

The Ohio State University

(A Component Unit of the State of Ohio)

**Financial Statements as of and for the Year Ended
June 30, 2013 and 2012, and Report on Federal
Awards in Accordance with OMB Circular A-133
for the Year Ended June 30, 2013 and
Independent Auditors' Reports**

The Ohio State University

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June 30, 2013 and 2012

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the primary institution and the aggregate discretely presented component units of The Ohio State University (the "University"), a component unit of the State of Ohio, which comprise the consolidated statements of net position as of June 30, 2013 and June 30, 2012, and the related consolidated statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the University's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the primary institution and the aggregate discretely presented component units of the University as of June 30, 2013 and 2012, and the respective changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Emphasis of Matter

As discussed in Note 1 to the financial statements, the University adopted GASB Statement 61, The Financial Reporting Entity: Omnibus, in 2013, applied retroactively, which modifies the determination of discretely presented component units. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis on pages 3 through 18 be presented 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.

Other Information

Our audit was conducted for the purpose of forming opinions 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, 2013 is presented for purposes of additional analysis as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the basic financial statements. Such information 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. Such information 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2013 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, 2013. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University's internal control over financial reporting and compliance.

Princeton House Cooper LLP

Columbus, OH
October 22, 2013

Management's Discussion and Analysis for the Year Ended June 30, 2013 (Unaudited)

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, 2013, with comparative information for the years ended June 30, 2012 and June 30, 2011. 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 63,000 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 168 undergraduate majors, 115 master's degree programs, 93 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 Health System operates under the governance of The Ohio State University Board of Trustees and 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, four comprehensive outpatient care centers, an ambulatory surgery center, a comprehensive breast treatment center, and twenty-nine clinics. The Health System provided services to more than 56,000 adult inpatients and 1,485,000 outpatients during Fiscal Year 2013.

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, deferred inflows/outflows and net position (equity) of the university, the Wexner Medical Center, the Ohio Agricultural Research and Development Center and OH-TECH (formerly known as OARnet and the Ohio Supercomputer Center). These entities constitute the "primary government" for financial reporting purposes. In addition, the financial statements include consolidated financial results for a number of "component units", which are legally separate entities that meet the financial accountability criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*.

In previous years, the university presented all of its component units in a single-column "blended presentation". This has changed, with the adoption of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. GASB 61 significantly narrows the criteria for a blended presentation. In particular, the GASB has indicated that the "exclusive benefit"

Management's Discussion & Analysis (Unaudited) - continued

criterion for blending is not met when a component unit provides services to parties external to the primary government. As a result, the university is now presenting the following component units in a discrete presentation:

- OSU Physicians, Inc. (the practice group for physician faculty members of the Colleges of Medicine and Public Health)
- Campus Partners for Community Urban Redevelopment (a non-profit 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)
- Dental Faculty Practice Association (the practice group for faculty members of the College of Dentistry)

The remaining component units of the university, which are listed below, meet the revised exclusive benefit criteria under GASB 61 and will continue to be shown in a blended presentation:

- The OSU Foundation (a fundraising foundation operating exclusively for the benefit of the university)
- OSU Health Plan (a non-profit organization – formerly known as OSU Managed Health Care Systems -- that administers university health care benefits)
- Oval Limited (captive insurer that provides medical malpractice coverage to university hospitals and physicians)

Condensed financial information for both blended and discretely presented component units is provided in the Notes to the Financial Statements. 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.

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 Position, a Statement of Revenues, Expenses and Other Changes in Net Position, a Statement of Cash Flows and Notes to the Financial Statements. Separate columns are presented for the primary institution (which includes the primary government and the blended component units), discretely presented component units and the total university. Unless otherwise specified, the amounts presented in this MD&A are for the primary institution.

The **Statement of Net Position** is the university's balance sheet. It reflects the total assets, liabilities and net position (equity) of the university as of June 30, 2013, with comparative information as of June 30, 2012. Liabilities due within one year, and assets available to pay

Management's Discussion & Analysis (Unaudited) - continued

those liabilities, are classified as current. Other assets and liabilities are classified as non-current. 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 position is 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 Position** is the university's income statement. It details how net position has increased (or decreased) during the year ended June 30, 2013, with comparative information for Fiscal Year 2012. 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 non-operating 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, 2013, with comparative information for Fiscal Year 2012. It breaks out the sources and uses of university cash into the following categories:

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

Cash flows associated with the university's expendable net position 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.

Management's Discussion & Analysis (Unaudited) - continued

Financial Highlights and Key Trends

Total net position for the primary institution increased \$513 million, to \$5.94 billion at June 30, 2013. Net investment income accounted for \$387 million of the increase, reflecting strong 2013 returns for the university's Long Term Investment Pool. In September 2012, the university entered into a 50-year lease and concession agreement with QIC Global Infrastructure to operate, maintain and retain parking revenues from the university's parking lots and garages. The proceeds from the agreement, which totaled \$483 million, were used to establish quasi-endowment funds. In January 2013, the university issued \$338 million of Special Purpose General Receipts Bonds, which are secured by a pledge of housing, dining and recreational facilities revenues. Total unrestricted and restricted-expendable net position increased \$35 million, to \$2.21 billion. With the exception of consolidated Health System revenues, which increased \$97 million, total operating revenues were relatively flat compared with 2012.

Demand for an Ohio State education remains strong, and student outcomes continue to improve. 63,058 students were enrolled in Autumn 2012, down slightly from Autumn 2011. 92% of the freshmen enrolled in Autumn 2011 returned to OSU in Autumn 2012. Over the past five years, four-year graduation rates have increased from 46% to 61%, and six-year graduation rates have increased from 71% to 82%.

The following sections provide additional details on the university's 2013 financial results and a look ahead at significant economic conditions that are expected to affect the university in the future.

Management's Discussion & Analysis (Unaudited) - continued

Statement of Net Position

Summary Statement of Net Position <i>(in thousands)</i>	2013	2012	2011
Cash and temporary investments	\$ 1,073,925	\$ 1,283,141	\$ 1,460,719
Receivables, inventories, prepaids and other current assets	528,165	560,913	489,908
Total current assets	1,602,090	1,844,054	1,950,626
Restricted cash	926,444	714,226	488,361
Noncurrent notes and pledges receivable	127,831	92,427	79,797
Long-term investment pool	3,149,169	2,366,033	2,120,714
Other long-term investments	69,358	71,663	68,283
Capital assets, net of accumulated depreciation	4,136,392	3,765,325	3,391,264
Total noncurrent assets	8,409,194	7,009,674	6,148,419
Total assets	\$ 10,011,284	\$ 8,853,728	\$ 8,099,045
Accounts payable and accrued expenses	\$ 385,006	\$ 413,995	\$ 358,845
Deposits and advance payments for goods and services	179,436	230,300	227,693
Current portion of bonds, notes and lease obligations	503,750	530,047	518,982
Other current liabilities	21,705	23,102	17,159
Total current liabilities	1,089,897	1,197,444	1,122,679
Noncurrent portion of bonds, notes and lease obligations	2,177,884	1,897,724	1,451,502
Other noncurrent liabilities	328,987	331,056	318,159
Total noncurrent liabilities	2,506,871	2,228,780	1,769,661
Total liabilities	\$ 3,596,768	\$ 3,426,224	\$ 2,892,340
Deferred inflows - Parking service concession arrangement	\$ 474,332	\$ -	\$ -
Invested in capital assets, net of related debt	2,394,141	2,056,993	1,987,366
Restricted-nonexpendable net assets	1,340,681	1,200,473	1,217,323
Restricted-expendable net assets	737,848	603,108	592,082
Unrestricted net assets	1,467,514	1,566,930	1,409,934
Total net position	\$ 5,940,184	\$ 5,427,504	\$ 5,206,705

Cash and temporary investment balances decreased \$209 million, to \$1.07 billion, primarily due to a reduction in net operating cashflows (excluding parking proceeds) and defeasance of parking-related debt. **Restricted cash** balances increased \$212 million, to \$926 million. These balances consist primarily of unspent proceeds from the Special Purpose General Receipts Bonds, which will be used to fund the North Residential District expansion project, and the Century Bonds, which are being used to fund the Medical Center expansion and other capital projects. The Statement of Cash Flows, which is discussed in more detail below, provides additional information 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.

Management's Discussion & Analysis (Unaudited) - continued

Accounts receivable decreased \$31 million, to \$386 million at June 30, 2013, primarily due to decreases in patient care receivables for the Health System. The 2012 implementation of a new patient care information and billing system, EPIC, created one-time billing lags, which inflated prior-year receivable balances.

The market value of the university's **long-term investment pool** increased \$783 million, to \$3.15 billion at June 30, 2013, primarily due to the investment of the \$483 million proceeds from the parking agreement and \$372 million of net investment income. The long-term investment pool operates similar to a mutual fund, in that each named fund is assigned a number of shares 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 non-unitized investments that relate primarily to gift arrangements between donors and the OSU Foundation. These investments decreased \$2 million, to \$69 million, at June 30, 2013.

Capital assets, which include the university's land, buildings, improvements, equipment and library books, grew \$371 million, to \$4.14 billion at June 30, 2013. 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 2013 include the \$172 million renovation of five existing student housing facilities and construction of two new facilities. Smith, Steeb and Siebert Halls opened Fall Semester 2013 following major renovations and construction of new facilities between Smith and Steeb Halls. The Park and Stradley Halls portion of the project opened the previous academic year. Also completed was Phase II of the William H. Hall Complex, a suite-style housing facility with 537 student beds. Major infrastructure projects completed in 2013 include a \$42 million electrical substation to meet growing electricity demand, a \$74 million chilled water plant to support the Medical Center expansion, and the 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.

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 completion late in 2014. The university is financing the project with a combination of bonds (\$925 million), private gifts (\$75 million) and a \$100 million federal grant.

Management's Discussion & Analysis (Unaudited) - continued

- 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 in 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 Department of Dance, the Billy Ireland Cartoon Library & Museum and the Department of Art Education.
- Infrastructure Improvements – Work continues on several major infrastructure projects, including construction of a \$41 million east regional chiller plant to serve buildings east of the Oval. The east regional chiller project is expected to be completed in 2014. A \$21 million steam and condensate upgrade project will upgrade deteriorated lines and increase capacity and distribution in the mid-west campus area from McCracken Power Plant to near the Drake Union. Also underway at the McCracken Power Plant is a \$20 million project to replace the existing aging water treatment system, and a \$13 million project to replace high voltage electrical cable and related equipment.
- North Residential District Transformation (NRDT) – The \$370 million NRDT project will construct new housing and support facilities for sophomore students in the north campus area. Enabling project work began Summer 2013, and the project is slated for completion Fall Semester 2016.

The university's estimated future capital commitments, based on contracts and purchase orders, total approximately \$751 million at June 30, 2013.

Accounts payable and accrued expenses decreased \$29 million, to \$385 million at June 30, 2013, primarily due to decreases in vendor payables for operating expenses (down \$37 million). **Deposits and advance payments for goods and services** decreased \$51 million, to \$179 million, reflecting the reclassification of a \$22 million deposit for the parking agreement to deferred inflows in 2013, a \$14 million decrease in advance payments for departmental and auxiliary sales and services and an \$11 million decrease in advance payments for grants and contracts.

University debt, in the form of **bonds, notes and capital lease obligations**, increased \$254 million, to \$2.68 billion at June 30, 2013. In January 2013, the university issued \$338 million of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of the university's student housing, dining and recreational facilities. Offsetting the new bond issue were a \$75 million defeasance of debt related to parking facilities and \$52 million in principal payments.

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*

Management's Discussion & Analysis (Unaudited) - continued

Governmental Entities, provides guidance on the statement of net position 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 \$446 million and \$470 million at June 30, 2013 and 2012, respectively.

Other noncurrent liabilities increased \$32 million, primarily due to central accruals for university insurance programs.

In 2013, the university recognized a \$474 million **deferred inflow** for the parking agreement. Deferred outflows and deferred inflows are new financial statement elements, which were introduced by GASB Statement No. No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The parking deferred inflow will be amortized to operating revenue on a straight-line basis over the 50-year life of the agreement.

Prior-Year Highlights: *In 2012*, the university issued \$500 million of federally taxable "Century Bonds", which mature in June 2111. Total plant debt increased \$457 million, to \$2.43 billion. Total unrestricted and restricted-expendable net position increased \$168 million, to \$2.17 billion. *In 2011*, total unrestricted and restricted-expendable net position increased \$301 million, to \$2.02 billion. Three September 2010 bond issues increased total plant debt by \$630 million, to \$1.97 billion.

Management's Discussion & Analysis (Unaudited) - continued

Statement of Revenues, Expenses and Other Changes in Net Position

Summary of Revenues, Expenses and Changes in Net Position <i>(in thousands)</i>			
	2013	2012	2011
Operating Revenues:			
Tuition and fees, net	\$ 816,761	\$ 793,742	\$ 732,688
Grants and contracts	597,201	593,623	558,966
Auxiliary enterprises sales and services, net	222,014	233,020	232,482
OSU Health System sales and services, net	2,018,724	1,921,897	1,706,037
Departmental sales and other operating revenues	190,049	176,271	189,968
Total operating revenues	<u>3,844,749</u>	<u>3,718,553</u>	<u>3,420,141</u>
Operating Expenses:			
Educational and general	2,158,149	2,088,529	2,047,191
Auxiliary enterprises	242,376	239,570	244,787
OSU Health System	1,796,581	1,697,628	1,484,405
Depreciation	257,606	236,180	233,970
Total operating expenses	<u>4,454,712</u>	<u>4,261,907</u>	<u>4,010,353</u>
Net operating income (loss)	(609,963)	(543,354)	(590,212)
Non-operating revenues (expenses):			
State share of instruction and line-item appropriations	432,652	428,306	439,576
Federal fiscal stabilization funds	-	-	60,063
Gifts - current use	122,208	139,599	103,754
Net investment income (loss)	386,516	59,184	363,924
Grants, interest expense and other non-operating	<u>(8,483)</u>	<u>24,644</u>	<u>21,466</u>
Income (loss) before other revenues, expenses gains or losses	322,930	108,379	398,571
State capital appropriations	75,127	42,188	62,732
Private capital gifts	41,176	19,072	16,398
Additions to permanent endowments	57,480	41,299	30,835
Transfers to primary institution	<u>15,967</u>	<u>9,861</u>	<u>20,746</u>
Increase (decrease) in net position	512,680	220,799	529,282
Net position - beginning of year	<u>5,427,504</u>	<u>5,206,705</u>	<u>4,677,423</u>
Net position - end of year	<u>\$ 5,940,184</u>	<u>\$ 5,427,504</u>	<u>\$ 5,206,705</u>

Net **tuition and fees** increased \$23 million, or 3%, to \$817 million in 2013. The university completed its conversion from quarters to semesters in 2013. Total enrollments declined by 2%, as students accelerated graduation in order to avoid the conversion. The effect of these enrollment declines was offset by a 3.5% tuition increase for undergraduates and a 3% increase in enrollments of non-resident students, who are assessed an out-of-state surcharge.

Operating **grant and contract revenues** increased \$4 million, to \$597 million in 2013, primarily due to increases in private grant revenues (up \$19 million). Federal grant and contract revenues declined \$18 million, to \$341 million, reflecting the winding down of grants funded under the American Recovery and Reinvestment Act of 2009 and the effects of federal sequestration. Revenues for sponsored research programs administered by the

Management's Discussion & Analysis (Unaudited) - continued

Office of Sponsored Programs (formerly known as the OSU Research Foundation) increased \$5 million, to \$494 million.

Educational and general expenses increased 3%, to \$2.16 billion in 2013. Additional details are provided below.

Educational and General Expenses <i>(in thousands)</i>	2013	2012	2011
Instruction and departmental research	\$ 906,339	\$ 875,800	\$ 837,893
Separately budgeted research	413,985	429,276	419,394
Public service	96,578	98,686	101,326
Academic support	170,142	162,783	147,845
Student services	94,237	90,493	88,604
Institutional support	271,737	217,648	236,624
Operation and maintenance of plant	93,767	103,095	112,874
Scholarships and fellowships	111,364	110,748	102,631
Total	<u>\$ 2,158,149</u>	<u>\$ 2,088,529</u>	<u>\$ 2,047,191</u>

Total **instructional and departmental research** expenses increased \$31 million in 2013, primarily due to faculty salary increases and increased benefit costs. 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. **Separately budgeted research** decreased \$15 million, reflecting decreases in operating expenditures on sponsored programs. **Institutional support** increased \$54 million, primarily due to central accruals for university insurance programs. **Operation and maintenance of plant** expense decreased \$9 million, primarily due to a combination of lower utility and housekeeping costs and increased recharges of costs to university departments.

Auxiliary revenues decreased \$11 million, to \$222 million in 2013. Room and board fees increased \$7 million, due to the re-opening of Park-Stradley Hall, increases in room and board rates and the addition of new dining plan options. Transportation and Parking revenues were down \$20 million, due to the transfer of the parking operations to CampusParc (QIC Global Infrastructure's operating subsidiary) under the parking lease and concession agreement. **Auxiliary expenses** increased \$3 million, to \$242 million, with decreases in Transportation and Parking expenses partially offsetting increases in campus housing and dining expenses and Athletics expenses.

The **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 been recognized by US News and World Report for 21 consecutive years as one of "America's Best Hospitals" and has 10 nationally ranked specialties. 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.

Management's Discussion & Analysis (Unaudited) - continued

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 late calendar year 2014, and more than 310,000 patients will be served annually when the facility is opened.

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 (IHIS). All members of the Medical Center team now use the same system to access and enter information into the inpatient and outpatient medical and financial records. In May 2012, The Ohio State University 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. Over 20 partner hospitals participate in the Health System's Telestroke Medicine hub which leverages innovative technologies to provide faster and more efficient diagnosis and treatment of stroke patients in largely rural areas of Ohio. The Health System is also extending the Integrated Health Information System into the community hospital and community practice setting and continues to develop additional relationships with community and state healthcare providers to leverage its electronic healthcare systems.

In 2013, the Health System remained financially sound due to solid activity levels and strong expense management. Inpatient admissions showed a slight increase compared with prior year. Consistent with industry trends, the patient environment continues to move to an outpatient setting and to an increased use of observation beds. The Health System continued to experience gains in more complex surgical, neurological, neonatal intensive care, cancer, and cardiovascular admissions, which contributed to increases in revenues, average length of stay, and average daily census.

Total surgeries increased 2.5% compared to prior year. Outpatient visits increased 6.2% over the previous year, as the Health System continued its ambulatory strategy and experienced growth at the Eye and Ear Institute, CarePoint and Fast Care facilities, Stefanie Spielman Comprehensive Breast Center, and other primary care and specialty care clinics.

Consolidated Health System operating revenues grew \$97 million, to \$2.02 billion in 2013. The increase was driven by increased activity levels discussed above, with the remaining increase resulting from higher case intensity, sustained payor mix, and increased rates from third party payers.

Consolidated Health System operating expenses (excluding depreciation, interest and transfers) increased \$99 million, to \$1.80 billion, in 2013, reflecting changes in activities. Adjusted for activities, total operating expense decreased 1.8% compared to prior year.

Measured on a stand-alone basis, the Health System's operating income remained strong, with the operating margin increasing from 9.2% in 2012 to 10.6% in 2013. Income before

Management's Discussion & Analysis (Unaudited) - continued

other changes in net position was \$207.3 million versus \$197.9 million in 2012. The Health System reinvested \$115.8 million back into research, education, and programs at the Medical Center. In December of 2010, the Health System was awarded 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 \$23.1 million of the total grant was recognized under Contribution for Property Acquisitions as a change in net position in 2013 and \$30.4 million in 2012. The remaining amounts will be funded by HRSA on a cost sharing basis, once the allowable costs have been incurred. Additionally, \$11.5 million in 2013 and \$4.5 million in 2012 of other restricted expendable funds and pledges (in support of the tower and other initiatives) have been recorded. In total, after accounting for these changes, the Health System's Net Position increased \$166.9 million in 2013 and \$137.6 million in 2012.

As with all healthcare providers, the Health System will be challenged by the impact of Healthcare Reform. The impact of insurance exchanges, managed care rates, and sequestration continues to cause uncertainty in the environment for hospitals nationwide. Regardless, the Medical Center continues to position itself to thrive in the changing market, as it has successfully done in the past. The clinical component of the medical staff activities has been integrated into the OSU Faculty Group Practice providing the Health System and the medical staff a unified structure to manage changes in reimbursement, practice patterns, and alignment in strategic initiatives. The Health System is partnering with the University Health Plan to design innovative product offerings for both the exchanges and employers and continue working with other providers locally and statewide to form strategic alliances.

Despite the challenges and the changing healthcare environment, the Health System expects to improve its financial position and operating results 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 2013. Total consolidated operating revenues increased \$29 million, to \$332 million, as a result of increased patient volume and support from the Health System. Total consolidated OSUP expenses (excluding depreciation and interest) increased \$31 million to \$316 million in 2013. These figures are included in the Discretely Presented Component Units columns of the university's financial statements.

OSUP is the single member of 17 limited liability companies (LLCs). As of June 30, 2013 only 15 of the LLCs were active. Two of the LLCs (Anesthesia and Orthopedics) have been created but had no 2013 activity within OSUP.

Total state operating support increased \$4 million, to \$433 million, in 2013. Both **state share of instruction** and **line-item appropriations** were stable compared with 2012. The State of Ohio is moving to a new funding formula that focuses on degree completions. FY2014 operating support is expected to be up slightly compared with 2013.

Management's Discussion & Analysis (Unaudited) - continued

Non-endowment gifts to the university (including gifts for current use and gifts to capital projects) increased \$5 million, to \$163 million in 2013. New gift **additions to permanent endowments** increased \$16 million, to \$57 million. During 2013, over 228,000 alumni and friends made gifts to the university, up from 211,000 in 2012.

University investments yielded \$387 million of **net investment income** in 2013. The net investment income figure includes \$78 million of interest and dividend income and \$309 million net increase in the fair value of university investments.

The Long Term Investment Pool's net investment return for the fiscal year ended June 30, 2013, was 11.63% versus the Policy (internal benchmark) return of 8.96%. In 2013, investors faced rising interest rates and mass investor repositioning in anticipation of Federal Reserve policy changes. Public equities, hedge funds, and private equity were all strong performers during the year. Natural resources, infrastructure and fixed income lagged due to softness in global energy prices for most of the year and rising rates in the bond markets.

The university's Investment Office continues to evaluate diversifying strategies to position the portfolio for anticipated lower fixed income returns and the continuing uneven recovery of global markets and will continue to strive for the best possible risk-adjusted investment returns to grow the purchasing power of the Long Term Investment Pool.

Prior-Year Highlights: *In 2012*, Total net position (equity) increased \$221 million, to \$5.43 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 2011*, total net position increased \$529 million, primarily due to \$364 million of net investment income and strong operating results for the OSU Health System.

Management's Discussion & Analysis (Unaudited) - continued

Statement of Cash Flows

University Cash Flows Summary <i>(in thousands)</i>	2013	2012	2011
Net cash flows from operating activities	\$ 82,605	\$ (281,830)	\$ (289,316)
Net cash flows from noncapital financing activities	664,464	631,466	717,035
Capital appropriations and gifts for capital projects	82,963	68,038	79,099
Proceeds from issuance of bonds and notes payable	499,398	521,155	902,117
Payments for purchase and construction of capital assets	(608,138)	(568,222)	(441,556)
Principal and interest payments on capital debt, net of federal Build America Bond interest subsidies	(324,944)	(132,789)	(335,003)
Net cash flows for investing activities	(673,292)	9,476	(237,894)
Net increase (decrease) in cash	<u>\$ (276,944)</u>	<u>\$ 247,294</u>	<u>\$ 394,482</u>

University cash and cash equivalents decreased \$277 million in 2013. Net cash flows from operating activities increased \$364 million, reflecting the September 2012 receipt of \$453 million in net proceeds from the parking lease and concession agreement. Excluding parking proceeds, operating cashflows decreased \$67 million, with increases in payments for supplies and services (up \$224 million) and employee benefits (up \$66 million) more than offsetting increased receipts for sales and services (up \$218 million). Net cash flows from noncapital financing activities increased \$33 million, primarily due to timing differences in drawdowns of federal direct-lending funds. Net cash used for capital financing activities increased \$239 million, to \$351 million, reflecting increases in total principal payments and capital expenditures for the Medical Center expansion, south campus dorm expansion and other major projects. Total cash used for investing activities was \$673 million, reflecting the investment of the total proceeds of the parking agreement (\$483 million) in the Long Term Investment Pool and \$280 million of net purchases of temporary investments.

Economic Factors That Will Affect the Future

Fiscal Year 2013 saw the retirement of the university's president, E. Gordon Gee. Since his return to Ohio State in 2007, President Gee has led the university on a multi-phase strategic planning and implementation process to move the university from excellence to eminence in public higher education. Under the leadership of Interim President Joseph A. Alutto, the university is poised to continue and accelerate this progress. As President Alutto recently noted, "At Ohio State, we've been able to move aggressively because of the strategic planning we've done and the resource base we have – alumni who have stepped forward, a governor who has been supportive during tough times, monetizing our parking, selling the century bonds. All of that allows us to stay focused on our academic programs."

Management's Discussion & Analysis (Unaudited) - continued

Some of the broad goals that Ohio State is focusing on in 2014 and beyond include:

- Defining and enhancing the undergraduate, graduate and professional student experience, including the new Second-Year Transformational Experience Program (STEP)
- Developing the Discovery Themes – Health and Wellness, Energy and the Environment, and Food Production and Security
- Developing eLearning at Ohio State
- Discussing faculty evaluation and rewards in our interdisciplinary climate
- Maintaining affordability and access for our students while promoting excellence
- Enhancing the arts on campus and promoting connections with the community outside Ohio State

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 2014. However, the university does face certain financial challenges, including limited growth in state operating support and tuition revenues, the continuing effects of federal sequestration and uncertainties related to the impact of healthcare reform. State share of institution (SSI) is expected to increase 2%, and restricted line-item appropriations are expected to be flat in 2014. A new state subsidy model that focuses on degree completions is expected to have a negative impact in 2015, as other institutions expand enrollments in on-line programs. Tuition revenues are expected to increase 2% in 2014, primarily driven by a shift in the student mix to more non-resident and professional students. Undergraduate instructional and mandatory fees will not increase in fiscal 2014. Federal sequestration will continue to negatively impact sponsored research revenues, which are expected to decline 6% in 2014. The university's largest federal sponsor, the National Institutes for Health, is cutting new awards 10-20% and reducing already committed funding by 4-6%. OSU's second largest federal sponsor, the National Science Foundation, cut awards to the university by 25% in 2013. Sequestration, the development of insurance exchanges, changes to managed care rates and other aspects of healthcare reform will continue to cause uncertainty in the environment for the Wexner Medical Center and hospitals nationwide.

