees. This is in addition to the 5% compensation increase already provided in FY2024 by Chapter 2, 2022 special Session 1 (the initial Appropriation Act for the 2022-2024 biennium).

The 2023-2024 tuition and fee changes were developed with consideration of the impact of escalating college costs on Virginia students and their families, anticipated enrollment decline, unavoidable cost increases including inflationary effects and state-mandated compensation actions, and strategic objectives of the University pursuant to the 2023-2028 Strategic Plan.

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OLD DOMINION UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2023

	Old Dominion University	Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and cash equivalents (Note 2)	$ 213,998,302	$ 24,900,016
Accounts receivable (Net of allowance for doubtful accounts $3,257,478) (Note 4)	25,250,147	20,326,812
Contributions receivable (Net of allowance $1,152,585) (Note 11)	-	9,992,284
Due from the Commonwealth (Note 4)	10,490,109	-
Appropriations available	9,671,049	-
Travel advances	-	106,993
Prepaid expenses	10,078,285	1,108,920
Inventory	466,793	-
Notes receivable (Net of allowance for doubtful accounts $200,796)	673,230	-
Other assets	-	300,201
Total current assets	270,627,915	56,735,226
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2)	28,104,670	-
Endowment investments (Note 3)	25,407,543	-
Investments (Notes 2 and 11)	13,725,654	339,822,481
Appropriations available	16,252,770	-
Accounts receivable, net	-	30,615,589
Contributions receivable (Net of allowance $2,558,605) (Note 11)	-	15,976,327
Prepaid expenses	1,204,585	-
Notes receivable (Net of allowance for doubtful accounts $61,582)	165,702	-
Nondepreciable capital assets (Notes 5 and 11)	132,532,736	20,799,601
Capital assets, net (Notes 5 and 11)	759,517,494	18,303,813
Other post-employment benefits asset (Note 16)	5,419,207	-
Other assets	-	1,388,846
Total noncurrent assets	982,330,361	426,906,657
Total assets	1,252,958,276	483,641,883
Deferred outflows of resources:		
Pension related (Note 13)	18,939,354	-
Other post-employment benefits related (Note 16)	8,099,149	-
Loss on refunding of debt (Note 8)	3,210,964	-
Total deferred outflows of resources	30,249,467	-
Total assets and deferred outflows of resources	$ 1,283,207,743	$483,641,883
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current liabilities:		
Accounts payable and accrued expenses (Note 6)	$ 59,482,516	$ 9,664,335
Unearned revenue	30,990,708	11,137,958
Obligations under securities lending (Note 2)	10,955,790	-
Deposits held in custody for others	883,026	38,929
Other liabilities	-	26,458,941
Line of credit	-	4,717,784
Long term liabilities - current portion (Notes 7 and 11)	32,570,481	4,878,192
Total current liabilities	134,882,521	56,896,139
Noncurrent liabilities (Notes 7 and 11)	444,674,045	44,219,965
Total liabilities	579,556,566	101,116,104
Deferred inflows of resources:		
Gain on Refunding of Debt (Note 8)	1,013,343	-
Pension related (Note 13)	21,070,639	-
Other post-employment benefits related (Note 16)	18,612,501	-
Total deferred inflows of resources	40,696,483	-
Total liabilities and deferred inflows of resources	$ 620,253,049	$101,116,104
NET POSITION		
Net investment in capital assets	$ 570,437,539	$ 34,385,630
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	6,565,160	-
Permanently restricted	-	172,489,368
Expendable:		
Scholarships and fellowships	12,386,499	-
Research	2,270,659	-
Loans	720,903	-
Capital projects	16,708,410	-
Temporarily restricted	-	125,154,193
Departmental uses	10,520,808	-
Unrestricted	43,344,716	50,496,588
Total net position	$ 662,954,694	$382,525,779

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, 2023

	Old Dominion University	Component Units
Operating revenues:		
Student tuition and fees (Net of scholarship allowances of $49,832,444)	$ 127,340,547	$ -
Gifts and contributions	-	17,785,429
Federal grants and contracts	9,186,996	-
State grants and contracts	4,151,745	-
Indirect cost	-	9,263,244
Sponsored research	-	51,106,237
Nongovernmental grants and contracts	611,279	-
Auxiliary enterprises (Net of scholarship allowances of $34,459,334)	123,187,940	-
Other operating revenues	1,399,793	9,327,904
Total operating revenues	265,878,300	87,482,814
Operating expenses:		
Instruction	190,290,638	3,096,720
Research	22,768,496	49,277,579
Public service	100,936	-
Academic support	49,988,679	24,672,384
Student services	19,818,562	-
Institutional support	56,592,156	25,666,187
Operation and maintenance	28,530,999	216,186
Depreciation and amortization	38,003,999	1,635,850
Student aid	28,466,923	7,155,840
Auxiliary activities	133,279,550	-
Total operating expenses (Note 9)	567,840,938	111,720,746
Operating income (loss)	(301,962,638)	(24,237,932)
Nonoperating revenues (expenses):		
State appropriations (Note 10)	243,301,767	-
Pell grant revenue	35,053,375	-
Coronavirus relief funding revenue (Note 20)	16,230,031	-
Gifts	24,896,672	-
Investment income/(loss) (Net of investment expenses of $328,091)	5,994,133	(15,385,838)
OPEB-related contribution revenue	462,681	-
Pension-related contribution revenue	4,753,308	-
Other nonoperating revenues	5,025,381	-
Gain on disposal of plant assets	-	(32,940)
Contribution to permanent	-	3,023,473
Other nonoperating expenses	(658,349)	-
Interest of capital asset related debt	(13,813,107)	-
Payments to Commonwealth from state appropriations	(1,108,899)	-
Payments to Treasury Board	(374,473)	-
Payments to grantors	(283,176)	-
Net nonoperating revenues (expenses)	319,479,344	(12,395,305)
Income before other revenues, (expenses), gains, and (losses)	17,516,706	(36,633,237)
Proceeds from VCBA 21st Century and Equipment Trust Fund bond reimbursement programs	45,536,517	-
Capital gifts and grants	1,651,467	-
Capital appropriations (Note 10)	12,378,730	-
Gain/(loss) on disposal of plant assets and right to use assets	(418,854)	-
Total other revenues, (expenses), gains, and (losses)	59,147,860	-
Increase in net position	76,664,566	(36,633,237)
Net position - beginning of year	589,970,422	419,159,016
GASB 96 Restatement (Note 1)	2,279,208	-
Other Miscellaneous Restatements (Note 1)	(5,959,502)	-
Net position - end of year	$ 662,954,694	$ 382,525,779

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, 2023

Cash flows from operating activities:	
Student tuition and fees	$ 123,508,439
Grants and contracts	30,475,301
Auxiliary enterprises	124,295,369
Payments to employees and fringe benefits	(322,050,110)
Payments for services and supplies	(157,304,789)
Payments for scholarships and fellowships	(38,862,845)
Payments for noncapitalized improvements and equipment	(21,636,463)
Collections of loans from students	406,320
Federal direct lending receipts	92,923,092
Federal direct lending reimbursements	(92,923,092)
Other receipts	316,172
Net cash used by operating activities	(260,852,606)
Cash flows from non-capital financing activities:	
State appropriations	243,750,344
Pell grant revenue	35,053,375
Gifts and grants for other than capital purposes	24,896,672
Federal grants and contracts	18,377,458
Other net nonoperating revenues (expenses)	1,579,656
Net cash provided by non-capital financing activities	323,657,505
Cash flows from capital financing activities:	
Contributions from the Commonwealth	20,921,328
Capital appropriations	12,378,730
Capital gifts	1,651,467
Acquisition and construction of capital assets	(62,813,257)
Principal paid on capital debt, leases and installments	(17,322,943)
Interest paid on capital debt, leases and installments	(15,412,202)
Net cash used by capital financing activities	(60,596,877)
Cash flows from investing activities:	
Proceeds from investments	6,188,834
Interest on investments	2,932,288
Purchase of investments and related fees	(3,247,334)
Other investment activities	84,452
Net cash provided by investing activities	5,958,240
Net change in cash	8,166,262
Cash and cash equivalents - beginning of the year	222,980,920
Cash and cash equivalents - end of the year	$ 231,147,182

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

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

Statement of Net Position	
Cash and cash equivalents	$ 242,102,972
Less: Securities lending - Treasurer of Virginia	(10,955,790)
Net cash and cash equivalents	$ 231,147,182

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

Operating (loss)	$ (301,962,638)
Adjustments to reconcile net income/(loss) to net cash used by operating activities:	38,003,999
Depreciation and amortization	
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Net receivables	24,993,710
Prepaid expenses	(3,601,711)
Inventory	34,561
OPEB asset	873,836
Deferred outflows of resources related to pensions	4,907,787
Deferred outflows of resources related to OPEB	(5,976)
Accounts payable and accrued expenses	11,084,352
Notes receivable	790,629
Unearned revenue	(12,274,358)
Current and noncurrent liabilities	(1,694,623)
Net pension liability	20,002,614
Net OPEB liability	(2,534,312)
Deferred inflows of resources related to pensions	(33,124,199)
Deferred inflows of resources related to OPEB	(6,346,277)
Net cash used by operating activities	$ (260,852,606)

Non-cash investing, capital and financing activities:	
Changes in fair value of investments	$ 643,256
Amortization of bond premium (discount) and gain (loss) on debt refunding	1,166,346
Right of use assets acquired through assumption of liability	5,290,176
VRS and VaLORS Special Revenue Allocation	5,215,989
Change in receivables relating to nonoperating income	2,839,461
Loss on disposal of plant assets & right to use assets	418,854
Retainage payable	1,381,407
Purchases of capital assets outstanding in accounts payable	2,569,945

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, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

The Educational and Real Estate Foundations receive, administer, and distribute gifts for the furtherance of educational activities and objectives of the University. The Athletic Foundation receives, administers, and distributes gifts for the furtherance of educational and athletic activities of the University. For additional information, including financial statements 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, 2022. The Research Foundation coordinates and accounts for substantially all grants and contracts awarded for research at the University and has adopted June 30 as their year-end. For additional information, including financial statements, contact the Research Foundation at 4111 Monarch Way, Suite 204, Norfolk, Virginia 23508.

