



**OLD DOMINION UNIVERSITY RESEARCH
FOUNDATION**

FINANCIAL REPORT

JUNE 30, 2017 AND 2016

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Old Dominion University Research Foundation as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. In our opinion, the schedule of expenditures of federal awards is not in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

FINANCIAL STATEMENTS

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Statements of Financial Position

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,893,196	\$ 9,438,428
Accounts receivable:		
Grants and contracts, net	10,476,979	10,962,193
Other research related	151,161	468,686
Other	682,762	497,497
Travel advances	127,993	108,429
Prepaid expenses	<u>473,362</u>	<u>476,672</u>
Total current assets	<u>20,805,453</u>	<u>21,951,905</u>
PROPERTY AND EQUIPMENT		
Land	54,802	54,802
Buildings and improvements	1,037,290	1,037,290
Office furniture	411,555	414,433
Office equipment	210,469	210,469
Research equipment	19,470,141	19,445,791
Computer equipment	2,370,589	2,669,804
Equipment in process	<u>86,519</u>	<u>27,471</u>
	23,641,365	23,860,060
Less - accumulated depreciation	<u>(20,368,506)</u>	<u>(19,602,606)</u>
Total property and equipment	<u>3,272,859</u>	<u>4,257,454</u>
OTHER ASSETS - investments	<u>8,170,569</u>	<u>8,018,763</u>
Total assets	<u>\$ 32,248,881</u>	<u>\$ 34,228,122</u>

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Statements of Financial Position

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 3,660,197	\$ 4,651,275
Accrued expenses	2,291,088	3,034,731
Due to affiliate	3,155,443	3,224,798
Deferred revenue	<u>3,885,112</u>	<u>5,159,198</u>
Total current liabilities	<u>12,991,840</u>	<u>16,070,002</u>
NET ASSETS		
Unrestricted:		
Old Dominion University funds	16,039,251	14,940,566
Plant funds	3,272,859	4,257,454
Undesignated General and Designated Foundation Reserve	<u>(55,069)</u>	<u>(1,039,900)</u>
Total net assets	<u>19,257,041</u>	<u>18,158,120</u>
Total liabilities and net assets	<u>\$ 32,248,881</u>	<u>\$ 34,228,122</u>

See accompanying notes.

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Statements of Activities

For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
PUBLIC SUPPORT AND REVENUES		
Sponsored research	\$ 40,418,892	\$ 40,864,657
Indirect cost revenue	9,417,229	8,869,494
Other research related revenue	1,550,460	1,992,809
Value of contributed services	627,413	832,605
Interest and investment income	916,064	202,255
Memberships	15,500	35,500
Other	226,539	141,661
Total public support and revenues	<u>53,172,097</u>	<u>52,938,981</u>
EXPENSES		
Program services:		
Sponsored research	39,513,504	39,514,822
Other research related expenses	6,885,930	7,536,925
	<u>46,399,434</u>	<u>47,051,747</u>
Management and general	5,673,742	5,621,861
Total expenses	<u>52,073,176</u>	<u>52,673,608</u>
CHANGE IN NET ASSETS	1,098,921	265,373
NET ASSETS, BEGINNING OF YEAR	<u>18,158,120</u>	<u>17,892,747</u>
NET ASSETS, END OF YEAR	<u>\$ 19,257,041</u>	<u>\$ 18,158,120</u>

See accompanying notes.

