

***The Ohio State University
Research Foundation***

***(A Component Unit of
The Ohio State University)***

*Office of Management and Budget
Circular A-133 Reports for the
Year Ended June 30, 2003*



**Auditor of State
Betty Montgomery**

Board of Trustees
OSU Research Foundation
2080 Blankenship Hall
901 Woody Hayes Dr.
Columbus, Ohio 43210-4016

We have reviewed the Independent Auditor's Report of the OSU Research Foundation, Franklin County, prepared by Deloitte & Touche LLP, for the audit period July 1, 2002 through June 30, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The OSU Research Foundation is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

January 20, 2004

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**THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
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**THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

Federal Agency	CFDA Number	Sponsor I.D. Number	2003 Expenditures
Research and Development Cluster:			
Pass-through from The Ohio State University:			
Environmental Protection Agency		30020000	\$ 87,500
National Aeronautics & Space Administration		30030000	163,416
Annes Research Center		30030103	221,376
John Glenn Research Center-Lewis Field		30030104	602,401
Marshall Space Flight Center		30030201	270,880
Johnson Space Center		30030202	4,196
Kennedy (John F) Space Center		30030203	182,879
Goddard Space Flight Center		30030301	2,594,081
National Endowment For The Humanities		30040100	13,681
National Science Foundation		30050000	54,827
NSF Division Earth Sciences		30050402	6,449
NSF Division Human Resource Development		30050606	38,857
NSF Office Of International Science and Engineering		30050803	14,870
Smithsonian Astrophysical Observatory		30060200	191,072
Veterans Affairs		30170000	231,219
VA Maryland Health Care System		30170200	181
Agency For International Development		30300100	246,854
US Institute Of Peace		30460000	13,334
Forest Service		40020000	91,502
Cooperative State Research, Education and Extension Service		40040100	71,830
Agricultural Research Service		40040200	277,171
Natural Resources Conservation Service		40060000	158,328
Animal & Plant Health Inspection Service		40070000	8,945
Economic Research Service		40120000	78,936
Rural Development		40190000	135,214
National Marine Fisheries Service		42020300	61,554
Office Of National Geodetic Survey		42020400	39,097
National Institute Of Standards and Technology		42040000	42,892

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

	Federal Agency	CFDA Number	Sponsor I.D. Number	2003 Expenditures
Research and Development Cluster:				
Pass-through from The Ohio State University:				
Department Of Defense			50000000	\$ 325,576
Air Force Materiel Command			50010100	1,258,036
Air Force Office Of Scientific Research			50010105	275,410
Wright Laboratory			50010800	186,605
Army			50020000	12,559
Army Corps Of Engineers			50020100	47,448
Army Cold Regions Research & Engineering Lab			50020103	72,424
Humphreys Engineer Center Of Support Activity			50020106	447,033
Army Tank Command			50020204	51,662
Army Medical Command			50020300	(8,695)
Army Research Office			50020400	915,051
Army Robert Morris Acquisition Center			50022400	156,393
Space & Naval Warfare Systems Center			50040110	(358)
Naval Medical Research Institute			50041002	340,877
Naval Aerospace Medical Research Lab			50041003	30,000
Advanced Research Projects Agency			50060000	647,711
National Imagery & Mapping Agency			50080000	116,920
Defense Logistics Agency			50130000	233,632
Defense Contracting Command			50180000	45,318
Uniformed Services University Health Sciences			50190000	488
National Reconnaissance Office			50200000	677,342
Strategic Environmental R&D Program			50210000	50,825
Office Of Educational Research & Improvement			53020000	5,325,894
Office Vocational and Adult Education Programs			53060000	49,747
Department Of Energy			55000000	6,216,877
Oak Ridge National Laboratory			55110000	178,413
National Energy Technology Laboratory			55130000	179,543
Centers For Medicare and Medicaid Services			60020000	179,651

See notes to schedule of expenditures of federal awards.

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

Federal Agency	CFDA Number	Sponsor I.D. Number	2003 Expenditures
Research and Development Cluster:			
Pass-through from The Ohio State University:			
Food and Drug Administration		60040200	\$ 53,540
National Cancer Institute		60040402	788,261
National Heart Lung Blood		60040403	1,075,551
National Institute of Neurological Disorders & Stroke		60040408	220,310
National Institute Dental and Craniofacial Research		60040412	28,111
National Institute Arthritis, Musculoskeletal and Skin		60040419	424,946
National Institute Deafness and Other Communication Disorders		60040420	122,299
National Institute Mental Health		60040421	350,858
Centers For Disease Control and Prevention		60040600	291,160
Department Of Housing & Urban Development		70000000	11,052
U.S. Fish & Wildlife Service		72030000	(382)
U.S. Geological Survey		72040000	39,642
Bureau Of Labor Statistics		76050000	8,634,636
Department Of Transportation		82000000	658,746
Federal Highway Administration		82010000	14,933
Federal Aviation Administration		82030000	900,794
National Highway Traffic Safety Administration		82040000	190,338
Economic Research Service	1.001	40120000	8,000
Cooperative State Research, Education and Extension Service	10.001	40040100	15,829
Agricultural Research Service	10.001	40040200	629,826
Animal & Plant Health Inspection Service	10.025	40070000	14,800
Animal & Plant Health Inspection Service	10.028	40070000	14,956
Agriculture Science & Education	10.200	40040000	(5,147)
Cooperative State Research, Education and Extension Service	10.200	40040100	1,407,486
North Central Regional Integrated Pest Mgmt Program	10.200	40040102	3,318
Department Of Agriculture	10.206	40000000	195,993
Cooperative State Research, Education and Extension Service	10.206	40040100	1,537,906
National Research Initiative Competitive Grants Program	10.206	40040103	600,574

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YEAR ENDED JUNE 30, 2003**

Federal Agency	CFDA Number	Sponsor I.D. Number	2003 Expenditures
Research and Development Cluster:			
Pass-through from The Ohio State University:			
Cooperative State Research, Education and Extension Service	10.217	40040100	\$ 48,057
Cooperative State Research, Education and Extension Service	10.219	40040100	3,345
Economic Research Service	10.250	40120000	134,881
Cooperative State Research, Education and Extension Service	10.302	40040100	891,395
Initiative Future Agriculture & Food System	10.302	40040104	843,838
Cooperative State Research, Education and Extension Service	10.303	40040100	97,393
Cooperative State Research, Education and Extension Service	10.500	40040100	31,509
Forest Service	10.652	40020000	37,858
Forest Service	10.664	40020000	4,390
Rural Development	10.769	40190000	36,697
Rural Development	10.771	40190000	86,525
National Sheep Industry Improvement Center	10.774	40190100	2,461
Natural Resources Conservation Service	10.913	40060000	18,272
Office Of International Cooperation and Development	10.960	40100000	28,196
Office Of International Cooperation and Development	10.961	40100000	12,912
National Oceanic and Atmospheric Administration	11.417	42020000	1,153,958
National Oceanic and Atmospheric Administration	11.460	42020000	147,341
National Institute Of Standards and Technology	11.609	42040000	180,860
Office Of Naval Research	12.300	50040300	2,266,416
Department Of Defense	12.420	50000000	190,915
Army	12.420	50020000	16,324
Army Medical Command	12.420	50020300	979,593
Army Medical Research and Materiel Command	12.420	50020301	341,325
Advanced Research Projects Agency	12.420	50060000	1,350,081
Army Research Office	12.431	50020400	56,992
Army Robert Morris Acquisition Center	12.431	50022400	48,916
Air Force Office Of Scientific Research	12.630	50010105	388,407
National Imagery & Mapping Agency	12.630	50080000	182,589

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Federal Agency	CFDA Number	Sponsor I.D. Number	2003 Expenditures
Research and Development Cluster:			
Pass-through from The Ohio State University:			
National Imagery and Mapping Agency	12.630	50080000	\$ 280,400
Air Force Materiel Command	12.800	50010100	2,395,260
Air Force Office Of Scientific Research	12.800	50010105	2,133,510
National Security Agency	12.901	50140000	49,354
Air Force Materiel Command	12.910	50010100	550,434
Air Force Office Of Scientific Research	12.910	50010105	100,481
U.S. Fish & Wildlife Service	15.617	72030000	15,455
U.S. Geological Survey	15.805	72040000	123,441
U.S. Geological Survey	15.808	72040000	301,237
Bureau Of Educational & Cultural Affairs	19.405	80020100	72,715
Federal Aviation Administration	20.108	82030000	374,073
National Endowment For The Humanities	45.149	30040100	155,670
National Endowment For The Humanities	45.162	30040100	7,487
National Endowment For The Humanities	45.163	30040100	45,265
National Science Foundation	47.041	30050000	1,000,884
NSF Engineering	47.041	30050300	120,874
NSF Division Engineering, Education & Centers	47.041	30050302	384,996
NSF Division Chemical & Transport Systems	47.041	30050303	101,857
NSF Division Civil & Mechanical Structures	47.041	30050304	217,377
NSF Division Electrical & Communications Systems	47.041	30050305	393,193
NSF Division Design, Manufacture, Industrial	47.041	30050306	685,978
NSF Division Bioengineering & Environmental	47.041	30050307	283,795
NSF Office Of International Science and Engineering	47.041	30050803	1,473
NSF Molecular & Cellular Biosciences	47.047	30050103	8,122
National Science Foundation	47.049	30050000	2,170,116
NSF Office Polar Programs	47.049	30050404	23,070
NSF Division Mathematical Sciences	47.049	30050501	2,476,881
NSF Division Physics	47.049	30050502	1,355,447

See notes to schedule of expenditures of federal awards.

