Ohio University
(A Component Unit of the State of Ohio)

Financial Statements as of and for the Years Ended June 30, 2005 and 2004, and Independent Auditors' Report

Auditor of State
Betty Montgomery

Board of Trustees
Ohio University
HDL Center- Suite 280
Athens, OH 45701-2979

We have reviewed the *Independent Auditor's Report* of the Ohio University, Athens County, prepared by Deloitte & Touche LLP, for the audit period July 1, 2004 through June 30, 2005. 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 Ohio University is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

March 20, 2006

88 E. Broad St. / P.O. Box 1140 / Columbus, OH 43216-1140
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us

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OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche LLP
155 East Broad Street
Columbus, OH 43215-3611
USA

Tel: +1 614 221 1000
Fax: +1 614 229 4647
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Ohio University
Athens, Ohio

We have audited the accompanying statements of net assets of Ohio University (the "University"), a component unit of the State of Ohio, and its aggregate discretely presented component units, as of June 30, 2005 and 2004, and the related statements of revenues, expenses, and changes in net assets and of cash flows, where applicable, for the years then ended. These financial statements are the responsibility of the University'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 respective financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, 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 respective financial position of Ohio University and its aggregate discretely presented component units as of June 30, 2005 and 2004, and their respective changes in net assets and their respective cash flows where applicable for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis ("MD&A") on pages 3 through 12 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the University's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit such information and we do not express an opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2005, on our consideration of internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Deloitte & Touche LLP

October 13, 2005

Management's Discussion and Analysis

The following discussion and analysis of the financial statements of Ohio University (the "University") provides an overview of its financial activities for the fiscal year ("FY") ended June 30, 2005 with comparative data for FY 2004 and FY 2003. Its purpose is to enhance the understandability and usefulness of the basic external financial statements and is required supplemental information. The overriding goal is to respond to the needs of the primary users of these statements, i.e., those to whom the University is primarily accountable (the citizenry), those who directly represent the citizens (legislative and oversight bodies), and those who lend or who participate in the lending process (investors and creditors).

The annual financial report includes the report of the independent auditors, this Management's Discussion and Analysis ("MD&A"), the Statements of Net Assets, the Statements of Revenues, Expenses and Changes in Net Assets, the Statements of Cash Flows and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with University management.

ABOUT OHIO UNIVERSITY

Ohio University is a public institution established by the State of Ohio (the "State") in 1804 under Chapter 3337 of the Ohio Revised Code ("ORC"). It is the oldest public institution of higher learning in the State of Ohio and the Northwest Territory. It is defined by statute to be a body politic and corporate and an instrumentality of the State. Ohio University celebrated its two-hundredth anniversary in 2004.

The University is governed by a 13-member Board of Trustees. The Governor, with the advice and consent of the State Senate, appoints 9 trustees for staggered 9-year nonrenewable terms. In addition, 2 non-voting student members are appointed to the Board of Trustees for staggered 2-year terms. The Ohio University Board of Trustees created 2 National Trustee positions and has invited 2 distinguished out-of-state University alumni to sit with the Trustees and participate in the deliberations of the Board. One term is 2 years and the other is 3 years. Both are non-voting members.

The University consists of the main campus in Athens, Ohio and 5 regional campuses. Total fall 2004 enrollment for all campuses was 28,513. The University, in FY 2005, had a total faculty of approximately 1,070 full-time and 810 part-time, with a total workforce of approximately 4,820 non-student employees. The student to faculty ratio on the Athens campus in the fall of 2004 was 20:1. During FY 2005, the University offered 26 Associate majors, 254 Baccalaureate majors, 170 Masters majors, 58 PhD majors and 1 DO major.

Ohio University is designated a Doctoral/Research-Extensive university by the Carnegie Foundation for the Advancement of Teaching. Only 151 schools, 3.8% of the 3,941 schools assessed by the Carnegie Foundation are classified as research universities. According to the Carnegie definition, "These institutions typically offer a wide range of baccalaureate programs and they are committed to graduate education through the doctorate. During the period studied, they awarded 50 or more doctoral degrees per year across at least 15 disciplines."

Governmental Accounting Standards Board ("GASB") Statement No. 39, *Determining Whether Certain Organizations Are Component Units,* an amendment of GASB Statement No. 14 and implemented by the University effective July 1, 2003 led to the conclusion that The Ohio University Foundation (the

"Foundation"), a 501(c)(3) organization incorporated in Ohio in October 1945 to support the educational undertakings of Ohio University, is to be reported in the University's statements as a component unit. The University has chosen a discrete presentation and the Foundation's information appears in a separate column next to the University on the Statements of Net Assets and the Statements of Revenues, Expenses and Changes in Net Assets. The University is not required to prepare a Statement of Cash Flows for the Foundation. A separate financial report for the Foundation is available by contacting The Ohio University Foundation, HDL Center, Room 164, Athens, Ohio 45701 or (740)593-1884.

The Ohio University Osteopathic Medical Center Inc. ("MCI") ceased to exist as an entity effective July 1, 2003. The appearance of five months of MCI's data in a discrete column on the University's financial statements for the year ended June 30, 2004 was the last year for MCI to be included in this report. The successor organization, University Medical Associates ("UMA") was evaluated and is not a component unit of the University under GASB Statement No. 14 and Statement No. 39.

This MD&A is intended to address issues of the primary entity and not those of its component unit.

FINANCIAL HIGHLIGHTS OF FY 2005

State funding for higher education declined in FY 2005 moving the University to a position of increasingly greater reliance on student tuition and fees revenue to fill the resultant gap. State appropriations for FY 2005 decreased by $2,768,624 in FY 2005 compared to an increase of $382,535 from FY 2003 to FY 2004. State appropriations, expressed as a percentage of total State appropriations and student tuition and fees – net, has declined from 46% to 44% to 42% over the last 3 years.

The University increased tuition by 9% for returning undergraduate and graduate students in FY 2005 compared to an increase of 9.9% from FY 2003 to FY 2004. Room and board rates increased by 3% in FY 2005 compared to an increase of 8% from FY 2003 to FY 2004.

The University did final payouts of costs associated with an Early Retirement Incentive Plan ("ERIP") buyout which began in FY 2003 for eligible employees in the Ohio Public Employees Retirement System ("OPERS"). The buyout period began on May 1, 2003 and remained open until June 30, 2004. A $10,000 incentive was offered to employees who signed up for the buyout by June 30, 2003 and who would retire by September 1, 2003. All employees taking the buyout were required to be retired by September 1, 2004. The result of the ERIP program was that 192 employees participated for a total cost of approximately $9,880,000 which included sick leave and vacation payouts in accordance with standard policy, a $10,000 incentive bonus for the 131 employees who left by September 1, 2003 and the OPERS payment calculated and billed by OPERS. Most of these costs were accrued in FY 2004, although final payouts were still occurring in FY 2005. Of the vacated positions, 79.5 were abolished for an annual cost savings, including benefits, of $4,530,000.

The University recognizes the need for continual administrative systems upgrades to stay abreast of technology, operate more efficiently and to respond to ever increasing demands for accountability and management information - faster. The University's implementation of an enterprise-wide information system continued to evolve. Workforce, a time and attendance system utilizing the Web and card swiping for time capturing, was implemented in more departments in FY 2005. A large influx of users occurred in conjunction with the start of the fall quarter in FY 2006. An automated method of entering data into Payroll for graduate appointments was operational in FY 2005 providing for greater operational efficiencies in that area. Work continued on the concept of "Business On-Line" – an automated approach to submitting financial transactions for processing. The system will have work rules built into it and allow for data entry at the departmental level, thus eliminating the need for paper flow and redundant data entry, including the maintenance of duplicative systems within individual departments.

CURRENT YEAR RESULTS

One of the most important questions asked about a University's finances is whether the University's position has improved as a result of the year's activities. The Statements of Net Assets and the Statements of Revenues, Expenses and Changes in Net Assets report information on the University as a whole and on its activities in a way that helps answer this question. Net assets, the difference between total assets and total liabilities are the measure of the current financial condition. Increases or decreases in the University's net assets are one indicator of whether its financial health is improving or deteriorating. Numerous other nonfinancial factors, such as the number and quality of applicants, freshman class size and composition, student retention and graduation rates, strength of the faculty, condition of the campus infrastructure and the safety of the campus, must be considered when assessing the overall health of the University.

Points of interest relative to the Statements of Net Assets are as follows:

- The Statements of Net Assets present assets, liabilities and net assets (assets minus liabilities) as of the last day of the fiscal year. It further classifies assets and liabilities as current or noncurrent. Generally, current liabilities are those that will be paid within one year of the date of the Statements of Net Assets. Current assets are those that are available to satisfy current liabilities.
- Total **Cash and cash equivalents** decreased by $24,381,879 compared to an increase of $52,725,025 in FY04 over FY 2003. The prime contributor to this was a decrease of $23,449,345 in **Restricted cash and cash equivalents** (primarily monies held by bond trustees awaiting expenditure) being spent for their intended purpose.
- **Investments** include the net appreciation on endowment investments available for expenditure in accordance with donors' restrictions, if authorized by the Board.
- **Endowment investments** represent the contributed value of University endowments incremented each year by new contributions, $6,025 in FY 2005, $10,601 in FY 2004 and $16,099 in FY 2003, and annual unused earnings on one larger endowment whose donor has requested they be added to principal each year. The University generally does not take on any new endowments unless the donor's bequest specifically states that the gift is to be administered by the Board of Trustees of Ohio University. Otherwise, the University's Foundation (the Ohio University Foundation) receives and administers new endowments.
- **Capital assets** are recorded at historical cost and presented net of their accumulated depreciation. Depreciation serves to amortize the cost of assets over their useful lives. The amount of accumulated depreciation was $379,719,520 for FY 2005, $357,475,056 for FY 2004 and $335,071,026 for FY 2003.
- **Refundable Advances for Federal Student Loans** represents the cumulative Federal capital contribution ("FCC") to Federal student loan programs, presented as a potential long-term liability.

The following chart depicts the breakdown of Assets, Liabilities and Net Assets for Ohio University for the years ended June 30, 2005, 2004, and 2003:

	2005	2004	2003
Assets:			
Current assets - net	$182,764,132	$176,762,520	$156,818,957
Noncurrent assets	555,953,366	548,967,862	488,911,905
TOTAL ASSETS	$738,717,498	$725,730,382	$645,730,862
Liabilities:			
Current liabilities	$ 79,854,071	$ 78,535,421	$ 93,446,995
Noncurrent liabilities	176,121,153	184,710,468	121,534,356
TOTAL LIABILITIES	$255,975,224	$263,245,889	$214,981,351
TOTAL NET ASSETS	$482,742,274	$462,484,493	$430,749,511

Net assets, expressed as a percent of total assets, were 65% for FY 2005, 64% for FY 2004 and 67% for FY 2003. Current assets less current liabilities represent working capital and were $102,910,061 for FY 2005, $98,227,099 for FY 2004 and $63,371,962 for FY 2003. The current ratio, calculated by dividing current assets by current liabilities, is an indicator of the ability to pay short-term obligations. This ratio was 2.29 to 1 for FY 2005, 2.25 to 1 for FY 2004 and 1.68 to 1 for FY 2003.

The Net Assets for the years ended June 30, 2005, 2004, and 2003 are further displayed as follows:

	2005	2004	2003
Invested in capital assets - net of related debt	$ 360,279,657	$ 345,803,896	$ 334,620,636
Restricted nonexpendable	11,970,621	11,836,376	11,727,151
Restricted expendable	47,976,632	42,898,264	33,749,128
Unrestricted	62,515,364	61,945,957	50,652,596
	$ 482,742,274	$ 462,484,493	$ 430,749,511

Invested in capital assets-net of related debt represents the historic dollar value of capital assets reduced by their related depreciation and outstanding debt related to their purchase or construction. It is increased by the value of any **restricted cash and cash equivalents** representing funds held by bond trustees and available for future capital initiatives.

Restricted nonexpendable net assets are equal to **endowment investments**, previously described.

Restricted expendable net assets is made up primarily of loan funds revenues in excess of their expenses, restricted grants and contracts revenues in excess of their expenses and net market appreciation of endowment funds available for expenditure, all of whose use has been restricted by external sources.

Unrestricted net assets is made up of funds available for expenditure at the discretion of the Board of Trustees and includes the accumulation of unrestricted revenues received in excess of expenses, including that of auxiliary enterprises.

Points of interest relative to the Statements of Revenues, Expenses, and Changes in Net Assets:

- The Statements of Revenues, Expenses and Changes in Net Assets report the revenue earned in the fiscal year (regardless of when received) and the expenses incurred (regardless of when paid). It differentiates between operating and nonoperating revenue. Sales of goods and provisions of services are recorded as operating revenues, when the buyer essentially receives something of value equal to the amount being charged. Essentially all other types of revenue are nonoperating, or other revenue. Nonoperating revenues include State appropriations, grants that do not require any services to be performed for the benefit of the grantor and investment income. The operating income (loss) line will typically display a loss for state-supported public institutions since state appropriations, that have historically played a significant role in the funding of public institutions, are mandated to be reported as nonoperating revenue. "Other revenues" include state capital appropriations, capital grants and gifts and additions to permanent endowments.
- **Student tuition and fees** revenues, **auxiliary enterprises** revenues, and the corresponding **student aid** expenses, are reported net of scholarship discounts and allowances in the Statements of Revenues, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the institution and the amount that is paid by students and/or third parties making payments on the student's behalf. For FY 2005 that amount is $44,310,905 (of which $35,493,035 is netted against **student tuition and fees** and $8,817,870 is netted against **auxiliary enterprises** revenues). For FY 2004 that amount was $38,156,805 (of which $30,563,601 was netted against **student tuition and fees** and $7,593,204 was netted against **auxiliary enterprises** revenues). In FY 2003 that amount was $33,699,058 (of which $26,817,711 was netted against **student tuition and fees** and $6,881,347 was netted against **auxiliary enterprises** revenues).
- **Auxiliary enterprises** revenues consist of the sales and services of such activities as residence halls, dining services, intercollegiate athletics, airport operations, telephone operations, campus recreation and

parking services. The bulk of this revenue is the activity of the Residence and Dining Hall auxiliary whose room and board rates were increased 3% in FY 2005 over FY 2004, which in turn had increased 8% over FY 2003.

- The expense line "**Student aid**" represents institutional resources provided **in excess** of amounts owed by the students to the institution and refunded to them. It **does not** represent the amount of financial aid made available to students.
- Expenditures for capital assets are capitalized on the Statements of Net Assets and systematically reduced through the use of **depreciation** expense in the Statements of Revenues, Expenses, and Changes in Net Assets. The University has chosen to display depreciation on a separate line in the Statements of Revenues, Expenses, and Changes in Net Assets as opposed to allocating it among the various functional categories.
- **State appropriations** consist primarily of state share of instruction revenues. State support continues to decline in prominence relative to other income streams.
- **Investment income** increased in FY 2005 over FY 2004 by $532,468 compared to $2,754,244 of an increase in FY 2004 over FY 2003.
- **Capital grants and gifts** dropped to $3,534,963 in FY05 from $5,612,306 in FY 2004 compared to $13,173,470 in FY 2003. The nature of this revenue stream is that it fluctuates in amount dependent on the particular grants and gifts received.

The following charts depict total revenue by source for FY 2005, FY 2004, and FY 2003, respectively:

Revenues by source		**2005**		**2004**		**2003**
State appropriations	$	139,620,276	$	142,388,900	$	142,006,365
Student tuition and fees, net		196,518,557		183,845,137		163,581,009
Grants and contracts		74,487,489		77,254,757		82,130,090
Sales and services		10,461,067		10,683,223		9,097,035
Auxiliary enterprises, net		54,502,659		53,887,294		53,445,582
Investment income, net		8,182,937		7,650,469		4,896,225
State capital appropriations		12,408,134		13,216,346		12,623,786
Other		5,559,678		5,403,554		5,657,241
Total	$	501,740,797	$	494,329,680	$	473,437,333

The following chart depicts operating and nonoperating expenses for FY 2005, FY 2004, and FY 2003, respectively:

Expenses by source		**2005**		**2004**		**2003**
Instruction and departmental research	$	179,633,550	$	172,014,386	$	170,495,306
Separately budgeted research		33,222,564		29,978,107		26,388,575
Public service		19,726,387		18,039,685		16,205,555
Academic support		46,781,139		46,156,862		36,422,783
Student services		20,178,218		20,886,735		23,563,230
Institutional support		37,607,677		36,254,600		38,248,929
Operation and maintenance of plant		36,823,032		37,160,727		36,664,688
Student aid		9,833,690		11,214,000		12,201,431
Depreciation		29,076,351		27,310,496		24,215,215
Auxiliary enterprises		61,874,393		58,122,051		60,707,809
Interest on capital asset-related debt		5,530,775		5,022,680		3,762,188
Disposal and write-offs of plant facilities		1,195,240		434,369		765,403
Total	$	481,483,016	$	462,594,698	$	449,641,112

- The University, as a component unit of the State of Ohio, is required to report its **operating expenses** on the face of the Statements of Revenues, Expenses, and Changes in Net Assets using a functional view. Functional categories are presented as defined by the National Association of College and University Business Officers ("NACUBO").

  - **Instruction and Departmental Research** – The instruction and departmental research category includes expenses for all activities that are part of an institution's instruction program. Expenses for credit and noncredit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; and regular, special, and extension sessions should be included.

    Expenses for departmental research and public service that are not separately budgeted should be included in this classification. This category excludes expenses for academic personnel whose primary assignment is administration – for example, academic deans.

  - **Separately Budgeted Research** – The separately budgeted research category includes all expenses for activities specifically organized to produce research, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. Subject to these conditions, the category includes expenses for individual and/or project research as well as that of institutes and research centers. This category does not include all sponsored programs nor is it necessarily limited to sponsored research, since internally supported research programs, if separately budgeted, might be included in this category under the circumstances described. Expenses for departmental research that are separately budgeted are included in this category. However, the research category does not include expenses for departmental research that are not separately budgeted. Such expenditures are included in the instructional category.

  - **Public Service** – The public service category includes expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services. Included in this category are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

  - **Academic Support** – The academic support category includes expenses incurred to provide support services for the institution's primary missions: instruction, research, and public service. It includes the retention, preservation, and display of educational materials, such as libraries, museums, and galleries; the provision of services that directly assist the academic functions of the institution, such as demonstration schools associated with a department, school, or college of education; media such as audio-visual services and technology such as computing support; academic administration (including academic deans but not department chairpersons) and personnel development providing administration support and management direction to the three primary missions; and separately budgeted support for course and curriculum development.

  - **Student Services** – The student services category includes expenses incurred for offices of admissions and the registrar and activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. It includes expenses for student activities, cultural events, student newspapers, intramural athletics, student organizations, counseling and career guidance (excluding informal academic counseling by the faculty), student aid administration, and student health service.

- **Institutional Support** – The institutional support category includes expenses for central executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming operations, and legal services; fiscal operations, including the investment office; administrative data processing; space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing; transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fund raising. Appropriate allocations of institutional support should be made to auxiliary enterprises, hospitals, and any other activities not directly related to the primary program categories or the related support categories.

- **Operation and Maintenance of Plant** – The operation and maintenance of plant category includes all expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. They include expenses normally incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture, and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; safety; hazardous waste disposal; property, liability and all other insurance relating to property; space and capital leasing; facility planning and management; and central receiving. It does not include interest expense on capital related debt.

- **Student Aid** – The student aid category includes expenses for scholarships and fellowships – from restricted or unrestricted funds – in the form of grants to students, resulting from selection by the institution or from an entitlement program. The category also includes trainee stipends, prizes, and awards. Trainee stipends awarded to individuals who are not enrolled in formal course work should be charged to instruction, research, or public service.

  Recipients of grants are not required to perform service to the institution as consideration for the grant, nor are they expected to repay the amount of the grant to the funding source. When services are required in exchange for financial assistance, as in the College Work-Study program, charges should be classified as expenses of the department or organizational unit to which the service is rendered. Aid to students in the form of tuition or fee remissions also should be included in this category. However, remission of tuition or fees granted because of faculty or staff status, or family relationship of students to faculty or staff, should be recorded as staff benefits expenses in the appropriate functional expense category.

The first 3 categories, which are instruction, research and public service, represent the core mission of the University. The other functions serve to support the core functions.

- **Senate Bill 6 ratios**, one of the measures by which the University's activities are monitored at the state level, returned a composite score of 3.2 in FY 2005, 3.1 in FY 2004 and 3.4 in FY 2003. The highest possible score is 5.0. The score assigned to the viability ratio (expendable net assets divided by plant debt) increased by 1. This particular ratio is 30% of the composite score. The University remained the same in the primary reserve ratio (expendable net assets divided by operating expenses) which is 50% of the composite score and decreased by 1 in the net income ratio (change in total net assets divided by total revenues), 20% of the composite score.

Statements of Cash Flows
The Statements of Cash Flows present detailed information about the major sources and uses of cash and the resultant change in the University's cash position, under the direct method. The four categories of presentation and their respective FY 2005, FY 2004, and FY 2003 amounts are:

	2005	2004	2003
Net cash used in operating activities	$(133,457,564)	$(140,900,912)	$(152,681,747)
Net cash provided by noncapital financing activities	171,942,710	174,437,158	172,899,737
Net cash provided by (used in) capital financing activities	(60,661,900)	3,862,416	(41,269,983)
Net cash provided by (used in) investing activities	(2,205,125)	15,326,363	4,373,695

Total cash and cash equivalents decreased to $55,556,153 compared to $79,938,032 in FY 2004 and $27,213,007 in FY 2003.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets
Major capital additions completed during the fiscal year ended June 30, 2005 and the primary resources that funded their acquisition/construction included (in millions):

Putnam Hall Rehabilitation	$	4.1	Capital Appropriations and Internal Funding
Lausche Heating Plant Fluesorbent Processing		3.7	State and Private Grant
WOUC-TV Tower Digital Conversion		1.3	Federal Grant, State Grant and Internal Funding

Cumulative costs associated with capital projects continuing after the fiscal year ended June 30, 2005 totaled approximately $59.4 million at June 30, 2005. These projects include (in millions):

University Center	$	31.4
Bromley Hall Renovation		9.1
Biddle Hall Renovation		4.1
Lausche Heating Plant Upgrade		3.1
Ridges Steam Extension		1.7
Alden Library 2nd Floor Renovation		1.0
Airport Improvement Project		1.0

The University is continuing work on the new University Center which is slated for completion in October 2006. The Center will stand ready to greet students returning from winter break in January 2007. Its size is 183,000 square feet and is twice as large as the center it is replacing. It will provide a central gathering place for all members of the University community. Its $60 million cost is being funded through a combination of state capital funds and a special student fee to be assessed once the Center is operational.

The University's estimated future capital commitments, for which funding has been identified, total approximately $71,328,000 at June 30, 2005.

Debt Administration
At year-end, the University had $167,410,000 in bonds and notes obligations outstanding versus $175,380,000 at the end of FY 2004 and $132,665,000 at the end of FY 2003. The only new debt issued was a roll-over of General Receipts Bond Anticipation Notes existing at the end of FY 2004, excepting for a $500,000 reduction in principal. Those notes mature on January 19, 2006 and bear an interest rate of 3.00%. The University's Standard and Poor's revenue bond rating of A+ and Moody's revenue bond rating of A1 have not changed from the prior year.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

On September 10, 2004, Ohio University received the inaugural address from its 20th president, Dr. Roderick J. McDavis (B.S.Ed. '70) who returned to campus after 34 years to lead his alma mater. He shared four goals for the University in its third century:

> "We will become a nationally prominent research university. We will increase the diversity of our students, faculty, administrators, and staff. We will continue to strengthen and expand our base of financial support. And, we will increase partnerships throughout the region, the state, the nation, and the world. Our history demands that we strive toward these goals...and our destiny depends upon it."

In November of 2004, President McDavis commissioned the Presidential Task Force on the Future of Ohio University. He charged the Task Force, chaired by then interim Provost Kathy Krendl, to develop a comprehensive strategic plan to achieve these goals for the institution. For the past several months, a 46-person task force representing a broad cross-section of the university community has been working to identify a vision, create a mission statement and develop a set of core values and guiding principles. These efforts have culminated in a document entitled, "Vision Ohio – A Strategic Plan for Ohio University", the University's 5-year roadmap, available at www.ohio.edu/outlook/vision, which is currently receiving finishing touches and final discussions. The plan articulates a vision, mission, and a set of guiding principles; a set of goals; and a specification of metrics that will be used to determine the successful completion of the strategic plan.

Our ability to spread the word about the value of an Ohio University education, thus catching and captivating the attention of potential students will be crucial to our ability to overcome inadequacies in state funding of higher education. Preliminary numbers for fall of FY 2006 show the largest ever incoming group of first-year students, an increase of nearly 400 students. In addition, multicultural freshman enrollment is up about 50 percent from fall of FY 2005 (225 last year to 336 this year, an increase of 111 students). Increased attendance in both arenas was the result of a change in recruitment strategy which included getting back into the cities from the suburbs, attending college fairs, speaking at schools and holding "yield parties" in Ohio's larger cities to interact directly with students who had been admitted to the University, but who had not yet officially accepted the offer. In addition, the implementation of an Urban Scholars program, cited by Dr. McDavis as a major accomplishment of his first year and consistent with the goal of increasing diversity, is providing 13 students from Ohio's urban centers with $14,000 per year for four years.

We continue to be proud of our ranking in *U.S. News and World Report's* "America's Best Colleges". The 2006 edition ranked Ohio University 52nd of 162 national public universities and 109th of 248 national public and private universities.

The University provided for a 2% salary and wage increase for FY 2006. There is the promise of an additional 1% increase to occur in January of 2006, depending on the strength of the enrollment figures in the fall.

Tuition rates for FY 2006 have increased by a rate of 6% and 3% for undergraduate and graduate students, respectively, with room and board rates increasing by 2% overall, although room rates increased by 4% and board rates remained the same. The nonresident surcharge remained unchanged.

The University is projecting a slight decrease in state share of instruction for FY 2007 – the second year of the biennium. The level of support from the State of Ohio for higher education has declined significantly over the last 15 years and the future continues to look bleak.

In line with the Vision Ohio plan which states that the administrative and support services should exist to serve the academic mission and should be effective, efficient, and continually improving, the University is embarking on an estimated $20,000,000 project to install a new student information system. Funding will come primarily from an already established assessment of student fees for technology. In addition the concept of "Business On-Line", mentioned previously in "Financial Highlights of FY 2005", continues to emerge. Workforce, also mentioned in "Financial Highlights of FY 2005" should see the completion of its installation in FY 2006.

The University is exploring a new approach to budget planning, one which will support the academic strategic priorities and allocate funds based on performance indicators.

Conversations are happening at the start of the FY 2006 fall quarter as to the magnitude of the budget cut in order to operate within our means in FY 2007. The University will experience another budget cutting exercise for FY 2007, as we have in the last several years. Future cuts in state funding will probably occur. But, managing enrollment growth and retention, exploring a new approach to budgeting which properly rewards performance, and continuing to challenge planning units to look for efficiencies will help us mitigate our losses in state funding and make us a stronger institution for the future.

