M E M O R A N D U M

TO: Members of the Administration and Finance Committee
Robert M. Tata, Chair
Fred J. Whyte, Vice Chair
Ronald C. Ripley *(ex-officio)*
John F. Biagas *(ex-officio)*
Alton J. Harris
Barry M. Kornblau
Ross A. Mugler
William D. Sessoms, Jr.
Judith O. Swystun
John Lombard (*Faculty Representative*)

FROM: David F. Harnage
Chief Operating Officer

DATE: November 20, 2014

SUBJECT: Meeting of the Committee, December 4, 2014

The Administration and Finance Committee will meet on Thursday, December 4, 2014, from 9:30-10:45 a.m. in the Board Room of Webb University Center. Enclosed for your review are the agenda and supporting documents.

I. ACTION ITEM

A. **Approval of Minutes** – The Committee will consider a motion to approve the minutes of the Administration and Finance Committee meeting held on September 18, 2014.

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, 2014**.**

B. **Chief Operating Officer Report** – In his report to the Committee, Chief Operating Officer Harnage will brief the Committee on the Financial Performance Measures, State Cooperative Procurement Initiative, Building Awards, and continuation of the Lighting Survey.

III. STANDING REPORTS

The Committee will receive briefings on the following standing reports:

A. **Capital Outlay Projects Status Report** (Enclosed)

B. **Investment Report** (Enclosed)

DFH/lgc

cc: Board of Visitors

Old Dominion University
Financial Statements

June 30, 2014

(Unaudited)

TABLE OF CONTENTS

Management's Discussion & Analysis 3

Statement of Net Position 10

Statement of Revenues, Expenses and Changes in Net Position 11

Statement of Cash Flows 12

Notes to Financial Statements 15

Independent Auditor's Report 41

University Officials 45

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Old Dominion University is a comprehensive, multicultural, and student-centered doctoral research university whose central mission is to provide students with the best education possible. The University's seven colleges--Arts and Letters, Business, Continuing Education and Professional Development, Education, Engineering and Technology, Health Sciences and Sciences--offer 70 baccalaureate programs, 54 master's programs, two education specialist programs, 42 doctoral programs and an award-winning distance learning program. The University provides a world-class education to more than 24,800 undergraduate and graduate students from all 50 states and 104 countries and has a strong global network of 127,000 alumni. This year, Old Dominion opened the Strome Entrepreneurial Center to empower students from any academic discipline to turn their idea into an enterprise and create great economic and social value in our region and beyond.

The University's local, regional and national impact continues to grow. Our entrepreneurial approach drives research and collaboration, and as measured by the Virginia Business Higher Education Council, the University contributes $2.1 billion annually to the Hampton Roads economy. Old Dominion University is one of the largest generators of new jobs in the region. Not only do we educate the workforce of tomorrow, but Old Dominion University's Veterans Business Outreach Center is taking a leading role in training veteran entrepreneurs and retaining veteran-owned small business enterprises in our region. The University is also committed to providing research-driven solutions. Our world-class researchers partner with business, industry, government and investment leaders to create answers for society's most pressing challenges. Old Dominion University has made great strides in advancing research and innovation, including our internationally renown areas of strength in modeling and simulation, bioelectrics, maritime, ports and logistics, nanotechnologies, sea level rise, and alternative energies. Currently we are working on more than 400 projects at our 26 research centers across the state. These initiatives, such as Old Dominion's modeling and simulation, not only fill a vital need in the worforce, but they are propelling job creation and economic growth by tying in nicely into regional strengths—federal labs, the port, military, Chesapeake Bay and health care.

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

Overview of the Financial Statements and Financial Analysis

The Management's Discussion and Analysis (MD&A) is required 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's financial activities based on currently known facts, decisions, and conditions. This discussion includes an analysis of the University's financial condition and results of operations for the fiscal year ended June 30, 2014. Note that although the University's foundations identified as component units under GASB Statement 61 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, 2013. 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, deferred outflows, liabilities, deferred inflows and net position as of the end of the fiscal year. The purpose of this statement is to present to the financial statement readers a snapshot of the University's financial position at year-end. From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the University's operations. 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, 2014	As of June 30, 2013	Increase / (Decrease)	Percent Change
Assets and deferred outflows:				
Current	$ 111,265	$ 103,619	$ 7,646	7.4%
Capital, net of accumulated depreciation	577,263	561,768	15,495	2.8%
Other noncurrent	42,079	42,884	(805)	(1.9)%
Deferred outflows of resources	4,297	-	4,297	100.0%
Total assets & deferred outflows	734,904	708,271	26,633	3.8%
Liabilities and deferred inflows:				
Current	73,509	74,672	(1,163)	(1.6)%
Noncurrent	234,916	245,267	(10,351)	(4.2)%
Deferred inflows of resources	-	-	-	0.0%
Total liabilities & deferred inflows	308,425	319,939	(11,514)	(3.6)%
Net position:				
Net investment in capital assets	336,748	308,040	28,708	9.3 %
Restricted	28,391	28,644	(253)	(0.9)%
Unrestricted	61,340	51,648	9,692	18.8 %
Total net position	$ 426,479	$ 388,332	$ 38,147	9.8 %

The University's financial position remained strong at the end of fiscal year 2014 with an increase in total assets of $26.6 million or 3.8%. The growth in current assets of $7.6 million or 7.4% was a result of an increase in auxiliary cash and accounts receivable offset by a decrease in the monies due from the Commonwealth for reimbursement bond programs. Current liabilities decreased 1.6% or $1.2 million due to the timing of payments to vendors for goods and services and construction projects. Noncurrent liabilities decreased $10.4 million or 4.2% due to the normal payment of debt, while total University liabilities decreased $11.5 million or 3.6%. The overall financial position of the University improved over the prior fiscal year as evidenced by the growth in net position of $38.1 million or 9.8%.

Statement of Revenues, Expenses and Changes in Net Position

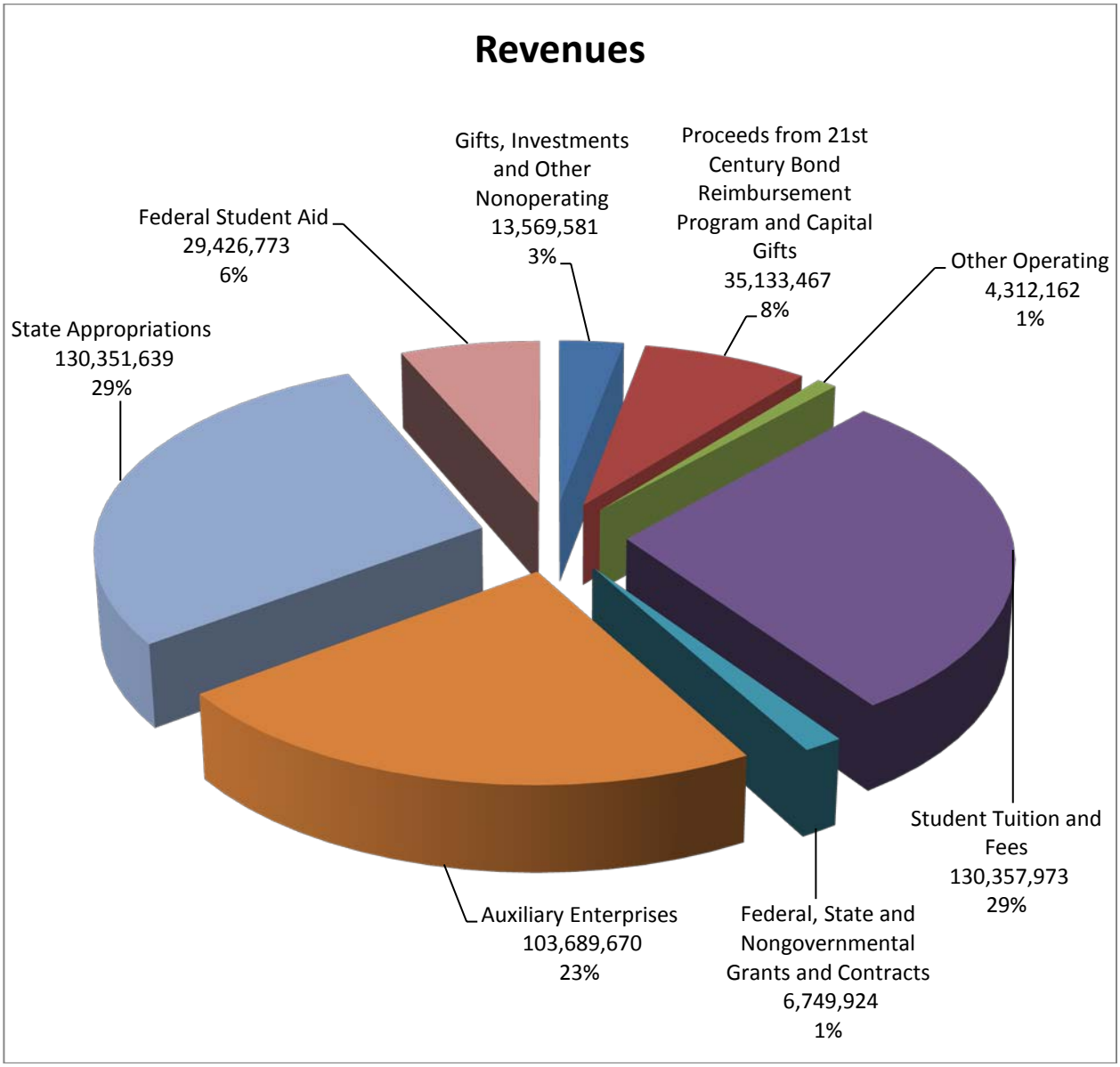
Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and nonoperating, and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

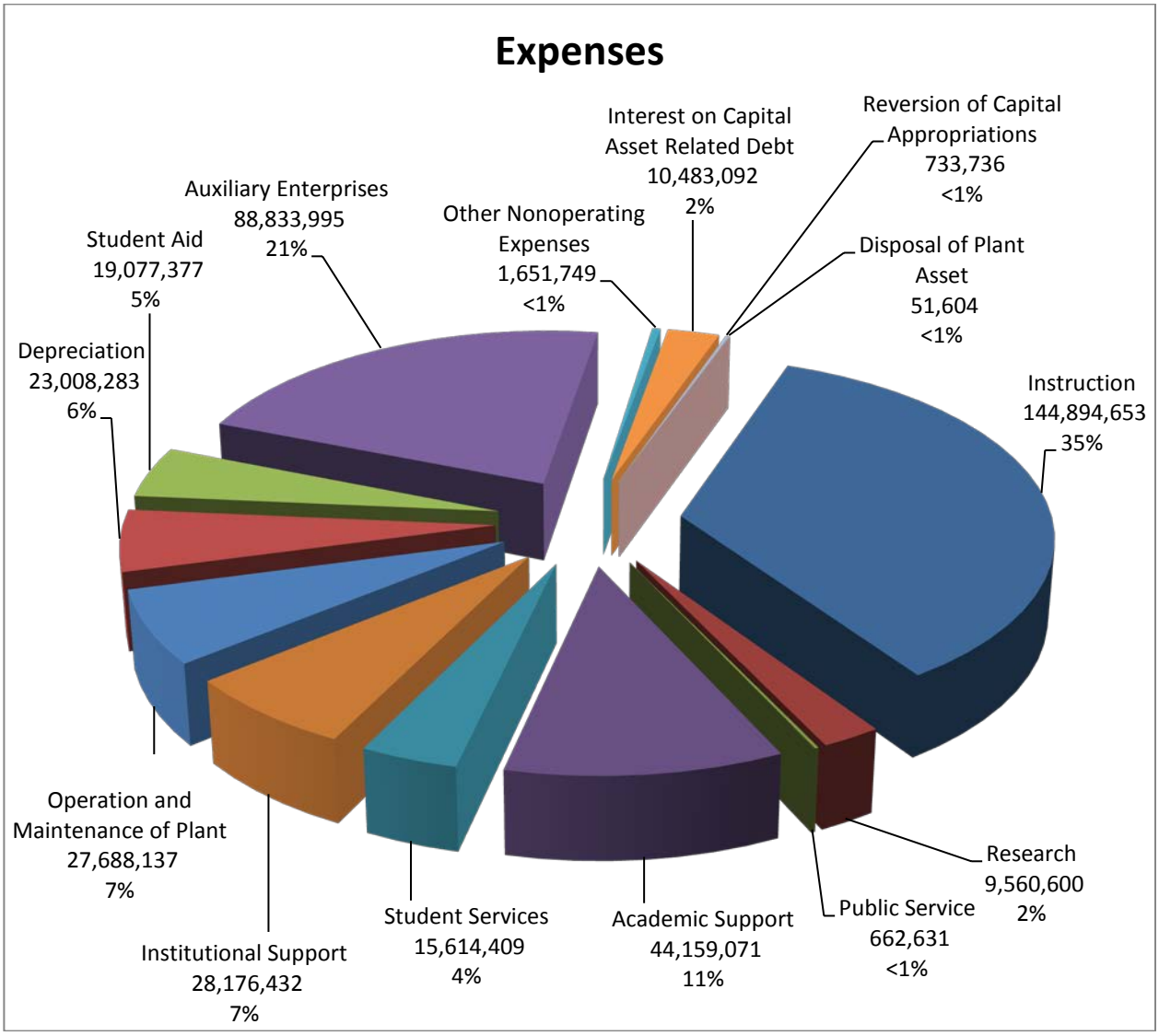
Nonoperating revenues are revenues received for which goods and services are not provided. For example, the University's state appropriations are nonoperating because they are provided by the state legislature without the legislature directly receiving commensurate goods and services for those revenues.

