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(Unaudited)

## Introduction

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 conditions, s, and

## Institutional Profile

Old Dominion University began its tradition of excellence when it was founded in 1930 by the College of William and Mary, the second oldest university in the United States. Old Dominion is now comprised of six colleges: Arts and Letters, Business and Public Administration, Education, Engineering and Technology, Health Sciences and Sciences, and offers 70 baccalaureate specialist programs and 41 doctoral programs. The University has achieved designation as a Research University (high research activity) from the Carnegie Foundation for the Advancement of Teaching.

79<sup>th</sup> anniversary in 2009 found an impressive array of cutting-edge facilities that have a diverse number of majors. Among these are the fully automated Perry Library, with more than 3.2 million items, state-of-the-art laboratories in the sciences and engineering. The campus is also home to superior facilities for clinical work in the health sciences, a modern Oceanography and Physics Building, the Gornto TELETECHNET Center and the Diehn Fine and Performing Arts Center. Recent additions include an orchid conservatory and research addition to the Oceanography and Physics Building, as well as renovations to the Technology Building and the Batten Arts and Letters Building, all of which will further provide expanded opportunities for our students in the arts, sciences, health sciences and engineering. The campus boasts a variety of indoor and outdoor sports facilities. A completely new student recreational center opened in 2009.

Further enhancing the on-campus engineering and science curricula, the University operates the Mid-Atlantic Regional Spaceport located at Wallops wind tunnel testing facilities at NASA Langley in Hampton; has a significant presence in the Applied Research Center at the ; continues to expand its Reidy Research Center for Bioelectrics in Norfolk and the Virginia Modeling, Analysis, and Simulation Center on the Portsmouth-Suffolk border; and owns and manages the Blackwater Ecological Preserve in Zuni.

## Overview of the Financial Statements and Financial Analysis

There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. This discussion includes an analysis of t 2009. Comparative numbers, where presented, are for the fiscal year ended June 30, 2008. Since this presentation includes highly summarized data, it should be read in conjunction with the accompanying Financial Statements, Notes to Financial Statements, and other supplementary information. University management is responsible for all of the financial information presented, including this discussion and analysis.

## Statement of Net Assets

the fiscal year. The purpose of this statement is to present to the financial statement readers a snapshot of the Univ -end. From the data presented, readers of the Statement of Net Assets determine how much the University owes vendors and creditors.

	2009	2008	Difference	Percentage Difference
<u>Assets:</u>				
Current	\$ 71,267,125	\$ 83,228,161	\$ (11,961,036)	(14)%
Capital, net of accumulated depreciation	541,349,163	456,604,675	84,744,488	19 %
Other noncurrent	59,697,886	70,514,231	(10,816,345)	(15)%
Total assets	672,314,174	610,347,067	61,967,107	10 %
<u>Liabilities:</u>				
Current	72,136,276	75,234,921	(3,098,645)	(4)%
Noncurrent	294,624,049	249,300,529	45,323,520	18 %

Total University assets increased \$61,967,107 or 10% during fiscal year 2009. The growth in assets was primarily the result of an increase in capital assets. The rise in capital assets of \$84,744,488 was due to the capitalization of construction in progress for new and continued projects. Buildings increased due to the completion of the newly renovated Health and Physical Education building, second phase on Student Quad Housing and the Powhatan Sports Center. This was offset by a decrease in monies due from the Commonwealth for reimbursements for bond funds and less cash equivalents associated with the State Non Arbitrage Program. Total University liabilities increased \$42,224,875. The rise in liabilities was a result of additional debt for related capital improvements.

