

# **The Ohio State University**

(A Component Unit of the State of Ohio)

**Financial Statements as of and for the Years Ended  
June 30, 2012 and 2011, and Report on Federal  
Awards in Accordance with OMB Circular A-133  
For the Year Ended June 30, 2012 and  
Independent Auditors' Reports**

# The Ohio State University

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June 30, 2012 and 2011

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## Report of Independent Auditors

To The Board of Trustees of  
The Ohio State University  
Columbus, Ohio

In our opinion, the accompanying consolidated statements of net assets and the related statements of revenues, expenses and changes in net assets and statements of cash flows present fairly, in all material respects, the financial position of The Ohio State University (the "University"), a component unit of the State of Ohio, as of June 30, 2012 and June 30, 2011 and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of University's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report October 16, 2012 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2012. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



The accompanying management's discussion and analysis on pages 3 through 14 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements, that collectively comprise the University's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2012 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

October 16, 2012

# The Ohio State University

## Management's Discussion and Analysis (Unaudited)

### June 30, 2012

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The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of The Ohio State University (the "university") for the year ended June 30, 2012, with comparative information for the years ended June 30, 2011 and June 30, 2010. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

#### **About The Ohio State University**

The Ohio State University is the State of Ohio's flagship research institution and one of the largest universities in the United States of America, with over 64,000 students, 6,000 faculty members and 22,000 staff members. Founded in 1870 under the Morrill Land Grant Act, the university – which was originally known as the Ohio Agricultural and Mechanical College -- has grown over the years into a comprehensive public institution of higher learning, with 170 undergraduate majors, 145 master's degree programs, 113 doctoral programs and seven professional degree programs.

The university operates one of the nation's leading academic medical centers, The Ohio State University Wexner Medical Center. As a part of the Wexner Medical Center, the OSU Health System is comprised of The Ohio State University Hospital, The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, Richard M. Ross Heart Hospital, University Hospital East, OSU Harding Hospital, Dodd Rehabilitation Hospital, three comprehensive outpatient care centers, an ambulatory surgery center, a comprehensive breast treatment center, and 23 clinics. The Health System provided services to more than 56,000 adult inpatients and 1,220,000 outpatients during Fiscal Year 2012.

The university is governed by a board of trustees who are responsible for oversight of academic programs, budgets, general administration, and employment of faculty and staff. The university's 14 colleges, two independent schools, the Wexner Medical Center and various academic support units operate largely on a decentralized basis. The Board approves annual budgets for university operations, but these budgets are managed at the college and department level.

The following financial statements reflect all assets, liabilities and net assets (equity) of the university, the Wexner Medical Center, the Ohio Agricultural Research and Development Center and the Ohio Supercomputer Center. In addition, these statements include consolidated financial results for a number of legally separate entities subject to Board control, including:

- The OSU Foundation (a fundraising foundation operating exclusively for the benefit of the university)
- OSU Physicians, Inc. (the central practice group for physician faculty members of the Colleges of Medicine and Public Health)
- Campus Partners for Community Urban Redevelopment (a nonprofit organization participating in the redevelopment of neighborhoods adjacent to the main Columbus campus)
- Transportation Research Center, Inc. (an automotive research and testing facility in East Liberty, Ohio)
- OSU Health Plan (a nonprofit organization – formerly known as OSU Managed Health Care Systems -- that administers university health care benefits)

The entities listed above meet the "financial accountability" criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. A complete listing of the entities that are included in the university's financial report is provided in the Basis of Presentation section of the footnotes.

The university is considered a "component unit" of the State of Ohio and is included in the State of Ohio's Comprehensive Annual Financial Report.

# The Ohio State University

## Management's Discussion and Analysis (Unaudited)

### June 30, 2012

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#### **About the Financial Statements**

The university presents its financial reports in a "business type activity" format, in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*. In addition to this MD&A section, the financial report includes a Statement of Net Assets, a Statement of Revenues, Expenses and Other Changes in Net Assets, a Statement of Cash Flows and Notes to the Financial Statements.

The **Statement of Net Assets** is the university's balance sheet. It reflects the total assets, liabilities and net assets (equity) of the university as of June 30, 2012, with comparative information as of June 30, 2011. Liabilities due within one year, and assets available to pay those liabilities, are classified as current. Other assets and liabilities are classified as noncurrent. Investment assets are carried at market value. Capital assets, which include the university's land, buildings, improvements, and equipment, are shown net of accumulated depreciation. Net assets are grouped in the following categories:

- Invested in capital assets, net of related debt
- Restricted – Nonexpendable
- Restricted – Expendable
- Unrestricted

The **Statement of Revenues, Expenses and Other Changes in Net Assets** is the university's income statement. It details how net assets have increased (or decreased) during the year ended June 30, 2012, with comparative information for Fiscal Year 2011. Tuition revenue is shown net of scholarship allowances, patient care revenue is shown net of contractual allowances, charity care and bad debt expense, depreciation is provided for capital assets, and there are required subtotals for net operating income (loss) and net income (loss) before capital contributions and additions to permanent endowments.

It should be noted that the required subtotal for net operating income or loss will generally reflect a "loss" for state-supported colleges and universities. This is primarily due to the way operating and nonoperating items are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating expenses include virtually all university expenses, except for interest on long-term debt. Operating revenues, however, exclude certain significant revenue streams that the university and other public institutions have traditionally relied upon to fund current operations, including state instructional support, current-use gifts and investment income.

The **Statement of Cash Flows** details how cash has increased (or decreased) during the year ended June 30, 2012, with comparative information for Fiscal Year 2011. It breaks out the sources and uses of university cash into the following categories:

- Operating activities
- Noncapital financing activities
- Capital financing activities
- Investing activities

# The Ohio State University

## Management's Discussion and Analysis (Unaudited)

### June 30, 2012

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Cash flows associated with the university's expendable net assets appear in the operating and noncapital financing categories. Capital financing activities include payments for capital assets, proceeds from long-term debt and debt repayments. Purchases and sales of investments are reflected as investing activities.

The **Notes to the Financial Statements**, which follow the financial statements, provide additional details on the numbers in the financial statements. Behind the notes is a section that provides supplementary information on the university's Long-Term Investment Pool.

#### **Financial Highlights and Key Trends**

Total university net assets (equity) increased \$241 million, to \$5.49 billion at June 30, 2012, primarily due to increases in tuition and gift revenues, limited growth in expenses and positive operating results for the OSU Health System. In October 2011, the university issued \$500 million of federally taxable "Century Bonds", which mature in June 2111. Total university plant debt increased \$443 million, to \$2.48 billion. Total unrestricted and restricted-expendable net assets increased \$157 million, to \$2.21 billion.

Demand for an Ohio State education remains strong, and student outcomes continue to improve. 64,429 students were enrolled in Autumn 2011, up slightly from Autumn 2010. 93% of the freshmen enrolled in Autumn 2010 returned to OSU in Autumn 2011. Over the past five years, four-year graduation rates have increased from 42% to 59%, and six-year graduation rates have increased from 71% to 80%.

The following sections provide additional details on the university's 2012 financial results and a look ahead at significant economic conditions that are expected to affect the university in the future.

**The Ohio State University**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2012**

**Statement of Net Assets**

(in thousands)

	2012	2011	2010
Cash and temporary investments	\$ 1,339,961	\$ 1,516,357	\$ 1,218,665
Current receivables, inventories and prepaid expenses	628,809	552,548	572,436
Total current assets	<u>1,968,770</u>	<u>2,068,905</u>	<u>1,791,101</u>
Restricted cash	714,226	488,361	25,278
Noncurrent notes and pledges receivable	95,140	82,138	81,424
Long-term investment pool	2,366,033	2,120,714	1,887,568
Other long-term investments	76,769	68,283	64,232
Capital assets, net of accumulated depreciation	<u>3,842,351</u>	<u>3,465,010</u>	<u>3,231,134</u>
Total noncurrent assets	<u>7,094,519</u>	<u>6,224,506</u>	<u>5,289,636</u>
Total assets	<u>\$ 9,063,289</u>	<u>\$ 8,293,411</u>	<u>\$ 7,080,737</u>
Accounts payable and accrued expenses	\$ 442,165	\$ 392,275	\$ 376,469
Deferred revenues and deposits	231,545	228,550	208,579
Commercial paper and current portion of bonds, notes and lease obligations	553,151	542,903	505,842
Other current liabilities	<u>75,295</u>	<u>60,362</u>	<u>58,503</u>
Total current liabilities	<u>1,302,156</u>	<u>1,224,090</u>	<u>1,149,393</u>
Noncurrent portion of bonds, notes and lease obligations	1,923,833	1,490,810	898,243
Other noncurrent liabilities	<u>346,014</u>	<u>327,807</u>	<u>312,472</u>
Total noncurrent liabilities	<u>2,269,847</u>	<u>1,818,617</u>	<u>1,210,715</u>
Total liabilities	<u>\$ 3,572,003</u>	<u>\$ 3,042,707</u>	<u>\$ 2,360,108</u>
Invested in capital assets, net of related debt	\$ 2,079,926	\$ 1,979,373	\$ 1,875,977
Restricted-nonexpendable net assets	1,200,473	1,217,323	1,091,825
Restricted-expendable net assets	603,108	592,082	487,237
Unrestricted net assets	<u>1,607,779</u>	<u>1,461,926</u>	<u>1,265,590</u>
Total net assets	<u>\$ 5,491,286</u>	<u>\$ 5,250,704</u>	<u>\$ 4,720,629</u>

Total university **cash and temporary investment** balances decreased \$176 million, to \$1.34 billion, primarily due to transfers of operating funds to the Long Term Investment Pool. **Restricted cash** balances increased \$226 million, to \$714 million, reflecting the proceeds of the Century Bonds, which were partially offset by capital expenditures for the Medical Center expansion, the renovation and expansion of student housing on south campus and other projects. The Statement of Cash Flows, which is discussed in more detail below, provides additional details on sources and uses of university cash. The university holds the bulk of its working capital in short and intermediate-term investment funds. These funds are invested in a diversified portfolio of money-market instruments as well as short and intermediate-term fixed income securities. The average maturity of the portfolio is typically less than one year.

**Accounts receivable** increased \$70 million, to \$472 million at June 30, 2012, primarily due to increases in patient care receivables for the Health System (up \$60 million) and OSU Physicians (up \$12 million). Key factors contributing to the increases include one-time billing lags associated with the implementation of a new patient information and billing system, EPIC, a change in Medicare Fiscal Intermediary that slowed payment periods from 6 to 21 days, and slower claims processing by other payors

The market value of the university's **long-term investment pool** increased \$245 million, to \$2.37 billion at June 30, 2012, primarily due to transfers of operating funds, which totaled \$311 million. The long-term investment pool operates similar to a mutual fund, in that each named fund is assigned a number of shares



# The Ohio State University

## Management's Discussion and Analysis (Unaudited)

### June 30, 2012

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in the pool. It includes the gifted endowment funds of the university, gifted endowment funds of the OSU Foundation, and operating funds which have been internally designated to function as endowments. The pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the university's mission.

**Other long-term investments** are nonunitized investments that relate primarily to gift arrangements between donors and the OSU Foundation. These investments increased \$8 million, to \$77 million at June 30, 2012.

**Capital assets**, which include the university's land, buildings, improvements, equipment and library books, grew \$377 million, to \$3.84 billion at June 30, 2012. The university depreciates its capital assets on a straight-line basis, using estimated useful lives ranging from 5 years (for computer equipment and software) to 100 years (for certain building components such as foundations).

Major projects completed in 2012 include the Plant and Animal Agrosecurity Research Facility (a \$22 million biocontainment laboratory with capacity for plant and animal research at the BSL-3 and BSL-3 Ag safety levels), renovations of Cunz Hall and the Science and Engineering Library and (shortly after yearend) the build-out of the 4th, 5th and 6th floors of the Biomedical Research Tower. In addition, several major construction projects are currently underway or in advanced planning stages, including:

- **Medical Center Expansion** – Construction of a 21-story, \$1.1 billion new facility for the James Cancer Hospital and Solove Research Institute and the Critical Care Center is proceeding on time and on budget for a 2014 opening. The university is financing the project with a combination of bonds (\$925 million), private gifts (\$75 million) and a \$100 million federal grant.
- **South High Rises Renovation and Addition** – Work continues on the \$172 million project to renovate five student housing facilities in the south campus area and to construct two building additions, which will include approximately 360 new beds. Park and Stradley halls were opened for Fall Semester. Work on Smith, Steeb and Siebert halls is on schedule for completion before the 2013-2014 academic year.
- **William H. Hall Complex Expansion** – Work continues on a \$51 million project to construct a new suite-style housing facility as part of the William H. Hall housing complex. The new facility will provide approximately 537 new beds and is expected to be completed later this year.
- **Infrastructure Improvements** – Work continues on several major infrastructure projects, including construction of a \$73 million south campus central chiller plant to support the Medical Center expansion and a \$41 million east regional chiller plant to serve buildings east of the Oval. The south campus chiller project is expected to be completed in November 2012. The east regional chiller project is expected to be completed in 2014. In addition, a geothermal well project on South Oval, which will provide up to 50% of the heating and cooling for the Hall complex and south campus high rises, is expected to be completed in 2014.
- **Chemical and Bio-molecular Engineering and Chemistry Building** – Construction is underway on a \$126 million facility for the Chemistry and Chemical and Bio-molecular Engineering departments. The 225,000 square-foot building will contain research and teaching laboratories, faculty offices, and seminar rooms. Construction is projected to be completed by January 2015.
- **Sullivant Hall Renovation** – Work is underway on a \$26 million project to renovate Sullivant Hall, including creation of an entryway to High Street and the adjoining plaza. When completed in Fall 2013, the renovated facility will house the Advanced Computing Center for the Arts & Design, the

# The Ohio State University

## Management's Discussion and Analysis (Unaudited)

### June 30, 2012

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Department of Dance, the Billy Ireland Cartoon Library & Museum and the Department of Art Education.

The university's estimated future capital commitments, based on contracts and purchase orders, total approximately \$706 million at June 30, 2012.

**Accounts payable and accrued expenses** increased \$50 million, to \$442 million in 2012, primarily due to increases in vendor payables for capital projects and operating expenses (up \$16 million and \$28 million, respectively) and increases in retirement contributions payable (up \$19 million, due to timing differences in yearend remittances).

Total university debt, in the form of **bonds, notes and capital lease obligations**, increased \$443 million, to \$2.48 billion at June 30, 2012. In October 2011, the university issued \$500 million in federally taxable fixed-rate general receipts bonds that mature in full on June 1, 2111. The Century Bonds, which bear a 4.80% interest rate, allow the university to continue to diversify its debt portfolio along the yield curve, capturing a historically low cost of capital for a very long time. The university also realized a \$20 million gain on an interest-rate lock agreement associated with the bond issue. A portion of this gain (\$10 million) has been invested in the university's long-term investment pool to serve as a repayment fund for the principal on the century bonds.

The university's plant debt includes variable rate demand bonds that mature at various dates through 2035. GASB Interpretation 1, *Demand Bonds Issued by State and Local Governmental Entities*, provides guidance on the statement of net asset classification of these bonds. Under GASB Interpretation 1, outstanding principal balances on variable rate demand bonds may be classified as noncurrent liabilities if the issuer has entered into a "take-out agreement" to convert bonds "put" but not resold into some other form of long-term obligation. In the absence of such an agreement, the total outstanding principal balances for these bonds are required to be classified as current liabilities.

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. These obligations totaled \$470 million at both June 30, 2012 and 2011, respectively.

Subsequent to yearend, the university issued offering statements for \$91 million in tax-exempt General Receipts Bonds and \$23 million in federally taxable General Receipts Bonds. The proceeds of these bond issues will be used to refund existing bond obligations.

**Prior-Year Highlights:** *In 2011*, total unrestricted and restricted-expendable net assets increased \$301 million, to \$2.05 billion. Three September 2010 bond issues increased total university plant debt by \$630 million, to \$2.03 billion. *In 2010*, total unrestricted and restricted-expendable net assets increased \$66 million, to \$1.75 billion. Total university plant debt was stable at \$1.35 billion.

**The Ohio State University**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2012**

**Statement of Revenues, Expenses and Other Changes in Net Assets**

<i>(in thousands)</i>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Operating revenues</b>			
Tuition and fees, net	\$ 793,742	\$ 732,688	\$ 664,184
Grants and contracts	634,608	604,536	579,463
Auxiliary enterprises sales and services, net	233,020	232,482	204,676
OSU Health System sales and services, net	1,921,897	1,706,037	1,613,974
OSU Physicians sales and services, net	298,114	282,144	277,644
Departmental sales and other operating revenues	<u>183,926</u>	<u>197,432</u>	<u>182,503</u>
Total operating revenues	4,065,307	3,755,319	3,522,444
<b>Operating expenses</b>			
Educational and general	2,130,716	2,092,517	2,000,952
Auxiliary enterprises	239,570	244,787	223,704
OSU Health System	1,697,628	1,484,405	1,405,015
OSU Physicians	266,411	264,399	252,549
Depreciation	<u>242,391</u>	<u>239,351</u>	<u>231,744</u>
Total operating expenses	<u>4,576,716</u>	<u>4,325,459</u>	<u>4,113,964</u>
Net operating income (loss)	(511,409)	(570,140)	(591,520)
<b>Nonoperating revenues (expenses)</b>			
State share of instruction and line-item appropriations	428,306	439,576	443,337
Federal fiscal stabilization funds	-	60,063	59,234
Gifts - current use	139,599	103,754	90,743
Net investment income (loss)	60,177	365,108	323,944
Grants, interest expense and other non-operating	<u>21,350</u>	<u>21,749</u>	<u>(2,264)</u>
Income (loss) before other revenues, expenses gains or losses	138,023	420,110	323,474
State capital appropriations	42,188	62,732	33,042
Private capital gifts	19,072	16,398	15,545
Additions to permanent endowments	<u>41,299</u>	<u>30,835</u>	<u>33,363</u>
Increase (decrease) in net assets	240,582	530,075	405,424
<b>Net assets</b>			
Beginning of year	<u>5,250,704</u>	<u>4,720,629</u>	<u>4,315,205</u>
End of year	<u>\$ 5,491,286</u>	<u>\$ 5,250,704</u>	<u>\$ 4,720,629</u>

Net **tuition and fees** increased \$61 million, or 8%, to \$794 million in 2012. Total university enrollments increased 1%, with Columbus campus enrollments up 2%. Nonresident student enrollments increased 9% and now account for 21.5% of the university's total enrollments. Tuition rates increased 4% overall, with a 3.5% increase for undergraduates.

Operating **grant and contract revenues** increased \$30 million, to \$635 million in 2012, primarily due to a new \$20 million HRSA (Health Resources and Services Administration) grant to expand the Access to Care Program. Revenues for sponsored research programs administered by the Office of Sponsored Programs (formerly known as the OSU Research Foundation) increased \$8 million, to \$489 million. By the end of 2012, the bulk of the additional research funding provided under the American Recovery and Reinvestment Act of 2009 had been awarded and expended. Excluding the effect of \$145 million of one-time awards received in October 2010 and January 2011, total federal awards are down 7%. The decrease in awards is spread across all federal agencies.

**The Ohio State University**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2012**

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**Educational and general expenses** increased 2%, to \$2.13 billion in 2012. Additional details are provided below.

<i>(in thousands)</i>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Instruction and departmental research	\$ 880,042	\$ 843,406	\$ 829,008
Separately budgeted research	447,213	440,756	419,982
Public service	109,714	110,357	118,585
Academic support	162,783	147,845	140,255
Student services	90,493	88,604	87,603
Institutional support	224,377	243,827	191,532
Operation and maintenance of plant	105,346	115,091	109,440
Scholarships and fellowships	110,748	102,631	104,547
	<u>\$ 2,130,716</u>	<u>\$ 2,092,517</u>	<u>\$ 2,000,952</u>

Total **instructional and departmental research** expenses increased \$37 million in 2012, primarily due to faculty/staff salary increases. The university's budget process directs the bulk of annual increases in tuition, state share of instruction and facilities and administrative cost recoveries to the colleges, for investment in academic programs. **Academic support** expenses increased \$15 million, reflecting increased expenditures for Libraries and increased salary and benefit costs in several college offices, including Medicine, Nursing, Engineering and Undergraduate Studies. **Institutional support** decreased \$19 million, primarily due to a reduction in central accruals for employee health care costs. Lower prices for natural gas reduced **operation and maintenance of plant** expense by \$10 million.

Sales and service revenues of the university's **Auxiliary Enterprises** increased \$1 million, to \$233 million in 2012, primarily due to increases in housing and food service rates, which were partially offset by the loss of beds due to the temporary closures of Park and Stradley residence halls, and increases in parking revenue. Auxiliary expenses decreased \$5 million, to \$240 million.

**The Ohio State University Health System** operates nearly 1,200 inpatient beds and serves as a major tertiary and quaternary referral center for Ohio and the Midwest. Its Signature programs in Cancer, Critical Care, Imaging, Heart, Neurosciences and Transplantation provide personalized patient care. The Wexner Medical Center has 10 nationally ranked specialties in US News and World Report. It is designated as a Level I Trauma Center, has the only adult burn center in Central Ohio, and is home to a Level III neonatal intensive care unit.

A \$1.1 billion construction project broke ground in 2010, representing the largest development project in The Ohio State University's history. Once complete, the new Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, a Critical Care Center, as well as integrated, state-of-the-art research facilities will provide scientists, researchers and clinicians with a single collaborative environment for research, education and patient care. This 1.1 million square foot building will include 276 cancer beds and 144 critical care beds. Construction is expected to be completed in 2014, and more than 300,000 patients will be served annually when the facility is opened.

# **The Ohio State University**

## **Management's Discussion and Analysis (Unaudited)**

### **June 30, 2012**

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In October, 2011 the Medical Center converted to a single, integrated and personalized health record across the continuum of a patient's interaction with the Medical Center. All members of the Medical Center team now use the same system to access and enter information in the patient medical and financial record. In May 2012, Wexner Medical Center was the first hospital in Ohio and among only 86 of the more than 5,000 hospitals in the nation to achieve the highest designation for electronic medical record adoption.

In 2012, the Health System experienced strong activity levels and remained financially sound. Consistent with national trends, inpatient admissions dropped modestly, most notably in medicine, rehab and substance abuse. These drops were offset by gains in surgical and cardiovascular admissions, which have significantly greater margins.

Inpatient surgeries increased approximately 2.0%, while outpatient surgeries increased 4.7% with growth in Neurosurgery, Orthopedics and Urology. Outpatient visits increased 15% over the previous year, as the Health System opened its CarePoint East ambulatory facility and The James Breast Center and experienced continued growth at other CarePoint facilities and primary care locations.

Consolidated Health System operating revenues grew \$216 million, or 13%, from the prior year. Approximately one third of the increase was driven by stronger activities, with the remaining increase resulting from higher case intensity, sustained payer mix, and increased rates from third party payers. Included in operating revenue is a one-time recognition of approximately \$10.3 million receivable from Medicare for The James on previous years cost reports.

Consolidated Health System expenses (excluding depreciation, interest and transfers) grew \$213 million, or 14%, mirroring changes in activities and reflecting price increases. Salaries and benefits were up approximately 10%, some of which is one-time expense associated with the IHIS implementation (IHIS is the Health System's new patient information and billing system, also referred to as EPIC). There was a 25% growth in drug expenses, caused by a combination of more chemotherapy sites being open, more expensive chemotherapy agents being used, and uncertain drug availability which impacted both prices and the mix of drugs used. Supply cost increases were limited to approximately 7.5% as strategic sourcing kept price increases down.

Margins remained strong, with the Operating Margin increasing from 8.0% to 8.3%. The Excess of Revenues over Expenses was approximately \$169.0 million, including the one-time recognition of the Medicare receivable, versus \$144.5 million in 2011. \$99.0 million was reinvested back into research, education, and programs at the Medical Center. The Medical Center was a recipient of a \$100 million grant from The Health Resources and Services Administration (HRSA), an agency of the U.S. Department of Health & Human Services, in support of the new tower construction. Approximately \$30.4 million of the total grant was recognized under Contribution for Property Acquisitions as a change in net assets. Another \$6.5 million from other sources was also recognized. In total, after accounting for Excess of Revenue over Expenses, Investments in the Medical Center, and Contributions for Property Acquisitions, the Health System's net assets increased approximately \$107 million.

As with all healthcare providers, the Health System will be challenged by uncertain impacts of Healthcare Reform. Uncertainty in the upcoming elections and the potential repeal of existing legislation continues to complicate the environment. Regardless, the Medical Center continues to position itself to thrive in the changing market, as it has successfully done in the past. Integration of the medical staff into the Faculty Group Practice provides a unified structure to manage changes in reimbursement, change in practice patterns and alignment in strategies. The Health System is working with the University Health Plan and government waiver programs to begin management of specific patient populations, a key component of reform. It will actively work with other healthcare providers locally and statewide, and may form strategic

# The Ohio State University

## Management's Discussion and Analysis (Unaudited)

### June 30, 2012

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alliances when beneficial to our patients and the Medical Center. Administrative functions continue to be consolidated across the Medical Center, eliminating redundancy wherever possible.

Despite the challenges and the changing healthcare environment, the Health System expects to improve its financial position during the upcoming year, and will continue to play a key role in supporting the Medical Center and in its status as a leading academic medical center.

Revenues and operating expenses of **OSU Physicians, Inc. (OSUP)**, the University's central practice group for physician faculty members of the College of Medicine and Public Health, continue to grow in 2012. Total consolidated operating revenues grew from \$282 million to \$298 million as a result of increased rates from contractual negotiations and support from the university. Total consolidated OSUP expenses (excluding depreciation, interest and interfund transfers) were relatively flat, increasing \$2 million, to \$266 million in 2012.

OSUP is the single member of 18 limited liability companies (LLCs). As of June 30, 2012 only 16 of the limited liability companies were active. Two of the LLCs (Anesthesiology and Orthopedics) have been created but had no 2012 activity within OSUP.

Total state operating support declined by \$71 million, or 14%, in 2012. **State share of instruction and line-item appropriations** decreased \$11 million, to \$428 million in 2012. **Federal fiscal stabilization funds**, which totaled \$60 million in 2011, were provided only for the 2010-2011 biennium.

**Nonendowment gifts** to the university (including gifts for current use and gifts to capital projects) increased \$39 million, to \$159 million in 2012. New gift **additions to permanent endowments** increased \$10 million, to \$41 million. During 2012, a new record of 211,000 donors made gifts to the university; the next highest year was 2011 at 177,322.

University investments yielded \$60 million of net investment income in 2012. The **net investment income** figure includes \$70 million of interest and dividend income and \$10 million net decrease in the fair value of university investments.

The fiscal year ended June 30, 2012 was challenging for investment markets. The Long-Term Investment Pool net return was essentially flat at negative 0.14%, as compared with the All Country World Index (ACWI) which experienced a negative 5.96% return. The three-year annualized return for The Long-Term Investment Pool was positive 10.5%, comparing favorably to its overall policy benchmark of 8.9%.

Macroeconomic issues weighed heavily on global markets throughout the year. These included the U.S. debt ceiling and deficit, the health care debate, the uncertainty of tax policy beyond 2012, the ongoing European debt crisis, the sell-off of emerging markets investments, and the slowdown in China.

These issues caused a great deal of volatility in the markets on a daily basis. Markets were generally very negative in the first half of the fiscal year and mildly positive in the second half. International and Emerging Markets were negative (14-16%) for the fiscal year, while U.S. equity markets were mixed with large-cap stocks being positive and small and mid-cap stocks being negative. U.S. Government Bonds won the day as money poured into U.S. debt as a "safe" haven.

**Prior-Year Highlights:** *In 2011*, total university net assets increased \$530 million, primarily due to \$365 million of net investment income and strong operating results for the OSU Health System. *In 2010*, university investments yielded \$324 million of net investment income, recovering a significant portion of the net investment loss experienced in 2009. Total Health System operating revenues increased \$114 million.

**The Ohio State University**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2012**

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**Statement of Cash Flows**

*(in thousands)*

	2012	2011	2010
Net cash flows from operating activities	\$ (261,798)	\$ (262,829)	\$ (356,277)
Net cash flows from noncapital financing activities	642,267	704,276	663,725
Capital appropriations and gifts for capital projects	68,038	79,099	41,334
Proceeds from issuance of bonds and notes payable	521,155	902,117	337,113
Payments for purchase and construction of capital assets	(577,739)	(445,460)	(332,448)
Principal and interest payments on capital debt, net of federal Build America Bond interest subsidies	(148,810)	(337,668)	(385,506)
Net cash flows from investing activities	<u>15,427</u>	<u>(239,169)</u>	<u>(24,130)</u>
Net increase (decrease) in cash	<u>\$ 258,540</u>	<u>\$ 400,366</u>	<u>\$ (56,189)</u>

Total university cash and cash equivalents increased \$259 million in 2012. Net cash flows from operating activities increased \$1 million, with increases in sales and service and tuition receipts offsetting increases in payments for wages, supplies and services. Net cash flows from noncapital financing activities decreased \$62 million, reflecting the loss of the \$60 million in federal fiscal stabilization funds and an \$11 million reduction in state operating support. Net cash from capital financing activities swung from a positive \$198 million to a negative \$137 million, primarily due to lower levels of net debt issuance in 2012 and higher levels of capital expenditures on the Medical Center expansion, south campus dorm expansion and other major projects. Total cash provided by investing activities was \$15 million, with cash provided by sales of temporary investments, interest and dividends offsetting net purchases of shares in the Long-Term Investment Pool.