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

STATEMENTS OF NET ASSETS
AS OF JUNE 30, 2005 AND 2004

	June 30, 2005		June 30, 2004		
ASSETS	**Primary Institution**	**The Ohio University Foundation**	**Primary Institution**	**The Ohio University Foundation**	**MCI**
CURRENT ASSETS:					
Cash and cash equivalents	$ 33,308,241	$ 4,212,953	$ 34,240,775	$ 10,009,291	$ 1,165,401
Investments	94,249,146	60,437,489	83,968,220	45,740,364	56,203
Accounts and pledges receivable—net	33,466,417	4,954,593	36,181,957	12,354,752	1,839,961
Accrued interest and dividends receivable	348,537	209,129	313,327	126,535	
Notes receivable—net	3,278,663	49,761	2,996,126	49,761	
Prepaid expenses and deferred charges	16,319,601	1,174,934	17,408,774	1,871,358	6,748
Inventories	1,793,527	29,971	1,653,341	1,125,984	
Total current assets	182,764,132	71,068,830	176,762,520	71,278,045	3,068,313
NONCURRENT ASSETS:					
Restricted cash and cash equivalents	22,247,912	2,912,861	45,697,257	3,059,378	
Pledges receivable—net		4,081,318		9,225,298	
Bequests receivable		1,186,466		1,558,378	
Cash surrender value—life insurance policies		2,377,779		2,636,067	
Charitable remainder trusts		1,467,407		1,324,704	
Charitable remainder annuities		3,074,232		3,659,103	
Investment in unconsolidated subsidiary					33,569
Endowment investments	11,970,621	101,633,356	11,836,376	96,970,424	
Notes receivable—net	11,030,241		10,186,621		
Intangible assets and deferred charges				3,418,197	
Capital assets—net	510,704,592	32,223,107	481,247,608	34,435,826	
Total noncurrent assets	555,953,366	148,956,526	548,967,862	156,287,375	33,569
TOTAL	$ 738,717,498	$ 220,025,356	$ 725,730,382	$ 227,565,420	$ 3,101,882

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

STATEMENTS OF NET ASSETS
AS OF JUNE 30, 2005 AND 2004

	June 30, 2005		June 30, 2004		
LIABILITIES AND NET ASSETS	**Primary Institution**	**The Ohio University Foundation**	**Primary Institution**	**The Ohio University Foundation**	**MCI**
CURRENT LIABILITIES:					
Accounts payable and accrued liabilities	$ 37,825,767	$ 1,871,374	$ 38,973,394	$ 3,346,030	$ 543,803
Deferred revenue	19,251,612		21,417,003		
Refunds and other liabilities	2,016,686	2,595,244	1,971,239	3,755,134	
Capital lease obligations	55,047		93,017		
Bonds and notes payable	19,412,739	645,000	15,597,740	1,013,094	
Deposits held in custody for others	1,292,220	329,877	483,028	337,728	
Total current liabilities	79,854,071	5,441,495	78,535,421	8,451,986	543,803
NONCURRENT LIABILITIES:					
Compensated absences	12,667,269		11,478,477		
Capital lease obligations	64,100		119,147		
Bonds and notes payable	147,997,261	32,126,649	159,782,260	33,325,046	
Bond premium—net	5,143,700		5,548,806		
Refundable advances for federal student loans	10,248,823		7,781,778		
Total noncurrent liabilities	176,121,153	32,126,649	184,710,468	33,325,046	-
Total liabilities	255,975,224	37,568,144	263,245,889	41,777,032	543,803
DHI MINORITY INTEREST				3,958,041	
NET ASSETS:					
Invested in capital assets—net of related debt	360,279,657	4,085,968	345,803,896	6,105,204	
Restricted:					
Nonexpendable	11,970,621	101,633,356	11,836,376	96,970,424	
Expendable	47,976,632	79,966,826	42,898,264	84,651,271	
Unrestricted	62,515,364	(3,228,938)	61,945,957	(5,896,552)	2,558,079
Total net assets	482,742,274	182,457,212	462,484,493	181,830,347	2,558,079
TOTAL LIABILITIES AND NET ASSETS	$ 738,717,498	$ 220,025,356	$ 725,730,382	$ 227,565,420	$3,101,882

See notes to the financial statements.

(Concluded)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	2005		2004		
	Primary Institution	The Ohio University Foundation	Primary Institution	The Ohio University Foundation	MCI
OPERATING REVENUES:					
Student tuition and fees—net of scholarship allowances	$ 196,518,557	$ -	$ 183,845,137	$ -	$ -
Federal grants and contracts	28,124,693		28,968,560		
State grants and contracts	6,092,961		5,554,850		
Local grants and contracts	569,141		686,248		
Private grants and contracts	8,023,817		8,400,998		
Sales and services	10,461,067		10,683,223		
Auxiliary enterprises—net of scholarship allowances	54,502,659		53,887,294		
Patient and professional services					4,169,159
Other sources	5,553,653	9,468,188	5,392,953	28,544,446	
Total operating revenues	309,846,548	9,468,188	297,419,263	28,544,446	4,169,159
OPERATING EXPENSES:					
Educational and general:					
Instruction and departmental research	179,633,550	5,873,324	172,014,386	4,862,511	
Separately budgeted research	33,222,564	392,762	29,978,107	574,321	
Public service	19,726,387	212,744	18,039,685	131,273	
Academic support	46,781,139	1,764,826	46,156,862	1,635,454	
Student services	20,178,218	855,529	20,886,735	452,369	
Institutional support	37,607,677	8,981,630	36,254,600	8,653,545	
Operation and maintenance of plant	36,823,032		37,160,727	4,203	
Student aid	9,833,690	3,444,981	11,214,000	3,781,519	
Depreciation	29,076,351	1,279,389	27,310,496	1,840,144	
Auxiliary enterprises	61,874,393		58,122,051		
Operating expenses—Foundation subsidiaries and MCI		5,945,670		23,107,782	2,662,289
Total operating expenses	474,757,001	28,750,855	457,137,649	45,043,121	2,662,289
OPERATING INCOME (LOSS)	(164,910,453)	(19,282,667)	(159,718,386)	(16,498,675)	1,506,870

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	2005		2004		
	Primary Institution	The Ohio University Foundation	Primary Institution	The Ohio University Foundation	MCI
NONOPERATING REVENUES AND EXPENSES:					
State appropriations	$ 139,620,276	$ -	$ 142,388,900	$ -	$ -
Federal grants	20,607,847		20,741,312		
State grants	5,619,623		5,458,934		
Local grants	5,007				
Private gifts	1,909,437	2,435,801	1,831,549	8,148,727	
University support		3,220,832		3,471,369	
Investment income—net of investment expense	8,182,937	10,882,384	7,650,469	15,204,508	8,612
Interest on capital asset-related debt	(5,530,775)		(5,022,680)		
Disposal and write-offs of plant facilities	(1,195,240)		(434,369)		
Net nonoperating revenues and expenses	169,219,112	16,539,017	172,614,115	26,824,604	8,612
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	4,308,659	(2,743,650)	12,895,729	10,325,929	1,515,482
OTHER REVENUES, EXPENSES, GAINS, OR LOSSES:					
State capital appropriations	12,408,134		13,216,346		
Capital grants and gifts	3,534,963		5,612,306		
Additions to permanent endowments	6,025	3,370,515	10,601	12,850,005	
Total other revenues, expenses, gains, or losses	15,949,122	3,370,515	18,839,253	12,850,005	-
INCREASE IN NET ASSETS	20,257,781	626,865	31,734,982	23,175,934	1,515,482
NET ASSETS:					
Beginning of year	462,484,493	181,830,347	430,749,511	158,654,413	1,042,597
End of year	$ 482,742,274	$ 182,457,212	$ 462,484,493	$ 181,830,347	$ 2,558,079

See notes to the financial statements.

(Concluded)

Ohio University

(A Component Unit of the State of Ohio)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	2005 Primary Institution	2004 Primary Institution
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	$ 193,461,224	$ 179,723,774
Grants and contracts	41,236,330	40,563,341
Payments to suppliers	(93,291,655)	(93,008,659)
Payments to employees	(245,416,000)	(238,684,000)
Payments for benefits	(66,145,116)	(64,135,706)
Payments for scholarships and fellowships	(33,462,075)	(35,144,707)
Loans issued to students	(4,099,957)	(4,372,213)
Collection of loans to students	2,911,045	2,753,629
Auxiliary enterprise sales	53,470,435	52,171,874
Sales and services	11,376,575	10,122,265
Other receipts (payments)	6,501,630	9,109,489
Net cash used in operating activities	(133,457,564)	(140,900,912)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	139,620,276	142,388,900
Gifts and grants for other than capital purposes	31,426,745	32,387,439
Federal direct student loan programs receipts	98,687,167	101,983,848
Federal direct student loan programs disbursements	(97,957,679)	(102,471,723)
Student organization agency transactions	166,201	148,694
Net cash provided by noncapital financing activities	171,942,710	174,437,158
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Proceeds from capital debt	7,650,000	121,323,917
Capital appropriations	11,663,355	12,453,069
Capital grants and gifts received	3,534,963	5,612,306
Purchases of capital assets	(60,087,054)	(56,120,155)
Principal paid on capital debt and leases	(15,713,017)	(73,185,637)
Interest paid on capital debt and leases	(7,710,147)	(6,221,084)
Net cash provided by (used in) capital financing activities	(60,661,900)	3,862,416
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	2,229,548	22,771,506
Investment income	4,917,480	5,121,337
Purchase of investments	(9,352,153)	(12,566,480)
Net cash provided by (used in) investing activities	(2,205,125)	15,326,363
NET INCREASE (DECREASE) IN CASH	(24,381,879)	52,725,025
CASH AND CASH EQUIVALENTS—Beginning of year	79,938,032	27,213,007
CASH AND CASH EQUIVALENTS—End of year	$ 55,556,153	$ 79,938,032

(Continued)

Ohio University

(A Component Unit of the State of Ohio)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	2005 Primary Institution	2004 Primary Institution
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$(164,910,453)	$(159,718,386)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	29,076,351	27,310,496
Changes in assets and liabilities:		
Accounts receivable—net	2,715,540	(780,426)
Notes receivable—net	(1,126,157)	(3,222,962)
Prepaid expenses and deferred charges	1,089,173	(1,832,604)
Inventories	(140,186)	(116,466)
Accounts payable and accrued liabilities	1,958,112	(1,939,743)
Deferred revenue	(2,165,391)	(298,062)
Refunds and other liabilities	45,447	(302,759)
NET CASH USED IN OPERATING ACTIVITIES	$(133,457,564)	$(140,900,912)

See notes to financial statements.

(Concluded)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Ohio University ("University") is a public institution established by the State of Ohio ("State") in 1804 under Chapter 3337 of the Ohio Revised Code ("ORC"). As such it is a component unit of the State of Ohio and is included as a discretely presented entity in the State of Ohio's Comprehensive Annual Financial Report. The University is the oldest of the state-assisted universities in Ohio. It is defined by statute to be a body politic and corporate and an instrumentality of the State.

The University is governed by a 13-member Board of Trustees. The Governor, with the advice and consent of the State Senate, appoints nine trustees for staggered nine-year nonrenewable terms. In addition, two non-voting student members are appointed to the Board of Trustees for staggered two-year terms. The Ohio University Board of Trustees created two new National Trustee positions and has invited two distinguished out-of-state University alumni to sit with the Trustees and participate in the deliberations of the Board. One term is two years and the other is three years. Both are non-voting members.

Basis of Presentation—The financial statements of the University have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB") including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities (an amendment of GASB No. 34)*. The presentation required by GASB No. 34 and GASB No. 35 provides a comprehensive, entity-wide perspective of the University's assets, liabilities, net assets, revenues, expenses, and changes in net assets and cash flows. It replaces fund-groups with net asset-groups, and requires the direct method of cash flow presentation.

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

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all the organizations, activities, functions, and component units for which the University is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the University's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the University.

The University presents The Ohio University Osteopathic Medical Center, Inc. ("MCI") as a discretely presented component unit. MCI was a professional association formed under Chapter 1785 of the Ohio Revised Code for the purpose of organizing licensed physicians and surgeons, who were faculty members of the Ohio University College of Osteopathic Medicine, into a multi-specialty faculty group practice. The sole purpose for which this professional association was formed was to render medical care, consultation, diagnosis, and treatment through physicians and surgeons licensed to practice medicine in the state of Ohio. MCI ceased to exist as an entity effective July 1, 2003. The accompanying financial statements present the last five months of the entity from February 1, 2003 through June 30, 2003. MCI historically reported on a fiscal year-end of January 31, on a cash basis, which was converted to accrual basis for presentation herein.

GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14 and implemented by the University effective July 1, 2003, further clarifies that certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government. The University has determined that The Ohio University Foundation ("Foundation") meets this definition and is therefore included as a discretely presented component unit in the University's financial statements. The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles as prescribed by the FASB.

Basis of Accounting—The University is a special-purpose government engaged only in business type activities as defined by GASB Statements No. 34 and No. 35. Accordingly, the financial statements are presented using an economic resources measurement focus and are presented on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when incurred. All significant interfund transactions have been eliminated. The financial statements of its component are also presented under the accrual basis of accounting.

Cash and Cash Equivalent—Cash consists primarily of petty cash, cash in banks, and money market accounts. Cash equivalents are short-term highly liquid investments readily converted to cash with original maturities of three months or less.

Investments—All investments are carried at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* Investments in publicly traded securities are stated at fair value as established by major securities markets. Nonpublicly traded investments are valued based on independent appraisals and estimates considering market prices of similar investments. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses, and changes in net assets. Investments classified as current assets in the statements of net assets include those that can be withdrawn on demand.

Accounts Receivable—Accounts receivable consist of amounts due for tuition and fees, grants and contracts, and auxiliary enterprise services. Grants and contracts accounts receivable include amounts due from the Federal government, State and local governments, or private sources, as reimbursement of certain expenditures made in accordance with agreements. Uncollectible amounts have been reserved.

Inventories—Inventories are stated at lower of weighted-average cost or net realizable value.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents are primarily funds externally restricted for capital expenditures subject to bond and note agreements and are either held by bond trustees or temporarily invested in STAROhio. In addition, it includes some funds held in escrow for successful completion of construction contracts.

Capital Assets—Capital assets are presented in the statements of net assets of the University. Purchased or constructed capital assets are recorded at cost. Donated capital assets are recorded at their estimated fair market value as of the date received. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Following are the capitalization levels and estimated useful lives of the asset classes:

Asset Class	Capitalize At	Estimated Useful Life
Land	Any amount	N/A
Land improvements	$100,000	N/A
Works of art and historical treasures	$2,500	N/A
Infrastructure	$100,000	10–50 years
Buildings	Any amount	40 years
Machinery and equipment	$2,500	5–25 years
Library books and publications	Any amount	10 years
Transportation equipment	$2,500	5–10 years

Building renovations that materially increase the value or extend the useful life of the structure are also capitalized. The costs of normal maintenance and repairs are not capitalized. Interest incurred during the construction of capital assets is included in the cost of the asset when capitalized. Land, land improvements, and works of art and historical treasures are not depreciated.

Deferred Revenue—Deferred revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year, related to the subsequent accounting period.

Compensated Absences—University employees earn vacation and sick leave benefits based, in part, on length of service. Upon separation from service, employees are paid their accumulated vacation and sick pay based upon the nature of separation (termination, retirement, or death). Certain limitations are placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding their limitations are forfeited. The liability incurred is recorded at year-end in the statements of net assets, and as a component of operating expense in the statements of revenues, expenses, and changes in net assets.

Net Assets—The University's net assets are categorized as described below:

Invested in Capital Assets—Net of Related Debt—This represents the University's investment in capital assets, net of debt obligations related to those capital assets.

Restricted Net Assets—Nonexpendable—Restricted nonexpendable net assets represent contributed values of permanent endowments restricted or unrestricted as to income.

Restricted Net Assets—Expendable—Restricted expendable net assets represent assets that are restricted by a third party either legally or contractually.

Unrestricted Net Assets—Unrestricted net assets are resources derived primarily from student tuition, fees, state appropriations, and auxiliary enterprises. These net assets are used for general obligations of the University. They may be used at the discretion of the Board of Trustees for any purpose furthering the University's mission.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to apply the expense at the discretion of University management.

Income Taxes—The University is an organization described in Section 115 of the Internal Revenue Code of 1986 (the "Code") and has further been classified as an organization that is not a private foundation in accordance with Sections 509(a)(1) and 170(b)(1)(A)(ii) of the Code. However, certain revenues are considered unrelated business income and are taxable under Internal Revenue Code Sections 511 through 513.

Classification of Revenues—Revenues are classified as either operating or nonoperating according to the following:

Operating Revenues—Operating revenues include revenues from activities that have characteristics similar to exchange transactions. These include student tuition and fees (net of scholarship discounts and allowances), sales and services of auxiliary enterprises (net of scholarship discounts and allowances), and certain Federal, State, local and private grants, and contracts.

Nonoperating Revenues—Nonoperating revenues include revenues from activities that have the characteristics of nonexchange transactions, such as State appropriations, and certain Federal, State, local and private gifts, and grants. Nonoperating revenues also include investment income.

Scholarship Discounts and Allowances—Student tuition and fees revenue, and certain other payments recorded as auxiliary enterprises revenue, are net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the charge for tuition and fees, and the amount paid by students or by third parties making the payments on the students' behalf. As of June 30, 2005 and 2004, respectively, scholarship discounts and allowances are $44,310,905 (of which $35,493,035 is netted against student tuition and fees and $8,817,870 is netted against auxiliary enterprises revenues) and $38,156,805 (of which $30,563,601 is netted against student tuition and fees and $7,593,204 is netted against auxiliary enterprises revenues).

Auxiliary Enterprises—Auxiliary revenues are derived primarily from revenues generated from residence halls, dining services, intercollegiate athletics, airport operations, telephone operations, parking services, and campus recreation. They are shown net of scholarship discounts and allowances, primarily for room and board.

Eliminations—The University eliminates interfund assets and liabilities, and revenues and expenses related to internal activities.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") may require management to make estimates and assumptions that affect certain amounts reported in the financial statements. The estimates and assumptions are based on currently available information and actual results could differ from those estimates.

Newly Issued Accounting Pronouncements—In November 2003, GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This statement requires certain disclosures when the value of a capital asset has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2004. The University has not yet evaluated the impact that the adoption of this statement will have on its financial statements.

In April 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefits Other than Pension Plans.* The standards in this statement apply for trust funds included in the financial reports of plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties, that administer them. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2005. The University has not yet evaluated the impact that the adoption of this statement will have on its financial statements.

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for the measurement, recognition and display of other postemployment benefit expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information ("RSI") in the financial reports of employers subject to governmental accounting standards. The provisions of this statement are effective for financial statements for fiscal periods beginning after December 15, 2006. The University has not yet evaluated the impact that the adoption of this statement will have on its financial statements.

In December 2004, GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation—an amendment of GASB Statement No. 34.* This statement establishes and modifies reporting requirements related to restrictions of net assets resulting from enabling legislation. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2005. The University has not yet evaluated the impact that the adoption of this statement will have on its financial statements.

In June 2005, GASB issued Statement No. 47, *Accounting for Termination Benefits*. This statement establishes accounting and financial reporting for termination benefits provided by employers including early retirement incentives, severance benefits, and other termination-related benefits. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2005. The University has not yet evaluated the impact that the adoption of this statement will have on its financial statements.

Reclassifications—Certain prior-year amounts have been reclassified to conform to current-year presentations.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS, CASH AND CASH EQUIVALENTS, AND INVESTMENTS

At June 30, 2005, the carrying amount of the University's cash and cash equivalents for all funds is $55,556,153, as compared to bank balances of $60,876,475. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, $724,950 is covered by federal deposit insurance and $60,151,525 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

The University's investment portfolio includes investments in the following:

- Obligations of the US Treasury and other federal agencies and instrumentalities
- Municipal and state bonds
- Certificates of deposit
- Repurchase agreements
- Mutual funds
- Commercial paper
- Corporate bonds and notes

- Common and preferred stock
- Asset-backed securities
- Private equity and venture capital

The University's endowment fund operates with a long-term investment goal of preserving the purchasing power of the principal in a diversified portfolio.

US Government and Agency securities are invested through trust agreements with banks who keep the securities in their safekeeping accounts at the Federal Reserve Bank in "book entry" form. The banks internally designate the securities as owned by or pledged to the University. Common stocks, corporate bonds, money market instruments, mutual funds, and other investments are invested through trust agreements with banks who keep the investments in their safekeeping account in the appropriate custodial bank in "book entry" form. The banks internally designate the securities as owned by or pledged to the University.

The values of investments at June 30, 2005 and 2004, are as follows:

Type	**2005**	**2004**
Common stock	$ 2,954,104	$ 2,973,230
Equity mutual funds	42,992,277	36,584,300
US Government Obligations	1,427,894	1,776,655
US government agency obligations	6,544,721	5,666,552
Mortgage-backed securities	198,492	
Corporate bonds and notes	2,784,970	3,564,222
Bond mutual funds	46,040,148	42,700,901
Other	3,277,161	2,538,736
Total	$106,219,767	$95,804,596

The University's investment strategy incorporates certain financial instruments that involve, to varying degrees, elements of market risk in excess of amounts recorded in the financial statements. Market risk is the potential for changes in the value of financial instruments due to market changes, including interest and foreign exchange rate movements and rate fluctuations embodied in forward, futures, commodity, or security prices. Market risk is directly impacted by the volatility and liquidity of the markets in which the related underlying assets are traded.

Additional Disclosures Related to Interest-Bearing Investments—

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

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

As of June 30, 2005, maturities of the University's interest-bearing investments are as follows:

Investment Type	Fair value	Investment Maturities (in years) Less than 1	1–5	6–10	More than 10
U.S. Government Obligations	$ 1,427,894	$ -	$ 1,110,702	$ 304,085	$ 13,107
U.S. Government Agency Obligations	6,544,721	871,123	4,501,750	178,690	993,158
Mortgage-backed securities	198,492		38,699	75,166	84,627
Corporate bonds	2,784,970	361,526	1,858,830	247,293	317,321
Bond mutual funds	46,040,148	10,078,545	22,916,592	9,368,505	3,676,506
Other	399,511	399,511			
Total	$57,395,736	$11,710,705	$30,426,573	$10,173,739	$5,084,719

Credit Risk—Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's risk of loss in the event of counterparty default is typically limited to the amounts recognized in the statements of net assets and is not represented by the contract or notional amounts of the instruments. Credit quality information, as commonly expressed in terms of the credit ratings issued by nationally recognized statistical rating organizations such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings, provides a current depiction of potential variable cash flows and credit risk.

The credit ratings of the University's interest-bearing investments at June 30, 2005, are as follows:

	Fair Value	Credit Quality (Moody's) Aaa	Aa	A	Baa	Ba
U.S. Government Obligations	$ 1,427,894	$ 1,427,894	$ -	$ -	$ -	$ -
U.S. Government Agency Obligations	6,544,721	6,544,721				
Mortgage-backed securities	198,492	198,492				
Corporate bonds	2,784,970	274,313	564,007	1,532,122	163,668	250,860
Bond mutual funds	46,040,148	45,385,004	55,666	157,993	367,383	74,102
Other	399,511	399,511				
Total	$57,395,736	$54,229,935	$619,673	$1,690,115	$531,051	$324,962

Custodial Credit Risk—Custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. As of June 30, 2005, the University has no custodial credit risk.

Concentration of Credit Risk—Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2005, there were no single issuer investments that exceeded 5%.

Foreign Currency Risk—Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. At June 30, 2005, the University's exposure to foreign currency risk is as follows:

	Fair Value	
	Total	Foreign Exposure
AIG Global Investment Group Fund	$ 988,803	$ 295,652
Oaktree Real Estate Fund	627,872	88,627
Commonfund International Equity Fund	1,828,130	1,828,130
Total	$3,444,805	$2,212,409

3. ACCOUNTS RECEIVABLE

The composition of accounts receivable at June 30, 2005 and 2004, is summarized as follows:

	2005	2004
Student receivables for fees, room, and board	$13,899,341	$11,478,936
Research and other sponsored programs	13,102,337	18,569,393
Other	10,446,144	9,920,268
	37,447,822	39,968,597
Less allowance for doubtful accounts	(3,981,405)	(3,786,640)
Net accounts receivable	$33,466,417	$36,181,957

4. NOTES RECEIVABLE

The University notes receivable at June 30, 2005 and 2004, is net of allowances for uncollectible amounts of $1,087,246 and $1,069,723, respectively. Principal repayment and interest terms vary. Federal loan programs are funded primarily through Federal contributions under Perkins and various nursing programs.

The University distributed $97,957,679 and $102,471,723 for student loans through the U.S. Department of Education Federal Direct Lending program during the years ended June 30, 2005 and 2004, respectively. These distributions and the related funding sources are included as cash disbursements and cash receipts in the accompanying statements of cash flows.

5. CAPITAL ASSETS

The following tables present the changes in the various fixed asset classes for the years ended June 30, 2005 and 2004, for the University:

	Balance July 1, 2004	Additions	Transfers In (Out)	Retirements	Balance June 30, 2005
Capital assets not being depreciated:					
Land	$ 16,202,224	$ -	$ -	$ -	$ 16,202,224
Land improvements	4,701,091				4,701,091
Construction in progress	27,603,240	44,802,356	(12,832,927)	(218,728)	59,353,941
Works of art and historical treasures	8,203,552	35,000		(4,000)	8,234,552
Total capital assets not being depreciated	56,710,107	44,837,356	(12,832,927)	(222,728)	88,491,808
Capital assets being depreciated:					
Infrastructure	87,839,313		2,895,798		90,735,111
Buildings	507,520,908	2,154,522	9,937,129	(36,987)	519,575,572
Machinery and equipment	97,773,047	7,298,015		(6,507,626)	98,563,436
Library books and publications	70,758,305	3,041,066			73,799,371
Transportation equipment	18,120,984	2,756,095		(1,618,265)	19,258,814
Total capital assets being depreciated	782,012,557	15,249,698	12,832,927	(8,162,878)	801,932,304
Total capital assets	838,722,664	60,087,054	-	(8,385,606)	890,424,112
Less accumulated depreciation:					
Infrastructure	26,545,028	4,018,571			30,563,599
Buildings	210,482,826	11,734,552		(30,510)	222,186,868
Machinery and equipment	59,033,799	8,275,918		(5,858,359)	61,451,358
Library books and publications	52,903,757	3,503,592			56,407,349
Transportation equipment	8,509,646	1,543,718		(943,018)	9,110,346
Total accumulated depreciation	357,475,056	29,076,351	-	(6,831,887)	379,719,520
Total capital assets being depreciated—net	424,537,501	(13,826,653)	12,832,927	(1,330,991)	422,212,784
Capital assets—net	$481,247,608	$ 31,010,703	$ -	$ (1,553,719)	$510,704,592

	Balance July 1, 2003	Additions	Transfers In (Out)	Retirements	Balance June 30, 2004
Capital assets not being depreciated:					
Land	$ 16,249,524	$ -	$ (47,300)	$ -	$ 16,202,224
Land improvements	4,701,091				4,701,091
Construction in progress	69,163,238	37,794,806	(79,354,804)		27,603,240
Works of art and historical treasures	6,125,757	1,151,255	926,540		8,203,552
Total capital assets not being depreciated	96,239,610	38,946,061	(78,475,564)	-	56,710,107
Capital assets being depreciated:					
Infrastructure	60,508,864	624,789	26,705,660		87,839,313
Buildings	455,562,688	188,316	51,769,904		507,520,908
Machinery and equipment	94,071,723	7,222,402		(3,521,078)	97,773,047
Library books and publications	67,350,815	3,407,490			70,758,305
Transportation equipment	14,440,863	5,731,097		(2,050,976)	18,120,984
Total capital assets being depreciated	691,934,953	17,174,094	78,475,564	(5,572,054)	782,012,557
Total capital assets	788,174,563	56,120,155	-	(5,572,054)	838,722,664
Less accumulated depreciation:					
Infrastructure	23,439,998	3,105,030			26,545,028
Buildings	199,528,067	10,954,759			210,482,826
Machinery and equipment	53,751,080	8,421,756		(3,139,037)	59,033,799
Library books and publications	49,477,286	3,426,471			52,903,757
Transportation equipment	8,874,595	1,402,480		(1,767,429)	8,509,646
Total accumulated depreciation	335,071,026	27,310,496	-	(4,906,466)	357,475,056
Total capital assets being depreciated—net	356,863,927	(10,136,402)	78,475,564	(665,588)	424,537,501
Capital assets—net	$453,103,537	$28,809,659	$ -	$ (665,588)	$481,247,608

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of June 30, 2005 and 2004, consisted of the following:

	2005	2004
Accounts payable	$ 14,075,403	$ 14,627,883
Accrued liabilities	23,750,364	24,345,511
Total	$ 37,825,767	$ 38,973,394

7. BONDS AND NOTES PAYABLE

The University's bonds and notes payable at June 30, 2005 and 2004, are summarized as follows:

	July 1, 2004	Borrowed	Retired	June 30, 2005	Current
Subordinated general receipts bonds, series 2004	$ 52,885,000	$ -	$ 455,000	$ 52,430,000	$ 2,670,000
Subordinated general receipts bonds, series 2003	47,860,000		2,575,000	45,285,000	3,400,000
General receipts bond anticipation notes	8,150,000	7,650,000	8,150,000	7,650,000	7,650,000
Subordinated variable general receipts bonds, series 2001	37,115,000		3,580,000	33,535,000	4,797,739
General receipts bonds, series 1999	29,370,000		860,000	28,510,000	895,000
Total bonds and notes payable	$ 175,380,000	$ 7,650,000	$ 15,620,000	$ 167,410,000	$ 19,412,739

	July 1, 2003	Borrowed	Retired	June 30, 2004	Current
Subordinated general receipts bonds, series 2004	$ -	$ 52,885,000	$ -	$ 52,885,000	$ 455,000
Subordinated general receipts bonds, series 2003		47,860,000		47,860,000	2,575,000
Subordinated general receipts bond anticipation notes, series 2003B		6,590,000	6,590,000	-	
Subordinated general receipts bond anticipation notes, series 2003A	14,400,000		14,400,000	-	
General receipts bond anticipation notes	8,400,000	8,150,000	8,400,000	8,150,000	8,150,000
Subordinated variable general receipts bonds, series 2001	42,120,000		5,005,000	37,115,000	3,557,740
General receipts bonds, series 1999	30,200,000		830,000	29,370,000	860,000
General receipts bonds, series 1993	37,545,000		37,545,000	-	
Total bonds and notes payable	$ 132,665,000	$ 115,485,000	$ 72,770,000	$ 175,380,000	$ 15,597,740

On March 15, 2004, the University issued $52,885,000 in Subordinated General Receipts Bonds, Series 2004 (the "Series 2004 Bonds"). The proceeds were used to refund the Series 2003B notes, to retire an internal loan for the purchase of a King Air 350, and to finance construction of the University Center including costs associated with capitalized interest. The balance outstanding as of June 30, 2005 was $52,430,000.