New accounting rules are also expected to have a potentially significant impact on the university's reported financial position and results of operations. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is effective Fiscal Year 2015, requires governments that participate in defined benefit pension plans to report in their statement of net position a net pension liability, which is the difference between the total pension liability and the net assets set aside to pay pension benefits. For cost-sharing employers, the net pension liability is equal to the employer's proportionate share of the collective net pension liability for the plan. The university participates in two cost-sharing defined benefit pension plans, the Ohio Public Employees Retirement System (OPERS) and the State Teachers Retirement System of Ohio (STRS-Ohio). Based on information provided in the most recently available financial reports for the pension plans, university management anticipates that Statement No. 68 will result in the recognition of significant liabilities in the university's financial statements.

Management's Discussion & Analysis (Unaudited) - continued

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 POSITION
June 30, 2013 and June 30, 2012
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2013	2012	2013	2012	2013	2012
ASSETS AND DEFERRED OUTFLOWS:						
Current Assets:						
Cash and cash equivalents	\$ 64,691	\$ 553,853	\$ 52,495	\$ 43,952	\$ 117,186	\$ 597,805
Temporary investments	1,009,234	729,288	12,572	12,868	1,021,806	742,156
Accounts receivable, net	385,965	416,726	48,058	53,425	434,023	470,151
Notes receivable - current portion, net	23,528	24,553	470	72	23,998	24,625
Pledges receivable - current portion, net	27,491	21,190	-	-	27,491	21,190
Accrued interest receivable	21,204	27,455	-	-	21,204	27,455
Inventories and prepaid expenses	83,786	80,819	2,292	2,486	86,078	83,305
Amounts due from (to) primary institution	(13,809)	(9,830)	13,809	9,830	-	-
Total Current Assets	1,602,090	1,844,054	129,696	122,633	1,731,786	1,966,687
Noncurrent Assets:						
Restricted cash	926,444	714,226	-	-	926,444	714,226
Notes receivable, net	56,176	45,872	1,957	3,071	58,133	48,943
Pledges receivable, net	71,655	46,555	-	-	71,655	46,555
Long-term investment pool	3,149,169	2,366,033	-	-	3,149,169	2,366,033
Other long-term investments	69,358	71,663	1,529	5,106	70,887	76,769
Capital assets, net	4,136,392	3,765,325	80,162	82,881	4,216,554	3,848,206
Total Noncurrent Assets	8,409,194	7,009,674	83,648	91,058	8,492,842	7,100,732
Total Assets and Deferred Outflows	\$ 10,011,284	\$ 8,853,728	\$ 213,344	\$ 213,691	\$ 10,224,628	\$ 9,067,419
LIABILITIES, DEFERRED INFLOWS AND NET POSITION:						
Current Liabilities:						
Accounts payable and accrued expenses	\$ 385,006	\$ 413,995	\$ 23,596	\$ 27,238	\$ 408,602	\$ 441,233
Deposits and advance payments for goods and services	179,436	230,300	1,075	1,245	180,511	231,545
Current portion of bonds, notes and leases payable	57,315	60,347	1,226	23,104	58,541	83,451
Long-term bonds payable, subject to remarketing	446,435	469,700	-	-	446,435	469,700
Other current liabilities	63,042	75,295	-	-	63,042	75,295
Amounts due to (from) primary institution - current	(41,337)	(52,193)	41,337	52,193	-	-
Total Current Liabilities	1,089,897	1,197,444	67,234	103,780	1,157,131	1,301,224
Noncurrent Liabilities:						
Bonds, notes and leases payable	2,177,884	1,897,724	17,305	26,109	2,195,189	1,923,833
Compensated absences	137,737	126,387	43	57	137,780	126,444
Self-insurance accruals	106,851	115,208	-	-	106,851	115,208
Amounts due to third-party payors - Health System	11,366	13,716	-	-	11,366	13,716
Obligations under annuity and life income agreements	33,702	34,088	-	-	33,702	34,088
Refundable advances for Federal Perkins loans	31,445	28,706	-	-	31,445	28,706
Other noncurrent liabilities	59,849	27,852	1,457	4,378	61,306	32,230
Amounts due to (from) primary institution - noncurrent	(51,963)	(14,901)	51,963	14,901	-	-
Total Noncurrent Liabilities	2,506,871	2,228,780	70,768	45,445	2,577,639	2,274,225
Total Liabilities	3,596,768	3,426,224	138,002	149,225	3,734,770	3,575,449
Deferred Inflows:						
Parking service concession arrangement	474,332	-	-	-	474,332	-
Net Position:						
Invested in capital assets, net of related debt	2,394,141	2,056,993	52,464	22,933	2,446,605	2,079,926
Restricted:						
Nonexpendable	1,340,681	1,200,473	-	-	1,340,681	1,200,473
Expendable	737,848	603,108	-	-	737,848	603,108
Unrestricted	1,467,514	1,566,930	22,878	41,533	1,490,392	1,608,463
Total Net Position	5,940,184	5,427,504	75,342	64,466	6,015,526	5,491,970
Total Liabilities, Deferred Inflows and Net Position	\$ 10,011,284	\$ 8,853,728	\$ 213,344	\$ 213,691	\$ 10,224,628	\$ 9,067,419

The accompanying notes are an integral part of these financial statements.

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES,
AND OTHER CHANGES IN NET POSITION

June 30, 2013 and June 30, 2012
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2013	2012	2013	2012	2013	2012
Operating Revenues:						
Student tuition and fees (net of scholarship allowances of \$154,236 and \$136,740, respectively)	\$ 816,761	\$ 793,742	\$ -	\$ -	\$ 816,761	\$ 793,742
Federal grants and contracts	341,038	358,968	8,819	10,322	349,857	369,290
State grants and contracts	50,062	48,061	-	-	50,062	48,061
Local grants and contracts	16,217	16,020	-	-	16,217	16,020
Private grants and contracts	189,884	170,575	52,412	45,955	242,296	216,530
Sales and services of educational departments	126,207	105,318	7,354	7,256	133,561	112,574
Sales and services of auxiliary enterprises (net of scholarship allowances of \$20,081 and \$17,228, respectively)	222,014	233,020	-	-	222,014	233,020
Sales and services of the OSU Health System, net	2,018,724	1,921,897	-	-	2,018,724	1,921,897
Sales and services of OSU Physicians, Inc., net	-	-	331,817	302,802	331,817	302,802
Other operating revenues	63,842	70,952	942	2,412	64,784	73,364
Total Operating Revenues	3,844,749	3,718,553	401,344	368,747	4,246,093	4,087,300
Operating Expenses:						
Educational and General:						
Instruction and departmental research	906,339	875,800	4,877	4,242	911,216	880,042
Separately budgeted research	413,985	429,276	20,686	23,968	434,671	453,244
Public service	96,578	98,686	8,535	11,028	105,113	109,714
Academic support	170,142	162,783	-	-	170,142	162,783
Student services	94,237	90,493	-	-	94,237	90,493
Institutional support	271,737	217,648	7,389	6,729	279,126	224,377
Operation and maintenance of plant	93,767	103,095	22,030	11,513	115,797	114,608
Scholarships and fellowships	111,364	110,748	-	-	111,364	110,748
Auxiliary enterprises	242,376	239,570	-	-	242,376	239,570
OSU Health System	1,796,581	1,697,628	-	-	1,796,581	1,697,628
OSU Physicians, Inc.	-	-	316,080	285,446	316,080	285,446
Depreciation	257,606	236,180	7,116	6,211	264,722	242,391
Total Operating Expenses	4,454,712	4,261,907	386,713	349,137	4,841,425	4,611,044
Operating Income (Loss)	(609,963)	(543,354)	14,631	19,610	(595,332)	(523,744)
Non-operating Revenues (Expenses):						
State share of instruction and line-item appropriations	432,652	428,306	-	-	432,652	428,306
Federal subsidies for Build America Bonds interest	10,799	11,252	-	-	10,799	11,252
Federal non-exchange grants	57,794	57,466	-	-	57,794	57,466
State non-exchange grants	8,463	5,185	-	-	8,463	5,185
Gifts	122,208	139,599	-	-	122,208	139,599
Net investment income	386,516	59,184	370	993	386,886	60,177
Interest expense on plant debt	(62,227)	(56,465)	(713)	(3,269)	(62,940)	(59,734)
Other non-operating revenues	(23,312)	7,206	12,555	(25)	(10,757)	7,181
Net Non-operating Revenue	932,893	651,733	12,212	(2,301)	945,105	649,432
Income before Other Revenues, Expenses, Gains or Losses	322,930	108,379	26,843	17,309	349,773	125,688
Other Changes in Net Position						
State capital appropriations	75,127	42,188	-	-	75,127	42,188
Private capital gifts	41,176	19,072	-	-	41,176	19,072
Additions to permanent endowments	57,480	41,299	-	-	57,480	41,299
Transfers to (from) primary institution	15,967	9,861	(15,967)	(9,861)	-	-
Total Other Changes in Net Position	189,750	112,420	(15,967)	(9,861)	173,783	102,559
Increase in Net Position	512,680	220,799	10,876	7,448	523,556	228,247
Net Position - Beginning of Year	5,427,504	5,206,705	64,466	57,018	5,491,970	5,263,723
Net Position - End of Year	\$ 5,940,184	\$ 5,427,504	\$ 75,342	\$ 64,466	\$ 6,015,526	\$ 5,491,970

The accompanying notes are an integral part of these financial statements.

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2013 and June 30, 2012
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2013	2012	2013	2012	2013	2012
Cash Flows from Operating Activities:						
Tuition and fee receipts	\$ 716,689	\$ 698,512	\$ -	\$ -	\$ 716,689	\$ 698,512
Grant and contract receipts	572,733	586,203	61,149	56,008	633,882	642,211
Receipts for sales and services	2,409,068	2,191,169	345,168	301,039	2,754,236	2,492,208
Receipts for parking service concession arrangement	453,546	22,000	-	-	453,546	22,000
Payments to or on behalf of employees	(1,978,812)	(2,011,340)	(223,225)	(207,235)	(2,202,037)	(2,218,575)
University employee benefit payments	(581,981)	(515,611)	(54,370)	(50,314)	(636,351)	(565,925)
Payments to vendors for supplies and services	(1,470,957)	(1,247,342)	(108,384)	(84,482)	(1,579,341)	(1,331,824)
Payments to students and fellows	(102,886)	(100,048)	-	-	(102,886)	(100,048)
Student loans issued	(9,400)	(10,495)	-	-	(9,400)	(10,495)
Student loans collected	10,719	10,024	-	-	10,719	10,024
Student loan interest and fees collected	2,228	2,152	-	-	2,228	2,152
Other receipts	61,658	92,946	939	2,412	62,597	95,358
Net cash provided (used) by operating activities	<u>82,605</u>	<u>(281,830)</u>	<u>21,277</u>	<u>17,428</u>	<u>103,882</u>	<u>(264,402)</u>
Cash Flows from Noncapital Financing Activities:						
State share of instruction and line-item appropriations	432,652	428,306	-	-	432,652	428,306
Non-exchange grant receipts	66,257	62,651	-	-	66,257	62,651
Gift receipts for current use	118,752	123,018	-	-	118,752	123,018
Additions to permanent endowments	57,480	41,299	-	-	57,480	41,299
Drawdowns of federal direct loan proceeds	384,505	386,400	-	-	384,505	386,400
Disbursements of federal direct loans to students	(369,049)	(397,721)	-	-	(369,049)	(397,721)
Disbursement of loan proceeds to related organization	(8,161)	(101)	-	-	(8,161)	(101)
Repayment of loans from related organization	574	217	-	-	574	217
Amounts received for annuity and life income funds	3,482	1,848	-	-	3,482	1,848
Amounts paid to annuitants and life beneficiaries	(3,737)	(3,761)	-	-	(3,737)	(3,761)
Agency funds receipts	3,352	2,805	-	-	3,352	2,805
Agency funds disbursements	(2,827)	(2,694)	-	-	(2,827)	(2,694)
Transfers from (to) primary institution	(18,816)	(10,801)	18,816	10,801	-	-
Net cash provided by noncapital financing activities	<u>664,464</u>	<u>631,466</u>	<u>18,816</u>	<u>10,801</u>	<u>683,280</u>	<u>642,267</u>
Cash Flows from Capital Financing Activities:						
Proceeds from capital debt	499,398	521,155	-	-	499,398	521,155
State capital appropriations	69,732	48,966	-	-	69,732	48,966
Gift receipts for capital projects	13,231	19,072	-	-	13,231	19,072
Payments for purchase or construction of capital assets	(608,138)	(568,222)	(4,398)	(6,638)	(612,536)	(574,860)
Principal payments on capital debt and leases	(243,738)	(64,271)	(30,682)	(13,516)	(274,420)	(77,787)
Interest payments on capital debt and leases	(92,005)	(79,770)	(713)	(3,269)	(92,718)	(83,039)
Federal subsidies for Build America Bonds interest	10,799	11,252	-	-	10,799	11,252
Net cash (used) by capital financing activities	<u>(350,721)</u>	<u>(111,818)</u>	<u>(35,793)</u>	<u>(23,423)</u>	<u>(386,514)</u>	<u>(135,241)</u>
Cash Flows from Investing Activities:						
Net (purchases) sales of temporary investments	(279,946)	199,007	296	(8,732)	(279,650)	190,275
Proceeds from sales and maturities of long-term investments	1,112,965	614,242	3,577	-	1,116,542	614,242
Investment income	83,167	64,906	370	993	83,537	65,899
Purchases of long-term investments	(1,589,478)	(868,679)	-	(3,056)	(1,589,478)	(871,735)
Net cash provided (used) by investing activities	<u>(673,292)</u>	<u>9,476</u>	<u>4,243</u>	<u>(10,795)</u>	<u>(669,049)</u>	<u>(1,319)</u>
Net Increase in Cash	<u>(276,944)</u>	<u>247,294</u>	<u>8,543</u>	<u>(5,989)</u>	<u>(268,401)</u>	<u>241,305</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,268,079</u>	<u>1,020,785</u>	<u>43,952</u>	<u>49,941</u>	<u>1,312,031</u>	<u>1,070,726</u>
Cash and Cash Equivalents - End of Year	<u>\$ 991,135</u>	<u>\$ 1,268,079</u>	<u>\$ 52,495</u>	<u>\$ 43,952</u>	<u>\$ 1,043,630</u>	<u>\$ 1,312,031</u>

THE OHIO STATE UNIVERSITY
CONSOLIDATED STATEMENTS OF CASH FLOWS, Cont'd
Years Ended June 30, 2013 and June 30, 2012
(in thousands)

	Primary Institution		Discretely Presented Component Units		Total University	
	2013	2012	2013	2012	2013	2012
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities:						
Operating income (loss)	\$ (609,963)	\$ (543,354)	14,631	\$ 19,610	\$ (595,332)	\$ (523,744)
Adjustments to reconcile net operating loss to net cash used by operating activities:						
Depreciation expense	257,606	236,180	7,116	6,211	264,722	242,391
Changes in assets and liabilities:						
Accounts receivable, net	20,700	(46,194)	5,367	(8,896)	26,067	(55,090)
Notes receivable, net	(1,692)	139	716	(781)	(976)	(642)
Accrued interest receivable	2,228	(836)			2,228	(836)
Inventories and prepaid expenses	(2,967)	(4,509)	194	2,571	(2,773)	(1,938)
Accounts payable and accrued liabilities	(29,234)	32,104	(3,642)	(1,619)	(32,876)	30,485
Self-insurance accruals	(8,357)	13,373			(8,357)	13,373
Amounts due to third-party payors - Health System	(2,350)	(9,733)			(2,350)	(9,733)
Deposits and advance payments for goods and services	(51,401)	27,521	(170)	388	(51,571)	27,909
Compensated absences	11,256	13,874	(14)	17	11,242	13,891
Refundable advances for Federal Perkins loans	2,739	(181)			2,739	(181)
Deferred inflows	474,332	-			474,332	-
Other liabilities	19,708	(214)	(2,921)	(73)	16,787	(287)
Net cash provided (used) by operating activities	<u>\$ 82,605</u>	<u>\$ (281,830)</u>	<u>\$ 21,277</u>	<u>\$ 17,428</u>	<u>\$ 103,882</u>	<u>\$ (264,402)</u>
Non Cash Transactions:						
Capital Lease	\$ 1,147	\$ 10,473			\$ 1,147	\$ 10,473
Construction in Process in Accounts Payable	57,252	57,362			57,252	57,362
Stock Gifts	33,920	8,815			33,920	8,815

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 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 non-voting 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, which constitute the primary government for financial reporting purposes:

- The Ohio State University and its hospitals and clinics
- Ohio Agricultural Research and Development Center
- The Ohio Technology Consortium (OH-TECH)

In addition, these financial statements include component units -- legally separate organizations for which the university is financially accountable. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, *The Financial Reporting Entity: Omnibus*, defines financial accountability. The criteria for determining financial accountability include the following circumstances:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

- 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 and provides specific financial benefits to, or imposes specific financial burdens on, the primary government.

The university's component units and the reasons for their inclusion in the university's financial statements are described below:

- **The Ohio State University Foundation** – The fiscal dependency criteria apply to this not-for-profit fundraising organization, which operates exclusively for the benefit of The Ohio State University.
- **OSU Health Plan, Inc.** – The university appoints a voting majority of the board for this organization, which provides medical benefit plan administration services to the university and its faculty and staff.
- **Oval Limited** – The university holds all of the voting stock of this captive insurance entity, which was established by the university to provide medical malpractice coverage to physicians in the university's medical center.

The component units listed above 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.

In addition to the blended component units described above, the university's financial statements include the following discretely presented component units:

- **The Ohio State University Physicians, Inc.** – The university appoints a voting majority of the board of the medical practice group for physician faculty members in the Colleges of Medicine and Public Health.
- **Campus Partners for Community Urban Redevelopment, Inc.** – The university appoints a voting majority of the board for this non-profit organization, which participates in the redevelopment of neighborhoods adjacent to the Columbus campus.
- **Transportation Research Center of Ohio, Inc.** – The university appoints a voting majority of the board for this automotive research and testing facility in East Liberty, Ohio.
- **Dental Faculty Practice Association, Inc.** – The university appoints a voting majority of the board for the dental practice group for faculty in the College of Dentistry.

Summary financial statement information for the university's blended and discretely presented component units is provided in Notes 19 and 20. Audited financial statements

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

for component units considered to be material to the university may be obtained from the Office of the Controller. A total university column in the financial statements is provided as memorandum only for purposes of additional analysis by users.

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 Position; a Consolidated Statement of Revenues, Expenses and Other Changes in Net Position; a Consolidated Statement of Cash Flows; and Notes to the Financial Statements. In the Financial Statements, separate columns are presented for the *primary institution* (which includes the primary government and the blended component units), *discretely presented component units* and the *total university*. The Notes to the Financial Statements include separate disclosures for the primary institution and the discretely presented component units. Unless otherwise specified, the amounts presented in MD&A are those of the primary institution.

The university's financial resources are classified for accounting and reporting purposes into the following four net position 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:** Amounts 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.
- **Restricted - expendable:** Amounts 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:** Amounts which are not subject to externally-imposed stipulations. Substantially all unrestricted balances are internally designated for use by university departments to support working capital needs, to fund related

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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 funds 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. For purposes of the Statement of Cash Flows, "cash" is defined as the total of these two line items.

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, 2013, the university has made commitments to limited partnerships totaling \$624,000 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 \$522,000 that had not yet been funded as of June 30, 2012.

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, 2013 are \$4,845 and \$13,571, respectively. The carrying and market values of real estate at June 30, 2012 are \$4,830 and \$13,511, respectively.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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

Endowment Policy

All endowments are invested in the university's Long Term Investment Pool, which consists of more than 5,100 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, and the associated net position is classified as restricted-nonexpendable.

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, 2013, the market value of the university's gifted endowments was \$1,530,734, which is \$174,140 above the historical dollar value of \$1,356,594. 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, 2013, there are 2,287 named funds that remain underwater. The market value of these underwater funds at June 30, 2013 is \$671,524, which is \$100,471 below the historical dollar value of \$771,995. 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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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:

Type of Asset	Estimated Useful Life
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. Interest of \$28,740 and \$25,601 was capitalized in the years ended June 30, 2013 and 2012, 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.

Advance Payments for Goods and Services

Advance payments for goods and services 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 term 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 position 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 position as a component of non-operating expense.

Operating and Non-Operating Revenues

The university defines operating activities, for purposes of reporting on the Statement of Revenues, Expenses, and Other Changes in Net Position, 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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

long-term indebtedness, substantially all university expenses are considered to be operating expenses. Certain significant revenue streams relied upon for operations are recorded as non-operating 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.

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 position. 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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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 non-capital 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 (OSUP), a discretely presented component unit of the university, 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.

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 OSUP. 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 OSUP 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, 2013 and 2012 are \$35,927 and \$38,482, respectively, after applying reductions of \$21,463 and \$23,009, 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.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Charity care costs for OSUP as of June 30, 2013 and 2012 are \$19,934 and \$12,296, 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 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. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

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.

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 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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. Statement No. 69 requires mergers, which do not involve an exchange of consideration, to be accounted for using the carrying values of assets. Acquisitions are accounted for using acquisition values. The standard also provides guidance on reporting of disposals of government operations. It is effective for periods beginning after December 15, 2013.

In April 2013, the GASB issued Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*. Statement No. 70 requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is *more likely than not* that the guarantor will be required to make a payment to the obligation holders under the agreement. The standard also requires guarantors or issuers to disclose information about the amounts and nature of nonexchange financial guarantees. It is effective for periods beginning after June 15, 2013.

University management is currently assessing the impact that implementation of GASB Statements No. 65, 66, 67, 68, 69 and 70 will have on the university's financial statements.

Other

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

NOTE 2 — CASH AND CASH EQUIVALENTS

At June 30, 2013, the carrying amount of the primary institution's cash, cash equivalents and restricted cash for all funds is \$991,135 as compared to bank balances of \$966,360. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$3,054 is covered by federal deposit insurance and \$963,306 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2012, the carrying amount of the primary institution's cash, cash equivalents and restricted cash for all funds is \$1,268,079 as compared to bank balances of \$1,268,258. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$7,360 is covered by federal deposit insurance and \$1,260,898 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2013, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash for all funds is \$52,495 as compared to bank balances

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

of \$48,927. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$5,619 is covered by federal deposit insurance and \$43,308 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

At June 30, 2012, the carrying amount of the discretely presented component units' cash, cash equivalents and restricted cash for all funds is \$43,952 as compared to bank balances of \$40,088. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$39,496 is covered by federal deposit insurance and \$591 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.

NOTE 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. Temporary Investment funds are invested in the following instruments with varying maturities: obligations of the U. S. Treasury and other federal agencies and instrumentalities, municipal and state bonds, corporate bonds, certificates of deposit, commercial paper, repurchase agreements, money market funds and mutual 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 quasi-endowment funds which are internally designated funds that are to function as endowments. 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 the generation of a predictable stream of annual distribution. The university's Board of Trustees approved the following thematic asset classes, allocation ranges and benchmarks for the Long-Term Investment Pool:

Asset Class	Range	Benchmark
Global Equity	10-50%	50% (ACWI) + 50%(50% ACWI + 4%)
Global Credit	10-50%	90 Day T-Bill s + 4%
Private Capital	10-25%	100% (Cambridge Associates Private Equity Medians)
Real Assets	10-25%	75% (CPI + 4%) + 25% (NACREIF Real Estate Index)

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

The Long Term Investment Pool is a diversified investment pool designed to produce competitive risk-adjusted returns that will provide real growth over time. Benchmarks are selected to measure the performance of the investments in each asset class considering the goals and expectations for each asset class.

The Global Equity category includes domestic equity, international equity, long biased long/short equity and emerging market equity managers. The Global Credit category includes fixed income, absolute return and credit oriented managers. The Private Capital category includes private equity and venture capital funds. The Real Assets category includes real estate, natural resource, commodity and infrastructure funds.

Mutual funds held by the university invest in a wide range of alternative investments. These investments 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 assets is to provide stable, absolute returns that are uncorrelated to fluctuations in the stock and bond markets.

Other Long-Term Investments are non-unitized 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, gift annuities, 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 Northern Trust 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, 2013. Such amounts were generated by gifts received throughout the fiscal year and 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 for the primary institution at June 30, 2013 and 2012 are as follows:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

	Primary Institution	
	2013	2012
Temporary Investments	\$ 1,009,234	\$ 729,288
Long-Term Investment Pool:		
Gifted Endowment - University	941,031	878,707
Gifted Endowment - OSU Foundation	589,702	500,824
Quasi Endowment - Operating	1,055,699	942,592
Quasi Endowment - Designated	562,737	43,910
Total Long-Term Investment Pool	3,149,169	2,366,033
Other Long-Term Investments	69,358	71,663
Total Investments	\$ 4,227,761	\$ 3,166,984

Total university investments by investment type for the primary institution at June 30, 2013 are as follows:

	Primary Institution			
	Temporary Investments	Long-Term Investment Pool	Other	Total
			Long-Term Investments	
Common stock	\$ 3	\$ 369,745	\$ -	\$ 369,748
Equity mutual funds	69,846	152,708	23,522	246,076
U.S. government obligations	106,380	24,956	3,147	134,483
U.S. government agency obligations	119,943	66,430	-	186,373
Repurchase agreements	42,244	9,600	-	51,844
Corporate bonds and notes	483,267	78,390	261	561,918
Bond mutual funds	136,986	-	20,118	157,104
Foreign government bonds	18,604	14,855	-	33,459
Real estate	5	-	4,848	4,853
Partnerships and hedge funds	-	2,288,377	822	2,289,199
Commercial paper	21,733	-	-	21,733
Cash and cash equivalents	-	141,510	-	141,510
Other	10,223	2,598	16,640	29,461
	\$ 1,009,234	\$ 3,149,169	\$ 69,358	\$ 4,227,761

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Total university investments by investment type for the primary institution at June 30, 2012 are as follows:

	Primary Institution			
	Temporary Investments	Long-Term Investment Pool	Other	Total
			Long-Term Investments	
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	5	-	4,788	4,793
Partnerships and hedge funds	-	1,729,258	975	1,730,233
Cash and cash equivalents	-	124,218	-	124,218
Other	2,376	3,248	18,505	24,129
	<u>\$ 729,288</u>	<u>\$ 2,366,033</u>	<u>\$ 71,663</u>	<u>\$ 3,166,984</u>

The components of the net investment income for the primary institution are as follows:

	Net Increase (Decrease)		
	Interest and Dividends (net)	in Fair Value of Investments	Net Investment Income (Loss)
Temporary Investments	\$ 13,258	\$ 1,696	\$ 14,954
Long-Term Investment Pool	67,422	304,318	371,740
Other Long-Term Investments	(3,222)	3,044	(178)
Total 2013	<u>\$ 77,458</u>	<u>\$ 309,058</u>	<u>\$ 386,516</u>
Total 2012	\$ 68,889	\$ (9,705)	\$ 59,184

Additional Risk Disclosures for Investments

Statement Nos. 3 and 40 of the Governmental Accounting Standards Board require certain additional disclosures related to the custodial, 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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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 for the primary institution at June 30, 2013 are as follows:

	Primary Institution				
	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. government obligations	\$ 134,483	\$ 27,707	\$ 91,981	\$ 6,650	\$ 8,145
U.S. agency obligations	186,373	18,361	80,686	18,019	69,307
Repurchase agreements	51,844	51,844	-	-	-
Commercial paper	21,733	21,733	-	-	-
Corporate bonds	561,918	84,924	392,929	26,633	57,432
Bond mutual funds	157,104	6,352	66,481	26,563	57,708
Other governmental bonds	11,188	1,514	6,189	1,365	2,120
Foreign governmental bonds	33,459	9,091	13,638	8,566	2,164
Total	\$ 1,158,102	\$ 221,526	\$ 651,904	\$ 87,796	\$ 196,876

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

	Primary Institution				
	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
Total	\$ 847,481	\$ 277,807	\$ 421,389	\$ 90,035	\$ 58,250

Custodial credit risk – Custodial credit risk is the risk that, in the event of the failure of the custodian, university investments may not be recovered. It is the policy of the university to hold investments in custodial accounts, and the securities are registered solely in the name of the university. All investments are transacted with nationally reputable brokerage firms offering protection by the Securities Investor Protection Corporation.

