

November 21, 2013

MEMORANDUM

TO: Members of the Administration and Finance Committee
Jeffrey W. Ainslie '83, Chair
Ronald C. Ripley '72, Vice Chair
Fred J. Whyte (*ex-officio*)
Barry M. Kornblau '71 (*ex-officio*)
John F. Biagas
Jodi S. Gidley '94
Luke M. Hillier '94
Marc Jacobson
Judith O. Swystun
Robert M. Tata '86
John Lombard (*Faculty Representative*)

FROM: Robert L. Fenning
Vice President for Administration and Finance

SUBJECT: Meeting of the Committee, December 5, 2013

The Administration and Finance Committee will meet on Thursday, December 5, 2013 from 9:30 to 11:00 a.m. in the Board Room of Webb University Center. Enclosed for your review are the agenda and supporting documents.

I. ACTION ITEMS

- A. Approval of Minutes - The Committee will consider a motion to approve the minutes of the Administration and Finance Committee meeting held on September 26, 2013.
- B. Use of Construction Manager (CM) At-Risk for the New Dining Facility – Dale Feltes, Director of Design and Construction, will review the administration's proposal to use the CM At-Risk approach for the design and construction of the New Dining Facility. Following the presentation, the Committee will be asked to approve the use of CM At-Risk for this project.

II. PRESENTATIONS

- A. Unaudited Financial Statements – Ms. Mary Deneen, Assistant Vice President for Finance/University Controller, will present the enclosed Unaudited Financial Statements for the year ended June 30, 2013.

- B. Digital & Other Course Materials: Status Report – Mr. Rusty Waterfield, Assistant Vice President for Information Technology Services and CIO, and Mr. Todd Johnson, Assistant Vice President for Auxiliary Services, will discuss the current efforts of the University and Follett, the University's bookstore contractor, for responding to the proliferation of course material options and methods of delivery. This will include the results of the Educause/Internet II pilot and Follett's most recent initiatives addressing the cost and format of course materials.

- C. Vice President's Report – Vice President Fenning will brief the Committee on several Administration & Finance initiatives.

IV. STANDING REPORTS

The Committee will review the following standing reports:

- A. Capital Outlay Projects Status Report (Enclosed)
- B. Investment Report (Enclosed)

RLF/dwm



*Old Dominion University
Financial Statements*

June 30, 2013

(Unaudited)

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MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Old Dominion University is a comprehensive, multicultural, and student-centered research doctoral university whose central purpose is to provide our students with the best education possible. The University is comprised of six colleges: Arts and Letters, Business and Public Administration, Education, Engineering and Technology, Health Sciences and Sciences that offer 70 baccalaureate programs, 54 master's programs, two education specialist programs and 42 doctoral programs. More than 24,600 undergraduate and graduate students comprise the Old Dominion University student body, including more than 750 international students from 104 countries.

The University's local, regional and national impact continues to grow. With an economic impact on the Hampton Roads area of over \$1 billion annually, Old Dominion University is one of the largest generators of new jobs in the region. The University is committed to providing research-driven solutions. Our world-class researchers are partnering with business, industry, government and investment leaders to create answers for society's most pressing challenges. Old Dominion University has made great strides in significant areas of research, including modeling and simulation, bioelectrics, maritime, ports and logistics, nanotechnologies, sea rise, and alternative energies with over 400 projects in progress at our 26 research centers.

The University is an agency of the Commonwealth of Virginia, and therefore included as a component unit in the Commonwealth of Virginia's *Comprehensive Annual Financial Report*. The 17 members of Old Dominion University's Board of Visitors, 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 supplemental 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 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, 2013. Note that although the University's foundations identified as component units under GASB Statement 39 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, 2012. Since this presentation includes highly summarized data, it should be read in conjunction with the accompanying financial statements, Notes to the Financial Statements, and other supplemental 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, liabilities, 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. They are also able 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, provides the University's equity in property, plant, and equipment owned by the University. The next category is restricted which is divided into two categories in the financial statements, nonexpendable and expendable. Restricted nonexpendable net position consists solely of the University's permanent endowment funds and is only available for investment purposes. Expendable restricted net position is available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on them. The final category is unrestricted net position which is available to the institution for any lawful purpose of the institution.

Condensed Summary of Net Position (amounts in thousands)

	As of June 30,		Increase /	Percent
	2013	2012	(Decrease)	Change
<u>Assets:</u>				
Current	\$ 103,619	\$ 89,190	\$ 14,429	16.2%
Capital, net of accumulated depreciation	561,768	555,935	5,833	1.0%
Other noncurrent	42,884	42,695	189	0.4%
Total assets	<u>708,271</u>	<u>687,820</u>	<u>20,451</u>	<u>3.0%</u>
<u>Liabilities:</u>				
Current	74,672	62,017	12,655	20.4 %
Noncurrent	245,267	259,575	(14,308)	(5.5)%
Total liabilities	<u>319,939</u>	<u>321,592</u>	<u>(1,653)</u>	<u>(0.5)%</u>
<u>Net Position:</u>				
Net investment in capital assets	308,040	289,148	18,892	6.5 %
Restricted	28,644	28,394	250	0.9 %
Unrestricted	51,648	48,686	2,962	6.1 %
Total net position	<u>\$ 388,332</u>	<u>\$ 366,228</u>	<u>\$ 22,104</u>	<u>6.0 %</u>

The University's financial position remained strong at the end of fiscal year 2013 with an increase in total assets of \$20.5 million or 3.0%. The growth in current assets of \$14.4 million or 16.2% was a result of an increase in auxiliary cash, monies due from the Commonwealth for reimbursement bond programs and cash relating to the Securities Lending Program. Current liabilities increased 20.4% or \$12.7 million due to the timing of payments to vendors for goods and services and construction projects, along with an increased liability for cash and investments relating to the Securities Lending Program. Noncurrent liabilities decreased \$14.3 million or 5.5% due to the normal payment of debt, while total University liabilities decreased \$1.7 million or 0.5%. The overall financial position of the University improved over the prior fiscal year as evidenced by the growth in net position of \$22.1 million or 6.0%.

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.

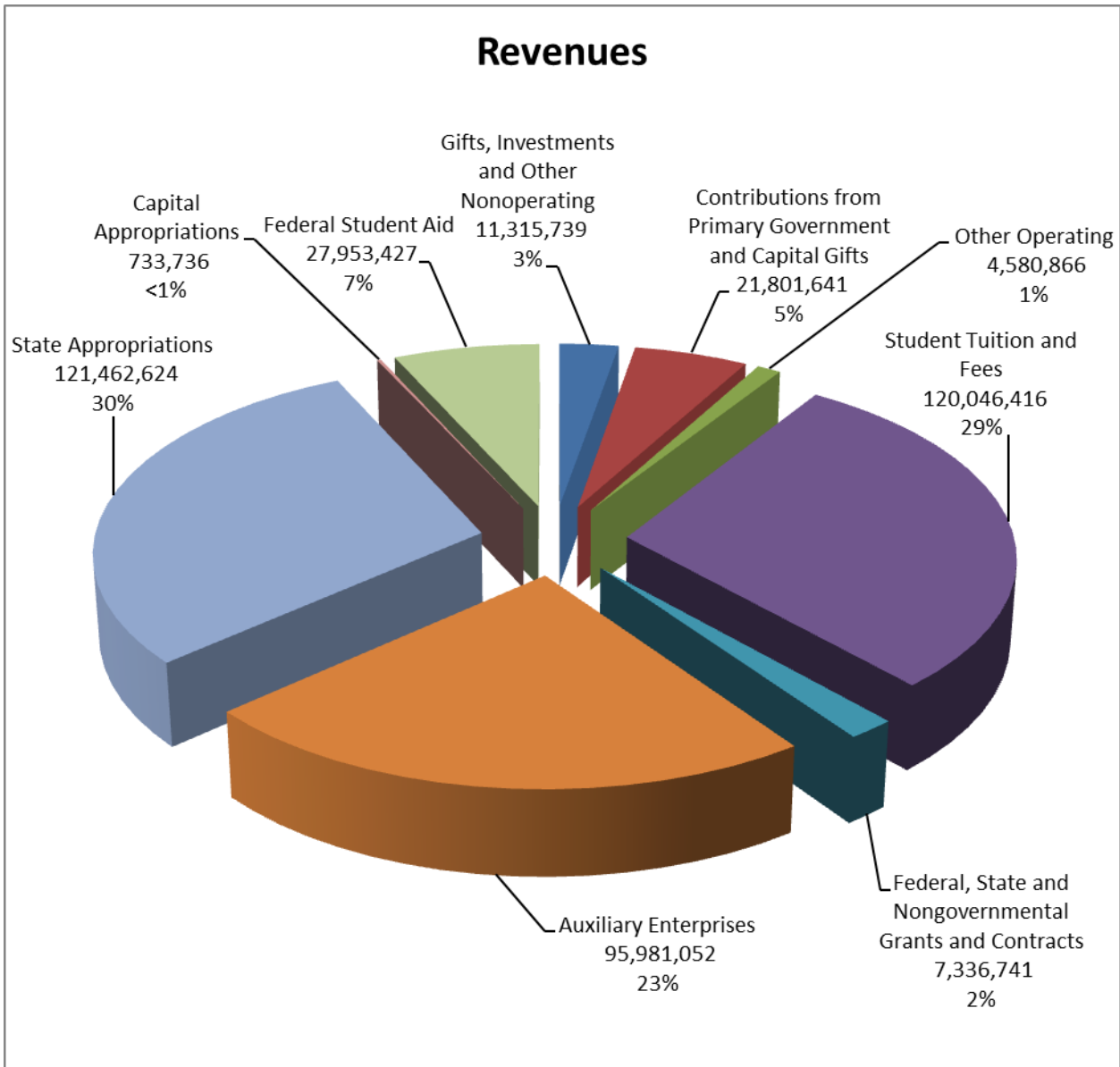
Generally, operating revenues are received for providing goods and services to students and other constituencies of the institution. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to carry out the University's 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 Net Revenues, Expenses and Changes in Net Position

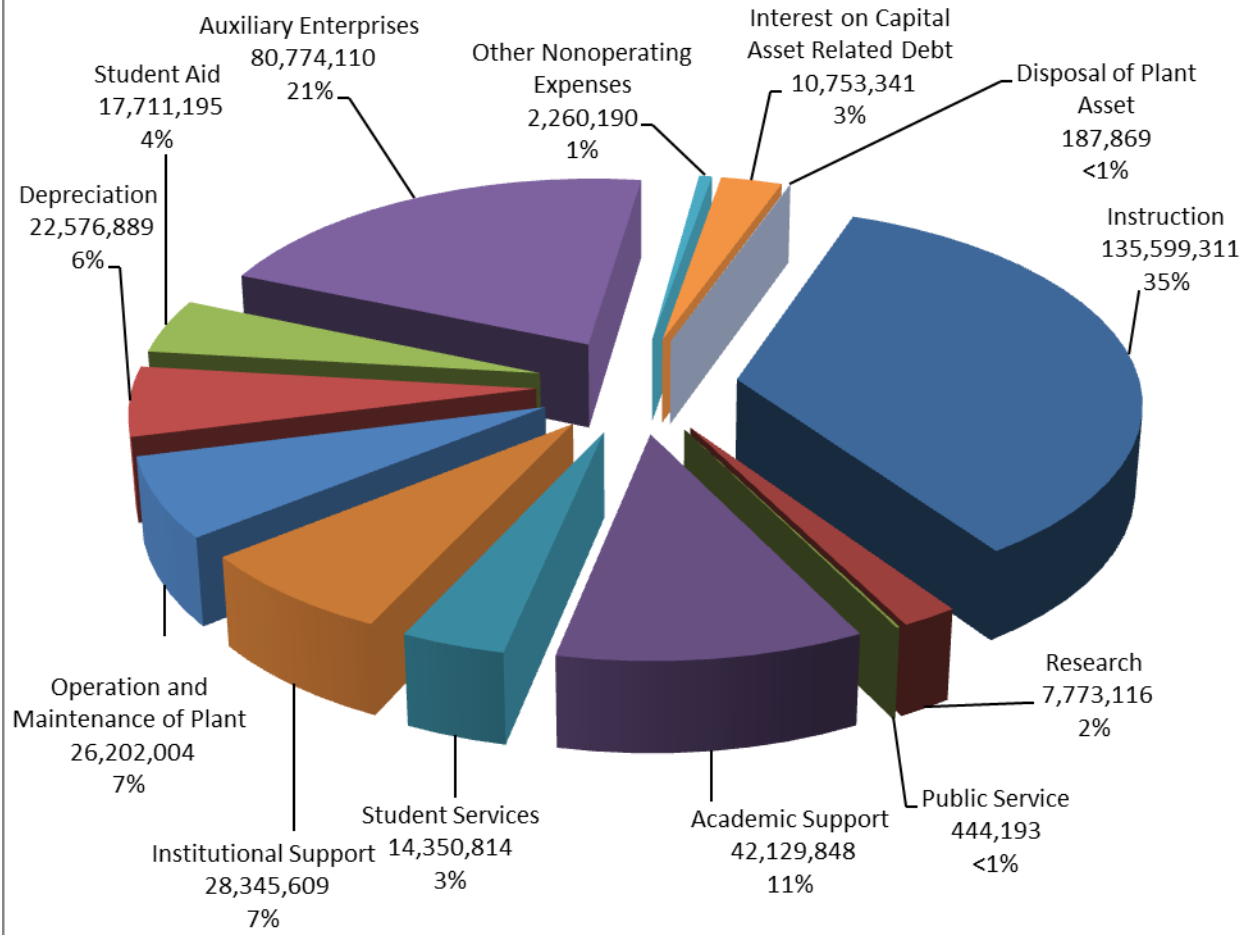
(amounts in thousands)

	Year Ended June 30, 2013	2012	Increase / (Decrease)	Percent Change
<u>Operating revenues:</u>				
Student tuition and fees	\$ 120,047	\$ 113,653	\$ 6,394	5.6 %
Federal grants and contracts	4,808	5,176	(368)	(7.1)%
State, local & nongovernmental grants	2,528	2,504	24	1.0 %
Auxiliary enterprises	95,981	95,742	239	0.2 %
Other operating revenues	4,581	6,893	(2,312)	(33.5)%
Total operating revenues	<u>227,945</u>	<u>223,968</u>	<u>3,977</u>	<u>1.8 %</u>
<u>Operating expenses:</u>				
Instruction	135,599	128,379	7,220	5.6 %
Research	7,773	7,303	470	6.4 %
Public service	444	458	(14)	(3.1)%
Academic support	42,130	43,056	(926)	(2.2)%
Student services	14,351	13,353	998	7.5 %
Institutional support	28,346	28,097	249	0.9 %
Operation and maintenance	26,202	24,830	1,372	5.5 %
Depreciation	22,577	26,645	(4,068)	(15.3)%
Scholarships and fellowships	17,711	16,955	756	4.5 %
Auxiliary activities	80,774	73,562	7,212	9.8 %
Total operating expenses	<u>375,907</u>	<u>362,638</u>	<u>13,269</u>	<u>3.7 %</u>
Operating loss	<u>(147,962)</u>	<u>(138,670)</u>	<u>(9,292)</u>	<u>6.7 %</u>
Net nonoperating revenues and expenses	<u>147,708</u>	<u>139,281</u>	<u>8,427</u>	<u>6.1 %</u>
Income before other revenues/ (expenses)/gains/(losses)	<u>(254)</u>	<u>611</u>	<u>(865)</u>	<u>(141.6)%</u>
Net other revenues and expenses	<u>22,358</u>	<u>9,665</u>	<u>12,693</u>	<u>131.3 %</u>
Increase in net position	<u>22,104</u>	<u>10,276</u>	<u>11,828</u>	<u>115.1 %</u>
Net position - beginning of year	<u>366,228</u>	<u>355,952</u>	<u>10,276</u>	<u>2.9 %</u>
Net position - end of year	<u>\$ 388,332</u>	<u>\$ 366,228</u>	<u>\$ 22,104</u>	<u>6.0 %</u>



The largest components of total operating revenue are primarily student tuition and fees which increased \$6.4 million or 5.6% and auxiliary enterprise revenue which increased by \$0.2 million or 0.2% from the prior fiscal year. The growth in revenue was due to the rise in both in-state and out-of-state tuition rates. The overall increase in nonoperating revenue of \$8.4 million or 6.1% was caused by an increase in funding from the Commonwealth through appropriations for base operating support, an increase in Pell grant revenue and investment income which was offset by a reduction in federal stimulus funding in 2013. Finally other revenues increased \$12.7 million or 131.3% as a result of additional funding from the 21st Century Bond Program for ongoing campus construction.