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

Basis of Presentation

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

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

Basis of Accounting

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

Cash and Cash Equivalents

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

Investments

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

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprises' sales and services. Receivables also include amounts due from 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 the Federal Perkins Loan Program and Nursing Student Loan Program.

Prepaid Expenses

The University's prepaid expenses include membership dues, short-term software subscriptions and software maintenance and support expenses, short-term lease payments, and insurance payments for fiscal years through 2028 that were paid in advance as of June 30, 2023.

Inventories

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

Noncurrent Cash and Investments

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

Capital Assets

Capital assets include land, buildings and other improvements, library materials, equipment, intangibles, and infrastructure assets such as campus lighting. Intangible assets include computer software and right to use lease and SBITA assets. Capital assets generally are defined by the University as assets with an estimated useful life in excess of one year and an initial cost of $5,000 or more, except for computer software which is capitalized at a cost of $100,000. Library materials are valued using published average prices for library acquisitions. Donated capital assets are recorded at the acquisition value at the date of donation, with the exception of intra-entity capital asset donations which, in accordance with GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, are recorded at the carrying value of the asset on the transferor's books as of the date of transfer. Other assets are recorded at actual cost or estimated historical cost if purchased or constructed, except for intra-entity purchases which are recorded at the transferor's carrying value. Expenses for major capital assets and improvements (construction in progress) are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to an asset's value or materially extend its useful life are not capitalized. Certain maintenance and replacement reserves have been established to fund costs relating to residences and other auxiliary activities.

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

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

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

- Amount of the initial measurement of the related contract liability
- Contract payments made prior to the commencement of the contract term, less any contract incentives
- Initial direct costs that are ancillary charges necessary to place the lease or any capitalizable initial implementation costs necessary to place the subscription asset into service.

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

Accrued Compensated Absences

Accrued leave reflected in the accompanying financial statements represents the amount of annual, sick, and compensatory leave earned but not taken as of June 30, 2023. The amount reflects all earned vacation, sick, and compensatory leave payable under the Commonwealth of Virginia's leave pay-out policy and the University's faculty administrators' leave pay-out policy upon employment termination. The applicable share of employer related taxes payable on the eventual termination payments is also included.

Pensions

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

Other Post-Employment Benefits (OPEB)

- Group Life Insurance

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

- State Employee Health Insurance Credit Program

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

- <u>VRS Disability Insurance Program</u>

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

- <u>Line of Duty Act Program</u>

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

- <u>Pre-Medicare Retiree Healthcare</u>

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.

<u>Lease and SBITA Liabilities</u>

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

Measurement of the lease or SBITA liability includes the following, if required by a lease or SBITA:

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

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

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

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

Unearned Revenue

Unearned revenue represents revenue collected but not earned as of June 30. This primarily includes amounts received for tuition and fees and certain auxiliary activities as well as advance payments received on grants and contracts prior to the end of the fiscal year but related to the period after June 30, 2023.

Noncurrent Liabilities

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

Restricted Net Position:

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

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

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

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

Classification of Revenues and Expenses

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

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

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

Scholarship Allowances

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

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

Federal Financial Assistance Programs

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

Commonwealth Equipment and Capital Project Reimbursement Programs

The Commonwealth has established several programs to provide state-supported institutions of higher education with bond proceeds for financing the acquisition and replacement of instructional and research equipment and facilities. During fiscal year 2023, funding was provided to the University from two programs managed by the Virginia College Building Authority (VCBA): 21st Century College Program and Equipment Trust Fund. The VCBA issues bonds and uses the proceeds to reimburse the University and other institutions of higher education for expenses incurred in the acquisition of equipment and facilities. The liability is assumed by the Commonwealth and is not reflected as a liability of the University.

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

New Accounting Pronouncements

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITAs by governments. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were classified as operating expenses and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. For the University, the requirements of this Statement are effective as of the fiscal year beginning July 1, 2022.

The University adopted this new accounting standard on July 1, 2022 and applied the new standard to all SBITAs existing as of July 1, 2022. This resulted in the recognition of SBITA liabilities of $5.4 million and right to use SBITA assets of $8.8 million, net of accumulated amortization, on the Statement of Net Position as of June 30, 2023. See Note 5 – Capital Assets and Note 7 – Noncurrent Liabilities.

In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs.

The University implemented GASB 94 on July 1, 2022. See Note 21.

Right to Use Assets

The University has recorded right to use lease and SBITA assets as a result of implementing GASB 87 and GASB 96, respectively. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease or SBITA liability plus any prepayments necessary to place the lease or SBITA into service. The related assets are reported in the right to use leased and SBITA assets subsection of Note 5 – Capital Assets. The right to use assets are amortized on a straight-line basis over the life of the related lease or SBITA or the life of the asset, if shorter than the lease or SBITA term.

Beginning Net Position Restatement

In addition to the restatement of beginning net position related to the implementation of GASB 96, during the year the University became aware of certain balances which had not been reported correctly in prior fiscal years. The restatement table below reflects the effect of the implementation of GASB 96, prior period equipment, infrastructure disposals, and recognition of prior period amortization of unearned revenue related to a long-term service contract.

Beginning net position - July 1, 2022	$ 589,970,422
GASB 96 conversion	2,279,208
Asset disposals and depreciation	(5,249,924)
Lease liability correction	(151,707)
Other adjustments	(317,181)
Accounts receivable write off	(240,690)
Adjusted beginning net position	$ 586,290,128

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, 2023. The following risk disclosures are required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*:

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The University is not exposed to custodial credit risk at June 30, 2023.

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, 2023, the University does not have investments in any one issuer (excluding investments issued or explicitly guaranteed by the U.S. government and mutual fund or pool investments) representing 5% or more of its total investments.

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

Foreign currency risk - The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University has no foreign deposits but does have foreign investments through pooled investments for June 30, 2023. The foreign investments are traded in U.S. dollars, and the risk is considered to be low. The University does not have a foreign currency risk policy.

Cash and Cash Equivalents

Pursuant to Section 2.2-1800, et seq., *Code of Virginia*, all state funds of the University are maintained by the Treasurer of Virginia who is responsible for the collection, disbursement, custody, and investment of state funds. Cash deposits held by the University are maintained in accounts that are collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400, et seq., *Code of Virginia*. Cash and cash equivalents represent cash with the Treasurer, cash on hand, and temporary investments with original maturities of 90 days or less, and cash equivalents with the Virginia State Non-Arbitrage Program (SNAP). SNAP offers a professionally managed money market mutual fund, which provides a temporary pooled investment vehicle for proceeds pending expenditure, and with record keeping, depository, and arbitrage rebate calculations. SNAP complies will all standards of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. SNAP investments are reported using the net asset value (NAV) per share, which is calculated on an amortized cost basis that provides a NAV that approximates fair value. Cash and cash equivalents reporting requirements are defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting.*

Cash with Treasurer of Virginia	$	136,366,271
Cash not with Treasurer of Virginia		86,232,517
Cash Equivalents		19,504,184
Total cash and cash equivalents	$	242,102,972

Deposits

At June 30, 2023, the carrying value of the University's deposit with banks was $86,232,518 and the bank balance was $84,687,067. 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, 2023, the University's deposits were not exposed to custodial credit risk.

Investments

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

Investments fall into two groups: short and long-term. Short-term investments have an original maturity of over 90 days but less than or equal to one year. Long-term investments have an original maturity greater than one year.

Security Lending Transactions

The University participates in the State Treasury's securities lending program. Collateral held for security lending transactions of $10,955,790 represents the University's allocated share of cash collateral received and reinvested and securities received by the State Treasury securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Annual Comprehensive Financial Report.

The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies.

Fair Value Measurement

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

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

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

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

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

Investments measured at NAV are held with Old Dominion University Educational Foundation and Commonfund. Balances at June 30, 2023, were $27,026,293 and $6,967,123, respectively.

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

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

Investments held on June 30, 2023

							Fair Value Measurement (Per GASB 72)		
	Standard & Poor's Credit Quality Rating	Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Not Applicable to Fair Value Measurement	Level 1 [3]	Level 2 [4]
Investments by Fair Value (FV)									
Cash Equivalents:									
Treasurer of VA (Securities Lending)	NA	$11,162,235	$11,162,235	$ -	$ -	$ -	$ 11,162,235	$ -	$ -
SNAP	AAAm	8,341,958	8,341,958	-	-	-	8,341,958	-	-
Total Cash Equivalents		19,504,193	19,504,193	-	-	-	19,504,193	-	-
Investments by Fair Value:									
U.S. Treasury Securities [1]	NA	1,153,943	118,424	524,319	511,200	-	-	1,153,943	-
Corporate Bonds	AA+	25,257	-	-	25,257	-	-	-	25,257
	AA	43,347	-	43,347	-	-	-	-	43,347
	AA-	121,635	45,285	51,316	25,034	-	-	-	121,635
	A+	107,793	-	32,613	75,180	-	-	-	107,793
	A	329,692	32,399	208,784	64,498	24,011	-	-	329,692
	A-	237,801	32,712	129,923	75,166	-	-	-	237,801
	BBB+	51,177	-	-	51,177	-	-	-	51,177
Municipal Securities	AAA	106,917	44,190	62,727	-	-	-	-	106,917
	AA+	182,752	-	182,752	-	-	-	-	182,752
	AA	37,988	-	37,988	-	-	-	-	37,988
U.S. Government Agency Mortgage Backed	AA+	152,616	-	105,155	47,461	-	-	152,616	-
Mutual Funds Equity [2]		1,952,060	-	-	-	-	-	1,952,060	-
Mutual Funds - Intl Equity [2]		636,804	-	-	-	-	-	636,804	-
Total Investments by Fair Value		5,139,782	273,010	1,378,924	874,973	24,011	-	3,895,423	1,244,359
Investments Measured at NAV:									
Mutual Funds	AA	6,967,123	-	6,967,123	-	-			
Investment in ODU Educational Foundation External Investment Pool	NA	27,026,293	-	27,026,293	-	-			
Total Investments Measured at the NAV		33,993,416	-	33,993,416	-	-			
Total Cash Equivalents and Investments		$58,637,391	$19,777,203	$35,372,340	$874,973	$ 24,011			

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

[2] Credit quality ratings and interest rate risk are not required by equity investments.