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

	Program Services	Management and General		Program Services	Management and General	
Salaries and wages	\$20,926,873	\$ 2,086,286	\$ 23,013,159	\$21,402,577	\$ 2,065,327	\$ 23,467,904
Subcontracts	7,655,539	-	7,655,539	8,345,263	-	8,345,263
Fringe benefits	5,429,676	983,604	6,413,280	5,299,330	945,021	6,244,351
Participant support costs	3,025,248	-	3,025,248	2,685,104	-	2,685,104
Supplies	2,578,274	44,643	2,622,917	2,129,188	57,727	2,186,915
Contractual services	2,075,782	432,751	2,508,533	2,153,427	549,872	2,703,299
Travel	2,398,721	22,369	2,421,090	2,637,265	29,585	2,666,850
General expenses	1,683,763	10,029	1,693,792	1,910,638	16,288	1,926,926
Depreciation	-	1,545,351	1,545,351	-	1,566,159	1,566,159
Tuition	896,270	-	896,270	-	-	-

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OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

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Notes to Financial Statements

June 30, 2017 and 2016

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

Revenue Recognition

Substantially all of the Foundation's revenue is derived from grants, reimbursable cost contracts, and fixed-cost contracts. Contracts are exchange transactions. Grants are awarded for sponsored research and development purposes and are considered to be unrestricted. Revenue is recognized based upon direct expenses incurred plus indirect costs allowable under the grant or contract. Losses are recognized when identified.

The Foundation has received funds in excess of amounts earned on certain grants and contracts. Recognition of these amounts as revenue has been deferred until the Foundation substantially completes the services required under the grants or contracts.

Collaborative Arrangements

The Foundation periodically enters into collaborative arrangements with other universities, state agencies, commercial enterprises or private foundations. Such arrangements may involve research, development or licensing of intellectual property activities. Revenues and expenses from collaborative arrangements are included in the accompanying statements of activities.

New Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. In ASU 2016-02, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. This ASU requires a modified retrospective transition approach, which includes a number of optional practical expedients, described in ASU 2016-02, which may be applied. The ASU is effective for fiscal years beginning after December 15, 2019. The impact of the new standard has not been determined, however it is expected that there will be an increase in the Foundation's assets and liabilities.

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, intended to improve financial reporting for a not-for-profit entity. The ASU will reduce the current three classes of net assets into two: with and unrestr0-1ees

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Notes to Financial Statements

June 30, 2017 and 2016

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

classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early application is permitted. The ASU should be applied on a retrospective basis in the year that the ASU is first applied. While this ASU will change the presentation of the Foundation's financial statements it is not expected to alter the Foundation's reported financial position or activities.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards, as it is considered in current guidance. The Foundation will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year. ASU 2014-09, as deferred by ASU 2015-14, will be effective for annual reporting periods beginning after December 15, 2018, using either of two methods: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. The Foundation has not yet selected a transition method and is currently evaluating the impact of the pending adoption of ASU 2014-09 on the financial statements.

NOTE 2. ACCOUNTS RECEIVABLE

Accounts receivable for grants and contracts consists of the following:

<u>2017</u>	<u>2016</u>
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OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Notes to Financial Statements

June 30, 2017 and 2016

NOTE 3. ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

The Foundation has established and documented processes and methodologies for determining the fair values of investments on a recurring basis in accordance with FASB ASC 820. Under FASB ASC 820, a financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy established by FASB ASC 820 are defined as follows:

Level 1. Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.

Level 3. Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs used in the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. The Foundation endeavors to utilize the best available information in measuring fair value. Financial asset and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following tables summarize, by level within the fair value hierarchy, the assets measured at fair value on a recurring basis as of June 30, 2017 and 2016.

<u>Description</u>	<u>Fair Value at 06/30/17</u>	<u>Quoted Prices in Active Markets for Identical Assets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>
Bond funds	\$ 3,755,432	\$ -	\$ 3,755,432	\$ -
Mutual funds	758,743	758,743	-	-
Common stock	<u>167</u>	<u>167</u>	<u>-</u>	<u>-</u>

(Continued)

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Notes to Financial Statements

June 30, 2017 and 2016

NOTE 5. RELATED PARTY TRANSACTIONS

	<u>2017</u>	<u>2016</u>
Old Dominion University:		
Payables	\$ 2,371,882	\$ 2,426,617
Receivables	\$ 2,141,851	\$ 2,405,866
Receipts	\$ 9,874,126	\$ 11,106,684
Disbursements	\$ 8,534,491	\$ 8,472,265

The Foundation occupies office space leased by the University and accrues its share of rent expense to be reimbursed to the University. See Note 8.