Expenses



Operating expenses increased \$13.3 million or 3.7% in response to various factors including establishment of additional faculty, administrative and staff positions, faculty promotions, and a 3% bonus for faculty and staff. Student financial assistance expenses increased as a result of additional financial aid and scholarship funding for undergraduate students.

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 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 (\$139.1 million) and auxiliary enterprises (\$109.5 million). The primary uses are payments to employees including salaries, wages, and fringe benefits (\$217.2 million) and payments to vendors (\$85.3 million).

The second section reflects the cash flow from non-capital financing activities and reflects nonoperating sources and uses of cash primarily to support operations. The primary sources are state appropriations (\$120.8 million) and gifts and grants (\$37.1 million).

The third section represents cash flows from capital financing activities and details the activities related with the acquisition and construction of capital assets including related debt payments. The primary source of funds is proceeds from reimbursements from the Commonwealth (\$14.3 million). The primary uses are principal and interest paid on capital debt (\$24.6 million) and purchases of capital assets (\$26.6 million).

The fourth section deals with cash flows from investing activities and includes interest on investments and sale of investments. The primary source was interest on investments and cash management (\$1.0 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.

Summary Statement of Cash Flows

(amounts in thousands)

	Year ended June 30, 2013	2012	Increase / Decrease	Percent Change
Cash flows from operating activities	\$ (121,914)	\$ (109,273)	\$ (12,641)	(11.6)%
Cash flows from non-capital financing activities	157,847	151,106	6,741	4.5 %
Cash flows from capital financing activities	(34,991)	(29,489)	(5,502)	(18.7)%
Cash flows from investing activities	959	785	174	22.2 %
Net change in cash	<u>\$ 1,901</u>	<u>\$ 13,129</u>	<u>\$ (11,228)</u>	<u>(85.5)%</u>

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. In addition to buildings, capital asset additions for June 30, 2013 include increases of \$8.9 million in equipment, and \$2.1 million in library books.

Several ongoing capital projects were added and completed during the fiscal year which resulted in a net increase in construction in progress of \$16.0 million. New additions to construction in progress include Phase II of Diehn Fine Arts building, the System Research and Academic building, and the Education building. Projects were financed through issuance of General Obligation and Revenue Bonds.

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 \$13.8 million as reflected in Notes 7 and 8. The decrease is the result of normal payment of existing debt.

Uncompleted construction and other related contractual commitments increased from \$6.5 million at June 30, 2012 to \$8.8 million at June 30, 2013, as reflected in Note 12. These obligations are for future efforts and therefore have not been accrued as expenses or liabilities on the University's financial statements. This large increase is primarily the result of new projects for Phase II of Diehn Fine Arts building and System Research and Academic building.

Economic Outlook

The passage of the Virginia Higher Education Opportunity Act by the 2011 Session of the General Assembly speaks to the importance of policy goals of increasing accessibility and enrollments in high demand disciplines such as Science, Technology, Engineering, and Mathematics. In addition, the Act speaks to a number of restructuring initiatives to enhance progress in promoting higher education opportunities. Financial policy and the Commonwealth's funding participation will be revisited by the Higher Education Advisory Committee in concert with State agencies. Nonetheless, all Virginia universities are faced with the challenge of containing costs through business process improvements and efficiencies.

The University's 2013-2014 Budget and Plan is consistent with the criteria set forth in the University Strategic Plan and the Code of Virginia higher education institutional performance standards as evidenced by the focus upon enrollment and recruitment of undergraduate and transfer students, student success and retention, affordability and access for students from under-represented populations, and emphasis on the Science, Technology, Engineering, Math and Health Sciences (STEM/H) disciplines.

Last year, at the request of the President and under the direction of the Chief Operating Officer, the budget planning process was restructured to involve the Vice Presidents in a more collaborate approach in determining the strategic direction for resource allocations. The Vice Presidents reviewed the budget requests and prioritized the initiatives in accordance with specific strategic principles:

- Mandated unavoidable cost increases, such as 3% salary increases for full-time faculty, 17% increases in health insurance costs, faculty tenure and promotion increases, and costs for operation and maintenance of new facilities would be supported from available state and tuition funding.
- The conversion of 25 critical adjunct faculties was in response to the Affordable Care Act. These faculty positions taught course loads that exceeded the Act's guidelines, and reducing the course load would have a negative impact on a student's time to graduation.
- Investments were made in 25 additional faculty positions, with only a few critical administrative and staff support positions established.
- With the challenge of retaining well qualified faculty and staff, additional compensation adjustments were budgeted for full-time and hourly wage employees.

The outcome is an operating budget and plan that invests in the future of Old Dominion University and reflects the collective input of the University's leadership team. The new investments were grouped into the following major success critical categories:

1. Academic Enterprise (Instruction, Research, Public Service and Academic Support): Allocating resources to hire well qualified faculty to increase college degree attainment in the Commonwealth, especially in high-demand disciplines and high-income fields such as science, technology, engineering, mathematics and health care as well as to improve the full-time faculty/student ratio.

In addition, the University will continue to invest in research and instruction in science, technology, engineering, mathematics, health science and related fields, such as Modeling and Simulation, which require qualified faculty, appropriate research facilities and equipment, and public-private and inter-governmental collaboration.

2. Student Recruitment and Enrollment Management: The University endeavors to provide access to qualified undergraduate and graduate students at an affordable cost. These budgeted initiatives include program funds for the enrollment management functions in admissions and student financial aid as well as in targeted student success programs. Significant investments have also been made in on-campus student employment opportunities.
3. Campus Infrastructure: The University will promote innovative instructional models toward degree attainment through optimal use of physical facilities and instructional resources, technology-enhanced instruction, and increased online learning opportunities for both traditional and nontraditional students. These ongoing costs include base and one-time costs related to instructional technology, and operation and maintenance of plant.
4. Campus Life and Student Retention: The University is committed to student success and retention. Investments were made toward the Student Success Programs, Student Recreation and Wellness, international student, admissions and intercultural programs. With a culturally diverse student population, it is expected that these various student engagement initiatives will provide an improved support structure to assist and retain students throughout their academic careers at Old Dominion University.

The University is responsive to the rapidly changing higher education environment. Old Dominion University will continue to maintain its solid financial foundation and is well positioned to continue its pursuit of excellence in teaching, research and public service.

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OLD DOMINION UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2013

	Old Dominion University	Component Units
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 80,161,801	\$ 26,052,546
Accounts receivable (Net of allowance for doubtful accounts \$873,694) (Note 4)	11,153,622	19,650,901
Contributions receivable (Net of allowance for doubtful collections \$226,394) (Note 11)	-	5,223,184
Due from the Commonwealth (Note 4)	8,603,676	-
Appropriations available	1,037,964	-
Travel advances	-	54,789
Prepaid expenses	750,218	479,716
Inventory	694,646	-
Notes receivable (Net of allowance for doubtful accounts \$21,231)	1,216,793	-
Other assets	-	180,179
Total current assets	103,618,720	51,641,315
Noncurrent assets:		
Restricted cash and cash equivalents (Note 2)	16,686,649	-
Endowment investments (Note 3)	8,413,073	-
Investments (Notes 2 and 11)	14,873,238	183,637,403
Accounts receivable	-	53,088,016
Contributions receivable (Net of allowance for doubtful collections \$46,465) (Note 11)	-	8,386,490
Notes receivable (Net of allowance for doubtful accounts \$57,025)	2,062,787	3,405,000
Unamortized bond issuance expense	848,295	-
Nondepreciable capital assets (Notes 5 and 11)	61,648,801	22,990,843
Capital assets (Notes 5 and 11)	500,119,205	7,151,622
Total noncurrent assets	604,652,048	278,659,374
Total assets	708,270,768	330,300,689
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses (Note 6)	37,932,058	11,167,811
Due to affiliates	-	362,983
Unearned revenue	10,358,293	5,552,326
Obligations under securities lending (Note 2)	4,603,803	-
Deposits held in custody for others	2,563,954	35,279
Other liabilities	-	11,120,493
Line of credit	-	5,255,732
Long-term liabilities - current portion (Notes 7 and 11)	19,213,557	2,219,915
Total current liabilities	74,671,665	35,714,539
Noncurrent liabilities (Notes 7 and 11)	245,267,328	90,409,073
Total liabilities	319,938,993	126,123,612
NET POSITION		
Net invested in capital assets	308,040,175	21,317,333
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	4,876,482	-
Permanently restricted	-	117,360,107
Expendable:		
Scholarships and fellowships	7,056,459	-
Research	2,455,605	-
Loans	3,486,654	-
Capital projects	251,695	-
Temporarily restricted	-	72,925,121
Departmental uses	10,516,481	-
Unrestricted	51,648,224	(7,425,484)
Total net position	\$ 388,331,775	\$ 204,177,077

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, 2013

	Old Dominion University	Component Units
Operating revenues:		
Student tuition and fees (Net of scholarship allowances of \$24,298,854)	\$ 120,046,416	\$ -
Gifts and contributions	-	14,261,242
Federal grants and contracts	4,808,390	-
State grants and contracts	300,267	-
Indirect cost	-	8,833,409
Sponsored research	-	36,818,820
Nongovernmental grants and contracts	2,228,084	-
Auxiliary enterprises (Net of scholarship allowances of \$15,566,204)	95,981,052	-
Other operating revenues	4,580,866	11,951,269
Total operating revenues	<u>227,945,075</u>	<u>71,864,740</u>
Operating expenses:		
Instruction	135,599,311	2,281,898
Research	7,773,116	44,587,144
Public service	444,193	-
Academic support	42,129,848	5,616,036
Student services	14,350,814	-
Institutional support	28,345,609	13,244,945
Operation and maintenance	26,202,004	8,835
Depreciation	22,576,889	215,746
Student aid	17,711,195	2,024,445
Auxiliary activities	80,774,110	-
Total operating expenses	<u>375,907,089</u>	<u>67,979,049</u>
Operating income (loss)	<u>(147,962,014)</u>	<u>3,885,691</u>
Nonoperating revenues (expenses):		
State appropriations (Note 10)	123,257,164	-
Pell grant revenue	27,953,427	-
Gifts	9,286,061	-
Investment income (Net of investment expenses of \$214,526)	2,019,032	15,627,302
Other	(58,331)	-
Interest of capital asset-related debt	(10,753,341)	-
Payments to Commonwealth from state appropriations	(1,794,540)	-
Payments to Treasury Board	(374,473)	-
Payments to grantee	(1,826,000)	-
Payments to grantors	(1,386)	-
Net nonoperating revenues (expenses)	<u>147,707,613</u>	<u>15,627,302</u>
Income before other revenues, (expenses), gains, and (losses)	<u>(254,401)</u>	<u>19,512,993</u>
Proceeds from 21st Century bond reimbursement program	17,568,757	-
Capital gifts and grants	4,232,884	-
Capital appropriations	733,736	-
Gain/loss on disposal of plant assets	(187,869)	-
Build America bond interest	10,646	-
Contributions to permanent endowments	-	1,167,719
Total other revenues, (expenses), gains, and (losses)	<u>22,358,154</u>	<u>1,167,719</u>
Increase in net position	22,103,753	20,680,712
Net position - beginning of year	<u>366,228,022</u>	<u>183,496,365</u>
Net position - end of year	<u>\$ 388,331,775</u>	<u>\$ 204,177,077</u>

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, 2013

Cash flows from operating activities:	
Student tuition and fees	\$ 139,113,196
Grants and contracts	6,897,204
Auxiliary enterprises	109,535,169
Other receipts	4,469,722
Payments to employees	(171,860,962)
Payments for fringe benefits	(45,316,952)
Payments for services and supplies	(78,978,610)
Payments for travel	(6,353,265)
Payments for scholarships and fellowships	(64,542,274)
Payments for noncapitalized improvements and equipment	(14,978,784)
Loans issued to students	(349,951)
Collections of loans from students	451,600
	<u>451,600</u>
Net cash used by operating activities	<u>(121,913,907)</u>
Cash flows from non-capital financing activities:	
State appropriations	120,828,104
Pell grant revenue	27,919,812
Gifts and grants for other than capital purposes	9,197,295
William D. Ford direct lending receipts	108,278,143
William D. Ford direct lending disbursements	(108,278,143)
PLUS loans receipts	10,679,321
PLUS loans disbursements	(10,679,321)
Refund to the grantor	(1,386)
Agency receipts	3,291,660
Agency payments	(3,388,109)
	<u>(3,388,109)</u>
Net cash provided by noncapital financing activities	<u>157,847,376</u>
Cash flows from capital financing activities:	
Proceeds from capital debt and investments	30,938
Proceeds from 21st Century bond reimbursement program	14,314,366
Capital gifts	3,708,235
Purchase of capital assets	(26,623,324)
Payment to grantee	(1,826,000)
Principal paid on capital debt, leases and installments	(13,262,747)
Interest paid on capital debt, leases and installments	(11,332,643)
	<u>(11,332,643)</u>
Net cash used by capital financing activities	<u>(34,991,175)</u>
Cash flows from investing activities:	
Interest on investments and cash management	958,991
	<u>958,991</u>
Net cash provided by investing activities	<u>958,991</u>
Net change in cash	1,901,285
Cash and cash equivalents - beginning of the year	91,993,729
Less: Securities lending - Treasurer of Virginia	(1,414,840)
	<u>(1,414,840)</u>
Cash and cash equivalents - beginning of the year	90,578,889
	<u>90,578,889</u>
Cash and cash equivalents - end of the year	<u>\$ 92,480,174</u>

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

Statement of Net Position	
Cash and cash equivalents	\$ 96,848,450
Less: Securities lending - Treasurer of Virginia	<u>(4,368,276)</u>
Net cash and cash equivalent	<u>\$ 92,480,174</u>

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

Operating (loss)	\$ (147,962,014)
Adjustments to reconcile net income/(loss) to net cash used by operating activities	
Depreciation expense	22,576,889
Changes in assets and liabilities:	
Receivables, net	(3,723,572)
Prepaid expenses	(414,242)
Inventory	(19,935)
Accounts payable and accrued expenses	6,236,467
Deposits	130,581
Unearned revenue	<u>1,261,919</u>
Net cash used by operating activities	<u>\$ (121,913,907)</u>

Non-cash investing, capital and financing activities	
Security lending	\$ 4,368,276
Capitalization of interest expense	\$ 32,750
Amortization of bond premium	\$ 946,875
Change in receivables related to nonoperating income	\$ 135,585

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, 2013

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 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 Foundations, the Old Dominion Athletic Foundation, and the Old Dominion University Research Foundation (the Foundations) are included as component units of the University. These foundations are legally separate and tax-exempt organizations formed to promote the achievements and further the aims and purposes of the University.

The Educational and Real Estate Foundations receive, administer, and distribute gifts for the furtherance of educational activities and objectives of the University. The Athletic Foundation receives, administers, and distributes gifts for the furtherance of educational and athletic activities of the University. For additional information on these foundations, contact Foundation Offices at 4417 Monarch Way, 4th Floor, Norfolk, Virginia 23529. The Educational and Real Estate and Athletic Foundations have adopted December 31 as their year-end. All amounts reflected are as of December 31, 2012. The Research Foundation coordinates and accounts for substantially all grants and contracts awarded for research at the University. For additional information contact the Research Foundation at 4111 Monarch Way, Suite 204, Norfolk, Virginia 23508.

Although the University does not control the timing or amount of receipts from the Foundations, the majority of resources, or income thereon, that the Foundations hold and invest are 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 financial statements have been prepared in accordance with GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public College and Universities* and GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The financial statement presentation required by GASB Statements 34 and 35 provides a comprehensive entity-wide look at the University's financial activities.

GASB Statements 34, 35 and 63 standards are designed to provide information that responds to the needs of three groups of primary users of the general purpose external financial reports: the citizenry, legislative and oversight bodies, and investors and creditors. Under this guidance, the University is required to include a management's discussions and analysis (MD&A), basic financial statements, and notes to the financial statements.

