

# **The Ohio State University**

(A Component Unit of the State of Ohio)

**Financial Statements as of and for the Year Ended  
June 30, 2011 and 2010, and Report on Federal  
Awards in Accordance with OMB Circular A-133  
for the Year Ended June 30, 2011 and  
Independent Auditors' Reports**





# Dave Yost • Auditor of State

Board of Trustees  
Ohio State University  
2040 Blankenship Hall  
901 Woody Hayes Drive  
Columbus, Ohio 43210

We have reviewed the *Report of Independent Auditors* of The Ohio State University, Franklin County, prepared by Pricewaterhouse Coopers LLP, for the audit period July 1, 2010 through June 30, 2011. 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 State University is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

April 17, 2012

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# The Ohio State University

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June 30, 2011 and 2010

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## Report of Independent Auditors

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

In our opinion, the accompanying consolidated statement of net assets and the related consolidated statement of revenues, expenses and changes in net assets and statement of cash flows present fairly, in all material respects, the financial position of The Ohio State University (the "University"), a component unit of the State of Ohio, as of June 30, 2011, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. 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 audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. The financial statements of the University as of June 30, 2010 and for the year then ended were audited by other auditors whose report dated November 8, 2010 expressed an unqualified opinion on those statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2011 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2011. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



The accompanying management's discussion and analysis on pages 3 through 15 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2011 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, on pages 53–98, and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic consolidated financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

October 31, 2011



## **Management's Discussion and Analysis for the Year Ended June 30, 2011 (Unaudited)**

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The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of The Ohio State University (the "university") for the year ended June 30, 2011, with comparative information for the years ended June 30, 2010 and June 30, 2009. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

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

The Ohio State University is the State of Ohio's flagship research institution and one of the largest universities in the United States of America, with over 64,000 students, 6,000 faculty members and 22,000 staff members. Founded in 1870 under the Morrill Land Grant Act, the university – which was originally known as the Ohio Agricultural and Mechanical College -- has grown over the years into a comprehensive public institution of higher learning, with 170 undergraduate majors, 143 master's degree programs, 106 doctoral programs and seven professional degree programs. The university operates one of the nation's leading academic medical centers, which includes the OSU Health System. The Health System is comprised of The Ohio State University Hospital, The Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, Richard M. Ross Heart Hospital, University Hospital East, OSU Harding Hospital, Dodd Rehabilitation Hospital, three comprehensive outpatient care centers, an ambulatory surgery center, a comprehensive breast treatment center, and 23 clinics. The Health System provided services to more than 56,000 adult inpatients and 1,096,000 outpatients during Fiscal Year 2011.

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

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

- The OSU Foundation (a fundraising foundation operating exclusively for the benefit of the university)
- OSU Physicians, Inc. (the central practice group for physician faculty members of the Colleges of Medicine and Public Health)
- Campus Partners for Community Urban Redevelopment (a non-profit organization participating in the redevelopment of neighborhoods adjacent to the main Columbus campus)
- Transportation Research Center, Inc. (an automotive research and testing facility in East Liberty, Ohio)

## Management's Discussion & Analysis (Unaudited) - continued

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- OSU Health Plan (a non-profit organization – formerly known as OSU Managed Health Care Systems -- that administers university health care benefits)

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

### About the Financial Statements

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

The **Statement of Net Assets** is the university's balance sheet. It reflects the total assets, liabilities and net assets (equity) of the university as of June 30, 2011, with comparative information as of June 30, 2010. Liabilities due within one year, and assets available to pay those liabilities, are classified as current. Other assets and liabilities are classified as non-current. Investment assets are carried at market value. Capital assets, which include the university's land, buildings, improvements, and equipment, are shown net of accumulated depreciation. Net assets are grouped in the following categories:

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

The **Statement of Revenues, Expenses and Other Changes in Net Assets** is the university's income statement. It details how net assets have increased (or decreased) during the year ended June 30, 2011, with comparative information for Fiscal Year 2010. Tuition revenue is shown net of scholarship allowances, depreciation is provided for capital assets, and there are required subtotals for net operating income (loss) and net income (loss) before capital contributions and additions to permanent endowments.

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

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traditionally relied upon to fund current operations, including state instructional support, current-use gifts and investment income.

The **Statement of Cash Flows** details how cash has increased (or decreased) during the year ended June 30, 2011, with comparative information for Fiscal Year 2010. It breaks out the sources and uses of university cash into the following categories:

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

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

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

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

Total university net assets (equity) increased \$530 million, to \$5.25 billion at June 30, 2011, primarily due to investment gains and strong operating results for the OSU Health System. Three September 2010 bond issues increased total university plant debt by \$620 million, to \$1.97 billion. Total unrestricted and restricted-expendable net assets increased \$301 million, to \$2.05 billion.

Demand for an Ohio State education remains strong, and student outcomes continue to improve. 64,077 students were enrolled in Autumn 2010, up from 63,217 in Autumn 2009. 92.8% of the freshmen enrolled in Autumn 2009 returned to OSU in Autumn 2010. Over the past five years, four-year graduation rates have increased from 40% to 53%, and six-year graduation rates have increased from 68% to 78%.

The following sections provide additional details on the university's 2011 financial results and a look ahead at significant economic conditions that are expected to affect the university in the future.

## Management's Discussion & Analysis (Unaudited) - continued

### Statement of Net Assets

<b>Summary Statement of Net Assets</b> <i>(in thousands)</i>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Cash and temporary investments	\$ 1,516,357	\$ 1,218,665	\$ 1,083,651
Current receivables, inventories and prepaid expenses	552,548	572,436	525,105
<b>Total current assets</b>	<b>2,068,905</b>	<b>1,791,101</b>	<b>1,608,756</b>
Restricted cash	488,361	25,278	89,245
Noncurrent notes and pledges receivable	82,138	81,424	70,017
Long-term investment pool	2,120,714	1,887,568	1,662,729
Other long-term investments	68,283	64,232	69,894
Capital assets, net of accumulated depreciation	3,465,010	3,231,134	3,119,928
<b>Total noncurrent assets</b>	<b>6,224,506</b>	<b>5,289,636</b>	<b>5,011,813</b>
<b>Total assets</b>	<b>\$ 8,293,411</b>	<b>\$ 7,080,737</b>	<b>\$ 6,620,569</b>
Accounts payable and accrued expenses	\$ 440,372	\$ 423,397	\$ 408,112
Deferred revenues and deposits	228,550	208,579	186,436
Commercial paper and current portion of bonds, notes and lease obligations	542,903	505,842	631,604
Other current liabilities	12,265	11,575	9,828
<b>Total current liabilities</b>	<b>1,224,090</b>	<b>1,149,393</b>	<b>1,235,980</b>
Noncurrent portion of bonds, notes and lease obligations	1,430,980	848,417	728,641
Other noncurrent liabilities	387,637	362,298	340,743
<b>Total noncurrent liabilities</b>	<b>1,818,617</b>	<b>1,210,715</b>	<b>1,069,384</b>
<b>Total liabilities</b>	<b>\$ 3,042,707</b>	<b>\$ 2,360,108</b>	<b>\$ 2,305,364</b>
Invested in capital assets, net of related debt	\$ 1,979,373	\$ 1,875,977	\$ 1,759,683
Restricted-nonexpendable net assets	1,217,323	1,091,825	868,466
Restricted-expendable net assets	592,082	487,237	468,122
Unrestricted net assets	1,461,926	1,265,590	1,218,934
<b>Total net assets</b>	<b>\$ 5,250,704</b>	<b>\$ 4,720,629</b>	<b>\$ 4,315,205</b>

Total university **cash, restricted cash and temporary investment** balances increased \$761 million in 2011, reflecting proceeds from the September 2010 bond issues and increased net cash flows from operating and noncapital financing activities. The Statement of Cash Flows, which is discussed in more detail below, provides additional details on sources and uses of university cash. The university holds the bulk of its working capital in short and intermediate-term investment funds. These funds are invested in a diversified portfolio of money-market instruments as well as short and intermediate-term fixed income securities. The average maturity of the portfolio is typically less than one year.

The market value of the university's **long-term investment pool** increased \$233 million, to \$2.12 billion at June 30, 2011, primarily due to a combination of realized and unrealized gains, which totaled \$110 million and \$175 million, respectively. The long-term investment pool operates similar to a mutual fund, in that each named fund is assigned a number of

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

**Other long-term investments** are non-unitized investments that relate primarily to gift arrangements between donors and the OSU Foundation. These investments increased \$4 million, to \$68 million at June 30, 2011.

**Capital assets**, which include the university's land, buildings, improvements, equipment and library books, grew \$234 million, to \$3.47 billion at June 30, 2011. The university depreciates its capital assets on a straight-line basis, using estimated useful lives ranging from 5 years (for computer equipment and software) to 100 years (for certain building components such as foundations).

Major projects completed in 2011 include the North Campus Chilled Water Extension, Woody Hayes – Football Practice Fields and the Jones Graduate Tower Renovation. In addition, several major construction projects are currently underway or in advanced planning stages, including:

- **Medical Center Expansion** – The university continues to move forward on a \$1 billion Medical Center expansion project formerly known as ProjectOne. Construction of the new James Cancer Hospital and Solove Research Institute and the Critical Care Center continues and most of the foundation work was completed in Summer 2011. This allowed for the installation of steel to begin in August 2011. The project is expected to be completed in 2014. The university plans to finance the project with a combination of bonds (\$925 million) and private gifts (\$75 million). The University also received a (\$100 million) Federal Grant to assist with the cost of these projects.
- **South High Rises Renovation and Addition** – Work continues on the \$172 million project to renovate five student housing facilities in the south campus area and to construct two building additions, which will include approximately 360 new beds. The project is expected to be completed in 2012.
- **William H. Hall Complex Expansion** – Work continues on the \$51 million project to construct a new suite-style housing facility as part of the William H. Hall housing complex. The new facility will provide approximately 537 new beds and is expected to be completed in 2012.
- **Infrastructure Improvements** – Work continues on several major infrastructure projects, including construction of a \$58 million electrical substation to meet current and future campus electrical needs, a \$73 million south campus central chiller plant to support the Medical Center expansion and a \$41 million east regional chiller plant to serve buildings east of the Oval. The electrical substation and south campus chiller projects are

## Management's Discussion & Analysis (Unaudited) - continued

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expected to be completed in 2012. The east regional chiller project is expected to be completed in 2014.

- Chemical and Bio-molecular Engineering and Chemistry Building – The \$126 million project for the Chemistry and Chemical and Bio-molecular Engineering departments has moved into the design stage. The building will contain research and teaching laboratories, faculty offices, and seminar rooms. Construction is projected to begin by June 2012 and be completed by January 2015.
- Sullivant Hall Renovation – The \$26 million project will renovate Sullivant Hall and create a new location for the Billy Ireland Cartoon Library and Museum. The design phase and the bidding process for phase 1 has begun.
- Biomedical Research Tower, Three Floor Build Out – The \$29 million project will build out the 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> floors similar to the construction previously completed on 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> floors. Construction is underway and completion is projected for May 2012.
- Cunz Hall Renovation – The \$24 million project will renovate Cunz Hall including an addition and will be the future home of the College of Public Health. Construction began late in 2010 and will be completed by August 2011.

The university's estimated future capital commitments, based on contracts and purchase orders, total approximately \$884 million at June 30, 2011.

**Accounts payable and accrued expenses** increased \$17 million, to \$440 million in 2011, primarily due to increases in payables related to capital projects.

Total university debt, in the form of **commercial paper, bonds, notes and capital lease obligations**, increased \$620 million, to \$1.97 billion at June 30, 2011. During 2011, the university issued \$655 million in federally taxable fixed-rate Build America Bonds. The federal government provides a subsidy payment on these bonds equal to 35% of the interest, reducing the university's effective interest rate on the bonds to 3.19%. In addition, the university issued \$88 million in fixed-rate General Receipts Bonds and \$150 million in Variable Rate Demand General Receipts Bonds. A portion of the bond proceeds were used to retire outstanding commercial paper and to refund existing bond obligations.

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

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-

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out agreements” in place per the GASB Interpretation 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. These obligations totaled \$470 million and \$329 million at June 30, 2011 and 2010, respectively.

**Prior-Year Highlights:** *In 2010*, total unrestricted and restricted-expendable net assets increased \$66 million, to \$1.75 billion. Total university plant debt was stable at \$1.35 billion. *In 2009*, total unrestricted and restricted-expendable net assets increased \$138 million, to \$1.69 billion. Total university plant debt increased \$284 million, to \$1.36 billion, primarily due to two 2009 bond issues.

## Management's Discussion & Analysis (Unaudited) - continued

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

Summary of Revenues, Expenses and Changes in Net Assets <i>(in thousands)</i>			
	2011	2010	2009
<b>Operating Revenues:</b>			
Tuition and fees, net	\$ 732,688	\$ 664,184	\$ 622,857
Grants and contracts	644,437	619,873	613,017
Auxiliary enterprises sales and services, net	232,482	204,676	194,862
OSU Health System sales and services, net	1,785,329	1,692,532	1,578,401
OSU Physicians sales and services, net	311,476	309,815	286,490
Departmental sales and other operating revenues	197,432	182,503	161,063
Total operating revenues	<u>3,903,844</u>	<u>3,673,583</u>	<u>3,456,690</u>
<b>Operating Expenses:</b>			
Educational and general	2,132,418	2,041,362	1,919,678
Auxiliary enterprises	244,787	223,704	214,807
OSU Health System	1,563,697	1,483,573	1,407,701
OSU Physicians	293,731	284,720	262,131
Depreciation	239,351	231,744	222,308
Total operating expenses	<u>4,473,984</u>	<u>4,265,103</u>	<u>4,026,625</u>
Net operating income (loss)	(570,140)	(591,520)	(569,935)
<b>Non-operating revenues (expenses):</b>			
State share of instruction and line-item appropriations	439,576	443,337	497,601
Federal fiscal stabilization funds	60,063	59,234	-
Gifts - current use	103,754	90,743	77,255
Net investment income (loss)	365,108	323,944	(435,898)
Grants, interest expense and other non-operating	21,749	(2,264)	2,884
Income (loss) before other revenues, expenses gains or losses	420,110	323,474	(428,093)
State capital appropriations	62,732	33,042	47,227
Private capital gifts	16,398	15,545	18,960
Additions to permanent endowments	<u>30,835</u>	<u>33,363</u>	<u>35,816</u>
Increase (decrease) in net assets	530,075	405,424	(326,090)
Net assets - beginning of year	<u>4,720,629</u>	<u>4,315,205</u>	<u>4,641,294</u>
Net assets - end of year	<u>\$ 5,250,704</u>	<u>\$ 4,720,629</u>	<u>\$ 4,315,204</u>

Net **tuition and fees** increased \$69 million, to \$733 million in 2011, primarily due to increases in tuition and undergraduate enrollments. In Summer Quarter 2010, undergraduate instructional and general fees were increased 3.1%, followed by an additional 3.4% increase in Autumn Quarter 2010.

Operating **grant and contract revenues** increased \$25 million, to \$644 million in 2011, primarily due to increases in federally-funded research grants and contracts. Revenues for sponsored research programs administered by the Office of Sponsored Programs (formerly known as the OSU Research Foundation) increased \$48 million, to \$471 million.

**Educational and general expenses** increased 4.5%, to \$2.13 billion in 2011. Additional details are provided below.



<b>Educational and General Expenses</b> (in thousands)			
	2011	2010	2009
Instruction and departmental research	\$ 883,307	\$ 869,418	\$ 840,697
Separately budgeted research	440,756	419,982	392,033
Public service	110,357	118,585	120,015
Academic support	147,845	140,255	132,912
Student services	88,604	87,603	87,993
Institutional support	243,827	191,532	164,210
Operation and maintenance of plant	115,091	109,440	112,097
Scholarships and fellowships	102,631	104,547	69,721
Total	<u>\$ 2,132,418</u>	<u>\$ 2,041,362</u>	<u>\$ 1,919,678</u>

Total **instructional and departmental research** expenses increased \$14 million in 2011, primarily due to faculty/staff salary increases. The university's budget process directs the bulk of annual increases in tuition, state share of instruction and facilities and administrative cost recoveries to the colleges, for investment in academic programs. **Separately budgeted research** expenses increased \$21 million, reflecting increases in federally-funded research grants. **Institutional support** increased \$52 million, primarily due to central accruals for employee health care costs, increases in investment management costs and increases in Health Sciences administrative expenses.

Sales and service revenues of the university's **Auxiliary Enterprises** increased \$28 million, to \$232 million in 2011, primarily due to increases in Athletics and Housing, Food Service and Event Center revenues. Auxiliary expenses increased \$21 million.

**The Ohio State University Health System** continued to expand its community presence and improve patient access with the opening of CarePoint Lewis Center, CarePoint East, and the James Cancer Breast Center on Olentangy River Road. The expanded Electrophysiology lab on the second floor of the Ross Heart Hospital is scheduled for completion in August 2011 and the new James Cancer Hospital and Solove Research Institute and the Critical Care Center are under construction and scheduled to open in 2014.

Health System adult inpatient admissions and observation patient volumes increased 1.2% from the prior year and outpatient visits grew by 5.6%. Consolidated Health System Total Operating Revenues increased \$93 million (5.5%) due to volume increases along with selective rate increases. Expenses for the consolidated Health System (excluding depreciation, interest and interfund transfers) increased \$80 million (5.4%). Salaries and benefits increased 5.9% due to increased patient activity, the opening of new outpatient sites, and a competitive labor market. Supplies increased 3.2% due to volume, medical advances, inflation and more intensive patient care services. Services increased 2.2% due to maintenance and repair of buildings and equipment and from space rentals. The Health System's Excess of Revenue over Expense for 2011 was \$144.5 million. After investing \$83.5 million in research and education and receiving \$9.0 million in contributions for capital acquisitions, the change in net assets was \$70.0 million. The change in net assets was further reduced by \$12.8 million to a net increase of \$57.2 million when two self insurance funds for malpractice were eliminated from the consolidated Health System reporting unit.

## Management's Discussion & Analysis (Unaudited) - continued

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Looking ahead, the OSU Health System will be challenged by the national trend to meet the increase in demand for health services arising from an aging population and increasing consumer expectations. However, given our integrated structure that aligns the hospitals, college, practice plan, and OSU Health Plan, we feel we are well positioned to continue our growth. While facing the uncertainties of the economy and healthcare reform, the Health System expects Fiscal Year 12 revenues to increase by 9.3% with focus on the six signature programs: Cancer, Critical Care, Heart, Imaging, Neuroscience and Transplantation. To increase its market share across Ohio, clinical services, such as Transplantation and Deep Brain Stimulation which are unique to Ohio State, are being promoted in selected markets statewide. To continue the growth in referrals, the Health System is also partnering with several hospitals to provide Emergency Telemedicine services and testing expansion of the electronic medical record to other hospitals.

The Health System continues to invest in the Medical Center's research and teaching initiatives, resulting in the delivery of additional leading edge clinical services while fulfilling its academic mission. In response to the increased demand for services, the Health System continues planning for significant expansion of its clinical facilities in the next several years. Despite the challenges and the changing healthcare environment, the Health System expects to improve its financial position during the upcoming year, and will continue to play a key role in supporting the Medical Center and in its status as a leading academic medical center.

Revenues and operating expenses of **OSU Physicians, Inc.**, the University's central practice group for physician faculty members of the College of Medicine and Public Health, continued to grow in 2011. Total operating revenues grew from \$310 million to \$311 million as a result of volume increases as well as increased rates from contract negotiations, and support from the university. Total OSUP expenses (excluding depreciation, interest and interfund transfers) grew from \$285 million to \$294 million.

OSUP is the single member of 17 limited liability companies ("LLCs"). As of June 30, 2011, only 15 of the limited liability companies were active. Two of the LLCs (Anesthesiology and Orthopedics) have been created but had no 2011 activity.

**State share of instruction and line-item appropriations** were relatively stable, declining \$4 million, to \$440 million in 2011. To offset this decrease in state funding for the 2010-2011 biennium, the Ohio Board of Regents allocated \$60 million in **federal fiscal stabilization funds** to the university. These funds were provided by the federal government under the American Recovery and Reinvestment Act (ARRA) of 2009.

**Non-endowment gifts** to the university (including gifts for current use and gifts to capital projects) increased \$14 million, to \$120 million in 2011. New gift **additions to permanent endowments** decreased \$3 million, to \$30 million. During 2011 a new record of 177,322 donors made gifts to the university; the next highest year was 2010 at 144,016.

University investments yielded \$365 million of **net investment income** in 2011, building on the gains experienced in 2010. The net investment income figure includes \$69 million of

interest and dividend income and \$296 million net appreciation in the fair market value of university investments.

The university's Long Term Investment Pool finished a strong year in 2011. Equity markets experienced a strong upsurge throughout most of the year. The Long-Term Investment Pool finished the fiscal year with an investment return of 16.8%, which exceeds university benchmarks.

**Prior-Year Highlights:** *In 2010*, university investments yielded \$324 million of net investment income, recovering a significant portion of the net investment loss experienced in 2009. Total Health System operating revenues increased \$114 million. *In 2009*, the university's investment portfolio was hit hard by the meltdown in the financial markets, resulting in a \$436 million net investment loss. University operating results were stable, with growth in operating revenues and state support offsetting similar increases in operating expenses.

### Statement of Cash Flows

<b>University Cash Flows Summary</b> <i>(in thousands)</i>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Net cash flows from operating activities	\$ (262,829)	\$ (356,277)	\$ (301,434)
Net cash flows from noncapital financing activities	704,276	663,725	647,253
Capital appropriations and gifts for capital projects	79,099	41,334	70,227
Proceeds from issuance of bonds and notes payable	902,117	337,113	427,138
Payments for purchase and construction of capital assets	(445,460)	(332,448)	(394,788)
Principal and interest payments on capital debt, net of federal Build America Bond interest subsidies	(337,668)	(385,506)	(184,192)
Net cash flows from investing activities	(239,169)	(24,130)	61,882
Net increase (decrease) in cash	<u>\$ 400,366</u>	<u>\$ (56,189)</u>	<u>\$ 326,086</u>

Total university cash and cash equivalents increased \$400 million in 2011. Net cash flows from operating activities increased \$93 million, with increases in sales and service and tuition receipts more than offsetting increases in payments for wages, benefits and supplies and services. Net cash flows from noncapital financing activities increased \$41 million, primarily due to increases in current-use gift receipts and drawdowns of federal direct lending proceeds. Net cash provided by capital financing activities was \$198 million, reflecting the proceeds from the 2011 bond issues. Total cash used by investing activities was \$239 million, primarily due to net purchases of temporary investments.

### Subsequent Events

## Management's Discussion & Analysis (Unaudited) - continued

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On October 26, 2011, the university issued an offering statement for \$500 million in Fixed Rate General Receipts Bonds, Series 2011A. The Series 2011A bonds are federally taxable and will be used to fund capital projects. The bonds mature in whole on June 1, 2111.

### Economic Factors That Will Affect the Future

As Fiscal Year 2011 ended, the nation continued to slowly recover from its deepest recession in 50 years. Because of strong financial support from the Governor and the General Assembly, the receipt of federal stimulus funding under ARRA, and prudent fund management and planning, The Ohio State University was able to continue to improve its academic standing and remain relatively affordable to Ohio residents.

In 2010 and 2011, stimulus funding helped to maintain the financial stability of both the university and the State of Ohio. However, with the expiration of this funding, the university faces a Fiscal Year 2012 decrease in unrestricted subsidies of 15.7%. Undergraduate instructional and general fees will increase 3.5% for Autumn Quarter 2011. Annual tuition increases are capped at this level by the state's 2012-2013 biennial budget bill. These increases are a necessary component of the university's strategy to address shortfalls in state funding. Student financial aid has been increased proportionally in FY2012 so that access will be maintained for qualified students.

The university's Fiscal Year 2012 budget is structured to support the following strategic goals:

- **One University** – Create one university where everyone is driven by a shared common vision, aligned by a strategic planning process and one integrated Master Plan.
- **Students First** – Develop and execute strategies to put students first and move Ohio State rapidly into the academic front ranks of American public universities.
- **Faculty and Staff Talent and Culture** – Recruit, support, hire and retain a world-class faculty and staff. Our goal is to transform into a high-performance culture driven by our institutional principles and high standards of ethics and compliance.
- **Research Prominence** – Support and encourage innovative and ground-breaking research, both to enhance the university's reputation and to contribute to the quality of life in Ohio and beyond.
- **Outreach and Collaboration** – Develop public and public-private partnerships focusing on economic development, and develop ventures that establish our international leadership.
- **Operating and Financial Soundness and Simplicity** – Move the university to a more robust financial position and new levels of productivity and return on investment, using simple and non-bureaucratic systems.

The 2012 operating budget also includes continued support for additional efficiency savings in the following areas:

- Energy Sustainability
- Strategic Purchasing

- 
- Enterprise-wide Systems
  - Business Process Streamlining

Despite the economic challenges facing Ohio and the nation, we remain committed to building upon current efforts to enhance the university's academic reputation, diversify our revenue base, realize operating efficiencies and effectively manage our financial risks. By doing so, we feel The Ohio State University will maintain its sound financial position while continuing its progress towards becoming a top-tier public research university.

**THE OHIO STATE UNIVERSITY  
CONSOLIDATED STATEMENTS OF NET ASSETS**

**June 30, 2011 and June 30, 2010**  
(in thousands)

	<u>2011</u>	<u>2010</u>
<b>ASSETS:</b>		
Current Assets:		
Cash and cash equivalents	\$ 568,420	\$ 631,137
Temporary investments	947,937	587,528
Accounts receivable, net	402,181	441,468
Notes receivable -current portion, net	16,014	13,533
Pledges receivable - current portion, net	26,054	22,912
Accrued interest receivable	26,601	18,856
Inventories and prepaid expenses	81,698	75,667
Total Current Assets	<u>2,068,905</u>	<u>1,791,101</u>
Noncurrent Assets:		
Restricted cash	488,361	25,278
Notes receivable, net	57,028	57,984
Pledges receivable, net	25,110	23,440
Long-term investment pool	2,120,714	1,887,568
Other long-term investments	68,283	64,232
Capital assets not being depreciated	609,921	347,152
Capital assets being depreciated, net	2,855,089	2,883,982
Total Noncurrent Assets	<u>6,224,506</u>	<u>5,289,636</u>
<b>Total Assets</b>	<u>\$ 8,293,411</u>	<u>\$ 7,080,737</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 440,372	\$ 423,397
Deposits and deferred revenues	228,550	208,579
Commercial paper and current portion of bonds, notes and leases payable	542,903	505,842
Compensated absences - current portion	8,287	7,788
Obligations under annuity and life income agreements - current portion	3,978	3,787
Total Current Liabilities	<u>1,224,090</u>	<u>1,149,393</u>
Noncurrent Liabilities:		
Bonds, notes and leases payable	1,430,980	848,417
Compensated absences	116,400	101,200
Self-insurance accruals	117,531	116,163
Obligations under annuity and life income agreements	35,540	34,263
Refundable advances for Federal Perkins loans	28,887	28,955
Other noncurrent liabilities	89,279	81,717
Total Noncurrent Liabilities	<u>1,818,617</u>	<u>1,210,715</u>
<b>Total Liabilities</b>	<u>3,042,707</u>	<u>2,360,108</u>
Net Assets:		
Invested in capital assets, net of related debt	1,979,373	1,875,977
Restricted:		
Nonexpendable	1,217,323	1,091,825
Expendable	592,082	487,237
Unrestricted	1,461,926	1,265,590
<b>Total Net Assets</b>	<u>5,250,704</u>	<u>4,720,629</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 8,293,411</u>	<u>\$ 7,080,737</u>

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

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

**June 30, 2011 and June 30, 2010  
(in thousands)**

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
Student tuition and fees (net of scholarship allowances of \$137,334 and \$121,229, respectively)	\$ 732,688	\$ 664,184
Federal grants and contracts	345,277	322,157
State grants and contracts	42,212	43,524
Local grants and contracts	18,029	20,801
Private grants and contracts	238,919	233,391
Sales and services of educational departments	121,773	115,766
Sales and services of auxiliary enterprises (net of scholarship allowances of \$18,153 and \$15,791, respectively)	232,482	204,676
Sales and services of the OSU Health System (net of charity care of \$218,988 and \$196,896, respectively)	1,785,329	1,692,532
Sales and services of OSU Physicians, Inc., (net of charity care of \$11,704 and \$7,678, respectively)	311,476	309,815
Other operating revenues	75,659	66,737
Total Operating Revenues	<u>3,903,844</u>	<u>3,673,583</u>
Operating Expenses:		
Educational and General:		
Instruction and departmental research	883,307	869,418
Separately budgeted research	440,756	419,982
Public service	110,357	118,585
Academic support	147,845	140,255
Student services	88,604	87,603
Institutional support	243,827	191,532
Operation and maintenance of plant	115,091	109,440
Scholarships and fellowships	102,631	104,547
Auxiliary enterprises	244,787	223,704
OSU Health System	1,563,697	1,483,573
OSU Physicians, Inc.	293,731	284,720
Depreciation	239,351	231,744
Total Operating Expenses	<u>4,473,984</u>	<u>4,265,103</u>
Operating Loss	(570,140)	(591,520)
Non-operating Revenues (Expenses):		
State share of instruction and line-item appropriations	439,576	443,337
Federal fiscal stabilization funds	60,063	59,234
Federal subsidies for Build America Bonds interest	8,283	-
Federal non-exchange grants	59,244	55,203
State non-exchange grants	6,359	8,086
Gifts	103,754	90,743
Net investment income	365,108	323,944
Interest expense on plant debt	(57,847)	(49,993)
Other non-operating revenues (expenses)	5,710	(15,560)
Net Non-operating Revenue	<u>990,250</u>	<u>914,994</u>
Income before Other Revenues, Expenses, Gains or Losses	420,110	323,474
Other Changes in Net Assets		
State capital appropriations	62,732	33,042
Private capital gifts	16,398	15,545
Additions to permanent endowments	30,835	33,363
Total Other Changes in Net Assets	<u>109,965</u>	<u>81,950</u>
Increase in Net Assets	530,075	405,424
Net Assets - Beginning of Year	<u>4,720,629</u>	<u>4,315,205</u>
Net Assets - End of Year	<u>\$ 5,250,704</u>	<u>\$ 4,720,629</u>

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

**THE OHIO STATE UNIVERSITY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Years Ended June 30, 2011 and 2010**  
(in thousands)

	<u>2011</u>	<u>2010</u>
<b>Cash Flows from Operating Activities:</b>		
Tuition and fee receipts	\$ 636,664	\$ 572,719
Grant and contract receipts	656,237	612,655
Receipts for sales and services	2,491,890	2,338,983
Payments to or on behalf of employees	(2,088,464)	(2,000,832)
University employee benefit payments	(566,773)	(524,650)
Payments to vendors for supplies and services	(1,377,082)	(1,328,157)
Payments to students and fellows	(92,651)	(96,022)
Student loans issued	(10,717)	(7,347)
Student loans collected	9,450	7,961
Student loan interest and fees collected	2,274	1,119
Other receipts	76,343	67,294
Net cash used in operating activities	<u>(262,829)</u>	<u>(356,277)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
State share of instruction and line-item appropriations	439,576	443,337
Federal fiscal stabilization funds	60,063	59,234
Non-exchange grant receipts	65,603	63,289
Gift receipts for current use	98,942	79,344
Additions to permanent endowments	30,833	33,363
Drawdowns of federal direct loan proceeds	410,355	386,000
Disbursements of federal direct loans to students	(401,346)	(399,608)
Disbursement of loan proceeds to related organization	(2,268)	(760)
Repayment of loans to related organization	1,068	-
Amounts received for annuity and life income funds	5,301	3,072
Amounts paid to annuitants and life beneficiaries	(3,833)	(3,866)
Agency funds receipts	2,780	5,781
Agency funds disbursements	(2,798)	(5,461)
Net cash provided by noncapital financing activities	<u>704,276</u>	<u>663,725</u>
<b>Cash Flows from Capital Financing Activities:</b>		
Proceeds from capital debt	902,117	337,113
State capital appropriations	62,701	25,789
Gift receipts for capital projects	16,398	15,545
Payments for purchase or construction of capital assets	(445,460)	(332,448)
Principal payments on capital debt and leases	(282,492)	(320,761)
Interest payments on capital debt and leases	(62,522)	(64,745)
Federal subsidies for Build America Bonds interest	7,346	-
Net cash provided (used) by capital financing activities	<u>198,088</u>	<u>(339,507)</u>
<b>Cash Flows from Investing Activities:</b>		
Net (purchases) sales of temporary investments	(360,409)	(118,117)
Proceeds from sales and maturities of long-term investments	1,262,273	1,588,757
Investment income	54,370	65,846
Purchases of long-term investments	(1,195,403)	(1,560,616)
Net cash used in investing activities	<u>(239,169)</u>	<u>(24,130)</u>
<b>Net Increase (Decrease) in Cash</b>	<b>400,366</b>	<b>(56,189)</b>
Cash and Cash Equivalents - Beginning of Year	<u>656,415</u>	<u>712,604</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,056,781</u>	<u>\$ 656,415</u>

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



**THE OHIO STATE UNIVERSITY  
CONSOLIDATED STATEMENTS OF CASH FLOWS, Cont'd**

	<u>2011</u>	<u>2010</u>
<b>Reconciliation of Net Operating Loss to Net Cash</b>		
<b>Provided (Used) by Operating Activities:</b>		
Operating loss	\$ (570,140)	\$ (591,520)
Adjustments to reconcile net operating loss to net cash provided (used) by operating activities:		
Depreciation expense	239,351	231,744
Changes in assets and liabilities:		
Accounts receivable, net	31,245	(12,996)
Notes receivable, net	(325)	1,820
Accrued interest receivable	(1,074)	(555)
Inventories and prepaid expenses	(6,031)	(12,298)
Accounts payable and accrued liabilities	(261)	6,170
Self-insurance accruals	1,368	(6,575)
Deposits and deferred credits	19,845	21,750
Compensated absences	15,699	5,407
Refundable advances for federal Perkins loans	(68)	(952)
Other noncurrent liabilities	7,562	1,728
	<u>                    </u>	<u>                    </u>
Net cash used in operating activities	\$ <u>(262,829)</u>	\$ <u>(356,277)</u>
<b>Non Cash Transactions:</b>		
Equipment	\$ -	\$ 2,150
Capital Lease	-	(2,150)

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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### NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

#### Organization

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

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

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

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

#### Basis of Presentation

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

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

Two separate statutory entities for which the university has special responsibility

- Ohio Agricultural Research and Development Center
- Ohio Supercomputer Center

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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Thirteen legally independent corporations engaged in activities related to the university

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

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

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

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

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

### **Basis of Accounting**

The financial statements of the university have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. The university is reporting as a special purpose government engaged in business type activities (BTA). Business type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. In accordance

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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with BTA reporting, the university presents Management's Discussion and Analysis; a Consolidated Statement of Net Assets; a Consolidated Statement of Revenues, Expenses and Other Changes in Net Assets; a Consolidated Statement of Cash Flows; and Notes to the Financial Statements.