## Statement of Revenues, Expenses and Changes in Net Assets

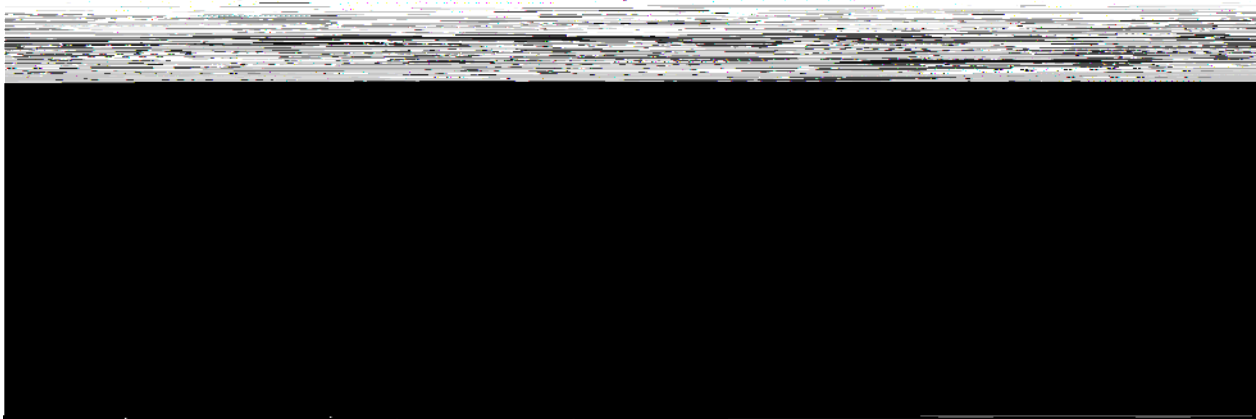
The Statement of Revenues, Expenses and Changes in Net Assets presents a summary of revenue and expense activity which resulted in the change from beginning to ending net assets. The purpose of this and any other revenues, expenses, gains, and losses.

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 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 state appropriations are nonoperating because they are provided by the state legislature without the legislature directly receiving commensurate goods and services for those revenues.

	2009	2008	Difference	Percentage Difference
<u>Operating revenues:</u>				
Student tuition and fees, net of scholarship allowances of \$16,176,085 and \$13,789,166	\$ 87,308,537	\$ 81,297,749	\$ 6,010,788	

## Revenues



Total operating revenue increased by \$12,137,980 or 7% from the prior fiscal year. The growth in revenue was expected given the rise in both in state and out of state tuition rates. An increase in auxiliary enterprise revenue was the result of increases in fees for housing and dining services as well as the opening of a new dormitory. The decline in nonoperating revenue by \$4,518,144 was primarily due to the decrease in appropriation revenue and a drop in investment income related to market conditions. Other revenues











OLD DOMINION UNIVERSITY  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 For the Year Ended June 30, 2009

	Old Dominion University	Component Units
Operating revenues:		
Student tuition and fees (Net of scholarship allowances of \$16,176,085)	\$ 87,308,537	\$ -
Gifts and contributions	-	7,410,495
Federal grants and contracts	5,534,030	-
State grants and contracts	110,534	-
Indirect cost	-	7,049,142
Sponsored research	-	34,084,616
Nongovernmental grants and contracts	2,944,709	-
Auxiliary enterprises (Net of scholarship allowances of \$8,808,007)	74,242,101	-
Other operating revenues	5,910,408	14,720,606
Total operating revenues	176,050,319	

OLD DOMINION UNIVERSITY  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2009