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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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, 2013, and 2012.

The credit ratings of the university's interest-bearing investments for the primary institution at June 30, 2013 are as follows:

	Primary Institution								
	Total	U. S.			Commercial Paper	Corporate Bonds	Bond	Other	International Bonds
		Government and Agency Obligations	Repurchase Agreements	Mutual Funds			Governmental Bonds		
AAA	\$ 198,324	\$ -	\$ -	\$ -	\$ 77,958	\$ 115,167	\$ -	\$ 5,199	
AA	437,726	266,979	51,844	-	90,681	10,936	7,430	9,856	
A	296,201	6,281	-	19,733	236,243	20,542	2,858	10,544	
BBB	126,345	1,537	-	-	114,791	9,571	-	446	
BB	10,669	-	-	-	9,193	115	-	1,361	
B	6,146	-	-	-	6,146	-	-	-	
CCC	3,281	-	-	-	2,581	700	-	-	
CC	1,764	-	-	-	1,764	-	-	-	
C	-	-	-	-	-	-	-	-	
D	15,608	-	-	-	15,608	-	-	-	
Not rated	62,038	46,059	-	2,000	6,953	73	900	6,053	
Total	\$ 1,158,102	\$ 320,856	\$ 51,844	\$ 21,733	\$ 561,918	\$ 157,104	\$ 11,188	\$ 33,459	

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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

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

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.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

At June 30, 2013, exposure to foreign currency risk for the primary institution is as follows:

	Primary Institution					
	Common	Equity	Bond	Corporate	Foreign	Private
	Stock	Mutual Funds	Mutual Funds	Bonds	Government Bonds	Equity
Australian dollar	\$ 730	\$ 7,298	\$ 100	\$ (38)	\$ 530	\$ 22,017
Brazilian real	6,650	815	51	(293)	-	-
Canadian dollar	422	2,150	164	-	1,505	-
Chilean peso	1,197	126	10	-	-	-
Chinese yuan	-	2,127	1	-	-	-
Columbian peso	-	58	-	-	-	-
Czech Republic koruna	1,021	298	-	-	-	-
Danish krone	-	261	72	1,002	-	-
Egyptian pound	786	-	-	-	-	-
Euro	11,620	20,854	2,858	4,722	12,358	43,499
Great Britain pound sterling	12,182	23,272	619	1,430	2,844	-
Hong Kong dollar	15,481	2,677	-	-	-	-
Hungarian forint	-	30	-	-	-	-
Indian rupee	5,147	507	4	-	-	-
Indonesian rupiah	1,224	220	28	-	298	-
Israeli shekel	-	126	-	-	-	-
Japanese yen	3,701	22,510	2,823	-	4,008	-
Malaysian ringgit	97	288	-	-	290	-
Mexican peso	1,463	348	94	-	4,488	-
Moroccan dirham	-	-	-	-	-	-
New Taiwan dollar	6,925	812	-	-	-	-
New Zealand dollar	-	29	(8)	-	-	-
Norewegian krone	-	1,084	-	-	-	-
Peruvian nuevo sol	-	32	-	-	-	-
Phillippine peso	-	93	-	-	-	-
Polish zloty	-	95	-	-	-	-
Russian ruble	-	379	1	-	-	-
Singapore dollar	-	4,149	-	-	-	-
South African rand	6,397	526	7	-	1,386	-
South Korean won	-	977	-	-	-	-
Sri Lanka rupee	9,439	-	-	-	770	-
Swedish krona	512	3,275	44	-	-	-
Swiss franc	8,896	4,267	-	-	-	-
Thailand bhat	519	195	-	-	-	-
Turkish lira	1,613	127	-	-	-	-
UAE dirham	1,135	28	-	-	-	-
Total	\$ 97,157	\$ 100,033	\$ 6,868	\$ 6,823	\$ 28,477	\$ 65,516

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

At June 30, 2012, exposure to foreign currency risk for the primary institution is as follows:

	Primary Institution					
	Common	Equity	Bond	Corporate	Foreign	Private
	Stock	Mutual Funds	Mutual Funds	Bonds	Government Bonds	Equity
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	-	-	-
Norewegian krone	-	951	-	-	-	-
Peruvian nuevo sol	-	32	-	-	-	-
Phillippine 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	-	-	-	-
Total	\$ 65,792	\$ 77,697	\$ 12,727	\$ 14,366	\$ 25,945	\$ 65,974

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 4 — ACCOUNTS, NOTES AND PLEDGES RECEIVABLE

Accounts receivable for the primary institution at June 30, 2013 and 2012 consist of the following:

	Primary Institution	
	2013	2012
Patient receivables - OSU Health System	\$ 867,202	\$ 998,615
Grant and contract receivables	81,621	66,887
Tuition and fees receivable	23,667	43,116
Receivables for departmental and auxiliary sales and services	50,250	39,010
State and federal receivables	12,525	24,460
Other receivables	30	45
Total receivables	1,035,295	1,172,133
Less: Allowances for doubtful accounts	649,330	755,407
Total receivables, net	\$ 385,965	\$ 416,726

Allowances for doubtful accounts consist primarily of patient receivables of the OSU Health System.

Notes receivable consist primarily of Perkins and health professions loans and are net of an allowance for doubtful accounts of \$18,000 and \$20,000 at June 30, 2013 and 2012, respectively. 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 Non-exchange Transactions*, the university has recorded \$105,515 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$6,369 at June 30, 2013. The university recorded \$72,643 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$4,898 at June 30, 2012.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 5 — CAPITAL ASSETS

Capital assets activity for the primary institution for the year ended June 30, 2013 is summarized as follows:

	Primary Institution			
	Beginning	Additions	Retirements	Ending
	Balance			Balance
Capital assets not being depreciated:				
Land	\$ 71,062	\$ -	\$ 1,871	\$ 69,191
Intangibles	7,913	10,500	-	18,413
Construction in progress	911,390	658,019	706,804	862,605
Total non depreciable assets	990,365	668,519	708,675	950,209
Capital assets being depreciated:				
Improvements other than buildings	306,614	199,426	6,921	499,119
Buildings and fixed equipment	4,075,761	370,019	915	4,444,865
Movable equipment, furniture and software	995,547	92,552	51,340	1,036,759
Library books	162,250	4,655	932	165,973
Total	5,540,172	666,652	60,108	6,146,716
Less: Accumulated depreciation	2,765,212	256,722	61,401	2,960,533
Total depreciable assets, net	2,774,960	409,930	(1,293)	3,186,183
Capital assets, net	\$ 3,765,325	\$ 1,078,449	\$ 707,382	\$ 4,136,392

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

	Primary Institution			
	Beginning	Additions	Retirements	Ending
	Balance			Balance
Capital assets not being depreciated:				
Land	\$ 70,066	\$ 1,021	\$ 25	\$ 71,062
Intangibles	7,913	-	-	7,913
Construction in progress	535,908	375,482	-	911,390
Total non depreciable assets	613,887	376,503	25	990,365
Capital assets being depreciated:				
Improvements other than buildings	304,198	2,416	-	306,614
Buildings and fixed equipment	3,970,390	112,681	7,310	4,075,761
Movable equipment, furniture and software	909,611	124,164	38,228	995,547
Library books	159,541	4,076	1,367	162,250
Total	5,343,740	243,337	46,905	5,540,172
Less: Accumulated depreciation	2,569,143	236,180	40,111	2,765,212
Total depreciable assets, net	2,774,597	7,157	6,794	2,774,960
Capital assets, net	\$ 3,388,484	\$ 383,660	\$ 6,819	\$ 3,765,325

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Capital assets activity for the discretely presented component units for the year ended June 30, 2013 is summarized as follows:

	Discretely Presented Component Units			
	Beginning		Ending	
	Balance	Additions	Retirements	Balance
Capital assets not being depreciated:				
Land	\$ 4,621	\$ 1,173	\$ -	\$ 5,794
Intangibles	-	-	-	-
Construction in progress	-	15	-	15
Total non depreciable assets	4,621	1,188	-	5,809
Capital assets being depreciated:				
Improvements other than buildings	7,043	378	-	7,421
Buildings and fixed equipment	48,273	331	-	48,604
Movable equipment, furniture and software	58,405	3,384	-	61,789
Library books	-	-	-	-
Total	113,721	4,093	-	117,814
Less: Accumulated depreciation	35,461	8,000	-	43,461
Total depreciable assets, net	78,260	(3,907)	-	74,353
Capital assets, net	\$ 82,881	\$ (2,719)	\$ -	\$ 80,162

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

	Discretely Presented Component Units			
	Beginning		Ending	
	Balance	Additions	Retirements	Balance
Capital assets not being depreciated:				
Land	\$ 3,947	\$ 674	\$ -	\$ 4,621
Intangibles	-	-	-	-
Construction in progress	-	-	-	-
Total non depreciable assets	3,947	674	-	4,621
Capital assets being depreciated:				
Improvements other than buildings	5,099	1,944	-	7,043
Buildings and fixed equipment	50,198	-	1,925	48,273
Movable equipment, furniture and software	46,532	11,873	-	58,405
Library books	-	-	-	-
Total	101,829	13,817	1,925	113,721
Less: Accumulated depreciation	29,250	6,211	-	35,461
Total depreciable assets, net	72,579	7,606	1,925	78,260
Capital assets, net	\$ 76,526	\$ 8,280	\$ 1,925	\$ 82,881

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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses for the primary institution at June 30, 2013 and 2012 consist of the following:

	Primary Institution	
	2013	2012
Payables to vendors for supplies and services	\$ 212,179	\$ 249,993
Accrued compensation and benefits	81,971	80,568
Retirement system contributions payable	52,552	54,111
Other accrued expenses	38,304	29,323
Total payables and accrued expenses	<u>\$ 385,006</u>	<u>\$ 413,995</u>

NOTE 7 – DEPOSITS AND ADVANCE PAYMENTS FOR GOODS AND SERVICES

Deposits and advance payments for goods and services for the primary institution at June 30, 2013 and 2012 consist of the following:

	Primary Institution	
	2013	2012
Current deposits and advance payments:		
Tuition and fees	\$ 41,026	\$ 54,743
Departmental and auxiliary sales and services	70,642	77,341
Parking service concession	-	22,000
Grants and contracts advances	56,723	66,990
Other deposits and advance payments	11,045	9,226
Total current deposits and advance payments	<u>\$ 179,436</u>	<u>\$ 230,300</u>
Other non-current liabilities	<u>\$ 25,219</u>	<u>\$ 27,852</u>

NOTE 8 – SELF-INSURANCE ACCRUALS

The university maintains self-insurance programs for professional medical malpractice, employee health insurance and workers' compensation. Information on each of these programs is provided below.

Medical Malpractice

The Health System has established trusteed 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,

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Oval Limited provides coverage with limits of \$55 million per occurrence and in the aggregate. Previous coverage levels for Oval Limited are as follows:

Accident Period for Oval	Gross Oval Limit (Occurrence and Annual Aggregate)
7/1/08 – 6/30/13	\$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 per occurrence and \$14 million in the aggregate. A portion of the risks written by Oval Limited to date is reinsured by three reinsurance companies. Oval Limited retains 50% of the first \$15 million of risk and cedes the remainder to Berkley Medical Excess Underwriters (rated A+ by A.M. Best). The next \$20 million is fully ceded to Lexington Insurance Company (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 loss reserve are based upon an independent actuarial determination as of June 30, 2013. OSUP participates in the university self-insurance fund for professional medical malpractice liability claims.

The Heath 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, 2013 of the anticipated future payments on gross claims is estimated at its present value of \$78,995 discounted at an estimated rate of 3% (university funds) and an additional \$38,313 discounted at an estimated rate of 3% (Oval Limited).

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of \$163,039 (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, 2013, and the surplus of \$45,732 is included in unrestricted net assets.

Employee Health Insurance

The university is also self-insured for employee health insurance. As of June 30, 2013, \$36,326 is recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Workers' Compensation

Effective January 1, 2013, the university became self-insured for workers' compensation. As of June 30, 2013, \$730 is recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Changes in reported self-insurance liabilities for the primary institution since June 30, 2011 result from the following activities:

	Malpractice		Health		Workers' Compensation	
	2013	2012	2013	2012	2013	2012
Liability at beginning of fiscal year	\$ 118,339	\$ 120,631	\$ 42,703	\$ 29,507	\$ -	\$ -
Current year claims, changes in estimates	1,125	839	293,970	287,730	1,412	-
Claim payments	(7,456)	(3,131)	(300,347)	(274,534)	(682)	-
Balance at fiscal year end	\$ 112,008	\$ 118,339	\$ 36,326	\$ 42,703	\$ 730	\$ -

NOTE 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 primary institution for the year ended June 30, 2013 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Notes:					
WOSU	\$ 3,075	\$ -	\$ 250	\$ 2,825	\$ 159
OH Air Quality Note Series A	-	4,602	-	4,602	368
OH Air Quality Note Series B	-	2,340	-	2,340	-
St. Stephens Church Note	-	3,000	-	3,000	63
General Receipts Bonds - Fixed Rate:					
2002A, due serially through 2031	4,130	-	4,130	-	-
2003B, due serially through 2033	29,300	-	29,300	-	-
2005A, due serially through 2035	180,030	-	121,770	58,260	10,860
2008A, due serially through 2028	180,265	-	30,235	150,030	12,620
2010A, due serially through 2020	231,960	-	29,910	202,050	27,390
2010C, due 2040	654,785	-	-	654,785	-
2010D, due serially through 2032	88,335	-	3,710	84,625	-
2011, due 2111	500,000	-	-	500,000	-
2012A, due 2030	-	91,165	665	90,500	-
2012B, due 2033	-	23,170	570	22,600	1,840
Special Purpose General Receipts Bonds - Fixed Rate:					
2013A, due 2043	-	337,955	-	337,955	-
General Receipts Bonds - Variable Rate:					
1997, due serially through 2027	17,160	-	-	17,160	17,160
1999B1, due serially through 2029	11,800	-	1,035	10,765	10,765
2001, due serially through 2032	56,540	-	3,505	53,035	53,035
2003C, due serially through 2031	53,230	-	1,255	51,975	51,975
2005B, due serially through 2035	78,735	-	7,160	71,575	71,575
2008B, due serially through 2028	102,235	-	10,310	91,925	91,925
2010E, due serially through 2035	150,000	-	-	150,000	150,000
Capital Lease Obligations	20,149	-	5,918	14,231	4,015
	2,361,729	462,232	249,723	2,574,238	503,750
Unamortized Bond Premiums	66,042	51,854	10,500	107,396	-
Total outstanding debt	\$ 2,427,771	\$ 514,086	\$ 260,223	\$ 2,681,634	\$ 503,750

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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

	Primary Institution				
	Beginning			Ending	Current
	Balance	Additions	Reductions	Balance	Portion
Notes:					
WOSU	\$ 3,325	\$ -	\$ 250	\$ 3,075	\$ 250
General Receipts Bonds - Fixed Rate:					
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 2111	-	500,000	-	500,000	-
General Receipts Bonds - Variable Rate:					
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	14,843	10,473	5,167	20,149	5,922
	1,910,653	510,473	59,397	2,361,729	530,047
Unamortized Bond Premiums	59,830	10,570	4,358	66,042	-
Total outstanding debt	\$ 1,970,483	\$ 521,043	\$ 63,755	\$ 2,427,771	\$ 530,047

Debt activity for the discretely presented component units for the year ended June 30, 2013 is as follows:

	Discretely Presented Component Units				
	Beginning			Ending	Current
	Balance	Additions	Reductions	Balance	Portion
Notes:					
Transportation Research Center Capital One Funding Corporation due through 2014	\$ 643	-	\$ 311	\$ 332	\$ 332
OSU Physicians - Fifth Third Note, due through 2035	16,030	2,627	705	17,952	790
OSU Physicians - Fifth Third Note, due through 2013	77	85	83	79	61
Campus Partners - UDCDE Note A	21,859	-	21,859	-	-
Campus Partners - UDCDE Note B	10,376	-	10,376	-	-
Campus Partners - CCF Loan, City of Columbus	125	-	-	125	-
Capital Lease Obligations	103	-	60	43	43
Total outstanding debt	\$ 49,213	\$ 2,712	\$ 33,394	\$ 18,531	\$ 1,226

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Debt activity for the discretely presented component units for the year ended June 30, 2012 is as follows:

	Discretely Presented Component Units				
	Beginning			Ending	Current
	Balance	Additions	Reductions	Balance	Portion
Notes:					
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 - Mortgage payable					
Campus Partners - CCF Loan, City of Columbus	125	-	-	125	125
Campus Partners - Affordable Housing Trust Loan	500	-	500	-	-
Capital Lease Obligations	165	-	62	103	62
Total outstanding debt	\$ 63,230	\$ 15	\$ 14,032	\$ 49,213	\$ 23,104

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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 for the primary institution are as follows:

	Primary Institution		
	Principal	Interest	Total
2014	\$ 503,751	96,725	\$ 600,476
2015	58,147	93,991	152,138
2016	57,754	91,295	149,049
2017	60,448	88,748	149,196
2018	60,815	86,045	146,860
2019-2023	184,223	409,191	593,414
2024-2028	170,143	374,079	544,222
2029-2033	124,745	340,722	465,467
2034-2038	89,207	326,314	415,521
2039-2043	765,005	208,844	973,849
2044-2048	-	120,000	120,000
2049-2053	-	120,000	120,000
2054-2058	-	120,000	120,000
2059-2063	-	120,000	120,000
2064-2068	-	120,000	120,000
2069-2073	-	120,000	120,000
2074-2078	-	120,000	120,000
2079-2083	-	120,000	120,000
2084-2088	-	120,000	120,000
2089-2093	-	120,000	120,000
2094-2098	-	120,000	120,000
2099-2103	-	120,000	120,000
2104-2108	-	120,000	120,000
2109-2112	500,000	72,000	572,000
	<u>\$ 2,574,238</u>	<u>\$ 3,747,954</u>	<u>\$ 6,322,192</u>

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Maturities and interest on debt obligations for the next five years and in five-year periods for the discretely presented component units are as follows:

	Discretely Presented Component Units		
	Principal	Interest	Total
2014	\$ 1,226	392	\$ 1,618
2015	950	258	1,208
2016	824	340	1,164
2017	842	322	1,164
2018	860	304	1,164
2019-2023	4,567	1,228	5,795
2024-2028	3,550	794	4,344
2029-2033	3,943	400	4,343
2034-2038	1,769	41	1,810
	<u>\$ 18,531</u>	<u>\$ 4,079</u>	<u>\$ 22,610</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 \$130,631 for future debt service which is included in unrestricted net assets.

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 for the primary institution are as follows:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

	Amount	Amount
	Deceased	Outstanding at June 30, 2013
General Receipts Bonds:		
Series 1999B	\$ 1,035	\$ -
Series 2001	3,505	-
Series 2002A	77,400	-
Series 2003B	120,300	-
Series 2003C	1,255	-
Series 2005A	111,380	111,380
Series 2005B	7,160	-
Series 2008A	18,195	18,195
Series 2008B	10,310	-
Series 2010A	13,050	13,050
Series 2010D	3,710	3,710
	\$ 367,300	\$ 146,335

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

Special-Purpose General Receipts Bonds

In January 2013, the university issued \$337,955 of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of Special Purpose Revenue Facilities. Special Purpose Revenue Facilities are defined in the Series 2013 Supplement as all housing and dining facilities and such auxiliary facilities as shall constitute recreation facilities owned by the university. The bond indenture agreement includes a debt covenant, requiring the university "to set rates, charges and fees in each Fiscal Year so as to cause Special Purpose Pledged Revenues to be in an amount not less than 1.10 times the aggregate debt service for the then-current Fiscal Year on all Special Purpose General Receipts Obligations". At June 30, 2013, the university is in compliance with this covenant. Condensed financial information for the Special Purpose Revenue Facilities is provided in Note 21.

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, 2013 are as follows:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Series:	Interest Rate Not	Effective Average
	to Exceed	Interest Rate
1997	12%	1.830%
1999 B1	12%	1.594%
2001	12%	1.363%
2003 C	12%	1.663%
2005 B	12%	1.362%
2008 B	12%	0.395%
2010 E	8%	0.133%

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 position classification of these bonds. Under GASB Interpretation No. 1, outstanding principal balances on variable rate demand bonds may be classified as non-current 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 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 \$446,435 and \$469,700 at June 30, 2013 and 2012, respectively.

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, 2013 are \$44,924 and \$14,273, respectively. The original cost and lease obligations related to these capital leases as of June 30, 2012 are \$50,734 and \$20,252, 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

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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, OSUP, a discretely presented component unit of the university, has one interest rate swap agreements that is not considered a hedge under GASB Statement No. 53. 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. On May 1, 2013, at the same time the 2010 bond financing was refinanced, the swap was paid off with the proceeds from a term loan issuance in the amount of \$2,635. At June 30, 2013, OSUP held no other derivative instruments.

NOTE 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 position. The total rental expense under these agreements was \$29,717 and \$37,386 for the years ended June 30, 2013 and 2012, respectively.

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2013 are as follows:

Year Ending June 30,	Primary	Discrete
	Institution	Component Units
2014	\$ 21,386	\$ 3,613
2015	13,745	2,380
2016	11,068	1,927
2017	10,418	1,699
2018	9,732	1,041
2019-2023	39,842	212
2024-2028	32,853	-
2029-2033	13,718	-
2034-2038	723	-
2039-2043	723	-
2044-2048	723	-
Total minimum lease payments	<u>\$ 154,931</u>	<u>\$ 10,872</u>

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 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.

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 compensation time in lieu of overtime pay. Any unused compensation time must be paid to the employee at termination or retirement.

NOTE 12 — OTHER LIABILITIES

Other liability activity for the primary institution for the year ended June 30, 2013 is as follows:

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 138,521	\$ 23,282	\$ 12,026	\$ 149,777	\$ 12,040
Self-insurance accruals	163,542	293,325	307,803	149,064	42,213
Amounts due to third party payors	25,026	3,697	13,716	15,007	3,641
Obligations under life income agreements	37,605	3,506	3,761	37,350	3,648
Refundable advances for Federal Perkins loans	28,706	2,739	-	31,445	-
Other noncurrent liabilities	27,852	33,497	-	61,349	1,500
	<u>\$ 421,252</u>	<u>\$ 360,046</u>	<u>\$ 337,306</u>	<u>\$ 443,992</u>	<u>\$ 63,042</u>

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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

	Primary Institution				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 124,646	\$ 26,009	\$ 12,134	\$ 138,521	\$ 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>\$ 388,128</u>	<u>\$ 350,314</u>	<u>\$ 317,190</u>	<u>\$ 421,252</u>	<u>\$ 75,295</u>

NOTE 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 non-cancelable operating leases for the primary institution as of June 30, 2013 is as follows:

Year Ending June 30,	
2014	\$ 8,987
2015	7,287
2016	6,597
2017	6,330
2018	6,246
2019-2023	29,223
2024-2028	28,283
2029-2033	27,413
2034-2038	26,781
2039-2043	26,767
2044-2048	2,669
2049-2053	-
Total minimum future rentals	<u>\$ 176,583</u>

NOTE 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 Position. Operating expenses by object for the primary institution for the years ended June 30, 2013 and 2012 are summarized as follows:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Year Ended June 30, 2013

	Primary Institution				
	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 794,042	\$ 112,297	\$ -	\$ -	\$ 906,339
Separately budgeted research	274,865	139,120	-	-	413,985
Public service	73,476	23,102	-	-	96,578
Academic support	134,030	36,112	-	-	170,142
Student services	71,901	22,336	-	-	94,237
Institutional support	159,208	112,529	-	-	271,737
Operation and maintenance of plant	32,224	61,543	-	-	93,767
Scholarships and fellowships	7,517	961	102,886	-	111,364
Auxiliary enterprises	140,533	101,843	-	-	242,376
OSU Health System	977,766	818,815	-	-	1,796,581
Depreciation	-	-	-	257,606	257,606
Total operating expenses	\$ 2,665,564	\$ 1,428,657	\$ 102,886	\$ 257,606	\$ 4,454,712

Year Ended June 30, 2012

	Primary Institution				
	Compensation Benefits	Supplies Services	Scholarships Fellowships	Depreciation	Total
Instruction	\$ 803,848	\$ 71,952	\$ -	\$ -	\$ 875,800
Separately budgeted research	272,539	156,737	-	-	429,276
Public service	72,013	26,673	-	-	98,686
Academic support	124,659	38,124	-	-	162,783
Student services	68,026	22,467	-	-	90,493
Institutional support	150,265	67,383	-	-	217,648
Operation and maintenance of plant	35,413	67,682	-	-	103,095
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
Depreciation	-	-	-	236,180	236,180
Total operating expenses	\$ 2,657,725	\$ 1,267,955	\$ 100,048	\$ 236,180	\$ 4,261,907

NOTE 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.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

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

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

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

OPERS currently provides post-employment 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 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 2012, OPERS allocated 4.0% of the employer contribution rate to fund the health care program for retirees, and this rate was reduced to 1% for calendar year 2013 as recommended by the OPERS actuary.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012 with a transition plan commencing January 1, 2014. OPERS expects to be able to allocate on a consistent basis 4% of employer contributions toward the health care fund after the end of the transition period.

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 costs 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, 2012, STRS Ohio allocated employer contributions equal to 1% of covered payroll for post-employment health care.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Post-employment 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, post-retirement 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, post-retirement 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 post-retirement health care benefits.

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 post-retirement 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 post-retirement health care benefits. OPERS provides retirement, disability, survivor and post-retirement health benefits to qualifying members of the combined plan.

OPERS currently provides post-employment 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 2012,

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

OPERS allocated 6.05% of the employer contribution rate to fund the health care program for retirees, and this rate was reduced to 1% for calendar year 2013 as recommended by the OPERS actuary.

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:

	STRS Ohio	OPERS	ARP
Faculty:			
Plan member (entire year)	10.00%		10.00%
university (entire year)	14.00%		14.00%*
Staff:			
Plan member (entire year)		10.00%	10.00%
university (entire year)		14.00%	14.00%**
Law Enforcement:			
Plan member (entire year)		12.10%	12.10%
university (entire year)		18.10%	17.33%**

* Employer contributions include 3.5% paid to STRS Ohio.