**Economic Factors That Will Affect the Future**

As Fiscal Year 2012 drew to a close, the nation continued to slowly recover from its deepest recession in 50 years. In 2012, the State of Ohio reduced annual operating support to the university by 14%, primarily due to the expiration of federal fiscal stabilization funds, which were provided in 2010 and 2011 under the American Recovery and Reinvestment Act. Although the State of Ohio's finances have continued to improve over the past year and are projected to be stable in 2013, the university will have absorbed total cuts in state operating support of over \$120 million for the 2012-2013 biennium.

Moderate tuition increases are a necessary component of the university's strategy to address these reductions in state funding. Undergraduate instructional and general fees have been increased 3.4% for Autumn Semester 2012. The university did not increase any of the mandatory student fees for Fiscal Year 2013, reducing the overall increase for resident undergraduate tuition and fees to 3.2%.

University leadership does not take these tuition increases lightly and recognizes that rising levels of student debt are among our leading national challenges. For the 2012-2013 academic year, the Board of Trustees has approved an additional \$50 million for student financial aid and scholarships. The infusion of funds will not only help attract the best and brightest students, but also will allow the university to increase need-based aid and help an additional 1,300 students each year to achieve the dream of a college degree.

Since President E. Gordon Gee's return to Ohio State in 2007, the university has embarked on a multi-phase strategic planning process to move the university from excellence in eminence in public higher education. Our vision is to become the world's preeminent public comprehensive university, solving problems of world-wide significance. As our Executive Vice President and Provost, Joseph A. Alutto, noted in his April 2012 strategic planning presentation to the Board of Trustees, the quality of a university is greatly determined by:

# The Ohio State University

## Management's Discussion and Analysis (Unaudited)

### June 30, 2012

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- The number and quality of faculty actively involved in teaching and research
- The ability to provide outstanding students with access to high-quality programs regardless of economic background
- Enhanced on-campus experiences supporting students' aspirations for growth and career goals, and
- Development of sufficient resources to support these critical facets of university life

Given the numerous and competing demands on the State of Ohio to provide funding for governmental programs, it is clear that Ohio State cannot simply depend on state subsidies to realize its strategic goals. Instead, the university is committed to generating the necessary incremental resources for improvement through a variety of approaches, including identification of savings, redirection of existing funds, and innovative development of new funding sources. A prime example of these innovations is the September 21, 2012 lease and concession agreement for the university's parking facilities. In exchange for the right to operate the parking facilities over the next 50 years, QIC Global Infrastructure paid the university \$483 million, which will be used to fund five new endowments. Over the next ten years, the university's long-range strategic plan calls for estimated resource generation of \$2.1 billion, to be invested in new faculty, research and teaching (\$300 million), continued increases in student financial aid (\$200 million), enhancements to student residential experiences and support services (\$100 million), and new facilities (\$1.5 billion).

In addition to the new funding sources envisioned in the long-range strategic plan, private fundraising is critically important to realizing the university's academic goals. On October 4, 2012, the university launched the *But for Ohio State* fundraising campaign. The primary objectives of the \$2.5 billion campaign are placing students first, elevating faculty, creating a modern learning environment, and emboldening our research agendas.

Based on what is now known regarding the university's financial outlook, university management anticipates that Ohio State will maintain its sound financial position in Fiscal Year 2013. However, the university is closely monitoring developments at the federal level related to budget sequestration. Federal budget sequestration is a process of across-the-board cuts to federal spending as a means to reduce the national deficit. Last year, when Congress and the White House could not agree on cuts to federal spending, a special Congressional "Supercommittee" was charged with establishing deficit-reduction legislation by January 2012. The committee failed to do so, and sequestration was automatically put into effect. Unless Congress and the White House reach a budget agreement, sequestration will occur in January 2013. This process could cut 8-10% from key federal programs that support students, faculty and patients at Ohio State. The university's Federal Relations team is working to demonstrate the potential negative impacts of sequestration to elected officials and collaborating with other universities and higher education associations to find a legislative solution.

Despite the challenges and uncertainties outlined above, the university remains committed to executing its long-range strategic plan. By doing so, we believe that The Ohio State University will continue its progress towards becoming the world's preeminent comprehensive public university.



**The Ohio State University**  
**Consolidated Statements of Net Assets**  
**Years Ended June 30, 2012 and 2011**

<i>(in thousands)</i>	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 601,095	\$ 568,420
Temporary investments	738,866	947,937
Accounts receivable, net	471,903	402,181
Notes receivable - current portion, net	24,625	16,014
Pledges receivable - current portion, net	21,190	26,054
Accrued interest receivable	27,455	26,601
Inventories and prepaid expenses	83,636	81,698
Total current assets	<u>1,968,770</u>	<u>2,068,905</u>
Noncurrent assets		
Restricted cash	714,226	488,361
Notes receivable, net	48,585	57,028
Pledges receivable, net	46,555	25,110
Long-term investment pool	2,366,033	2,120,714
Other long-term investments	76,769	68,283
Capital assets, net	3,842,351	3,465,010
Total noncurrent assets	<u>7,094,519</u>	<u>6,224,506</u>
Total assets	<u>\$ 9,063,289</u>	<u>\$ 8,293,411</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 442,165	\$ 392,275
Deposits and deferred revenues	231,545	228,550
Commercial paper and current portion of bonds, notes and leases payable	83,451	73,203
Long-term bonds payable, subject to remarketing	469,700	469,700
Other current liabilities	75,295	60,362
Total current liabilities	<u>1,302,156</u>	<u>1,224,090</u>
Noncurrent liabilities		
Bonds, notes and leases payable	1,923,833	1,490,810
Compensated absences	126,444	116,400
Self-insurance accruals	115,208	117,531
Amounts due to third-party payors - Health System	13,716	23,449
Obligations under annuity and life income agreements	34,088	35,540
Refundable advances for Federal Perkins loans	28,706	28,887
Other noncurrent liabilities	27,852	6,000
Total noncurrent liabilities	<u>2,269,847</u>	<u>1,818,617</u>
Total liabilities	<u>3,572,003</u>	<u>3,042,707</u>
Net assets		
Invested in capital assets, net of related debt	2,079,926	1,979,373
Restricted		
Nonexpendable	1,200,473	1,217,323
Expendable	603,108	592,082
Unrestricted	1,607,779	1,461,926
Total net assets	<u>5,491,286</u>	<u>5,250,704</u>
Total liabilities and net assets	<u>\$ 9,063,289</u>	<u>\$ 8,293,411</u>

**The Ohio State University**  
**Consolidated Statements of Revenues, Expenses, and Other**  
**Changes in Net Assets**  
**Years Ended June 30, 2012 and 2011**

<i>(in thousands)</i>	<b>2012</b>	<b>2011</b>
<b>Operating revenues</b>		
Student tuition and fees (net of scholarship allowances of \$136,740 and \$137,334, respectively)	\$ 793,742	\$ 732,688
Federal grants and contracts	367,466	345,277
State grants and contracts	48,061	42,212
Local grants and contracts	16,020	18,029
Private grants and contracts	203,061	199,018
Sales and services of educational departments	112,574	121,773
Sales and services of auxiliary enterprises (net of scholarship allowances of \$17,228 and \$18,153, respectively)	233,020	232,482
Sales and services of the OSU Health System, net	1,921,897	1,706,037
Sales and services of OSU Physicians, Inc., net	298,114	282,144
Other operating revenues	71,352	75,659
Total operating revenues	<u>4,065,307</u>	<u>3,755,319</u>
<b>Operating expenses</b>		
Educational and general		
Instruction and departmental research	880,042	843,406
Separately budgeted research	447,213	440,756
Public service	109,714	110,357
Academic support	162,783	147,845
Student services	90,493	88,604
Institutional support	224,377	243,827
Operation and maintenance of plant	105,346	115,091
Scholarships and fellowships	110,748	102,631
Auxiliary enterprises	239,570	244,787
OSU Health System	1,697,628	1,484,405
OSU Physicians, Inc.	266,411	264,399
Depreciation	242,391	239,351
Total operating expenses	<u>4,576,716</u>	<u>4,325,459</u>
Operating loss	(511,409)	(570,140)
Nonoperating revenues (expenses)		
State share of instruction and line-item appropriations	428,306	439,576
Federal fiscal stabilization funds	-	60,063
Federal subsidies for Build America Bonds interest	11,252	8,283
Federal nonexchange grants	57,466	59,244
State nonexchange grants	5,185	6,359
Gifts	139,599	103,754
Net investment income	60,177	365,108
Interest expense on plant debt	(59,734)	(57,847)
Other nonoperating revenues	7,181	5,710
Net nonoperating revenue	<u>649,432</u>	<u>990,250</u>
Income before other revenues, expenses, gains or losses	<u>138,023</u>	<u>420,110</u>
Other changes in net assets		
State capital appropriations	42,188	62,732
Private capital gifts	19,072	16,398
Additions to permanent endowments	41,299	30,835
Total other changes in net assets	<u>102,559</u>	<u>109,965</u>
Increase in net assets	240,582	530,075
<b>Net assets</b>		
Beginning of year	<u>5,250,704</u>	<u>4,720,629</u>
End of year	<u>\$ 5,491,286</u>	<u>\$ 5,250,704</u>

**The Ohio State University**  
**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2012 and 2011**

<i>(in thousands)</i>	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities</b>		
Tuition and fee receipts	\$ 698,512	\$ 636,664
Grant and contract receipts	626,918	617,483
Receipts for sales and services	2,500,593	2,383,266
Payments to or on behalf of employees	(2,218,575)	(2,088,464)
University employee benefit payments	(565,925)	(566,773)
Payments to vendors for supplies and services	(1,298,300)	(1,229,704)
Payments to students and fellows	(100,048)	(92,651)
Student loans issued	(10,495)	(10,717)
Student loans collected	10,024	9,450
Student loan interest and fees collected	2,152	2,274
Other receipts	93,346	76,343
Net cash used by operating activities	<u>(261,798)</u>	<u>(262,829)</u>
<b>Cash flows from noncapital financing activities</b>		
State share of instruction and line-item appropriations	428,306	439,576
Federal fiscal stabilization funds	-	60,063
Nonexchange grant receipts	62,651	65,603
Gift receipts for current use	123,018	98,942
Additions to permanent endowments	41,299	30,833
Drawdowns of federal direct loan proceeds	386,400	410,355
Disbursements of federal direct loans to students	(397,721)	(401,346)
Disbursement of loan proceeds to related organization	(101)	(2,268)
Repayment of loans from related organization	217	1,068
Amounts received for annuity and life income funds	1,848	5,301
Amounts paid to annuitants and life beneficiaries	(3,761)	(3,833)
Agency funds receipts	2,805	2,780
Agency funds disbursements	(2,694)	(2,798)
Net cash provided by noncapital financing activities	<u>642,267</u>	<u>704,276</u>
<b>Cash flows from capital financing activities</b>		
Proceeds from capital debt	521,155	902,117
State capital appropriations	48,966	62,701
Gift receipts for capital projects	19,072	16,398
Payments for purchase or construction of capital assets	(577,739)	(445,460)
Principal payments on capital debt and leases	(77,787)	(282,492)
Interest payments on capital debt and leases	(82,275)	(62,522)
Federal subsidies for Build America Bonds interest	11,252	7,346
Net cash provided (used) by capital financing activities	<u>(137,356)</u>	<u>198,088</u>
<b>Cash flows from investing activities</b>		
Net (purchases) sales of temporary investments	209,071	(360,409)
Proceeds from sales and maturities of long-term investments	614,242	1,262,273
Investment income	65,899	54,370
Purchases of long-term investments	(873,785)	(1,195,403)
Net cash provided (used) by investing activities	<u>15,427</u>	<u>(239,169)</u>
Net increase in cash	258,540	400,366
<b>Cash and cash equivalents</b>		
Beginning of year	<u>1,056,781</u>	<u>656,415</u>
End of year	<u>\$ 1,315,321</u>	<u>\$ 1,056,781</u>

**The Ohio State University**  
**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2012 and 2011**

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<i>(in thousands)</i>	<b>2012</b>	<b>2011</b>
<b>Reconciliation of net operating loss to net cash used by operating activities</b>		
Operating loss	\$ (511,409)	\$ (570,140)
Adjustments to reconcile net operating loss to net cash used by operating activities		
Depreciation expense	242,391	239,351
Changes in assets and liabilities		
Accounts receivable, net	(65,179)	31,245
Notes receivable, net	(284)	(325)
Accrued interest receivable	(836)	(1,074)
Inventories and prepaid expenses	(1,938)	(6,031)
Accounts payable and accrued liabilities	30,412	2,706
Self-insurance accruals	13,373	1,368
Amounts due to third-party payors - Health System	(9,733)	(2,967)
Deposits and deferred revenues	27,909	19,845
Compensated absences	13,891	15,699
Refundable advances for Federal Perkins loans	(181)	(68)
Other liabilities	(214)	7,562
Net cash used by operating activities	<u>\$ (261,798)</u>	<u>\$ (262,829)</u>
<b>Noncash transactions</b>		
Capital lease	\$ 10,473	\$ 422
Construction in process in accounts payable	57,362	41,062
Stock gifts	8,815	8,812

# The Ohio State University

## Notes to Financial Statements

### June 30, 2012 and 2011

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#### 1. Summary of Significant Accounting and Reporting Policies

##### Organization

The Ohio State University (the “university”) is a land grant institution created in 1870 by the Ohio General Assembly under provisions of the Morrill Act. The university is one of several state-supported universities in Ohio. It is declared by statute to be a body politic and corporate and an instrumentality of the State.

The university is governed by a Board of Trustees which is granted authority under Ohio law to do all things necessary for the proper maintenance and continual successful operation of the university. Trustees are appointed by the governor, with the advice and consent of the state Senate. In 2005, the Ohio General Assembly voted to expand the Board from 11 to 17 members. The standard term for voting members of the Board is nine years. However, as part of the transition to a larger board membership, the additional trustees appointed in 2005 and 2006 will serve terms ranging from four to eight years. The Board also includes two nonvoting student trustees who are appointed to two-year terms.

In 2009, the Board appointed its first charter trustee, which expanded the Board to 18 members. A maximum of three charter trustees may be appointed and removed by a vote of the Board. Charter trustees, who must be non-Ohio residents, are appointed to three-year terms and do not have voting privileges.

The Board of Trustees has responsibility for all the university’s financial affairs and assets. The university operates largely on a decentralized basis by delegating this authority to its academic and support departments. The Board must approve the annual budgets for unrestricted academic and support functions, departmental earnings operations and restricted funds operations, but these budgets are managed at the department level.

##### Basis of Presentation

The accompanying financial statements present the accounts of the following entities:

The Ohio State University and its hospitals and clinics;  
The Ohio State University Foundation, a not-for-profit fundraising organization operating exclusively for the benefit of The Ohio State University;

Two separate statutory entities for which the university has special responsibility

- Ohio Agricultural Research and Development Center
- Ohio Supercomputer Center

Fourteen legally independent corporations engaged in activities related to the university

- The Ohio State University Research Foundation
- The Ohio State University Student Loan Foundation, Inc.
- Transportation Research Center of Ohio, Inc.
- Campus Partners for Community Urban Redevelopment, Inc.
- Reading Recovery and Early Literacy, Inc.
- Ohio State University Retirees Association
- OSU Health Plan, Inc.
- The Ohio State University Physicians, Inc.
- Prologue Research International, Inc.
- Oval Limited
- Adria Kravinsky Foundation (dissolved in Fiscal Year 2012)
- Dental Faculty Practice Association, Inc.

# The Ohio State University

## Notes to Financial Statements

### June 30, 2012 and 2011

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- OSU Global Gateways, LLC
- BioHio Research Park, Inc.

Component units (legally separate organizations for which the university is financially accountable) comprise, in part, the university's reporting entity. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, defines financial accountability. The criteria for determining financial accountability include the following circumstances:

- Appointment of a voting majority of an organization's governing authority and the ability of the primary government (i.e. the university) to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or;
- An organization is fiscally dependent on the primary government

The legally separate organizations listed above meet the financial accountability criteria set forth in GASB Statement No. 14. In addition, these organizations provide services entirely, or almost entirely, to the university or otherwise exclusively, or almost exclusively, benefit the university. Therefore, the transactions and balances for these organizations have been blended with those of the university.

The university, as a component unit of the State of Ohio, is included as a discrete entity in the State of Ohio's Comprehensive Annual Financial Report.

#### **Basis of Accounting**

The financial statements of the university have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. The university is reporting as a special purpose government engaged in business type activities (BTA). Business type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. In accordance with BTA reporting, the university presents Management's Discussion and Analysis; a Consolidated Statement of Net Assets; a Consolidated Statement of Revenues, Expenses and Other Changes in Net Assets; a Consolidated Statement of Cash Flows; and Notes to the Financial Statements.

The university follows all GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The university has elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

The university's financial resources are classified for accounting and reporting purposes into the following four net asset categories:

- **Invested in capital assets, net of related debt:** Capital assets, net of accumulated depreciation, cash restricted for capital projects and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted - nonexpendable:** Net assets subject to externally-imposed stipulations that they be maintained in perpetuity and invested for the purpose of generating present and future income, which may either be expended or added to the principal by the university. These assets primarily consist of the university's permanent endowments.

# The Ohio State University

## Notes to Financial Statements

### June 30, 2012 and 2011

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- **Restricted - expendable:** Net assets whose use is subject to externally-imposed stipulations that can be fulfilled by actions of the university pursuant to those stipulations or that expire by the passage of time.
- **Unrestricted:** Net assets that are not subject to externally-imposed stipulations. Substantially all unrestricted net assets are internally designated for use by university departments to support working capital needs, to fund related academic or research programs, and to provide for unanticipated shortfalls in revenues and deviations in enrollment.

Under the university's decentralized management structure, it is the responsibility of individual departments to determine whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

For internal financial management purposes, the university classifies financial resources into funds that reflect the specific activities, objectives or restrictions of the resources.

#### **Cash and Investments**

Cash and cash equivalents consist primarily of petty cash, demand deposit accounts, money market accounts, savings accounts and investments with original maturities of ninety days or less at the time of purchase. Such investments consist primarily of U.S. Government obligations, U.S. Agency obligations, repurchase agreements and money market funds. Restricted cash consists of bond proceeds restricted for capital expenditures.

Investments are carried at market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The fair value of private equity investments is based on estimated current values. The weighted average method is used for purposes of determining gains and losses on the sale of investments. The specific identification method is used for purposes of determining gains and losses on the sale of gifted securities.

The university holds investments in limited partnerships, private equity and other investments, which are carried at estimated fair value provided by the management of these funds. The purpose of this alternative investment class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes. Methods for determining estimated fair values include discounted cash flows and estimates provided by general partners. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed, and such differences could be material. As of June 30, 2012, the university has made commitments to limited partnerships totaling \$522,000 that have not yet been funded. These commitments may extend for a maximum of thirteen years. In the prior fiscal year, the university had made commitments to limited partnerships totaling \$474,000 that had not yet been funded as of June 30, 2011.

Investment in real estate is carried at cost, if purchased, or appraised value at the date of the gift. Holdings in real estate investment trusts (REITs) are carried at estimated fair values. The carrying and market values of real estate at June 30, 2012 are \$4,830 and \$13,511, respectively. The carrying and market values of real estate at June 30, 2011 are \$3,862 and \$14,474, respectively.

Investment income is recognized on an accrual basis. Interest and dividend income is recorded when earned.

# The Ohio State University

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#### **Endowment Policy**

All endowments are invested in the university's Long Term Investment Pool, which consists of more than 4,650 named funds. Each named fund is assigned a number of shares in the Long Term Investment Pool based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted in Ohio, permits the university's Board of Trustees to appropriate an amount of realized and unrealized endowment appreciation as the Board deems prudent. The UPMIFA, as adopted in Ohio, establishes a 5% safe harbor of prudence for funds appropriated for expenditure. Net realized and unrealized appreciation, after the spending rule distributions, is retained in the Long Term Investment Pool.

Annual distributions to named funds in the Long Term Investment Pool are computed using the share method of accounting for pooled investments. The annual distribution per share is 4.25% of the average market value per share of the Long Term Investment Pool over the most recent seven year period.

At June 30, 2011, the market value of the university's gifted endowments was \$1,405,646, which is \$170,967 above the historical dollar value of \$1,234,679. At June 30, 2012, the market value of the university's gifted endowments was \$1,379,531, which is \$91,484 above the historical dollar value of \$1,288,047. Although the market value of the gifted endowments in total exceeds the historical cost at June 30, 2012, there are 2,749 named funds that remain underwater. The market value of these underwater funds at June 30, 2012 is \$772,701, which is \$142,347 below the historical dollar value of \$915,048. Per UPMIFA (§ 1715.53(D)(C)), the reporting of such deficiencies does not create an obligation on the part of the endowment fund to restore the fair value of those funds.

#### **Gift Pledges Receivable**

The university receives pledges and bequests of financial support from corporations, foundations and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of such promise, revenue is recognized when the gift is received. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, endowment pledges are not recorded as assets until the related gift is received.

#### **Inventories**

The university's inventories, which consist principally of publications, general stores and other goods for resale by earnings operations, are valued at the lower of moving average cost or market. The inventories of the Health System, which consist principally of pharmaceuticals and operating supplies, are valued at cost on a first-in, first-out basis.

#### **Capital Assets and Collections**

Capital assets are long-life assets in the service of the university and include land, buildings, improvements, equipment, software and library books. Capital assets are stated at cost or fair value at date of gift. Depreciation of capital assets (excluding land and construction in progress) is provided on a straight-line basis over the following estimated useful lives:



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<b>Type of asset</b>	<b>Estimated useful life</b>
Improvements other than buildings	20 years
Buildings	10 to 100 years
Moveable equipment, software and furniture	5 to 15 years
Library books	10 years

Interest incurred during the construction of capital assets is included in the cost of the asset when capitalized. \$25,601 and \$15,674 of interest was capitalized in the years ended June 30, 2012 and 2011, respectively. The university does not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are neither disposed of for financial gain nor encumbered in any way. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

**Deferred Revenues**

Deferred revenues primarily consist of receipts relating to tuition, room, board, grants, contracts and athletic events received in advance of the services to be provided. Tuition and fees relating to the summer academic quarter are recorded as revenue in the year to which they pertain. The university will recognize revenue to the extent these services are provided over the coming fiscal year.

**Derivative Instruments and Hedging Activities**

The university accounts for all derivative instruments on the statement of net assets at fair value. Changes in the fair value (i.e., gains or losses) of the university's interest rate swap derivative are recorded each period in the consolidated statement of operations and changes in net assets as a component of nonoperating expense.

**Operating and Nonoperating Revenues**

The university defines operating activities, for purposes of reporting on the Statement of Revenues, Expenses, and Other Changes in Net Assets, as those activities that generally result from exchange transactions, such as payments received for providing services and payments made for goods or services received. With the exception of interest expense on long-term indebtedness, substantially all university expenses are considered to be operating expenses. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 35, including state appropriations, current-use gifts and investment income.

**Tuition, Room and Board**

Student tuition and residence hall fees are presented net of scholarships and fellowships applied to student accounts. Stipends and other payments made directly to students are presented as scholarship and fellowship expense. Fee authorizations provided to graduate teaching, research and administrative associates as part of an employment arrangement are presented in instruction, research and other functional categories of operating expense.

**State Support**

The university is a state-assisted institution of higher education which receives a student enrollment-based instructional subsidy from the State of Ohio. This subsidy, which is based upon a formula devised by the Ohio Board of Regents, is determined annually and is adjusted to state resources available.

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The state also provides line-item appropriations which partially support the current operations of various activities, which include clinical teaching expenditures incurred at The Ohio State University Health System and other health sciences teaching facilities, The Ohio State University Extension, the Ohio Agricultural Research and Development Center, and the Center for Labor Research.

In addition to current operating support, the State of Ohio provides the funding for and constructs major plant facilities on the university's campuses. The funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC) which, in turn, initiates the construction and subsequent lease of the facility by the Ohio Board of Regents.

Such facilities are reflected as buildings or construction in progress in the accompanying statement of net assets. Neither the obligations for the revenue bonds issued by OPFC nor the annual debt service charges for principal and interest on the bonds are reflected in the university's financial statements. Debt service is funded through appropriations to the Ohio Board of Regents by the General Assembly.

These facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund and future payments to be received by such fund, which is established in the custody of the Treasurer of State.

#### **Government Grants and Contracts**

Government grants and contracts normally provide for the recovery of direct and indirect costs and are subject to audit by the appropriate government agency. Federal funds are subject to an annual OMB Circular A-133 audit. Recovery of related indirect costs is generally recorded at fixed rates negotiated for a period of one to three years.

The university generally considers grants, contracts and noncapital appropriations to be exchange transactions. Under these arrangements, the university provides a bargained-for benefit, typically in the form of instruction, research or public service programs, either directly to the funding entity or to its constituents. The overall scope and nature of these program activities is determined by the level of funding and the requirements set forth by these resource providers.

#### **OSU Health System Revenue**

Revenue received under third-party cost reimbursement agreements (primarily the federal Medicare and Medicaid programs) are subject to examination and retroactive adjustments by the agencies administering the programs. In the normal course of business, the Health System contests certain issues resulting from examination of prior years' reimbursement reports. The accompanying financial statements include provisions for estimated retroactive adjustments arising from such examinations and contested issues. The Health System recognizes settlements of protested adjustments or appeals upon resolution of the matters. Patient revenues are recorded net of contractual allowances, charity care and bad debt expenses.

#### **OSU Physicians Revenue**

Net patient service revenue represents amounts received and the estimated realizable amounts due from patients and third-party payers for services rendered net of contractual allowances, charity care and bad debt expenses. OSU Physicians provides care to patients under various reimbursable agreements, including Medicare and Medicaid. These arrangements provide for payment for covered services at agreed-upon rates and under certain fee schedules and various discounts from charges. Provisions have been made in the consolidated financial statements for estimated contractual adjustments, representing the difference between the customary charges for services rendered and related reimbursement.

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#### **Charity Care and Community Benefit**

Care is provided to patients regardless of their ability to pay. A patient is classified as charity care in accordance with policies established by the OSU Health System and OSU Physicians. Because collection of amounts determined to qualify as charity care are not pursued, such amounts are written off as administrative adjustments and not reported as net patient service revenue. OSU Health System and OSU Physicians maintain records to identify and monitor the level of charity care provided, including the amount of charges foregone for services rendered. Net charity care costs for the OSU Health System as of June 30, 2012 and 2011 are \$38,482 and \$39,712, respectively, after applying reductions of \$23,009 and \$24,603, respectively, for support received under the Health Care Assurance Program (HCAP). HCAP is administered by the State of Ohio to help hospitals cover a portion of the cost of providing charity care. Charity care costs for OSU Physicians as of June 30, 2012 and 2011 are \$12,296 and \$6,091, respectively.

#### **Management Estimates**

The preparation of financial statements in conformity with accounting principles, generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Disclosure of contingent assets and liabilities at the date of the financial statements may also be affected. Actual results could differ from those estimates.

#### **Newly Issued Accounting Pronouncements**

In November 2010, GASB issued Statement No. 60, *Accounting and Reporting for Service Concession Arrangements*. This standard provides guidance on accounting for agreements where a government transfers the right to operate a government asset to another entity, in exchange for significant consideration from that entity. Upfront payments from such agreements are to be recorded as a "deferred inflow of resources" and recognized as revenue over the life of the agreement. The standard also provides guidance for operators/concessionaires that are government entities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011.

Also in November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2012.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

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- (1) Financial Accounting Standards Board (FASB) Statements and Interpretations
- (2) Accounting Principles Board Opinions
- (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

In addition, this Statement eliminates the option, provided under GASB 20, to elect to apply nonconflicting post-1989 FASB standards. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. *Concepts Statement 4* also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. 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 and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term 'deferred' in financial statement presentations. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

Also in March 2012, the GASB issued Statement No. 66, *Technical Corrections -- 2012*. This Statement resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for certain operating lease payments, purchases of loans and mortgage loan servicing fees. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

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In June 2012, the GASB issued two related accounting standards, Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 67 builds upon the existing framework for financial reports of defined benefit pension plans and expands required note disclosures and Required Supplementary Information. It is effective for periods beginning after June 15, 2013.

Statement No. 68 requires governments that participate in defined benefit pension plans to report in their statement of net position (currently known as the statement of net assets) a net pension liability, which is the difference between the total pension liability and the assets set aside to pay pension benefits. Statement No. 68 also requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. It is effective for periods beginning after June 15, 2014.