The other related entity is the Virginia Commercial Space Flight Authority (VCSFA). The Foundation is the fiscal agent for VCSFA. The Due to VCSFA is the balance of cash held by ODURF for VCSFA. This entity operates as a separate organization; therefore, their transactions are excluded from these financial statements.

	<u>2017</u>	<u>2016</u>
VCSFA:		
Due to VCSFA	\$ 3,155,443	\$ 3,224,798
Administrative fees charged	\$ 69,355	\$ 88,403

NOTE 6. NET ASSETS

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

<u>2017</u>	<u>2016</u>
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OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Notes to Financial Statements

June 30, 2017 and 2016

NOTE 7. 403(b) TAX SHELTERED ANNUITY PLAN

The Foundation has a 403(b) Tax Sheltered Annuity Plan to assist employees with their retirement. All employees are eligible to participate in the Plan. All full-time, permanent employees receive an additional 11% of their pay as a contribution in lieu of retirement. This contribution may be invested in whole or part through the Foundation's annuity plan through either elective or nonelective contributions. Expense incurred under the plan for the years ended June 30, 2017 and 2016 was \$997,407 and \$1,057,496, respectively.

NOTE 8. OPERATING LEASE COMMITMENTS

The Foundation occupies office space leased by the University and accrues its share of rent expense to be reimbursed to the University. This space is occupied under an agreement effective for the period beginning April 1, 2007 and terminating as jointly agreed by both parties. The agreement shall not exceed a period of ten years without approval of both parties. The current lease arrangement is month to month. The Foundation also leases office equipment under noncancellable operating lease agreements. The estimated future commitments for these leases as of June 30, 2017, are as follows:

2018	\$	2,376
2019		<u>198</u>
	\$	<u>2,574</u>

NOTE 9. PROPOSAL AND FUNDING COSTS

The Foundation incurs costs associated with proposal submission and funding requests. These costs are predominately personnel costs and related overhead associated with individuals involved in proposal preparation and submission activities. Proposal submission and funding requests are submitted to various federal and state agencies as well as commercial enterprises and private foundations. Total proposal and funding costs incurred for the years ended June 30, 2017 and 2016 was \$504,965 and \$435,841, respectively.

NOTE 10. TRANSFERS TO PROJECTS

The Foundation records transfers to projects when grants and contracts use cost centers that are managed by the Foundation. The cost centers have rates for various usages and the amount charged to projects is based on specific use. Transfers to projects totaled \$320,711 and \$274,049 for the years ended June 30, 2017 and 2016, respectively.

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Notes to Financial Statements

June 30, 2017 and 2016

NOTE 11. CONTRIBUTED SERVICES

Contributed services are recognized as revenue and expense if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise need to be purchased by the Foundation. Contributed services recognized by the Foundation represent time spent by University faculty on various research projects that are donated and not reimbursed by the Foundation. These contributed services are recorded at their estimated fair value and totaled \$627,413 and \$832,605 for the years ended June 30, 2017 and 2016, respectively.

NOTE 12. GOVERNMENT FURNISHED EQUIPMENT

The Foundation currently has the use of equipment provided by the federal government for use on various research projects. This equipment has not been capitalized by the Foundation since title to these assets remains with the government agency. The Foundation is obligated to continue using this equipment or return it to the proper governmental agency. The estimated cost of government furnished equipment currently available to the Foundation was \$953,792 as of June 30, 2017 and 2016.

NOTE 13. CONCENTRATIONS

Financial instruments which potentially subject the Foundation to concentration of credit risk consist principally of temporary cash investments. The Foundation places its temporary cash investments with high credit quality financial institutions. From time to time, the Foundation maintains cash balances on deposit with financial institutions that may exceed \$250,000, the amount insured by the Federal Deposit Insurance Corporation.