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

	Year Ended June 30, 2014	Year Ended June 30, 2013	Increase / (Decrease)	Percent Change
Operating revenues:				
Student tuition and fees	$ 130,358	$ 120,047	$ 10,311	8.6 %
Federal grants and contracts	5,039	4,808	231	4.8 %
State, local & nongovernmental grants	1,711	2,528	(817)	(32.3)%
Auxiliary enterprises	103,690	95,981	7,709	8.0 %
Other operating revenues	4,312	4,581	(269)	(5.9)%
Total operating revenues	245,110	227,945	17,165	7.5 %
Operating expenses:				
Instruction	144,895	135,599	9,296	6.9 %
Research	9,561	7,773	1,788	23.0 %
Public service	663	444	219	49.3 %
Academic support	44,159	42,130	2,029	4.8 %
Student services	15,614	14,351	1,263	8.8 %
Institutional support	28,177	28,346	(169)	(0.6)%
Operation and maintenance	27,688	26,202	1,486	5.7 %
Depreciation	23,008	22,577	431	1.9 %
Scholarships and fellowships	19,077	17,711	1,366	7.7 %
Auxiliary activities	88,834	80,774	8,060	10.0 %
Total operating expenses	401,676	375,907	25,769	6.9 %
Operating loss	(156,566)	(147,962)	8,604	5.8 %
Net nonoperating revenues and expenses	161,206	147,708	13,498	9.1 %
Income before other revenues/ (expenses)/gains/(losses)	4,640	(254)	4,894	1926.8%
Net other revenues and expenses	34,356	22,358	11,998	53.7 %
Increase in net position	38,996	22,104	16,892	76.4 %
Net position - beginning of year (as restated)	387,483	366,228	21,255	5.8 %
Net position - end of year	$ 426,479	$ 388,332	$ 38,147	9.8 %



The largest components of total operating revenue are primarily student tuition and fees which increased $10.3 million or 8.6% and auxiliary enterprise revenue which increased by $7.7 million or 8.0% from the prior fiscal year. The growth in revenue was due to the rise in both in-state and out-of-state tuition rates and increases in auxiliary enterprise charges. The overall increase in nonoperating revenue of $12.6 million or 7.9% was a result of increased funding from the Commonwealth through appropriations for base operating support, an increase in Pell grant revenue, gifts and investment income. Finally, other revenues increased $11.9 million or 52.6% as a result of additional funding from the 21st Century Bond Program and capital gifts for ongoing campus construction.



Operating expenses increased $25.8 million or 6.9% in response to various factors including establishment of additional faculty, administrative and staff positions, and faculty promotions. Faculty and staff received a 3% salary increase. Classified staff received compression adjustments and, in an effort to retain well qualified faculty and staff, an additional 1% was granted. 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 ($142.3 million) and auxiliary enterprises ($117.2 million). The primary uses are payments to employees including salaries, wages, and fringe benefits ($228.3 million) and payments to vendors ($96.9 million).

The second section reflects the cash flows from non-capital financing activities and reflects nonoperating sources and uses of cash primarily to support operations. The primary sources are state appropriations ($130.0 million) and gifts and grants ($40.6 million).

The third section represents cash flows from capital financing activities and details the activities related to the acquisition and construction of capital assets including related debt payments. The primary source of funds is proceeds from reimbursements from the Commonwealth ($28.4 million) and capital gifts ($6.4 million). The primary uses are purchases of capital assets ($37.3 million) and principal and interest paid on capital debt ($25.2 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, 2014	Year ended June 30, 2013	Increase / (Decrease)	Percent Change
Cash flows from operating activities	$ (136,699)	$ (121,914)	$ (14,785)	(12.1)%
Cash flows from non-capital financing	171,067	157,847	13,220	8.4 %
Cash flows from capital financing activities	(29,650)	(34,991)	5,341	(15.3)%
Cash flows from investing activities	1,018	959	59	6.2 %
Net change in cash	$ 5,736	$ 1,901	$ 3,835	201.7 %

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 6. In addition to buildings, capital asset additions for June 30, 2014 include increases of $13.7 million in equipment and $1.0 million in library books.

Several ongoing capital projects were added and completed during the fiscal year which resulted in a net decrease in construction in progress of $17.9 million. New additions to construction in progress include the System Research and Academic building, Consolidated Arts Complex and the Education building. Projects were financed through issuance of General Obligation and revenue bonds and capital gifts.

Financial stewardship requires effective management of resources, including the use of long-term debt to finance capital projects. The University's long-term debt decreased $14.3 million as reflected in Notes 8 and 9. The decrease is the result of normal payment of existing debt.

Uncompleted construction and other related contractual commitments decreased from $8.8 million at June 30, 2013 to $4.9 million at June 30, 2014, as reflected in Note 13. These obligations are for future efforts and therefore have not been accrued as expenses or liabilities on the University's financial statements. The decrease is primarily the result of ongoing projects for System Research and Academic building and Consolidated Arts Complex.

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 (STEM) and the number of restructuring initiatives to enhance progress in promoting higher education opportunities. Old Dominion ranks third in the production of STEM programs. To further assess institutional performance, Chapter 2, 2014 Virginia Acts of Assembly, Special Session I included a requirement in the General Provisions to assess and certify institutional performance annually on several financial and administrative standards. The State Council of Higher Education (SCHEV) recently certified that Old Dominion University passed all the standards. Financial benefits provided to each institution will be evaluated in light of the institution's performance. While all Virginia universities are faced with the challenge of containing costs through business process improvements and efficiencies, they must also provide a quality education to students with limited state general fund support at affordable tuition prices. Old Dominion University's tuition and fees are the lowest of all the Virginia doctoral institutions.

Budget actions taken by the Governor and General Assembly to address a projected revenue shortfall of $1.5 billion removed all new general funds from higher education institutions and state agencies for the 2014-2016 biennium and the funding levels reverted to the 2012-2014 biennial appropriation. Subsequently, the Commonwealth's anticipated shortfall increased to $2.4 billion and additional budget reductions of $881 million were necessary. Consequently, all state agencies and higher education institutions were required to submit budget reduction plans totaling 5 and 7 percent for fiscal years 2015 and 2016 respectively. Recently, the General Assembly acknowledged the funding differences among the higher education institutions and introduced House Bill 5010, which prorated the annual reduction target for Old Dominion University to $2.2 million or 2.1% for the 2014-2016 biennium.

With the uncertainty of the state budget process, the University's budget and planning process was impacted. The 2014-2015 Budget and Plan presented to the Board in June 2014 included the addition of $15.3 million of new general and central funds and $7 million in tuition and fee revenue with the understanding that an amended budget would be presented at the September 2014 Board meeting. The amended budget which included the net loss of $12.9 million in general and central funds addressed the mandatory health and retirement benefit costs for faculty and staff, faculty promotions, operations and maintenance of new facilities as well as mandated increases in utilities, contracts and lease costs, leaving limited uncommitted resources available for investments in new initiatives.

Those investments, totaling approximately $2 million, were allocated on a one-time basis and were grouped into the following major success critical categories:

1. Academic Enterprise (Instruction, Research, Public Service and Academic Support)
2. Student Recruitment and Enrollment Management
3. Campus Infrastructure
4. Campus Life and Student Retention

In addition, $1.8 million was set aside for one-time compensation adjustments for full- and part-time faculty and staff.

Although the fiscal situation has provided some challenges in this year's budget process, Old Dominion University will continue to manage its resources and position itself to continue its pursuit of excellence in teaching, research, entrepreneurism and public service.

OLD DOMINION UNIVERSITY
STATEMENT OF NET POSITION
As of June 30, 2014

	Old Dominion University	Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and cash equivalents (Note 3)	$ 87,453,870	$ 34,918,586
Accounts receivable (Net of allowance for doubtful accounts $1,350,454) (Note 5)	13,826,753	17,966,554
Contributions receivable (Net of allowance for doubtful collections $236,136) (Note 12)	-	6,098,788
Due from the Commonwealth (Note 5)	5,429,928	-
Appropriations available	979,246	-
Travel advances	-	53,643
Prepaid expenses	1,443,916	734,404
Inventory	732,202	-
Notes receivable (Net of allowance for doubtful accounts $24,870)	1,399,095	-
Other assets	-	193,852
Total current assets	111,265,010	59,965,827
Noncurrent assets:		
Restricted cash and cash equivalents (Note 3)	15,295,105	-
Endowment investments (Note 4)	9,439,904	-
Investments (Notes 3 and 12)	15,586,337	203,237,290
Accounts receivable	-	48,067,655
Contributions receivable (Net of allowance for doubtful collections $34,019) (Note 12)	-	17,790,417
Notes receivable (Net of allowance for doubtful accounts $57,252)	1,757,436	3,405,000
Nondepreciable capital assets (Notes 6 and 12)	43,941,237	25,851,064
Capital assets (Notes 6 and 12)	533,321,490	7,860,607
Total noncurrent assets	619,341,509	306,212,033
Total assets	730,606,519	366,177,860
Deferred outflows of resources	4,297,153	-
Total assets and deferred outflows of resources	734,903,672	366,177,860
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current liabilities:		
Accounts payable and accrued expenses (Note 7)	37,641,881	10,139,810
Due to affiliates	-	5,225,610
Unearned revenue	8,897,208	4,991,692
Obligations under securities lending (Note 3)	4,679,092	-
Deposits held in custody for others	2,344,417	38,754
Other liabilities	-	11,892,513
Line of credit	-	9,964,535
Long-term liabilities - current portion (Notes 8 and 12)	19,945,829	6,775,157
Total current liabilities	73,508,427	49,028,071
Noncurrent liabilities (Notes 8 and 12)	234,916,345	78,408,446
Total liabilities	308,424,772	127,436,517
Deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	308,424,772	127,436,517
NET POSITION		
Net invested in capital assets	336,748,384	20,177,736
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	5,454,618	-
Permanently restricted	-	130,004,180
Expendable:		
Scholarships and fellowships	6,583,774	-
Research	2,473,865	-
Loans	3,407,879	-
Capital projects	69,139	-
Temporarily restricted	-	87,210,402
Departmental uses	10,400,921	-
Unrestricted	61,340,320	1,349,025
Total net position	$ 426,478,900	$ 238,741,343

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, 2014

	Old Dominion University	Component Units
Operating revenues:		
Student tuition and fees (Net of scholarship allowances of $25,600,690)	$ 130,357,973	$ -
Gifts and contributions	-	12,781,880
Federal grants and contracts	5,038,789	-
State grants and contracts	323,363	-
Indirect cost	-	8,541,959
Sponsored research	-	40,080,383
Nongovernmental grants and contracts	1,387,772	-
Auxiliary enterprises (Net of scholarship allowances of $15,749,185)	103,689,670	-
Other operating revenues	4,312,162	9,075,852
Total operating revenues	245,109,729	70,480,074
Operating expenses:		
Instruction	144,894,653	2,298,490
Research	9,560,600	46,703,289
Public service	662,631	-
Academic support	44,159,071	5,397,228
Student services	15,614,409	-
Institutional support	28,176,432	7,907,387
Operation and maintenance	27,688,137	1,235,179
Depreciation	23,008,283	295,787
Student aid	19,077,377	2,622,230
Auxiliary activities	88,833,995	-
Total operating expenses	401,675,588	66,459,590
Operating income (loss)	(156,565,859)	4,020,484
Nonoperating revenues (expenses):		
State appropriations (Note 11)	131,410,939	-
Pell grant revenue	29,426,773	-
Gifts	11,211,579	-
Investment income (Net of investment expenses of $227,732)	2,350,343	20,562,888
Other	(98,439)	-
Interest of capital asset-related debt	(10,483,092)	-
Payments to Commonwealth from state appropriations	(1,059,300)	-
Payments to Treasury Board	(374,473)	-
Payments to grantee	(1,174,000)	-
Payments to grantors	(4,837)	-
Net nonoperating revenues (expenses)	161,205,493	20,562,888
Income before other revenues, (expenses), gains, and (losses)	4,639,634	24,583,372
Proceeds from 21st Century bond reimbursement program	27,735,688	-
Capital gifts and grants	7,397,779	-
Reversion of capital appropriations	(733,736)	-
Disposal of plant assets	(51,604)	-
Build America bond interest	7,659	-
Loss on property	-	(2,249,552)
Contributions to permanent endowments	-	12,230,446
Total other revenues, (expenses), gains, and (losses)	34,355,786	9,980,894
Increase in net position	38,995,420	34,564,266
Net position - beginning of year (as restated) (Note 2)	387,483,480	204,177,077
Net position - end of year	$ 426,478,900	$ 238,741,343

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, 2014

Cash flows from operating activities:		
Student tuition and fees	$	142,329,875
Grants and contracts		6,950,835
Auxiliary enterprises		117,216,735
Other receipts		4,312,162
Payments to employees		(178,243,502)
Payments for fringe benefits		(50,063,023)
Payments for services and supplies		(89,198,827)
Payments for travel		(7,652,474)
Payments for scholarships and fellowships		(68,475,964)
Payments for noncapitalized improvements and equipment		(14,033,825)
Loans issued to students		(325,000)
Collections of loans from students		484,141
Net cash used by operating activities		(136,698,867)
Cash flows from non-capital financing activities:		
State appropriations		130,035,884
Pell grant revenue		29,212,907
Gifts and grants for other than capital purposes		11,379,844
William D. Ford direct lending receipts		108,636,277
William D. Ford direct lending disbursements		(108,636,277)
PLUS loans receipts		10,917,525
PLUS loans disbursements		(10,917,525)
Refund to the grantor		(4,837)
Agency receipts		3,308,366
Agency payments		(2,865,337)
Net cash provided by non-capital financing activities		171,066,827
Cash flows from capital financing activities:		
Proceeds from capital debt and investments		28,532
Capital appropriations and appropriations available		(733,736)
Proceeds from 21st Century bond reimbursement program		28,361,392
Capital gifts		6,383,205
Purchase of capital assets		(37,302,652)
Payment to grantee		(1,174,000)
Principal paid on capital debt, leases and installments		(13,907,631)
Interest paid on capital debt, leases and installments		(11,304,900)
Net cash used by capital financing activities		(29,649,790)
Cash flows from investing activities:		
Interest on investments and cash management		1,018,281
Net cash provided by investing activities		1,018,281
Net change in cash		5,736,451
Cash and cash equivalents - beginning of the year		96,848,450
Less: Securities lending - Treasurer of Virginia		(4,368,276)
Cash and cash equivalents - beginning of the year		92,480,174
Cash and cash equivalents - end of the year	$	98,216,625

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

Statement of Net Position		
Cash and cash equivalents	$	102,748,975
Less: Securities lending - Treasurer of Virginia		(4,532,350)
Net cash and cash equivalents	$	98,216,625

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

Operating (loss)	$	(156,565,859)
Adjustments to reconcile net income/(loss) to net cash used by operating activities:		
Depreciation expense		23,008,283
Changes in assets and liabilities:		
Receivables, net		357,261
Prepaid expenses		(719,198)
Inventory		(37,556)
Accounts payable and accrued expenses		(1,309,067)
Deposits		28,354
Unearned revenue		(1,461,085)
Net cash used by operating activities	$	(136,698,867)

Non-cash investing, capital and financing activities:		
Securities lending	$	4,532,350
Capitalization of interest expense	$	31,500
Amortization of bond premium	$	612,516
Change in receivables related to nonoperating income	$	147,027

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, 2014

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 61 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, 2013. The Research Foundation coordinates and accounts for substantially all grants and contracts awarded for research at the University. For additional information contact the Research Foundation at 4111 Monarch Way, Suite 204, Norfolk, Virginia 23508.