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, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundations' financial information in the University's financial reporting entity for these differences.

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 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* as modified by GASB Statement 59. 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.

Receivables

Receivables consist of tuition and fee charges to students and auxiliary enterprises' sales and services. Receivables also include amounts due from the federal, state, and local governments or private sources in connection with reimbursement of allowable expenditures made pursuant to grants and contracts. Receivables are recorded net of estimated uncollectible amounts.

Prepaid Expenses

The University's prepaid expenses include memberships and travel deposits for fiscal year 2014 that were paid in advance as of June 30, 2013.

Inventories

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

Noncurrent Cash and Investments

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

Capital Assets

Capital assets include land, buildings and other improvements, library materials, equipment, intangibles, and infrastructure assets such as campus lighting. Capital assets generally are defined by the University as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year, including assets acquired under the Higher Education Equipment Trust Fund. Other assets are recorded at actual cost or estimated historical cost if purchased or constructed. Library materials are valued using published average prices for library acquisitions. Donated capital assets are recorded at the estimated fair market value at the date of donation, with the exception of intra-entity capital asset donations which, in accordance with GASB Statement 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. Expenses for major capital assets and improvements (construction in progress) are capitalized as projects are constructed. Interest expense of \$32,750 relating to construction is capitalized net of interest income earned on resources set aside for this purpose for the year ended June 30, 2013. The costs of normal maintenance and repairs that do not add to an asset's value or materially extend its useful life are not capitalized. Certain maintenance and replacement reserves have been established to fund costs relating to residences and other auxiliary activities.

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

Buildings	5-50 years
Other improvements and infrastructure	4-30 years
Equipment	2-25 years
Library materials	5 years
Intangible assets	5-25 years

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, 2013. 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.

Unearned Revenue

Unearned revenue primarily includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year, but related to the period after June 30, 2013.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year as well as estimated amounts for accrued compensated absences that will not be paid within the next fiscal year.

Discounts, Premiums, and Bond Issuance Costs

Bonds payable on the Statement of Net Position are reported net of related discounts and premiums, which are expensed over the life of the bond. Similarly, bond issuance costs are reported as a noncurrent asset that is amortized over the life of the bond on a straight-line basis.

Net Position

GASB Statement 34 and 63 requires that the Statement of Net Position report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is the difference between all other elements in a statement of net position and should be displayed in three components. Accordingly, the University's net position is classified as follows:

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

Restricted Net Position:

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

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

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

Classification of Revenues and Expenses

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

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and other revenue sources that are defined as nonoperating revenues by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement 34, such as state appropriations, investment, and interest income.

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

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

Scholarship Allowances

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

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

Federal Financial Assistance Programs

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

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, 2013. The following risk disclosures are required by GASB Statement 40, *Deposit and Investment Risk Disclosures*:

Custodial Credit Risk (Category 3 deposits and investments) - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The University is not exposed to custodial credit risk at June 30, 2013.

Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations. GASB Statement 40 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. GASB Statement 40 requires disclosure of any issuer with more than five percent of total investments. The University does not have a concentration of credit risk policy.

Interest rate risk - The risk that changes in interest rates will adversely affect the fair value of an investment. GASB Statement 40 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 was organized by investment type and amount using segmented time distribution method and weighted average maturity.

Foreign currency risk - The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University has no foreign deposits but does have foreign investments for June 30, 2013. 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, certificates of deposit and temporary investments with original maturities of 90 days or less, and cash equivalents with the Virginia State Non-Arbitrage Program (SNAP). SNAP is an open-end management investment company registered with the Securities and Exchange Commission (SEC). Cash and cash equivalents reporting requirements are defined by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*.

Deposits

At June 30, 2013, the carrying value of the University's deposit with banks was \$44,315,943 and bank balance was \$43,894,034. The carrying value of deposits differs from the bank balance because of reconciling items such as deposits in transit and outstanding checks. Deposits with banks are covered by Federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Under the Act, banks holding deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% excess deposits to a collateral pool in the name of the State Treasury Board. At June 30, 2013, the University's deposits were not exposed to custodial credit risk.

Investments

The investment policy of the University is established by the Board of Visitors and monitored by the Board's Administration and Finance Committee. Authorized investments are set forth in the Investment of Public Funds Act, Section 2.2-4500 through 2.2-4516, et seq., Code of Virginia. Authorized investments include: U.S. Treasury and agency securities, municipal securities, corporate debt securities of domestic corporations, agency mortgage-backed securities, negotiable certificates of deposit, repurchase agreements, common and preferred equities, equity in land, and mutual and money market funds.

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

Security Lending Transactions

The University participates in the State Treasury's securities lending program. Collateral held for security lending transactions of \$4,603,803 represents the University's allocated share of cash collateral received and reinvested and securities received by the State Treasury securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report (CAFR).

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

Credit & Concentration of Credit Risks

<u>Type of Investment</u>	<u>Percentage of Investments</u>	<u>Fair Value</u>	<u>Standard & Poor's Credit Quality Rating</u>
CASH EQUIVALENTS:			
Mutual/Money Market Funds			
BB&T/Wachovia Securities	0.14%	\$ 37,345	
SNAP	0.05%	14,427	AAAm
Securities Lending	15.77%	4,368,276	
Total Cash Equivalents		<u>4,420,048</u>	
INVESTMENTS:			
Mutual/Money Market			
Intermediate Term Fund	22.74%	6,299,707	AA-
U. S. Treasury & Agency Securities*			
U. S. Treasury Bond DTD	0.56%	154,433	NR
U. S. Treasury Note DTD	0.67%	184,204	NR
Corporate Bonds			
AFLAC Inc DTD	0.09%	25,562	A-
AT&T INC DTD	0.07%	20,609	A-
ACE INA HLDG Inc DTD	0.08%	22,574	A
Bear Stearns Company	0.09%	23,815	A
Berkshire Hathaway Inc	0.08%	20,803	AA
Blackrock Inc DTD	0.08%	20,807	A+
Caterpillar Financial SE DTD	0.07%	18,711	A
Conocophillips DTD	0.08%	23,429	A
Duke Energy Carolinas DTD	0.06%	17,065	A
General Electric Capital Corporation DTD	0.08%	21,939	AA
Goldman Sachs Group Incorporated DTD	0.08%	21,696	A-
IBM Corporation DTD	0.09%	25,449	AA-
Metlife Incorporated DTD	0.08%	22,891	A-
Occidental Petroleum Corp DTD	0.07%	19,984	A
Oracle Corp DTD	0.08%	22,869	A+
PNC Funding Corp DTD	0.08%	20,815	A-
Pepsico INC DTD	0.07%	19,675	A-
Phillip Morris International Incorporated DTD	0.08%	23,057	A
Target Corp DTD	0.08%	22,670	A+
US Bancorp DTD	0.09%	24,923	A+
Virginia Elec& Power CO DTD	0.07%	19,735	A-
Wachovia Corporation DTD	0.08%	22,479	A
Municipal Securities			
Baltimore Maryland Ser B Go DTD	0.15%	40,619	AA-
California State Taxable Var Purp 3 Go DTD	0.07%	20,700	A
Dallas County Tex Hosp Dist Build America Bonds Ser B Go DTD	0.14%	39,881	AAA
Eastern Iowa Community College District	0.09%	26,053	NR
New York NY Build America Bonds	0.18%	49,374	AA
New York Dorm Auth St Pers Income Tax Rev Taxable Gen Purp Ser B DTD	0.11%	31,370	AAA
North Tex St Muni Wtr Dist Wtr Sys Rev Build America Bonds Direct Payment	0.16%	45,033	AAA
Stratford CT Ref Taxable Pension	0.17%	47,558	AA-

Type of Investment	Percentage of Investments	Fair Value	Standard & Poor's Credit Quality Rating
Agency Mortgage Backed			
Federal Home Loan Mortgage Corporation DTD	0.57%	159,149	AA+
Federal National Mortgage Association DTD	0.31%	86,804	AA+
Foreign Bonds/Notes			
BHP Finance USA Ltd DTD	0.09%	23,944	A+
BP Capital Markets PLC DTD	0.08%	21,015	A
Bank of Nova Scotia DTD	0.08%	20,872	A+
Manulife Finl Corp DTD	0.08%	21,560	A
Rio Tinto Fin USA LTD DTD	0.07%	19,486	A-
Royal Bank of Scotland PLC DTD	0.08%	21,693	A
Mutual Funds - Gov Bonds**			
Federated Total Rtn Gov't Bd Fund	0.05%	14,202	
Mutual Funds Equity**			
Goldman Sacs Growth Opportunity Fund	0.44%	121,524	
Mutual Funds - Intl Equity**			
Forward International Small Companies FD Inst	0.29%	79,905	
Lazard Emerging Mkts	0.41%	113,627	
Cohen & Steers Realty	0.41%	114,485	
Common & Preferred Stock**	5.01%	1,388,078	
Other**			
Equity Interest in Land	7.58%	2,100,000	
Mutual Funds Held by Foundation	40.87%	11,323,951	NR
Securities Lending	0.85%	235,527	
Total Investments		<u>23,286,311</u>	
Total Cash Equivalents & Investments	<u>100.00%</u>	<u>\$ 27,706,359</u>	

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

** Credit quality ratings are not required for these investments, which with the exception of "Other" do not have specified maturities.

Interest Rate Risk: Maturities

Type of Investment	0-3 Months	4-12 Months	1-5 Years	6-10 Years
Cash Equivalents:				
Mutual/Money Market Funds				
BB&T/Wachovia Securities	\$ 37,345	\$ -	\$ -	\$ -
SNAP	14,427			
Securities Lending held with Treasurer	4,368,276			
Total Cash Equivalents	4,420,048			
Investments:				
Mutual/Money Market				
Intermediate Term Fund			6,299,707	
U. S. Treasury & Agency Securities				
U. S. Treasury Bond DTD			154,433	
U. S. Treasury Note DTD		15,117		169,087
Corporate Bonds				
AFLAC Inc DTD				25,562
AT&T INC DTD			20,609	
ACE INA HLDG Inc DTD			22,574	
Bear Stearns Company			23,815	
Berkshire Hathaway Inc			20,803	
Blackrock Inc DTD			20,807	
Caterpillar Financial SE DTD				18,711
Conocophillips DTD				23,429
Duke Energy Carolinas DTD			17,065	
General Electric Capital Corporation DTD				21,939
Goldman Sachs Group Incorporated DTD			21,696	
IBM Corporation DTD				25,449
Metlife Incorporated DTD			22,891	
Occidental Petroleum Corp DTD			19,984	
Oracle Corp DTD				22,869
PNC Funding Corp DTD			20,815	
Pepsico INC DTD				19,675
Phillip Morris International Incorporated DTD			23,057	
Target Corp DTD			22,670	
US Bancorp DTD			24,923	
Virginia Elec& Power CO DTD				19,735
Wachovia Corporation DTD			22,479	

Type of Investment	0-3 Months	4-12 Months	1-5 Years	6-10 Years
Municipal Securities				
Baltimore Maryland Ser B Go DTD		40,619		
California State Taxable Var Purp 3 Go DTD		20,700		
Dallas County Tex Hosp Dist Build America Bonds Ser B Go DTD				39,881
Eastern Iowa Community College District		26,053		
New York NY Build America Bonds				49,374
New York Dorm Auth St Pers Income Tax Rev Taxable Gen Purp Ser B DTD				31,370
North Tex St Muni Wtr Dist Wtr Sys Rev Build America Bonds Direct Payment				45,033
Stratford CT Ref Taxable Pension			47,558	
Agency Mortgage Backed				
Federal Home Loan Mortgage Corporation DTD		76,736	82,413	
Federal National Mortgage Association DTD			86,804	
Foreign Bonds/Notes				
BHP Finance USA Ltd DTD				23,944
BP Capital Markets PLC DTD			21,015	
Bank of Nova Scotia DTD			20,872	
Manulife Finl Corp DTD				21,560
Rio Tinto Fin USA LTD DTD				19,486
Royal Bank of Scotland PLC DTD				21,693
Mutual Funds - Gov Bonds				
Federated Total Rtn Gov't Bd Fund		14,202		
Total	<u>\$4,420,048</u>	<u>\$ 193,427</u>	<u>\$7,016,990</u>	<u>\$ 598,797</u>

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 55-268.1 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 2013, the payout percentage was 4 ½ percent. The payout percentage is reviewed and adjusted annually as deemed prudent.

At June 30, 2013, net appreciation of \$449,553 is available to be spent, which is reported in the Statement of Net Position as Restricted for Expendable Scholarship and Fellowships.

NOTE 4: ACCOUNTS RECEIVABLE

A. Accounts receivable consisted of the following at June 30, 2013:

Student tuition and fees	\$ 6,712,588
Auxiliary enterprises	1,885,091
Federal, state, and nongovernmental grants and contracts	2,881,581
Other activities	548,056
Gross receivables	<u>12,027,316</u>
Less allowance for doubtful accounts	(873,694)
Net accounts receivable	<u><u>\$ 11,153,622</u></u>

B. Due from the Commonwealth consisted of the following at June 30, 2013:

Interest/rebate allocation	\$ 563,873
Equipment trust fund reimbursement	3,430,022
Virginia College Building Authority 21 st Century Bonds	4,609,781
Total due from Commonwealth of Virginia	<u><u>\$ 8,603,676</u></u>

NOTE 5: CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2013 is presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	\$ 31,064,762	\$ -	\$ -	\$ 31,064,762
Construction in progress	14,571,703	17,043,803	1,031,467	30,584,039
Total nondepreciable capital assets	<u>45,636,465</u>	<u>17,043,803</u>	<u>1,031,467</u>	<u>61,648,801</u>
Depreciable capital assets:				
Buildings	675,601,803	756,139	-	676,357,942
Infrastructure	2,015,561	25,686	-	2,041,247
Equipment **	69,801,231	8,876,394	2,699,075	75,978,550
Improvements other than building	11,896,708	412,884	-	12,309,592
Library books	69,474,449	2,094,104	43,673	71,524,880
Intangible assets	2,445,453	420,165	132,274	2,733,344
Total depreciable capital assets	<u>831,235,205</u>	<u>12,585,372</u>	<u>2,875,022</u>	<u>840,945,555</u>
Less accumulated depreciation for:				
Buildings	202,192,464	13,070,179	-	215,262,643
Infrastructure	1,362,188	27,382	-	1,389,570
Equipment **	45,394,299	5,422,755	2,542,520	48,274,534
Improvements other than building	6,644,904	726,464	-	7,371,368
Library books	63,482,942	3,159,687	43,672	66,598,957
Intangible assets	1,859,817	170,422	100,961	1,929,278
Total accumulated depreciation	<u>320,936,614</u>	<u>22,576,889</u>	<u>2,687,153</u>	<u>340,826,350</u>
Depreciable capital assets, net	<u>510,298,591</u>	<u>(9,991,517)</u>	<u>187,869</u>	<u>500,119,205</u>
Total capital assets, net	<u>\$ 555,935,056</u>	<u>\$ 7,052,286</u>	<u>\$ 1,219,336</u>	<u>\$ 561,768,006</u>

** - Beginning balances were realigned with no impact to total capital assets net beginning balance.

NOTE 6: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2013:

Employee salaries, wages, and fringe benefits payable	\$ 17,374,712
Retainage payable	625,569
Interest payable	2,142,604
Vendors and suppliers accounts payable	<u>17,789,173</u>
Current liabilities - accounts payable and accrued expenses	<u>\$ 37,932,058</u>

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, 2013 is presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Long-term debt:					
General obligations bonds	\$ 64,038,349	\$ 11,616,443	\$ 14,810,398	\$ 60,844,394	\$ 2,873,338
Revenue bonds	134,807,784	-	8,159,891	126,647,893	8,075,000
Installment purchases	2,233,867	-	315,986	1,917,881	308,772
Capital leases	69,137,724	-	2,102,069	67,035,655	2,394,385
Total long-term debt	<u>270,217,724</u>	<u>11,616,443</u>	<u>25,388,344</u>	<u>256,445,823</u>	<u>13,651,495</u>
Accrued compensated absences	7,487,662	6,608,991	6,551,318	7,545,335	5,501,562
Federal loan program contributions	39,293	87,434	-	126,727	-
Other liabilities	423,500	-	60,500	363,000	60,500
Total long-term liabilities	<u>\$ 278,168,179</u>	<u>\$ 18,312,868</u>	<u>\$ 32,000,162</u>	<u>\$ 264,480,885</u>	<u>\$ 19,213,557</u>