On September 3, 2003, the University issued $47,860,000 in Subordinated General Receipts Bonds, Series 2003 (the "Series 2003 Bonds"). The proceeds were used to refund Series 1993 and the Series 2003A notes. The balance outstanding as of June 30, 2005, was $45,285,000.

On October 30, 2003, the University issued $6,590,000 in Subordinated General Receipts Bond Anticipation Notes, Series 2003B in anticipation of the issuance of the Series 2004 Bonds. The proceeds were used for the following purposes: costs associated with University Center site preparation; performance contracting, including Life Sciences heat recovery and steam extension to the Ridges; and the partial renovation of Lausche Heating Plant. The interest rate on the notes was 1.8% and they matured on May 3, 2004. Prior to the maturity date, the notes were refinanced and rolled into the Series 2004 issue.

On March 12, 2003, the University issued $14,400,000 in Subordinated General Receipts Bond Anticipation Notes, Series 2003A in anticipation of the issuance of the Series 2003 Bonds. The proceeds were used for the following purposes: construction costs associated with the Avionics Engineering

Center and the Lecture Hall, design costs of the University Center, and to retire an internal loan to Regional Higher Education for the purchase of the Pickerington Center. The interest rate on the notes was 1.69% and they matured on September 3, 2003. At that time the bond anticipation notes, along with the Series 1993 bonds, were refinanced and rolled into the Series 2004 issue.

On January 20, 2005, the University issued a series of General Receipts Bond Anticipation Notes totaling $7,650,000, the proceeds of which are being used to finance the replacement of major administrative systems which include: human resources, payroll, financial, and the purchase of an imaging system. The principal payouts on such Notes were made as scheduled and the Notes were rolled together and re-issued as one. Notes outstanding of $7,650,000 at June 30, 2005, mature on January 19, 2006, and bear an interest rate of 3%.

On May 3, 2001, the University issued $48,025,000 in Subordinated Variable Rate General Receipts Bonds, Series 2001 (the "Series 2001 Bonds"). The proceeds were for capital equipment and construction costs on various building projects. The balance outstanding as of June 30, 2005, was $33,535,000.

On October 3, 2001, the University entered into a swap agreement with Morgan Guaranty Trust Company of New York to hedge $31,020,000 of the University's Series 2001 Bonds. The swap agreement converts the Series 2001 Bonds' variable interest rate to a fixed rate of 4.039%, settled on the first day of each month. The total amount paid related to the swap agreement for the year ended June 30, 2005 and June 30, 2004 is $611,932 and $887,927, respectively. These amounts are included as an adjustment to interest on capital asset-related debt in the statements of revenues, expenses, and changes in net assets. As of June 30, 2005, the swap had a negative fair value of $1,108,257. As the swap has a negative fair value, the University is not exposed to credit risk. However, should interest rates begin to rise, the negative fair value of the swap would be reduced and could eventually become positive. At that point, the University would be exposed to counterparty credit risk since the counterparty would be obligated to make payments to the University. The occurrence of a credit event with respect to the University or the counterparty, defined as a reduction in the long term bond rating to less than Baa2 by Moody's Investors Service, Inc. or BBB by Standard & Poor's, would result in termination of the swap agreement. As of June 30, 2005, no termination events have occurred.

On March 15, 1999, the University issued $32,520,000 in General Receipts Bonds, Series 1999, with which to pay construction costs on various building projects. The balance outstanding as of June 30, 2005 was $28,510,000.

On January 13, 1994, the University issued $55,450,000 in General Receipts Bonds, Series 1993, which were issued for advance refunds of the Series 1972, Series 1977, and Series 1978 General Receipts Bonds. The remaining proceeds from this issue were used for the payment of construction costs on the student recreation center. On September 3, 2003, the bonds were refinanced and rolled into the Series 2003 issue.

The 1999 issue (Superior Obligation) is bound by the provisions of the 1972 Trust Agreement (Prior Indenture) and its supplements as described below. The 1972 Trust Agreement and its supplements relate to the provisions of the General Receipts Bonds. These bonds are pledged on a gross pledge and first lien basis of the "General Receipts" of the University. The receipts include the full amount of every type and character of campus receipts, except for State appropriations and receipts previously pledged or otherwise restricted. The University has complied with all covenants of the Trust Agreement and its supplements.

The First Supplemental Trust Agreement binds the 2001 bond issue. While Superior Obligation bonds issued are outstanding, the pledge and lien on the General Receipts authorized and granted on the 2001 issue shall be subordinate to the pledge and lien on the General Receipts that secure the Superior Obligations. The variable rate of interest in effect at June 30, 2005 was 2.32%. The average variable rate of interest for the year ending June 30, 2005, was 1.85%.

The Second Supplemental Trust Agreement binds the 2003 bond issue. The Series 2003B Bond Anticipation Notes were issued pursuant to a Third Supplemental Trust Agreement. The Fourth Supplemental Trust Agreement binds the 2004 bond issue.

Details of the series are as follows:

Series	Interest Rate	Maturity Fiscal Year	Initial Issue Amount	Outstanding at June 30, 2005
1999	3.60%–5.25%	2006–2025	$32,520,000	$ 28,510,000
2001	Variable	2006–2027	48,025,000	33,535,000
2003	5.00%–5.25%	2006–2024	47,860,000	45,285,000
2004	2.00%–5.00%	2006–2032	52,885,000	52,430,000
				$159,760,000

Principal and interest payment requirements for the bonded debt for the years subsequent to June 30, 2005, are summarized as follows:

Year ended June 30	Principal	Interest	Swap Interest	Total
2006	$ 11,762,739	$ 6,083,765	$ 1,141,777	$ 18,988,281
2007	8,066,661	5,796,512	1,070,946	14,934,119
2008	8,610,000	5,514,390	1,000,013	15,124,403
2009	9,140,000	5,196,214	919,086	15,255,300
2010	8,265,000	4,864,885	842,404	13,972,289
2011–2015	38,650,000	19,864,268	2,923,990	61,438,258
2016–2020	33,735,600	12,827,353	902,846	47,465,799
2021–2025	22,470,000	6,878,302	389,732	29,738,034
2026–2030	13,395,000	2,784,448	41,180	16,220,628
2031–2033	5,665,000	267,875		5,932,875
	$159,760,000	$70,078,012	$ 9,231,974	$239,069,986

8. CAPITAL LEASES

The University has $119,147 in capital lease obligations that have varying maturity dates through 2008 and carry implicit interest rates ranging from 3.3% to 12.5%. Lease arrangements are being used to provide partial financing for certain movable equipment. Capital asset balances as of June 30, 2005, that are financed under capital leases are $244,647.

Capital leases as of June 30, 2005 and 2004, are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
For the year ended:					
June 30, 2005	$212,164	$ -	$ (93,017)	$119,147	$55,047
June 30, 2004	$337,202	$165,562	$(290,600)	$212,164	$93,017

The scheduled maturities of these leases as of June 30, 2005, are:

	Minimum Lease Payments
2006	$ 59,789
2007	43,034
2008	23,699
Total minimum lease payments	126,522
Less amount representing interest	7,375
Net minimum capital lease payments	119,147
Less current portion	55,047
Noncurrent capital lease obligations	$ 64,100

9. OPERATING LEASES

The University leases various facilities and equipment under operating lease agreements. These facilities and equipment are not recorded as assets on the balance sheet. The total rental expense under these agreements was $2,598,689 for the year ended June 30, 2005.

Future minimum payments for all significant operating leases with initial terms in excess of one year as of June 30, 2005, are as follows:

Years Ended June 30	
2006	$2,020,394
2007	1,837,503
2008	915,660
2009	627,946
2010	143,821
2011–2015	172,197
2016–2019	120,375
Total minimum lease payments	$5,837,896

10. COMPENSATED ABSENCES

Per University policy, salaried faculty and staff earn vacation at the rate of 22 days per year with a maximum accrual of 32 days. Upon termination they are entitled to a payout of their accumulated balance. Hourly classified employees earn vacation at rates per years of service, ranging from 10 to 25 days per year. The maximum accrual is equal to the amount earned in three years, which is subject to payout upon termination. The liability for accrued vacation at June 30, 2005 and 2004 amounted to approximately $9,329,000 and $8,712,000, respectively.

All University employees are entitled to a sick leave credit equal to 15 days per year (earned on a pro-rata monthly basis for salaried employees and on a pro-rata hourly basis for classified hourly employees). Salaried employees with 10 or more years of service are eligible to receive a payout upon retirement of up to 25% of unused days (maximum of 30 days). Hourly classified employees with 10 or more years of service are eligible for payout upon retirement of up to 50% of unused days (maximum of 60 days). The liability for accrued sick leave at June 30, 2005 and 2004 amounted to approximately $4,340,000 and $3,880,000, respectively.

A summary of compensated absences as of June 30, 2005 and 2004, follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
For the year ended:					
June 30, 2005	$12,591,958	$13,432,958	$(12,355,647)	$13,669,269	$1,002,000
June 30, 2004	$13,399,793	$10,990,168	$(11,798,003)	$12,591,958	$1,113,481

11. RETIREMENT PLANS

Defined Benefit Plans—All University employees are eligible to participate in contributory retirement plans that are administered by the Ohio Public Employees Retirement System of Ohio ("OPERS") and the State Teachers Retirement System of Ohio ("STRS"). The particular system in which the employee enrolls is dependent on their position with the University. Both OPERS and STRS are cost sharing, multiple-employer defined benefit pension plans. Both systems provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The payroll for employees covered by OPERS and STRS for the year ended June 30, 2005, is $92,279,000 and $77,642,000, respectively. The payroll for employees covered by OPERS and STRS for the year ended June 30, 2004, is $90,227,000 and $74,818,000, respectively. For the years ended June 30, 2005 and 2004, the University's total payroll is $245,416,000 and $238,684,000, respectively.

Both OPERS and STRS issue a stand-alone financial report. Interested parties may obtain a copy of the OPERS report by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-PERS (7377). The STRS report may be obtained by making a written request to 275 East Broad Street, Columbus, Ohio 43215-3771.

Defined Contribution Plans—The Alternative Retirement Plan ("ARP") is a defined contribution pension plan, under IRS section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher education. The University's Board of Trustees adopted the University's plan on April 18, 1998. Full-time salaried employees are eligible to choose a provider, in lieu of OPERS or STRS, from the list of eight providers currently approved by the

Ohio Department of Insurance and who hold agreements with the University. Employee and employer contributions equal to those required by STRS and OPERS are required for ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the alternative retirement plan. Under this plan, employees who would have otherwise been required to be in STRS or OPERS and who elect to participate in the ARP must contribute the employee's share of retirement contributions (10.0% STRS or 8.5% OPERS) to one of eight private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 0% for OPERS and 3.5% for STRS for the year ended June 30, 2005. The employer also contributes what would have been the employer's share of the appropriate retirement system, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting.

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.

Retirement Plan Funding—The Ohio Revised Code provides statutory authority for employee and employer contributions to retirement systems. The 2005 employee contribution rates for state employers are 8.5% of covered payroll for OPERS, 10.1% of covered payroll for law enforcement employees and 10.0% of covered payroll for STRS. The 2005 employer contribution rates for state employers is 13.31% of covered payroll for OPERS, 16.7% of covered payroll for law enforcement, and 14.0% of covered payroll for STRS. The employee and employer rates are the same for ARP employees as the retirement system under which they would otherwise be. However, for those who would otherwise be covered by STRS, 3.5% of the employer contribution goes to the STRS retirement system. The University's contributions each year are equal to its required contributions.

University contributions for the current and two preceding years are summarized as follows:

	Employer contributions		
	STRS	**OPERS**	**ARP**
2005	$ 10,870,000	$ 12,282,000	$ 6,660,000
2004	10,474,000	12,009,000	6,053,000
2003	10,376,000	12,441,000	5,618,000

Other Post-Employment Benefits—In addition to the pension benefits described above, Ohio Law provides that the University fund postretirement health care benefits to retirees and their dependents through employer contributions to the Ohio Public Employees Retirement System of Ohio ("OPERS") and the State Teachers Retirement System of Ohio ("STRS").

OPERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit ("OPEB") as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2004 employer contribution rate for state employers was 13.31% of covered payroll of which 4.0% was the portion used to fund health care for the year. For both the public safety and law enforcement divisions the 2004 employer rate was 16.70% and 4.0% was used to fund health care. The number of active contributing participants was 369,885.

The actuarial value of the OPERS' net assets available for OPEB at December 31, 2003 (the date of the system's latest actuarial review), is $10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, is $26.9 billion and $16.4 billion, respectively.

STRS provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans, and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code ("ORC"), the State Teachers Retirement Board (the "board") has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

The ORC grants authority to STRS to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For the fiscal year ended June 30, 2004, the Board allocated employer contributions equal to 1.0% of covered payroll to the Health Care Stabilization Fund. For the fiscal year ended June 30, 2003, 1.0% of covered payroll was allocated to the fund. The balance in the Health Care Stabilization Fund was approximately $3.1 billion on June 30, 2004, the date of the most recent information available from STRS.

For the year ended June 30, 2004, the date of the most recent information available from STRS, net health care costs paid by STRS were $268,739,000. There were 111,853 eligible benefit recipients.

12. EARLY RETIREMENT INCENTIVE PLAN

In FY 2003 the University Board of Trustees approved an Early Retirement Incentive Plan ("ERIP") buyout for eligible employees in the Ohio Public Employees Retirement System ("OPERS"). An ERIP allows the University to purchase additional service credit, in this case two years, which enables eligible employees to retire early or to retire with a larger retirement benefit than they may have otherwise. The buyout period began on May 1, 2003. The period remained open until June 30, 2004. A $10,000 incentive was offered to employees who signed up for the buyout by June 30, 2003, and who would retire by September 1, 2003. Eligible employees were those eligible to retire with five years of service at age 60, 25 years of service at age 55 or 30 years of service at any age; who became eligible to retire due to the incentive plan; who became eligible to retire during the open period; or who became eligible due to purchasing additional service credit, i.e., exempt, refunded, military or other eligible time.

As of June 30, 2004, 192 employees had signed up for the ERIP for a total cost of approximately of $9.88 million that includes sick and vacation payouts in accordance with standard policy, the $10,000 incentive bonus for the 131 employees who left by September 1, 2003, and the OPERS payment calculated and billed by OPERS.

The final results of this program were: 192 employees opted for the ERIP of which 131 of them left by September 1, 2003, in order to receive the incentive bonus, total cost was $9,879,227 for sick and vacation payouts, incentive bonuses, and the OPERS payment calculated and billed by OPERS; positions abolished were 27 administrative, 38.5 nonbargaining unit classified and 14 union positions. Most of the costs for this program were incurred or accrued in the FY 2004.

13. RISK MANAGEMENT AND CONTINGENCIES

Legal—During the normal course of operations, the University has become a defendant in various legal and administrative actions. In accordance with Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies*, liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. However, in the opinion of in-house legal counsel and University management, the disposition of all pending litigation would not have a material adverse effect on the University's financial position.

Self-insurance—The University provides medical and dental coverage for its employees on a self-insurance basis. Expenses for claims are recorded on an accrual basis based on the date claims are incurred. The University applies GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

A summary of changes in the self-insurance claims liability for each of the periods in the three-year period ending June 30, 2005 is as follows:

	2005	2004	2003
Accrued claims liability at beginning of year	$ 3,500,000	$ 3,571,000	$ 4,211,000
Incurred claims—net of favorable settlements	30,343,446	27,932,000	27,780,000
Claims paid	(30,199,446)	(28,003,000)	(28,420,000)
Accrued claims liability at end of year	$ 3,644,000	$ 3,500,000	$ 3,571,000

Liability for claims is accrued based on estimates of the claims liabilities made by the University's third-party actuary. These estimates are based on past experience and current claims outstanding. Actual claims experience may differ from the estimate.

Commercial Insurance Coverage—The University has the following commercial insurance policies:

Type	Deductible	Coverage
Property	$ 100,000	$1,000,000,000
Excess		50,000,000
Aircraft and airport	50,000	5,000,000 to 50,000,000
Primary umbrella		4,000,000
Crime	100,000	1,000,000
General	100,000	1,000,000
Educators legal	100,000	1,000,000
Automobile	100,000	1,000,000
Police professional	100,000	1,000,000
Foreign		1,000,000

Workers' Compensation Coverage—The University participates in a plan that pays workers' compensation benefits to beneficiaries who have been injured on the job. The Ohio Bureau of Workers' Compensation calculates the estimated amount of cash needed in the subsequent fiscal year to pay the claims for these workers and sets rates to collect this estimated amount from participating state agencies and universities in the subsequent year.

14. CAPITAL PROJECT COMMITMENTS

At June 30, 2005, the University is committed to future capital expenditures as follows:

Contractual commitment	$37,512,443
Estimated completion costs of projects	33,815,493
	$71,327,936
These projects will be funded by:	
State appropriations	$35,394,256
University funds	33,430,488
Gifts, federal grants, and other	2,503,192
	$71,327,936

15. OTHER NONCURRENT LIABILITIES

Refundable Advances for Federal Student Loans—Refundable advances for federal student loans are summarized as follows for the years ended June 30, 2005 and 2004, respectively:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
For the year ended:					
June 30, 2005	$ 7,781,778	$ 2,748,683	$ (281,638)	$ 10,248,823	$ -
June 30, 2004	$ 7,174,958	$ 606,820	$ -	$ 7,781,778	$ -

16. DONOR-RESTRICTED ENDOWMENTS

Under the standard established by Section 1715.56 of the Ohio Revised Code, an institution may appropriate so much as is prudent of the realized and unrealized net appreciation of the fair value of the assets of the endowment fund over the historic dollar value of the fund for the uses and purposes for which an endowment fund is established. The University's endowment spending policy is based on the concept of total return and the spending rate for any particular year is to be 5%, phased in over a two year period as follows: 5% in fiscal year 2005 and 5% in fiscal year 2006. However, if the total return rate as of the date on which a spending rate is determined exceeds 5% plus the inflation adjuster, the Board may, but shall not be required to, increase the spending rate up to the amount such excess is greater than 5%, but in no event greater than 9%.

The amounts of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure by the Board are $14,547,823 and $13,765,000 for June 30, 2005 and 2004, respectively. Those amounts are reported as restricted expendable net assets.

17. INTERNAL DESIGNATION OF FUNDS

The University's statements of net assets shows $62,515,364 and $61,945,957 for Unrestricted Net Assets as of June 30, 2005 and 2004, respectively. Internally those funds have been designated as follows:

	2005	2004
Quasi endowments	$ 13,601,294	$ 9,233,638
Auxiliary enterprises, including open purchase orders	7,178,096	13,025,210
Open purchase orders—educational and general	2,340,318	2,801,902
Departmental carryforward	39,395,656	36,885,207
	$ 62,515,364	$ 61,945,957

18. THE OHIO UNIVERSITY FOUNDATION

The Ohio University Foundation (the "Foundation"), a discretely presented component unit, was incorporated in Ohio in October 1945 to support the educational undertakings of Ohio University. The Foundation is authorized to solicit and receive gifts and contributions for the benefit of the University and to ensure that funds and property received are applied to the uses specified by the donor.

The Foundation's wholly owned subsidiary, Inn-Ohio of Athens, Inc. (the "Inn"), owns and operates a 144-room hotel and restaurant facility in Athens, Ohio known as The Ohio University Inn. The Foundation's other wholly owned subsidiary, Housing for Ohio, Inc. ("Housing"), constructed and operates a 182-unit student-housing complex in Athens, Ohio. The Foundation also owns a minority interest in Diagnostic Hybrids, Inc., ("DHI"), which develops and manufactures tissue cell cultures, antibody kits, and biological reagents for use in medical laboratories.

A separate financial report for the Foundation is available by contacting The Ohio University Foundation, HDL Center, Room 164, Athens, Ohio 45701 or (740) 593-1884.

Investments—The Foundation has estimated the fair values of its financial instruments using available quoted market information and other valuation methodologies in accordance with Statement of Financial Accounting Standards No. 107, *Disclosures About Fair Value of Financial Instruments*. Accordingly, the estimates presented are not necessarily indicative of the amounts that the Foundation could realize in a current market exchange. Determinations of fair value are based on subjective data and significant judgment relating to timing of payments and collections and the amounts to be realized. Different market assumptions and/or estimation methodologies might have a material effect on the estimated fair value amounts.

The Foundation's cost and market value of the investments in securities at June 30, 2005 and 2004, are as follows:

	2005		2004	
	Cost	Market	Cost	Market
Common and preferred stock	$ 92,779,201	$ 98,095,523	$ 84,182,536	$ 81,417,112
Short-term cash investments	4,306,758	4,240,527	2,533,332	2,533,332
Bonds and debentures	21,153,356	20,991,282	22,126,609	21,865,913
Other	38,378,113	38,743,513	37,147,472	36,894,431
Total investments	$156,617,428	$162,070,845	$145,989,949	$142,710,788

Concentration of Credit Risk—Financial instruments, which potentially subject the Foundation to a concentration of credit risk, consist principally of contributions receivable, investments for the Foundation, and receivables related to operations of the Inn. Exposure to losses on contributions receivable is principally dependent on each donor's financial condition. The Foundation monitors the exposure for credit losses and maintains allowances for anticipated losses.

Investments are recorded at fair value. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the Foundation's consolidated statements of financial position and activities.

Gifts and Contributions—Contributions are recorded at their fair value on the date of receipt. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset categories. When a donor restriction expires (when a stipulated time restriction ends or the purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed property is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used or restrict the use of such assets for a specific purpose, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property are recorded as unrestricted support.

Contributions of charitable gift annuities are reduced by the actuarially determined liability resulting from acceptance of the gift. Contributions are held in charitable remainder trusts at the present value of their estimated future benefits to be received when the trust assets are distributed upon notification of the donor's death.

Pledges Receivable—Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on those amounts is computed using a risk-free interest rate. The discount rate utilized was 3.04% for fiscal year 2005 and 1.3% for fiscal year 2004. Amortization of the discounts is included in contribution revenues. Unconditional promises to give, which are silent as to the due date, are presumed to be time restricted by the donor until received and are reported as temporarily restricted net assets. Conditional promises to give are not included as support until the conditions on which they depend are substantially met.

Included in pledges receivable are the following unconditional promises to give at June 30, 2005 and 2004:

	2005	2004
Unconditional promises to give before unamortized discount and allowance for uncollectibles	$9,806,073	$18,921,209
Less allowance for uncollectibles	1,783,246	482,080
Subtotal	8,022,827	18,439,129
Less unamortized discount	140,215	513,940
Unconditional promises to give—net	$7,882,612	$17,925,189

	2005		2004	
	Temporarily Restricted	Permanently Restricted	Temporarily Restricted	Permanently Restricted
Amounts due in:				
Less than one year	$2,205,437	$1,595,857	$ 5,345,349	$3,354,542
One to five years	2,171,083	1,818,885	5,320,684	3,796,531
More than five years	68,960	22,390	94,462	13,621
Total	$4,445,480	$3,437,132	$10,760,495	$7,164,694

Intentions—The Foundation receives communications from donors indicating that the Foundation has been included in the donor's will or life insurance policy as beneficiary, representing intentions to give rather than promises to give. Such communications are not unconditional promises to give because the donors retain the ability to modify their wills and insurance policies during their lifetimes. The total realizable value of these intended gifts has not been established, nor have the intended gifts been recognized as an asset or contribution revenue. Such gifts are recorded when the Foundation is notified of the donor's death, the will is declared valid by a probate court, and the proceeds are measurable.

Split-Interest Agreements:

Charitable Gift Annuities—Under charitable gift annuity agreements, all assets are held by the Foundation. Therefore, the Foundation has recorded the donated assets at fair value and the liabilities to the donor or his/her beneficiaries discounted to the present value of the estimated future payments to be distributed by the Foundation to such individuals at a rate established at the beginning of the agreement. The amount of the contribution is the difference between the asset and liability and is recorded as contribution revenue. The discount rate applied to gift annuities held at June 30, 2005 and 2004, ranged from 3.6% to 9.8% and 3.6% to 9.8%, respectively.

Charitable Remainder Trust—Under charitable remainder trust agreements, the Foundation serves as the remainderman, whereby the Foundation will receive the net assets of the trust upon death of the donor's beneficiary. During the life of the trust, the donor, or the donor-designated beneficiary, will receive regular payments as established by the trust.

In instances where the donor has not specifically reserved the right to change the remainderman, and all assets of charitable remainder trusts are maintained by a third-party trustee in an irrevocable trust for the benefit of the Foundation, the Foundation will recognize, as contribution revenue and as a receivable, the present value of the estimated future benefits to be received when the trust assets are distributed. The trustee disburses income earned on the assets of the charitable remainder trusts to the donor or donor-designated beneficiaries.

In instances where the donor has not specifically reserved the right to change the remainderman, and the Foundation serves as the trustee, the Foundation will recognize the fair market value of the assets of the trust, as well as a liability for the net present value of future payments to be distributed by the Foundation to the donor or his/her designated beneficiaries. The amount of the contribution is the difference between the asset and liability at the inception of the trust. The present value of the future payments to the donor-designated beneficiary is determined using a discount rate established at the beginning of the trust. At June 30, 2005 and 2004, the discount rate applied to the charitable remainder trusts was 3.04% and 1.3%, respectively.