The Foundation maintains its money market and other investment funds with local offices of two national brokers. At times, the balances were in excess of the \$500,000 limit insured by the Securities Investor Protection Corporation as of June 30, 2017 and 2016.

A majority of the Foundation's receivables are due from the federal government and agencies thereof. Credit risk is based on the good standing of the federal government. The Foundation receives a substantial amount of its support from federal agencies. A significant reduction in the level of this support, if this were to occur, may have a significant effect on its programs and activities.

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Notes to Financial Statements

June 30, 2017 and 2016

NOTE 14. SUBSEQUENT EVENTS

The Foundation has evaluated all events and transactions for potential recognition or disclosure through September 25, 2017, the date that the financial statements were available to be issued. As of June 30, 2017, except as disclosed in Note 4, there are no subsequent events that require disclosure pursuant to the FASB Accounting Standards Codification.

NOTE 15. CONTINGENCIES

The Foundation has received grants for specific purposes that are subject to review and audit by the grantor agencies. Claims against these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditures of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Foundation.

SUPPLEMENTAL INFORMATION

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedules of Indirect Cost Years Ended June 30, 2017 and 2016

	2017	2016
Indirect cost recoveries designated for Old Dominion University		
Balance - beginning of year	\$ 9,122,978	\$ 9,823,491
Indirect cost earned:	\$ 9,417,229	\$ 8,869,494
Accrued IDC, net of prior year	(216,565)	(476,110)
Adjust IDC recovered by Nonsponsored Agency	<u>(2,741,232)</u>	<u>(2,806,035)</u>
Net indirect cost earned	6,459,432	5,587,349
Allowable deductions		
Net Research Foundation operating expenses	\$ (5,373,031)	\$ (5,287,584)
Less:		
Depreciation expense	1,545,351	1,566,159
Non-budgeted expenses	180,274	155,876
Expenses allocated from other funds	<u>-</u>	<u>-</u>
Total budgeted Research Foundation operating expenses	(3,647,406)	(3,565,549)
Less non-budgeted adjustments	-	-
Plus transfer to reserves	42,933	86,120
Less amount funded from Non-Traditional activities	<u>1,139,607</u>	<u>1,237,958</u>
Allocation of IDC recoveries to Commonwealth of Virginia	(288,964)	(288,964)
Support of Intellectual Properties and Reserves	<u>(357,298)</u>	<u>(324,244)</u>
Total indirect cost recoveries designated to Old Dominion University	12,471,282	12,556,161
Expenditures in IDC designated accounts	(3,170,131)	(3,472,145)
IDC allocated to designated funds and other entities	(652,557)	(551,802)
Other income earned in IDC designated accounts	(135,526)	(841,478)
Capitalized equipment	(144,130)	(135,834)
Non-Traditional IDC revenue	<u>1,601,625</u>	<u>1,568,076</u>
Balance - end of year	<u>\$ 9,970,563</u>	<u>\$ 9,122,978</u>

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedules of Supporting Expenses Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Personnel services	\$ 2,086,286	\$ 1,981,835
Fringe benefits	983,604	942,331
Professional services	135,310	220,335
Insurance and bonds	70,396	81,618
Rental	62,559	133,000
Maintenance services	52,356	25,198
Supplies	42,677	57,799
Travel	22,369	26,677
Bank service charges	19,817	25,963
Telephone	11,369	10,393
Miscellaneous	10,027	17,164
Postage	8,113	12,692
Professional memberships	7,882	15,292
Meetings and entertainment	6,956	6,900
Printing and copying	2,803	2,396
Publications and subscriptions	<u>2,704</u>	<u>5,956</u>
 Total supporting expenses	 <u>\$ 3,525,228</u>	 <u>\$ 3,565,549</u>