NOTE 8: LONG-TERM DEBT

The University has issued two categories of bonds pursuant to Section 9 of Article X of the *Constitution of Virginia*. Section 9(c) bonds are general obligation bonds issued by the Commonwealth of Virginia on behalf of the University which are secured by the net revenues of the completed project and the full faith, credit, and taxing power of the Commonwealth of Virginia. Section 9(d) bonds are revenue bonds, which are limited obligations of the University payable exclusively from pledged general revenues and are not debt of the Commonwealth of Virginia, legally, morally, or otherwise. Pledged General Fund revenues include General Fund appropriations, tuition and fees, auxiliary enterprise revenues, and other revenues not required by law to be used for another purpose. The University issued 9(d) bonds directly through underwriters and also participates in the Public Higher Education Financing Program (Pooled Bond Program) created by the Virginia General Assembly in 1996. Through the Pooled Bond Program, the Virginia College Building Authority (VCBA) also 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	2013
General obligation bonds:			
Dormitory, Series 2005	3.50% - 5.00%	2025	\$ 420,000
Dormitory, Series 2006B	4.00% - 5.00%	2026	1,155,000
Dormitory, Series 2007B	4.00% - 5.00%	2027	5,890,000
Dormitory, Series 2008B	3.00% - 5.00%	2028	33,235,000
Dormitory, Series 2009C	3.00% - 5.00%	2022	1,319,293
Dormitory, Series 2009D	2.50% - 4.50%	2022	1,625,000
Dormitory, Series 2009D	2.50% - 5.00%	2022	2,465,000
Dormitory, Series 2010A	2.00% - 5.00%	2030	1,770,000
Dormitory, Series 2012A	3.00% - 5.00%	2024	654,765
Dormitory, Series 2013B	4.00% - 5.00%	2025	570,047
Dormitory, Series 2013B	4.00% - 5.00%	2026	2,760,934
Dormitory, Series 2013B	4.00% - 5.00%	2025	6,344,322
Total general obligation bonds			<u>58,209,361</u>

Description	Interest Rates	Maturity	2013
Revenue bonds:			
Classrooms, Series 2004B	3.00% - 5.00%	2017	2,725,000
Classrooms, Series 2004B	3.00% - 5.00%	2020	425,000
Classrooms, Series 2007B	4.00% - 4.25%	2018	797,136
Recreation, Series 2004B	3.00% - 5.00%	2017	3,505,000
Recreation, Series 2004B	3.00% - 5.00%	2020	480,000
Recreation, Series 2007B	4.00% - 4.25%	2018	413,781
Recreation, Series 2007B	4.00% - 4.50%	2020	6,718,256
Recreation, Series 2010B	2.00% - 5.00%	2020	630,000
Recreation, Series 2010B	2.00% - 5.00%	2021	8,465,000
Parking, Series 2003A	2.00% - 5.00%	2024	90,000
Parking, Series 2004A	3.00% - 5.00%	2025	350,000
Parking, Series 2004B	3.00% - 5.00%	2017	1,695,000
Parking, Series 2004B	3.00% - 5.00%	2020	690,000
Parking, Series 2007A	4.50% - 5.00%	2028	7,095,000
Parking, Series 2007B	4.00% - 4.25%	2018	149,083
Parking, Series 2007B	4.00% - 4.50%	2020	2,551,744
Parking, Series 2009A	2.10% - 5.00%	2029	4,750,000
Parking, Series 2010B	2.00% - 5.00%	2020	360,000
Parking, Series 2010B	2.00% - 5.00%	2021	2,595,000
Parking, Series 2010B	2.00% - 5.00%	2020	450,000
Parking, Series 2012A	5.00%	2023	650,000
Parking, Series 2012A	3.00% - 5.00%	2024	2,260,000
Athletic Fac. Exp., Series 2004A	3.00% - 5.00%	2025	205,000
Athletic Fac. Exp., Series 2005A	3.50% - 5.00%	2026	905,000
Athletic Fac. Exp., Series 2006A	3.00% - 5.00%	2027	780,000
Athletic Fac. Exp., Series 2007A	4.50% - 5.00%	2028	400,000
Athletic Fac. Exp., Series 2012A	3.00% - 5.00%	2024	1,330,000
Athletic Fac. Exp., Series 2012A	3.00% - 5.00%	2024	1,645,000
H&PE Renovation, Series 2004A	3.00% - 5.00%	2025	175,000
H&PE Renovation, Series 2005A	3.50% - 5.00%	2026	910,000
H&PE Renovation, Series 2007A	4.50% - 5.00%	2028	13,110,000
H&PE Renovation, Series 2012A	3.00% - 5.00%	2024	1,110,000
H&PE Renovation, Series 2012A	3.00% - 5.00%	2024	1,645,000
Indoor Tennis Court, Series 2004A	3.00% - 5.00%	2025	130,000
Indoor Tennis Court, Series 2005A	3.50% - 5.00%	2026	695,000
Indoor Tennis Court, Series 2006A	3.00% - 5.00%	2027	185,000
Indoor Tennis Court, Series 2007A	4.50% - 5.00%	2028	210,000
Indoor Tennis Court, Series 2012A	3.00% - 5.00%	2024	820,000
Indoor Tennis Court, Series 2012A	3.00% - 5.00%	2024	1,280,000
Dormitory, Series 2005A	3.50% - 5.00%	2026	5,875,000
Dormitory, Series 2012A	3.00% - 5.00%	2024	10,820,000
Powhatan Sports Ctr, Series 2007A	4.50% - 5.00%	2028	5,405,000
Powhatan Sports Ctr, Series 2009A	2.10% - 5.00%	2029	24,105,000
Powhatan Sports Ctr, Series 2010A	2.00% - 5.50%	2030	860,000
Webb Center Expansion, Series 2009B	2.00% - 5.00%	2029	650,000
Total revenue bonds			121,095,000

Description	Interest Rates	Maturity	2013
Installment purchases	4.23%	2023	1,917,881
Capital leases	Various	2011-41	67,035,655
Total bond, notes, installment purchases, and leases			<u>248,257,897</u>
Amortize bond premium, general obligation bonds			3,844,461
Amortize bond premium, revenue bonds			8,610,099
Deferred loss on early retirement of debt			<u>(4,266,634)</u>
Total bond, notes, installment purchases, leases, bond premium, and deferred loss			<u><u>\$ 256,445,823</u></u>

Long-term debt matures as follows:

	Principal	Interest
2014	\$ 13,651,495	\$ 11,113,564
2015	14,202,705	10,440,300
2016	14,698,887	9,761,519
2017	15,350,605	9,061,273
2018	16,160,319	8,301,152
2019-2023	78,765,806	30,751,404
2024-2028	70,591,685	13,498,408
2029-2033	23,658,546	2,645,784
2034-2038	866,553	201,548
2039-2043	311,296	20,881
Total	<u><u>\$ 248,257,897</u></u>	<u><u>\$ 95,795,833</u></u>

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 owns the equipment from the date of purchase.

The Statement of Net Position line “Due from the Commonwealth” includes \$3,430,022 for equipment purchased by the University that was not reimbursed by the VCBA at year-end.

B. Defeasance of Debt

In March 2013, the Commonwealth of Virginia issued \$217,760,000 in General Obligation Refunding Bonds, Series 2013B. The sale of these bonds enabled the University to advance refund \$580,000 of Series 2005A, \$2,855,000 of Series 2006B and \$6,575,000 of Series 2007B in General Obligation bonds. The net proceeds of \$11,570,171 (after payment of underwriter’s fees and other issuance costs) were deposited in an irrevocable escrow account and will be used to pay interest, redemption premium and maturity value of the refunded bonds to their call date. This defeasance reduced total debt service

payments over the next ten years by \$745,291 resulting in an economic gain of \$657,103 discounted at the rate of 1.859 percent for General Obligation bonds.

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 related liability for the defeased bonds are not reflected in the University's financial statements. At June 30, 2013, \$37,650,000 of the defeased bonds was outstanding.

C. Assets Purchased Under Capital Leases

At June 30, 2013, assets purchased under capital leases were included in depreciable capital assets in the amount of \$68,466,119. 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 Position 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	\$ 123,169,500	\$ 9,827,743	\$ -	\$ 2,602,068	\$ -	\$ 135,599,311
Research	4,750,219	2,534,613	-	488,284	-	7,773,116
Public service	246,961	190,574	-	6,658	-	444,193
Academic support	26,101,316	13,148,538	-	2,879,994	-	42,129,848
Student services	11,187,723	3,113,743	-	49,348	-	14,350,814
Institutional support	23,283,893	3,814,052	-	1,247,664	-	28,345,609
Operation and maintenance of plant	10,998,694	13,620,152	-	1,583,158	-	26,202,004
Depreciation expense	-	-	-	-	22,576,889	22,576,889
Scholarship and related expenses	-	-	17,711,195	-	-	17,711,195
Auxiliary activities	25,083,861	44,123,195	7,400,771	4,166,283	-	80,774,110
Total	\$ 224,822,167	\$ 90,372,610	\$ 25,111,966	\$ 13,023,457	\$ 22,576,889	\$ 375,907,089

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 806:	
Educational and general programs	\$ 97,649,766
Student financial assistance/grants	18,320,392
Supplemental adjustments:	
Central fund appropriation transfers	3,264,914
Line of Duty	871
Grants	3,998,616
VIVA	22,605
Adjusted appropriations	<u>\$ 123,257,164</u>

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 three component units - Old Dominion Athletic Foundation, Old Dominion University Educational and Real Estate Foundations, and the Old Dominion University Research Foundation. These organizations are separately incorporated entities and other auditors examine the related financial statements.

	Old Dominion Athletic Foundation	Old Dominion University Educational and Real Estate Foundations	Old Dominion University Research Foundation	TOTAL
<u>Statement of Net Position</u>				
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 10,774,118	\$ 4,012,074	\$ 11,266,354	\$ 26,052,546
Accounts receivable	169,155	3,200,634	16,281,112	19,650,901
Contributions receivable, net	1,281,363	3,941,821	-	5,223,184
Travel advances	-	-	54,789	54,789
Prepaid expenses	38,568	36,781	404,367	479,716
Other assets	47,108	133,071	-	180,179
Total current assets	<u>12,310,312</u>	<u>11,324,381</u>	<u>28,006,622</u>	<u>51,641,315</u>
Noncurrent assets:				
Investments	18,673,232	161,087,447	3,876,724	183,637,403
Accounts receivable	-	53,088,016	-	53,088,016
Contributions receivable, net	4,139,325	4,247,165	-	8,386,490
Notes receivable	-	3,405,000	-	3,405,000
Nondepreciable capital assets	-	22,936,041	54,802	22,990,843
Capital assets	98,087	3,133,834	3,919,701	7,151,622
Total noncurrent assets	<u>22,910,644</u>	<u>247,897,503</u>	<u>7,851,227</u>	<u>278,659,374</u>
Total assets	<u>35,220,956</u>	<u>259,221,884</u>	<u>35,857,849</u>	<u>330,300,689</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,344,638	1,112,488	8,710,685	11,167,811
Due to affiliates	-	-	362,983	362,983
Unearned revenue	-	5,958	5,546,368	5,552,326
Deposits held in custody for others	-	35,279	-	35,279
Agency related payables	-	11,120,493	-	11,120,493
Line of credit	-	5,255,732	-	5,255,732
Long-term liabilities – current portion	-	2,219,915	-	2,219,915
Total current liabilities	<u>1,344,638</u>	<u>19,749,865</u>	<u>14,620,036</u>	<u>35,714,539</u>
Noncurrent liabilities	-	90,409,073	-	90,409,073
Total liabilities	<u>1,344,638</u>	<u>110,158,938</u>	<u>14,620,036</u>	<u>126,123,612</u>
NET POSITION				
Net investment in capital assets	98,087	17,244,743	3,974,503	21,317,333
Permanently restricted	15,175,503	102,184,604	-	117,360,107
Temporarily restricted	10,684,753	44,579,906	17,660,462	72,925,121
Unrestricted	7,917,975	(14,946,307)	(397,152)	(7,425,484)
Total net position	<u>\$ 33,876,318</u>	<u>\$ 149,062,946</u>	<u>\$ 21,237,813</u>	<u>\$ 204,177,077</u>

	Old Dominion Athletic Foundation	Old Dominion University Educational and Real Estate Foundations	Old Dominion University Research Foundation	TOTAL
<u>Statement of Revenues, Expenses and Changes in Net Position</u>				
Operating revenues:				
Gifts and contributions	\$ 6,653,747	\$ 7,607,495	\$ -	\$ 14,261,242
Indirect cost	-	-	8,833,409	8,833,409
Sponsored research	-	-	36,818,820	36,818,820
Other operating revenues	422,450	7,351,129	4,177,690	11,951,269
Total operating revenues	<u>7,076,197</u>	<u>14,958,624</u>	<u>49,829,919</u>	<u>71,864,740</u>
Operating expenses:				
Instruction	-	2,281,898	-	2,281,898
Research	-	-	44,587,144	44,587,144
Academic support	1,589,367	4,026,669	-	5,616,036
Institutional support	1,008,496	6,306,880	5,929,569	13,244,945
Operation and maintenance of plant	-	8,835	-	8,835
Depreciation	10,900	204,846	-	215,746
Student aid	817,054	1,207,391	-	2,024,445
Total operating expenses	<u>3,425,817</u>	<u>14,036,519</u>	<u>50,516,713</u>	<u>67,979,049</u>
Operating gain/(loss)	<u>3,650,380</u>	<u>922,105</u>	<u>(686,794)</u>	<u>3,885,691</u>
Investment income	1,721,960	13,747,630	157,712	15,627,302
Contributions to permanent endowments	<u>235,338</u>	<u>932,381</u>	<u>-</u>	<u>1,167,719</u>
Increase in net position	5,607,678	15,602,116	(529,082)	20,680,712
Beginning net position	<u>28,268,640</u>	<u>133,460,830</u>	<u>21,766,895</u>	<u>183,496,365</u>
Ending net position	<u>\$ 33,876,318</u>	<u>\$ 149,062,946</u>	<u>\$ 21,237,813</u>	<u>\$ 204,177,077</u>

Contributions Receivable

	Old Dominion Athletic Foundation	Old Dominion University Educational and Real Estate Foundations	TOTAL
<u>Current Receivable</u>			
Receivable due in less than one year	\$ 1,347,878	\$ 4,101,700	\$ 5,449,578
Less allowance for doubtful accounts	<u>66,515</u>	<u>159,879</u>	<u>226,394</u>
Net current accounts receivable	<u>1,281,363</u>	<u>3,941,821</u>	<u>5,223,184</u>
Receivable due in greater than 1 year, net of discount (\$1,465,480)	4,153,092	4,279,863	8,432,955
Less allowance for doubtful accounts	<u>13,767</u>	<u>32,698</u>	<u>46,465</u>
Net noncurrent contributions receivable	<u>4,139,325</u>	<u>4,247,165</u>	<u>8,386,490</u>
Total contributions receivable	<u>\$ 5,420,688</u>	<u>\$ 8,188,986</u>	<u>\$ 13,609,674</u>

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 Athletic Foundation	Old Dominion University Educational and Real Estate Foundations	Old Dominion University Research Foundation	TOTAL
U.S. treasury and agency securities	\$ 527,336	\$ 4,064,808	\$ 3,347,994	\$ 7,940,138
Common & preferred stocks	703,772	5,828,877	2,783	6,535,432
Mutual and money market funds	9,996,794	82,434,985	525,947	92,957,726
Real estate	-	259,000	-	259,000
Alternative investments	7,445,330	57,379,284	-	64,824,614
Managed investments	-	11,120,493	-	11,120,493
Total	<u>\$ 18,673,232</u>	<u>\$ 161,087,447</u>	<u>\$ 3,876,724</u>	<u>\$ 183,637,403</u>

Capital Assets

	Old Dominion Athletic Foundation	Old Dominion University Educational and Real Estate Foundations	Old Dominion University Research Foundation	TOTAL
Nondepreciable capital assets:				
Land	\$ -	\$ 4,610,986	\$ 54,802	\$ 4,665,788
Construction in progress	-	18,325,055	-	18,325,055
Total capital assets not being depreciated	<u>-</u>	<u>22,936,041</u>	<u>54,802</u>	<u>22,990,843</u>
Depreciable capital assets:				
Buildings	-	5,075,568	1,037,290	6,112,858
Equipment	402,360	59,734	18,617,796	19,079,890
Total capital assets being depreciated	<u>402,360</u>	<u>5,135,302</u>	<u>19,655,086</u>	<u>25,192,748</u>
Less accumulated depreciation for:				
Buildings	-	1,979,679	864,549	2,844,228
Equipment	304,273	21,789	14,870,836	15,196,898
Total accumulated depreciation	<u>304,273</u>	<u>2,001,468</u>	<u>15,735,385</u>	<u>18,041,126</u>
Total depreciable capital assets, net	<u>98,087</u>	<u>3,133,834</u>	<u>3,919,701</u>	<u>7,151,622</u>
Total capital assets, net	<u>\$ 98,087</u>	<u>\$ 26,069,875</u>	<u>\$ 3,974,503</u>	<u>\$ 30,142,465</u>

Long-Term Liabilities

Old Dominion University Educational and Real Estate Foundations

<u>Description</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>2012</u>
Bonds payable:			
Norfolk Redevelopment and Housing Authority Revenue Bonds Series 2008	3.58%	2033	\$ 49,600,000
Norfolk Redevelopment and Housing Authority Revenue Bonds Series 2008	4.475%	2031	11,850,000
Total bonds payable			<u>61,450,000</u>
Notes payable			
Tri-Cities II	3.65%	2014	4,395,600
Bookstore	5.585%	2023	4,984,654
President's House	5.980%	2040	2,126,186
Total notes payable			<u>11,506,440</u>
Other long-term liabilities			<u>19,672,548</u>
Total long-term debt			<u>\$ 92,628,988</u>

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

2013	\$ 2,078,390
2014	6,564,166
2015	2,268,639
2016	2,369,055
2017	2,482,520
Thereafter	<u>57,193,670</u>
Total	<u>\$ 72,956,440</u>

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, 2013, the University will repay \$66,880,505. 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 and Real Estate Foundations, Old Dominion Athletic Foundation, and the Old Dominion University Research Foundation for the year ended June 30, 2013 totaled \$7,749,603, \$2,568,523, and \$8,314,248 respectively. This includes gift transfers, payments for facilities, and services.