Cash flows from operating activities:	
Student tuition and fees	\$ 98,671,657
Grants and contracts	9,075,506
Auxiliary enterprises	82,041,895
Other receipts	6,271,912
Payments to employees	(145,753,520)
Payments to fringe benefits	(40,287,112)
Payments for services and supplies	(67,110,088)
Payments for travel	(3,965,562)
Payments for scholarships and fellowships	(40,938,990)
Payments for noncapitalized improvements and equipment	(15,711,896)
Loans issued to students	(952,926)
Collections of loans from students	289,782
Net cash used by operating activities	(118,369,342)
Cash flows from noncapital financing activities:	
State appropriations	126,162,686
Federal grants and contracts	13,653,762
Gifts and grants for other than capital purposes	8,644,744
William D. Ford direct lending receipts	82,138,185
William D. Ford direct lending disbursements	(82,138,185)
PLUS loans receipts	7,708,717
PLUS loans disbursements	(7,708,717)
Refund to the federal government	(35,482)
Agency receipts	2,085,217
Agency payments	(2,223,046)
Net cash provided by noncapital financing activities	148,287,881
Cash flows from capital financing activities:	
Proceeds from capital debt and investments	72,966,484
Capital appropriations and appropriations available	1,849,574
Contributions from primary government	26,883,018
Bond premium	3,532,808
Capital gifts	2,523,192
Purchase of capital assets	(128,074,725)
Proceeds from sale of capital assets	1,128,142
Bond issuance expense	(451,031)
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RECONCILIATION OF NET OPERATING (LOSS) TO NET CASH  
USED BY OPERATING ACTIVITIES:

Operating (loss)	\$	(140,686,389)
Adjustments to reconcile net income/(loss) to net cash used by operating activities		
Depreciation expense		22,309,687
Changes in assets and liabilities:		
Receivables, net		(1,333,185)
Prepaid expenses		724,951
Inventory		(35,576)
Accounts payable and accrued expenses		(787,298)
Deposits		1,198,372
Deferred revenue		240,096
		<hr/>
Net cash used by operating activities	\$	<u>(118,369,342)</u>
Non-cash investing, capital and financing activities		
Capitalization of interest expense	\$	3,973,365
Amortization of bond premium	\$	328,895
Decrease in receivables related to nonoperating income	\$	(54,150)

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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Reporting Entity

Old Dominion University (the University) is a modern comprehensive university that is part of the

Visitors, appointed by the Governor, is responsible for overseeing governance of the University. A separate report is prepared for the Commonwealth which includes all agencies, higher education institutions, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The University is a component unit of the Commonwealth of Virginia and is included in the basic financial statements of the Commonwealth.

The University includes all entities over which the University exercises or has the ability to exercise oversight authority for financial reporting purposes. Under Governmental Accounting Standards Board (GASB) Statement 39 standards, the Old Dominion University Educational and Real Estate Foundation, the Old



such, certain revenue recognition criteria and presentation features are different from GASB revenue

### 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.

rally accepted accounting principles as prescribed by the GASB, including all applicable GASB pronouncements, as well as applicable FASB statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The University has the option to apply all FASB pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected not to apply the FASB pronouncements issued after the applicable date.

### Cash and Cash Equivalents

In accordance with the GASB Statement 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 that are purchased at fair value. Investments received by gift are carried at fair value at date of acquisition in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. 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 Assets.

### Receivables

Receivables co

Receivables also include amounts due from the federal, state, and local governments or private sources in connection with reimbursement of allowable expenditures made pursuant to grants and contracts. Receivables are recorded net of estimated uncollectible amounts.

### Prepaid Expenses

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## Capital Assets

Capital assets include land, buildings and other improvements, library materials, equipment, and infrastructure assets such as campus lighting. Capital assets are generally defined by the University as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years, including assets acquired under the Higher Education Trust Fund. Such assets are recorded at actual cost or estimated historical cost if purchased or constructed. Library materials are valued using purchase price for library acquisitions. Donated capital assets are recorded at the estimated fair market value at the date of donation. Expenses for major capital assets and improvements (construction in progress) are capitalized as projects are constructed. Interest expense of \$3,973,365 relating to construction is capitalized net of interest income earned on resources set aside for this purpose for the year ended June 30, 2009. The costs of normal maintenance and repairs that do not add to an