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

CFDA Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
<u>Research and Development Cluster</u>						
<u>Department of Agriculture</u>						
Direct Programs:						
10.001	U.S. Department of Agriculture	Agricultural Research_Basic and Applied Research - Extramural Research		\$ 13,603		
10.219	U.S. Department of Agriculture	Biotechnology Risk Assessment Research		113,229		
10.253	U.S. Department of Agriculture	Consumer Data and Nutrition Research		13,069		
		Subtotal Direct Programs		139,901		
Pass-Through Programs from:						
10.170	VA Department of Agriculture	Specialty Crop Block Grant Program - Farm Bill	301-16-013	11,945		
10.170	VA Department of Agriculture	Specialty Crop Block Grant Program - Farm Bill	301-17-039	21,383		
10.253	Duke University	Consumer Data and Nutrition Research	343-0551	35,184		
10.253	Duke University	Consumer Data and Nutrition Research	343-0674	5,844		
10.310	University of Maine	Agriculture and Food Research Initiative (AFRI)	UMAINE UM5939	31,412		
10.578	Old Dominion University	WIC Grants To States (WGS)	7070732604	4,349		
		Subtotal Pass-Through Programs		110,117		
		Total Department of Agriculture		250,018		
<u>Department of Commerce</u>						
Direct Programs:						
11.433	Nat'l Oceanic and Atmospheric Admin	Marine Fisheries Initiative		67,585		
11.457	Nat'l Oceanic and Atmospheric Admin	Chesapeake Bay Studies		130,883	\$ 107,054	
11.482	Nat'l Oceanic and Atmospheric Admin	Coral Reef Conservation Program		35,370		
11.609	Nat'l Institute of Standards & Technology	Measurement and Engineering Research and Standards		104,735		
11.620	Nat'l Institute of Standards & Technology	Science, Technology, Business and/or Education Outreach		93,356	9,233	
(1)	Nat'l Marine Fisheries Service	NOAA NMFS Estimating Patagonia		(319)		
(1)	Nat'l Oceanic and Atmospheric Admin	Synthesis for Primary Prod Measurements Pacific Arctic Region		23,692		
		Subtotal Direct Programs		455,302		
Pass-Through Programs from:						
11.012	State University of New Jersey	Integrated Ocean Observing System (IOOS)	RUTGERS S156886	93,103	1,568	
11.012	University of New Hampshire	Integrated Ocean Observing System (IOOS)	A002-004	(9,555)		
11.012	University of New Hampshire	Integrated Ocean Observing System (IOOS)	15-057A	28,129		
11.012	State University of New Jersey	Integrated Ocean Observing System (IOOS)	S2379287	131,768	2,357	
11.417	Va Institute of Marine Science	Sea Grant Support	718542-712684	11,388		
11.417	Va Institute of Marine Science	Sea Grant Support	718542-712684	52,788		
11.417	Va Institute of Marine Science	Sea Grant Support	71858E-712684	8,378		
11.417	Va Institute of Marine Science	Sea Grant Support	71858D-712684	10,663		
11.417	University of Florida	Sea Grant Support	UFDSPO0011218	50,369		
11.417	Va Institute of Marine Science	Sea Grant Support	71856J-712684	29,094		
11.417	Va Institute of Marine Science	Sea Grant Support	71851D-712684	2,841		
11.417	California Sea Grant	Sea Grant Support	71120283	25,297		

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

CFDAPass-Through	Disbursements/	Amount Provided	MajorProgram Title	Entity Identifying No.	Expenditures	to Subrecipients	Program
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OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