Certain charitable remainder trust transactions are not reported on the consolidated statement of financial position or the consolidated statement of activities, as in these cases the remainderman can be changed by the donor prior to his/her death.

Adjustments to the receivable to reflect amortization of the discount, revaluation of the present value of the estimated future payments to the donor-designated beneficiaries, and changes in actuarial assumptions during the term of the trust will be recognized as changes in the value of split-interest agreements. Upon the death of the donor-designated beneficiaries, the receivable is closed, the assets received from the trust are recognized at fair value, and any difference is reported as a change in the value of split-interest agreements.

Revocable Trusts—Under revocable trust agreements, the Foundation serves as the remainderman, whereby the Foundation will receive the net assets of the trust upon death of the donor's beneficiary. All assets of the trusts may be maintained by a third-party trustee for the benefit of the Foundation, or by the Foundation if named as a trustee. The trustee disburses income earned on the assets of trusts to the donor or donor-designated beneficiaries. Under revocable trust agreements, the donor maintains the ability to legally dissolve the trusts and may or may not reserve the right to change the remainderman. For these reasons, the Foundation does not report revocable trust transactions on the consolidated statement of financial position or the consolidated statement of activities if the trust is held by a third-party trustee.

Income Taxes—The Internal Revenue Service has determined that The Ohio University Foundation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated income. Unrelated income taxes totaled $1,355,901 in 2005 and $1,142,360 in 2004.

Net Assets:

Foundation Unrestricted Net Assets—The unrestricted net assets consist of operating funds available for any purpose authorized by the Board of Trustees. The amount necessary to restore the fair value of assets of donor-related endowment accounts to the required principal levels has been funded from unrestricted net assets. The cumulative affect of these amounts were $4,241,091 and $5,355,042 at June 30, 2005 and 2004, respectively.

Foundation Temporarily Restricted Net Assets—Temporarily restricted net assets consist of funds that are restricted for a specific use or time determined by the donor.

Temporarily restricted net assets as of June 30, 2005 and 2004, are available for the following purposes:

	2005	2004
Alumni relations	$ 871,489	$ 950,657
Institutional support	5,174,157	5,975,053
Instruction and departmental support	29,329,599	30,901,314
Academic services support	9,344,115	10,127,735
Intercollegiate athletics support	785,841	742,156
Student services	1,141,294	1,367,227
Scholarships and fellowships	31,403,394	31,714,556
Public services	401,226	313,279
Research	399,606	1,034,220
Fund-raising and development	1,000,375	1,375,919
Other	115,730	149,155
	$ 79,966,826	$ 84,651,271

Foundation Permanently Restricted Net Assets—Permanently restricted net assets consist of funds arising from a gift or bequest in which the donor has stipulated, as a condition of the gift, that the principal be maintained in perpetuity and only the investment income from investment of the funds be expended. Certain donor endowments also specify that a portion of the earnings from the investment be reinvested as principal, or that all income earned over a period of time be reinvested. Amounts are also transferred for specific uses as authorized from time to time by the donor.

Permanently restricted net assets as of June 30, 2005 and 2004, are available for the following purposes:

	2005	2004
Alumni relations	$ 1,396,058	$ 1,159,005
Institutional support	2,014,893	2,163,136
Instruction and departmental support	45,727,838	45,185,308
Academic services support	3,873,576	3,491,537
Intercollegiate athletics support	101,528	85,955
Student services	2,060,465	1,964,259
Scholarships and fellowships	44,315,114	41,006,518
Public services	312,004	297,523
Research	1,636,608	874,718
Fund-raising and development	147,522	124,204
Other	47,750	618,261
	$ 101,633,356	$ 96,970,424

Inn-Ohio Of Athens, Inc.—The Ohio University Inn was purchased by the Foundation on August 30, 1986. The primary purpose for which the Foundation invested in the Inn was to provide affordable and convenient housing, dining, and conference facilities for the University employees, alumni, and guests. As a significant portion of the Inn's revenues is derived from these customers, the Foundation is committed to financially supporting the Inn.

The Inn's business is subject to all of the risks inherent in the lodging industry. These risks include, among other factors, varying levels of demand for rooms and related services, adverse effects of general and local economic and market conditions, changes in governmental regulations that influence wages or prices, changes in interest rates, the availability of credit and changes in real estate taxes and other operating expenses, and the recurring need for renovation, refurbishment, and improvements.

Effective November 30, 1996, a management agreement (the "Management Agreement") was entered into with Winegardner & Hammons, Inc, (the "Manager"). The Management Agreement was amended during fiscal year 2001 to automatically renew annually unless notified in writing of renewal 60 days prior to the end of the fiscal year. The Manager's compensation is a base fee plus 15% of the hotel's net available operating profit as defined in the Management Agreement.

In fiscal year 2005 and 2004, base management fees incurred by the Inn with respect to the Manager were $100,000 and $100,000 and incentive fees were $87,161 and $100,060, respectively.

As of June 30, 2005 and 2004, the Inn has net operating loss ("NOL") carryforwards of $65,000 and $153,000, respectively, for federal income tax purposes. The Inn has reflected deferred income taxes at a 40% tax rate, which represents a blended statutory federal and state income tax rate. As of June 30, 2005 and 2004, the Inn has recorded a valuation allowance of approximately $54,373 and $163,500, respectively, due to the uncertainty of the future realizability of its remaining net deferred tax asset carryforwards, in accordance with the provisions of SFAS No. 109.

Debt Obligations—Long-term debt of the Inn as of June 30, 2005 and 2004, consists of the following:

	2005	2004
1996 Serial Project Bonds:		
5.85% due November 1, 2004	$ -	$ 120,000
5.95% due November 1, 2005	130,000	130,000
6.05% due November 1, 2006	140,000	140,000
1996 term Project Bonds—		
6.25%, at 97.61%, due November 1, 2011	830,000	830,000
	1,100,000	1,220,000
Less: Unamortized discount on Series 1996 Bonds	8,351	9,670
Total	$ 1,091,649	$ 1,210,330

The 1996 Serial and Term Project Bonds (the "Bonds") are secured by a mortgage on the Inn and a security agreement granted by the Inn. These Bonds are also guaranteed by the Foundation from unrestricted money and investments.

The 1996 Term Project Bonds require the Inn to make monthly payments to a trustee. These payments accumulate in the bond fund to pay principal and interest on the Bonds. Principal payments are due annually on November 1; interest payments are due semiannually each May 1 and November 1 and are payable from the bond fund. The 1996 Serial Project Bonds are subject to redemption prior to maturity, including mandatory sinking fund redemption was $98,176 and $92,662, respectively. After November 1, 2006, the Inn has the option to prepay the 1996 Bonds.

The 1996 Bonds maturing in November 2011 are subject to a mandatory sinking fund requirement to be deposited as set forth in the following schedule:

	Amount
November 1:	
2007	$ 145,000
2008	155,000
2009	165,000
2010	175,000
2011	190,000
Total	$ 830,000

The fair value of the debt obligations at June 30, 2005 and 2004, approximated their carrying value.

Housing For Ohio, Inc.—In November 1999, the Foundation established Housing for Ohio, Inc. ("Housing"), a limited liability company and 501(c)(3) corporation, with the purpose of acquiring, developing, constructing, and operating a 182-unit student-housing rental project which contains 580 beds. The property, known as University Courtyard Apartments (the "Project"), is located in Athens, Ohio on property owned by Ohio University and leased to Housing. The facility is managed and operated by a private entity.

Debt—In September 2000, Housing offered $31,985,000 of variable-rate, tax-exempt bonds (the "2000 Bonds"). The proceeds of the 2000 Bonds financed the construction, installation, and equipping of the Project. The 2000 Bonds will be fully matured at June 2032 and bear interest at an adjustable rate as determined weekly by the remarketing agent, based on their knowledge of prevailing market conditions, except that in no event will the interest rate exceed 12%. The average interest rate for the year ended June 30, 2005 and 2004 was 1.89% and 1.03%, respectively, and the actual interest rate at June 30, 2005 and 2004, was 2.62% and 1.13%, respectively.

As collateral, until all principal and interest on any of the 2000 Bonds has been paid, Housing has pledged, assigned, and granted a security interest to its right, title, and interest in gross revenues of University Courtyard and related assets. The Foundation has made no additional pledge of assets or revenues to the 2000 Bonds, which are nonrecourse to the Foundation.

Principal payments for the bonded debt for the years subsequent to June 30, 2005, are summarized as follows:

Years Ending June 30	Principal
2006	$ 445,000
2007	530,000
2008	575,000
2009	635,000
2010	670,000
Thereafter	28,195,000
Total	$31,050,000

Debt issuance costs are included in property on the balance sheet and are amortized over the term of the bonds. Amortization during the years ended June 30, 2005 and 2004, was $34,965 and $34,965, respectively.

Litigation—On November 26, 2003, the project's developer filed a complaint against Housing and another party to recover $631,027 related to development fees associated with the development of the Project. A liability of $481,027 related to the development fee claim was recorded in Housing's consolidated financial statements at June 30, 2003. On January 26, 2004, Housing filed an answer to the complaint and filed a counterclaim in the amount of $1,000,000 representing its claim to recover excess expenditures incurred in development costs over an amount contractually designated as maximum development cost.

On January 29, 2004, the Project's contractor filed a demand for arbitration against Housing to recover unpaid construction costs of $2,670,936 under a construction contract. The full amount of the contractor's claim was recorded in the financial statements at June 30, 2003.

With regard to these legal contingencies, the parties came to a settlement agreement on May 19, 2004, in which Housing would pay the contractor a total sum of $2,000,000. Housing reduced the basis of the Project by the amounts previously accrued in excess of the $2,000,000, which approximated $1,024,000. The entire note balance becomes due and payable if the Project's current management agreement is terminated or if certain other events occur.

Diagnostic Hybrids, Inc. ("DHI")—DHI, an Ohio corporation located in Athens, Ohio, develops and manufactures genetically engineered and nonengineered tissue cell cultures, monoclonal antibody kits, and biological reagents for use by laboratory technicians in medical laboratories. These products are used to diagnose viral diseases and endocrine disorders.

The Foundation owned 802,720 shares of Class A Common Stock and 384,622 shares of Convertible Preferred Stock, which represented an approximate 71% ownership of DHI during fiscal year 2004. With the amendment of DHI's Articles of Incorporation on August 2, 2004, 1,030,342 newly created Class A Participating Convertible Preferred Shares (the "Class A Preferred Share") were issued to Summit Partners for $10,000,000 cash for a 25% interest in DHI, thus reducing the Foundation's ownership percentage to 44.5%

In connection with and as a condition to consummating the issuance of the Class A Preferred Shares, the Foundation converted its outstanding preferred shares into common stock immediately prior to the issuance of the new shares. The Foundation received an additional 59,022 common share upon conversion in accordance with the articles of incorporation in effect at that time. DHI used $3,500,000 of the proceeds to immediately pay a special dividend to current outstanding shareholders of record, as of August 4, 2004, on a pro rata basis. The Foundation's share of the dividend was $2,482,288, which was received on August 4, 2004. These funds have been allocated to unrestricted and endowment accounts based on the sources of the funds used to purchase the shares.

As a result of the transaction above and resulting decrease in ownership percentage, DHI is now accounted for as an investment under the equity method of accounting.

DHI accounts for its employee and director stock-based compensation plans in accordance with Accounting Principles Board Opinion No. 25. DHI has elected not to adopt the cost recognition provisions of SFAS No. 123, *Accounting for Stock-Based Compensation*. DHI follows only the disclosure provisions of SFAS No. 123, as permitted by the statement. In accordance with SFAS No. 123, the fair value of each option grant is estimated on the date of each grant using the Black-

Scholes option pricing model. If compensation expense had been determined using the estimated fair value of options under SFAS No. 123, the pro forma effects on net income would have been an increase of approximately $11,000 and $94,000 for the 12-month period ended June 30, 2005 and 2004, respectively. DHI recorded deferred compensation expense of $225,274 and $799,947 for the 12-month periods ended June 30, 2005 and 2004, respectively.

DHI accounts for income taxes under the liability method in accordance with SFAS No. 109, *Accounting for Income Taxes*. Deferred income taxes are provided for the expected tax consequences of differences between the financial reporting and tax basis of assets and liabilities, which is primarily comprised of accounting for stock options and accounts receivable.

* * * * * *

Deloitte.

Deloitte & Touche LLP
155 East Broad Street
Columbus, OH 43215-3611
USA

Tel: +1 614 221 1000
Fax: +1 614 229 4647
www.deloitte.com

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

To the Board of Trustees of
Ohio University
Athens, Ohio

We have audited the financial statements of Ohio University (the "University"), as of and for the year ended June 30, 2005, and have issued our report thereon dated October 13, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting 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 reportable 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 caused by error or fraud 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance related to unbilled grants receivable that is described in the Schedule of Findings and Questioned Costs as item 05-1.

We noted certain matters that we have reported to management of the University in a separate letter dated October 13, 2005.

This report is intended solely for the information and use of the Board of Trustees, management of the University, federal awarding agencies, state funding agencies, pass-through entities, and the Auditor of the 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 13, 2005

Ohio University
(A Component Unit of the State of Ohio)

Report on Federal Awards in Accordance With OMB Circular A-133 for the Year Ended June 30, 2005

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

TABLE OF CONTENTS

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
STUDENT AID CLUSTER:			
Department of Education:			
Supplemental Educational Opportunity Grants	84.007	P007A023342	$ 1,153,715
Supplemental Educational Opportunity Grants (PR YR)	84.007	P007A023342	(375)
College Workstudy Program	84.033	PO33A023342	904,294
College Workstudy Program (JLD)	84.033	P007A023342	44,264
Perkins (Capital Contribution)	84.038	P007A023342	140,767
Federal Direct Student Loan	84.268		98,687,167
Pell Grant Program	84.063	P063P021330	17,287,387
Pell Grant Program (PR YR)	84.063	P063P021330	6,830
Total Department of Education			118,224,049
Department of Health and Human Services:			
Primary Care Loans	93.342		1,690,857
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	I T08HP04956-01-00	281,116
Total Department of Health and Human Services			1,971,973
TOTAL STUDENT AID CLUSTER			$ 120,196,022
RESEARCH AND DEVELOPMENT CLUSTER:			
Appalachian Regional Commission—			
Pass-Through Programs from—			
East Tennessee State University	23.XXX		$ 1,198
Total Appalachian Regional Commission			1,198
Corporation for National and Community Service—			
Pass-Through Programs from—			
Sojourner Care Network	94.XXX		3,242
Total Corporation for National and Community Service			3,242
Department of Agriculture:			
Direct Programs:			
Removal Control Japanese Stilt	10.XXX	05-JV-11242328-027	2,483
Forestry Research	10.652	04-CA-11242343-011	28,674
Forestry Research	10.652	00-CA-11242343-024/ 01-004/02-044/03-030/04-023	47,545
Forestry Research	10.652	01-CA-11242342-030/02-040	883
Forestry Research	10.652	01-CA-11242343-09301-CA-11242343-029	6,226
Forestry Research	10.652	03-CA-11242343-008	2,809
Forestry Research	10.652	03-CA-11242343-034/04-111	916
Forestry Research	10.652	03-CA-11242343-072/04-CA-11242343-133	636

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Forestry Research	10.652	03-CA-11242343-104	$ 306
Forestry Research	10.652	04-CA-11242343-035	13,667
Forestry Research	10.652	04-CA-11242343-130	262
Forestry Research	10.652	05-CA-11242343-008	10,066
Forestry Research	10.652	05-CA-11242343-025	4,009
Forestry Research	10.652	03-CR-11111125-044	15,001
Subtotal Direct Programs			133,483
Pass-Through Programs from:			
Ohio State University Research Foundation	10.200	2002-34490-11919/2004-34490-14579	206,256
University of Nebraska Lincoln	10.200	25-6205-0034-030	42,098
Subtotal Pass-Through Programs			248,354
Total Department of Agriculture			381,837
Department of Commerce—			
Direct Programs:			
National Institute of Standards and Technology Measurement and Engineering Research and Standards	11.609	70NANB5H1101	7,131
National Institute of Standards and Technology Measurement and Engineering Research and Standards	11.609	60NANB3D1122	28,877
Total Department of Commerce			36,008
Department of Defense:			
Direct Programs:			
Air Force:			
Basic, Applied, and Advanced Research in Science and Engineering	12.630	F4-9620-03-1-0285	17,463
Air Force Defense Research Sciences Program	12.800	F49620-03-1-0004	61,150
Air Force Defense Research Sciences Program	12.800	F30602-03-M-R003	17,319
			78,469
U.S. Army:			
U.S. Army Corp of Engineers—Long-Term Diamondback Terr	12.XXX	DACW31-03-P-0291	11,096
U.S. Army Corp of Engineers—Propellants in Grasses	12.XXX	W912HZ-05-P-0117	3,230
U.S. Army Corp of Engineers—LT Diamondback Terr Monitor	12.XXX	W912DR-04-P-0446	17,603
U.S. Army Medical Research Acquisition— Dietary Energy Requirements	12.XXX	DAMD17-95-1-5053	143,759
			175,688
U.S. Army Robert Morris Acquisition Center	12.000	DAAD05-02-C-0035	49,540
U.S. Army Corp of Engineers—Terrapin Monitoring	12.110	DACW31-02-P-0424	68
Basic Scientific Research	12.431	W911NF-04-1-0159	104,273
Office of the Chief of Naval Research— Marine Corps Warfighting Laboratory-Madras or TTLS	12.XXX	M67854-04-M-9017	6,957
Subtotal Direct Programs			432,458
Pass-Through Programs from:			
Anteon Naval Post Graduate School	12.XXX	GS09K99BHD0001	(16,509)
ARINC	12.XXX	N65236-03-D-3827-0103	18,278
ARINC	12.XXX	DAAB07-03-D-B006	82,873
			101,151

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Austral Engineering and Software	12.XXX	FA8650-04-M-3435	$ 24,171
Defense Advanced Research Project	12.910	F33615-01-C-1834	18,766
Geo Centers, Inc.	12.XXX	DAAD13-03-D-0017	10,323
			53,260
Innovative Scientific Solutions	12.XXX		61,333
Innovative Scientific Solutions	12.XXX	F33615-03-D-2829	18,158
			79,491
ITT Industries	12.XXX	N00173-03-C-2037	111,435
Nanohmics, Inc.	12.XXX	N00164-03-C-6028	(177)
Nanohmics, Inc.	12.XXX	M67854-04-C-1009	504
Nanohmics, Inc.	12.XXX	FA8650-05-M-2514	18,044
			18,371
National Reconnaissance office	12.XXX	NRO000-01-C-0677	136,392
Raytheon Company	12.XXX	NBCHC030123	47,980
Rockwell Collins, Inc.	12.XXX	F33615-01-1856	120,000
Spectral Systems, Inc.	12.XXX	F33657-02-G-4036-0004	102,503
Thales ATM, Inc.	12.XXX	B66309	3,033
Thales ATM, Inc.	12.XXX		10,346
			13,379
Universal Technology Corporation	12.XXX	F33615-03-D-5801	25,905
Universal Technology Corporation	12.XXX	F33615-03-D-5801	85,072
			110,977
University of Colorado	12.431	W911NF-04-1-0281	18,286
University of Illinois at Chicago	12.XXX	W81XWH-04-1-0201	19,858
Washington University	12.XXX	F33615-03-C-4111	70,275
Subtotal Pass-Through Programs			986,849
Total Department of Defense			1,419,307
Department of Education:			
Direct Programs:			
Overseas Faculty Research Abroad	84.019	PO19A030057	14,247
Overseas Faculty Research Abroad	84.019A	P019A040033	69,943
			84,190
Overseas Group Project Abroad	84.021A	P021A050019	65,908
Subtotal Direct Programs			150,098
Pass-Through Programs from:			
Community Action Commission of Belmont County	84.213		10,112
Harvard University	84.XXX	P017A030111	29,878
Lancaster Even Start	84.213		10,646
Ohio Department of Education	84.367		1,200

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
University of Cincinnati	84.323		$ 632
WESTAT INC	84.XXX	ED-99-CO-0109	25,417
Subtotal Pass-Through Programs			77,885
Total Department of Education			227,983
Department of Energy:			
Direct Programs:			
Evaluation of Finae Particulate Matter	81.XXX	DE-FC26-03NT41723	306,783
Planar Solid Oxide Fuel Cells	81.XXX	DEOFG36-03GO13059	1,015,490
			1,322,273
Office of Science Financial Assistance Program	81.049	DE-FG02-93ER40756	190,475
Office of Science Financial Assistance Program	81.049	DE-FG02-88ER40387	546,447
Office of Science Financial Assistance Program	81.049	DE-FG02-02ER46012	130,798
			867,720
Fossil Energy Research and Development	81.089	DE-FC26-00NT40932	40,292
Stewardship Science Grant Program	81.112	DE-FG52-03NA00074	164,524
University Reactor Infrastructure and Education Support	81.114	DE-FG02-02ER41218	51,490
Subtotal Direct Programs			2,446,299
Pass-Through Programs from:			
Advanced Technology Systems	81.XXX	DE-FC26-02NT41476	167,107
Brookhaven National Laboratory	81.XXX	DE-AC02-98CH10886	3,925
Lawrence Livermore National Laboratory	81.XXX	W-7405-ENG-48	30,918
Lawrence Livermore National Laboratory	81.XXX	W-7405-ENG-48	25,000
			55,918
Los Alamos National Laboratory	81.XXX	W-7405-ENG-36	25,000
S E Universities Research Assoc	81.XXX		13,313
S E Universities Research Assoc	81.XXX	DE-AC05-84ER40150	39,889
S E Universities Research Assoc	81.XXX	DE-AC05-84ER40150	5,618
			58,820
Stanford University	81.XXX		20,000
University of Michigan	81.049	F005182, Agreement No 6455828	1,704
University of Nevada Reno	81.118	DE-FC26-01NT41164	44,220
Subtotal Pass-Through Programs			376,694
Total Department of Energy			2,822,993

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Department of Health and Human Services:			
Direct Programs:			
National Institute of Health:			
Research Related to Deafness and Communication Disorders	93.173	5 K23 DC00153	$ 13,305
Research Related to Deafness and Communication Disorders	93.173	5 R01 DC005063	467,531
Research Related to Deafness and Communication Disorders	93.173	1 R21 DC05468	27,096
Research Related to Deafness and Communication Disorders	93.173	1 R03 DC006161	1,299
			509,231
Mental Health Research Grants	93.242	5 R01 MH057832	192,347
Mental Health Research Grants	93.242	R01 MH067566	381,517
			573,864
Alcohol Research Programs	93.273	5 R01 AA014294	195,854
Drug Abuse Research Programs	93.279	R01 DA013939	285,180
Academic Research Enhancement Award	93.390	1 R15 GM60969	(712)
Academic Research Enhancement Award	93.390	2 R15 GM057640-03A1	72,547
			71,835
Cancer Cause and Prevention Research	93.393	R01 CA086928	209,914
Cancer Cause and Prevention Research	93.393	1 R03 CA112639	27,252
			237,166
Cancer Treatment Research	93.395	1 R15 CA098036-01A1	79,756
Cancer Research Manpower	93.398	3 K01 CA79743	144,693
Heart and Vascular Diseases Research	93.837	5 R01 HL64794	112,677
Digestive Diseases and Nutrition Research	93.848	K01 DK064905	94,239
Kidney Diseases, Urology, and Hematology Research	93.849	1 R15 DK61952	34,103
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	5 R01 NS032374	462,082
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R01 NS022979	299,529
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	5 K01 NS046582-02	92,859
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	1 R15 NS048916	101,745
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	1 R21 NS050260-01	82,885
			1,039,100
Microbiology and Infectious Diseases Research	93.856	2 R15 AI47165	31,662
Biomedical Research and Research Training	93.859	5 R01 GM048858	201,868
Biomedical Research and Research Training	93.859	R01 GM061048	180,502
Biomedical Research and Research Training	93.859	5 R01 GM050690	230,340
			612,710

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Child Health and Human Development Extramural Research	93.865	5 R01 HD045512	$ 388,678
Aging Research	93.866	5 R21AG20334	101,582
Aging Research	93.866	1 R15 AG020536	19,781
			121,363
Medical Library Assistance	93.879	5 G13 LM007670	69,185
Subtotal Direct Programs			4,601,296
Pass-Through Programs from:			
9C Rural Consortium Board	93.XXX		1,450
Baylor College of Medicine	93.173	5 R01 DC002290	21,647
Columbia University	93.838	HL55397	(109,205)
Columbia University	93.857	PO 523577	(6,274)
Medical College of Wisconsin	93.242	PO 521968-000	3,671
Southern Illinois University	93.866	R01 AG19899	52,606
University of California Davis	93.856	99RA2742-1	5,742
University of Illinois at Chicago	93.396	1 R01-CA099904	14,764
University of Iowa	93.847	PO 4000089762	13,494
University of Iowa	93.847	PO 4000091925	6,747
University of Michigan	93.837	HL060900	85,567
University of Michigan	93.838	HL055397	102,133
University of Missouri	93.XXX	R01 DCNS04922	17,568
University of North Carolina At Charlotte	93.838	5R01HL068706	27,573
Washington County Mental Health and Addiction Board	93.XXX		(39)
Subtotal Pass-Through Programs			237,444
Total Department of Health and Human Services			4,838,740
Department of Justice:			
Direct Programs:			
National Institute of Justice Research Evaluation and Development Project Grants	16.560	2002-MU-MU-K002	7,877
National Institute of Justice Research Evaluation and Development Project Grants	16.560	2002-WG-BX-0004	15,485
National Institute of Justice Research Evaluation and Development Project Grants	16.560	2002-IJ-CX-K007	75,137
			98,499
Criminal Justice Research and Development—Graduate Research Fellowships	16.562	2003-IJ-CX-1027	103,489
Subtotal Direct Programs			201,988
Pass-Through Programs from—			
Hocking County Juvenile Court	16.XXX		7,659
Subtotal Pass-Through Programs			7,659
Total Department of Justice			209,647

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Department of the Interior:			
Direct Programs—			
U.S. Geological Survey Research and Data Collection	15.808	03HQGR0140	$ 4,509
Subtotal Direct Programs			4,509
Pass-Through Programs from:			
Americaview, Inc.	15.808	AV04-OH01	89,409
Midwest Biodiversity Institute	15.XXX		87,267
Ohio Department of Natural Resources	15.XXX		1,131
Ohio Department of Natural Resources	15.XXX	NGSCW-04-44	4,984
Ohio State University Research Foundation	15.805	01HQGR0110	187
Subtotal Pass-Through Programs			182,978
Total Department of the Interior			187,487
Department of Transportation:			
Direct Programs:			
U.S. Department of Transportation			
Develop Nationwide Differential Global Positioning System	20.XXX	DTRS57-04-C-10026	160,608
GPS Antenna Analysis	20.XXX	DTRS57-04-P-80285	44,987
WAAS Impact Maritime	20.XXX	DTRT57-05-P-80171	3,049
			208,644
Federal Aviation Administration			
Integrated Avionics Tech Dev	20.XXX	95-G-014	81,667
Local Area Augmentation System	20.XXX	98-G-002	1,329,601
Navigation Landing Analytical Model	20.XXX	DTFA01-01-C-00012	169,224
DTFA01-01-C-00071	20.XXX	DTFA01-01-C-00071	2,245,747
Technical Support Serv Nav and Landing	20.XXX	DTFAAC-03-D-00394, DTFAA-02-03-D-00394	177
WAAS/BARO Tech Advance Aviation	20.XXX	DTAFAAC-03-A-15689	57,746
Glide Slope Study	20.XXX	DTFAAC-04-P-06688	30,920
			3,915,082
Subtotal Direct Programs			4,123,726
Pass-Through Programs from:			
Ohio Department of Transportation	20.205	9800	8,795
Ohio Department of Transportation	20.205	9794	2,192
Ohio Department of Transportation	20.205	9991	140,009
Ohio Department of Transportation	20.205	AC SPR-2(36)	170,603
Ohio Department of Transportation	20.205	10209	285,131
Ohio Department of Transportation	20.205	11241	24,029
Ohio Department of Transportation	20.205	11251	29,222
Ohio Department of Transportation	20.205	11252	9,739
Ohio Department of Transportation	20.205	E040(371)	6,416
Ohio Department of Transportation	20.205	20119 A	87,790
Ohio Department of Transportation	20.205	AC1SPR-2(37)	33,605
Ohio Department of Transportation	20.205	20081	161,764
Ohio Department of Transportation	20.205	AC SPR-2(37)	110,348
Ohio Department of Transportation	20.205	11842	8,988
Ohio Department of Transportation	20.205	20337	60,105