University management is currently assessing the impact that implementation of GASB Statements No. 60, 61, 62, 63, 65, 66, 67 and 68 will have on the university's financial statements.

**Other**

The university is exempt from income taxes as a nonprofit organization under Internal Revenue Code §115 and Internal Revenue Service regulations. Any unrelated business income is taxable.

Certain reclassifications have been made to the 2011 comparative information to conform with the 2012 presentation.

**Revisions**

The statement of revenues, expenses and changes in net assets for the year ended June 30, 2011 has been revised to correctly present bad debt expense for the OSU Health System and OSU Physicians, Inc. as reductions of patient care revenue and to reclassify reimbursements of OSU Physicians' expenses charged to the College of Medicine as reductions of expense. The university concluded that the impact of these errors was not material to previously issued financial statements, but it has elected to revise these balances for comparability purposes. The following table summarizes the effect of these revisions on the statement of revenues, expenses and changes in net assets:

	<b>As Originally Reported</b>	<b>Adjustments</b>	<b>As Adjusted</b>
Private grants and contracts	\$ 238,919	\$ (39,901)	\$ 199,018
Sales and services of the OSU Health System	1,785,329	(79,292)	1,706,037
Sales and services of OSU Physicians, Inc.	311,476	(29,332)	282,144
Instructional and departmental research	883,307	(39,901)	843,406
OSU Health System expense	1,563,697	(79,292)	1,484,405
OSU Physicians, Inc. expense	293,731	(29,332)	264,399

Related to these revisions, the statement of cash flows was also revised for the year ended June 30, 2011 to reclassify bad debt expense to receipts for sales and services and to reclassify reimbursements of OSU Physicians' expenses from grant and contract receipts to payments to vendors for supplies and services.

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**2. Cash and Cash Equivalents**

At June 30, 2012, the carrying amount of the university's cash, cash equivalents and restricted cash for all funds is \$1,315,321 as compared to bank balances of \$1,308,345. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$46,856 is covered by federal deposit insurance and \$1,261,489 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks. The university considers highly liquid investments with maturities of three months or less as cash and cash equivalents.

**3. Investments**

University investments are grouped into three major categories for financial reporting purposes: Temporary Investments, the Long-Term Investment Pool and Other Long-Term Investments.

Temporary Investments are funds available for current operations. The target is to maximize value while protecting the liquidity of the assets. Under the university's investment policies, Temporary Investment funds may be invested in the following instruments with varying maturities:

- Obligations of the U. S. Treasury and other federal agencies and instrumentalities
- Municipal and state bonds
- Certificates of deposit
- Repurchase agreements
- Mutual funds and mutual fund pools
- Money market funds

The Long-Term Investment Pool is a unitized investment pool consisting of gifted endowment funds of the university, gifted endowment funds of the OSU Foundation, and operating funds which have been internally designated to function as endowments (referred to below as the Operating Endowment). The Long-Term Investment Pool operates with a long-term investment goal of preserving and maintaining the real purchasing power of the principal while allowing for generation of a predictable stream of annual distribution. In April 2009, the university's Board of Trustees approved the following thematic asset classes, allocation ranges and benchmarks for the Long-Term Investment Pool:

<b>Asset Class</b>	<b>Range</b>	<b>Benchmark</b>
Market exposure	10-50%	50%(Russell 3000) + 50%(EAFE)
Risk reducers	25-50%	90 Day T-Bill + 4%
Return enhancers	10-25%	120%(80% Russell 3000 + 20% EM Index)
Inflation hedges	10-25%	75%(CPI+4%) + 25%(NACREIF Real Estate Index)

The target of the Long Term Investment Pool is to drive the asset allocation to areas of relative advantage over a 3-5 year scenario while maintaining strong diversification and to utilize the liquidity of the pool for our long term advantage.

The benchmarks are designed to focus on consistent risk-adjusted returns that, over a multiple year period, will provide consistent, positive returns which, in turn, will provide the university with appropriate funding and real growth to its corpus after inflation.

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The Market Exposure category includes domestic equities, international equities and long biased long/short managers. The Risk Reducers category includes fixed income and low volatility absolute return managers. The Return Enhancers category includes private equities, higher volatility hedge funds and emerging market equities. The Inflation Hedges category includes real estate, timber, energy, TIPS, agriculture, commodities and infrastructure.

Mutual funds held by the university include a wide range of investments, including hedge funds. These hedge funds may include, but are not limited to, investments in equity securities, mutual funds, limited and general partnerships, foreign securities, short sales positions, distressed securities, fixed income securities, options, currencies, commodities, futures and derivatives. The university's objective for investing in these hedge funds is to provide stable, absolute returns that are uncorrelated to fluctuations in the stock and bond markets.

Other Long-Term Investments are nonunitized investments that relate primarily to gift arrangements between donors and the OSU Foundation. Included in this category are charitable remainder trust assets invested in mutual funds, OSU Foundation interests in unitrust, annuity trust and pooled income agreements, life insurance policies for which the

OSU Foundation has been named owner and beneficiary, and certain real estate investments. Also included in this category are investments in certain organizations that are affiliated with the OSU Health System.

U. S. Government and Agency securities are invested through trust agreements with banks who keep the securities in their safekeeping accounts at the Federal Reserve Bank in "book entry" form. The banks internally designate the securities as owned by or pledged to the university. Common stocks, corporate bonds and money market instruments are invested through trust agreements with banks who keep the investments in their safekeeping accounts at the Fifth Third Bank and BNY Mellon in "book entry" form. The banks internally designate the securities as owned by or pledged to the university.

The cash and cash equivalents amount represents cash held in the long-term investment pool by various investment managers as of June 30, 2012. Such amounts were generated through sales of investments in the long-term investment pool. Subsequently, the cash and cash equivalents will be used to purchase long-term investments.

Total university investments by major category at June 30, 2012 and 2011 are as follows:

	<b>2012</b>	<b>2011</b>
Temporary investments	\$ 738,866	\$ 947,937
Long-term investment pool		
Gifted endowment - university	878,707	921,219
Gifted endowment - OSU foundation	500,824	484,427
Operating endowment	<u>986,502</u>	<u>715,068</u>
Total long-term investment pool	2,366,033	2,120,714
Other long-term investments	<u>76,769</u>	<u>68,283</u>
Total investments	<u>\$ 3,181,668</u>	<u>\$ 3,136,934</u>

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Total university investments by investment type at June 30, 2012 are as follows:

	<b>Temporary Investments</b>	<b>Long-Term Investment Pool</b>	<b>Other Long-Term Investments</b>	<b>Total</b>
Common stock	\$ -	\$ 253,125	\$ -	\$ 253,125
Equity mutual funds	58,196	107,742	21,086	187,024
U.S. government obligations	72,727	6,323	3,853	82,903
U.S. government agency obligations	131,034	13,070	-	144,104
Repurchase agreements	129,443	50,000	-	179,443
Corporate bonds and notes	233,410	50,784	279	284,473
Bond mutual funds	98,511	-	22,177	120,688
Foreign government bonds	3,586	28,265	-	31,851
Real estate	146	-	4,788	4,934
Partnerships and hedge funds	-	1,729,258	975	1,730,233
Cash and cash equivalents	-	124,218	-	124,218
Other	11,813	3,248	23,611	38,672
	<u>\$ 738,866</u>	<u>\$ 2,366,033</u>	<u>\$ 76,769</u>	<u>\$ 3,181,668</u>

Total university investments by investment type at June 30, 2011 are as follows:

	<b>Temporary Investments</b>	<b>Long-Term Investment Pool</b>	<b>Other Long-Term Investments</b>	<b>Total</b>
Common stock	\$ 16	\$ 286,538	\$ -	\$ 286,554
Equity mutual funds	57,693	81,735	22,432	161,860
U.S. government obligations	122,691	10,504	3,818	137,013
U.S. government agency obligations	166,553	13,008	-	179,561
Repurchase agreements	258,424	33,000	-	291,424
Corporate bonds and notes	232,438	96,562	278	329,278
Bond mutual funds	84,964	-	20,169	105,133
Foreign government bonds	3,004	33,132	-	36,136
Real estate	146	-	3,747	3,893
Partnerships and hedge funds	-	1,505,590	1,045	1,506,635
Cash and cash equivalents	-	55,010	-	55,010
Other	22,008	5,635	16,794	44,437
	<u>\$ 947,937</u>	<u>\$ 2,120,714</u>	<u>\$ 68,283</u>	<u>\$ 3,136,934</u>



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The components of the net investment income are as follows:

	Interest and Dividends (net)	Net Increase (Decrease) in Fair Value of Investments	Net Investment Income (Loss)
Temporary investments	\$ 22,481	\$ (5,552)	\$ 16,929
Long-term investment pool	46,393	(5,740)	40,653
Other long-term investments	1,008	1,587	2,595
Total 2012	<u>\$ 69,882</u>	<u>\$ (9,705)</u>	<u>\$ 60,177</u>
Total 2011	<u>\$ 68,572</u>	<u>\$ 296,536</u>	<u>\$ 365,108</u>

**Additional Risk Disclosures for Investments**

Statement Nos. 3 and 40 of the Governmental Accounting Standards Board require certain additional disclosures related to the interest-rate, credit and foreign currency risks associated with deposits and investments.

**Interest-Rate Risk**

Interest-rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

The maturities of the university's interest-bearing investments at June 30, 2012 are as follows:

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. government obligations	\$ 82,903	\$ 8,200	\$ 67,593	\$ 4,545	\$ 2,565
U.S. agency obligations	144,104	21,464	82,760	20,657	19,223
Repurchase agreements	179,443	179,443	-	-	-
Corporate bonds	284,473	54,993	189,984	24,513	14,983
Bond mutual funds	120,688	9,707	65,504	30,078	15,399
Other governmental bonds	4,019	-	770	-	3,249
Foreign governmental bonds	31,851	4,000	14,778	10,242	2,831
	<u>\$ 847,481</u>	<u>\$ 277,807</u>	<u>\$ 421,389</u>	<u>\$ 90,035</u>	<u>\$ 58,250</u>

The maturities of the university's interest-bearing investments at June 30, 2011 are as follows:

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. government obligations	\$ 137,013	\$ 19,602	\$ 111,093	\$ 5,044	\$ 1,274
U.S. agency obligations	179,561	14,362	123,632	20,586	20,981
Repurchase agreements	291,424	291,424	-	-	-
Corporate bonds	329,278	25,764	231,847	46,323	25,344
Bond mutual funds	105,133	11,337	55,295	26,093	12,408
Other governmental bonds	6,432	797	-	221	5,414
Foreign governmental bonds	36,136	6,290	12,038	15,326	2,482
	<u>\$ 1,084,977</u>	<u>\$ 369,576</u>	<u>\$ 533,905</u>	<u>\$ 113,593</u>	<u>\$ 67,903</u>

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**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. Credit quality information – as commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

Per GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3* (GASB 40), unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. GASB 40 also provides that securities with split ratings, or a different rating assignment, are disclosed using the rating indicative of the greatest degree of risk. The following table presents each applicable investment type grouped by rating as of June 30, 2012, and 2011.

The credit ratings of the university's interest-bearing investments at June 30, 2012 are as follows:

	U. S. Government and Agency Obligations	Repurchase Agreements	Corporate Bonds	Bond Mutual Funds	Other Governmental Bonds	International Bonds	Total
AAA	\$ -	\$ -	\$ 59,540	\$ 79,656	\$ 1,220	\$ 8,119	\$ 148,535
AA	225,004	179,443	45,404	4,614	2,658	7,093	464,216
A	932	-	122,902	27,884	141	8,969	160,828
BBB	1,071	-	49,116	7,218	-	2,076	59,481
BB	-	-	3,230	4	-	-	3,234
B	-	-	791	1	-	-	792
CCC	-	-	420	1,109	-	-	1,529
CC	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-
Not rated	-	-	3,070	202	-	5,594	8,866
	<u>\$ 227,007</u>	<u>\$ 179,443</u>	<u>\$ 284,473</u>	<u>\$ 120,688</u>	<u>\$ 4,019</u>	<u>\$ 31,851</u>	<u>\$ 847,481</u>

The credit ratings of the university's interest-bearing investments at June 30, 2011 are as follows:

	U. S. Government and Agency Obligations	Repurchase Agreements	Corporate Bonds	Bond Mutual Funds	Other Governmental Bonds	International Bonds	Total
AAA	\$ 314,669	\$ 291,424	\$ 90,068	\$ 75,968	\$ 1,162	\$ 10,106	\$ 783,397
AA	-	-	39,003	12,212	3,255	12,638	67,108
A	-	-	115,881	10,082	2,015	3,100	131,078
BBB	1,905	-	66,556	5,562	-	1,289	75,312
BB	-	-	6,469	33	-	-	6,502
B	-	-	1,017	97	-	-	1,114
CCC	-	-	379	543	-	-	922
CC	-	-	-	73	-	-	73
C	-	-	-	180	-	-	180
Not rated	-	-	9,905	383	-	9,003	19,291
	<u>\$ 316,574</u>	<u>\$ 291,424</u>	<u>\$ 329,278</u>	<u>\$ 105,133</u>	<u>\$ 6,432</u>	<u>\$ 36,136</u>	<u>\$ 1,084,977</u>

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

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At June 30, 2012, the university's exposure to foreign currency risk is as follows:

	<b>Common Stock</b>	<b>Equity Mutual Funds</b>	<b>Bond Mutual Funds</b>	<b>Corporate Bonds</b>	<b>Foreign Government Bonds</b>	<b>Private Equity</b>
Australian dollar	\$ 981	\$ 2,772	\$ 146	\$ 7	\$ 749	\$ 26,726
Brazilian real	2,749	846	(1)	1,054	-	-
Canadian dollar	-	1,968	387	30	5,323	-
Chilean peso	-	129	-	-	-	-
Chinese yuan	-	1,103	-	-	-	-
Columbian peso	-	56	-	-	-	-
Czech republic koruna	957	286	-	-	-	-
Danish krone	-	215	115	-	-	-
Egyptian pound	822	20	-	-	-	-
Euro	4,754	14,256	4,513	13,056	4,324	39,248
Great Britain pound sterling	5,191	20,724	1,076	91	4,548	-
Hong Kong dollar	14,020	1,764	-	-	-	-
Hungarian forint	-	26	-	-	-	-
Indian rupee	3,294	469	-	-	-	-
Indonesian rupiah	971	180	(1)	-	-	-
Israeli shekel	-	125	-	-	-	-
Japanese yen	1,331	17,308	6,013	-	6,902	-
Malaysian ringgit	-	251	1	-	-	-
Mexican peso	1,635	785	347	128	4,099	-
Moroccan dirham	-	-	-	-	-	-
New Taiwan dollar	5,820	705	-	-	-	-
New Zealand dollar	-	28	12	-	-	-
Norwegian krone	-	951	-	-	-	-
Peruvian nuevo sol	-	32	-	-	-	-
Philippine peso	-	52	-	-	-	-
Polish zloty	-	78	(1)	-	-	-
Russian ruble	-	356	-	-	-	-
Singapore dollar	557	3,622	-	-	-	-
South African rand	7,935	548	64	-	-	-
South Korean won	8,206	1,012	2	-	-	-
Swedish krona	736	2,540	54	-	-	-
Swiss franc	3,791	3,232	-	-	-	-
Thailand bhat	628	1,155	-	-	-	-
Turkish lira	1,414	103	-	-	-	-
	<u>\$ 65,792</u>	<u>\$ 77,697</u>	<u>\$ 12,727</u>	<u>\$ 14,366</u>	<u>\$ 25,945</u>	<u>\$ 65,974</u>

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At June 30, 2011, the university's exposure to foreign currency risk is as follows:

	Common Stock	Equity Mutual Funds	Bond Mutual Funds	Corporate Bonds	Foreign Government Bonds	Private Equity
Australian dollar	\$ 56	\$ 3,442	\$ 74	\$ (7)	\$ 1,018	\$ 28,818
Brazilian real	2,362	1,038	-	(64)	-	-
Canadian dollar	-	2,068	199	-	4,698	-
Chilean peso	-	126	-	-	-	-
Chinese yuan	-	1,105	287	-	-	-
Columbian peso	-	46	-	-	-	-
Czech republic koruna	1,340	340	-	-	-	-
Danish krone	-	225	74	-	-	-
Egyptian pound	837	20	-	-	-	-
Euro	6,187	17,372	2,861	14,628	8,691	21,151
Great Britain pound sterling	9,214	20,493	632	577	4,650	-
Hong Kong dollar	5,308	2,081	-	-	-	-
Hungarian forint	-	26	-	-	-	-
Indian rupee	1,592	577	7	-	-	-
Indonesian rupiah	-	159	15	-	-	-
Israeli shekel	-	140	-	-	7	-
Japanese yen	1,064	17,879	3,346	(44)	8,733	-
Malaysian ringgit	-	1,259	15	-	-	-
Mexican peso	1,479	998	7	24	2,345	-
Moroccan dirham	-	-	-	-	-	-
New Taiwan dollar	6,602	729	7	-	-	-
New Zealand dollar	-	29	7	-	-	-
Norewegian krone	-	176	-	-	-	-
Peruvian nuevo sol	-	26	-	-	-	-
Philippine peso	-	26	15	-	-	-
Polish zloty	-	106	-	-	-	-
Russian ruble	-	417	-	-	-	-
Singapore dollar	1,109	4,425	7	-	-	-
South African rand	8,069	509	-	-	-	-
South Korean won	10,153	986	-	-	-	-
Swedish krona	-	2,956	44	-	-	-
Swiss franc	7,509	4,576	-	-	-	-
Thailand bhat	467	1,398	-	-	-	-
Turkish lira	1,445	86	-	-	-	-
	<u>\$ 64,793</u>	<u>\$ 85,839</u>	<u>\$ 7,597</u>	<u>\$ 15,114</u>	<u>\$ 30,142</u>	<u>\$ 49,969</u>

**4. Accounts, Notes and Pledges Receivable**

Accounts receivable at June 30, 2012 and 2011 consist of the following:

	2012	2011
Patient receivables - OSU Health System	\$ 998,615	\$ 765,750
Patient receivables - OSU Physicians, Inc.	104,744	87,046
Grant and contract receivables	75,267	71,453
Tuition and fees receivable	43,116	55,172
Receivables for departmental and auxiliary sales and services	40,807	72,166
State and federal receivables	24,460	19,917
Other receivables	45	60
Total receivables	<u>1,287,054</u>	<u>1,071,564</u>
Less: Allowances for doubtful accounts	<u>815,151</u>	<u>669,383</u>
Total receivables, net	<u>\$ 471,903</u>	<u>\$ 402,181</u>

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Allowances for doubtful accounts consist primarily of patient receivables of the OSU Health System and OSU Physicians, Inc.

Notes receivable consist primarily of Perkins and health professions loans and are net of an allowance for doubtful accounts of \$20,000 at June 30, 2012 and \$19,000 at June 30, 2011. Federal capital contributions to the Perkins loan programs represent advances which are ultimately refundable to the federal government.

In accordance with GASB Statement No. 33, *Accounting and Reporting for Nonexchange Transactions*, the university has recorded \$72,643 in nonendowment pledges receivable and a related allowance for doubtful accounts of \$4,898 at June 30, 2012. The university recorded \$59,879 in nonendowment pledges receivable and a related allowance for doubtful accounts of \$8,715 at June 30, 2011.

**5. Capital Assets**

Capital assets activity for the year ended June 30, 2012 is summarized as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Capital assets not being depreciated</b>				
Land	\$ 74,013	\$ 1,695	\$ 25	\$ 75,683
Construction in progress	535,908	375,482	-	911,390
Total nondepreciable assets	609,921	377,177	25	987,073
<b>Capital assets being depreciated</b>				
Improvements other than buildings	309,297	4,360	-	313,657
Buildings and fixed equipment	4,020,588	112,681	9,235	4,124,034
Movable equipment, furniture and software	964,056	130,182	38,228	1,056,010
Library books	159,541	4,076	1,367	162,250
	5,453,482	251,299	48,830	5,655,951
Less: Accumulated depreciation	2,598,393	242,391	40,111	2,800,673
Total depreciable assets, net	2,855,089	8,908	8,719	2,855,278
<b>Capital assets, net</b>	<b>\$ 3,465,010</b>	<b>\$ 386,085</b>	<b>\$ 8,744</b>	<b>\$ 3,842,351</b>

**The Ohio State University**  
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Capital assets activity for the year ended June 30, 2011 is summarized as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Capital assets not being depreciated</b>				
Land	\$ 73,926	\$ 87	\$ -	\$ 74,013
Construction in progress	<u>273,226</u>	<u>262,682</u>	<u>-</u>	<u>535,908</u>
Total nondepreciable assets	347,152	262,769	-	609,921
<b>Capital assets being depreciated</b>				
Improvements other than buildings	281,996	27,301	-	309,297
Buildings and fixed equipment	3,939,159	86,882	5,453	4,020,588
Movable equipment, furniture and software	922,719	96,928	55,591	964,056
Library books	<u>163,012</u>	<u>4,755</u>	<u>8,226</u>	<u>159,541</u>
	5,306,886	215,866	69,270	5,453,482
Less: Accumulated depreciation	<u>2,422,904</u>	<u>239,351</u>	<u>63,862</u>	<u>2,598,393</u>
Total depreciable assets, net	<u>2,883,982</u>	<u>(23,485)</u>	<u>5,408</u>	<u>2,855,089</u>
<b>Capital assets, net</b>	<u>\$ 3,231,134</u>	<u>\$ 239,284</u>	<u>\$ 5,408</u>	<u>\$ 3,465,010</u>

In the above tables, additions to construction in progress represent expenditures for new projects, net of the amount of capital assets placed in service.

**6. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses at June 30, 2012 and 2011 consist of the following:

	2012	2011
Payables to vendors for supplies and services	\$ 256,639	\$ 212,561
Accrued compensation and benefits	90,149	114,887
Retirement system contributions payable	54,243	35,729
Other accrued expenses	<u>41,134</u>	<u>29,098</u>
Total payables and accrued expenses	<u>\$ 442,165</u>	<u>\$ 392,275</u>

**7. Deposits and Deferred Revenues**

Deposits and deferred revenues at June 30, 2012 and 2011 consist of the following:

	2012	2011
<b>Current deposits and deferred revenues</b>		
Tuition and fees	\$ 49,261	\$ 59,141
Departmental and auxiliary sales and services	111,373	87,599
Grants and contracts advances	66,678	70,311
Other deposits and deferred revenues	<u>4,233</u>	<u>11,499</u>
Total current deposits and deferred revenues	<u>\$ 231,545</u>	<u>\$ 228,550</u>
Other noncurrent liabilities	<u>\$ 27,852</u>	<u>\$ 6,000</u>

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**8. Self-Insurance Accruals**

The Health System has established trustee self-insurance funds for professional medical malpractice liability claims with a \$4 million limit per occurrence with no annual aggregate. The university self-insurance funds have insurance in excess of \$4 million per occurrence through Oval Limited, a blended component unit of the university. Effective July 1, 2008, Oval Limited provides coverage with limits of \$55 million per occurrence and in the aggregate. Previous coverage levels for Oval Limited are as follows:

<b>Accident Period for Oval</b>	<b>Gross Oval Limit (Occurrence and Annual Aggregate)</b>
7/1/08 – 6/30/12	\$ 55,000,000
7/1/06 – 6/30/08	40,000,000
7/1/05 – 6/30/06	35,000,000
7/1/02 – 6/30/05	25,000,000
7/1/97 – 6/30/02	15,000,000
9/30/94 – 6/30/97	10,000,000

The limits are in excess of underlying policies with limits ranging from \$4 million to \$10 million. A portion of the risks written by Oval Limited to date is reinsured by two reinsurance companies. Oval Limited retains 50% of the first \$15 million of risk and cedes the remainder plus the second \$15 million to Berkley Medical Excess Underwriters (rated A+ by A.M. Best). Above that, Oval Limited cedes the remaining \$20 million of risk to Endurance Specialty Insurance Ltd. (rated A by A.M. Best). The estimated liability and the related contributions to the fund are based upon an independent actuarial determination as of June 30, 2012. OSU Physicians, Inc. participates in the university self-insurance fund for professional medical malpractice liability claims.

The Health System's estimate of professional malpractice liability includes provisions for known claims and actuarially determined estimates of incurred but not reported claims and incidents. This liability at June 30, 2012 of the anticipated future payments on gross claims is estimated at its present value of \$83,235 discounted at an estimated rate of 3.0% (university funds) and an additional \$35,104 discounted at an estimated rate of 3.0% (Oval Limited).

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of \$158,792 (which primarily consist of bond and equity mutual funds, money market funds and U.S. treasury notes) are more than the recorded liability at June 30, 2012, and the surplus of \$40,453 is included in unrestricted net assets.

The university is also self-insured for employee health insurance. As of June 30, 2012, \$42,703 is recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

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Changes in the reported liabilities since June 30, 2010 result from the following activities:

	2012		2011	
	Malpractice	Health	Malpractice	Health
Liability at beginning of fiscal year	\$ 120,631	\$ 29,507	\$ 118,863	\$ 25,950
Current year claims, changes in estimates	839	287,730	5,143	281,744
Claim payments	(3,131)	(274,534)	(3,375)	(278,187)
Balance at fiscal year end	<u>\$ 118,339</u>	<u>\$ 42,703</u>	<u>\$ 120,631</u>	<u>\$ 29,507</u>

**9. Debt**

The university may finance the construction, renovation and acquisition of certain facilities through the issuance of debt obligations which may include general receipts bonds, certificates of participation, commercial paper, capital lease obligations and other borrowings.

Debt activity for the year ended June 30, 2012 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Notes</b>					
WOSU	\$ 3,325	\$ -	\$ 250	\$ 3,075	\$ 250
Transportation Research Center - Capital One Funding Corporation due through 2014	933	-	290	643	310
OSU Physicians -Fifth Third Note, due through 2012	1,414	-	1,414	-	-
OSU Physicians -Fifth Third Note, due through 2035	17,030	15	1,015	16,030	695
OSU Physicians -Fifth Third Note, due through 2013	130	-	53	77	53
Campus Partners - ESIC	10,433	-	10,433	-	-
Campus Partners - UDCDE Note A	22,124	-	265	21,859	21,859
Campus Partners - UDCDE Note B	10,376	-	-	10,376	-
Campus Partners - CCF Loan, City of Columbus	125	-	-	125	125
Campus Partners - Affordable Housing Trust Loan	500	-	500	-	-
<b>General Receipts Bonds - Fixed Rate</b>					
2002A, due serially through 2031	12,780	-	8,650	4,130	4,130
2003B, due serially through 2033	36,435	-	7,135	29,300	7,390
2005A, due serially through 2035	198,255	-	18,225	180,030	11,400
2008A, due serially through 2028	193,105	-	12,840	180,265	13,390
2010A, due serially through 2020	239,090	-	7,130	231,960	17,865
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	88,335	-	-	88,335	-
2011, due 2011	-	500,000	-	500,000	-
<b>General Receipts Bonds - Variable Rate</b>					
1997, due serially through 2027	17,160	-	-	17,160	17,160
1999B1, due serially through 2029	11,800	-	-	11,800	11,800
2001, due serially through 2032	56,540	-	-	56,540	56,540
2003C, due serially through 2031	53,230	-	-	53,230	53,230
2005B, due serially through 2035	78,735	-	-	78,735	78,735
2008B, due serially through 2028	102,235	-	-	102,235	102,235
2010E, due serially through 2035	150,000	-	-	150,000	150,000
Capital Lease Obligations	15,008	10,473	5,229	20,252	5,984
	<u>1,973,883</u>	<u>510,488</u>	<u>73,429</u>	<u>2,410,942</u>	<u>553,151</u>
<b>Unamortized Bond Premiums</b>	<u>59,830</u>	<u>10,570</u>	<u>4,358</u>	<u>66,042</u>	<u>-</u>
Total outstanding debt	<u>\$ 2,033,713</u>	<u>\$ 521,058</u>	<u>\$ 77,787</u>	<u>\$ 2,476,984</u>	<u>\$ 553,151</u>



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Debt activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Commerical Paper</b>					
Series J	\$ 121,000	\$ -	\$ 121,000	\$ -	\$ -
<b>Notes</b>					
WOSU	-	3,450	125	3,325	250
Transportation Research Center - Capital One Funding Corporation due through 2014	1,201	-	268	933	290
OSU Physicians -Fifth Third Note, due through 2012	1,610	-	196	1,414	1,414
OSU Physicians -Fifth Third Note, due through 2035	17,440	250	660	17,030	660
OSU Physicians -Fifth Third Note, due through 2013	-	186	56	130	53
Campus Partners - ESIC	10,833	-	400	10,433	10,433
Campus Partners - UDCDE Note A	22,373	-	249	22,124	265
Campus Partners - UDCDE Note B	10,376	-	-	10,376	-
Campus Partners - Mortgage payable	411	-	411	-	-
Campus Partners - CCF Loan, City of Columbus	125	-	-	125	125
Campus Partners - Affordable Housing Trust Loan	-	500	-	500	500
Clifton Holding LLC	906	-	906	-	-
<b>General Receipts Bonds - Fixed Rate</b>					
2002A, due serially through 2031	66,100	-	53,320	12,780	8,650
2003B, due serially through 2033	88,880	-	52,445	36,435	7,135
2005A, due serially through 2035	215,640	-	17,385	198,255	18,225
2008A, due serially through 2028	205,505	-	12,400	193,105	12,840
2010A, due serially through 2020	241,170	-	2,080	239,090	7,130
2010C, due 2040	-	654,785	-	654,785	-
2010D, due serially through 2032	-	88,335	-	88,335	-
<b>General Receipts Bonds - Variable Rate</b>					
1997, due serially through 2027	18,410	-	1,250	17,160	17,160
1999B1, due serially through 2029	15,500	-	3,700	11,800	11,800
2001, due serially through 2032	56,540	-	-	56,540	56,540
2003C, due serially through 2031	57,605	-	4,375	53,230	53,230
2005B, due serially through 2035	78,735	-	-	78,735	78,735
2008B, due serially through 2028	102,235	-	-	102,235	102,235
2010E, due serially through 2035	-	150,000	-	150,000	150,000
Capital Lease Obligations	21,664	422	7,078	15,008	5,233
	1,354,259	897,928	278,304	1,973,883	542,903
<b>Unamortized Bond Premiums</b>	49,826	14,193	4,189	59,830	-
Total outstanding debt	<u>\$ 1,404,085</u>	<u>\$ 912,121</u>	<u>\$ 282,493</u>	<u>\$ 2,033,713</u>	<u>\$ 542,903</u>

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Debt obligations are generally callable by the university, bear interest at fixed and variable rates ranging from 0% to 6% and mature at various dates through 2112. Maturities and interest on debt obligations for the next five years and in five-year periods are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 553,151	\$ 69,308	\$ 622,459
2014	61,702	66,306	128,008
2015	62,372	64,450	126,822
2016	62,340	63,313	125,653
2017	64,973	62,177	127,150
2018-2022	220,877	294,768	515,645
2023-2027	134,259	261,203	395,462
2028-2032	78,856	234,555	313,411
2033-2037	17,626	225,267	242,893
2038-2042	654,786	203,590	858,376
2043-2047	-	120,000	120,000
2048-2052	-	120,000	120,000
2053-2057	-	120,000	120,000
2058-2062	-	120,000	120,000
2063-2067	-	120,000	120,000
2068-2072	-	120,000	120,000
2073-2077	-	120,000	120,000
2078-2082	-	120,000	120,000
2083-2087	-	120,000	120,000
2088-2092	-	120,000	120,000
2093-2097	-	120,000	120,000
2098-2102	-	120,000	120,000
2103-2107	-	120,000	120,000
2108-2112	500,000	96,000	596,000
	<u>\$ 2,410,942</u>	<u>\$ 3,200,937</u>	<u>\$ 5,611,879</u>

General receipts bonds are backed by the unrestricted receipts of the university, excluding certain items as described in the bond indentures.