** Employer contributions include .77% paid to OPERS.

The remaining amount is credited to employee's ARP account.

The university's contributions, which represent 100% of required employer contributions, for the year ended June 30, 2013 and for each of the two preceding years are as follows:

Year Ended June 30,	STRS Ohio Annual Required Contribution	OPERS Annual Required Contribution	ARP Annual Required Contribution
2011	\$54,725	\$148,120	\$40,835
2012	\$58,006	\$153,118	\$43,523
2013	\$61,667	\$159,903	\$47,062

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

OSU Physicians Retirement Plan

Retirement benefits are provided for the employees of 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 \$3,850 and \$7,119 for the years ended June 30, 2013 and 2012, respectively.

Employee contributions were \$1,096 and \$1,895 for the years ended June 30, 2013 and 2012. The reduction in Fiscal Year 2013 was directly related to physician integration into the Faculty Practice Group.

NOTE 16 — CAPITAL PROJECT COMMITMENTS

At June 30, 2013, the university is committed to future contractual obligations for capital expenditures of approximately \$750,682.

These projects are funded by the following sources:

State appropriations	\$ 41,212
Internal and other sources	<u>709,470</u>
Total	<u><u>\$ 750,682</u></u>

NOTE 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, workers' compensation 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.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 18 — PARKING LEASE AND CONCESSION AGREEMENT

On September 21, 2012, the university entered into a 50-year lease and concession agreement with QIC Global Infrastructure (QIC GI). CampusParc LP, a QIC GI affiliate, owns and operates the university's parking concession on QIC GI's behalf. Under the agreement, CampusParc will operate, maintain and retain parking revenues from the university's parking lots and garages. This agreement also regulates the parking rates that may be charged and future increases in these rates. The university received lump-sum payments totaling \$483,000 from QIC GI and used the proceeds to establish endowment funds, with income distributions internally designated to support student scholarships, faculty initiatives and research, transportation and sustainability and the university arts district. The university reports the parking lots and garages as capital assets with a carrying amount of \$124,009 at June 30, 2013 and reports a deferred inflow of resources in the amount of \$474,332 at June 30, 2013, pursuant to the service concession arrangement.

NOTE 19 – COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

As indicated in the Basis of Presentation in Note 1, the university consolidates certain component units in a blended presentation. Condensed combining financial information for the years ended June 30, 2013 and 2012 is presented below.

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2013

	OSU Foundation	OSU Health Plan	Oval Limited
Condensed statements of net position:			
Current assets	\$ 36,509	\$ 3,076	\$ 50,207
Capital assets, net	3,853	(6)	-
Other assets	711,372	586	-
Amounts receivable from the university	-	-	-
Deferred outflows	-	-	-
Total assets and deferred inflows	<u>\$ 751,734</u>	<u>\$ 3,656</u>	<u>\$ 50,207</u>
Current liabilities	\$ 6,760	\$ 129	\$ 3,046
Noncurrent liabilities	33,272	-	35,313
Amounts payable to the university	137	-	-
Deferred inflows	-	-	-
Total liabilities and deferred inflows	<u>40,169</u>	<u>129</u>	<u>38,359</u>
Invested in capital assets, net of related debt	7,934	-	-
Restricted:			
Nonexpendable	587,508	-	-
Expendable	120,994	-	-
Unrestricted	(4,871)	3,527	11,848
Total net position	<u>711,565</u>	<u>3,527</u>	<u>11,848</u>
Total liabilities, deferred inflows and net position	<u>\$ 751,734</u>	<u>\$ 3,656</u>	<u>\$ 50,207</u>

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

	OSU Foundation	OSU Health Plan	Oval Limited
Condensed statements of revenues, expenses and changes in net position:			
Operating revenues:			
Grants and contracts	\$ -	\$ -	\$ -
Sales and services of OSU Physicians	-	-	-
Other sales, services and rental income	768	12,376	(986)
Other operating	-	-	-
Total operating revenues	<u>768</u>	<u>12,376</u>	<u>(986)</u>
Operating expenses, excluding depreciation	5,295	11,660	169
Depreciation expense	228	-	-
Total operating expenses	<u>5,522</u>	<u>11,660</u>	<u>169</u>
Net operating income (loss)	(4,755)	716	(1,155)
Non-operating revenues and expenses:			
Gifts for current use	122,208	-	-
Net investment income (loss)	71,420	-	1,837
Interest expense	-	-	-
Other non-operating revenue (expense)	-	(137)	-
Net non-operating revenue (expense)	<u>193,628</u>	<u>(137)</u>	<u>1,837</u>
Capital contributions and additions to permanent endowments	96,653	-	-
Transfers from (to) the university	<u>(168,878)</u>	<u>-</u>	<u>-</u>
Change in net position	116,648	579	682
Beginning net position	594,916	2,948	11,166
Ending net position	<u>\$ 711,565</u>	<u>\$ 3,527</u>	<u>\$ 11,848</u>
Condensed statements of cash flows:			
Net cash provided (used) by:			
Operating activities	\$ (4,176)	\$ 682	\$ (1,280)
Noncapital financing activities	(23,978)	-	-
Capital and related financing activities	41,176	(136)	-
Investing activities	<u>(13,036)</u>	<u>6</u>	<u>(1,492)</u>
Net increase (decrease) in cash	(14)	552	(2,772)
Beginning cash and cash equivalents	2,562	2,077	12,291
Ending cash and cash equivalents	<u>\$ 2,548</u>	<u>\$ 2,629</u>	<u>\$ 9,519</u>

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2012

	OSU Foundation	OSU Health Plan	Oval Limited
Condensed statements of net position:			
Current assets	28,975	2,524	46,312
Capital assets, net	4,081	(5)	-
Other assets	600,294	593	-
Amounts receivable from the university	804	-	-
Deferred outflows	-	-	-
Total assets and deferred inflows	<u>634,153</u>	<u>3,111</u>	<u>46,312</u>
Current liabilities	5,288	163	43
Noncurrent liabilities	33,647	-	35,103
Amounts payable to the university	302	-	-
Deferred inflows	-	-	-
Total liabilities and deferred inflows	<u>39,237</u>	<u>163</u>	<u>35,146</u>
Invested in capital assets, net of related debt	4,081	-	-
Restricted:			
Nonexpendable	509,066	-	-
Expendable	81,871	-	-
Unrestricted	(101)	2,948	11,166
Total net position	<u>594,916</u>	<u>2,948</u>	<u>11,166</u>
Total liabilities, deferred inflows and net position	<u>634,153</u>	<u>3,111</u>	<u>46,312</u>

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

	OSU Foundation	OSU Health Plan	Oval Limited
Condensed statements of revenues, expenses and changes in net position:			
Operating revenues:			
Grants and contracts	-	-	-
Sales and services of OSU Physicians	-	-	-
Other sales, services and rental income	2,216	12,674	1,884
Other operating	-	-	-
Total operating revenues	2,216	12,674	1,884
Operating expenses, excluding depreciation	4,854	11,723	152
Depreciation expense	228	-	-
Total operating expenses	5,082	11,723	152
Net operating income (loss)	(2,866)	951	1,733
Non-operating revenues and expenses:			
Gifts for current use	139,599	-	-
Net investment income (loss)	10,662	(2)	219
Interest expense	-	-	-
Other non-operating revenue (expense)	-	3,375	-
Net non-operating revenue (expense)	150,261	3,373	219
Capital contributions and additions to permanent endowments	60,262	-	-
Transfers from (to) the university	(171,156)	(9)	-
Change in net position	36,501	4,316	1,951
Beginning net position	558,416	(1,367)	9,215
Ending net position	594,916	2,948	11,166
Condensed statements of cash flows:			
Net cash provided (used) by:			
Operating activities	(356)	1,085	1,544
Noncapital financing activities	(13,875)	(9)	-
Capital and related financing activities	19,072	3,381	-
Investing activities	(5,243)	(595)	(1,454)
Net increase (decrease) in cash	(402)	3,862	90
Beginning cash and cash equivalents	2,964	(1,786)	12,201
Ending cash and cash equivalents	2,562	2,077	12,291

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 20 – COMBINING INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS

As indicated in the Basis of Presentation in Note 1, the university consolidates certain component units in a discrete presentation. Condensed combining financial information for the years ended June 30, 2013 and 2012 is presented below.

Condensed Combining Information – Year Ended June 30, 2013

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of net position:				
Current assets	\$ 97,054	\$ 9,488	\$ 8,275	\$ 1,069
Capital assets, net	29,731	49,573	633	225
Other assets	1,843	1,643	-	-
Amounts receivable from the university	10,275	-	3,535	-
Deferred outflows	-	-	-	-
Total assets and deferred inflows	<u>\$ 138,904</u>	<u>\$ 60,705</u>	<u>\$ 12,443</u>	<u>\$ 1,294</u>
Current liabilities	\$ 18,957	\$ 3,229	\$ 3,596	\$ 115
Noncurrent liabilities	18,637	168	-	-
Amounts payable to the university	22,862	70,438	-	-
Deferred inflows	-	-	-	-
Total liabilities and deferred inflows	<u>60,457</u>	<u>73,835</u>	<u>3,596</u>	<u>115</u>
Invested in capital assets, net of related debt	3,016	49,448	-	-
Restricted:				
Nonexpendable	-	-	-	-
Expendable	-	-	-	-
Unrestricted	75,431	(62,579)	8,846	1,179
Total net position	<u>78,447</u>	<u>(13,130)</u>	<u>8,846</u>	<u>1,179</u>
Total liabilities, deferred inflows and net position	<u>\$ 138,904</u>	<u>\$ 60,705</u>	<u>\$ 12,443</u>	<u>\$ 1,294</u>

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of revenues, expenses and changes in net position:				
Operating revenues:				
Grants and contracts	\$ -	\$ 10,811	\$ 50,420	\$ -
Sales and services of OSU Physicians	331,817	-	-	-
Other sales, services and rental income	-	941	-	7,354
Other operating	-	-	-	-
Total operating revenues	331,817	11,753	50,420	7,354
Operating expenses, excluding depreciation	316,080	8,535	50,105	4,877
Depreciation expense	4,317	2,380	419	-
Total operating expenses	320,398	10,915	50,524	4,877
Net operating income (loss)	11,419	838	(104)	2,478
Non-operating revenues and expenses:				
Gifts for current use	-	-	-	-
Net investment income (loss)	239	-	131	-
Interest expense	(713)	-	-	-
Other non-operating revenue (expense)	2,115	10,440	-	-
Net non-operating revenue (expense)	1,641	10,440	131	-
Capital contributions and additions to permanent endowments	-	-	-	-
Transfers from (to) the university	(7,895)	(3,374)	(1,589)	(3,110)
Change in net position	5,165	7,904	(1,562)	(632)
Beginning net position	73,282	(21,035)	10,408	1,811
Ending net position	\$ 78,447	\$ (13,130)	\$ 8,846	\$ 1,179
Condensed statements of cash flows:				
Net cash provided (used) by:				
Operating activities	\$ 16,364	\$ 1,913	\$ 546	\$ 2,457
Noncapital financing activities	(8,670)	32,327	(1,734)	(3,110)
Capital and related financing activities	(933)	(34,296)	(565)	-
Investing activities	3,591	-	131	521
Net increase (decrease) in cash	10,352	(56)	(1,621)	(132)
Beginning cash and cash equivalents	35,933	5,321	2,327	371
Ending cash and cash equivalents	\$ 46,285	\$ 5,265	\$ 706	\$ 239

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

Condensed Combining Information – Year Ended June 30, 2012

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of net position:				
Current assets	\$ 92,605	\$ 7,665	\$ 10,825	\$ 1,708
Capital assets, net	31,965	49,893	797	225
Other assets	5,464	2,713	-	-
Amounts receivable from the university	6,440	-	3,390	-
Deferred outflows	-	-	-	-
Total assets and deferred inflows	<u>\$ 136,474</u>	<u>\$ 60,272</u>	<u>\$ 15,012</u>	<u>\$ 1,934</u>
Current liabilities	\$ 21,497	\$ 25,696	\$ 4,272	\$ 123
Noncurrent liabilities	19,779	10,433	332	-
Amounts payable to the university	21,917	45,178	-	-
Deferred inflows	-	-	-	-
Total liabilities and deferred inflows	<u>63,192</u>	<u>81,306</u>	<u>4,604</u>	<u>123</u>
Invested in capital assets, net of related debt	5,400	17,533	-	-
Restricted:				
Nonexpendable	-	-	-	-
Expendable	-	-	-	-
Unrestricted	<u>67,882</u>	<u>(38,568)</u>	<u>10,408</u>	<u>1,811</u>
Total net position	<u>73,282</u>	<u>(21,035)</u>	<u>10,408</u>	<u>1,811</u>
Total liabilities, deferred inflows and net position	<u>\$ 136,474</u>	<u>\$ 60,272</u>	<u>\$ 15,012</u>	<u>\$ 1,934</u>

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

	OSU Physicians	Campus Partners	Transportation Research Center	Dental Faculty Practice Plan
Condensed statements of revenues, expenses and changes in net position:				
Operating revenues:				
Grants and contracts	\$ -	\$ 11,874	\$ 44,404	\$ -
Sales and services of OSU Physicians	302,802	-	-	-
Other sales, services and rental income	986	963	463	7,256
Other operating	-	-	-	-
Total operating revenues	303,788	12,837	44,867	7,256
Operating expenses, excluding depreciation	285,446	11,028	42,210	4,242
Depreciation expense	4,178	1,601	431	-
Total operating expenses	289,624	12,629	42,641	4,242
Net operating income (loss)	14,164	208	2,226	3,014
Non-operating revenues and expenses:				
Gifts for current use	-	-	-	-
Net investment income (loss)	866	-	127	-
Interest expense	(764)	(2,505)	-	-
Other non-operating revenue (expense)	-	(27)	-	-
Net non-operating revenue (expense)	102	(2,532)	127	-
Capital contributions and additions to permanent endowments	-	-	-	-
Transfers from (to) the university	(6,455)	1,456	(2,222)	(2,640)
Change in net position	7,811	(868)	131	374
Beginning net position	65,471	(20,167)	10,277	1,437
Ending net position	\$ 73,282	\$ (21,035)	\$ 10,408	\$ 1,811
Condensed statements of cash flows:				
Net cash provided (used) by:				
Operating activities	\$ 9,210	\$ 1,700	\$ 3,517	\$ 2,999
Noncapital financing activities	566	15,241	(2,365)	(2,640)
Capital and related financing activities	(5,835)	(16,900)	(463)	(225)
Investing activities	(10,886)	-	127	(36)
Net increase (decrease) in cash	(6,945)	41	816	97
Beginning cash and cash equivalents	42,878	5,280	1,511	274
Ending cash and cash equivalents	\$ 35,933	\$ 5,321	\$ 2,327	\$ 371

Notes to Financial Statements – Years Ended June 30, 2013 and 2012

(dollars in thousands)

NOTE 21 – SEGMENT INFORMATION

A segment is an identifiable activity for which one or more revenue bonds are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds or other revenue-backed debt and has related expenses, gains, losses, assets and liabilities that can be identified. The university has one segment that meets the GASB reporting requirements.

The Office of Student Life operates student housing, dining and recreational sports facilities on the university's main and regional campuses. In January 2013, the university issued \$337,955 of Special Purpose General Receipts Bonds, Series 2013A. These bonds are solely payable from, and secured by, a pledge of the gross revenues of Special Purpose Revenue Facilities. Special Purpose Revenue Facilities are defined in the Series 2013 Supplement as all housing and dining facilities and such auxiliary facilities as shall constitute recreation facilities owned by the university. Special Purpose Pledged Revenues include all revenues, fees, rentals, rates, charges, insurance proceeds and other moneys derived from the ownership or operation of these facilities. Special Purpose Pledged Revenues totaled \$147,956 and \$137,307 for the years ended June 30, 2013 and 2012, respectively.

Condensed financial information for the Special Purpose Revenue Facilities, before the elimination of certain intra-university transactions, as of and for the years ended June 30, 2013 and 2012 is as follows:

Notes to Financial Statements – Years Ended June 30, 2013 and 2012
(dollars in thousands)

Segment Disclosure Information – Year Ended June 30, 2013

	2013	2012
Condensed Statement of Net Position		
Assets and deferred outflows:		
Current assets	\$ 33,264	\$ 26,345
Capital assets	419,281	354,653
Other assets	-	-
Amounts receivable from the university	-	-
Deferred outflows	-	-
Total assets and deferred inflows	<u>\$ 452,545</u>	<u>\$ 380,999</u>
Liabilities and deferred inflows:		
Current liabilities	\$ 5,644	\$ 5,166
Noncurrent liabilities	-	-
Amounts payable to the university	293,147	303,905
Deferred inflows	-	-
Total liabilities and deferred inflows	<u>298,790</u>	<u>309,071</u>
Net position:		
Invested in capital assets, net of related debt	126,135	50,748
Restricted:		
Nonexpendable	-	-
Expendable	-	-
Unrestricted	27,620	21,179
Total net position	<u>153,754</u>	<u>71,928</u>
Total liabilities, deferred inflows and net position	<u>\$ 452,545</u>	<u>\$ 380,999</u>
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Special-purpose pledged revenues - operating	\$ 147,956	\$ 137,307
Operating expenses, excluding depreciation	(116,060)	(110,852)
Depreciation expense	(16,375)	(11,387)
Operating income	15,521	15,068
Nonoperating revenues, net	(13,569)	(13,910)
Net income (loss) before transfers	1,952	1,158
Transfers from (to) other university units, net	79,874	96,009
Increase (decrease) in net assets	81,827	97,167
Beginning net position	71,928	(25,240)
Ending net position	<u>\$ 153,754</u>	<u>\$ 71,928</u>
Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	\$ 29,370	\$ 20,066
Noncapital financing activities	-	-
Capital and related financing activities	(21,409)	(13,211)
Investing activities	105	120
Net increase (decrease) in cash	8,066	6,976
Beginning cash and cash equivalents	23,695	16,719
Ending cash and cash equivalents	<u>\$ 31,762</u>	<u>\$ 23,695</u>

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
Department of Agriculture		
10.001	USDA Forest Service	\$ 5,247
10.001	USDA Agricultural Res Service	1,303,675
10.025	Animal & Plant Health Inspection Service	573,782
10.163	Agricultural Marketing Service	20,527
10.168	Agricultural Marketing Service	36,483
10.200	National Institute of Food & Agriculture	444,091
10.202	Cooperative Forestry Research	650,361
10.203	Payments to Agriculture Experiment Stations	6,990,255
10.206	National Institute of Food & Agriculture	228,496
10.206	Nat Res Init Competitive Grants Program	42,005
10.207	Animal Health & Disease Research	31,315
10.207	National Institute of Food & Agriculture	12,712
10.210	National Institute of Food & Agriculture	9,410
10.217	National Institute of Food & Agriculture	186,590
10.219	National Institute of Food & Agriculture	187,948
10.220	National Institute of Food & Agriculture	50,119
10.226	National Institute of Food & Agriculture	45,489
10.250	Economic Res Service	15,335
10.290	USDA Office of the Chief Economist	35,187
10.303	National Institute of Food & Agriculture	1,697,326
10.305	National Institute of Food & Agriculture	(2,099)
10.307	National Institute of Food & Agriculture	772,686
10.309	National Institute of Food & Agriculture	438,932
10.310	National Institute of Food & Agriculture	2,177,652
10.311	National Institute of Food & Agriculture	38,624
10.312	National Institute of Food & Agriculture	886,760
10.314	National Institute of Food & Agriculture	125,357
10.40020000	USDA Forest Service	175,294
10.40040200	USDA Agricultural Res Service	85
10.445	USDA Forest Service	85,810
10.500	National Institute of Food & Agriculture	396,593
10.500	Cooperative Extension Service	13,193,270
10.500	National Institute of Food & Agriculture	245,081
10.614	USDA Foreign Ag Serve	10,871
10.652	USDA Forest Service	44,315
10.680	USDA Forest Service	30,721

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
10.771	USDA Rural Development	171,310
10.912	Natural Resources Conservation Service	228,832
10.960	USDA Foreign Ag Serve	125,842
10.961	USDA Foreign Ag Serve	54,206
10.962	USDA Foreign Ag Serve	(131)
Total Department of Agriculture Direct Awards		31,766,364
Department of Commerce		
11.417	Nat Oceanic & Atmospheric Admin	1,810,237
11.431	Nat Oceanic & Atmospheric Admin	94,128
11.609	Nat Inst of Standards & Tech	48,853
Total Department of Commerce Direct Awards		1,953,218
Department of Defense		
12.300	Office of Naval Res	1,186,348
12.300	Nav Postgraduate School	43,671
12.351	Defense Threat Reduction Agency	1,053,823
12.420	Army Medical Res & Materiel Command	49,684
12.420	Army Medical Res Acquisition Activity	2,131,943
12.431	Army	70,669
12.431	Army Research, Development and Eng Cmd	642,084
12.431	Army Res Office	1,902,518
12.50000100	Secretary of Defense Historical Office	38,478
12.50010000	Air Force	(1,678)
12.50010100	Air Force Materiel Command	(2)
12.50010105	Air Force Office of Scientific Res	170,919
12.50010126	Air Force Research Laboratory	3,360,944
12.50010201	Air Force Institute of Technology	8,285
12.50020100	Army Corps of Engineers	444,567
12.50020106	Humphreys Engineer Ctr Support Activity	(5,772)
12.50020400	Army Res Office	5,881
12.50040000	Navy	9,205
12.50040600	Naval Medical Center San Diego	41,328
12.50041004	Naval Health Research Center	74,304
12.50070001	US Special Operations Command	215,806

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
12.50080000	Nat Geospatial-Intelligence Agcy	211,412
12.50140000	Nat Security Agency	340,589
12.630	Army Aviation Applied Tech Directorate	175,534
12.630	Nat Geospatial-Intelligence Agcy	178,438
12.750	Uniformed Services Univ Health Sciences	281,475
12.800	Air Force Office of Scientific Res	5,695,408
12.800	Air Force Research Laboratory	207,841
12.800	Air Force Academy	702,342
12.901	Nat Security Agency	9,363
12.902	Nat Security Agency	22,042
12.910	Space & Naval Warfare Systems Ctr	728,549
Total Department of Defense Direct Awards		19,995,998
Department of Housing and Urban Development		
14.516	Dept of Housing & Urban Dev	(130)
Total Department of Housing and Urban Development Direct Awards		(130)
Department of the Interior		
15.608	US Fish and Wildlife Service	25,770
15.637	US Fish and Wildlife Service	28,131
15.647	US Fish and Wildlife Service	12,226
15.650	US Fish and Wildlife Service	112,098
15.72040000	US Geological Survey	17,405
15.805	US Geological Survey	102,401
15.808	US Geological Survey	31,942
Total Department of the Interior Direct Awards		329,973
Department of Labor		
17.502	Occupational Safety & Health Admin	5,574
Total Department of Labor Direct Awards		5,574

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
Department of State		
19.408	Bureau of Educ & Cultural Affairs	1,173,947
Total Department of State		1,173,947
Department of Transportation		
20.108	Federal Aviation Administration	377,130
20.109	Federal Aviation Administration	2,698
20.215	Federal Highway Administration	2,670
20.514	Federal Transit Administration	236,961
20.82040000	Nat Highway Traffic Safety Admin	429,704
Total Department of Transportation Direct Awards		1,049,163
National Aeronautics and Space Administration		
unknown	Goddard Space Flight Center	102,748
43.001	Nat Aeronautics & Space Admin	432,346
43.001	NASA Headquarters	1,701,706
43.002	John Glenn Research Center-Lewis Field	64,261
43.002	NASA Headquarters	1,194,178
43.002	Goddard Space Flight Center	99,163
43.008	Nat Aeronautics & Space Admin	38,851
43.008	NASA Headquarters	154,360
43.009	Nat Aeronautics & Space Admin	132,690
43.330	Nat Aeronautics & Space Admin	56,484
43.33000303	Jet Propulsion Lab	135,614
43.AAA	Nat Aeronautics & Space Admin	131,077
43.AAA	John Glenn Research Center-Lewis Field	24,923
43.AAA	NASA Headquarters	78,724
Total National Aeronautics and Space Administration Direct Awards		4,347,125
National Endowment for the Humanities		
45.149	National Endowment For The Humanities	44,211
45.161	National Endowment For The Humanities	69,532
45.169	National Endowment For The Humanities	25,544
45.301	Institute Of Museum And Library Services	32,018

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
Total National Endowment for the Humanities Direct Awards		171,305
National Science Foundation		
47.041	Nat Science Foundation	27,010
47.041	NSF Div Info Robotics & Intelligent Systems	59,281
47.041	NSF Engineering	89,994
47.041	NSF Div Engineering Education & Centers	3,205,023
47.041	NSF DIV Elect, Comm, & CyberSystems	810,367
47.041	NSF Div Chem, Bioeng, Environ, & Trnsp S	2,186,326
47.041	NSF Div Civil, Mechanical & Manufact Innv	1,856,765
47.041	NSF Industrial Innovation & Partnerships	953,403
47.049	Nat Science Foundation	(103,190)
47.049	NSF DIV Elect, Comm, & CyberSystems	2,249
47.049	NSF Div Design & Manufacturing Innovation	104,942
47.049	NSF Div Mathematical Sciences	6,298,762
47.049	NSF Div Physics	1,553,733
47.049	NSF Div Chemistry	2,304,016
47.049	NSF Div Materials Research	3,898,714
47.049	NSF Div Astronomical Sciences	1,184,714
47.050	Nat Science Foundation	18,063
47.050	NSF Geosciences	174,515
47.050	NSF Div Atmospheric Sciences	242,674
47.050	NSF Div Earth Sciences	898,280
47.050	NSF Div Ocean Sciences	279,291
47.050	NSF Div Mathematical Sciences	28,071
47.070	NSF Computer & Info Sciences & Eng	243,787
47.070	NSF Div Info Robotics & Intelligent Systems	841,422
47.070	NSF Div of Computer & Network Systems	1,309,873
47.070	NSF Div Computing & Communication Fdn	2,031,608
47.070	NSF Social, Behavioral & Economic Res	341,395
47.074	NSF Biological Sciences	207,516
47.074	NSF Integrative Organismal Biology	2,567,172
47.074	NSF Molecular & Cellular Biosciences	2,480,287
47.074	NSF Environmental Biology	629,258
47.074	NSF Biological Infrastructure	2,077,470
47.074	NSF Div Emerging Frontiers	142,036