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

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

- **Invested in capital assets, net of related debt:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. These balances are maintained in the plant funds in the university's detailed accounting records.
- **Restricted - nonexpendable:** Net assets subject to externally-imposed stipulations that they be maintained in perpetuity by the university. These assets primarily consist of the university's permanent endowment funds.
- **Restricted - expendable:** Net assets whose use is subject to externally-imposed stipulations that can be fulfilled by actions of the university pursuant to those stipulations or that expire by the passage of time. These resources include the current restricted funds, student loan funds, certain plant funds, annuity and life income funds.
- **Unrestricted:** Net assets that are not subject to externally-imposed stipulations. These resources include educational and general funds, auxiliary funds, hospitals funds, and certain plant funds. Substantially all unrestricted net assets are internally designated for use by university departments to support working capital needs, to fund related academic or research programs, and to provide for unanticipated shortfalls in revenues and deviations in enrollment.

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

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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### Cash and Investments

Cash and cash equivalents consist primarily of petty cash, demand deposit accounts, money market accounts, and savings accounts. Restricted cash consists of bond proceeds restricted for capital expenditures.

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

The university holds investments in limited partnerships, private equity and other investments, which are carried at estimated fair value provided by the management of these funds. The purpose of this alternative investment class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes. Methods for determining estimated fair values include discounted cash flows and estimates provided by general partners. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed, and such differences could be material. As of June 30, 2011, the university has made commitments to limited partnerships totaling \$474,000 that have not yet been funded. In the prior fiscal year, the university had made commitments to limited partnerships totaling \$496,000 that had not yet been funded as of June 30, 2010.

Investment in real estate is carried at cost, if purchased, or appraised value at the date of the gift. Holdings in real estate investment trusts (REITs) are carried at estimated fair values. The carrying and market values of real estate at June 30, 2011 are \$3,862 and \$14,474, respectively. The carrying and market values of real estate at June 30, 2010 are \$4,280 and \$14,627, respectively.

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

### Endowment Policy

All endowments are invested in the university's Long Term Investment Pool, which consists of more than 4,400 named funds. Each named fund is assigned a number of shares in the Long Term Investment Pool based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act, as adopted in Ohio, permits the university's Board of Trustees to appropriate an amount of realized and unrealized endowment appreciation as the Board deems prudent. Net realized and unrealized appreciation, after the spending rule distributions, is retained in the Long Term Investment Pool.

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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Annual distributions to named funds in the Long Term Investment Pool are computed using the share method of accounting for pooled investments. For fiscal year 2009, annual distribution was based on the average market value per share of the Long Term Investment Pool over the previous five year period multiplied by a stated rate. For funds established prior to June 30, 2004, the stated rate was 4.5%. For funds established after June 30, 2004, the stated rate was 4%. To minimize volatility in the year-to-year distribution amounts, a “collar” was also in place to ensure that distribution per share did not increase greater than 3% a year or decrease more than 1% a year.

After the significant market decline in fiscal year 2009, the Board of Trustees revised the distribution policy. In fiscal year 2010, the two pools (named funds established before or after the June 30, 2004 cutoff date) were combined into one, resulting in one payout rate for all funds. The collar was eliminated and replaced with a temporary one year floor limiting the total distribution decline to 3% for any college or area. Based on these two methods, undistributed gains were transferred from the Long Term Investment Pool to current funds. These transfers total \$97,954 and \$99,966 in fiscal years 2011 and 2010, respectively.

Beginning in fiscal year 2011, annual distribution per share is 4.25% of the average market value per share of the Long Term Investment Pool over the most recent seven year period.

At June 30, 2010, the market value of the university’s gifted endowments was \$1,239,653, which is \$53,026 above the historical dollar value of \$1,186,627. At June 30, 2011, the market value of the university’s gifted endowments was \$1,405,646, which is \$170,967 above the historical dollar value of \$1,234,679. Although the market value of the gifted endowments in total exceeds the historical cost at June 30, 2011, there are 2,316 named funds that remain underwater. The market value of these underwater funds at June 30, 2011 is \$655,321, which is \$101,372 below the historical dollar value of \$756,692.

### Gift Pledges Receivable

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

### Inventories

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

### Capital Assets and Collections

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

Type of Asset	Estimated Useful Life
Improvements other than buildings	20 years
Buildings	10 to 100 years
Moveable equipment, software and furniture	5 to 15 years
Library Books	10 years

Interest incurred during the construction of capital assets is included in the cost of the asset when capitalized. \$15,674 and \$10,584 of interest was capitalized in the years ended June 30, 2011 and 2010, respectively. The university does not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are neither disposed of for financial gain nor encumbered in any way. Accordingly, such collections are not recognized or capitalized for financial statement purposes.

### Deferred Revenues

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

### Derivative Instruments and Hedging Activities

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

### Operating and Non-Operating Revenues

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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### **Tuition, Room and Board**

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

### **State Support**

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

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

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

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

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

### **Government Grants and Contracts**

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

The university generally considers grants, contracts and non-capital appropriations to be exchange transactions. Under these arrangements, the university provides a bargained-for



## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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benefit, typically in the form of instruction, research or public service programs, either directly to the funding entity or to its constituents. The overall scope and nature of these program activities is determined by the level of funding and the requirements set forth by these resource providers.

### Hospital Revenue

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

### OSU Physicians Revenue

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

### Management Estimates

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

### Newly Issued Accounting Pronouncements

In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement amends provisions in Statements No. 45 and 43 related to measurement and actuarial valuation of other post employment benefits. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, the provisions of Statement No. 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

University management has not yet determined the impact that implementation of GASB Statement No. 57 will have on the university's financial statements.

### Other

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

### NOTE 2 — CASH AND CASH EQUIVALENTS

At June 30, 2011, the carrying amount of the university's cash, cash equivalents and restricted cash for all funds is \$1,056,781 as compared to bank balances of \$1,109,855. The differences in carrying amount and bank balances are caused by outstanding checks and deposits in transit. Of the bank balances, \$7,973 is covered by federal deposit insurance and \$1,101,882 is uninsured but collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

### NOTE 3 — INVESTMENTS

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

Temporary Investments are funds available for current operations. Under the university's investment policies, Temporary Investment funds may be invested in the following instruments:

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

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

Trustees approved the following thematic asset classes, allocation ranges and benchmarks for the Long-Term Investment Pool:

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

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

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

Other Long-Term Investments are non-unitized investments that relate primarily to gift arrangements between donors and the OSU Foundation. Included in this category are charitable remainder trust assets invested in mutual funds, OSU Foundation interests in unitrust, annuity trust and pooled income agreements, life insurance policies for which the OSU Foundation has been named owner and beneficiary, and certain real estate investments. Also included in this category are investments in certain organizations that are affiliated with the OSU Health System.

U. S. Government and Agency securities are invested through trust agreements with banks who keep the securities in their safekeeping accounts at the Federal Reserve Bank in "book entry" form. The banks internally designate the securities as owned by or pledged to the university. Common stocks, corporate bonds, money market instruments, mutual funds and other investments are invested through trust agreements with banks who keep the investments in their safekeeping accounts at the Depository Trust Company, JPMorgan Chase or State Street in "book entry" form. The banks internally designate the securities as owned by or pledged to the university.

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

Total university investments by major category at June 30, 2011 and 2010 are as follows:

	2011	2010
Temporary Investments	\$ 947,937	\$ 587,528
Long-Term Investment Pool:		
Gifted Endowment - university	921,219	828,833
Gifted Endowment – OSU Foundation	484,427	410,820
Operating Endowment	715,068	647,915
Total Long-Term Investment Pool	2,120,714	1,887,568
Other Long-Term Investments	68,283	64,232
Total Investments	\$ 3,136,934	\$ 2,539,328

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

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

Total university investments by investment type at June 30, 2010 are as follows:

	Temporary Investments	Long-Term Investment Pool	Other Long-Term Investments	Total
Common stock	\$ 21	\$ 312,446	\$ 53	\$ 312,520
Equity mutual funds	40,959	47,361	19,277	107,597
U. S. government obligations	76,338	6,451	3,968	86,757
U. S. government agency obligations	96,552	594	-	97,146
Repurchase agreements	87,996	1,000	-	88,996
Corporate bonds and notes	146,887	76,973	286	224,146
Bond mutual funds	119,811	119,852	22,218	261,881
International bonds	11	555	-	566
Real estate	146	-	3,899	4,045
Partnerships and hedge funds	-	1,242,427	-	1,242,427
Cash and cash equivalents	-	79,909	-	79,909
Other	18,807	-	14,531	33,338
<b>Total</b>	<b>\$ 587,528</b>	<b>\$ 1,887,568</b>	<b>\$ 64,232</b>	<b>\$ 2,539,328</b>

Net appreciation in the fair value of investments includes both realized and unrealized gains and losses on investments. During the year ended June 30, 2011, the university realized a net gain of \$115,965 from the sale of investments. The calculation of realized gains and losses is independent of the net appreciation in the fair value of investments held at year-end. Realized gains and losses on investments that had been held for more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year and the current year. The net appreciation in the fair value of investments during the year ended June 30, 2011, was \$296,536. This amount includes all changes in fair value, both realized and unrealized, that occurred during the year. The unrealized appreciation during the year on investments was \$180,571.

The components of the net investment income (loss) are as follows:

	Interest and Dividends (net)	Net Appreciation (Depreciation) in Market Value of Investments	Net Investment Income (Loss)
Temporary Investments	\$ 21,690	\$ 4,380	\$ 26,070
Long-Term Investment Pool	44,772	285,812	330,584
Other Long-Term Investments	2,110	6,344	8,454
<b>Total 2011</b>	<b>\$ 68,572</b>	<b>\$ 296,536</b>	<b>\$ 365,108</b>
<b>Total 2010</b>	<b>\$ 67,101</b>	<b>\$ 256,843</b>	<b>\$ 323,944</b>

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

### Additional Risk Disclosures for Investments

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

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

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

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

The maturities of the university's interest-bearing investments at June 30, 2010 are as follows:

	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U. S. government obligations	\$ 86,757	\$ 21,041	\$ 57,516	\$ 1,750	\$ 6,450
U. S. agency obligations	97,146	12,172	61,079	15,697	8,198
Repurchase agreements	88,996	88,996	-	-	-
Corporate bonds	224,146	21,937	136,166	54,459	11,584
Bond mutual funds	261,881	67,191	103,534	68,266	22,890
International bonds	566	-	11	555	-
Total	\$ 759,492	\$ 211,337	\$ 358,306	\$ 140,727	\$ 49,122

**Credit risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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.

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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

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

The credit ratings of the university's interest-bearing investments at June 30, 2010 are as follows:

Credit Rating (S&P)	U. S.					
	Total	Government and Agency Obligations	Repurchase Agreements	Corporate Bonds	Bond Mutual Funds	International Bonds
AAA	\$ 473,610	\$ 183,709	\$ 88,996	\$ 43,619	\$ 157,286	\$ -
AA	50,390	-	-	36,331	14,059	-
A	159,440	-	-	90,350	69,090	-
BBB	69,248	194	-	51,156	17,343	555
BB	3,489	-	-	1,467	2,022	-
B	426	-	-	195	231	-
CCC	1,314	-	-	-	1,314	-
CC	-	-	-	-	-	-
C	-	-	-	-	-	-
Not Rated	1,575	-	-	1,028	536	11
Total	\$ 759,492	\$ 183,903	\$ 88,996	\$ 224,146	\$ 261,881	\$ 566

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

**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, 2011, the university's exposure to foreign currency risk is as follows:

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



## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

At June 30, 2010, the university's exposure to foreign currency risk is as follows:

Currency	Common Stock	Equity Mutual Funds	Bond Mutual Funds	Corporate Bonds	International Bonds	Private Equity
Australian dollar	\$ 2,339	\$ 928	\$ 522	\$ 1,311	\$ -	\$ 21,917
Brazilian real	5,195	591	8,985	1	-	-
Canadian dollar	8,621	772	8,179	-	-	-
Chilean peso	-	60	-	-	-	-
Chinese yuan	-	708	-	-	-	-
Columbian peso	-	7	-	-	-	-
Czech Republic koruna	811	15	-	-	-	-
Danish krone	966	129	-	-	-	-
Egyptian pound	806	7	-	-	-	-
Euro	31,153	3,503	14,614	-	-	12,632
Great Britain pound sterling	17,570	2,370	4,606	-	-	-
Hong Kong dollar	6,073	335	-	-	-	-
Hungarian forint	172	15	-	-	-	-
Indian rupee	2,600	367	-	-	-	-
Indonesian rupiah	3,489	90	-	-	-	-
Israeli shekel	524	103	-	-	11	-
Japanese yen	20,037	2,585	2,840	-	-	-
Malaysian ringgit	192	128	-	-	-	-
Mexican peso	1,011	174	3,438	-	555	-
Moroccan dirham	-	1	-	-	-	-
New Taiwan dollar	5,947	391	-	-	-	-
New Zealand dollar	183	17	-	-	-	-
Norwegian krone	1,377	90	-	-	-	-
Peruvian nuevo sol	-	21	-	-	-	-
Phillippine peso	-	15	-	-	-	-
Polish zloty	159	45	225	-	-	-
Russian ruble	-	247	-	-	-	-
Singapore dollar	945	210	-	-	-	-
South African rand	7,266	287	-	-	-	-
South Korean won	11,744	516	-	-	-	-
Swedish krona	3,240	329	-	-	-	-
Swiss franc	4,289	908	-	-	-	-
Thailand bhat	1,828	51	-	-	-	-
Turkish lira	1,273	52	-	-	-	-
<b>Total</b>	<b>\$ 139,810</b>	<b>\$ 16,067</b>	<b>\$ 43,409</b>	<b>\$ 1,312</b>	<b>\$ 566</b>	<b>\$ 34,549</b>

**Notes to Financial Statements – Years Ended June 30, 2011 and 2010**  
(dollars in thousands)

**NOTE 4 — ACCOUNTS, NOTES AND PLEDGES RECEIVABLE**

Accounts receivable at June 30, 2011 and 2010 consist of the following:

	<b>2011</b>	<b>2010</b>
Patient receivables – OSU Health System	\$ 765,750	\$ 702,655
Patient receivables – OSU Physicians, Inc.	87,046	96,309
Grant and contract receivables	71,453	75,786
Tuition and fees receivable	55,172	42,464
Receivables for departmental and auxiliary sales and services	72,166	81,441
State and federal receivables	19,917	27,958
Other receivables	60	1,241
Total receivables	<u>1,071,564</u>	<u>1,027,854</u>
Less: Allowances for doubtful accounts	669,383	586,386
Total receivables, net	<u>\$ 402,181</u>	<u>\$ 441,468</u>

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

Notes receivable consist primarily of Perkins Loans and are net of an allowance for doubtful accounts of \$19,000 at June 30, 2011 and \$18,050 at June 30, 2010. Federal capital contributions to the Perkins loan programs represent advances which are ultimately refundable to the federal government.

In accordance with GASB Statement No. 33, *Accounting and Reporting for Non-exchange Transactions*, the university has recorded \$59,879 in non-endowment pledges receivable at June 30, 2011 and a related allowance for doubtful accounts of \$8,715. The university recorded \$54,464 in non-endowment pledges receivable and a related allowance for doubtful accounts of \$8,112 at June 30, 2010.

**Notes to Financial Statements – Years Ended June 30, 2011 and 2010**  
(dollars in thousands)

**NOTE 5 — CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2011 is summarized as follows:

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

Capital assets activity for the year ended June 30, 2010 is summarized as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 74,118	\$ 70	\$ 262	\$ 73,926
Construction in progress	386,184	(112,958)	-	273,226
Total non depreciable assets	460,302	(112,888)	262	347,152
Capital assets being depreciated:				
Improvements other than buildings	279,732	2,416	152	281,996
Buildings and fixed equipment	3,607,824	333,440	2,105	3,939,159
Movable equipment, furniture and software	900,585	137,173	115,039	922,719
Library books	162,335	2,449	1,772	163,012
Total	4,950,476	475,478	119,068	5,306,886
Less: Accumulated depreciation	2,290,850	231,744	99,690	2,422,904
Total depreciable assets, net	2,659,626	243,734	19,378	2,883,982
Capital assets, net	\$ 3,119,928	\$ 130,846	\$ 19,640	\$ 3,231,134

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

### NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at June 30, 2011 and 2010 consist of the following:

	2011	2010
Payables to vendors for supplies and services	\$ 212,561	\$ 194,017
Accrued compensation and benefits	114,887	127,462
Retirement system contributions payable	35,730	38,131
Current portion of self-insurance accruals:		
Medical malpractice	3,100	2,700
Employee health insurance	29,507	25,950
Current portion of amounts due to third-party payers – OSU Health System	15,489	18,278
Other accrued expenses	29,098	16,859
	<u>\$ 440,372</u>	<u>\$ 423,397</u>

### NOTE 7 – DEPOSITS AND DEFERRED REVENUES

Deposits and deferred revenues at June 30, 2011 and 2010 consist of the following:

	2011	2010
Tuition and fees	\$ 59,141	\$ 53,351
Departmental and auxiliary sales and services	87,599	82,633
Grants and contract advances	70,311	62,844
Other deposits and deferred revenues	11,499	9,751
	<u>\$ 228,550</u>	<u>\$ 208,579</u>

### NOTE 8 – SELF-INSURANCE ACCRUALS

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

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

The limits are in excess of underlying policies with limits ranging from \$4 million to \$10 million. A portion of the risks written by Oval Limited to date is reinsured by two reinsurance companies. Oval Limited retains 50% of the first \$15 million of risk and cedes the remainder plus the second \$15 million to Berkley Medical Excess Underwriters (rated A+ by A.M. Best). Above that, Oval Limited cedes the remaining \$20 million of risk to Endurance Specialty Insurance Ltd. (rated A by A.M. Best). The estimated liability and the related contributions to the fund are based upon an independent actuarial determination as of June 30, 2011. OSU Physicians, Inc. participates in the university self-insurance fund for professional medical malpractice liability claims. OSU Physicians premiums incurred and paid to the university were \$4,347 and \$5,443 during the years ended June 30, 2011 and 2010, respectively.

The Hospitals' estimate of professional malpractice liability includes provisions for known claims and actuarially determined estimates of incurred but not reported claims and incidents. This liability at June 30, 2011 of the anticipated future payments on gross claims is estimated at its present value of \$84,997 discounted at an estimated rate of 3.0% (university funds) and an additional \$35,634 discounted at an estimated rate of 3.0% (Oval Limited).

Although actual experience upon the ultimate disposition of the claims may vary from this estimate, the self-insurance fund assets of \$179,892 are more than the recorded liability at June 30, 2011, and the surplus of \$59,261 is included in unrestricted net assets.

The university is also self-insured for employee health insurance. As of June 30, 2011, \$29,507 is recorded as a liability relating to both claims received but not paid and estimates of claims incurred but not yet reported.

Changes in the reported liabilities since June 30, 2009 result from the following activities:

	Malpractice		Health	
	2011	2010	2011	2010
Liability at beginning of fiscal year	\$ 118,863	\$ 125,938	\$ 25,950	\$ 22,539
Current year claims, changes in estimates	5,143	(3,939)	281,744	214,048
Claim payments	(3,375)	(3,136)	(278,187)	(210,637)
Balance at fiscal year end	\$ 120,631	\$ 118,863	\$ 29,507	\$ 25,950

### NOTE 9 — DEBT

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

Debt activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Commercial Paper:</b>					
Series I	\$50,000	\$ -	\$50,000	\$ -	\$ -
Series J	-	121,000	-	121,000	121,000
<b>Notes:</b>					
Transportation Research Center - Capital One Funding Corporation, due through 2014	1,453	-	252	1,201	252
OSU Physicians - Fifth Third Note, due through 2012	1,792	-	182	1,610	196
OSU Physicians – Fifth Third Note, due through 2039	15,389	3,154	18,543	-	-
OSU Physicians – Fifth Third Note, due through 2035	-	17,636	196	17,440	410
Campus Partners - ESIC	11,233	-	400	10,833	400
Campus Partners - UDCDE Note A	22,603	-	230	22,373	249
Campus Partners - UDCDE Note B	10,376	-	-	10,376	-
Campus Partners – Mortgage Payable	424	-	13	411	13
Campus Partners – CCF Loan, City of Columbus	125	-	-	125	-
Adria Kravinsky Foundation – Notes Payable	698	-	698	-	-
Clifton Holding LLC	1,726	-	820	906	906
<b>General Receipts Bonds – Fixed Rate:</b>					
1999A, due serially through 2029	2,920	-	2,920	-	-
2002A, due serially through 2031	105,855	-	39,755	66,100	8,190
2003B, due serially through 2033	149,210	-	60,330	88,880	6,860
2005A, due serially through 2035	229,370	-	13,730	215,640	17,385
2008A, due serially through 2028	217,595	-	12,090	205,505	12,400
2010A, due serially through 2020	-	241,170	-	241,170	2,080
<b>General Receipts Bonds – Variable Rate:</b>					
1997, due serially through 2027	29,760	-	11,350	18,410	18,410
1999B1, due serially through 2029	45,200	-	29,700	15,500	15,500
2001, due serially through 2032	76,950	-	20,410	56,540	56,540
2003C, due serially through 2031	101,530	-	43,925	57,605	57,605
2005B, due serially through 2035	129,990	-	51,255	78,735	78,735
2008B, due serially through 2028	127,770	-	25,535	102,235	102,235
<b>Capital Lease Obligations</b>	<b>28,276</b>	<b>2,150</b>	<b>8,762</b>	<b>21,664</b>	<b>6,476</b>
	<b>\$ 1,360,245</b>	<b>\$ 385,110</b>	<b>\$ 391,096</b>	<b>\$ 1,354,259</b>	<b>\$ 505,842</b>

Debt obligations are generally callable by the university, bear interest at fixed and variable rates ranging from 0% to 6% and mature at various dates through 2035. Maturities and interest on debt obligations for the next five years and in five-year periods are as follows:

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

	Principal	Interest	Total
2012	\$ 542,903	\$ 48,503	\$ 591,406
2013	81,789	44,395	126,184
2014	60,144	42,149	102,293
2015	60,780	40,620	101,400
2016	60,753	39,210	99,963
2017-2021	246,284	180,043	426,327
2022-2026	147,604	147,901	295,505
2027-2031	91,265	118,617	209,882
2032-2037	17,200	105,633	122,833
2038-2042	665,161	83,591	748,752
	<u>\$ 1,973,883</u>	<u>\$ 850,662</u>	<u>\$ 2,824,545</u>

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

The outstanding bond indentures do not require mandatory reserves for future payment of principal and interest. However, the university has set aside \$108,248 for future debt service which is included in unrestricted net assets.

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

	Amount Defeased	Amount Outstanding at June 30, 2011
Revenue Bonds:		
Series 2002A	\$ 77,140	\$ 77,140
Series 2003B	98,220	98,220
	<u>\$ 175,360</u>	<u>\$175,360</u>

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

### Variable Rate Demand Bonds

Series 1997, 1999B1, 2001, 2003C, 2005B, 2008B and 2010E variable rate demand bonds bear interest at rates based upon yield evaluations at par of comparable securities. The maximum interest rate allowable and the effective average interest rate from issue date to June 30, 2011 are as follows:



## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

Series:	Interest Rate Not to Exceed	Effective Average Interest Rate
1997	12%	2.081%
1999 B1	12%	1.848%
2001	12%	1.620%
2003 C	12%	1.877%
2005 B	12%	1.775%
2008 B	12%	0.590%
2010 E	8%	0.184%

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

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

Although it is the university's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the bond offering circulars, the university does not have "take-out agreements" in place per the GASB Interpretation No. 1 requirements. Accordingly, the university has classified the total outstanding principal balances on its variable rate demand bonds as current liabilities. The obligations totaled \$469,700 and \$329,025 at June 30, 2011 and 2010, respectively.

### Commercial Paper

The General Receipts Commercial Paper Notes (the "Notes") are limited obligations of the university secured by a pledge of the General Receipts of the university. The Notes are not debts or bonded indebtedness of the State of Ohio and are not general obligations of the State of Ohio or the university, and neither the full faith and credit of the State of Ohio nor the university are pledged to the payment of the Notes. The Notes have been issued to provide for interim financing of various projects approved by the Board of Trustees. It is the university's intention to roll each maturity into new Notes as they mature and to issue additional Notes as project expenditures are incurred. It is the university's intention ultimately to roll the Notes into permanent tax exempt bonds.

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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### Capital Lease Obligations

Some university equipment items and vehicles are financed as capital leases. The original cost and lease obligations related to these capital leases as of June 30, 2011 are \$43,012 and \$15,008, respectively. The original cost and lease obligations related to these capital leases as of June 30, 2010 are \$53,932 and \$21,664, respectively.

### Interest Rate Swap Agreements

The university has two interest rate swap agreements that are not considered hedges under GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

On January 6, 2009, OSUP entered into an interest rate swap (the “swap”) agreement. The swap is used to offset the variable interest rate on a portion of the 2010 bond financing obtained for the ambulatory facility in the amount of \$17,440. Under the agreement, OSUP pays a fixed rate of 4.09% to the bank and receives 30-day BMA rate in effect at the beginning of the month. The transaction is designed to manage OSUP’s interest costs and risks associated with the variable interest rate debt. OSUP settles with the bank monthly for the difference between the 4.09% and the 30-day BMA rate in effect at the beginning of the month. The estimated fair value of this agreement, based on various factors contained in the related swap agreement and interest rates including the notional amount of \$14,513, represents an unrealized loss of \$1,800 included in other liabilities as of June 30, 2011. OSUP records changes in fair value of the swap each quarter through the statements of operations and changes in net assets (\$28 for fiscal year 2011). The swap is settled monthly with net payments or receipts under the swap agreement being reflected as interest expense. The termination date of the swap is September 1, 2018. The estimated fair value of this agreement, based on various factors contained in the related swap agreement and interest rates including the notional amount of \$14,966, represents an unrealized loss of \$1,800 included in other liabilities as of June 30, 2010.

On March 2, 2007, OSU Internal Medicine, LLC (OSUIM) entered into the swap agreement fixing the interest rate on a \$2,169 term loan which was used to fund a 40% interest in the Fresenius Partnership. Under the agreement IM pays a fixed rate of 5.29% to the bank and receives 30-day LIBOR in effect at the beginning of the month. The transaction is designed to manage OSUIM’s interest costs and risks associated with the variable interest rate debt. IM settles with the bank monthly for the difference between the 5.29% and the 30-day LIBOR in effect at the beginning of the month. The estimated fair value of this agreement, based on various factors contained in the related interest rate swap agreement and interest rates, including the notional amount of \$1,414, represents an unrealized loss of \$46 included in other liabilities as of June 30, 2011. OSUIM records changes in fair value of the swap each quarter through the statements of operations and changes in net assets (\$63 for fiscal year 2011). The swap is settled monthly with net payments or receipts under the swap agreement being reflected as interest expense. The termination date of the swap is February 28, 2012. The estimated fair value of this agreement, based on various factors contained in the related interest rate swap agreement and interest rates, including the notional amount of \$1,610, represents an unrealized loss of \$112 included in other liabilities as of June 30, 2010.

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

OSUP did not hold any other position in a derivative instrument and did not have any other hedges outstanding in the current year. OSUP believes the swap value represents fair value under GASB Statement No. 53.

### NOTE 10 — OPERATING LEASES

The university leases various buildings, office space, and equipment under operating lease agreements. These facilities and equipment are not recorded as assets on the statement of net assets. The total rental expense under these agreements was \$34,722 and \$32,802 for the years ended June 30, 2011 and 2010, respectively.

Future minimum payments for all significant operating leases with initial or remaining terms in excess of one year as of June 30, 2011 are as follows:

Year Ending June 30,	
2012	\$26,805
2013	19,898
2014	15,292
2015	13,889
2016	11,811
2017-2021	44,365
2022-2026	20,928
2027-2031	15,927
2032-2036	642
2037-2041	633
2042-2046	633
2047-2051	633
Total minimum lease payments	<u>\$171,456</u>

### NOTE 11 — COMPENSATED ABSENCES

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

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

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

The university accrues sick leave liability for those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. This liability is calculated using the "termination payment

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

method” which is set forth in Appendix C, Example 4 of the GASB Statement No. 16, *Accounting for Compensated Absences*. Under the termination method, the university calculates a ratio, Sick Leave Termination Cost per Year Worked, that is based on the university’s actual historical experience of sick leave payouts to terminated employees. This ratio is then applied to the total years-of-service for current employees.

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

### NOTE 12 — NONCURRENT LIABILITIES

Non-current liability activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 108,988	\$ 23,986	\$ 8,287	\$ 124,687	\$ 8,287
Self-insurance accruals, noncurrent	116,163	282,930	281,562	117,531	-
Amounts due to third party payors, noncurrent	26,416	41,727	44,694	23,449	-
Obligations under life income agreements	38,050	5,301	3,833	39,518	3,978
Refundable advances for Federal Perkins loans	28,955	-	68	28,887	-
Unamortized bond premium	49,826	14,193	4,189	59,830	-
Other noncurrent liabilities	5,475	525	-	6,000	-
	<b>\$ 373,873</b>	<b>\$ 368,662</b>	<b>\$ 342,633</b>	<b>\$ 399,902</b>	<b>\$ 12,265</b>

Non-current liability activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 103,581	\$ 13,195	\$ 7,788	\$ 108,988	\$ 7,788
Self-insurance accruals, noncurrent	122,738	207,198	213,773	116,163	-
Amounts due to third party payors, noncurrent	22,418	25,986	21,988	26,416	-
Obligations under life income agreements	38,844	3,071	3,865	38,050	3,787
Refundable advances for Federal Perkins loans	29,907	-	952	28,955	-
Unamortized bond premium	25,338	28,058	3,570	49,826	-
Other noncurrent liabilities	7,745	-	2,270	5,475	-
	<b>\$ 350,571</b>	<b>\$ 277,508</b>	<b>\$ 254,206</b>	<b>\$ 373,873</b>	<b>\$ 11,575</b>

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

### NOTE 13 – RENTALS UNDER OPERATING LEASES

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

Year Ending June 30,	
2012	\$ 2,560
2013	1,460
2014	1,233
2015	882
2016	601
2017-2021	1,956
2022-2026	645
2027-2031	639
2032-2036	155
Total minimum future rentals	<u>\$ 10,131</u>

### NOTE 14 – OPERATING EXPENSES BY OBJECT

In accordance with requirements set forth by the Ohio Board of Regents, the university reports operating expenses by functional classification on the Statement of Revenues, Expenses and Other Changes in Net Assets. Operating expenses by object for the years ended June 30, 2011 and 2010 are summarized as follows:

#### Year Ended June 30, 2011

	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 771,192	\$ 112,115	\$ -	\$ -	\$ 883,307
Separately budgeted research	289,792	150,964	-	-	440,756
Public service	79,555	30,802	-	-	110,357
Academic support	113,916	33,929	-	-	147,845
Student services	66,363	22,241	-	-	88,604
Institutional support	151,816	92,011	-	-	243,827
Operation and maintenance of plant	37,677	77,414	-	-	115,091
Scholarships and fellowships	6,154	3,826	92,651	-	102,631
Auxiliary enterprises	133,781	111,006	-	-	244,787
OSU Health System	894,055	669,642	-	-	1,563,697
OSU Physicians, Inc.	217,425	76,306	-	-	293,731
Depreciation	-	-	-	239,351	239,351
Total operating expenses	<u>\$ 2,761,726</u>	<u>\$ 1,380,256</u>	<u>\$ 92,651</u>	<u>\$ 239,351</u>	<u>\$ 4,473,984</u>

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

### Year Ended June 30, 2010

	Compensation and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$ 748,265	\$ 121,153	\$ -	\$ -	\$ 869,418
Separately budgeted research	277,060	142,922	-	-	419,982
Public service	84,256	34,329	-	-	118,585
Academic support	115,780	24,475	-	-	140,255
Student services	65,902	21,701	-	-	87,603
Institutional support	102,556	88,976	-	-	191,532
Operation and maintenance of plant	42,965	66,475	-	-	109,440
Scholarships and fellowships	5,028	3,497	96,022	-	104,547
Auxiliary enterprises	122,905	100,799	-	-	223,704
OSU Health System	849,363	634,210	-	-	1,483,573
OSU Physicians, Inc.	208,462	76,258	-	-	284,720
Depreciation	-	-	-	231,744	231,744
Total operating expenses	\$ 2,622,542	\$ 1,314,795	\$ 96,022	\$ 231,744	\$ 4,265,103

### NOTE 15 — RETIREMENT PLANS

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

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

#### Defined Benefit Plans

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

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

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

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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

OPERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under the Ohio Revised Code (ORC), funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For the period March 1, 2010 through December 31, 2010 (the latest period for which information is available), OPERS allocated 5.0% of the employer contribution rate to fund the health care program for retirees.

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

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

STRS Ohio currently provides access to health care coverage to retirees who participated in the deferred benefit or combined plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to ORC, STRS Ohio has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of monthly premiums. Under ORC, medical costs paid from the funds of STRS Ohio are included in the employer contribution rate. For the fiscal year ended June 30, 2010, STRS Ohio allocated employer contributions equal to 1.0% of covered payroll to a Health Care Stabilization Fund (HCSF) from which payments for health care benefits are paid.

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

### Defined Contribution Plans

ARP is a defined contribution pension plan. Full-time administrative and professional staff and faculty may choose enrollment in ARP in lieu of OPERS or STRS Ohio. Classified civil service employees hired on or after August 1, 2005 are also eligible to participate in ARP. ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement

## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

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health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

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

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

### Combined Plans

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

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

OPERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under Ohio Revised Code (ORC), funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For the period March 1, 2010 through December 31, 2010 (the latest period for which information is available), OPERS allocated 4.23% of the employer contribution rate to fund the health care program for retirees.