CFDA Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
(1)	Applied Research LLC	Novel Border Monitoring System Using Medium & High Resolution Satellite	108-1	13,506		
(1)	University of Virginia	VMEC Night Vision Proposal	GG13316-153198	14,638		
(1)	Nondisclosed Sponsor	Model Based Solider Decision Framework	SCR1135853	103,637		
(1)	Nondisclosed Sponsor	Decision Framework Integration Human View and Imprint Phase II	1135825	12,995		
(1)	Contracting Resources Group	CRG Support Army G-1	15-722	11,660		
(1)	Contracting Resources Group	Support Arm Enterprise Workbook Ph II	17-526	5,410		
(1)	Battelle National Biodefense Insititute	Battelle 3-D Audio Tactile	US001-000500217	1,064		
(1)	A-Zone Environmental Services LLC	Lab Testing Atlantic Wood Industries Superfund Site Cap Material	7022.4_01	7,717		
(1)	Advanced Technology International	ATI SCRA Welding Educ.	2016-418	98,924		
(1)	Applied Systems and Technology	Technical Workshop On Naval Application for Additive Manufacturing	PO NO 9	1,871		
(1)	Excet, Inc.	Image Analysis of Biofoulig Test Panels	PO 5498	17,409		
		Subtotal Pass-Through Programs		<u>3,600,836</u>		
		Total Department of Defense		<u>6,524,567</u>		
Department of Education						
Direct Programs:						
84.324A	U.S. Department of Education	Special Education Research Grants		331,351		
84.325	U.S. Department of Education	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		75,647		
84.325K	U.S. Department of Education	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities		273,312		
84.411A	U.S. Department of Education	Investing in Innovation (i3) Fund		3,535,943	3,035,118	
		Subtotal Direct Programs		<u>4,216,253</u>		
Pass-Through Programs from:						
84.048	Old Dominion University	Career and Technical Education - Basic Grants to States	VA-2016-17-ODU TECHNICAL EDUCA1	5,400		
84.184A	Old Dominion University	Grants to Reduce Alcohol Abuse	876-61400-S184F140020-16	60,870		
84.184F	Old Dominion University	Safe and Drug-Free Schools and Communities -National Programs	876-61400-S184F140020	4,471		
84.184F	Old Dominion University	Safe and Drug-Free Schools and Communities -National Programs	876-61400-S184F140020-15	21,389		
84.305A	Temple University	Education Research, Development and Dissemination	PO 218114	26,166		
84.305A	Temple University	Education Research, Development and Dissemination	300161-ODU	84,848		
84.323A	Old Dominion University	Special Education - State Personnel Development	876-61270-H323A120026 SPDG	8,134		
84.323A	Old Dominion University	Special Education - State Personnel Development	2016-876-61270-H323A120026	778,946		
84.335A	Old Dominion University	Child Care Access Means Parents in School	P335A130115	53,147		
84.365Z	Old Dominion University	OELA - National Professional Development (NPD) Program	T365Z160151	177,473		
84.366B	Old Dominion University	Mathematics and Science Partnerships	S366B130047-60730-86	36,850		

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

CFDA Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
84.366B	Old Dominion University	Mathematics and Science Partnerships	S366B140047-60730-86	58,475	13,000	
84.366B	Old Dominion University	Mathematics and Science Partnerships	S366B140047-60730CC-876	127,572	3,960	
84.366B	Old Dominion University	Mathematics and Science Partnerships	S366B150047-APE6073012-876	2,245		
84.366B	Portsmouth Public Schools	Mathematics and Science Partnerships	16-088	1,327		
84.367D	National Writing Project Corporation	Supporting Effective Educator Development (SEED) Grant Program	97-VA07-SEED2012	9,894		
		Subtotal Pass-Through Programs		1,457,207		
		Total Department of Education		5,673,460		
Department of Energy						
	Direct Programs:					
81.049	U.S. Department of Energy	Office of Science Financial Assistance Program		1,507,898	145,704	
(1)	U.S. Department of Energy - Fermi National Accelerator Laboratory	Fermilab Crabbing System		159,185	6,875	
(1)	U.S. Department of Energy - Brookhaven National Laboratory	BNL Dirac-Based Pid		20,412		