**Restricted Net Assets 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.

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

**Unrestricted Net Assets**



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

## Credit & Concentration of Credit Risks

Type of Investment	Percentage of Investments	Fair Value	Moody Credit Quality Rating
<b>CASH EQUIVALENTS:</b>			
Short-Term Fund	3.21%	\$ 1,470,574	S&P AA
Money Fund			
CMA Government Securities	3.47%	1,590,615	S&P AAA
ML Government	0.02%	9,980	S&P AAA
Centennial Government Trust	1.28%	587,781	Unrated
State Non Arbitrage Program	30.51%	13,987,371	Aaa
Securities Lending	8.96%	4,106,905	
Total Cash Equivalents		21,753,226	
<b>INVESTMENTS:</b>			
Mutual/Money Market			
Intermediate Term Fund	11.44%	5,244,190	S&P AA
U. S. Treasury & Agency Securities*			
U. S. Treasury Bond	0.55%	252,525	Aaa
Treasury Inflation Indexed Note	0.23%	104,561	Aaa
U. S. Treasury Strip	0.08%	34,976	Aaa
U. S. Treasury Note	1.48%	677,670	Aaa
Government National Mortgage Association	0.21%	94,748	Aaa
Corporate Bonds			
Pitney Bowes Inc	0.09%	42,080	A1
Private Export Funding Corporation	0.29%	134,758	Aaa
Municipal Securities			
Indiana Bond Bank	0.05%	21,507	Baa1
Oregon School Boards Association	0.07%	30,673	Aa3
Atlanta & Fulton County Georgia Recreation Authority	0.07%	30,581	A1
Baltimore Maryland Public Improvement General Obligation	0.10%	44,663	Aa3
Eastern Iowa Community College District	0.06%	26,699	Aa3
Kentucky Housing Corporation Housing	0.05%	21,484	Aaa
Wilmington Delaware Series A-2	0.14%	63,351	A1
Iowa Finance Authority Single Family Mortgage	0.11%	52,720	Aa3
Agency Mortgage Backed			
Federal Home Loan Bank	0.17%	80,763	Aaa
Federal Home Loan Mortgage Corporation	0.06%	25,851	Aaa
Student Loan Marketing Association	0.12%	53,808	Aaa
Tennessee Valley Authority	0.09%	43,826	Aaa
United States Housing & Urban Development	0.18%	81,859	Unrated
Common & Preferred Stock**			

\* Credit quality ratings are not required for U.S. Government and agency securities that are explicitly guaranteed by the U.S. Government. aturities.

**Interest Rate Risk: Maturities**

<u>Type of Investment</u>	<b>0-3 Months</b>	<b>4-12 Months</b>	<b>1-5 Years</b>	<b>6-10 Years</b>
<b>Cash Equivalents:</b>				
Short-Term Fund	\$ 1,470,574	\$ -	\$ -	\$ -
State Non Arbitrage Program	13,987,371			
Securities Lending	4,106,905			
Total Cash Equivalents	19,564,850			
<b>Investments:</b>				
<b>Mutual/Money Market</b>				
Intermediate Term Fund			5,244,190	
CMA Government Securities	1,590,615			
ML Government Fund	9,980			
Centennial Government Trust	587,781			
Securities Lending	4,927,383			
<b>U. S. Treasury &amp; Agency Securities</b>				
U. S. Treasury Bond				252,525
Treasury Inflation Indexed Note		52,637	51,924	
U. S. Treasury Strip		34,976		
U. S. Treasury Note		67,401	229,118	381,151
Government National Mortgage Association				94,748
<b>Corporate Bonds</b>				
Pitney Bowes Inc				42,080
Private Export Funding Corporation		134,758		
<b>Municipal Securities</b>				
Indiana Bond Bank			21,507	
Oregon School Boards Association			30,673	
Atlanta & Fulton County Georgia Recreation Authority		30,581		
Baltimore Maryland Public Improvement General Obligation			44,663	
Eastern Iowa Community College District			26,699	
Kentucky Housing Corporation Housing			21,484	
Wilmington Delaware Series A-2			63,351	
Iowa Finance Auth Single Family Mortgage			52,720	
<b>Agency Mortgage Backed</b>				
Federal Home Loan Bank			80,763	
Federal Home Loan Mortgage Corporation	25,851			
Student Loan Marketing Association			53,808	
Tennessee Valley Authority			43,826	
United States Department Housing & Urban Development			81,859	
<b>Total</b>	<b>\$26,706,460</b>	<b>\$ 320,353</b>		

**NOTE 3: DONOR RESTRICTED ENDOWMENT**

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use of which is restricted by donor imposed limitations.