### Funding Policy

ORC provides STRS Ohio and OPERS statutory authority to set employee and employer contributions. Contributions equal to those required by STRS Ohio and OPERS are required for ARP. For employees enrolling in ARP, ORC requires a portion (which may be revised pursuant to periodic actuarial studies) of the employer contribution be contributed to STRS



## Notes to Financial Statements – Years Ended June 30, 2011 and 2010

(dollars in thousands)

Ohio and OPERS to enhance the stability of these plans. The required contribution rates (as a percentage of covered payroll) for plan members and the university are as follows:

	STRS Ohio	OPERS	ARP
Faculty:			
Plan member (entire year)	10.00%		10.00%
university (entire year)	14.00%		14.00%*
Staff:			
Plan member (entire year)		10.00%	10.00%
university (entire year)		14.00%	14.00%**
Law enforcement staff:			
Plan member (entire year)		11.10%	11.10%
university (entire year)		17.87%	17.87%

\* Employer contributions include 3.5% paid to STRS Ohio.

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

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

The university's contributions, which represent 100% of required employer contributions, for the year ended June 30, 2011 and for each of the two preceding years are as follows:

Year Ended June 30,	STRS Ohio Annual Required Contribution	OPERS Annual Required Contribution	ARP Annual Required Contribution
2009	\$ 50,227	\$ 132,620	\$ 36,924
2010	\$ 52,500	\$ 141,815	\$ 39,014
2011	\$ 54,725	\$ 148,120	\$ 40,835

### OSU Physicians Retirement Plan

Retirement benefits are provided for the employees of OSU Physicians (OSUP) through a tax-sheltered 403(b) and 401(a) program administered by an insurance company. OSUP is required to make nondiscretionary contributions of no less than 7.5% under the Interim Retirement Plan; however, some subsidiaries make an additional discretionary contribution of up to 17.5%, for a range of total employer contributions of 7.5% to 25%. Employees are allowed, but not required, to make contributions to the 403(b) plan. OSUP's share of the cost of these benefits was \$17,746 and \$14,960 for the years ended June 30, 2011 and 2010, respectively.

### NOTE 16 — CAPITAL PROJECT COMMITMENTS

At June 30, 2011, the university is committed to future contractual obligations for capital expenditures of approximately \$884,160.

**Notes to Financial Statements – Years Ended June 30, 2011 and 2010**  
(dollars in thousands)

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These projects are funded by the following sources:

State appropriations	\$ 63,280
Internal and other sources	820,880
Total	<u>\$ 884,160</u>

**NOTE 17 — CONTINGENCIES AND RISK MANAGEMENT**

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

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

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

**NOTE 18 — SUBSEQUENT EVENT**

On October 26, 2011, the university issued an offering statement for \$500,000 in Fixed Rate General Receipts Bonds, Series 2011A. The Series 2011A bonds are federally taxable and will be used to fund capital projects. The bonds mature in whole on June 1, 2111 and have an interest rate of 4.800%. The bonds will have semi-annual interest payments and are subject to optional redemption prior to maturity at a make-whole redemption price.

**THE OHIO STATE UNIVERSITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
Smithsonian Astrophysical Observatory	43.002	24,816
Appalachian Regional Commission	23.011	32,582
Appalachian Regional Commission	23.30070100	25,485
Veterans Affairs	64.30170000	38,312
Nuclear Regulatory Commission	77.008	557,270
Nuclear Regulatory Commission	77.30220000	61,965
Agency for Intl Dev	98.001	52,218
National Academy of Sciences	99.31020000	33,777
National Research Council	99.31020100	21,510
Federal Reserve Bank of Cleveland	99.31050100	12,131
Environmental Protection Agency	66.034	14,743
Environmental Protection Agency	66.32000000	256,633
Environmental Protection Agency	66.439	66,484
Environmental Protection Agency	66.469	234,754
Environmental Protection Agency	66.509	75,677
Environmental Protection Agency	66.512	9,325
Environmental Protection Agency	66.516	(31)
Environmental Protection Agency	66.808	29,920
Environmental Protection Agency	66.808	144,895
Nat Aeronautics & Space Admin	43.002	224,047
Nat Aeronautics & Space Admin	43	967
Langley Research Center	43.002	291,352
John Glenn Research Center-Lewis Field	43.002	48,427
John Glenn Research Center-Lewis Field	43.33000104	443,464
John Glenn Research Center-Lewis Field	43	126,390
NASA Headquarters	43.001	1,155,940
NASA Headquarters	43.002	147,852
NASA Headquarters	43.33000105	295,859
NASA Headquarters	43	449
Johnson Space Center	43.002	112,970
Goddard Space Flight Center	00.000	

**THE OHIO STATE UNIVERSITY  
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 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
Goddard Space Flight Center	43.001	12,177
Goddard Space Flight Center	43.002	783,075
Jet Propulsion Lab	43.002	148,350
Jet Propulsion Lab	43.33000303	19,611
National Space Biomedical Research Inst	43	302,599
Nat Science Foundation	47.041	273,094
Nat Science Foundation	47.049	1,250,403
Nat Science Foundation	47.050	126,186
Nat Science Foundation	47.070	(4,455)
Nat Science Foundation	47.074	845,394
Nat Science Foundation	47.075	56,770
Nat Science Foundation	47.078	63,132
NSF Biological Sciences	47.074	650,648
NSF Integrative Organismal Biology	47.074	1,675,784
ARRA NSF Integrative Organismal Biology	47.082	460,938
NSF Molecular & Cellular Biosciences	47.047	135,798
NSF Molecular & Cellular Biosciences	47.074	1,611,495
ARRA NSF Molecular & Cellular Biosciences	47.082	446,158
NSF Environmental Biology	47.074	402,022
ARRA NSF Environmental Biology	47.082	227,134
NSF Social & Economic Sciences	47.075	42,628
NSF Biological Infrastructure	47.074	1,944,610
ARRA NSF Biological Infrastructure	47.082	62,539
NSF Div Emerging Frontiers	47.074	77,215
NSF Computer & Info Sciences & Eng	47.070	459,303
NSF Div Info Robotics&Intelligent Systems	47.070	926,315
ARRA NSF Div Info Robotics&Intelligent Systems	47.082	136,330
NSF Div Advanced Scientific Computing	47.070	1,073
NSF Div of Computer & Network Systems	47.070	1,639,977
ARRA NSF Div of Computer & Network Systems	47.082	158,341

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 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
NSF Div Computing & Communication Fdn	47.070	1,812,729
NSF Engineering	47.041	247,839
NSF Div Engineering Education&Centers	47.041	2,969,990
NSF Div Chemical & Transport Systems	47.041	(3,917)
NSF Div Elect, Comm, & CyberSystems	47.041	841,075
ARRA NSF Div Elect, Comm, & CyberSystems	47.082	422,518
NSF Div Design &Manufacturing Innovation	47.041	55,423
NSF Div Bioengineering & Environmental	47.041	(10,705)
NSF Div Bioengineering & Environmental	47.074	33,009
NSF Div Chem, Bioeng, Environ, & Trnsp S	47.041	1,056,606
ARRA NSF Div Chem, Bioeng, Environ, & Trnsp S	47.082	568,317
NSF Div Civil, Mechanical & Maufact Innv	47.041	1,273,097
ARRA NSF Div Civil, Mechanical & Maufact Innv	47.082	155,919
NSF Industrial Innovation & Partnerships	47.041	261,075
NSF Geosciences	47.050	51,020
NSF Div Atmospheric Sciences	47.050	448,882
ARRA NSF Div Atmospheric Sciences	47.082	49,641
NSF Div Earth Sciences	47.050	549,763
NSF Div Earth Sciences	47.074	34,798
ARRA NSF Div Earth Sciences	47.082	350,602
NSF Div Ocean Sciences	47.050	233,261
NSF Div Ocean Sciences	47.074	53,295
NSF Ofc Polar Programs	47.078	1,935,242
ARRA NSF Ofc Polar Programs	47.082	169,315
NSF Div Mathematical Sciences	47.049	4,525,557
NSF Div Mathematical Sciences	47.050	4,761
NSF Div Physics	47.049	1,201,205
NSF Div Chemistry	47.049	1,867,514
ARRA NSF Div Chemistry	47.082	352,220
NSF Div Materials Research	47.049	4,252,671

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 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
ARRA NSF Div Materials Research	47.082	88,726
NSF Div Astronomical Sciences	47.049	817,990
ARRA NSF Div Astronomical Sciences	47.082	511,080
NSF Education & Human Resources	47.076	681,091
NSF Div Undergraduate Education	47.076	1,464,646
NSF Div Human Resource Development	47.076	1,098,587
NSF Div Graduate Educ & Res Development	47.076	1,099,856
NSF Div Res, Evaluation & Communication	47.076	69
NSF Div of Research on Learning	47.076	248,359
NSF Social, Behavioral & Economic Res	47.075	1,592,076
ARRA NSF Social, Behavioral & Economic Res	47.082	410,730
NSF Ofc of International Science & Eng	47.079	103,248
NSF Behavioral & Cognitive Sciences	47.075	246,665
NSF Office of Cyberinfrastructure	47.041	-
NSF Office of Cyberinfrastructure	47.080	550,486
ARRA NSF Office of Cyberinfrastructure	47.082	307,223
US Department of Agriculture	10.219	98,834
USDA Forest Service	10.001	16,206
USDA Forest Service	10.40020000	236,602
USDA Forest Service	10.445	2,270
USDA Forest Service	10.652	53,712
USDA Forest Service	10.664	2,746
USDA Forest Service	10.680	47,693
USDA Forest Service	15.232	69,964
USDA Forest Service	10.163	15,444
Agricultural Marketing Service	10.168	(2,648)
Agricultural Marketing Service	10.200	1,976,248
National Institute of Food & Agriculture	10.206	1,877,224
National Institute of Food & Agriculture	10.207	24,883
National Institute of Food & Agriculture	10.210	94,440

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 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
National Institute of Food & Agriculture	10.217	132,931
National Institute of Food & Agriculture	10.219	92,834
National Institute of Food & Agriculture	10.220	(4,557)
National Institute of Food & Agriculture	10.226	52,160
National Institute of Food & Agriculture	10.303	1,831,278
National Institute of Food & Agriculture	10.305	54,501
National Institute of Food & Agriculture	10.307	933,260
National Institute of Food & Agriculture	10.309	399,244
National Institute of Food & Agriculture	10.310	1,300,193
National Institute of Food & Agriculture	10.500	589,830
Nat Res Init Competitive Grants Program	10.206	485,950
USDA Agricultural Res Service	10.001	963,549
Natural Resources Conservation Service	10.912	23,531
Animal & Plant Health Inspection Service	10.025	270,758
Economic Res Service	10.250	159,872
Economic Res Service	10.253	33,815
USDA Rural Development	10.771	68,057
USDA Foreign Ag Serv	10.960	20,823
USDA Foreign Ag Serv	10.961	82,708
USDA Foreign Ag Serv	10.962	59,187
Nat Oceanic & Atmospheric Admin	11.417	1,450,753
Nat Oceanic & Atmospheric Admin	11.420	(11)
Nat Oceanic & Atmospheric Admin	11.431	188,425
Nat Inst of Standards & Tech	11.609	76,760
Bur of Census	11.42060000	32,103
US Department of Defense	12.420	(126)
Air Force	12.50010000	509,486
Air Force Materiel Command	12.50010100	260,846
Air Force Office of Scientific Res	12.300	115,389
Air Force Office of Scientific Res	12.630	(11,268)

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 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
Air Force Office of Scientific Res	12.800	7,885,823
Air Force Research Laboratory	12.50010126	2,488,689
Air Force Academy	12.800	255,799
Army	12.420	199,615
Army Corps of Engineers	12.50020100	700,818
Humphreys Engineer Ctr Support Activity	12.50020106	607,971
Army Natick Res, Dev & Eng Ctr	12.50020213	8,269
Army Aviation Applied Tech Directorate	12.630	362,979
Army Research, Development and Eng Cmd	12.431	116,958
Army Research, Development and Eng Cmd	12.50020219	65,838
Army Contracting Command	12.50020220	72,749
Army Medical Res & Materiel Command	12.420	126,352
Army Medical Res & Materiel Command	12.50020301	51,068
Walter Reed Army Institute of Research	12.50020303	40,698
Army Res Office	12.431	2,659,939
Army Res Office	12.50020400	177,400
Army Medical Res Acquisition Activity	12.420	2,919,469
Navy	12.50040000	77,124
Space & Naval Warfare Systems Ctr	12.910	118,737
Naval Surface Warfare Center	12.50040112	13,699
Office of Naval Res	12.300	2,913,381
Office of Naval Res	12.50040300	28,509
Navy Research Lab	12.300	3,621
Naval Medical Center San Diego	12.50040600	57,006
Defense Advanced Res Projects Agency	12.910	(3,490)
Nat Geospatial-Intelligence Agency	12.50080000	220,485
Nat Geospatial-Intelligence Agency	12.630	419,728
Defense Logistics Agency	12.50130000	1,241
Nat Security Agency	12.50140000	(2,517)
Nat Security Agency	12.901	153,265



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Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
Uniformed Services Univ Health Sci's	12.750	69,952
Defense Threat Reduction Agency	12.351	607,884
US Department of Education	84.015	960,363
US Department of Education	84.031	44,740
US Department of Education	84.042	254,352
US Department of Education	84.047	370,521
US Department of Education	84.200	53,185
US Department of Education	84.224	573,127
US Department of Education	84.229	240,711
US Department of Education	84.305	148,346
US Department of Education	84.324	1,122,721
US Department of Education	84.325	104,776
US Department of Education	84.327	287,175
US Department of Education	84.336	1,577,784
ARRA US Department of Education	84.396	1,924,460
US Department of Education	84.407	121,081
US Department of Education	84.305	5,192,407
Institute of Education Sciences	84.324	183,651
Institute of Education Sciences	84.53020000	135,369
Institute of Education Sciences	84.015	215,164
Ofc of Postsecondary Education	84.047	211,023
Ofc of Postsecondary Education	84.220	333,517
Ofc of Postsecondary Education	84.229	157,510
Ofc of Special Ed & Rehabilitative Svcs	84.325	53,914
Ofc of Special Ed & Rehabilitative Svcs	84.327	166,195
Office of Special Education Programs	84.325	25,342
Nat Inst Disability & Rehabilitation Res	84.133	428,217
ARRA US Department of Energy	81.049	296,413
US Department of Energy	81.049	7,812,885
US Department of Energy	81.086	(107,773)

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 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
ARRA US Department of Energy	81.087	156,011
US Department of Energy	81.087	891,301
US Department of Energy	81.089	93,761
US Department of Energy	81.117	456,243
US Department of Energy	81.121	360,176
ARRA US Department of Energy	81.122	889,748
US Department of Energy	81.55000000	599,940
Oak Ridge Nat Lab	81.086	8,195
Nat Energy Tech Lab	81.057	76,200
Nat Energy Tech Lab	81.087	344,828
Nat Energy Tech Lab	81.089	1,296,365
Nat Energy Tech Lab	81.117	98,944
ARRA Nat Energy Tech Lab	81.133	101,048
ARRA Advanced Res Projects Agency-Energy	81.135	1,889,331
US Department of Health & Human Services	93.887	347,866
Agency for Healthcare Res & Quality	93.226	66,550
National Institutes of Health	93.113	(3)
National Institutes of Health	93.242	(24,207)
National Institutes of Health	93.395	25,202
National Institutes of Health	93.398	(589)
ARRA National Institutes of Health	93.64000000	38,461
National Institutes of Health	93.853	34,994
National Institutes of Health	93.855	156,004
National Institutes of Health	93.859	2,772
National Cancer Institute	93.369	438,959
National Cancer Institute	93.393	9,363,987
National Cancer Institute	93.394	1,664,140
National Cancer Institute	93.395	14,536,521
National Cancer Institute	93.396	8,747,456
National Cancer Institute	93.397	7,400,665

**THE OHIO STATE UNIVERSITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
National Cancer Institute	93.398	3,172,068
National Cancer Institute	93.399	2,216,227
ARRA National Cancer Institute	93.64000002	256,639
National Cancer Institute	93.64000002	4,210,691
ARRA National Cancer Institute	93.701	6,156,488
National Cancer Institute	93.941	21,386
National Cancer Institute	93.981	110,006
National Cancer Institute	93.999	424,656
National Heart, Lung, and Blood Inst	93.233	527,545
National Heart, Lung, and Blood Inst	93.387	96,586
ARRA National Heart, Lung, and Blood Inst	93.64000003	37,688
National Heart, Lung, and Blood Inst	93.64000003	1,653,785
ARRA National Heart, Lung, and Blood Inst	93.701	3,411,959
National Heart, Lung, and Blood Inst	93.837	8,320,598
National Heart, Lung, and Blood Inst	93.838	4,094,795
National Heart, Lung, and Blood Inst	93.839	936,695
ARRA Nat Inst of Allergy & Infectious Diseases	93.701	3,493,309
Nat Inst of Allergy & Infectious Diseases	93.855	10,510,057
Nat Inst of Allergy & Infectious Diseases	93.856	131,040
ARRA Nat in Diabetes&Digestive&KidneyDiseases	93.701	1,400,782
Nat in Diabetes&Digestive&KidneyDiseases	93.847	1,680,475
Nat in Diabetes&Digestive&KidneyDiseases	93.848	186,262
Nat in Diabetes&Digestive&KidneyDiseases	93.849	239,068
ARRA Nat Inst Child Health & HumanDevelopment	93.701	1,885,585
Nat Inst Child Health & HumanDevelopment	93.864	1,539,873
Nat Inst Child Health & HumanDevelopment	93.865	3,934,830
ARRA Nat Inst Gen Medical Scis	93.701	982,897
Nat Inst Gen Medical Scis	93.821	14,966
Nat Inst Gen Medical Scis	93.859	11,218,763
Nat Inst Neurological Disorders & Stroke	93.310	(3,993)

**THE OHIO STATE UNIVERSITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
Nat Inst Neurological Disorders & Stroke	93.64000008	1,094,153
ARRA Nat Inst Neurological Disorders & Stroke	93.701	2,927,344
Nat Inst Neurological Disorders & Stroke	93.853	8,682,293
Nat Inst Neurological Disorders & Stroke	93.875	132,104
ARRA National Library of Medicine	93.64000009	108,157
ARRA National Library of Medicine	93.701	543,590
Nat Center for Research Resources	93.306	66,568
Nat Center for Research Resources	93.389	8,189,925
ARRA Nat Center for Research Resources	93.701	2,416,668
National Eye Institute	93.64000011	194,882
ARRA National Eye Institute	93.701	506,754
National Eye Institute	93.867	2,688,471
Nat Inst of Dental & Craniofacial Res	93.121	2,095,304
Nat Inst of Environ Health Scis	93.113	2,296,574
ARRA Nat Inst of Environ Health Scis	93.701	268,195
ARRA National Institute on Aging	93.701	944,151
National Institute on Aging	93.866	2,214,373
John E Fogarty International Center	93.989	175,955
National Institute of Nursing Research	93.361	969,490
ARRA National Institute of Nursing Research	93.701	7,315
ARRA Nat in Arthritis&Muscoskeletal&Skin Ds	93.701	3,479,081
Nat in Arthritis&Muscoskeletal&Skin Ds	93.846	2,855,406
Nat in Deafness&Other Commcnctn Disorders	93.173	2,849,870
ARRA Nat in Deafness&Other Commcnctn Disorders	93.701	124,541
National Institute of Mental Health	93.242	4,264,857
National Institute on Drug Abuse	93.278	31
National Institute on Drug Abuse	93.279	3,182,637
ARRA National Institute on Drug Abuse	93.701	763,381
Nat Inst on Alcohol Abuse & Alcoholism	93.273	424,393
Nat Ctr Complementary & Alternative Med	93.213	1,104,202

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Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster — Funds received directly from the following agencies		
ARRA Nat Ctr Complementary & Alternative Med	93.701	165,124
Nat In Biomedical Imaging&Bioengineering	93.286	1,858,006
ARRA Nat In Biomedical Imaging&Bioengineering	93.701	195,904
Nat Ctr Minority Hlth & Hlth Disparities	93.307	749,322
Health Resources & Services Admin	93.127	96,534
Health Resources & Services Admin	93.247	410,125
Health Resources & Services Admin	93.358	83,189
ARRA Health Resources & Services Admin	93.405	20,293
ARRA Health Resources & Services Admin	93.411	275,042
Health Resources & Services Admin	93.510	9,218
Health Resources & Services Admin	93.884	433,779
Health Resources & Services Admin	93.887	63,808
Health Resources & Services Admin	93.964	(805)
Maternal & Child Health Bureau	93.110	578,542
Centers for Disease Control & Prevention	93.135	327,906
Centers for Disease Control & Prevention	93.262	512,942
Centers for Disease Control & Prevention	93.283	356,260
Nat Inst Occupational Safety & Health	93.262	765,591
Admin Developmental Disabilities	93.632	559,375
Dept of Housing & Urban Dev	14,700,000	15,774
US Fish and Wildlife Service	15.608	27,479
US Fish and Wildlife Service	15.642	1,311
US Fish and Wildlife Service	15.647	20,999
US Fish and Wildlife Service	15.650	139,046
US Fish and Wildlife Service	15.655	3,082
US Fish and Wildlife Service	15	(293)
US Geological Survey	15,720,000	6,567
US Geological Survey	15.805	116,368
US Geological Survey	15.808	31,927
National Park Service	00.000	32,954

**THE OHIO STATE UNIVERSITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Research and Development Cluster —		
Funds received directly from the following agencies		
National Park Service	15.923	2,689
Occupational Safety & Health Admin	17.502	118,508
US Department of Transportation	20.82000000	99,831
Federal Highway Administration	20.205	162,945
Federal Highway Administration	20.215	36,111
Federal Transit Administration	20.514	362,483
Federal Aviation Administration	20.108	739,304
Nat Highway Traffic Safety Admin	20.82040000	3,995
Nat Highway Traffic Safety Admin	20.931	316,059
US Department of Homeland Security	97.077	30,612
		303,671,681

Subtotal of Research and Development Cluster funds received directly from federal agencies

**THE OHIO STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
Air Force Research Laboratory	Boeing Co, The	12.50010126	10010013	23,373
Air Force Research Laboratory	Lockheed Martin Corp	12.50010126	10010042	181,227
US Department of Energy	Eaton Corp	81.55000000	10010658	89,450
US Department of Energy	Sandia Corp	81.55000000	10011170	323,553
Nuclear Regulatory Commission	Edison Welding Inst Inc	77.30220000	10011218	13,968
Defense Advanced Res Projects Agency	AT&T Inc	12.50060000	10011298	30,222
National Cancer Institute	SAIC, Inc	93.64000002	10011324	1,437,148
Air Force	Universal Tech Corp	12.50010000	10011471	947,051
Air Force Research Laboratory	Universal Tech Corp	12.50010126	10011471	190,541
Air Force Research Laboratory	Honeywell International Inc	12.50010126	10011512	57,131
Army Res Office	Honeywell International Inc	12.50020400	10011512	649
Army Aviation Applied Tech Directorate	Honeywell International Inc	12.630	10011512	357,037
US Department of Energy	Honeywell International Inc	81.55000000	10011512	(922)
US Department of Energy	Edison Materials Technology Center	81.087	10011518	38
US Department of Defense	Northrop Grumman Corp	12.50000000	10011657	35,759
Nat Reconnaissance Office	Northrop Grumman Corp	12.50200000	10011657	47,207
Air Force Research Laboratory	Northrop Grumman Corp	12.800	10011657	(640)
ARRA US Department of Energy	DaimlerChrysler Corp	81.087	10011706	464,569
Air Force	General Electric Aircraft Engines	12.50010000	10011756	166,223
Air Force Research Laboratory	General Electric Aircraft Engines	12.50010126	10011756	11,971
National Institutes of Health	Mount Sinai Medical Center	93.395	10011783	12,233
Nat Inst Neurological Disorders & Stroke	Mount Sinai Medical Center	93.853	10011783	100,187
Air Force Research Laboratory	Infoscitex Corporation	12.50010126	10011833	31,763
Army	Infoscitex Corporation	12.50020000	10011833	8,675
Army Natick Res, Dev & Eng Ctr	Infoscitex Corporation	12.50020213	10011833	42,695
Army	Raytheon Co	12.50020000	10011847	774
National Cancer Institute	Booz Allen Hamilton Inc	93.64000002	10011980	35,414
National Heart, Lung, and Blood Inst	Social & Scientific Systems, Inc	93.387	10012044	375
Nat Inst of Allergy & Infectious Diseases	Social & Scientific Systems, Inc	93.855	10012044	114,937
Defense Advanced Res Projects Agency	Celgene Corp	12.910	10012174	377,952

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Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:			
US Department of Agriculture	10.40000000	10012272	2,588
Defense Logistics Agency	12.50130000	10012322	155,592
US Department of Energy	81.55000000	10012322	33,540
Nat Science Foundation	47.070	10012357	177,616
NSF Computer & Info Sciences & Eng	47.070	10012357	12,709
ARRA Nat Science Foundation	47.082	10012357	83,951
Air Force Research Laboratory	12.50010126	10012359	12,096
Defense Advanced Res Projects Agency	12.50060000	10012390	633
Air Force Research Laboratory	12.50010126	10012399	48,048
Army	12.50020000	10012399	2,870
Navy	12.50040000	10012399	33,140
Naval Air Warfare Ctr Aircraft Div	12.50041600	10012399	170,109
Army	12.50020000	10012408	25,557
Air Force	12.50010000	10012411	451,080
Army	12.50020000	10012411	120,288
Naval Air Warfare Ctr Aircraft Div	12.50020000	10012411	32,722
Navy	12.50040000	10012411	275,530
Naval Air Warfare Ctr Aircraft Div	12.50041600	10012411	163,492
Defense Advanced Res Projects Agency	12.50060000	10012438	-
US Department of Defense	12.50000000	10012505	(889)
Air Force Research Laboratory	12.50010126	10012505	155,774
ARRA US Department of Energy	81.049	10012505	103,701
US Department of Energy	81.049	10012505	200,716
Office of Naval Res	12.50040300	10012523	109,578
Air Force Research Laboratory	12.50010126	10012528	25,859
US Department of Energy	81.55000000	10012568	985,813
National Institute of Mental Health	93.64000021	10012722	30,055
National Institutes of Health	93.64000000	10012728	6,881
National Cancer Institute	93.395	10012757	1,950
National Cancer Institute	93.64000002	10012757	13,022



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Research and Development Cluster — Pass-through from other sources:				
National Eye Institute	The EMMES Corp	93.64000011	10012757	9,708
Air Force	SRA International, Inc	12.50010000	10012759	18,875
Air Force Materiel Command	SRA International, Inc	12.50010100	10012759	125,573
Nat Aeronautics & Space Admin	Impact Technologies LLC	43.33000000	10012771	804
National Institutes of Health	InnoSense LLC	93.113	10012779	933
Army Space and Missile Def Cmd	Wang Electro-Opto Corporation	12.50022500	10012847	40,589
US Department of Energy	Robert C McCune and Associates, LLC	81.049	10012851	(1,459)
ARRA Nat Science Foundation	Interlaken Technology Corporation	47.082	10012853	89,004
Air Force Office of Scientific Res	Jacobs Technology Inc	12.50010105	10012861	2,391
Air Force Research Laboratory	Jacobs Technology Inc	12.50010126	10012861	7,986
Nat Aeronautics & Space Admin	ASRC Aerospace Corporation	43.33000000	10012863	56,781
John Glenn Research Center-Lewis Field	ASRC Aerospace Corporation	43.33000104	10012863	24,040
NASA Headquarters	ASRC Aerospace Corporation	43.33000105	10012863	101,927
Air Force	Mandaree Enterprise Corporation	12.50010000	10012865	351,580
Air Force	Trayer Diagnostic Systems	12.50010000	10012887	92,750
US Department of Energy	SupraMagnetics, Inc	81.55000000	10012900	12,942
National Heart, Lung, and Blood Inst	New England Research Institutes	93.64000003	10012918	10,659
National Heart, Lung, and Blood Inst	New England Research Institutes	93.839	10012918	33,856
Navy	Coalescent Technologies Corporation	12.50040000	10012933	(13,056)
Air Force	Mesoscribe Technologies, Inc.	12.50010000	10012940	129,208
National Cancer Institute	Myatt & Johnson, Inc.	93.395	10012955	37,255
National Institutes of Health	Sonoscrew, Inc.	93.173	10012987	16,711
US Department of Defense	Nielsen Engineering and Research, Inc	12.50000000	10012999	(273)
National Institute on Drug Abuse	Promiliad Biopharma Inc	93.279	10013022	25,257
ARRA Air Force Research Laboratory	EMCORE Corporation	12.50010126	10013032	45,604
Nat Science Foundation	Advanced Heat Treat Corp	84.133	10013035	38,936
Federal Highway Administration	SRF Consulting Group	20.82010000	10013053	9,333
ARRA Nat Energy Tech Lab	Touchstone Research Laboratory	81.134	10013054	15,298
Air Force Office of Scientific Res	TTC Technologies	12.50010105	10013059	59,064
NASA Dryden Flight Res Ctr	Tao of Systems Integration, Inc.	43.33000304	10013062	(40)

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Research and Development Cluster — Pass-through from other sources:				
Defense Advanced Res Projects Agency	Porifera, Inc.	12.50060000	10013067	113,008
National Institutes of Health	Vlocare, Inc.	93.64000000	10013075	118,003
Army	Goodrich Engine Control Systems	12.50020000	10013094	18,843
Nat Geospatial-Intelligence Agcy	JB&A, Inc.	12.50080000	10013116	25,596
US Department of Energy	ZT Plus, LLC	81.55000000	10013127	216,921
Air Force	Resilient Cognitive Solutions, LLC	12.50010000	10013130	30,000
Air Force Office of Scientific Res	Kuzer Co	12.800	10013134	21,327
Office of Naval Res	Forza Silicon Corporation	12.50040300	10013136	8,778
ARRA National Cancer Institute	3rd Millennium, Inc.	93.64000002	10013138	50,805
Missile Defense Agency	Amtec Corporation	12.50021500	10013144	27,086
National Cancer Institute	VM Discovery, Inc.	93.64000002	10013145	43,054
Air Force Research Laboratory	Seaforth, LLC	12.50010126	10013146	10,477
Air Force	LURACO Technologies, Inc	12.50010000	10013157	15,010
Nat Inst of Standards & Tech	XtendWave	11.42040000	10013158	28,103
ARRA National Heart, Lung, and Blood Inst	InVasc Therapeutics, Inc.	93.701	10013160	94,072
Army Engineer Research and Dev Center	Primal Innovation, LLC	12.50020108	10013163	53,846
US Department of Energy	Lambda Instruments, Inc.	81.55000000	10013169	8,468
US Department of Energy	Savannah River Nuclear Solutions, LLC	81.55000000	10013170	3,451
Nat Science Foundation	MET Technologies, Inc	47.041	10013178	37,209
Air Force Research Laboratory	PaneraTech Inc.	12.50010126	10013192	9,987
Navy	PaneraTech Inc.	12.50040000	10013192	936
Navy	Acree Technologies Incorporated	12.50040000	10013198	13,617
National Library of Medicine	Aquilent, Inc.	93.64000009	10013206	25,042
National Institute of Food & Agriculture	Bioprocessing Innovative Co Inc	10.212	10020039	1,905
USDA Agricultural Res Service	Bioprocessing Innovative Co Inc	10.40040200	10020039	408
NSF Industrial Innovation & Partnerships	Bioprocessing Innovative Co Inc	47.041	10020039	9,012
Nat Science Foundation	Nextech Materials Ltd	47.35000000	10020047	30,000
US Department of Energy	Nextech Materials Ltd	81.55000000	10020047	50,000
Air Force Research Laboratory	UES Inc	12.50010126	10020049	36,025
US Department of Energy	UES Inc	81.049	10020049	29,532

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
Centers for Disease Control & Prevention	Strategic Res Group LLC	93.283	10020073	2,401
Air Force	Innovative Scientific Solutions Inc	12.50010000	10020096	111,178
Air Force Research Laboratory	Innovative Scientific Solutions Inc	12.50010126	10020096	55,997
Army	Innovative Scientific Solutions Inc	12.50020000	10020096	(160)
Air Force Office of Scientific Res	Innovative Scientific Solutions Inc	12.800	10020096	39,833
NASA Headquarters	Innovative Scientific Solutions Inc	43.33000105	10020096	96,634
Nat Inst of Standards & Tech	Hyper Tech Res Inc	11.42040000	10020102	81,395
US Department of Energy	Hyper Tech Res Inc	81.049	10020102	227,834
US Department of Energy	Hyper Tech Res Inc	81.55000000	10020102	7,907
ARRA Nat In Biomedical Imaging&Bioengineering	Hyper Tech Res Inc	93.701	10020102	163,064
US Department of Energy	Global Res & Dev Inc	81.049	10020103	90,674
Nat Inst Neurological Disorders & Stroke	Oncoimmune Ltd	93.853	10020111	44,389
Nat Science Foundation	Metamateria Partners, LLC	47.041	10020129	34
ARRA Nat Science Foundation	Metamateria Partners, LLC	47.082	10020129	1,880
Defense Advanced Res Projects Agency	Srlico, Inc	12.50060000	10020134	28,814
ARRA Nat Science Foundation	Nanomaterial Innovation, Ltd	47.082	10020152	25,000
National Cancer Institute	Nanomaterial Innovation, Ltd	93.395	10020152	28,861
National Cancer Institute	Columbus NanoWorks, Inc	93.395	10020170	(34,399)
Office of Naval Res	DJW Technology, LLC	12.50040300	10020182	10,922
Army	American Engineering & Manufacturing	12.50020000	10020196	22,299
Air Force	BerrieHill Research Corp	12.50010000	10020202	9,068
Air Force Research Laboratory	RBS Technologies, LLC	12.50010126	10020203	2,084
Office of Naval Res	Spectral Energies, LLC	12.50040300	10020205	185,227
Nat Aeronautics & Space Admin	Spectral Energies, LLC	43.33000000	10020205	7,713
US Department of Agriculture	Velocys, Inc	10.40000000	10020207	19,525
Defense Advanced Res Projects Agency	Arterioocyte, Inc	12.50060000	10020226	(2,221)
National Heart, Lung, and Blood Inst	Arterioocyte, Inc	93.839	10020226	87,707
Nat Energy Tech Lab	Tech4Imaging LLC	81.089	10020227	8,150
National Heart, Lung, and Blood Inst	EXCMR, Ltd.	93.837	10020229	80,098
US Department of Agriculture	quasar energy group	10.212	10020235	29,354