[3] Level 1 is based upon quoted market prices.

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

Additional Disclosure for Investments Measured using NAV Estimate

	Fair Value	Redemption Frequency	Redemption Notice Period
Mutual Funds	$ 6,967,123	Weekly	5 Business Days
Investment in ODU Educational Foundation External Investment Pool	27,026,293	N/A	N/A
	$ 33,993,416		

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 2023, the rate was 4.0%. The rate is reviewed and adjusted annually, as deemed prudent.

At June 30, 2023, net appreciation of $818 thousand is reflected in the following Net Position components: $143 thousand in Restricted for Nonexpendable Scholarships and Fellowships, $238 thousand in Restricted for Expendable Scholarships and Fellowships, and $438 thousand in Unrestricted.

NOTE 4: ACCOUNTS RECEIVABLE

A. Accounts receivable consisted of the following at June 30, 2023:

Student Tuition and Fees	$	19,856,006
Auxiliary Enterprise		3,805,558
Federal, State, and Non-governmental Grants and Contracts		2,481,451
Other Activities		2,364,610
Gross Receivables		28,507,625
Less Allowance for Doubtful Accounts		(3,257,478)
Net Accounts Receivable	$	25,250,147

B. Due from the Commonwealth consisted of the following at June 30, 2023:

Virginia College Building 21st Century Bond reimbursement	$	10,490,109

NOTE 5: CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2023, is presented below. Beginning balances have been restated due to the implementation of GASB 96 and to reflect corrections for prior period equipment and infrastructure disposals.

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$ 37,040,495	$ -	$ 137,977	$ 36,902,518
Construction in progress	57,494,239	54,020,035	15,884,056	95,630,218
Total nondepreciable capital assets	94,534,734	54,020,035	16,022,033	132,532,736
Depreciable capital assets:				
Buildings	925,560,480	15,884,057	-	941,444,537
Equipment	116,786,834	11,264,346	7,107,455	120,943,725
Infrastructure	5,212,746	1,149,091	-	6,361,837
Improvements other than buildings	17,093,657	-	1,306,234	15,787,423
Library books	61,438,146	594,871	30,316	62,002,701
Intangible assets				
Computer Software	1,117,132	-	-	1,117,132
Right of Use Assets				
Buildings	117,638,385	1,447,371	62,076	119,023,680
Subscription	7,252,273	5,049,606	-	12,301,879
Equipment	178,671	-	-	178,671
Land	2,456,188	-	-	2,456,188
Total depreciable capital assets	1,254,734,512	35,389,342	8,506,081	1,281,617,773
Less accumulated depreciation for:				
Buildings	323,601,520	18,470,224	-	342,071,744
Equipment	84,680,648	7,550,640	6,859,052	85,372,236
Infrastructure	2,583,868	322,996	-	2,906,864
Improvements other than buildings	13,422,281	520,885	1,306,234	12,636,932
Library books	60,240,713	584,125	20,943	60,803,895
Intangible assets				
Computer Software	1,107,809	1,582	-	1,109,391
Right of Use Assets				
Buildings	6,569,963	6,857,763	62,075	13,365,651
Subscription	-	3,527,726	-	3,527,726
Equipment	4,549	37,449	-	41,998
Land	133,233	130,609	-	263,842
Total accumulated depreciation	492,344,584	38,003,999	8,248,304	522,100,279
Depreciable capital assets, net	762,389,928	(2,614,657)	257,777	759,517,494
Total capital assets, net	$ 856,924,662	$ 51,405,378	$ 16,279,810	$ 892,050,230

NOTE 6: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2023:

Employee salaries, wages, and fringe benefits payable	$ 24,128,398
Retainage payable	3,135,092
Interest payable	1,601,451
Virginia Retirement System payable	1,292,824
Vendors and suppliers accounts payable	29,324,751
Current liabilities - accounts payable and accrued expenses	$ 59,482,516

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, 2023, is presented below. Lease and SBITA liability beginning balances have been restated due to prior period adjustments and the implementation of GASB 96, respectively:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Current Portion
Long term debt:					
General Obligation bonds	$ 99,648,031	$ -	$ 7,479,332	$ 92,168,699	$ 6,810,941
Revenue bonds	122,422,521	-	6,435,134	115,987,387	12,475,000
Total long term debt	222,070,552	-	13,914,466	208,156,086	19,285,941
Accrued compensated absences	9,585,146	7,580,544	8,890,857	8,274,833	6,350,869
Lease Liability	117,160,798	1,447,371	3,236,729	115,371,440	3,513,380
SBITA Liability	3,711,676	3,841,824	2,193,322	5,360,178	2,401,165
Net pension liability	79,968,569	20,002,614 *	-	99,971,183	-
OPEB liability	42,469,626	-	2,534,312 *	39,935,314	1,019,126
Federal loan program contributions	559,802	-	384,309	175,493	-
Total long term liabilities	$ 475,526,169	$ 32,872,353	$ 31,153,995	$ 477,244,527	$ 32,570,481

* Net change is shown.

The University is committed under various long-term right to use leases for buildings, land, and equipment and contracts for subscriptions. In general, the leases and SBITAs are for varying terms up to 30 years with varying renewal options, up to 30 years, for each type of lease and contract. Discount rates for real estate leases ranged from 5.75% - 7.5%, a discount rate of 3.25% was used for equipment leases, and a discount rate of 4.4% was used for SBITAs. See Note 1 – Lease and SIBITA Liabilities for details on determining discount rates.

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

The University has entered into an agreement to lease office equipment that is not included in the lease liability. The lease agreement includes both variable and fixed terms for equipment rental, maintenance, and supplies. Fixed amounts could not be isolated from the variable components;

therefore, this lease was considered variable as a whole. Variable payments are based on copier usage in accordance with prices set forth in the agreement. The agreement has six one-year renewal options remaining and in FY2023, the University made $151,168 in rental payments related to this agreement. In accordance with GASB 87, variable payments based on usage of the underlying asset were expensed when incurred.

The University has, as of June 30, 2023, the following future minimum rental payments due under the above Leases:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2024	3,513,380	7,808,150	11,321,530
2025	3,533,043	7,611,249	11,144,292
2026	3,877,290	7,404,089	11,281,379
2027	4,037,346	7,179,675	11,217,021
2028	4,226,087	6,943,736	11,169,823
2029 - 2033	22,166,423	30,834,252	53,000,676
2034 - 2038	4,487,007	26,947,191	31,434,198
2039 - 2043	9,547,654	24,522,982	34,070,636
2044 - 2048	18,233,572	19,466,515	37,700,087
2049 - 2053	31,650,162	10,330,084	41,980,246
2054 - 2055	10,099,476	527,124	10,626,600
Total	$ 115,371,440	$ 149,575,047	$ 264,946,487

The University has, as of June 30, 2023, the following future minimum rental payments due under the above SBITAs:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2024	2,401,165	222,585	2,623,750
2025	1,187,441	122,245	1,309,686
2026	322,212	77,823	400,035
2027	1,012,205	48,822	1,061,027
2028	251,069	16,663	267,732
2029 - 2033	186,086	7,619	193,705
Total	$ 5,360,178	$ 495,757	$ 5,855,935

NOTE 8: LONG-TERM DEBT

The University has issued two categories of bonds pursuant to Section 9 of Article X of the Constitution of Virginia. Section 9(c) bonds are general obligation bonds issued by the Commonwealth of Virginia on behalf of the University which are secured by the net revenues of the completed project and the full faith, credit, and taxing power of the Commonwealth of Virginia. Section 9(d) bonds are revenue bonds, which are limited obligations of the University payable exclusively from pledged general revenues and are not debt of the Commonwealth of Virginia, legally, morally, or otherwise. Pledged General revenues include General Fund appropriations, tuition and fees, auxiliary enterprise revenues, and other revenues not required by law to be used for another purpose. The University issued 9(d) bonds through the VCBA's Pooled Bond Program created by the Virginia General Assembly in 1996. Through the Pooled Bond Program, the VCBA issues 9(d) bonds and uses the proceeds to purchase debt obligations (notes) of the University and various other institutions of higher education. The University's general revenue, not otherwise obligated, also secures these notes.