Component Unit Contingencies

The Real Estate Foundation is currently working with the Norfolk Redevelopment and Housing Authority, (NRHA) to condemn properties for the furtherance of University activities in accordance with the University Master Plan approved by the City of Norfolk. In 1998, NRHA determined that these properties were in a blighted area and a redevelopment district was created by the Authority. The condemnation cases were filed in two phases (2008 and 2010). NRHA's redevelopment plan was challenged by two property owners in a 2009 court case. The Circuit Court reaffirmed the plan. An appeal was filed with the Supreme Court of Virginia.

The Supreme Court reaffirmed the Circuit Court’s ruling. The landowners attempted to challenge the validity of the redevelopment plan once again. The Circuit Court held in a pre-trial order that the redevelopment plan was valid and not subject to further challenge. Two property owners appealed the validity of the redevelopment plan with Supreme Court of Virginia. In September 2013, The Supreme Court of Virginia reversed the Circuit Court ruling and held that NRHA was not allowed to acquire property in the redevelopment area after a July 1, 2010 statutory deadline. The legal and other costs associated with this process are anticipated to be significant, but the total cost is not determinable at this time.

In June 2011, the Research Foundation received from the United States Department of Justice a Civil Investigative Demand “CID” for certain records of the Foundation. The CID states that the demand for records is related to allegations that the Foundation submitted false claims to federal agencies in connection with billings for salaries, expenses and costs on various research grants. The Foundation has retained counsel and is cooperating with the Justice Department’s investigation. The Foundation believes that it is reasonably possible that the Justice Department’s investigation may lead to litigation that could result in a liability for the Foundation (most likely in the form of a settlement payment to avoid costs, publicity, and time associated with potential litigation). Given the fact that the Foundation has not received any specific demand nor has any direct pleadings been received nor any discovery taken place, neither the Foundation nor its counsel is able to assess the likelihood of litigation, the probable or possible outcomes of any litigation, or estimate the amounts of any potential loss at this time.

Component Unit Subsequent Event

In February 2013, the Real Estate Foundation extended the line of credit in the amount of \$6,000,000 for the purpose of purchasing additional properties for future projects. Principal on this Note matures and is payable on February 25, 2014. The interest rate is one-month LIBOR plus 1.75%. In March 2013, the line of credit agreement was modified to increase the amount available to \$10,000,000, and a draw of \$4,000,000 was taken. In April 2013, an additional draw of \$744,268 was taken. The term and interest rate remained unchanged. The modification included an unused commitment fee of 0.25% per annum.

NOTE 12: COMMITMENTS

At June 30, 2013, the University was a party to construction and other contracts totaling approximately \$21,344,540 of which \$12,511,385 has been incurred.

The University is committed under various operating leases for equipment and space. In general, the equipment leases are for a two-year term and the space leases are for varying terms with appropriate renewal options for each type of lease. In most cases, the University expects that in the normal course of business, similar leases will replace these leases. Rental expense was approximately \$7,500,595 for the year ended June 30, 2013.

The University has, as of June 30, 2013, the following future minimum rental payments due under the above leases:

Year Ending June 30	Operating Lease Obligation
2014	\$ 7,134,508
2015	7,047,321
2016	6,026,184
2017	5,991,561
2018	5,985,867
2019-2023	20,081,536
2024-2028	4,919,317
Total	<u>\$ 57,186,294</u>

NOTE 13: RETIREMENT PLANS

A. Virginia Retirement System

Employees of the University are employees of the Commonwealth of Virginia. Substantially, all full-time classified salaried employees of the University participate in a defined benefit retirement plan administered by the Virginia Retirement System (VRS). VRS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agency for the Commonwealth of Virginia and its political subdivisions.

The VRS does not measure assets and pension benefit obligations separately for individual state institutions. Information related to the plan is available at the statewide level only and can be found in the Commonwealth of Virginia's *Comprehensive Annual Financial Report (CAFR)*. The Commonwealth, not the University, has the overall responsibility for contributions to this plan. The CAFR provides disclosure of the Commonwealth's unfunded pension benefit obligation at June 30, 2013. The same report contains historical trend information showing VRS's progress in accumulating sufficient assets to pay benefits when due.

The University's expenses include the amount assessed by the Commonwealth for contributions to VRS, which totaled approximately \$6,434,653 for the year ended June 30, 2013. The retirement contribution rate was 8.76% for state employees and 14.80% for Virginia Law Officers' Retirement System (VaLORS) for fiscal year 2013. Contributions to VRS were calculated using the base salary amount of approximately \$72,003,842 for the year ended June 30, 2013. The University's total payroll was approximately \$181,743,405 for the fiscal year ended June 30, 2013.

B. Optional Retirement Plan

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 TIAA/CREF Insurance Companies and Fidelity Investment Tax-Exempt Services. These plans are fixed contribution programs where the retirement benefits received are based upon the employer's and employee's contributions, plus interest and dividends.

Individual contracts issued under the plans provide for full immediate vesting of both the University's and employee's contributions. Total pension costs under these plans were approximately \$6,515,700 for the year ended June 30, 2013. Contributions to the optional retirement plans were calculated using the base salary amount of approximately \$65,049,787 for fiscal year 2013.

C. Deferred Compensation

Employees of the University are employees of the Commonwealth of Virginia. State employees may participate in the Commonwealth's Deferred Compensation Plan. Participating employees can contribute to the plan each pay period with the Commonwealth matching up to \$20 per pay period. The dollar amount match can change depending on the funding available in the Commonwealth's budget. The Deferred Compensation Plan is a qualified defined contribution plan under section 401(a) of the Internal Revenue Code. Employer contributions under the Deferred Compensation Plan were approximately \$593,762 for fiscal year 2013.

NOTE 14: POST-EMPLOYMENT BENEFITS

The Commonwealth participates in the VRS administered statewide group life insurance program which provides post-employment life insurance benefits to eligible retired and terminated employees. The Commonwealth also provides health care credits against the monthly health insurance premiums of its retirees who have at least 15 years of State service and participate in the State's health plan. Information related to these plans is available at the statewide level in the Commonwealth's *Comprehensive Annual Financial Report*.

NOTE 15: 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, 2013, the University estimates that no material liabilities will result from such audits or questions.

Litigation

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

NOTE 16: RISK MANAGEMENT AND EMPLOYEE HEALTH CARE PLANS

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

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OLD DOMINION UNIVERSITY
Norfolk, Virginia

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PROGRESS REPORT ON CAPITAL OUTLAY PROJECTS
(As of December 5th, 2013)

PROJECTS UNDER DESIGN

The Department of Planning and Budget (DPB) released construction funding for the Oceanography Mechanical Systems Replacement project to the University this summer. Construction funding for the New Education Building is included in this fall's Virginia College Building Authority bond sale. The University expects DPB to release funds upon completion of the sale.

OCEANOGRAPHY MECHANICAL SYSTEMS REPLACEMENT

General Project Information: The FY-13 budget included this project to replace the rooftop HVAC and mechanical systems for the Oceanography/Physics Building which have been a continuing maintenance problem with equipment failures and excessive vibrations that affect ongoing research and the ability to properly control temperatures in the building. The project will remove the two containerized, packaged HVAC units on the roof that are in poor condition and install new roof mounted air handlers and exhaust fans. The new system will tie into the District Chiller Plant across Elkhorn to provide chilled water and connect to the mechanical room in the adjacent Physical Sciences Building for hot water. A third chiller will be installed in the District Chiller Plant as part of the project as well as several modular boilers installed in the mechanical room of the Physical Sciences Building. Both the District Chiller Plant and Physical Sciences Building mechanical rooms provide greater efficiency of operations as part of a larger system and redundancy that the current systems do not have. The University selected DJG, Inc. of Williamsburg, Virginia to design the project.

Project Design: DJG, Inc. (Williamsburg, VA)

Funding Source: Pool Funded Project, Chapter 3 (2012 - 2014)

Project Budget:	a) Construction:	\$3,310,143
	b) Architect/Engineer Fee (thru Preliminary):	\$403,175
	c) Project Inspection:	\$28,770
	d) Equipment:	\$0
	e) Construction Contingency:	\$150,260
	f) Other:	\$51,852
	Total Project Budget:	\$3,944,200

Status: DPB approved planning funds of \$3,786,000 with the remaining \$158,200 to be provided by institutional funds yielding a total project budget of \$3,944,200. Working drawings been approved by BCOM. Bidding is expected to be completed by January, with construction starting in Spring 2014. Significant site construction expected to occur in Summer 2014, with major building construction expected from Fall 2014 to Spring 2015.

NEW EDUCATION BUILDING

General Project Information: The New Education Building was the University's first priority in the 2012 to 2018 Six-Year Capital Plan submission. The budget requested for this 127,000 gsf project is \$45,977,000. The project consists of two parts: construction of a new building of approximately 120,000 gsf for the College of Education and renovation of approximately 7,000 gsf of the existing Child Study Center.

Project Design: SHWGROUP (Charlottesville, VA)

Funding Source: Chapter 806 VCBA Pooled Projects Bonds

Project Budget:	a) Construction:	\$34,138,447
	b) Architect/Engineer Fee:	\$3,315,360
	c) Project Inspection:	\$974,232
	d) Equipment:	\$1,250,000
	e) Construction Contingency:	\$682,769
	f) Other:	\$2,215,119
	Total Project Budget:	\$42,575,927

Status: The University received authority to proceed to preliminary drawings for this project utilizing institutional funds in mid-2011. These institutional funds will be reimbursed upon release of design/construction funding. The University selected SHWGroup to perform preliminary planning taking the building design to 35%. The firm, with offices in Charlottesville, Detroit and Dallas, concentrates its practice on higher education facilities and has completed 12 college of education buildings at various universities over the last ten years.

Design work began with user meetings in November, 2011, and BCOM approved the schematic design submission in November, 2012. The University submitted preliminary drawings to BCOM in early February of this year and BCOM made final approval of the drawings in August. Based on this approval, the University completed selection of the Construction Manager-at-Risk process it began in October, 2012 with award of contract for pre-construction services to S.B. Ballard Construction Company.

Concurrent with approval of preliminary drawings, the Department of General Services issued its project funding report based on BCOM's cost estimate of the preliminary submission. This report established a project budget of \$42.6M, inclusive of F,F&E, and funds will be made available to the University in the Fall. The design team has completed two rounds of constructability analysis with the CM-at-Risk and anticipates reaching an acceptable Guaranteed Maximum Price (GMP) early in 2014. Working drawings are scheduled for submission to BCOM in mid-April and the University anticipates beginning construction in early Summer, 2014.

NEW DINING FACILITY

General Project Information: The New Dining Facility project will construct a new 45,000 gsf state-of-the-art dining building, providing food production, servery and seating capacity for up between 550 and 600 patrons. The building will be located near Webb University Center, between the Diehn Fine and Performing Arts Center and Dominion House. It will temporarily replace the food service facility within Webb Center in order to permit demolition of the existing Webb Center facilities. After the new Webb University Center is completed, it will function as the residential dining facility for the central campus.

Project Design: Moseley Architects (Virginia Beach, VA)

Funding Source: VCBA 9D Bonds

Project Budget:	a) Construction:	\$19,462,500
	b) Architect/Engineer Fee:	\$2,541,125
	c) Project Inspection:	\$189,188
	d) Equipment:	\$778,000
	e) Construction Contingency:	\$779,000
	f) Other:	\$0
	Total Project Budget:	\$24,766,000

Status: The University released a Request for Proposals (RFP) for architectural services to design the project on July 26th. The RFP closed on August 15th with eleven firms responding. The RFP evaluation committee interviewed four shortlisted firms and selected Moseley Architects and Tipton Associates to design the facility. The design began programming work in early November and expects to complete the project design within twelve months.

JOINT POLICING FACILITY

General Project Information: The 2012 Special Session of the General Assembly authorized this project for detailed planning using institutional nongeneral funds to be reimbursed upon approval and release of construction funds by the Commonwealth. As submitted in the budget request this \$7.8M project will build a new University Public Safety facility of up to 30,000 gsf with space available for use by the Norfolk Police Department and other program elements to be defined during the initial phase of the project. The University has provided \$600,000 of institutional funds to begin design.

Project Design: To be determined

Funding Source: Pool Funded Project, Chapter 3 (2012 - 2014)

Project Budget:

a) Construction:	
b) Architect/Engineer Fee (thru Preliminary):	\$600,000
c) Project Inspection:	
d) Equipment:	
e) Construction Contingency:	
f) Other:	
Total Project Budget:	\$600,000

Status: The University released an RFP in late September to select an architectural firm and policing consultant to design the project. Nine firms submitted proposals and the University short-listed the following four firms for interviews:

- AECOM
- MMM Design Group
- RRMM Architects
- Tymoff+Moss Architects

The shortlisted firms were interviewed on November 12 and award of the design contact is under evaluation.

PROJECTS UNDER CONSTRUCTION

These projects have received funding for design and construction from various tax-exempt bond financing programs, General Funds and private donations. Contracts have been awarded to general contractors and their progress is monitored daily by the University's project managers and construction inspectors.

CONSOLIDATED ARTS COMPLEX

General Project Information: In August 2012, the Department of Planning and Budget (DPB) approved restructuring this project into three sub-projects: construction of the New Art Building to include the Jean Outland Chrysler and Hofheimer Libraries; demolition of the existing Art Studio Building and construction of a New Art Studio Building along with selected renovation of the existing Visual Arts Building. Project budget remains the same while project square footage now totals 84,000 gsf, with 39,000 gsf for the New Art Building, 26,000 gsf for the New Art Studio Building and 19,000 gsf for selected renovations to the Visual Arts Building. The University contracted with the firm of Tymoff + Moss to design the project. The Commonwealth released \$12,318,606 for construction of the New Art Building.