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
John Glenn Research Center-Lewis Field	N&R Engineering and Management Svcs Corp	43.33000104	10020244	29,537
NSF Industrial Innovation & Partnerships	Nanofiber Solutions, Inc	47.041	10020248	65,866
ARRA National Cancer Institute	Nanofiber Solutions, Inc	93.701	10020248	57,740
US Department of Defense	PH Matter LLC	12.50000000	10020259	30,445
Missile Defense Agency	DGNSS Solutions, LLC	12.50021500	10020266	38,035
Nat Inst of Allergy & Infectious Diseases	EluSys Therapeutics, Inc.	93.64000004	10040143	1,936
Air Force Materiel Command	Ladish Co Inc / Chambersburg Eng	12.800	18000013	39,020
National Cancer Institute	Cancer & Leukemia Group B Fdn	93.64000002	20010031	891
US Department of Defense	Research Institute at Nationwide Childrn	12.800	20010182	166,551
Air Force	Research Institute at Nationwide Childrn	12.800	20010182	51,302
Centers for Disease Control & Prevention	Research Institute at Nationwide Childrn	93.136	20010182	1,765
National Institutes of Health	Research Institute at Nationwide Childrn	93.172	20010182	3,078
National Institutes of Health	Research Institute at Nationwide Childrn	93.173	20010182	7,961
Nat In Deafness&Other Commnctn Disorders	Research Institute at Nationwide Childrn	93.173	20010182	309,796
Agency for Healthcare Res & Quality	Research Institute at Nationwide Childrn	93.226	20010182	7,273
National Cancer Institute	Research Institute at Nationwide Childrn	93.395	20010182	66,973
National Institutes of Health	Research Institute at Nationwide Childrn	93.64000000	20010182	27,011
ARRA Nat Inst of Environ Health Scis	Research Institute at Nationwide Childrn	93.701	20010182	19,322
ARRA Agency for Healthcare Res & Quality	Research Institute at Nationwide Childrn	93.715	20010182	45,321
National Heart, Lung, and Blood Inst	Research Institute at Nationwide Childrn	93.837	20010182	42,721
Nat Inst Neurological Disorders & Stroke	Research Institute at Nationwide Childrn	93.853	20010182	33,525
Nat Inst Child Health & HumanDevelopment	Research Institute at Nationwide Childrn	93.865	20010182	15,417
National Cancer Institute	Mayo Fdn for Medical Educ & Res	93.395	20010289	115,063
National Cancer Institute	Mayo Fdn for Medical Educ & Res	93.64000002	20010289	398
Nat Inst Neurological Disorders & Stroke	Mayo Fdn for Medical Educ & Res	93.853	20010289	(2,518)
National Cancer Institute	Cleveland Clinic Fdn	93.394	20010421	4,387
National Cancer Institute	Cleveland Clinic Fdn	93.396	20010421	48,204
National Institutes of Health	Cleveland Clinic Fdn	93.855	20010421	(41,966)
Army Medical Res Acquisition Activity	Henry M Jackson Fdn	12.50022700	20010473	161,622
National Cancer Institute	NSABP Fdn Inc	93.395	20010527	63,266

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
National Cancer Institute	Fdn for the Children's Oncology G	93.395	20010553	103,374
Nat Science Foundation	The Shodor Educ Fdn, Inc	47.076	20012131	22,400
Army Medical Res Acquisition Activity	Henry M Jackson Fdn for the Advn Mil Med	12.50022700	20012161	1,567
Uniformed Services Univ Health Sci's	Henry M Jackson Fdn for the Advn Mil Med	12.50190000	20012161	64,273
Nat Science Foundation	Henry M Jackson Fdn for the Advn Mil Med	47.074	20012161	49,640
Navy	Battelle Memorial Inst	12.50040000	20020012	51,068
Army Tank Command	Battelle Memorial Inst	12.630	20020012	(4,186)
Defense Advanced Res Projects Agency	Battelle Memorial Inst	12.910	20020012	28,978
US Department of Energy	Battelle Memorial Inst	81.55000000	20020012	183,189
Nat Inst of Allergy & Infectious Diseases	Battelle Memorial Inst	93.855	20020012	(1,378)
NSF Industrial Innovation & Partnerships	The Children's Hospital of Philadelphia	47.041	20020015	32,968
National Cancer Institute	Gynecologic Oncology Group	93.395	20020024	417,314
National Heart, Lung, and Blood Inst	Am Lung Assn	93.838	20020041	104,214
National Cancer Institute	Res Triangle Inst	93.64000002	20020058	-
Small Business Administration	Ohio Business Dev Org	59.30140000	20020062	(10,960)
Army Aviation Applied Tech Directorate	Vertical Lift Consortium	12.300	20020103	191,586
Federal Highway Administration	Health Effects Institute	20.200	20020758	81,341
NSF Div Atmospheric Sciences	Univ Corp for Atmospheric Res	47.050	20020793	149,298
US Department of Energy	Nat Renewable Energy Lab	81.55000000	20020800	86,691
National Cancer Institute	Am Coll of Radiology	93.395	20020917	30,968
ARRA National Institutes of Health	Am Coll of Radiology	93.701	20020917	304,926
Bureau of Labor Statistics	Nat Opinion Res Ctr	17.76050000	20020932	5,277,996
Nat Aeronautics & Space Admin	Space Telescope Sci Inst	43.33000000	20021006	3,935
NASA Headquarters	Space Telescope Sci Inst	43.33000105	20021006	66,642
Maternal & Child Health Bureau	Hemophilia Fdn of Michigan	93.110	20021026	15,880
Centers for Disease Control & Prevention	Hemophilia Fdn of Michigan	93.283	20021026	19,260
National Cancer Institute	Am Coll Obstetricians & Gynecologists	93.64000002	20021034	39,815
US Department of Energy	Consortium Plant Biotechnology Res Inc	81.087	20021036	34,106
Nat Aeronautics & Space Admin	Ohio Aerospace Inst	43.008	20021048	35,134
US Department of Energy	Pacific Northwest National Laboratory	81.55000000	20021070	8,283

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Research and Development Cluster — Pass-through from other sources:				
Defense Advanced Res Projects Agency	Am Museum of Natural History	12.431	20021138	245,326
Agency for Healthcare Res & Quality	Brigham & Women's Hosp Inc	93.226	20021152	23,903
National Cancer Institute	Brigham & Women's Hosp Inc	93.394	20021152	932,390
National Cancer Institute	Brigham & Women's Hosp Inc	93.395	20021152	1,061,837
National Institutes of Health	Brigham & Women's Hosp Inc	93.853	20021152	89
Nat Science Foundation	Asn Universities Res in Astronomy, Inc	47.049	20021158	100,248
NSF Div Astronomical Sciences	Asn Universities Res in Astronomy, Inc	47.049	20021158	475,723
US Department of Energy	North American Die Casting Association	81.117	20021238	190,446
Agricultural Marketing Service	Innovative Farmers of Ohio	10.170	20021289	24,393
NASA Headquarters	Ohio Space Grant Consortium	43.002	20021298	(1,018)
Nat Highway Traffic Safety Admin	Transportation Res Ctr Inc	20.931	20021338	137,471
Nat Inst Child Health & HumanDevelopment	Rand Corp	93.865	20021340	207,893
NSF Div of Computer & Network Systems	Computing Research Association	47.070	20021373	105,882
National Cancer Institute	John Wayne Cancer Inst	93.395	20021377	(7,711)
ARRA National Cancer Institute	John Wayne Cancer Inst	93.701	20021377	19,352
US Department of Education	Nat Writing Project Corp	84.928	20021378	84,270
National Eye Institute	Jaeb Ctr for Health Res	93.867	20021387	4,125
US Department of Energy	Knolls Atomic Power Lab	81.55000000	20021418	14,497
ARRA National Eye Institute	St. Luke's-Roosevelt Hospital Center	93.701	20021423	300
National Institutes of Health	St. Luke's-Roosevelt Hospital Center	93.867	20021423	1,339
National Cancer Institute	Dana-Farber Cancer Inst	93.393	20021438	611
Nat Inst Disability & Rehabilitation Res	Carolinas HealthCare System	84.133	20021451	82,532
US Department of Energy	Universities Res Assn Inc	81.55000000	20021485	55,305
ARRA US Department of Energy	UT-Battelle LLC	81.55000000	20021486	21,989
US Department of Energy	UT-Battelle LLC	81.55000000	20021486	11,245
Nat in Diabetes&Digestive&KidneyDiseases	Rhode Island Hosp	93.849	20021502	10,182
Nat in Arthritis&Muscoskeletal&Skin Ds	Tufts Medical Ctr	93.846	20021543	8,191
Nat in Arthritis&Muscoskeletal&Skin Ds	Hospital For Special Surgery	93.846	20021549	64,623
National Heart, Lung, and Blood Inst	Nat Marrow Donor Prog	93.839	20021576	6,169
Air Force Research Laboratory	Wright Brothers Inst, Inc	12.50010126	20021585	227

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Research and Development Cluster — Pass-through from other sources:			
Nat Ctr Complementary & Alternative Med	93.213	20021587	4,077
National Cancer Institute	93.395	20021587	157,553
ARRA Nat Inst Neurological Disorders & Stroke	93.701	20021587	580
Nat Inst Neurological Disorders & Stroke	93.853	20021587	125,988
Federal Aviation Administration	20.82030000	20021607	354,015
US Department of Energy	81.55000000	20021624	168,855
National Heart, Lung, and Blood Inst	93.839	20021628	29,146
Nat Inst of Standards & Tech	11.611	20021637	30,425
US Department of Energy	12.50060000	20021641	18,792
US Department of Energy	81.049	20021641	68,212
US Department of Energy	81.55000000	20021641	1,197,602
US Department of Defense	12.50000000	20021662	42,972
US Department of Defense	12.550	20021662	1,235,823
Nat Security Agency	12.550	20021662	8,003
Agency for Intl Dev	98.012	20021686	55,559
US Department of Healthcare Res & Quality	93.60041200	20021687	82,184
US Department of Health & Human Services	93.234	20021689	79,236
National Institutes of Health	93.867	20021700	8,240
National Institutes of Health	93.172	20021734	27,079
National Human Genome Research Institute	93.172	20021734	16,003
National Heart, Lung, and Blood Inst	93.838	20021734	4,512
National Institute of Mental Health	93.242	20021747	5,175
US Department of Homeland Security	97.86000000	20021794	5,757
Air Force Office of Scientific Res	12.800	20021796	57,731
National Heart, Lung, and Blood Inst	93.837	20021801	258,511
National Cancer Institute	93.395	20021810	35,027
Centers for Disease Control & Prevention	93.283	20021813	23,728
NSF Div of Research on Learning	47.076	20021829	108,764
US Department of Energy	81.55000000	20021831	21,886
National Cancer Institute	93.64000002	20021833	122,221
Massachusetts General Hospital			
Massachusetts General Hospital			
Massachusetts General Hospital			
Massachusetts General Hospital			
Nat Inst of Aerospace			
Brookhaven Sci Assoc, LLC			
Cincinnati Children's Hos Med Ctr			
PolymerOhio, Inc			
Battelle Energy Alliance, LLC			
Battelle Energy Alliance, LLC			
Battelle Energy Alliance, LLC			
Institute of International Education			
Institute of International Education			
Institute of International Education			
Higher Education for Development			
Health Research & Educational Trust			
Brain Injury Association of Ohio			
Legacy Good Samaritan Devers Eye Inst			
Fred Hutchinson Cancer Research Center			
Fred Hutchinson Cancer Research Center			
Fred Hutchinson Cancer Research Center			
Sloan-Kettering Institute			
Battelle National Biodefense Institute			
Donald Danforth Plant Science Center			
Jewish General Hospital			
Eastern Cooperative Oncology Group			
Assn of Public Health Laboratories			
The Algebra Project			
Alliance for Sustainable Energy, LLC			
Weill Cornell Medical College			

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Research and Development Cluster — Pass-through from other sources:				
Nat Inst of Allergy & Infectious Diseases	Weill Cornell Medical College	93.855	20021833	82,640
Nat Inst Gen Medical Scis	Univ of Kansas Center for Research, Inc	93.859	20021845	27,129
Air Force Research Laboratory	Res Associates for Defense Conversion	12.50010126	20021855	160,632
National Institute of Food & Agriculture	Fruit Growers Marketing Assn	10.215	20021863	36,491
US Department of Defense	Akron General Medical Center	12.420	20021865	3,954
Nat Oceanic & Atmospheric Admin	Great Lakes Observing System	11.473	20021890	52,133
ARRA US Department of Justice	OH Assn of County Behav Hlth Authorities	16.803	20021891	81,336
ARRA National Institutes of Health	Vaccine Research Institute of San Diego	93.701	20021909	104,340
Natural Resources Conservation Service	Pollinator Partnership	10.912	20021915	34,218
NSF Div Undergraduate Education	Delaware Valley Industrial Resource Ctr	47.076	20021918	42,504
Corp for Nat & Community Service	Ohio Campus Compact	94.005	20021940	19,631
National Institutes of Health	Southern Research Institute	93.64000000	20021971	17,527
National Cancer Institute	Intl Breast Cancer Research Foundation	93.395	20021976	57,203
Nat Inst of Allergy & Infectious Diseases	Institute for Clinical Research Inc	93.855	20022020	396
Army Res Office	Massachusetts Inst Tech	12.431	22000001	119,234
US Department of Energy	Massachusetts Inst Tech	81.121	22000001	137,838
National Institute of Food & Agriculture	Purdue Univ	10.206	22000002	41,899
USDA Agricultural Res Service	Purdue Univ	10.303	22000002	3,928
US Department of Transportation	Purdue Univ	20.701	22000002	168,701
Nat Science Foundation	Purdue Univ	47.070	22000002	5
NSF Div of Computer & Network Systems	Purdue Univ	47.070	22000002	16,772
Nat Science Foundation	Purdue Univ	47.075	22000002	26,362
National Institutes of Health	Purdue Univ	93.173	22000002	(2,850)
National Cancer Institute	Purdue Univ	93.399	22000002	(4)
NSF Div Mathematical Sciences	Rutgers Univ	47.049	22000003	70,476
National Institute of Nursing Research	Univ of Medic & Dentistry of New Jersey	93.361	22000004	29,082
Nat Oceanic & Atmospheric Admin	Univ of Michigan	11.417	22000005	100,528
Nat Oceanic & Atmospheric Admin	Univ of Michigan	11.431	22000005	2,967
Office of Naval Res	Univ of Michigan	12.300	22000005	52,617
Air Force Research Laboratory	Univ of Michigan	12.800	22000005	52,445



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Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:			
NASA Headquarters	43,002	22000005	84,899
Nat Science Foundation	47,076	22000005	52,052
Environmental Protection Agency	66,469	22000005	9,631
ARRA US Department of Energy	81,049	22000005	166,081
US Department of Energy	81,049	22000005	222,430
National Cancer Institute	93,395	22000005	49,830
ARRA National Institutes of Health	93,701	22000005	83,748
ARRA National Cancer Institute	93,701	22000005	142,804
National Institute of Food & Agriculture	10,200	22000006	5,805
National Institute of Food & Agriculture	10,303	22000006	39,177
USDA Agricultural Res Service	10,303	22000006	34,429
Nat Oceanic & Atmospheric Admin	11,417	22000006	8,643
National Institutes of Health	93,286	22000006	107,774
Nat Inst Gen Medical Scis	93,859	22000006	76,751
National Institutes of Health	93,865	22000006	81,262
Social Security Admin	96,007	22000006	132,616
US Department of Defense	12,800	22000008	69,866
National Institute of Food & Agriculture	10,303	22000009	21,526
Defense Threat Reduction Agency	12,351	22000009	125,805
Nat Science Foundation	47,041	22000009	54,381
US Department of Energy	81,086	22000009	24,764
National Cancer Institute	93,393	22000009	139,699
National Library of Medicine	93,64000009	22000009	23
National Heart, Lung, and Blood Inst	93,837	22000009	21,360
National Institutes of Health	93,865	22000009	(224)
US Department of Homeland Security	97,044	22000009	80,692
US Department of Transportation	20,82000000	22000010	40,989
Office of Naval Res	12,300	22000011	474
US Department of Energy	81,049	22000011	4,045
US Department of Energy	81,55000000	22000011	625

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Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:			
US Department of Defense	12.420	22000012	79,015
National Institute of Mental Health	93.242	22000012	93,961
National Cancer Institute	93.393	22000012	37,543
Nat Inst of Allergy & Infectious Diseases	93.855	22000012	-
Nat Inst Child Health & Human Development	93.865	22000012	80,440
National Institute on Aging	93.866	22000012	5,561
National Institute of Food & Agriculture	10.310	22000013	49,622
NSF Div Materials Research	47.049	22000013	1,252
Nat Science Foundation	47.070	22000013	1,047
Agency for Intl Dev	98.001	22000013	142,555
Nat Science Foundation	47.070	22000018	16,435
NSF Div of Research on Learning	47.076	22000018	61,449
Nat Science Foundation	47.080	22000018	15,234
National Cancer Institute	93.393	22000018	12,565
National Cancer Institute	93.394	22000018	16,050
National Cancer Institute	93.395	22000018	331,171
National Cancer Institute	93.399	22000018	949
Nat Inst of Allergy & Infectious Diseases	93.855	22000018	523,469
Nat Inst of Allergy & Infectious Diseases	93.856	22000018	(38,264)
Nat Inst Gen Medical Scis	93.859	22000018	34,255
National Institute of Food & Agriculture	10.206	22000023	(38)
National Institute of Food & Agriculture	10.309	22000023	14,802
US Department of Defense	12.420	22000023	91,426
Agency for Intl Dev	98.001	22000023	327,696
Nat Inst Child Health & Human Development	93.865	22000025	589,741
Office of Naval Res	12.300	22000030	2,541
Army Res Office	12.431	22000030	38,380
Army Aviation Applied Tech Directorate	12.630	22000030	181,326
Environmental Protection Agency	66.469	22000030	20,668
US Department of Energy	81.114	22000030	1,008

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Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:			
National Institutes of Health	93.279	22000030	29,612
National Cancer Institute	93.393	22000030	24,229
ARRA National Institutes of Health	93.701	22000030	274,789
National Heart, Lung, and Blood Inst	93.837	22000030	62,947
Nat In Diabetes&Digestive&KidneyDiseases	93.847	22000030	13,623
Nat Inst of Allergy & Infectious Diseases	93.856	22000030	54,898
National Institute on Aging	93.866	22000030	8,640
National Cancer Institute	93.395	22000032	50,269
Nat Inst of Environ Health Scis	93.113	22000034	47,251
Veterans Affairs	64.30170000	22000036	80,138
Health Resources & Services Admin	93.145	22000036	206,469
National Institutes of Health	93.173	22000036	177,218
National Cancer Institute	93.393	22000036	63,931
National Institutes of Health	93.837	22000036	43,782
National Heart, Lung, and Blood Inst	93.837	22000036	14,708
Nat In Arthritis&Muscoskeletal&Skin Ds	93.846	22000036	83
National Institutes of Health	93.847	22000036	21,098
National Institutes of Health	93.848	22000036	41,093
Goddard Space Flight Center	43.002	22000039	46,474
Nat Science Foundation	47.078	22000039	209,599
NSF Ofc Polar Programs	47.078	22000039	37,392
US Department of Energy	81.049	22000039	(8)
National Institute of Nursing Research	93.361	22000039	29,827
ARRA Nat Inst Child Health & HumanDevelopment	93.701	22000039	20,759
Nat In Arthritis&Muscoskeletal&Skin Ds	93.846	22000041	54,254
US Department of Agriculture	10.200	22000044	10,717
National Institute of Food & Agriculture	10.200	22000044	45,067
National Institute of Food & Agriculture	10.206	22000044	112,143
USDA Agricultural Res Service	10.206	22000044	38,256
US Department of Agriculture	10.217	22000044	22,851

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Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Pass-Through Sponsor	Expenditures
Research and Development Cluster — Pass-through from other sources:				
National Institute of Food & Agriculture	10.303	22000044	Michigan State Univ	(1,352)
National Institute of Food & Agriculture	10.304	22000044	Michigan State Univ	62,744
National Institute of Food & Agriculture	10.310	22000044	Michigan State Univ	154,182
National Institute of Food & Agriculture	10.40040100	22000044	Michigan State Univ	3,171
NSF Div Undergraduate Education	47.076	22000044	Michigan State Univ	8,999
Environmental Protection Agency	66.509	22000044	Michigan State Univ	102,751
US Department of Energy	81.049	22000044	Michigan State Univ	202,323
National Institute of Mental Health	93.242	22000044	Michigan State Univ	1,787
Air Force Office of Scientific Res	12.800	22000045	Syracuse University	(3,164)
ARRA NSF Div Physics	47.082	22000045	Syracuse University	7,000
National Institute of Food & Agriculture	10.200	22000047	Iowa State Univ	40,805
National Institute of Food & Agriculture	10.206	22000047	Iowa State Univ	29,304
National Institute of Food & Agriculture	10.215	22000047	Iowa State Univ	4,255
National Institute of Food & Agriculture	10.310	22000047	Iowa State Univ	28,428
National Institute of Food & Agriculture	47.076	22000047	Iowa State Univ	37,731
Nat Science Foundation	10.200	22000048	Univ of Maine at Orono	6,785
National Institute of Food & Agriculture	47.074	22000049	Miami Univ	81,118
Nat Science Foundation	10.217	22000053	Texas A & M Univ	16,916
National Institute of Food & Agriculture	11.417	22000053	Texas A & M Univ	52,817
Nat Oceanic & Atmospheric Admin	43.002	22000054	California Inst of Tech	119,032
Jet Propulsion Lab	43.33000303	22000054	California Inst of Tech	89,067
Jet Propulsion Lab	10.200	22000055	California Inst of Tech	21,089
National Institute of Food & Agriculture	12.50220000	22000056	Southern Illinois Univ	28,806
Defense Threat Reduction Agency	10.206	22000062	Univ of New Mexico	60,872
National Institute of Food & Agriculture	10.40040100	22000062	Kansas State Univ	2,127
National Institute of Food & Agriculture	93.855	22000062	Kansas State Univ	259,240
Nat Inst of Allergy & Infectious Diseases	20.701	22000066	Univ of Akron	21,887
US Department of Transportation	10.215	22000067	Univ of Minnesota	25,215
National Institute of Food & Agriculture	10.309	22000067	Univ of Minnesota	3,860
National Institute of Food & Agriculture	10.310	22000067	Univ of Minnesota	55,355

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
National Institute of Food & Agriculture	Univ of Minnesota	10.500	22000067	3,305
US Fish and Wildlife Service	Univ of Minnesota	15.608	22000067	27,701
National Cancer Institute	Univ of Minnesota	93.395	22000067	8
National Heart, Lung, and Blood Inst	Univ of Minnesota	93.64000003	22000067	50,132
Nat Inst of Allergy & Infectious Diseases	Univ of Minnesota	93.64000004	22000067	558,769
Nat In Diabetes&Digestive&KidneyDiseases	Univ of Minnesota	93.849	22000067	34,799
US Department of Energy	Univ of North Dakota	81.089	22000072	36,581
National Institute of Food & Agriculture	Univ of Missouri	10.206	22000073	316
Nat Science Foundation	Univ of Cincinnati	47.049	22000074	16,520
Nat Inst Occupational Safety & Health	Univ of Cincinnati	93.262	22000074	3,987
National Library of Medicine	Univ of Cincinnati	93.879	22000074	10,314
Nat Inst of Environ Health Scis	Univ of Connecticut	93.113	22000076	104,410
National Institute of Food & Agriculture	Cornell University	10.200	22000081	23,637
National Institute of Food & Agriculture	Cornell University	10.40040100	22000081	5,666
US Department of Transportation	Cornell University	20.761	22000081	63,979
National Institutes of Health	Cornell University	93.395	22000081	40,296
Nat Inst Neurological Disorders & Stroke	Cornell University	93.853	22000081	15,689
National Institute of Food & Agriculture	Univ of Nebraska	10.200	22000085	30,754
National Institute of Food & Agriculture	Univ of Nebraska	10.500	22000085	21,017
NSF Ofc Polar Programs	Univ of Nebraska	47.078	22000085	100,738
Nat Inst Occupational Safety & Health	Univ of Nebraska	93.262	22000085	(3,739)
National Cancer Institute	Univ of Nebraska	93.394	22000085	71,260
Agency for Intl Dev	Univ of Nebraska	98.001	22000085	35,920
US Department of Education	Wright State Univ	84.133	22000087	1,060
Substance Abuse & Mental Health Servs Admin	Wright State Univ	93.243	22000087	30,813
US Department of Energy	Yale Univ	81.55000000	22000088	(8,193)
National Institutes of Health	Yale Univ	93.837	22000088	127,371
National Heart, Lung, and Blood Inst	Yale Univ	93.837	22000088	9,371
Nat Inst Neurological Disorders & Stroke	Yale Univ	93.853	22000088	62,986
NSF Ofc Polar Programs	Portland State University	47.078	22000089	29,700

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Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:			
Nat Science Foundation	47.079	22000091	17,824
Environmental Protection Agency	66.475	22000091	20,695
US Department of Energy	81.049	22000091	70,165
ARRA National Cancer Institute	93.701	22000091	51,320
Nat Science Foundation	47.049	22000092	4,381
National Heart, Lung, and Blood Inst	93.393	22000094	19,660
National Institute on Aging	93.64000015	22000094	42,995
National Heart, Lung, and Blood Inst	93.837	22000094	211,238
Nat Inst of Allergy & Infectious Diseases	93.855	22000094	51,030
Army Res Office	12.431	22000099	21,046
National Institute of Food & Agriculture	10.200	22000103	5,856
USDA Forest Service	10.664	22000103	30,003
National Institute of Food & Agriculture	10.309	22000108	19,176
Centers for Disease Control & Prevention	93.184	22000108	45,790
National Institutes of Health	93.859	22000108	46,886
National Eye Institute	93.867	22000108	30,121
US Department of Energy	81.087	22000109	53,332
National Institute of Food & Agriculture	10.217	22000110	1,699
National Institute of Food & Agriculture	10.309	22000110	44,666
NSF Biological Sciences	47.074	22000110	33,979
Nat Ctr Minority Hlth & Hlth Disparities	93.307	22000111	51,378
US Department of Energy	81.087	22000112	12,570
Nat Inst Neurological Disorders & Stroke	93.853	22000115	10,838
Air Force Office of Scientific Res	12.800	22000116	59,815
ARRA NSF Div Emerging Frontiers	47.082	22000116	18,147
Nuclear Regulatory Commission	77.006	22000119	8,745
National Institute of Food & Agriculture	10.206	22000120	72,741
US Department of Agriculture	10.310	22000120	126,711
Office of Naval Res	12.300	22000120	78,543
Army Res Office	12.431	22000120	104,852

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Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:			
NSF Social, Behavioral & Economic Res	47.075	22000120	38,465
Nat Inst Occupational Safety & Health	93.262	22000120	8,509
National Institute of Food & Agriculture	10.303	22000122	22,967
ARRA US Department of Energy	81.041	22000130	150,079
Nat Inst Gen Medical Scis	93.859	22000130	8,185
US Department of Education	84.305	22000133	46,615
Nat Inst of Dental & Craniofacial Res	93.121	22000133	39,010
National Cancer Institute	93.399	22000133	9,137
National Cancer Institute	93.64000002	22000133	43
National Heart, Lung, and Blood Inst	93.837	22000133	496,023
Nat Inst of Allergy & Infectious Diseases	93.855	22000133	173,080
National Institute of Mental Health	93.242	22000135	86,293
ARRA Nat Inst Child Health & HumanDevelopment	93.701	22000135	21,766
Nat Inst Child Health & HumanDevelopment	93.864	22000135	(2,303)
National Institute of Food & Agriculture	10.303	22000136	74,786
US Department of Agriculture	10.500	22000136	312
National Institute of Food & Agriculture	10.500	22000136	(322)
Defense Threat Reduction Agency	12.351	22000136	72,355
NSF DIV Elect, Comm, & CyberSystems	47.041	22000136	49,951
Nat Science Foundation	47.050	22000136	23,181
NSF Biological Infrastructure	47.074	22000136	(3,253)
Nat In Arthritis&Muscoskeletal&Skin Ds	93.846	22000137	119,516
National Institute of Food & Agriculture	10.310	22000138	6,679
Nat Science Foundation	47.074	22000138	162,481
Nat Science Foundation	47.070	22000140	514
National Cancer Institute	93.397	22000143	157,557
US Department of Agriculture	10.206	22000146	44,896
Nat Inst of Dental & Craniofacial Res	93.121	22000146	76,902
ARRA National Cancer Institute	93.701	22000146	140,663
National Heart, Lung, and Blood Inst	93.837	22000146	58,456

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Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:			
National Institutes of Health	93.855	22000146	247,286
Nat Inst Gen Medical Scis	93.859	22000146	67,226
National Cancer Institute	93.64000002	22000169	2,024
National Heart, Lung, and Blood Inst	93.837	22000169	281
Air Force Office of Scientific Res	12.800	22000189	169,128
NSF Div Chem, Bioeng, Environ, & Trnsp S	47.041	22000189	20,979
US Department of Energy	81.049	22000193	187,151
National Institutes of Health	93.172	22000193	2,715
National Heart, Lung, and Blood Inst	93.837	22000193	1,471
Nat Inst Neurological Disorders & Stroke	93.853	22000193	1,521
NSF Div Civil, Mechanical & Maufact Innv	47.041	22000195	68,025
National Cancer Institute	93.399	22000195	164,143
National Eye Institute	93.867	22000195	5,909
USDA Agricultural Res Service	10.206	22000196	49,400
National Institute of Food & Agriculture	10.226	22000199	7,152
Nat Science Foundation	47.076	22000199	46,324
Nat Science Foundation	47.049	22000203	87,155
National Cancer Institute	93.393	22000203	10,212
Air Force Research Laboratory	12.910	22000206	(168)
ARRA Nat Inst Neurological Disorders & Stroke	93.701	22000207	25,470
ARRA Nat In Arthritis&Muscoskeletal&Skin Ds	93.701	22000207	294,623
National Heart, Lung, and Blood Inst	93.838	22000207	8,206
Nat Inst Gen Medical Scis	93.859	22000207	(6,164)
National Cancer Institute	93.393	22000209	20,862
National Cancer Institute	93.397	22000209	106,215
Nat Inst Neurological Disorders & Stroke	93.853	22000209	31,068
Nat Inst of Allergy & Infectious Diseases	93.855	22000209	(4,290)
NASA Headquarters	43.002	22000212	27,840
National Institute on Drug Abuse	93.279	22000212	(3)
US Department of Energy	81.049	22000214	20,447



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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
ARRA Nat Inst Neurological Disorders & Stroke	Michigan Technological Univ	93.701	22000214	(3,882)
Nat Aeronautics & Space Admin	Univ of Kansas	43	22000219	25,671
Nat Science Foundation	Univ of Kansas	47.078	22000219	225,279
US Department of Education	Univ of Kansas	84.324	22000219	471,182
Food and Drug Administration	Univ of Kansas	93.103	22000219	(191)
US Department of Defense	Massachusetts Inst Tech - Lincoln Lab	12.50000000	22000228	45,493
Air Force	Massachusetts Inst Tech - Lincoln Lab	12.50010000	22000228	169,845
Army Res Office	Rice University	12.431	22000231	370,352
Air Force Research Laboratory	Rice University	12.50010126	22000231	318,275
Defense Advanced Res Projects Agency	Rice University	12.50060000	22000231	(2,669)
ARRA Nat Inst Gen Medical Scis	Dartmouth College	93.701	22000234	109,066
Nat Inst Gen Medical Scis	Dartmouth College	93.859	22000234	68,825
NSF Div Chemistry	Montana State Univ	47.049	22000236	89,016
National Cancer Institute	Case Western Reserve Univ	93.393	22000238	54,775
ARRA National Cancer Institute	Case Western Reserve Univ	93.64000002	22000238	6,104
National Heart, Lung, and Blood Inst	Case Western Reserve Univ	93.64000003	22000238	563,981
ARRA Nat Inst Child Health & HumanDevelopment	Case Western Reserve Univ	93.701	22000238	29,832
National Heart, Lung, and Blood Inst	Case Western Reserve Univ	93.839	22000238	188,014
National Institutes of Health	Case Western Reserve Univ	93.850	22000238	21,688
Nat Inst Child Health & HumanDevelopment	Case Western Reserve Univ	93.865	22000238	94,843
National Institute on Aging	Case Western Reserve Univ	93.866	22000238	14,807
National Institute of Food & Agriculture	Univ of Arkansas	10.206	22000239	14,802
National Institutes of Health	Univ at Buffalo	93.121	22000240	41,801
John Glenn Research Center-Lewis Field	Georgia Tech Res Inst	43.001	22000245	55,893
National Heart, Lung, and Blood Inst	New York University	93.64000003	22000254	(9,723)
National Cancer Institute	Univ of Miami	93.396	22000255	13,165
Nat In Diabetes&Digestive&KidneyDiseases	Univ of Miami	93.847	22000255	48,303
Nat Inst Neurological Disorders & Stroke	Univ of Miami	93.853	22000255	93,211
National Cancer Institute	Virginia Commonwealth Univ	93.395	22000259	17,640
Air Force Office of Scientific Res	Brigham Young Univ	12.800	22000260	5,040