Description	Interest Rates	Maturity	2023
General Obligation bonds:			
Dormitory Series, 2010A	3.60 - 4.40%	2030	810,000
Dormitory Series, 2012A	5.00%	2024	334,787
Dormitory, Series 2013B	4.00%	2025	349,247
Dormitory, Series 2013B	4.00%	2026	1,799,285
Dormitory, Series 2013B	4.00%	2025	2,008,150
Dormitory, Series 2015B	5.00%	2027	2,050,327
Dormitory, Series 2015B	5.00%	2028	13,595,638
Dormitory, Series 2019A	2.00 - 5.00%	2039	42,665,000
Dormitory, Series 2020A	1.625 - 4.00%	2040	9,595,000
Dormitory, Series 2021A	5.00%	2032	170,000
Dormitory, Series 2021A	5.00%	2028	695,000
Dormitory, Series 2021A	5.00%	2029	1,620,000
Dormitory, Series 2021A	2.00%	2040	1,755,000
Dormitory, Series 2021A	5.00%	2026	215,000
Dormitory, Series 2021A	5.00%	2027	395,000
Dormitory, Series 2021B	3.00%	2029	875,000
Dormitory, Series 2021B	3.00%	2030	2,125,000
Dormitory, Series 2021B	2.45%	2041	1,930,000
Dormitory, Series 2021B	3.00%	2027	255,000
Dormitory, Series 2021B	3.00%	2028	505,000
Total General Obligation bonds			83,747,434
Revenue bonds:			
Recreation, Series 2021B	5.00%	2024	1,605,000
Recreation, Series 2021B	5.00%	2024	490,000
Parking, Series 2021B	0.48 - 0.61%	2026	405,000
Parking, Series 2021B	0.48 - 0.77%	2027	1,130,000
Parking, Series 2014B	4.00 - 5.00%	2026	1,605,000
Parking, Series 2015B	3.00 - 5.00%	2029	2,220,000
Parking, Series 2016A	3.00 - 5.00%	2028	1,235,000
Athletic Fac. Exp., Series 2021B	0.48 - 0.77%	2027	655,000
Athletic Fac. Exp., Series 2021B	0.48 - 0.94%	2028	980,000
Athletic Fac. Exp., Series 2014B	4.00%	2026	255,000
Athletic Fac. Exp., Series 2014B	5.00%	2024	60,000
Athletic Fac. Exp., Series 2014B	4.00 - 5.00%	2026	95,000
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 2021B	0.48 - 0.77%	2027	550,000
H&PE Renovation, Series 2021B	0.48 - 0.94%	2028	980,000
H&PE Renovation, Series 2014B	4.00%	2026	255,000
H&PE Renovation, Series 2014B	4.00 - 5.00%	2026	2,965,000
H&PE Renovation, Series 2016A	3.00 - 5.00%	2028	2,285,000
Indoor Tennis Court, Series 2021B	0.48 - 0.77%	2027	410,000
Indoor Tennis Court, Series 2021B	0.48 - 0.94%	2028	765,000
Indoor Tennis Court, Series 2014B	4.00%	2026	200,000
Indoor Tennis Court, Series 2014B	5.00%	2024	15,000
Indoor Tennis Court, Series 2014B	4.00 - 5.00%	2026	50,000
Indoor Tennis Court, Series 2016A	3.00%	2027	35,000

Indoor Tennis Court, Series 2016A	3.00 - 5.00%	2028	30,000
Dormitory, Series 2021B	0.48 - 0.94%	2028	6,405,000
Dormitory, Series 2014B	4.00%	2026	1,670,000
Powhatan Sports Ctr, Series 2010A	4.55 - 5.50%	2031	445,000
Powhatan Sports Ctr, Series 2014A	5.00%	2025	275,000
Powhatan Sports Ctr, Series 2014B	4.00 - 5.00%	2026	1,225,000
Powhatan Sports Ctr, Series 2015B	3.00 - 5.00%	2029	11,215,000
Powhatan Sports Ctr, Series 2016A	3.00 - 5.00%	2028	945,000
Powhatan Sports Ctr, Series 2021B	0.48 - 2.21%	2037	2,445,000
Webb Center Expansion, Series 2021B	0.48 - 2.21%	2037	2,060,000
Webb Center Expansion, Series 2016A	3.00 - 5.00%	2030	320,000
Webb Center Expansion, Series 2014A	5.00%	2025	235,000
Campus Dining Impr., Series 2021B	0.48 - 2.21%	2037	17,045,000
Campus Dining Impr., Series 2014A	5.00%	2025	1,910,000
Foreman Field Reconstruction, Series 2018A	4.00 - 5.00%	2039	35,660,000
Student Health and Wellness, Series 2019A	2.25 - 5.00%	2040	3,300,000
Student Health and Wellness, Series 2022A	3.00 - 5.00%	2041	4,610,000
Total Revenue bonds			109,290,000
Total bonds			193,037,434
Unamortized bond premium, General Obligation bonds			8,421,263
Unamortized bond premium, Revenue bonds			6,697,388
Total bonds and unamortized bond premiums			$ 208,156,085

Long term debt matures as follows:

	Principal	Interest
2024	19,285,941	6,733,427
2025	17,812,345	6,048,271
2026	18,591,626	5,346,099
2027	18,978,670	4,626,203
2028	18,218,854	3,931,081
2029 - 2033	45,265,000	12,847,663
2034 - 2038	41,605,000	5,434,981
2039 - 2042	13,280,000	488,174
Total	$ 193,037,435	$ 45,455,900

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, 2023, $16,475,000 of the defeased bonds were outstanding. Gains or losses associated with refunding transactions are reflected as deferred inflows and outflows, respectively, and are amortized over the shorter of the life of the old or new debt.

NOTE 9: EXPENSES BY NATURAL CLASSIFICATIONS

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

	Compensation and Benefits	Goods and Services	Scholarships and Fellowships	Plant and Equipment	Depreciation/ Amortization	Total
Instruction	$ 163,729,727	$ 21,204,607	$ -	$ 5,356,304	$ -	$ 190,290,638
Research	9,681,369	11,651,519	-	1,435,608	-	22,768,496
Public service	67,223	30,059	-	3,654	-	100,936
Academic support	33,487,017	11,348,705	-	5,152,957	-	49,988,679
Student services	15,746,136	3,992,194	-	80,232	-	19,818,562
Institutional support	34,005,477	22,572,984	-	13,696	-	56,592,156
Operation and maintenance	13,897,252	14,353,922	-	279,826	-	28,530,999
Depreciation and amortization	-	-	-	-	38,003,999	38,003,999
Student aid	-	-	28,466,923	-	-	28,466,923
Auxiliary activities	35,922,671	77,646,771	10,395,922	9,314,186	-	133,279,550
Total	$ 306,536,872	$ 162,800,761	$ 38,862,845	$ 21,636,463	$ 38,003,999	$ 567,840,938

NOTE 10: APPROPRIATIONS

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

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

Original legislative appropriation per Chapter 2 - 2022 Acts of Assembly:		
Educational and general programs	$	169,457,389
Student financial assistance/grants		36,168,811
Supplemental adjustments:		
Online Virginia Network Authority (OVN)		1,850,000
Grants		12,432,860
Education and general reversion		(5,071,500)
Reappropriated FY 2022 Cash		19,542,904
GF Central Appropriations Distributions		7,211,083
The Virtual Library of Virginia (VIVA)		18,093
Credit card rebates and interest		211,210
Tech talent investment pipeline		1,480,916
Adjusted appropriations	$	243,301,767

Capital project general fund appropriations were recognized by the University from the Commonwealth for the year ended June 30, 2023. During the year $12.4 million in capital appropriations were allocated as follows: $5.5 million for Health Sciences building, $4.4 million for maintenance reserve projects, and $2.5 million to repair Rollins Hall.

NOTE 11: COMPONENT UNIT FINANCIAL INFORMATION

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

	Old Dominion Athletic Foundation	Old Dominion University Educational Foundation	Old Dominion University Real Estate Foundation	Old Dominion University Research Foundation	TOTAL
STATEMENT OF NET POSITION					
ASSETS					
Current assets:					
Cash and cash equivalents	$ 6,535,608	$ 598,972	$ 4,425,856	$ 13,339,580	$ 24,900,016
Accounts receivable, net	40,259	266,669	3,931,334	16,088,550	20,326,812
Contributions receivable, net	5,608,895	3,535,733	847,656	-	9,992,284
Travel advances	-	-	-	106,993	106,993
Prepaid expenses	95,275	45,122	372,523	596,000	1,108,920
Other assets	87,293	212,908	-	-	300,201
Total current assets	12,367,330	4,659,404	9,577,369	30,131,123	56,735,226
Noncurrent assets:					
Investments	48,866,879	282,378,278	3,320,064	5,257,260	339,822,481
Accounts receivable, net	-	-	30,615,589	-	30,615,589
Contributions receivable, net	9,174,357	4,146,225	2,655,745	-	15,976,327
Nondepreciable capital assets	-	924,000	19,177,409	698,192	20,799,601
Capital assets, net	292,491	3,097,508	12,413,659	2,500,155	18,303,813
Other assets	-	-	-	1,388,846	1,388,846
Total noncurrent assets	58,333,727	290,546,011	68,182,466	9,844,453	426,906,657
Total assets	$ 70,701,057	$ 295,205,415	$ 77,759,835	$ 39,975,576	$ 483,641,883
LIABILITIES					
Current liabilities:					
Accounts payable	$ 378,303	$ 564,887	$ 476,239	$ 8,244,906	$ 9,664,335
Unearned revenue	2,600	-	275,127	10,860,231	11,137,958
Deposits held in custody for others	-	-	38,929	-	38,929
Agency related payables	-	26,458,941	-	-	26,458,941
Line of credit	-	-	4,717,784	-	4,717,784
Long-term liabilities – current portion	-	141,525	4,527,057	209,610	4,878,192
Total current liabilities	380,903	27,165,353	10,035,136	19,314,747	56,896,139
Noncurrent liabilities	-	516,665	42,505,732	1,197,568	44,219,965
Total liabilities	380,903	27,682,018	52,540,868	20,512,315	101,116,104
NET POSITION					
Net investment in capital assets	292,491	4,021,508	26,873,284	3,198,347	34,385,630
Permanently restricted	20,001,543	152,487,825	-	-	172,489,368
Temporarily restricted	30,374,853	90,732,671	4,046,669	-	125,154,193
Unrestricted	19,651,267	20,281,393	(5,700,986)	16,264,914	50,496,588
Total net position	$ 70,320,154	$ 267,523,397	$ 25,218,967	$ 19,463,261	$ 382,525,779