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YEAR ENDED JUNE 30, 2003**

Federal Agency	CFDA Number	Sponsor I.D. Number	2003 Expenditures
Research and Development Cluster:			
Pass-through from The Ohio State University:			
NSF Division Chemistry	47.049	30050503	\$ 3,386,845
NSF Division Materials Research	47.049	30050504	1,601,846
NSF Division Astronomical Sciences	47.049	30050505	786,036
National Science Foundation	47.050	30050000	332,959
NSF Division Earth Sciences	47.050	30050402	225,738
NSF Division Ocean Sciences	47.050	30050403	19,084
NSF Office Polar Programs	47.050	30050404	445,574
National Science Foundation	47.070	30050000	1,082,605
NSF Computer and Information Science and Engineering	47.070	30050200	692,818
NSF Division Computer & Computation Research	47.070	30050202	487,876
NSF Division Info Robotics and Intelligent Systems	47.070	30050203	304,612
National Science Foundation	47.071	30050000	70,209
NSF Office Science and Technology Infrastructure	47.073	30050900	8,858
National Science Foundation	47.074	30050000	967,008
NSF Biological Sciences	47.074	30050100	565,723
NSF Biological Instrumentation & Resources	47.074	30050101	409,505
NSF Integrative Biology & Neuroscience	47.074	30050102	772,087
NSF Molecular & Cellular Biosciences	47.074	30050103	1,363,962
NSF Environmental Biology	47.074	30050104	91,247
National Science Foundation	47.075	30050000	210,589
NSF Social, Behavioral and Economic Sciences	47.075	30050800	117,906
NSF Social, Behavioral and Economic Sciences	47.075	30050801	1,920,184
NSF Office Of International Science and Engineering	47.075	30050803	24,136
NSF Behavioral And Cognitive Sciences	47.075	30050804	376
National Academy Science	47.075	31020000	280
National Science Foundation	47.076	30050000	54,531
NSF Education & Human Resources	47.076	30050600	130,145
NSF Division Undergraduate Education	47.076	30050605	581,660

See notes to schedule of expenditures of federal awards.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003

Federal Agency	CFDA Number	Sponsor I.D. Number	2003 Expenditures
Research and Development Cluster:			
Pass-through from The Ohio State University:			
NSF Elementary, Secondary and Informal Education	47.076	30050607	\$ 123,819
NSF Division Graduate Education & Research Development	47.076	30050611	279,063
NSF Division Research, Evaluation & Communication	47.076	30050612	92,867
National Science Foundation	47.078	30050000	244,723
NSF Office Polar Programs	47.078	30050404	2,031,021
NSF Division Mathematical Sciences	47.079	30050501	1,850
Army Medical Research and Materiel Command	53.214	50020301	36,781
Environmental Protection Agency	66.500	30020000	472,325
Environmental Protection Agency	66.951	30020000	15,562
Environmental Protection Agency	66.961	30020000	14,453
Department Of Energy	81.049	55000000	211,042
Department Of Energy	81.086	55000000	1,476,008
Department Of Energy	81.114	55000000	98,533
Center For International Education	84.015	53040200	1,545,358
Office Of Postsecondary Education	84.021	53040000	11,562
Office Of Postsecondary Education	84.042	53040000	282,573
Office Of Postsecondary Education	84.047	53040000	235,944
Rehabilitation Services Administration	84.129	53050200	111,091
Department Of Education	84.133	53000000	56,644
National Institute of Disability and Rehabilitation Research	84.133	53050300	394,439
Office Of Educational Research & Improvement	84.168	53020000	(607)
Department Of Education	84.200	53000000	211,096
Office Of Postsecondary Education	84.220	53040000	326,918
National Institute of Disability and Rehabilitation Research	84.224	53050300	521,882
Department Of Education	84.229	53000000	(2,562)
Office Of Postsecondary Education	84.229	53040000	260,959
Office Of Higher Education Programs	84.229	53040100	178,628
Office Of Educational Research & Improvement	84.305	53020000	100,913

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

Federal Agency	CFDA Number	Sponsor I.D. Number	2003 Expenditures
Research and Development Cluster:			
Pass-through from The Ohio State University:			
Office Of Special Education and Rehabilitative Services	84.324	53050000	\$ 82,388
Office Of Special Education Programs	84.324	53050100	115,762
Department Of Education	84.325	53000000	261,634
Department Of Education	84.327	53000000	113,366
Department Of Education	84.333	53000000	79,274
Office Of Postsecondary Education	84.342	53040000	698,217
Office Of Elementary & Secondary Education	84.350	53030000	205,940
Maternal & Child Health Bureau	93.110	60040505	418,799
Office of Population Affairs	93.111	60041100	20,780
National Institute Environmental Health Science	93.113	60040414	688,969
National Institute Environmental Health Science	93.114	60040414	77,716
National Institute Dental and Craniofacial Research	93.121	60040412	5,468,532
National Institute Deafness and Other Communication Disorders	93.173	60040420	1,155,445
Bureau Health Professions	93.181	60040501	157,767
Health Resources & Services Administration	93.191	60040500	74,823
Substance Abuse and Mental Health Services Administration	93.230	60040424	115,011
National Institute Mental Health	93.242	60040421	3,312,750
Health Resources & Services Administration	93.248	60040500	47,670
National Institute for Occupational Safety and Health	93.262	60040601	1,027,129
National Institute Alcohol Abuse and Alcoholism	93.273	60040423	256,416
National Institute Drug Abuse	93.279	60040422	833,302
National Institute Mental Health	93.281	60040421	149,206
National Institute Mental Health	93.282	60040421	421,822
Centers For Disease Control and Prevention	93.283	60040600	205,991
National Institute Biomedical Imaging & Bioengineer	93.286	60040428	437,321
National Center For Research Resources	93.306	60040410	993,370
National Center For Research Resources	93.333	60040410	41,632
National Institute Nursing Research	93.361	60040418	1,265,883

See notes to schedule of expenditures of federal awards.

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

Federal Agency	CFDA Number	Sponsor I.D. Number	2003 Expenditures
Research and Development Cluster:			
Pass-through from The Ohio State University:			
National Institutes of General Medical Sciences	93.371	60040407	\$ (14,172)
National Center For Research Resources	93.371	60040410	169,958
National Center For Research Resources	93.389	60040410	559,085
National Institute Dental and Craniofacial Research	93.390	60040412	70,149
National Cancer Institute	93.393	60040402	4,170,719
National Cancer Institute	93.394	60040402	1,182,807
National Cancer Institute	93.395	60040402	9,184,209
National Cancer Institute	93.396	60040402	3,792,893
National Institutes of General Medical Sciences	93.396	60040407	129,671
National Cancer Institute	93.397	60040402	2,734,623
National Cancer Institute	93.398	60040402	1,983,531
National Cancer Institute	93.399	60040402	1,177,947
Administration for Children, Youth, & Families	93.632	60070100	383,475
Centers For Medicare and Medicaid Services	93.779	60020000	14,793
National Institutes of General Medical Sciences	93.821	60040407	1,693,573
National Institute of Health	93.837	60040400	10,772
National Heart Lung Blood	93.837	60040403	4,898,703
National Institute Biomedical Imaging & Bioengineer	93.837	60040428	78,934
National Heart Lung Blood	93.838	60040403	3,560,617
National Heart Lung Blood	93.839	60040403	206,238
National Institute Arthritis, Musculoskeletal and Skin	93.846	60040419	1,440,188
National Institute Diabetes & Digestive & Kidney Disease	93.847	60040405	1,041,592
National Institute Diabetes & Digestive & Kidney Disease	93.848	60040405	1,372,052
National Institute Diabetes & Digestive & Kidney Disease	93.849	60040405	1,647,526
National Institute Dental and Craniofacial Research	93.849	60040412	49,867
National Institute of Neurological Disorders & Stroke	93.853	60040408	3,640,440
National Institute of Neurological Disorders & Stroke	93.854	60040408	2,702,459
National Institute Allergy Infectious Diseases	93.855	60040404	2,356,174

See notes to schedule of expenditures of federal awards.

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

Federal Agency	CFDA Number	Sponsor I.D. Number	2003 Expenditures
Research and Development Cluster:			
Pass-through from The Ohio State University:			
National Institute Allergy Infectious Diseases	93.856	60040404	\$ 5,992,280
National Institutes of General Medical Sciences	93.859	60040407	2,659,017
National Institutes of General Medical Sciences	93.862	60040407	3,310,680
National Institute Child Health and Human Development	93.864	60040406	1,043,458
National Institute Child Health and Human Development	93.865	60040406	1,759,774
National Institute of Aging	93.866	60040415	3,556,866
National Eye Institute	93.867	60040411	7,111,470
Bureau Health Professions	93.884	60040501	162,112
Health Resources & Services Administration	93.896	60040500	174,960
Bureau Health Professions	93.896	60040501	7,143
Fogarty International Center	93.934	60040417	89,799
National Institutes of General Medical Sciences	93.960	60040407	26,083
Bureau Health Professions	93.964	60040501	12,081
Bureau Health Professions	93.984	60040501	401,457
Corporation For National Service	94.005	31040001	134,557
NSF Molecular & Cellular Biosciences	95.270	30050103	86,598
National Cancer Institute	96.396	60040402	5,000
Cooperative State Research, Education and Extension Service	100.206	40040100	19
Total pass-through from The Ohio State University			<u>189,040,927</u>

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

Federal Agency Sponsor	Pass-Through Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2003 Expenditures
Research and Development Cluster (continued):				
Pass-through from other sources:				
Environmental Protection Agency	University of Wisconsin	30020000	22000006	\$ 28,504
Environmental Protection Agency	North Carolina State University	30020000	22000136	15,472
Environmental Protection Agency	University of Delaware	30020000	22000138	30,158
Environmental Protection Agency	Case Western Research University	30020000	22000238	21,620
Environmental Protection Agency	University of Alabama at Tuscaloosa	30020000	22000305	(35)
Environmental Protection Agency	Ohio Environment Protection Agency	30020000	26340000	243,207
Environmental Protection Agency	AlliedSignal, Inc	30030000	10011761	115,313
National Aeronautics and Space Administration	Raytheon Company	30030000	10011847	103,641
National Aeronautics and Space Administration	Innovative Scientific Solutions Inc	30030000	10020096	(212)
National Aeronautics and Space Administration	PHPK Technologies Incorporated	30030000	10020108	9,364
National Aeronautics and Space Administration	Rotorcraft Industry Technology Association	30030000	20020103	61,335
National Aeronautics and Space Administration	Space Telescope Science Institute	30030000	20021006	95,689
National Aeronautics and Space Administration	University Research Association Inc	30030000	20021485	565
National Aeronautics and Space Administration	California Institute of Technology	30030000	22000054	229,791
National Aeronautics and Space Administration	Johns Hopkins University	30030000	22000133	10,115
National Aeronautics and Space Administration	Georgia Technical Research Institute	30030000	22000189	(2,622)
National Aeronautics and Space Administration	Georgia Technical Research Institute	30030000	22000245	45,850
National Aeronautics and Space Administration	University Texas Austin	30030000	22000270	24,817
National Aeronautics and Space Administration	Embry-Riddle Aero University	30030000	22000291	5,628
National Aeronautics and Space Administration	Rochester Institute of Technology	30030000	22000335	14,463
Ames Research Center	Raytheon Company	30030103	10011847	103,937
Ames Research Center	Am Museum of Natural History	30030103	20021138	11,891
Ames Research Center	University of Kentucky	30030103	22000143	18,472
John Glenn Research Center-Lewis Field	Ohio Aerospace Institute	30030104	20021048	143,305
John Glenn Research Center-Lewis Field	University Illinois	30030104	22000009	36,978
John Glenn Research Center-Lewis Field	Georgia Technical Research Institute	30030104	22000245	341,140
Goddard Space Flight Center	EG&G, Inc.	30030301	10011343	147,495
National Endowment For The Humanities	Cornell University	30040100	22000081	13,526
National Science Foundation	Horizon Research Inc	30050000	10012237	9,010
National Science Foundation	Cleveland Clinic Foundation	30050000	20010421	61,986
National Science Foundation	Woods Hole Oceanographic Institute	30050000	20020744	118,959
National Science Foundation	University Corp Atmospheric Research	30050000	20020793	106,713
National Science Foundation	Education Development Center	30050000	20021328	193,561
National Science Foundation	International Technology Education Association	30050000	20021487	286,923
National Science Foundation	Purdue University	30050000	22000002	(1,539)
National Science Foundation	Rutgers University	30050000	22000003	40,825
National Science Foundation	University of Medical & Dental NJ	30050000	22000004	12,115
National Science Foundation	University Illinois	30050000	22000009	425,316
National Science Foundation	Virginia Polytechnic Institute	30050000	22000023	17,909