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
US Department of Energy	South Dakota State University	81,079	22000262	45,919
Agency for Intl Dev	Univ of Hawaii	98,001	22000265	23,228
NSF Mathematical & Physical Sciences	Univ of California at Los Angeles	47,049	22000269	206,736
ARRA Nat Science Foundation	Univ of California at Los Angeles	47,082	22000269	139,761
ARRA Nat Inst Neurological Disorders & Stroke	Univ of California at Los Angeles	93,701	22000269	18,300
Nat Geospatial-Intelligence Agcy	Univ of Texas at Austin	12,630	22000270	12,368
Nat Science Foundation	Univ of Texas at Austin	47,080	22000270	46,930
US Department of Energy	Univ of Texas at Austin	81,112	22000270	140,988
National Institute of Food & Agriculture	Univ of Massachusetts - Amherst	10,206	22000274	143
National Institute of Food & Agriculture	Univ of Toledo	10,200	22000277	34,899
National Institute of Food & Agriculture	Univ of Toledo	12,50010126	22000277	262,184
Air Force Research Laboratory	Univ of Toledo	93,701	22000277	12,098
ARRA National Cancer Institute	Univ of Toledo	93,837	22000277	8,040
National Heart, Lung, and Blood Inst	Univ of Toledo	10,216	22000281	100,299
National Institute of Food & Agriculture	North Carolina A&T State University	93,855	22000286	(5,071)
National Heart, Lung, and Blood Inst	Wake Forest Univ	93,855	22000286	14,879
Nat Inst of Allergy & Infectious Diseases	Wake Forest Univ	93,395	22000288	786,095
National Cancer Institute	Univ of California at San Diego	93,701	22000288	1,007
ARRA National Institute on Aging	Univ of California at San Diego	93,866	22000288	22,285
National Institute on Aging	Univ of California at San Diego	47,050	22000294	9,730
Nat Science Foundation	Univ of California at Berkeley	93,855	22000294	61,717
Nat Inst of Allergy & Infectious Diseases	Univ of California at Berkeley	93,855	22000295	5,502
Nat Inst of Allergy & Infectious Diseases	Emory Univ	93,864	22000295	13,680
Nat Inst Child Health & Human Development	Emory Univ	93,846	22000296	16,879
Nat in Arthritis&Musculoskeletal&Skin Ds	Vanderbilt Univ	93,846	22000296	16,879
NASA Headquarters	Rensselaer Polytechnic Inst	43,002	22000298	7,881
ARRA Nat Inst Neurological Disorders & Stroke	Rensselaer Polytechnic Inst	93,701	22000298	35,286
Office of Naval Res	Univ of California - Santa Barbara	12,300	22000315	488,597
National Institutes of Health	Univ of California San Francisco	93,286	22000317	35,048
National Cancer Institute	Univ of California San Francisco	93,395	22000317	1,999
Nat Inst of Allergy & Infectious Diseases	Univ of California San Francisco	93,64000004	22000317	72,178

**THE OHIO STATE UNIVERSITY  
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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
Nat Inst Gen Medical Scis	Univ of California San Francisco	93.859	22000317	(43)
National Institute of Mental Health	Univ of Massachusetts - Worcester	93.242	22000318	123,219
ARRA National Institutes of Health	Univ of Massachusetts - Worcester	93.701	22000318	120,229
US Department of Education	Salus University	84.325	22000322	22,200
National Institutes of Health	Univ of Memphis	93.279	22000325	174,831
Nat Science Foundation	Northeastern Univ	47.047	22000329	12,676
National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	93.394	22000330	37,195
National Cancer Institute	Univ of Texas Hlth Sci Ctr - San Antonio	93.399	22000330	(1,359)
National Heart, Lung, and Blood Inst	Yeshiva Univ	93.837	22000331	8,718
NSF Ofc Polar Programs	Northern Illinois Univ	47.078	22000333	(1)
Nat Inst of Allergy & Infectious Diseases	Georgetown Univ	93.855	22000339	47,429
National Institutes of Health	Georgetown Univ	93.865	22000339	(19)
US Department of Labor	Univ of Baltimore	17.76000000	22000347	828
National Institutes of Health	Univ of Texas at San Antonio	93.865	22000348	61,509
National Heart, Lung, and Blood Inst	Northeastern OH Universities Coll of Med	93.837	22000350	7,522
Air Force Research Laboratory	Wichita State University	12.50010126	22000353	82,161
US Department of Energy	Carnegie Institution of Washington	81.049	22000354	44,782
NSF Div Undergraduate Education	Macalester College	47.076	22000355	13,847
Environmental Protection Agency	Buffalo State College	66.469	22000356	4,011
Nat Science Foundation	Winston-Salem State University	47.076	22000360	57,472
NSF Environmental Biology	Georgia Southern University	47.074	22000365	78,559
Nat Science Foundation	Univ of California - Santa Cruz	47.049	22000369	90,778
Nat Science Foundation	Stevens Institute of Technology	47.076	22000376	1,060
National Academy of Sciences	Queen's University	99.31020000	22010008	48,782
National Institutes of Health	Wake Forest Univ Health Sciences	93.64000000	22010024	323
National Heart, Lung, and Blood Inst	Wake Forest Univ Health Sciences	93.64000003	22010024	475
National Cancer Institute	East Tennessee State Univ	93.393	22010025	32,847
National Cancer Institute	Mount Sinai Sch of Medicine	93.393	22010031	55,966
Nat Inst of Allergy & Infectious Diseases	Mount Sinai Sch of Medicine	93.64000004	22010031	37,756
ARRA National Cancer Institute	Mount Sinai Sch of Medicine	93.701	22010031	41,870

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
ARRA National Heart, Lung, and Blood Inst	Mount Sinai Sch of Medicine	93.701	22010031	2,186
National Institute of Food & Agriculture	Indiana Univ-Purdue Univ Indianapolis	10.206	22010034	90,252
US Department of Defense	Indiana Univ-Purdue Univ Indianapolis	12.420	22010034	5,905
Nat Inst Neurological Disorders & Stroke	Indiana Univ-Purdue Univ Indianapolis	93.853	22010034	26,274
US Department of Energy	Medical Univ of South Carolina	81.114	22010038	(1)
National Cancer Institute	Univ of Texas M D Anderson Cancer Center	93.395	22010039	212,208
Army Corps of Engineers	Univ of Central Florida	12.50020100	22010046	795
US Department of Transportation	Morgan State University	20.514	22010050	(830)
Federal Transit Administration	Morgan State University	20.514	22010050	576
Nat Science Foundation	Stark State College of Technology	47.076	22010051	30,155
Nat Inst of Allergy & Infectious Diseases	Univ of Rijeka	93.855	22010055	10,236
National Cancer Institute	Cleveland Clinic Lerner College of Med	93.64000002	22010063	6,046
Nat in Diabetes&Digestive&KidneyDiseases	Cleveland Clinic Lerner College of Med	93.849	22010063	84,640
NSF Education & Human Resources	Fayetteville State University	47.076	22010068	48,834
National Cancer Institute	Univ of Massachusetts Medical School	93.393	22010069	3,722
Agency for Intl Dev	Calvin College	98.001	22010072	11,512
Nat Inst Neurological Disorders & Stroke	Univ of British Columbia	93.853	22010079	92,701
Army	Konkuk University	12.50020000	22010085	85,249
US Department of Education	Columbus City School District	84.336	24000022	257,422
US Fish and Wildlife Service	Columbus Zoo	15.608	24000299	24,362
Substance Abuse & Mental Health Servs Admin	ADAMH Board of Franklin County	93.243	24000390	(41,294)
Centers for Disease Control & Prevention	Franklin Co Board of Health	93.069	24000409	24,943
Environmental Protection Agency	California Dept Toxic Substances Control	66.814	24000543	27,644
Centers for Disease Control & Prevention	Lucas County Health Department	93.283	24000554	1,478
Centers for Disease Control & Prevention	Holmes County Health District	93.069	24000569	1,179
Federal Highway Administration	OH Dept of Transportation	20.205	26010000	145,275
US Department of Labor	OH Board of Regents	17.267	26060000	37,160
US Department of Education	OH Board of Regents	84.002	26060000	111,175
Ofc Vocational & Adult Education Progrms	OH Board of Regents	84.002	26060000	177,388
US Department of Education	OH Board of Regents	84.215	26060000	303

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
US Department of Education	OH Board of Regents	84.367	26060000	3,019
Ctrs for Medicare & Medicaid Services	OH Board of Regents	93.778	26060000	1,995,941
US Department of Education	OH Dept of Educ	84.027	26080000	38,340
US Department of Education	OH Dept of Educ	84.048	26080000	189,983
US Department of Education	OH Dept of Educ	84.173	26080000	99,226
US Department of Education	OH Dept of Educ	84.243	26080000	30,591
US Department of Education	OH Dept of Educ	84.366	26080000	1,326,155
US Department of Education	OH Dept of Educ	84.367	26080000	25,009
US Department of Education	OH Dept of Educ	84.371	26080000	2,183
ARRA US Department of Education	OH Dept of Educ	84.388	26080000	311,167
US Department of Education	OH Dept of Educ	84.53000000	26080000	47,767
Administration for Children and Families	OH Dept of Educ	93.600	26080000	14,677
Maternal & Child Health Bureau	OH Dept of Health	93.994	26090000	30,507
Nat Oceanic & Atmospheric Admin	OH Dept of Natural Resources	11.419	26110000	12,795
US Fish and Wildlife Service	OH Division of Wildlife	15.605	26110100	1,650,383
US Fish and Wildlife Service	OH Division of Wildlife	15.611	26110100	167,769
US Fish and Wildlife Service	OH Division of Wildlife	15.634	26110100	168,394
US Fish and Wildlife Service	OH Division of Wildlife	15.650	26110100	40,015
US Department of Education	OH Rehabilitation Services Commission	84.53000000	26120000	47,116
Small Business Administration	Ohio Department of Development	59.30140000	26140000	124,758
ARRA Small Business Administration	Ohio Department of Development	84.390	26140000	11,746
Office of Justice Programs	Office of Criminal Justice Services	16.609	26140401	5,632
ARRA US Department of Justice	Office of Criminal Justice Services	16.803	26140401	1,721
US Department of Education	OH Dept Youth Services	84.371	26200000	274,615
ARRA US Department of Energy	Public Utilities Commission of Ohio	81.122	26260000	5,185
Administration on Aging	OH Dept of Aging	93.60120000	26280000	4,500
National Endowment For The Humanities	OH Humanities Council	45.129	26290000	3,000
Environmental Protection Agency	OH Environ Protection Agency	66.32000000	26340000	8,905
Environmental Protection Agency	OH Environ Protection Agency	66.460	26340000	104,664
US Department of Agriculture	Ohio Department Of Agriculture	10.169	26390000	1,488

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:				
Agricultural Marketing Service	Ohio Department Of Agriculture	10.169	26390000	79,349
US Department of Agriculture	Ohio Department Of Agriculture	10.170	26390000	115,032
Agricultural Marketing Service	Ohio Department Of Agriculture	10.170	26390000	27,954
National Institute of Food & Agriculture	Ohio Department Of Agriculture	10.170	26390000	(434)
USDA Agricultural Res Service	Ohio Department Of Agriculture	10.200	26390000	6,901
Nat Highway Traffic Safety Admin	OH Dept of Public Safety	20.600	26400000	25,592
Substance Abuse & Mental Health Servs Admin	OH Dept of Mental Health	93.243	26420000	19,742
US Department of Health & Human Services	OH Developmental Disabilities Ping Cncl	93.630	26430100	152,784
Environmental Protection Agency	Lake Erie Comsn	66.469	26550000	5,182
US Department of Labor	OH Dept of Job & Family Services	17.76000000	26630000	51,797
US Department of Health & Human Services	OH Dept of Job & Family Services	93.596	26630000	154,737
Corp for Nat & Community Service	OH Community Service Council	94.006	26650000	181,766
ARRA US Department of Education	eTech Ohio	84.386	26660000	357,986
NASA Headquarters	Smithsonian Astrophysical Observatory	43.002	30060200	26,490
NASA Headquarters	Smithsonian Astrophysical Observatory	43.33000105	30060200	7,994
NASA Headquarters	Jet Propulsion Lab	43.002	33000303	79,965
Nat Aeronautics & Space Admin	Jet Propulsion Lab	43.33000000	33000303	25,413
NASA Headquarters	Jet Propulsion Lab	43.33000105	33000303	304,334
NASA Headquarters	Jet Propulsion Lab	43.33000303	33000303	33,768
Navy	National Institute of Food & Agriculture	10.500	40040100	947,712
United Soybean Board	USDA Agricultural Res Service	10.001	40040200	53,841
US Department of Agriculture	USDA Rural Development	10.771	40190000	157,681
US Department of Defense	Army Medical Res Acquisition Activity	12.420	50022700	302,832
National Institutes of Health	Army Medical Res Acquisition Activity	93.853	50022700	395,787
Nat Inst Disability & Rehabilitation Res	Nat Inst Disability & Rehabilitation Res	84.133	53050300	862,950
US Department of Energy	Los Alamos Nat Lab	12.50060000	55050000	(9,593)
US Department of Energy	Los Alamos Nat Lab	81.55000000	55050000	241,409
US Department of Energy	Lawrence Livermore National Laboratory	81.55000000	55100000	74,847
US Department of Energy	Oak Ridge Nat Lab	81.55000000	55110000	207,271
US Department of Energy	SLAC Nat Accelerator Lab	81.55000000	55160000	42,021

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Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
Research and Development Cluster — Pass-through from other sources:			
US Department of Energy National Institutes of Health	81.55000000 93.395	55180000 64000002	45,467 147,122
Subtotal pass-through from other sources			<u>65,923,769</u>
Total Research and Development Cluster			<u>369,595,450</u>

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 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Student Financial Aid Cluster —		
Funds received directly from the following federal agencies:		
<b>U.S. Department Of Education</b>		
Supple Educ Opportunity Grant	84.007	1,040,334
Federal Workstudy Program	84.033	2,713,815
Federal Perkins Loan Cancellations	84.037	113,314
Federal Perkins Loans	84.038	4,129,009
Federal Pell Grant Program	84.063	58,089,904
Federal Direct Lending	84.268	414,054,617
Academic Competitiveness Grants	84.375	2,385,643
Natl Sci & Math Access to Retain Talent	84.376	2,795,045
Teacher Ed Assist for College and Higher Ed Grants	84.379	2,666
<b>Department of Health and Human Services</b>		
Nursing Faculty Loan	93.264	77,443
Health Professions Student Loans	93.342	2,939,239
Nursing Student Loan	93.364	324,922
Exceptional Financial Need	93.925	120,485
ARRA Scholarships for Disadvantaged Students	93.407	79,518
Subtotal Student Financial Aid Cluster		488,865,954
Medicaid Cluster —		
DHHS - Medical Assistance Program	93.778	5,415
Subtotal Medicaid Cluster		5,415



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Federal Agency Sponsor	CFDA Number	Expenditures
Funds received directly from the following federal agencies		
Other Programs:		
US Department of Defense - Air Force ROTC	12	1,700,875
US Department of Defense - Army ROTC	12	2,325,248
US Department of Defense - Coast Guard ROTC	12	833
US Department of Defense - Navy ROTC	12	1,862,715
National Endowment For The Humanities	45.164	36,017
NSF Div Computing & Communication Fdn	47.070	57,934
ARRA NSF Div Civil, Mechanical & Maufact Innv	47.082	24,710
NSF Div Mathematical Sciences	47.049	1,879
National Institute of Food & Agriculture	10.311	104,625
National Institute of Food & Agriculture	10.500	296,641
Natural Resources Conservation Service	10.912	(639)
Animal & Plant Health Inspection Service	10.025	92,875
USDA Rural Development	10.870	43,252
Econ Dev Admin	11.300	64,858
Air Force Office of Scientific Res	12.910	(250)
Army Res Office	12.431	21,987
US Department of Education	84.015	714,307
US Department of Education	84.195	284,054
US Department of Education	84.350	1,498,895
Ofc of Postsecondary Education	84.015	151,696
Ofc of Special Ed & Rehabilitative Svcs	84.325	125,652
Substance Abuse & Mental Health Servs Admin	93.243	77,062
ARRA Nat Center for Research Resources	93.702	329,122
Health Resources & Services Admin	93.249	468,084
Health Resources & Services Admin	93.502	5,687,540
Centers for Disease Control & Prevention	93.283	100,238
Cooperative Forestry Research	10.202	522,814
Pmnts to Agricul Exp Station	10.203	7,032,915
Animal Health & Disease Research	10.207	24,330
Cooperative Extension Service	10.500	12,068,066

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 FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Expenditures
Funds received directly from the following federal agencies		
Other Programs:		
Child and Adult Care Food Program	10.558	107,000
Public Telecomm Fac Plnng & Construct	11.550	(211,523)
IPA Mobility Act	27.011	14,591
Comm Info & Assistance/Invest of Complaints	32.001	106,556
Science	43.001	2,475
Veterans Outpatient Care	64.011	14,384
Javits Fellowships	84.170	67,672
Fund for the Improvement of Education	84.215	32,589
CDCP Investigations and Technical Assistance	92.283	1,500
ARRA Scholarships for Disadvantaged Students	93.407	9,124
Social Services Block Grant	93.667	186,404
ARRA Community Services Block Grant	93.710	7,282
Student Research Abroad	84.022A	175,243
TRIO: Student Support Services	84.042A	(32,650)
Fund for the Improvement of Education	84.215x	10,445
Unknown	Unknown	147
DOT - Airport Improvement Program	20.106	762,071
DOE - Fund for the Improvement of Education	84.215	89,843
DHHS - Foster Care Title IV-E	93.568	95,664
Subtotal funds received directly from federal agencies		<u>37,157,152</u>

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FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
State Fiscal Stabilization Cluster – Pass-through from other sources:			
ARRA - U.S. Department of Education	84,394		52,341,170
ARRA - U.S. Department of Education	84,397		7,721,700
			<u>60,062,870</u>
Sub-Total State Fiscal Stabilization Cluster			
Funds passed through from other sources:			
Health Resources & Services Admin	93,153	20010182	(28,307)
US Department of Education	84,53000000	20012137	(571)
National Endowment For The Arts	45,025	20020844	2,670
US Department of Agriculture	10,902	20021027	22,908
Office of Justice Programs	16,726	20021037	44,124
Health Resources & Services Admin	93,912	20021726	659
Administration for Children and Families	93,602	20021740	1,881
Dept of Housing & Urban Dev	14,239	20021779	151
Ofc Vocational & Adult Education Progrms	84,002	20021898	444
Centers for Disease Control & Prevention	93,988	20021914	752
Centers for Disease Control & Prevention	93,185	20021937	2,394
Environmental Protection Agency	66,469	20021979	26,027
ARRA US Department of Commerce	11,557	20021994	5,850
National Institute of Food & Agriculture	10,500	22000002	193,803
USDA Forest Service	10,680	22000002	18,467
National Institute of Food & Agriculture	10,303	22000009	23,442
National Library of Medicine	93,879	22000009	39,467
Agency for Intl Dev	98,001	22000012	2,067,111
Health Resources & Services Admin	93,145	22000036	13,992
Health Resources & Services Admin	93,249	22000036	30,659
National Institute of Food & Agriculture	10,200	22000044	30,815
US Department of Homeland Security	97,061	22000053	26,736
National Institute of Food & Agriculture	10,500	22000062	208,930

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
National Institute of Food & Agriculture	Univ of Minnesota	10.319	22000067	6,807
National Institute of Food & Agriculture	Univ of Minnesota	10.500	22000067	42,219
National Institute of Food & Agriculture	Cornell University	10.500	22000081	1,204
National Institute of Food & Agriculture	Univ of Nebraska	10.200	22000085	136
National Institute of Food & Agriculture	Univ of Nebraska	10.500	22000085	70,859
US Department of Education	Denison Univ	84.305	22000128	5,537
National Cancer Institute	Univ of Kentucky	93.393	22000143	31,925
Centers for Disease Control & Prevention	Case Western Reserve Univ	93.135	22000238	12,946
Centers for Disease Control & Prevention	Univ of Louisville	93.184	22000299	87,126
Centers for Disease Control & Prevention	Cols Public Health	93.069	24000032	2,267
Substance Abuse & Mental Health Servs Admin	ADAMH Board of Franklin County	93.243	24000390	64,313
Administration for Children and Families	Trumbull Co Job and Family Services	93.575	24000457	23,681
Administration for Children and Families	Butler County Board of Commissioners	93.558	24000522	249,047
Centers for Disease Control & Prevention	Cuyahoga County Board of Health	93.991	24000524	22,599
Dept of Housing & Urban Dev	Cleveland Dept of Community Development	14.218	24000528	263,753
Dept of Housing & Urban Dev	Cleveland Dept of Community Development	14.70000000	24000528	71,852
Centers for Disease Control & Prevention	Summit County Health District	93.069	24000535	(6,963)
Dept of Housing & Urban Dev	Akron Dept of Planning and Urban Dev	14.218	24000549	6,983
ARRA US Department of Justice	Preble County Board of Commissioners	16.804	24000552	40,852
US Department of Education	OH Board of Regents	84.224	26060000	147,797
US Department of Education	OH Board of Regents	84.367	26060000	157,250
US Department of Agriculture	OH Dept of Educ	10.558	26080000	31,156
US Department of Agriculture	OH Dept of Educ	10.559	26080000	4,179
US Department of Education	OH Dept of Educ	84.048	26080000	151,737
US Department of Education	OH Dept of Educ	84.173	26080000	42,648
US Department of Education	OH Dept of Educ	84.243	26080000	4,710
US Department of Education	OH Dept of Educ	84.287	26080000	226,348
US Department of Education	OH Dept of Educ	84.366	26080000	64,835
US Department of Education	OH Dept of Educ	84.377	26080000	24,553
Administration for Children and Families	OH Dept of Educ	93.600	26080000	2,650
ARRA Centers for Disease Control & Prevention	OH Dept of Health	93.723	26090000	11,293
US Department of Health & Human Services	OH Dept of Health	93.994	26090000	86,569
ARRA USDA Forest Service	OH Dept of Natural Resources	10.688	26110000	46,309

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
US Department of Education	OH Rehabilitation Services Commission	84.126	26120000	219,159
US Department of Energy	Ohio Department of Development	81.041	26140000	73,128
Office of Justice Programs	OH Dept Youth Services	16.540	26200000	22,355
National Endowment For The Humanities	OH Humanities Council	45.129	26290000	3,721
US Department of Agriculture	Ohio Department Of Agriculture	10.169	26390000	9,804
Substance Abuse & Mental Health Servs Admin	OH Dept of Mental Health	93.958	26420000	325,012
US Department of Health & Human Services	OH Dept Alcohol&Drug Addiction Services	93.959	26530000	65,889
US Department of Agriculture	OH Dept of Job & Family Services	10.561	26630000	2,783,318
Extension Service (USDA)	OH Dept of Job & Family Services	10.561	26630000	202
US Department of Health & Human Services	OH Dept of Job & Family Services	93.558	26630000	376,757
Administration for Children and Families	OH Dept of Job & Family Services	93.558	26630000	67,003
Ctrs for Medicare & Medicaid Services	OH Dept of Job & Family Services	93.791	26630000	245,264
Corp for Nat & Community Service	OH Community Service Council	94.006	26650000	(4)
US Department of Agriculture	OH Dept of Agriculture	10.475		375
US Department of Agriculture	OH Dept of Educ	10.556		331
US Department of Agriculture	OH Dept of Administrative Services	10.557		43,639
US Department of Agriculture	OH Dept of Educ	10.558		9,167
US Department of Agriculture	OH Dept of Educ	10.559		46,007
US Department of Agriculture	OH Dept of Administrative Services	10.572		-
US Department of Defense	OH Adjutant General's Office	12.401		10
Dept of Housing & Urban Dev	OH Dept of Development	14.228		10,150
US Department of Justice	OH Dept of Public Safety	16.738		6,587
US Department of Justice	OH Attorney General Office	16.746		89
US Department of Labor	OH Dept of Administrative Services	17.225		2,971
US Department of Labor	OH Dept of Job & Family Services	17.225		19,250
US Department of Labor	OH Dept of Job & Family Services	17.245		121,679
US Department of Labor	OH Dept of Development	17.258		225
Institute of Museum & Library Services	OH Dept of Administrative Services	45.310		437
US Department of Commerce	OH Dept of Development	59.037		161,027
US Department of Commerce	OH Dept of Development	59.037		86,685
US Environmental Protection Agency	OH Dept of Agriculture	66.700		130,185
US Department of Energy	OH Dept of Development	81.041		72,695
US Department of Education	OH Dept of Educ	84.027		9,985

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Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
US Department of Education		84,027		52,541
US Department of Education	OH School for the Blind	84,048		305
US Department of Education	OH Dept of Administrative Services	84,048		18,699
US Department of Education	OH Board of Regents	84,048		2,611
US Department of Education	OH Dept of Youth Services	84,048		82,146
US Department of Education	OH Dept of Educ	84,126		6,522
US Department of Education	OH School for the Blind	84,126		326,762
US Department of Education	OH Rehabilitation Services Commission	84,173		36,388
US Department of Education	OH Dept of Educ	84,173		12,986
US Department of Education	OH Dept of Administrative Services	84,243		15,000
US Department of Education	OH Board of Regents	84,287		9,933
US Department of Education	OH Dept of Educ	84,366		789,315
US Department of Education	OH Dept of Educ	84,367		20,699
US Department of Education	OH Dept of Educ	84,386		217,125
US Department of Education	eTech OH Commission	84,388		148,342
US Department of Education	OH Dept of Educ	84,390		10,000
US Department of Education	OH Dept of Development	84,395		255,622
US Department of Education	OH Dept of Educ	93,006		21,607
US Department of Health & Human Services	OH Dept of Minority Health	93,069		7,541
US Department of Health & Human Services	OH Dept of Health	93,110		12,326
US Department of Health & Human Services	OH Dept of Health	93,110		17,572
US Department of Health & Human Services	OH Dept of Health	93,118		175
US Department of Health & Human Services	OH Dept of Health	93,136		525
US Department of Health & Human Services	OH Dept of Health	93,217		495
US Department of Health & Human Services	OH Dept of Health	93,243		6,620
US Department of Health & Human Services	OH Dept of Alcohol & Drug Addiction Services	93,243		192
US Department of Health & Human Services	OH Dept of Administrative Services	93,268		755
US Department of Health & Human Services	OH Dept of Health	93,283		7,971
US Department of Health & Human Services	OH Dept of Health	93,283		108,500
US Department of Health & Human Services	OH Dept of Administrative Services	93,283		1,996
US Department of Health & Human Services	OH Dept of Development	93,568		12,355
US Department of Health & Human Services	OH Dept of Development	93,569		1,576
US Department of Health & Human Services	OH Dept of Job & Family Services	93,575		61,148

**THE OHIO STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	Pass-Through Sponsor	CFDA Number	Pass-Through I.D. Number	Expenditures
US Department of Health & Human Services	OH Dept of Job & Family Services	93.575		450
US Department of Health & Human Services	Supreme Court of OH and OH Judicial System	93.586		18,372
US Department of Health & Human Services	OH Dept of Educ	93.600		5,000
US Department of Health & Human Services	OH Dept of Educ	93.600		18,597
US Department of Health & Human Services	OH Legal Rights Service	93.630		1,000
US Department of Health & Human Services	OH Dept of Youth Services	93.658		39,940
US Department of Health & Human Services	OH Dept of Health	93.723		350
US Department of Health & Human Services	OH Dept of Health	93.777		88
US Department of Health & Human Services	OH Dept of Insurance	93.779		975
US Department of Health & Human Services	OH Dept of Insurance	93.779		750
US Department of Health & Human Services	OH Dept of Administrative Services	93.779		976
US Department of Health & Human Services	OH Board of Regents	93.887		277,568
US Department of Health & Human Services	OH Board of Regents	93.888		845,934
US Department of Health & Human Services	OH Board of Regents	93.888		191,625
US Department of Health & Human Services	OH Dept of Health	93.913		199
US Department of Health & Human Services	OH Dept of Health	93.917		835
US Department of Health & Human Services	OH Dept of Administrative Services	93.917		3,442
US Department of Health & Human Services	OH Dept of Administrative Services	93.940		8,837
US Department of Health & Human Services	OH Dept of Health	93.940		350
US Department of Health & Human Services	OH Dept of Mental Health	93.958		262,935
US Department of Health & Human Services	OH Dept of Health	93.965		175
US Department of Health & Human Services	OH Dept of Health	93.977		1,510
US Department of Health & Human Services	OH Dept of Health	93.991		875
US Department of Health & Human Services	OH Dept of Health	93.994		4,676
US Department of Health & Human Services	OH Dept of Health	93.994		1,050
US Department of Health & Human Services	OH Dept of Health	93.994		5,093
US Department of Health & Human Services	OH Dept of Administrative Services	93.994		6,976
US Department of Health & Human Services	OH Dept of Health	93.999		8,679
Corp for Nat & Community Service	OH Dept of Aging	94.003		6,287
Corp for Nat & Community Service	OH Dept of Aging	94.006		98,953
Corp for Nat & Community Service	OH Dept of Aging	94.009		24,874
Corp for Nat & Community Service	OH Dept of Aging	94.009		2,596
US Department of Homeland Security	OH Dept of Public Safety	97.036		28,258

**THE OHIO STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Agency Sponsor	CFDA Number	Pass-Through I.D. Number	Pass-Through Sponsor	Expenditures
US Department of Homeland Security	97.042		OH Dept of Public Safety	12,010
US Department of Homeland Security	97.053		OH Dept of Aging	17,836
Unknown	99.999		OH Dept of Administrative Services	223
US Department of Education	84.002A		OH Board of Regents	166,577
US Department of Education	84.334A		OH Board of Regents	29,530
US Department of Education	84.371A		OH Dept of Youth Services	264,075
US Department of Education	84.377A		OH Dept of Administrative Services	2,270
Unknown	Unknown		OH Dept of Alcohol & Drug Addition Services	14,452
Unknown	Unknown		OH Dept of Educ	12
Unknown	Unknown		Unknown	127,199
Subtotal pass through from other sources				<u>14,413,442</u>
Total Federal Expenditures				<u>970,100,283</u>



**THE OHIO STATE UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

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

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

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

*Thirteen legally independent corporations engaged in activities related to the University:*

- The Ohio State University Research Foundation (the "Research Foundation")
- The Ohio State University Student Loan Foundation, Inc.
- Transportation Research Center of Ohio, Inc.
- Campus Partners for Community Urban Redevelopment, Inc.
- Reading Recovery and Early Literacy, Inc.
- Ohio State University Retirees Association
- OSU Managed Health Care Systems, Inc.
- The Ohio State University Physicians, Inc.
- Prologue Research International, Inc.
- Oval Limited
- Adria Kravinsky Foundation
- Dental Faculty Practice Association, Inc.
- OSU China Gateway, LLC

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

**2. NONCASH FEDERAL AWARDS**

During the year ended June 30, 2011, the University did not receive nonmonetary assistance.

**THE OHIO STATE UNIVERSITY  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

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**3. REIMBURSEMENT OF FACILITIES AND ADMINISTRATIVE COSTS**

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

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

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

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

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

**4. SUBRECIPIENT AWARDS**

Certain funds are passed through to subrecipient organizations by the University. Expenditures incurred by the subrecipients and reimbursed by the University are presented in the schedule of expenditures of federal awards.

During the fiscal year ended June 30, 2011, the University received approximately \$140,400,081 from pass-through entities. Of that amount, \$65,923,769 related to research and development cluster awards and \$74,476,312 related to non-cluster awards.

**THE OHIO STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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The following amounts of non-cluster pass-through awards were received during the fiscal year ended June 30, 2011:

<b>CFDA Number</b>	<b>Federal Agency Sponsor</b>	<b>Pass-Through Expenditures</b>
84.394	ARRA - U.S. Department of Education	\$ 52,341,170
84.397	ARRA - U.S. Department of Education	7,721,700
10.561	US Department of Agriculture	2,783,520
98.001	Agency for Intl Dev	2,067,111
93.888	US Department of Health & Human Services	1,037,559
84.366	US Department of Education	854,150
93.558	Administration for Children and Families	692,807
93.958	Substance Abuse & Mental Health Servs Admin	587,947
84.126	US Department of Education	552,443
10.500	National Institute of Food & Agriculture	517,015
93.887	US Department of Health & Human Services	277,568
14.218	Dept of Housing & Urban Dev	270,736
84.371	US Department of Education	264,075
84.395	US Department of Education	255,622
84.048	US Department of Education	255,498
59.037	US Department of Commerce	247,712
93.791	Ctrs for Medicare & Medicaid Services	245,264
84.287	US Department of Education	236,281
84.386	US Department of Education	217,125
84.367	US Department of Education	177,949
84.002	Ofc Vocational & Adult Education Progrms	166,577
84.388	US Department of Education	148,342
84.224	US Department of Education	147,797
81.041	US Department of Energy	145,823
Unknown	Unknown	141,663
66.700	US Environmental Protection Agency	130,185
17.245	US Department of Labor	121,679
93.283	US Department of Health & Human Services	118,467
93.994	US Department of Health & Human Services	104,364
94.006	Corp for Nat & Community Service	98,949
84.173	US Department of Education	92,022
93.184	Centers for Disease Control & Prevention	87,126
93.575	Administration for Children and Families	85,279
14.70	Dept of Housing & Urban Dev	71,852
93.243	Substance Abuse & Mental Health Servs Admin	71,125
93.959	US Department of Health & Human Services	65,889
84.027	US Department of Education	62,526
10.559	US Department of Agriculture	50,186
10.688	ARRA USDA Forest Service	46,309
16.726	Office of Justice Programs	44,124
10.557	US Department of Agriculture	43,639
16.804	ARRA US Department of Justice	40,852
10.558	US Department of Agriculture	40,324
93.658	US Department of Health & Human Services	39,940

**THE OHIO STATE UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

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<b>CFDA Number</b>	<b>Federal Agency Sponsor</b>	<b>Pass-Through Expenditures</b>
93.879	National Library of Medicine	39,467
93.393	National Cancer Institute	31,925
10.200	National Institute of Food & Agriculture	30,951
93.249	Health Resources & Services Admin	30,659
93.110	US Department of Health & Human Services	29,898
84.334	US Department of Education	29,530
97.036	US Department of Homeland Security	28,258
94.009	Corp for Nat & Community Service	27,470
97.061	US Department of Homeland Security	26,736
93.600	Administration for Children and Families	26,247
66.469	Environmental Protection Agency	26,027
84.377	US Department of Education	24,553
93.991	Centers for Disease Control & Prevention	23,474
10.303	National Institute of Food & Agriculture	23,442
10.902	US Department of Agriculture	22,908
16.540	Office of Justice Programs	22,355
17.225	US Department of Labor	22,221
93.006	US Department of Health & Human Services	21,607
84.243	US Department of Education	19,710
10.680	USDA Forest Service	18,467
93.586	US Department of Health & Human Services	18,372
97.053	US Department of Homeland Security	17,836
93.145	Health Resources & Services Admin	13,992
93.135	Centers for Disease Control & Prevention	12,946
93.568	US Department of Health & Human Services	12,355
97.042	US Department of Homeland Security	12,010
93.723	ARRA Centers for Disease Control & Prevention	11,643
14.228	Dept of Housing & Urban Dev	10,150
84.390	US Department of Education	10,000
10.169	US Department of Agriculture	9,804
93.940	US Department of Health & Human Services	9,187
93.999	US Department of Health & Human Services	8,679
10.319	National Institute of Food & Agriculture	6,807
16.738	US Department of Justice	6,587
94.003	Corp for Nat & Community Service	6,287
11.557	ARRA US Department of Commerce	5,850
84.305	US Department of Education	5,537
93.917	US Department of Health & Human Services	4,277
45.129	National Endowment For The Humanities	3,721
93.069	Centers for Disease Control & Prevention	2,845
93.779	US Department of Health & Human Services	2,701
45.025	National Endowment For The Arts	2,670
93.185	Centers for Disease Control & Prevention	2,394
84.377	US Department of Education	2,270

**THE OHIO STATE UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

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<b>CFDA Number</b>	<b>Federal Agency Sponsor</b>	<b>Pass-Through Expenditures</b>
93.602	Administration for Children and Families	1,881
93.569	US Department of Health & Human Services	1,576
93.977	US Department of Health & Human Services	1,510
93.630	US Department of Health & Human Services	1,000
93.268	US Department of Health & Human Services	755
93.988	Centers for Disease Control & Prevention	752
93.912	Health Resources & Services Admin	659
93.136	US Department of Health & Human Services	525
93.217	US Department of Health & Human Services	495
84.002	Ofc Vocational & Adult Education Progrms	444
45.310	Institute of Museum & Library Services	437
10.475	US Department of Agriculture	375
10.556	US Department of Agriculture	331
17.258	US Department of Labor	225
99.999	Unknown	222
93.913	US Department of Health & Human Services	199
93.118	US Department of Health & Human Services	175
93.965	US Department of Health & Human Services	175
14.239	Dept of Housing & Urban Dev	151
16.746	US Department of Justice	89
93.777	US Department of Health & Human Services	88
12.401	US Department of Defense	10
10.572	US Department of Agriculture	-
84.53	US Department of Education	(571)
93.153	Health Resources & Services Admin	(28,307)
	<b>Total</b>	<b><u>\$ 74,476,312</u></b>

**5. FEDERAL DIRECT LOAN PROGRAM**

Under the William D. Ford Federal Direct Loan Program, students and parents borrow funds directly from the federal government; the University is responsible for verifying student eligibility, electronically transmitting the loan records to the federal processor and distributing the loan funds directly to the student account or parent borrower. During the fiscal year ended June 30, 2011, the University's students and parents received the following amount of new loans under this program.

