OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

FINANCIAL REPORT

JUNE 30, 2021 AND 2020

LIABILITIES AND NET ASSETS	2021	2020
CURRENT LIABILITIES		
Accounts payable	$ 4,186,544	$ 3,899,746
Accrued expenses	2,623,956	2,455,758
Deferred revenue	7,035,390	5,865,463
Total current liabilities	13,845,890	12,220,967
NET ASSETS		
Without donor restrictions:		
Old Dominion University funds	17,099,574	16,226,503
Plant funds	2,604,819	2,901,202
Undesignated General and Designated Foundation Reserve	1,620,401	715,318
Total net assets	21,324,794	19,843,023
Total liabilities and net assets	$ 35,170,684	$ 32,063,990

See accompanying notes.

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,481,771	$ 166,749
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,045,743	1,110,678
(Gain)/loss on disposal of fixed assets	-	58,839
Realized and unrealized gains on investments	(352,007)	(228,768)
Investment earnings reinvested	(93,067)	-
Bad debts (recoveries)	(162,299)	121,508
Changes in assets and liabilities:		
Grants and contracts receivable	(731,799)	(153,922)
Other research related receivables	295,095	(219,769)
Other receivables	(235,434)	73,311
Travel advances	(20,042)	139,585
Prepaid expenses	(387,408)	96,671
Accounts payable	286,798	(304,267)
Accrued expenses	168,198	445,487
Due to affiliate	-	(1,730,074)
Deferred revenue	1,169,927	1,388,185
Net cash provided by operating activities	2,465,476	964,213
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(749,362)	(798,924)
Purchases of investments	(1,129,876)	(173,232)
Proceeds from sale of investments	1,173,355	175
Net cash used in investing activities	(705,883)	(971,981)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,759,593	(7,768)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,748,980	6,756,748
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 8,508,573	$ 6,748,980

See accompanying notes.

NOTE 1. NATURE OF FOUNDATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable consists of amounts due from grants, reimbursable cost contracts, and fixed-cost contracts. The Foundation uses the allowance method to account for doubtful grant and contract receivables, which is based on prior years' collection experience and management's analysis of the account balances.

Investments

The Foundation reports investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Also included in investments are certificates of deposit with original maturities greater than three months. The certificates of deposit are recorded at the initial investment value plus accrued interest.

Income Taxes

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Foundation's management has evaluated the impact of the standard to its financial statements. The Foundation recognizes interest and penalties incurred, if any, related to income tax positions as other interest expense and penalties expense, respectively. The Foundation's tax returns are subject to examination by taxing authorities, generally for a period of three years from the date they were filed.

. Property and Equipment

Property and equipment are recorded at cost if purchased by the Foundation and at estimated fair market value as of the date received if donated or awarded. Depreciation of property and equipment is computed using the straight-line method over their estimated useful lives as follows:

Buildings and improvements	15 - 20 years
Office furniture	7 years
Office equipment	5 - 7 years
Research equipment	5 years
Computer equipment	5 - 7 years

The Foundation maintains title to and capitalizes at cost all property and equipment purchased under sponsored research grants, unless otherwise stated by the sponsor.

(Continued)

NOTE 1. NATURE OF FOUNDATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Substantially all of the Foundation's revenue

(Continued)

NOTE 1. NATURE OF FOUNDATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

ASU 2014-09, Revenue from Contracts with Customers (Topic 606), was issued by the FASB in May 2014 and is intended to improve the financial reporting requirements for revenue from contracts with customers. The ASU establishes a five-step model and application guidance for determining the timing and amount of revenue recognition. The related application guidance in the ASU replaces most existing revenue recognition guidance in GAAP. The ASU became effective for the Foundation for the year ended June 30, 2021. The Foundation's adoption of the ASU using the modified retrospective method did not materially change the timing or amount of revenue recognized by the Foundation. The ASU requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration that the entity expects to be entitled to in exchange for those goods or services. Additional disclosures are required to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). Pursuant to ASU 2016-02, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. This ASU requires a modified retrospective transition approach, which includes a number of optional practical expedients, described in ASU 2016-02, which may be applied. The ASU is effective for fiscal years beginning after December 15, 2021. The impact of the new standard has not been determined; however, it is expected that there will be an increase in the Foundation's assets and liabilities.