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

Basis of Presentation

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

The Foundations are private, nonprofit organizations, and as such the financial statement presentation follows the recommendation of accounting literature related to nonprofits. As a result, 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.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*, effective for the University's fiscal year beginning July 1, 2013. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

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, subscriptions, maintenance and support, lease payments, and insurance payments for fiscal year 2015 that were paid in advance as of June 30, 2014.

Inventories

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

Noncurrent Cash and Investments

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

Capital Assets

Capital assets include land, buildings and other improvements, library materials, equipment, intangibles, and infrastructure assets such as campus lighting. Capital assets generally are defined by the University as assets with an estimated useful life in excess of one year and an initial cost of $5,000 or more, except for computer software which is capitalized at a cost of $100,000. 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 $31,500 relating to construction is capitalized net of interest income earned on resources set aside for this purpose for the year ended June 30, 2014. The costs of normal maintenance and repairs that do not add to an asset's value or materially extend its useful life are not capitalized. Certain maintenance and replacement reserves have been established to fund costs relating to residences and other auxiliary activities.

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

Buildings	5-50 years
Other improvements and infrastructure	2-30 years
Equipment	2-25 years
Library materials	5 years
Intangible assets	3-25 years

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, 2014. 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, 2014.

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 amortized over the life of the bond. Bond issuance costs are no longer capitalized. In accordance with GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, the costs are now expensed as nonoperating expenses.

Net Position

GASB Statements 34 and 63 require 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 resources. Restricted funds remain classified as such until restrictions have been satisfied.

Scholarship Allowances

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

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

Federal Financial Assistance Programs

The University participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study, 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: RESTATEMENT OF NET POSITION

Beginning net position was adjusted to reflect the implementation of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*.

Net position balance as previously reported at June 30, 2013	$ 388,331,775
Change in reporting unamortized bond issuance expense	(848,295)
Net position balance beginning of year as restated	$ 387,483,480

NOTE 3: 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, 2014. 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, 2014.

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, 2014. 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, 2014, the carrying value of the University's deposit with banks was $47,560,328 and the bank balance was $47,862,837. 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, 2014, 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 $4,679,092 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

Type of Investment	Percentage of Investments	Fair Value	Standard & Poor's Credit Quality Rating
CASH EQUIVALENTS:			
Mutual/Money Market Funds			
BB&T	0.24%	$ 70,083	
SNAP	0.05%	14,179	AAAm
Securities Lending	15.28%	4,532,350	
Total Cash Equivalents		4,616,612	
INVESTMENTS:			
Mutual/Money Market			
Intermediate Term Fund	21.53%	6,382,233	AA
U. S. Treasury & Agency Securities*			
U.S. Treasury Bond DTD	0.41%	123,656	NR
U.S. Treasury Note DTD	0.73%	216,750	NR
Corporate Bonds			
AFLAC Inc DTD	0.09%	25,788	A
AT&T Inc DTD	0.10%	29,088	A-
ACE INA HLDG Inc DTD	0.09%	27,916	A+
Bear Stearns Company Inc DTD	0.08%	23,802	A
Berkshire Hathaway Fin Inc	0.09%	25,393	AA
Caterpillar Financial SE DTD	0.08%	24,622	A
Chevron Corp DTD	0.09%	25,368	AA
Duke Energy Carolinas DTD	0.10%	28,172	A
General Electric Capital Corporation DTD	0.10%	28,428	AA
IBM Corporation DTD	0.08%	24,728	AA-
Occidental Petroleum Corp DTD	0.09%	25,463	A
Oracle Corp DTD	0.08%	22,808	A+
PNC Funding Corp DTD	0.09%	25,961	A-
Pepsico Inc DTD	0.09%	25,376	A-
Phillip Morris International Incorporated DTD	0.10%	28,701	A
Charles Schwab Corp Note DTD	0.09%	27,895	A
Simon Property Group LP DTD	0.10%	29,207	A
Target Corp DTD	0.08%	22,382	A
US Bancorp DTD	0.09%	25,382	A+
Virginia Elec & Power Co DTD	0.09%	25,277	A-
Wachovia Corporation DTD	0.10%	28,270	A+
Municipal Securities			
Dallas Cnty Tex Hosp Dist Build America Bonds Ser B GO DTD	0.13%	39,513	AA+
Illinois St Txbl-Ser B DTD	0.09%	26,555	A-
New York NY Build America Bonds GO DTD	0.17%	50,267	AA
New York St Dorm Auth St Income Tax Rev Taxable Gen Purp Ser B DTD	0.11%	32,183	AAA
N Texas St Muni Wtr Dist Wtr Sys Rev Build America Bonds Direct Payment Ser D	0.15%	44,741	AAA
Oklahoma St Capital Impt Auth Build America Bonds - Taxable	0.10%	28,354	AA
Stratford CT Ref Taxable Pension Oblig A GO DTD	0.16%	47,223	AA

Type of Investment	Percentage of Investments	Fair Value	Standard & Poor's Credit Quality Rating
Agency Mortgage Backed			
Federal National Mortgage Association DTD	0.63%	187,990	AA+
Federal Home Loan Mortgage Corporation DTD	0.34%	100,650	AA+
Foreign Bonds/Notes			
BHP Finance USA Ltd DTD	0.08%	24,069	A
BP Capital Markets PLC DTD	0.09%	26,105	A+
BNP Paribas DTD	0.08%	25,032	A
Bank of Nova Scotia DTD	0.07%	20,794	A-
Deutsche Bank AG London DTD	0.08%	25,127	A
HSBC Holdings PLC DTD	0.10%	28,407	A+
Lloyds Bank PLC DTD	0.09%	25,383	A
Manulife Finl Corp DTD	0.07%	22,078	A
Rio Tinto Fin USA DTD	0.09%	26,221	A-
Toronto Dominion Bank DTD	0.08%	25,136	AA-
Mutual Funds Equity**			
Cohen & Steers Realty Shares Institutional	0.31%	92,545	
Goldman Sachs Growth Opportunity Funds	0.39%	116,204	
Mutual Funds - Intl Equity**			
Forward International Small Companies Fund Inst	0.38%	114,067	
Lazard Emerging Mkts	0.35%	104,253	
Oppenheimer Developing Markets Fund	0.34%	100,628	
Common & Preferred Stock**	4.93%	1,461,001	
Other**			
Equity Interest in Land	7.08%	2,100,000	
Mutual Funds Held by Foundations	42.87%	12,712,307	NR
Securities Lending	0.50%	146,742	
Total Investments		25,026,241	
Total Cash Equivalents & Investments	100.00%	$ 29,642,853	

* 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	$ 70,083	$ -	$ -	$ -
SNAP	14,179			
Securities Lending held with Treasurer	4,532,350			
Total Cash Equivalents	4,616,612			
Investments:				
Mutual/Money Market				
Intermediate Term Fund			6,382,233	
U. S. Treasury & Agency Securities				
U. S. Treasury Bond DTD		123,656		
U. S. Treasury Note DTD			109,992	
U. S. Treasury Note DTD				106,758
Corporate Bonds				
AFLAC Inc DTD			25,788	
AT&T Inc DTD			29,088	
ACE INA HLDG Inc DTD			27,916	
Bear Stearns Company Inc DTD			23,802	
Berkshire Hathaway Fin DTD			25,393	
Caterpillar Financial SE DTD			24,622	
Chevron Corp DTD				25,368
Duke Energy Carolinas DTD			28,172	
General Electric Capital Corporation DTD				28,428
IBM Corporation DTD			24,728	
Occidental Petroleum Corp DTD			25,463	
Oracle Corp DTD				22,808
PNC Funding Corp DTD			25,961	
Pepsico Inc DTD				25,376
Phillip Morris International Incorporated DTD			28,701	
Charles Schwab Corp Note DTD				27,895
Simon Property Group LP DTD				29,207
Target Corp DTD			22,382	
US Bancorp DTD DTD			25,382	
Virginia Elec & Power Co DTD				25,277
Wachovia Corporation DTD			28,270	

Type of Investment	0-3 Months	4-12 Months	1-5 Years	6-10 Years
Municipal Securities				
Dallas Cnty Tex Hosp Dist Build America Bonds Ser B GO DTD				39,513
Illinois St Txbl-Ser B DTD				26,555
New York NY Build America Bonds GO DTD			50,267	
New York St Dorm Auth St Income Tax Rev Taxable Gen Purp Ser B DTD				32,183
N Texas St Muni Wtr Dist Wtr Sys Rev Build America Bonds Direct Payment Ser D DTD				44,741
Oklahoma St Capital Impt Auth Build America Bonds - Taxable				28,354
Stratford CT Ref Taxable Pension Oblig A GO DTD			47,223	
Agency Mortgage Backed				
Federal National Mortgage Association DTD			187,990	
Federal Home Loan Mortgage Corporation DTD			100,650	
Foreign Bonds/Notes				
BHP Finance USA Ltd DTD			24,069	
BP Capital Markets PLC DTD			26,105	
BNP Paribas DTD			25,032	
Bank of Nova Scotia DTD			20,794	
Deutsche Bank AG London DTD			25,127	
HSBC Holdings PLC DTD				28,407
Lloyds Bank PLC DTD			25,383	
Manulife Finl Corp DTD				22,078
Rio Tinto Fin USA DTD			26,221	
Toronto Dominion Bank DTD			25,136	
Total	$ 4,616,612	$ 123,656	$ 7,441,890	$ 512,948

NOTE 4: 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 2014, the payout percentage was 4.3 percent. The payout percentage is reviewed and adjusted annually as deemed prudent.

At June 30, 2014, net appreciation of $616,842 is available to be spent, which is reported in the Statement of Net Position as Restricted for Expendable Scholarships and Fellowships.

NOTE 5: ACCOUNTS RECEIVABLE

A. Accounts receivable consisted of the following at June 30, 2014:

Student tuition and fees	$ 8,793,826
Auxiliary enterprises	2,726,730
Federal, state, and nongovernmental grants and contracts	2,522,190
Other activities	1,134,461
Gross receivables	15,177,207
Less allowance for doubtful accounts	(1,350,454)
Net accounts receivable	$ 13,826,753

B. Due from the Commonwealth consisted of the following at June 30, 2014:

Equipment trust fund reimbursement	$ 1,445,851
Virginia College Building Authority 21st Century Bonds	3,984,077
Total due from Commonwealth of Virginia	$ 5,429,928

NOTE 6: CAPITAL ASSETS

A summary of changes in the various capital asset categories for the year ending June 30, 2014 is presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets:				
Land	$ 31,064,762	$ 189,732	$ -	$ 31,254,494
Construction in progress	30,584,039	28,586,966	46,484,262	12,686,743
Total nondepreciable capital assets	61,648,801	28,776,698	46,484,262	43,941,237
Depreciable capital assets:				
Buildings	676,357,942	40,294,355	64,028	716,588,269
Equipment	75,978,550	13,676,726	2,533,065	87,122,211
Infrastructure	2,041,247	337,343	-	2,378,590
Improvements other than buildings	12,309,592	694,113	-	13,003,705
Library books	71,524,880	1,030,578	37,791	72,517,667
Intangible assets	2,733,344	237,697	6,270	2,964,771
Total depreciable capital assets	840,945,555	56,270,812	2,641,154	894,575,213
Less accumulated depreciation for:				
Buildings	215,262,643	13,497,925	64,028	228,696,540
Equipment	48,274,534	5,865,716	2,472,821	51,667,429
Infrastructure	1,389,570	32,988	-	1,422,558
Improvements other than buildings	7,371,368	845,807	-	8,217,175
Library books	66,598,957	2,469,954	37,791	69,031,120
Intangible assets	1,929,278	295,893	6,270	2,218,901
Total accumulated depreciation	340,826,350	23,008,283	2,580,910	361,253,723
Depreciable capital assets, net	500,119,205	33,262,529	60,244	533,321,490
Total capital assets, net	$ 561,768,006	$ 62,039,227	$ 46,544,506	$ 577,262,727

NOTE 7: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2014:

Employee salaries, wages, and fringe benefits payable	$ 17,215,566
Retainage payable	714,107
Interest payable	2,000,582
Vendors and suppliers accounts payable	17,711,626
Current liabilities - accounts payable and accrued expenses	$ 37,641,881

NOTE 8: NONCURRENT LIABILITIES

The University's noncurrent liabilities consist of long-term debt (further described in Note 9) and other noncurrent liabilities. A summary of changes in noncurrent liabilities for the year ending June 30, 2014 is presented as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Long-term debt:					
General obligation bonds **	$ 62,053,822	$ -	$ 2,801,963	$ 59,251,859	$ 3,133,762
Revenue bonds **	129,705,099	-	8,758,891	120,946,208	8,450,000
Installment purchases	1,917,881	1,439,741	1,746,961	1,610,661	297,812
Capital leases	67,035,655	211,565	2,657,325	64,589,895	2,394,140
Total long-term debt	260,712,457	1,651,306	15,965,140	246,398,623	14,275,714
Accrued compensated absences	7,545,335	7,027,314	6,659,536	7,913,113	5,609,615
Federal loan program contributions	126,727	121,211	-	247,938	-
Other liabilities	363,000	-	60,500	302,500	60,500
Total long-term liabilities	$ 268,747,519	$ 8,799,831	$ 22,685,176	$ 254,862,174	$ 19,945,829

** Beginning balances were restated to reclassify deferral of debt defeasance amounts which are no longer netted with long-term liabilities in accordance with GASB Statement 65.