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

CFDA Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/Expenditures	Amount Provided to Subrecipients	Major Program
(1)	Jefferson Science Associates, LLC	JLAB 12C2447200 Mod#17	JLAB 12C2447200	26,655		
(1)	Jefferson Science Associates, LLC	JSA Physics GRA Support	JSA 11A0009300	40,268		
(1)	Jefferson Science Associates, LLC	JSA 12-C2447100 Mod7	JSA 12-C2447	9,700		
(1)	Jefferson Science Associates, LLC	JSA Faculty Salaries Mod#17	JSA 12C2447300	4,764		
(1)	Non-Disclosed Sponsor	Virginia Solar Pathways Project	15-423	27,273		
		Subtotal Pass-Through Programs		1,681,696		
		Total Department of Energy		3,392,378		
<u>Department of Health and Human Services</u>						
	Direct Programs:					
93.124	U.S. Dept of Health and Human Services	Nurse Anesthetist Traineeship		17,827		
93.172	U.S. Public Health Service (Including NIH)	Human Genome Research		59,998	46,248	
93.173	U.S. Public Health Service (Including NIH)	Research Related to Deafness and Communication Disorders		284,553		
93.178	U.S. Dept of Health and Human Services	Nursing Workforce Diversity				

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

<u>CFDA Number</u>	<u>Agency/Pass Through Grantor</u>	<u>Program Title</u>	<u>Pass-Through Entity Identifying No.</u>	<u>Disbursements/ Expenditures</u>	<u>Amount Provided to Subrecipients</u>	<u>Major Program</u>
93.884	Eastern Virginia Medical School	Grants for Primary Care Training and Enhancement	S151311	45,959		
93.884	Eastern Virginia Medical School	Grants for Primary Care Training and Enhancement	S151311 #2	15,177		

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

<u>CFDA Number</u>	<u>Agency/Pass Through Grantor</u>	<u>Program Title</u>	<u>Pass-Through Entity Identifying No.</u>	<u>Disbursements/ Expenditures</u>	<u>Amount Provided to Subrecipients</u>	<u>Major Program</u>
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Department of the Interior

Direct Programs:

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

CFDA Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
<u>Environmental Protection Agency</u>						
Direct Programs:						
66.466	U.S. Environmental Protection Agency	Chesapeake Bay Program		17,770		
		Subtotal Direct Programs		<u>17,770</u>		
Pass-Through Programs from:						
66.436	Florida Fish & Wildlife Conservation Commission	Surveys, Studies, Investigations, Demonstrations, and Training Grants-Section 1442 of the Safe Drinking Water Act	AE51D6	7,099		
66.436	Florida Fish & Wildlife Conservation Commission	Surveys, Studies, Investigations, Demonstrations, and Training Grants-Section 1442 of the Safe Drinking Water Act		52,445		
66.466	Old Dominion University	Chesapeake Bay Program	15239	904,420		
66.604	Greater Southeast Development Corp.	Environmental Justice Small Grant Program	15-327	4,047		
		Subtotal Pass-Through Programs		<u>968,011</u>		
		Total Environmental Protection Agency		<u>985,781</u>		
<u>Institute of Museum and Library Services</u>						
Direct Programs:						
45.312	Institute of Museum and Library Services	National Leadership Grants		141,997	30,000	
45.313	Institute of Museum and Library Services	Laura Bush 21st Century Librarian Program		106,379	9,423	
		Subtotal Direct Programs		<u>248,376</u>		
Pass-Through Program from:						
45.313	University of Maryland	Laura Bush 21st Century Librarian Program		3,579		
		Subtotal Pass-Through Programs		<u>3,579</u>		

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

CFDA Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
43.001	Microxact, Inc.	Science	01_NASAUVF	14,777		
43.001	Midland Geospatial Support Services Joint Venture	Science	17-595	34,805		
43.008	Hampton University	Education	HU-160020	61,560		
43.008	Nat'l Institute of Aerospace Associates	Education	6557-OD	711,786		Nat'l Institute of Aerospace Associates