The outstanding bond indentures do not require mandatory reserves for future payment of principal and interest. However, the university has set aside \$154,294 for future debt service which is included in unrestricted net assets.

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The university has defeased various bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The defeased bonds are as follows:

	<b>Amount Defeased</b>	<b>Amount Outstanding at June 30, 2012</b>
<b>Revenue Bonds</b>		
Series 2002A	\$ 77,140	\$ 77,140
Series 2003B	<u>98,220</u>	<u>98,220</u>
	<u>\$ 175,360</u>	<u>\$ 175,360</u>

Neither the outstanding indebtedness nor the related trust account assets for the above bonds are included in the university's financial statements.

**Variable Rate Demand Bonds**

Series 1997, 1999B1, 2001, 2003C, 2005B, 2008B and 2010E variable rate demand bonds bear interest at rates based upon yield evaluations at par of comparable securities. The maximum interest rate allowable and the effective average interest rate from issue date to June 30, 2012 are as follows:

<b>Series</b>	<b>Interest Rate Not to Exceed</b>	<b>Effective Average Interest Rate</b>
1997	12 %	1.947 %
1999 B1	12 %	1.710 %
2001	12 %	1.480 %
2003 C	12 %	1.778 %
2005 B	12 %	1.540 %
2008 B	12 %	0.467 %
2010 E	8 %	0.138 %

At the discretion of the university, the interest rate on the bonds can be converted to a fixed rate. The bonds may be redeemed by the university or sold by the bondholders to a remarketing agent appointed by the university at any time prior to conversion to a fixed rate at a price equal to the principal amount plus accrued interest.

The university's variable rate demand bonds mature at various dates through 2035. GASB Interpretation No. 1, *Demand Bonds Issued by State and Local Governmental Entities*, provides guidance on the statement of net asset classification of these bonds. Under GASB Interpretation No. 1, outstanding principal balances on variable rate demand bonds may be classified as noncurrent liabilities if the issuer has entered into a "take-out agreement" to convert bonds "put" but not resold into some other form of long-term obligation. In the absence of such an agreement, the total outstanding principal balances for these bonds are required to be classified as current liabilities.

# The Ohio State University

## Notes to Financial Statements

### June 30, 2012 and 2011

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Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation No. 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. The obligations totaled \$469,700 and \$469,700 at June 30, 2012 and 2011, respectively.

#### **Commercial Paper**

The General Receipts Commercial Paper Notes (the "Notes") are limited obligations of the university secured by a pledge of the General Receipts of the university. The Notes are not debts or bonded indebtedness of the State of Ohio and are not general obligations of the State of Ohio or the university, and neither the full faith and credit of the State of Ohio nor the university were pledged to the payment of the Notes. The Notes were issued to provide for interim financing of various projects approved by the Board of Trustees.

#### **Capital Lease Obligations**

Some university equipment items and vehicles are financed as capital leases. The original cost and lease obligations related to these capital leases as of June 30, 2012 are \$50,734 and \$20,252, respectively. The original cost and lease obligations related to these capital leases as of June 30, 2011 are \$43,012 and \$15,008, respectively.

#### **Interest Rate Swap Agreements**

In connection with the issuance of the Series 2011 General Receipts Bonds, also known as the Century Bonds, the university entered into an interest-rate lock agreement on October 3, 2011 for a notional amount of \$300,000. The rate lock agreement, which was intended to fix the price on the bonds, was terminated on October 19, 2011. Upon termination, the university received a \$20,307 termination fee from the counterparty. Under the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the agreement is considered an effective cash flow hedge under the consistent critical terms method. Accordingly, the termination fee has been deferred and will be amortized over the life of the Century Bonds as an offset of interest expense.

In addition, the university has two interest rate swap agreements that are not considered hedges under GASB Statement No. 53.

On January 6, 2009, OSUP entered into an interest rate swap (the "swap") agreement. The swap is used to offset the variable interest rate on a portion of the 2010 bond financing obtained for the ambulatory facility in the amount of \$16,030. Under the agreement, OSUP pays a fixed rate of 4.09% to the bank and receives 30-day BMA rate in effect at the beginning of the month. The transaction is designed to manage OSUP's interest costs and risks associated with the variable interest rate debt. OSUP settles with the bank monthly for the difference between the 4.09% and the 30-day BMA rate in effect at the beginning of the month. The estimated fair value of this agreement, based on various factors contained in the related swap agreement and interest rates including the notional amount of \$13,962 at June 30, 2012 and \$14,471 at June 30, 2011, representing an unrealized loss of \$2,400 and \$1,800 included in other liabilities as of June 30, 2012 and June 30, 2011, respectively. OSUP records changes in fair value of the swap each quarter through the statements of revenues, expenses, and other changes in net assets (\$560 loss and \$28 gain for fiscal years 2012 and 2011, respectively). The swap is settled monthly with net payments or receipts under the swap agreement being reflected as interest expense. The termination date of the swap is September 1, 2018.

**The Ohio State University**  
**Notes to Financial Statements**  
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On March 2, 2007, Internal Medicine entered into a swap agreement fixing the interest rate on a \$2,169 term loan which was used to fund a 40% interest in the Fresenius Partnership. In July 2011, Internal Medicine sold their investment in Fresenius using a portion of the proceeds from the sale to pay off the \$1,400 loan and swap with Fifth Third Bank.

OSUP did not hold any other position in a derivative instrument and did not have any other hedges outstanding in the current year as defined by GASB 53, *Accounting and Financial Reporting for Derivative Instruments*. OSUP believes the swap value represents fair value.

**10. Operating Leases**

The university leases various buildings, office space, and equipment under operating lease agreements. These facilities and equipment are not recorded as assets on the statement of net assets. The total rental expense under these agreements was \$37,386 and \$34,722 for the years ended June 30, 2012 and 2011, respectively.

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2012 are as follows:

<b>Years Ending June 30,</b>	
2013	\$ 22,742
2014	17,485
2015	15,431
2016	12,925
2017	12,154
2018-2022	38,746
2023-2027	20,206
2028-2032	12,921
2033-2037	733
2038-2042	723
2043-2047	578
Total minimum lease payments	<u>\$ 154,644</u>

**11. Compensated Absences**

University employees earn vacation and sick leave on a monthly basis.

Classified civil service employees may accrue vacation benefits up to a maximum of three years credit. Administrative and professional staff and faculty may accrue vacation benefits up to a maximum of 240 hours. For all classes of employees, any earned but unused vacation benefit is payable upon termination.

Sick leave may be accrued without limit. However, earned but unused sick leave benefits are payable only upon retirement from the university with ten or more years of service with the state. The amount of sick leave benefit payable at retirement is one fourth of the value of the accrued but unused sick leave up to a maximum of 240 hours.

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**Notes to Financial Statements**  
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The university accrues sick leave liability for those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. This liability is calculated using the "termination payment method" which is set forth in Appendix C, Example 4 of the GASB Statement No. 16, *Accounting for Compensated Absences*. Under the termination method, the university calculates a ratio, Sick Leave Termination Cost per Year Worked, that is based on the university's actual historical experience of sick leave payouts to terminated employees. This ratio is then applied to the total years-of-service for current employees.

Certain employees of the university (mostly classified civil service employees) receive comp time in lieu of overtime pay. Any unused comp time must be paid to the employee at termination or retirement.

**12. Other Liabilities**

Other liability activity for the year ended June 30, 2012 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Compensated absences	\$ 124,687	\$ 26,025	\$ 12,134	\$ 138,578	\$ 12,134
Self-insurance accruals	150,138	291,068	277,664	163,542	48,334
Amounts due to third party payors	38,939	9,537	23,450	25,026	11,310
Obligations under life income agreements	39,518	1,848	3,761	37,605	3,517
Refundable advances for Federal Perkins loans	28,887	-	181	28,706	-
Other noncurrent liabilities	6,000	21,852	-	27,852	-
	<u>\$ 388,169</u>	<u>\$ 350,330</u>	<u>\$ 317,190</u>	<u>\$ 421,309</u>	<u>\$ 75,295</u>

Other liability activity for the year ended June 30, 2011 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Compensated absences	\$ 108,988	\$ 23,986	\$ 8,287	\$ 124,687	\$ 8,287
Self-insurance accruals	144,813	286,888	281,563	150,138	32,607
Amounts due to third party payors	44,694	38,938	44,693	38,939	15,490
Obligations under life income agreements	38,050	1,468	-	39,518	3,978
Refundable advances for Federal Perkins loans	28,955	-	68	28,887	-
Other noncurrent liabilities	5,475	525	-	6,000	-
	<u>\$ 370,975</u>	<u>\$ 351,805</u>	<u>\$ 334,611</u>	<u>\$ 388,169</u>	<u>\$ 60,362</u>

**The Ohio State University**  
**Notes to Financial Statements**  
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**13. Rentals Under Operating Leases**

The university is the lessor of certain land, buildings, office and retail space under operating lease agreements. Future minimum rental income from noncancelable operating leases is as follows:

<b>Years Ending June 30,</b>	
2013	\$ 12,857
2014	11,210
2015	10,490
2016	9,112
2017	8,751
2018-2022	35,262
2023-2027	22,952
2028-2032	18,996
2033-2037	5,526
2038-2042	5,500
2043-2047	2,750
2048-2052	-
Total minimum future rentals	<u>\$ 143,406</u>

**14. Operating Expenses by Object**

In accordance with requirements set forth by the Ohio Board of Regents, the university reports operating expenses by functional classification on the Statement of Revenues, Expenses and Other Changes in Net Assets. Operating expenses by object for the years ended June 30, 2012 and 2011 are summarized as follows:

	<b>Year Ended June 30, 2012</b>				
	<b>Compensation and Benefits</b>	<b>Supplies and Services</b>	<b>Scholarships and Fellowships</b>	<b>Depreciation</b>	<b>Total</b>
Instruction	\$ 808,320	\$ 71,722	\$ -	\$ -	\$ 880,042
Separately budgeted research	287,514	159,699	-	-	447,213
Public service	75,029	34,685	-	-	109,714
Academic support	124,659	38,124	-	-	162,783
Student services	68,026	22,467	-	-	90,493
Institutional support	154,789	69,588	-	-	224,377
Operation and maintenance of plant	35,670	69,676	-	-	105,346
Scholarships and fellowships	7,216	3,484	100,048	-	110,748
Auxiliary enterprises	137,027	102,543	-	-	239,570
OSU Health System	986,718	710,910	-	-	1,697,628
OSU Physicians, Inc.	230,322	36,089	-	-	266,411
Depreciation	-	-	-	242,391	242,391
Total operating expenses	<u>\$ 2,915,290</u>	<u>\$ 1,318,987</u>	<u>\$ 100,048</u>	<u>\$ 242,391</u>	<u>\$ 4,576,716</u>

**The Ohio State University**  
**Notes to Financial Statements**  
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	Year Ended June 30, 2011				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 771,192	\$ 72,214	\$ -	\$ -	\$ 843,406
Separately budgeted research	289,792	150,964	-	-	440,756
Public service	79,555	30,802	-	-	110,357
Academic support	113,916	33,929	-	-	147,845
Student services	66,363	22,241	-	-	88,604
Institutional support	151,816	92,011	-	-	243,827
Operation and maintenance of plant	37,677	77,414	-	-	115,091
Scholarships and fellowships	6,154	3,826	92,651	-	102,631
Auxiliary enterprises	133,781	111,006	-	-	244,787
OSU Health System	894,055	590,350	-	-	1,484,405
OSU Physicians, Inc.	217,425	46,974	-	-	264,399
Depreciation	-	-	-	239,351	239,351
Total operating expenses	<u>\$ 2,761,726</u>	<u>\$ 1,231,731</u>	<u>\$ 92,651</u>	<u>\$ 239,351</u>	<u>\$ 4,325,459</u>

**15. Retirement Plans**

University employees are covered by one of three retirement systems. The university faculty is covered by the State Teachers Retirement System of Ohio (STRS Ohio). Substantially all other employees are covered by the Public Employees Retirement System of Ohio (OPERS). Employees may opt out of STRS Ohio and OPERS and participate in the Alternative Retirement Plan (ARP) if they meet certain eligibility requirements.

STRS Ohio and OPERS each offer three separate plans: 1) a defined benefit plan, 2) a defined contribution plan and 3) a combined plan. Each of these three options is discussed in greater detail in the following sections.

**Defined Benefit Plans**

STRS Ohio and OPERS offer statewide cost-sharing multiple-employer defined benefit pension plans. STRS Ohio and OPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by state statute and are calculated using formulas that include years of service and final average salary as factors. Both STRS Ohio and OPERS issue separate, publicly available financial reports that include financial statements and required supplemental information. These reports may be obtained by contacting the two organizations.

STRS Ohio  
 275 East Broad Street  
 Columbus, OH 43215-3371  
 (614) 227-4090  
 (888) 227-7877  
[www.strsoh.org](http://www.strsoh.org)

OPERS, Attn: Finance Director  
 277 East Town Street  
 Columbus, OH 43215-4642  
 (614) 222-5601  
 (800) 222-7377  
[www.opers.org/investments/cafr.shtml](http://www.opers.org/investments/cafr.shtml)

In addition to the retirement benefits described above, STRS Ohio and OPERS provide postemployment health care benefits.

OPERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the



# The Ohio State University

## Notes to Financial Statements

### June 30, 2012 and 2011

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amount, if any, of the associated health care costs that will be absorbed by OPERS. Under the Ohio Revised Code (ORC), funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For calendar year 2011, OPERS allocated 4.0% of the employer contribution rate to fund the health care program for retirees, and this rate was expected to remain the same for calendar year 2012 as of March 2012.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. In response to skyrocketing health care costs, the HCPP restructured OPERS' health care coverage to improve the financial solvency of the fund by creating a separate investment pool for health care assets.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. HCPP incorporates a cafeteria approach, offering a broad range of health care options which allows benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

STRS Ohio currently provides access to health care coverage to retirees who participated in the deferred benefit or combined plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to ORC, STRS Ohio has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of monthly premiums. Under ORC, medical costs paid from the funds of STRS Ohio are included in the employer contribution rate. For the fiscal year ended June 30, 2011, STRS Ohio allocated employer contributions equal to 1.0% of covered payroll to a Health Care Stabilization Fund (HCSF) from which payments for health care benefits are paid.

Postemployment health care benefits are not guaranteed by ORC to be covered under either OPERS or STRS Ohio defined benefit plans.

#### **Defined Contribution Plans**

ARP is a defined contribution pension plan. Full-time administrative and professional staff and faculty may choose enrollment in ARP in lieu of OPERS or STRS Ohio. Classified civil service employees hired on or after August 1, 2005 are also eligible to participate in ARP. ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

OPERS also offers a defined contribution plan, the Member-Directed Plan (MD). The MD plan does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

STRS Ohio also offers a defined contribution plan in addition to its long established defined benefit plan. All employee contributions and employer contributions at a rate of 10.5% are placed in an investment account directed by the employee. Disability benefits are limited to the employee's account balance. Employees electing the defined contribution plan receive no postretirement health care benefits.

**The Ohio State University**  
**Notes to Financial Statements**  
**June 30, 2012 and 2011**

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**Combined Plans**

STRS Ohio offers a combined plan with features of both a defined contribution plan and a defined benefit plan. In the combined plan, employee contributions are invested in self directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive postretirement health care benefits.

OPERS also offers a combined plan. This is a cost-sharing multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive postretirement health care benefits. OPERS provides retirement, disability, survivor and postretirement health benefits to qualifying members of the combined plan.

OPERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under Ohio Revised Code (ORC), funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For calendar year 2011, OPERS allocated 6.05% of the employer contribution rate to fund the health care program for retirees, and this rate was expected to remain the same for calendar year 2012 as of March 2012.

**Funding Policy**

ORC provides STRS Ohio and OPERS statutory authority to set employee and employer contributions. Contributions equal to those required by STRS Ohio and OPERS are required for ARP. For employees enrolling in ARP, ORC requires a portion (which may be revised pursuant to periodic actuarial studies) of the employer contribution be contributed to STRS Ohio and OPERS to enhance the stability of these plans. The required contribution rates (as a percentage of covered payroll) for plan members and the university are as follows:

	<b>STRS Ohio</b>	<b>OPERS</b>	<b>ARP</b>
<b>Faculty</b>			
Plan member (entire year)	10.00 %		10.00 %
University (entire year)	14.00 %		14.00 % *
<b>Staff</b>			
Plan member (entire year)		10.00 %	10.00 %
University (entire year)		14.00 %	14.00 % **
<b>Law enforcement</b>			
Plan member (7/11 - 12/11)		11.60 %	11.60 %
Plan member (1/12 - 6/12)		12.10 %	12.10 %
University (entire year)		18.10 %	17.33 % **

**The Ohio State University**  
**Notes to Financial Statements**  
**June 30, 2012 and 2011**

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The university's contributions, which represent 100% of required employer contributions, for the year ended June 30, 2012 and for each of the two preceding years are as follows:

Years Ended June 30,	STRS Ohio Annual Required Contribution	OPERS Annual Required Contribution	ARP Annual Required Contribution
2010	\$ 52,500	\$ 141,815	\$ 39,014
2011	54,725	148,120	40,835
2012	58,006	153,118	43,523

**OSU Physicians Retirement Plan**

Retirement benefits are provided for the employees of OSU Physicians (OSUP) through a tax-sheltered 403(b) and 401(a) program administered by an insurance company. OSUP is required to make nondiscretionary contributions of no less than 7.5% under the Interim Retirement Plan; however, some subsidiaries make an additional discretionary contribution of up to 17.5%, for a range of total employer contributions of 7.5% to 25%. Employees are allowed, but not required, to make contributions to the 403(b) plan. OSUP's share of the cost of these benefits was \$7,119 and \$17,746 for the years ended June 30, 2012 and 2011, respectively. The reduction in Fiscal Year 2012 was directly related to physician integration into the Faculty Practice Group.

**16. Capital Project Commitments**

At June 30, 2012, the university is committed to future contractual obligations for capital expenditures of approximately \$705,909.

These projects are funded by the following sources:

State appropriations	\$ 128,452
Internal and other sources	<u>577,457</u>
	<u>\$ 705,909</u>

**17. Contingencies and Risk Management**

The university is a party in a number of legal actions. While the final outcome cannot be determined at this time, management is of the opinion that the liability, if any, for these legal actions will not have a material adverse effect on the university's financial position.

The university is self-insured for the Health System's professional malpractice liability, employee health benefits, and employee life, accidental death and dismemberment benefits. Additional details regarding these self-insurance arrangements are provided in Note 8. The university also carries commercial insurance policies for various property, casualty and excess liability risks. Over the past three years, settlement amounts related to these insured risks have not exceeded the university's coverage amounts.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of the university have been infrequent in prior years.

**18. Subsequent Events**

**Bond Refinancing**

On July 19, 2012, the university issued an offering statement for \$91,165 in tax-exempt Fixed Rate General Receipts Bonds, Series 2012A and \$23,170 in federally taxable General Receipts Bonds, Series 2012B. The Series 2012A bonds will have annual principal payments until final maturity on June 1, 2030, with interest rates ranging from 2.00% to 5.00%. The Series 2012B bonds will have annual principal payments until final maturity on June 1, 2033, with interest rates ranging from 0.476% to 3.673%. The proceeds of the Series 2012 bond issues will be used to refund existing bond obligations.

**Parking Lease and Concession Agreement**

On September 21, 2012, the university entered into a 50-year lease and concession agreement with QIC Global Infrastructure, and its operating affiliate, CampusParc LP, to operate the university's parking facilities. The total up-front payment under the agreement is \$483,000. On June 28, 2012, the university received a \$22,000 deposit, which is reflected in the June 30, 2012 Statement of Net Assets. The remaining proceeds were paid to the university on the September 21 closing date. The agreement includes the sale of certain parking-related equipment assets, which will be recognized as revenue in Fiscal Year 2013. The remainder of the proceeds will be recorded as a deferred inflow and amortized to revenue on a straight-line basis over the life of the agreement.

Related to this transaction, the university entered into an interest-rate swap agreement on July 2, 2012 for a notional amount of \$90,000 to hedge interest-rate risk prior to the closing of the parking lease and concession agreement. It terminated the swap on September 19, 2012 and received a \$3,247 payment from the counterparty. In addition, the university is in the process of defeasing approximately \$83,400 of parking-related bonds and expects to complete this transaction in November 2012.

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
<b>Department of Agriculture</b>		
10.001	US Department of Agriculture	\$ 413
10.001	USDA Agricultural Res Service	1,148,582
10.001	USDA Forest Service	345
10.025	Animal & Plant Health Inspection Service	471,037
10.163	Agricultural Marketing Service	16,871
10.200	National Institute of Food & Agriculture	766,284
10.202	USDA Cooperative Forestry Research	600,002
10.203	USDA Agriculture Experimental Station	7,580,523
10.206	Nat Res Init Competitive Grants Program	167,426
10.206	National Institute of Food & Agriculture	1,381,466
10.207	USDA Animal Health and Disease Research	38,214
10.207	National Institute of Food & Agriculture	23,192
10.210	National Institute of Food & Agriculture	53,822
10.217	National Institute of Food & Agriculture	211,204
10.219	National Institute of Food & Agriculture	138,646
10.219	US Department of Agriculture	(521)
10.220	National Institute of Food & Agriculture	52,016
10.226	National Institute of Food & Agriculture	24,408
10.250	Economic Res Service	73,831
10.303	National Institute of Food & Agriculture	1,754,740
10.305	National Institute of Food & Agriculture	12,505
10.307	National Institute of Food & Agriculture	826,204
10.307	USDA Agricultural Res Service	13,942
10.309	National Institute of Food & Agriculture	715,821
10.309	USDA Agricultural Res Service	5,226
10.310	National Institute of Food & Agriculture	1,697,803
10.314	National Institute of Food & Agriculture	72,504
10.40020000	USDA Forest Service	319,920
10.445	USDA Forest Service	28,855
10.500	National Institute of Food & Agriculture	548,495
10.500	USDA Cooperative Extension Service	12,196,305
10.652	USDA Forest Service	105,698
10.680	USDA Forest Service	23,474

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
10.771	USDA Rural Development	224,098
10.912	Natural Resources Conservation Service	123,509
10.960	USDA Foreign Ag Serv	7,291
10.961	USDA Foreign Ag Serv	42,062
10.962	USDA Foreign Ag Serv	46,063
	<b>Total Department of Agriculture Direct Awards</b>	<b>31,512,276</b>
<b>Department of Commerce</b>		
11.307	Econ Dev Admin	322,599
11.417	Nat Oceanic & Atmospheric Admin	1,329,462
11.42060000	Bur of Census	2,841
11.431	Nat Oceanic & Atmospheric Admin	84,837
11.609	Nat Inst of Standards & Tech	70,002
	<b>Total Department of Commerce Direct Awards</b>	<b>1,809,741</b>
<b>Department of Defense</b>		
12.300	Office of Naval Res	1,600,043
12.351	Defense Threat Reduction Agency	1,216,958
12.360	Office of Naval Res	284,417
12.420	Army	34,852
12.420	Army Medical Res & Material Command	152,667
12.420	Army Medical Res Acquisition Activity	543,509
12.420	Army Medical Res Acquisition Activity	3,401,369
12.431	Army Res Office	2,700,646
12.431	Army Research, Development and Eng Cmd	205,420
12.431	Army Research Office	12,719
12.50010000	Air Force	219,465
12.50010100	Air Force Materiel Command	77,442
12.50010105	Air Force Office of Scientific Research	192,213
12.50010126	Air Force Research Laboratory	3,598,853
12.50010201	Air Force Institute of Technology	9,965
12.50020100	Army Corps of Engineers	694,986
12.50020106	Humphreys Engineer Ctr Support Activity	537,195
12.50020108	Army Engineer Research and Dev Center	47,843

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
12.50020213	Army Natick Res, Dev & Eng Center	4,123
12.50020219	Army Research, Development and Eng Cmd	40,572
12.50020220	Army Contracting Command	6,430
12.50020301	Army Medical Res & Materiel Command	(10,283)
12.50020303	Walter Reed Army Institute of Research	11,597
12.50020400	Army Res Office	16,749
12.50040000	Navy	18,499
12.50040300	Office of Naval Res	989
12.50040600	Naval Medical Center San Diego	96,038
12.50041004	Naval Health Research Center	66,755
12.50060000	Defense Advanced Res Projects Agency	3,353
12.50070001	US Special Operations Command	171,137
12.50080000	Nat Geospatial-Intelligence Agcy	93,173
12.50220000	Defense Threat Reduction Agency	371
12.630	Army Aviation Applied Tech Directorate	219,115
12.630	Nat Geospatial-Intelligence Agcy	229,464
12.750	Uniformed Services Univ Health Sci's	109,516
12.800	Air Force Academy	382,364
12.800	Air Force Office of Scientific Research	6,617,092
12.800	Air Force Research Laboratory	32,287
12.901	Nat Security Agency	55,550
12.902	Nat Security Agency	29,294
12.910	Space & Naval Warfare Systems Ctr	652,727
	<b>Total Department of Defense Direct Awards</b>	<u>24,377,474</u>
<b>Department of Housing and Urban Development</b>		
14.516	Dept of Housing & Urban Dev	24,816
	<b>Total Department of Housing and Urban Development Direct Awards</b>	<u>24,816</u>
<b>Department of the Interior</b>		
0.000	National Park Service	9,181
15.232	USDA Forest Service	33,813
15.608	US Fish and Wildlife Service	48,990
15.637	US Fish and Wildlife Service	41,579

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**FOR THE YEAR ENDED JUNE 30, 2012**