NOTE 9: 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	2014
General obligation bonds:			
Dormitory, Series 2005	4.50% - 5.00%	2025	$ 215,000
Dormitory, Series 2006B	4.00% - 5.00%	2026	790,000
Dormitory, Series 2007B	4.00% - 5.00%	2027	5,235,000
Dormitory, Series 2008B	5.00%	2028	31,695,000
Dormitory, Series 2009C	3.00% - 4.00%	2022	1,295,955
Dormitory, Series 2009D	5.00%	2022	1,625,000
Dormitory, Series 2009D	5.00%	2022	2,465,000
Dormitory, Series 2010A	2.10% - 5.00%	2030	1,685,000
Dormitory, Series 2012A	4.00% - 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			55,336,023

Description	Interest Rates	Maturity	2014
Revenue bonds:			
Classrooms, Series 2004B	5.00%	2017	2,095,000
Classrooms, Series 2004B	4.00% - 5.00%	2020	370,000
Classrooms, Series 2007B	4.25%	2018	797,136
Recreation, Series 2004B	5.00%	2017	2,690,000
Recreation, Series 2004B	4.00% - 5.00%	2020	420,000
Recreation, Series 2007B	4.25%	2018	413,781
Recreation, Series 2007B	4.00% - 4.50%	2020	6,696,561
Recreation, Series 2010B	5.00%	2021	630,000
Recreation, Series 2010B	5.00%	2022	7,300,000
Parking, Series 2004A	4.00% - 5.00%	2025	180,000
Parking, Series 2004B	5.00%	2017	1,300,000
Parking, Series 2004B	4.00% - 5.00%	2020	605,000
Parking, Series 2007A	4.50% - 5.00%	2028	6,770,000
Parking, Series 2007B	4.25%	2018	149,083
Parking, Series 2007B	4.00% - 4.50%	2020	2,543,439
Parking, Series 2009A	2.25% - 5.00%	2029	4,540,000
Parking, Series 2010B	5.00%	2021	360,000
Parking, Series 2010B	5.00%	2022	2,235,000
Parking, Series 2010B	5.00%	2021	450,000
Parking, Series 2012A	5.00%	2024	650,000
Parking, Series 2012A	3.00% - 5.00%	2025	2,260,000
Athletic Fac. Exp., Series 2004A	4.00% - 5.00%	2025	105,000
Athletic Fac. Exp., Series 2005A	4.375% - 5.00%	2026	755,000
Athletic Fac. Exp., Series 2006A	3.00% - 5.00%	2027	740,000
Athletic Fac. Exp., Series 2007A	4.50% - 5.00%	2028	380,000
Athletic Fac. Exp., Series 2012A	3.00% - 5.00%	2025	1,330,000
Athletic Fac. Exp., Series 2012A	3.00% - 5.00%	2025	1,645,000
H&PE Renovation, Series 2004A	4.00% - 5.00%	2025	90,000
H&PE Renovation, Series 2005A	4.375% - 5.00%	2026	760,000
H&PE Renovation, Series 2007A	4.50% - 5.00%	2028	12,505,000
H&PE Renovation, Series 2012A	3.00% - 5.00%	2025	1,110,000
H&PE Renovation, Series 2012A	3.00% - 5.00%	2025	1,645,000
Indoor Tennis Court, Series 2004A	4.00% - 5.00%	2025	65,000
Indoor Tennis Court, Series 2005A	4.375% - 5.00%	2026	580,000
Indoor Tennis Court, Series 2006A	3.00% - 5.00%	2027	175,000
Indoor Tennis Court, Series 2007A	4.50% - 5.00%	2028	200,000
Indoor Tennis Court, Series 2012A	3.00% - 5.00%	2025	820,000
Indoor Tennis Court, Series 2012A	3.00% - 5.00%	2025	1,280,000
Dormitory, Series 2005A	4.375% - 5.00%	2026	4,915,000
Dormitory, Series 2012A	3.00% - 5.00%	2025	10,820,000
Powhatan Sports Ctr, Series 2007A	4.50% - 5.00%	2028	5,155,000
Powhatan Sports Ctr, Series 2009A	2.25% - 5.00%	2029	23,040,000
Powhatan Sports Ctr, Series 2010A	3.75% - 5.50%	2031	825,000
Webb Center Expansion, Series 2009B	4.25% - 5.00%	2030	625,000
Total revenue bonds			113,020,000

Description	Interest Rates	Maturity	2014
Installment purchases	1.56% - 4.26%	2022	1,610,662
Capital leases	Various	2015-34	64,589,896
Total bonds, notes, installment purchases, and leases			234,556,581
Amortized bond premium, general obligation bonds			3,915,835
Amortized bond premium, revenue bonds			7,926,207
Total bonds, notes, installment purchases, leases, and bond premiums			$ 246,398,623

Long-term debt matures as follows:

	Principal	Interest
2015	$ 14,275,715	$ 10,147,245
2016	14,793,199	9,689,734
2017	15,443,987	8,990,417
2018	16,252,744	8,231,254
2019	15,548,094	7,544,782
2020-2024	78,679,384	26,819,805
2025-2029	62,968,038	10,065,515
2030-2034	16,595,420	1,440,879
Total	$ 234,556,581	$ 82,929,631

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 $1,445,851 for equipment purchased by the University that was not reimbursed by the VCBA at year-end.

B. Defeasance of Debt

The Commonwealth of Virginia, on behalf of the University, issued bonds in previous 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, 2014, $36,460,000 of the defeased bonds was outstanding.

C. Assets Purchased Under Capital Leases

At June 30, 2014, assets purchased under capital leases were included in depreciable capital assets in the amount of $66,817,107. The assets are net of accumulated depreciation.

NOTE 10: 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	$ 129,781,535	$ 11,050,250	$ -	$ 4,062,868	$ -	$ 144,894,653
Research	6,335,968	2,756,938	-	467,694	-	9,560,600
Public service	216,948	438,702	-	6,981	-	662,631
Academic support	27,254,982	11,998,102	-	4,905,987	-	44,159,071
Student services	12,217,818	3,347,884	-	48,707	-	15,614,409
Institutional support	23,546,123	3,782,058	-	848,251	-	28,176,432
Operation and maintenance of plant	11,454,427	13,999,660	-	2,234,050	-	27,688,137
Depreciation expense	-	-	-	-	23,008,283	23,008,283
Scholarship and related expenses	-	-	19,077,377	-	-	19,077,377
Auxiliary activities	27,200,063	49,700,328	8,602,016	3,331,588	-	88,833,995
Total	$ 238,007,864	$ 97,073,922	$ 27,679,393	$ 15,906,126	$ 23,008,283	$ 401,675,588

NOTE 11: 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	$ 103,809,827
Student financial assistance/grants	19,272,252
Supplemental adjustments:	
Central fund tranfers - compensation and benefits	4,290,218
Grants	4,015,479
The Virtual Library of Virginia (VIVA)	23,163
Adjusted appropriations	$ 131,410,939

NOTE 12: 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
Statement of Net Position				
ASSETS				
Current assets:				
Cash and cash equivalents	$ 14,463,675	$ 4,590,158	$ 15,864,753	$ 34,918,586
Accounts receivable	117,844	5,459,897	12,388,813	17,966,554
Contributions receivable, net	1,527,292	4,571,496	-	6,098,788
Travel advances	-	-	53,643	53,643
Prepaid expenses	-	43,796	690,608	734,404
Other assets	50,820	143,032	-	193,852
Total current assets	16,159,631	14,808,379	28,997,817	59,965,827
Noncurrent assets:				
Investments	20,631,227	178,491,805	4,114,258	203,237,290
Accounts receivable	-	48,067,655	-	48,067,655
Contributions receivable, net	3,899,462	13,890,955	-	17,790,417
Notes receivable	-	3,405,000	-	3,405,000
Nondepreciable capital assets	-	25,796,262	54,802	25,851,064
Capital assets	152,105	2,946,367	4,762,135	7,860,607
Total noncurrent assets	24,682,794	272,598,044	8,931,195	306,212,033
Total assets	40,842,425	287,406,423	37,929,012	366,177,860
LIABILITES				
Current liabilities:				
Accounts payable	1,589,103	1,555,301	6,995,406	10,139,810
Due to affiliates	-	-	5,225,610	5,225,610
Unearned revenue	-	11,475	4,980,217	4,991,692
Deposits held in custody for others	-	38,754	-	38,754
Agency related payables	-	11,892,513	-	11,892,513
Line of credit	-	9,964,535	-	9,964,535
Long-term liabilities – current portion	-	6,775,157	-	6,775,157
Total current liabilities	1,589,103	30,237,735	17,201,233	49,028,071
Noncurrent liabilities	-	78,408,446	-	78,408,446
Total liabilities	1,589,103	108,646,181	17,201,233	127,436,517
NET POSITION				
Net investment in capital assets	152,105	15,208,694	4,816,937	20,177,736
Permanently restricted	15,344,818	114,659,362	-	130,004,180
Temporarily restricted	13,581,341	57,400,565	16,228,496	87,210,402
Unrestricted	10,175,058	(8,508,379)	(317,654)	1,349,025
Total net position	$ 39,253,322	$ 178,760,242	$ 20,727,779	$ 238,741,343

Statement of Revenues, Expenses and Changes in Net Position	Old Dominion Athletic Foundation	Old Dominion University Educational and Real Estate Foundations	Old Dominion University Research Foundation	TOTAL
Operating revenues:				
Gifts and contributions	$ 6,084,751	$ 6,697,129	$ -	$ 12,781,880
Indirect cost	-	-	8,541,959	8,541,959
Sponsored research	-	-	40,080,383	40,080,383
Other operating revenues	511,922	5,290,901	3,273,029	9,075,852
Total operating revenues	6,596,673	11,988,030	51,895,371	70,480,074
Operating expenses:				
Instruction	-	2,298,490	-	2,298,490
Research	-	-	46,703,289	46,703,289
Academic support	1,475,593	3,921,635	-	5,397,228
Institutional support	952,156	1,001,118	5,954,113	7,907,387
Operation and maintenance of plant	-	1,235,179	-	1,235,179
Depreciation	77,170	218,617	-	295,787
Student aid	1,086,276	1,535,954	-	2,622,230
Total operating expenses	3,591,195	10,210,993	52,657,402	66,459,590
Operating gain/(loss)	3,005,478	1,777,037	(762,031)	4,020,484
Investment income	2,114,381	18,196,510	251,997	20,562,888
Loss on property	-	(2,249,552)	-	(2,249,552)
Contributions to permanent endowments	257,145	11,973,301	-	12,230,446
Increase in net position	5,377,004	29,697,296	(510,034)	34,564,266
Beginning net position	33,876,318	149,062,946	21,237,813	204,177,077
Ending net position	$ 39,253,322	$ 178,760,242	$ 20,727,779	$ 238,741,343

Contributions Receivable

	Old Dominion Athletic Foundation	Old Dominion University Educational and Real Estate Foundations	TOTAL
Current Receivable			
Receivable due in less than one year	$ 1,621,494	$ 4,713,430	$ 6,334,924
Less allowance for doubtful accounts	94,202	141,934	236,136
Net current accounts receivable	1,527,292	4,571,496	6,098,788
Receivable due in greater than 1 year, net of discount ($2,385,227)	3,907,058	13,917,378	17,824,436
Less allowance for doubtful accounts	7,596	26,423	34,019
Net noncurrent contributions receivable	3,899,462	13,890,955	17,790,417
Total contributions receivable	$ 5,426,754	$ 18,462,451	$ 23,889,205

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	$ 211,464	$ 1,647,239	$ 3,487,731	$ 5,346,434
Common & preferred stocks	710,303	5,998,334	946	6,709,583
Mutual and money market funds	11,147,550	92,264,535	625,581	104,037,666
Partnerships	8,561,910	66,689,184	-	75,251,094
Managed investments	-	11,892,513	-	11,892,513
Total	$ 20,631,227	$ 178,491,805	$ 4,114,258	$ 203,237,290

Capital Assets

	Old Dominion Athletic Foundation	Old Dominion University Educational and Real Estate Foundations	Old Dominion University Research Foundation	TOTAL
Nondepreciable capital assets:				
Land	$ -	$ 4,869,985	$ 54,802	$ 4,924,787
Construction in progress	-	20,926,277	-	20,926,277
Total capital assets not being depreciated	-	25,796,262	54,802	25,851,064
Depreciable capital assets:				
Buildings	-	5,106,718	1,037,290	6,144,008
Equipment	409,424	59,734	20,851,517	21,320,675
Total capital assets being depreciated	409,424	5,166,452	21,888,807	27,464,683
Less accumulated depreciation for:				
Buildings	-	2,183,118	893,641	3,076,759
Equipment	257,319	36,967	16,233,031	16,527,317
Total accumulated depreciation	257,319	2,220,085	17,126,672	19,604,076
Total depreciable capital assets, net	152,105	2,946,367	4,762,135	7,860,607
Total capital assets, net	$ 152,105	$ 28,742,629	$ 4,816,937	$ 33,711,671

Long-Term Liabilities

Old Dominion University Educational and Real Estate Foundations

Description	Interest Rates	Maturity	2013
Bonds payable:			
Norfolk Redevelopment and Housing Authority Revenue Bonds Series 2008	3.58%	2033	$ 48,075,000
Norfolk Redevelopment and Housing Authority Revenue Bonds Series 2008	4.475%	2031	11,455,000
Total bonds payable			59,530,000
Notes payable:			
Tri-Cities II	3.65%	2014	4,395,600
Bookstore	5.585%	2023	4,857,020
President's House	4.50%	2028	2,066,640
Total notes payable			11,319,260
Other long-term liabilities			14,334,343
Total long-term debt			$ 85,183,603

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

2014	$ 6,633,032
2015	2,340,828
2016	2,444,173
2017	2,560,447
2018	2,665,195
Thereafter	54,205,585
Total	$ 70,849,260

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, 2014, the University will repay $64,589,896. 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, 2014 totaled $9,146,152, $2,561,869, and $7,511,226 respectively. This includes gift transfers, payments for facilities, and services.