The Uniform Management of Institutional Funds Act, Code of Virginia Section 55-268.1 et. seq., permits the



**NOTE 5: CAPITAL ASSETS**

A summary of changes in the various capital asset categories for the year ending June 30, 2009 is presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<b>Nondepreciable capital assets:</b>				
Land	\$ 28,601,994	\$ 2,331,408	\$ 1,077,541	\$ 29,855,861
Construction in progress	78,855,838	97,668,674	106,245,215	70,279,297
Total nondepreciable capital assets	<u>107,457,832</u>	<u>100,000,082</u>	<u>107,322,756</u>	<u>100,135,158</u>
<b>Depreciable capital assets:</b>				
Buildings	467,206,819	104,315,601	3,653,288	567,869,132
Infrastructure	1,312,561	-	-	1,312,561
Equipment	65,145,926	8,224,255	2,420,753	70,949,428
Improvements other than building	8,063,783	1,512,357	995,192	8,580,948
Library books	57,054,761	4,479,246	617,251	60,916,756
Total depreciable capital assets	<u>598,783,850</u>	<u>118,531,459</u>	<u>7,686,484</u>	<u>709,628,825</u>
<b>Less accumulated depreciation for:</b>				
Buildings	152,510,899	12,393,712	777,747	164,126,864
Infrastructure	1,312,561	-	-	1,312,561
Equipment	40,581,898	5,818,843	2,070,530	44,330,211
Improvements other than building	6,124,059	154,013	66,346	6,211,726
Library books	49,107,590	3,943,119	617,251	52,433,458
Total accumulated depreciation	<u>249,637,007</u>	<u>22,309,687</u>	<u>3,531,874</u>	<u>268,414,820</u>
Depreciable capital assets, net	<u>349,146,843</u>	<u>96,221,772</u>	<u>4,154,610</u>	<u>441,214,005</u>
Total capital assets, net	<u>\$ 456,604,675</u>	<u>\$ 196,221,854</u>	<u>\$ 111,477,366</u>	<u>\$ 541,349,163</u>

**NOTE 6: ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses consisted of the following at June 30, 2009:

Employee salaries, wages, and fringe benefits payable	\$ 14,900,183
Retainage payable	2,239,785

**NOTE 7: NONCURRENT LIABILITIES**

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-term debt (further described in Note 8) and other noncurrent liabilities. A summary of changes in noncurrent liabilities for the year ending June 30, 2009 is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Long-term debt:					
General obligations bonds	\$ 35,421,902	\$ 41,687,919	\$ 3,948,150	\$ 73,161,671	\$ 4,093,340
Revenue bonds	125,310,569	35,254,888	5,818,732	154,746,725	6,820,000
Installment purchases	2,243,628	931,924	200,590	2,974,962	266,621
Capital leases	92,928,551	-	18,699,676	74,228,875	2,504,040
Total long-term debt	255,904,650	77,874,731	28,667,148	305,112,233	13,684,001
Accrued compensated absences	6,677,149	6,014,737	5,649,653	7,042,233	4,772,322
Federal loan program contributions	600,491	-	510,016	90,475	-
Faculty early retirement plan	1,972,131	-	1,136,700	835,431	-
Total long-term liabilities	\$ 265,154,421	\$ 83,889,468	\$ 35,963,517	\$ 313,080,372	\$ 18,456,323