	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	$ 13,643,736	$ 3,187,930	347,933	$ 605,830	$ 17,785,429
Indirect cost	-	-	-	9,263,244	9,263,244
Sponsored research	-	-	-	51,106,237	51,106,237
Other operating revenues	255,596	1,105,010	6,212,006	1,755,292	9,327,904
Total operating revenues	13,899,332	4,292,940	6,559,939	62,730,603	87,482,814
Operating expenses:					
Instruction	-	3,096,720	-	-	3,096,720
Research	-	-	-	49,277,579	49,277,579
Academic support	6,479,759	18,192,625	-	-	24,672,384
Institutional support	4,604,243	2,031,885	5,494,018	13,536,041	25,666,187
Operation and maintenance of plant	-	216,186	-	-	216,186
Depreciation	21,152	119,526	529,172	966,000	1,635,850
Student aid	3,238,353	3,917,487	-	-	7,155,840
Total operating expenses	14,343,507	27,574,429	6,023,190	63,779,620	111,720,746
Operating gain/(loss)	(444,175)	(23,281,489)	536,749	(1,049,017)	(24,237,932)
Investment income/(loss)	(4,548,122)	(16,085,742)	4,883,556	364,470	(15,385,838)
Gain on disposal of plant assets		-	(7,956)	(24,984)	(32,940)
Contributions to permanent endowments	727,898	2,295,575	-	-	3,023,473
Increase/(decrease) in net position	(4,264,399)	(37,071,656)	5,412,349	(709,531)	(36,633,237)
Beginning net position	74,584,553	304,595,053	19,806,618	20,172,792	419,159,016
Ending net position	$ 70,320,154	$ 267,523,397	$ 25,218,967	$ 19,463,261	$ 382,525,779

Contributions Receivable

	Old Dominion Athletic Foundation	Old Dominion University Educational Foundation	Old Dominion University Real Estate Foundation	TOTAL
Current Receivable				
Receivable due in less than one year	$ 5,915,371	$ 4,381,842	$ 847,656	$ 11,144,869
Less allowance for doubtful accounts	306,476	846,109	-	1,152,585
Net current accounts receivable	5,608,895	3,535,733	847,656	9,992,284
Receivable due in greater than one year, net of discount ($1,487,998)	9,240,311	6,638,876	2,655,745	18,534,932
Less allowance for doubtful accounts	65,954	2,492,651	-	2,558,605
Net noncurrent contributions receivable	9,174,357	4,146,225	2,655,745	15,976,327
Total contributions receivable	$ 14,783,252	$ 7,681,958	$ 3,503,401	$ 25,968,611

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	$ -	$ -	$ -	$ 3,988,734	$ 3,988,734
Common & preferred stocks	-	106,842,971	-	10,384	106,853,355
Mutual and money market funds	2,363,840	51,580,560	797,720	1,258,142	56,000,262
Partnerships	-	97,495,806	-	-	97,495,806
Managed investments	46,503,039	26,458,941	2,522,344	-	75,484,324
Total	$ 48,866,879	$ 282,378,278	$ 3,320,064	$ 5,257,260	$ 339,822,481

Capital Assets

	Old Dominion Athletic Foundation	Old Dominion University Educational Foundation	Old Dominion University Real Estate Foundation	Old Dominion University Research Foundation	Total
Nondepreciable capital assets:					
Land	$ -	$ 924,000	$ 19,177,409	$ -	$ 20,101,409
Construction in progress	-	-	-	698,192	698,192
Total capital assets not being depreciated	-	924,000	19,177,409	698,192	20,799,601
Depreciable capital assets:					
Buildings	-	3,276,000	14,833,550	7,954	18,117,504
Equipment	587,636	68,243	445,521	23,364,200	24,465,600
Total capital assets being depreciated	587,636	3,344,243	15,279,071	23,372,154	42,583,104
Less accumulated depreciation for:					
Buildings	-	178,691	2,582,796	5,921	2,767,408
Equipment	295,145	68,044	282,616	20,866,078	21,511,883
Total accumulated depreciation	295,145	246,735	2,865,412	20,871,999	24,279,291
Total depreciable capital assets, net	292,491	3,097,508	12,413,659	2,500,155	18,303,813
Total capital assets, net	$ 292,491	$ 4,021,508	$ 31,591,068	$ 3,198,347	$ 39,103,414

Long-term Liabilities

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

Description	Interest Rates	Maturity	As of December 31, 2022
Bonds payable (Real Estate Foundation):			
Norfolk Redevelopment & Housing Authority Revenue Bonds Series 2015	3.800%	2033	$ 31,115,000
Norfolk Redevelopment & Housing Authority Revenue Bonds Series 2015	5.465%	2031	6,935,000
Norfolk Airport Authority $10,000,000 Revenue Bond (Barry Art Museum) Series 2016	2.455%	2025	3,333,334
Total bonds payable			41,383,334
Notes payable (Real Estate Foundation):			
Bookstore	5.585%	2033	3,270,395
President's House	2.490%	2031	1,204,012
Bank Street	3.100%	2029	718,525
Total notes payable			5,192,932
Total bonds and notes payable			46,576,266
Unamortized bond issuance costs			(28,845)
Other long term liabilities (Real Estate Foundation)			485,368
Other long term liabilities (Educational Foundation)			658,190
Total long-term debt			$ 47,690,979

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

2023	$ 4,516,672
2024	4,667,818
2025	4,827,915
2026	3,881,132
2027	4,052,288
Thereafter	24,630,441
Total	$ 46,576,266

Old Dominion University Research Foundation:

The Old Dominion University Research Foundation’s long-term liabilities consists of right to use leases for office space and equipment. In general, the leases are for varying terms with a weighted average time remaining of seven years. As of June 30, 2023, total lease liability is $1.4 million, and the current portion is $1.1 million.

The maturities of lease liabilities as of June 30, 2023 are as follows:

2024	246,792
2025	252,962
2026	259,286
2027	265,768
2028	272,412
Thereafter	232,558
Total lease payments	1,529,778
Less: Interest	(122,600)
Total lease liabilities	$ 1,407,178

<u>Other Significant Transactions with Old Dominion University</u>

The University has entered into various Deed of Lease Agreements with Old Dominion University Real Estate Foundation. Under the agreements as of June 30, 2023, the University's lease liability totals $39.6 million.

Direct payments to the University from the Old Dominion University Educational Foundation, Old Dominion University Real Estate Foundation, Old Dominion Athletic Foundation, and the Old Dominion University Research Foundation totaled $15.3 million; $2.5 thousand; $9.8 million; and $11.2 million, respectively. This includes gift transfers, payments for facilities, and payments for services.

Component Unit Subsequent Event

In August 2024, Old Dominion University Real Estate Foundation acquired a property for $4.1 million.

NOTE 12: COMMITMENTS

At June 30, 2023, the University was party to construction contracts totaling approximately $97.4 million of which $72.5 million has been incurred.

NOTE 13: RETIREMENT PLANS

<u>Plan Description</u>

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

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

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

<table>
<tr><th>PLAN 1</th><th>PLAN 2</th><th>HYBRID
RETIREMENT PLAN</th></tr>
<tr>
<td>Eligible Members
Employees are in Plan 1 if their membership date is before July 1, 2010, they were vested as of January 1, 2013, and they have not taken a refund.

Hybrid Opt-In Election
VRS Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan’s effective date for eligible Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan</td>
<td>Eligible Members
Employees are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund, or their membership date is prior to July 1, 2010, and they were not vested as of January 1, 2013.

Hybrid Opt-In Election
Same as Plan 1.</td>
<td>Eligible Members
Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:
Full-time permanent, salaried state employees.*
Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014.
*Non-Eligible Members
Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:
Members of the Virginia Law Officers’ Retirement System (VaLORS).
Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</td>
</tr>
</table>

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

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

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** *Defined Benefit Component:* See definition under Plan 1 *Defined Contribution Component:* The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier ***VRS*: ** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. ***VaLORS*: ** The retirement multiplier for VaLORS employees is 1.70% or 2.00%.	**Service Retirement Multiplier** ***VRS*: ** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. ***VaLORS*: ** The retirement multiplier for VaLORS employees is 2.00% applied to hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement.	**Service Retirement Multiplier** *Defined Benefit Component:* ***VRS*: ** The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. ***VaLORS*: ** Not applicable. *Defined Contribution Component:* Not applicable.

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

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

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

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each state agency's contractually required employer contribution rate for the fiscal year ended June 30, 2023, was 14.46% of covered employee compensation for employees in the VRS State Employee Retirement Plan. For employees in the VaLORS Retirement Plan, the contribution rate was 24.60% of covered employee compensation. These rates were the final approved General Assembly rates which were based on actuarially determined rates from an actuarial valuation as of June 30, 2021. The actuarially determined rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the University to the VRS State Employee Retirement Plan were $14,203,275 and $13,254,684 for the years ended June 30, 2023, and June 30, 2022, respectively. Contributions from the University to the VaLORS Retirement Plan were $633,051 and $515,508 for the years ended June 30, 2023, and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately $219.1 million to the VRS State plan and $19.9 million to VaLORS. These special payments were authorized by Chapter 1 of the 2022 Appropriation Act, and are classified as special employer contributions. The University's proportionate share of these special contributions were reported as nonoperating revenue in the Pension-related contribution revenue line item.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions

At June 30, 2023, the University reported a liability of $95,573,225 for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of $4,397,958 for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The University's proportion of the Net Pension Liability was based on the University's actuarially determined employer contributions to the pension plans for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the University's proportion of the VRS State Employee Retirement Plan was 2.10587% as compared to 2.11071% at June 30, 2021. At June 30, 2022, the University's proportion of the VaLORS Retirement Plan was 0.69475% as compared to 0.65332% at June 30, 2021.