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Federal Agency Sponsor	Pass-Through Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2003 Expenditures
Research and Development Cluster (continued):				
Pass-through from other sources:				
National Science Foundation	Michigan State University	30050000	22000044	\$ 271,060
National Science Foundation	Miami University	30050000	22000049	15,919
National Science Foundation	Carnegie-Mellon University	30050000	22000051	82,248
National Science Foundation	Texas A & M University	30050000	22000053	3,329
National Science Foundation	Kansas State University	30050000	22000062	218,534
National Science Foundation	University of Minnesota	30050000	22000067	146,491
National Science Foundation	Florida State University	30050000	22000070	(2,804)
National Science Foundation	University of Connecticut	30050000	22000076	34,553
National Science Foundation	Cornell University	30050000	22000081	51,459
National Science Foundation	University Maryland	30050000	22000120	15,709
National Science Foundation	Denison University	30050000	22000128	49,254
National Science Foundation	North Carolina State University	30050000	22000136	83,921
National Science Foundation	Stanford University	30050000	22000142	39,444
National Science Foundation	Mississippi State University	30050000	22000196	23,014
National Science Foundation	University Washington	30050000	22000212	44,381
National Science Foundation	Montana State University	30050000	22000236	19,621
National Science Foundation	Drexel University	30050000	22000246	253,242
National Science Foundation	Institute for Advanced Study	30050000	22000273	11,027
National Science Foundation	University California San Diego	30050000	22000288	355,185
National Science Foundation	University of Alabama at Tuscaloosa	30050000	22000305	(9)
National Science Foundation	Polytechnic University	30050000	22000321	55,756
National Science Foundation	Northeastern University	30050000	22000329	969,044
National Science Foundation	University Missouri	30050100	22000073	9,526
National Science Foundation	Stroud Water Research Center	30050104	20021389	(4,688)
National Science Foundation	Stanford University	30050200	22000142	1,909
National Science Foundation	Washington State University	30050400	22000096	12,073
National Science Foundation	Texas A & M University	30050404	22000053	14,063
National Science Foundation	Princeton University	30050500	22000289	16,426
National Science Foundation	Pacific Resources	30050600	20021507	16,045
National Science Foundation	Carnegie-Mellon University	30050701	22000051	(1,114)
National Science Foundation	Ohio Business Development Organization	30140000	20020062	17,463
Small Business Administration	University Chicago	30170000	22000018	62,975
Veterans Administration	Development Alternatives Inc	30300100	10011316	248,005
Agency for International Development	Chemomics International	30300100	10011565	20,588
Agency for International Development	American Council on Education	30300100	20020078	10,000
Agency for International Development	United Negro College Foundation	30300100	20021410	229,241
Agency for International Development	International Rice Research Institute	30300100	20021413	43,890
Agency for International Development	University of Wisconsin	30300100	22000006	70,853
Agency for International Development	Oregon State University	30300100	22000103	73,151

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Research and Development Cluster (continued):				
Pass-through from other sources:				
Department of Agriculture	Biotech Research & Development Corporation	40000000	10011994	\$ 81,801
Department of Agriculture	Environmental Energy	40000000	10012272	5,466
Department of Agriculture	Alden Research Laboratory	40000000	10012406	15,000
Department of Agriculture	Bioprocess Innovative Company, Inc	40000000	10020039	51,073
Department of Agriculture	Dairy Management Inc	40000000	20020911	69,999
US Department of Agriculture	Ohio Vegetable & Potato Growers Association	40000000	20021517	27,936
Department of Agriculture	Purdue University	40000000	22000002	96,656
Department of Agriculture	George Mason University	40000000	22000019	9,467
Department of Agriculture	Michigan State University	40000000	22000044	35,740
Department of Agriculture	Iowa St University	40000000	22000047	5,901
Department of Agriculture	University Maine At Orono	40000000	22000048	2,337
Department of Agriculture	Cornell University	40000000	22000081	45,811
Department of Agriculture	University Nebraska	40000000	22000085	28,395
Department of Agriculture	Colorado State University	40000000	22000110	56,488
Department of Agriculture	University Arizona	40000000	22000116	55,265
Department of Agriculture	University of Delaware	40000000	22000138	14,322
Department of Agriculture	Universidad Del Este	40000000	22010015	6,019
Department of Agriculture	N. Centralregional Susta Agriculture Research & Education	40040100	20021261	25,611
Cooperative State Research, Education & Extension Service	Midwest Advanced Food Manufacture Alliance	40040100	20021278	47,327
Cooperative State Research, Education & Extension Service	Purdue University	40040100	22000002	230,884
Cooperative State Research, Education & Extension Service	University of Wisconsin	40040100	22000006	33,342
Cooperative State Research, Education & Extension Service	University Illinois	40040100	22000009	26,342
Cooperative State Research, Education & Extension Service	Michigan State University	40040100	22000044	7,591
Cooperative State Research, Education & Extension Service	Iowa State University	40040100	22000047	57
Cooperative State Research, Education & Extension Service	University Maine At Orono	40040100	22000048	9,609
Cooperative State Research, Education & Extension Service	Southern Illinois University	40040100	22000055	9,697
Cooperative State Research, Education & Extension Service	Kansas State University	40040100	22000062	289,199
Cooperative State Research, Education & Extension Service	Cornell University	40040100	22000081	19,536
Cooperative State Research, Education & Extension Service	University Nebraska	40040100	22000085	21,611
Cooperative State Research, Education & Extension Service	University of Florida	40040100	22000108	2,506
Cooperative State Research, Education & Extension Service	Colorado State University	40040100	22000110	5,719
Cooperative State Research, Education & Extension Service	North Carolina State University	40040100	22000136	6,289
Cooperative State Research, Education & Extension Service	University of Kentucky	40040100	22000143	7,851
Cooperative State Research, Education & Extension Service	University of Georgia	40040100	22000144	52,956
Cooperative State Research, Education & Extension Service	University of Mass-Amherst	40040100	22000274	4,873
Cooperative State Research, Education & Extension Service	Collegio University Del Est	40040100	22010012	22,403
Cooperative State Research, Education & Extension Service	Imation Corp.	42000000	10012042	32,285
Department of Commerce	Georgia Technology Research Institute	42000000	22000245	19,895
Department of Commerce	University of Massachusetts - Dartmouth	42000000	22000312	(671)

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Research and Development Cluster (continued):				
Pass-through from other sources:				
National Oceanic and Atmospheric Administration	Phycotransgenics LLC	42020000	10012342	\$ 16,877
National Oceanic and Atmospheric Administration	National Fish & Wildlife Foundation	42020000	20021134	23,185
National Oceanic and Atmospheric Administration	University of Connecticut	42020000	22000076	13,176
National Oceanic and Atmospheric Administration	University New Hampshire	42020000	22000131	7,102
National Oceanic and Atmospheric Administration	Ohio Department of National Resource	42020000	26110000	4,475
National Institute of Standard & Technology	Owens Corning	42040000	10011306	36,239
National Institute of Standard & Technology	Edison Materials Technology Center	42040000	10011518	151,042
National Institute of Standard & Technology	OG Technologies Inc.	42040000	10012262	208,639
Department of Defense	TRW Inc	50000000	10011177	174,186
Department of Defense	Veridian-Srl	50000000	10011383	18,646
Department of Defense	Nichols Research Corporation	50000000	10011948	(10,527)
Department of Defense	R & S Associates	50000000	10012346	21,925
Department of Defense-National Imagery and Mapping Agency	Aegis Research Corporation	50000000	10012365	87,048
Department of Defense-US Special Operations Command	Syntonics LLC	50000000	10012399	29,190
Department of Defense	Sytronics, Inc.	50000000	10020077	19,056
Department of Defense	Illinois Institute of Technology	50000000	20021129	(15,256)
Department of Defense	University Dayton	50000000	22000008	3,710
Department of Defense	Texas Technology University	50000000	22000122	22,758
Department of Defense	Mississippi State University	50000000	22000196	2,137,162
Air Force	Science Applications International Corporation	50010000	10011324	33,564
Air Force	Veridian-Srl	50010000	10011383	71,240
Air Force	Universal Technical Corporation	50010000	10011471	50,793
Air Force	GE Aircraft Engines	50010000	10011756	87,457
Air Force	Harris Corporation	50010000	10012071	106,724
Air Force	Amberwave Technologies	50010000	10012219	27,116
Air Force	NCI Information Systems	50010000	10012350	11,043
Air Force	S & K Technologies	50010000	10012375	141,974
Air Force	Anteon International	50010000	10012402	24,551
Air Force	Technology Management Concepts	50010000	10020023	9,935
Air Force	UES, Inc.	50010000	10020049	15,000
Air Force	Sytronics, Inc.	50010000	10020077	23,071
Air Force	Innovative Science Solutions	50010000	10020096	161,686
Air Force	Hyper Technology Research	50010000	10020102	10,529
Air Force	Ladish / Chambersburg	50010000	18000013	468,857
Air Force	Dayton Area Graduated Studies	50010000	20021372	10,882
Air Force	Carnegie-Mellon University	50010000	22000051	116,714
Air Force	University of Cincinnati	50010000	22000074	38,926
Air Force	Mit-Lincoln Laboratory	50010000	22000228	133,311
Air Force Office of Scientific Research	PHI Technology Co	50010105	10011673	5,757

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Research and Development Cluster (continued):				
Pass-through from other sources:				
Air Force Office of Scientific Research	Monopole Research	50010105	10012374	18,020
Air Force Office of Scientific Research	Innovative Science Solutions	50010105	10020096	37,099
Air Force Office of Scientific Research	University Virginia	50010105	22000203	120,896
Air Force Office of Scientific Research	Vanderbilt University	50010105	22000296	102,150
Army	E-Oir Measurements	50020000	10012263	126,085
Army	High Perform Technologies, Inc	50020000	10012364	82,949
Army	Pixon LLC	50020000	10012394	30,000
Army	URS Corporation	50020000	10012407	50,209
Army	ESA Environmental Specialists, Inc.	50020000	10012415	17,477
Army	Concurrent Tech Corporation	50020000	20021460	205,630
Army	Micro Analysis & Design	50020210	10012320	1,080,648
Army Research Laboratory	BAE Systems	50020210	10030070	77,899
Army Research Laboratory	University Chicago	50020300	22000018	(1,243)
U.S. Army Medical Research	University Tennessee	50020301	22000010	139,947
Army Medical Research & Materiel Command	Ohio University	50020301	22000130	10,713
Army Medical Research & Materiel Command	E-Oir Measurements	50020400	10012263	18,792
Army Research Office	Battelle Memorial Institute	50020400	20020012	12,204
Army Research Office	Mass Institute of Technology	50020400	22000001	73,549
Army Research Office	Duke University	50020400	22000094	(6,026)
Department of Navy	Edison Welding Institute	50040000	10011218	(6,555)
Department of Navy	Computer Science Corporation	50040000	10011456	17,174
Department of Navy	Visualern Corporation	50040000	10012431	30,892
Office of Naval Research	CACI International	50040300	10012391	81,072
Office of Naval Research	University Tennessee	50040300	22000010	60,664
Office of Naval Research	University California	50040300	22000011	50,947
Office of Naval Research	California Institute of Technology	50040300	22000054	164,780
Defense Advanced Research Projects Agency	Northrop Grumman	50060000	10011657	103,758
U.S. Department of Education	Center Civic Education	53000000	20021131	(9,575)
U.S. Department of Education	Education Development Center	53000000	20021328	(1,290)
U.S. Department of Education	National Writing Project Corporation	53000000	20021378	37,819
U.S. Department of Education	The Arc of Michigan	53000000	20021521	79,249
U.S. Department of Education	University of Wisconsin	53000000	22000006	7,925
U.S. Department of Education	Miami University	53000000	22000049	19,240
U.S. Department of Education	Wright State University	53000000	22000087	10,897
U.S. Department of Education	University Maryland	53000000	22000120	(3,345)
U.S. Department of Education	Ohio University	53000000	22000130	(565)
U.S. Department of Education	Washington University	53000000	22000209	(4,546)
U.S. Department of Education	University California San Francisco	53000000	22000317	(6,646)
U.S. Department of Education	Columbus Public Schools	53000000	24000022	22,422