Component Unit Contingencies

The Real Estate Foundation was 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. Two property owners appealed the validity of the redevelopment plan with the Supreme Court of Virginia. Another property owner missed the deadline to appeal but indicated a desire to do so. In September 2013, the court ruled in favor of one of the property owners. Based on this decision, negotiations with all three property owners began for the return of the property and/or for reimbursement to them for related costs. One settlement finalized in February 2014, and the remaining two settled in May 2014. Amounts for these settlement costs were accrued as of December 31, 2013. Due to the nature of the negotiations, those amounts are not disclosed. The capitalized acquisition costs for all three properties have been written off as of December 31, 2013.

The University's Athletic Development Office has and continues to solicit donations for the purpose of funding the construction of a new Basketball Practice Facility. The projected cost of the facility is $8,400,000. As of December 31, 2013, gifts and pledges equaling approximately $4,700,000 were recorded toward the projected goal of $8,400,000. In order to accelerate the construction of the facility, the Foundation Board authorized funding of up to $3,700,000 for the Facility pending completion of the fundraising campaign. This amount has been presented as board-designated in the financial statements.

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 stated that the demand for records was related to the 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 retained counsel and cooperated with the Justice Department's investigation and provided all documents requested. It was later learned that a Qui Tam lawsuit was filed and the U.S. was requested to join or participate in that suit. After reviewing the document and certain legal briefs and responses filed by the Foundation, the Justice Department elected to not pursue either the litigation or any claim for penalties or settlement with the Foundation. Subsequently the Qui Tam plaintiff voluntarily dismissed the pending lawsuit (under seal). To the Foundation's knowledge, there are no further pending legal actions or investigations of this matter, and the Foundation's position that it followed the regulation and billed properly has been accepted by the Government.

Component Unit Subsequent Event

In February 2014, the Real Estate Foundation extended the line of credit in the amount of $10,000,000 for the purpose of purchasing additional properties for future projects. Principal on this Note matures and is payable on August 27, 2015. The interest rate is 1-month LIBOR plus 1.75%, and terms include an unused commitment fee of 0.25% per annum.

In March 2014, the Real Estate Foundation entered into agreements with the Tri-Cities New Market Investment Fund LLC (Fund) and US Bancorp Community Development Corporation to exercise its right under the agreement from 2007 to purchase the Fund's interest for $1,000.

NOTE 13: COMMITMENTS

At June 30, 2014, the University was a party to construction and other contracts totaling approximately $32,535,083 of which $27,586,160 has been incurred.

The University is committed under various operating leases for equipment and space. In general, the equipment leases and the space leases are for varying terms with appropriate renewal options for each type of lease. In most cases, the University expects that in the normal course of business, similar leases will replace these leases. Rental expense was approximately $7,920,618 for the year ended June 30, 2014.

The University has, as of June 30, 2014, the following future minimum rental payments due under the above leases:

Year Ending June 30	Operating Lease Obligation
2015	$ 7,170,314
2016	6,080,485
2017	5,998,138
2018	5,985,867
2019	5,328,646
2020-2024	22,112,695
2025-2029	1,739,707
Total	$ 54,415,852

NOTE 14: 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, 2014. 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 $6,873,549 for the year ended June 30, 2014. The retirement contribution rate was 8.76% for state employees and 14.80% for Virginia Law Officers' Retirement System (VaLORS) for fiscal year 2014. Contributions to VRS were calculated using the base salary amount of approximately $77,231,775 for the year ended June 30, 2014. The University's total payroll was approximately $188,298,134 for the fiscal year ended June 30, 2014.

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 $6,828,156 for the year ended June 30, 2014. Contributions to the optional retirement plans were calculated using the base salary amount of approximately $69,018,522 for fiscal year 2014.

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 $614,929 for fiscal year 2014.

NOTE 15: 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 16: 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, 2014, 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 17: 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 4th, 2014)

PROJECTS UNDER DESIGN

RESIDENTIAL DINING FACILITY

General Project Information: The New Dining Facility project will construct a new 43,733 gsf state-of-the-art dining building, providing food production, servery and seating capacity for 580 patrons. The building will be located near Webb University Center, between the Diehn Fine and Performing Arts Center and Dominion House. It will replace the food service facility within Webb University Center in order to permit demolition of the existing facilities. It will function as the primary dining area for the central campus during the Webb University Center demolition and construction.

Project Design: Moseley Architects with Tipton Associates

***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 in July, 2013 and selected Moseley Architects and Tipton Associates to design the facility. The design team received BCOM approval of preliminary design (35%) documents in late summer and submitted working (100%) drawings on October 31st. We anticipate receipt of BCOM comments on these drawings by the first week of December with final BCOM approval by early January.

The University selected Hourigan Construction as the project Construction Manager-at-Risk (CM-at-Risk) and awarded the pre-construction contract in July. The contractor's second round of pricing at the completion of preliminary design was in budget; value management review of the working drawings should be complete by the first week of December with a goal of reaching a final guaranteed maximum price (GMP) by BCOM approval of working drawings. We anticipate contract award and project mobilization in early January.

BASKETBALL PRACTICE FACILITY

General Project Information: This project is for a 24,000 gsf basketball practice facility for the University's Men's and Women's Basketball programs containing, a practice gym, associated locker shower rooms, team offices and players' spaces. The project is to be built on the vacant lot at the north side of 43rd Street and Monarch Way, immediately adjacent to the Ted Constant Convocation Center. The project site is bounded to the north by the plaza immediately west of the Ted Constant Convocation Center and to east and south by the rights of way for 43rd Street and Monarch Way.

Project Design: Clark-Nexsen Architecture & Engineering

***Funding Source*:** Private Funds

Project Budget:

a)	Construction:	$5,926,500
b)	Architect/Engineer Fee:	$773,996
c)	Project Inspection:	$59,633
d)	Equipment:	$237,060
e)	Construction Contingency:	$237,060
f)	Other:	$1,165,751
	Total Project Budget:	**$8,400,000**

Status: The University selected the team of Clark-Nexsen and Ellerbe Becket (AECOM) last April to design the building. Programming work began in June and the project schematic design (15%) package was submitted to BCOM on November 5th with comments expected back by the second week in December. We anticipate submitting preliminary drawings in early January and working drawings in late March with a goal of bidding the project in the spring.

L.R. HILL SPORT CENTER EXPANSION

General Project Information: This project will enlarge the facility and relocate the 6,000 gsf weight training facility which currently exists in the LR Hill Sports Center using the remaining debt funding available in the Powhatan Sports Complex umbrella project.

Project Design:	Clark-Nexsen Architecture & Engineering	
***Funding Source*:**	VCBA 9D Bonds	
Project Budget:	a) Construction:	$2,362,500
	b) Architect/Engineer Fee:	$410,000
	c) Project Inspection:	$28,688
	d) Equipment:	$94,500
	e) Construction Contingency:	$94,500
	f) Other:	$508,812
	Total Project Budget:	**$3,500,000**

Status: University selected the team of Clark-Nexsen and AECOM (formerly Ellerbe Becket) in August of this year to design the facility expansion. The design team completed programming and submitted schematic drawings to BCOM in mid-November. We anticipate making the preliminary submittal in mid-January and submitting working drawings in late March with a goal of bidding the project in early spring.

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 (now the Barry Arts Building), 26,000 gsf for the New Art Studio Building (now the James A. Hixson Art Studio Building and Annex) and 19,000 gsf for selected renovation of the Visual Arts Building. Selective renovation of the Visual Arts Building, meanwhile, will provide needed faculty office and classroom space. The University contracted with the firm of Tymoff + Moss to design the project. The Commonwealth released $12,318,606 for construction of the New Arts Building.

Project Design:	Tymoff + Moss Architects (Norfolk, VA)	
***Funding Source*:**	0813 - VCBA Bonds	
Project Budget:	a) Construction:	$15,862,095
	b) Architect/Engineer Fee:	$1,640,295
	c) Project Inspection:	$436,699
	d) Equipment:	$0
	e) Construction Contingency:	$700,000
	f) Other:	$816,627
	Total Project Budget:	**$19,445,716**

Status: A portion of the University's Art Department moved into the first Consolidated Arts' sub-project, the Barry Arts Building, in May of this year and the Chrysler Museum Library moved into its portion of the building in November. This sub-project is complete and is being closed out.

BCOM approved the University's revised working drawings for the second sub-project, construction of the James A. Hixon Art Studio Building in late May. At the same time, the University negotiated an acceptable GMP with the project's CM-at-Risk, S.B. Ballard Construction Company and awarded a construction contract at that time. The building's precast walls have been erected and the interior structural walls are being installed with dry-in anticipated by late January of the coming year. The project will be substantially complete in late spring of 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 which, as noted below, was reduced by the Commonwealth to $42,575,927 at preliminary design. 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 Building.

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 selected SHWGroup as the project design team in November, 2011 and S.B. Ballard Construction Company as the Construction Manager-at-Risk in late 2013. The design team submitted working drawings for the New Education Building sub-project to BCOM last April and received final approval of the drawings in late September. BCOM authorized award of the construction contract and issued the building permit for the project in mid-October and S.B. Ballard mobilized later that month. Test piles are complete and the contractor is now relocating utility lines (electric, natural gas and fiber optic cable) from the building site and anticipates beginning to drive production piles this month. Project substantial completion is the summer of 2016.

Design of the Child Study Addition is at the preliminary drawing stage with working drawing submittal expected early in the new year. Concurrent with submission to BCOM, the Virginia Department of Social Services will review drawings for its approval of the renovated Child Study Facility. Contingent upon approval by both agencies, we anticipate that construction will start in late spring or early summer with substantial completion during the summer of 2016.

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 has 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 Plant as part of the project as well as several modular boilers installed in the mechanical room of the Physical Sciences Building. Both the Chiller Plant and Physical Sciences Building mechanical room 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:	$3,555,463
b)	Architect/Engineer Fee (thru Preliminary):	$403,175
c)	Project Inspection:	$28,770
d)	Equipment:	$0
e)	Construction Contingency:	$150,260
f)	Other:	$52,533
	Total Project Budget:	**$4,190,201**

Status: The contractor mobilized after Spring Commencement and completed the work that was most disruptive to the campus and building occupants over the summer. This included trenching and installing chilled water lines from the building to the chiller plant across Elkhorn Ave., running internal hot and chilled water lines through the building to the new roof top air handlers, and installing additional boilers in the Physical Sciences Building mechanical room. The contractor installed an additional cooling tower and associated equipment in the central cooling plant and is currently installing the tower's control wiring. Over the winter and early spring, new air handlers will be installed on the roof and the existing air handlers will be removed – this is scheduled to occur during the season that has the lowest cooling requirements which will allow maintaining the building temperature control with reduced air flow. In the spring, roof repairs will be made and the new system will be commissioned. Close coordination with building occupants will be maintained throughout the project, since this work will be completed in an occupied building. All work is scheduled to be complete by summer, 2015.

BASEBALL BATTING CAGE

General Project Information: The Bud Metheny Stadium was built in 1982 as a venue for the University's Men's Baseball team. It houses home and away team locker rooms and coaching staff offices, with seating for 7500 fans. With the exception of ADA upgrades made in 1990, no significant improvements have been made to the Stadium since its construction. The overall project grants the University authority to use up to $3,000,000 in private donations to design and construct improvements to the existing Bud Metheny Baseball Stadium. This sub-project will construct an in-door batting cage on the site of the existing open air batting cage.

Project Design: Moseley Architects (Norfolk, VA)

***Funding Source*:** 0302 - Private Funds

Project Budget:

a)	Construction:	$442,170
b)	Architect/Engineer Fee:	$73,210
c)	Project Inspection:	$19,000
d)	Equipment:	$0
e)	Other:	$43,500
f)	Contingency:	$22,109
	Total Project Budget:	$**599,899**

Status: The University engaged Moseley Architects under its term contract for architectural services to design the indoor batting cage. Working drawings were approved by BCOM in January of this year and the project was put out to bid in February. The University awarded a construction contract to the low, responsible bidder, Oyster Point Construction Company, in April of this year. The contractor mobilized in mid-May and delivered the Batting Cage in early October. The building punch list is essentially complete and the project is being closed out. This will be last report.

PENDING PROJECTS

These projects are authorized and funded for study, design or design and construction from University funding, tax-exempt bond financing program or reimbursement from General Funds. Projects are either in the process of Request for Proposal Development (RFP) development or evaluation of RFP responses prior to contract award.

FOOTBALL STADIUM STUDY

General Project Information: The project will produce a fully comprehensive investigative study of a new competition venue for the Agency's NCAA Division I FBS Series Football program. The study will identify and examine all considerations relevant to the design, construction and operating plan for a new stadium and will include:

- Football demand analysis
- Site analysis
- Integration of the stadium with campus Master Plan,
- Fan experience and amenities
- Operations analysis
- Media requirements
- Traffic management
- Parking requirements
- Practices for neighborhood relationships
- Security requirements
- Program analysis
- Cost analysis
- Development of Conceptual stadium renderings
- Development of a project program and budget

The study is to be complete by June, 2015

Project Design:	A/E Submissions under Evaluation	
***Funding Source*:**	University Funds	
Project Budget:	Project Study	**$1,500,000**

Status: The University released an RFP for professional services in early October of this year and received four proposals in early November from the following offerors:

- AECOM with Clark-Nexsen Architecture
- Crawford Architects
- HKS Sports & Entertainment
- Populous with Moseley Architects

All four offerors have been short-listed and interviews are scheduled for the first week of December with selection and award to follow shortly thereafter.