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OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Ohio Department of Transportation	20.205	E040(952)	$ 51,133
Ohio Department of Transportation	20.205		3,148
Ohio Department of Transportation	20.205	E050(234)	36,121
Ohio Department of Transportation	20.205	ODOT 11633	1,930
			1,231,068
Talbert and Bright, Inc.	20.XXX		7,420
The National Academies	20.XXX	DOT-6120-399	60,021
University of Akron	20.205	11374	6,718
West Virginia University	20.205		20,969
Subtotal Pass-Through Programs			1,326,196
Total Department of Transportation			5,449,922
Environmental Protection Agency			
Direct Programs—			
Science To Achieve Results (STAR) Program	66.509	RD-83136501	66,661
Subtotal Direct Programs			66,661
Pass-Through Programs from:			
Center for Applied Bioassessment and Biocriteria	66.460		77,708
Northeast Ohio Areawide Coordinating Agency	66.XXX		42,510
Ohio Environmental Protection Agency	66.460	01(h)E-08	137
Ohio Environmental Protection Agency	66.460	C997550003	112,048
Rural Action Inc.	66.460		391
Subtotal Pass-Through Programs			232,794
Total Environmental Protection Agency			299,455
National Aeronautics and Space Administration			
Direct Programs:			
Ames Research Center			
Molecular Cloning and Characterization	43.XXX	NAG2-1608	176,615
George C Marshall Space Flight Center			
Robust Integration Tech and Test Flight Support	43.XXX	NNM04AA33P	52,292
Glenn Research Center			
Advanced CNS Acast	43.XXX	NNC04GB45G	245,852
Protecting Infrastructure	43.XXX	NNC04GB63G	21,499
Reexamination of Cooling Flows	43.XXX	NAG5-11025	12,768
			280,119
Goddard Space Flight Center			
Hard Xray Blazar 3C 279	43.XXX	NAG5-13684	5,911
Coordinated Boradband Monitor	43.XXX	NNG04GC65G	24,099
Simultaneous Multiwavelength	43.XXX	NNG04GB13G	7,591
Multiwavelength Variability	43.XXX	NNG04GF70G	9,635
			47,236
Langley Research Center			
Synthetic Vision System	43.XXX	NNL04AA17A	119,987
NASA Synthetic Vision	43.XXX	NCC-1-351 (9)	2,721

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Haptics Augmented Science Educ	43.XXX	NAG1-01094	$ 5,414
			128,122
Subtotal Direct Programs			684,384
Pass-Through Programs from:			
Applied Sciences, Inc.	43.XXX	NNA05CQ86C	930
Lockheed Martin	43.XXX	GH3-216067	504
Morehouse College	43.XXX	NAG5-13633	71,918
Morehouse College	43.XXX		36,529
			108,447
Ohio Aerospace Institute	43.XXX		93,938
Rannoch Corporation	43.XXX		2,823
Smithsonian Astrophysical Observatory	43.XXX	GO2-3161X	22,965
Smithsonian Astrophysical Observatory	43.XXX	G03-4176B	3,274
Smithsonian Astrophysical Observatory	43.XXX	AR3-4011X	16,532
Smithsonian Astrophysical Observatory	43.XXX	GO3-4165X	34,468
Smithsonian Astrophysical Observatory	43.XXX	NAS8-03060	117
Smithsonian Astrophysical Observatory	43.XXX	NAS8-03060	34,802
Smithsonian Astrophysical Observatory	43.XXX	NAS8-03060	3,383
			115,541
Space Telescope Science Institute	43.XXX	HST-GO-09143-02-A	895
Space Telescope Science Institute	43.XXX	HST-GO-09783.03-A	749
Space Telescope Science Institute	43.XXX	HST-GO-09859.01-A	4,121
			5,765
Virginia Satslab, Inc.	43.XXX		326,883
Subtotal Pass-Through Programs			654,831
Total National Aeronautics and Space Administration			1,339,215
National Archives and Records Administration—			
Direct Programs—			
National Historical Publications and Records Grants	89.003	2003-007	5,129
Total National Archives and Records Administration			5,129
National Endowment for the Humanities—			
Direct Programs—			
Promotion of the Humanities Public Programs	45.164	GP-50071-03	3,700
Total National Endowment for the Humanities			3,700
National Science Foundation:			
Direct Programs:			
Engineering Grants	47.041	ECS-0210216	1,344

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Engineering Grants	47.041	CMS-0343731	$ 3,524
			4,868
Mathematical and Physical Sciences	47.049	DMR-9983816	63,548
Mathematical and Physical Sciences	47.049	DMR-0094055	49,668
Mathematical and Physical Sciences	47.049	DMR-0103034	255,954
Mathematical and Physical Sciences	47.049	PHY-0244999	437,898
Mathematical and Physical Sciences	47.049	DMR-0336431	64,498
Mathematical and Physical Sciences	47.049	DMR-0304314	356,193
Mathematical and Physical Sciences	47.049	DMR-0310933	65,155
Mathematical and Physical Sciences	47.049	PHY-0320759	4,254
Mathematical and Physical Sciences	47.049	AST-0407152	44,325
			1,341,493
Geosciences	47.050	OCE-0117132	70,078
Geosciences	47.050	EAR-0207432	38,184
Geosciences	47.050	EAR-0228876	45,446
Geosciences	47.050	EAR-0308105	39,219
Geosciences	47.050	EAR-0308931	20,691
Geosciences	47.050	EAR-0350396	6,197
Geosciences	47.050	ATM-0508217	20,418
			240,233
Computer and Information Science and Engineering	47.070	ANI-9981927	30,990
Computer and Information Science and Engineering	47.070	ANI-0086642	64,385
Computer and Information Science and Engineering	47.070	ANI-0113307	39,366
Computer and Information Science and Engineering	47.070	CNS/EIA-0120056	103,017
			237,758
Biological Sciences	47.074	MCB-9874744	(44,667)
Biological Sciences	47.074	IBN-9983561	79,509
Biological Sciences	47.074	IBN-0078055	(908)
Biological Sciences	47.074	IBN-0080158	26,668
Biological Sciences	47.074	IOB-0090250	109,132
Biological Sciences	47.074	IBN-0110413	140,070
Biological Sciences	47.074	IBN-0131077	100,005
Biological Sciences	47.074	IBN-0131523	90,698
Biological Sciences	47.074	DEB-0211054	3,420
Biological Sciences	47.074	DEB-0235676	61,574
Biological Sciences	47.074	IBN-0316687	95,456
Biological Sciences	47.074	IBN-0343744	93,630
Biological Sciences	47.074	IBN-0345500	103,880
Biological Sciences	47.074	IBN-0407735	1,810
			860,277
Social, Behavioral, and Economic Sciences	47.075	INT-0319201	1,544
Social, Behavioral, and Economic Sciences	47.075	SES-0453302	17,212
Social, Behavioral, and Economic Sciences	47.075	BCS-0515890	28,450
			47,206
Education and Human Resources	47.076	EEC-0227907	122,661
Education and Human Resources	47.076	REC 0335593	232,249
Education and Human Resources	47.076	DGE-0337438	30,000

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Education and Human Resources	47.076	DUE-0350395	$ 112,715
			497,625
Polar Programs	47.078	OPP-0135989	23,865
Polar Programs	47.078	ANT-0436190	17,406
Polar Programs	47.078	ANT-0439805	13,200
			54,471
Subtotal Direct Programs			3,283,931
Pass-Through Programs from:			
American Association for the Advancement of Science	47.XXX		762
Institute of Ecosystem Studies	47.074	DEB-9714835	16,037
Stark State College of Technology	47.XXX		13,488
Temple University	47.041	BES-0511762	52
University of Connecticut	47.041	BES 0302351	20,948
University of Illinois Urbana	47.049	DMR-0205858	70,751
University of Tennessee	47.041	BES-0090009	31,148
Western Michigan University	47.074	9972803	11,250
Subtotal Pass-Through Programs			164,436
Total National Science Foundation			3,448,367
United States Agency for International Development—			
Pass-Through Programs from—			
Association Liaison office	98.XXX	HNE-A-00-97-00059-00	44,225
Total United States Agency for International Development			44,225
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			$ 20,718,455
HOMELAND SECURITY CLUSTER:			
Department of Homeland Security			
Direct Programs—			
Department of Homeland Security	97.XXX	EMV-2002-SA-0080	$ 32,193
TOTAL HOMELAND SECURITY CLUSTER			$ 32,193
OTHER PROGRAMS:			
Appalachian Regional Commission:			
Direct Programs:			
Reinventing Community	23.XXX	OH-14463-I-2003-302	$ 19,703
Whisman Scholar	23.XXX	CO-12600E	30,878
Regional Entrepreneurship	23.XXX	CO-14812-04	24,218
WEB IT	23.XXX	CO-14871-04	6,963
			81,762
Appalachian Regional Development	23.001	CO-14309-02	25
Appalachian Regional Development	23.001	OH-14444-03	43,736
			43,761

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Appalachian Area Development	23.002	CO-14649	$ 47,213
Subtotal Direct Programs			172,736
Pass-Through Programs from—			
Marietta College SBDC	23.011	OH-1825-EI-302-00	(7,505)
Subtotal Pass-Through Programs			(7,505)
Total Appalachian Regional Commission			165,231
Corporation for National and Community Service—			
Pass-Through Programs from:			
Ohio Community Service Council	94.006	00AFSOH036-Y8-F-28	(2,216)
Ohio Community Service Council	94.006	00ASFOH036-Y8-F-03	(3,775)
Ohio Community Service Council	94.006	03AFH-K728-04-A120/ 03AFH-K728-05-A120	184,636
Ohio Community Service Council	94.006	03AFH-K728-04-A017/ 03AFH-K728-05-A017	349,522
			528,167
Jumpstart National	94.006	03ACH-K729-04-A147#40-JS-SITE#40	32,492
Total Corporation for National and Community Service			560,659
Department of Agriculture:			
Direct Programs:			
Monkey Hollow Project Assessment/Site Inspection	10.XXX	04-PA-11091400-020	20,773
History Records African Railroad	10.XXX	04-PA-11091400-030	3,298
			24,071
Rural Utilities Service Community Connect Grant Program	10.861		161,553
Subtotal Direct Programs			185,624
Pass-Through Programs from:			
Ohio Department of Education	10.559		34,971
Ohio State University Research Foundation	10.XXX	CA 370304	475
Subtotal Pass-Through Programs			35,446
Total Department of Agriculture			221,070
Department of Commerce			
Direct Programs:			
Economic Development Administration	11.300	05-79-03506	31,483
Public Telecommunications Facilities Planning and Construction	11.550	39-02-N03017	14,066
Public Telecommunications Facilities Planning and Construction	11.550	39-01-03085	54,562
			68,628
Subtotal Direct Programs			100,111

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Pass-Through Programs from—			
Bowling Green State University	11.303	06-66-04858/04616/04741/04955	$ 39,730
Subtotal Pass-Through Programs			39,730
Total Department of Commerce			139,841
Department of Defense—			
Pass-Through Programs from—			
Ohio Department of Development	12.002	MBDD 03-013/04-017/05-010	56,468
Total Department of Defense			56,468
Department of Education:			
Direct Programs:			
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	84.015	P015A000161	31,602
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	84.015A	P015A030005	183,976
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	84.015B	P015B030005	344,302
			559,880
International Research and Studies	84.017	P017A000011	18,171
TRIO Student Support Services	84.042	P042A010213	299,819
TRIO Upward Bound	84.047	P047A990189	(6)
TRIO Upward Bound	84.047A	P047A030183	335,935
			335,929
TRIO McNair Post-Baccalaureate Achievement	84.217	P217A030004	217,317
Child Care Access Means Parents in School	84.335	P335A010099	11,403
Preparing Tomorrow's Teachers to Use Technology	84.342	P342A000235	193
Subtotal Direct Programs			1,442,712
Pass-Through Programs from:			
Alexander Local School District	84.287C		232,815
Athens City School District	84.257C	043521-T151-03	399,277
Chillicothe Bicentennial Commission Inc.	84.215K	U215K032283	142,093
Cleveland State University	84.357	S357A020036	74,014
Columbus State Community College	84.243	VETP 2002-01-FB/ VETP 2003-01-FB/VETP-2005-1-FB	103,004
Community Action Commission of Belmont County	84.314		4,687
Corporation for Public Broadcasting	84.XXX		90,214
Coshocton City School	84.213		7,771
East Central Ohio Special Education Regional Resources	84.XXX		68
Federal Hocking Local School District	84.287C	045914-T1S1-03	267,583
Ohio Board of Regents	84.116		13,845
Ohio Board of Regents	84.334A	P334A990378	272,179
Ohio Board of Regents	84.XXX		1,164

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Ohio Department of Education	84.002	063024-AB-SL-2003/2004/2005	$ 362,283
Ohio Department of Education	84.276	063024-G2SP-2001	5,361
Ohio Department of Education	84.323	063024-ST-S1-01 and 03	514
Public Broadcasting Service	84.295A	R295A000002	36,328
TLT Group	84.116	P116B020523	7,500
Warren Local Schools	84.XXX		(1)
Subtotal Pass-Through Programs			2,020,699
Total Department of Education			3,463,411
Department of Health and Human Services:			
Direct Programs:			
2004 HIPAA Essentials Conference	93.XXX		10,000
Centers of Excellence	93.157	6 D34HP04027	(39,900)
Centers of Excellence	93.157	D34HP04027	446,789
Allied Health Special Projects	93.191	1 D37 HP 00807-03 0	28,712
Health Careers Opportunity Program	93.822	D18HP02889	407,291
Specially Selected Health Projects	93.888	4 D1ARH00109	351,545
National Institute of Health Medical Library Assistance	93.879	G08LM008133	178,133
Subtotal Direct Programs			1,382,570
Pass-Through Programs from:			
Association of Environmental Health Academic Programs	93.XXX		2,973
Athens County Family and Children First Council	93.XXX		13,097
Athens County Job and Family Services	93.XXX		2,198
Case Western Reserve University	93.969	D31 HP-70113	31,119
Columbiana County Department of Job and Family Services	93.XXX		2,481
Corp for Ohio for Ohio Appalachian Development	93.569		5,001
Corp for Ohio for Ohio Appalachian Development	93.XXX		3,588
Gallia County Health Department	93.XXX		808
Health Resources and Services Administration	93.192	D36HP03160	162,329
Medical University of Ohio	93.107	5 U77HP03029-11-00	140,647
Meigs County Department of Jobs and Family Service	93.XXX		4,121
National Youth Sports Program	93.570		38,273
National Youth Sports Program	93.570		43,532
Ohio Childcare Resource and Referral Association	93.XXX		35,001
Ohio Department of Development	93.XXX		(45)
Ohio Department of Health	93.994	K584	71,595
Ohio Department of Health	93.XXX		(1,783)

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Ohio Department of Jobs and Family Services	93.XXX		$ 18
Ohio Department of Jobs and Family Services	93.XXX	05-001	464,814
Ohio State University Research Foundation	93.110	5 T73 MC00049	(110)
Ohio State University Research Foundation	93.181	5 D41HP20002-03	21,428
Ohio State University Research Foundation	93.966	T01HP01416-01-00/02-01	25,491
Southern Consortium for Children	93.211	I H2ATH00985-01-00	16,966
Stark County Educational Service Center	93.XXX		2,000
University of Illinois at Chicago	93.879	N01 LM 1 3513	177
Vinton County Department of Job and Family Service	93.XXX		8,366
West Virginia Community Action Partnership	93.XXX		4,244
Subtotal Pass-Through Programs			1,098,329
Total Department of Health and Human Services			2,480,899
Department of Housing and Urban Development—			
Pass-Through Programs from—			
Huntington Ironton Empowerment Zone	14.244		163,463
Total Department of Housing and Urban Development			163,463
Department of Justice—			
Pass-Through Programs from:			
Vinton County Juvenile Drug Court	16.XXX		7,814
Washington County Mental Health and Addiction Board	16.XXX		2,748
Total Department of Justice			10,562
Department of Labor—			
Pass-Through Programs from:			
Athens County Department of Job and Family Services	17.XXX		313
Lawrence County Department of Jobs and Family Serv	17.XXX		63,048
Lawrence County Department of Jobs and Family Serv	17.XXX		115,771
			178,819
Total Department of Labor			179,132
Department of State:			
Direct Programs:			
CELTT	19.XXX	S-ECAPE-03-GR-155(JL)	203,527
Inter-religious Dialogue	19.XXX	S-ECAPE-03-GR-188(MA)	145,237
			348,764
U.S. Information Agency			
Teacher/Educational Exchange	19.406	IA-ASLJ-G9190295	5,530
Professional Exchanges Annual Open Grant	19.415	S-ESCAPE-02-GR-100(MA)	8,259
Educational Exchange Fulbright American Studies Institutes	19.418		1,357

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
Educational Partnerships Program	19.424	S-ECAAS-04-GR-209(MA)	$ 52,510
Subtotal Direct Programs			416,420
Pass-Through Programs from—			
Institute for International Education	19.402	S-ECAAE-04-CA-019(PS)	107,956
Subtotal Pass-Through Programs			107,956
Total Department of State			524,376
Department of Transportation:			
Direct Programs:			
Federal Aviation Administration			
Airport Improvement Program	20.106	3-39-0006-0802	19,101
Airport Improvement Program-Phase II	20.106	3-39-0006-0904	1,128,151
Subtotal Direct Programs			1,147,252
Pass-Through Programs from:			
City of Athens	20.509	RPT-4005-023-043	27,064
Ohio Department of Transportation	20.205	AC SPR-2(37)	(144)
Subtotal Pass-Through Programs			26,920
Total Department of Transportation			1,174,172
Environmental Protection Agency—			
Pass-Through Programs from:			
Midwest Biodiversity Institute	66.606		108,186
National Association of Schools of Public Affairs	66.XXX		10,000
Ohio Department of Natural Resources	66.460		27,100
Ohio Department of Natural Resources	66.XXX		23,175
			50,275
Ohio Environmental Protection Agency	66.460	02(h)EPA-04	8,094
Ohio Environmental Protection Agency	66.460	C9975500004-0	68,315
			76,409
Rural Action, Inc.	66.XXX		10,548
Rural Action, Inc.	66.XXX		7,894
Total Environmental Protection Agency			263,312
National Endowment for the Arts/Humanities—			
Direct Programs:			
National Endowment for the Arts			
Promotion of the Arts Grants to Organizations and Individuals	45.024	05-3400-7017	10,000
Promotion of the Arts Grants to Organizations and Individuals	45.024	04-4400-6069	20,000
Promotion of the Arts Grants to Organizations and Individuals	45.024	02-7700-3005	8,138
			38,138

(Continued)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

Federal Agency/Pass-Through Grantor	CFDA No.	Federal/ Pass-Through Grant Number	Expenditures
National Endowment for the Humanities			
Promotion of the Humanities Challenge Grants	45.130	CI-20004-02	$ (39,846)
Total National Endowment for the Arts/Humanities			(1,708)
National Science Foundation:			
Direct Programs—			
Mathematical and Physical Sciences	47.049	DMR-0336379	3,908
Subtotal Direct Programs			3,908
Pass-Through Programs from:			
Kentucky Science and Technology	47.076	ESR-0086188	64,595
Ohio State University Research Foundation	47.076	HRD-0331560	29,086
University of Tennessee	47.076	ESI-0119679	340,574
Subtotal Pass-Through Programs			434,255
Total National Science Foundation			438,163
Small Business Administration—			
Pass-Through Programs from:			
Ohio Department of Development	59.037	ECDD 04-101/05-169	268,170
Kent State University	59.037	ECDD 01-100/ECDD 05-168	66,904
Adena Ventures	59.051		29,594
Adena Ventures	59.051		354,075
Total Small Business Administration			718,743
United States Agency for International Development—			
Pass-Through Programs from—			
Association Liaison office	98.XXX	HNE-A-00-97-00059-00	18,186
Total United States Agency for International Development			18,186
United States Institute of Peace—			
Direct Programs—			
Solicited Grant Program	91.002	15331	9,986
Total United States Institute of Peace			9,986
United States Peace Corp—			
Direct Programs—			
Peace Corps Strategy Agreement	08.XXX		12,474
Total United States Peace Corp			12,474
TOTAL OTHER PROGRAMS			$ 10,598,440
GRAND TOTAL—FEDERAL AWARDS			$151,545,110

(Concluded)

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") is presented using the accrual basis of accounting in which expenditures are recognized when incurred.

Subrecipient—Of the federal expenditures presented in the Schedule, the Ohio University (the "University") provided federal awards to subrecipients as follows:

CFDA No.	Program Title	Expended
10.200	Grants for Agricultural Research, Special Research Grants	$ 9,141
12.800	Air Force Defense Research Sciences Program	14,238
20.205	Highway Planning and Construction	76,957
47.049	Mathematical and Physical Sciences	39,920
47.070	Computer and Information Science and Engineering	38,702
47.074	Biological Sciences	106,632
47.076	Education and Human Resources	114,931
59.037	Small Business Development Center	49,835
66.460	Nonpoint Source Implementation Grants	108,768
93.173	Research Related to Deafness and Communication Disorders	232,508
93.192	Quentin N. Burdick Program for Rural Interdisciplinary Training	10,000
93.242	Mental Health Research Grants	198,226
93.273	Alcohol Research Programs	35,695
93.279	Drug Abuse Research Programs	169,733
93.837	Heart and Vascular Diseases Research	57,703
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	57,599
93.865	Child Health and Human Development Extramural Research	17,205
10.XXX	Comprehensive Environmental Response Compensation and Liability Act	7,650
20.XXX	FAA-Local Area Augmentation System	96,516
20.XXX	FAA-DTFA01-01-C-00071	50,280
81.XXX	Evaluation of Fine Particulate Matter	282,776
81.XXX	Planar Solid Oxide Fuel Cells	241,046
84.116J	Fund for the Improvement of Postsecondary Education	-
		$ 2,016,061

2. NONCASH FEDERAL AWARDS

During the year ended June 30, 2005, the University did not receive any nonmonetary assistance.

3. FEDERAL LOAN PROGRAMS ADMINISTERED

The University had the following loan balances outstanding at June 30, 2005:

Perkins Loan Program	$ 8,120,437
Disadvantaged Students Loan	1,601,799
Health Professional Student Loans ("HPSL")	2,770,232
Total	$ 12,492,468

* * * * * *

Deloitte.

Deloitte & Touche LLP
155 East Broad Street
Columbus, OH 43215-3611
USA

Tel: +1 614 221 1000
Fax: +1 614 229 4647
www.deloitte.com

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

To the Board of Trustees of
Ohio University
Athens, Ohio

We have audited the financial statements of Ohio University (the "University"), as of and for the year ended June 30, 2005, and have issued our report thereon dated October 13, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting 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 reportable 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 caused by error or fraud 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance related to unbilled grants receivable that is described in the Schedule of Findings and Questioned Costs as item 05-1.

We noted certain matters that we have reported to management of the University in a separate letter dated October 13, 2005.

This report is intended solely for the information and use of the Board of Trustees, management of the University, federal awarding agencies, state funding agencies, pass-through entities, and the Auditor of the 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 13, 2005

Deloitte.

Deloitte & Touche LLP
155 East Broad Street
Columbus, OH 43215-3611
USA

Tel: +1 614 221 1000
Fax: +1 614 229 4647
www.deloitte.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees of
Ohio University
Athens, Ohio

Compliance

We have audited the compliance of Ohio University (the "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 each of its major federal programs for the year ended June 30, 2005. The University's major federal programs are 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 each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 05-1 and 05-2.

Internal Control Over Compliance

The management of the University 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 University'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 the 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 weakness. A material weakness is a reportable 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 caused by error or fraud 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 University as of and for the year ended June 30, 2005, and have issued our report thereon dated October 13, 2005. 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 management of the University. 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 Trustees, management of the University, 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 13, 2005

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.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. No reportable conditions in internal control over compliance with requirements applicable to major federal award programs were identified.
5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit disclosed findings which are required to be reported by OMB Circular A-133.
7. The major program was the Student Financial Aid Cluster, which is included in the schedule of expenditures of federal awards.
8. A threshold of $1,585,738 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The Auditee did qualify as a low risk auditee as that term is defined in OMB Circular A-133.

PART II – FINANCIAL STATEMENT FINDINGS SECTION

05-1: Review and Reconciliation of Grant Unbilled Accounts Receivable

Grantor—Various

Sponsor Identification Number—Various

Criteria—OMB Circular A-133 defines internal control as it relates to the compliance requirement of Federal Programs as "a process-effected by an entity's management and other personnel—designed to provide reasonable assurance regarding the achievement of the following objectives for Federal programs: (1) Transactions are properly recorded and accounted for to: (i) Permit the preparation of reliable financial statements and Federal reports; (ii) Maintain accountability over assets; and (iii) Demonstrate compliance with laws, regulations, and other compliance requirements."

Finding—In 9 of 21 selections the unbilled grants accounts receivable project balances contained errors. These errors were primarily the result of three issues that arose during the year:

1. Grants and contract accounting originally recognized revenue on a cash basis under the old reporting standards and in the old accounting system ("CUFS"). After converting to Oracle, and operating still on a cash basis, it was decided that the University should defer revenue on an systematic basis. This process change occurred during spring 2004. As a result of this change there were amounts that were inappropriately included within the June 30, 2005 unbilled accounts receivable balance.
2. It was discovered after closing June 2005, that revenue was recognized on most payments with a PA Expenditure Item date before July 1, but incurred and paid after June 30. When an inquiry was made of Oracle of this process, Oracle confirmed that they use full accrual based on obligation date. Therefore, any purchase order, travel, or DP payments that originated before July 1 were recognized in June. While this was discovered during the close process, certain amounts were not appropriately reversed and recorded in the correct fiscal year.
3. It was discovered that manual events (events maintenance for a single project) were created on some Letter of Credit ("LOC") accounts, using the process from conversion of CUFS to Oracle. As a result, in certain cases, the unbilled accounts receivable and revenue were being recognized twice in both a systematic entry and in a manual entry.

The combination of the items in 2 and 3 approximated $3,134,054. In addition, to the specific items listed above, there was a lack of general review procedures surrounding accounts receivable. There is no review or sign off required on "manual events" within the Oracle system. As such, amounts were being inappropriately posted. In addition, there were no cut-off or reconciliation procedures in place at year-end to ensure account balances were appropriate.

Effect—A lack of review during the manual event process and at year-end could cause grant revenue and unbilled accounts receivable to be misstated.

Recommendation—The University should require a preparer and reviewer to review, approve, and sign-off on all manual events. In addition, the University should properly reconcile account balances at year-end to ensure that amounts are recorded in the appropriate period.

Corrective Action Plan—Contact Person: Linda K. Shapiro

The corrective action plan for the three issues is as follows:

1. Every project is being reviewed to validate cash received to revenue recognized. Adjustments are being made for those contract projects that were on a cash basis to defer any remaining money.