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
15.642	US Fish and Wildlife Service	440
15.647	US Fish and Wildlife Service	28,981
15.650	US Fish and Wildlife Service	200,687
15.72030000	US Fish and Wildlife Service	3,300
15.72040000	US Geological Survey	8,097
15.805	US Geological Survey	63,920
15.808	US Geological Survey	9,560
<b>Total Department of the Interior Direct Awards</b>		<u>448,548</u>
<b>Department of Labor</b>		
17.502	Occupational Safety & Health Admin	75,918
<b>Total Department of Labor Direct Awards</b>		<u>75,918</u>
<b>Department of Transportation</b>		
20.108	Federal Aviation Administration	419,742
20.205	Federal Highway Administration	243,757
20.215	Federal Highway Administration	(10,795)
20.514	Federal Transit Administration	432,827
20.82040000	Nat Highway Traffic Safety Admin	8,263
20.931	Nat Highway Traffic Safety Admin	329,069
<b>Total Department of Transportation Direct Awards</b>		<u>1,422,863</u>
<b>Appalachian Regional Commission</b>		
23.30070100	Appalachian Regional Commission	9,515
<b>Total Appalachian Regional Commission Direct Awards</b>		<u>9,515</u>
<b>National Aeronautics and Space Administration</b>		
0.000	Goddard Space Flight Center	89,694
43.000	NASA Headquarters	40,000
43.001	Goddard Space Flight Center	12,488
43.001	NASA Headquarters	545,987
43.001	Nat Aeronautics & Space Admin	334,304
43.002	Goddard Space Flight Center	305,130
43.002	Jet Propulsion Lab	55,973



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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
43.002	John Glenn Research Center-Lewis Field	304,200
43.002	NASA Headquarters	1,079,292
43.002	Nat Aeronautics & Space Admin	9,589
43.002	Smithsonian Astrophysical Observatory	79,918
43.008	NASA Headquarters	40,319
43.009	Nat Aeronautics & Space Admin	76,419
43.33000000	Jet Propulsion Lab	153,888
43.33000104	John Glenn Research Center-Lewis Field	44,543
43.33000105	Jet Propulsion Lab	465,673
43.33000105	NASA Headquarters	201,534
43.33000105	Smithsonian Astrophysical Observatory	103,039
43.33000303	Jet Propulsion Lab	24,187
43.AAA	John Glenn Research Center-Lewis Field	19,685
43.AAA	NASA Headquarters	437,243
43.AAA	Nat Aeronautics & Space Admin	140,674
43.AAA	National Space Biomedical Research Inst	72,034
<b>Total National Aeronautics and Space Administration Direct Awards</b>		<u>4,635,813</u>
<b>National Endowment for the Humanities</b>		
45.149	National Endowment For The Humanities	12,709
45.169	National Endowment For The Humanities	24,057
<b>Total National Endowment for the Humanities Direct Awards</b>		<u>36,766</u>
<b>National Science Foundation</b>		
47.041	Nat Science Foundation	24,568
47.041	NSF Div Chem, Bioeng, Environ, & Trnsp	1,487,418
47.041	NSF Div Chemical & Transport Systems	315
47.041	NSF Div Civil, Mechanical & Manufact Innv	2,040,017
47.041	NSF Div Design & Manufacturing Innovation	(17,061)
47.041	NSF DIV Elect, Comm, & CyberSystems	1,226,568
47.041	NSF Div Engineering Education & Centers	3,558,159
47.041	NSF Div Info Robotics & Intelligent Systms	45,867
47.041	NSF Engineering	230,717
47.041	NSF Industrial Innovation & Partnerships	527,437

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
47.049	Fermi National Accelerator Laboratory	607
47.049	Nat Science Foundation	269,174
47.049	NSF Div Astronomical Sciences	714,011
47.049	NSF Div Chemistry	2,627,638
47.049	NSF Div Materials Research	4,142,862
47.049	NSF Div Mathematical Sciences	5,598,150
47.049	NSF Div Physics	1,509,267
47.050	Nat Science Foundation	135,858
47.050	NSF Div Atmospheric Sciences	263,739
47.050	NSF Div Earth Sciences	993,520
47.050	NSF Div Mathematical Sciences	24,614
47.050	NSF Div Ocean Sciences	247,876
47.050	NSF Geosciences	120,883
47.070	NSF Computer & Info Sciences & Eng	317,683
47.070	NSF Div Computing & Communication Fdn	1,792,915
47.070	NSF Div Info Robotics & Intelligent Systms	1,263,403
47.070	NSF Div of Computer & Network Systems	843,310
47.070	NSF Social, Behavioral & Economic Res	75,425
47.074	Nat Science Foundation	37,633
47.074	NSF Biological Infrastructure	2,176,494
47.074	NSF Biological Sciences	299,971
47.074	NSF Div Bioengineering & Environmental	74,482
47.074	NSF Div Earth Sciences	54,211
47.074	NSF Div Emerging Frontiers	156,257
47.074	NSF Div Ocean Sciences	128,993
47.074	NSF Environmental Biology	725,660
47.074	NSF Integrative Organismal Biology	2,101,929
47.074	NSF Molecular & Cellular Biosciences	2,579,206
47.075	Nat Science Foundation	93,111
47.075	NSF Behavioral & Cognitive Sciences	807,801
47.075	NSF Social & Economic Sciences	173,748
47.075	NSF Social, Behavioral & Economic Res	1,992,652
47.076	NSF Div Graduate Educ & Res Development	1,400,094
47.076	NSF Div Human Resource Development	978,859

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
47.076	NSF Div of Research on Learning	242,583
47.076	NSF Div Undergraduate Education	1,388,712
47.076	NSF Education & Human Resources	831,490
47.078	Nat Science Foundation	510
47.078	NSF Ofc Polar Programs	2,066,483
47.079	NSF Ofc of International Science & Eng	480,041
47.080	NSF Office of Cyberinfrastructure	491,789
47.082	ARRA NSF Biological Infrastructure	89,295
47.082	ARRA NSF Div Astronomical Sciences	321,175
47.082	ARRA NSF Div Atmospheric Sciences	27,455
47.082	ARRA NSF Div Chem, Bioeng, Environ, & Trnsp	7,190
47.082	ARRA NSF Div Chemistry	346,145
47.082	ARRA NSF Div Civil, Mechanical & Manufact Innv	133,097
47.082	ARRA NSF Div Earth Sciences	138,770
47.082	ARRA NSF DIV Elect, Comm, & CyberSystems	537,615
47.082	ARRA NSF Div Info Robotics & Intelligent Systms	70,391
47.082	ARRA NSF Div Materials Research	48,136
47.082	ARRA NSF Div of Computer & Network Systems	171,711
47.082	ARRA NSF Environmental Biology	91,125
47.082	ARRA NSF Integrative Organismal Biology	376,116
47.082	ARRA NSF Molecular & Cellular Biosciences	386,357
47.082	ARRA NSF Ofc Polar Programs	262,062
47.082	ARRA NSF Office of Cyberinfrastructure	512,036
47.082	ARRA NSF Social, Behavioral & Economic Res	434,375
	<b>Total National Science Foundation Direct Awards</b>	<u>53,300,700</u>
 <b>Department of Veterans Affairs</b>		
64.30170000	Veterans Affairs	5,707
64.30170300	VA Nat Ctr Post Traumatic Stress Disord	3,482
	<b>Total Department of Veterans Affairs Direct Awards</b>	<u>9,189</u>
 <b>Environmental Protection Agency</b>		
66.32000000	Environmental Protection Agency	477,252
66.439	Environmental Protection Agency	23,797

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
66.469	Environmental Protection Agency	61,933
66.509	Environmental Protection Agency	(3,522)
66.510	Environmental Protection Agency	5,670
66.611	Environmental Protection Agency	58,447
	<b>Total Environmental Protection Agency Direct Awards</b>	<u>623,577</u>
<b>Nuclear Regulatory Commission</b>		
77.006	Nuclear Regulatory Commission	52,877
77.008	Nuclear Regulatory Commission	511,668
77.30220000	Nuclear Regulatory Commission	14,995
	<b>Total Nuclear Regulatory Commission Direct Awards</b>	<u>579,540</u>
<b>Department of Energy</b>		
81.049	ARRA US Department of Energy	197,343
81.049	US Department of Energy	8,369,295
81.057	Nat Energy Tech Lab	122,079
81.086	US Department of Energy	52
81.086	Oak Ridge Nat Lab	77,903
81.087	ARRA US Department of Energy	104,320
81.087	US Department of Energy	434,763
81.087	Nat Energy Tech Lab	655,172
81.089	US Department of Energy	129,224
81.089	Nat Energy Tech Lab	1,333,902
81.117	US Department of Energy	331,362
81.117	Nat Energy Tech Lab	162,626
81.121	US Department of Energy	432,376
81.122	ARRA US Department of Energy	810,423
81.133	ARRA Nat Energy Tech Lab	95,302
81.135	ARRA Advanced Res Projects Agency-Energy	1,956,310
81.55000000	US Department of Energy	405,836
81.55000000	Los Alamos Nat Lab	125,562
81.55000000	Lawrence Berkeley National Laboratory	16,975
81.55000000	Lawrence Livermore National Laboratory	62,495
81.55000000	Oak Ridge Nat Lab	306,767

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
81.55000000	SLAC Nat Accelerator Lab	(17,046)
81.55000000	Fermi National Accelerator Laboratory	50,110
	<b>Total Department of Energy Direct Awards</b>	<u>16,163,151</u>
 <b>Department of Education</b>		
84.015	US Department of Education	1,218,447
84.042	US Department of Education	300,747
84.047	US Department of Education	289,709
84.133	Nat Inst Disability & Rehabilitation Res	1,207,079
84.200	US Department of Education	63,327
84.220	Ofc of Postsecondary Education	274,170
84.224	US Department of Education	495,956
84.229	Ofc of Postsecondary Education	13,040
84.229	US Department of Education	202,429
84.305	Institute of Education Sciences	6,130,475
84.305	US Department of Education	24,246
84.324	Institute of Education Sciences	156,086
84.324	US Department of Education	732,363
84.325	Ofc of Special Ed & Rehabilitative Svcs	1,694
84.325	Office of Special Education Programs	109,221
84.325	US Department of Education	225,303
84.327	Ofc of Special Ed & Rehabilitative Svcs	52,597
84.327	US Department of Education	306,222
84.336	US Department of Education	2,070,855
84.350	US Department of Education	246,906
84.396	ARRA US Department of Education	10,836,143
84.407	US Department of Education	301,764
	<b>Total Department of Education Direct Awards</b>	<u>25,258,779</u>
 <b>Department of Health and Human Services</b>		
93.103	Food and Drug Administration	258,309
93.110	Health Resources & Services Admin	700,628
93.110	Maternal & Child Health Bureau	7,999
93.113	Nat Inst of Environ Health Scis	2,008,596

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
93.121	Nat Inst of Dental & Craniofacial Res	1,633,039
93.135	Centers for Disease Control & Prevention	319,849
93.173	Nat In Deafness & Other Commnctn Disorders	2,382,263
93.213	Nat Ctr Complementary & Alternative Med	1,477,982
93.226	Agency for Healthcare Res & Quality	217,564
93.233	National Heart, Lung, and Blood Inst	330,224
93.242	National Institute of Mental Health	4,231,780
93.247	Health Resources & Services Admin	375,711
93.262	Centers for Disease Control & Prevention	434,053
93.262	Nat Inst Occupational Safety & Health	332,826
93.273	Nat Inst on Alcohol Abuse & Alcoholism	685,700
93.279	National Institute on Drug Abuse	2,140,341
93.282	National Institute of Mental Health	20,688
93.283	Centers for Disease Control & Prevention	(405)
93.286	Nat In Biomedical Imaging & Bioengineering	1,505,939
93.306	Nat Inst of Health, Ofc of the Director	89,013
93.307	Nat Ctr Minority Hlth & Hlth Disparities	678,816
93.350	Nat Ctr for Advancing Translational Scis	864,599
93.350	Nat Inst Gen Medical Scis	113,431
93.351	Nat Inst of Health, Ofc of the Director	24,805
93.358	Health Resources & Services Admin	69,670
93.361	National Institute of Nursing Research	876,663
93.369	National Cancer Institute	208,260
93.387	National Heart, Lung, and Blood Inst	149,011
93.389	Nat Center for Research Resources	7,513,232
93.389	Nat Inst of Health, Ofc of the Director	250,613
93.393	National Cancer Institute	8,573,918
93.394	National Cancer Institute	1,227,170
93.395	National Cancer Institute	14,010,856
93.396	National Cancer Institute	8,564,562
93.397	National Cancer Institute	7,963,445
93.398	National Cancer Institute	3,140,982
93.399	National Cancer Institute	3,026,525
93.405	ARRA Health Resources & Services Admin	4,069

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
93.411	ARRA Health Resources & Services Admin	15,885
93.510	Health Resources & Services Admin	265,025
93.632	Admin Developmental Disabilities	467,397
93.6400002	ARRA National Cancer Institute	203,873
93.6400002	National Cancer Institute	919,269
93.6400003	National Heart, Lung, and Blood Inst	2,294,679
93.6400008	Nat Inst Neurological Disorders & Stroke	896,822
93.6400009	ARRA National Library of Medicine	47,721
93.701	ARRA Nat Center for Research Resources	1,012,226
93.701	ARRA Nat Ctr Complementary & Alternative Med	145,369
93.701	ARRA Nat In Arthritis & Muscoskeletal & Skin Ds	281,563
93.701	ARRA Nat In Biomedical Imaging & Bioengineering	(501)
93.701	ARRA Nat In Deafness & Other Commcnctn Disorders	37,597
93.701	ARRA Nat In Diabetes & Digestive & Kidney Diseases	292,188
93.701	ARRA Nat Inst Child Health & Human Development	1,076,137
93.701	ARRA Nat Inst Gen Medical Scis	247,115
93.701	ARRA Nat Inst Neurological Disorders & Stroke	1,178,274
93.701	ARRA Nat Inst of Allergy & Infectious Diseases	1,660,394
93.701	ARRA Nat Inst of Environ Health Scis	105,148
93.701	ARRA National Cancer Institute	2,456,498
93.701	ARRA National Eye Institute	255,060
93.701	ARRA National Heart, Lung, and Blood Inst	2,665,695
93.701	ARRA National Institute on Aging	119,743
93.701	ARRA National Institute on Drug Abuse	113,846
93.701	ARRA National Library of Medicine	54,698
93.821	Nat Inst Gen Medical Scis	(33)
93.837	National Heart, Lung, and Blood Inst	8,512,112
93.838	National Heart, Lung, and Blood Inst	3,272,468
93.839	National Heart, Lung, and Blood Inst	825,419
93.846	Nat In Arthritis & Muscoskeletal & Skin Ds	(1,500)
93.846	Nat In Arthritis & Muscoskeletal & Skin Ds	3,122,305
93.847	Nat In Diabetes & Digestive & Kidney Diseases	2,145,551
93.848	Nat In Diabetes & Digestive & Kidney Diseases	109,224
93.849	Nat In Diabetes & Digestive & Kidney Diseases	14,263

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CFDA Number	Federal Agency Sponsor	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
93.853	Nat Inst Neurological Disorders & Stroke	9,983,696
93.855	Nat Inst of Allergy & Infectious Diseases	9,975,878
93.855	National Institutes of Health	(842)
93.859	Nat Inst Gen Medical Scis	12,607,070
93.859	National Institutes of Health	37,367
93.864	Nat Inst Child Health & Human Development	992,880
93.865	Nat Inst Child Health & Human Development	3,778,626
93.866	National Institute on Aging	1,669,370
93.867	National Eye Institute	3,007,096
93.875	Nat Inst Neurological Disorders & Stroke	75,486
93.879	National Library of Medicine	215,813
93.884	Health Resources & Services Admin	811,740
93.887	Health Resources & Services Admin	511,838
93.941	National Cancer Institute	2,379
93.964	Health Resources & Services Admin	14,923
93.989	John E Fogarty International Center	270,169
93.999	Nat Inst Child Health & Human Development	35,527
93.999	National Cancer Institute	<u>527,685</u>
	<b>Total Department of Health and Human Services Direct Awards</b>	<b>155,740,957</b>
<b>Agency for International Development</b>		
98.001	Agency for Intl Dev	<u>1,642,445</u>
	<b>Total Agency for International Development Direct Awards</b>	<b>1,642,445</b>
<b>Other</b>		
99.31020000	National Academy of Sciences	49,511
99.31020100	National Research Council	<u>20,471</u>
	<b>Total Other Direct Awards</b>	<b>69,982</b>
Subtotal of Research and Development Cluster funds received directly from federal agencies		<u><u>317,742,050</u></u>



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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
<b>Department of Agriculture</b>				
10.001	USDA Agricultural Res Service	Biotechnology Res & Dev Corp	10011994	43,900
10.001	United Soybean Board	USDA Agricultural Res Service	40040200	24,201
10.169	US Department of Agriculture	Ohio Department Of Agriculture	26390000	7,012
10.169	Agricultural Marketing Service	Ohio Department Of Agriculture	26390000	17,743
10.170	Agricultural Marketing Service	Innovative Farmers of Ohio	20021289	2,977
10.170	US Department of Agriculture	Ohio Department Of Agriculture	26390000	105,076
10.170	Agricultural Marketing Service	Ohio Department Of Agriculture	26390000	61,342
10.200	National Institute of Food & Agriculture	Univ of Illinois	22000009	3,577
10.200	National Institute of Food & Agriculture	Michigan State Univ	22000044	74,595
10.200	USDA Agricultural Res Service	Michigan State Univ	22000044	736
10.200	National Institute of Food & Agriculture	Iowa State Univ	22000047	23,118
10.200	National Institute of Food & Agriculture	Univ of Maine at Orono	22000048	9,894
10.200	National Institute of Food & Agriculture	Southern Illinois Univ	22000055	3,796
10.200	National Institute of Food & Agriculture	Cornell University	22000081	10,116
10.200	National Institute of Food & Agriculture	Univ of Nebraska	22000085	24,707
10.200	National Institute of Food & Agriculture	Oregon State Univ	22000103	863
10.200	National Institute of Food & Agriculture	Univ of Toledo	22000277	38,255
10.200	USDA Agricultural Res Service	Ohio Department Of Agriculture	26390000	2,695
10.206	National Institute of Food & Agriculture	Purdue Univ	22000002	753
10.206	National Institute of Food & Agriculture	Michigan State Univ	22000044	(3,507)
10.206	USDA Agricultural Res Service	Michigan State Univ	22000044	11,258
10.206	National Institute of Food & Agriculture	Iowa State Univ	22000047	2,152
10.206	National Institute of Food & Agriculture	Kansas State Univ	22000062	28,133
10.206	National Institute of Food & Agriculture	Univ of Missouri	22000073	(374)
10.20600000	National Institute of Food & Agriculture	Univ of Maryland	22000120	174,916
10.206	US Department of Agriculture	Univ of North Carolina	22000146	5,146
10.206	USDA Agricultural Res Service	Mississippi State Univ	22000196	1,280
10.206	National Institute of Food & Agriculture	Univ of Arkansas	22000239	29,857
10.206	National Institute of Food & Agriculture	Indiana Univ-Purdue Univ Indianapolis	22010034	80,933
10.212	US Department of Agriculture	quasar energy group	10020235	(1,257)
10.215	National Institute of Food & Agriculture	Fruit Growers Marketing Assn	20021863	22,404
10.215	National Institute of Food & Agriculture	Iowa State Univ	22000047	22,660
10.215	National Institute of Food & Agriculture	Univ of Minnesota	22000067	38,406

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
10.216	National Institute of Food & Agriculture	North Carolina A&T State University	22000281	14,243
10.217	US Department of Agriculture	Michigan State Univ	22000044	6,333
10.217	National Institute of Food & Agriculture	Texas A & M Univ	22000053	(4,451)
10.217	National Institute of Food & Agriculture	Colorado State Univ	22000110	623
10.226	National Institute of Food & Agriculture	Lorain County Community College	22000199	(65)
10.303	National Institute of Food & Agriculture	Univ of Wisconsin	22000006	41,849
10.30300000	USDA Agricultural Res Service	Univ of Wisconsin	22000006	70,847
10.303	National Institute of Food & Agriculture	Univ of Illinois	22000009	33,717
10.303	National Institute of Food & Agriculture	Virginia Polytechnic Inst	22000023	6,072
10.303	National Institute of Food & Agriculture	Michigan State Univ	22000044	17,191
10.303	National Institute of Food & Agriculture	Univ of Nebraska	22000085	11,884
10.303	National Institute of Food & Agriculture	Texas Tech Univ	22000122	21,647
10.303	National Institute of Food & Agriculture	North Carolina State Univ	22000136	22,166
10.303	National Institute of Food & Agriculture	Utah State Univ	22000183	2,020
10.304	National Institute of Food & Agriculture	Michigan State Univ	22000044	48,320
10.309	National Institute of Food & Agriculture	Virginia Polytechnic Inst	22000023	68,734
10.309	National Institute of Food & Agriculture	Iowa State Univ	22000047	40,274
10.309	National Institute of Food & Agriculture	Univ of Minnesota	22000067	4,173
10.309	National Institute of Food & Agriculture	Univ of Florida	22000108	35,906
10.309	National Institute of Food & Agriculture	Colorado State Univ	22000110	44,432
10.309	National Institute of Food & Agriculture	Univ of Maryland	22000120	60,315
10.309	National Institute of Food & Agriculture	North Carolina State Univ	22000136	22,247
10.310	National Institute of Food & Agriculture	Univ of California - Davis	22000013	84,757
10.310	National Institute of Food & Agriculture	Michigan State Univ	22000044	226,730
10.310	National Institute of Food & Agriculture	Iowa State Univ	22000047	442,498
10.310	National Institute of Food & Agriculture	Kansas State Univ	22000062	58,097
10.310	National Institute of Food & Agriculture	Univ of Minnesota	22000067	53,235
10.310	National Institute of Food & Agriculture	Cornell University	22000081	70,540
10.310	US Department of Agriculture	Univ of Maryland	22000120	67,717
10.310	National Institute of Food & Agriculture	North Carolina State Univ	22000136	238,631
10.310	National Institute of Food & Agriculture	Univ of Delaware	22000138	274,979
10.312	National Institute of Food & Agriculture	Velocys, Inc	10020207	9,013
10.320	National Institute of Food & Agriculture	Univ of Hawaii	22000265	1,848
10.400	US Department of Agriculture	Environ Energy	10012272	61
10.500	National Institute of Food & Agriculture	Univ of Minnesota	22000067	33,142

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Research and Development Cluster —				
Pass-through from other sources:				
10.500	National Institute of Food & Agriculture	Univ of Nebraska	22000085	18,906
10.500	Navy	National Institute of Food & Agriculture	40040100	946,528
10.560	US Department of Agriculture	OH Dept of Educ	26080000	40,243
10.664	USDA Forest Service	Oregon State Univ	22000103	9,902
10.912	Natural Resources Conservation Service	Pollinator Partnership	20021915	30,759
<b>Total Department of Agriculture Pass-Through Awards</b>				<b>4,043,426</b>
<b>Department of Commerce</b>				
11.417	Nat Oceanic & Atmospheric Admin	Univ of Michigan	22000005	56,899
11.417	Nat Oceanic & Atmospheric Admin	Univ of Wisconsin	22000006	12,476
11.417	Nat Oceanic & Atmospheric Admin	Texas A & M Univ	22000053	22,361
11.431	Nat Oceanic & Atmospheric Admin	Univ of Michigan	22000005	15,596
11.432	Nat Oceanic & Atmospheric Admin	Univ of Michigan	22000005	48,477
11.473	Nat Oceanic & Atmospheric Admin	Great Lakes Observing System	20021890	61,392
11.611	Nat Inst of Standards & Tech	PolymerOhio, Inc	20021637	134,345
11.616	Nat Inst of Standards & Tech	Hyper Tech Res Inc	10020102	69,220
<b>Total Department of Commerce Pass-Through Awards</b>				<b>420,766</b>
<b>Department of Defense</b>				
0.000	US Department of Defense	CFD Research Corp	10012258	30,001
0.000	Naval Air Systems Cmd	Sentient Corporation	10013230	23,503
12.300	Army Aviation Applied Tech Directorate	Vertical Lift Consortium	20020103	(308)
12.300	Office of Naval Res	Univ of Michigan	22000005	50,478
12.300	Office of Naval Res	Carnegie-Mellon Univ	22000051	11,663
12.300	Office of Naval Res	Univ of Maryland	22000120	104,992
12.300	Air Force Research Laboratory	Univ of Notre Dame	22000140	12,358
12.300	Office of Naval Res	Univ of Notre Dame	22000140	541,412
12.300	Office of Naval Res	Univ of California - Santa Barbara	22000315	540,018
12.351	Defense Threat Reduction Agency	Univ of Illinois	22000009	39,273
12.351	Defense Threat Reduction Agency	North Carolina State Univ	22000136	50,016
12.351	Defense Threat Reduction Agency	Univ of California - Santa Barbara	22000315	57,493
12.42000000	Army Medical Res & Materiel Command	BioPhyZica, Inc	10013257	34,816
12.42000000	Army Medical Res Acquisition Activity	Henry M Jackson Fdn	20010473	117,493
12.420	US Department of Defense	Indiana Univ	22000012	205
12.420	US Department of Defense	Virginia Polytechnic Inst	22000023	(9,852)

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
12.420	Army Medical Res & Materiel Command	Virginia Polytechnic Inst	22000023	125,918
12.420	Army Medical Res Acquisition Activity	Virginia Polytechnic Inst	22000023	58,497
12.420	Army Medical Res Acquisition Activity	Mount Sinai Sch of Medicine	22010031	24,411
12.420	Army Medical Res Acquisition Activity	Univ of Alberta	22010081	23,652
12.431	Defense Advanced Res Projects Agency	Am Museum of Natural History	20021138	113,870
12.431	Army Res Office	Massachusetts Inst Tech	22000001	104,426
12.431	US Department of Defense	Univ of Michigan	22000005	50,250
12.431	Army Res Office	Pennsylvania State Univ	22000030	74,319
12.431	Army Res Office	Univ of Maryland	22000120	152,207
12.431	Army Res Office	Rice University	22000231	302,591
12.500	US Department of Defense	Northrop Grumman Corp	10011657	122,270
12.50000000	US Department of Defense	Nielsen Engineering and Research, Inc	10012999	273
12.500	US Department of Defense	PH Matter LLC	10020259	37,783
12.500	US Department of Defense	Henry M Jackson Fdn	20010473	8,397
12.500	US Department of Defense	Institute of International Education	20021662	(114,752)
12.500	Air Force	Universal Tech Corp	10011471	628,754
12.50010000	Air Force	General Electric Aircraft Engines	10011756	17,750
12.50010000	Air Force	Applied EM, Inc	10012411	241,814
12.50010000	Air Force	SRA International, Inc	10012759	(846)
12.50010000	Air Force	Mandaree Enterprise Corporation	10012865	171,007
12.500	Air Force	Traycer Diagnostic Systems	10012887	(141)
12.500	Air Force	Mesoscribe Technologies, Inc.	10012940	17,712
12.500	Air Force	LURACO Technologies, Inc	10013157	17,990
12.500	Air Force	Voss Scientific, LLC	10013299	9,315
12.500	Air Force	Innovative Scientific Solutions Inc	10020096	139,352
12.500	Air Force	BerrieHill Research Corp	10020202	22,807
12.500	Air Force	Etegent Technologies, Ltd.	10020293	22,481
12.500	Air Force	Massachusetts Inst Tech - Lincoln Lab	22000228	140,062
12.500	Air Force	Wichita State University	22000353	42,721
12.500	Air Force Materiel Command	SRA International, Inc	10012759	86,406
12.500	Air Force Materiel Command	UES Inc	10020049	93,054
12.500	Air Force Office of Scientific Res	Q-Peak	10012442	20,809
12.500	Air Force Office of Scientific Res	Jacobs Technology Inc	10012861	117,611
12.50010105	Air Force Office of Scientific Res	TTC Technologies	10013059	(9,085)
12.50010126	Air Force Research Laboratory	Lockheed Martin Corp	10010042	71,983

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Research and Development Cluster —				
Pass-through from other sources:				
12.50010126	Air Force Research Laboratory	Universal Tech Corp	10011471	229,869
12.50010126	Air Force Research Laboratory	Honeywell International Inc	10011512	215,455
12.50010126	Air Force Research Laboratory	Infoscitex Corporation	10011833	5,183
12.50010126	Air Force Research Laboratory	Raytheon BBN Technologies	10012357	12,880
12.500	Air Force Research Laboratory	Syntonics LLC	10012399	84,906
12.500	Air Force Research Laboratory	RNET Technologies	10012505	200,295
12.500	Air Force Research Laboratory	Wyle Laboratories	10012528	(859)
12.500	Air Force Research Laboratory	Jacobs Technology Inc	10012861	63,635
12.500	Air Force Research Laboratory	Seaforth, LLC	10013146	14,523
12.50010126	Air Force Research Laboratory	PaneraTech Inc.	10013192	75,916
12.50010126	Air Force Research Laboratory	Metron, Inc.	10013243	4,369
12.500	Air Force Research Laboratory	UES Inc	10020049	(1,025)
12.500	Air Force Research Laboratory	Innovative Scientific Solutions Inc	10020096	66,988
12.500	Air Force Research Laboratory	Res Associates for Defense Conversion	20021855	4,771
12.500	Air Force Research Laboratory	Michigan State Univ	22000044	210,351
12.500	Air Force Research Laboratory	Rice University	22000231	215,149
12.500	Air Force Research Laboratory	Univ of Toledo	22000277	223,263
12.500	Air Force Research Laboratory	Wichita State University	22000353	191,077
12.500	Army	PPG Industries	10011723	18,590
12.500	Army	Sikorsky Aircraft	10011823	20,846
12.500	Army	Applied EM, Inc	10012411	6,781
12.500	Army	Goodrich Engine Control Systems	10013094	78,465
12.500	Army	PaneraTech Inc.	10013192	31,100
12.500	Army	American Engineering & Manufacturing	10020196	26,572
12.500	Army	Georgia Inst of Tech	22000189	41,294
12.500	Army	Konkuk University	22010085	(249)
12.500	Army Engineer Research and Dev Center	Primal Innovation, LLC	10013163	353
12.500	Army Natick Res, Dev & Eng Ctr	Infoscitex Corporation	10011833	16,300
12.500	Army Res Office	Honeywell International Inc	10011512	16,356
12.500	Missile Defense Agency	Virtual EM	10013124	26,019
12.500	Missile Defense Agency	Amtec Corporation	10013144	10,579
12.500	Missile Defense Agency	Applied Quantum Technologies	10013222	71,327
12.500	Missile Defense Agency	Systems & Processes Engineering Corp	10013225	10,073
12.500	Missile Defense Agency	DGNSS Solutions, LLC	10020266	9,866
12.500	Army Space and Missile Def Cmd	Wang Electro-Opto Corporation	10012847	(371)