WEBB CENTER DESIGN PROJECT (NEW STUDENT UNION)

General Project Information: This project will demolish the existing Webb University Center building and replace it with a multi-story structure of up to 247,614 gsf. The project design will be initiated with determination of the exact building program based on wide and comprehensive stake holder input and is anticipated to include space for such things as student government and associations, flexible program and activity spaces, event space, residential and retail dining space, staff support and office spaces. The University has authorized sale of $3 million dollars in bonds as part of the Commonwealth's annual bond sale currently underway to fund initial project design work.

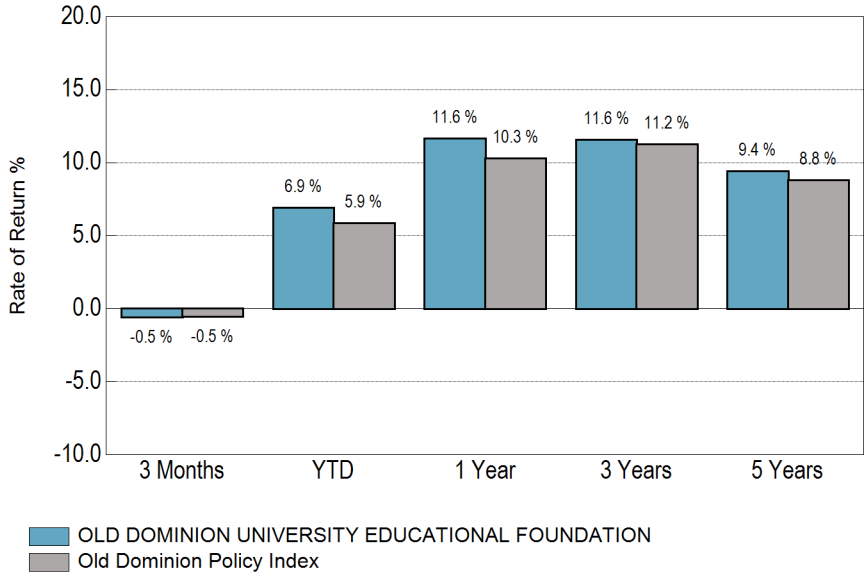
Project Design:	A/E to Be Determined	
***Funding Source*:**	VCBA 9D Bonds	
Project Budget:	Project Design Initiation	**$3,000,000**

Status: A Request for Proposal is under development with the scope of work being circulated for stakeholder review and approval, with a projected release of the RFP in early December and selection of a design team in early 2015.

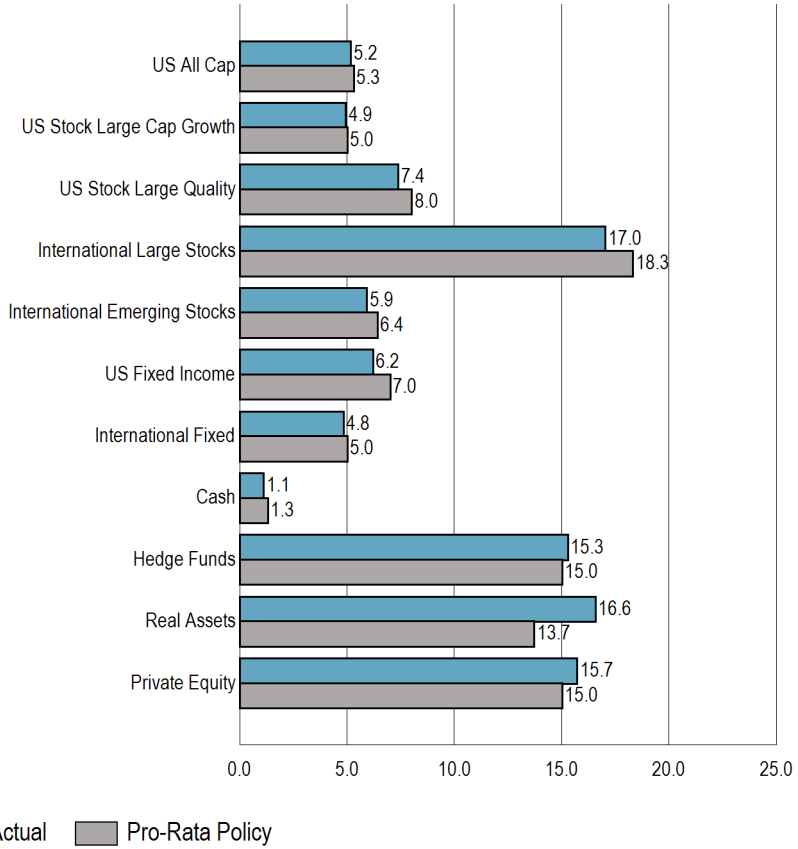
OBJECTIVE: The goal for the portfolio is to achieve 7.5% per year over the long term. The target policy has a long term expected return of 8.3%. Over a ten year time horizon, the portfolio is expected to return 7.6%. The standard deviation of this portfolio is plus/minus 13.7% over any one year, with the lowest one year likely return being -23.4%.

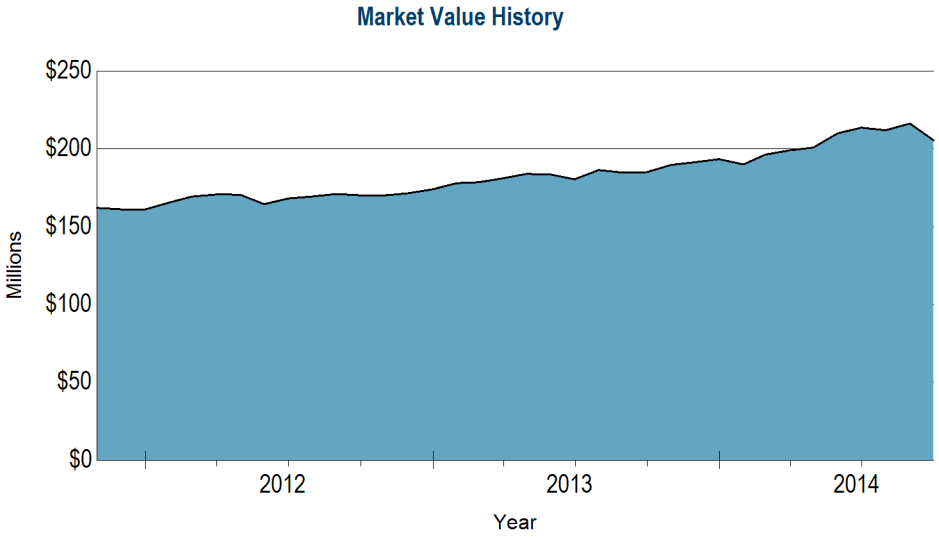
Sources of Portfolio Growth	Last Three Months	One Year
Beginning Market Value	$213,810,379	$185,074,149
Net Additions/Withdrawals	-$7,130,945	-$1,720,598
Investment Earnings	-$1,082,172	$22,243,711
Ending Market Value	$205,597,261	$205,597,261

Return Summary



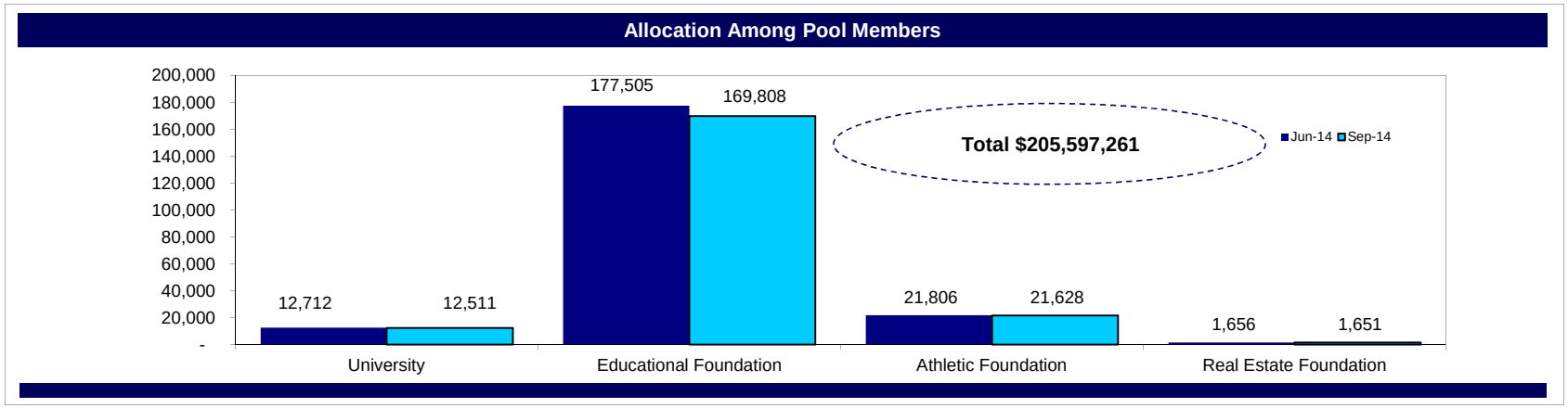
Actual vs Target Asset Allocation (%)





Asset Allocation on September 30, 2014

	Actual $	Actual %	Target %
US Equity	$35,865,954	17%	18%
Non-US Equity	$47,140,798	23%	25%
US Fixed Income	$12,706,802	6%	7%
Non-US Fixed Income	$9,910,877	5%	5%
Hedge Funds	$31,389,147	15%	15%
Real Assets	$34,036,885	17%	15%
Cash	$2,254,428	1%	0%
Private Equity	$32,292,370	16%	15%
Total	$205,597,261		



Performance Summary

	Market Value ($)	% of Portfolio	Policy %	Ending September 30, 2014						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION	**205,597,261**	**100.0**	**100.0**	**-0.5**	**6.9**	**11.6**	**11.6**	**9.4**	**6.7**	**5.5**	**Jul-99**
Old Dominion Policy Index				*-0.5*	*5.9*	*10.3*	*11.2*	*8.8*	*6.8*	*5.0*	*Jul-99*
Over/Under				0.0	1.0	1.3	0.4	0.6	-0.1	0.5	
70% MSCI ACWI(net)/30% Citigroup WGBI				*-2.7*	*3.0*	*7.8*	*11.3*	*7.7*	*6.6*	*--*	*Jul-99*
70/30 S&P 500/Barclays Aggregate				*0.8*	*7.1*	*14.9*	*16.6*	*12.3*	*7.3*	*5.2*	*Jul-99*
OLD DOMINION MARKETABLE SECURITIES*	**149,767,304**	**72.8**	**--**	**-2.3**	**3.7**	**8.6**	**11.6**	**8.5**	**--**	**7.0**	**Sep-08**
Old Dominion Marketable Security Policy Index				*-2.2*	*2.8*	*7.5*	*10.6*	*7.4*	*--*	*6.4*	*Sep-08*
Over/Under				-0.1	0.9	1.1	1.0	1.1		0.6	
TOTAL EQUITY	**83,006,752**	**40.4**	**43.0**	**-3.1**	**2.6**	**9.6**	**16.2**	**10.7**	**8.0**	**9.1**	**May-03**
MSCI ACWI				*-2.3*	*3.7*	*11.3*	*16.6*	*10.1*	*7.3*	*8.6*	*May-03*
Over/Under				-0.8	-1.1	-1.7	-0.4	0.6	0.7	0.5	
TOTAL DOMESTIC EQUITY	**35,865,954**	**17.4**	**18.3**	**0.1**	**5.3**	**15.7**	**20.4**	**14.7**	**8.3**	**9.1**	**May-03**
Dow Jones U.S. Total Stock Market				*-0.1*	*6.9*	*17.7*	*23.0*	*15.8*	*8.6*	*9.4*	*May-03*
Over/Under				0.2	-1.6	-2.0	-2.6	-1.1	-0.3	-0.3	
Vanguard Totl Stk Mkt Ind-Is	10,604,159	5.2		0.0	7.0	17.8	23.1	15.8	--	8.5	Oct-04
Spliced Total Stock Market				*0.0*	*7.0*	*17.8*	*23.1*	*15.9*	*--*	*8.5*	*Oct-04*
Over/Under				0.0	0.0	0.0	0.0	-0.1		0.0	
Stralem and Company	7,112,511	3.5		-0.9	4.3	13.5	16.8	12.7	--	7.5	Jun-06
S&P 500				*1.1*	*8.3*	*19.7*	*23.0*	*15.7*	*--*	*7.8*	*Jun-06*
Over/Under				-2.0	-4.0	-6.2	-6.2	-3.0		-0.3	
Vanguard Dividend Appreciation	8,035,308	3.9		-0.7	3.8	12.8	--	--	--	16.0	Sep-12
Dividend Achievers Select				*-0.7*	*3.8*	*13.0*	*--*	*--*	*--*	*16.1*	*Sep-12*
Over/Under				0.0	0.0	-0.2				-0.1	
Vanguard Growth Index Admiral Shares	5,040,704	2.5		1.1	8.1	19.3	22.9	16.6	--	9.3	Apr-08
Spliced Large Cap Growth				*1.1*	*8.2*	*19.4*	*23.0*	*16.7*	*--*	*9.4*	*Apr-08*
Over/Under				0.0	-0.1	-0.1	-0.1	-0.1		-0.1	
DSM Large Cap Growth Fund Istl	5,073,273	2.5		1.4	2.5	15.9	22.4	15.9	--	7.6	Apr-08
Russell 1000 Growth				*1.5*	*7.9*	*19.1*	*22.4*	*16.5*	*--*	*9.4*	*Apr-08*
Over/Under				-0.1	-5.4	-3.2	0.0	-0.6		-1.8	