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Research and Development Cluster (continued):				
Pass-through from other sources:				
U.S. Department of Education	Livingston Educational Service Agency	53000000	24000465	\$ 225,114
U.S. Department of Education	Ohio Department Education	53000000	26080000	36,672
U.S. Department of Education	Ohio Division Career and Technical Adult Education	53000000	26080100	468,392
U.S. Department of Education	Ohio Division of Professional Development & Licensure	53000000	26080700	18,237
U.S. Department of Education	Ohio Board Regents	53040000	26060000	63,452
Office of Postsecondary Education	University of Wisconsin	53040100	22000006	16,721
Office of Higher Education Programs	Ohio Office of Exceptional Child	53050000	26080300	44,481
Office of Special Education & Rehabilitative Services	Ohio Division of Early Childhood	53050000	26080800	28,418
Office of Special Education & Rehabilitative Services	Ohio Division of Career and Technical Adult Education	53060000	26080100	996,101
Office of Vocational & Adult Education	Lockheed Martin Corporation	55000000	10010042	3
Department of Energy	Air Products & Chemicals	55000000	10010612	152,709
Department of Energy	Sandia Corporation	55000000	10011170	481,015
Department of Energy	Fernald Environmental Rest M C	55000000	10011650	(68,921)
Department of Energy	US Automotive Material Partnership	55000000	10012073	65,166
Department of Energy	Linac Systems	55000000	10012130	12,001
Department of Energy	Eurus Technologies	55000000	10012202	21,113
Department of Energy	Supercon, Inc.	55000000	10012227	58,333
Department of Energy	MCT, Inc.	55000000	10012251	10,450
Department of Energy	Environmental Energy	55000000	10012272	55,743
Department of Energy	Supergenics LLC	55000000	10012405	616
Department of Energy	H2Fuel LLC	55000000	10012426	65,387
Department of Energy	Faraday Technology	55000000	10020046	28,787
Department of Energy	Nextech Material Ltd	55000000	10020047	39,562
Department of Energy	UES, Inc.	55000000	10020049	89,500
Department of Energy	Innovative Science Solutions	55000000	10020096	(487)
Department of Energy	Hyper Technology Research	55000000	10020102	159,333
Department of Energy	Global Research & Development, Inc	55000000	10020103	125,825
Department of Energy	Applied Engineering	55000000	10020114	51,780
Department of Energy	Sibtech, Inc.	55000000	10040112	14,957
Department of Energy	National Ren Energy Laboratory	55000000	20020800	176,486
Department of Energy	Consortium Plant Biotechnology Research Inc	55000000	20021036	14,194
Department of Energy	Battelle-Pacific NW Laboratory	55000000	20021070	58,175
Department of Energy	Knolls Atomic Power Laboratory	55000000	20021418	65,977
Department of Energy	University Research Associates Inc	55000000	20021485	618,120
Department of Energy	UT-Battelle, LLC	55000000	20021486	45,428
Department of Energy	University Michigan	55000000	22000005	55,802
Department of Energy	University California	55000000	22000011	259,199
Department of Energy	West Virginia University	55000000	22000032	(7)

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Research and Development Cluster (continued):				
Pass-through from other sources:				
Department of Energy	University of North Dakota	55000000	22000072	\$ 31,690
Department of Energy	University of Cincinnati	55000000	22000074	67,570
Department of Energy	University of Alabama Tusc	55000000	22000305	30,479
Public Security Administration	University Illinois	60030000	22000009	52,696
Social Health Services	Childrens Hospital Research Foundation	60040000	20010182	(16,438)
National Institute of Health	Hybrid Plastics Inc.	60040400	10012356	(10,781)
National Institute of Health	Cancervax	60040400	10012419	56,005
National Institute of Health	NSABP Foundation	60040400	20010527	50,500
National Institute for Occupational Safety and Health	National Safety Council	60040400	20021154	95,403
National Institute of Health	Indiana University	60040400	22000012	18,023
National Institute of Health	Wayne State University	60040400	22000034	93,733
National Institute of Health	Duke University	60040400	22000094	140,422
National Institute of Health	Johns Hopkins University	60040400	22000133	(35,584)
National Institute of Health	University Rochester	60040400	22000193	424
National Institute of Health	Case Western Research University	60040400	22000238	390,835
National Institute of Health	Wake Forest University	60040400	22000286	78,641
National Cancer Institute	IMEDD, Inc.	60040402	10012234	74,954
National Cancer Institute	Oncotimmune Ltd.	60040402	10020111	96,929
National Cancer Institute	Childrens Research Institute	60040402	20010182	11,045
National Cancer Institute	Mayo Foundation	60040402	20010289	496,477
National Cancer Institute	Cleveland Clinic Foundation	60040402	20010421	99,328
National Cancer Institute	Foundation for Children's Oncology	60040402	20010553	119,397
National Cancer Institute	Battelle Memorial Institute	60040402	20020012	68,450
National Cancer Institute	Research Triangle Institute	60040402	20020058	12
National Cancer Institute	Southwest Oncology	60040402	20020412	757
National Cancer Institute	Cancer Therapy & Research Foundation	60040402	20020745	59,471
National Cancer Institute	American College Radiology	60040402	20020917	2,152
National Cancer Institute	American College Ob & Gynclgsts	60040402	20021034	36,084
National Cancer Institute	Institute Cancer Prevention	60040402	20021179	12,708
National Cancer Institute	University Kansas Medical Center & Research Institute	60040402	20021356	19,364
National Cancer Institute	John Wayne Cancer Institute	60040402	20021377	4,653
National Cancer Institute	Strang Cancer Prevention Center	60040402	20021428	115,310
National Cancer Institute	Dana-Farber Cancer Institute	60040402	20021438	13,690
National Cancer Institute	University Michigan	60040402	22000005	18,535
National Cancer Institute	University California	60040402	22000011	184,430
National Cancer Institute	University of California Davis	60040402	22000013	70,279
National Cancer Institute	University Chicago	60040402	22000018	1,688,642
National Cancer Institute	University of New Mexico	60040402	22000056	30,977
National Cancer Institute	University of Minnesota	60040402	22000067	56,573

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Research and Development Cluster (continued):				
Pass-through from other sources:				
National Cancer Institute	University of Cincinnati	60040402	22000074	\$ 108,232
National Cancer Institute	University North Carolina	60040402	22000146	(13)
National Cancer Institute	Harvard University	60040402	22000169	200,402
National Cancer Institute	University Southern California	60040402	22000206	35,225
National Cancer Institute	Washington University	60040402	22000209	21,857
National Cancer Institute	Medical College Ohio	60040402	22000210	209,814
National Cancer Institute	University California San Diego	60040402	22000288	(14,559)
National Cancer Institute	Yeshiva University	60040402	22000331	1,108
National Heart, Lung and Blood Institute	Cleveland Clinic Foundation	60040403	20010421	165,576
National Heart, Lung and Blood Institute	National Jewish Medical Center	60040403	20021369	99,496
National Heart, Lung and Blood Institute	University Pittsburgh	60040403	22000036	63,108
National Heart, Lung and Blood Institute	University of New Mexico	60040403	22000056	46,203
National Heart, Lung and Blood Institute	Duke University	60040403	22000094	2,074
National Heart, Lung and Blood Institute	University Texas	60040403	22000106	829
National Institute of Allergy and Infectious Disease	Johns Hopkins University	60040403	22000133	(2,764)
National Institute of Allergy and Infectious Disease	Amarillo Biosciences	60040404	10040096	23,261
National Institute of Allergy and Infectious Disease	Childrens Research Institute	60040404	20010182	76,741
National Institute of Allergy and Infectious Disease	University Mass Worcester	60040404	22000318	113,383
Nat Institute of Diabetes & Digestive & Kidney Disease	University Hospital Cleveland	60040405	10012297	30,467
Nat Institute of Diabetes & Digestive & Kidney Disease	Rhode Island Hospital	60040405	20021502	40,591
Nat Institute of Diabetes & Digestive & Kidney Disease	University California Los Angeles	60040405	22000269	12,500
National Institute of Child Health & Human Development	University of Texas Medical Branch at Galveston	60040405	22000327	7,734
National Institute of Child Health & Human Development	National Bureau of Economic Research	60040406	20020748	45,854
National Institute of Child Health & Human Development	Childrens Hospital Cincinnati	60040406	20021456	8,272
National Institute of Child Health & Human Development	University Michigan	60040406	22000005	38,841
National Institute of Child Health & Human Development	University Alabama at Birmingham	60040406	22000207	33,612
National Institute of Child Health & Human Development	Case Western Research University	60040406	22000238	10,999
National Institute of Child Health & Human Development	University California Los Angeles	60040406	22000269	65,177
National Institute of Child Health & Human Development	Emory University	60040406	22000295	142,206
National Institutes of General Medical Sciences	University Illinois	60040407	22000009	27,416
National Institutes of General Medical Sciences	State University NY	60040407	22000042	46,446
National Institutes of General Medical Sciences	University of South Carolina	60040407	22000241	48,959
National Institutes of General Medical Sciences	University California San Francisco	60040407	22000317	371,757
National Institute of Neurological Disorders & Stroke	Oncimmune Ltd.	60040408	10020111	6,000
National Institute of Neurological Disorders & Stroke	Cleveland Clinic Foundation	60040408	20010421	(1,383)
National Institute of Neurological Disorders & Stroke	Childrens Hospital, Columbus	60040408	20020124	38,662
National Institute of Neurological Disorders & Stroke	Loyola University Chicago	60040408	22000115	58,134
National Institute of Neurological Disorders & Stroke	University of Utah	60040408	22000145	12,593
National Institute of Neurological Disorders & Stroke	University Rochester	60040408	22000193	37,743