	<b>CFDA Number</b>	<b>Loan Issued</b>
Direct Student Loans	84.268	
Undergraduate subsidized		\$ 143,229,025
Undergraduate unsubsidized		180,048,989
Direct Parent Loans for Undergraduate Students	84.268	<u>90,776,603</u>
		<u>\$414,054,617</u>

**THE OHIO STATE UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

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The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Programs and, accordingly, these loans are not included in the University's basic consolidated financial statements. It is not practical to determine the balance of loans outstanding under these programs at June 30, 2011.

**6. UNIVERSITY-ADMINISTERED FEDERAL LOAN PROGRAMS**

The University had the following loan balances outstanding at June 30, 2011. These balances are not included in the schedule of federal expenditures.

	<b>Number</b>	<b>June 30, 2011</b>
Department of Education		
Federal Perkins Program	84.038	<u>\$ 34,777,443</u>
		34,777,443
Department of Health and Human Services		
Health Professions Student Loan Program	93.342	
Dentistry		9,570,059
Medicine		93,251
Optometry		2,267,972
Pharmacy		1,291,440
Veterinary		5,334,512
Primary Care Loan Program	93.342	
Medicine		2,175,997
Loans to Disadvantaged Student Program	93.342	
Dentistry		93,569
Medicine		144,052
Veterinary		<u>6,227</u>
		20,977,079
Nursing Student Loan Program	93.364	<u>1,902,522</u>
AARA - Nursing Faculty Loan Program	93.408	<u>22,595</u>
Nursing Faculty Loan Program	93.264	<u>207,549</u>
Total Federal Loans Outstanding		<u>\$ 57,887,188</u>

The loan programs noted above are administered directly by the University and balances and transactions relating to these programs are included in the University's basic consolidated financial statements. Loan cancellations, under CFDA Number 84.037, for the fiscal year ended June 30, 2011 were \$113,314. The schedule of expenditures of federal awards includes loan expenditures and disbursements to students and administrative costs of the loan program for the fiscal year ended June 30, 2011. In addition note that the University received administrative cost allowances and collection costs related to the Perkins Loan of \$212,092 and \$699,636, respectively, for the fiscal year ended June 30, 2011.

**THE OHIO STATE UNIVERSITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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The University issued the following amounts of new loans during the fiscal year ended June 30, 2011.

	<b>CFDA Number</b>	<b>Outstanding balance at June 30, 2011</b>
Department of Education		
Federal Perkins Program	84.038	<u>\$ 4,129,009</u> 4,129,009
Department of Health and Human Services		
Health Professions Student Loan Program	93.342	
Dentistry		1,352,470
Optometry		363,000
Pharmacy		248,634
Veterinary		602,400
Primary Care Loan Program	93.342	
Medicine		275,535
Loans to Disadvantaged Student Program	93.342	
Dentistry		36,000
Medicine		60,000
Veterinary		1,200
		<u>2,939,239</u>
Nursing Student Loan Program	93.364	<u>324,922</u>
Nursing Faculty Loan Program	93.264	<u>77,443</u>
Total Federal loans issued July 1, 2010 through June 30, 2011		<u>\$ 7,470,613</u>



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

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

We have audited the financial statements of The Ohio State University (the "University") as of and for the year ended June 30, 2011, and have issued our report thereon dated October 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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





### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the University in a separate letter dated October 31, 2011.

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

*PricewaterhouseCoopers LLP*

October 31, 2011



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

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

**Compliance**

We have audited the compliance of The Ohio State University ("the University") with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011, except as described in the second paragraph of this report. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We did not audit the University's compliance with the billing and due diligence compliance requirements specified by the Federal Perkins Loan Program ("Perkins Loan") and described in the OMB *Circular A-133 Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the University's compliance with those requirements, is based solely on the report of the other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.



An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, based on our audit and the report of other auditors, the University complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as finding numbers 2011-1, 2011-2, 2011-3 and 2011-4.

#### **Internal Control Over Compliance**

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

We did not consider internal control over compliance with the billing and due diligence compliance requirements specified by the Perkins Loan and described in the OMB Circular A-133 *Compliance Supplement*. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the University's internal control over those compliance requirements, is based solely upon the report of the other auditors.

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



Our consideration and the other auditors' consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Also, the report of the other auditors did not identify any deficiencies in internal control over compliance that they consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2011-2. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Princeton University Cooper LLP*

March 2, 2012

**THE OHIO STATE UNIVERSITY  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505**

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

*Financial Statements*

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

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

*Federal Awards*

Internal control over major programs:

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

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

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

Identification of major programs: CFDA Number(s)	Name of Federal Program or Cluster
Various	Research and Development Cluster
Various	Student Financial Aid Cluster
10.500	National Institute of Food & Agriculture
93.702	ARRA National Center for Research Resources
93.502	Health Resources and Services Admin
84.394/84.397	SFSF Cluster

Dollar threshold used to distinguish between type A and type B programs: \$3,083,962

Auditee qualified as low-risk auditee? X yes \_\_\_ no

**Section II – Financial Statement Findings**

None noted.

**THE OHIO STATE UNIVERSITY  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505**

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

<b>Finding Number</b>	<b>2011-1</b>
<b>CFDA Title and Number</b>	Research & Development Cluster; CFDA# 12.351 - Basic Scientific Research - Combating Weapons of Mass Destruction; CFDA# 81.049 - Office of Science Financial Assistance Program
<b>Federal Award Number / Year</b>	2011
<b>Federal Agency</b>	Department of Defense Office of the Secretary of Defense Department of Energy
<b>Pass-Through Agency</b>	Direct and Various Entities

**Criteria** - *Section VI.3.3 of the Defense Threat Reduction Agency Broad Agency Announcement (HDTRA1-09-14-FRCWMD-BAA) requires that the following financial reports are required for all grant recipients: Federal Financial Report, SF425. This report is due annually, no later than 90 days after the end of the reporting period. The reporting period shall be from 1 August – 31 July. First year reports shall have a reporting period of the start date of the grant through 31 July. Final reports shall be submitted no later than 90 days after the project or grant period end date. All financial reports shall be submitted to the Office of Naval Research Office identified in the Research Grant.*

**10 CFR Section 605.19 of the US Department of Energy** states that after the issuance of an initial award and if future support is recommended, recipients must submit a satisfactory progress report in order to receive continuation awards for the remainder of the project period. Progress reports are due yearly, 90 days after the end of the reporting period.

**Condition** - We selected 25 various types of reports that were due during the fiscal year from the research and development grant cluster for testing. It was noted that one SF425 - Federal Financial Report for the Defense Threat Reduction Agency had not been filed. It was also noted that one Annual Progress Report for the US Department of Energy was not filed within the required reporting timeline (roughly 6 months after the reporting due date).

**Questioned Costs** - None noted.

**Context** - Management uses the PeopleSoft Grants Suite to record administrative information for each project, including reporting requirements and applicable deadlines. The required SF425 - Federal Financial Report for the Defense Threat Reduction Agency was not recorded within the PeopleSoft Grants system, which resulted in the University's failure to provide the report. The reporting requirement for the Annual Progress Report for the US Department of Energy was not recorded within the PeopleSoft Grants system, which resulted in the University's failure to provide the report.

**Effect** - The Defense Threat Reduction Agency and US Department of Energy may not receive the necessary information for budgeting and monitoring purposes in a timely manner to properly manage the grants as needed.

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**Cause** - The University did not have adequate procedures in place to ensure reporting requirements are completed within the specified timelines.

**Recommendation** - We recommend the University file these reports as soon as possible. In addition, we recommend the University establish policies and procedures to ensure that reports are being filed within the prescribed time in accordance with grant agreements and establish internal controls to mitigate the risk of future noncompliance with the federal reporting requirements.

**Views of Responsible Officials** - We concur with this concern and are continuing to strengthen our procedures for reviewing award set-up and reporting requirements.

<b>Finding Number</b>	<b>2011-2</b>
<b>CFDA Title and Number</b>	Student Financial Aid Cluster; CFDA# 84.007 - Federal Supplemental Educational Opportunity Grant; CFDA# 84.038 - Federal Perkins Loans; CFDA# 84.063 - Federal Pell Grant Program; CFDA# 84.268 - Federal Direct Student Loans; CFDA# 84.375 - Academic Competitiveness Grants; CFDA# 84.376 - National Science and Mathematics Access to Retain Talent Grant; CFDA# 84.379 - Teacher Education Assistance for College and Higher Education Grant
<b>Federal Award Number / Year</b>	2011
<b>Federal Agency</b>	U. S. Department of Education, Student Financial Aid
<b>Pass-Through Agency</b>	N/A

**Significant Deficiency**

**Criteria - 34 CFR Section 668.22(a)(1)** states that when a recipient of title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of title IV grant or loan assistance that the student earned as of the student's withdrawal date.

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

An institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the: (1) payment period or period of enrollment, (2) academic year in which the student withdrew, or (3) educational program from which the student withdrew (34 CFR section 668.22(j)).

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**Condition** - We selected 60 students who enrolled at the University and subsequently withdrew from courses who had obtained Title IV funds. It was noted that 15 students who withdrew did not have their Title IV Funds refunded to the respective programs in a timely manner.

**Questioned Costs** - None noted.

**Context** - The 15 students who withdrew and did not have their Title IV Funds applied to the respective program in a timely manner can be segregated as follows:

- 1) The University runs a query on a regular basis from the Student Information System (SIS) to search for students who withdrew or never attended courses in order to compute the amount of Title IV funds to be returned. We noted 6 out of 60 students who withdrew, however, due to user error of the SIS system their status went unnoticed for several months before they were discovered and the Title IV return calculations were performed. These refunds were processed between 137 and 155 days late.
- 2) The University had an additional 6 out of 60 students whose total Title IV aid was returned within the required timeline; however, the refund calculation was performed at a later date. Once the calculation was performed the University adjusted the students account to return the amount the student had earned back to their account (i.e. the refund to the program exceeded the amount required). The refund calculation and subsequent adjustment was not performed within the required timeline. These refunds to the student were processed between 5 and 31 days late.
- 3) The University had an additional 3 of the 60 students whose refund calculations were not performed in the prescribed amount of time described above. These refunds were processed between 5 and 63 days late.

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

**Cause** - The University did not have adequate policies or procedures in place to monitor the appropriate calculation and return of Title IV Funds in a timely manner for 15 students out of a sample of 60. We also noted 12 students where the University uses an interpretation of the 30 day determination period and the 45 day payment period where the determination of the date of determination is not readily apparent, yet refunds were made within 75 days of quarter end. The University does not require the taking of attendance.

**Recommendation** - We recommend the University review its policies and procedures in relation to monitoring the Title IV Fund calculations and refunds to ensure they are being performed in a timely manner and in accordance with the regulations. In addition, we recommend the University establish controls to mitigate the risk of future noncompliance with the Return of Title IV Funds requirements. We also recommend that the University document the date of determination as well as review its interpretation of the determination date for students who withdrew without notification.

**Views of Responsible Officials** - The Ohio State University acknowledges the finding related to the Returns of Title IV funds. All cases within the sample were the result of a training issue with one employee within the Student Financial Aid Office. The interpretation of institutional policy and procedures by this individual resulted in this finding.



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The following corrective actions have been taken:

- 1) Additional training has been delivered to all staff processing Return to Title IV (R2T4) calculations.
- 2) All R2T4 calculations are receiving a quality review to ensure that the calculations are being processed in an accurate and timely manner.
- 3) A comprehensive review has been completed to ensure that OSU is systematically identifying all students impacted under R2T4 regulations and that the withdrawal date and the determination date is clearly documented.

We have implemented the recommendations outlined above.

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<b>Finding Number</b>	<b>2011-3</b>
<b>CFDA Title and Number</b>	CFDA #93.702 - National Center for Research Resources, Recovery Act Construction Support - ARRA
<b>Federal Award Number / Year</b>	2011
<b>Federal Agency</b>	Department of Health and Human Services National Institutes of Health
<b>Pass-Through Agency</b>	N/A

**Criteria - 2 CFR part 180** states that Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR section 180.220 of the government wide non-procurement debarment and suspension guidance contains those additional limited circumstances. All non-procurement transactions (i.e., sub-awards to sub-recipients), irrespective of award amount, are considered covered transactions.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

**Condition** - During our audit of the awarding of contracts we selected 5 vendors with expenditures over the above mentioned threshold and noted that the Facilities Operations and Development Department (FOD) does not perform a search on the Excluded Parties List System to ensure the 5 vendors were not suspended or debarred before awarding the contract to them.

**Questioned Costs** - None noted.

**Context** - During the year the University entered into a contract with various vendors for the Goss Lab 2nd Floor Renovation Project and the OSU BRT Three Floor Build-Out Project for architectural services. The FOD is responsible for the process of contracting with vendors for repairs and renovations of all the University's Facilities. It was noted during our testing that the FOD does not perform the search on the excluded parties lists prior to awarding the contracts to ensure vendors are not suspended or debarred from doing business with entities using federal funds for the project. The engagement team reviewed the excluded parties list for the vendors in our test selections, noting they were not suspended or debarred.

**Cause** - FOD does not perform a search on the Excluded Parties List System to ensure vendors are not suspended or debarred before awarding contracts to them.

**Effect** - The FOD was not in compliance with procurement procedures established by the federal government for entities using federal funds.

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**Recommendation** - We recommend that the FOD establish procedures in relation to the procurement and awarding of contracts when using federal funds to include a search of the Excluded Parties List System at (<http://epls.arnet.gov>), prior to awarding contracts or doing any business with vendors per federal requirements. In addition, we recommend the FOD establish internal controls in order to mitigate the risk of future noncompliance.

**Views of Responsible Officials** - FOD acknowledges this finding. FOD conducted an internal review and observed the discrepancy. FOD has implemented procedures for determining if a vendor is excluded from receiving awards of Federal Contracts. FOD will make determinations of eligibility at the time a vendor is reviewed for responsibility.

<b>Finding Number</b>	2011-4
<b>CFDA Title and Number</b>	All Research and Development Cluster Awards
<b>Federal Award Number / Year</b>	2011
<b>Federal Agency</b>	Research & Development Cluster
<b>Pass-Through Agency</b>	N/A

**Criteria - OMB Circular A-133, Subpart D, Section 400 (d.3)** states that a pass-through entity shall perform the following for the Federal award it makes... (3) "Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements and that performance goals are achieved."

**Condition** - The University did not have sufficient comprehensive policies or procedures in place that provide for the completion of subrecipient risk assessments prior to award, and post award monitoring procedures throughout the subaward periods to ensure the subaward funds were expended by the subrecipient in accordance with federal regulations and award requirements

**Questioned Costs** - None noted.

**Context** - In fiscal year 2011, the National Science Foundation (NSF) performed an agency audit of three NSF grants active during the period November 1, 2003 to September 30, 2009. Per review of the NSF audit report, the auditors noted that the University did not have in place procedures for completion of subawardee risk assessments prior to award and formal, documented monitoring throughout the award period.

The NSF recommends the University refine its existing policies and procedures regarding subrecipient awarding and monitoring to include a risk assessment procedure as part of the initial assessment of a subrecipient that includes thoroughly reviewing reports from A-133 audits, regulatory agencies and internal auditors and performing site visits if appropriate.

**Cause** - The absence of comprehensive risk assessment and monitoring procedures is due to the University's opinion that an institution's size, reputation and receipt of an OMB Circular A-133 audit provided sufficient information for risk assessment and monitoring

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**Effect** - Funds provided to subrecipients receiving pass-through Federal awards from the University may not be used for authorized purposes in compliance with laws, regulations and the provisions of contract or grant agreements.

**Recommendation** - We recommend the University continue to implement suggestions from the NSF with an emphasis on incorporating a risk assessment before initiating a subaward.

**Views of Responsible Officials** - The University has revised its subaward monitoring procedures and provided them for NSF's approval. We are beginning to implement the new procedures and have reassigned workloads such that one staff member's primary responsibility will be subaward review and monitoring.

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**Section III – Summary Schedule of Prior Audit Findings**

Number	Finding and Description	Status
10-01	Asset Management - In observing the existence of a sample size of 40 fixed assets, the auditors were unable to physically observe 2 assets.	In FY2011 the University increased their efforts in training the appropriate parties in asset management requirements as well as enhanced their annual physical audits performed by Asset Management. In the current year we verified the existence of a sample of 40 fixed assets with no exception noted. This finding has been corrected.
10-02	Review of Material Contracts for Compliance with Accounting and Compliance Standards - There is no centralized process to ensure that all significant contracts entered into by the University are analyzed for propriety of accounting treatment.	In FY2011 the University has required all University contracts to be processed through the Office of Business and Finance. This finding has been corrected.
10-03	Payroll Controls - The University's payroll internal control structure operates in a decentralized environment, with the majority of the responsibility surrounding the establishment and monitoring of the internal control environment residing at the individual college department. Exceptions were noted by the auditors over the operating effectiveness of various financial accounting payroll controls put in place by the University that were not being performed at the departments appropriately.	The engagement team notes that the prior year finding is a financial accounting impact and there are mitigating controls in place for sponsored projects that are operating effectively to ensure that payroll costs related to sponsored projects are appropriately certified. We tested a control sample of 60 payroll costs noting appropriate certifications were performed. As such this finding has been correct.
10-04	Health System - AS/400 and Mainframe - Programmer Access - There are inadequate segregation of duties.	The engagement team tested the appropriateness of the systems in place and the IT environment at the Health System. No control deficiencies were noted that would have an impact on the University's ability to be in compliance with OMB Circular A-133. This finding has been corrected.
10-05	Health System - Application Support - The University lacks strong controls over system maintenance and implementation.	The engagement team tested the appropriateness of the systems in place and the IT environment at the Health System. No control deficiencies were noted that would have an impact on the University's ability to be in compliance with OMB Circular A-133. This finding has been corrected.

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Number	Finding and Description	Status
10-06	Health System - AS/400 and Mainframe - Security Logging/Monitoring and Access Reviews - The University lacks a periodic review of user access to various systems.	The engagement team tested the appropriateness of the systems in place and the IT environment at the Health System. No control deficiencies were noted that would have an impact on the University's ability to be in compliance with OMB Circular A-133. This finding has been corrected.
10-07	Health System - Security Administration Procedures - The University lacks a periodic review of user access to various systems to ensure the timely modification and/or removal of system access for transferred and/or terminated employees.	The engagement team tested the appropriateness of the systems in place and the IT environment at the Health System. No control deficiencies were noted that would have an impact on the University's ability to be in compliance with OMB Circular A-133. This finding has been corrected.
10-08	Health System - Mainframe (Siemens), AS/400, and Windows - Security Weaknesses - The University lacks sufficient password complexity requirements and review of the appropriateness of employee's having special user access to the systems.	The engagement team tested the appropriateness of the systems in place and the IT environment at the Health System. No control deficiencies were noted that would have an impact on the University's ability to be in compliance with OMB Circular A-133. This finding has been corrected.
10-09	University Oversight of Grants External of The Office of Sponsored Programs - The University administers federal grants that are separate from the Office of Sponsored Programs. These grants are administered by many different departments and individuals across the University. Unless the department or individual has established their own process, the University does not have controls or procedures in place to ensure that the administrators of these grants are aware of the federal requirements. Further, there is no monitoring or oversight of these various grant administrators by the University.	The University has established four departments which monitor the bulk of federal funds: Office of Student Financial Aid, the Office of Sponsored Programs, the Office of Business & Finance and the Ohio Agricultural Research and Development Center, with relatively small amounts administered outside these areas. The University does not require recipients of federal awards to process their awards through these four departments; however, they do require any parties who decide to monitor the awards within their own department to receive appropriate training and communication of compliance with OMB Circular A-133 requirements. This finding has been corrected.

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<b>Number</b>	<b>Finding and Description</b>	<b>Status</b>
10-10	Compliance with Grant Reporting Requirements - Airport Improvement Program - The administrators of the Airport Improvement Program were not aware of the requirement for submission of the SF-425 Federal Financial Report.	Repeated as finding 2011-1
10-11	Subrecipient Award Identification - For one subrecipient from a sample of 40 subrecipients, the University did not communicate the sponsor's award number and CFDA number to the subrecipient.	We tested a sample of subrecipients and noted that the University communicated the sponsor's award number and CFDA number to the subrecipient. This finding has been corrected.
10-12	Subrecipient Monitoring - The University lacked documentation of the review and follow-up on 4 subrecipients reporting material noncompliance issues and/or reportable conditions in their most recent OMB Circular A-133 Compliance audit report out of a sample of 40 subrecipients.	We tested the University's review of a sample of subrecipients and noted that the University was in compliance with their policies and procedures regarding subrecipient monitoring. Comment 10-12 has been corrected. However it was noted that the policies and procedures were not comprehensive enough to identify potential noncompliance at subrecipients. See Finding 2011-4.
10-13	Cost Share Recording - The University did not appropriately record the cost-sharing requirements and expenses for a sample of 7 out of 40 projects with cost-sharing requirements.	We tested a sample of awards with cost-sharing requirements and noted that the University was in compliance with the cost-share requirements. This finding has been corrected.



March 2, 2012

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

RE: Corrective Action Plans

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

Thomas F. Ewing  
Interim University Controller  
The Ohio State University  
2040 Blankenship Hall  
901 Woody Hayes Drive  
Columbus, OH 43210-4016  
Phone: 614-688-3113  
E-mail: [ewing.6@osu.edu](mailto:ewing.6@osu.edu)

**2. Corrective actions planned:**

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

<b>Finding Number</b>	<b>2011-1</b>
<b>CFDA Title and Number</b>	Research & Development Cluster; CFDA# 12.351 - Basic Scientific Research - Combating Weapons of Mass Destruction; CFDA# 81.049 - Office of Science Financial Assistance Program
<b>Federal Award Number / Year</b>	2011
<b>Federal Agency</b>	Department of Defense Office of the Secretary of Defense Department of Energy
<b>Pass-Through Agency</b>	Direct and Various Entities

**Criteria - Section VI.3.3 of the Defense Threat Reduction Agency Broad Agency Announcement (HDTRA1-09-14-FRCWMD-BAA)** requires that the following financial reports are required for all grant recipients: Federal Financial Report, SF425. This report is due annually, no later than 90 days after the end of the reporting period. The reporting period shall be from 1 August – 31 July. First year reports shall have a reporting period of the start date of the grant through 31 July. Final reports shall be submitted no later than 90 days after the project or grant period end date. All financial reports shall be submitted to the Office of Naval Research Office identified in the Research Grant.

**10 CFR Section 605.19 of the US Department of Energy** states that after the issuance of an initial award and if future support is recommended, recipients must submit a satisfactory progress report in order to receive continuation awards for the remainder of the project period. Progress reports are due yearly, 90 days after the end of the reporting period.

**Condition** - We selected 25 various types of reports that were due during the fiscal year from the research and development grant cluster for testing. It was noted that one SF425 - Federal Financial



Report for the Defense Threat Reduction Agency had not been filed. It was also noted that one Annual Progress Report for the US Department of Energy was not filed within the required reporting timeline (roughly 6 months after the reporting due date).

**Questioned Costs** - None noted.

**Context** - Management uses the PeopleSoft Grants Suite to record administrative information for each project, including reporting requirements and applicable deadlines. The required SF425 - Federal Financial Report for the Defense Threat Reduction Agency was not recorded within the PeopleSoft Grants system, which resulted in the University's failure to provide the report. The reporting requirement for the Annual Progress Report for the US Department of Energy was not recorded within the PeopleSoft Grants system, which resulted in the University's failure to provide the report.

**Effect** - The Defense Threat Reduction Agency and US Department of Energy may not receive the necessary information for budgeting and monitoring purposes in a timely manner to properly manage the grants as needed.

**Cause** - The University did not have adequate procedures in place to ensure reporting requirements are completed within the specified timelines.

**Recommendation** - We recommend the University file these reports as soon as possible. In addition, we recommend the University establish policies and procedures to ensure that reports are being filed within the prescribed time in accordance with grant agreements and establish internal controls to mitigate the risk of future noncompliance with the federal reporting requirements.

**Views of Responsible Officials** - We concur with this concern and are continuing to strengthen our procedures for reviewing award set-up and reporting requirements.

**Anticipated Completion Date** – June 30, 2012

<b>Finding Number</b>	<b>2011-2</b>
<b>CFDA Title and Number</b>	Student Financial Aid Cluster; CFDA# 84.007 - Federal Supplemental Educational Opportunity Grant; CFDA# 84.038 - Federal Perkins Loans; CFDA# 84.063 - Federal Pell Grant Program; CFDA# 84.268 - Federal Direct Student Loans; CFDA# 84.375 - Academic Competitiveness Grants; CFDA# 84.376 - National Science and Mathematics Access to Retain Talent Grant; CFDA# 84.379 - Teacher Education Assistance for College and Higher Education Grant
<b>Federal Award Number / Year</b>	2011
<b>Federal Agency</b>	U. S. Department of Education, Student Financial Aid
<b>Pass-Through Agency</b>	N/A

**Significant Deficiency**

**Criteria - 34 CFR Section 668.22(a)(1)** states that when a recipient of title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of title IV grant or loan assistance that the student earned as of the student's withdrawal date.

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

An institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the: (1) payment period or period of enrollment, (2) academic year in which the student withdrew, or (3) educational program from which the student withdrew (34 CFR section 668.22(j)).

**Condition** - We selected 60 students who enrolled at the University and subsequently withdrew from courses who had obtained Title IV funds. It was noted that 15 students who withdrew did not have their Title IV Funds refunded to the respective programs in a timely manner.

**Questioned Costs** - None noted.

**Context** - The 15 students who withdrew and did not have their Title IV Funds applied to the respective program in a timely manner can be segregated as follows:

- 1) The University runs a query on a regular basis from the Student Information System (SIS) to search for students who withdrew or never attended courses in order to compute the amount of Title IV funds to be returned. We noted 6 out of 60 students who withdrew, however, due to user error of the SIS system their status went unnoticed for several months before they were discovered and the Title IV return calculations were performed. These refunds were processed between 137 and 155 days late.
- 2) The University had an additional 6 out of 60 students whose total Title IV aid was returned within the required timeline; however, the refund calculation was performed at a later date. Once the calculation was performed the University adjusted the students account to return the amount the student had earned back to their account (i.e. the refund to the program exceeded the amount required). The refund calculation and subsequent adjustment was not performed within the required timeline. These refunds to the student were processed between 5 and 31 days late.
- 3) The University had an additional 3 of the 60 students whose refund calculations were not performed in the prescribed amount of time described above. These refunds were processed between 5 and 63 days late.

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

**Cause** - The University did not have adequate policies or procedures in place to monitor the appropriate calculation and return of Title IV Funds in a timely manner for 15 students out of a sample of 60. We also noted 12 students where the University uses an interpretation of the 30 day determination period and the 45 day payment period where the determination of the date of determination is not readily apparent, yet refunds were made within 75 days of quarter end. The University does not require the taking of attendance.

**Recommendation** - We recommend the University review its policies and procedures in relation to monitoring the Title IV Fund calculations and refunds to ensure they are being performed in a timely manner and in accordance with the regulations. In addition, we recommend the University establish controls to mitigate the risk of future noncompliance with the Return of Title IV Funds requirements. We also recommend that the University document the date of determination as well as review its interpretation of the determination date for students who withdrew without notification.

**Views of Responsible Officials** - The Ohio State University acknowledges the finding related to the Returns of Title IV funds. All cases within the sample were the result of a training issue with one employee within the Student Financial Aid Office. The interpretation of institutional policy and procedures by this individual resulted in this finding.

The following corrective actions have been taken:

- 1) Additional training has been delivered to all staff processing Return to Title IV (R2T4) calculations.
- 2) All R2T4 calculations are receiving a quality review to ensure that the calculations are being processed in an accurate and timely manner.
- 3) A comprehensive review has been completed to ensure that OSU is systematically identifying all students impacted under R2T4 regulations and that the withdrawal date and the determination date is clearly documented.

We have implemented the recommendations outlined above.

**Anticipated Completion Date** – March 2, 2012

<b>Finding Number</b>	<b>2011-3</b>
<b>CFDA Title and Number</b>	CFDA #93.702 - National Center for Research Resources, Recovery Act Construction Support - ARRA
<b>Federal Award Number / Year</b>	2011
<b>Federal Agency</b>	Department of Health and Human Services National Institutes of Health
<b>Pass-Through Agency</b>	N/A

**Criteria** - **2 CFR part 180** states that Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR section 180.220 of the government wide non-procurement debarment and suspension guidance

contains those additional limited circumstances. All non-procurement transactions (i.e., sub-awards to sub-recipients), irrespective of award amount, are considered covered transactions.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

**Condition** - During our audit of the awarding of contracts we selected 5 vendors with expenditures over the above mentioned threshold and noted that the Facilities Operations and Development Department (FOD) does not perform a search on the Excluded Parties List System to ensure the 5 vendors were not suspended or debarred before awarding the contract to them.

**Questioned Costs** - None noted.

**Context** - During the year the University entered into a contract with various vendors for the Goss Lab 2nd Floor Renovation Project and the OSU BRT Three Floor Build-Out Project for architectural services. The FOD is responsible for the process of contracting with vendors for repairs and renovations of all the University's Facilities. It was noted during our testing that the FOD does not perform the search on the excluded parties lists prior to awarding the contracts to ensure vendors are not suspended or debarred from doing business with entities using federal funds for the project. The engagement team reviewed the excluded parties list for the vendors in our test selections, noting they were not suspended or debarred.

**Cause** - FOD does not perform a search on the Excluded Parties List System to ensure vendors are not suspended or debarred before awarding contracts to them.

**Effect** - The FOD was not in compliance with procurement procedures established by the federal government for entities using federal funds.

**Recommendation** - We recommend that the FOD establish procedures in relation to the procurement and awarding of contracts when using federal funds to include a search of the Excluded Parties List System at (<http://epls.arnet.gov>), prior to awarding contracts or doing any business with vendors per federal requirements. In addition, we recommend the FOD establish internal controls in order to mitigate the risk of future noncompliance.

**Views of Responsible Officials** - FOD acknowledges this finding. FOD conducted an internal review and observed the discrepancy. FOD has implemented procedures for determining if a vendor is excluded from receiving awards of Federal Contracts. FOD will make determinations of eligibility at the time a vendor is reviewed for responsibility.

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

<b>Finding Number</b>	<b>2011-4</b>
<b>CFDA Title and Number</b>	All Research and Development Cluster Awards
<b>Federal Award Number / Year</b>	2011
<b>Federal Agency</b>	Research & Development Cluster
<b>Pass-Through Agency</b>	N/A

**Criteria - OMB Circular A-133, Subpart D, Section 400 (d.3)** states that a pass-through entity shall perform the following for the Federal award it makes... (3) "Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements and that performance goals are achieved."

**Condition** - The University did not have sufficient comprehensive policies or procedures in place that provide for the completion of subrecipient risk assessments prior to award, and post award monitoring procedures throughout the subaward periods to ensure the subaward funds were expended by the subrecipient in accordance with federal regulations and award requirements

**Questioned Costs** - None noted.

**Context** - In fiscal year 2011, the National Science Foundation (NSF) performed an agency audit of three NSF grants active during the period November 1, 2003 to September 30, 2009. Per review of the NSF audit report, the auditors noted that the University did not have in place procedures for completion of subawardee risk assessments prior to award and formal, documented monitoring throughout the award period.

The NSF recommends the University refine its existing policies and procedures regarding subrecipient awarding and monitoring to include a risk assessment procedure as part of the initial assessment of a subrecipient that includes thoroughly reviewing reports from A-133 audits, regulatory agencies and internal auditors and performing site visits if appropriate.