For the year ended June 30, 2023, the University recognized pension expense of $5,929,320 for the VRS State Employee Retirement Plan and $714,350 for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2021, and June 30, 2022, a portion of the pension expense was related to deferred amounts from changes in proportion and differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2023, the University 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	$ -	$ 6,321,444
Net difference between projected and actual earnings on pension plan investments	-	13,929,863
Change in assumptions	3,834,501	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	435,625
University contributions subsequent to the measurement date	14,203,275	-
Total	$ 18,037,776	$ 20,686,932

$14,203,275 reported as deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense in future reporting periods as follows:

Year ended June 30	
2024	$ (6,470,428)
2025	$ (6,892,645)
2026	$ (10,078,219)
2027	$ 6,588,861
2028	$ -

At June 30, 2023, 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	$ 50,213	$ 23,022
Net difference between projected and actual earnings on pension plan investments	-	360,685
ınge in assumptions	60,005	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	158,309	-
University contributions subsequent to the measurement date	633,051	-
Total	$ 901,578	$ 383,707

$633,051 reported as deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense in future reporting periods as follows:

Year ended June 30	
2024	$ 104,311
2025	$ (148,198)
2026	$ (247,688)
2027	$ 176,375
2028	$ -

Actuarial Assumptions
VRS

The total pension liability for the VRS State Employee Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

Mortality rates:

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

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

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

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

VaLORS

The total pension liability for the VaLORS Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

Mortality rates:

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

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

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

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability

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

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

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

Long-term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the state agency for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022, on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's 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	$ 163,337,168	$ 95,573,225	$ 39,408,624

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
University's proportionate share of the VaLORS Employee Retirement Plan Net Pension Liability	$ 6,691,967	$ 4,397,958	$ 2,527,734

Pension Plan Fiduciary Net Position

Detailed information about the VRS State Employee Retirement Plan's Fiduciary Net Position or the VaLORS Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Report. A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2023, the University reported a payable of $516,665 for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2023.

NOTE 14: OTHER RETIREMENT PLANS

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

Individual contracts issued under the plans provide for full, immediate vesting of both the University's and employee's contributions. Total pension expense recognized was $7,793,466 for the year ended June 30, 2023.

Contributions to the optional retirement plans were calculated using the base salary amount $82,820,729 for fiscal year 2023.

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 2023 was a maximum match up to $20 per pay period or $40 per month. Employer contributions under this plan were approximately $586,563 for fiscal year 2023.

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

Plan Descriptions

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

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

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

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

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

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

Plan Provisions

Group Life Insurance (GLI):

Eligible Employees

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

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

Benefit Amounts

The benefits payable under GLI has several components.

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

Reduction in Benefit Amounts

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

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

For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,984 as of June 30, 2023.

Health Insurance Credit (HIC):

Eligible Employees

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

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

Benefit Amounts

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

- At Retirement – For State employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount.

- Disability Retirement – For State employees, other than state police officers, who retire on disability or go on long-term disability under VSDP, the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher.

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

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

Health Insurance Credit Program Notes:

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

Virginia Sickness and Disability Program (VSDP):

Eligible Employees

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

Eligible employees are enrolled automatically upon employment. They include:

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

Benefit Amounts

VSDP provides the following benefits for eligible employees:

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

Disability Insurance Program (VSDP) Plan Notes

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

Cost-of-Living Adjustment (COLA)

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

Line of Duty Act (LODA):

Eligible Employees

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

Benefit Amounts

LODA provides death and health insurance benefits for eligible individuals:

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

Pre-Medicare Retiree Healthcare (PMRH):
Eligible Employees

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

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

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

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

Contributions

Group Life Insurance (GLI):
The contribution requirements for the GLI program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for GLI was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to GLI from the University were $1,037,558 and $981,908 for the years ended June 30, 2023, and June 30, 2022, respectively.

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

Appropriation Act. The University's proportionate share of these special contributions were reported as nonoperating revenue in the OPEB-related contribution revenue line item.

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, 2023, was 1.12% of covered employee compensation for employees in the VRS State Employee HIC Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the University to HIC were $2,166,706 and $2,046,381 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately $8.5 million which was applied to the Health Insurance Credit Plan for state employees. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act. The University's proportionate share of these special contributions were reported as nonoperating revenue in the OPEB-related contribution revenue line item.

Virginia Sickness and Disability Program (VSDP):
The contribution requirements for VSDP are governed by §51.1-1140 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for VSDP for the year ended June 30, 2023, was 0.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits payable during the year, with an adjustment to amortize the accrued OPEB assets. Contributions to the VSDP from the University were $565,708 and $514,113 for the years ended June 30, 2023, and June 30, 2022, respectively.

Line of Duty Act (LODA):
The contribution requirements for the LODA Program are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2023, was $681.84 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021, and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the University were $26,592 and $30,347 for the years ended June 30, 2023, and June 30, 2022, respectively.

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

This fund is reported as part of the Commonwealth's Healthcare Internal Service Fund. Benefit payments are recognized when due and payable in accordance with the benefit terms. PMRH is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes and is administered by DHRM. There were approximately 3,647 retirees and 92,839 active employees in the program as of June 30, 2022. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits.

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

At June 30, 2023, the University reported the following liabilities (assets) for its proportional share of these programs:

GLI	$	10,157,878
HIC	$	19,790,150
VSDP	$	(5,419,207)
LODA	$	833,927
PMRH	$	9,153,359

These liabilities (assets) were measured as of June 30, 2022, and the total OPEB liability used to calculate GLI, HIC, VSDP and LODA net OPEB liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. For GLI, HIC, VSDP, and LODA programs, the University's proportion of each net OPEB liability (asset) was based on the University's actuarially determined employer contributions to each plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. The PMRH OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022. The University's proportion of the OPEB PMRH liability was based on each employer's calculated healthcare premium contributions as a percentage of the total employer's calculated healthcare premium contributions for all participating employers.

At June 30, 2022, and June 30, 2021, the University's proportionate share was:

	June 30, 2022	June 30, 2021
GLI	0.84361%	0.84354%
HIC	2.41587%	2.40579%
VSDP	1.83607%	1.82555%
LODA	0.22035%	0.23445%
PMRH	2.51870%	2.51658%

For the year ended June 30, 2023, the University recognized the following expenses for these programs:

GLI	$	247,276
HIC	$	1,505,894
VSDP	$	27,301
LODA	$	114,420
PMRH	$	(5,095,249)

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

At June 30, 2023, 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	$ 804,376	$ 407,510
Net difference between projected and actual earnings on GLI OPEB program investments	-	634,718
Change in assumptions	378,873	989,418
Changes in proportionate share	31,623	283,780
University contribution subsequent to the measurement date	1,037,558	-
Total	$ 2,252,430	$ 2,315,426
Health Insurance Credit (HIC):		
Differences between expected and actual experience	$ 3,390	$ 1,196,071
Net difference between projected and actual earnings on HIC OPEB investments	-	10,737
Change in assumptions	662,059	9,990
Changes in proportionate share	157,321	498,575
University contribution subsequent to the measurement date	2,166,706	-
Total	$ 2,989,476	$ 1,715,373
Virginia Sickness and Disability Program (VSDP):		
Differences between expected and actual experience	$ 545,524	$ 806,712
Net difference between projected and actual earnings on VSDP OPEB investments	-	299,230
Change in assumptions	31,268	106,463
Changes in proportionate share	28,479	82,855
University contribution subsequent to the measurement date	565,708	-
Total	$ 1,170,979	$ 1,295,260
Line of Duty Act (LODA):		
Differences between expected and actual experience	$ 64,068	$ 155,859
Net difference between projected and actual earnings on LODA OPEB investments	-	3,566
Change in assumptions	232,559	205,685
Changes in proportionate share	74,475	88,190
University contributions subsequent to the measurement date	26,592	-
Total	$ 397,694	$ 453,300
Pre-Medicare Retiree Healthcare (PMRH):		
Difference between expected and actual experience	$ -	$ 4,180,125
Changes in assumptions	-	8,472,939
Changes in proportion	287,720	180,078
Amounts associated with transactions subsequent to the measurement date	1,000,850	-
Total	$ 1,288,570	$ 12,833,142

The following amounts reported as deferred outflows of resources related to each OPEB program, resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of each program's net OPEB liability (asset) in the fiscal year ending June 30, 2024.

GLI	$ 1,037,558
HIC	$ 2,166,706
VSDP	$ 565,708
LODA	$ 26,592
PMRH	$ 1,000,850

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

Year ended June 30:	GLI	HIC	VSDP	LODA	PMRH
2024	$ (245,893)	$ (232,981)	$ (261,278)	$ 2,269	$ (5,361,178)
2025	$ (232,308)	$ (189,646)	$ (258,032)	$ 2,345	$ (3,459,344)
2026	$ (566,182)	$ (273,918)	$ (303,304)	$ 2,426	$ (1,968,303)
2027	$ 19,563	$ (120,231)	$ 41,716	$ (4,667)	$ (1,192,258)
2028	$ (75,734)	$ (73,727)	$ 9,081	$ (10,546)	$ (564,338)
Thereafter	$ -	$ (2,100)	$ 81,830	$ (74,026)	$ -

Actuarial Assumptions (GLI, HIC, VSDP, LODA)

The total OPEB liability for these programs was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	
General state employees (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)	4.00%
Locality – General employees (GLI)	3.50% – 5.35%
Locality – Hazardous Duty employees (GLI)	3.50% – 4.75%
Medical cost trend rates assumptions (LODA)	
Under age 65	7.00% – 4.75%
Ages 65 and older	5.25% – 4.75%
Investment rate of return (GLI, HIC, VSDP)	6.75%, net of investment expenses, including inflation
Year of ultimate trend rate (LODA)	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return (LODA)	3.69%, including inflation*

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

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

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

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

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

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

The actuarial assumptions (GLI, HIC, VSDP) used in the June 30, 2021, valuations were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2021, valuations were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

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

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

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

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

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

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

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

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

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

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

The actuarial assumptions (GLI, HIC, VSDP) used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

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

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

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

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

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

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

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

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

The actuarial assumptions (GLI, HIC, VSDP) used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.
The actuarial assumptions (LODA), used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

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

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

Mortality rates – JRS Employees (GLI, HIC):

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

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

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

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

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

The actuarial assumptions used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72

Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

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

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

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

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

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

The actuarial assumptions used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

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

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

The actuarial assumptions used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

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

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

The actuarial assumptions (GLI) used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

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

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

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

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

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

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

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

The actuarial assumptions (GLI) used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2021, valuation, were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

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

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

Actuarial Assumptions and Methods (PMRH)

The total Pre-Medicare Retiree Healthcare OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2022 (one year prior to the end of the fiscal year). The Department of Human Resource Management selected the economic, demographic, and healthcare claim cost assumptions. The actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 8.00 percent for medical and pharmacy and 4.00 percent for dental. The ultimate trend rates used were 4.50 percent for medical and pharmacy and 4.00 percent for dental.