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Research and Development Cluster —				
Pass-through from other sources:				
12.500	Army Medical Res Acquisition Activity	Henry M Jackson Fdn	20010473	26,976
12.500	Navy	Charles River Analytics Inc.	10011429	39,595
12.500	Navy	Syntonics LLC	10012399	7,042
12.500	Navy	Applied EM, Inc	10012411	221,286
12.500	Navy	Stratonics	10013187	3,820
12.500	Navy	PaneraTech Inc.	10013192	24,627
12.500	Navy	Acree Technologies Incorporated	10013198	59,937
12.500	Naval Surface Warfare Center	Wang Electro-Opto Corporation	10012847	11,536
12.500	Office of Naval Res	SET Associates Corp	10012523	211
12.500	Office of Naval Res	Yotta Navigation Corporation	10013120	2,866
12.500	Office of Naval Res	DJW Technology, LLC	10020182	190,100
12.500	Office of Naval Res	Spectral Energies, LLC	10020205	11,729
12.500	Office of Naval Res	Battelle Memorial Inst	20020012	68,913
12.500	Office of Naval Res	Univ of Michigan	22000005	254,534
12.500	Naval Air Warfare Ctr Aircraft Div	STAR Dynamics Corporation	10011732	25,510
12.500	Naval Air Warfare Ctr Aircraft Div	Scientific Systems Company, Inc.	10012390	31,968
12.500	Naval Air Warfare Ctr Aircraft Div	Syntonics LLC	10012399	10,579
12.500	Naval Air Warfare Ctr Aircraft Div	Applied EM, Inc	10012411	380,822
12.501	Defense Advanced Res Projects Agency	Lockheed Martin Corp	10010042	7,442
12.501	Defense Advanced Res Projects Agency	AT&T Inc	10011298	3,530
12.501	Defense Advanced Res Projects Agency	Northrop Grumman Corp	10011657	12,981
12.501	Defense Advanced Res Projects Agency	Scientific Systems Company, Inc.	10012390	32,364
12.501	Defense Advanced Res Projects Agency	Porifera, Inc.	10013067	163,598
12.501	Defense Advanced Res Projects Agency	Srico, Inc	10020134	65,654
12.501	Defense Logistics Agency	Advanced Technology International	10012322	149,335
12.502	Nat Reconnaissance Office	Northrop Grumman Corp	10011657	6,056
12.502	Defense Threat Reduction Agency	Univ of New Mexico	22000056	133,780
12.550	US Department of Defense	Institute of International Education	20021662	152,385
12.630	Army Aviation Applied Tech Directorate	Honeywell International Inc	10011512	(2,659)
12.630	Army Aviation Applied Tech Directorate	Vertical Lift Consortium	20020103	120,001
12.630	Army Aviation Applied Tech Directorate	Pennsylvania State Univ	22000030	22,864
12.630	Nat Geospatial-Intelligence Agcy	Univ of Texas at Austin	22000270	(140)
12.800	Air Force Office of Scientific Res	Kuzer Co	10013134	117
12.800	Air Force Materiel Command	Ladish Co Inc / Chambersburg Eng	18000013	80,596
12.800	US Department of Defense	Research Institute at Nationwide Childrn	20010182	37,514

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Research and Development Cluster —				
Pass-through from other sources:				
12.800	Air Force	Research Institute at Nationwide Childrn	20010182	50,548
12.800	Air Force Office of Scientific Res	Donald Danforth Plant Science Center	20021796	(5,342)
12.800	Air Force Research Laboratory	Univ of Michigan	22000005	3,412
12.800	Air Force Office of Scientific Res	Cornell University	22000081	21,622
12.800	Air Force Office of Scientific Res	Univ of Arizona	22000116	22,935
12.800	Air Force Office of Scientific Res	Georgia Inst of Tech	22000189	127,218
12.910	Defense Advanced Res Projects Agency	Celgene Corp	10012174	243,499
12.910	Defense Advanced Res Projects Agency	Battelle Memorial Inst	20020012	56,334
<b>Total Department of Defense Pass-Through Awards</b>				<b>9,617,571</b>
<b>Department of Housing and Urban Development</b>				
14.703	Dept of Housing & Urban Dev	Gulf Regional Planning Commission	24000571	87,864
14.704	Dept of Housing & Urban Dev	Mid-OH Regional Planning Commission	26270000	109,802
<b>Total Department of Housing and Urban Development Pass-Through Awards</b>				<b>197,666</b>
<b>Department of the Interior</b>				
15.605	US Fish and Wildlife Service	OH Division of Wildlife	26110100	1,635,628
15.60800000	US Fish and Wildlife Service	Univ of Minnesota	22000067	56,091
15.60800000	US Fish and Wildlife Service	Columbus Zoo	24000299	31,312
15.61100000	US Fish and Wildlife Service	OH Division of Wildlife	26110100	34,155
15.63400000	US Fish and Wildlife Service	OH Division of Wildlife	26110100	1,168,130
15.65000000	US Fish and Wildlife Service	OH Division of Wildlife	26110100	7,589
<b>Total Department of the Interior Pass-Through Awards</b>				<b>2,932,905</b>
<b>Department of Labor</b>				
17.261	US Department of Labor	OH Dept of Job & Family Services	26630000	289,140
17.760	US Department of Labor	Univ of Baltimore	22000347	611
17.761	Bureau of Labor Statistics	Nat Opinion Res Center	20020932	4,932,515
<b>Total Department of Labor Pass-Through Awards</b>				<b>5,222,266</b>
<b>Department of Transportation</b>				
0.000	Federal Aviation Administration	Honeywell International Inc	10011512	125,738
20.200	Federal Highway Administration	Health Effects Institute	20020758	55,581
20.20500000	Federal Highway Administration	Univ of Akron	22000066	736
20.20500000	US Department of Transportation	OH Dept of Transportation	26010000	89,259

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Research and Development Cluster —				
Pass-through from other sources:				
20.20500000	Federal Highway Administration	OH Dept of Transportation	26010000	116,403
20.51400000	Federal Transit Administration	Morgan State University	22010050	3,087
20.600	Nat Highway Traffic Safety Admin	OH Dept of Public Safety	26400000	(3,909)
20.701	US Department of Transportation	Purdue Univ	22000002	352,977
20.701	US Department of Transportation	Univ of Akron	22000066	10,512
20.761	US Department of Transportation	Cornell University	22000081	89,936
20.820	US Department of Transportation	Univ of Tennessee	22000010	39,333
20.820	Federal Aviation Administration	Nat Inst of Aerospace	20021607	245,457
20.931	Nat Highway Traffic Safety Admin	Transportation Res Ctr Inc	20021338	147,653
<b>Total Department of Transportation Pass-Through Awards</b>				<b>1,272,763</b>
<b>National Aeronautics and Space Administration</b>				
43.000	Nat Aeronautics & Space Admin	Univ of Alaska	22000037	38,677
43.001	NASA Headquarters	Pennsylvania State Univ	22000030	29,804
43.002	Goddard Space Flight Center	Univ of Colorado	22000039	37,244
43.002	NASA Headquarters	Univ of Washington	22000212	13,654
43.003	Nat Aeronautics & Space Admin	Nat Space Grant Foundation	20022037	6,354
43.008	Nat Aeronautics & Space Admin	Ohio Aerospace Inst	20021048	118,976
43.33000000	Nat Aeronautics & Space Admin	Impact Technologies LLC	10012771	11,796
43.33000000	Nat Aeronautics & Space Admin	ASRC Aerospace Corporation	10012863	141,148
43.33000000	Nat Aeronautics & Space Admin	Scientific	10013179	30,136
43.33000000	Nat Aeronautics & Space Admin	Innovative Scientific Solutions Inc	10020096	9,456
43.33000000	Nat Aeronautics & Space Admin	Space Telescope Sci Inst	20021006	13,291
43.33000104	John Glenn Research Center-Lewis Field	N&R Engineering and Management Svcs Corp	10020244	10,489
43.33000105	NASA Headquarters	Makel Engineering, Inc	10012377	25,841
43.33000105	NASA Headquarters	ASRC Aerospace Corporation	10012863	102,813
43.33000105	NASA Headquarters	Innovative Scientific Solutions Inc	10020096	48,911
43.33000105	NASA Headquarters	Space Telescope Sci Inst	20021006	164,618
43.330	Goddard Space Flight Center	Science Systems and Applications, Inc.	10013125	30,587
43.330	Jet Propulsion Lab	California Inst of Tech	22000054	56,408
<b>Total National Aeronautics and Space Administration Pass-Through Awards</b>				<b>890,203</b>
<b>National Endowment for the Humanities</b>				
45.161	National Endowment For The Humanities	Univ of Central Florida	22010046	22,558
45.312	Institute Of Museum And Library Services	National Audubon Society, Inc	20020425	9,937



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Research and Development Cluster —				
Pass-through from other sources:				
<b>Total National Endowment for the Humanities Pass-Through Awards</b>				32,495
<b>National Science Foundation</b>				
47.041	NSF Ofc of International Science & Eng	XtendWave	10013158	15,802
47.041	Nat Science Foundation	MET Technologies, Inc	10013178	4,126
47.041	NSF Industrial Innovation & Partnerships	PaneraTech Inc.	10013192	29,992
47.041	NSF Industrial Innovation & Partnerships	Bioprocessing Innovative Co Inc	10020039	27,840
47.041	Nat Science Foundation	Nanomaterial Innovation, Ltd	10020152	22,384
47.041	NSF Industrial Innovation & Partnerships	Nanofiber Solutions, Inc	10020248	9,202
47.041	NSF Industrial Innovation & Partnerships	PH Matter LLC	10020259	17,835
47.041	Nat Science Foundation	Aluminastic Corporation	10020272	21,913
47.041	Nat Science Foundation	Univ of Illinois	22000009	40,573
47.041	NSF DIV Elect, Comm, & CyberSystems	North Carolina State Univ	22000136	44,422
47.041	NSF Div Chem, Bioeng, Environ, & Trnsp	Georgia Inst of Tech	22000189	60,342
47.041	NSF Div Civil, Mechanical & Maufact Innv	Univ of Pennsylvania	22000195	105,792
47.049	NSF Div Astronomical Sciences	Assn Universities Res in Astronomy, Inc	20021158	341,786
47.049	Nat Science Foundation	Univ of Cincinnati	22000074	28,823
47.049	NSF Div Physics	Univ of Notre Dame	22000140	55,953
47.049	Nat Science Foundation	Univ of Virginia	22000203	54,810
47.049	NSF Div Chemistry	Montana State Univ	22000236	36,102
47.049	NSF Mathematical & Physical Sciences	Univ of California - Los Angeles	22000269	210,843
47.049	NSF Div Physics	Princeton Univ	22000289	5,698
47.049	Nat Science Foundation	Univ of California - Santa Cruz	22000369	142,627
47.050	Nat Science Foundation	North Carolina State Univ	22000136	2,936
47.050	Nat Science Foundation	Univ of California - Berkeley	22000294	5,457
47.070	Nat Science Foundation	Raytheon BBN Technologies	10012357	85,623
47.070	NSF Computer & Info Sciences & Eng	Raytheon BBN Technologies	10012357	(1,173)
47.070	NSF Div of Computer & Network Systems	Computing Research Association	20021373	141,850
47.070	Nat Science Foundation	Purdue Univ	22000002	6,745
47.070	Nat Science Foundation	Univ of Chicago	22000018	2,455
47.074	Nat Science Foundation	Henry M Jackson Fdn for the Advn Mil Med	20012161	54,114
47.074	Nat Science Foundation	Miami Univ	22000049	71,629
47.074	Nat Science Foundation	Colorado State Univ	22000110	14,585
47.074	NSF Biological Sciences	Colorado State Univ	22000110	(709)
47.074	Nat Science Foundation	Univ of Delaware	22000138	264,465

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Research and Development Cluster —				
Pass-through from other sources:				
47.074	Nat Science Foundation	South Dakota State University	22000262	1,683
47.074	NSF Environmental Biology	Georgia Southern University	22000365	35,135
47.075	Nat Science Foundation	Purdue Univ	22000002	87,140
47.075	Nat Science Foundation	Univ of Missouri	22000073	39,318
47.075	NSF Social, Behavioral & Economic Res	Univ of Maryland	22000120	68,391
47.076	Nat Science Foundation	The Shodor Educ Fdn, Inc	20012131	22,600
47.076	NSF Div Undergraduate Education	Univ Corp for Atmospheric Res	20020793	77,438
47.076	NSF Education & Human Resources	Science Museum of Minnesota	20021749	1,327
47.076	NSF Div of Research on Learning	The Algebra Project	20021829	140,606
47.076	NSF Div Undergraduate Education	Delaware Valley Industrial Resource Ctr	20021918	17,283
47.076	NSF Div of Research on Learning	Univ of Chicago	22000018	47,062
47.076	NSF Education & Human Resources	Michigan State Univ	22000044	22,907
47.076	NSF Div Undergraduate Education	Michigan State Univ	22000044	4,425
47.076	Nat Science Foundation	Iowa State Univ	22000047	12,745
47.076	Nat Science Foundation	Lorain County Community College	22000199	31,398
47.076	Nat Science Foundation	Univ of Puerto Rico	22000226	2,230
47.076	NSF Div Undergraduate Education	Macalester College	22000355	34,377
47.076	Nat Science Foundation	Winston-Salem State University	22000360	75,364
47.076	Nat Science Foundation	Stark State College of Technology	22010051	20,710
47.076	NSF Education & Human Resources	Fayetteville State University	22010068	30,880
47.078	Nat Science Foundation	Univ Corp for Atmospheric Res	20020793	98,530
47.078	Nat Science Foundation	Univ of Colorado	22000039	129,352
47.078	NSF Ofc Polar Programs	Univ of Nebraska	22000085	43,228
47.078	Nat Science Foundation	Oregon State Univ	22000103	1,800
47.07900000	Nat Science Foundation	Louisiana State University	22000091	15,350
47.08000000	Nat Science Foundation	Univ of Illinois	22000009	118,502
47.08000000	Nat Science Foundation	Univ of Chicago	22000018	16,336
47.08000000	Nat Science Foundation	Univ of Texas at Austin	22000270	68,247
47.08200000	ARRA Nat Science Foundation	Raytheon BBN Technologies	10012357	114,558
47.082	ARRA Nat Science Foundation	Interlaken Technology Corporation	10012853	7,087
47.082	ARRA Nat Science Foundation	Univ of Tennessee	22000010	83,928
47.082	ARRA Nat Science Foundation	Univ of Florida	22000108	41,210
47.082	ARRA NSF Div Emerging Frontiers	Univ of Arizona	22000116	4,067
47.082	ARRA Nat Science Foundation	Drexel Univ	22000246	42,296
47.082	ARRA Nat Science Foundation	Univ of California - Los Angeles	22000269	106,836

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Research and Development Cluster —				
Pass-through from other sources:				
47.350	Nat Science Foundation	Advanced Heat Treat Corp	10013035	4,031
	<b>Total National Science Foundation Pass-Through Awards</b>			<u>3,593,219</u>
<b>Small Business Administration</b>				
59.301	Small Business Administration	Ohio Department of Development	26140000	113,835
	<b>Total Small Business Administration Pass-Through Awards</b>			<u>113,835</u>
<b>Department of Veterans Affairs</b>				
64.302	Veterans Affairs	Univ of Pittsburgh	22000036	86,059
	<b>Total Department of Veterans Affairs Pass-Through Awards</b>			<u>86,059</u>
<b>Environmental Protection Agency</b>				
66.001	Environmental Protection Agency	OH Environ Protection Agency	26340000	12,259
66.041	Environmental Protection Agency	Mid-OH Regional Planning Commission	26270000	70,355
66.460	Environmental Protection Agency	Franklin Soil & Water Conservation Distr	24000541	18,181
66.460	Environmental Protection Agency	OH Environ Protection Agency	26340000	83,677
66.469	Environmental Protection Agency	Univ of Michigan	22000005	13,849
66.469	Environmental Protection Agency	Pennsylvania State Univ	22000030	32,233
66.469	Environmental Protection Agency	OH Division of Wildlife	26110100	7,905
66.469	Environmental Protection Agency	OH Environ Protection Agency	26340000	9,817
66.469	Environmental Protection Agency	Lake Erie Comsn	26550000	45,962
66.475	Environmental Protection Agency	Louisiana State University	22000091	8,680
66.509	Environmental Protection Agency	Michigan State Univ	22000044	386,409
66.814	Environmental Protection Agency	California Dept Toxic Substances Control	24000543	15,225
	<b>Total Environmental Protection Agency Pass-Through Awards</b>			<u>704,552</u>
<b>Nuclear Regulatory Commission</b>				
77.302	Nuclear Regulatory Commission	Edison Welding Inst Inc	10011218	21,482
	<b>Total Nuclear Regulatory Commission Pass-Through Awards</b>			<u>21,482</u>
<b>Department of Energy</b>				
0.000	US Department of Energy	US Automotive Material Partnership	10012073	712
81.041	ARRA US Department of Energy	Ohio University	22000130	25,713
81.049	ARRA US Department of Energy	RNET Technologies	10012505	73,033
81.049	US Department of Energy	RNET Technologies	10012505	113,372

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
81.049	US Department of Energy	Kitware, Inc	10012569	21,417
81.049	US Department of Energy	Lambda Instruments, Inc.	10013169	6,445
81.049	US Department of Energy	Sinmat, Inc.	10013285	8,067
81.049	US Department of Energy	Hyper Tech Res Inc	10020102	221,879
81.049	US Department of Energy	Global Res & Dev Inc	10020103	102,531
81.049	US Department of Energy	AltaSim Technologies	10020187	16,641
81.049	US Department of Energy	Samraksh Company	10020285	13,432
81.049	US Department of Energy	Rutgers Univ	22000003	3,824
81.049	ARRA US Department of Energy	Univ of Michigan	22000005	55,038
81.049	US Department of Energy	Univ of Michigan	22000005	90,372
81.04900000	US Department of Energy	Michigan State Univ	22000044	234,137
81.04900000	US Department of Energy	Cornell University	22000081	30,271
81.049	US Department of Energy	Louisiana State University	22000091	103,261
81.049	US Department of Energy	Univ of Rochester	22000193	205,234
81.049	US Department of Energy	Michigan Technological Univ	22000214	57,225
81.049	US Department of Energy	Princeton Univ	22000289	13,637
81.049	US Department of Energy	Carnegie Institution of Washington	22000354	56,828
81.079	US Department of Energy	South Dakota State University	22000262	23,353
81.086	US Department of Energy	Clean Fuels Ohio	20022016	29,096
81.087	ARRA US Department of Energy	Chrysler Group LLC	10011706	653,164
81.087	US Department of Energy	Consortium Plant Biotechnology Res Inc	20021036	56,201
81.087	US Department of Energy	Univ of Michigan	22000005	468,632
81.087	US Department of Energy	Arizona State Univ	22000109	50,698
81.087	US Department of Energy	Cleveland State University	22000112	4,587
81.089	US Department of Energy	Rolls-Royce North American Technologies	10011861	7,754
81.089	Nat Energy Tech Lab	Tech4Imaging LLC	10020227	368
81.089	US Department of Energy	Nat Ctr for Manufacturing Sci's	20021452	28,705
81.089	US Department of Energy	Univ of North Dakota	22000072	102,510
81.112	US Department of Energy	Univ of Texas at Austin	22000270	217,222
81.117	US Department of Energy	North American Die Casting Association	20021238	(356)
81.121	US Department of Energy	Massachusetts Inst Tech	22000001	2,154
81.122	ARRA US Department of Energy	Univ of Minnesota	22000067	1,506
81.134	ARRA Nat Energy Tech Lab	Touchstone Research Laboratory	10013054	230,968
81.135	Advanced Res Projects Agency-Energy	Chromatin, Inc.	10013224	493,479
81.550	US Department of Energy	Eaton Corp	10010658	81,445

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
81.550	US Department of Energy	Sandia Corp	10011170	204,491
81.550	US Department of Energy	RNET Technologies	10012505	16,494
81.550	US Department of Energy	General Atomics	10012568	502,145
81.550	US Department of Energy	SupraMagnetics, Inc	10012900	97,692
81.550	US Department of Energy	ZT Plus, LLC	10013127	24,282
81.550	US Department of Energy	Savannah River Nuclear Solutions, LLC	10013170	11,549
81.550	US Department of Energy	Battelle Memorial Inst	20020012	254,913
81.550	US Department of Energy	Nat Renewable Energy Lab	20020800	60,616
81.550	US Department of Energy	Pacific Northwest National Laboratory	20021070	25,550
81.550	US Department of Energy	Universities Res Assn Inc	20021485	25,171
81.550	ARRA US Department of Energy	UT-Battelle LLC	20021486	23,285
81.550	US Department of Energy	UT-Battelle LLC	20021486	104,089
81.550	US Department of Energy	Brookhaven Sci Assoc, LLC	20021624	205,234
81.550	US Department of Energy	Battelle Energy Alliance, LLC	20021641	1,255,493
81.550	US Department of Energy	Alliance for Sustainable Energy, LLC	20021831	43,954
81.550	US Department of Energy	Univ of California - Berkeley	22000294	66,188
<b>Total Department of Energy Pass-Through Awards</b>				<b>6,825,701</b>
<b>Department of Education</b>				
84.002	US Department of Education	Kent State Univ	22000235	22,476
84.002	US Department of Education	OH Board of Regents	26060000	226,191
84.002	US Department of Education	OH Dept of Administrative Services	26180000	157,803
84.027	US Department of Education	Montgomery County Edu Service Center	24000548	46,719
84.027	US Department of Education	OH Dept of Educ	26080000	102,496
84.048	US Department of Education	OH Dept of Educ	26080000	35,237
84.126	US Department of Education	OhioLINK	20021348	3,131
84.126	US Department of Education	OH Rehabilitation Services Commission	26120000	61,587
84.126	Rehabilitation Services Admin	OH Rehabilitation Services Commission	26120000	109,976
84.126	Small Business Administration	Ohio Department of Development	26140000	32,578
84.133	Nat Inst Disability & Rehabilitation Res	Carolinas HealthCare System	20021451	88,753
84.173	US Department of Education	OH Dept of Educ	26080000	8,383
84.243	US Department of Education	OH Dept of Educ	26080000	(291)
84.287	US Department of Education	OH Dept of Educ	26080000	159,577
84.305	US Department of Education	Michigan State Univ	22000044	67,762
84.305	US Department of Education	Johns Hopkins Univ	22000133	55,880

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Research and Development Cluster —				
Pass-through from other sources:				
84.324	US Department of Education	Univ of Kansas	22000219	520,311
84.325	US Department of Education	Salus University	22000322	63,159
84.366	US Department of Education	OH Dept of Educ	26080000	1,568,918
84.367	US Department of Education	OH Board of Regents	26060000	131,566
84.371	US Department of Education	OH Dept of Educ	26080000	(1,131)
84.371	US Department of Education	OH Dept Youth Services	26200000	161,388
84.386	ARRA US Department of Education	eTech Ohio	26660000	71,194
84.388	ARRA US Department of Education	Tomorrow Center, The	20022018	33,288
84.388	ARRA US Department of Education	OH Dept of Educ	26080000	799,650
84.390	ARRA Small Business Administration	Ohio Department of Development	26140000	28,254
84.395	ARRA US Department of Education	Battelle for Kids	20022022	292,896
84.395	ARRA US Department of Education	OH Dept of Educ	26080000	284,843
84.395	ARRA US Department of Education	OH Dept of Administrative Services	26180000	363,774
84.530	US Department of Education	OH Dept of Educ	26080000	41,268
84.928	US Department of Education	Nat Writing Project Corp	20021378	47,572
<b>Total Department of Education Pass-Through Awards</b>				<b>5,585,208</b>
<b>Department of Health and Human Services</b>				
93.103	Food and Drug Administration	Univ of Kansas	22000219	15,729
93.110	Maternal & Child Health Bureau	Hemophilia Fdn of Michigan	20021026	12,757
93.110	Health Resources & Services Admin	OH Dept of Developmental Disabilities	26430000	32,909
93.113	National Institutes of Health	InnoSense LLC	10012779	42,157
93.113	National Institutes of Health	Research Institute at Nationwide Childrn	20010182	19,175
93.113	Nat Inst of Environ Health Scis	Wayne State Univ	22000034	56,529
93.113	Nat Inst of Environ Health Scis	Univ of Pittsburgh	22000036	42,216
93.113	Nat Inst of Environ Health Scis	Univ of Connecticut	22000076	96,767
93.121	Nat Inst of Dental & Craniofacial Res	Johns Hopkins Univ	22000133	443,968
93.121	National Institutes of Health	Univ at Buffalo	22000240	81,922
93.145	Health Resources & Services Admin	Univ of Pittsburgh	22000036	205,600
93.172	National Institutes of Health	Fred Hutchinson Cancer Research Center	20021734	34,432
93.172	National Human Genome Research Institute	Fred Hutchinson Cancer Research Center	20021734	14,383
93.172	National Institutes of Health	Georgetown Univ	22000339	29,304
93.173	Nat In Deafness & Other Commnctn Disorders	Research Institute at Nationwide Childrn	20010182	534,332
93.173	Nat In Deafness & Other Commnctn Disorders	Univ of Wisconsin	22000006	46,590
93.173	National Institutes of Health	Univ of Pittsburgh	22000036	4,934

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Research and Development Cluster —				
Pass-through from other sources:				
93.173	Nat Inst Child Health & Human Development	Oregon Health and Science University	22000252	19,366
93.184	Centers for Disease Control & Prevention	Hemophilia Fdn of Michigan	20021026	15,660
93.184	Centers for Disease Control & Prevention	Univ of Florida	22000108	52,771
93.184	Centers for Disease Control & Prevention	Univ of Louisville	22000299	38,354
93.213	National Institutes of Health	Hypnalgessics, LLC	10013193	9,700
93.213	Nat Ctr Complementary & Alternative Med	Massachusetts General Hospital	20021587	25,159
93.226	Agency for Healthcare Res & Quality	Brigham & Women's Hosp Inc	20021152	37,171
93.226	Agency for Healthcare Res & Quality	Nat Committee for Quality Assurance	20022084	14,558
93.226	Agency for Healthcare Res & Quality	Mercy College	22000367	15,005
93.233	National Heart, Lung, and Blood Inst	Case Western Reserve Univ	22000238	23,048
93.234	US Department of Health & Human Services	OH Rehabilitation Services Commission	26120000	81,298
93.242	Nat Inst of Allergy & Infectious Diseases	Social & Scientific Systems, Inc	10012044	9,072
93.242	National Institute of Mental Health	Michigan State Univ	22000044	3,235
93.242	National Institute of Mental Health	Columbia University	22000135	65,337
93.242	National Institute of Mental Health	Univ of Massachusetts - Worcester	22000318	92,246
93.242	National Institute of Mental Health	Univ of California - Irvine	22010062	193,382
93.243	Substance Abuse & Mental Health Servs Admin	Wright State Univ	22000087	11,550
93.262	Nat Inst Occupational Safety & Health	Research Institute at Nationwide Childrn	20010182	53,234
93.279	National Institute on Drug Abuse	Promiliad Biopharma Inc	10013022	768
93.279	National Institutes of Health	Pennsylvania State Univ	22000030	27,625
93.279	National Institute on Drug Abuse	Univ of Washington	22000212	17,638
93.279	National Institutes of Health	Univ of Memphis	22000325	8,449
93.283	Centers for Disease Control & Prevention	Hemophilia Fdn of Michigan	20021026	8,194
93.286	National Institutes of Health	Univ of Wisconsin	22000006	27,795
93.286	Nat In Biomedical Imaging & Bioengineering	Columbia University	22000135	32,929
93.297	Administration for Children and Families	Research Institute at Nationwide Childrn	20010182	1,399
93.307	Nat Ctr Minority Hlth & Hlth Disparities	Central State University	22000111	49,303
93.359	Health Resources & Services Admin	Arizona State Univ	22000109	9,039
93.361	National Institute of Nursing Research	Univ of Medic & Dentistry of New Jersey	22000004	20,119
93.361	National Institute of Nursing Research	Univ of Colorado	22000039	24,846
93.361	National Institute of Nursing Research	Arizona State Univ	22000109	15,497
93.361	National Institute of Nursing Research	Emory Univ	22000295	4,402
93.387	National Heart, Lung, and Blood Inst	Social & Scientific Systems, Inc	10012044	50
93.389	Nat Center for Research Resources	Univ of Alabama at Birmingham	22000207	22,775
93.393	National Cancer Institute	Roswell Park Cancer Institute	20021570	9,496