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

CFDA Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
47.074	National Science Foundation	Biological Sciences		304,569		
47.075	National Science Foundation	Social, Behavioral, and Economic Sciences		676,973	499,383	
47.076	National Science Foundation	Education and Human Resources		943,285	160,681	
47.078	National Science Foundation	Polar Programs		128,449		
		Subtotal Direct Programs		<u>6,984,991</u>		
	Pass-Through Programs from:					
47.041	Wise Case Technologies, LLC	Engineering Grants	1648357	21,980		
47.050	James Madison University	Geosciences	S15-235-02	13,657		
47.050	University of California (All Campuses)	Geosciences	81951867	3,890		
47.070	North Carolina State University	Computer and Information Science and Engineering	2014-1538-01	61,517		
47.076	Norfolk State University	Education and Human Resources	F1040086	8,577		
		Subtotal Pass-Through Programs		<u>109,621</u>		
		Total National Science Foundation		<u>7,094,612</u>		
	<u>Small Business Administration</u>					
	Direct Programs:					
59.043	Small Business Administration	Women's Business Ownership Assistance		132,166		
59.044	Small Business Administration	Veterans Business Development		351,433		
		Subtotal Direct Programs		<u>483,599</u>		
		Total Small Business Administration		<u>483,599</u>		
		Total Research and Development Cluster		<u>38,520,662</u>	<u>7,029,407</u>	*
	<u>Highway Planning and Construction Cluster</u>					
	<u>Department of Transportation</u>					
	Pass-Through Program from:					
20.205	University of Memphis	Highway Planning and Construction - Federal-Aid Highway Program, Federal Lands Highway Program	OP-2016-56129-6329	51,348		
		Subtotal Pass-Through Programs		<u>51,348</u>		
		Total Department of Transportation		<u>51,348</u>		
		Total Highway Planning and Construction Cluster		<u>51,348</u>	<u>-</u>	
	<u>Highway Safety Cluster</u>					
	<u>Department of Transportation</u>					
	Pass-Through Programs from:					
20.600	VA Department of Motor Vehicles	State and Community Highway Safety	PO-2017-57287-6936	15,364		
20.600	Old Dominion University	State and Community Highway Safety	OP-2016-56129-6329	2,818		

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

CFDA Number	Agency/Pass Through Grantor	Program Title	Pass-Through Entity Identifying No.	Disbursements/ Expenditures	Amount Provided to Subrecipients	Major Program
20.600	Old Dominion University	State and Community Highway Safety	18X9204020VA17	2,258		
20.616	VA Department of Motor Vehicles	National Priority Safety Programs	M2OP-2016-56373-6573-20.616	132,578	46,745	
20.616	VA Department of Motor Vehicles	National Priority Safety Programs	M2OP-2017-57285-6934	25,575		
20.616	VA Department of Motor Vehicles	National Priority Safety Programs	M2OP-2017-57430-7079-20.616	60,545		
		Subtotal Pass-Through Programs		<u>239,138</u>		
		Total Department of Transportation		<u>239,138</u>		
		Total Highway Safety Cluster		<u>239,138</u>	<u>46,745</u>	
<u>Department of the Interior</u>						
Pass-Through Programs from:						
15.605	Virginia Marine Resources Comm	Sport Fish Restoration Program	F15AF01170	86,795		
15.605	Virginia Marine Resources Comm	Sport Fish Restoration Program	F16AF01171	194,710		
		Subtotal Pass-Through Programs		<u>281,505</u>		
		Total Department of the Interior		<u>281,505</u>		
		Total Fish Depae				

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

CFDA Number	Pass-Through	Disbursements/	Amount Provided	Major
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OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2017

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

OLD DOMINION UNIVERSITY RESEARCH FOUNDATION

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2017

NONE



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees
Old Dominion University Research Foundation
Norfolk, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Old Dominion University Research Foundation (the “Foundation”), a nonprofit organization and component unit of Old Dominion University, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees
Old Dominion University Research Foundation
Norfolk, Virginia

Report on Compliance for Each Major Federal Program

We have audited Old Dominion University Research Foundation's (the "Foundation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended June 30, 2017. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