**NOTE 8: LONG-TERM DEBT**

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The University has issued two categories of bonds pursuant to Section 9 of Article X of the *Constitution of Virginia*. Section 9(c) bonds are general obligation bonds issued by the Commonwealth of Virginia on behalf of the University which are secured by the net revenues of the completed project and the full faith, credit, and taxing power of the Commonwealth of Virginia. Section 9(d) bonds are revenue bonds, which are limited obligations of the University payable exclusively from pledged general revenues and are not debt of the Commonwealth of Virginia, legally, morally, or otherwise. Pledged General Fund revenues include General Fund appropriations, tuition and fees, auxiliary enterprise revenues, and other revenues not required by law to

**Revenue bonds:**

**Long-term debt matures as follows:**

	Principal	Interest
2010	\$ 13,644,001	\$ 13,477,495
2011	13,153,935	12,856,430
2012	12,794,639	12,230,744
2013	13,430,925	11,585,912
2014	13,687,473	10,936,056
2015-2019	75,490,936	66,056,056

A. Equipment Trust Fund Program

The Equipment Trust Fund (ETF) program was established to provide state-supported institutions of higher education bond proceeds for financing the acquisition and replacement of instructional and research equipment. The Virginia College Building Authority (VCBA) manages the program. The VCBA issues bonds and uses the proceeds to reimburse the University and other institutions of higher education for equipment purchased. Financing agreements for ETF state that the University now owns the equipment from the date of purchase.

3,323,149 for equipment  
purchased by the University that was not reimbursed by the VCBA at year-end.

B. Defeasance of Debt

The Commonwealth of Virginia, on behalf of the University, issued bonds in previous and current 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

June 30, 2009, \$15,235,000 of the defeased bonds was outstanding.

C. Assets Purchased Under Capital Leases

At June 30, 2009, assets purchased under capital leases were included in depreciable capital assets in the amount of \$75,049,719. The assets are net of accumulated depreciation.

## 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 Assets and by natural classification which is the basis for amounts shown in the Statement of Cash Flows.

	Salaries, Wages, and Fringe Benefits	Non-Personal Services/ Supplies	Scholarships and Fellowships	Plant and Equipment	Depreciation	Total
Instruction	\$ 102,679,095	\$ 9,698,056	\$ -	\$ 2,898,087	\$ -	\$ 115,275,238
Research	4,381,417	3,867,945	-	888,569	-	9,137,931
Public service	327,165	92,695	-	3,319	-	423,179
Academic support	24,513,190	10,439,833	-	832,066	-	35,785,089
Student services	9,129,939	2,006,148	-	88,031	-	11,224,118
Institutional support	19,798,323	4,860,343	-	1,832,379	-	26,491,045
Operation and maintenance of plant	10,248,392	11,018,685	-	2,706,600	-	23,973,677
Depreciation expense	-	-	-	-	22,309,687	22,309,687
Scholarship and related expenses	-	-	12,345,097	-	-	12,345,097
Auxiliary activities	19,476,160	29,812,922	4,032,550	6,450,015	-	59,771,647
<b>Total</b>	<b>\$ 190,553,681</b>	<b>\$ 71,796,627</b>	<b>\$ 16,377,647</b>	<b>\$ 15,699,066</b>	<b>\$ 22,309,687</b>	<b>\$ 316,736,708</b>

## NOTE 10: STATE APPROPRIATIONS

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

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

Original legislative appropriation per Chapter 879:	
Educational and general programs	\$ 109,917,966
Student financial assistance/grants	14,776,582
Supplemental adjustments:	
Central fund appropriation transfer	(582,559)
Eminent scholars	274,055

**NOTE 11: COMPONENT UNIT FINANCIAL INFORMATION**

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Below is a condensed summary of each foundation and the corresponding footnotes. The University has three component units - Old



## Investments

The Foundations record investments at market 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 University Intercollegiate Foundation	Old Dominion University Educational and Real Estate Foundation	Old Dominion University Research Foundation	TOTAL
U.S. treasury and agency securities	\$ 1,708,843	\$ 14,927,203	\$ 2,625,694	\$ 19,261,740
Common & preferred stocks	892,466	7,854,261	4,174	8,750,901
Mutual and money market funds	4,468,690	44,630,735	338,565	49,437,990
Real estate	-	259,000	-	259,000
Alternative investments	5,497,432	48,000,789	-	53,498,221