**Cause** - The absence of comprehensive risk assessment and monitoring procedures is due to the University's opinion that an institution's size, reputation and receipt of an OMB Circular A-133 audit provided sufficient information for risk assessment and monitoring

**Effect** - Funds provided to subrecipients receiving pass-through Federal awards from the University may not be used for authorized purposes in compliance with laws, regulations and the provisions of contract or grant agreements.

**Recommendation** - We recommend the University continue to implement suggestions from the NSF with an emphasis on incorporating a risk assessment before initiating a subaward.

**Views of Responsible Officials** - The University has revised its subaward monitoring procedures and provided them for NSF's approval. We are beginning to implement the new procedures and have reassigned workloads such that one staff member's primary responsibility will be subaward review and monitoring.

**Anticipated Completion Date** – June 30, 2012

# **The Ohio State University**

**Report of Independent Accountants' on the  
Application of Agreed-Upon Procedures to  
Statements and Records of Booster Organizations'  
Expenditures for or on Behalf of the  
University's Department of Athletics for  
the Year Ended June 30, 2011**



## Report of Independent Accountants

E. Gordon Gee, President  
The Ohio State University

We have performed the procedures enumerated below, which were agreed to by the administration of The Ohio State University (the "University"), solely to assist you in evaluating whether the accompanying statement of revenue of and expenses for related booster groups of the University is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.16 for the year ended June 30, 2011. Management of the University is responsible for the statement of revenue and expenses (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 these 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.

Our procedures and findings are as follows:

1. We inquired and obtained an understanding of the accounting for University booster group activities, independent or affiliated foundations that have a principal purpose of generating funds for the University's athletics department, and any alumni organizations that have a principal purpose of generating funds for the University's athletics department during the year ended June 30, 2011. We obtained the financial information for affiliated organizations. A sample of 2 operating revenue receipts and 2 operating expenses was selected from the financial information provided and supporting documentation was obtained from the respective booster groups. No exceptions were noted in our agreement of supporting documentation to financial information provided by the booster groups. Note that this individual booster financial information was not aggregated into one schedule and as a result Management did not provide a Statement related to their booster groups for FY 2011.
2. We did not agreed total revenues and expenditures or total cash receipts and cash disbursements of all booster groups for the year ended June 30, 2011, listed on the Statement with amounts obtained from the official responsible for each respective booster organization as management did not provide a Statement related to their booster groups for FY 2011. We did confirm cash balances directly with the booster groups based on financial information provided by management.



3. We received a representation letter signed by the Director of Athletics and all of the head coaches that the booster groups, as listed in the Exhibit A, are the only booster groups that support the Department of Athletics as defined in the National Collegiate Athletic Association ("NCAA") Financial Audit Guidelines.
4. We obtained a summary of contributions to or on behalf of the Department of Athletics from the booster groups and compared such summary to the revenues recorded in the University's accounting records. The in-kind contributions and donated goods or services were not recorded in the University's accounting records. It is an institutional policy not to reflect these contributions in the University's financial statements. The contributions reported by the booster groups are credited to the applicable groups in The Ohio State University Development Fund's records in accordance with the University's and the Athletic Department's policies. Refer to Exhibit B for exceptions noted when comparing booster information related to contributions to the University's information maintained related to booster contributions.
5. No minutes of the booster groups' governing bodies were provided for the reporting period.
6. We obtained and documented an understanding of the internal controls in place surrounding revenues and expenses related to the booster groups.

We were not engaged to and did not perform an examination in accordance with generally accepted auditing standards, the objective of which would be the expression of an opinion on any of the accounts or items referred to above of the University as of or for the fiscal year ended June 30, 2011. Accordingly, we do not express such an opinion.

This report is intended solely for the information and use of management and Board of Trustees of the University and the National Collegiate Athletic Association and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*PricewaterhouseCoopers LLP*

January 13, 2012





**Exhibit A - Listing of Booster Groups/Alumni Organizations**

<b>Name</b>	<b>Exception (Y/N)?</b>
1. Varsity Rifle	N
2. Varsity "O" Women	N
3. Men's Swimming and Diving	N
4. Buckeye Diamond Club	N
5. Rebounders Club	N
6. Varsity "O" Men	N
7. Buckeye Sideliners	N
8. Buckeye Boosters	N
9. Center Ice Club*	N

\* Per inquiry with management, the Center Ice Club was on a hiatus in FY11 and no procedures were performed.



**Exhibit B - Contributions**

<b>Booster Club Name</b>	<b>Amt Per Booster</b>	<b>Amount per OSU</b>	<b>Variance</b>
1. The Buckeye Diamond Club	\$155,326	\$155,376	\$(50)
2. The Buckeye Sideliners	23,591	11,000	12,591
3. The Ohio State Men's Swimming and Diving Boosters Club	2,669	–	2,669
4. The Rebounders Club	61,159	10,000	51,159
5. Varsity "O" Women	94,230	–	94,230
6. Buckeye Boosters, Inc.	139,585	–	139,585
7. OSU Varsity Rifle Team Booster Club	–	–	–
8. The Varsity "O" Men	176,647	53,150	123,497

# **The Ohio State University**

**Report of Independent Accountants' on  
Agreed-Upon Procedures Performed on the  
Intercollegiate Athletic Department as  
Required by NCAA Bylaw 3.2.4.16 for the  
Year Ended June 30, 2011**

# The Ohio State University Intercollegiate Athletics Department

## Index

June 30, 2011

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## Report of Independent Accountants

Dr. E. Gordon Gee, President  
The Ohio State University

We have performed the procedures enumerated below, which were agreed to by the administration of The Ohio State University (the "University"), solely to assist you in evaluating whether the accompanying statement of revenue of and expenses of the University is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.16 for the year ended June 30, 2011. Management of the University is responsible for the statement of revenue and expenses (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 these 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.

Our procedures and findings are as follows:

1. We obtained the accompanying Statement for the year ended June 30, 2011 as prepared by the University management. We recalculated the totals appearing on the Statement and compared the revenue and expense amounts on the Statement to those in the University prepared worksheets which are generated from its general ledger. We agreed the revenue and expense amounts on management's worksheets to the University's general ledger. No exceptions were noted.
2. We obtained a detailed listing of operating revenue transactions recorded in the Statement for the year ended June 30, 2011. We recalculated the total of the listing and agreed the total to the Statement. We selected a sample of 25 operating revenue transactions from the listing and compared the revenue transaction to supporting documentation maintained by the University. Refer to Exhibit A for a listing of selections made and the results of testing. No exceptions were noted.
3. We compared revenues and expenses appearing on the Statement to prior year amounts and obtained explanations for variances greater than \$350,000 or 10% from management. We make no comment as to the adequacy of those explanations. No exceptions were noted.



#### **Ticket Sales**

4. We obtained a listing of ticket revenues reported on the Statement for the year ended June 30, 2011, and agreed this listing to the ticket revenues in the University's general ledger without exception. We recalculated the total of the listing and agreed the total to the Statement. We haphazardly selected 25 ticket office sales reports for men's football, men's basketball and woman's basketball during the fiscal year ended June 30, 2011 and recalculated revenues totals related to tickets sold and agreed the ticket revenues to the general ledger. We recalculated totals of complimentary tickets appearing on the ticket office sales reports. Refer to Exhibit B for a listing of selections made and the results of testing. No exceptions were noted.

#### **Away Games and Guarantees**

5. We obtained a summary schedule of away game guarantees from management of the University and compared the total revenues for away game guarantees in the summary schedule to the corresponding amount in the Total column on the Schedule. We recalculated the total of the summary schedule. We selected 2 guarantees for revenues for away games for the year ended June 30, 2011 from the summary schedule provided by the University and compared the guarantee revenue on the schedule provided by the University to amounts specified in contracts and settlement reports. Refer Exhibit C for a listing of selections made and the results of testing. No exceptions were noted.

#### **Contributions**

6. We compared revenues and expenses appearing on the Statement to budgeted amounts and prior year amounts and obtained explanations for variances greater than \$350,000 or 10% from management. We make no comment as to the adequacy of those explanations. No exceptions were noted.
7. We obtained a listing of all contributions received by the Department of Athletics during the year ended June 30, 2011 and recalculated the total of the listing and agreed the total from the listing to the total from the Statement. We obtained supporting documentation for any contribution greater than ten percent of the total of all contributions received by the Department of Athletics during the year ended June 30, 2011 and compared the contribution amount, purpose and date received to the list of contributions received. Refer to Exhibit D for a listing of selections made and the results of testing. No exceptions were noted.

#### **Third-Party Support**

8. We inquired of management regarding third party support contractually guaranteed by the University during the year and were informed that no third-party support of this kind existed in FY 2011.



#### **NCAA/Conference Distributions Including All Tournaments**

9. We obtained a summary schedule from the University detailing revenues from the University's participation in conference and other tournaments for the year ended June 30, 2011. We recalculated the total of the summary schedule. We compared the total revenues for the University's participation in conference and other tournaments in the schedule provided by the University to the corresponding amount in the Total column on the Schedule. We inspected 7 agreements and compared the revenues on the agreement to the summary schedule and to amounts in the general ledger detail provided by the University. Refer to Exhibit E for a listing of selections made and the results of testing. No exceptions were noted.

#### **Broadcast, Television, Radio and Internet Rights**

10. We obtained a detail of broadcast revenue recognized in the Statement for the year ended June 30, 2011. We recalculated the total of the detailed listing. We read the supporting contract and obtained management's reconciliation between the related broadcast revenue and the University's general ledger and Statement for the year ended June 30, 2011. We make no comment with respect to the reconciling items. The revenue recognized in the Statement was vouched to the broadcast revenue check copies provided by the University. Refer to Exhibit F for a listing of selections made and the results of testing. No exceptions were noted.

#### **Program Sales, Concessions, Novelty Sales and Parking**

11. We compared and agreed concession revenue reported in the Statement to supporting schedules provided by the University and agreed this revenue to the University's general ledger. We recalculated the total of the summary schedule. No exceptions were noted.

#### **Royalties, Advertisements and Sponsorships**

12. We obtained a summary schedule from the University detailing revenues from the University's royalties, licensing, advertisements and sponsorship agreements for the year ended June 30, 2011. We recalculated the total of the summary schedule. We compared the total revenues in the summary schedule provided by the University to the general ledger, as well as the corresponding amount in the Total column on the Schedule. We selected a sample of 15 items from the summary schedule and agreed each selection to royalty, licensing, advertisement, and sponsorship agreements. Refer to Exhibit G for a listing of selections made and the results of testing. No exceptions were noted.

#### **Sports-Camp Revenues**

13. We obtained an understanding of the University's methodology for recording revenue from sports camps. Then, we inspected 25 sports camp contracts during the year ended June 30, 2011 and compared and agreed the selections to the University's general ledger and supporting documentation. We obtained a listing of sports camp deposits received during the reporting



period, and selected a sample of 25 participant cash receipts. We agreed the receipts selected to the general ledger. We recalculated the sports camp revenue and agreed the totals to the Statement. Refer to Exhibit H for a listing of selections made and the results of testing. No exceptions were noted.

#### **Endowment and Investment Income**

14. We obtained a listing of endowment accounts and their related activity for the year ended June 30, 2011. We recalculated the total of the listing, and agreed the total to the Statement. We selected 10 endowment accounts and agreed the classification in the Statement to the related endowment agreements. We also agreed the specified use of endowment earnings from a report obtained from management to the relevant section of the related endowment agreement. Refer to Exhibit I for a listing of selections made and the results of testing. No exceptions were noted.

#### **Athletic Student Aid**

15. We obtained a listing of all student athletes who received Institutional Financial Aid for the year ended June 30, 2011. We recalculated the total of the listing and agreed the total to the Statement. We selected 15 students and obtained the related award letter. We agreed the award amount per the student's account detail to the related award letter. Refer to Exhibit J for a listing of selections made and the results of testing. No exceptions were noted.

#### **Guarantees**

16. We obtained a detailed schedule of guarantee expenses for the year ended June 30, 2011, recalculated the total of the detailed schedule and compared the total expenses for home game guarantees in the schedule provided by the University to the corresponding amount in the Total column on the Schedule. We selected 10 guarantees for expenses for home games from the detailed schedule and compared the guarantee expense on the schedule provided by the University to amounts specified in contracts and settlement reports. Refer to Exhibit K for a listing of selections made and the results of testing. No exceptions were noted.

#### **Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities**

17. We obtained a listing of coaches employed by the University for the year ended June 30, 2011 and compared the total expenses for coaches salaries in the detailed listing which was agreed to University's general ledger to the corresponding amount in the Total column on the Schedule. We recalculated the total of the listing. From the listing of coaches employed by the University, we selected 10 coaches, including coaches for football, men's basketball and women's basketball. We obtained W-2's for the coaches selected and agreed amounts appearing in the W-2's to the related expenses in the Statement. For W-2 items that did not agree to the related expenses in the Statement, we obtained supporting reconciling documentation or explanations





from management. We make no comment as to the appropriateness of the reconciling items or sufficiency of explanations obtained. We also obtained the related employment contracts. We agreed the coaches' salaries per the contracts to the amounts recorded by the University in the Statement. For any salaries that did not agree, we obtained supporting reconciling documentation or explanations from management. We make no comment as to the appropriateness of the reconciling items or sufficiency of explanations obtained. Refer to Exhibit L for a listing of selections made and the results of testing. No exceptions were noted.

#### **Coaching Other Compensation and Benefits Paid by a Third-Party**

18. We inquired of management regarding coaching compensation and benefits provided by a third party during the year and were informed that no third-party support of this kind existed in FY 2011.

#### **Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities**

19. We obtained a listing of support staff for athletics and their salaries for the year ended June 30, 2011 and compared the total expenses for support staff salaries in the detailed listing which was agreed to University's general ledger to the corresponding amount in the Total column on the Schedule. We recalculated the total of the listing. We selected 25 support staff paid by the University and agreed the recorded salary and bonus expense per the June 30, 2011 general ledger to their respective contracts. We obtained W-2's for the support staff selected and compared amounts appearing in the W-2's to the related amounts included in the Schedule. Explanations were obtained from management for differences noted in the comparison of the W-2's to the related expenses included in the Schedule due to calendar year information appearing on the W-2's compared to fiscal year information on the Schedule. We make no comment as to the sufficiency of the explanations obtained. Refer to Exhibit M for a listing of selections made and the results of testing. No exceptions were noted.

#### **Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party**

20. We inquired of management regarding support staff/administrative compensation and benefits provided by a third party during the year and were informed that no third-party support of this kind existed in FY 2011.

#### **Severance Payments**

21. We inquired of management and were informed that no severance payments were recorded in FY 2011.



### **Recruiting and Team Travel**

22. We obtained copies of the University's recruiting and travel policies and compared the index of these policies to the NCAA policies noting that the policies had attributes of the NCAA policies. No exceptions were noted.

### **Other Expenses**

23. We obtained a detailed listing of expenditures covering the following captions on the Statement: salaries, travel, guarantees, financial aid, maintenance/general, equipment purchases, advertising, insurance, telephone, food, lodging, indirect overhead, physical facilities, non-mandatory transfers, and mandatory transfers. We recalculated the total of the listing and agreed the totals to the Statement. We selected a sample of 25 expense transactions for the year ended June 30, 2011 and compared the expense transaction to supporting documentation maintained by the University. The following expense types were included in this sample: salaries, travel, guarantees, maintenance/general, advertising, telephone, lodging and food. Refer to Exhibit N for a listing of selections made and the results of testing. No exceptions were noted.

### **Indirect Facilities and Administrative Support**

24. We obtained an understanding of the University's methodology for allocating indirect facilities and administrative support during the year ended June 30, 2011. We compared the indirect facilities and administrative support expense reported by the University in the Statement to the corresponding revenue category reported by the University in the Statement. We recalculated the totals for indirect facilities and administrative support. No exceptions were noted.

### **Capitalized Assets**

25. We obtained a schedule of total intercollegiate athletics capitalized assets, additions and improvements of facilities and agreed this listing to the University's general ledger. We obtained an understanding of the University policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics related assets. We reviewed supporting documentation for 5 projects in excess of 10% of capitalized additions made by intercollegiate athletics during the reporting period. No exceptions were noted.

### **Other**

26. We obtained representations from management that to the best of their knowledge and belief, all revenues and expenditures related to the Department of Athletics had been properly included in the Statement.



We were not engaged to and did not perform an examination in accordance with generally accepted auditing standards, the objective of which would be the expression of an opinion on any of the accounts or items referred to above of the University as of or for the fiscal year ended June 30, 2011. Accordingly, we do not express such an opinion.

This report is intended solely for the information and use of management and Board of Trustees of the University and the National Collegiate Athletic Association and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*PricewaterhouseCoopers LLP*

January 13, 2012



**Exhibit A  
General Revenues**

<b>Description</b>	<b>Exception (Y/N)</b>
1. Ticket Sales	N
2. Ticket Sales	N
3. Post Season Event	N
4. Novelty Sales	N
5. Novelty Sales	N
6. Postage/svc Charges	N
7. Parking	N
8. Parking	N
9. Postage / svc Charges	N
10. Entry Fees	N
11. Facility Rentals	N
12. Miscellaneous	N
13. Miscellaneous	N
14. Miscellaneous	N
15. Program Sales	N
16. Unrestricted Investment Income	N
17. Miscellaneous	N
18. Facility Rentals	N
19. Ticket Sales	N
20. Ticket Sales	N
21. Grant In-Aid	N
22. Grant In-Aid	N
23. Gifts	N
24. Gifts	N
25. Gifts	N



**Exhibit B  
Ticket Sales**

<b>Ticket Batch #</b>	<b>Exception (Y/N)</b>
1. 8150	N
2. 5881	N
3. 5893	N
4. 5916	N
5. 5923	N
6. 5961	N
7. 6020	N
8. 8180	N
9. 8213	N
10. 8270	N
11. 8263	N
12. 8422	N
13. 7377	N
14. 7454	N
15. 7507	N
16. 7516	N
17. 7528	N
18. 7578	N
19. 6576	N
20. 6591	N
21. 6601	N
22. 6637	N
23. 6720	N
24. 6768	N
25. 6780	N



**Exhibit C  
Away Games & Guarantees**

<b>Sport</b>	<b>Exception (Y/N)</b>
1. Men's Football	N
2. Men's Basketball	N



**Exhibit D  
Contributions**

<b>Gift ID #</b>	<b>Exception (Y/N)</b>
1. G201103013809	N
2. G201011005465	N
3. G201009026430	N
4. G201009026531	N
5. G201012012722	N
6. G201012012721	N
7. G201104000234	N
8. G201012028201	N
9. G201105003481	N
10. G201012058493	N



**Exhibit E**  
**NCAA/Conference Distribution Including All Tournaments**

<b>Description</b>	<b>Exception (Y/N)</b>
1. Big Ten Tournament Settlement	N
2. 2011 Big Ten Bowl Distribution	N
3. Big Ten (NCAA Broad Based Distribution)	N
4. Big Ten Network -2nd Quarter Distribution	N
5. Big Ten - 2011 NCAA Basketball Distribution	N
6. NCAA Broad Based Distribution	N
7. 2011 NCAA Academic Enhancement Fund	N





**Exhibit F**  
**Broadcast, Television, Radio and Internet Rights**

<b>Description</b>	<b>Exception (Y/N)</b>
1. BTN 4th Quarter Distribution (Estimated)	N
2. Big Ten Rights Fees- April	N
3. Fox 2% Equity Purchase of BTN	N
4. Big Ten Rights Fees- March	N
5. Big Ten Network- 2nd Quarter Distribution	N
6. Big Ten Distribution- November 2010	N
7. Big Ten Distribution- December 2010	N
8. Big Ten Distribution- October 2010	N
9. IMG Broadcast Distribution	N
10. IMG Broadcast Distribution	N



**Exhibit G**  
**Royalties, Advertisements and Sponsorships**

<b>Description</b>	<b>Exception (Y/N)</b>
1. IMG Broadcast Distribution	N
2. Transfer to Schott (Part 1)	N
3. Transfer to Schott (Part 2)	N
4. Incremental Scoreboard Transfer	N
5. Nike	N
6. Athletic Sponsorships	N
7. IMG Signing Bonus	N
8. Big Ten Distribution- October 2010	N
9. IMG Broadcast Distribution	N
10. IMG Broadcast Distribution	N
11. IMG Rights	N
12. IMG Rights	N
13. IMG June Base Comp/Equip	N
14. Nike	N
15. Athletic Sponsorships	N



**Exhibit H  
Sports Camp Revenues**

<b>Description</b>	<b>Exception (Y/N)</b>
1. 2010 Champions Training Camp	N
2. 7v7 Halloween Classic (grades 9/12)	N
3. A La Carte Camp	N
4. Adult Camp	N
5. All American Camp	N
6. Buckeye top 100	N
7. College Development Camp: Session 3	N
8. Day Camp	N
9. Elite Showcase Skills Camp	N
10. High School Team Camp	N
11. Hitting Symposium	N
12. Instructional Camp	N
13. Overnight Team Camp	N
14. Position Camp	N
15. Position Specialty Clinic	N
16. Residential Camp	N
17. Senior Advanced Camp	N
18. Senior Advanced Camp	N
19. Skill Progression/Collegiate Image (Cheer)	N
20. Summer Camp- Session II	N
21. Summer Day Camp	N
22. Summer Day Camp	N
23. Team Competition Camp	N
24. Three- Day Position Camp	N
25. Youth Performance Camp	n



**Exhibit I  
Endowments**

<b>Description</b>	<b>Exception (Y/N)</b>
1. The Pfeifer Family Softball Scholarship Fund	N
2. The James R. and Melissa S. Allen Program of Excellence	N
3. The Tom and Sue Benue Family Endowment Fund	N
4. The Brennan Athletic Scholarship Fund	N
5. The John Cook Golf Scholarship Fund	N
6. The Dan and Cathy Kraft Family Athletic Scholarship Fund	N
7. The Jerry F. Nicols Athletic Scholarship Fund	N
8. Thomas Family Football	N
9. Sneed Foundation Football Scholarship	N
10. Thomas Athletic School Fund	N



**Exhibit J  
Athletic Student Aid**

<b>Sport</b>	<b>Exception (Y/N)</b>
1. Baseball	N
2. Men's Basketball	N
3. Women's Hockey	N
4. Women's Basketball	N
5. Men's Hockey	N
6. Women's Track	N
7. Men's Lacrosse	N
8. Men's Track	N
9. Women's Soccer	N
10. Softball	N
11. Football	N
12. Football	N
13. Football	N
14. Men's Track	N
15. Men's Volleyball	N



**Exhibit K  
Guarantees**

<b>Sport</b>	<b>Exception (Y/N)</b>
1. Football	N
2. Men's Basketball	N
3. Men's Basketball	N
4. Men's Basketball	N
5. Men's Basketball	N
6. Men's Basketball	N
7. Men's Basketball	N
8. Women's Basketball	N
9. Women's Basketball	N
10. Women's Basketball	N



**Exhibit L**  
**Coaching Salaries, Benefits and Bonuses Paid by University and Related Entities**

<b>Sport</b>	<b>Exception (Y/N)</b>
1. Football	N
2. Football	N
3. Men's Basketball	N
4. Women's Basketball	N
5. Diving	N
6. Fencing	N
7. Softball	N
8. Men's Volleyball	N
9. Men's Golf	N
10. Men's Soccer	N



**Exhibit M**  
**Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University**  
**and Related Entities**

<b>Position</b>	<b>Exception (Y/N)</b>
1. Accountant	N
2. Assistant Coach	N
3. Assistant Coach	N
4. Assistant Coach	N
5. Assistant Trainer	N
6. Associate Director	N
7. Associate Director	N
8. Associate Editor	N
9. Athletic Compliance Officer	N
10. Director	N
11. Food Manager	N
12. Golf Professional	N
13. Head Athletic Trainer	N
14. Manager	N
15. Manager Ticketing Services	N
16. Manager - Video Services	N
17. Office Assistant	N
18. Office Associate	N
19. Program Coordinator	N
20. Senior Associate Director	N
21. Superintendent	N
22. Supervisor	N
23. Supervisor	N
24. Systems Manager	N
25. Web Communications Specialist	N





**Exhibit N  
Other Expenses**

<b>Description</b>	<b>Exception (Y/N)</b>
1. Coaches Salaries	N
2. Other Salaries	N
3. Travel	N
4. Travel	N
5. Travel	N
6. Travel	N
7. Guarantees	N
8. Financial Aid	N
9. Maintenance/General	N
10. Maintenance/General	N
11. Maintenance/General	N
12. Maintenance/General	N
13. Maintenance/General	N
14. Maintenance/General	N
15. Advertising	N
16. Telephone	N
17. Lodging	N
18. Food	N
19. Food	N
20. Food	N
21. Maintenance/General	N
22. Telephone	N
23. Telephone	N
24. Maintenance/General	N
25. Maintenance/General	N

**The Ohio State University Intercollegiate Athletics Department**  
**Statement of Revenues and Expenditures**  
**For the Year Ended June 30, 2011 (unaudited)**

	Football	Men's Basketball	Women's Basketball	Other Sports Men	Other Sports Women	Nonprogram Specific	Total
Operating Revenues							
Ticket sales	\$ 41,885,216	\$ 5,591,205	\$ 377,595	\$ 466,783	\$ 34,926	\$ 332,896	\$ 48,688,621
Post season event	4,330,158	2,964,043	-	-	-	-	7,294,201
Program sales	-	-	-	-	-	7,135	7,135
Novelty sales	-	-	-	-	-	2,030,172	2,030,172
Radio and TV rights	12,032,898	6,545,247	-	-	-	-	18,578,145
Concessions	1,985,041	536,155	65,168	145,971	22,605	226,214	2,981,154
Gifts							
Restricted	104,852	69,720	80,726	329,434	127,689	1,312,299	2,024,720
Grant-in-aid	3,075,153	472,138	559,306	4,370,813	6,652,511	-	15,129,921
Parking	1,688,072	131,295	56,269	-	-	-	1,875,636
Investment income							
Unrestricted	-	-	-	-	-	267,041	267,041
Endowment income							
Restricted	-	-	-	-	-	-	-
Postage/service charges	-	-	-	-	-	1,630,681	1,630,681
Advertising	-	-	-	-	-	7,223,968	7,223,968
Entry fees	-	-	-	500	1,875	2,994,206	2,996,581
Facility rentals	-	-	-	-	-	212,434	212,434
Miscellaneous	(87)	345,354	141,068	139,241	5,148	(1,214,401)	(583,677)
Golf course	-	-	-	-	-	3,617,384	3,617,384
Ice rink	-	-	-	-	-	369,440	369,440
<b>Total operating revenue</b>	<b>65,101,303</b>	<b>16,655,157</b>	<b>1,280,132</b>	<b>5,452,742</b>	<b>6,844,754</b>	<b>19,009,469</b>	<b>114,343,557</b>

**The Ohio State University Intercollegiate Athletics Department**  
**Statement of Revenues and Expenditures**  
**For the Year Ended June 30, 2011 (unaudited)**

	Football	Men's Basketball	Women's Basketball	Other Sports Men	Other Sports Women	Nonprogram Specific	Total
Operating expenditures							
Coaches' salaries	4,567,495	1,527,846	1,256,473	3,336,570	3,160,377	12,326,880	26,175,641
Other salaries	723,406	349,024	213,062	432,694	215,902	15,845,872	17,779,960
Travel							
Team and other	2,210,246	603,369	485,150	1,490,828	1,467,893	724,292	6,981,778
Recruiting	320,977	172,715	75,565	292,425	275,712	4,333	1,141,727
Guarantees, net	4,181,699	116,505	139,544	27,066	5,976	6,400	4,477,190
Financial aid	3,075,153	472,138	559,306	4,370,813	6,652,511	-	15,129,921
Maintenance, general	2,135,394	550,792	152,052	1,110,785	1,237,590	18,311,613	23,498,226
Equipment purchases	40,086	1,466	3,782	35,702	53,197	536,424	670,657
Advertising	-	-	-	-	-	186,412	186,412
Insurance	-	-	-	-	-	59,540	59,540
Telephone	70,432	21,863	19,267	79,372	67,907	376,667	635,508
Food	574,002	45,025	28,154	89,080	161,397	758,283	1,655,941
Lodging	240,479	3,000	5,270	14,639	30,234	44,698	338,320
Indirect overhead	-	-	-	-	-	5,575,205	5,575,205
Physical facilities	-	-	-	-	-	453,696	453,696
Total operating expenditures	<u>18,139,369</u>	<u>3,863,743</u>	<u>2,937,625</u>	<u>11,279,974</u>	<u>13,328,696</u>	<u>55,210,315</u>	<u>104,759,722</u>
Excess (deficiency of revenues over expenditures)	<u>\$ 46,961,934</u>	<u>\$ 12,791,414</u>	<u>\$ (1,657,493)</u>	<u>\$ (5,827,232)</u>	<u>\$ (6,483,942)</u>	<u>\$ (36,200,846)</u>	<u>\$ 9,583,835</u>

# The Ohio State University Intercollegiate Athletics Department

## Notes to Financial Statements

### For the Year Ended June 30, 2011 (unaudited)

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#### 1. Summary of Presentation Policies

The amounts in the accompanying statement of revenues and expenditures were obtained from The Ohio State 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 nonprogram 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 baseball, cross country, fencing, field hockey, pistol, rifle, softball, synchronized swimming, wrestling, men's and women's track and field, men's and women's golf, men's and women's gymnastics, men's and women's ice hockey, men's and women's lacrosse, women's rowing, men's and women's soccer, men's and women's swimming and diving, men's and women's tennis, and men's and women's volleyball.

#### 3. Gifts

Gift revenue included in the statement of revenues and expenditures represents gifts given to the Intercollegiate Athletic Department that did not contain any donor-imposed restrictions, or gifts for which donor-imposed restrictions were met during the current fiscal year.

There were no individual contributions in excess of 10% of all contributions received for the Intercollegiate Athletic Department for the year ended June 30, 2011.

#### 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 \$5,000 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 straightline basis over the estimated useful lives ranging from 3 to 100 years.

**The Ohio State University Intercollegiate Athletics Department**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2011 (unaudited)**

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	Balance 6/30/2010	Additions	Transfers In (Out)	Disposals	Balance 6/30/2011
Capital assets not being depreciated					
Construction in progress	\$ 6,946,456	\$ 3,096,864	\$ (8,198,401)	\$ -	\$ 1,844,919
Total capital assets not being depreciated	6,946,456	3,096,864	(8,198,401)	-	1,844,919
Capital assets being depreciated					
Buildings	323,872,607	42,461	-	-	323,915,068
Capital improvements	26,568,814	7,510,108	-	-	34,078,922
Machinery and equipment	6,437,530	541,667	-	(530,687)	6,448,510
Total capital assets being depreciated	356,878,951	8,094,236	-	(530,687)	364,442,500
Total capital assets	363,825,407	11,191,100	(8,198,401)	(530,687)	366,287,419
Less: Accumulated depreciation					
Buildings	102,597,787	10,111,076	-	-	112,708,863
Capital improvements	11,338,422	1,418,302	-	-	12,756,724
Machinery and equipment	4,285,085	370,063	-	(521,520)	4,133,628
Total accumulated depreciation	118,221,294	11,899,441	-	(521,520)	129,599,215
Total capital assets being depreciated, net	238,657,657	(3,805,205)	-	(9,167)	234,843,285
Capital assets, net	<u>\$ 245,604,113</u>	<u>\$ (708,341)</u>	<u>\$ (8,198,401)</u>	<u>\$ (9,167)</u>	<u>\$ 236,688,204</u>

**The Ohio State University  
Traumatic Brain Injury Network**  
Report of Independent Accountants on Agreed  
Upon Procedures Performed as Specified by  
The Ohio Department of Alcohol, Drug Addiction and  
Mental Health Services and ADAMH Services Board  
of Franklin County  
For the Year Ended June 30, 2011

**Agreed Upon Procedures  
Performed on the Actual Unit Cost Report  
Table of Contents  
For the Year Ended June 30, 2011**

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## Report of Independent Accountants

To The Ohio State University  
Traumatic Brain Injury Network:

We have performed the procedures enumerated in Exhibit I, which were agreed to by the Ohio Department of Alcohol, Drug Addiction and Drug Addiction Services ("ODADAS") solely to assist you in evaluating the accompanying Actual Uniform Cost Reports (FIS-047) (Exhibit II) prepared by The Ohio State University Traumatic Brain Injury Network for the year ended June 30, 2011, in accordance with the criteria contained in the ODADAS Administrative Rule Number 3793:2-1-10. The Ohio State University Traumatic Brain Injury Network's management is responsible for the Actual Uniform Cost Report. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these 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.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Actual Uniform Cost Report prepared by The Ohio State University, Traumatic Brain Injury Network. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above, and is not intended to be and should not be used by anyone other than these specified parties.

*PricewaterhouseCoopers LLP*

January 17, 2012





**THE OHIO STATE UNIVERSITY  
 TRAUMATIC BRAIN INJURY NETWORK  
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON  
 UNIFORM COST REPORT  
 For the Year Ended June 30, 2011**

**Exhibit I**

Number	Area Tested	Test Procedure(s)	Test Result(s)
1	Procedure One - Mathematical Accuracy Testing		
1 (a)		Obtain a reconciliation of the total costs reported on the Actual Uniform Cost Report (AUCR) to the general ledger and/or the independently audited financial statements for the year ended June 30, 2011. Compare the amounts listed on the reconciliation to the amounts listed on the general ledger and/or independently audited financial statements for the SFY being verified. Identify and document any material variances (variances greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	Reconciled costs reported on the AUCR with the OSU's general ledger accounts for the TBI Network. No material variances noted.
1 (b)		For and by each service with costs being reported on the AUCR:	
1 (b) i		Sum the values reported in columns 4 and 5 to verify the result is equal to the value reported in the corresponding column 6;	No exceptions noted.
1 (b) ii		Sum the values reported in columns 6 and 7 to verify the result is equal to the value reported in the corresponding column 8;	No exceptions noted.