Performance Summary

	Market Value ($)	% of Portfolio	Policy %	Ending September 30, 2014						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
TOTAL INTERNATIONAL EQUITY	**47,140,798**	**22.9**	**24.7**	**-5.3**	**0.7**	**5.3**	**12.8**	**7.6**	**8.1**	**9.8**	**May-03**
MSCI ACWI ex USA				*-5.3*	*0.0*	*4.8*	*11.8*	*6.0*	*7.1*	*9.2*	*May-03*
Over/Under				0.0	0.7	0.5	1.0	1.6	1.0	0.6	
TOTAL INTERNATIONAL DEVELOPED EQUITY	**34,989,336**	**17.0**	**--**	**-5.5**	**-1.0**	**4.8**	**13.9**	**8.1**	**--**	**0.8**	**Sep-07**
MSCI EAFE				*-5.9*	*-1.4*	*4.3*	*13.6*	*6.6*	--	*-0.2*	*Sep-07*
Over/Under				0.4	0.4	0.5	0.3	1.5		1.0	
1607 Capital Partners International Equity	14,672,465	7.1		-5.8	-0.4	5.5	15.4	9.6	--	4.1	Mar-08
MSCI EAFE				*-5.9*	*-1.4*	*4.3*	*13.6*	*6.6*	--	*1.5*	*Mar-08*
Over/Under				0.1	1.0	1.2	1.8	3.0		2.6	
MFS Instl Intl Equity	10,302,029	5.0		-4.6	-1.6	3.8	--	--	--	11.4	Nov-12
MSCI EAFE				*-5.9*	*-1.4*	*4.3*	--	--	--	*12.9*	*Nov-12*
Over/Under				1.3	-0.2	-0.5				-1.5	
Vanguard Developed Markets Index Inst.	10,014,842	4.9		-6.0	-1.6	--	--	--	--	-1.6	Dec-13
FTSE Developed ex North America				*-5.8*	*-1.0*	--	--	--	--	*-1.0*	*Dec-13*
Over/Under				-0.2	-0.6					-0.6	
TOTAL EMERGING MARKET EQUITY	**12,151,462**	**5.9**	**--**	**-5.3**	**3.3**	**4.0**	**7.5**	**5.0**	**--**	**1.9**	**Sep-07**
MSCI Emerging Markets				*-3.5*	*2.4*	*4.3*	*7.2*	*4.4*	--	*-0.2*	*Sep-07*
Over/Under				-1.8	0.9	-0.3	0.3	0.6		2.1	
Delaware Pooled Tr Emerg Mkt	12,151,462	5.9		-5.3	3.3	4.0	7.5	5.0	--	10.5	Oct-04
MSCI Emerging Markets				*-3.5*	*2.4*	*4.3*	*7.2*	*4.4*	--	*10.5*	*Oct-04*
Over/Under				-1.8	0.9	-0.3	0.3	0.6		0.0	
TOTAL FIXED INCOME	**22,617,680**	**11.0**	**12.0**	**-0.6**	**3.9**	**3.9**	**4.5**	**5.9**	**5.7**	**5.6**	**May-03**
Barclays Aggregate				*0.2*	*4.1*	*4.0*	*2.4*	*4.1*	*4.6*	*4.4*	*May-03*
Over/Under				-0.8	-0.2	-0.1	2.1	1.8	1.1	1.2	
US FIXED INCOME	**12,706,802**	**6.2**	**--**	**-0.4**	**3.3**	**2.7**	**3.4**	**4.7**	**--**	**5.0**	**Nov-04**
Barclays Aggregate				*0.2*	*4.1*	*4.0*	*2.4*	*4.1*	--	*4.7*	*Nov-04*
Over/Under				-0.6	-0.8	-1.3	1.0	0.6		0.3	

Performance Summary

	Market Value ($)	% of Portfolio	Policy %	Ending September 30, 2014						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
PIMCO Total Return Inst'l Fund	12,706,802	6.2		-0.4	3.3	3.3	4.6	--	--	4.8	Nov-09
Barclays Aggregate				*0.2*	*4.1*	*4.0*	*2.4*	--	--	*3.9*	*Nov-09*
Over/Under				-0.6	-0.8	-0.7	2.2			0.9	
GLOBAL FIXED INCOME	**9,910,877**	**4.8**	**--**	**-0.9**	**4.6**	**5.7**	**6.3**	**7.8**	**--**	**7.3**	**Feb-06**
Citi WGBI				*-3.8*	*1.0*	*-0.1*	*-0.5*	*1.6*	--	*4.6*	*Feb-06*
Over/Under				2.9	3.6	5.8	6.8	6.2		2.7	
Brandywine Global Fixed Income Portfolio CTF	4,936,130	2.4		-1.8	5.8	4.9	5.0	7.0	--	6.8	Feb-06
Citi WGBI				*-3.8*	*1.0*	*-0.1*	*-0.5*	*1.6*	--	*4.6*	*Feb-06*
Over/Under				2.0	4.8	5.0	5.5	5.4		2.2	
Templeton Global Bond Fd- Ad	4,974,747	2.4		0.1	3.5	6.3	--	--	--	6.1	Oct-11
Citi WGBI				*-3.8*	*1.0*	*-0.1*	--	--	--	*-0.7*	*Oct-11*
Over/Under				3.9	2.5	6.4				6.8	
JP Morgan GBI EM Diversified				*-5.7*	*0.0*	*-1.5*	--	--	--	*0.4*	*Oct-11*
TOTAL CASH	**2,254,428**	**1.1**	**1.3**	**0.1**	**0.1**	**0.2**	**0.9**	**0.9**	**2.0**	**1.9**	**May-03**
91 Day T-Bills				*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*1.5*	*1.4*	*May-03*
Over/Under				0.1	0.1	0.2	0.9	0.8	0.5	0.5	
Endowment Cash Account	2,030,776	1.0		0.0	0.0	0.0	0.0	0.0	1.6	2.0	Jan-00
91 Day T-Bills				*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*1.5*	*1.8*	*Jan-00*
Over/Under				0.0	0.0	0.0	0.0	-0.1	0.1	0.2	
PIMCO Short-Term Bond Inst'l	223,652	0.1		0.5	1.3	1.7	2.0	1.7	--	1.7	Sep-09
Citi 3mth Treasury Bill				*0.0*	*0.0*	*0.0*	*0.1*	*0.1*	--	*0.1*	*Sep-09*
Over/Under				0.5	1.3	1.7	1.9	1.6		1.6	
TOTAL ALTERNATIVE INVESTMENTS	**97,718,402**	**47.5**	**43.7**	**1.7**	**12.2**	**16.1**	**10.0**	**9.9**	**6.2**	**6.5**	**May-03**
TOTAL REAL ASSETS	**34,036,885**	**16.6**	**13.7**	**0.8**	**16.5**	**18.5**	**11.2**	**9.7**	**4.8**	**6.0**	**May-03**
TOTAL LIQUID REAL ASSETS	**10,499,298**	**5.1**	**--**	**-6.9**	**10.7**	**12.1**	**12.2**	**9.5**	**--**	**4.6**	**Sep-05**
S&P North American Natural Resources Sector Index				*-10.0*	*4.8*	*10.3*	*12.5*	*8.8*	--	*6.2*	*Sep-05*
Over/Under				3.1	5.9	1.8	-0.3	0.7		-1.6	

Performance Summary

	Market Value ($)	% of Portfolio	Policy %	Ending September 30, 2014						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
iShares S&P NA Natural Resources Index	2,182,267	1.1		-10.1	4.2	9.6	12.0	8.4	--	8.5	May-05
S&P North American Natural Resources Sector Index				*-10.0*	*4.8*	*10.3*	*12.5*	*8.8*	--	*9.0*	*May-05*
Over/Under				-0.1	-0.6	-0.7	-0.5	-0.4		-0.5	
RS Global Natural Resources	2,187,031	1.1		-11.5	-2.1	-4.9	5.2	--	--	1.0	Nov-10
S&P North American Natural Resources Sector Index				*-10.0*	*4.8*	*10.3*	*12.5*	--	--	*6.4*	*Nov-10*
Over/Under				-1.5	-6.9	-15.2	-7.3			-5.4	
Plains GP Holdings, L.P.	6,130,000	3.0		-4.2	--	--	--	--	--	11.1	May-14
Alerian MLP Index				*2.7*	--	--	--	--	--	*8.8*	*May-14*
Over/Under				-6.9						2.3	
TOTAL ILLIQUID REAL ASSETS	**23,537,587**	**11.4**	**--**	**5.0**	**19.0**	**21.2**	**10.8**	**9.7**	**--**	**3.2**	**Sep-05**
NCREIF Townsend Blended Index				*2.9*	*9.7*	*13.6*	*13.0*	*9.2*	--	*5.5*	*Sep-05*
Over/Under				2.1	9.3	7.6	-2.2	0.5		-2.3	
Mercer Illiquid Natural Resources Index				*8.1*	*15.7*	*16.7*	*6.8*	*9.6*	--	*9.7*	*Sep-05*
Mineral Acquisition Partners 2001	734,008	0.4									
Mineral Acquisition Partners 2003	582,670	0.3									
Mineral Acquisition Partners 2004	665,431	0.3									
Metropolitan Real Estate III	541,735	0.3									
RREEF America REIT III	881,739	0.4									
Canaan Natural Gas IX	1,535,793	0.7									
Quantum Resources	959,444	0.5									
Mineral Acquisition Partners 2006	916,083	0.4									
Commonfund Natural Resources VII	2,075,223	1.0									
HRJ Global Real Estate Fund III	1,312,691	0.6									
Berkshire Multifamily Value Fund II	2,761,075	1.3									
EnCap Investment Fund VII	334,875	0.2									
Natural Gas Partners IX	1,170,185	0.6									
Quinlan Private European Strategic Property Fund	447,811	0.2									
Beacon Capital Strategic Partners VI	1,420,443	0.7									
Canaan Natural Gas X	792,912	0.4									

Performance Summary

	Market Value ($)	% of Portfolio	Policy %	Ending September 30, 2014						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Commonfund Natural Resources VIII	1,971,368	1.0									
Inland American Real Estate Trust, Inc	66,508	0.0									
Commonfund Natural Resources IX	535,934	0.3									
EnCap Investment Fund IX	593,788	0.3									
Berkshire Multifamily Value Fund III	1,843,581	0.9									
Aether Real Assets III	206,469	0.1									
HGI Opportunity Select Fund III	800,000	0.4									
Mercer Private Investment Partners III - Real Estate	199,606	0.1									
Mercer Private Investment Partners III - Infrastructure	48,544	0.0									
EnCap Flatrock Midstream Fund III-C	42,793	0.0									
Mercer Private Investment Partners III - Natural Resources	96,878	0.0									
TOTAL HEDGE FUNDS	**31,389,147**	**15.3**	**15.0**	**-0.2**	**4.5**	**8.1**	**6.2**	**5.7**	**5.2**	**5.3**	**May-03**
HFRI Fund of Funds Composite Index				*0.3*	*2.4*	*6.2*	*5.2*	*3.4*	*3.4*	*3.8*	*May-03*
Over/Under				-0.5	2.1	1.9	1.0	2.3	1.8	1.5	
91 Day T-Bill + 4%				*1.0*	*3.0*	*4.0*	*4.1*	*4.1*	*5.5*	*5.5*	*May-03*
Silver Creek Low Vol Strategies II Ltd.	2,336,244	1.1		1.7	4.7	7.3	7.1	7.1	--	4.2	Dec-04
HFRI Fund of Funds Composite Index				*0.3*	*2.4*	*6.2*	*5.2*	*3.4*	--	*3.0*	*Dec-04*
Over/Under				1.4	2.3	1.1	1.9	3.7		1.2	
Pointer Offshore, Ltd.	15,203,473	7.4		-0.5	7.6	12.6	10.3	9.8	9.4	9.2	Jul-03
HFRI Fund of Funds Composite Index				*0.3*	*2.4*	*6.2*	*5.2*	*3.4*	*3.4*	*3.8*	*Jul-03*
Over/Under				-0.8	5.2	6.4	5.1	6.4	6.0	5.4	
Mercer Hedge Fund Investors SP-I	13,612,134	6.6		-0.1	2.3	6.2	7.8	--	--	6.0	Sep-10
HFRI Fund of Funds Composite Index				*0.3*	*2.4*	*6.2*	*5.2*	--	--	*3.4*	*Sep-10*
Over/Under				-0.4	-0.1	0.0	2.6			2.6	
Common Sense Offshore (A) CL A Common Stock	237,297	0.1		-8.0	-6.4	-4.2	-4.3	-2.8	--	0.5	Nov-04
TOTAL PRIVATE EQUITY	**32,292,370**	**15.7**	**15.0**	**4.5**	**15.7**	**21.3**	**12.4**	**15.0**	**5.9**	**7.1**	**May-03**
Cambridge Global PE/Venture Economics All PE Spliced Index				*3.4*	*16.1*	*20.1*	*14.0*	*15.5*	*12.6*	*13.3*	*May-03*
Over/Under				1.1	-0.4	1.2	-1.6	-0.5	-6.7	-6.2	