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FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
47.074	NSF Div Bioengineering & Environmental	130,121
47.074	NSF Div Earth Sciences	153,127
47.074	NSF Div Ocean Sciences	164,709
47.075	Nat Science Foundation	48,927
47.075	NSF Social & Economic Sciences	209,310
47.075	NSF Social, Behavioral & Economic Sci	17,495
47.075	NSF Social, Behavioral & Economic Res	1,716,934
47.075	NSF Behavioral & Cognitive Sciences	775,518
47.076	NSF Education & Human Resources	730,943
47.076	NSF Div Undergraduate Education	1,102,885
47.076	NSF Div Human Resource Development	942,239
47.076	NSF Div Graduate Educ & Res Development	1,540,404
47.076	NSF Div of Research on Learning	173,398
47.078	NSF Ofc Polar Programs	1,652,916
47.079	NSF Ofc of International Science & Eng	541,081
47.080	NSF Office of Cyberinfrastructure	657,269
47.082	ARRA NSF Integrative Organismal Biology	333,637
47.082	ARRA NSF Molecular & Cellular Biosciences	264,362
47.082	ARRA NSF Environmental Biology	58,497
47.082	ARRA NSF Biological Infrastructure	130,044
47.082	ARRA NSF Div Info Robotics & Intelligent Systems	65,715
47.082	ARRA NSF Div of Computer & Network Systems	280,203
47.082	ARRA NSF DIV Elect, Comm, & CyberSystems	282,229
47.082	ARRA NSF Div Chem, Bioeng, Environ, & Trnsp S	(5,516)
47.082	ARRA NSF Div Civil, Mechanical & Manufact Innv	(11,010)
47.082	ARRA NSF Div Earth Sciences	53,289
47.082	ARRA NSF Ofc Polar Programs	209,419
47.082	ARRA NSF Div Chemistry	41,129
47.082	ARRA NSF Div Materials Research	114,099
47.082	ARRA NSF Div Astronomical Sciences	174,465
47.082	ARRA NSF Social, Behavioral & Economic Res	201,063
47.082	ARRA NSF Office of Cyberinfrastructure	569,660
Total National Science Foundation Direct Awards		52,263,388
Department of Veterans Affairs		
64.30170300	VA Nat Ctr Post Traumatic Stress Disord	40,312

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FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
Total Department of Veterans Affairs Direct Awards		40,312
Environmental Protection Agency		
66.320	Environmental Protection Agency	322,957
66.469	Environmental Protection Agency	2,370
66.509	Environmental Protection Agency	198,638
66.611	Environmental Protection Agency	16,281
Total Environmental Protection Agency Direct Awards		540,246
Nuclear Regulatory Commission		
77.006	Nuclear Regulatory Commission	42,100
77.008	Nuclear Regulatory Commission	560,944
Total Nuclear Regulatory Commission Direct Awards		603,044
Department of Energy		
81.049	ARRA US Department of Energy	236,954
81.049	US Department of Energy	7,904,395
81.057	Nat Energy Tech Lab	151,048
81.086	Oak Ridge Nat Lab	(33,961)
81.087	US Department of Energy	478,069
81.089	US Department of Energy	117,040
81.089	Nat Energy Tech Lab	1,443,452
81.112	Nat Nuclear Security Admin	126,833
81.117	US Department of Energy	130,899
81.117	Nat Energy Tech Lab	172,639
81.121	US Department of Energy	779,592
81.122	ARRA US Department of Energy	655,985
81.133	ARRA Nat Energy Tech Lab	28,786
81.135	ARRA Advanced Res Projects Agency-Energy	2,656,423
81.55180000	Fermi National Accelerator Laboratory	78,981
Total Department of Energy Direct Awards		14,927,135
Department of Education		

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CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
84.015	US Department of Education	1,238,482
84.133	Nat Inst Disability & Rehabilitation Res	1,269,834
84.200	US Department of Education	92,113
84.220	Ofc of Postsecondary Education	165,345
84.224	US Department of Education	669,033
84.229	US Department of Education	177,104
84.305	US Department of Education	349,822
84.305	Institute of Education Sciences	6,102,292
84.324	US Department of Education	769,433
84.324	Institute of Education Sciences	471,134
84.325	US Department of Education	151,995
84.325	Office of Special Education Programs	175,117
84.327	US Department of Education	142,829
84.350	US Department of Education	1,331,852
84.396	ARRA US Department of Education	9,087,461
84.407	US Department of Education	544,876
Total Department of Education Direct Awards		22,738,722
Department of Health and Human Services		
93.103	Food and Drug Administration	297,317
93.110	Health Resources & Services Admin	885,529
93.113	Nat Inst of Environ Health Scis	1,925,667
93.121	Nat Inst of Dental & Craniofacial Res	2,745,823
93.173	Nat In Deafness & Other Communication Disorders	1,855,810
93.184	Centers for Disease Control & Prevention	248,478
93.213	Nat Ctr Complementary & Alternative Med	2,295,435
93.226	Agency for Healthcare Res & Quality	162,988
93.233	National Heart, Lung, and Blood Inst	309,433
93.242	National Institute of Mental Health	3,723,129
93.247	Health Resources & Services Admin	359,975
93.262	Centers for Disease Control & Prevention	246,188
93.262	Nat Inst Occupational Safety & Health	436,880
93.273	Nat Inst on Alcohol Abuse & Alcoholism	715,012
93.279	National Institute on Drug Abuse	1,826,743
93.282	National Institute of Mental Health	51,890
93.286	National Heart, Lung, and Blood Inst	39,751

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FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
93.286	Nat In Biomedical Imaging & Bioengineering	1,275,460
93.306	Nat Inst of Health, Ofc of the Director	78,330
93.307	Nat Ctr Minority Hlth & Hlth Disparities	321,166
93.350	Nat Inst Gen Medical Scis	175,504
93.350	Nat Ctr for Advancing Translational Scis	6,172,838
93.351	Nat Inst of Health, Ofc of the Director	933,601
93.358	Health Resources & Services Admin	(8,571)
93.359	Health Resources & Services Admin	279,589
93.361	National Institute of Nursing Research	1,785,384
93.369	National Cancer Institute	149,284
93.387	National Heart, Lung, and Blood Inst	100,442
93.389	Nat Center for Research Resources	97,088
93.389	Nat Inst of Health, Ofc of the Director	179,251
93.389	Nat Inst Gen Medical Scis	29,403
93.393	National Cancer Institute	8,871,547
93.394	National Cancer Institute	2,475,911
93.395	National Cancer Institute	12,223,249
93.396	National Cancer Institute	9,835,542
93.397	National Cancer Institute	6,271,181
93.398	National Cancer Institute	3,097,010
93.399	National Cancer Institute	2,223,970
93.510	Health Resources & Services Admin	560,467
93.542	Centers for Disease Control & Prevention	318,503
93.632	Admin Developmental Disabilities	612,393
93.640	National Institutes of Health	18,928
93.64000002	ARRA National Cancer Institute	69,424
93.64000002	National Cancer Institute	648,943
93.64000003	National Heart, Lung, and Blood Inst	2,502,780
93.64000008	Nat Inst Neurological Disorders & Stroke	1,321,603
93.64000009	ARRA National Library of Medicine	(6,365)
93.64000019	Nat In Arthritis & Muscoskeletal & Skin Diseases	34,290
93.701	ARRA National Cancer Institute	202,432
93.701	ARRA National Heart, Lung, and Blood Inst	468,202
93.701	ARRA Nat Inst of Allergy & Infectious Diseases	1,397,958
93.701	ARRA Nat In Diabetes & Digestive & Kidney Diseases	2,949
93.701	ARRA Nat Inst Child Health & Human Development	127,080
93.701	ARRA Nat Inst Gen Medical Scis	(12,743)

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
93.701	ARRA Nat Inst Neurological Disorders & Stroke	(22,931)
93.701	ARRA National Library of Medicine	67,857
93.701	ARRA Nat Center for Research Resources	250,203
93.701	ARRA Nat Inst of Environ Health Scis	15,154
93.701	ARRA Nat In Arthritis & Muscoskeletal & Skin Diseases	452,900
93.701	ARRA Nat In Deafness & Other Communication Disorders	11,517
93.701	ARRA National Institute on Drug Abuse	46,169
93.701	ARRA Nat Ctr Complementary & Alternative Med	(2,471)
93.837	National Heart, Lung, and Blood Inst	8,660,381
93.837	National Institute on Aging	637,432
93.837	Nat In Arthritis & Muscoskeletal & Skin Diseases	543,078
93.838	National Heart, Lung, and Blood Inst	2,728,556
93.839	National Heart, Lung, and Blood Inst	630,123
93.846	Nat In Arthritis & Muscoskeletal & Skin Diseases	2,127,912
93.847	Nat In Diabetes & Digestive & Kidney Diseases	2,625,187
93.848	Nat In Diabetes & Digestive & Kidney Diseases	23,865
93.853	Nat Inst Neurological Disorders & Stroke	9,449,381
93.855	Nat Inst of Allergy & Infectious Diseases	12,682,912
93.859	Nat Inst Gen Medical Scis	14,196,339
93.864	Nat Inst Child Health & Human Development	300,591
93.865	Nat Inst Child Health & Human Development	5,872,281
93.866	National Institute on Aging	1,626,125
93.867	National Eye Institute	4,121,174
93.875	Nat Inst Neurological Disorders & Stroke	82,293
93.879	National Library of Medicine	480,209
93.884	Health Resources & Services Admin	593,505
93.941	National Cancer Institute	(24)
93.964	Health Resources & Services Admin	6,034
93.989	John E Fogarty International Center	307,973
93.999	National Cancer Institute	468,494
93.999	Nat Inst Child Health & Human Development	81,824
Total Department of Health and Human Services Direct Awards		152,024,114
Agency for International Development		
98.001	Agency for Intl Dev	2,887,919

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
Total Agency for International Development Direct Awards		2,887,919
Other		
99.31020000	National Academy of Sciences	16,637
99.31020100	National Research Council	7,519
Total Other Direct Awards		24,156
Subtotal of Research and Development Cluster funds received directly from federal agencies		<u>\$ 306,841,573</u>

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FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
Department of Agriculture				
10.001	United Soybean Board	USDA Agricultural Res Service	40040200 \$	152,147
10.001	USDA Agricultural Res Service	Biotechnology Res & Dev Corp	10011994	86,482
10.001	USDA Agricultural Res Service	Univ of Illinois	22000009	26,498
10.025	Animal & Plant Health Inspection Service	California Dept of Food and Agriculture	24000377	311
10.169	Agricultural Marketing Service	OH Department Of Agriculture	26390000	37,197
10.170	US Department of Agriculture	OH Department Of Agriculture	26390000	32,337
10.170	Agricultural Marketing Service	OH Department Of Agriculture	26390000	217,088
10.200	National Institute of Food & Agriculture	Michigan State University	22000044	109,478
10.200	National Institute of Food & Agriculture	Iowa State University	22000047	25,873
10.200	National Institute of Food & Agriculture	Univ of Maine at Orono	22000048	8,851
10.200	National Institute of Food & Agriculture	Southern Illinois University	22000055	6,373
10.200	National Institute of Food & Agriculture	Univ of Missouri	22000073	2,136
10.200	National Institute of Food & Agriculture	Cornell University	22000081	4,954
10.200	National Institute of Food & Agriculture	Univ of Nebraska	22000085	(11,527)
10.200	National Institute of Food & Agriculture	Univ of Toledo	22000277	2,938
10.200	USDA Agricultural Res Service	Michigan State University	22000044	951
10.206	National Institute of Food & Agriculture	Iowa State University	22000047	8,636
10.206	National Institute of Food & Agriculture	Kansas State University	22000062	17,558
10.206	National Institute of Food & Agriculture	Univ of Maryland	22000120	29,099
10.206	National Institute of Food & Agriculture	Indiana Univ-Purdue Univ Indianapolis	22010034	(18,942)
10.206	USDA Agricultural Res Service	Mississippi State University	22000196	175
10.215	National Institute of Food & Agriculture	Fruit Growers Marketing Assn	20021863	156
10.215	National Institute of Food & Agriculture	Iowa State University	22000047	31,623
10.215	National Institute of Food & Agriculture	Univ of Minnesota	22000067	15,014
10.217	US Department of Agriculture	Michigan State University	22000044	9,809
10.303	National Institute of Food & Agriculture	Univ of Wisconsin	22000006	24,655
10.303	National Institute of Food & Agriculture	Univ of Illinois	22000009	8,688
10.303	National Institute of Food & Agriculture	Virginia Polytechnic Inst	22000023	2,261
10.303	National Institute of Food & Agriculture	Michigan State University	22000044	11,619
10.303	National Institute of Food & Agriculture	Iowa State University	22000047	2,169
10.303	National Institute of Food & Agriculture	Univ of Nebraska	22000085	13,607
10.303	National Institute of Food & Agriculture	North Carolina State University	22000136	(5,227)

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FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
10.303	USDA Agricultural Res Service	Univ of Wisconsin	22000006	49,608
10.304	National Institute of Food & Agriculture	Michigan State University	22000044	32,499
10.307	National Institute of Food & Agriculture	Rutgers University	22000003	2,442
10.307	National Institute of Food & Agriculture	USDA Agricultural Res Service	40040200	19,008
10.309	National Institute of Food & Agriculture	Virginia Polytechnic Inst	22000023	162,902
10.309	National Institute of Food & Agriculture	Iowa State University	22000047	93,578
10.309	National Institute of Food & Agriculture	Univ of Florida	22000108	38,184
10.309	National Institute of Food & Agriculture	Colorado State University	22000110	470
10.309	National Institute of Food & Agriculture	Univ of Maryland	22000120	292,296
10.309	National Institute of Food & Agriculture	North Carolina State University	22000136	100,807
10.309	National Institute of Food & Agriculture	Saint Joseph's University	22000388	17,570
10.309	National Institute of Food & Agriculture	USDA Agricultural Res Service	40040200	45,199
10.310	US Department of Agriculture	Univ of Maryland	22000120	(6,231)
10.310	National Institute of Food & Agriculture	Univ of California - Davis	22000013	144,795
10.310	National Institute of Food & Agriculture	Pennsylvania State University	22000030	22,960
10.310	National Institute of Food & Agriculture	Michigan State University	22000044	243,574
10.310	National Institute of Food & Agriculture	Iowa State University	22000047	709,635
10.310	National Institute of Food & Agriculture	Texas A & M University	22000053	2,245
10.310	National Institute of Food & Agriculture	Kansas State University	22000062	275,334
10.310	National Institute of Food & Agriculture	Univ of Minnesota	22000067	23,313
10.310	National Institute of Food & Agriculture	Cornell University	22000081	78,142
10.310	National Institute of Food & Agriculture	North Carolina State University	22000136	379,192
10.310	National Institute of Food & Agriculture	Univ of Delaware	22000138	112,178
10.310	National Institute of Food & Agriculture	Univ at Buffalo	22000240	31,036
10.310	National Institute of Food & Agriculture	South Dakota State University	22000262	5,180
10.320	National Institute of Food & Agriculture	Univ of Hawaii	22000265	12,845
10.350	US Department of Agriculture	Ohio Soybean Council	20021130	25,642
10.40080000	USDA Food and Nutrition Service	Univ of Kentucky	22000143	142,047
10.500	National Institute of Food & Agriculture	Univ of Minnesota	22000067	80,259
10.500	National Institute of Food & Agriculture	Univ of Nebraska	22000085	88,001
10.500	Navy	National Institute of Food & Agriculture	40040100	674,651
10.560	US Department of Agriculture	OH Dept of Educ	26080000	33,744
10.912	Natural Resources Conservation Service	Pollinator Partnership	20021915	6,415

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster — Pass-through from other sources:				
10.912	Natural Resources Conservation Service	OH Dept of Natural Resources	26110000	1,470
Total Department of Agriculture Pass-Through Awards				4,793,977
Department of Commerce				
11.417	Nat Oceanic & Atmospheric Admin	Univ of Wisconsin	22000006	4,848
11.417	Nat Oceanic & Atmospheric Admin	Texas A & M University	22000053	(4,959)
11.419	Nat Oceanic & Atmospheric Admin	OH Dept of Natural Resources	26110000	50,502
11.42040000	Nat Inst of Standards & Tech	PaneraTech Inc.	10013192	26,059
11.431	Nat Oceanic & Atmospheric Admin	Univ of Michigan	22000005	8,290
11.432	Nat Oceanic & Atmospheric Admin	Univ of Michigan	22000005	16,105
11.473	Nat Oceanic & Atmospheric Admin	Great Lakes Observing System	20021890	66,475
11.611	US Department of Commerce	Appalachian Partnership Economic Growth	20022111	94,259
11.611	Nat Inst of Standards & Tech	PolymerOhio, Inc.	20021637	77,752
11.616	Nat Inst of Standards & Tech	Hyper Tech Res Inc.	10020102	50,357
11.643	Nat Oceanic & Atmospheric Admin	The Nature Conservancy	20020999	11,493
Total Department of Commerce Pass-Through Awards				401,181
Department of Defense				
12.300	Air Force Research Laboratory	Univ of Notre Dame	22000140	11,970
12.300	Army Aviation Applied Tech Directorate	Vertical Lift Consortium	20020103	75,000
12.300	Office of Naval Res	Michigan State University	22000044	55,624
12.300	Office of Naval Res	Carnegie-Mellon Univ	22000051	73,936
12.300	Office of Naval Res	Cornell University	22000081	12,954
12.300	Office of Naval Res	Univ of Notre Dame	22000140	488,256
12.300	Office of Naval Res	Univ of California - Santa Barbara	22000315	592,117
12.351	Defense Threat Reduction Agency	North Carolina State University	22000136	(227)
12.351	Defense Threat Reduction Agency	Univ of California - Santa Barbara	22000315	72,492
12.420	US Department of Defense	Research Institute at Nationwide Children	20010182	31,373
12.420	Army Medical Res & Materiel Command	BioPhyZica, Inc.	10013257	256,267
12.420	Army Medical Res & Materiel Command	Virginia Polytechnic Inst	22000023	331,213
12.420	Army Medical Res Acquisition Activity	Henry M Jackson Fdn	20010473	231,289

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FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
12.420	Army Medical Res Acquisition Activity	Purdue University	22000002	16,943
12.420	Army Medical Res Acquisition Activity	Virginia Polytechnic Inst	22000023	(1)
12.420	Army Medical Res Acquisition Activity	Mount Sinai School of Medicine	22010031	33,652
12.420	Army Medical Res Acquisition Activity	Univ of Alberta	22010081	24,655
12.420	National Institutes of Health	Army Medical Res Acquisition Activity	50022700	1,173,935
12.431	US Department of Defense	Univ of Michigan	22000005	248,541
12.431	Army Research, Development and Eng Cmd	Cornell University	22000081	58,611
12.431	Army Res Office	Massachusetts Inst Tech	22000001	184,412
12.431	Army Res Office	Pennsylvania State University	22000030	(1,372)
12.431	Army Res Office	Univ of Maryland	22000120	3,362
12.431	Army Res Office	Rice University	22000231	87,245
12.431	Defense Advanced Res Projects Agency	American Museum of Natural History	20021138	9,259
12.431	Defense Advanced Res Projects Agency	Rice University	22000231	114,563
12.500	US Department of Defense	Northrop Grumman Corp	10011657	1,812
12.500	US Department of Defense	PH Matter LLC	10020259	29,578
12.500	US Department of Defense	NeuroWave Systems Inc.	10020303	3,824
12.500	US Department of Defense	Henry M Jackson Fdn	20010473	7,010
12.500	US Department of Defense	Virginia Polytechnic Inst	22000023	74,512
12.500	US Department of Defense	Johns Hopkins University	22000133	126,649
12.50010000	Air Force	Universal Tech Corp	10011471	298,368
12.50010000	Air Force	Applied EM, Inc.	10012411	51,331
12.50010000	Air Force	Ball Aerospace & Technologies Corp	10012578	484
12.50010000	Air Force	Mandaree Enterprise Corporation	10012865	(8,998)
12.50010000	Air Force	Voss Scientific, LLC	10013299	20,685
12.50010000	Air Force	Innovative Scientific Solutions Inc.	10020096	11,374
12.50010000	Air Force	BerrieHill Research Corp	10020202	106,312
12.50010000	Air Force	EDAptive Computing, Inc.	10020211	19,873
12.50010000	Air Force	Etegent Technologies, Ltd.	10020293	49,859
12.50010000	Air Force	Massachusetts Inst Tech - Lincoln Lab	22000228	137,958
12.50010000	Air Force	Wichita State University	22000353	50,334
12.50010100	Air Force Materiel Command	UES Inc.	10020049	66,732
12.50010105	Air Force Office of Scientific Res	Q-Peak	10012442	23,631
12.50010105	Air Force Office of Scientific Res	RNET Technologies	10012505	4,899

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
12.50010105	Air Force Office of Scientific Res	Jacobs Technology Inc.	10012861	17,197
12.50010126	Air Force Research Laboratory	Lockheed Martin Corp	10010042	30,322
12.50010126	Air Force Research Laboratory	Universal Tech Corp	10011471	237,342
12.50010126	Air Force Research Laboratory	Honeywell International Inc.	10011512	78,607
12.50010126	Air Force Research Laboratory	Raytheon BBN Technologies	10012357	157,647
12.50010126	Air Force Research Laboratory	Scientific Systems Company, Inc.	10012390	35,735
12.50010126	Air Force Research Laboratory	Syntonics LLC	10012399	57,102
12.50010126	Air Force Research Laboratory	RNET Technologies	10012505	214,376
12.50010126	Air Force Research Laboratory	Jacobs Technology Inc.	10012861	7,065
12.50010126	Air Force Research Laboratory	PaneraTech Inc.	10013192	101,395
12.50010126	Air Force Research Laboratory	Metron, Inc.	10013243	45,601
12.50010126	Air Force Research Laboratory	Advanced Conductor Technologies LLC	10013255	34,779
12.50010126	Air Force Research Laboratory	XCOM Wireless, Inc.	10013301	1,331
12.50010126	Air Force Research Laboratory	Innovative Scientific Solutions Inc.	10020096	93,034
12.50010126	Air Force Research Laboratory	Michigan State University	22000044	395,136
12.50010126	Air Force Research Laboratory	Univ of Toledo	22000277	5,127
12.50010126	Air Force Research Laboratory	Wichita State University	22000353	(9,842)
12.50020000	Army	Sikorsky Aircraft	10011823	60,684
12.50020000	Army	Triumph Engine Control Systems, LLC	10013094	101,405
12.50020000	Army	American Engineering & Manufacturing	10020196	15,531
12.50020000	Army	Georgia Inst of Tech	22000189	65,307
12.50020213	Army Natick Res, Dev & Eng Ctr	Infoscitex Corporation	10011833	21,472
12.50020219	Army Research, Development and Eng Cmd	Syntonics LLC	10012399	29,762
12.50020219	Army Research, Development and Eng Cmd	IERUS Technologies	10013315	32,857
12.500202200	Army Contracting Command	Applied Optimization, Inc.	10020309	26,584
12.50020400	Army Res Office	Edison Welding Inst Inc.	10011218	35,250
12.50020400	Army Res Office	Honeywell International Inc.	10011512	71,051
12.50021500	Missile Defense Agency	Charles River Analytics Inc.	10011429	24,977
12.50021500	Missile Defense Agency	Virtual EM	10013124	14,563
12.50021500	Missile Defense Agency	Amtec Corporation	10013144	40,354
12.50021500	Missile Defense Agency	Applied Quantum Technologies	10013222	259,532
12.50021500	Missile Defense Agency	Systems & Processes Engineering Corp	10013225	10,109
12.50021500	Missile Defense Agency	DGNSS Solutions, LLC	10020266	2,098

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
12.50040000	Navy	Charles River Analytics Inc.	10011429	33,615
12.50040000	Navy	Scientific Systems Company, Inc.	10012390	31,597
12.50040000	Navy	Syntonics LLC	10012399	5,210
12.50040000	Navy	Applied EM, Inc.	10012411	70,571
12.50040000	Navy	Wang Electro-Opto Corporation	10012847	22,244
12.50040000	Navy	PaneraTech Inc.	10013192	112,189
12.50040000	Navy	Applied Optimization, Inc.	10020309	77,518
12.50040101	Naval Air Systems Cmd	MARK Resources, Inc.	10012927	17,349
12.50040110	Space & Naval Warfare Systems Ctr	Syntonics LLC	10012399	24,000
12.50040112	Naval Surface Warfare Center	Wang Electro-Opto Corporation	10012847	100
12.50040300	Office of Naval Res	Yotta Navigation Corporation	10013120	100,410
12.50040300	Office of Naval Res	DJW Technology, LLC	10020182	132,062
12.50040300	Office of Naval Res	Battelle Memorial Inst	20020012	36,983
12.50040300	Office of Naval Res	Univ of Michigan	22000005	396,767
12.50041600	Naval Air Warfare Ctr Aircraft Div	STAR Dynamics Corporation	10011732	90
12.50041600	Naval Air Warfare Ctr Aircraft Div	Scientific Systems Company, Inc.	10012390	32,032
12.50041600	Naval Air Warfare Ctr Aircraft Div	Syntonics LLC	10012399	14,680
12.50041600	Naval Air Warfare Ctr Aircraft Div	Applied EM, Inc.	10012411	313,507
12.50060000	Defense Advanced Res Projects Agency	Boeing Co, The	10010013	150,509
12.50060000	Defense Advanced Res Projects Agency	Northrop Grumman Corp	10011657	455,848
12.50060000	Defense Advanced Res Projects Agency	Sikorsky Aircraft	10011823	217,148
12.50060000	Defense Advanced Res Projects Agency	Porifera, Inc.	10013067	65,421
12.50060000	Defense Advanced Res Projects Agency	Systems & Technology Research	10013305	27,391
12.50060000	Defense Advanced Res Projects Agency	Srico, Inc.	10020134	(1,823)
12.50060000	Defense Advanced Res Projects Agency	Univ of Maryland	22000120	24,719
12.50130000	Defense Logistics Agency	Advanced Technology International	10012322	141,788
12.502	Nat Reconnaissance Office	Lockheed Martin Corp	10010042	163,015
12.50220000	Defense Threat Reduction Agency	Scientic	10013179	8,433
12.550	US Department of Defense	Institute of International Education	20021662	3,150
12.630	Air Force Research Laboratory	Dayton Area Graduate Studies Inst	20021372	21,070
12.630	Space & Naval Warfare Systems Ctr	Drexel University	22000246	43,189
12.800	US Department of Defense	Research Institute at Nationwide Children	20010182	(1)
12.800	Air Force	Research Institute at Nationwide Children	20010182	84,374