## Capital Assets

Old Dominion University Intercollegiate Foundation	Old Dominion University Educational and Real Estate Foundation	Old Dominion
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## Long-Term Liabilities

### Old Dominion University Intercollegiate Foundation

Trust and annuity obligations \$ 529,301

### Old Dominion University Educational and Real Estate Foundation

Description	Interest Rates	Maturity	2009
<b>Bonds payable:</b>			
Norfolk Redevelopment and Housing Authority Revenue Bonds Series 2008	Variable%	2033	\$ 52,810,000
Norfolk Redevelopment and Housing Authority Revenue Bonds Series 2008	Variable%	2031	12,555,000
Total bonds payable			65,365,000
<b>Notes payable</b>			
ODU Inn	6.60%	2011	2,988,152
University Village Apartments			

Long-term debt maturities are as follows for bonds payable, notes payable, installment purchases, and capital leases:

## **Other Significant Transactions with Old Dominion University**

The University has entered into various Deed of Lease Agreements with Old Dominion University Real Estate Foundation. Under the agreements as of June 30, 2009, the University will repay \$73,162,023. At the expiration of the lease terms, the Old Dominion University Real Estate Foundation shall transfer the projects to the University. As such, the University has recorded capital leases relating to these lease agreements.

Direct payments to the University from the Old Dominion University Educational Foundation, Old Dominion University Intercollegiate Foundation, and the Old Dominion University Research Foundation for the year ended June 30, 2009 totaled \$9,856,213, \$1,543,190, and \$2,771,589 respectively. This includes gift transfer, payments for facilities, and services.

## **Component Unit Subsequent Event**

In April 2009, the Intercollegiate Foundation made a disbursement to a member of the athletic staff under an existing deferred compensation arrangement in which all conditions of the mutual agreement have been met. The amount of the deferred compensation paid was approximately \$390,000.

The Educational Foundation Board has authorized a transfer of up to \$800,000 to assist the Real Estate Foundation in the development of the University Village. The transfer of funds was made in the amount of \$400,000 in 2008 and 2009. In consideration of the approved grant of funds, the Educational Foundation is being provided space and furnishings in the University Bookstore without further charge.

In February 2009, the Real Estate Foundation obtained a \$3,000,000 line of credit for the purpose of acquiring property. The interest rate is equal to 1-month LIBOR plus 1.75% and the line expires in February 2010.

In 2009, the Real Estate Foundation restructured the deal with the developer to lease land owned by the Foundation for the purpose of constructing a private student housing facility. \$3,633,818 will be received upfront by the Foundation and a ground lease agreement was entered into as well.



B. Optional Retirement Plan

Full-time faculty and certain administrative staff are eligible to participate in other retirement plans. The two providers are TIAA/CREF Insurance Companies and Fidelity Investment Tax-Exempt Services. These are fixed contribution programs where the retirement benefits received are based upon employer contributions of 5.4 percent and employee contribution of five percent, and interest and dividends. Individual contracts issued under the plans provide for full and immediate vesting of both University and employee contributions. Total pension costs under these plans were approximately \$5,747,144 for the year ended June 30, 2009. Contributions to other retirement plans were calculated using the base salary amount of approximately \$55,260,996.