2. To correct the situation of the Oracle FMS system recognizing revenue in the incorrect accounting period during year-end closing, revenue will be recognized in the most current accounting period (i.e. July) before June is re-opened to book adjusting entries. Once June entries are booked, the month-end process will be run. During the fiscal year, the PA Module is now closed the morning of the day following the last day of the prior month to book imports coming in from the prior day. Accounts Payable does not enter any invoices/payments for PA accounts that day until the PA Module has closed for the month. This prevents the system from recognizing any current month payments in the prior month during the month-end closing process.

3. The "manual events" process has been reviewed with staff members that are involved in the process. A request has been made of the Technical team to generate a report that will display all

manual events created in the system. In the interim, screen shots are printed of any "event" created and signed off by the next level of management of the person creating the event (i.e. Assistant Controller or Assistant Vice President for Finance).

At year-end, before the books are officially closed, a review will be made of every account using the FMS-M211 report which displays inception-to-date revenue and expenditures. This will be reviewed along with the 905 report, which is a detailed trial balance by project, to ensure unbilled accounts receivable, deferred revenue, and revenue are booked correctly. Although corrective measures are indeed in order, the University contends that the granting agency was never at risk of receiving an overbilling as a result of the errors to unbilled receivables. Since the billings to grantors are based on actual costs, and since the accuracy of the actual costs were not in question, the potential impact of a misstatement was to the University's financial statements and not to the grantors' billings.

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION

05-2: Failure to Notify NSLDS When Student Withdraws

Grantor—Various

Sponsor Identification Number—Student Financial Aid Cluster

Criteria—The OMB Circular A-133 *Compliance Supplement* states: "Unless the school expects to complete its next Roster file within 60 days, the school must notify NSLDS within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on a least a half-time basis."

Finding—Eight students out of 25 selected who withdrew from the University did not have their withdrawal reported to NSLDS.

Effect—If a student withdraws and it is not reported to the NSLDS in a timely basis it could affect timing of the grace period granted to the student.

Questioned Costs—None

Recommendation—The University should ensure that the Clearinghouse is notified of changes in the student's status within the required timeframe.

Corrective Action Plan—Contact Person: Debra M. Benton

The problem identified with the program that reports the students to the Clearinghouse has been fixed and thoroughly tested. A review is made of the withdraw list and compared with the enrollment status reported to the Clearinghouse as a double check.

PART IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Ohio University (A Component Unit of the State of Ohio)

Report to the Ohio Office of Management and Budget for the Year Ended June 30, 2005

OHIO UNIVERSITY
(A Component Unit of the State of Ohio)

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche LLP
155 East Broad Street
Columbus, OH 43215-3611
USA

Tel: +1 614 221 1000
Fax: +1 614 229 4647
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

Mr. James J. Kennedy, Chief Auditor—State Region
Ohio University and Betty Montgomery
Auditor of State
State Region
35 North 4th Street, 2nd Floor
Columbus, OH 43215

We have audited the accompanying statement of net assets of Ohio University and its discretely presented component unit (the "University"), a component unit of the State of Ohio, as of June 30, 2005, and the related statement of revenues, expenses, and changes in net assets for the year then ended and issued our report thereon dated October 13, 2005. We have also audited as of and for the year then ended June 30, 2005 the accompanying footnote information entitled "Supplemental Information Package" for Ohio University, prepared on the accompanying standard Ohio Office of Budget and Management worksheet forms a.xls and b.xls ("Forms") for Ohio University relative to the State of Ohio Basic Financial Statements as of June 30, 2005, and for the year then ended. The Forms are the responsibility of the University's management. Our responsibility is to express an opinion on the Forms based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Forms are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

The accompanying Forms have been prepared in accordance with the Ohio Office of Budget and Management's instructions dated April, 2005, solely to enable the State of Ohio Office of Budget and Management to prepare the State of Ohio Basic Financial Statements and not to report on the University as a separate entity. Such Forms are not intended to present fairly the financial position, results of operations, and cash flows of Ohio University in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the accompanying Forms relative to Ohio University as of June 30, 2005, and for the year then ended present fairly, in all material respects, the information required by and in accordance with the preceding paragraph.

Our audit was conducted for the purpose of forming an opinion on the basic Forms taken as a whole. The additional information in the Forms for the State of Ohio Comprehensive Annual Financial Report (Schedule A through Q) is presented for the purpose of additional analysis and is not a required part of the basic Forms. This information is the responsibility of the University's management. Such information has been subject to auditing procedures applied in our audit of the basic Forms and, in our opinion, is fairly stated in all material respects when considered in relation to the basic Forms taken as a whole.

This report is intended solely for the information and use of the University's Management, Auditor of State and the Ohio Office of Budget and Management in the audit of the Basic Financial Statements of the State of Ohio, and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

October 13, 2005

COLLEGE AND UNIVERSITY FINANCIAL REPORTING

SUPPLEMENTAL INFORMATION PACKAGE FOR THE STATE OF OHIO COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Prepared by
The Ohio Office of Budget and Management
Financial Reporting Section

Revised April 2005

SUPPLEMENTAL INFORMATION PACKAGE

TABLE OF CONTENTS

GENERAL INSTRUCTIONS

Please read and follow the instructions below with respect to the submission of your college's financial information, for the fiscal year ending June 30, 2005, to the Office of Budget and Management (OBM). Please note that your college is required to submit **"audited"** financial statements to OBM by **October 17, 2005.**

GASB 39 Requirement -- In addition, if your college has included blended or discretely presented component units in its respective financial statements, please include the balances reported for the component units in all aggregated totals reported to OBM in the reporting package, including the accompanying disclosures. However, for component units are discretely presented, please eliminate any payables or receivables between the component units and the college, as well as any revenues or expenses relating to activity between the component units and the college, from the total amounts reported in these schedules to OBM.

If you prefer to provide any information requested in the package in electronic form (e.g., EXCEL worksheets), please just attach them to the corresponding schedule.

When completed, please forward the Supplemental Information Package to:

Ohio Office of Budget and Management
30 East Broad Street, 34th Floor
Columbus, Ohio 43215-3457
Attn: Financial Reporting Manager, State Accounting Division

Any questions can be directed to Jane Snipes, Financial Reporting Manager, (614) 466-2561, or you can e-mail questions to her at jane.snipes@obm.state.oh.us.

INSTRUCTIONS FOR COLLEGES REQUIRED TO SUBMIT AUDITED DATA BY OCTOBER 17, 2005

OBM requests that all colleges complete the following schedules in the supplemental information package:

Schedule A — Deposits and Investments
Schedule C — Receivable from Primary Government (State of Ohio)
Schedule F — Capital Assets
Schedule H — Changes in Long-Term Liabilities
Schedule M — Prior Period Adjustments
Schedule N — Translation of Reported Revenues to the State's Statement of Activities
Schedule O — State Appropriations
Schedule P — Capital Appropriations from the State of Ohio

The information reported on these schedules must be reconciled with the Statement of Net Assets (i.e., EXCEL A.xls) or the Statement of Revenues, Expenses and Changes in Net Assets (i.e., EXCEL B.xls), as the case may be.

For all other schedules in the supplemental information package, if the information being requested is adequately disclosed within your college's audited annual financial report, or is not applicable to your college, the schedule or sections thereof need not be completed; however, we do ask that you mark "AD" for "Adequately Disclosed" or "NA" for "Not Applicable" on the schedule, as appropriate.

If some of the information requested is not disclosed within your annual financial report, please only complete the applicable sections of the schedule that will provide the requested information to OBM. Please mark "PC" on the schedule for "Partially Completed" to indicate that it was only necessary for you to complete part of the schedule. Additionally, if you mark "AD" or "PC", please indicate the page number in your annual report on which the data can be found.

The Supplemental Information Package along with your college's audited 2005 financial report must be submitted to OBM at the above address, no later than **Monday, October 17, 2005.**

NOTE: For the year ended June 30, 2005, each college must complete all sections of Schedule A.

SCHEDULE A

DEPOSITS AND INVESTMENTS

Please provide the following information required under GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3.*

Step 1: Carrying amount of deposits and the deposits' balance per bank classified in the custodial credit risk categories defined under paragraph 8 of GASB 40. **Please read the instructions on page 3, and complete page 4.**

Step 2: Fair value of each major *type* of investment classified by the custodial credit risk categories defined under paragraph 9 of GASB 40, by maturity date, by credit quality rating, and by foreign currency.

Other investment-related disclosures required under GASB 3 and 40.

Please read the instructions on pages 5 and 6, and complete pages 7 through 9.

Step 3: A reconciliation of the total carrying amount reported for deposits on page 4 and the fair value of investments on page 7 with your college's statement of net assets, as reported on EXCEL A.xls. **Please complete page 10 for this step.**

NOTE:For the year ended June 30, 2005, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

INSTRUCTIONS FOR DEPOSITS SCHEDULE

When completing the Deposits Schedule on page 4, please **express all amounts in thousands**.

Column (A):Report the total carrying amount of deposits with financial institutions. Do not include the "Cash on Hand" balance reported on Line 1 of A.xls.

Column (B):Report the bank balance related to the deposits balance that is reported under Column (A).

Column (C):Allocate the total bank balance reported in Column (B) to the following categories:

Not Exposed to Custodial Credit Risk
Deposit is insured (e.g., FDIC, insured up to $100,000), collateralized with securities held by the College or the College's agent in the College's name, or collateralized with securities held by the pledging financial institution's trust department or its agent in the College's name. (*NOTE: Balances reported under this column are not required to be disclosed in the notes to the financial statements, as was once required under GASB 3, ¶ 67b. (1) and (2); however, this column has been included so as to allow all deposit accounts to be accounted for on this schedule.*)

Collateralized with Securities Held by the Pledging Financial Institution
Deposit is not covered by depository insurance, but is collateralized with securities held by the pledging financial institution. (GASB 40, ¶ 8 b.)

Collateralized with Securities Held by the Pledging Financial Institution's Trust Dept. or Agent, but not in the College's Name

Deposit is not covered by depository insurance, but is collateralized with securities held by the pledging financial institution's trust department or agent but not in the College's name. (GASB 40, ¶ 8 c.)

Uncollateralized
Deposit is not covered by depository insurance and is uncollateralized. (GASB 40, ¶ 8 a.)

If necessary, please refer to GASB Statement No. 40 and/or the GASB's *Comprehensive Implementation Guide — 2004* for further guidance on classifying deposits by custodial credit risk category.

NOTE: For the year ended June 30, 2005, each college must complete all sections of Schedule A.

SCHEDULE A (CONTINUED)

DEPOSITS[1] SCHEDULE
as of June 30, 2005
(in 000s)

(A)	(B)	(C) Balance per Bank, as of 06/30/05			
		Custodial Credit Risk Category[2]			
Carrying Amount of Deposits, as of 6/30/2005	Bank Balance, as of 06/30/05	Not Exposed to Custodial Credit Risk	Collateralized with Securities Held by Pledging Financial Institution	Collateralized with Securities Held by Pledging Financial Institution's Trust Dept. or Agent, but not in the College's Name	Uncollateralized
$ 62,600	$ 67,920	$ 1,418	$ 65,956	$ 546	$ -

1 *Deposits with financial institutions* are definded as deposit accounts in banks, savings and loan associaltions, and credit unions. They are demand, savings and time accounts, including negotiable order of withdrawal (NOW) accounts and *non* negotiable certificates of deposit (CDs).

Money market accounts offered by financial institutions should be treated like any other deposit account for purposes of GASB Statement 40, and classified in categories of credit depending on whether balances are insured or collateralized.

Bank investment contracts and investment contracts with other types of financial institutions (i.e., savings and loan associations) should be classified in categories of custodial credit risk for deposits because these instruments are considered deposits with financial institutions.

Negotiable CDs, however, are considered investments, and therefore, should not be included on this schedule, but should be reported on the investments Schedule, page 6, and classified by the investment risk categories, accordingly.

2 **REMINDER:** The bank balance should be categorized by custodial credit risk, not the carrying amount.

Prepared by: April Henderson

College: Ohio University

Phone Number: 740.593.1864

E-Mail: hendersa@ohio.edu

Date: October 13, 2005

***NOTE*: For the year ended June 30, 2005, each college must complete all sections of Schedule A.**

SCHEDULE A (Continued)

INSTRUCTIONS FOR INVESTMENTS SCHEDULE

When completing the Investments Schedule on pages 7 through 9, **please express all amounts in thousands.**

Column (A): Allocate the total fair value of each major type of investment reported, as of June 30, 2005, to the following categories:

Not Exposed to Custodial Credit Risk includes investments that were insured or registered in the College's name; securities held by the College or the College's agent in the College's name; and investments that were uninsured and not registered in the College's name, with securities held by the counterparty's trust department or agent in the College's name. *(NOTE: Balances reported under this column are not required to be disclosed in the notes to the financial statements, as was once required under GASB 3, ¶ 68 a. and b.; however, this column has been included so as to allow all investments to be accounted for on this schedule.)*

Held by the Counterparty includes investments that were uninsured, not registered in the College's name, and held by the counterparty. (GASB 40, ¶ 9 a.)

Held by the Counterparty's Trust Department or Agent and not in the College's Name includes investments that were uninsured, not registered in the College's name, and held by the counterparty's trust department or agent but not in the College's name. (GASB 40, ¶ 9 b.)

If necessary, please refer to GASB Statement No. 40 and/or the GASB's *Comprehensive Implementation Guide — 2004* for further guidance on classifying investments by custodial credit risk category. Also, refer to GASB Technical Bulletin 87-1, for specific guidance on classifying, by credit risk category, investments held in Federal Reserve or Depository Trust Company book-entry form.

Column (B):Report the total fair value of each major type of investment.

Column (C):For debt investments, allocate the investment balance (stated at fair value) of each major investment type, as of June 30, 2005, by maturity date, since the State has elected to report interest rate risk using the Segmented Time Distribution Method (GASB No. 40, ¶15). For bond mutual funds the overall weighted average maturity (WAM) of each fund should be classified under the proper column for the respective maturity.

Column (D):For investments in debt securities (excluding U.S. government bonds and notes or any other obligations explicitly guaranteed by the U.S. government), report the credit quality rating, on June 30, 2005, as described by nationally recognized statistical rating organizations or NRSROs (e.g., Standard & Poor's, Fitch Ratings, Moody's Investors Services, A. M. Best Company, Inc., and Dominion Bond Rating Service, Ltd.). For each applicable type of debt investment (i.e., corporate bonds, commercial paper, bond mutual funds, etc.) with ratings from more than one NRSRO, "the rating indicative of the greatest degree of risk should be presented." If an investment is unrated, please report as "unrated".

NOTE *: For the year ended June 30, 2005, each college must complete all sections of Schedule A.*

SCHEDULE A (Continued)

INSTRUCTIONS FOR INVESTMENTS SCHEDULE *(Continued)*

Within each debt investment type, please report balances by the lowest applicable credit quality rating(s). The total of all balances listed by the lowest applicable individual credit ratings should equal the total investment balance reported under Column (B) for the respective debt investment type. (GASB 40, ¶7 and GASB's *Comprehensive Implementation Guide — 2004*, Q1.29)

For example, if the total balance of a certain debt investment type under Column (B) is reported at $1 million, and a NRSRO rates $500,000 of the balance as AAA and the remaining balance as AA, and it has been determined that these ratings indicate the "greatest degree of risk," then the breakout of the two amounts by the associated credit rating should be reported under Column (D). Please do not list the respective NRSRO under Column (D); only the applicable credit ratings should be listed.

If you need extra space to list balances and credit ratings under Column (D), please attach a "continuation" sheet.

Column (E): Report the currency denomination of any foreign investments. The investment balance as shown in Column (B) should continue to be stated in U.S. dollars. (GASB 40, ¶17)

For foreign investment types with multiple currency denominations, please report the associated U.S. dollar amount by denomination. The total of all balances listed should equal the total investment balance reported under Column (B) for the respective investment type. If only one currency denomination applies to the investment type, then please just report the currency denomination under Column (E); no associated amount needs to appear under Column (E) in this case.

For example, if the total balance of a certain foreign investment type under Column (B) is reported in U.S. dollars at $1 million, and $500,000 of the balance is held in yen and the remaining balance is held in Euros, the breakout of the two amounts in U.S. dollars by the associated currency denomination should be reported under Column (E). If in the example, all of the $1 million foreign investment is held in yen, then all you would report under Column (E) is the denomination, "Yen."

If you need extra space to list balances by currency denomination under Column (E), please attach a "continuation" sheet.

On pages 8 and 9, please complete the schedule to report additional information regarding your college's investments.

NOTE: For the year ended June 30, 2005, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

INVESTMENTS SCHEDULE
as of June 30, 2005
(000s)

Investment Type	(A) Investment Custodial Credit Risk Categories (Allocate using fair value) (1) Not Exposed to Custodial Credit Risk	(2) Held by the Counterparty	(3) Held by the Counterparty's Trust Dept. or Agent and not in the College's Name	(B) Total Investment Balance (stated at fair value Columns (A1)+(A2)+(A3)	(C) Investment Maturities (in years) Less Than 1	1-5	6-10	More Than 10	(D) Credit Rating	(E) Foreign Currency
U.S. Government Obligations	$ 1,428	$ 0	$ 0	$ 1,428	$ 0	$ 1,111	$ 304	$ 13	N/A	N/A
U.S. Government Agency Obligations	6,545	0	0	6,545	871	4,502	179	993	Aaa	N/A
U.S. Government Strips	0	0	0	0	0	0	0	0	0	0
U.S. Government Agency Strips	0	0	0	0	0	0	0	0	0	0
Municipal Obligations	0	0	0	0	0	0	0	0	0	0
Common and Preferred Stock	17,806	0	0	17,806	N/A	N/A	N/A	N/A	N/A	0
Corporate Bonds and Notes	2,785	0	0	2,785	362	1,859	247	317	A	0
Repurchase Agreements	0	0	0	0	0	0	0	0	0	0
Commercial Paper	0	0	0	0	0	0	0	0	0	0
Banker Acceptances	0	0	0	0	0	0	0	0	0	0
State Treasury Asset Reserve	0	0	0	0	0	0	0	0	0	0
(STAR Ohio)	0	0	0	0	N/A	N/A	N/A	N/A	0	N/A
Real Estate	0	0	0	0	N/A	N/A	N/A	N/A	N/A	0
Equity Mutual Funds	146,252	0	0	146,252	N/A	N/A	N/A	N/A	N/A	6,391
Bond Mutual Funds	51,259	0	0	51,259	26,372	30,175	10,584	4,141	Aaa	0
Limited Partnerships	10,729	0	0	10,729	N/A	N/A	N/A	N/A	N/A	1,601
Mortgage Loans	0	0	0	0	0	0	0	0	0	0
Guaranteed Investment Contracts	0	0	0	0	0	0	0	0	0	0
Other Investments, If applicable:	0	0	0	0	0	0	0	0	0	0
Mortgage-Backed Securities	198	0	0	198	0	39	75	85	Aaa	0
Money Market Funds	400	0	0	400	400	0	0	0	Aaa	0
Absolute Return Funds	30,888	0	0	30,888	0	0	0	0	0	0
Total Investments, as of June 30, 2005	$ 268,290	$ 0	$ 0	$ 268,290	$ 28,005	$ 37,686	$ 11,389	$ 5,549		

Prepared by: April Henderson

College: Ohio University

(Continued)

Phone Number: 740.593.1864

E-Mail: hendersa@ohio.edu

Date: October 13, 2005

NOTE: For the year ended June 30, 2005, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

INVESTMENTS SCHEDULE (Continued)
as of June 30, 2005

Please provide the information requested below.

1. Is your college aware of any violations of statutory authority or contractual provisions during the year ended June 30, 2005, related to the investments listed on the previous schedule? (GASB 3, ¶66 & 77)

   ________ Yes ___X___ No

   If a "Yes" response was indicated, please briefly explain the facts and circumstances in an attachment to this schedule, or provide the page number(s) within your college's report where this disclosure may be found. Please mark one of the following:

   ________ Attachment included, OR

   Page number(s) in the report where disclosure may be found__________

2. Did you college have a concentration of credit risk in any one issuer that represents five (5) percent or more of total investments, as of June 30, 2005? Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. (GASB 40,¶11)

   ________ Yes ___X___ No

   If a "Yes" response was indicated, please provide the name of the issuer and the amount invested with the issuer, as of June 30, 2005, in an attachment to this schedule, or provide the page number(s) within your college's report where this disclosure may be found.

   ________ Attachment included, OR

   Page number(s) in the report where disclosure may be found__________

3. Did your college have debt investments with terms that may cause their fair values to be highly sensitive to interest rate changes? These would include coupon multipliers, benchmark indexes, reset dates, and embedded options. The investment type and fair value of the investments should be included in the description. (GASB 40, ¶16)

   ________ Yes ___X___ No

   If a "Yes" response was indicated, please provide the terms and the fair value(s) of the investment(s), as of June 30, 2005, in an attachment to this schedule, or provide the page number(s) within your college's report where this disclosure may be found.

   ________ Attachment included, OR

   Page number(s) in the report where disclosure may be found__________

NOTE: For the year ended June 30, 2005, each college must complete all sections of Schedule A.

<u>SCHEDULE A (Continued)</u>

INVESTMENTS SCHEDULE (Continued)

as of June 30, 2005

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4. Has your college included a disclosure within its separately issued report regarding any investment policies formally adopted by the college? (GASB 40, ¶6; GASB's Comprehensive implementation Guide - 2004, Q1.20)

___X___ Yes, on page number(s) 22 - 25 for the University and 37 for the Foundation of the college's financial report.

________ No, the college has no formally approved policies and procedures.

________ No, but we have attached the formally approved policies for the college to this schedule.

5. Within the context of your college's separately issued financial report, as is required to be detailed in the notes to the financial statements, has the college disclosed:

- the stated basis for investments?

___X___ Yes, on page number(s) 19 for the University and 37 for the Foundation of the college's financial report.

- the types of investments authorized by legal or contractual provisions? (GASB 3, ¶65 & 76);

___X___ Yes, on page number(s) 23 for the University and N/A for the Foundation of the college's financial report.

- losses recongined during fiscal year 2005 due to default by counterparties to deposit or investment transactions and amounts recovered from prior-period losses if not separately displayed on the operating statement investments? (GASB 3, ¶75 & 80)

________ Yes, on page number(s)______________ of the college's financial report.

___X___ Not applicable; there were no significant losses during FY 2005.

If you did not provide a "Yes" or "Not applicable" response to any of the above questions under Item No. 5, then please provide the required disclosure in an attachment to this schedule.

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NOTE: For the year ended June 30, 2005, each college must complete Schedule A.

SCHEDULE A (continued)

INSTRUCTIONS FOR THE RECONCIALIATION BETWEEN GASB 40 DEPOSITS AND INVESTMENT DISCLOSURES AND THE STATEMENT OF NET ASSETS

When completing the schedule below, please express all amounts in thousands.

Column (A): For each balance sheet account, report the amount categorized as a deposit on the GASB 40 Deposits Schedule on page 4.

Column (B): For each balance sheet account, report the amount categorized as an investment on the GASB 40 Investments Schedule on page 7.

Column (C): For each balance sheet account, total amounts reported under Columns (A) and (B).

Line 1: The amount reported on Line 1 should agree with the total amount reported under Column (A) on the GASB 40 Deposits Schedule on page 4.

Line 2: The amount reported on Line 2 should agree with the total amount reported under Column (B) on the GASB 40 Deposits Schedule on page 7.

GASB 40 DISCLOSURE AND STATEMENT OF NET ASSETS RECONCILIATION
As of June 30, 2005
(in 000s)

Balance Sheet Account	(A) Deposits	(B) Investments	(C) Total (A)+(B)
Cash and Cash Equivalents:			
Cash	$ 13,356	$ -	$ 13,356
StarOhio Investments Included in Cash and Cash Equivalents	2,048	-	2,048
Other Investments Included in Cash and Cash Equivalents	22,035	-	22,035
Total Cash and Cash Equivalents (equals balance reported on Line 2 of A.xls)	37,439	-	37,439
Current Investments (equals balance reported on Line 3 of A.xls)	-	154,686	154,686
Restricted Cash and Cash Equivalents (equals balance reported on Line 10 of A.xls)	25,161	-	25,161
Restricted Investments (equals balance reported on Line 11 of A.xls)	-	-	-
Noncurrent Investments (equals balance reported on Line 12 of A.xls)	-	113,604	113,604
Other (please specify balance sheet account below):			
Total Carrying Amount per Statement of Net Assets, EXCEL A.XLS	$ 62,600	$ 268,290	$ 330,890
	Line (1)	Line (2)	

Prepared by: April Henderson

College: Ohio University

Phone Number: 740.593.1864

E-Mail: hendersa@ohio.edu

Date: October 13, 2005

NA___;AD__,p.__;PC___,p.___

SCHEDULE B

RECEIVABLES

LOANS RECEIVABLE

Please provide the following analysis of the "Loans Receivable" balance. The balance reported as "Current-Due in One Year" below should agree with the balance reported on Line 5 of Excel A.XLS, and the balance reported as "Noncurrent-Due in More Than One Year" below should agree with the balance reported on Line 13 of Excel A.XLS. Also, the total reported on Line A below should agree with the total reported on Line B.

Name of Loan Program		Loans Receivable, as of 06/30/05 (in 000s)
Student Loan	$	15,396
Other		50
Loans Receivable, Gross		15,446
Estimated Uncollectible		(1,087)
Total Loans Receivable, Net	$	14,359
		Line A
Current-Due Within One Year (Line 5 of A.xls)	$	3,329
Noncurrent-Due in More than One Year (Line 13 of A.x.s)		11,030
Total Loans Receivable, Net	$	14,359
		Line B

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA___;AD__,p.___;PC___,p.___

SCHEDULE B (Continued)

Below, please detail, by subaccount, the balances that are reported under the "Other Receivables" account on the Statement of Net Assets. The balance reported as "Current-Due in One Year" below should agree with the balance reported on Line 7 of Excel A.XLS, and the balance reported as "Noncurrent-Due in More Than One Year" below should agree with the balance reported on Line 14 of Excel A.XLS. Also, the total reported on Line A below should agree with the total reported on Line B.

		Other Receivable as of 06/30/05 (in 000s)
Accounts Receivable	$	8,254
Unbilled Charges		12,617
Pledges Receivable		9,807
Interest Receivable		349
Dividends Receivable		209
Receivables Not Elsewhere Classified (please specify their nature below by major account category):		
Bequests Receivable		1,186
		0
		0
Other Receivables, Gross		32,422
Estimated Uncollectible		(5,904)
Total Other Receivables, Net	$	26,518
		Line A
Current-Due Within One Year (Line 7 of A.xls)	$	21,250
Noncurrent-Due in More than One Year (Line 14 of A.xls)		5,268
Total Other Receivables, Net	$	26,518
		Line B

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NOTE: For the year ended June 30, 2005, each college must complete Schedule C.

SCHEDULE C

RECEIVABLE FROM PRIMARY GOVERNMENT (STATE OF OHIO)

Below, please detail the balances that are reported under the "Receivable from Primary Government (State of Ohio)" account on the Statement of Net Assets. The balances reported below on Line A should agree with the amount reported on Line 6 of Excel A.XLS. Balances reported on Lines B through D should agree with balances reported on the respective downloads* from the State's Central Accounting System (CAS).

need support				Receivable from Primary Government (State of Ohio), as of 06/30/05 (in 000s)
Balance reported on Line 6 on A.XLS			$	3,727
				Line A
Balance reported in OBM Downloads*				
Fund 034 Construction Payables, as of 06_30_05.xls (as reported on Schedule P)	$	2,821		
		Line B		
Fund 034 Unreimbursed Construction Costs, as of 06_30_05.xls (as reported on Schedule P)	$	73		
		Line C		
State Grants and Contracts Receivable, as of 06_30_05.xls	$	631		
		Line D		
Total per CAS Downloads				3,525
				Line E = Lines B+C+D
Variance..			$	202

(Variances should be $0; if not, complete the reconciliation below)

Below, please itemize and explain the reconciling amount(s) that comprise the variance reported above.