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Measurement Date	June 30, 2022 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Effective Amortization Period	5.86 years

Discount Rate	3.54%
Projected Salary Increases	5.35% to 3.50% based on years of service from 1 year to 20 years or more
Medical Trend under 65	Medical & Rx: 8.00% to 4.50%, Dental: 4.00%
Year of Ultimate Trend	2033

Mortality - Mortality rates vary by participant status and gender

Pre-Retirement:

Pub-2010 Benefits Weighted General Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; females set forward 2 years.

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

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

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

- Retirement participation – reduced the rate from 40% to 35%

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

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

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

Net OPEB Liability (Asset)

The net OPEB liability (asset) (NOL/NOA) for GLI, HIC, VSDP, and LODA represents each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, measurement date, NOL/NOA amounts for each program are as follows (amounts expressed in thousands):

	GLI	HIC	VSDP	LODA
Total OPEB Liability	$ 3,672,085	$ 1,043,748	$ 307,764	$ 385,669
Plan Fiduciary Net Position	2,467,989	224,575	602,916	7,214
Net OPEB Liability (Asset)	$ 1,204,096	$ 819,173	$ (295,152)	$ 378,455
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	67.21%	21.52%	195.90%	1.87%

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

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

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

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

Long-term Expected Rate of Return (LODA)

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.69% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments' 6.75% assumption. Instead, the assumed annual rate of return of 3.69% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as the measurement date of June 30, 2022.

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, 2022, the rate contributed by participating employers to the GLI, HIC and VSDP OPEB Programs will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI, HIC and VSDP OPEB Program's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability for GLI, HIC, and VSDP programs.

Discount Rate (LODA)

The discount rate used to measure the total LODA OPEB liability was 3.69%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2022, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Discount Rate (PMRH)

The discount rate was increased from 2.16% to 3.54% based on the Bond Buyers GO 20 Municipal Bond Index as the measurement date of June 30, 2022.

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

The following presents the University's proportionate share of the net OPEB liability (asset) using the discount rate of 6.75% for GLI, HIC, and VSDP; 3.69% for LODA; 3.54% for PMRH, as well as what the University's proportionate share of the OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

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

	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
GLI	$ 14,780,901	$ 10,157,878	$ 6,421,842
HIC	22,222,634	19,790,150	17,701,780
VSDP	(4,987,891)	(5,419,207)	(5,798,177)
	2.69%	3.69%	4.69%
LODA	$ 951,919	$ 833,927	$ 737,395
	2.54%	3.54%	4.54%
PMRH	$ 9,662,716	$ 9,153,359	$ 8,654,702

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

Because the LODA and PMRH programs contain provisions for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the University's proportionate share of the net OPEB liability for these programs using a health care trend rate of 7.00% decreasing to 4.75%, for LODA and 8.00% 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
	6.00% decreasing to 3.75%	7.00% decreasing to 4.75%	8.00% decreasing to 5.75%
LODA	$ 702,764	$ 833,927	$ 998,555
	7.00% decreasing to 3.50%	8.00% decreasing to 4.50%	9.00% decreasing to 5.50%
PMRH	$ 8,333,082	$ 9,153,359	$ 10,097,921

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 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the GLI, HIC, VSDP, and LODA OPEB Plans

At June 30, 2023, the University reported payables of the following:

GLI	$	84,756
HIC	$	70,760
VSDP	$	21,846
LODA	$	1,287

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, 2023, the University estimates that no material liabilities will result from such audits or questions.

Litigation

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

NOTE 18: RISK MANAGEMENT AND EMPLOYEE HEALTH CARE PLANS

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

NOTE 19: RELATED PARTY TRANSACTIONS

The Old Dominion University Museum Foundation and the University entered into an agreement on July 19, 2016, for the Museum Foundation to operate the Barry Art Museum. On December 6, 2016, an agreement was entered into which set the manner in which the University provides support to the Foundation. The Foundation reimburses the University for the salary and benefits of each University staff member proportionate to the time devoted to serving the Foundation and for supplies and travel. This amount totaled $448,720 for the year ended June 30, 2023. 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, 2023.

NOTE 20: CORONAVIRUS RELIEF FUNDING

During the fiscal year, the University expended $16.2 million in American Rescue Plan Act (ARPA) and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funds in awards to students for the 2023-2024 academic year.

The University drew down the remaining $24.0 million in Higher Education Emergency Relief Funds (HEERF) and $2.0 million from the Strengthening Institutions Program. Both drawdowns were reported as receivable in FY2022 and are reflected as a reduction in accounts receivable on the Statement of Net Position.

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

NOTE 21: PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS

The University is a party to a limited number of public-private partnerships (PPP). A PPP is an arrangement in which the University contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as a building or other capital asset, for a period of time. One agreement was determined to be a 90-day PPP with no significant effect on the University's financial statements for the current year.

The partnership conveys the right to manage and operate the University's Ted Constant Convocation Center and provide services for game day stadium management and ticketing operations at Forman Field. These nonfinancial assets are owned by the University and included as part of the capital assets reported on the Statement of Net Position. The operator made a one-time contribution at the commencement of the agreement which is valued at $24 thousand in FY23. At the end of the agreement, the University resumes control of all nonfinancial assets being used by the operator.

NOTE 22: SUBSEQUENT EVENTS

During fiscal years 2022 and 2023 efforts were initiated to bring about a merger between Old Dominion University and The Eastern Virginia Medical School (EVMS) which is in Norfolk, Virginia and which has a substantial number of students in its MD program. During September 2023 Governor Glenn Youngkin approved a budget which included funding to support the integration of the University and EVMS.

On July 1, 2024, the merger of the University and EVMS was finalized and all EVMS short- and long-term assets and liabilities, totaling $604.4 million and $81.8 million, respectively, were transferred to the University at EVMS' book value. EVMS currently has affiliated relationships with the EVMS Foundation, a nonprofit organization established to provide financial support to EVMS, and the EVMS Medical Group, a nonprofit physician group supporting EVMS. Separate affiliation agreements are being developed between the University and these EVMS affiliates to allow for the continued relationships.

An initial funding of $10.0 million was received from the Commonwealth to aid the integration efforts. Future operations will be funded through tuition and fees, Commonwealth appropriations, and partner service provider funding.

In June 2024, the University agreed to serve as the public partner and fiscal agent for five lab schools in Virginia to include Emory & Henry College, Roanoke College, Germanna Community College, Mountain Gateway Community College, and Paul D. Camp Community College. The University will receive 5% of each school's operating funding for the services. With the addition of these partnerships, the University will oversee nine lab schools across the state.

In March 2024, the Commonwealth of Virginia, on behalf of the University, issued $2.5 million in general obligation refunding bonds with an average interest rate of 2.59% to advance refund $2.6 million of outstanding general obligation bonds with an average interest rate of 4.0%. The net proceeds of $2.6 million were used to purchase U.S. Treasury securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments (covering both principal and interest) on the old bonds. The advance refunding resulted in a deferred outflow of resources (i.e. economic loss) that is not material to the University's financial statements and will be amortized over the remaining life of the old debt instruments, which ranges over the next one to two years. Additionally, the decrease in the University's total debt service payments as a result of the advance refunding over the next two years is not material.

The University is planning to participate in the VCBA 9(d) Series 2025A Pooled Bond Issuance expected in February 2025. Participation in this sale will be related to the University's Baseball Stadium renovation project for $10.0 million.

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 - 2023*

	University's Proportion of the Net Pension Liability (Asset)	University's Proportionate Share of the Net Pension Liability (Asset)	University's covered payroll	University's Proportionate Share of the Net Pension Liability (Asset) as a % of Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2023	2.10587%	$ 95,573,225	$ 91,664,481	104.26%	83.26%
2022	2.11071%	76,560,300	87,859,606	87.14%	86.44%
2021	2.11376%	153,138,904	88,806,405	172.44%	72.15%
2020	2.12407%	134,235,543	89,848,245	149.40%	75.13%
2019	2.10523%	113,970,000	87,701,482	129.95%	77.39%
2018	2.08834%	121,699,000	84,076,306	144.75%	75.33%
2017	2.07063%	136,471,000	81,802,831	166.83%	71.29%
2016	2.01167%	123,166,000	77,640,742	158.64%	72.81%
2015	1.95702%	109,562,000	75,442,144	145.23%	74.28%

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

Schedule is intended to show information for 10 years. Since 2023 is the ninth year for this presentation, there are only nine years available. However, additional years will be included as they become available.