Project Design: Tymoff + Moss Architects (Norfolk, VA)

Funding Source: 0813 - VCBA Bonds

Project Budget:	a) Construction:	\$9,880,995
	b) Architect/Engineer Fee:	\$1,315,295
	c) Project Inspection:	\$261,699
	d) Equipment:	\$0
	e) Construction Contingency:	\$400,000
	f) Other:	\$460,617
	Total Project Budget:	\$12,318,606

Status: With DPB approval of the restructured project, the University submitted working drawings for the New Art Building to BCOM on November 1, 2012. Following final approval of these drawings, BCOM authorized award of the construction contract to S.B. Ballard Construction Company in late February of this year. The contractor mobilized in mid-March and essentially completed building dry-in; interior framing is 95% complete while mechanical, electrical and plumbing rough in along with sheet rock installation are on schedule. The project's contract substantial completion date is February 14, 2014.

Tymoff+Moss began design of the New Art Studio Building in late 2012 and have completed the first two phases of design. The University submitted working drawings to BCOM on November 20th and is awaiting comments from the agency's review of those drawings. SB Ballard Construction Company is conducting a final constructability review in anticipation of reaching an acceptable GMP in early January.

DIEHN FINE & PERFORMING ARTS CENTER, PHASE II

General Project Information: The University was authorized to construct Diehn Fine & Performing Arts Center - Phase II, an instructional facility complementing the Diehn Fine & Performing Arts Center. As now structured, there are two parts to the project. The first is a 150-seat studio theater in the University Village at 46th Street and Monarch Way, immediately south of the Stables Theater. The second portion of the project is an 18,000 gsf addition to the Diehn Fine & Performing Arts Building being built in the Elkhorn Avenue right of way. This addition includes individual/group practice, rehearsal, studio theater and faculty office spaces.

Project Design: Moseley Architects (Virginia Beach, VA)

Funding Source: 0100 General Funds
0817 VCBA Bonds
Institutional and Private Funds

Project Budget:	a) Construction:	\$16,152,816
	b) Architect/Engineer Fee:	\$2,656,089
	c) Project Inspection:	\$75,000
	d) Equipment	\$300,000
	e) Other:	\$2,223,200
	f) Construction Contingency:	\$1,859,775
	Total Project Budget:	<u>\$23,266,880</u>

Status: In February 2008, the University released a Request for Proposals for design services for this project and selected the design team led by Moseley Architects. Because of the project's complexity, the Board of Visitors and Commonwealth's Director of Engineering and Buildings approved the Construction Manager-at-Risk (CMAR) method of delivery for this project. The University released an RFQ and RFP for CM selection in mid-2008; after evaluation of proposals, WM Jordan Company was selected as the project CMAR.

The University submitted working drawings for both the Monarch (Goode) Theater and the addition to the Diehn Fine & Performing Arts Building in November, 2009, and negotiated a Guaranteed Maximum Price (GMP) with the WM Jordan Company for the Monarch (Goode) Theater at that time. BCOM approved contract award in January, 2010, and construction started in the following February. The project reached final completion on June 10, 2011 and has been closed out.

With City approval of the Elkhorn Avenue closure, the University awarded a construction contract for the addition to the Diehn Fine and Performing Arts Building to the WM Jordan Company in April, 2012. The contractor began work in August, 2012, and reached substantial completion in early September of this year. Users occupied the building in late September and early October and final punch list work will be complete in early December. The University is closing out the project and this will be the last progress report.

SYSTEMS RESEARCH AND ACADEMIC BUILDING

General Project Information: The University was authorized to design and construct the Systems Research and Academic Building. This is a new 50,000 gsf building sited in the existing parking lot between Perry Library and Kaufman Hall. The facility will contain a mix of systems and engineering research spaces, along with new academic space. The Commonwealth has released full project funding.

Project Design: RRMM Architects (Norfolk, VA)

Funding Source: 0965 - General Funds

Project Budget:	a) Construction:	\$14,197,382
	b) Architect/Engineer Fee:	\$1,980,047
	c) Project Inspection:	\$257,000
	d) Equipment:	\$0
	e) Other:	\$1,091,961
	f) Contingency:	\$283,948
	Total Project Budget:	\$17,810,338

Status: The University released an RFP for design services in mid-May, 2008, and selected the design team of Rodriguez, Ripley, Maddux and Motley (RRMM) and SLAM Collaborative for the project in early July, 2008. The University completed the preliminary design phase of the project which was approved for full funding by the General Assembly.

The Commonwealth released funding for final design on July 1, 2011. In anticipation of those funds, the University restarted design in June to bring drawings into conformance with the requirements of the new 2009 Virginia Unified Statewide Building Code (VUSBC) and the 2010 Americans with Disabilities Act Accessibility Guidelines (ADAAG). The design was also modified to achieve a Leadership in Energy and Environmental Design (LEED) silver designation upon building completion. Upon final approval of working drawings in October, 2012, BCOM authorized award of the construction contract to SKANSKA USA Building, Inc. as Construction Manager-at-Risk (CMAR) for the project. The building's exterior is complete and interior finish work is underway and on schedule. The contractor began final site work in mid-November and expects to complete that by the end of January, 2014. Substantial completion of the project is expected in February, 2014.

TELETECHNET CLASSROOM EXPANSION

General Project Information: As part of the University's effort to assist the Commonwealth in absorbing the surge of 60,000 new students anticipated for Virginia's higher education system, the University has been constructing mediated classrooms at various Community College sites in the Commonwealth. The initial request for funding (\$8,612,800) for this project was reduced to \$4,600,000 during the Biennial Budget development process. The identification of specific sites and classrooms has been done in cooperation with the Virginia Community College System.

Project Design: Little Diversified Architects (Arlington, VA)

Funding Source: 0817 VCBA Bonds

Project Budget:	a) Construction:	\$1,218,439
	b) Architect/Engineer Fee:	\$234,951
	c) Transfers to Community Colleges:*	\$2,105,922
	d) Furnishings and Equipment:	\$274,744
	e) Project Inspection:	\$83,342
	f) Other:	\$647,056
	g) Construction Contingency:	\$35,546
	Total Project Budget:	<u>\$4,600,000</u>

*Agreement was reached with Piedmont CC, Lord Fairfax CC and Southwest Virginia CC to include Teletechnet spaces within current new buildings on their campuses, with \$2,105,922 transferred to the Virginia Community College System for those projects

Status: Working with the Teletechnet site directors across the state, eight Community College sites were identified for additions or renovations of existing space to provide new distance learning classroom and staff support spaces. The eight campus sites are:

- Germanna Community College [renovated space]
- Lord Fairfax Community College [additions to existing building]
- Southside Virginia Community College [renovated space]
- Blue Ridge Community College [renovations of existing spaces]
- Piedmont Community College [space within a proposed new building]
- Wytheville Community College [additions to existing building]
- Southwest Virginia Community College [space within a new building]
- J. Sargeant Reynolds Community College [renovations of existing spaces]

Working with Little Diversified Architectural Consulting and ACS Engineering for construction, renovations at Germanna CC provided three new distance learning classrooms and support spaces which were completed in November, 2005, and brought online for the Spring Semester, 2006.

A contract for renovation of part of an existing building at Southside Virginia Community College, in Alberta, Virginia was awarded in February, 2008; the newly remodeled space was available for the 2009 Spring Semester.

The University also completed space renovations at J. Sargeant Reynolds Community College (JSRCC) in Richmond to allow the existing distance learning operation to move from leased space onto the JSRCC campus. There were two elements to the project: the first was renovation of space for the JSRCC Marketing Department in an outlying building, while the second was renovation of the existing Marketing offices in Burnett Hall, the main academic building, for occupancy by the University's Distance Learning Program. The project reached final completion in October, 2011.

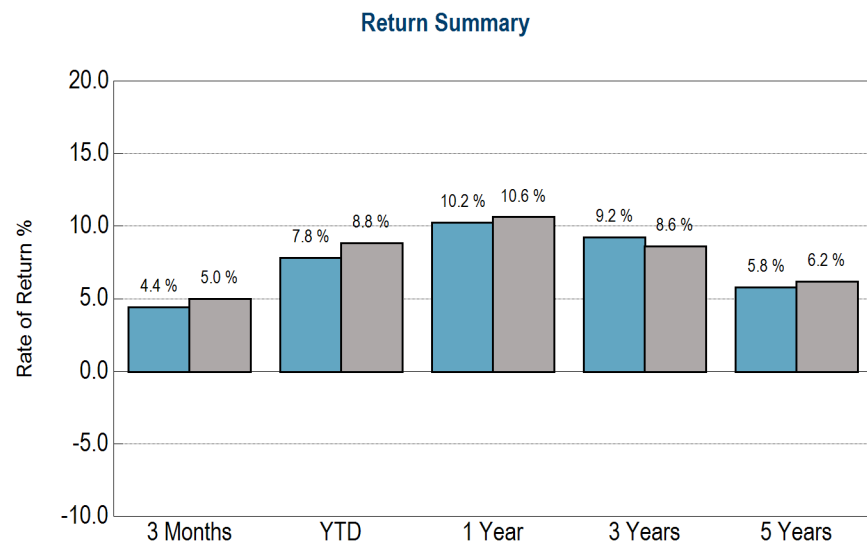
Renovation work on the distance learning site at Rappahannock Community College began in early July, 2013 and was completed in late August of this year for occupancy this Fall Semester. The work done at Rappahannock Community College depleted the last of the funding for this project; the University is in the process of closing it out and this will be the last progress report.

OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION

Quarterly Report for September 30, 2013

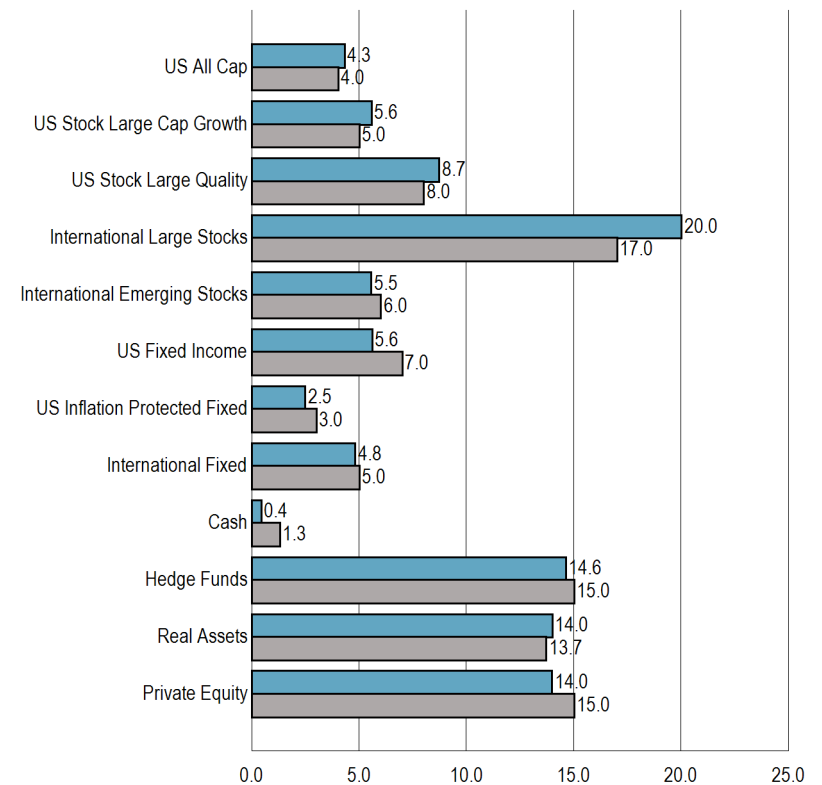
OBJECTIVE: The goal for the portfolio is to achieve 7.5% per year over the long term. The current portfolio has a long term expected return of 8.4%. Over a ten year time horizon, the portfolio is expected to return 7.6%. The standard deviation of this portfolio is plus/minus 13.2% over any one year, with the lowest one year likely return being -22.3%.

Sources of Portfolio Growth	Last Three Months	One Year
Beginning Market Value	\$180,508,711	\$170,182,259
Net Additions/Withdrawals	-\$3,545,407	-\$2,962,485
Investment Earnings	\$8,096,906	\$17,840,436
Ending Market Value	\$185,060,210	\$185,060,210



■ OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION
■ Old Dominion Policy Index

Actual vs Target Asset Allocation (%)

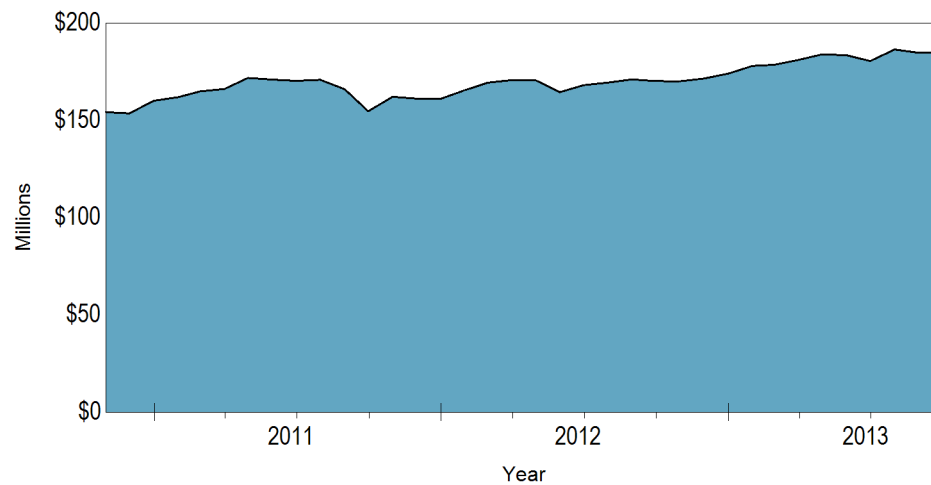


■ Actual ■ Pro-Rata Policy

OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION

Quarterly Report for September 30, 2013

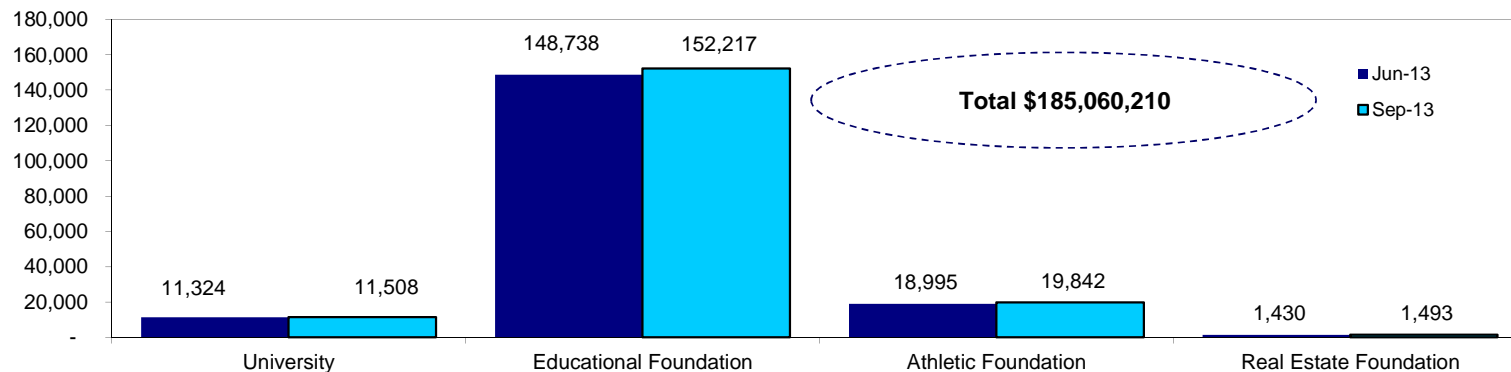
Market Value History



Asset Allocation on September 30, 2013

	Actual \$	Actual %	Target %
US Equity	\$34,379,163	19%	17%
Non-US Equity	\$47,282,036	26%	23%
US Fixed Income	\$14,912,746	8%	10%
Non-US Fixed Income	\$8,893,615	5%	5%
Hedge Funds	\$27,046,592	15%	15%
Real Assets	\$25,895,584	14%	15%
Cash	\$804,689	0%	0%
Private Equity	\$25,845,785	14%	15%
Total	\$185,060,210		