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
12.800	Air Force Office of Scientific Res	Kuzer Co	10013134	43,957
12.800	Air Force Office of Scientific Res	Indiana University	22000012	40,874
12.800	Air Force Office of Scientific Res	Univ of New Mexico	22000056	55,524
12.800	Air Force Office of Scientific Res	Cornell University	22000081	13,059
12.800	Air Force Office of Scientific Res	Georgia Inst of Tech	22000189	48,603
12.910	Defense Advanced Res Projects Agency	Celgene Corp	10012174	31,870
12.910	Defense Advanced Res Projects Agency	Univ of Illinois	22000009	59,324
Total Department of Defense Pass-Through Awards				10,694,152
Department of Housing and Urban Development				
14.700	Dept of Housing & Urban Dev	Abt Associates Inc.	10011122	24,140
14.703	Dept of Housing & Urban Dev	Gulf Regional Planning Commission	24000571	77,852
14.704	Dept of Housing & Urban Dev	Mid-OH Regional Planning Commission	26270000	59,636
Total Department of Housing and Urban Development Pass-Through Awards				161,628
Department of the Interior				
15.608	US Fish and Wildlife Service	Univ of Minnesota	22000067	35,366
15.608	US Fish and Wildlife Service	Columbus Zoo	24000299	2,760
15.634	US Fish and Wildlife Service	OH Division of Wildlife	26110100	973,143
15.650	US Fish and Wildlife Service	OH Division of Wildlife	26110100	(4,622)
15.72030000	US Fish and Wildlife Service	OH Division of Wildlife	26110100	45,269
Total Department of the Interior Pass-Through Awards				1,051,916
Department of Labor				
17.261	US Department of Labor	OH Dept of Job & Family Services	26630000	336,793
17.283	US Department of Labor	Wargo-Brock Workforce Dimensions LLC	10020314	74,034
17.760	US Department of Labor	Mathematica Policy Research	10011423	1,134
17.760	US Department of Labor	Univ of Baltimore	22000347	73
17.76050000	Bureau of Labor Statistics	Nat Opinion Res Ctr	20020932	4,018,350

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
Total Department of Labor Pass-Through Awards				4,430,384
Department of Transportation				
20.701	US Department of Transportation	Purdue University	22000002	470,421
20.701	US Department of Transportation	Univ of Akron	22000066	(85)
20.761	US Department of Transportation	Cornell University	22000081	137,220
20.800	US Department of Transportation	Ctr Transportation and the Environment	20022049	379,772
20.820	US Department of Transportation	Univ of Tennessee	22000010	34,678
20.82010000	Federal Highway Administration	SRF Consulting Group	10013053	12,065
20.82030000	Federal Aviation Administration	Honeywell International Inc.	10011512	142,728
20.82030000	Federal Aviation Administration	Nat Inst of Aerospace	20021607	68,947
20.931	Nat Highway Traffic Safety Admin	Transportation Res Ctr Inc.	20021338	33,891
Total Department of Transportation Pass-Through Awards				1,279,637
Department of the Treasury				
21.840	Dept of Treasury	Patient-Centered Outcomes Res Inst	20012278	218,118
Total Department of the Treasury Pass-Through Awards				218,118
Appalachian Regional Commission				
23.009	Appalachian Regional Commission	OH Development Services Agency	26140000	2,420
Total Appalachian Regional Commission Pass-Through Awards				2,420
National Aeronautics and Space Administration				
43.000	Nat Aeronautics & Space Admin	Univ of Alaska - Fairbanks	22000037	99,001
43.001	Nat Aeronautics & Space Admin	Univ of Houston	22000092	75,643
43.001	NASA Headquarters	Pennsylvania State University	22000030	610
43.001	NASA Headquarters	Tennessee Technological University	22000368	61,980
43.001	NASA Headquarters	Smithsonian Astrophysical Observatory	30060200	26,495
43.002	NASA Headquarters	Univ of Washington	22000212	39,073
43.002	NASA Headquarters	Smithsonian Astrophysical Observatory	30060200	3,506

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
43.002	NASA Headquarters	Jet Propulsion Lab	33000303	19,600
43.002	Goddard Space Flight Center	Univ of Colorado	22000039	38,147
43.003	Nat Aeronautics & Space Admin	Nat Space Grant Foundation	20022037	12,523
43.008	Nat Aeronautics & Space Admin	Ohio Aerospace Inst	20021048	98,706
43.330	Nat Aeronautics & Space Admin	ASRC Aerospace Corporation	10012863	(569)
43.330	Nat Aeronautics & Space Admin	Vantage Partners, LLC	10013302	206,329
43.330	Nat Aeronautics & Space Admin	Micro Cooling Concepts	10013309	12,871
43.330	Nat Aeronautics & Space Admin	Innovative Scientific Solutions Inc.	10020096	16,130
43.330	Nat Aeronautics & Space Admin	Space Telescope Sci Inst	20021006	27,896
43.330	Nat Aeronautics & Space Admin	Univ of Michigan	22000005	40,609
43.330	Nat Aeronautics & Space Admin	Jet Propulsion Lab	33000303	115,595
43.33000104	John Glenn Research Center-Lewis Field	N&R Engineering and Management Svcs Corp	10020244	3,948
43.33000105	NASA Headquarters	Makel Engineering, Inc.	10012377	86,861
43.33000105	NASA Headquarters	ASRC Aerospace Corporation	10012863	(5,698)
43.33000105	NASA Headquarters	Advanced Materials Technology, Inc.	10013324	18,998
43.33000105	NASA Headquarters	Innovation Laboratory, Inc.	10013341	3,103
43.33000105	NASA Headquarters	Space Telescope Sci Inst	20021006	134,463
43.33000105	NASA Headquarters	Smithsonian Astrophysical Observatory	30060200	160,243
43.33000105	NASA Headquarters	Jet Propulsion Lab	33000303	98,360
43.33000301	Goddard Space Flight Center	Science Systems and Applications, Inc.	10013125	67,604
43.33000303	Jet Propulsion Lab	California Inst of Tech	22000054	25,505
Total National Aeronautics and Space Administration Pass-Through Awards				1,487,532
National Endowment for the Humanities				
45.129	National Endowment For The Humanities	OH Humanities Council	26290000	4,150
45.161	National Endowment For The Humanities	Univ of Central Florida	22010046	4,292
45.312	Institute Of Museum And Library Services	National Audubon Society, Inc.	20020425	1,222
Total National Endowment for the Humanities Pass-Through Awards				9,664
National Science Foundation				
47.014	NSF Industrial Innovation & Partnerships	PaneraTech Inc.	10013192	27,369

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
47.041	Nat Science Foundation	Nanomaterial Innovation, Ltd	10020152	19,925
47.041	Nat Science Foundation	Univ of Illinois	22000009	(6,380)
47.041	Nat Science Foundation	Georgia Tech Res Inst	22000245	2,655
47.041	NSF DIV Elect, Comm, & CyberSystems	Wang Electro-Opto Corporation	10012847	58,731
47.041	NSF DIV Elect, Comm, & CyberSystems	North Carolina State University	22000136	5,693
47.041	NSF Div Chem, Bioeng, Environ, & Trnsp S	Georgia Inst of Tech	22000189	27,667
47.041	NSF Div Civil, Mechanical & Manufact Innv	Univ of Pennsylvania	22000195	99,267
47.041	NSF Industrial Innovation & Partnerships	Bioprocessing Innovative Co Inc.	10020039	38,325
47.041	NSF Industrial Innovation & Partnerships	Phycal	10020228	58,760
47.041	NSF Industrial Innovation & Partnerships	PH Matter LLC	10020259	(2,115)
47.041	NSF Ofc of International Science & Eng	XtendWave	10013158	33,840
47.049	Nat Science Foundation	Univ of Cincinnati	22000074	29,456
47.049	Nat Science Foundation	Univ of California - Santa Cruz	22000369	134,218
47.049	NSF Mathematical & Physical Sciences	Univ of California - Los Angeles	22000269	(87,112)
47.049	NSF Div Physics	Univ of Notre Dame	22000140	17,143
47.049	NSF Div Physics	Princeton University	22000289	566,813
47.049	NSF Div Chemistry	Montana State University	22000236	6,539
47.049	NSF Div Astronomical Sciences	Assn Universities Res in Astronomy, Inc.	20021158	326,926
47.049	NSF Div Astronomical Sciences	Nat Radio Astronomy Observatory	20021638	30,000
47.050	Nat Science Foundation	Consortium for Ocean Leadership, Inc.	20021599	18,256
47.050	Nat Science Foundation	Boston College	22000310	23,213
47.050	NSF Div Ocean Sciences	Consortium for Ocean Leadership, Inc.	20021599	38,273
47.070	Nat Science Foundation	Raytheon BBN Technologies	10012357	37,973
47.070	Nat Science Foundation	Univ of Tennessee	22000010	55,753
47.070	NSF Div of Computer & Network Systems	Computing Research Association	20021373	19,620
47.074	Nat Science Foundation	Henry M Jackson Fdn for the Advn Mil Med	20012161	66,710
47.074	Nat Science Foundation	Miami University	22000049	62,517
47.074	Nat Science Foundation	Colorado State University	22000110	77,286
47.074	Nat Science Foundation	Univ of Delaware	22000138	47,363
47.074	Nat Science Foundation	South Dakota State University	22000262	55,231
47.074	NSF Environmental Biology	Univ of North Carolina	22000146	109,704
47.074	NSF Environmental Biology	Georgia Southern University	22000365	40,870
47.075	Nat Science Foundation	Univ of Missouri	22000073	21,809

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
47.075	NSF Social, Behavioral & Economic Res	Univ of Maryland	22000120	18,656
47.076	Nat Science Foundation	Iowa State University	22000047	1,252
47.076	Nat Science Foundation	Lorain County Community College	22000199	65,264
47.076	Nat Science Foundation	Winston-Salem State University	22000360	25,755
47.076	Nat Science Foundation	Stevens Institute of Technology	22000376	146
47.076	Nat Science Foundation	Stark State College of Technology	22010051	33,125
47.076	NSF Education & Human Resources	Michigan State University	22000044	434
47.076	NSF Education & Human Resources	Fayetteville State University	22010068	1,822
47.076	NSF Div Undergraduate Education	Univ Corp for Atmospheric Res	20020793	43,985
47.076	NSF Div Undergraduate Education	Delaware Valley Industrial Resource Ctr	20021918	8,481
47.076	NSF Div Undergraduate Education	Macalester College	22000355	25,676
47.076	NSF Div of Research on Learning	The Algebra Project	20021829	153,036
47.076	NSF Div of Research on Learning	Univ of Chicago	22000018	26,688
47.078	Nat Science Foundation	Univ Corp for Atmospheric Res	20020793	115,457
47.078	Nat Science Foundation	Univ of Colorado	22000039	171,800
47.078	Nat Science Foundation	Oregon State University	22000103	4,073
47.078	NSF Ofc Polar Programs	Univ of Nebraska	22000085	1,693
47.079	Nat Science Foundation	Louisiana State University	22000091	8,436
47.080	Nat Science Foundation	Univ of Illinois	22000009	291,263
47.080	Nat Science Foundation	Univ of Texas at Austin	22000270	106,582
47.082	ARRA Nat Science Foundation	Raytheon BBN Technologies	10012357	18,014
47.082	ARRA Nat Science Foundation	Univ of Tennessee	22000010	115,523
47.082	ARRA Nat Science Foundation	Univ of Florida	22000108	53,820
47.082	ARRA Nat Science Foundation	Drexel University	22000246	110,252
47.082	ARRA Nat Science Foundation	Univ of California - Los Angeles	22000269	198,156
47.082	ARRA NSF Div Emerging Frontiers	Univ of Arizona	22000116	4,881
47.350	Nat Science Foundation	Univ of Texas at Austin	22000270	156
47.35000207	NSF Div of Computer & Network Systems	Univ of Missouri	22000073	4,407
Total National Science Foundation Pass-Through Awards				3,671,131
Small Business Administration				
59.30140000	Small Business Administration	OH Development Services Agency	26140000	244,784

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Research and Development Cluster — Pass-through from other sources:				
Total Small Business Administration Pass-Through Awards				244,784
Department of Veterans Affairs				
64.30170000	Veterans Affairs	OH Willow Wood Co, Inc.	10020287	230,950
64.30170000	Veterans Affairs	Univ of Pittsburgh	22000036	44,313
Total Department of Veterans Affairs Pass-Through Awards				275,263
Environmental Protection Agency				
66.001	Environmental Protection Agency	OH Environ Protection Agency	26340000	12,614
66.041	Environmental Protection Agency	Mid-OH Regional Planning Commission	26270000	51,319
66.320	Environmental Protection Agency	SRA International, Inc.	10012759	833
66.320	Environmental Protection Agency	Parsons Environmental & Infrastructure	10013335	39,931
66.320	Environmental Protection Agency	Res Triangle Inst	20020058	50,923
66.460	Environmental Protection Agency	Franklin Soil & Water Conservation Distr	24000541	2,376
66.460	Environmental Protection Agency	OH Environ Protection Agency	26340000	31,032
66.469	Environmental Protection Agency	The Nature Conservancy	20020999	2,519
66.469	Environmental Protection Agency	Univ of Michigan	22000005	17,532
66.469	Environmental Protection Agency	Univ of Illinois	22000009	4,540
66.469	Environmental Protection Agency	Pennsylvania State University	22000030	12,469
66.469	Environmental Protection Agency	Univ of Minnesota	22000067	9,967
66.469	Environmental Protection Agency	OH Division of Wildlife	26110100	30,761
66.469	Environmental Protection Agency	OH Environ Protection Agency	26340000	54,799
66.469	Environmental Protection Agency	Lake Erie Commission	26550000	56,537
66.509	Environmental Protection Agency	Michigan State University	22000044	350,447
66.814	Environmental Protection Agency	California Dept Toxic Substances Control	24000543	35,763
Total Environmental Protection Agency Pass-Through Awards				764,362
Nuclear Regulatory Commission				
77.007	Nuclear Regulatory Commission	Wilberforce University	22000119	27,166
77.30220000	Nuclear Regulatory Commission	Edison Welding Inst Inc.	10011218	14,279

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Research and Development Cluster —				
Pass-through from other sources:				
Total Nuclear Regulatory Commission Pass-Through Awards				41,445
Department of Energy				
81.049	US Department of Energy	Makel Engineering, Inc.	10012377	62,949
81.049	ARRA US Department of Energy	RNET Technologies	10012505	76,151
81.049	US Department of Energy	RNET Technologies	10012505	65,216
81.049	US Department of Energy	Kitware, Inc.	10012569	27,233
81.049	US Department of Energy	Lambda Instruments, Inc.	10013169	65,830
81.049	US Department of Energy	Sinmat, Inc.	10013285	32,368
81.049	US Department of Energy	Hyper Tech Res Inc.	10020102	179,027
81.049	US Department of Energy	Global Res & Dev Inc.	10020103	128
81.049	US Department of Energy	AltaSim Technologies	10020187	18,359
81.049	US Department of Energy	Spectral Energies, LLC	10020205	3,719
81.049	US Department of Energy	Samraksh Company	10020285	68,928
81.049	US Department of Energy	Rutgers University	22000003	81,405
81.049	US Department of Energy	Univ of Michigan	22000005	154,184
81.049	US Department of Energy	Michigan State University	22000044	178,023
81.049	US Department of Energy	Cornell University	22000081	19,515
81.049	US Department of Energy	Louisiana State University	22000091	62,879
81.049	US Department of Energy	Univ of Rochester	22000193	132,264
81.049	US Department of Energy	Princeton University	22000289	104,619
81.049	US Department of Energy	Carnegie Institution of Washington	22000354	7,269
81.086	US Department of Energy	General Motors Corp	10010246	57,393
81.086	US Department of Energy	US Automotive Material Partnership	10012073	25,165
81.086	ARRA US Department of Energy	Clean Fuels Ohio	20022016	70,408
81.086	US Department of Energy	Clean Fuels Ohio	20022016	904
81.087	ARRA US Department of Energy	Chrysler Group LLC	10011706	434,980
81.087	US Department of Energy	Consortium Plant Biotechnology Res Inc.	20021036	17,357
81.087	US Department of Energy	Univ of Michigan	22000005	582,449
81.087	US Department of Energy	Northwestern University	22000041	14,836
81.087	US Department of Energy	Arizona State University	22000109	(1,526)
81.089	US Department of Energy	General Electric Co	10010024	5,464

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
81.089	US Department of Energy	Babcock & Wilcox	10010026	88,527
81.089	US Department of Energy	Rolls-Royce North American Technologies	10011861	4,232
81.089	US Department of Energy	Southern Company Services, Inc.	10012954	10,328
81.089	US Department of Energy	Nat Ctr for Manufacturing Sciences	20021452	51,590
81.089	US Department of Energy	Univ of North Dakota	22000072	57,989
81.089	Nat Energy Tech Lab	Tuskegee University	22010053	37,419
81.112	US Department of Energy	Univ of Texas at Austin	22000270	15,290
81.122	ARRA US Department of Energy	Univ of Minnesota	22000067	9,462
81.134	ARRA Nat Energy Tech Lab	Touchstone Research Laboratory	10013054	372,775
81.135	Advanced Res Projects Agency-Energy	Chromatin, Inc.	10013224	263,812
81.135	Advanced Res Projects Agency-Energy	Von Braun Ctr for Science and Innovation	20022136	45,007
81.550	US Department of Energy	Sandia Corp	10011170	234,232
81.550	US Department of Energy	Honeywell International Inc.	10011512	7,717
81.550	US Department of Energy	Advanced Technology International	10012322	95,513
81.550	US Department of Energy	RNET Technologies	10012505	42,121
81.550	US Department of Energy	General Atomics	10012568	(8,760)
81.550	US Department of Energy	SupraMagnetics, Inc.	10012900	52,279
81.550	US Department of Energy	ZT Plus, LLC	10013127	146
81.550	US Department of Energy	Battelle Memorial Inst	20020012	227,201
81.550	US Department of Energy	Nat Renewable Energy Lab	20020800	7,745
81.550	US Department of Energy	Pacific Northwest National Laboratory	20021070	71,886
81.550	US Department of Energy	Universities Res Assn Inc.	20021485	32,138
81.550	ARRA US Department of Energy	UT-Battelle LLC	20021486	656
81.550	US Department of Energy	UT-Battelle LLC	20021486	99,775
81.550	US Department of Energy	Brookhaven Sci Assoc, LLC	20021624	256,456
81.550	US Department of Energy	Battelle Energy Alliance, LLC	20021641	1,468,291
81.550	US Department of Energy	Alliance for Sustainable Energy, LLC	20021831	130,338
81.550	US Department of Energy	Univ of Wisconsin	22000006	14,184
81.550	US Department of Energy	Univ of California	22000011	7,070
81.550	US Department of Energy	Univ of Idaho	22000016	11,658
81.550	US Department of Energy	Univ of California - Berkeley	22000294	65,277
81.550	US Department of Energy	Los Alamos Nat Lab	55050000	26,518
81.550	US Department of Energy	Lawrence Berkeley National Laboratory	55080000	153,152

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
81.550	US Department of Energy	Lawrence Livermore National Laboratory	55100000	(18,069)
81.550	US Department of Energy	Oak Ridge Nat Lab	55110000	197,918
81.550	US Department of Energy	Fermi National Accelerator Laboratory	55180000	2,274
Total Department of Energy Pass-Through Awards				6,681,643
Department of Education				
84.002	US Department of Education	OH Board of Regents	26060000	529
84.002	US Department of Education	OH Dept of Administrative Services	26180000	246,361
84.002	Ofc Vocational & Adult Education Programs	OH Board of Regents	26060000	307,136
84.048	US Department of Education	OH Dept of Educ	26080000	33,831
84.126	Small Business Administration	OH Development Services Agency	26140000	40,879
84.126	US Department of Education	OH Rehabilitation Services Commission	26120000	144,494
84.126	Rehabilitation Services Admin	OH Rehabilitation Services Commission	26120000	8,259
84.133	US Department of Education	Georgia Inst of Tech	22000189	11,517
84.133	Nat Inst Disability & Rehabilitation Res	Carolinas HealthCare System	20021451	87,604
84.287	US Department of Education	OH Dept of Educ	26080000	165,809
84.305	US Department of Education	Educational Testing Service	20020742	2,274
84.305	US Department of Education	Michigan State University	22000044	188,716
84.324	US Department of Education	Univ of Kansas	22000219	526,443
84.325	US Department of Education	Salus University	22000322	73,101
84.366	US Department of Education	Miami University	22000049	5,400
84.366	US Department of Education	OH Dept of Educ	26080000	2,022,984
84.367	US Department of Education	OH Board of Regents	26060000	114,770
84.367	US Department of Education	OH Dept of Educ	26080000	71,991
84.367D	US Department of Education	Nat Writing Project Corp	20021378	10,309
84.378	US Department of Education	OH Board of Regents	26060000	228,598
84.395	ARRA US Department of Education	Battelle Memorial Inst	20020012	17,064
84.395	ARRA US Department of Education	Battelle for Kids	20022022	(130,396)
84.395	ARRA US Department of Education	Miami University	22000049	18,314
84.395	ARRA US Department of Education	OH Dept of Educ	26080000	1,389,124
84.395	ARRA US Department of Education	OH Dept of Administrative Services	26180000	184,724
84.395	ARRA Ofc of Elementary & Secondary Education	OH Dept of Educ	26080000	171,676

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
84.530	US Department of Education	OH Dept of Educ	26080000	63,905
84.928A	US Department of Education	Nat Writing Project Corp	20021378	20,806
Total Department of Education Pass-Through Awards				6,026,222
Department of Health and Human Services				
93.006	US Department of Health & Human Services	OH Commission on Minority Health	26490000	7,348
93.070	Centers for Disease Control & Prevention	OH Dept of Health	26090000	40,607
93.077	National Institutes of Health	Univ of Memphis	22000325	35,564
93.077	National Cancer Institute	Univ of Minnesota	22000067	103,376
93.092	Administration for Children and Families	Research Institute at Nationwide Children	20010182	1,559
93.103	Food and Drug Administration	Univ of Kansas	22000219	29,490
93.110	Health Resources & Services Admin	Research Institute at Nationwide Children	20010182	6,994
93.110	Health Resources & Services Admin	Massachusetts General Hospital	20021587	76,816
93.110	Health Resources & Services Admin	OH Dept of Developmental Disabilities	26430000	51,843
93.110	Maternal & Child Health Bureau	Hemophilia Fdn of Michigan	20021026	37,885
93.113	National Institutes of Health	Research Institute at Nationwide Children	20010182	49,755
93.113	Nat Inst of Environ Health Scis	Wayne State University	22000034	44,756
93.113	Nat Inst of Environ Health Scis	Univ of Pittsburgh	22000036	89,768
93.113	Nat Inst of Environ Health Scis	Univ of Connecticut	22000076	52,322
93.113	Nat Inst of Environ Health Scis	Univ of Texas Hlth Sci Ctr - San Antonio	22000330	42,229
93.121	National Institutes of Health	North Carolina State University	22000136	6,738
93.121	National Institutes of Health	Univ at Buffalo	22000240	98,034
93.121	Nat Inst of Dental & Craniofacial Res	Johns Hopkins University	22000133	481,002
93.145	Health Resources & Services Admin	Univ of Pittsburgh	22000036	235,534
93.172	National Institutes of Health	Fred Hutchinson Cancer Research Center	20021734	17,973
93.172	National Institutes of Health	Georgetown University	22000339	38,006
93.172	National Human Genome Research Institute	Fred Hutchinson Cancer Research Center	20021734	20,794
93.172	National Human Genome Research Institute	Univ of Southern California	22000206	23,804
93.173	National Institutes of Health	Univ of Pittsburgh	22000036	1,293
93.173	Nat Inst Child Health & Human Development	Oregon Health and Science University	22000252	14,549
93.173	Nat In Deafness & Other Communication Disorders	Research Institute at Nationwide Children	20010182	864,965
93.173	Nat In Deafness & Other Communication Disorders	Univ of Wisconsin	22000006	63,059

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
93.173	Nat In Deafness & Other Communication Disorders	Vanderbilt University	22000296	3,672
93.184	Centers for Disease Control & Prevention	Hemophilia Fdn of Michigan	20021026	13,017
93.184	Centers for Disease Control & Prevention	Univ of Florida	22000108	82
93.184	Centers for Disease Control & Prevention	Univ of Louisville	22000299	142,034
93.213	National Institutes of Health	Hypnalgessics, LLC	10013193	19,045
93.213	Nat Ctr Complementary & Alternative Med	Massachusetts General Hospital	20021587	8,108
93.226	Agency for Healthcare Res & Quality	Arizona State University	22000109	13,767
93.226	Agency for Healthcare Res & Quality	Case Western Reserve Univ	22000238	7,889
93.233	National Heart, Lung, and Blood Inst	Case Western Reserve Univ	22000238	9,809
93.234	US Department of Health & Human Services	OH Rehabilitation Services Commission	26120000	134,831
93.239	Substance Abuse & Mental Health Servs Admin	Univ of California - Davis	22000013	19,291
93.242	Nat Inst of Allergy & Infectious Diseases	Social & Scientific Systems, Inc.	10012044	(198)
93.242	Nat Inst of Allergy & Infectious Diseases	Johns Hopkins University	22000133	10,039
93.242	National Institute of Mental Health	Johns Hopkins University	22000133	2,929
93.242	National Institute of Mental Health	Columbia University	22000135	54,317
93.242	National Institute of Mental Health	Univ of Massachusetts - Worcester	22000318	167,281
93.242	National Institute of Mental Health	Univ of California - Irvine	22010062	60,343
93.243	Substance Abuse & Mental Health Servs Admin	First Call Alcohol/Drug Prev & Recov	20022115	40,720
93.243	Substance Abuse & Mental Health Servs Admin	Wright State University	22000087	(36)
93.262	Nat Inst Occupational Safety & Health	Research Institute at Nationwide Children	20010182	50,771
93.279	National Institutes of Health	Univ of Memphis	22000325	1,678
93.279	National Institute on Drug Abuse	Univ of Washington	22000212	(707)
93.283	Centers for Disease Control & Prevention	OH Dept of Health	26090000	124,815
93.286	National Institutes of Health	Wayne State University	22000034	6,999
93.286	Nat In Biomedical Imaging & Bioengineering	Columbia University	22000135	16,215
93.307	Nat Ctr Minority Hlth & Hlth Disparities	Central State University	22000111	50,999
93.350	Nat Ctr for Advancing Translational Scis	EXCMR, Ltd.	10020229	33,142
93.359	Health Resources & Services Admin	Arizona State University	22000109	7,258
93.361	National Institute of Nursing Research	Vidatak, LLC	10013342	44,237
93.361	National Institute of Nursing Research	Univ of Medic & Dentistry of New Jersey	22000004	2,762
93.361	National Institute of Nursing Research	Univ of Colorado	22000039	(12,085)
93.361	National Institute of Nursing Research	Arizona State University	22000109	131,073
93.361	National Institute of Nursing Research	Emory University	22000295	28,867