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Research and Development Cluster (continued):				
Pass-through from other sources:				
National Institute of Neurological Disorders & Stroke	Medical College Georgia Research Institute	60040408	22000253	\$ 845
National Institute of Neurological Disorders & Stroke	Emory University	60040408	22000295	90
National Institute of Neurological Disorders & Stroke	Georgetown University	60040408	22000339	233
National Library Of Medicine	University Illinois	60040409	22000009	56,434
National Eye Institute	JAEB Center for Health Research	60040411	20021387	509
National Eye Institute	University Illinois	60040411	22000009	150,181
National Eye Institute	Johns Hopkins University	60040411	22000133	44,370
National Eye Institute	University Pennsylvania	60040411	22000195	3,132
National Eye Institute	Pennsylvania College Optometry	60040411	22000322	292
National Institute Dental & Craniofacial Research	University of New Mexico	60040412	22000056	28,114
National Institute of Aging	Wake Forest University	60040415	22000286	16,759
National Institute of Aging	Duquesne University	60040415	22000306	(1,993)
National Institute Nursing Research	Battelle Memorial Institute	60040418	20020012	29,174
National Institute Nursing Research	University Illinois	60040418	22000009	(194)
National Institute Arthritis & Muscle & Skin Disorder	Emory University	60040418	22000295	2,757
National Institute Arthritis & Muscle & Skin Disorder	Barnes-Jewish Hospital	60040419	20021500	122,452
National Institute Arthritis & Muscle & Skin Disorder	University of New Mexico	60040419	22000056	36,330
National Institute Arthritis & Muscle & Skin Disorder	Yale University	60040419	22000088	79,263
National Institute Arthritis & Muscle & Skin Disorder	Duke University	60040419	22000094	62,827
National Institute Deafness & Other Communication Disorders	University Virginia	60040419	22000203	20,295
National Institute of Mental Health	Washington University	60040420	22000209	15,918
National Institute of Drug Abuse	Duke University	60040421	22000094	27,965
National Institute of Drug Abuse	Virginia Polytechnic Institute	60040422	22000023	193,836
National Institute of Drug Abuse	Ohio University	60040422	22000130	160,944
National Institute Alcohol Abuse & Alcoholism	University Washington	60040422	22000212	22,330
Substance Abuse & Mental Health Services Administration	Wake Forest University	60040423	22000286	76,829
Health Resources and Services Administration	Ohio Department Alcohol & Drug Addiction Services	60040424	26530000	22,837
Health Resources and Services Administration	ASC of Schools of Public Health	60040500	20021358	14,977
Health Resources and Services Administration	University Pittsburgh	60040500	22000036	39,692
Centers for Disease Control & Prevention	Case Western Research University	60040500	22000238	128,815
Centers for Disease Control & Prevention	Hemophilia Foundation Michigan	60040600	20021026	16,922
Centers for Disease Control & Prevention	University Pittsburgh	60040600	22000036	190,317
Centers for Disease Control & Prevention	University Maine at Orono	60040600	22000048	18,530
Department of the Interior	Medical College Ohio	60040600	22000210	31,551
U.S. Fish and Wildlife Service	Smart Transitions	72000000	10012438	84,933
U.S. Fish and Wildlife Service	National Fish & Wildlife Foundation	72030000	20021134	15,223
U.S. Fish and Wildlife Service	Ohio Department National Resource	72030000	26110000	6,237
U.S. Geological Survey	Ohio Division Wildlife	72030000	26110100	870,520
	Ohio University	72040000	22000130	22,382

**THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

Federal Agency Sponsor	Pass-Through Sponsor	Sponsor I.D. Number	Pass-Through I.D. Number	2003 Expenditures
Research and Development Cluster (continued):				
Pass-through from other sources:				
Office of Justice Programs	Office of Criminal Justice Service	74040000	26140401	\$ 80,813
U.S. Department of Labor	Columbus Chamber Commerce	76000000	20020068	64,284
U.S. Department of Labor	National Opinion Research Center	76000000	20020932	2,149,270
U.S. Department of Labor-Employment & Training Administration	Alaska Labor & Work Department	76010000	24000458	340,446
U.S. Department of Labor-Employment & Training Administration	Ohio Division Career Technical Adult Education	76010000	26080100	395,005
Federal Highway Administration	Ohio Department Transport	82010000	26010000	229,549
Federal Aviation Administration	Ohio University	82030000	22000130	56,717
Federal Aviation Administration	Embry-Riddle Aero University	82030000	22000291	6,361
U.S. Coast Guard	Strategic Research Group	82070000	10020073	181,760
				<u>32,780,465</u>
				\$ 221,821,392

Subtotal pass-through from other sources

Total Research and Development Cluster

**THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	2003 Expenditures
OTHER PROGRAMS:					
Pass-through from The Ohio State University:					
National Aeronautics & Space Administration			30030000		\$ 27,646
Agency For International Development			30300100		53,609
Cooperative State Research, Education and Extension Service			40040100		7,443
Health Resources & Services Administration			60040500		6,934
Department Of Housing and Urban Development			70000000		6,176
Department Of State			80000000		22,122
Cooperative State Research, Education and Extension Service		10.200	40040100		11,137
Cooperative State Research, Education and Extension Service		10.217	40040100		47,423
Cooperative State Research, Education and Extension Service		10.220	40040100		18,000
Cooperative State Research, Education and Extension Service		10.500	40040100		15,684
National Oceanic and Atmospheric Administration		11.417	42020000		34,585
Department Of State		19.415	80000000		50,554
National Endowment For The Humanities		45.166	30040100		665
NSF Integrative Biology & Neuroscience		47.074	30050102		14,820
NSF Social, Behavioral and Economic Sciences		47.075	30050801		39
NSF Education & Human Resources		47.076	30050600		57,468
NSF Elementary, Secondary and Informal Education		47.076	30050607		22,155
NSF Division Graduate Education & Research Development		47.076	30050611		50,888
Environmental Protection Agency		66.606	30020000		13,994
Department Of State		82.033	80000000		(103)
Office Of Special Education Programs		84.029	53050100		77,307
Department Of Education		84.047	53000000		260,978
Office of Vocational and Adult Education Programs		84.051	53060000		2,013,584
Rehabilitation Services Administration		84.129	53050200		89,461
Office Of Elementary & Secondary Education		84.149	53030000		54,867
Office Of Special Education and Rehabilitative Service		84.325	53050000		191,563
Office Of Special Education Programs		84.326	53050100		1,301,313
Department Of Education		84.333	53000000		119,980
Office of Vocational and Adult Education Programs		84.341	53060000		88,661
National Center For Research Resources		93.333	60040410		2,810,426

**THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	2003 Expenditures
OTHER PROGRAMS:					
Pass-through from The Ohio State University:					
Health Resources & Services Administration		93.358	60040500		\$ 88,164
National Center For Research Resources		93.389	60040410		78,337
National Cancer Institute		93.398	60040402		46,812
Administration for Children, Youth, & Families		93.600	60070100		2,530,208
Administration Developmental Disabilities		93.632	60070500		18,251
Bureau Health Professions		93.964	60040501		(2,266)
NSF Integrative Biology & Neuroscience		96.102	30050102		<u>(593)</u>
Subtotal pass-through from The Ohio State University, other programs					<u>10,228,292</u>
OTHER PROGRAMS:					
Pass-through from other sources:					
Environmental Protection Agency	University of Wisconsin		30020000	22000006	(2,529)
National Endowment for The Humanities	Ohio Humanities Council		30040100	26290000	2,000
Department of Agriculture	Pennsylvania State University		40000000	22000030	36,995
Department of Agriculture	Ohio Job & Family Services		40000000	26630000	2,076,576
Cooperative State Research, Education & Extension Service	Michigan State University		40040100	22000044	43,736
Cooperative State Research, Education & Extension Service	Texas A & M University		40040100	22000053	25,699
Cooperative State Research, Education & Extension Service	Kansas State University		40040100	22000062	1,544
Cooperative State Research, Education & Extension Service	University Nebraska		40040100	22000085	(91)
National Institute of Standard Disease & Technology	Dayton Area Graduated Studies		42040000	20021372	18,577
U.S. Department of Education	Center Civic Education		53000000	20021131	162,623
U.S. Department of Education	University of Minnesota		53000000	22000067	104,500
U.S. Department of Education	Ohio Board Regents		53000000	26060000	23,874
U.S. Department of Education	Ohio Division Early Childhood		53000000	26080800	213,496
Office of Special Education & Rehabilitative Service	University of Oregon		53050000	22000308	3,344
Department of Health & Human Services	Cooperative Education Service Agency		60000000	20021342	89,933
National Institute of Health	National Center of Family Literacy		60040400	20021411	77,612

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	2003 Expenditures
OTHER PROGRAMS:					
Pass-through from other sources:					
Health Resources and Services Administration	Wayne State University		60040500	22000034	\$ 30,155
Health Resources & Services Administration	University Pittsburgh		60040500	22000036	105,795
Maternal & Childrens Health Bureau	Ohio Department Health		60040505	26090000	(1,027)
Office of Justice	Cuyahoga County Board of Commissioners		74000000	24000430	(5,394)
Department of Justice	Ohio Department of Youth Service		74000000	26200000	7,677
Department of Transportation	Ohio Department of Public Safety		82000000	26400000	87,744
Sanofi Pharmaceuticals, Inc	Quintiles Trans Corporation			10011631	899
Ford Motor Company	MSX International			10011879	8,538
Iowa State University	PRI R&D Corporation			10012191	12,517
Warner-Lambert Company	Covalent Group, Inc.			10012203	17,958
Ohio Department of Development	Advanced Technologies Institute			10012322	42,887
Northeast Ohio Regional Sewer District	Limno-Tech, Inc.			10012371	19,980
Pennsylvania Department of Transportation	Gannett Fleming			10012423	4,742
Ohio Coal Development Office	Applied Sciences Inc			10020085	4,084
Ohio Department of Development	Hyper Tech Research			10020102	22,094
State of Ohio	Leadscope Inc.			10020123	9,666
Shire Laboratories, Inc.	Worldwide Clinic Trial			10040049	(415)
The Breast Cancer Research Foundation	CALGB Foundation			20010031	6,688
Oklahoma Center for Advancement of Science & Technology	Oklahoma Medical Research Foundation			20010530	8,807
King Pharmaceuticals, Inc	Lenox Hill Hospital			20020075	30,814
State of Ohio per SPO	Electronic Power Research Institute			20020104	22,757
National Dairy Council	Dairy Management Inc			20020911	4,411
Pharmacia & Upjohn Company	National Compr Cancer Net			20021360	2,794
American Legacy Foundation	Charles B Wang Chc			20021511	5,896
Smith Bucklin & Associate & United Soybean Board	Purdue University			22000002	20,885
Wyeth-Ayerst	University Michigan			22000005	354
W.K. Kellogg Foundation	University of Wisconsin			22000006	(2,071)
The Great Lakes Fishery Trust	University Illinois			22000009	17,260
National Dairy Council	University Tennessee			22000010	5,512
William and Flora Hewlett Foundation	Pennsylvania State University			22000030	3,926

**THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2003**

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Sponsor I.D. Number	Pass-Through I.D. Number	2003 Expenditures
OTHER PROGRAMS:					
Pass-through from other sources:					
Novartis	Duke University		22000094		\$ 1,308
George Mason University	University Maryland		22000120		14,386
Ohio Coal Development	Ohio University		22000130		64,103
Animal and Poultry Waste Management Center	North Carolina State University		22000136		255
The United Soybean Board	University of Kentucky		22000143		21,347
Bill and Melinda Gates Foundation	University North Carolina		22000146		8,915
Pharmacia & Upjohn Company	N. Centralregional Susta Agriculture Research & Education		22000193		796
Ohio Learning Network	Kent State University		22000235		6,921
International Spinal Research Trust	Drexel University		22000246		58,897
American Water Works Association Research Foundation	University of Mass-Amherst		22000274		9,149
Wyeth-Ayerst Laboratories	Wake Forest University		22000286		13,101
California Department of Transportation	University California Berkeley		22000294		6,270
Pew Charitable Trusts Grant	Rensselaer Polytech		22000298		13,705
Regents of The University of California	California Polytech		22000309		21,630
Pew Charitable Trusts Grant	University California San Francisco		22000317		24,301
The Ford Foundation	New School University		22000323		69,201
German Federal Ministry for Research and Technology	Eberhard Karls University		22010005		3,730
Ohio EPA	City of Delaware		24000164		11,339
State of Ohio per SPO	Trumbull Job & Family		24000457		33,068
Ohio Department of Human Services	Ohio Board Regents		26060000		5,294
Ohio EPA	Ohio Office of Lake Erie Protection		26590000		397
Subtotal pass-through from other sources, other programs					<u>3,761,935</u>
Total Other Programs					<u>13,990,227</u>
TOTAL FEDERAL PROGRAMS					<u>\$ 235,811,619</u>

See notes to schedule of expenditures of federal awards.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION (A Component Unit of The Ohio State University)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. ORGANIZATION

The Ohio State University Research Foundation (the "Research Foundation") is a nonprofit educational corporation created in 1936 as a vehicle to promote the development, implementation, and coordination of sponsored research at The Ohio State University (the "University") in the furtherance of the University's educational objectives. Accordingly, grants received for sponsored research are deemed to be pass-throughs from the University.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying Schedule of Expenditures of Federal Awards includes all the federal grant transactions of the Research Foundation recorded on the accrual basis of accounting.

Subrecipients—Certain funds are passed through to subgrantee organizations by the Research Foundation. Expenditures incurred by the subgrantees and reimbursed by the Research Foundation are presented in the Schedule of Expenditures of Federal Awards. The Research Foundation is also the subrecipient of federal funds which are reported as expenditures and listed as federal pass-through funds.

3. REIMBURSEMENT OF FACILITIES AND ADMINISTRATIVE COSTS

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

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

On November 22, 1999, DHHS approved facilities and administrative cost recovery rates effective from July 1, 2000 through June 30, 2003. The facilities and administrative cost rate structure, including the rates submitted within the Certificate, are as follows:

Rate Type	Submitted Within Certificate	Negotiated Rate
Organized Research:		
On-Campus:		
07/01/00 - 06/30/02	49.4 %	47.0 %
07/01/00 - 06/30/03	49.4 %	47.5 %
Off-Campus	26.0 %	26.0 %
Instruction:		
On-Campus:		
07/01/00 - 06/30/02	52.5 %	47.0 %
07/01/02 - 06/30/03	52.5 %	47.5 %
Off-Campus	26.0 %	26.0 %
Other Sponsored Activities:		
On-Campus	22.5 %	31.0 %
Off-Campus	15.0 %	26.0 %
General Clinical Research Center:		
On-Campus	23.4 %	20.0 %

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 within the Certificate.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED UPON THE AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
The Ohio State University Research Foundation

We have audited the financial statements of The Ohio State University Research Foundation (the "Research Foundation"), a component unit of The Ohio State University, as of and for the year ended June 30, 2003, and have issued our report thereon dated October 29, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

As a part of obtaining reasonable assurance about whether the Research Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Research Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, the audit committee, management of the Research Foundation, federal awarding agencies, state funding agencies, pass-through entities, and the Auditor of State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

October 29, 2003



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors
The Ohio State University Research Foundation

COMPLIANCE

We have audited the compliance of The Ohio State University Research Foundation (the "Research Foundation"), a component unit of The Ohio State University, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The Research Foundation's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Research Foundation's management. Our responsibility is to express an opinion on the Research Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and 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 Research Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Research Foundation's compliance with those requirements.

In our opinion, the Research Foundation complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

INTERNAL CONTROL OVER COMPLIANCE

The management of the Research Foundation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Research Foundation's internal control over compliance with requirements that could have a direct and material effect on a

major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the financial statements of The Ohio State University Research Foundation as of and for the year ended June 30, 2003, and have issued our report thereon dated October 29, 2003. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. This schedule is the responsibility of the Research Foundation's management. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, the audit committee, management of the Research Foundation, federal awarding agencies, state funding agencies, pass-through entities, and the Auditor of State of Ohio, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

October 29, 2003

**THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2003**

PART I - SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the financial statements expressed an unqualified opinion.
2. Our audit of the financial statements did not disclose a reportable condition in internal controls over financial reporting.
3. No instance of noncompliance considered material to the financial statements was disclosed by the audit.
4. Our audit of compliance with the types of compliance requirements applicable to the financial statements did not disclose a reportable condition in internal control over compliance with requirements applicable to major federal award programs.
5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit disclosed no findings required to be reported by OMB Circular A-133.
7. The Research Foundation's major program was:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Research and Development Cluster	Various

8. A threshold of \$3,000,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The Research Foundation does qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II - FINANCIAL STATEMENT FINDINGS SECTION

No matters are reportable.

PART III - FEDERAL AWARD FINDING AND QUESTIONED COST SECTION

No matters are reportable.

***The Ohio State University
Research Foundation***

***(A Component Unit of The Ohio
State University)***

*Financial Statements for the Years
Ended June 30, 2003 and 2002
and Independent Auditors' Report*



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Ohio State University Research Foundation
Columbus, Ohio

We have audited the accompanying statements of net assets of The Ohio State University Research Foundation (the "Research Foundation"), a component unit of The Ohio State University, as of June 30, 2003 and 2002, and the related statements of revenues, expenses and changes in net assets, and of cash flows for the years then ended. These financial statements are the responsibility of the Research Foundation's management. Our responsibility is to express an opinion on these 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Research Foundation as of June 30, 2003 and 2002, and its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 29, 2003 on our consideration of the Research Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in cursive script that reads "Deloitte & Touche LLP".

October 29, 2003

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

(A Component Unit of The Ohio State University)

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2003

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of The Ohio State University Research Foundation (the "Research Foundation"), a component unit of The Ohio State University, for the year ended June 30, 2003, with comparative information for the year ended June 30, 2002. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

ABOUT THE FINANCIAL STATEMENTS

Along with the State of Ohio, the Research Foundation uses the governmental financial reporting model, which is set forth in Governmental Accounting Standards Board Statements Nos. 34 and 35. Under these accounting standards, the Research Foundation will present its financial reports in a single-column "business type activity" format. GASB Statement No. 35 defines business type activities as those financed in whole or in part by fees charged to external parties for goods and services. Most public colleges and universities have elected to use the business type activity format.

In addition to this MD&A section, the financial report includes a statement of net assets, a statement of revenues, expenses and other changes in net assets, statement of cash flows and footnotes.

The statement of net assets is the Research Foundation's balance sheet. It reflects the total assets, liabilities, and net assets (equity) of the Research Foundation as of June 30, 2003, with comparative information as of June 30, 2002. Liabilities due within one year, and assets available to pay 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 Research Foundation's Furniture and Equipment, are shown net of accumulated depreciation. Net assets are grouped in the following categories:

- Invested in capital assets, net of plant debt
- Restricted—Nonexpendable (endowment and annuity funds)
- Restricted—Expendable (primarily current restricted and loan funds)
- Unrestricted.

The statement of revenues, expenses and changes in net assets is the Research Foundation's income statement. It details how net assets have increased (or decreased) during the fiscal year that ended June 30, 2003, with comparative information for fiscal year 2002. Depreciation is provided for capital assets, and there are required subtotals for net operating income or loss and net income or loss before additions to nonexpendable funds.

It should be noted that the required subtotal for net operating income or loss will generally reflect a loss for the Research Foundation. This is primarily due to the way operating and non-operating items are being reported. Operating expenses include virtually all Research Foundation expenses. Operating revenues, however, exclude

certain significant revenue streams, including our corporate operating budget. Under this paradigm, our operating loss will increase or decrease based upon the amount of our corporate operating budget.

The statement of cash flows details how cash has increased (or decreased) during the year ended June 30, 2003, with comparative information for fiscal year 2002. It breaks out the sources and uses of Research Foundation cash into the following categories:

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

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

The footnotes, which follow the financial statements, provide additional details on the numbers in the financial statements.

GENERAL

The Ohio State University Research Foundation is a nonprofit corporation created as a vehicle to promote sponsored research at The Ohio State University (the "University").

In November 1936, the Ohio Secretary of State issued a charter to The Ohio State University Research Foundation as a nonprofit educational corporation. Incorporators of the Foundation included the renowned inventor Charles F. Kettering and James F. Lincoln, president of the Lincoln Electric Company. The Board of Directors consists of the following member directors:

- **Trustee Member (1):**
Appointed by the Board of Trustees of the University.
- **University Administration Members (3):**
Including the Vice President for Research, the Executive Vice President for Academic Affairs and Provost, and the Dean of the Graduate School as designated by the Board of Trustees of the University.
- **Faculty Members (4):**
Selected from the faculty by the Research Committee of the University Senate.
- **Alumni Members (2):**
Designated by The Ohio State University Alumni Association from alumni of the University.
- **At-Large (1):**
Designated by the President of the University from among members of national organizations of distinguished engineers, scientists, and scholars.

The Research Foundation Board of Directors elects officers during the regular annual meeting. The officers include President, Vice President, Secretary, Assistant Secretary, Treasurer and Executive Director of the Research Foundation. The Directors appoint an Executive Committee and other committees as needed.

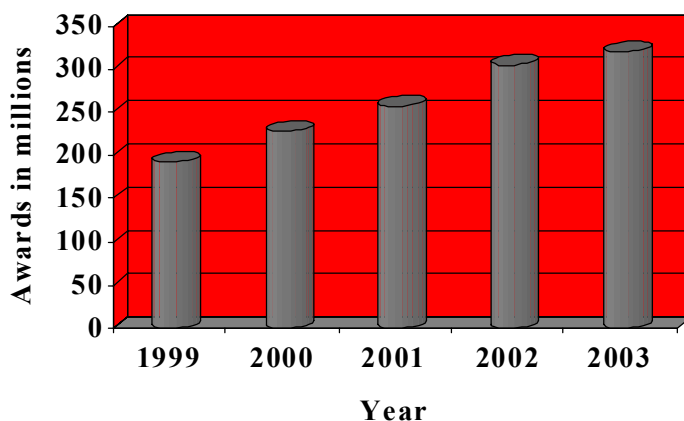
The function of the Research Foundation has evolved over the years in response to the needs of the research community within the University. The Research Foundation began as an organization created to encourage industry sponsorship of University research. It now provides specialized integrated administrative and financial services for research and other activities supported by a wide range of external sponsors.