Explanation of Reconciling Item(s):		(in 000s)
Ohio Dept of Aging	$	129
Arts Council		2
Education		80
Natural Resources		2
Health		7
Transportation		4
Voucher 600049 - Airclaws Inc		(21)
Voucher 600051 - Apple Computer Inc		(3)
Voucher 600052 - Apple Computer Inc		(3)
Voucher 600040 - Miller/Watson Architect		4
Voucher 600033 - Brown Publishing and Rounding		1
Total Reconciling Items......................	$	202

* In early August 2005, OBM will post on its website the above-listed data downloads that report the dollar amounts payable to your college from the State of Ohio, as of June 30, 2005, for 1.) reimbursable construction costs funded with capital appropriations assigned to CAS fund 034 and 2.) state grants and contracts. OBM will notify your college by e-mail when this information becomes available from the OBM website.

Prepared By: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA___;AD__,p.___;PC___,p.___

SCHEDULE D

INVENTORIES

1. What is the valuation basis (i.e., cost) for your College's inventories as reported on Line 8 of EXCEL A.XLS?

Univeristy:
Inventories are stated at lower of weighted-average cost or net realizable value.

Foundation:
OU Inn - Inventory includes food, beverage products and gift shop items valued at lower of cost or market

2. What method is used to determine the value of inventories at your college (e.g., first-in, first-out (FIFO), last-in, first-out (LIFO), weighted-average cost, etc.)?

Univeristy:
Inventories are stated at lower of weighted-average cost or net realizable value.

Foundation:

OU Inn	FIFO
Housing	FIFO

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA___;AD___,p.___;PC___,p.___

SCHEDULE E

OTHER ASSETS

Below, please detail, by subaccount, the balances that are reported under the "Other Assets" account on the Statement of Net Assets. The "Total" balance reported on Line A below should agree with the balance reported on Line 9 of EXCEL A.XLS, and the "Total" balance reported on Line B below should agree with the balance reported on Line 15 of EXCEL A.XLS.

	Other Assets, as of 06/30/05 (in 000s)	
	Current Portion	Noncurrent Portion
Prepaids..	$ 17,249	$ -
Deferred Charges (e.g., bond issuance costs)...........	245	-
Intangibles..	-	-
Other Assets Not Elsewhere Classified (Please specify their nature below by major account category):		
Cash surrender value - life insurance policies	-	2,378
Charitable remainder trusts	-	1,467
Chartable remainder annuities	-	3,074
Total..	$ 17,494	$ 6,919
	Line A	Line B

Prepared by: April Henderson

College: Ohio University

Phone Number: 740.593.1864

E-Mail: hendersa@ohio.edu

Date: October 13, 2005

NOTE: **For the year ended June 30, 2005, each college must complete all sections of Schedule F.**

SCHEDULE F

CAPITAL ASSETS

CAPITAL ASSET ACTIVITY FOR FY 2005

Please report the changes in the capital asset balances, for the year ended June 30, 2005. The balance reported on Line A should agree with the balance reported on Line 17 of Excel A.XLS, while the balance reported on Line B should agree with the balance reported on Line 16 of Excel A.XLS. Please refer to paragraph 117 of GASB 34 for further guidance on the disclosure requirements for capital assets.

	in 000s			
	Balance 07/01/04	Additions (Including Transfers-In from the CIP Account)	Retirements & Transfers-Out Of the Construction In Progress Account	Balance 06/30/05
Capital Assets Not Being Depreciated:				
Land	17,033	0	(25)	$ 17,008
Land Improvements	4,935	133	0	5,068
Construction-in-Progress	27,813	44,802	(13,261)	59,354
Collection of Works of Arts & Historical Treasures	8,203	35	(4)	8,234
Total Capital Assets Not Being Depreciated	57,984	44,970	(13,290)	89,664
				Line A
Capital Assets Being Depreciated:				
Infrastructure	87,840	0	2,895	90,735
Buildings	542,912	2,503	9,430	554,845
Land Improvements	0	0	0	0
Machinery and Equipment	103,664	7,298	(8,400)	102,562
Library Books and Publications	70,758	3,041	0	73,799
Vehicles	18,121	2,756	(1,618)	19,259
Collection of Works of Arts & Historical Treasures	0	0	0	0
Total Capital Assets Being Depreciated	823,295	15,598	2,307	841,200
Less Accumulated Depreciation:			0	
Infrastructure	26,545	4,018	0	30,563
Buildings	217,443	12,243	(1,212)	228,474
Land Improvements	75	0	0	75
Machinery and Equipment	60,119	9,047	(5,859)	63,307
Library Books and Publications	52,903	3,504	0	56,407
Vehicles	8,510	1,543	(943)	9,110
Collection of Works of Arts & Historical Treasures	0	0	0	0
Total Accumulate Depreciation	365,595	30,355	(8,014)	387,936
		Line C		
Total Capital Assets Being Depreciated, Net	457,700	(14,757)	10,321	453,264
				Line B
Capital Assets, Net	$ 515,684	$ 30,213	$ (2,969)	$ 542,928

(Continued)

NOTE: For the year ended June 30, 2005, each college must complete all sections of Schedule F.

SCHEDULE F (Continued)

CAPITAL ASSETS

ANALYSIS OF FY 2005 DEPRECIATION EXPENSE

	(in 000s)
Depreciation Expense Reported on Line 21 of B.XLS	$ 30,355
Less: Additions to Accumulated Depreciation Reported on Previous Page......................................	(30,355)
Variance*...	-

(Should be $0; if not, complete the reconciliation below)

Below, please itemize and explain the reconciling amount(s) that comprise the variance reported above.

Explanation of Reconciling Item(s)	(in 000s)
	$ 0
Total Reconciling Items...	$ 0

* A variance may occur when there is an insignificant amount of gain or loss on the sale of capital assets included in depreciation expense.

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1984 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA___;AD___,p.___;PC___,p.___

SCHEDULE G

LIABILITIES AND COMMITMENTS

ACCRUED LIABILITIES

Below, please detail, by subaccount, the balances that are reported under the "Accrued Liabilities" account on the Statement of Net Assets. The "Total" balance reported on Line A below should agree with the balance reported on Line 19 of Excel A.XLS.

		Accrued Liabilities, as of 06/30/05 (in 000s)
Wages Payable	$	12,999
Health Benefits Payable		52
Interest Payable		0
Other Accrued Liabilities (please specify their nature below by major account category):		
Employee deductions		489
Payroll taxes		512
Reserves		4,026
Retirement plan		4,520
Other		150
Compensated Absences		1,002
Total	$	23,750
		Line A

Prepared by: April Henderson

College: Ohio University

Phone Number: 740.593.1864

E-Mail: hendersa@ohio.edu

Date: October 13, 2005

NA_X__;AD__,p.___;PC___,p.___

SCHEDULE G (Continued)

SUBSEQUENT EVENTS/CONTINGENT LIABILITIES

Please briefly describe any significant events occurring subsequent to June 30, 2005 (e.g., bond issuances, settlement of material litigation, etc.).

Bond issues subsequent to June 30, 2005:

Description of Bond	Date of Issue	Net Interest Cost (%)	Amount (in 000s)

N/A

Other Subsequent Events (please describe):

N/A

Please provide the disclosures required under FASB Statement No. 5, *Accounting for Contingencies*. Please specify the nature of contingencies accrued for as liabilities on the Statement of Net Assets, as of June 30, 2005, including dollar amount, in thousands.

University:

(a) Legal—During the normal course of operations, the University has become a defendant in various legal and administrative actions. In accordance with Statement of Financial Accounting Standards No. 5, Accounting for Contingencies, liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. However, in the opinion of in-house legal counsel and University management, the disposition of all pending litigation would not have a material adverse effect on the University's financial position.

(b) Self-insurance—The University provides medical and dental coverage for its employees on a self-insurance basis. Expenses for claims are recorded on an accrual basis based on the date claims are incurred. The University applies GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.

A summary of changes in the self-insurance claims liability for each of the periods in the three-year period ending June 30, 2005 is as follows:

	2005	2004	2003
Accrued claims liability at beginning of year	3,500,000	3,571,000	4,211,000
Incurred claims - net of favorable settlements	30,343,446	27,932,000	27,780,000
Claims paid	(30,199,446)	(28,003,000)	(28,420,000)
Accrued claims liability at end of year	3,644,000	3,500,000	3,571,000

Liability for claims is accrued based on estimates of the claims liabilities made by the University's third party actuary. These estimates are based on past experience and current claims outstanding. Actual claims experience may differ from the estimate.

(c) Commercial Insurance Coverage - The University has the following commerical insurance policies:

Type	Deductible	Coverage		
Property	100,000	1,000,000,000		
Excess	0	50,000,000		
Aircraft and airport	50,000	5,000,000	to	50,000,000
Primary umbrella	0	4,000,000		
Crime	100,000	1,000,000		
General	100,000	1,000,000		
Educators legal	100,000	1,000,000		
Atuomobile	100,000	1,000,000		
Police Professional	100,000	1,000,000		
Foreign	0	1,000,000		

(d) Workers' Compensation Coverage—The University participates in a plan that pays workers' compensation benefits to beneficiaries who have been injured on the job. The Ohio Bureau of Workers' Compensation calculates the estimated amount of cash needed in the subsequent fiscal year to pay the claims for these workers and sets rates to collect this estimated amount from participating state agencies and universities in the subsequent year.

Foundation:

Litigation—On November 26, 2003, the project's developer filed a complaint against the Organization and another party to recover $631,027 related to development fees associated with the development of the Project. A liability of $481,027 related to the development fee claim was recorded in the Organization's financial statements at June 30, 2003. On January 26, 2004, the Organization filed an answer to the complaint and filed a counterclaim in the amount of $1,000,000 representing its claim to recover excess expenditures incurred in development costs over an amount contractually designated as maximum development cost.

On January 29, 2004, the Project's contractor filed a demand for arbitration against the Organization to recover unpaid construction costs of $2,670,936 under a construction contract. The full amount of the contractor's claim was recorded in the financial statements at June 30, 2003.

With regard to these legal contingencies, the parties came to a settlement agreement on May 19, 2004, in which the Organization would pay the contractor a total sum of $2,000,000. The Organization reduced the basis of the Project by the amounts previously accrued in excess of the $2,000,000, which approximated $1,024,000. The entire note balance becomes due and payable if the Project's current management agreement is terminated or if certain

Diagnostic Hybrids, Inc. ("DHI") —DHI, an Ohio corporation located in Athens, Ohio, develops and manufactures genetically engineered and non-engineered tissue cell cultures, monoclonal antibody kits, and biological reagents for use by laboratory technicians in medical laboratories. These products are used to diagnose viral diseases and endocrine disorders.

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1834 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA___;AD__,p.___;PC___,p.___

SCHEDULE G (Continued)

OPERATING AND CAPITAL LEASES

Please provide a schedule of future minimum lease commitments for noncancelable operating leases and capital leases, as of June 30, 2005. The amount reported on Line A below should agree with the total of the current and noncurrent portions of the capital lease obligation balance reported on page 22 of the Supplemental Information Package under the "Other Liabilities" account.

Year Ending June 30, 2005	Operating Leases (in 000s)	Capital Leases (in 000s)
2006	$ 2,020	$ 60
2007	1,837	43
2008	916	24
2009	628	
2010	144	
2011 - 2015	172	
2016 - 2020	121	
2021 - 2025		
2026 - 2030		
2031 - 2035		
2036 - 2040		
Total Minimum Lease Payments	$ 5,838	127
Less: Amount Representing Interest		(8)
Present Value of Net Minimum Lease Payments		$ 119
		Line A

The balance of operating lease expenditures for fiscal year 2005 reflected in your College's financial statements was (in thousands): $ 2,598,689

Contingent rents associated with capital leases in the current year were (in thousands): $ 0

Please report capital assets balances by category, as of June 30, 2005, that were financed under capital leases:

	Balance, as of 06/30/05 (in 000s)
Land	$
Buildings	
Land Improvements	
Machinery & Equipment	245
Vehicles	
	$ 245

Prepared By: April Henderson

College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA___;AD__,p.___;PC____,p.___

SCHEDULE G (Continued)

COMPENSATED ABSENCES

Please provide a brief description of your college's compensated absences policy (e.g., rates accrued by employees, vesting rights, amounts paid at termination or retirement, accounting treatment/expenditure recognition policy, etc.)

Per University policy, salaried faculty and staff earn vacation at the rate of 22 days per year with a maximum accrual of 32 days. Upon termination they are entitled to a payout of their accumulated balance. Hourly classified employees earn vacation at rates per years of service, ranging from 10 to 25 days per year. The maximum accrual is equal to the amount earned in three years, which is subject to payout upon termination. The liability for accrued vacation at June 30, 2005 and 2004 amounted to approximately $9,329,000 and $8,712,000, respectively.

All University employees are entitled to a sick leave credit equal to 15 days per year (earned on a pro-rata monthly basis for salaried employees and on a pro-rata hourly basis for classified hourly employees). Salaried employees with 10 or more years of service are eligible to receive a payout upon retirement of up to 25% of unused days (maximum of 30 days). Hourly classified employees with 10 or more years of service are eligible for payout upon retirement of up to 50% of unused days (maximum of 60 days). The liability for accrued sick leave at June 30, 2005 and 2004 amounted to approximately $4,340,000 and $3,880,000, respectively.

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA___;AD___,p.___;PC___,p.___

SCHEDULE G (Continued)

OTHER LIABILITIES

Below, please detail, by subaccount, the balances that are reported under the "Other Liabilities" account on the Statement of Net Assets. The "Total" balance reported on Line A below should agree with the balance reported on Line 22 of EXCEL A.XLS and the "Total" balance reported onLine B below should agree with the balance reported on Line 27 of EXCEL A.XLS.

	Other Liabilities as of 6/30/05 (in 000s) Current Portion	Noncurrent Portion
Claims, Judgments , and Contingencies............	$ 0	$ 0
Capital Lease Obligations.....................................	55	64
Compensated Absences...................................	0	12,667
Refunds Payable...	0	0
Deposits Held in Custody for Others..................	1,622	0
Advances from Sponsors.................................	0	0
Payroll Withholding Liabilities............................	0	0
Cash Overdrafts...	0	0
Loans Payable..	0	0
Liabilities Not Elsewhere Classified (please specify their nature below by major account category):		
Trusts payable	2,558	0
Refundable advances federal student loans	0	10,249
Deposits Payable	2,015	0
Foundation - Other	37	0
Bond Premium - net	0	5,144
Total..................................	$ 6,287	$ 28,124
	Line A	Line B

Prepared by: April Henderson

College: Ohio University

Phone Number: 740.593.1864

E-Mail: hendersa@ohio.edu

Date: October 13, 2005

NA___;AD___,p.___;PC___,p.___

SCHEDULE G (Continued)

REVENUE BONDS & NOTES

Please report the following information for each outstanding revenue bond/note issuance, as of June 30, 2005. The amount reported as the "Total" on Line A below should agree with the sum of the amounts reported on Lines 23 and 28 of EXCEL A.XLS.

Description/Purpose of Bond/Note Issuance	Date of Issue	Interest Rates (%)	Maturing Through (please state the last year)		Outstanding Balance Stated at Carrying Value (in 000s)
				$	
University:					
1999	3/15/1999	3.6 - 5.25	2025		28,510
2001	5/3/2001	Variable	2027		33,535
2003	9/3/2003	5.0 - 5.25	2024		45,285
2004	3/15/2004	2.0 - 5.0	2032		52,430
BAN	1/20/2005	3.0	2006		7,650
Subtotal					167,410
Foundation:					
Housing					
Series 2000 Bonds	2000	1.89%	2032		31,050
Developer Promisory Note	6/1/2005		2014		630
Subtotal					31,680
OU Inn					
1996 Serial Project Bonds					
	Nov-96	5.95%	2005		130
	Nov-96	6.05%	2006		140
1996 Term Project Bonds					
	Nov-96	6.25%	2011		830
Less Unamortized Discount					(8)
					1,092
Total..				$	200,182
					Line A

Additionally, please provide the future debt service requirements, in the aggregate, for outstanding revenue bonds and notes, as of June 20, 2005. The amount reported on Line B should agree with the amount reported above on Line A.

Year Ending June 30,		Principal (in 000s)		Interest		Total
2006......................	$	20,058	$	7,226	$	27,284
2007......................		8,951		6,867		15,818
2008......................		9,410		6,514		15,924
2009......................		10,010		6,115		16,125
2010..................		9,180		5,707		14,887
2011 - 2015..........		67,315		22,788		90,103
2016 - 2020............		33,736		13,730		47,466
2021 - 2025............		22,470		7,268		29,738
2026 - 2030............		13,395		2,826		16,221
2031 - 2035............		5,665		268		5,933
2036 - 2040............		0		0		-
Total......................	$	200,190	$	79,309	$	279,499
Premium / (Discount)		(8)				
	$	200,182				
		Line B				

Prepared by: College:

Phone Number: E-Mail: Date: October 13, 2005

SCHEDULE G (Continued)

CERTIFICATES OF PARTICIPATION

Please report the following information for each outstanding certificate of participation issuance, as of June 30, 2005. The amount reported as the "Total" on Line A below should equal the sum of the amounts reported on Lines 24 and 29 of EXCEL A.XLS.

Description/Purpose of Certificate Issuance	Date of Issue	Interest Rates(%)	Maturing Through (please State the last year)	Oustanding Balance Stated at Carrying Value (in 000s)
				$
N/A				
		Total..		$
				Line A

Additionally, please provide the future debt service requirements, in the aggregate, for outstanding certificates of participation issuances, as of June 30, 2005. The amount reported on Line B should agree with the amount reported above on Line A.

Year Ending June 30,	Principal (in 000s)	Interest	Total
2006......................	$	$	$ 0
2007......................			0
2008......................			0
2009......................			0
2010..................			0
2011 - 2015..........			0
2016 - 2020............			0
2021 - 2025............			0
2026 - 2030............			0
2031 - 2035............			0
2036 - 2040............			0
Total........................	$ 0	$ 0	$ 0
Premium / (Discount)	0		
	$ 0		
	Line B		

Prepared By: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NOTE: For the year ended June 30, 2005, each college must complete Schedule H.

SCHEDULE H

CHANGES IN LONG-TERM LIABILITIES

For each long-term liability account, please report the changes that occurred during the fiscal year (i.e., beginning balance under Column (A), additions for the fiscal year under Column (B), reductions for the fiscal year under Column (C), and ending balance under Column (D)).

Schedule H should be completed for each liability account comprised of either 1) both a current and noncurrent portion or 2) a noncurrent portion only. Liabilities that are comprised of a current portion only **should not** be reported on Schedule H. In other words, only liabilities that will have balances reported under Columns (E) and (F), or Column (F) only, should be reported on this schedule along with their respective activity for FY 2005. The sum of balances reported under Columns (E) and (F) should equal the amount reported as the ending balance under Column (D).

Also, because of consolidation issues at the state level, please **do not** report the "Payable to Primary Government" balance (i.e., current and noncurrent portions of the estimated BWC obligation only) on Schedule H.

	in 000s				Long-Term Liabilities, as of 06/30/05	
	(A) Balance 07/01/04	(B) Additions	(C) Reductions	(D) Balance 06/30/05 Column (D) should equal the sum of Columns (E) and (F)	(E) Due Within One Year	(F) Due in More Than One Year
Intergovernmental Payable		$ -		-	$ -	$ -
Unearned Revenue	-	-	-	-	-	-
Revenue Bonds and Notes	209,718	7,650	17,186	200,182	20,058	180,124
Certificates of Participation		-		-		
Other Liabilities:						
Compensated Absences	12,592	13,433	12,356	13,669	1,002	12,667
Capital Lease Obligations	212	-	93	119	55	64
Other	13,330	2,063		15,393		15,393
Total Long-Term Liabilities	$ 235,852	$ 23,146	$ 29,635	$ 229,363	$ 21,115	$ 208,248

* The 07/01/04 opening balances reported above for each liability account should equal the 06/30/04 ending balances for each liability account reported on Schedule H in last year's Supplemental Reporting Package. If not, please explain adjustments to the 07/01/04 opening blanace(s) for each liability account below, as may be applicable.

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA_X__;AD__,p___;PC___,p.___

SCHEDULE I

ADVANCE REFUNDINGS and DEFEASANCE OF DEBT

In accordance with GASB Statement No. 7, please provide the following disclosures on each advance refunding transaction that resulted in the defeasance of debt (including certificates of participation as well as conventional bond/note issuances) during the fiscal year ended June 30, 2005.

- A general description of the transaction, (e.g., date of the transaction, actual/average interest rates of the refunding issue and of the original debt being defeased, dollar amount of the refunding issue, outstanding dollar amount of the defeased debt at time of defeasance, dollar amount of the net proceeds from the refunding and the dollar amount of any available trust monies from the defeased debt used to purchase U. S. government securities placed in an irrevocable trust (if applicable), etc.)

N/A

- The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding. (Please report separate dollar amounts for each advance refunding transaction.)

$____________________

- The economic gain or loss resulting from the transaction. (Please report separate dollar amounts for each advance refunding transaction.)

$____________________

- The extraordinary gain/(loss) resulting from the transaction. (Please report separate dollar amounts (in thousands) for each advance refunding transaction.)

$____________________

PRIOR YEARS' DEFEASANCES

What is the balance (in thousands) of debt issuances defeased in substance in prior years that remained outstanding, as of June 30, 2005?

$____________________

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA___;AD___,p.___;PC___,p.___

SCHEDULE J

NET ASSETS RESTRICTED FOR NONEXPENDABLE

Please detail below the balances that are reported as "Net Assets Restricted for Nonexpendable." The "Total" balance reported on Line C below should agree with the balance reported on Line 31 of EXCEL A.XLS.

	Net Assets Restricted for Nonexpendable, as of 06/30/05 (in 000s)		
	College-Primary Government	College's Discretely Presented Component Units	Total
Scholarships and Fellowships...............................	$ 132	$ 44,315	$ 44,447
Research..	2	1,637	1,639
Endowment and Quasi-Endowments........................	11,837	55,681	67,518
Subtotal	11,971	101,633	113,604 Line A
Loans, Grants and other College and University Purposes:			
Loans...	-	-	-
Grants...	-	-	-
Other Net Assets Restricted for Nonexpendable (please specify their nature below):			
___________________	-	-	-
___________________	-	-	
___________________	-	-	
Subtotal	-	-	- Line B
Total.................................			$ 113,604 Line C = Line A + Line B

Prepared by: April Henderson

College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu

Date: October 13, 2005

NA___;AD___,p.___;PC___,p.___

SCHEDULE K

NET ASSETS RESTRICTED FOR EXPENDABLE

Please detail below the balances that are reported as "Net Assets Restricted for Expendable." The "Total" balance reported on Line C below should agree with the balance reported on Line 32 of EXCEL A.XLS.

	Net Assets Restricted for Expendable, as of 06/30/05 (in 000s)		
	College-Primary Government	College's Discretely Presented Component Units	Total
Scholarships and Fellowships................................	$ 6,858	$ 24,338	$ 31,196
Research..	6,727	400	7,127
Instructional Department Uses................................	8,399	29,330	37,729
Student and Public Service....................................	3,465	1,542	5,007
Academic Support..	892	9,344	10,236
Debt Service..	-		-
Capital Purposes...	13,053		13,053
Endowment and Quasi-Endowments.........................	-		-
Current Operations..	-	15,013	15,013
Subtotal..	39,394 Line A	79,967	119,361
Loans, Grants and Other College and University Purposes:			
Loans..	8,161	-	8,161
Grants...	-	-	-
Other Net Assets Restricted for Expendable (please specify their nature below):			
Institutional Support	422	-	422
	-	-	-
	-	-	-
Subtotal..	8,583	-	8,583 Line B
Total....................................			$ 127,944 Line C = Line A + Line B

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA___;AD_____,p.___;PC___,p.___

SCHEDULE L

PENSION PLAN DISCLOSURES

ALTERNATIVE RETIREMENT PLANS (ARPs)
Please provide the following information on your college's participation in any of the ARPs established under Section 3305.02, Ohio Revised Code, that are available to employees who otherwise would be eligible for participation in the Ohio Public Employees Retirement System (OPERS) plan, or in the State Teachers Retirement System of Ohio (STRS) plan, for the year ended June 30, 2005.

Name of Pension Plan	Dollar Amount of Payroll Covered Under this Plan	Actual Employee Contributions (in 000s)	Actual Employer Contribution Amount (in 000s)	Actual Employer Contribution Amount Expressed as a Percentage of Covered Payroll %
University ARP for employees otherwise eligible for STRS	$ 28,302	$ 2,830	$ 2,972	10.50%
University ARP for employees otherwise eligible for OPERS	$ 20,268	$ 1,723	$ 2,698	13.31%

Prepared by: April Henderson

College: Ohio University

Phone Number: 740.593.1864

E-Mail: hendersa@ohio.edu

Date: October 13, 2005

NOTE: **For the year ended June 30, 2005, each college must complete Schedule M.**

SCHEDULE M

PRIOR PERIOD ADJUSTMENTS

By balance sheet (B/S) account, please report the effects of prior period adjustments on the opening net assets balance, as of June 30, 2004. The amount reported on Line E on page 31 should agree with the balance reported on Line 37 of Excel B.XLS.

	(in 000s)
Net Assets, as of June 30, 2004, as previously reported	$ 0 Line A

Adjustments for Changes in Accounting Principle:

A. Increase/(Decrease) to Assets:
(please specify by B/S account)

N/A

B. Increase/(Decrease) to Liabilities:
(please specify by B/S account)

Net Adjustment for Changes in Accounting Principle	0 Line B

Adjustments for Corrections of Errors:

A. Increase/(Decrease) to Assets:
(please specify by B/S account)

B. Increase/(Decrease) to Liabilities:
(please specify by B/S account)

Net Adjustment for Corrections of Errors	0 Line C

(Continued)

SCHEDULE M (Continued)

	(in 000s)
Adjustments for Other (please indicate reason):	
A. Increase/(Decrease) to Assets: (please specify by B/S account)	
______________________	________
______________________	________
______________________	________
B. Increase/(Decrease) to Liabilities: (please specify by B/S account)	
______________________	________
______________________	________
______________________	________
Net Adjustment for Other	0 Line D
Total Prior Period Adjustments	0 Line E = Lines B+C+D
Net Assets, July 1, 2004, as restated	$ 0 Lines A+E

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NOTE: For the year ended June 30, 2005, each college must complete Schedule N.

SCHEDULE N

TRANSLATION OF REPORTED REVENUES TO THE STATE'S STATEMENT OF ACTIVITIES

In order for the State to properly report revenues on its Statement of Activities, please reclassify your college's reported revenues into the program revenues and general revenues classifications, as defined in paragraphs 48 through 52 of GASB 34. The revenue amounts reclassified should be reconciled with your college's financial statements using the format below and which continues on page 33. In addition, explanatory footnotes on the revenue classifications for the Statement of Activities can be found on p. 34.

	(in 000s)
PROGRAM REVENUES: 1	
Charges for Services: 2	
Student Tuition and Fees	196,519
Federal Contracts for University Services	28,125
Local Contracts for University Services	569
State Contracts	6,093
Private Contracts for University Services	8,024
Sales and Services	10,461
Auxiliary Enterprises	54,503
Hospital	0
Other (Please specify by source):	5,554
Ohio University Foundation	9,468
Total Charges for Services	$ 319,316
	Line A
Operating Grants, Contributions and Restricted Investment Income: 3	
Federal Grants	20,608
Local Grants	5
Private Grants	4,345
Gifts and Donations	0
Restricted Investment Income	0
Other (Please specify by source):	0
State Grants	5,620
Total Operating Grants and Contributions	$ 30,578
	Line B
Capital Grants, Contributions and Restricted Investment Income: 4	
Federal Grants	3,535
Local Grants	0
Private Grants	0
Gifts and Donations	0
Restricted Investment Income	0
Other (Please specify by source):	0
	0
Total Capital Grants and Contributions	$ 3,535
	Line C
Total Program Revenues	$ 353,429
	Line D= Lines A + B + C

(Continued)

NOTE: For the year ended June 30, 2005, each college must complete Schedule N.