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
93.361	National Institute of Nursing Research	Boston College	22000310	29,169
93.387	National Heart, Lung, and Blood Inst	Social & Scientific Systems, Inc.	10012044	11,725
93.387	National Heart, Lung, and Blood Inst	Mount Sinai School of Medicine	22010031	13
93.389	Nat Ctr for Advancing Translational Scis	Univ of Rochester	22000193	64,995
93.393	National Institutes of Health	Univ of Michigan	22000005	72,753
93.393	National Cancer Institute	Roswell Park Cancer Institute	20021570	10,153
93.393	National Cancer Institute	Univ of Michigan	22000005	61,329
93.393	National Cancer Institute	Univ of Illinois	22000009	40,974
93.393	National Cancer Institute	Pennsylvania State University	22000030	33,090
93.393	National Cancer Institute	Univ of Pittsburgh	22000036	33,652
93.393	National Cancer Institute	Arizona State University	22000109	138,770
93.393	National Cancer Institute	Univ of North Texas	22000124	22,060
93.393	National Cancer Institute	Univ of Pennsylvania	22000195	174,312
93.393	National Cancer Institute	Washington University	22000209	(6,792)
93.393	National Cancer Institute	Case Western Reserve Univ	22000238	12,068
93.393	National Cancer Institute	Univ of Miami	22000255	10,650
93.393	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	22000330	52
93.393	National Cancer Institute	Georgetown University	22000339	38,929
93.393	National Cancer Institute	Univ of Texas at Dallas	22000363	3,677
93.393	National Cancer Institute	East Tennessee State Univ	22010025	7,809
93.393	National Cancer Institute	Mount Sinai School of Medicine	22010031	51,897
93.393	National Cancer Institute	Univ of Massachusetts Medical School	22010069	6,359
93.393	National Heart, Lung, and Blood Inst	Duke University	22000094	44,634
93.394	National Institutes of Health	Hyper Tech Res Inc.	10020102	79,760
93.394	National Cancer Institute	Brigham & Women's Hospital Inc.	20021152	1,253,333
93.394	National Cancer Institute	Univ of Nebraska	22000085	77,732
93.394	National Cancer Institute	Columbia University	22000135	52,758
93.394	National Cancer Institute	Stanford University	22000142	67,841
93.394	National Cancer Institute	Cleveland Clinic Lerner College of Med	22010063	164,077
93.395	National Institutes of Health	Mount Sinai Medical Center	10011783	252
93.395	National Institutes of Health	Cancer & Leukemia Group B Fdn	20010031	671
93.395	National Institutes of Health	Cornell University	22000081	23,538
93.395	National Cancer Institute	Myatt & Johnson, Inc.	10012955	134,660

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CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
93.395	National Cancer Institute	Mayo Fdn for Medical Educ & Res	20010289	205,888
93.395	National Cancer Institute	NSABP Fdn Inc.	20010527	9,040
93.395	National Cancer Institute	The Children's Hospital of Philadelphia	20020015	105,403
93.395	National Cancer Institute	Gynecologic Oncology Group	20020024	335,108
93.395	National Cancer Institute	American College of Radiology	20020917	169,774
93.395	National Cancer Institute	Brigham & Women's Hospital Inc.	20021152	1,241,955
93.395	National Cancer Institute	John Wayne Cancer Inst	20021377	8,527
93.395	National Cancer Institute	Massachusetts General Hospital	20021587	(1,023)
93.395	National Cancer Institute	Intl Breast Cancer Research Foundation	20021976	57,833
93.395	National Cancer Institute	Univ of Michigan	22000005	56,028
93.395	National Cancer Institute	Univ of Chicago	22000018	18,179
93.395	National Cancer Institute	West Virginia University	22000032	200,403
93.395	National Cancer Institute	Univ of Minnesota	22000067	41,579
93.395	National Cancer Institute	Univ of South Florida	22000123	27,459
93.395	National Cancer Institute	Virginia Commonwealth Univ	22000259	36,985
93.395	National Cancer Institute	Univ of California - San Diego	22000288	247,265
93.395	National Cancer Institute	Univ of California - San Francisco	22000317	47,281
93.395	National Cancer Institute	Univ of Texas M D Anderson Cancer Center	22010039	88,839
93.396	National Cancer Institute	Cleveland Clinic Fdn	20010421	2,163
93.396	National Cancer Institute	Univ of Kentucky	22000143	17,651
93.396	National Cancer Institute	New York University School of Medicine	22000371	80,729
93.396	National Cancer Institute	Thomas Jefferson University	22010026	22,936
93.397	National Cancer Institute	Columbia University	22000135	24,819
93.397	National Cancer Institute	Univ of Kentucky	22000143	382,282
93.397	National Cancer Institute	Washington University	22000209	(307)
93.397	National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	22000330	108,422
93.397	National Cancer Institute	Univ of Texas M D Anderson Cancer Center	22010039	26,659
93.507	Centers for Disease Control & Prevention	OH Dept of Health	26090000	39,600
93.524	Centers for Disease Control & Prevention	OH Dept of Health	26090000	27,500
93.600	Administration for Children and Families	OH Dept of Educ	26080000	26,310
93.600	US Department of Health & Human Services	After-School All-Stars Columbus	20022119	21,680
93.60041200	Agency for Healthcare Res & Quality	Truven Health Analytics	10030250	39,762
93.60041200	Agency for Healthcare Res & Quality	Health Research & Educational Trust	20021687	76,299

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Research and Development Cluster —				
Pass-through from other sources:				
93.630	US Department of Health & Human Services	Wright State University	22000087	4,061
93.630	US Department of Health & Human Services	OH Dept of Developmental Disabilities	26430000	39,924
93.630	US Department of Health & Human Services	OH Developmental Disabilities Plng Cncl	26430100	102,274
93.630	Administration for Children and Families	Wright State University	22000087	7,058
93.640	National Institutes of Health	Fisher BioServices, Inc.	10012728	28
93.640	National Institutes of Health	Cancer & Leukemia Group B Fdn	20010031	3,028
93.640	National Institutes of Health	Southern Research Institute	20021971	31,218
93.640	National Institutes of Health	Alliance for Clinical Trials in Oncology	20022076	325
93.640	National Institutes of Health	Rutgers University	22000003	11,642
93.640	National Institutes of Health	Univ of Chicago	22000018	16,511
93.640	National Institutes of Health	Emory University	22000295	10,294
93.640	National Institutes of Health	Mount Sinai School of Medicine	22010031	93,199
93.640	ARRA National Cancer Institute	SAIC, Inc.	10011324	22,432
93.640	National Cancer Institute	SAIC, Inc.	10011324	82,891
93.640	National Cancer Institute	The EMMES Corp	10012757	(248)
93.640	National Cancer Institute	Enlyton, Ltd	10020220	12,163
93.640	National Cancer Institute	Cancer & Leukemia Group B Fdn	20010031	49,954
93.640	National Cancer Institute	Brigham & Women's Hospital Inc.	20021152	1,307
93.640	National Cancer Institute	Fred Hutchinson Cancer Research Center	20021734	30,870
93.640	National Cancer Institute	Eastern Cooperative Oncology Group	20021810	125
93.640	National Cancer Institute	Alliance for Clinical Trials in Oncology	20022076	5,346
93.640	National Cancer Institute	Johns Hopkins University	22000133	4,522
93.640	ARRA National Cancer Institute	Case Western Reserve Univ	22000238	953
93.640	ARRA National Heart, Lung, and Blood Inst	Case Western Reserve Univ	22000238	4,257
93.640	National Heart, Lung, and Blood Inst	Case Western Reserve Univ	22000238	236,730
93.640	National Heart, Lung, and Blood Inst	Vanderbilt University	22000296	54,743
93.640	Nat Inst of Allergy & Infectious Diseases	Univ of Minnesota	22000067	801,530
93.640	Nat Inst of Allergy & Infectious Diseases	Univ of California - San Francisco	22000317	89,458
93.64000009	National Library of Medicine	Aquilent, Inc.	10013206	2,971
93.64000009	National Library of Medicine	Univ of Illinois	22000009	250
93.64000011	National Eye Institute	The EMMES Corp	10012757	23,254
93.652	Administration for Children and Families	Franklin Co Children Services	24000056	119,949
93.701	ARRA National Cancer Institute	American College of Radiology	20020917	5,030

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Research and Development Cluster —				
Pass-through from other sources:				
93.701	ARRA National Cancer Institute	Univ of Michigan	22000005	(6,507)
93.701	ARRA Nat In Diabetes & Digestive & Kidney Diseases	Univ of Massachusetts - Worcester	22000318	9,107
93.701	ARRA National Cancer Institute	John Wayne Cancer Inst	20021377	(256)
93.701	ARRA National Cancer Institute	Univ of Toledo	22000277	7,387
93.701	ARRA National Heart, Lung, and Blood Inst	Mount Sinai School of Medicine	22010031	(1,328)
93.701	ARRA Nat Inst Gen Medical Scis	Dartmouth College	22000234	(4,033)
93.701	ARRA Nat Inst Neurological Disorders & Stroke	The EMMES Corp	10012757	4,812
93.701	ARRA Nat Inst Neurological Disorders & Stroke	Univ of California - Los Angeles	22000269	(9,377)
93.701	ARRA National Eye Institute	St. Luke's-Roosevelt Hospital Center	20021423	(300)
93.701	ARRA National Institute on Aging	Univ of California - San Diego	22000288	200,355
93.701	ARRA Nat In Biomedical Imaging & Bioengineering	Hyper Tech Res Inc.	10020102	35,817
93.715	ARRA Agency for Healthcare Res & Quality	AcademyHealth	20022065	6,070
93.715	ARRA Agency for Healthcare Res & Quality	Univ of Colorado	22000039	315,783
93.791	Ctrs for Medicare & Medicaid Services	OH Dept of Job & Family Services	26630000	865,905
93.837	National Institutes of Health	Yale University	22000088	10,239
93.837	National Heart, Lung, and Blood Inst	Research Institute at Nationwide Children	20010182	105,120
93.837	National Heart, Lung, and Blood Inst	Jewish General Hospital	20021801	260,374
93.837	National Heart, Lung, and Blood Inst	Univ of Illinois	22000009	26,753
93.837	National Heart, Lung, and Blood Inst	Univ of California - Davis	22000013	20,190
93.837	National Heart, Lung, and Blood Inst	Pennsylvania State University	22000030	39,472
93.837	National Heart, Lung, and Blood Inst	Univ of Pittsburgh	22000036	105,158
93.837	National Heart, Lung, and Blood Inst	Univ of Minnesota	22000067	(6,179)
93.837	National Heart, Lung, and Blood Inst	Yale University	22000088	3,036
93.837	National Heart, Lung, and Blood Inst	Duke University	22000094	40,372
93.837	National Heart, Lung, and Blood Inst	Univ of Maryland	22000120	106,701
93.837	National Heart, Lung, and Blood Inst	Univ of North Carolina	22000146	16,984
93.837	National Heart, Lung, and Blood Inst	Univ of Toledo	22000277	2,997
93.837	National Heart, Lung, and Blood Inst	Univ of Louisville	22000299	112,550
93.837	National Heart, Lung, and Blood Inst	Yeshiva University	22000331	28,129
93.837	National Heart, Lung, and Blood Inst	Mount Sinai School of Medicine	22010031	5,005
93.838	National Heart, Lung, and Blood Inst	Research Institute at Nationwide Children	20010182	23,972
93.838	National Heart, Lung, and Blood Inst	Am Lung Assn	20020041	98,751
93.838	National Heart, Lung, and Blood Inst	Fred Hutchinson Cancer Research Center	20021734	22,676

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Research and Development Cluster —				
Pass-through from other sources:				
93.838	National Heart, Lung, and Blood Inst	Univ of Michigan	22000005	785
93.839	National Institutes of Health	Nat Marrow Donor Program	20021576	283,316
93.839	National Heart, Lung, and Blood Inst	Arteriocyte, Inc.	10020226	(36)
93.839	National Heart, Lung, and Blood Inst	Nat Marrow Donor Program	20021576	67,219
93.839	National Heart, Lung, and Blood Inst	Case Western Reserve Univ	22000238	6,324
93.846	Nat In Arthritis & Muscoskeletal & Skin Diseases	Tufts Medical Ctr	20021543	(975)
93.846	Nat In Arthritis & Muscoskeletal & Skin Diseases	Hospital For Special Surgery	20021549	76,870
93.846	Nat In Arthritis & Muscoskeletal & Skin Diseases	Cincinnati Children's Hos Med Ctr	20021628	109
93.846	Nat In Arthritis & Muscoskeletal & Skin Diseases	Children's Mercy Hospitals and Clinics	20021968	13,796
93.846	Nat In Arthritis & Muscoskeletal & Skin Diseases	Northwestern University	22000041	5,708
93.846	Nat In Arthritis & Muscoskeletal & Skin Diseases	Univ of Iowa	22000137	128,697
93.846	Nat In Arthritis & Muscoskeletal & Skin Diseases	Vanderbilt University	22000296	15,528
93.847	National Institutes of Health	Univ of Pittsburgh	22000036	22,219
93.847	Nat In Diabetes & Digestive & Kidney Diseases	Research Institute at Nationwide Children	20010182	46,592
93.847	Nat In Diabetes & Digestive & Kidney Diseases	Minneapolis Medical Research Foundation	20012090	1,828
93.847	Nat In Diabetes & Digestive & Kidney Diseases	Univ of Louisville	22000299	153
93.848	National Institutes of Health	Univ of Pittsburgh	22000036	12,358
93.849	Nat In Diabetes & Digestive & Kidney Diseases	Univ of Minnesota	22000067	4,538
93.853	National Institutes of Health	Case Western Reserve Univ	22000238	20,802
93.853	National Institutes of Health	Army Medical Res Acquisition Activity	50022700	(20,984)
93.853	Nat Inst Neurological Disorders & Stroke	Mount Sinai Medical Center	10011783	26,585
93.853	Nat Inst Neurological Disorders & Stroke	Research Institute at Nationwide Children	20010182	52,608
93.853	Nat Inst Neurological Disorders & Stroke	Brigham & Women's Hospital Inc.	20021152	10,896
93.853	Nat Inst Neurological Disorders & Stroke	Massachusetts General Hospital	20021587	203,604
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Michigan	22000005	4,653
93.853	Nat Inst Neurological Disorders & Stroke	Indiana University	22000012	26,402
93.853	Nat Inst Neurological Disorders & Stroke	Yale University	22000088	149
93.853	Nat Inst Neurological Disorders & Stroke	Johns Hopkins University	22000133	34,640
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Rochester	22000193	6,121
93.853	Nat Inst Neurological Disorders & Stroke	Washington University	22000209	29,025
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Miami	22000255	71,370
93.853	Nat Inst Neurological Disorders & Stroke	Univ of Louisville	22000299	149,408
93.853	Nat Inst Neurological Disorders & Stroke	Univ of British Columbia	22010079	1,212

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Research and Development Cluster —				
Pass-through from other sources:				
93.855	National Institutes of Health	Univ of North Carolina	22000146	88,424
93.855	Nat Inst of Allergy & Infectious Diseases	Social & Scientific Systems, Inc.	10012044	(3,955)
93.855	Nat Inst of Allergy & Infectious Diseases	Research Institute at Nationwide Children	20010182	14,398
93.855	Nat Inst of Allergy & Infectious Diseases	Brigham & Women's Hospital Inc.	20021152	111,620
93.855	Nat Inst of Allergy & Infectious Diseases	Weill Cornell Medical College	20021833	26,826
93.855	Nat Inst of Allergy & Infectious Diseases	Institute for Clinical Research Inc.	20022020	24,436
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of Chicago	22000018	329,111
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of Pittsburgh	22000036	187,254
93.855	Nat Inst of Allergy & Infectious Diseases	Kansas State University	22000062	272,335
93.855	Nat Inst of Allergy & Infectious Diseases	Wake Forest University	22000286	2,350
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of Rijeka	22010055	6,838
93.855	Nat Inst of Allergy & Infectious Diseases	Univ of California - Irvine	22010062	99,629
93.855	Nat Inst of Health, Ofc of the Director	Yeshiva University	22000331	7,389
93.856	Nat Inst of Allergy & Infectious Diseases	Pennsylvania State University	22000030	17,785
93.859	National Institutes of Health	Univ of Florida	22000108	72,782
93.859	Nat Inst Gen Medical Scis	Research Institute at Nationwide Children	20010182	18,662
93.859	Nat Inst Gen Medical Scis	Cleveland Clinic	20021182	29,416
93.859	Nat Inst Gen Medical Scis	The Scripps Research Institute	20021352	119,964
93.859	Nat Inst Gen Medical Scis	Univ of Michigan	22000005	70,313
93.859	Nat Inst Gen Medical Scis	Univ of Wisconsin	22000006	77,070
93.859	Nat Inst Gen Medical Scis	Univ of Chicago	22000018	56,959
93.859	Nat Inst Gen Medical Scis	Ohio University	22000130	49,895
93.859	Nat Inst Gen Medical Scis	Univ of Texas at Austin	22000270	48,584
93.859	Nat Inst Gen Medical Scis	Univ of California - San Francisco	22000317	86,477
93.859	Nat Inst Gen Medical Scis	Tulane University	22000372	31,901
93.865	US Department of Health & Human Services	Univ of Michigan	22000005	4,716
93.865	National Institutes of Health	Univ of Colorado	22000039	159,755
93.865	National Institutes of Health	Univ of Texas at San Antonio	22000348	54,274
93.865	Nat Inst of Allergy & Infectious Diseases	Virginia Polytechnic Inst	22000023	36,507
93.865	Nat Inst Child Health & Human Development	Rand Corp	20021340	27,606
93.865	Nat Inst Child Health & Human Development	Indiana University	22000012	82,044
93.865	Nat Inst Child Health & Human Development	George Washington University	22000025	592,766
93.865	Nat Inst Child Health & Human Development	Pennsylvania State University	22000030	19,655

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster —				
Pass-through from other sources:				
93.865	Nat Inst Child Health & Human Development	Univ of Alabama at Birmingham	22000207	10,946
93.865	Nat Inst Child Health & Human Development	Case Western Reserve Univ	22000238	183,984
93.865	Nat Inst Child Health & Human Development	Univ of California - Irvine	22010062	109,392
93.866	National Institute on Aging	Case Western Reserve Univ	22000238	8,727
93.866	National Institute on Aging	Univ of California - San Diego	22000288	55,043
93.866	National Institute on Aging	Vanderbilt University	22000296	75,579
93.867	National Institutes of Health	St. Luke's-Roosevelt Hospital Center	20021423	4,361
93.867	National Eye Institute	Precision Vision	10013290	5,908
93.867	National Eye Institute	Jaeb Ctr for Health Res	20021387	44,883
93.867	National Eye Institute	Univ of Houston	22000092	12,423
93.867	National Eye Institute	Univ of Pennsylvania	22000195	524
93.867	National Eye Institute	Univ of California - Irvine	22010062	204,449
93.945	Centers for Disease Control & Prevention	Cincinnati Children's Hos Med Ctr	20021628	12,369
93.991	Centers for Disease Control & Prevention	Union County Health Department	24000556	5,126
Total Department of Health and Human Services Pass-Through Awards				19,411,759
Corporation for National and Community Service				
94.005	Corp for Nat & Community Service	National Education Association	20022030	103,453
94.006	Corp for Nat & Community Service	OH Commission Service and Volunteerism	26650000	54,612
Total Corporation for National and Community Service Pass-Through Awards				158,065
Director of National Intelligence				
95.30350201	Intelligence Advanced Res Projects Agcy	Applied Research Associates, Inc.	10013004	17,414
95.30350201	Intelligence Advanced Res Projects Agcy	Intl Computer Science Institute	20022122	213,372
Total Director of National Intelligence Pass-Through Awards				230,786
Social Security Administration				
96.007	Social Security Admin	Univ of Michigan	22000005	89,107
96.007	Social Security Admin	Univ of Wisconsin	22000006	63,703

**THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Research and Development Cluster — Pass-through from other sources:				
Total Social Security Administration Pass-Through Awards				152,810
Department of Homeland Security				
97.044	US Department of Homeland Security	Univ of Illinois	22000009	193,645
Total Department of Homeland Security Pass-through Awards				193,645
Agency for International Development				
98.001	Agency for Intl Dev	Intl Rice Res Inst	20021413	57,100
98.001	Agency for Intl Dev	Univ of California - Davis	22000013	6,744
98.001	Agency for Intl Dev	Virginia Polytechnic Inst	22000023	288,234
98.001	Agency for Intl Dev	Cornell University	22000081	39,988
98.001	Agency for Intl Dev	Univ of Nebraska	22000085	107,651
98.001	Agency for Intl Dev	Univ of Hawaii	22000265	(9,659)
98.012	Agency for Intl Dev	Higher Education for Development	20021686	582,250
Total Agency for International Development Pass-Through Awards				1,072,308
Other				
99.31020000	National Academy of Sciences	Queen's University	22010008	(5,818)
Total Other Pass-Through Awards				(5,818)
Subtotal pass-through from other sources				\$ 63,449,014
Total Research and Development Cluster				\$ 370,290,587

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Student Financial Aid Cluster –		
Funds received directly from the following federal agencies:		
Department of Education		
84.007	Supplement Educational Opportunity Grant	\$ 1,164,283
84.033	Federal Workstudy Program	3,031,138
84.037	Federal Perkins Loan Cancellations	7,293,346
84.038	Federal Perkins Loans	5,000,401
84.063	Federal Pell Grant Program	52,612,373
84.268	Federal Direct Lending	369,049,092
84.379	Teacher Ed Assistance for College and Higher Ed Grants	17,880
Total Department of Education Direct Awards		438,168,513
Department of Health and Human Services		
93.264	Nursing Faculty Loan	96,000
93.342	Health Professions Student Loans	2,502,572
93.364	Nursing Student Loan	236,155
Total Department of Health and Human Services Direct Awards		2,834,727
Subtotal Student Financial Aid Cluster		<u>\$ 441,003,240</u>
Economic Development Cluster –		
Funds received directly from the following federal agencies:		
Department of Commerce		
11.307	Econ Dev Admin	\$ 461,264
Total Department of Commerce Direct Awards		461,264
Subtotal Economic Development Cluster		<u>\$ 461,264</u>

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor		Federal Expenditures
Highway and Construction Cluster – Funds received directly from the following federal agencies:			
Department of Transportation			
20.205	Federal Highway Administration		\$ 189,143
Total Department of Transportation Direct Awards			189,143
Subtotal Highway and Construction Cluster			\$ 189,143
Trio Cluster – Funds received directly from the following federal agencies:			
Department of Education			
84.042	US Department of Education		\$ 298,945
84.047	US Department of Education		98,785
84.047	US Department of Education	53000000	324,202
84.047	Ofc of Postsecondary Education	53040000	103,881
Total Department of Education Direct Awards			825,813
Subtotal Trio Cluster			\$ 825,813
Teacher Quality Partnership Grants Cluster – Funds received directly from the following federal agencies:			
Department of Education			
84.336	US Department of Education		\$ 1,420,020
Total Department of Education Direct Awards			1,420,020
Subtotal Teacher Quality Partnership Grants Cluster			\$ 1,420,020

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Fish and Wildlife Cluster — Pass throughs from other sources:				
Department of the Interior				
15.605	US Fish and Wildlife Service	OH Division of Wildlife	26110100	\$ 1,636,515
Total Department of the Interior Pass-Through Awards				1,636,515
Subtotal Fish and Wildlife Cluster				<u>\$ 1,636,515</u>
Highway Planning and Construction Cluster — Pass throughs from other sources:				
Department of Transportation				
20.205	US Department of Transportation	OH Dept of Transportation	26010000	\$ 131,687
20.205	Federal Highway Administration	Univ of Cincinnati	22000074	32,936
20.205	Federal Highway Administration	OH Dept of Transportation	26010000	735,341
Total Department of Transportation Pass-Through Awards				899,964
Subtotal Highway Planning and construction Cluster				<u>\$ 899,964</u>
Special Education (IDEA) Cluster — Pass throughs from other sources:				
Department of Education				
84.027	US Department of Education	OH Dept of Educ	26080000	\$ (5,637)
84.173	US Department of Education	OH Dept of Educ	26080000	5
84.173	US Department of Education	OH Dept of Administrative Services	26180000	229,818
Total Department of Education Pass-Through Awards				224,186
Subtotal Special Education (IDEA) Cluster				<u>\$ 224,186</u>

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Educational Technolog State Grants Cluster – Pass throughs from other sources:				
Department of Education				
84.386	ARRA US Department of Education	eTech Ohio	26660000 \$	15
Total Department of Education Pass-Through Awards				15
Subtotal Educational Technology State Grants Cluster				\$ 15
School Improvement Grants Cluster – Pass throughs from other sources:				
Department of Education				
84.388	ARRA US Department of Education	Tomorrow Center, The	20022018 \$	58,897
84.388	ARRA US Department of Education	OH Dept of Educ	26080000	1,050,359
Total Department of Education Pass-Through Awards				1,109,256
Subtotal School Improvement Grants Cluster				\$ 1,109,256
Medicaid Cluster – Pass throughs from other sources:				
Department of Health and Human Services				
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Job & Family Services	26630000 \$	64,509
93.778	Ctrs for Medicare & Medicaid Services	Cincinnati Children's Hos Med Ctr	20021628	32,400
93.778	Ctrs for Medicare & Medicaid Services	OH Board of Regents	26060000	64,449
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Educ	26080000	237,299
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Job & Family Services	26630000	10,568,625
93.778	Ctrs for Medicare & Medicaid Services	OH Dept of Job & Family Services	26630000	22,704
93.778	Ctrs for Medicare & Medicaid Services	Franklin County Dept of Health		303,736
Total Department of Health and Human Services Pass-Through Awards				11,293,722

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Subtotal Medicaid Cluster				<u>\$ 11,293,722</u>
Child Nutrition Cluster — Pass throughs from other sources:				
Department of Agriculture				
10.559	US Department of Agriculture	OH Dept of Educ	26080000	\$ 2,587
Total Department of Agriculture Pass-Through Awards				<u>2,587</u>
Subtotal Child Nutrition Cluster				<u>\$ 2,587</u>
Supplemental Nutrition Assistance Program Cluster — Pass throughs from other sources:				
Department of Agriculture				
10.561	US Department of Agriculture	OH Dept of Job & Family Services	26630000	\$ 14,732
10.561	USDA Food and Nutrition Service	OH Dept of Job & Family Services	26630000	3,202,416
Total Department of Agriculture Pass-Through Awards				<u>3,217,148</u>
Subtotal Supplemental Nutrition Assistance Program Cluster				<u>\$ 3,217,148</u>
CDBG Entitlements Grants Cluster — Pass throughs from other sources:				
Department of Housing and Urban Development				
14.218	Dept of Housing & Urban Dev	City of Columbus	24000306	\$ 26,298
14.218	Dept of Housing & Urban Dev	Cleveland Dept of Community Development	24000528	54,622
14.218	Dept of Housing & Urban Dev	City of Dayton	24000572	1,777
Total Department of Housing and Urban Development Pass-Through Awards				<u>82,697</u>
Subtotal CDBG Entitlements Grants Cluster				<u>\$ 82,697</u>

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
TANF Cluster –				
Pass throughs from other sources:				
Department of Health and Human Services				
93.558	US Department of Health & Human Services	Central Ohio Workforce Investment Corp	20021603	\$ 24,000
93.558	Administration for Children and Families	Butler County Board of Commissioners	24000522	239,289
93.558	Administration for Children and Families	Perry County Job and Family Services	24000575	6,472
Total Department of Health and Human Services Pass-Through Awards				269,761
Subtotal CDBG Entitlements Grants Cluster				\$ 269,761