VaLORS Employee Retirement Plan
For the Years Ended June 30, 2015 - 2023*

	University's Proportion of the Net Pension Liability (Asset)	University's Proportionate Share of the Net Pension Liability (Asset)	University's covered payroll	University's Proportionate Share of the Net Pension Liability (Asset) as a % of Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2023	0.69475%	$ 4,397,958	$ 2,353,918	186.84%	74.41%
2022	0.65332%	3,408,269	2,284,575	149.19%	78.18%
2021	0.62629%	4,896,852	2,310,812	211.91%	65.74%
2020	0.64508%	4,477,076	2,259,305	198.16%	68.31%
2019	0.63577%	3,962,000	2,202,360	179.90%	69.56%
2018	0.61789%	4,055,000	2,122,770	191.02%	67.22%
2017	0.57858%	4,479,000	1,989,450	225.14%	61.01%
2016	0.48062%	3,416,000	1,631,065	209.43%	62.64%
2015	0.50752%	3,421,000	1,789,631	191.16%	63.05%

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

Schedule is intended to show information for 10 years. Since 2023 is the ninth year for this presentation, there are only nine 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, 2014 through 2023

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contribution as a % of Covered Payroll
2023	$ 14,203,275	$ 14,203,275	$ -	$ 98,224,585	14.46%
2022	13,254,684	13,254,684	-	91,664,481	14.46%
2021	12,704,499	12,704,499	-	87,859,606	14.46%
2020	12,006,626	12,006,626	-	88,806,405	13.52%
2019	11,541,721	11,541,721	-	89,848,245	12.85%
2018	11,344,717	11,344,717	-	87,701,482	12.94%
2017	11,023,973	11,023,973	-	84,076,306	13.11%
2016	11,261,826	11,261,826	-	81,802,831	13.77%
2015	9,425,735	9,425,735	-	77,640,742	12.14%
2014	6,608,367	6,608,367	-	75,442,144	8.76%

VaLORS Employee Retirement Plan
For the Years Ended June 30, 2014 through 2023

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contribution as a % of Covered Payroll
2023	$ 633,051	$ 633,051	$ -	$ 2,573,378	24.60%
2022	515,508	515,508	-	2,353,918	21.90%
2021	500,322	500,322	-	2,284,575	21.90%
2020	499,366	499,366	-	2,310,812	21.61%
2019	487,720	487,720	-	2,259,305	21.59%
2018	463,175	463,175	-	2,202,360	21.03%
2017	445,084	445,084	-	2,122,770	20.97%
2016	374,028	374,028	-	1,989,450	18.80%
2015	286,246	286,246	-	1,631,065	17.55%
2014	265,182	265,182	-	1,789,631	14.82%

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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions for the VRS - State Employee Retirement Plan as a result of the experience study and VRS Board action are as follows:

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

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Required Supplementary Information 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 2023*

Program	Year	University's Proportion of the Net OPEB Liability (Asset)	University's Proportionate Share of the Net OPEB Liability (Asset)	University's Covered Payroll		University's Proportionate Share of the Net OPEB Liability (Asset) as a % of Covered Payroll		Plan Fiduciary Net Position as a % of the Total OPEB Liability
GLI	2023	0.84361%	$ 10,157,878	$ 181,834,806		5.59%		67.21%
	2022	0.84354%	9,821,095	174,759,691		5.62%		67.45%
	2021	0.86652%	14,460,801	180,488,066		8.01%		52.64%
	2020	0.86314%	14,045,585	167,069,832		8.41%		52.00%
	2019	0.87031%	13,218,000	165,553,478		7.98%		51.22%
	2018	0.87092%	13,105,000	160,599,190		8.16%		48.86%
HIC	2023	2.41587%	19,790,150	182,712,621		10.83%		21.52%
	2022	2.40579%	20,317,875	173,966,550		11.68%		19.75%
	2021	2.46561%	22,634,450	177,751,282		12.73%		12.02%
	2020	2.47998%	22,891,983	166,881,208		13.72%		10.56%
	2019	2.45500%	22,397,000	165,366,625		13.54%		9.51%
	2018	2.48327%	22,611,000	160,524,635		14.09%		8.03%
VSDP	2023	(1.83607%)	(5,419,207)	84,280,757		(6.43%)		195.90%
	2022	(1.82555%)	(6,293,043)	78,964,544		(7.97%)		229.01%
	2021	(1.82342%)	(4,024,075)	79,078,871		(5.09%)		181.88%
	2020	(1.84539%)	(3,620,569)	72,465,076		(5.00%)		167.18%
	2019	(1.82348%)	(4,107,000)	71,820,029		(5.72%)		194.74%
	2018	(1.80542%)	(3,707,000)	67,887,520		(5.46%)		186.63%
LODA	2023	0.22035%	833,927	2,559,517	**	32.58%	**	1.87%
	2022	0.23445%	1,033,905	2,341,289	**	44.16%	**	1.68%
	2021	0.22331%	935,256	2,627,251	**	35.60%	**	1.02%
	2020	0.22086%	792,415	2,736,854	**	28.95%	**	0.79%
	2019	0.24502%	768,000	2,553,819	**	30.07%	**	0.60%
	2018	0.23673%	622,000	2,531,599	**	24.57%	**	1.30%

Program	Year	University's Proportion of the Collective Total OPEB Liability	University's Proportionate Share of the Collective Total OPEB Liability	University's Covered Employee Payroll	University's Proportionate share of the Collective Total OPEB Liability as a % of Covered Employee Payroll	Plan Fiduciary Net Position as a % of the Total OPEB Liability
PMRH	2023	2.51870%	$ 9,153,359	$ 167,754,783	5.46%	N/A
	2022	2.51658%	11,296,751	159,551,820	7.08%	N/A
	2021	2.53641%	14,427,687	142,306,147	10.14%	N/A
	2020	2.52218%	17,122,587	145,158,026	11.80%	N/A
	2019	2.50972%	25,238,729	155,274,739	16.25%	N/A
	2018	2.50474%	32,534,160	151,985,039	21.41%	N/A

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

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

Schedules are intended to show information for 10 years. Since 2023 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's Other Post-Employment Benefits (OPEB) Contributions
For the years ended June 30, 2018, through 2023

Program	Year	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	University's covered payroll	Contribution as a % of University's covered payroll
GLI	2023	$ 1,037,558	$ 1,037,558	$ -	$ 192,140,370	0.54%
	2022	981,908	981,908	-	181,834,806	0.54%
	2021	936,044	936,044	-	174,759,691	0.54%
	2020	934,969	934,969	-	180,488,066	0.52%
	2019	887,264	887,264	-	167,069,832	0.53%
	2018	866,480	866,480	-	165,553,478	0.52%
HIC	2023	2,166,706	2,166,706	-	193,455,893	1.12%
	2022	2,046,381	2,046,381	-	182,712,621	1.12%
	2021	1,950,506	1,950,506	-	173,966,550	1.12%
	2020	2,079,690	2,079,690	-	177,751,282	1.17%
	2019	1,977,602	1,977,602	-	166,881,208	1.19%
	2018	1,942,763	1,942,763	-	165,366,625	1.17%
VSDP	2023	565,708	565,708	-	92,739,016	0.61%
	2022	514,113	514,113	-	84,280,757	0.61%
	2021	481,870	481,870	-	78,964,544	0.61%
	2020	490,289	490,289	-	79,078,871	0.62%
	2019	462,350	462,350	-	72,465,076	0.64%
	2018	472,933	472,933	-	71,820,029	0.66%
LODA	2023	26,592	26,592	-	3,020,929 *	0.88% *
	2022	30,347	30,347	-	2,559,517 *	1.19% *
	2021	32,279	32,279	-	2,341,289 *	1.38% *
	2020	30,348	30,348	-	2,627,251 *	1.16% *
	2019	29,642	29,642	-	2,736,854 *	1.08% *
	2018	26,099	26,099	-	2,553,819 *	1.02% *

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

Schedules are intended to show information for 10 years. Since 2023 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

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

GLI, HIC, VSDP, and LODA Programs

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

Changes of assumptions – (GLI, HIC, VSDP) The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

The actuarial assumptions (LODA) used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020.

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

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

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

Teachers (GLI):

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

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

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

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

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

JRS Employees (GLI, HIC):

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

Largest 10 Locality Employers – General Employees (GLI):

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

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

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

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

<u>Largest 10 Locality Employers – Hazardous Duty Employees (GLI, LODA):</u>

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

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

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

PMRH

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

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

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

- Retirement participation – reduced the rate from 40% to 35%

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

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

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Commonwealth of Virginia

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October 30, 2024

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
Old Dominion University

Brian O. Hemphill
President, Old Dominion University

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

Opinions

We have audited the financial statements of the business-type activities and aggregate discretely presented component units of **Old Dominion University** (University), a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of the University as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units of the University, which are discussed in Notes 1 and 11. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units of the University, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matters

Changes in Accounting Principle

As discussed in Notes 1, 5, 7, and 21 of the accompanying financial statements, the University implemented Governmental Accounting Standards Board (GASB) Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to accounting and reporting for certain contractual arrangements to provide public services, and GASB Statement No. 96, Subscription-Based Information Technology Arrangements, related to accounting and reporting for subscription liabilities and right-to-use subscription assets. Our opinions are not modified with respect to these matters.

Correction of 2022 Financial Statements

As discussed in Note 1 of the accompanying financial statements, the fiscal year 2022 business-type activities have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements: Management's Discussion and Analysis on pages 3 through 10; the Schedules of University's Share of Net Pension Liability, the Schedules of University Contributions, and the Notes to the Required Supplementary Information for Pension Plans on pages 82 through 84 the Schedules of University's Share of Other Post-Employment Benefits (OPEB) Liabilities (Assets), the Schedules of University's OPEB Contributions, and the Notes to the Required Supplementary Information for the Health Insurance Credit, Group Life Insurance, Disability Insurance, Line of Duty and Pre-Medicare Retiree Healthcare plans on pages 85 through 92. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2024, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University's internal control over financial reporting and compliance.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LDJ/clj

OLD DOMINION UNIVERSITY
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