Allocation Among Pool Members



OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION

Quarterly Report for September 30, 2013

Performance Summary

	Market Value (\$)	% of Portfolio	Policy %	Ending September 30, 2013						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION	185,060,210	100.0	100.0	4.4	7.8	10.2	9.2	5.8	6.6	5.1	Jul-99
<i>Old Dominion Policy Index</i>				<u>5.0</u>	<u>8.8</u>	<u>10.6</u>	<u>8.6</u>	<u>6.2</u>	<u>6.8</u>	<u>4.6</u>	<i>Jul-99</i>
Over/Under				-0.6	-1.0	-0.4	0.6	-0.4	-0.2	0.5	
70/30 S&P 500/Barclays Aggregate				3.9	12.9	12.7	12.3	9.0	6.9	4.5	<i>Jul-99</i>
OLD DOMINION MARKETABLE SECURITIES*	139,026,008	75.1	--	5.3	8.4	11.2	8.5	6.6	--	6.6	Sep-08
<i>Old Dominion Marketable Security Policy Index</i>				<u>5.6</u>	<u>8.5</u>	<u>10.5</u>	<u>7.3</u>	<u>6.2</u>	--	<u>6.2</u>	<i>Sep-08</i>
Over/Under				-0.3	-0.1	0.7	1.2	0.4		0.4	
TOTAL EQUITY	81,661,198	44.1	40.0	8.2	13.7	18.1	11.1	8.7	8.5	9.0	May-03
<i>MSCI ACWI</i>				<u>7.9</u>	<u>14.4</u>	<u>17.7</u>	<u>10.2</u>	<u>7.7</u>	<u>7.9</u>	<u>8.3</u>	<i>May-03</i>
Over/Under				0.3	-0.7	0.4	0.9	1.0	0.6	0.7	
TOTAL DOMESTIC EQUITY	34,379,163	18.6	17.0	6.6	19.2	18.7	15.3	9.7	8.0	8.5	May-03
<i>Dow Jones U.S. Total Stock Market</i>				<u>6.2</u>	<u>21.2</u>	<u>21.4</u>	<u>16.8</u>	<u>10.7</u>	<u>8.3</u>	<u>8.6</u>	<i>May-03</i>
Over/Under				0.4	-2.0	-2.7	-1.5	-1.0	-0.3	-0.1	
Vanguard Totl Stk Mkt Ind-ls	7,978,473	4.3		6.3	21.3	21.5	16.8	10.8	--	7.5	<i>Oct-04</i>
<i>Spliced Total Stock Market</i>				<u>6.3</u>	<u>21.4</u>	<u>21.6</u>	<u>16.9</u>	<u>10.8</u>	--	<u>7.5</u>	<i>Oct-04</i>
Over/Under				0.0	-0.1	-0.1	-0.1	0.0		0.0	
Stralem and Company	8,125,808	4.4		5.0	17.3	15.7	13.0	7.7	--	6.7	<i>Jun-06</i>
<i>S&P 500</i>				<u>5.2</u>	<u>19.8</u>	<u>19.3</u>	<u>16.3</u>	<u>10.0</u>	--	<u>6.2</u>	<i>Jun-06</i>
Over/Under				-0.2	-2.5	-3.6	-3.3	-2.3		0.5	
Vanguard Dividend Appreciation	7,997,382	4.3		5.6	18.5	19.2	--	--	--	19.2	<i>Sep-12</i>
<i>Dividend Achievers Select</i>				<u>5.6</u>	<u>18.6</u>	<u>19.3</u>	--	--	--	<u>19.3</u>	<i>Sep-12</i>
Over/Under				0.0	-0.1	-0.1				-0.1	
Vanguard Growth Index - Signal Shares	5,053,795	2.7		8.5	20.0	18.7	17.0	11.7	--	7.5	<i>Apr-08</i>
<i>Spliced Large Cap Growth</i>				<u>8.5</u>	<u>20.0</u>	<u>18.8</u>	<u>17.1</u>	<u>11.8</u>	--	<u>7.6</u>	<i>Apr-08</i>
Over/Under				0.0	0.0	-0.1	-0.1	-0.1		-0.1	
DSM Large Cap Growth Fund Istl	5,223,706	2.8		9.6	20.0	19.3	15.9	9.9	--	6.1	<i>Apr-08</i>
<i>Russell 1000 Growth</i>				<u>8.1</u>	<u>20.9</u>	<u>19.3</u>	<u>16.9</u>	<u>12.1</u>	--	<u>7.7</u>	<i>Apr-08</i>
Over/Under				1.5	-0.9	0.0	-1.0	-2.2		-1.6	

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	Market Value (\$)	% of Portfolio	Policy %	Ending September 30, 2013						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
TOTAL INTERNATIONAL EQUITY	47,282,036	25.5	23.0	9.4	9.9	17.7	7.8	7.9	9.6	10.2	May-03
<i>MSCI ACWI ex USA</i>				<u>10.1</u>	<u>10.0</u>	<u>16.5</u>	<u>5.9</u>	<u>6.3</u>	<u>8.8</u>	<u>9.6</u>	<i>May-03</i>
Over/Under				-0.7	-0.1	1.2	1.9	1.6	0.8	0.6	
TOTAL INTERNATIONAL DEVELOPED EQUITY	37,023,861	20.0	--	12.5	16.3	23.9	10.0	7.8	--	--	Jul-03
GMO Int'l Core Equity III	9,434,703	5.1		13.1	16.6	24.6	9.6	6.1	--	4.7	Nov-05
<i>MSCI EAFE</i>				<u>11.6</u>	<u>16.1</u>	<u>23.8</u>	<u>8.5</u>	<u>6.4</u>	--	<u>4.5</u>	<i>Nov-05</i>
Over/Under				1.5	0.5	0.8	1.1	-0.3		0.2	
1607 Capital Partners International Equity	17,662,033	9.5		13.2	18.4	26.4	11.5	10.1	--	3.8	Mar-08
<i>MSCI EAFE</i>				<u>11.6</u>	<u>16.1</u>	<u>23.8</u>	<u>8.5</u>	<u>6.4</u>	--	<u>1.0</u>	<i>Mar-08</i>
Over/Under				1.6	2.3	2.6	3.0	3.7		2.8	
MFS Instl Intl Equity	9,927,125	5.4		10.6	12.4	--	--	--	--	17.5	Nov-12
<i>MSCI EAFE</i>				<u>11.6</u>	<u>16.1</u>	--	--	--	--	<u>19.9</u>	<i>Nov-12</i>
Over/Under				-1.0	-3.7					-2.4	
TOTAL EMERGING MARKET EQUITY	10,258,175	5.5	--	-0.5	-8.3	-0.8	1.1	7.9	--	11.2	Oct-04
Delaware Pooled Tr Emerg Mkt	10,258,175	5.5		-0.5	-8.3	-0.8	1.1	7.9	--	11.2	Oct-04
<i>MSCI Emerging Markets</i>				<u>5.8</u>	<u>-4.4</u>	<u>1.0</u>	<u>-0.3</u>	<u>7.2</u>	--	<u>11.2</u>	<i>Oct-04</i>
Over/Under				-6.3	-3.9	-1.8	1.4	0.7		0.0	
TOTAL FIXED INCOME	23,806,361	12.9	15.0	0.9	-2.7	-1.1	4.9	7.0	5.8	5.7	May-03
<i>Barclays Aggregate</i>				<u>0.6</u>	<u>-1.9</u>	<u>-1.7</u>	<u>2.9</u>	<u>5.4</u>	<u>4.6</u>	<u>4.4</u>	<i>May-03</i>
Over/Under				0.3	-0.8	0.6	2.0	1.6	1.2	1.3	
US FIXED INCOME	14,912,746	8.1	--	1.0	-3.3	-2.4	4.1	5.5	--	5.2	Nov-04
<i>Barclays Aggregate</i>				<u>0.6</u>	<u>-1.9</u>	<u>-1.7</u>	<u>2.9</u>	<u>5.4</u>	--	<u>4.8</u>	<i>Nov-04</i>
Over/Under				0.4	-1.4	-0.7	1.2	0.1		0.4	
PIMCO Total Return Inst'l Fund	10,345,716	5.6		1.2	-1.9	-0.7	3.8	--	--	5.3	Nov-09
<i>Barclays Aggregate</i>				<u>0.6</u>	<u>-1.9</u>	<u>-1.7</u>	<u>2.9</u>	--	--	<u>3.9</u>	<i>Nov-09</i>
Over/Under				0.6	0.0	1.0	0.9			1.4	
SSgA TIPS CTF	4,567,030	2.5		0.6	-6.9	-6.3	3.8	5.1	--	4.8	Nov-04
<i>Barclays US TIPS</i>				<u>0.7</u>	<u>-6.7</u>	<u>-6.1</u>	<u>4.0</u>	<u>5.3</u>	--	<u>5.0</u>	<i>Nov-04</i>
Over/Under				-0.1	-0.2	-0.2	-0.2	-0.2		-0.2	

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				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
GLOBAL FIXED INCOME	8,893,615	4.8	--	0.7	-1.7	1.4	6.3	9.5	--	7.6	Feb-06
<i>Citi WGBI</i>				<u>2.9</u>	<u>-2.9</u>	<u>-4.6</u>	<u>1.0</u>	<u>4.3</u>	<u>--</u>	<u>5.2</u>	<u>Feb-06</u>
Over/Under				-2.2	1.2	6.0	5.3	5.2		2.4	
Brandywine Global Fixed Income Portfolio CTF	4,215,327	2.3		0.3	-3.1	-0.9	5.1	8.8	--	7.1	Feb-06
<i>Citi WGBI</i>				<u>2.9</u>	<u>-2.9</u>	<u>-4.6</u>	<u>1.0</u>	<u>4.3</u>	<u>--</u>	<u>5.2</u>	<u>Feb-06</u>
Over/Under				-2.6	-0.2	3.7	4.1	4.5		1.9	
Templeton Global Bond Fd- Ad	4,678,288	2.5		1.1	-0.3	3.5	--	--	--	5.9	Oct-11
<i>Citi WGBI</i>				<u>2.9</u>	<u>-2.9</u>	<u>-4.6</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>-1.0</u>	<u>Oct-11</u>
Over/Under				-1.8	2.6	8.1	--	--	--	6.9	
<i>JP Morgan GBI EM Diversified</i>				<u>-0.4</u>	<u>-7.6</u>	<u>-3.7</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1.4</u>	<u>Oct-11</u>
TOTAL CASH	804,689	0.4	1.3	0.3	0.3	0.6	0.8	1.0	2.1	2.1	May-03
<i>91 Day T-Bills</i>				<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>1.6</u>	<u>1.6</u>	<u>May-03</u>
Over/Under				0.3	0.3	0.5	0.7	0.9	0.5	0.5	
Endowment Cash Account	584,770	0.3		0.0	0.0	0.0	0.0	0.2	1.7	2.1	Jan-00
<i>91 Day T-Bills</i>				<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>1.6</u>	<u>2.0</u>	<u>Jan-00</u>
Over/Under				0.0	0.0	-0.1	-0.1	0.1	0.1	0.1	
PIMCO Short-Term Bond Inst'l	219,919	0.1		0.5	0.5	0.9	1.4	--	--	1.7	Sep-09
<i>Citi 3mth Treasury Bill</i>				<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>--</u>	<u>--</u>	<u>0.1</u>	<u>Sep-09</u>
Over/Under				0.5	0.5	0.8	1.3			1.6	
TOTAL ALTERNATIVE INVESTMENTS	78,787,962	42.6	43.7	2.1	6.2	7.2	9.4	2.8	5.7	5.6	May-03
TOTAL REAL ASSETS	25,895,584	14.0	13.7	3.1	5.0	5.5	9.9	-1.1	5.0	4.9	May-03
TOTAL LIQUID REAL ASSETS	5,707,167	3.1	--	7.1	6.2	3.7	7.3	3.2	--	3.7	Sep-05
<i>S&P North American Natural Resources Sector Index</i>				<u>8.6</u>	<u>10.7</u>	<u>7.2</u>	<u>8.3</u>	<u>4.8</u>	<u>--</u>	<u>5.8</u>	<u>Sep-05</u>
Over/Under				-1.5	-4.5	-3.5	-1.0	-1.6		-2.1	
iShares S&P NA Natural Resources Index	2,925,938	1.6		8.7	9.8	7.1	7.9	4.5	--	8.4	May-05
<i>S&P North American Natural Resources Sector Index</i>				<u>8.6</u>	<u>10.7</u>	<u>7.2</u>	<u>8.3</u>	<u>4.8</u>	<u>--</u>	<u>8.9</u>	<u>May-05</u>
Over/Under				0.1	-0.9	-0.1	-0.4	-0.3		-0.5	

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				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
RS Global Natural Resources	2,781,230	1.5		5.5	2.6	0.3	--	--	--	3.2	Nov-10
<i>S&P North American Natural Resources Sector Index</i>				<u>8.6</u>	<u>10.7</u>	<u>7.2</u>	--	--	--	<u>5.1</u>	<i>Nov-10</i>
Over/Under				-3.1	-8.1	-6.9				-1.9	
TOTAL ILLIQUID REAL ASSETS	20,188,417	10.9	--	2.0	4.7	5.9	11.2	-3.2	--	1.2	Sep-05
<i>NCREIF Townsend Blended Index</i>				<u>2.5</u>	<u>8.8</u>	<u>12.1</u>	<u>14.3</u>	<u>-4.2</u>	--	<u>4.6</u>	<i>Sep-05</i>
Over/Under				-0.5	-4.1	-6.2	-3.1	1.0		-3.4	
<i>Mercer Illiquid Natural Resources Index</i>				-0.8	2.5	4.1	8.0	4.3	--	8.9	<i>Sep-05</i>
Mineral Acquisition Partners 2001	522,367	0.3									
Mineral Acquisition Partners 2003	419,673	0.2									
Mineral Acquisition Partners 2004	610,307	0.3									
Metropolitan Real Estate III	645,446	0.3									
RREEF America REIT III	1,051,924	0.6									
Canaan Natural Gas IX	1,150,211	0.6									
Quantum Resources	1,101,107	0.6									
Mineral Acquisition Partners 2006	873,394	0.5									
Commonfund Natural Resources VII	2,038,654	1.1									
HRJ Global Real Estate Fund III	1,217,257	0.7									
Berkshire Multifamily Value Fund II	2,618,872	1.4									
EnCap Investment Fund VII	463,115	0.3									
Natural Gas Partners IX	1,265,835	0.7									
Quinlan Private European Strategic Property Fund	429,647	0.2									
Beacon Capital Strategic Partners VI	1,406,789	0.8									
Canaan Natural Gas X	643,289	0.3									
Commonfund Natural Resources VIII	1,663,516	0.9									
Inland American Real Estate Trust, Inc	62,552	0.0									
Commonfund Natural Resources IX	96,796	0.1									
EnCap Investment Fund IX	166,923	0.1									
Berkshire Multifamily Value Fund III	1,740,743	0.9									