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. Not-for-profits will be required to provide additional information on the contributions of nonfinancial assets they receive under a new accounting standard issued. Contributed nonfinancial assets can include fixed assets such as land, buildings, and equipment; the use of fixed assets or utilities; materials and supplies, such as food, clothing, or pharmaceuticals; intangible assets; and recognized contributed services. The new ASU requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also requires a not-for-profit to disclose contributed nonfinancial assets recognized within the statement of activities, disaggregated by category that depicts the type of nonfinancial assets.

(Continued)

NOTE 1. NATURE OF FOUNDATION AND SIGNIFICANT ACCOUNTING POLICIES (Concluded)

For each category of contributed nonfinancial assets recognized, the standard requires a not-for-profit to disclose qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If they were utilized, a description of the programs or other activities in which those assets were used is required. The not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets must also be disclosed as well as a description of any donor-imposed restrictions associated with the contributed nonfinancial assets. FASB is requiring the standard to be applied retrospectively. The amendments take effect for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. The Foundation is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

NOTE 2. ACCOUNTS RECEIVABLE

Accounts receivable for grants and contracts consists of the following:

	2021	2020	
Accounts receivable	$ 13,316,853	$ 12,482,655	
Less reserve for uncollectible receivables	(ACCOU2,10iods	: 0	Tc Ast

NOTE 4. ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

The Foundation has established and documented processes and methodologies for determining the fair values of investments on a recurring basis in accordance with FASB ASC 820. Under FASB ASC 820, a financial instrument's categorization within the valuation hierarchy is based upon th

(Continued)

NOTE 4. ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS (Concluded)

Description	Fair Value at 06/30/20	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Bond funds	$ 4,309,289	$ -	$ 4,309,289	$ -
Mutual funds	970,619			

NOTE 6. NET ASSETS

Funds designated by the Board of Trustees for various operations are as follows:

	2021	2020
Applied Marine Research Laboratory Operations Funds	$ 317,487	$ 303,217
Other Cost Centers Fund	(28,512)	(329,775)
Old Dominion University Indirect Cost Allocation Fund	11,052,541	10,652,634
Other Old Dominion University Designated Funds	5,758,058	5,600,427
	$ 17,099,574	$ 16,226,503

NOTE 8. OPERATING LEASE COMMITMENTS

NOTE 14. SUBSEQUENT EVENTS

The Foundation has evaluated all events and transactions for potential recognition or disclosure through September 30, 2021, the date that the financial statements were available to be issued. Management has determined there are no subsequent events that require disclosure pursuant to the FASB ASC.

NOTE 15. CONTINGENCIES

The Foundation 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.

NOTE 17. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Subsequent to issuance of the independent auditor’s report, it was determined that certain information originally included in the Schedule of Expenditures of Federal Awards, mainly related to federal program titles, agency/pass-through grantor names and pass-through identifying numbe

SUPPLEMENTAL INFORMATION

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

	Foundation General and Reserve Funds	AMRL Operations Funds	Other Cost Centers Fund	IDC Revenue Allocation Fund	Other Designated Funds	Investment In Plant	Total Unrestricted Funds Before Eliminations	Cost Reimbursable	Fixed Cost	Paid In Advance	Total Funds Before Eliminations	Eliminations	Total Operating Funds 2021	Total Operating Funds 2020
PUBLIC SUPPORT AND REVENUES														
Direct revenue	$ -	$ -	$ 293,574	$ 667,801	$ 575,726	$ -	$ 1,537,101	$ 33,356,602	$ 7,688,245	$ 492,994	$ 41,537,841	$ (525)	$ 43,074,417	$ 41,413,252

	2021	2020

[redacted]