The Research Foundation does not own or operate research facilities but utilizes facilities provided by the University under an agreement between the Board of Trustees of the University and the Research Foundation. Personnel working on Research Foundation projects are appointed as University personnel and are paid through the University under provisions of the agreement. The Research Foundation Board of Directors approves the operating budget for the Research Foundation's administrative expenses.

FINANCIAL HIGHLIGHTS AND KEY TRENDS

In fiscal year 2003, awards were approximately \$320 million, an increase of 5% from 2002. To put this in perspective, awards exceeded \$200 million for the first time in the year 2000 and awards exceeded \$300 million for the first time in the year 2002. This year's increase was mainly attributable to non-federal awards. Awards from the State of Ohio increased by 69% during 2003 and exceeded \$28 million. In addition, in 2003, we experienced modest growth in our federal awards. The National Institutes of Health ("NIH") and the Department of Defense accounted for most of the federal growth.

Award Growth



Sponsor revenues and expenditures in fiscal year 2003 increased 15% to \$284 million with most of the increase attributable to federal sponsors. The increase in expenditures generated a corresponding 13% increase in Facilities and Administrative expense recovery.

To support our continued growth in sponsored project research, we are investing heavily in electronic research administration, which includes the PeopleSoft Grants Management Suite. The PeopleSoft Grants Management Suite consists of a Grants module, a Projects module, a Contracts module, a Billings module, and an Accounts Receivable module. A new General Ledger system is being installed at the same time, and an upgrade to our PeopleSoft Procurement system is also underway.

Although considerable internal resources were redirected to the PeopleSoft Grants Management Suite conversion project, we properly managed our increased expenditure growth and we continued to improve our internal processes.

STATEMENT OF NET ASSETS

From June 30, 2002 to June 30, 2003, our cash balances increased by \$5.7 million. The Statement of Cash Flows, which is discussed in more detail below, provides additional detail on sources and uses of Research Foundation cash.

Following is a summary of the major components of the net assets of the Research Foundation for the years ending June 30, 2003 and 2002:

	2003	2002
CURRENT ASSETS	\$ 76,050,230	\$ 68,785,691
Non current assets:		
Furniture and equipment	<u>964,887</u>	<u>981,939</u>
Total assets	<u>\$ 77,015,117</u>	<u>\$ 69,767,630</u>
CURRENT LIABILITIES	\$ 70,390,620	\$ 63,243,505
Non current liabilities:		
Accrued vacation and sick leave	<u>152,266</u>	<u>127,531</u>
Total liabilities	<u>70,542,886</u>	<u>63,371,036</u>
Net assets:		
Invested in capital assets	964,887	981,939
Unrestricted	<u>5,507,344</u>	<u>5,414,655</u>
Total net assets	<u>6,472,231</u>	<u>6,396,594</u>
Total liabilities and net assets	<u>\$ 77,015,117</u>	<u>\$ 69,767,630</u>

Accounts receivable and unbilled project costs increased by approximately 6% this year. This increase is due to increased billable expense volume. The growth in the Accounts Receivable balance is comprised of invoices less than 60 days old. We continue to see process improvements in our billing and collection areas. We reduced our Accounts Receivable balances in items over 60 days old by approximately \$1.1 million this fiscal year.

Other Receivables decreased by approximately \$351,000 in fiscal year 2003. This decrease is due to improvements in clearing suspended accounting transactions to sponsored projects.

The Accounts Payable Trade account decreased by approximately \$354,000 due to continued process improvements in the Accounts Payable department.

The increase of approximately \$949,000 in the accrued payroll account is due to a timing change from the PeopleSoft Human Resource system implementation in mid June 2002.

The 13% increase in deferred revenue was generated primarily from two awards. An award from the Ohio Learning Network and one award from the Doris Duke Foundation combined to generate about \$3.2 million of the \$3.8 million increase.

The significant growth in our sponsored project billable expenses generated a corresponding 13% increase in our Facilities and Administration costs payable to the University.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

We experienced another year of significant growth in sponsored project revenue and expenditures. Our sponsored project revenue/expenditures increased by approximately \$37 million from last year with the largest growth areas being sponsored project personnel expenditures and sponsored project materials and supplies. These two categories accounted for approximately \$28 million of the increase. The growth in materials and supplies expense produced a significant increase in transaction volume in our Procurement area.

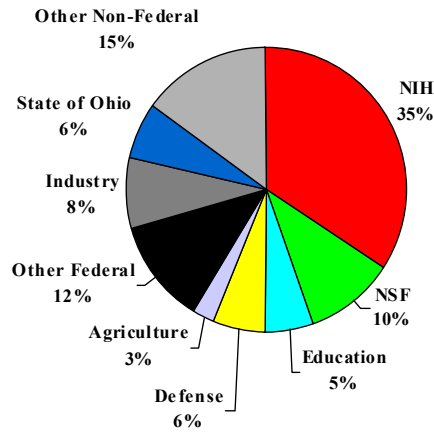
Our interest income decreased by approximately \$134,000 due to lower interest rates on our investment accounts managed by the University.

We recognize Sponsored Project Revenue as Sponsored Project Expenses are incurred. The excerpt below from our statement of revenues, expenses, and other changes in net assets demonstrates this relationship.

SPONSOR PROJECT REVENUE	<u>\$283,708,255</u>
EXPENDITURES AND TRANSFERS:	
Sponsored project expenses:	
Personnel	\$131,570,659
Materials and services	74,883,703
Equipment	8,979,284
Travel	5,887,200
F&A charged by the University	<u>62,387,409</u>
 TOTAL	 <u>\$283,708,255</u>

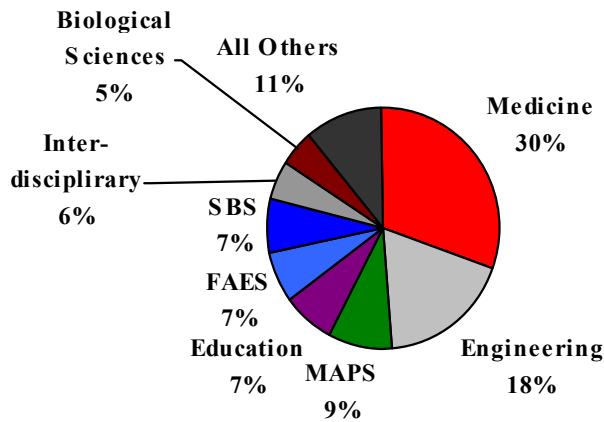
Sponsored Project Revenue/Expenses in fiscal year 2003 increased by approximately \$37 million (15%) from fiscal year 2002. Federal sponsors generated the majority of our revenue. Our largest sponsor is the NIH. NIH accounted for 35% of our total sponsored revenue.

**Revenues / Expenditures by Source Funds
Fiscal Year 2003**



Twenty-eight colleges generated Sponsored Project Revenue in fiscal year 2003. The disciplines of Medicine and Engineering combined to generate 48% of our Sponsored Project Revenue.

**Revenues / Expenditures by College
Fiscal Year 2003**



The University Appropriation line item represents the Research Foundation's fiscal year operating budget. The Research Administration expenditure line represents our annual expenditures against our operating budget. The difference between these two line items is our budget surplus (deficit) for the fiscal year.

University appropriation	\$6,817,944
Research administration	<u>6,875,740</u>
Deficit	<u>\$ (57,796)</u>

We did not overspend our budget this year. Our budget is on a cash basis. Two items account for this deficit. Our collections position in the amount of approximately \$54,000 is not part of our appropriation but is funded from our operating reserve. The remaining deficit is due to year-end corporate payroll accruals.

Other operating expense represents repayment to the University for noncapital expenditures incurred by the University on behalf of the Research Foundation related to the PeopleSoft Systems conversion.

The Transfers from the University for specified expenditures line item represents payments from the University to the Research Foundation for rent and utilities for off campus research space. The Research Foundation pays the rent and utilities for off campus research space and it is included in the Expenditures Specified by the University line item. There is no net impact from these transactions in either our Statement of Revenues, Expenses and Changes in Net Assets or our Statement of Cash Flows.

THE STATEMENTS OF CASH FLOWS

The primary source of cash receipts for operating activities consists of payments from sponsors. Cash outlays represent payments for personnel, materials, services, equipment, and travel incurred for Sponsored Research activities.

It should be noted that our corporate expenditures are carried in Cash Flows from Operating Activities and our corporate operating budget (the University appropriations) is carried in Net Cash Provided by Noncapital Financing Activities. This will usually result in a negative cash flow from operations and a positive cash flow from noncapital financing activities.

Cash used for capital and related financial activities, which represents the purchase of capital assets, of approximately \$19,000 in 2003, is the result of the acquisition of a delivery van.

Net cash provided by investing activities decreased by approximately \$134,000 due to a lower return on our investments.

FUTURE

Over the next year, we will be participating with the University and the University Health System in the PeopleSoft Integrated Financials Systems ERP project. For the Research Foundation, this involves abandoning our 40 year-old legacy management information system by installing PeopleSoft general ledger, upgrading our current version of PeopleSoft Procurement, and installing the PeopleSoft Grants Management Suite. This upgrade is necessary to manage our future growth and to improve service to our customers.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)

STATEMENTS OF NET ASSETS
JUNE 30, 2003 AND 2002

ASSETS	2003	2002
CURRENT ASSETS:		
Cash and cash equivalents	\$ 39,622,470	\$ 33,935,718
Accounts receivable and unbilled project costs	36,186,905	34,258,502
Other receivables	<u>240,855</u>	<u>591,471</u>
Total current assets	76,050,230	68,785,691
FURNITURE AND EQUIPMENT—		
Net of accumulated depreciation of approximately \$87,000 and \$70,000 in 2003 and 2002, respectively	<u>964,887</u>	<u>981,939</u>
TOTAL ASSETS	<u>\$ 77,015,117</u>	<u>\$ 69,767,630</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable:		
Trade	\$ 8,122,173	\$ 8,476,338
The Ohio State University	8,422,318	8,500,968
Accrued payroll	999,751	50,736
Accrued vacation and sick leave	539,420	451,792
Deferred revenue—sponsors	33,221,344	29,398,939
Facilities and administrative costs payable to University departments	12,523,504	10,548,761
Designated funds for University departments	<u>6,562,110</u>	<u>5,815,971</u>
Total current liabilities	70,390,620	63,243,505
ACCRUED VACATION AND SICK LEAVE—Long-term	<u>152,266</u>	<u>127,531</u>
Total liabilities	70,542,886	63,371,036
NET ASSETS:		
Invested in capital assets	964,887	981,939
Unrestricted	<u>5,507,344</u>	<u>5,414,655</u>
Total net assets	<u>6,472,231</u>	<u>6,396,594</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 77,015,117</u>	<u>\$ 69,767,630</u>