Performance Summary

	Market Value ($)	% of Portfolio	Policy %	Ending September 30, 2014						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Darwin Venture Capital	636,748	0.3									
Portfolio Advisors Private Equity Fund III	863,881	0.4									
Park Street Private Equity Fund VI	1,059,135	0.5									
Commonfund Private Equity Partners VI	2,048,592	1.0									
Commonfund Capital Venture Partners VII	891,580	0.4									
Commonfund International Private Equity Partners V	2,157,008	1.0									
Portfolio Advisors Private Equity Fund IV	1,369,822	0.7									
Portfolio Advisors Private Equity Fund V	1,727,043	0.8									
Vintage IV	1,587,432	0.8									
Quantum Energy Partners IV	1,556,850	0.8									
Commonfund International Private Equity Partners VI	1,211,364	0.6									
Commonfund Private Equity Partners VII	1,218,336	0.6									
Newbury Secondary Fund	1,213,247	0.6									
OCM Opportunities Fund IV B	2,063	0.0									
OCM Opportunities Fund VII	210,604	0.1									
OCM Opportunities Fund VIIb	218,973	0.1									
Commonfund Capital Venture Partners VIII	2,622,616	1.3									
Venture Investment Associates VI	993,875	0.5									
Envest III	2,262,048	1.1									
Quantum Energy Partners V	2,478,548	1.2									
Portfolio Advisors Private Equity Fund VII	1,186,703	0.6									
Commonfund Capital Partners V	832,382	0.4									
OCM Opportunities Fund IX	1,603,041	0.8									
Wingate Partners V	641,692	0.3									
Accolade Partners IV	807,634	0.4									
River Cities Capital Fund V	385,987	0.2									
Mercer Private Investment Partners III - Private Equity	402,481	0.2									
Mercer Private Investment Partners III - Secondary PE	102,685	0.0									

Performance Summary

	Market Value ($)	% of Portfolio	Policy %	Ending September 30, 2014						Inception	
				3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since

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

- Old Dominion Policy Index = 5.3% Spliced Total Stock Market / 4% S&P 500 / 2.5% Russell 1000 Growth / 2.5% CRSP Large Cap Growth / 4% Dividend Achievers Select / 18.3% MSCI EAFE / 6.4% MSCI Emerging Markets / 7% Barclays Aggregate / 5% Citi WGBI / 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% Cambridge Global PE/Venture Economics All PE Spliced Index
- Old Dominion Marketable Security Policy Index = 7.16% Spliced Total Stock Market / 5.405% S&P 500 / 5.405% Dividend Achievers Select / 3.38% Russell 1000 Growth / 3.38% CRSP Large Cap Growth / 24.73% MSCI EAFE / 8.65% MSCI Emerging Markets / 9.46% Barclays Aggregate / 6.76% Citi WGBI / 1.76% 91 Day T-Bills / 20.27% HFRI Fund of Funds Composite Index / 3.65% S&P North American Natural Resources Sector Index

Old Dominion University Educational Foundation September 30, 2014

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	1-year Net IRR
Darwin Venture Capital	2004	750,000	792,280	66,827	494,743	636,748	6/30/2014	1,131,491	1.43	7.11%	10.92 %
Park Street Private Equity Fund VI	2004	1,500,000	1,470,000	30,000	1,237,500	1,059,135	6/30/2014	2,296,635	1.56	8.76%	16.63 %
Portfolio Advisors Private Equity Fund III	2004	2,000,000	1,810,000	190,000	1,649,691	863,881	6/30/2014	2,513,572	1.39	6.74%	14.62 %
Commonfund Private Equity Partners VI	2005	3,000,000	2,760,150	239,850	1,767,300	2,048,592	6/30/2014	3,815,892	1.38	6.32%	12.97 %
Commonfund International Private Equity Partners V	2005	3,000,000	2,815,687	184,313	1,987,825	2,157,008	6/30/2014	4,144,833	1.47	7.17%	16.16 %
Commonfund Capital Venture Partners VII	2005	1,000,000	952,000	48,000	579,924	891,580	6/30/2014	1,471,504	1.55	9.36%	14.90 %
Portfolio Advisors Private Equity Fund IV	2006	2,000,000	1,614,024	385,976	928,737	1,369,822	6/30/2014	2,298,559	1.42	6.76%	12.19 %
Commonfund International Private Equity Partners VI	2007	1,500,000	1,256,250	243,750	438,631	1,211,364	6/30/2014	1,649,995	1.31	7.82%	15.78 %
Commonfund Private Equity Partners VII	2007	1,500,000	1,197,750	302,250	421,754	1,218,336	6/30/2014	1,640,090	1.37	10.74%	18.06 %
Commonfund Capital Venture Partners VIII	2007	2,250,000	2,002,500	247,500	543,212	2,622,616	6/30/2014	3,165,828	1.58	13.21%	22.29 %
Venture Investment Associates VI	2007	1,200,000	1,068,000	132,000	406,212	993,875	6/30/2014	1,400,087	1.31	8.70%	19.73 %
Envest III	2008	2,400,000	1,950,001	449,999	84,064	2,262,048	9/30/2014	2,346,112	1.20	6.47%	19.65 %
Portfolio Advisors Private Equity Fund V	2008	2,500,000	1,793,150	706,850	824,110	1,727,043	6/30/2014	2,551,153	1.42	9.02%	18.52 %
Portfolio Advisors Private Equity Fund VII	2012	2,500,000	1,106,261	1,393,739	-	1,186,703	6/30/2014	1,186,703	1.07	4.56%	11.34 %
Commonfund Capital Partners V	2012	2,500,000	800,000	1,700,000	-	832,382	6/30/2014	832,382	1.04	4.45%	11.26 %
Accolade Partners IV	2013	3,000,000	840,000	2,160,000	-	807,634	6/30/2014	807,634	0.96	-6.53%	2.23 %
Wingate Partners V	2013	2,000,000	692,662	1,307,338	76	641,692	6/30/2014	641,768	0.93	-31.83%	-26.94 %
River Cities Capital Fund V	2014	2,500,000	500,000	2,000,000	-	385,987	6/30/2014	385,987	0.77	-39.71%	NA
Mercer Private Investment Partners III - Private Equity	2014	2,450,000	402,500	2,047,500	-	402,481	6/30/2014	402,481	1.00	-33.24%	NA
Private Equity		*39,550,000*	*25,823,215*	*13,835,892*	*11,363,779*	*23,318,927*		*34,682,706*	*1.34*	*7.65%*	*14.77%*
Vintage IV	2006	2,500,000	2,423,561	522,862	1,711,639	1,587,432	6/30/2014	3,299,071	1.36	7.04%	7.37 %
Newbury Equity Partners	2007	2,000,000	1,940,000	60,000	1,553,470	1,213,247	6/30/2014	2,766,717	1.43	10.64%	13.67 %
Mercer Private Investment Partners III - Secondary PE	2014	1,050,000	105,000	945,000	-	102,685	6/30/2014	102,685	0.98	-20.21%	NA
Secondaries		*5,550,000*	*4,468,561*	*1,527,862*	*3,265,109*	*2,903,364*		*6,168,473*	*1.38*	*8.41%*	*9.95%*
Quantum Energy Partners IV	2006	2,000,000	1,751,013	303,038	1,164,413	1,556,850	6/30/2014	2,721,263	1.55	14.71%	26.02 %
Quantum Energy Partners V	2008	2,500,000	1,834,881	690,024	162,427	2,478,548	6/30/2014	2,640,975	1.44	20.57%	37.42 %
Energy/Natural Resources(PE)		*4,500,000*	*3,585,894*	*993,062*	*1,326,840*	*4,035,398*		*5,362,238*	*1.50*	*16.63%*	*32.31%*
OCM Opportunities Fund IV B	2002	1,000,000	1,200,000	-	1,956,433	2,063	6/30/2014	1,958,496	1.63	44.91%	-6.64 %
OCM Opportunities Fund VIIb	2007	1,000,000	900,000	100,000	1,384,630	218,973	6/30/2014	1,603,603	1.78	18.06%	11.12 %
OCM Opportunities Fund VII	2007	1,000,000	1,000,000	-	1,190,316	210,604	6/30/2014	1,400,920	1.40	8.14%	5.27 %
OCM Opportunities Fund IX	2012	2,000,000	1,500,000	500,000	-	1,603,041	6/30/2014	1,603,041	1.07	10.52%	11.10 %
Special Situations		*5,000,000*	*4,600,000*	*600,000*	*4,531,379*	*2,034,681*		*6,566,060*	*1.43*	*28.44%*	*10.08%*
Total Private Equity		*54,600,000*	*38,477,670*	*16,956,816*	*20,487,107*	*32,292,370*		*52,779,477*	*1.37*	*9.39%*	*15.87%*

Old Dominion University Educational Foundation September 30, 2014

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	1-year Net IRR
Metropolitan Real Estate III	2005	1,000,000	987,500	12,500	389,027	541,735	6/30/2014	930,762	0.94	-0.98%	8.88 %
RREEF America REIT III	2005	2,000,000	2,000,000	-	730,370	881,739	9/30/2014	1,612,109	0.81	-2.40%	25.49 %
HRJ Global Real Estate Fund III	2007	2,500,000	2,425,000	75,000	-	1,312,691	6/30/2014	1,312,691	0.54	-8.69%	3.74 %
Berkshire Multifamily Value Fund II	2007	2,500,000	2,500,000	-	1,013,339	2,761,075	6/30/2014	3,774,414	1.51	10.96%	14.22 %
Quinlan Private European Strategic Property Fund	2007	2,500,000	2,273,510	226,490	81,540	447,811	6/30/2014	529,351	0.23	-22.67%	1.45 %
Beacon Capital Strategic Partners VI	2008	2,750,000	1,925,000	825,000	1,062,228	1,420,443	6/30/2014	2,482,671	1.29	15.42%	24.79 %
Inland American Real Estate Trust, Inc	2011	63,761	63,761	-	-	66,508	9/30/2014	66,508	1.04	1.50%	6.32 %
Berkshire Multifamily Value Fund III	2013	2,500,000	1,658,619	841,381	-	1,843,581	6/30/2014	1,843,581	1.11	9.87%	9.43 %
HGI Opportunity Select Fund III	2014	1,000,000	800,000	200,000	-	800,000	NA	800,000	1.00	0.00%	NA
Mercer Private Investment Partners III - Real Estate	2014	1,000,000	200,000	800,000	-	199,606	6/30/2014	199,606	1.00	-13.56%	NA
Mercer Private Investment Partners III - Infrastructure	2014	500,000	50,000	450,000	-	48,544	6/30/2014	48,544	0.97	-20.01%	NA
Real Estate		*18,313,761*	*14,883,390*	*3,430,371*	*3,276,504*	*10,323,733*		*13,600,237*	*0.91*	*-1.79%*	*13.07%*
Mineral Acquisition Partners 2001	2001	250,000	250,000	-	598,158	734,008	6/30/2014	1,332,166	5.33	23.33%	55.18 %
Mineral Acquisition Partners 2003	2003	250,000	250,000	-	446,948	582,670	6/30/2014	1,029,618	4.12	22.07%	53.35 %
Mineral Acquisition Partners 2004	2004	500,000	500,000	-	293,586	665,431	6/30/2014	959,017	1.92	10.01%	17.45 %
Canaan Natural Gas IX	2005	1,986,302	1,738,288	248,014	639,707	1,535,793	12/31/2013	2,175,500	1.25	3.88%	44.47 %
Quantum Resources	2006	2,500,000	2,325,370	384,132	1,600,062	959,444	6/30/2014	2,559,506	1.10	2.75%	-5.24 %
Mineral Acquisition Partners 2006	2006	750,000	750,000	-	186,873	916,083	6/30/2014	1,102,956	1.47	7.60%	9.76 %
Commonfund Natural Resources VII	2006	2,500,000	2,266,250	233,750	1,231,100	2,075,223	6/30/2014	3,306,323	1.46	9.96%	19.95 %
EnCap Investment Fund VII	2007	1,500,000	1,526,759	156,569	1,960,953	334,875	6/30/2014	2,295,828	1.50	19.83%	35.88 %
Natural Gas Partners IX	2007	1,500,000	1,558,581	73,184	1,546,601	1,170,185	6/30/2014	2,716,786	1.74	18.14%	65.52 %
Canaan Natural Gas X	2008	2,750,000	1,024,375	1,725,625	181,504	792,912	12/31/2013	974,416	0.95	-1.24%	23.28 %
Commonfund Natural Resources VIII	2008	2,500,000	2,025,000	475,000	462,414	1,971,368	6/30/2014	2,433,782	1.20	8.43%	9.02 %
EnCap Investment Fund IX-C	2012	2,000,000	516,905	1,511,345	26,298	593,788	6/30/2014	620,086	1.20	29.39%	47.43 %
Commonfund Natural Resources IX	2012	2,500,000	562,500	1,937,500	-	535,934	6/30/2014	535,934	0.95	-6.48%	-2.13 %
Aether Real Assets III	2013	1,690,000	204,397	1,486,910	1,307	206,469	6/30/2014	207,776	1.02	4.58%	NA
EnCap Flatrock Midstream Fund III-C	2014	2,500,000	42,793	2,457,207	-	42,793	NA	42,793	1.00	0.00%	NA
Mercer Private Investment Partners III - Natural Resources	2014	1,000,000	100,000	900,000	-	96,878	6/30/2014	96,878	0.97	-52.83%	NA
Energy/Natural Resources(RA)		*26,676,302*	*15,641,218*	*11,589,236*	*9,175,511*	*13,213,854*		*22,389,365*	*1.43*	*10.16%*	*24.59%*
Total Real Assets		*44,990,063*	*30,524,608*	*15,019,607*	*12,452,015*	*23,537,587*		*35,989,602*	*1.18*	*4.17%*	*19.18%*
Total		**99,590,063**	**69,002,278**	**31,976,423**	**32,939,122**	**55,829,957**		**88,769,079**	**1.29**	**6.92%**	**17.29%**

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 Data prior to 6/30/04 provided by Smith Barney on a net of fee basis only.

•Composite performance, with the exception of the Total Fund Composite, from 06/03-05/04 is based on a weighted average of the underlying components as Smith Barney only tracked the Total Fund Composite performance.

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•The portfolio objectives statistics are based on the unadjusted portfolio policy.

•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. Mercer's 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.

•The Spliced Large Cap Growth Index consists of the S&P 500 Growth Index (formerly known as the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; and CRSP US Large Cap Growth Index thereafter.

•Thomson Reuters private equity data source transitioned to data provided by Cambridge Associates in Q1 2014. Data prior to January 1, 2014 consists of Venture Economics provided by Thomson Reuters.

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