Major Program
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Federal Assistanc Listing Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
		Total U.S. Department of Commerce		$ 1,014,642		
	U.S. Department of Defense					
	Direct Programs:					
12.300	Office of Naval Research	Basic and Applied Scientific Research	N00014-18-1-2804	$ 266,486	224,131	*
12.300	Office of Naval Research	Basic and Applied Scientific Research	N00014-18-1-2682	171,007		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	17-812	6,181		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	17-812	2,335		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	17-812	19,535		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	17-812	3,486		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	17-812	1,913		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	17-812	27,626		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	17-812	21,710		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	17-812	17,802		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	N00014-18-1-2682	18,246		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	17-812	12,467		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	N00014-18-1-2682	4,023		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	HQ00341810010	8,551		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	N00014-20-1-2065	82,725		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	N00014-21-1-2081	15,243		*
12.300	Office of Naval Research	Basic and Applied Scientific Research	N00014-21-1-2248	16,608		*
12.300	Office of the Secretary of Defense	Basic and Applied Scientific Research	HQ00342010012	83,592		*
12.420	Army Medical Research and Materials Command	Military Medical Research and Development	W81XWH-17-1-0452	116,149		*
12.431	Army Contracting Command	Basic Scientific Research	W909MY-17-1-0002	87,135	312	*
12.431	Army Research Office	Basic Scientific Research	W911NF-17-1-0443	10,000		*
12.800	Air Force Office of Scientific Research (AFOSR)	Air Force Defense Research Sciences Program	FA9550-17-1-0196	136,731		*
12.800	Air Force Research Laboratory	Air Force Defense Research Sciences Program	FA9550-17-1-0257	113,149		*
12.905	National Security Agency	Cybersecurity Core Curriculum	H98230-20-1-0398	52,507		*
(1)	Joint Non-Lethal Weapons Directorate	Active Denial System SME	M6785420P7200	5,394		*
(1)	Joint Non-Lethal Weapons Directorate	IPA Brian Long	200402	198,436		*
(1)	Naval Sea Systems Command	Automation Tools and Analytics Courses for the Naval Shipyard	GS-10F-097CA	165,348		*
(1)	Naval Sea Systems Command	Automation Tools & Analytics Courses for the Naval Shipyard				

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Assistanc Listing Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
(1)	NAVSUP Fleet Logistics Center Norfolk	Joint Forces Staff College Senior Fellows Program	N00189-17-P-Z080	18,944		*
(1)	NAVSUP Fleet Logistics Center Norfolk	JSFC Senior Fellow Support Services	N00189-20-P-Z336	33,795		*
(1)	Norfolk Naval Shipyard	Lean Six Sigma Training Space	N4215819PN181	4,117		*
(1)	Office of Naval Research	Secure Distributed Digital Manufacturing	N00014-18-P-2019	154		*
		Subtotal Direct Programs		$ 2,117,152		
	Pass-Through Programs from:					
12.002	Crater Planning District Commission	Procurement Technical Assistance for Business Firms	190438	$ (3,550)		*
12.002	Crater Planning District Commission	Procurement Technical Assistance for Business Firms	190438	99		*
12.002	Ocean Bay, LLC	Procurement Technical Assistance for Business Firms	ODU-191020-2017	776		*
12.300	Old Dominion University	Basic and Applied Scientific Research	N00014-19-1-2624	450,467		*
12.300	University of Cincinnati	Basic and Applied Scientific Research	012288-002	108,585		*
12.420	Embody	Military Medical Research and Development	18-473	78,062		*
12.556	Chesapeake Public Schools	Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	CPS 15-816	2,853		*
12.556	York County Schools	Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	ODU-190226	24,248		*
12.610	Va Department of Economic Development	Community Economic Adjustment Assistance for Compatible and Joint Land Use Studies	200615	165,032		*

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Assistanc Listing Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
	Pass-Through Programs from:					

Federal Assistanc Listing	Pass-Through	Disbursements/

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Assistanc Listing Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
84.305A	University of Virginia	Education Research, Development and Dissemination	GM10189.PO #2262090	19,442		