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Funds received directly from the following federal agencies		
Other Programs:		
Department of Agriculture		
10.001	USDA Agricultural Res Service	\$ 2,151
10.025	Animal & Plant Health Inspection Service	30,930
10.311	National Institute of Food & Agriculture	235,912
10.40040100	National Institute of Food & Agriculture	3,211
10.558	Child and Adult Care Food Program	93,932
Total Department of Agriculture Direct Awards		366,136
Department of Commerce		
11.550	Public Telecomm Facilities Planning and Construction	20,191
11.553	Public Telecomm Facilities Planning and Construction	7,260
Total Department of Commerce Direct Awards		27,451
Department of Defense		
12.50022801	Army Morale Welfare and Recreation	16,946
Total Department of Defense Direct Awards		16,946
Department of State		
19.009	Bureau of Educ & Cultural Affairs	27,873
19.700	US Department of State	64,436
Total Department of State Direct Awards		92,309
Department of Transportation		
20.106	Airport Improvement Program	448,381
Total Department of Transportation Direct Awards		448,381
Department of Appalachian Regional Commission		
23.30070100	Appalachian Regional Commission	6,670

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Funds received directly from the following federal agencies		
Other Programs:		
Total Department of Appalachian Regional Commission Direct Awards		6,670
Department of Office of Personnel Management		
27.011	IPA Mobility Act	20,746
Total Department of Office of Personnel Management Direct Awards		20,746
Department of Federal Communications Commission		
32.001	Comm Info & Assistance/Investigation of Complaints	80,557
Total Department of Federal Communications Commission Direct Awards		80,557
Department of National Endowment for the Humanities		
45.163	National Endowment For The Humanities	77,067
45.164	National Endowment For The Humanities	132,793
Total Department of National Endowment for the Humanities Direct Awards		209,860
Department of Veterans Affairs		
64.011	Veterans Outpatient Care	14
64.125	Voc and Educ Counseling for Veterans	612
Total Department of Veterans Affairs Direct Awards		626
Department of Environmental Protection Agency		
66.469	Environmental Protection Agency	61,254
Total Department of Environmental Protection Agency Direct Awards		61,254
Department of Education		
84.015	US Department of Education	716,409
84.170	Javits Fellowships	108,684

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Federal Expenditures
Funds received directly from the following federal agencies		
Other Programs:		
84.195	US Department of Education	148,106
84.295	Ready to Learn Television	3,776
84.327	US Department of Education	141,700
84.350	US Department of Education	745,739
84.022A	Student Research Abroad	28,570
84.215X	Fund for the Improvement of Education	2,562
Total Department of Education Direct Awards		1,895,546
Department of Health and Human Services		
93.000	Health Resources & Services Admin 403b discount drug program	599,586
93.243	Substance Abuse & Mental Health Servs Admin	74,232
93.249	Health Resources & Services Admin	601,069
93.395	National Cancer Institute	6,000
93.502	Health Resources & Services Admin	24,553,326
93.667	Social Services Block Grant	371,398
93.702	ARRA Nat Center for Research Resources	3,145,903
93.887	Health Care and Other Facilities	96,076
Total Department of Health and Human Services Direct Awards		29,447,590
Subtotal funds received directly from federal agencies		<u>\$ 32,674,072</u>

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Pass-through from other sources:				
Other Programs:				
Department of Agriculture				
10.025	Animal & Plant Health Inspection Service	Ohio Department Of Agriculture	26390000	\$ 48,741
10.169	US Department of Agriculture	Ohio Department Of Agriculture	26390000	14,244
10.215	National Institute of Food & Agriculture	Univ of Minnesota	22000067	8,598
10.303	National Institute of Food & Agriculture	Univ of Illinois	22000009	14,387
10.319	National Institute of Food & Agriculture	Univ of Minnesota	22000067	57,200
10.319	National Institute of Food & Agriculture	Univ of Missouri	22000073	24,511
10.319	National Institute of Food & Agriculture	North Dakota State Univ	22000263	1,311
10.500	National Institute of Food & Agriculture	Purdue University	22000002	170,226
10.500	National Institute of Food & Agriculture	Univ of Wyoming	22000059	1,388
10.500	National Institute of Food & Agriculture	Kansas State Univ	22000062	162,408
10.500	National Institute of Food & Agriculture	Univ of Minnesota	22000067	49,053
10.500	National Institute of Food & Agriculture	Cornell University	22000081	588
10.500	National Institute of Food & Agriculture	Univ of Nebraska	22000085	(562)
10.558	US Department of Agriculture	OH Dept of Educ	26080000	52,918
10.574	USDA Food and Nutrition Service	Wellington Exempted Village School Dist	24000568	(1,200)
10.575	USDA Food and Nutrition Service	Cleveland Metropolitan School District	24000189	3,630
10.664	USDA Forest Service	OH Dept of Natural Resources	26110000	41,276
10.680	USDA Forest Service	Purdue University	22000002	3,079
10.680	USDA Forest Service	OH Dept of Natural Resources	26110000	26,534
10.902	US Department of Agriculture	Great Lakes Commission	20021027	530
Total Department of Agriculture Pass-Through Awards				678,860
Department of Commerce				
11.557	ARRA US Department of Commerce	OneCommunity	20021975	828,007
11.557	ARRA US Department of Commerce	Connected Nation	20021994	22,835
11.557	ARRA Nat Telecommunications and Info Admin	Com Net, Inc.	10020267	925,227
11.557	ARRA Nat Telecommunications and Info Admin	Horizon Telcom, Inc.	10020268	999,924
Total Department of Commerce Pass-Through Awards				2,775,993
Department of Housing and Urban Development				

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Pass-through from other sources:				
Other Programs:				
14.239	Dept of Housing & Urban Dev	Maumee Valley Planning Organization	20021779	600
14.70000000	Dept of Housing & Urban Dev	City of Cleveland Dept of Economic Dev	24000565	66,348
14.704	Dept of Housing & Urban Dev	Mid-OH Regional Planning Commission	26270000	63,791
Total Department of Housing and Urban Development Pass-Through Awards				130,739
Department of Justice				
16.575	Office of Justice Programs	Ohio Office of Attorney General	26310000	14,939
16.609	US Department of Justice	Office of Criminal Justice Services	26140401	(1,133)
16.609	Bureau of Justice Assistance	Office of Criminal Justice Services	26140401	11,483
16.726	Office of Justice Programs	National 4-H Council	20021037	103,972
Total Department of Justice Pass-Through Awards				129,261
Department of Labor				
17.268	US Department of Labor	OH Board of Regents	26060000	10,166
Total Department of Labor Pass-through Awards				10,166
Department of the Treasury				
21.84000000	Dept of Treasury	OH Housing Finance Agency	26190010	11,349
Total Department of the Treasury Pass-through Awards				11,349
National Endowment for the Humanities				
45.025	National Endowment For The Arts	Arts Midwest	20020844	4,000
45.129	National Endowment For The Humanities	OH Humanities Council	26290000	2,000
Total National Endowment for the Humanities Pass-Through Awards				6,000
Environmental Protection Agency				
66.469	Environmental Protection Agency	Conservation Technology Information Ctr	20021979	37,411

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Pass-through from other sources:				
Other Programs:				
Total Environmental Protection Agency Pass-Through Awards				37,411
Department of Education				
84.048	US Department of Education	OH Dept of Educ	26080000	172,116
84.367	US Department of Education	OH Board of Regents	26060000	113,980
Total Department of Education Pass-Through Awards				286,096
Department of Health and Human Services				
93.086	Administration for Children and Families	Marriage Resource Center of Miami Valley	20022040	649
93.135	Centers for Disease Control & Prevention	Case Western Reserve Univ	22000238	578
93.184	Centers for Disease Control & Prevention	Univ of Louisville	22000299	(446)
93.236	US Department of Health & Human Services	OH Dept of Health	26090000	73,209
93.283	Centers for Disease Control & Prevention	Cols Public Health	24000032	(274)
93.507	Centers for Disease Control & Prevention	OH Public Health Partnership	20022059	14,512
93.507	Centers for Disease Control & Prevention	Licking County Health Department	24000581	1,016
93.600	US Department of Health & Human Services	Child Dev Council of Franklin County, Inc.	20021104	60,345
93.600	Administration for Children and Families	Vanderbilt University	22000296	33,419
93.602	Administration for Children and Families	Ohio CDC Association	20021740	1,260
93.658	US Department of Health & Human Services	Ohio Dept of Jobs and Family Services		148,500
93.940	Centers for Disease Control & Prevention	Cols Public Health	24000032	10,043
93.988	Centers for Disease Control & Prevention	Friends of Congressional Glaucoma Caucus	20021914	592
93.991	Centers for Disease Control & Prevention	Cuyahoga County Board of Health	24000524	23,413
Total Department of Health and Human Services Pass-Through Awards				366,816
Corporation for National and Community Service				
94.006	Corp for Nat & Community Service	OH Commission Service and Volunteerism	26650000	245,455
Total Corporation for National and Community Service Pass-Through Awards				245,455
Agency for International Development				
98.001	Agency for Intl Dev	Indiana Univ	22000012	1,474,026

THE OHIO STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

CFDA Number	Federal Agency Sponsor	Pass-Through Sponsor	Pass-Through I.D. Number	Federal Expenditures
Pass-through from other sources:				
Other Programs:				
Total Agency for International Development Pass-Through Awards				<u>1,474,026</u>
Subtotal pass-through from other sources				<u>6,152,172</u>
Total Federal Expenditures				<u><u>\$ 871,752,162</u></u>

The Ohio State University

Notes to Schedule of Expenditures of Federal Awards

June 30, 2013

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, which constitute the primary government for financial reporting purposes:

- The Ohio State University and its hospitals and clinics
- Ohio Agricultural Research and Development Center
- The Ohio Technology Consortium (OH-TECH)

In addition, the university's component units are included in the university's financial statements and schedule of expenditures of federal awards of the following component units:

- The Ohio State University Foundation
- OSU Health Plan, Inc.
- Oval Limited

In addition to the blended component units above, the university's financial statements include the following discretely presented component units:

- The Ohio State University Physicians, Inc.
- Campus Partners for Community Urban Redevelopment, Inc.
- Transportation Research Center of Ohio, Inc.
- Dental Faculty Practice Association, 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 Non-Profit 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, 2013, the university did not receive nonmonetary assistance.

The Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2013

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 its Office of Sponsored Programs will be reimbursed for the facilities and administrative costs associated with the completion of sponsored research.

The Office of Sponsored Programs 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 Office of Sponsored Programs are remitted to the university.

On September 21, 2012, DHHS approved facilities and administrative cost recovery rates effective from July 1, 2012 through June 30, 2016. The facilities and administrative cost rate structure, including the rates submitted within the certificate, are as follows:

Rate Type	Negotiated Rates			
	FY13	FY14	FY15	FY16
Organized Research				
On campus	52.5%	53.5%	54.0%	54.0%
Off campus	26.0%	26.0%	26.0%	26.0%
Instruction				
On campus	52.0%	52.0%	52.0%	52.0%
Off campus	26.0%	26.0%	26.0%	26.0%
Other Sponsored Activities				
On campus	38.0%	38.0%	38.0%	38.0%
Off campus	26.0%	26.0%	26.0%	26.0%

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.

The Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2013

During the fiscal year ended June 30, 2013, the university passed funds to sub-grantees for the following programs:

CFDA Number	Program	Total
10.311	National Institute of Food & Agriculture	\$ 84,517
10.500	National Institute of Food & Agriculture	9,072
10.500	National Institute of Food & Agriculture	55,904
10.500	National Institute of Food & Agriculture	63,288
20.205	Highway and Construction	495,880
45.164	National Endowment for the Humanities	51,878
84.015	US Department of Education	8,330
84.336	Teacher Quality Partnership Grants	390,851
84.350	Transition to Teaching	357,549
84.388	School Improvement Grants	24,500
93.249	Health Resources & Services Admin	39,639
93.778	Medicaid	6,758,967
Various	Research and Development	42,403,384
	Total	<u><u>\$ 50,743,759</u></u>

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, 2013, the university's students and parents received the following amount of new loans under this program:

	CFDA Number	Loan Issued
Direct Student Loans	84.268	
Undergraduate subsidized		\$ 93,411,256
Undergraduate unsubsidized		201,292,253
Direct Parent Loans for Undergraduate Students	84.268	46,692,042
Direct Parent Loans for Graduate Students	84.268	27,653,541
		<u><u>\$ 369,049,092</u></u>

The Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2013

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, 2013.

6. University-Administered Federal Loan Programs

The university had the following loan balances outstanding at June 30, 2013. These balances are not included in the schedule of federal expenditures.

	CFDA Number	Outstanding balance at June 30, 2013
Department of Education		
Federal Perkins Program	84.038	\$ 35,877,207
		<u>35,877,207</u>
Department of Health and Human Services		
Health Professions Student Loan Program	93.342	
Dentistry		9,554,670
Optometry		2,023,786
Medicine		53,470
Pharmacy		1,234,738
Veterinary		5,242,098
Primary Care Loan Program	93.342	
Medicine		1,912,130
Loans to Disadvantaged Student Program	93.342	
Dentistry		106,416
Optometry		6,000
Medicine		173,013
Veterinary		10,152
		<u>20,316,473</u>
Nursing Student Loan Program	93.364	<u>1,706,046</u>
ARRA - Nursing Faculty Loan Program	93.408	<u>22,098</u>
Nursing Faculty Loan Program	93.264	<u>424,330</u>
Total Federal Loans Outstanding		<u>\$ 58,346,154</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

The Ohio State University
Notes to Schedule of Expenditures of Federal Awards
June 30, 2013

financial statements. Loan cancellations, under CFDA Number 84.037, for the fiscal year ended June 30, 2013 were \$7,293,346. 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, 2013. In addition note that the university received administrative cost allowances and collection costs related to the Perkins Loan of \$398,627 and \$967,335, respectively, for the fiscal year ended June 30, 2013.

The university issued the following amounts of new loans during the fiscal year ended June 30, 2013:

	CFDA Number	FY13 Loan Advances
Department of Education		
Federal Perkins Program	84.038	\$ 5,000,401
		<u>5,000,401</u>
Department of Health and Human Services		
Health Professions Student Loan Program	93.342	
Dentistry		1,134,056
Optometry		231,500
Pharmacy		163,900
Veterinary		815,116
Primare Care Loan Program	93.342	
Medicine		119,000
Loans to Disadvantaged Student Program	93.342	
Dentistry		28,000
Medicine		-
Optometry		6,000
Veterinary		5,000
		<u>2,502,572</u>
Nursing Student Loan Program	93.364	<u>236,155</u>
Nursing Faculty Loan Program	93.264	<u>96,000</u>
		<u>7,835,128</u>
Total Federal Loans Issued July 1, 2012 through June 30, 2013		<u>\$ 7,835,128</u>



**Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

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

We have audited, 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, the financial statements of the primary institution and the aggregate discretely presented component units of The Ohio State University (the “University”), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements, and have issued our report thereon dated October 22, 2013.

Internal Control Over Financial Reporting

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

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

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from 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 have reported to management of the University in a separate letter dated October 22, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Princeton House Cooper LLP

Columbus, OH
October 22, 2013



**Independent Auditor's Report 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

Report on Compliance for Each Major Federal Program

We have audited The Ohio State University's (the "University") compliance 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 the University's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We did not audit the University's compliance with the billings, cash receipts, due diligence, and portfolio management compliance requirements specified by the Federal Perkins Loan Program ("Perkins Loan"), or the University's compliance with reporting of student enrollment status changes compliance requirements specified by the Direct Loan program and described in the OMB Circular A-133 Compliance Supplement. Compliance with these requirements was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the University's compliance with those requirements, is based solely on the report of the other auditors. 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 Non-Profit 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, based on our audit and the report of other auditors, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 2013-1 and 2013-2. Our opinion on each major federal program is not modified with respect to these matters.

The University's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, except as noted in the following paragraph, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

We did not consider internal control over compliance with the special tests and provisions – student loan repayments compliance requirements specified by the Perkins Loan, or the over the compliance with special tests and provisions – enrollment reporting compliance requirements specified by the Direct Loan program and described in the OMB Circular A-133 Compliance Supplement. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the University's internal control over those compliance requirements, is based solely upon the report of the other auditors.

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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration and the other auditors' 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. Also, the report of the other auditors did not identify any deficiencies in internal control over compliance that they consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Columbus, Ohio
January 30, 2014

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

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: Unmodified

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
15.605	Fish and Wildlife Cluster
93.778	Medicaid Cluster
93.702	ARRA National Center for Research Resources
93.249	DHHS Public Health Training Centers Program
84.015	DOE National Resource Centers Program for Foreign Language and Area Studies Fellowships Program
11.557	Department of Commerce – Broadband Technology Opportunity Program

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? yes no

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Section II – Financial Statement Findings

None noted.

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Section III – Federal Award Findings and Questioned Costs

Finding Number	2013-1
CFDA Title and Number	Research and Development Cluster, CFDA 's 81.121 - Nuclear Energy Research, Development and Demonstration, 20.800 - Maritime Administration, Contract 12.50040300 - Office of Naval Research / CFDA 93.702 - ARRA National Center for Research Resources
Federal Award Number / Year	2013
Federal Agency	Department of Energy, Department of Transportation / Department of Health and Human Services

Criteria – 29 CFR part 5, Labor Standards Provisions Applicable to Contacts Governing Federally Financed and Assisted Construction requires non-Federal entities to include in their construction contracts subject to Davis-Bacon Act requirement (contracts in excess of \$2,000 financed by Federal assistance funds) that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the Department of Labor Regulations. This includes a requirement for the contractor or subcontractor to pay wages not less than those established for the locality of the project (prevailing wage rates) by the DOL and to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

Condition – We selected two construction projects in excess of \$2,000 from the population of Ohio State University Research and Development Cluster awards and three projects from the population of CFDA 93.702 awards. For the five projects selected for testing, it was noted that the underlying University contracts did not include a reference that the contractor comply with the requirements of the Davis-Bacon Act and the Department of Labor Regulations.

Questioned Costs – None noted.

Context –The University had five federally funded construction projects for which agreements with the vendors and the related certified payrolls referenced the prevailing wage rate of the Ohio Revised Code as opposed to the Davis-Bacon Act. The prevailing wage rate requirements of the Ohio Revised Code are similar to the Davis-Bacon Act, however, for certain employee classifications the prevailing wage rate designated by the Ohio Revised Code is less than the prevailing wage rate designated by the Davis-Bacon Act.

Cause – The Facilities Operations and Development Department (FOD) is responsible for the process of developing agreements with vendors in construction projects entered into on behalf of the University and ensuring the agreements include the appropriate requirements. They have very few federally-funded projects and do not have a control in place to identify federally-funded construction projects and ensure the references to the Davis-Bacon Act are included in the related agreements.

Effect – The University did not include the required references to the Davis-Bacon Act in the agreements with contractors and therefore did not comply with the Davis-Bacon Act compliance requirement.

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Recommendation – The FOD should enhance their control procedures to include the identification of federally funded projects and ensuring the related compliance requirements are considered (specifically, the Davis-Bacon Act). In addition, they should contact existing contractors on federally funded projects to notify them of the requirements and work to identify instances in which their contractors paid their employees less than the prevailing wage rate required by the Davis-Bacon Act and make a good-faith effort to correct any discrepancies identified.

Views of Responsible Officials – For sponsored programs grant funded projects with federal funding FOD has inserted procedures into their existing processes to assure that all federally funded projects follow federal compliance requirements. As part of their overall review of grant requirements the project team members will review funding sources to determine which prevailing wage rate guidelines should be followed. Upon determination there will be clear communication of the appropriate guidelines to all project team members. Currently FOD is reviewing all current projects with federal funding to identify any issues. If any issues are identified we will work to remediate the issue.

Anticipated Completion Date – March 31, 2014

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Finding Number	2013-2
CFDA Title and Number	CFDA 93.249 Public Health Training Centers Program
Federal Award Number / Year	2013
Federal Agency	Department of Health and Human Services Health Resources and Services Administration

Criteria – The award agreement states that “Grant funds may not be used for tuition remission.”

Condition – We selected three student personnel payroll transactions from a population of twelve transactions. This population includes student tuition reimbursements, scholarships, fee authorizations (collectively “tuition remission”) and stipends. It was noted that one of the selections related to student tuition and fees, which are unallowable activities per the grant agreement which disallows tuition remission.

Questioned Costs – \$6,140 in tuition remission from our sample was charged to the project in the current year; a total of \$12,280 in tuition remission was included in the population. Total questioned costs are \$12,280.

Context – The award agreement included a reference that grant funds requested for tuition and fees are not allowed. Tuition charges are recorded to projects via an allocation based on the fee code assigned to the project. The fee code was not correctly entered to reflect the tuition and fees restrictions included in the agreement.

Cause – Tuition charges are recorded to projects via an allocation based on the fee code assigned to the project. The Sponsored Program Officer did not correctly enter the fee code to reflect the tuition and fees restrictions included in the award agreement.

Effect – The University incurred unallowable charges and questioned costs related to tuition and fee remission.

Recommendation – The University should develop a process to review fee codes assigned to projects. In addition, the University should identify the total impact of tuition and fees allocated to this project and reimburse the sponsor accordingly.

Views of Responsible Officials – Since this project was established, we have added an additional review to the new awards process. In addition to the Office of Grants and Contracts managers, the institutional data group now reviews new awards; reducing the likelihood of fee code errors. For this award, the University has removed all fee charges, and the reimbursement will be deducted from our draw from DHHS.

Anticipated Completion Date – January 31, 2014

The Ohio State University
Schedule of Findings and Questioned Costs
OMB Circular A-133
June 30, 2013

Section III – Summary Schedule of Prior Audit Findings

Number	Finding and Description	Status
2012-1	Preparation of the SEFA – The 2011 SEFA did not include a complete listing of all expenditures of federal awards.	In FY2013, we ensured the individuals contributing to the SEFA were appropriate and knowledgeable of the subject to ensure completeness. No findings were identified by PwC in the current period.
2012-2	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 1 student was not processed timely.	In FY2011 PwC identified a finding related to Title IV Refunds. In FY2012 we increased our focus on appropriate training of employees performing the Title IV refunds and as a result there was only one student identified for which the refund was not processed timely in FY2012. The refund had been processed prior to the identification of the FY2011 finding and subsequent retraining of staff. No findings noted by PwC in the current period.
2012-3	Matching – Medicaid – Two grants were selected to test for compliance with the matching requirement and one exception was noted.	We implemented additional oversight procedures related to the matching requirement. No findings noted by PwC in the current period.



January 30, 2014

RE: Corrective Action Plans

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

R. Michael Gray
University Controller
The Ohio State University
2040 Blankenship Hall
901 Woody Hayes Drive
Columbus, OH 43210-4016
Phone: 614-292-0741
E-mail: gray.1020@osu.edu

2. Corrective actions planned:

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

Finding Number	2013-1
CFDA Title and Number	Research and Development Cluster, CFDA 's 81.121 - Nuclear Energy Research, Development and Demonstration, 20.800 - Maritime Administration, Contract 12.50040300 - Office of Naval Research / CFDA 93.702 - ARRA National Center for Research Resources
Federal Award Number / Year	2013
Federal Agency	Department of Energy, Department of Transportation / Department of Health and Human Services

Criteria – 29 CFR part 5, Labor Standards Provisions Applicable to Contacts Governing Federally Financed and Assisted Construction requires non-Federal entities to include in their construction contracts subject to Davis-Bacon Act requirement (contracts in excess of \$2,000 financed by Federal assistance funds) that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the Department of Labor Regulations. This includes a requirement for the contractor or subcontractor to pay wages not less than those established for the locality of the project (prevailing wage rates) by the DOL and to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

Condition – We selected two construction projects in excess of \$2,000 from the population of Ohio State University Research and Development Cluster awards and three projects from the population of CFDA 93.702 awards. For the five projects selected for testing, it was noted that the underlying University contracts did not include a reference that the contractor comply with the requirements of the Davis-Bacon Act and the Department of Labor Regulations.

Questioned Costs – None noted.

Context –The University had five federally funded construction projects for which agreements with the vendors and the related certified payrolls referenced the prevailing wage rate of the Ohio Revised Code as opposed to the Davis-Bacon Act. The prevailing wage rate requirements of the Ohio Revised Code are similar to the Davis-Bacon Act, however, for certain employee classifications the prevailing wage rate designated by the Ohio Revised Code is less than the prevailing wage rate designated by the Davis-Bacon Act.

Cause – The Facilities Operations and Development Department (FOD) is responsible for the process of developing agreements with vendors in construction projects entered into on behalf of the University and ensuring the agreements include the appropriate requirements. They have very few federally-funded projects and do not have a control in place to identify federally-funded construction projects and ensure the references to the Davis-Bacon Act are included in the related agreements.

Effect – The University did not include the required references to the Davis-Bacon Act in the agreements with contractors and therefore did not comply with the Davis-Bacon Act compliance requirement.

Recommendation – The FOD should enhance their control procedures to include the identification of federally funded projects and ensuring the related compliance requirements are considered (specifically, the Davis-Bacon Act). In addition, they should contact existing contractors on federally funded projects to notify them of the requirements and work to identify instances in which their contractors paid their employees less than the prevailing wage rate required by the Davis-Bacon Act and make a good-faith effort to correct any discrepancies identified.

Views of Responsible Officials – For sponsored programs grant funded projects with federal funding FOD has inserted procedures into their existing processes to assure that all federally funded projects follow federal compliance requirements. As part of their overall review of grant requirements the project team members will review funding sources to determine which prevailing wage rate guidelines should be followed. Upon determination there will be clear communication of the appropriate guidelines to all project team members. Currently FOD is reviewing all current projects with federal funding to identify any issues. If any issues are identified we will work to remediate the issue.

Anticipated Completion Date – March 31, 2014

Finding Number	2013-2
CFDA Title and Number	CFDA 93.249 Public Health Training Centers Program
Federal Award Number / Year	2013
Federal Agency	Department of Health and Human Services Health Resources and Services Administration

Criteria – The award agreement states that “Grant funds may not be used for tuition remission.”

Condition – We selected three student personnel payroll transactions from a population of twelve transactions. This population includes student tuition reimbursements, scholarships, fee authorizations (collectively “tuition remission”) and stipends. It was noted that one of the selections related to student tuition and fees, which are unallowable activities per the grant agreement which disallows tuition remission.

Questioned Costs – \$6,140 in tuition remission from our sample was charged to the project in the current year; a total of \$12,280 in tuition remission was included in the population. Total questioned costs are \$12,280.

Context – The award agreement included a reference that grant funds requested for tuition and fees are not allowed. Tuition charges are recorded to projects via an allocation based on the fee code assigned to the project. The fee code was not correctly entered to reflect the tuition and fees restrictions included in the agreement.

Cause – Tuition charges are recorded to projects via an allocation based on the fee code assigned to the project. The Sponsored Program Officer did not correctly enter the fee code to reflect the tuition and fees restrictions included in the award agreement.

Effect – The University incurred unallowable charges and questioned costs related to tuition and fee remission.

Recommendation – The University should develop a process to review fee codes assigned to projects. In addition, the University should identify the total impact of tuition and fees allocated to this project and reimburse the sponsor accordingly.

Views of Responsible Officials – Since this project was established, we have added an additional review to the new awards process. In addition to the Office of Grants and Contracts managers, the institutional data group now reviews new awards; reducing the likelihood of fee code errors. For this award, the University has removed all fee charges, and the reimbursement will be deducted from our draw from DHHS.

Anticipated Completion Date – January 31, 2014