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Research and Development Cluster —				
Pass-through from other sources:				
93.393	National Cancer Institute	Univ of Michigan	22000005	57,523
93.393	National Cancer Institute	Univ of Illinois	22000009	99,453
93.393	National Cancer Institute	Indiana Univ	22000012	15,860
93.393	National Cancer Institute	Univ of Chicago	22000018	3,440
93.393	National Cancer Institute	Pennsylvania State Univ	22000030	32,721
93.393	National Cancer Institute	Univ of Pittsburgh	22000036	45,483
93.393	National Heart, Lung, and Blood Inst	Duke Univ	22000094	41,893
93.393	National Cancer Institute	Harvard Univ	22000169	(665)
93.393	National Cancer Institute	Washington Univ	22000209	25,033
93.393	National Cancer Institute	Case Western Reserve Univ	22000238	16,347
93.393	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	22000330	693
93.393	National Cancer Institute	Georgetown Univ	22000339	35,846
93.393	National Cancer Institute	East Tennessee State Univ	22010025	38,824
93.393	National Cancer Institute	Mount Sinai Sch of Medicine	22010031	23,748
93.393	National Cancer Institute	Medical College of Wisconsin	22010058	36,169
93.393	National Cancer Institute	Univ of Massachusetts Medical School	22010069	7,379
93.394	National Cancer Institute	Cleveland Clinic Fdn	20010421	(441)
93.394	National Cancer Institute	Brigham & Women's Hosp Inc	20021152	999,160
93.394	National Cancer Institute	Univ of Nebraska	22000085	93,935
93.394	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	22000330	9,842
93.394	National Cancer Institute	Cleveland Clinic Lerner College of Med	22010063	116,867
93.395	National Institutes of Health	Mount Sinai Medical Center	10011783	687
93.395	National Cancer Institute	The EMMES Corp	10012757	4,222
93.395	National Cancer Institute	Myatt & Johnson, Inc.	10012955	92,486
93.395	National Cancer Institute	Nanomaterial Innovation, Ltd	10020152	17,821
93.395	National Institutes of Health	Cancer & Leukemia Group B Fdn	20010031	158
93.395	National Cancer Institute	Research Institute at Nationwide Childrn	20010182	13,753
93.395	National Cancer Institute	Mayo Fdn for Medical Educ & Res	20010289	43,001
93.395	National Cancer Institute	NSABP Fdn Inc	20010527	9,197
93.395	National Cancer Institute	Fdn for the Children's Oncology G	20010553	45,238
93.395	National Cancer Institute	The Children's Hospital of Philadelphia	20020015	7,724
93.395	National Cancer Institute	Gynecologic Oncology Group	20020024	464,046
93.395	National Cancer Institute	Am Coll of Radiology	20020917	31,461
93.395	National Cancer Institute	Brigham & Women's Hosp Inc	20021152	946,655
93.395	National Cancer Institute	John Wayne Cancer Inst	20021377	7,297



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Research and Development Cluster —				
Pass-through from other sources:				
93.395	National Cancer Institute	Massachusetts General Hospital	20021587	16,304
93.395	National Cancer Institute	Eastern Cooperative Oncology Group	20021810	48,768
93.395	National Cancer Institute	Intl Breast Cancer Research Foundation	20021976	76,360
93.395	National Cancer Institute	Univ of Michigan	22000005	66,018
93.395	National Cancer Institute	Univ of Chicago	22000018	197,719
93.395	National Cancer Institute	West Virginia Univ	22000032	146,055
93.395	National Institutes of Health	Cornell University	22000081	54,905
93.395	National Cancer Institute	Virginia Commonwealth Univ	22000259	1,037
93.395	National Cancer Institute	Univ of California - San Diego	22000288	4,969
93.395	National Cancer Institute	Univ of California - San Francisco	22000317	9,428
93.395	National Cancer Institute	Univ of Texas M D Anderson Cancer Center	22010039	146,999
93.396	National Cancer Institute	Cleveland Clinic Fdn	20010421	36,630
93.396	National Cancer Institute	Univ of Miami	22000255	1,970
93.397	National Cancer Institute	Univ of Kentucky	22000143	354,586
93.397	National Cancer Institute	Washington Univ	22000209	64,692
93.397	National Cancer Institute	Univ of Texas M D Anderson Cancer Center	22010039	40,479
93.399	National Cancer Institute	Duke Univ	22000094	11,277
93.399	National Cancer Institute	Johns Hopkins Univ	22000133	(9,137)
93.399	National Cancer Institute	Univ of Pennsylvania	22000195	29,208
93.507	Centers for Disease Control & Prevention	OH Dept of Health	26090000	32,133
93.558	Administration for Children and Families	OH Dept of Job & Family Services	26630000	8
93.596	US Department of Health & Human Services	OH Dept of Job & Family Services	26630000	3,380
93.600	Administration for Children and Families	OH Dept of Educ	26080000	11,164
93.600412	Agency for Healthcare Res & Quality	Truven Health Analytics	10030250	153,147
93.600412	Agency for Healthcare Res & Quality	Health Research & Educational Trust	20021687	146,591
93.630	US Department of Health & Human Services	Wright State Univ	22000087	13,816
93.630	US Department of Health & Human Services	OH Developmental Disabilities Plng Cncl	26430100	148,810
93.640	National Institutes of Health	Fisher BioServices, Inc	10012728	50,408
93.640	National Institutes of Health	Viocare, Inc.	10013075	(64,371)
93.640	National Institutes of Health	Cancer & Leukemia Group B Fdn	20010031	4,091
93.640	National Institutes of Health	Southern Research Institute	20021971	27,087
93.640	National Institutes of Health	Univ of Southern California	22000206	2,418
93.640	National Institutes of Health	Mount Sinai Sch of Medicine	22010031	45,475
93.64000002	National Cancer Institute	SAIC, Inc	10011324	925,817
93.64000002	National Cancer Institute	Booz Allen Hamilton Inc	10011980	(13,014)

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Research and Development Cluster —				
Pass-through from other sources:				
93.64000002	National Cancer Institute	The EMMES Corp	10012757	9,499
93.64000002	National Cancer Institute	VM Discovery, Inc.	10013145	(14,326)
93.64000002	National Cancer Institute	Cancer & Leukemia Group B Fdn	20010031	4,064
93.64000002	National Cancer Institute	Weill Cornell Medical College	20021833	(9,506)
93.64000002	National Cancer Institute	Wayne State Univ	22000034	994
93.64000002	National Cancer Institute	Johns Hopkins Univ	22000133	10,480
93.64000002	National Cancer Institute	Harvard Univ	22000169	526
93.64000002	ARRA National Cancer Institute	Case Western Reserve Univ	22000238	53,445
93.64000002	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	22000330	11,643
93.64000003	ARRA National Heart, Lung, and Blood Inst	Case Western Reserve Univ	22000238	170,512
93.64000003	National Heart, Lung, and Blood Inst	Case Western Reserve Univ	22000238	655,038
93.64000003	National Heart, Lung, and Blood Inst	Vanderbilt Univ	22000296	4,716
93.64000003	National Heart, Lung, and Blood Inst	Mount Sinai Sch of Medicine	22010031	529
93.64000004	Nat Inst of Allergy & Infectious Diseases	EluSys Therapeutics, Inc.	10040143	235
93.64000004	Nat Inst of Allergy & Infectious Diseases	Univ of Minnesota	22000067	492,539
93.64000004	Nat Inst of Allergy & Infectious Diseases	Univ of California - San Francisco	22000317	115,282
93.64000009	National Library of Medicine	Aquilent, Inc.	10013206	116,831
93.64000011	National Eye Institute	The EMMES Corp	10012757	18,466
93.64000015	National Institute on Aging	Duke Univ	22000094	16,644
93.64000027	Nat Ctr Complementary & Alternative Med	Mount Sinai Medical Center	10011783	(9,534)
93.660	Centers for Disease Control & Prevention	Research Institute at Nationwide Childrn	20010182	12,160
93.660	Centers for Disease Control & Prevention	Group Health Research Institute	20021698	2,967
93.701	ARRA Nat Inst Neurological Disorders & Stroke	The EMMES Corp	10012757	1,115
93.701	ARRA National Heart, Lung, and Blood Inst	InVasc Therapeutics, Inc.	10013160	89,216
93.701	ARRA Nat In Biomedical Imaging & Bioengineering	Hyper Tech Res Inc	10020102	90,346
93.701	ARRA National Cancer Institute	Nanofiber Solutions, Inc	10020248	(96)
93.701	ARRA Nat Inst of Environ Health Scis	Research Institute at Nationwide Childrn	20010182	6,117
93.701	ARRA National Institutes of Health	Am Coll of Radiology	20020917	250,035
93.701	ARRA National Cancer Institute	John Wayne Cancer Inst	20021377	4,791
93.701	ARRA National Institutes of Health	Vaccine Research Institute of San Diego	20021909	(1,356)
93.701	ARRA National Institutes of Health	Univ of Michigan	22000005	124,220
93.701	ARRA National Cancer Institute	Univ of Michigan	22000005	51,733
93.701	ARRA National Institutes of Health	Pennsylvania State Univ	22000030	(1,001)
93.701	ARRA Nat Inst Child Health & Human Development	Univ of Colorado	22000039	11,143
93.701	ARRA National Cancer Institute	Louisiana State University	22000091	(29)

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Research and Development Cluster —				
Pass-through from other sources:				
93.701	ARRA Nat Inst Child Health & Human Development	Columbia University	22000135	23,385
93.701	ARRA National Cancer Institute	Univ of North Carolina	22000146	19,865
93.701	ARRA Nat Inst Neurological Disorders & Stroke	Univ of Alabama at Birmingham	22000207	4,787
93.701	ARRA Nat In Arthritis & Musculoskeletal & Skin	Univ of Alabama at Birmingham	22000207	13,369
93.701	ARRA Nat Inst Gen Medical Scis	Dartmouth College	22000234	162,293
93.701	ARRA Nat Inst Child Health & Human Development	Case Western Reserve Univ	22000238	23,496
93.701	ARRA Nat Inst Neurological Disorders & Stroke	Univ of California - Los Angeles	22000269	945
93.701	ARRA National Cancer Institute	Univ of Toledo	22000277	10,074
93.701	ARRA National Institute on Aging	Univ of California - San Diego	22000288	7,972
93.701	ARRA Nat Inst Neurological Disorders & Stroke	Renssalaer Polytechnic Inst	22000298	95,402
93.701	ARRA National Institutes of Health	Univ of Massachusetts - Worcester	22000318	67,791
93.701	ARRA National Cancer Institute	Mount Sinai Sch of Medicine	22010031	8,295
93.701	ARRA National Heart, Lung, and Blood Inst	Mount Sinai Sch of Medicine	22010031	11,678
93.715	ARRA Agency for Healthcare Res & Quality	Research Institute at Nationwide Childrn	20010182	51,800
93.715	ARRA Agency for Healthcare Res & Quality	AcademyHealth	20022065	15,828
93.791	Ctrs for Medicare & Medicaid Services	OH Dept of Job & Family Services	26630000	585,867
93.837	National Heart, Lung, and Blood Inst	EXCMR, Ltd.	10020229	470
93.837	National Heart, Lung, and Blood Inst	Research Institute at Nationwide Childrn	20010182	67,360
93.837	National Heart, Lung, and Blood Inst	Jewish General Hospital	20021801	329,258
93.837	National Heart, Lung, and Blood Inst	Univ of Illinois	22000009	54,685
93.837	National Heart, Lung, and Blood Inst	Univ of California - Davis	22000013	31,127
93.837	National Heart, Lung, and Blood Inst	Pennsylvania State Univ	22000030	58,277
93.837	National Heart, Lung, and Blood Inst	Univ of Pittsburgh	22000036	131,067
93.837	National Heart, Lung, and Blood Inst	Univ of Minnesota	22000067	44,039
93.837	National Institutes of Health	Yale Univ	22000088	87,107
93.837	National Heart, Lung, and Blood Inst	Yale Univ	22000088	6,026
93.837	National Heart, Lung, and Blood Inst	Duke Univ	22000094	85,191
93.837	National Heart, Lung, and Blood Inst	Univ of Maryland	22000120	50,153
93.837	National Heart, Lung, and Blood Inst	Johns Hopkins Univ	22000133	54,758
93.837	National Heart, Lung, and Blood Inst	Univ of North Carolina	22000146	91,666
93.837	National Heart, Lung, and Blood Inst	Univ of Toledo	22000277	144
93.837	National Heart, Lung, and Blood Inst	Univ of Louisville	22000299	62,309
93.837	National Heart, Lung, and Blood Inst	Yeshiva Univ	22000331	14,059
93.838	National Heart, Lung, and Blood Inst	Research Institute at Nationwide Childrn	20010182	72
93.838	National Heart, Lung, and Blood Inst	Am Lung Assn	20020041	95,691

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Research and Development Cluster —				
Pass-through from other sources:				
93.838	National Heart, Lung, and Blood Inst	Fred Hutchinson Cancer Research Center	20021734	42,254
93.838	National Heart, Lung, and Blood Inst	Univ of Michigan	22000005	321
93.839	National Heart, Lung, and Blood Inst	New England Research Institutes	10012918	9,675
93.839	National Heart, Lung, and Blood Inst	Arteriocyte, Inc	10020226	25,061
93.839	National Institutes of Health	Nat Marrow Donor Prog	20021576	36,880
93.839	National Heart, Lung, and Blood Inst	Nat Marrow Donor Prog	20021576	22,787
93.839	National Heart, Lung, and Blood Inst	Case Western Reserve Univ	22000238	94,624
93.846	Nat In Arthritis & Muscoskeletal & Skin	Tufts Medical Ctr	20021543	7,614
93.846	Nat In Arthritis & Muscoskeletal & Skin	Hospital For Special Surgery	20021549	79,807
93.846	Nat In Arthritis & Muscoskeletal & Skin	Children's Mercy Hospitals and Clinics	20021968	98
93.846	Nat In Arthritis & Muscoskeletal & Skin	Northwestern University	22000041	35,702
93.846	Nat In Arthritis & Muscoskeletal & Skin	Univ of Iowa	22000137	148,245
93.846	Nat In Arthritis & Muscoskeletal & Skin	Vanderbilt Univ	22000296	17,491
93.847	National Institutes of Health	Univ of Pittsburgh	22000036	23,651
93.848	National Institutes of Health	Univ of Pittsburgh	22000036	30,050
93.849	Nat In Diabetes & Digestive & Kidney Diseases	Univ of Minnesota	22000067	23,268
93.850	National Institutes of Health	Case Western Reserve Univ	22000238	15,151
93.853	Nat Inst Neurological Disorders & Stroke	Mount Sinai Medical Center	10011783	114,371
93.853	Nat Inst Neurological Disorders & Stroke	Oncoimmune Ltd	10020111	(13,406)
93.853	Nat Inst Neurological Disorders & Stroke	Brigham & Women's Hosp Inc	20021152	58,579
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	20021587	222,112
93.853	Nat Inst Neurological Disorders & Stroke	Cornell University	22000081	6,618
93.853	Nat Inst Neurological Disorders & Stroke	Yale Univ	22000088	40,586
93.853	Nat Inst Neurological Disorders & Stroke	Johns Hopkins Univ	22000133	1,514
93.853	Nat Inst Neurological Disorders & Stroke	Columbia University	22000135	(750)
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Rochester	22000193	23,628
93.853	Nat Inst Neurological Disorders & Stroke	Washington Univ	22000209	22,529
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Miami	22000255	84,820
93.853	Nat Inst Neurological Disorders & Stroke	Emory Univ	22000295	2,734
93.853	Nat Inst Neurological Disorders & Stroke	Indiana Univ-Purdue Univ Indianapolis	22010034	19,491
93.853	Nat Inst Neurological Disorders & Stroke	Univ of British Columbia	22010079	13,294
93.853	National Institutes of Health	Army Medical Res Acquisition Activity	50022700	658,184
93.855	Nat Inst of Allergy & Infectious Diseases	Social & Scientific Systems, Inc	10012044	107,300
93.855	Nat Inst of Allergy & Infectious Diseases	Research Institute at Nationwide Childrn	20010182	21,165
93.855	Nat Inst of Allergy & Infectious Diseases	Brigham & Women's Hosp Inc	20021152	11,670

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
93.855	Nat Inst of Allergy & Infectious Diseases	Weill Cornell Medical College	20021833	73,575
93.855	Nat Inst of Allergy & Infectious Diseases	Institute for Clinical Research Inc	20022020	9,050
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of Chicago	22000018	474,382
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of Pittsburgh	22000036	63,848
93.855	Nat Inst of Allergy & Infectious Diseases	Kansas State Univ	22000062	256,122
93.855	Nat Inst of Allergy & Infectious Diseases	Duke Univ	22000094	(4,753)
93.855	National Institutes of Health	Univ of North Carolina	22000146	163,353
93.855	Nat Inst of Allergy & Infectious Diseases	Wake Forest Univ	22000286	15,631
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of California - Berkeley	22000294	29,695
93.855	Nat Inst of Allergy & Infectious Diseases	Emory Univ	22000295	(744)
93.855	Nat Inst of Allergy & Infectious Diseases	Georgetown Univ	22000339	28,747
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of Rijeka	22010055	19,491
93.856	Nat Inst of Allergy & Infectious Diseases	Univ of Chicago	22000018	10,194
93.856	Nat Inst of Allergy & Infectious Diseases	Pennsylvania State Univ	22000030	51,208
93.859	Nat Inst Gen Medical Scis	Research Institute at Nationwide Childrn	20010182	10,547
93.859	Nat Inst Gen Medical Scis	Univ of Kansas Center for Research, Inc	20021845	2,760
93.859	Nat Inst Gen Medical Scis	Univ of Wisconsin	22000006	70,217
93.859	Nat Inst Gen Medical Scis	Univ of Chicago	22000018	28,230
93.859	National Institutes of Health	Univ of Florida	22000108	43,400
93.859	Nat Inst Gen Medical Scis	Ohio University	22000130	28,527
93.859	Nat Inst Gen Medical Scis	Univ of Virginia	22000203	5
93.859	Nat Inst Gen Medical Scis	Univ of Texas at Austin	22000270	207,704
93.859	Nat Inst Gen Medical Scis	Univ of California - San Francisco	22000317	120,666
93.865	Nat Inst Child Health & Human Development	Research Institute at Nationwide Childrn	20010182	20,897
93.865	Nat Inst Child Health & Human Development	Rand Corp	20021340	162,467
93.865	National Institutes of Health	Univ of Wisconsin	22000006	(18,798)
93.865	Nat Inst Child Health & Human Development	Indiana Univ	22000012	128,195
93.865	Nat Inst Child Health & Human Development	George Washington Univ	22000025	392,879
93.865	Nat Inst Child Health & Human Development	Pennsylvania State Univ	22000030	36,755
93.865	National Institutes of Health	Univ of Colorado	22000039	129,090
93.865	Nat Inst Child Health & Human Development	Univ of Alabama at Birmingham	22000207	25,981
93.865	Nat Inst Child Health & Human Development	Case Western Reserve Univ	22000238	173,674
93.865	National Institutes of Health	Univ of Texas at San Antonio	22000348	89,975
93.866	National Institute on Aging	Pennsylvania State Univ	22000030	14,850
93.866	National Institute on Aging	Case Western Reserve Univ	22000238	14,265

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
93.866	National Institute on Aging	Univ of California - San Diego	22000288	49,268
93.866	National Institute on Aging	Vanderbilt Univ	22000296	41,852
93.867	National Eye Institute	Jaeb Ctr for Health Res	20021387	14,647
93.867	National Institutes of Health	St. Luke's-Roosevelt Hospital Center	20021423	1,919
93.867	National Institutes of Health	Legacy Good Samaritan Devers Eye Inst	20021700	2,876
93.867	National Eye Institute	Univ of Florida	22000108	18,925
93.867	National Eye Institute	Univ of Pennsylvania	22000195	22,664
93.867	National Eye Institute	Univ of California - Irvine	22010062	100,781
93.940	National Institutes of Health	Hyper Tech Res Inc	10020102	31,463
93.991	Centers for Disease Control & Prevention	Union County Health Department	24000556	3,811
<b>Total Department of Health and Human Services Pass-Through Awards</b>				<b>18,745,410</b>
<b>Corporation for National and Community Service</b>				
94.005	Corp for Nat & Community Service	Ohio Campus Compact	20021940	4,889
94.005	Corp for Nat & Community Service	National Education Association	20022030	91,140
94.006	Corp for Nat & Community Service	OH Commission Service and Volunteerism	26650000	167,073
<b>Total Corporation for National and Community Service Pass-Through Awards</b>				<b>263,102</b>
<b>Director of National Intelligence</b>				
95.30350201	Intelligence Advanced Res Projects Agcy	Applied Research Associates, Inc.	10013004	14,187
95.30350201	Intelligence Advanced Res Projects Agcy	Univ of California - Berkeley	22000294	31,546
<b>Total Director of National Intelligence Pass-Through Awards</b>				<b>45,733</b>
<b>Social Security Administration</b>				
96.007	Social Security Admin	Univ of Wisconsin	22000006	83,685
<b>Total Social Security Administration Pass-Through Awards</b>				<b>83,685</b>
<b>Department of Homeland Security</b>				
97.044	US Department of Homeland Security	Univ of Illinois	22000009	135,516
<b>Total Department of Homeland Security Pass-through Awards</b>				<b>135,516</b>
<b>Agency for International Development</b>				
98.001	Agency for Intl Dev	Intl Rice Res Inst	20021413	28,974
98.001	Agency for Intl Dev	Univ of California - Davis	22000013	132,516
98.001	Agency for Intl Dev	Virginia Polytechnic Inst	22000023	579,800

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**FOR THE YEAR ENDED JUNE 30, 2012**

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
98.001	Agency for Intl Dev	Cornell University	22000081	16,131
98.001	Agency for Intl Dev	Univ of Nebraska	22000085	30,045
98.001	Agency for Intl Dev	Univ of Hawaii	22000265	99,685
98.012	Agency for Intl Dev	Higher Education for Development	20021686	408,463
	<b>Total Agency for International Development Pass-Through Awards</b>			<u>1,295,614</u>
<b>Other</b>				
99.3102	National Academy of Sciences	Queen's University	22010008	45,445
	<b>Total Other Pass-Through Awards</b>			<u>45,445</u>
Subtotal pass-through from other sources				<u>62,174,622</u>
Total Research and Development Cluster				<u>379,916,672</u>

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CFDA Number	Federal Agency Sponsor	Expenditures
Student Financial Aid Cluster —		
Funds received directly from the following federal agencies:		
<b>Department of Education</b>		
84.007	Supplemental Educational Opportunity Grant	\$ 1,225,611
84.033	Federal Workstudy Program	3,190,481
84.037	Federal Perkins Loan Cancellations	131,654
84.038	Federal Perkins Loans	5,323,576
84.063	Federal Pell Grant Program	56,240,673
84.268	Federal Direct Lending	407,730,536
84.375	Academic Competitiveness Grants	(837)
84.376	National Science and Math Access to Retain Talent	1,333
84.379	Teacher Ed Assistance for College and Higher Ed Grants	18,667
	<b>Total Department of Education Direct Awards</b>	<u>473,861,694</u>
<b>Department of Health and Human Services</b>		
93.264	Nursing Faculty Loan	125,352
93.342	Health Professions Student Loans	2,961,612
93.364	Nursing Student Loan	285,950
93.925	Exceptional Financial Need	122,528
	<b>Total Department of Health and Human Services Direct Awards</b>	<u>3,495,442</u>
Subtotal Student Financial Aid Cluster		<u>477,357,136</u>



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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Medicaid Cluster –				
Funds received directly from the following federal agencies:				
<b>Department of Health and Human Services</b>				
93.778	US Department of Health and Human Services			312
	<b>Total Department of Health and Human Services Direct Awards</b>			<u>312</u>
Medicaid Cluster –				
Pass-through from other sources:				
<b>Department of Health and Human Services</b>				
93.778	Ctrs for Medicare & Medicaid Services	OH Board of Regents	26060000	1,473,514
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Educ	26080000	1,036
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Job & Family Services	26630000	2,021,169
	<b>Total Department of Health and Human Services Pass-Through Awards</b>			<u>3,495,719</u>
Total Medicaid Cluster				<u>3,496,031</u>
SNAP Cluster -				
Pass-through from other sources:				
<b>Department of Agriculture</b>				
10.561	US Department of Agriculture	OH Dept of Job & Family Services	26630000	1,250,171
10.561	USDA Food and Nutrition Service	OH Dept of Job & Family Services	26630000	2,185,671
	<b>Total Department of Agriculture Pass-Through Awards</b>			<u>3,435,842</u>
Total SNAP Cluster				<u>3,435,842</u>

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**FOR THE YEAR ENDED JUNE 30, 2012**

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CFDA Number	Federal Agency Sponsor	Expenditures
Funds received directly from the following federal agencies		
Other Programs:		
<b>Department of Agriculture</b>		
10.001	USDA Agricultural Res Service	\$ 5,783
10.025	Animal & Plant Health Inspection Service	75,077
10.311	National Institute of Food & Agriculture	243,194
10.500	National Institute of Food & Agriculture	244,937
10.558	USDA Child and Adult Care Food Program	165,000
10.870	USDA Rural Development	77,055
	<b>Total Department of Agriculture Direct Awards</b>	<u>811,046</u>
<b>Department of Commerce</b>		
11.550	US Department of Commerce Public Telecomm Facility Planning & Construction	(139,316)
11.553	US Department of Commerce Special Projects	76,552
	<b>Total Department of Commerce Direct Awards</b>	<u>(62,764)</u>
<b>Department of Defense</b>		
12.000	Air Force ROTC tuition assistance	687,517
12.000	Army ROTC tuition assistance	792,608
12.000	Coast Guard ROTC tuition assistance	21,459
12.000	Navy ROTC tuition assistance	1,395,614
n/a	US Department of Defense Navy ROTC Tutor	2,911
n/a	US Department of Defense USAF Cross-Cultural Negotiation	4,450
	<b>Total Department of Defense Direct Awards</b>	<u>2,904,559</u>
<b>Department of State</b>		
19.700	US Department of State	23,074
	<b>Total Department of State Direct Awards</b>	<u>23,074</u>
<b>Department of Transportation</b>		
20.106	DOT Airport Improvement Program	310,939
	<b>Total Department of Transportation Direct Awards</b>	<u>310,939</u>
<b>National Aeronautics and Space Administration</b>		
43.000	NASA Ohio Space Grant Consortium	2,035
	<b>Total National Aeronautics and Space Administration Direct Awards</b>	<u>2,035</u>

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**FOR THE YEAR ENDED JUNE 30, 2012**

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CFDA Number	Federal Agency Sponsor	Expenditures
Funds received directly from the following federal agencies		
Other Programs:		
<b>National Endowment for the Humanities</b>		
45.024	NEA Promotion of the Arts - Grants to Orgs	40,000
45.160	US National Endowment for Humanities	37,800
45.163	National Endowment For The Humanities	46,977
45.164	National Endowment For The Humanities	177,191
	<b>Total National Endowment for the Humanities Direct Awards</b>	<u>301,968</u>
<b>National Science Foundation</b>		
47.049	NSF Div Chemistry	(8,610)
47.070	NSF Div Computing & Communication Fdn	122,199
	<b>Total National Science Foundation Direct Awards</b>	<u>113,589</u>
<b>Small Business Administration</b>		
59.000	Small Business Administration	133
	<b>Total Small Business Administration Pass-Through Awards</b>	<u>133</u>
<b>Department of Veterans Affairs</b>		
64.011	Veteran's Affairs Outpatient Care	(737)
64.125	Veteran's Affairs Voc and Educ Counseling for Veterans	2,605
	<b>Total Department of Veterans Affairs Direct Awards</b>	<u>1,867</u>
<b>Department of Education</b>		
84.015	US Department of Education	820,265
84.015	Ofc of Postsecondary Education	10,152
84.047	Ofc of Postsecondary Education	259,208
84.170	Javits Fellowship	39,776
84.195	US Department of Education	330,885
84.295	Ready to Learn Television	22,673
84.325	Ofc of Special Ed & Rehabilitative Svcs	45,651
84.350	US Department of Education	1,177,019
84.022A	US Department of Education Fulbright Hays	20,254
84.215x	US Department of Education	12,517
	<b>Total Department of Education Direct Awards</b>	<u>2,738,401</u>