C. Deferred Compensation

Employees of the University are employees of the Commonwealth of Virginia. State employees

**NOTE 16: RISK MANAGEMENT AND EMPLOYEE HEALTH CARE PLANS**

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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

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 Common

*Comprehensive Annual Financial Report.*

**NOTE 17: SUBSEQUENT EVENT**

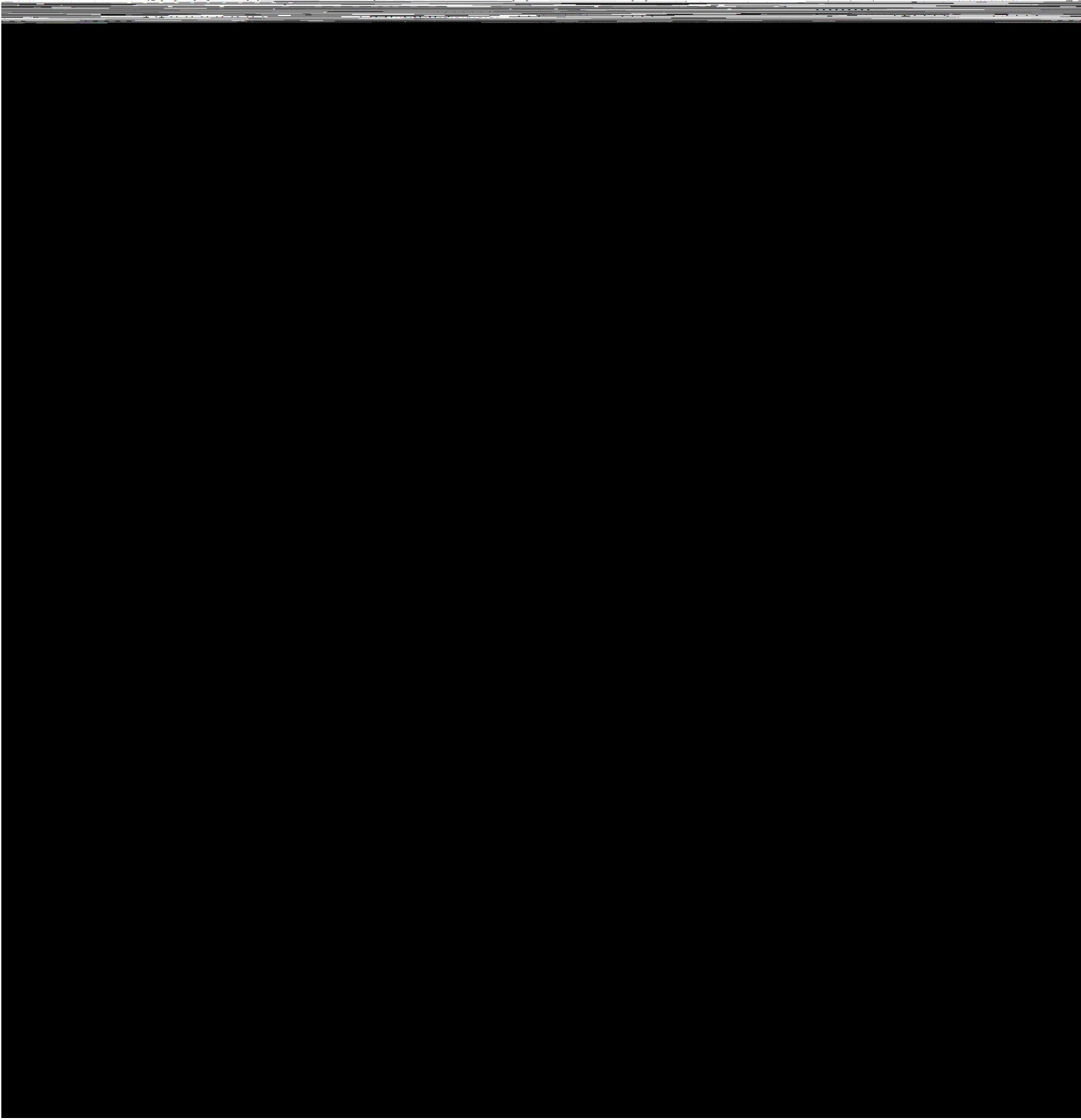
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2009, the property was transferred to the Old Dominion University Real Estate Foundation who will construct a new house. Upon completion, the property will be leased to the University by the Foundation.

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OLD DOMINION UNIVERSITY  
Norfolk, Virginia

BOARD OF VISITORS

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