SCHEDULE N (Continued)

GENERAL REVENUES: 5		
Unrestricted Investment Earnings	$	19,065
State Assistance:		
Instructional State Appropriations	$	122,327
Non-Instructional State Appropriations		17,293
Capital Appropriations from the State of Ohio		12,408
Total State Assistance - State and Capital Appropriations	$	152,028
Other (Please specify by source):		
Other Nonoperating Revenues	$	-
Total Other	$	-
Total General Revenues (Unrestriced Investment Earnings, State Assistance, and Other General Revenues)	$	171,093
	Line E	
OTHER CHANGES per EXCEL B.xls:		
Additions to the Principal of Permanent and Term Endowments (Line 33 on B.xls)	$	3,377
Special Items (Line 34 on B.xls)	$	-
Extraordinary Items (Line 35 on B.xls)	$	-
Total Other Changes	$	3,377
	Line F	
Total	$	527,899
	Line G	
REVENUES AND OTHER CHANGES AS REPORTED IN YOUR COLLEGE'S FINANCIAL STATEMENTS (EXCEL B.XLS):		
Operating Revenues	$	319,316
Nonoperating Revenues		189,263
Capital Appropriations from State of Ohio		12,408
Capital Grants and Gifts		3,535
Other Changes:		
Additions to the Principal of Permanent and Term Endowments		3,377
Special Items		0
Extraordinary Items		0
Total Revenues and Other Changes Reported in the Financial Statements	$	527,899
	Line H	
Balance reported on Line G above		527,899
Less: Balance reported on Line H above		527,899
Variance	$	-

(Variance should be $0; if not, please complete the reconciliation on the following page, page 34)

(Continued)

NOTE: For the year ended June 30, 2005, each college must complete Schedule N.

SCHEDULE N (Continued)

Below, please reconcile and explain the amount(s) that comprise the variance reported at the bottom of page 33.

Explanation of Reconciling Item(s)	(in 000s)
Total Reconciling Items	$ -

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

Explanatory Footnotes:

1 Paragraph 48 of GASB 34 defines *program revenue* in general terms as including revenues derived "directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues."

2 As discussed in paragraph 49 of GASB 34, *charges for services* is the term used for a broad category of program revenues that arise from charges to customers, applicants, or others. This type of program revenue includes payments from those who purchase goods or services, use goods or services, or directly benefit by paying for the privilege or authorization to accomplish certain tasks or engage in certain regulated activities. Examples of revenues in this category include fees charged for specific services, licenses and permits, and fines and forfeitures.

3 According to paragraph 50 of GASB 34, *operating grants and contributions* category include revenues arising from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for operational costs in a particular program. Examples of revenue in this category include federal grants and private donations. Also, investment earnings that are legally restricted to a program should be classified under this program revenue category (paragraph 51 of GASB 34). If a federal grant can be used for either operating expenses or for capital purposes at the reporting government's discretion, then the grant revenue should be classified as an "operating grant."

4 Paragraph 50 of GASB 34 explains that capital grants and contributions category include revenues arising from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for capital purposes — to purchase, construct, or renovate capital assets associated with a specific program. Examples of revenue in this category include federal grants and private donations. Also, investment earnings that are legally restricted to a capital-related program should be classified under this program revenue category (paragraph 51 of GASB 34).

5 According to paragraph 52 of GASB 34, all revenues are *general revenues* unless they are required to be reported as program revenues, as discussed in paragraphs 48 through 51 [i.e., charges for services, program-specific grants and contributions (operating and capital), and restricted investment earnings]. All taxes, even those that are levied for a specific purpose, all other non-tax revenues (including interest, grants and contributions) that do not meet the criteria to be reported as program revenues, and gains from the sale of capital assets should be classified as general revenues.

NOTE: For the year ended June 30, 2005, each college must complete Schedule O.

SCHEDULE O

STATE APPROPRIATIONS

Please complete the following reconciliation that compares the balance reported on Line 22. "State Appropriations," on EXCEL B.XLS with the balance of instructional and non-instructional subsidies, as reported on the Ohio Board of Regents' (BOR) Schedule of Subsidy Distribution report, for the fiscal year ended June 30, 2005.

		(in 000s)
Balance Reported on Line 22, "State Appropriations" - EXCEL B.XLS..	$	139,620
Balance of Instructional and Non-instructional Subsidies, as reported on the Ohio Board of Regents' (BOR) *Schedule of Subsidy Distribution* report, for the fiscal year ending June 30, 2005....................................		(142,370)
Variance..	$	(2,750)
		Line A

Below, please itemize and explain the reconciling amount(s) that comprise the variance reported on Line A above.

Explanation of Reconciling Item(s)		(in 000s)
Capital Component 235-552	$	2,709
City of Athens - Police and Fire		41
Total Reconciling Items..................................	$	2,750
		Line B

NOTE: THE AMOUNTS REPORTED ON LINES A AND B SHOULD AGREE.

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NOTE: For the year ended June 30, 2005, each college must complete Schedule P.

SCHEDULE P

CAPITAL APPROPRIATIONS FROM THE STATE OF OHIO (HIGHER EDUCATION IMPROVEMENTS FUND -- CAS FUND 034)

Please analyze the balance reported on Line 31 on EXCEL B.xls as follows.

		(in 000s)
	FY 2005 Cash Receipts from the State of Ohio Disbursed from CAS Fund 034: Higher Education Facilities *(as per the download from the CAS*-- Fund 034 Disbursements for FY 05.xls)*	$ 8,281
Add:	Construction/Contractor Payables, as of June 30, 2005, Not paid by the State from Fund 034 Until After June 30, 2005 *(as per the download from the CAS*-- Fund 034 Construction Payables, as of 06_30_05.xls)*	2,821
Add:	Unreimbursed Construction Costs, as of June 30, 2005, Not Reimbursed by the State Until After June 30, 2005 *(as per the download from the CAS*-- Fund 034 Unreimbursed Construction Cost, as of 06_30_05.xls)*	73
Less:	Construction/Contractor Payables, as of June 30, 2004 Not Paid by the State from Fund 034 Until After June 30, 2004 *(as per last year's download from the CAS - CAP2004A.xls)*	(576)
Less:	Unreimbursed Construction Costs, as of June 30, 2004, Not Reimbursed by the State Until After June 30, 2004 *(as per last year's download from the CAS - CAP2004B.xls)*	(787)
	Total State Capital Appropriations Revenue for FY 2005	9,812
Less:	Balance Reported on Line 31 of EXCEL B.xls.............	12,408
	Variance...	$ 2,596
		Line A

Below, please itemize and explain the reconciling amount(s) that comprise the variance reported on Line A above.

Explanation of Reconciling Item(s)	(in 000s)
Capital Component	$ 2,709
Construction Payables Recorded in CAS but not in Oracle	(23)
Prior Year Adjustments	(90)
Total Reconciling Items..........................	$ 2,596
	Line B

NOTE: THE AMOUNTS REPORTED ON LINES A AND B SHOULD AGREE.

* In early August 2005, OBM will post on its website the above-listed data downloads that report the dollar amounts payable to your college from the State of Ohio, as of June 30, 2005, for reimbursable construction costs funded with capital appropriations assigned to CAS Fund 034. OBM will notify your college by e-mail when this information becomes available from the OBM website.

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

NA_X_;AD___,p.___;PC___,p.___

SCHEDULE Q

SPECIAL AND EXTRAORDINARY ITEMS

Please detail below the amounts reported on Line 34, "Special Items" and Line 35, "Extraordinary Items" of EXCEL B. XLS.

		(in 000s)
SPECIAL ITEMS: (Please specify their nature below)		
N/A	$	
Total Special Items Reported on Line 34	$	0
EXTRAORDINARY ITEMS: (Please specify their nature below)		
N/A	$	0
Total Extraordinary Items Reported on Line 35	$	0

Prepared by: April Henderson College: Ohio University

Phone Number: 740.593.1864 E-Mail: hendersa@ohio.edu Date: October 13, 2005

State of Ohio
College and University
Statement of Net Assets
As of June 30, 2005
(Dollars in thousands)

CURRENT ASSETS:			
Cash on Hand	==>	82	Line 1
Cash and Cash Equivalents	==>	37,439	Line 2
Investments	==>	154,686	Line 3
Intergovernmental Receivable	==>	13,110	Line 4
Loans Receivable, Net	==>	3,329	Line 5
Receivable from Primary Government (State of Ohio)	==>	3,727	Line 6
Other Receivables	==>	21,250	Line 7
Inventories	==>	1,824	Line 8
Other Assets	==>	17,494	Line 9
Total Current Assets		252,941	
NONCURRENT ASSETS:			
Restricted Cash and Cash Equivalents	==>	25,161	Line 10
Restricted Investments	==>	0	Line 11
Investments	==>	113,604	Line 12
Loans Receivable, Net	==>	11,030	Line 13
Other Receivables	==>	5,268	Line 14
Other Assets	==>	6,919	Line 15
Capital Assets Being Depreciated, Net	==>	453,264	Line 16
Capital Assets Not Being Depreciated	==>	89,664	Line 17
Total Noncurrent Assets		704,910	
Total Assets		957,851	
CURRENT LIABILITIES:			
Accounts Payable	==>	15,054	

		Line 18
Accrued Liabilities ==>	23,750	
		Line 19
Intergovernmental Payable ==>	2	
		Line 20
Unearned Revenue ==>	19,252	
		Line 21
Other Liabilities ==>	6,287	
		Line 22
Revenue Bonds and Notes ==>	20,058	
		Line 23
Certificates of Participation ==>	0	
		Line 24
Total Current Liabilities	84,403	
NONCURRENT LIABILITIES:		
Intergovernmental Payable ==>	0	
		Line 25
Unearned Revenue ==>	0	
		Line 26
Other Liabilities ==>	28,124	
		Line 27
Revenue Bonds and Notes ==>	180,124	
		Line 28
Certificates of Participation ==>	0	
		Line 29
Total Noncurrent Liabilities	208,248	
Total Liabilities	292,651	
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt ==>	364,366	
		Line 30
Restricted for:		
Nonexpendable ==>	113,604	
		Line 31
Expendable ==>	127,944	
		Line 32
Unrestricted (Deficits) ==>	59,286	
		Line 33
Total Net Assets	665,200	
Check Figure-Calculated Total Net Assets (i.e., Total Assets less Total Liabilities) Should Equal:	**665,200**	
Variance (should be $0)	**0**	
Name of College ==>	OHIO UNIVERSITY	
		Line 34

Name of Preparer... ==> APRIL HENDERSON
Line 35

Phone Number... ==> 740-593-1864
Line 36

E-Mail Address (if applicable).. ==> hendersa@ohio.edu
Line 37

QUESTIONS?????
If you have any questions about completing this worksheet, please call Jane Snipes, Financial Reporting Manager, Ohio Office of Budget and Management at (614) 466-2561 or e-mail her at jane.snipes@obm.state.oh.us.

State of Ohio
College and University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2005
(Dollars in thousands)

REVENUES:

Operating Revenues:

Student Tuition and Fees (net of scholarship allowances)	==>	196,519	Line 1
Federal Grants and Contracts	==>	28,125	Line 2
State Grants and Contracts	==>	6,093	Line 3
Local Grants and Contracts	==>	569	Line 4
Private Grants and Contracts (Nongovernmental)	==>	8,024	Line 5
Sales and Services	==>	10,461	Line 6
Auxiliary Enterprises	==>	54,503	Line 7
Hospital	==>	0	Line 8
Other Operating Revenues	==>	15,022	Line 9
Total Operating Revenues		319,316	

EXPENSES:

Operating Expenses:

Educational and General:			
Instruction and Departmental Research	==>	185,507	Line 10
Separately Budgeted Research	==>	33,616	Line 11
Public Service	==>	19,939	Line 12
Academic Support	==>	48,546	Line 13
Student Services	==>	21,034	Line 14
Institutional Support	==>	43,369	Line 15
Operation and Maintenance of Plant	==>	36,823	Line 16
Scholarships and Fellowships	==>	13,279	

Total Educational and General		402,113 (Line 17)
Auxiliary Enterprises	==>	61,874 (Line 18)
Hospitals	==>	0 (Line 19)
Other Operating Expenses	==>	5,946 (Line 20)
Depreciation	==>	30,355 (Line 21)
Total Operating Expenses		500,288
Operating Income (Loss)		(180,972)
Nonoperating Revenues (Expenses):		
State Appropriations	==>	139,620 (Line 22)
Local Appropriations	==>	0 (Line 23)
Federal Grants (Nonexchange)	==>	20,608 (Line 24)
State Grants (Nonexchange)	==>	5,620 (Line 25)
Local Grants (Nonexchange)	==>	5 (Line 26)
Gifts and Donations	==>	4,345 (Line 27)
Investment Income (Net of Investment Expense)	==>	19,065 (Line 28)
Interest on Capital Asset-Related Debt	==>	(5,531) (Line 29)
Other Nonoperating Revenues	==>	0 (Line 30A)
Other Nonoperating Expenses	==>	(1,195) (Line 30B)
Net Nonoperating Revenues/(Expenses)		182,537
Income Before Other Changes		1,565
Other Changes:		
Capital Appropriations from the State of Ohio	==>	12,408 (Line 31)
Capital Grants and Gifts	==>	3,535 (Line 32)
Additions to the Principal of Permanent and Term Endowments	==>	3,377 (Line 33)

Special Items	==>	0	Line 34
Extraordinary Items	==>	0	Line 35
Total Other Changes		19,320	
Increase in Net Assets		20,885	

NET ASSETS:

Net Assets--Beginning of Year	==>	644,315	Line 36
Prior Period Adjustments	==>	0	Line 37
Net Assets--End of Year		665,200	
Check Figure-Net Assets per EXCEL A.xls	==>	665,200	Line 38
Variance (should be $0)		**0**	

Name of College	==>	OHIO UNIVERSITY	Line 39
Name of Preparer	==>	APRIL HENDERSON	Line 40
Phone Number	==>	740-593-1864	Line 41
E-Mail Address (if applicable)	==>	hendersa@ohio.edu	Line 42

QUESTIONS?????
If you have any questions about completing this worksheet, please call Jane Snipes, Financial Reporting Manager, Ohio Office of Budget and Management at (614) 466-2561 or e-mail her at jane.snipes@obm.state.oh.us.

Ohio University

Independent Accountants' Report on Agreed-Upon Procedures Performed on the Intercollegiate Athletic Department as Required by NCAA Bylaw 6.2.3.1 for the Year Ended June 30, 2005

Deloitte.

Deloitte & Touche LLP
155 East Broad Street
Columbus, OH 43215-3611
USA
Tel: +1 614 221 1000
Fax: +1 614 229 4647
www.deloitte.com

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES PERFORMED ON THE INTERCOLLEGIATE ATHLETIC DEPARTMENT AS REQUIRED BY NCAA BYLAW 6.2.3.1

Dr. Roderick J. McDavis, President
Ohio University:

We have performed the procedures below, which were agreed to by the administration of Ohio University (the "University"), with respect to the accounting records of the University as of June 30, 2005, solely to assist you in evaluating whether the accompanying statement of revenues and expenditures ("statement") is in compliance with the National Collegiate Athletic Association's (the "NCAA") Bylaw 6.2.3.1 for the year ended June 30, 2005. Ohio University's management is responsible for the statement and the statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Agreed-Upon Procedures Related to the Statement of Revenues and Expenditures

The procedures that we performed are as follows:

We obtained the statement, as prepared by the administration of the University, which is included as Exhibit A. We agreed the statement to the University's general ledger on a test basis. For all revenue and expense categories, we performed the following:

- We compared and agreed, on a test basis, each operating revenue and expense category reported in the statement during the reporting period to supporting schedules provided by the administration of the University.

- We compared and agreed a sample of operating revenue receipts and expenses obtained from the operating revenues and expenses supporting schedules to supporting documentation provided by the administration of the University. No supporting documentation existed for three of the expense selections.

- We compared each major revenue and expense account to prior period amounts and budget estimates provided by the administration of the University. We obtained and documented an understanding of any significant variations on a test basis.

Operating Revenues

- *Ticket Sales*—We compared, on a test basis, tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenues reported by the University in the statement and the related attendance figures. We recalculated totals. For two of the selections, the deposit slip from the Bursar's Office was not maintained.

- *Away Games Sales and Guarantees*—We selected a sample of settlement reports for away games during the reporting period and agreed each selection to the University's general ledger and/or the statement. We selected a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compared and agreed each selection to the University's general ledger and/or the statement. We recalculated totals.

- *Contributions*—On a test basis, we obtained and reviewed supporting documentation for contributions of moneys, goods or services received directly by the intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals not included (e.g., contributions by corporate sponsors) that constituted 10% or more of all contributions received for intercollegiate athletics during the reporting periods.

- *Third-Party Supports*—We obtained a summary of cash balances for affiliated and outside organizations, selected a sample of funds from the balances, and agreed each selection to supporting documentation and the University's general ledger.

- *Indirect Institutional Support*—We compared the indirect institutional support recorded by the University during the reporting period with institutional authorizations and/or other corroborative supporting documentation on a test basis. We recalculated totals to within $8,269.

- *NCAA/Conference Distributions Including All Tournaments*—We obtained and inspected agreements related to the University's NCAA and conference distributions received during the reporting period to gain an understanding of the relevant terms and conditions on a test basis. We compared and agreed the related revenues to the University's general ledger, and/or the statement on a test basis. We recalculated totals.

- *Program Sales, Concessions, Novelty Sales, and Parking*—We compared and agreed concession and parking revenue reported in the statement during the reporting period to supporting schedules provided by the institution. We compared and agreed related revenues to the institution's general ledger, and/or the statement. We recalculated totals.

- *Royalties, Advertisements, and Sponsorships*—We obtained and inspected on a test basis agreements related to the University's revenues from royalties, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions. We compared and agreed the related revenues to the University's general ledger and/or the statement on a test basis. We recalculated totals.

- *Sports-Camp Revenues*—We inspected sports-camp contracts between the institution and persons conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the institution's methodology for recording revenues from sports-camps. We obtained schedules of camp participants. We selected a sample of individual camp participant cash receipts from the schedule of sports-camp participants and agreed each selection to the institution's general ledger, and/or the statement. We recalculated totals.

- *Endowment and Investment Income*—We obtained and inspected endowment agreements to gain an understanding of the relevant terms and conditions. We compared and agreed the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income defined within the related endowment agreement. We recalculated totals.

Operating Expenses

Athletic Student Aid—We selected a sample of students from the listing of institutional student aid recipients during the reporting period. We obtained individual student account detail for each selection and compared total aid allocated from the related aid award letter to the student's account. We recalculated totals.

Guarantees—We obtained and inspected contractual agreements pertaining to expenses recorded by the institution from guaranteed contests during the reporting period on a test basis. We compared and agreed related amounts expensed by the institution to the institution's general ledger and/or the statement on a test basis. We recalculated totals.

Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities—We obtained and inspected a listing of coaches employed by the institution and related entities during the reporting period. We selected a sample of coaches' contracts that included football, and men's and women's basketball from this listing. We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the institution and related entities in the statement during the reporting period on a test basis. We obtained and inspected W-2's or 1099's for each selection. We compared and agreed related W-2's or 1099's to the related coaching salaries, benefits, and bonuses paid by the University and related entities expense recorded by the University in the statement during the reporting period on a test basis. We recalculated totals.

Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities—We selected a sample of support staff/administrative personnel employed by the University and related entities during the reporting period. We obtained and inspected W-2's or 1099's for each selection. We compared and agreed related W-2's or 1099's to the related support staff/administrative salaries, benefits, and bonuses paid by the University and related entities expense recorded by the University in the statement during the reporting period on a test basis. We recalculated totals.

Severance Payments—We reviewed employees who received severance payments by the institution during the reporting period and agreed each severance payment to the related termination letter or employment contract. We recalculated totals.

Recruiting and Team Travel—We obtained and documented an understanding of the University's recruiting and team travel expense policies. We compared and agreed to the existing institutional and NCAA related policies. One item selected for the testing of recruiting expense did not have supporting documentation.

Capitalized Assets

- We obtained a schedule of total intercollegiate athletics capitalized assets, additions, and improvements of facilities, and agreed on a test basis to the University's general ledger.

- We obtained an understanding of the University's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics related assets.

- On a test basis, we obtained and reviewed supporting documentation for significant capitalized additions that constituted 10% or more of all capitalized additions made by intercollegiate athletics during the reporting periods.

Booster Organizations

- We obtained from the management of Ohio University a list of outside organizations and their related financial activities for the year ended June 30, 2005, as they relate to the Intercollegiate Athletics Programs of the University. We agreed total revenues and expenses, or total cash receipts and disbursements, of all booster organizations for the year ended June 30, 2005, with amounts obtained from the official responsible for each respective booster organization.

Agreed-Upon Procedures Related to the Internal Control Over Compliance

We have performed the procedures below, which were agreed to by the University, solely to assist in evaluating management's assertion about the effectiveness of the University's internal control over compliance. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Because of inherent limitations in any internal control structure, errors, or irregularities may occur and not be detected. Also, projections by the specified users of their evaluation of the internal control structure over financial reporting to future periods are subject to risk that the internal control structure may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our procedures and results are as follows:

- Certain inquiries were made of the Controller's Office and Intercollegiate Athletic Department personnel relating to the procedures and internal accounting controls unique to the Intercollegiate Athletic Department, specifically, departmental organization, control consciousness of staff, use of internal auditors in the department, competency of personnel, adequate safeguarding and control of records and assets, and controls over interaction with the information technology department.

We were not engaged to perform an audit, the objective of which would be the expression of an opinion, on the financial statements of the Intercollegiate Athletic Department of the University. Accordingly, we do not express such an opinion. Had we been engaged to perform additional procedures, other matters might have come to our attention that would have been reported to you. Nor, were we engaged to perform an examination, the objective of which would be the expression of an opinion on management's assertion about the effectiveness of the internal control structure over financial reporting. Accordingly, we do not express such an opinion. Had we been engaged to perform additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of members of the audit committee, board of regents, administration of the University, or an authorized representative of the NCAA, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

December 19, 2005

EXHIBIT A

OHIO UNIVERSITY INTERCOLLEGIATE ATHLETIC DEPARTMENT

STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)

	Men's Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
OPERATING REVENUES:						
Ticket sales (gate receipts)	$ 316,001	$ 254,446	$ 6,419	$ 6,864	$ -	$ 583,730
Guarantees	525,000		6,500	3,700		535,200
NCAA & Tourney	39,756	170,042	28,005	492,112	149,206	879,121
Programs, concessions, novelties, and parking	34,087	22,618	673	1,756	68,953	128,087
Royalties, sponsorships, and advertising	116,849	160,077	2,099	1,374	189,788	470,187
Sports camp revenue	9,583	34,087	64,196	(2,758)		105,108
Support from E&E fund	1,663,971	336,129	290,751	2,370,563	5,538,144	10,199,558
Other miscellaneous	144	2,500		51,081	151,565	205,290
Total operating revenues	2,705,391	979,899	398,643	2,924,692	6,097,656	13,106,281
OPERATING EXPENDITURES:						
Financial aid	1,716,664	338,761	284,120	2,397,429	1,808	4,738,782
Guarantees	110,000	5,000	3,000			118,000
Coaching salaries	1,004,240	371,197	302,404	1,103,609		2,781,450
Support staff/administrative salaries	30,950	47,110	15,322	113,505	2,077,876	2,284,763
Severance payments	197,684					197,684
Recruiting	186,755	58,825	62,103	111,067		418,750
Team travel	249,168	94,419	71,162	437,345	16,133	868,227
Equipment, uniforms, and supplies	98,435	16,958	7,812	148,883	47,634	319,722
Game expenses	39,903	48,857	31,106	42,018	18,930	180,814
Fundraising, marketing, and promotion	48,840	11,447	9,557	25,629	8,670	104,143
Sports camp expenses		34,566	64,196	7,627		106,389
Direct facilities, maintenance, and rental				8,960		8,960
Medical expenses and insurance	90			250	169,753	170,093
Memberships and dues	1,705	1,745	3,228	22,908	19,002	48,588
Other expenses					1,901,480	1,901,480
Total operating expenditures	3,684,434	1,028,885	854,010	4,419,230	4,261,286	14,247,845
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (979,043)	$ (48,986)	$(455,367)	$(1,494,538)	$1,836,370	$ (1,141,564)

Note: This schedule was prepared by a representative of the Department of Athletics.

OHIO UNIVERSITY INTERCOLLEGIATE ATHLETIC DEPARTMENT

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005

1. SUMMARY OF PRESENTATION POLICIES

The amounts in the accompanying statement of revenues and expenditures were obtained from Ohio University's (the "University") trial balance, which is maintained on an accrual basis. All revenues and expenditures directly related to various sports were disclosed. All remaining revenues and expenditures are non-program specific. The University records depreciation on physical plant and equipment; however, depreciation is not part of the statement of revenues and expenditures.

2. OTHER SPORTS

Other sports include cheerleading, men's baseball, men's and women's track, men's and women's golf, men's and women's cross country, men's and women's swimming, men's wrestling, women's field hockey, women's lacrosse, women's softball, women's soccer, and women's volleyball.

3. GIFTS

Gift revenue included in the statement of revenues and expenditures represent gifts given to the Athletic Department that did not contain any donor-imposed restrictions, or gifts for which donor-imposed restrictions were met during the current fiscal year. Ohio University did not have any individual contributions in excess of 10% of all contributions received for the Intercollegiate Athletic Department for the year ended June 30, 2005.

4. OTHER FORMS OF COMPENSATION

The value of volunteer assistant coaching services, according to NCAA financial audit guidelines, should be reported as contributions and as salary expenditures. The University estimates that the value of volunteer assistant coaching services is not material to the statement of revenues and expenditures and, therefore, is not reflected.

5. PROPERTY, PLANT, AND EQUIPMENT

Intercollegiate athletics-related assets are accounted for consistent with the University's policies for property, plant, and equipment. Property, plant, and equipment valued at $2,500 or more are recorded at cost at date of acquisition or, if acquired by gift, at estimated fair value at date of gift. Additions to plant assets are capitalized, while maintenance and minor renovations are charged to operations. Property, plant, and equipment assets are reflected net of accumulated depreciation calculated on a straight-line basis over the estimated useful lives ranging from 3 to 50 years.

	Balance June 30, 2004	Additions	Transfers In (Out)	Disposals	Balance June 30, 2005
Capital assets not being depreciated:					
Land	$ -	$ -	$ -	$ -	$ -
Construction in progress	258,116	278,794	(336,083)		200,827
Total capital assets not being depreciated	258,116	278,794	(336,083)	-	200,827
Capital assets being depreciated:					
Infrastructure	5,507,346				5,507,346
Buildings	23,936,531		336,083		24,272,614
Machinery and equipment	695,213	241,988		(43,140)	894,061
Total capital assets being depreciated	30,139,090	241,988	336,083	(43,140)	30,674,021
Total capital assets	30,397,206	520,782	-	(43,140)	30,874,848
Less accumulated depreciation:					
Infrastructure	752,141	307,280			1,059,421
Buildings	12,076,719	563,165			12,639,884
Machinery and equipment	389,957	77,728		(43,140)	424,545
Total accumulated depreciation	13,218,817	948,173	-	(43,140)	14,123,850
Total capital assets being depreciated—net	16,920,273	(706,185)	336,083	-	16,550,171
Capital assets—net	$ 17,178,389	$(427,391)	$ -	$ -	$ 16,750,998

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Auditor of State
Betty Montgomery

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

OHIO UNIVERSITY

ATHENS 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
MARCH 30, 2006