See notes to financial statements.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
OPERATING REVENUES:		
Sponsor project revenue	<u>\$283,708,255</u>	<u>\$246,399,712</u>
Total operating revenues	<u>283,708,255</u>	<u>246,399,712</u>
OPERATING EXPENSES:		
Sponsor project:		
Personnel	131,570,659	118,882,157
Materials and services	74,883,703	58,903,724
Equipment	8,979,284	7,659,252
Travel	5,887,200	5,787,081
Facilities and administrative cost charged by the University	62,387,409	55,167,498
Research administration	6,875,740	6,628,826
Depreciation	35,969	25,683
Other operating expense	<u>335,165</u>	<u>505,260</u>
Total operating expenses	<u>290,955,129</u>	<u>253,559,481</u>
OPERATING LOSS	(7,246,874)	(7,159,769)
NONOPERATING REVENUES:		
University appropriation	6,817,944	6,552,592
Interest	<u>504,567</u>	<u>638,933</u>
INCOME BEFORE OTHER REVENUES, EXPENSES GAINS, LOSSES AND TRANSFERS	75,637	31,756
Transfers from the University for specified expenditures	558,245	721,079
Expenditures specified by the University	<u>(558,245)</u>	<u>(721,079)</u>
INCREASE IN NET ASSETS	75,637	31,756
NET ASSETS—Beginning of year	<u>6,396,594</u>	<u>6,364,838</u>
NET ASSETS—End of year	<u><u>\$ 6,472,231</u></u>	<u><u>\$ 6,396,594</u></u>

See notes to financial statements.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Received from sponsors	\$ 286,699,012	\$ 258,157,120
Payments to employees	(136,529,896)	(126,930,375)
Payments to suppliers	<u>(151,785,958)</u>	<u>(130,313,307)</u>
Net cash (used in) provided by operating activities	<u>(1,616,842)</u>	<u>913,438</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
University appropriations	6,817,944	6,552,592
Transfers from the University for specified expenditures	558,245	721,079
Expenditures specified by the University	<u>(558,245)</u>	<u>(721,079)</u>
Net cash provided by noncapital financing activities	<u>6,817,944</u>	<u>6,552,592</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of furniture and equipment	<u>(18,917)</u>	<u>(928,498)</u>
Net cash used in capital and related financing activities	<u>(18,917)</u>	<u>(928,498)</u>
CASH FLOWS FROM INVESTING ACTIVITIES—		
Interest on cash investments	<u>504,567</u>	<u>638,933</u>
Net cash provided by investing activities	<u>504,567</u>	<u>638,933</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,686,752	7,176,465
CASH AND CASH EQUIVALENTS—Beginning of year	<u>33,935,718</u>	<u>26,759,253</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 39,622,470</u>	<u>\$ 33,935,718</u>

See notes to financial statements.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION
(A Component Unit of The Ohio State University)

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
OPERATING ACTIVITIES:		
Operating loss	\$(7,246,874)	\$ (7,159,769)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	35,969	25,683
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:		
Accounts receivable and unbilled project costs	(1,928,403)	8,115,521
Other receivables	350,616	3,545,421
Accounts payable—trade	(354,165)	(1,143,116)
Accounts payable—The Ohio State University	(78,650)	(600,736)
Accrued payroll	949,015	(2,227,907)
Accrued vacation and sick leave	112,363	4,125
Deferred revenue—sponsors	3,822,405	226,221
Facilities and administrative costs payable to University departments	1,974,743	257,750
Designated funds for University departments	<u>746,139</u>	<u>(129,755)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$(1,616,842)</u>	<u>\$ 913,438</u>

See notes to financial statements.

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION (A Component Unit of The Ohio State University)

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2003 AND 2002

1. ORGANIZATION

The Ohio State University Research Foundation (the "Research Foundation"), a component unit of The Ohio State University (the "University"), is a nonprofit educational corporation created in 1936 as a vehicle to promote the development, implementation, and coordination of sponsored research at the University in the furtherance of the University's educational objectives. The Research Foundation's financial statements and accounts are consolidated with the University's for purposes of complying with the University's reporting requirements.

2. ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements.

Basis of Presentation—The financial statements of the Research Foundation have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Research Foundation follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Revenue Recognition—Substantially all of the Research Foundation's revenues are derived from restricted grants and cost reimbursement contracts which provide for the recovery of direct and facilities and administrative costs, subject to audit. The Research Foundation recognizes revenue associated with direct costs as the related costs are incurred. Recovery of related facilities and administrative costs is generally recorded at fixed rates negotiated with the Department of Health and Human Services, the cognizant federal audit agency.

Revenues derived from grants and contracts are reported as operating revenues. Transactions which are capital, financing or investing related, are reported as non-operating revenues. University appropriations and interest earned on cash investments are reported as non-operating revenues.

Cash and Cash Equivalents—Cash and cash equivalents consist of demand deposit accounts and certificates of deposit with original maturities of less than 90 days. The Research Foundation's cash, except for the Huntington National Bank balance, is in the University account and is commingled with other University related entities and invested daily in overnight investment vehicles, which are considered cash equivalents. However they are not required to be categorized under GASB 3. Investment income is allocated to the Research Foundation based on their ownership of the funds included in the University's account.

The portion of the Huntington National Bank balance of approximately \$2,114,000 and \$319,000 for June 30, 2003 and 2002, respectively, which was uninsured by federal deposit insurance as of June 30, 2003 and 2002 was approximately \$2,014,000 and \$219,000, respectively. The uninsured balance is collateralized by pools of securities pledged by the depository bank and are held in the name of the respective bank.

Receivables—Receivables are reported at their gross value when earned as the underlying exchange transaction occurs. An estimated receivable has been recorded for services rendered but not yet billed as of June 30, 2003 and 2002. The receivable was arrived at primarily by taking the subsequent payments of expenses related to cost reimbursement contracts invoiced after year end, and recording at year end the portions incurred and reimbursable from sponsors as of year end.

Furniture and Equipment—Furniture and equipment are recorded at cost, and the capitalization threshold is \$3,000. Provision is made for depreciation of physical properties at rates calculated to absorb costs generally over the asset's estimated useful life of 5 years. Depreciation is calculated using the straight-line method. Depreciation expense was \$35,969 and \$25,683 for the years ended June 30, 2003 and 2002, respectively.

Expenditures for maintenance and repairs are charged to operating expenses as incurred; major renewals and betterments are capitalized. When furniture and equipment become fully depreciated, the assets and related accumulated depreciation are removed from the accounts.

	June 30, 2002	Additions	Deletions	June 30, 2003
Capital Assets:				
Furniture and equipment	\$1,052,241	\$ 18,917	\$ (19,000)	\$1,052,158
Less: Accumulated depreciation	<u>70,302</u>	<u>35,969</u>	<u>(19,000)</u>	<u>87,271</u>
Net capital assets	<u>\$ 981,939</u>	<u>\$(17,052)</u>	<u>\$ -</u>	<u>\$ 964,887</u>

In-Kind Income—The Research Foundation is a component unit of The Ohio State University. As part of the relationship, transfers of funds occur between the University and the Research Foundation for certain sponsor project expenditures and research administration.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. DESIGNATED FUNDS FOR UNIVERSITY DEPARTMENTS

Designated funds for University departments represent unrestricted funds resulting from residual amounts from certain completed projects that are for use at the discretion of University departments and funds payable to the University from royalties held by the Research Foundation.

4. TAX-EXEMPT STATUS

The Research Foundation is exempt from federal taxes on income under Section 501(c)(3) of the Internal Revenue Code.

5. RETIREMENT PLAN

All eligible University personnel assigned to the Research Foundation are covered by the Public Employees Retirement System ("PERS"). Employees may opt out of PERS and participate in the Alternative Retirement Plan ("ARP") if they meet certain eligibility requirements.

Defined Benefit Plans—PERS offers statewide cost-sharing multiple-employer defined benefit pension plans. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by state statute. PERS issues a separate, publicly available financial report that includes financial statements and required supplemental information. The report may be obtained by contacting PERS. PERS Ohio 277 East Town Street Columbus, OH 43215-4642 (614) 466-2085, (800) 222-PERS (7377) or www.opers.org.

In addition to the retirement benefits described above, PERS provides postemployment health care benefits.

PERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit and to primary survivors of those retirees. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. PERS determines the amount, if any, of the associated health care costs that will be absorbed by PERS. Under Ohio Revised Code ("ORC"), funding for medical costs paid from the funds of PERS is included in the employer contribution rate. For the fiscal year ended December 31, 2002, PERS allocated 5.0% of the employer contribution rate to fund the health care program for retirees. The contributions allocated to retiree health benefits, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

The actuarial value of assets available for these benefits at December 31, 2001 was \$11.6 billion. There were 402,041 active contributing benefit recipients eligible for postemployment benefits at that date. In December 2001, PERS adopted the Health Care "Choices" Plan. This plan is available to employees hired after January 1, 2003 who have no prior service credit accumulated towards post retirement health care benefits. This plan will incorporate a cafeteria plan approach in which the benefit recipient chooses coverage options best meeting his or her requirements, and benefits are earned on a graded scale from ten to thirty years (as opposed to the ten year vesting requirement for the existing post retirement health care benefit plan).

Defined Contribution Plan—The ("ARP") is a defined contribution pension plan. Full-time administrative and professional staff and faculty with less than five years of service may choose to enroll in ARP in lieu of PERS. Classified civil service employees are not eligible to participate in ARP. For those employees selecting participation in ARP, prior employee contributions to PERS were transferred from those plans and invested in individual accounts established with one of eight selected external providers.

ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

Funding Policy—ORC provides PERS statutory authority to set employee and employer contributions. Contributions equal to those required by PERS 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 PERS to enhance the stability of these plans. The required contributions rates (as a percentage of covered payroll) for plan members and the Research Foundation are as follows for 2003, 2002 and 2001

	Employee Share	Employer Share
July 1, 2000—December 31, 2001	8.5 %	7.99 %
January 1, 2001—June 30, 2001	8.5 %	13.31 %
July 1, 2001—June 30, 2002	8.5 %	13.31 %
July 1, 2002—June 30, 2003	8.5 %	13.31 %

For the years ended June 30, 2003, 2002 and 2001 the Research Foundation reimbursed the University for the following costs for contributions associated with the retirement plans:

Year Ending	Contributions	
	PERS	ARP
2001	\$374,595	\$ 96,126
2002	474,952	137,937
2003	526,897	92,335

6. CONTINGENCIES

The Research Foundation is a party in various 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 Research Foundation's financial position.

The Research Foundation, as an associated foundation, is covered under the University's self-insurance arrangements and commercial insurance policies. The University is self-insured for employee health benefits; and employee life, accidental death, and dismemberment benefits. Additional details regarding these self-insurance arrangements are provided in Note 5 to the University's financial statements. 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.



**Auditor of State
Betty Montgomery**

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OHIO STATE UNIVERSITY RESEARCH FOUNDATION

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 3, 2004**