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**FOR THE YEAR ENDED JUNE 30, 2012**

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CFDA Number	Federal Agency Sponsor	Expenditures
Funds received directly from the following federal agencies		
Other Programs:		
<b>Department of Health and Human Services</b>		
93.000	Health Resources & Services Admin 403b discount drug program	902,804
93.243	Substance Abuse & Mental Health Servs Admin	97,046
93.249	Health Resources & Services Admin	698,855
93.283	Centers for Disease Control & Prevention	14,124
93.283	US Department of Health and Human Services	(2,000)
93.356	US Department of Health and Human Services	14,306
93.502	Health Resources & Services Admin	23,293,496
93.568	DHHS Foster Care Title IV-E	253,934
93.600	US Department of Health and Human Services	83,164
93.667	US Department of Health and Human Services	1,040,000
93.702	ARRA Nat Center for Research Resources	5,892,167
93.710	US Department of Health and Human Services	28,389
93.887	US Department of Health and Human Services	983,024
	<b>Total Department of Health and Human Services Direct Awards</b>	<u>33,299,309</u>
	Subtotal funds received directly from federal agencies	<u>40,444,155</u>

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Pass-through from other sources:				
Other Programs:				
<b>Department of Agriculture</b>				
10.169	US Department of Agriculture	Ohio Department Of Agriculture	26390000	\$ 21,830
10.303	National Institute of Food & Agriculture	Univ of Illinois	22000009	44,387
10.319	National Institute of Food & Agriculture	Univ of Minnesota	22000067	27,683
10.40070000	Animal & Plant Health Inspection Service	Ohio Department Of Agriculture	26390000	6,440
10.500	National Institute of Food & Agriculture	Purdue Univ	22000002	118,382
10.500	National Institute of Food & Agriculture	Univ of Wyoming	22000059	9,137
10.500	National Institute of Food & Agriculture	Kansas State Univ	22000062	168,532
10.500	National Institute of Food & Agriculture	Univ of Minnesota	22000067	63,319
10.500	National Institute of Food & Agriculture	Cornell University	22000081	1,487
10.500	National Institute of Food & Agriculture	Univ of Nebraska	22000085	13,123
10.558	US Department of Agriculture	OH Dept of Educ	26080000	48,357
10.559	US Department of Agriculture	OH Dept of Educ	26080000	2,123
10.574	USDA Food and Nutrition Service	Wellington Exempted Village School Dist	24000568	9,080
10.680	USDA Forest Service	Purdue Univ	22000002	7,060
10.680	USDA Forest Service	OH Dept of Natural Resources	26110000	11,929
10.688	ARRA USDA Forest Service	OH Dept of Natural Resources	26110000	10,782
10.902	US Department of Agriculture	Great Lakes Comsn	20021027	18,543
<b>Total Department of Agriculture Pass-Through Awards</b>				<u>582,194</u>
<b>Department of Commerce</b>				
11.557	ARRA US Department of Commerce	Connected Nation	20021994	8,106
<b>Total Department of Commerce Pass-Through Awards</b>				<u>8,106</u>
<b>Department of Housing and Urban Development</b>				
14.218	Dept of Housing & Urban Dev	Cleveland Dept of Community Developme	24000528	59,529
14.218	Dept of Housing & Urban Dev	City of Dayton	24000572	7,000
14.239	Dept of Housing & Urban Dev	Maumee Valley Planning Organization	20021779	1,021
14.70000000	Dept of Housing & Urban Dev	Cleveland Dept of Community Developme	24000528	72,904
14.704	Dept of Housing & Urban Dev	Mid-OH Regional Planning Commission	26270000	53,205
<b>Total Department of Housing and Urban Development Pass-Through Awards</b>				<u>193,659</u>
<b>Department of Justice</b>				
16.609	US Department of Justice	Office of Criminal Justice Services	26140401	24,430

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Pass-through from other sources:				
Other Programs:				
16.609	Office of Justice Programs	Office of Criminal Justice Services	26140401	13,476
16.609	Bureau of Justice Assistance	Office of Criminal Justice Services	26140401	1,792
16.726	Office of Justice Programs	National 4-H Council	20021037	58,678
<b>Total Department of Justice Pass-Through Awards</b>				<u>98,376</u>
<b>Department of the Treasury</b>				
21.84000000	Dept of Treasury	OH Housing Finance Agency	26190010	16,778
<b>Total Department of the Treasury Pass-through Awards</b>				<u>16,778</u>
<b>National Endowment for the Humanities</b>				
45.025	National Endowment For The Arts	Arts Midwest	20020844	5,000
45.129	National Endowment For The Humanities	OH Humanities Council	26290000	16,645
<b>Total National Endowment for the Humanities Pass-Through Awards</b>				<u>21,645</u>
<b>Environmental Protection Agency</b>				
66.469	Environmental Protection Agency	Conservation Technology Information Ctr	20021979	38,443
<b>Total Environmental Protection Agency Pass-Through Awards</b>				<u>38,443</u>
<b>Department of Energy</b>				
81.041	US Department of Energy	Ohio Department of Development	26140000	2,181
<b>Total Department of Energy Pass-through Awards</b>				<u>2,181</u>
<b>Department of Education</b>				
84.002	US Department of Education	Godman Guild Association	20021898	10,035
84.048	US Department of Education	OH Dept of Educ	26080000	160,922
84.126	US Department of Education	OH Rehabilitation Services Commission	26120000	104,324
84.224	US Department of Education	OH Board of Regents	26060000	(1,126)
84.366	US Department of Education	OH Dept of Educ	26080000	37,595
84.367	US Department of Education	OH Board of Regents	26060000	80,141
<b>Total Department of Education Pass-Through Awards</b>				<u>391,891</u>
<b>Department of Health and Human Services</b>				
93.069	Centers for Disease Control & Prevention	Cols Public Health	24000032	5,667
93.069	Centers for Disease Control & Prevention	Holmes County Health District	24000569	4,589
93.135	Centers for Disease Control & Prevention	Case Western Reserve Univ	22000238	7,225

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Pass-through from other sources:				
Other Programs:				
93.153	Health Resources & Services Admin	Research Institute at Nationwide Childrn	20010182	11,899
93.184	Centers for Disease Control & Prevention	Univ of Louisville	22000299	68,941
93.236	US Department of Health & Human Services	OH Dept of Health	26090000	40,558
93.283	Centers for Disease Control & Prevention	Cols Public Health	24000032	14,534
93.393	National Cancer Institute	Univ of Kentucky	22000143	2
93.558	US Department of Health & Human Services	Central Ohio Workforce Investment Corp	20021603	12,262
93.558	Administration for Children and Families	Butler County Board of Commissioners	24000522	219,117
93.558	Administration for Children and Families	Perry County Job and Family Services	24000575	2,602
93.558	US Department of Health & Human Services	OH Dept of Job & Family Services	26630000	(2,809)
93.558	Administration for Children and Families	OH Dept of Job & Family Services	26630000	729
93.575	Administration for Children and Families	Trumbull Co Job and Family Services	24000457	413
93.602	Administration for Children and Families	Ohio CDC Association	20021740	1,104
93.64000009	National Library of Medicine	Univ of Illinois	22000009	1,077
93.66000000	Centers for Disease Control & Prevention	OH Public Health Partnership	20022059	20,845
93.66000000	Centers for Disease Control & Prevention	Cuyahoga County Board of Health	24000524	1,783
93.791	Ctrs for Medicare & Medicaid Services	OH Dept of Job & Family Services	26630000	81,393
93.912	Health Resources & Services Admin	Trinity Hospital Twin City	20021726	1,500
93.940	Centers for Disease Control & Prevention	Cols Public Health	24000032	2,051
93.958	Substance Abuse & Mental Health Servs Admin	OH Dept of Mental Health	26420000	(8,599)
93.959	US Department of Health & Human Services	OH Dept Alcohol&Drug Addiction Service	26530000	429
93.988	Centers for Disease Control & Prevention	Friends of Congressional Glaucoma Cau	20021914	504
93.991	Centers for Disease Control & Prevention	Cuyahoga County Board of Health	24000524	12,288
93.994	US Department of Health & Human Services	OH Dept of Health	26090000	40,741
<b>Total Department of Health and Human Services Pass-Through Awards</b>				<b>540,845</b>
<b>Corporation for National and Community Service</b>				
94.006	Corp for Nat & Community Service	OH Commission Service and Volunteeris	26650000	25,574
<b>Total Corporation for National and Community Service Pass-Through Awards</b>				<b>25,574</b>
<b>Agency for International Development</b>				
98.001	Agency for International Development	Indiana Univ	22000012	1,465,021
<b>Total Agency for International Development Pass-Through Awards</b>				<b>1,465,021</b>
Subtotal pass-through from other sources				<b>3,384,713</b>

**THE OHIO STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Expenditures
Pass-through from other sources:				
Other Programs:				
Total Federal Expenditures				<u>908,034,549</u>



# The Ohio State University

## Notes to Schedule of Expenditures of Federal Awards

### June 30, 2012 and 2011

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#### 1. Summary of Significant Accounting Policies

##### **Basis of Presentation**

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of the following entities:

- The Ohio State University (the "university") and its hospitals and clinics
- The Ohio State University Foundation, a not-for-profit organization operating exclusively for the benefit of the university

*Two separate statutory entities for which the university has special responsibility:*

- The Ohio Agricultural Research and Development Center
- The Ohio Supercomputer Center

*Fourteen legally independent corporations engaged in activities related to the university:*

- The Ohio State University Research Foundation (the "Research Foundation")
- The Ohio State University Student Loan Foundation, Inc.
- Transportation Research Center of Ohio, Inc.
- Campus Partners for Community Urban Redevelopment, Inc.
- Reading Recovery and Early Literacy, Inc.
- Ohio State University Retirees Association
- OSU Health Plan, Inc.
- The Ohio State University Physicians, Inc.
- Prologue Research International, Inc.
- Oval Limited
- Adria Kravinsky Foundation (dissolved in Fiscal Year 2012)
- Dental Faculty Practice Association, Inc.
- OSU Global Gateways, LLC
- BioHio Research Park, Inc.

The Schedule has been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America for state-assisted colleges and universities. Negative amounts represent current year adjustments of amounts reported in prior years, CFDA and pass-through entity numbers are included when available. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

#### 2. Noncash Federal Awards

During the year ended June 30, 2012, the university did not receive nonmonetary assistance.

**The Ohio State University**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2012 and 2011**

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**3. Reimbursement of Facilities and Administrative Costs**

U.S. Office of Management and Budget (OMB) Circular A-21 ("A-21"), *Cost Principles for Educational Institutions*, requires submission of a Certificate of Facilities and Administrative Costs (the "Certificate") to an institution's cognizant agency. The Certificate is prepared by the university and is used in negotiations with its cognizant agency, the Department of Health and Human Services ("DHHS"), in determining a rate at which the university and the Research Foundation will be reimbursed for the facilities and administrative costs associated with the completion of sponsored research.

The Research Foundation receives reimbursement of facilities and administrative costs as part of the granting agreement at either the rate negotiated with DHHS or at special rates negotiated with the granting agency. Facilities and administrative costs recovered by the Research Foundation are remitted to the university.

On July 24, 2009, DHHS approved facilities and administrative cost recovery rates effective from July 1, 2009 through June 30, 2012. The facilities and administrative cost rate structure, including the rates submitted within the Certificate, are as follows:

<b>Rate Type</b>	<b>Negotiated Rate</b>
Organized Research	
On Campus	52.50 %
Off Campus	26.00 %
Instructions	
On Campus	52.50 %
Off Campus	26.00 %
Other Sponsored Activities	
On Campus	36.00 %
Off Campus	26.00 %

Differences between the rates submitted in the Certificate and the rates negotiated with DHHS result from DHHS's review of the underlying support and assumptions used by the university in the preparation of the Certificate. Despite DHHS's approval, negotiated rates could be adjusted retroactively, and reimbursement to granting agencies could be required if costs identified as unallowable per A-21 were improperly included in amounts included in the Certificate.

**4. Subrecipient Awards**

Certain funds are passed through to subrecipient organizations by the university. Expenditures incurred by the subrecipients and reimbursed by the university are presented in the schedule of expenditures of federal awards. During the year ended June 30, 2012, the university disbursed \$45,395,516 to subrecipients. Of that amount, \$44,336,875 related to research and development cluster awards and \$1,058,641 related to non-cluster awards.

**The Ohio State University**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2012 and 2011**

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**5. Federal Direct Loan Program**

Under the William D. Ford Federal Direct Loan Program, students and parents borrow funds directly from the federal government; the university is responsible for verifying student eligibility, electronically transmitting the loan records to the federal processor and distributing the loan funds directly to the student account or parent borrower. During the fiscal year ended June 30, 2012, the university's students and parents received the following amount of new loans under this program, which is presented in the schedule of expenditures of federal awards:

	<b>CFDA Number</b>	<b>Loans Issued</b>
Direct Student Loans		
Undergraduate subsidized	84.268	\$ 140,956,329
Undergraduate unsubsidized		175,899,308
Direct Parent Loans for Undergraduate Students	84.268	<u>90,874,899</u>
		<u>\$ 407,730,536</u>

The university is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Programs and, accordingly, these loans are not included in the university's basic consolidated financial statements. It is not practical to determine the balance of loans outstanding under these programs at June 30, 2012.

**The Ohio State University**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2012 and 2011**

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**6. University-Administered Federal Loan Programs**

The university had the following loan balances outstanding at June 30, 2012. These balances are not included in the schedule of federal expenditures.

	<b>CFDA Number</b>	<b>Outstanding Balance at June 30, 2012</b>
Department of Education		
Federal Perkins Program	84.038	<u>\$ 36,135,560</u>
		<u>36,135,560</u>
Department of Health and Human Services		
Health Professions Student Loan Program	93.342	
Dentistry		9,707,726
Optometry		2,183,573
Pharmacy		1,315,890
Veterinary		5,289,452
Primare Care Loan Program	93.342	
Medicine		2,067,271
Loans to Disadvantaged Student Program	93.342	
Dentistry		105,618
Medicine		192,992
Veterinary		5,703
		<u>20,868,225</u>
Nursing Student Loan Program	93.364	<u>1,840,143</u>
ARRA - Nursing Faculty Loan Program	93.408	<u>22,181</u>
Nursing Faculty Loan Program	93.264	<u>331,403</u>
Total Federal Loans Outstanding		<u>\$ 59,197,512</u>

The loan programs noted above are administered directly by the university and balances and transactions relating to these programs are included in the university's basic consolidated financial statements. Loan cancellations, under CFDA Number 84.037, for the fiscal year ended June 30, 2012 were \$131,654. The schedule of expenditures of federal awards includes loan expenditures and disbursements to students and administrative costs of the loan program for the fiscal year ended June 30, 2012. In addition note that the university received administrative cost allowances and collection costs related to the Perkins Loan of \$420,255 and \$345,500, respectively, for the fiscal year ended June 30, 2012.

**The Ohio State University**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2012 and 2011**

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The university issued the following amounts of new loans during the fiscal year ended June 30, 2012:

	<b>CFDA Number</b>	<b>Loans Issued</b>
Department of Education Federal Perkins Program	84.038	<u>\$ 5,323,576</u> 5,323,576
Department of Health and Human Services Health Professions Student Loan Program	93.342	
Dentistry		1,304,603
Medicine		348,000
Pharmacy		270,109
Veterinary		850,400
Primare Care Loan Program	93.342	
Medicine		114,500
Loans to Disadvantaged Student Program	93.342	
Dentistry		14,000
Medicine		<u>60,000</u>
		2,961,612
Nursing Student Loan Program	93.364	<u>285,950</u>
Nursing Faculty Loan Program	93.264	<u>125,352</u>
Total Federal Loans Issued July 1, 2011 through June 30, 2012		<u>\$ 8,696,490</u>

**7. Prior Year Expenditures**

In fiscal year 2012, the university identified it had inadvertently not reported, in the prior year, the total amount of expenditures of Health Resources and Services Administration funds. The university determined based upon available information that the total expenditures were understated in the amounts of \$983,024 under CFDA number 93.887 in FY 2011. These expenditures have been reported as expenditures within the current year schedule of expenditures.



**Report of Independent Auditors 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 of  
The Ohio State University  
Columbus, OH

We have audited the basic financial statements of The Ohio State University (the "University") as of and for the year ended June 30, 2012, and have issued our report thereon dated October 16, 2012. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures 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 University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the University in a separate letter dated October 16, 2012.

This report is intended solely for the information and use of the University's management, Board of Trustees, and the Auditor of the State of Ohio, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*PricewaterhouseCoopers LLP*

October 16, 2012



**Report of Independent Auditors on Compliance With Requirements  
That Could Have a Direct and Material Effect on Each Major Program and on Internal  
Control Over Compliance in Accordance With OMB Circular A-133**

To the Board of Trustees of  
The Ohio State University  
Columbus, Ohio

Compliance

We have audited the compliance of The Ohio State University (the "University") with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Those standards and OMB Circular A-133 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 University'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. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Finding Numbers 2012-01 through 2012-02.





### Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The University's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the University's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management the Board of Trustees, others within the entity, the Ohio Auditor of State, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*PricewaterhouseCoopers LLP*

December 21, 2012

**The Ohio State University  
Franklin County  
Schedule of Findings and Questioned Costs  
OMB Circular A-133 § .505  
June 30, 2012**

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**Section I – Summary of Auditor’s Results**

***Financial Statements***

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

***Federal Awards***

Internal control over major programs:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified that are not considered to be material weaknesses?  yes  no

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?  yes  no

Identification of major programs: CFDA Number(s)	Name of Federal Program or Cluster
Various	Research and Development Cluster
Various	Student Financial Aid Cluster
93.702	ARRA National Center for Research Resources
98.001	USAID foreign assistance program overseas
10.203	USDA - Payments to Agr Exp Station
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000  
Auditee qualified as low-risk auditee?  yes  no

**Section II – Financial Statement Findings**

None noted.

**The Ohio State University  
Franklin County  
Schedule of Findings and Questioned Costs  
OMB Circular A-133 § .505  
June 30, 2012**

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**Section III – Federal Award Findings and Questioned Costs**

<b>Finding Number</b>	2012-1
<b>CFDA Title and Number</b>	93.887
<b>Federal Award Number / Year</b>	2011
<b>Federal Agency</b>	DHHS: Health Resources and Services Administration

**Criteria –OMB Circular A-133 section .310 (b)(3)** states “The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

(3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.”

**Condition –** The 2011 schedule of expenditures did not include a complete listing of all expenditures of federal awards.

**Questioned Costs –** None noted.

**Context -** The Health System received communication from the Department of Health and Human Services (DHHS) inquiring whether funding received under CFDA 93.887 in FY 2011 was included on the FY 2011 schedule of expenditures.

**Effect -** The University determined based upon available information that expenditures under CFDA 93.887 were under-reported in the amount of \$983,024 in FY 2011.

**Cause -** The University is a large decentralized organization with federal expenditures incurred in different organizations within the University. The vast majority of the federal award activity flows through the Office of Sponsored Programs, thereby ensuring compliance. However, certain awards are maintained by different organizations on campus. As part of the preparation of the schedule of expenditures, the University Controller’s office requests each organization provide the required expenditure information for awards that it maintains to the Controller’s office for inclusion in the schedule. The Health System, triggered by the notification by the DHHS of unreported expenditures, determined that there were two awards received by the Health System that had not been reported to the University Controller in FY 2011.

**Recommendation -** The University should review their compilation procedures and ensure that their procedures to obtain expenditure detail from the varying organizations across campus are performed with the appropriate knowledgeable representatives of all organizations to facilitate obtaining a complete listing of federal expenditures.

**Views of Responsible Officials -** The Office of the Controller will review its compilation procedures and is working with the Health System to ensure the completeness of federal expenditure reporting.

**The Ohio State University**  
**Franklin County**  
**Schedule of Findings and Questioned Costs**  
**OMB Circular A-133 § .505**  
**June 30, 2012**

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<b>Finding Number</b>	<b>2012-2</b>
<b>CFDA Title and Number</b>	Student Financial Aid Cluster: CFDA# 84.268 Federal Direct Student Loans
<b>Federal Award Number / Year</b>	2012
<b>Federal Agency</b>	U.S. Department of Education, Student Financial Aid
<b>Pass-Through Agency</b>	N/A

**Criteria - 34 CFR Section 668.173(b)** states that Returns of Title IV funds are required to be deposited or transferred into the SFA account or electronic fund transfers initiated to ED or the appropriate FFEL lender as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew. Returns by check are late if the check is issued more than 45 days after the institution determined the student withdrew or the date on the cancelled check shows the check was endorsed more than 60 days after the date the institution determined that the student withdrew.

**Condition -** We selected 60 students who enrolled at the University and subsequently withdrew from courses who had obtained Title IV funds. It was noted that one student who withdrew did not have their Title IV funds refunded to the respective programs in a timely manner.

**Questioned Costs -** None noted.

**Context -** The University had one student whose refunds were processed 46 days late.

**Cause –** In the prior year it was determined that the University did not have adequate policies or procedures in place to monitor the appropriate calculation and return of Title IV Funds in a timely manner (Finding 2011-2), resulting in 15 exceptions in our 2011 Title IV refund testing. This issue was identified midway through fiscal year 2012 and as such management was not able to take appropriate action to prevent similar exceptions until the second half of fiscal year 2012.

**Effect -** The return of Title IV Funds did not occur timely.

**Recommendation –** Management should continue to monitor the timeliness of Title IV refund calculations and distributions to ensure they are being performed in a timely manner in accordance with regulations. Management should also continue to ensure that personnel performing the calculations receive appropriate training to ensure compliance with the regulations.

**Views of Responsible Officials -** The Ohio State University acknowledges the one exception in the Return of Title IV funds. The one exception was the result of the previously identified training issue with one employee within Student Financial Aid. The 2012 exception occurred prior to identification of the 2011 audit findings. The causing issue has been rectified through further training, involving more staff in the R2T4 process, redesigning queries to identify withdrawing students and running those queries on a weekly schedule as well as creating procedures that ensure each calculation is reviewed by at least two staff members.

**The Ohio State University**  
**Franklin County**  
**Schedule of Findings and Questioned Costs**  
**OMB Circular A-133 § .505**  
**June 30, 2012**

Number	Finding and Description	Status
2011-1	Compliance with Grant Reporting Requirements – US Department of Energy and Department of Defense - The reporting requirements for these awards were not input into the system used to track reporting requirements and as a result the reports were issued late.	In FY2012 the University increased their efforts in maintaining appropriate reporting deadlines in the tracking system. In the current year we verified the timely reporting of sample of 9 reports with no exception noted. This finding has been corrected.
2011-2	Return of Title IV funds – Student Financial Aid cluster – From a sample of 60 students who withdrew from the University and had received Title IV assistance, returns of funding for 15 students were not processed timely.	In FY2012 the University increased their focus on appropriate training of employees performing the Title IV refunds. In the current year we tested a sample of 60 students who withdrew from the University and had received Title IV assistance. There was only one student for which the refund was not processed timely. The finding has been partially corrected. Refer to 2012-2 for the related current year finding.
2011-3	Procurement, suspension and debarment – Department of Health and Human Services – From a sample of 5 vendors under procurement contracts for an award from the DHHS that were maintained by the Facilities and Operations Development Department (FOD), it was determined that the FOD did not perform a search on the Excluded Parties List System to ensure the 5 vendors were not suspended or debarred before awarding the contract to them.	In FY2012 the FOD established procedures in relation to the procurement and awarding of contracts when using federal funds to include a search of the Excluded Parties List System (EPLS). In the current year we verified the appropriate review of the EPLS prior to awarding contracts for a sample of 4 vendors contracted through the FOD. The finding has been corrected.
2011-4	Subrecipient Monitoring – Research and Development Cluster – The University did not have sufficient comprehensive policies or procedures in place that provide for the completion of subrecipient risk assessments prior to award, and post award monitoring procedures throughout the subaward periods to ensure the subaward funds were expended by the subrecipient in accordance with federal regulations and award requirements.	In FY2012 the University implemented additional policies and procedures related to subrecipient pre award selection and post award monitoring procedures. The engagement team obtained an understanding of these policies and procedures and obtained evidence that they were put into place in FY 2012. The finding has been corrected.



Office of the Controller

2040 Blankenship Hall  
901 Woody Hayes Drive  
Columbus, OH 43210-4016

Phone (614) 292-6220  
Fax (614) 688-3572

December 11, 2012

RE: Corrective Action Plans

1. Name of the contact person responsible for corrective actions planned:

Thomas F. Ewing  
Interim University Controller  
The Ohio State University  
2040 Blankenship Hall  
901 Woody Hayes Drive  
Columbus, OH 43210-4016  
Phone: 614-688-3113  
E-mail: [ewing\\_6@osu.edu](mailto:ewing_6@osu.edu)

2. Corrective actions planned:

The corrective action plan for each finding is contained in the Views of Responsible Officials section below.

<b>Finding Number</b>	2012-1
<b>CFDA Title and Number</b>	93.887 – Health Care and Other Facilities
<b>Federal Award Number / Year</b>	2011
<b>Federal Agency</b>	DHHS: Health Resources and Services Administration
<b>Pass-Through Agency</b>	N/A

**Criteria –OMB Circular A-133 section .310 (b)(3)** states "The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

(3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available."

**Condition** – The 2011 schedule of expenditures did not include a complete listing of all expenditures of federal awards.

**Questioned Costs** – None noted.

**Context** - The Health System received communication from the Department of Health and Human Services (DHHS) inquiring whether funding received under CFDA 93.887 in FY 2011 was included on the FY 2011 schedule of expenditures.

**Effect** - The University determined based upon available information that expenditures under CFDA 93.887 were under-reported in the amount of \$983,024 in FY 2011.

**Cause** - The University is a large decentralized organization with federal expenditures incurred in different organizations within the University. The vast majority of the federal award activity flows through the Office of Sponsored Programs, thereby ensuring compliance. However, certain awards are maintained by different organizations on campus. As part of the preparation of the schedule of expenditures, the University Controller's office requests each organization provide the required expenditure information for awards that it maintains to the Controller's office for inclusion in the schedule. The Health System, triggered by the notification by the DHHS of unreported expenditures, determined that there were two awards received by the Health System that had not been reported to the University Controller in FY 2011.

**Recommendation** - The University should review their compilation procedures and ensure that their procedures to obtain expenditure detail from the varying organizations across campus are performed with the appropriate knowledgeable representatives of all organizations to facilitate obtaining a complete listing of federal expenditures.

**Views of Responsible Officials** - The Office of the Controller will review its compilation procedures and is working with the Health System to ensure the completeness of federal expenditure reporting.

**Anticipated Completion Date** – March 31, 2013

<b>Finding Number</b>	<b>2012-2</b>
<b>CFDA Title and Number</b>	Student Financial Aid Cluster; CFDA# 84.268 - Federal Direct Student Loans
<b>Federal Award Number / Year</b>	2012
<b>Federal Agency</b>	U. S. Department of Education, Student Financial Aid
<b>Pass-Through Agency</b>	N/A

**Criteria** - 34 CFR Section 668.173(b) states that Returns of Title IV funds are required to be deposited or transferred into the SFA account or electronic fund transfers initiated to ED or the appropriate FFEL lender as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew. Returns by check are late if the check is issued more than 45 days after the institution determined the student withdrew or the date on the cancelled check shows the check was endorsed more than 60 days after the date the institution determined that the student withdrew.

**Condition** - We selected 60 students who enrolled at the University and subsequently withdrew from courses who had obtained Title IV funds. It was noted that one student who withdrew did not have their Title IV funds refunded to the respective programs in a timely manner.

**Questioned Costs** - None noted.

**Context** - The University had one student whose refunds were processed 46 days late.

**Cause** – In the prior year it was determined that the University did not have adequate policies or procedures in place to monitor the appropriate calculation and return of Title IV Funds in a timely manner (Finding 2011-2), resulting in 15 exceptions in our 2011 Title IV refund testing. This issue was identified midway through fiscal year 2012 and as such management was not able to take appropriate action to prevent similar exceptions until the second half of fiscal year 2012.

**Effect** - The return of Title IV Funds did not occur timely.

**Recommendation** – Management should continue to monitor the timeliness of Title IV refund calculations and distributions to ensure they are being performed in a timely manner in accordance with regulations. Management should also continue to ensure that personnel performing the calculations receive appropriate training to ensure compliance with the regulations.

**Views of Responsible Officials** - The Ohio State University acknowledges the one exception in the Return of Title IV funds. The one exception was the result of the previously identified training issue with one employee within Student Financial Aid. The 2012 exception occurred prior to identification of the 2011 audit findings. The causing issue has been rectified through further training, involving more staff in the R2T4 process, redesigning queries to identify withdrawing students and running those queries on a weekly schedule as well as creating procedures that ensure each calculation is reviewed by at least two staff members.

**Anticipated Completion Date** – December 31, 2012