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Assistanc Listing Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
		Total National Endowment for the Humanities		$ 50,981		
	National Security Agency					
	Direct Programs:					
(1)	National Security Agency	Old Dominion University Gencyber JROTC Students and Tea Interactive Learning	H98230-21-1-0063	$ 13,556		*
		Subtotal Direct Programs		$ 13,556		
		Total National Security Agency		$ 13,556		
	National Science Foundation					
	Direct Programs:					
47.041	National Science Foundation	Engineering	NSF CBET1450936	$ 22,471		*
47.041	National Science Foundation	Engineering	1839378	18,302		*
47.041	National Science Foundation	Engineering	1840458	15,362		*
47.041	National Science Foundation	Engineering	1825338	33,367		*
47.041	National Science Foundation	Engineering	1825338	610		*
47.041	National Science Foundation	Engineering	1921364	53,092		*
47.041	National Science Foundation	Engineering	1921363	105,424		*
47.041	National Science Foundation	Engineering	1925806	52,440		*
47.041	National Science Foundation	Engineering	1936005	55,584		*
47.041	National Science Foundation	Engineering	1953411	13,839		*
47.041	National Science Foundation	Engineering	2001625	778		*
47.041	National Science Foundation	Engineering	1951745	55,847		*
47.041	National Science Foundation	Engineering	1951745	30,938		*
47.041	National Science Foundation	Engineering	1951745	32,658		*
47.049	National Science Foundation	Mathematical and Physical Sciences	NSF CHE 1431172	(1,675)		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1535641	18,056		*
47.049	National Science Foundation	Mathematical and Physical Sciences	NSF 1517519	4,383		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1606743	74,627		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1632749	93,780		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1659177	9,510		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1659476	52,745		*
47.049	National Science Foundation	Mathematical and Physical Sciences	NSF DMS-1720408	15,361		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1708717	93,836		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1709714	17,825		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1808609	93,932		*
47.049	National Science Foundation Mathematical and Physical Sciences	Mathematical and Physical Sciences	1800141	11,013		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1847771	70,787		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1912958	39,092		*
47.049	National Science Foundation	Mathematical and Physical Sciences	1939203	25,419		*
47.049 47.049	National Science Foundation	Mathematical and Physical Sciences	*			

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Assistanc Listing Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
47.049	National Science Foundation	Mathematical and Physical Sciences	2007157	16,935		*
47.049	National Science Foundation	Mathematical and Physical Sciences	2011734	37,768		*
47.050	National Science Foundation	Geosciences	1558741	9,377		*
47.050	National Science Foundation	Geosciences	1543018	13,448		*
47.050	National Science Foundation	Geosciences	1635403	53,293		*
47.050	National Science Foundation	Geosciences	1636045	49,164		*
47.050	National Science Foundation	Geosciences	1600062	16,704		*
47.050	National Science Foundation	Geosciences	1658318	167,089		*
47.050	National Science Foundation	Geosciences	1737342	68,697		*
47.050	National Science Foundation	Geosciences	1701380	5,204		*
47.050	National Science Foundation	Geosciences	1643652	85,909		*
47.050	National Science Foundation	Geosciences	1756669	91,713		*
47.050	National Science Foundation	Geosciences	1756590	32,845		*
47.050	National Science Foundation	Geosciences	1803933	46,740		*
47.050	National Science Foundation	Geosciences	1833201	84,435		*
47.050	National Science Foundation	Geosciences	1829833	81,371		*
47.050	National Science Foundation	Geosciences	1745011	60,705		*
47.050	National Science Foundation	Geosciences	1850925	94,315		*
47.050	National Science Foundation	Geosciences	1851368	107,994		*
47.050	National Science Foundation	Geosciences	1852759	33,762		*
47.050	National Science Foundation	Geosciences	1940268	50,129		*
47.050	National Science Foundation	Geosciences	2023315	14,303		*
47.050	National Science Foundation	Geosciences	2033988 2023315	3,444		*
47.070						

05eosciences	1940268	3,129		*

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Assistanc Listing Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
59.043	Small Business Administration	Women's Business Ownership Assistance	SBAHQ20C0087	239,794		*
59.044	Small Business Administration	Veterans Outreach Program	SBAHQ-10-V-0011	(466)		*
59.044	Small Business Administration	Veterans Outreach Program	SBAHQ19V0024	(3,142)		*
59.044	Small Business Administration	Veterans Outreach Program	SBAOVVB200014-01-00	391,346		*
59.044	Small Business Administration	Veterans Outreach Program	SBAOVVB200014-02-00	61,696		*

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards

Federal Assistanc Listing Number	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Federal Assistanc Listing Number	Program Title	Pass-Through Entitram Title	Disbursements/	Amount Provided	Major

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

NONE

Opinion on Each Major Federal Program

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be preven