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	Market Value (\$)	% of Portfolio	Policy %	Ending September 30, 2013						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
TOTAL HEDGE FUNDS	27,046,592	14.6	15.0	1.7	6.1	6.8	5.7	3.2	5.0	5.0	May-03
<i>HFRI Fund of Funds Composite Index</i>				<u>1.8</u>	<u>5.2</u>	<u>6.6</u>	<u>2.5</u>	<u>2.0</u>	<u>3.4</u>	<u>3.6</u>	<i>May-03</i>
Over/Under				-0.1	0.9	0.2	3.2	1.2	1.6	1.4	
91 Day T-Bill + 4%				1.0	3.0	4.1	4.1	4.1	5.6	5.6	May-03
Silver Creek Low Vol Strategies II Ltd.	2,980,312	1.6		3.0	5.1	7.7	6.5	2.8	--	3.9	Dec-04
<i>HFRI Fund of Funds Composite Index</i>				<u>1.8</u>	<u>5.2</u>	<u>6.6</u>	<u>2.5</u>	<u>2.0</u>	--	<u>2.7</u>	<i>Dec-04</i>
Over/Under				1.2	-0.1	1.1	4.0	0.8		1.2	
Common Sense Offshore (A) CL A Common Stock	5,986,645	3.2		-4.2	-2.6	-4.4	-1.0	-3.3	--	1.1	Nov-04
<i>HFRI Fund of Funds Composite Index</i>				<u>1.8</u>	<u>5.2</u>	<u>6.6</u>	<u>2.5</u>	<u>2.0</u>	--	<u>2.8</u>	<i>Nov-04</i>
Over/Under				-6.0	-7.8	-11.0	-3.5	-5.3		-1.7	
Pointer Offshore, Ltd.	10,589,158	5.7		4.5	10.0	10.9	9.4	8.3	8.9	8.8	Jul-03
<i>HFRI Fund of Funds Composite Index</i>				<u>1.8</u>	<u>5.2</u>	<u>6.6</u>	<u>2.5</u>	<u>2.0</u>	<u>3.4</u>	<u>3.5</u>	<i>Jul-03</i>
Over/Under				2.7	4.8	4.3	6.9	6.3	5.5	5.3	
Mercer Hedge Fund Investors SP-I	7,490,477	4.0		2.3	9.1	11.7	5.9	--	--	5.9	Sep-10
<i>HFRI Fund of Funds Composite Index</i>				<u>1.8</u>	<u>5.2</u>	<u>6.6</u>	<u>2.5</u>	--	--	<u>2.5</u>	<i>Sep-10</i>
Over/Under				0.5	3.9	5.1	3.4			3.4	
TOTAL PRIVATE EQUITY	25,845,785	14.0	15.0	1.5	7.4	9.1	13.4	5.8	6.1	5.9	May-03
<i>Venture Economics All Private Equity Index</i>				<u>4.9</u>	<u>12.5</u>	<u>12.4</u>	<u>13.6</u>	<u>7.0</u>	<u>12.4</u>	<u>12.6</u>	<i>May-03</i>
Over/Under				-3.4	-5.1	-3.3	-0.2	-1.2	-6.3	-6.7	
Darwin Venture Capital	604,243	0.3									
Portfolio Advisors Private Equity Fund III	984,334	0.5									
Park Street Private Equity Fund VI	1,109,061	0.6									
Commonfund Private Equity Partners VI	2,260,754	1.2									
Commonfund Capital Venture Partners VII	898,397	0.5									
Commonfund International Private Equity Partners V	2,387,137	1.3									
Portfolio Advisors Private Equity Fund IV	1,470,759	0.8									
Portfolio Advisors Private Equity Fund V	1,674,635	0.9									
Vintage IV	1,584,545	0.9									

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	Market Value (\$)	% of Portfolio	Policy %	Ending September 30, 2013						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Quantum Energy Partners IV	1,244,030	0.7									
Commonfund International Private Equity Partners VI	1,145,650	0.6									
Commonfund Private Equity Partners VII	1,015,648	0.5									
Newbury Secondary Fund	1,327,174	0.7									
OCM Opportunities Fund IV B	2,590	0.0									
OCM Opportunities Fund VII	239,021	0.1									
OCM Opportunities Fund VIIb	253,412	0.1									
Commonfund Capital Venture Partners VIII	2,124,491	1.1									
Venture Investment Associates VI	777,800	0.4									
Envest III	1,918,694	1.0									
Quantum Energy Partners V	1,305,194	0.7									
Portfolio Advisors Private Equity Fund VII	596,582	0.3									
Commonfund Capital Partners V	324,374	0.2									
OCM Opportunities Fund IX	297,260	0.2									
Wingate Partners V	60,000	0.0									
Accolade Partners IV	240,000	0.1									

*One or more accounts have been excluded from the composite for the purposes of performance calculations and market value.

- Old Dominion Policy Index = 4% Spliced Total Stock Market / 4% S&P 500 / 2.5% Russell 1000 Growth / 2.5% MSCI US Prime Market Growth Gross / 4% Dividend Achievers Select / 17% MSCI EAFE / 6% MSCI Emerging Markets / 7% Barclays Aggregate / 5% Citi WGBI / 3% Barclays US TIPS / 1.3% 91 Day T-Bills / 15% HFRI Fund of Funds Composite Index / 2.7% S&P North American Natural Resources Sector Index / 6% NCREIF Townsend Blended Index / 5% Mercer Illiquid Natural Resources Index / 15% Venture Economics All Private Equity Index

- Old Dominion Marketable Security Policy Index = 5.41% Spliced Total Stock Market / 5.41% S&P 500 / 5.41% Dividend Achievers Select / 3.38% Russell 1000 Growth / 3.38% MSCI US Prime Market Growth Gross / 22.97% MSCI EAFE / 8.11% MSCI Emerging Markets / 9.46% Barclays Aggregate / 6.76% Citi WGBI / 4.05% Barclays US TIPS / 1.76% 91 Day T-Bills / 20.27% HFRI Fund of Funds Composite Index / 3.65% S&P North American Natural Resources Sector Index

- Spliced Total Stock Market = CRSP US Total Market TR USD

- Spliced Large Cap Growth = CRSP US Large Cap Growth TR USD

- 91 Day T-Bill + 4% = 91 Day T-Bills+.3273

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Fund	Inception	Commitment	Capital Called	Remaining Commitment	Distributions	Capital Account Balance	Last Capital Account Statement	Capital Account Plus Distributions	Multiple of Invested Capital	Net IRR
Darwin Venture Capital	2004	750,000	762,280	96,827	416,435	604,243	6/30/2013	1,020,678	1.34	6.36%
Park Street Private Equity Fund VI	2004	1,500,000	1,440,000	60,000	915,000	1,109,061	6/30/2013	2,024,061	1.41	7.36%
Portfolio Advisors Private Equity Fund III	2004	2,000,000	1,810,000	190,000	1,374,167	984,334	6/30/2013	2,358,501	1.30	5.98%
Commonfund Private Equity Partners VI	2005	3,000,000	2,677,650	322,350	1,103,628	2,260,754	6/30/2013	3,364,382	1.26	4.92%
Commonfund Capital Venture Partners VII	2005	1,000,000	917,000	83,000	355,531	898,397	6/30/2013	1,253,928	1.37	7.59%
Commonfund International Private Equity Partners V	2005	3,000,000	2,685,418	314,582	1,092,985	2,387,137	6/30/2013	3,480,122	1.30	5.20%
Portfolio Advisors Private Equity Fund IV	2006	2,000,000	1,614,024	385,976	631,865	1,470,759	6/30/2013	2,102,624	1.30	5.73%
Commonfund International Private Equity Partners VI	2007	1,500,000	1,158,750	341,250	177,163	1,145,650	6/30/2013	1,322,813	1.14	4.54%
Commonfund Private Equity Partners VII	2007	1,500,000	1,055,250	444,750	258,333	1,015,648	6/30/2013	1,273,981	1.21	7.64%
Commonfund Capital Venture Partners VIII	2007	2,250,000	1,861,875	388,125	196,622	2,124,491	6/30/2013	2,321,113	1.25	7.80%
Venture Investment Associates VI	2007	1,200,000	960,000	240,000	309,492	777,800	6/30/2013	1,087,292	1.13	4.60%
Envest III	2008	2,400,000	1,950,001	449,999	52,096	1,918,694	9/30/2013	1,970,790	1.01	0.56%
Portfolio Advisors Private Equity Fund V	2008	2,500,000	1,788,891	711,109	517,329	1,674,635	6/30/2013	2,191,964	1.23	6.18%
Portfolio Advisors Private Equity Fund VII	2012	2,500,000	607,438	1,892,562	-	596,582	6/30/2013	596,582	0.98	-7.03%
Commonfund Capital Partners V	2012	2,500,000	350,000	2,150,000	-	324,374	6/30/2013	324,374	0.93	-12.46%
Accolade Partners IV	2013	3,000,000	240,000	2,760,000	-	240,000	NA	240,000	1.00	-7.17%
Wingate Partners V	2013	2,000,000	60,000	1,940,000	-	60,000	NA	60,000	1.00	-4.22%
<i>Private Equity</i>		<i>34,600,000</i>	<i>21,938,577</i>	<i>12,770,530</i>	<i>7,400,646</i>	<i>19,592,559</i>		<i>26,993,205</i>	<i>1.23</i>	<i>5.65%</i>
Vintage IV	2006	2,500,000	2,423,561	521,829	1,554,019	1,584,545	6/30/2013	3,138,564	1.30	6.63%
Newbury Equity Partners	2007	2,000,000	1,880,000	120,000	1,179,257	1,327,174	6/30/2013	2,506,431	1.33	9.79%
<i>Secondaries</i>		<i>4,500,000</i>	<i>4,303,561</i>	<i>641,829</i>	<i>2,733,276</i>	<i>2,911,719</i>		<i>5,644,995</i>	<i>1.31</i>	<i>7.83%</i>
Quantum Energy Partners IV	2006	2,000,000	1,618,057	435,994	819,491	1,244,030	6/30/2013	2,063,521	1.28	9.54%
Quantum Energy Partners V	2008	2,500,000	1,256,290	1,268,615	24,905	1,305,194	6/30/2013	1,330,099	1.06	4.19%
<i>Energy/Natural Resources(PE)</i>		<i>4,500,000</i>	<i>2,874,347</i>	<i>1,704,609</i>	<i>844,396</i>	<i>2,549,224</i>		<i>3,393,620</i>	<i>1.18</i>	<i>8.13%</i>
OCM Opportunities Fund IV B	2002	1,000,000	1,200,000	-	1,956,074	2,590	6/30/2013	1,958,664	1.63	44.91%
OCM Opportunities Fund VIIb	2007	1,000,000	900,000	100,000	1,311,490	253,412	6/30/2013	1,564,902	1.74	18.06%
OCM Opportunities Fund VII	2007	1,000,000	1,000,000	-	1,143,073	239,021	6/30/2013	1,382,094	1.38	8.14%
OCM Opportunities Fund IX	2012	2,000,000	300,000	1,700,000	-	297,260	6/30/2013	297,260	0.99	-3.25%
<i>Special Situations</i>		<i>5,000,000</i>	<i>3,400,000</i>	<i>1,800,000</i>	<i>4,410,637</i>	<i>792,283</i>		<i>5,202,920</i>	<i>1.53</i>	<i>29.23%</i>
<i>Total Private Equity</i>		<i>48,600,000</i>	<i>32,516,485</i>	<i>16,916,968</i>	<i>15,388,955</i>	<i>25,845,785</i>		<i>41,234,740</i>	<i>1.27</i>	<i>7.41%</i>

Old Dominion University Educational Foundation

September 30, 2013

Fund	Inception	Commitment	Capital Called	Remaining Commitment	Distributions	Capital Account Balance	Last Capital Account Statement	Capital Account Plus Distributions	Multiple of Invested Capital	Net IRR
Metropolitan Real Estate III	2005	1,000,000	987,500	12,500	228,113	645,446	6/30/2013	873,559	0.88	-2.29%
RREEF America REIT III	2005	2,000,000	2,000,000	-	323,172	1,051,924	9/30/2013	1,375,096	0.69	-4.49%
HRJ Global Real Estate Fund III	2007	2,500,000	2,425,000	75,000	-	1,217,257	6/30/2013	1,217,257	0.50	-11.36%
Berkshire Multifamily Value Fund II	2007	2,500,000	2,500,000	-	724,541	2,618,872	6/30/2013	3,343,413	1.34	9.57%
Quinlan Private European Strategic Property Fund	2007	2,500,000	2,273,510	226,490	81,540	429,647	6/30/2013	511,187	0.22	-26.96%
Beacon Capital Strategic Partners VI	2008	2,750,000	1,320,000	1,430,000	39,479	1,406,789	6/30/2013	1,446,268	1.10	6.54%
Inland American Real Estate Trust, Inc	2011	63,761	63,761	-	-	62,552	9/30/2013	62,552	0.98	-1.04%
Berkshire Multifamily Value Fund III	2013	2,500,000	1,695,906	804,094	-	1,740,743	6/30/2013	1,740,743	1.03	7.18%
<i>Real Estate</i>		<i>15,813,761</i>	<i>13,265,677</i>	<i>2,548,084</i>	<i>1,396,845</i>	<i>9,173,230</i>		<i>10,570,075</i>	<i>0.80</i>	<i>-5.31%</i>
Mineral Acquisition Partners 2001	2001	250,000	250,000	-	538,693	522,367	6/30/2013	1,061,060	4.24	22.23%
Mineral Acquisition Partners 2003	2003	250,000	250,000	-	398,995	419,673	6/30/2013	818,668	3.27	20.63%
Mineral Acquisition Partners 2004	2004	500,000	500,000	-	246,464	610,307	6/30/2013	856,771	1.71	9.26%
Canaan Natural Gas IX	2005	1,986,302	1,738,288	248,014	535,409	1,150,211	12/31/2012	1,685,620	0.97	-0.63%
Quantum Resources	2006	2,500,000	2,325,370	174,620	1,512,140	1,101,107	6/30/2013	2,613,247	1.12	3.73%
Mineral Acquisition Partners 2006	2006	750,000	750,000	-	146,476	873,394	6/30/2013	1,019,870	1.36	7.21%
Commonfund Natural Resources VII	2006	2,500,000	2,160,000	340,000	720,087	2,038,654	6/30/2013	2,758,741	1.28	7.51%
EnCap Investment Fund VII	2007	1,500,000	1,486,187	175,932	1,659,864	463,115	6/30/2013	2,122,979	1.43	18.93%
Natural Gas Partners IX	2007	1,500,000	1,533,290	98,475	768,100	1,265,835	6/30/2013	2,033,935	1.33	11.02%
Canaan Natural Gas X	2008	2,750,000	962,500	1,787,500	123,754	643,289	12/31/2012	767,043	0.80	-6.56%
Commonfund Natural Resources VIII	2008	2,500,000	1,750,000	750,000	309,179	1,663,516	6/30/2013	1,972,695	1.13	7.29%
EnCap Investment Fund IX-C	2012	2,000,000	183,884	1,816,116	-	166,923	6/30/2013	166,923	0.91	-32.74%
Commonfund Natural Resources IX	2012	2,500,000	112,500	2,387,500	-	96,796	6/30/2013	96,796	0.86	-29.47%
<i>Energy/Natural Resources(RA)</i>		<i>21,486,302</i>	<i>14,002,019</i>	<i>7,778,157</i>	<i>6,959,161</i>	<i>11,015,187</i>		<i>17,974,348</i>	<i>1.28</i>	<i>7.83%</i>
<i>Total Real Assets</i>		<i>37,300,063</i>	<i>27,267,696</i>	<i>10,326,241</i>	<i>8,356,006</i>	<i>20,188,417</i>		<i>28,544,423</i>	<i>1.05</i>	<i>1.27%</i>
Total		85,900,063	59,784,181	27,243,209	23,744,961	46,034,202		69,779,163	1.17	4.54%

Capital Account Balance reflects capital account balance from last capital account statement adjusted for interim capital calls and distributions.

OCM Opportunities IVb Capital Account Balance (thus Net IRR) is net of management fees and operating expenses but gross of Potential Incentive Allocation.

Valuation of non-public securities is performed by the General Partner (GP) given current market and company conditions. Thus the Capital Account Balance, and consequently IRR, reflects GP valuation. There can be no guarantee that such valuations accurately reflect the market value of such securities.

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- Historical index returns not otherwise provided in this report may be provided to the client upon request.
- Historical Data prior to 6/30/04 provided by Smith Barney on a net of fee basis only.
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- For information on the Capital Account balance and valuation of private equity and real asset investments, please refer to the footnote on the Capital Account Summary.
- Returns for Private Equity and Illiquid Real Assets are time weighted. The time weighted rates of return are shown for Total Illiquid Real Assets and Total Private Equity at the client's request. Hammond Associates' standard practice, as well as the generally accepted industry standard, is to calculate an IRR for these investments, due to the nature in which they are funded as well as the frequency in which they are valued. See Capital Account Summary for IRR calculations.
- The valuation method for Canaan Natural Gas Parallel Fund IX, LP was changed from Cost to Capital Account valuation on April 1, 2008.
- Unless otherwise noted, the portfolio values presented in this report include any interest accrued as of the last trading date of the month reported herein.
- Performance returns for periods over one year are annualized.
- The Marketable Securities Composite excludes illiquid real assets and private equity for the purpose of performance calculations and market value.
- In March 2010, Old Dominion switched from DSM Capital Partners LLC to DSM Large Cap Growth Fund. Historical data for DSM Large Cap Growth Fund prior to March 2010 reflects the performance DSM Capital Partners LLC.
- Performance for liquid real assets is included in Total Alternatives composite.
- The Old Dominion fiscal year ends December 31st.
- The Spliced Total Stock Market Index consists of Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 8, 2005; the MSCI US Broad Market Index through January 14, 2013; and the CRSP US Total Market Index thereafter.
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