**THE OHIO STATE UNIVERSITY  
 TRAUMATIC BRAIN INJURY NETWORK  
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON  
 UNIFORM COST REPORT  
 For the Year Ended June 30, 2011**

**Exhibit I**

<b>Number</b>	<b>Area Tested</b>	<b>Test Procedure(s)</b>	<b>Test Result(s)</b>
1 (b) iii		Verify the value reported in column 9 is equal to the result of dividing the value in column 8 by the value in column 2;	No exceptions noted.
1 (b) iv		Verify the valued reported in column 11 is equal to the result of subtracting the value in column 10 from the value in column 8;	No exceptions noted.
1 (b) v		Verify the value reported in column 12 is equal to the result of dividing the value in column 11 by the value in column 2;	No exceptions noted.
1 (b) vi		Verify the values reported in the "Total MH Services" or the "Totals for AOD Services" are equal to the sum of the values reported in the corresponding column;	No exceptions noted.
1 (b) vii		Verify the values reported in the "Agency Total"/"Total for Agency" are equal to the sum of the values reported in the corresponding column.	No exceptions noted.



**THE OHIO STATE UNIVERSITY  
 TRAUMATIC BRAIN INJURY NETWORK  
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON  
 UNIFORM COST REPORT  
 For the Year Ended June 30, 2011**

**Exhibit I**

Number	Area Tested	Test Procedure(s)	Test Result(s)
2	Personnel Costs Verification		
2 (a)		Compare the personnel costs reported in column 4 of the AUCR to the salaries, wages and fringe benefits reported on the independently audited financial statements or Federal Internal Revenue Service Employer Form 941 for the SFY. Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	TBI Network is a department within The Ohio State University. We agreed personnel costs to the general ledger accounts applicable to the TBI Network and agreed reported salaries for the department to salary listings per the Human Resource department of the University. No material variances noted.
2 (b) i		Compare the costs for allowability and unallowability as defined in Ohio Administrative Code 5122-26-19 sections (1) and (2) of paragraph (H) or Ohio Administrative Code 3793:2-1-09 paragraphs (H)(1) and (H)(2);	No exceptions noted.
2 (b) ii		Compare the allocation methods used to determine whether the costs are documented as direct service (column 4a) or support service (column 4b) costs;	No exceptions noted.
2 (b) iii		Compare the allocation method or methods used to determine which service personnel costs have been allocated to;	No exceptions noted.



**THE OHIO STATE UNIVERSITY  
 TRAUMATIC BRAIN INJURY NETWORK  
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON  
 UNIFORM COST REPORT  
 For the Year Ended June 30, 2011**

**Exhibit I**

Number	Area Tested	Test Procedure(s)	Test Result(s)
2 (b) iv		Verify any unallowable costs are allocated in the same manner they were originally allocated and are documented in the appropriate service row of column 10 of the AUCR;	No exceptions noted.
2 (b) v		Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	There were no variances greater than plus or minus two percent.
3	Non-Personal Costs Verifications		
3 (a)		From the non-personnel costs reported in column 5 of the AUCR, select a haphazard sample (as defined in the American Institute of Certified Public Accountants audit sampling guide) of checks and/or electronic funds transfer (EFT) disbursements, equal to twenty percent or forty checks and/or EFT disbursements, whichever is less. Perform the following procedures on each selected check or EFT disbursement:	We selected 20 percent of the transactions with no exceptions noted.



**THE OHIO STATE UNIVERSITY  
 TRAUMATIC BRAIN INJURY NETWORK  
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON  
 UNIFORM COST REPORT  
 For the Year Ended June 30, 2011**

**Exhibit I**

Number	Area Tested	Test Procedure(s)	Test Result(s)
3 (a) i		Compare the costs the check or EFT disbursement is for to the appropriate allowability or unallowability criteria listed in Ohio Administrative Code 5122-26-19 sections (1) and (2) of paragraph (H) or Ohio Administrative Code 3793:2-1-09 paragraphs (H)(1) and (H)(2);	No exceptions noted.
3 (a) ii		Verify the allocation method or methods used for the sampled non-personnel costs have been made in accordance with the procedures outlined in the Ohio Administrative Code rule 5122-26-19, Appendix or Ohio Administrative Code 3793:2-1-09, Appendix A;	Allocation method used is in accordance with the Ohio Administrative Code.
3 (a) iii		Verify any unallowable costs are allocated in the same manner they were originally allocated and are documented in the appropriate service row of column 10 of the AUCR;	No exceptions noted.
3 (a) iv		Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	There were no material variances greater than plus or minus two percent.



**THE OHIO STATE UNIVERSITY  
 TRAUMATIC BRAIN INJURY NETWORK  
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON  
 UNIFORM COST REPORT  
 For the Year Ended June 30, 2011**

**Exhibit I**

Number	Area Tested	Test Procedure(s)	Test Result(s)
4	Administrative Overhead Costs Verification		
4 (a)		From the administrative overhead costs reported in column 7 of the AUCR, select a haphazard sample (as defined in the American Institute of Certified Public Accountants audit sampling guide) of checks and/or electronic funds transfer (EFT) disbursements, equal to 10 percent or 20 checks and/or EFT disbursements, whichever is less. Perform the following procedures on each selected check or EFT disbursement:	We selected 10 percent of the transactions with no exceptions noted.
4 (a) i		Compare the costs the check or EFT disbursement is for to the appropriate allowability or unallowability criteria listed in Ohio Administrative Code 5122-26-19 sections (1) and (2) of paragraph (H) or Ohio Administrative Code 3793:2-1-09 paragraphs (H)(1) and (H)(2);	No exceptions noted.
4 (a) ii		Determine if the administrative overhead costs were allocated using only one of the allowable methods described in the Ohio Administrative Code rule 5122-26-19, Appendix or Ohio Administrative Code 3793:2-1-09, Appendix A;	Allocation method used is in accordance with the Ohio Administrative Code.



**THE OHIO STATE UNIVERSITY  
 TRAUMATIC BRAIN INJURY NETWORK  
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON  
 UNIFORM COST REPORT  
 For the Year Ended June 30, 2011**

**Exhibit I**

<b>Number</b>	<b>Area Tested</b>	<b>Test Procedure(s)</b>	<b>Test Result(s)</b>
4 (a) iii		Verify any unallowable costs are allocated in the same manner they were originally allocated and are documented in the appropriate service row of column 10 of the AUCR;	No exceptions noted.
4 (a) iv		Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	There were no material variances greater than plus or minus two percent.
5	Units of Service Verification		
5 (a)		From and by each service with costs reported on the AUCR, select a haphazard sample (as defined by the American Institute of Certified Public Accountants audit sampling guide) of the reported units of service, equal to 20 percent or 40 total units, whichever is less. Perform the following procedures on the selected units:	Due to the size of the population, we reviewed 40 total units.
5 (a) i		Verify documentation exists in client records to support the number of units selected;	There was documentation to support reported units of services
5 (a) ii		Compare the type of service selected to determine if it is reported in the appropriate service line of column 2;	Services were reported in the appropriate service line.



**THE OHIO STATE UNIVERSITY  
 TRAUMATIC BRAIN INJURY NETWORK  
 REPORT ON APPLICATION OF AGREED-UPON PROCEDURES ON  
 UNIFORM COST REPORT  
 For the Year Ended June 30, 2011**

**Exhibit I**

Number	Area Tested	Test Procedure(s)	Test Result(s)
5 (a) iii		Identify and document any material variances (greater than plus or minus two percent) and obtain management's explanation of the material variance(s) for inclusion in the AUCR AUP report.	There were no material variances greater than plus or minus two percent of total units selected.
6	First BUCR to AUCR Comparison		
6 (a)		Compare the first BUCR to the AUCR and verify the methods of cost reporting selected are the same as the methods used when completing the AUCR.	Cost reporting methods are the same for the BUCR and with AUCR without exception.





## Exhibit II

Franklin County Uniform Cost Report (UCR)  
Alcohol & Other Drug

Agency Name : TBI Network  
Agency Address: 106 McCampbell Hall  
1581 Dodd Drive  
Columbus, OH

Fiscal Year Budget: KY 2011  
MACSIS UPI: 6707  
Agency Telephone Number: 614-891=6016  
Owner Federal Tax I.D. Number: 316025986

1. Type of Service	HCPCS / Procedure Code	Unit Definition	2. # of Units	3. Number of FTE Assigned		4. Personnel Costs		5. Service Non-Personnel Costs	6. Service Total Costs	7. Allocation of Admn. Overhead	8. Total Costs	9. Cost Per Unit	10. Unallowable Costs	11. Total Allowable Costs	12. Allowable Cost Per Unit
				Direct Service	Support Service	Direct Service	Support Service								
<b>TREATMENT SERVICES</b>															
Acute Hospital Detoxification	H0009	24 hour													
Ambulatory Detoxification	H0014	24 hour													
Assessment	H0001	60 minutes	199.1	0.096	0.117	\$4,970.82	\$5,585.39	\$4,291.85	\$14,848.06	\$2,027.73	\$16,875.79	\$84.75		\$16,875.79	\$84.75
Case Management	H0006	60 minutes	1,853.7	0.891	1.116	\$46,514.70	\$53,604.36	\$40,506.11	\$140,625.17	\$19,231.79	\$159,856.97	\$86.24		\$159,856.97	\$86.24
Crisis Intervention	H0007	60 minutes	0.8	0.0004	0.0003	\$18.11	\$15.87	\$13.65	\$47.64	\$6.53	\$54.17	\$72.22		\$54.17	\$72.22
Family Counseling	11009	15 minutes													
Group Counseling	H0005	15 minutes	7,725	3.714	1.154	\$48,007.20	\$55,122.01	\$98,216.94	\$201,346.15	\$19,810.01	\$221,156.16	\$28.63		\$221,156.16	\$28.63
Individual Counseling	H0004 901	15 minutes	694	0.334	0.101	\$4,275.01	\$4,780.17	\$8,760.45	\$17,795.63	\$1,735.56	\$19,531.19	\$28.15		\$19,531.19	\$28.15
Intrusive Compunct	H0013	24 hour													
Laboratory Urinalysis	H0003	1 screen													
Medical Somatic	H0016	60 minutes													
Medication Administration	H0020	1 dose													
Sub Acute Detoxification	H0012	24 hour													
23 Hour Observation Bed	99236	24 hour													
Urine Dip Screen	A0780	1 screen													
<b>COMMUNITY RESIDENTIAL TREATMENT Includes Room &amp; Board costs</b>															
Med. Comm. Residential TX - Hospital Setting	A1210	24 hour													
Med. Comm. Residential TX - Non-Hospital Setting	A0230	24 hour													
<b>BH COMMUNITY RESIDENTIAL TREATMENT Excludes Room &amp; Board costs</b>															
BH Med. Comm. Residential TX - Hospital Setting	H0017	24 hour													
BH Med. Comm. Residential TX - Non-Hospital Setting	H0018	24 hour													
<b>COMMUNITY SERVICES</b>															
Consultation	A0550	60 minutes													
Intervention	H0022	60 minutes													
Screening	H0021	60 minutes													
Referral and Information	A0510	60 minutes													
Training	H0023	60 minutes													
<b>PREVENTION SERVICES</b>															
Alternatives	A0550	60 minutes													
Community-Based Process	A0530	60 minutes													
Education	A0520	60 minutes													
Information Dissemination	A0510	60 minutes													
Problem Identification and Referral	A0530	60 minutes													
<b>ADJUNCTIVE ALCOHOL AND DRUG SERVICES</b>															
Child Care	11009	60 minutes													
Non-Residential DIP	H0079	24 hour													
Outpatient	H0079	24 hour													
AOD Services Not Otherwise Classified	H0047	60 minutes													
<b>DRIVER INTERVENTION PROGRAMS</b>															
Non-Residential DIP	na	1 unit													
Outpatient	na	1 unit													
Residential	na	1 unit													
<b>OTHER</b>															
Administrative Overhead						0.398		\$29,998.43	\$12,813.20	\$42,811.63					
Mental Health Services															
Title IV-E Services															
Non AOD/MH/Title IV-E Services						1.8099		\$111,550.61	\$0.00	\$111,550.61				\$111,550.61	
<b>TOTALS</b>															
TOTALS FOR AOD SERVICES			10,472.2	5.035	2.488	\$103,785.83	\$119,087.82	\$151,759.00	\$374,682.65	\$42,811.63	\$417,474.28		\$0.00	\$417,474.28	
TOTALS FOR AGENCY				5.035	4.696	\$103,785.83	\$260,636.85	\$164,602.20	\$529,024.89	\$42,811.63	\$529,024.89		\$0.00	\$529,024.89	

I certify that this UCR and all supporting documentation have been completed in accordance with OAC 3793-2-1-09

Name/Title: J.R.D. Coyle Director  
Date: 11-17-12

**The Ohio State University**  
**Wexner Center for the Arts**  
Financial Statements  
June 30, 2011

**The Ohio State University  
Wexner Center for the Arts  
Index  
June 30, 2011**

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## Report of Independent Accountants

To The Ohio State University  
Wexner Center for the Arts:

We have reviewed the accompanying statement of net assets of the Wexner Center for the Arts as of June 30, 2011, and the related statement of revenues, expenses and changes in net assets and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Wexner Center for the Arts.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the financial statements referred to above in order for them to be in conformity with generally accepted accounting principles.

The accompanying management's discussion and analysis on pages 2 through 5 are not a required part of the basic financial statements but are supplementary information required by the Government Accounting Standards Board. 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 review the information and express no assurance on it.

Our review was conducted for the purpose of expressing limited assurance on the basic financial statements taken as a whole. The Supplementary Information on the Elimination of the Building Contributed Capital Investment on pages 19 and 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the review procedures applied in the review of the basic financial statements. Based on our review, we are not aware of any material modifications that should be made to such information in relation to the basic financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

November 30, 2011

# The Ohio State University

## Wexner Center for the Arts

### Management's Discussion and Analysis

June 30, 2011

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The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of the Wexner Center for the Arts for the year ended June 30, 2011. We encourage you to read this MD&A section in conjunction with the financial statements and footnotes appearing in this report.

#### **About the Wexner Center**

The Wexner Center for the Arts ("WCA"), which opened in November 1989, is a multi-disciplinary arts center located on the Columbus campus of The Ohio State University (the "University"). Conceived as a research laboratory for all the arts, it has emphasized commissions for new work and artist residencies since its inception. Its multidisciplinary programs encompass performing arts, exhibitions, and media arts (film/video) and have focused on cutting-edge culture from around the globe. The WCA building is named in honor of Harry L. Wexner, the father of Leslie H. Wexner, chairman and founder of Limited Brands and a major donor to the center.

The WCA receives significant financial support from the Wexner Center Foundation. The Foundation is a private, nonprofit partner of The Ohio State University Board of Trustees established for the overall purpose of advancing the interests of the WCA. Its primary role is to provide trustee guidance and sustained support for WCA programming.

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

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

#### **Financial Highlights**

The WCA's financial position improved slightly in Fiscal Year 2011. Restricted-nonexpendable net assets related to endowment funds increased \$317,481, to \$3,471,430, due to the long-term investment pool recovering slightly from the market downturn experienced during Fiscal Year 2009. Expendable net assets, which include unrestricted and restricted-expendable net assets, increased \$2,353, to \$912,739. This is the collective result of a decrease in restricted-expendable net assets of \$614,095 and an increase in unrestricted net assets of \$616,448.

Gift revenues totaled \$4,663,399 for fiscal year 2011. These gift figures include \$2,774,563 in direct support from the Wexner Center Foundation.

The following sections provide additional details on the WCA's 2011 financial results and a look ahead at significant economic conditions that are expected to affect the Center in the future.

**The Ohio State University  
Wexner Center for the Arts  
Management's Discussion and Analysis  
June 30, 2011**

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**Statements of Net Assets**

	<b>2011</b>	<b>2010</b>
<b>Statements of Net Assets</b>		
Cash and cash equivalents	\$ -	\$ 48,110
Accounts receivable	141,368	118,409
Contributions receivable	1,484,242	1,007,896
Inventories and prepaid expenses	890,088	706,569
Total current assets	<u>2,515,698</u>	<u>1,880,984</u>
Endowments in OSU long-term investment pool	3,471,430	3,153,949
Property, plant & equipment, net	40,521,154	40,988,814
Total noncurrent assets	<u>43,992,584</u>	<u>44,142,763</u>
Total assets	<u>\$ 46,508,282</u>	<u>\$ 46,023,747</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 86,908	\$ 551,206
Due university	268,687	-
Accrued salary and wages	42,285	29,770
Deposits and deferred revenues	252,542	48,976
Accrued vacation and sick leave - current	25,654	21,458
Total current liabilities	<u>676,076</u>	<u>651,410</u>
Noncurrent liabilities		
Accrued vacation and sick leave - long term	333,363	319,188
Deposits and deferred revenues - long term	593,520	-
Total noncurrent liabilities	<u>926,883</u>	<u>319,188</u>
Total liabilities	<u>\$ 1,602,959</u>	<u>\$ 970,598</u>
<b>Net Assets</b>		
Invested in capital assets	\$ 40,521,154	\$ 40,988,814
Restricted - nonexpendable	3,471,430	3,153,949
Restricted - expendable	1,403,871	2,017,966
Unrestricted	(491,132)	(1,107,580)
Total net assets	<u>\$ 44,905,323</u>	<u>\$ 45,053,149</u>

Total current assets increased \$634,714, to \$2,515,698 at June 30, 2011, primarily due to decrease in contributions receivable from the University's Development Office. The Statement of Cash Flows, which is discussed in more detail in a later section of the MD&A, provides additional details on sources and uses of WCA cash.

Endowment investments in the University's long-term investment pool increased \$317,481, to \$3,471,430 at June 30, 2011, primarily due to appreciation in the market value of investments. The long-term investment pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the University's mission.

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June 30, 2011**

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The WCA's property, plant and equipment, net of accumulated depreciation, decreased \$467,660, to \$40,521,154, primarily due to building depreciation. University facilities assigned to the WCA include the WCA building and the adjacent Mershon Auditorium. In October 2005, the WCA galleries reopened after an extensive renovation.

Current liabilities of the WCA increased \$24,666 to \$676,076 at June 30, 2011. Decreases in account payable and deferred revenues were partially offset by increases in vacation, sick leave benefits and deferred revenues. The major component of the increase in current liabilities is \$268,687 owed to the University at June 30, 2011. This liability represents advances from the University. All gifts received by the University's Development Office are held 180 days before being released to the recipient unit within the University.

Non-current liabilities of the WCA increased \$607,695, to \$926,883 at June 30, 2011. The major component of the increase in non-current liabilities is \$593,520 in deferred revenues as a result of WCA's receiving a multi-year grant award from the Mellon Foundation for programming through fiscal year 2014.

**Statements of Revenues, Expenses and Changes in Net Assets**

	<b>2011</b>	<b>2010</b>
<b>Operating Revenues</b>		
Sales and services	\$ 1,715,196	\$ 1,773,682
Grants and contracts	18,899	483,033
Total operating revenues	<u>1,734,095</u>	<u>2,256,715</u>
<b>Operating Expenses</b>		
Salaries	4,469,216	4,442,715
Employee Benefits	1,497,046	1,463,635
Fees paid to performers and artists	402,822	480,370
Supplies and services	3,657,677	3,995,622
University overhead charges	47,118	37,490
Depreciation	<u>2,373,176</u>	<u>2,275,936</u>
Total operating expenses	<u>12,447,055</u>	<u>12,695,768</u>
Operating loss	<u>(10,712,960)</u>	<u>(10,439,053)</u>
<b>Nonoperating Revenues and Expenses</b>		
University appropriations	4,327,944	4,161,847
Gifts	4,663,399	4,053,483
Endowment income distributions	152,726	177,111
Investment income	331,900	232,255
Transfers from University for capital projects	<u>1,089,165</u>	<u>374,002</u>
Increase (decrease) in net assets	<u>(147,826)</u>	<u>(1,440,355)</u>
Net assets, beginning of year	<u>45,053,149</u>	<u>46,493,504</u>
Net assets, end of year	<u>\$ 44,905,323</u>	<u>\$ 45,053,149</u>

**The Ohio State University  
Wexner Center for the Arts  
Management's Discussion and Analysis  
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Total net assets (equity) of the WCA decreased \$147,826 to \$44,905,323 at June 30, 2011. It should be noted that the required subtotal for net operating income or loss will generally reflect a "loss", primarily due to the way operating and non-operating items are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating expenses include virtually all WCA expenses. Operating revenues, however, *exclude* certain significant revenue streams that WCA relies upon to fund current operations, including direct support from the University, current-use gifts and investment income.

**Statements of Cash Flows**

	<b>2011</b>	<b>2010</b>
<b>Cash Provided by (Used in):</b>		
Operating activities	\$ (8,182,588)	\$ (7,715,603)
Noncapital financing activities	8,783,684	7,505,088
Capital and related financing activities	(816,350)	172,305
Investing activities	167,144	86,320
	<u>(48,110)</u>	<u>48,110</u>
<b>Net Increase (Decrease) in Cash</b>		
Cash and cash equivalents, beginning of year	48,110	-
	<u>\$ -</u>	<u>\$ 48,110</u>
Cash and cash equivalents, end of year		

Total WCA cash and cash equivalents decreased \$48,110, to \$0 at June 30, 2011. Operating activities include cash flows associated with sales and services, grants and contracts, and operating expenses. Non-capital financing activities include direct operating support from the University and gifts. Capital and related financing activities include payments for purchase or construction of capital assets and transfers for capital projects from the University. Net cash provided by investing activities consists primarily of endowment income distributions.

**Economic Factors That Will Affect the Future**

The national and local economic climates continue to present challenges for the center that mirror challenges encountered by all nonprofits, particularly those in the arts and cultural field. As governments face increasing pressures to achieve balanced budgets and reduce deficits, so do the recipients of such public programming support. At the local level, leadership in Columbus recognizes the relationship between the arts and economic development is committed to advancing this frontier for the community.

In the face of the economic challenges, there continues to be a merging of local arts organizations and attempts to capture economies of scale by consolidating back-of-house administration. The Wexner Center has been able to maintain a solid financial position through careful budget planning, regular fiscal reviews throughout the year, strategic cost-containment measures, and a diversified funding base. These financial practices and protocols will continue in the coming fiscal year.

Each year the Wexner Center strives to secure private contributions from local, national and international corporations and foundations as well as from individuals residing in central Ohio and beyond. The private funds along with earned and investment income streams are supplemented by the consistent public support from The Ohio State University and other public agencies. The center has been fortunate over the years to have not only established but sustained a diversified financial base, which has contributed to a relative degree of fiscal health, even in the current economically challenging climate.



**The Ohio State University**  
**Wexner Center for the Arts**  
**Statement of Net Assets**  
**June 30, 2011**

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	<b>2011</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ -
Accounts receivable	141,368
Contributions receivable	1,484,242
Inventories and prepaid expenses	890,088
Total current assets	<u>2,515,698</u>
Noncurrent assets	
Endowments in OSU long-term investment pool	3,471,430
Property, plant & equipment, net	40,521,154
Total noncurrent assets	<u>43,992,584</u>
Total assets	<u>\$ 46,508,282</u>
<b>Liabilities and Net Assets</b>	
Current liabilities	
Accounts payable	\$ 86,908
Due university	268,687
Accrued salary and wages	42,285
Deposits and deferred revenues	252,542
Accrued vacation and sick leave - current	25,654
Total current liabilities	<u>676,076</u>
Noncurrent liabilities	
Accrued vacation and sick leave - long term	333,363
Deposits and deferred revenues - long term	593,520
Total noncurrent liabilities	<u>926,883</u>
Total liabilities	<u>1,602,959</u>
Net assets	
Invested in capital assets	40,521,154
Restricted - nonexpendable	3,471,430
Restricted - expendable	1,403,871
Unrestricted	(491,132)
Total net assets	<u>44,905,323</u>
Total liabilities and net assets	<u>\$ 46,508,282</u>

The accompanying notes are an integral part of these financial statements  
See Report of Independent Accountants

**The Ohio State University**  
**Wexner Center for the Arts**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**June 30, 2011**

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	<b>2011</b>
<b>Operating Revenues</b>	
Sales and services	\$ 1,715,196
Grants and contracts	<u>18,899</u>
Total operating revenues	1,734,095
<b>Operating Expenses</b>	
Salaries	4,469,216
Employee Benefits	1,497,046
Fees paid to performers and artists	402,822
Supplies and services	3,657,677
University overhead charges	47,118
Depreciation	<u>2,373,176</u>
Total operating expenses	<u>12,447,055</u>
Operating loss	<u>(10,712,960)</u>
<b>Nonoperating Revenues and Expenses</b>	
University appropriations	4,327,944
Gifts	4,663,399
Endowment income distributions	152,726
Investment income	331,900
Transfers from University for capital projects	<u>1,089,165</u>
Increase (decrease) in net assets	(147,826)
Net assets, beginning of year	<u>45,053,149</u>
Net assets, end of year	<u>\$ 44,905,323</u>

The accompanying notes are an integral part of these financial statements  
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**The Ohio State University**  
**Wexner Center for the Arts**  
**Statement of Cash Flows**  
**June 30, 2011**

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	<b>2011</b>
<b>Cash Flows from Operating Activities</b>	
Grant and contract receipts	\$ 801,199
Receipts for sales and services	1,707,022
Payments to or on behalf of employees	(4,456,701)
University employee benefit payments	(1,478,674)
Payments to artists and performers	(402,822)
Payments to vendors for supplies and services	<u>(4,352,612)</u>
Net cash provided (used) by operating activities	<u>(8,182,588)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
University appropriations	4,327,944
Gifts	<u>4,455,740</u>
Net cash provided (used) by noncapital financing activities	<u>8,783,684</u>
<b>Cash Flows from Capital Financing Activities</b>	
Payments for purchase or construction of capital assets	(1,905,515)
Transfers from University for capital projects	<u>1,089,165</u>
Net cash provided (used) by capital financing activities	<u>(816,350)</u>
<b>Cash Flows from Investing Activities</b>	
Income and dividends received	<u>167,144</u>
Net cash provided (used) by investing activities	<u>167,144</u>
Net Increase (Decrease) in Cash	(48,110)
Cash and Cash Equivalents - Beginning of Year	<u>48,110</u>
Cash and Cash Equivalents - End of Year	<u>\$ -</u>
<b>Reconciliation of Net Operating Loss to Net Cash Provided (Used) by Operating Activities</b>	
Operating loss	\$ (10,712,959)
Adjustments to reconcile net operating loss to net cash provided (used) by operating activities	
Depreciation expense	2,373,176
Changes in assets and liabilities	
Accounts receivable, net	(22,959)
Inventories and prepaid expenses	(183,519)
Accounts payable	(464,298)
Accrued salary and wages	12,515
Deposits and deferred credits	797,084
Compensated absences	<u>18,372</u>
Net cash provided (used) by operating activities	<u>\$ (8,182,588)</u>

The accompanying notes are an integral part of these financial statements  
See Report of Independent Accountants

**The Ohio State University  
Wexner Center for the Arts  
Notes to Financial Statements  
June 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES**

**Entity**

Wexner Center for the Arts ("WCA") is a part of The Ohio State University (the "University") financial reporting entity. The financial statements of the University contain more extensive disclosure of the significant accounting policies of the University as a whole.

**Basis of Presentation**

WCA complies with generally accepted accounting principles ("GAAP"). GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. Financial Accounting Standards Board ("FASB") pronouncements and Accounting Principles Board ("APB") opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. WCA reports as a special purpose government engaged solely in "business type activities" under GASB Statement No. 34. GASB Statement Nos. 20 and 34 provide WCA the option of electing to apply FASB pronouncements issued after November 30, 1989. WCA has elected not to apply those pronouncements.

GASB Statement No. 34 requires that resources be classified for accounting and reporting purposes into the following net assets categories:

**Invested in Capital Assets, Net of Related Debt**

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

**Restricted - Expendable**

Net assets whose use by WCA is subject to externally imposed stipulations that can be fulfilled by actions of WCA pursuant to those stipulations or that expire by the passage of time.

**Restricted - Nonexpendable**

Net assets subject to externally imposed stipulations that they be maintained permanently by WCA.

**Unrestricted**

Net assets whose use by WCA is not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

It is WCA's policy to apply restricted resources first when an expense is incurred for which both restricted and unrestricted net assets are available.

**Basis of Accounting**

The financial statements of WCA have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they are considered to be a legal or contractual obligation to pay.

**Cash**

Cash of WCA is maintained by the Office of Financial Services of the University through pooled funds.

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**The Ohio State University  
Wexner Center for the Arts  
Notes to Financial Statements  
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**Endowment Investments**

All investments consist of WCA's share of The Ohio State University Long Term Investment Pool and are recorded at fair value.

**Contributions Receivable**

Contributions receivable of \$1,484,242 as of June 30, 2011 consist of contributions received by the University's Development Office but not transferred to the operating accounts of the WCA. Amounts are deemed fully collectible.

**Inventory**

Inventories consist primarily of textbooks, educational materials and merchandise sold by the WCA bookstore and are stated at cost on the first-in-first-out ("FIFO") basis.

**Capital Assets**

Capital assets with a unit cost of over \$5,000 are recorded at cost at date of acquisition, or, if donated, at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. WCA does not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are not encumbered or sold for financial gain. Consequently, such collections are not recognized in the financial statements.

**Revenue Recognition**

All revenues from programmatic sources are considered to be operating revenues. Included in operating revenues are sales and service revenues generated from artist performance shows, exhibitions and merchandise sales. Included in non-operating revenues are University support, investment income, and gifts. Gift revenues are recorded upon receipt from donors. Grant funds are recorded as revenues when the grant's contractual requirements have been met. The principal expendable restricted resources of the WCA are current-use gifts and endowment income distributions.

**Support from the Wexner Center Foundation**

The Wexner Center Foundation is a private, nonprofit partner of The Ohio State University Board of Trustees established for the overall purpose of advancing the interests of the WCA. Its primary role is to provide trustee guidance and sustained support for WCA programming. The Foundation provided \$2,774,563 of direct support to the WCA for the year ended June 30, 2011. This support is included in gift revenues on the Statement of Revenues, Expenses and Changes in Net Assets.

**Donated Facilities and Administrative Support from The Ohio State University**

The University charges the WCA for allocated overhead costs associated with sales of goods and services.

**Net Assets**

GASB Statement No. 34 reports equity as "net assets" rather than "fund balance." Net assets are classified according to external donor restrictions or availability of assets for satisfaction of WCA's obligations. Nonexpendable restricted net assets are gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net assets represent funds that have been gifted for specific purposes.

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

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**Management Estimates**

The preparation of financial statements in conformity with accounting principles, generally accepted in the United States of America, requires the use of management estimates, primarily related to compensated absences and the collectability of receivables. Actual results could differ from those estimates.

**Newly Issued Accounting Pronouncements**

In December 2009, GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement amends provisions in Statements No. 45 and 43 related to measurement and actuarial valuation of other post employment benefits. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, the provisions of Statement No. 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

WCA management has not yet determined the impact that implementation of GASB Statement No. 57 will have on the WCA's financial statements.

**Other**

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

**2. CASH AND INVESTMENTS**

WCA's investments are maintained in the University's investment pool. The pool consists of more than 4,400 named funds. Each named fund is assigned a number of shares, based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. The pool is invested in a diversified portfolio of equities, fixed income, real estate, hedge funds, private equity, venture capital and natural resources that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support WCA's mission.

The University holds certain types of alternative investments, including limited partnerships and private equity, which are carried at estimated fair value provided by the management of these funds. The purpose of this alternative investment class is to increase portfolio diversification and reduce risk due to the low correlation with other asset classes. Methods for determining estimated fair values include discounted cash flows and estimates provided by general partners.

Annual distributions to named funds in the University investment pool are computed using the share method of accounting for pooled investments. For fiscal year 2009, annual distribution was based on the average market value per share over the previous five year period multiplied by a stated rate. For funds established prior to June 30, 2004, the stated rate was 4.5%. For funds established after June 30, 2004, the stated rate was 4%. To minimize volatility in the year-to-year distribution amounts, a "collar" was also in place to ensure that distribution per share did not increase greater than 3% a year or decrease more than 1% a year.

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**The Ohio State University  
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After the significant market decline in fiscal year 2009, the University's Board of Trustees revised the distribution policy. In fiscal year 2010, the two pools (named funds established before or after the June 30, 2004 cutoff date) were combined into one, resulting in one payout rate for all funds. The collar was eliminated and replaced with a temporary one year floor limiting the total distribution decline to 3% for any college or area. Based on these two methods, undistributed gains were transferred from the Long Term Investment Pool to current funds. Beginning in fiscal year 2011, annual distribution per share is 4.25% of the average market value per share of the Long Term Investment Pool over the most recent seven year period.

Investments are carried at market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The net change in the value of investments during 2011 is a gain of \$317,481. These amounts take into account all changes in fair value (including purchases and sales) that occurred the year.

The calculation of realized gain or loss is independent of the calculation of the net increase in fair value of investments. As of June 30, 2011, there is a cumulative unrealized loss on investments of \$389,811.

The market values of WCA's investments held in the University's investment pool were \$3,471,430 at June 30, 2011.

The following summarizes pooled shares and related values as of June 30, 2011:

<b>Name of Fund</b>	<b>Number of Shares</b>	<b>Cost</b>	<b>Market Value</b>
Haas, Carl Fund	34.49	\$ 155,130	\$ 194,900
Long, Ethel Manley	9.67	35,000	54,622
McKittrick Family Fund	.40	1,511	2,277
Tappen Endowed Fund	2.62	15,000	14,811
Wexner Center Programs	5.33	25,000	30,147
Arnold SA Maint WCA	5.17	34,000	29,239
Fnd-Duke Performing Arts	384.97	2,539,431	2,175,394
Glimcher D&H Program Fd	17.64	100,000	99,698
Goldberg RiteRug WCA Prog	14.41	80,160	81,419
Lambert Family Lecture	63.88	428,334	360,951
Shumate Family Endowment	9.28	50,000	52,445
Director's Dialogue	7.37	50,000	41,662
Fung Family Wexner Ctr	43.91	250,000	248,153
Fnd-Tuckerman Child	2.73	25,000	15,437
Mervis L&J Wexner Ctr	12.44	72,675	70,275
Total		<u>\$ 3,861,241</u>	<u>\$ 3,471,430</u>

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**The Ohio State University  
Wexner Center for the Arts  
Notes to Financial Statements  
June 30, 2011**

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**3. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2011 is summarized as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Nondepreciable assets				
Construction in progress	\$ 258,747	\$ 1,871,465	\$ (2,039,240)	\$ 90,972
Depreciable assets				
Buildings	73,163,844	1,986,633	-	75,150,477
Furniture and equipment	1,101,916	86,658	-	1,188,574
Total cost of depreciable assets	<u>74,265,760</u>	<u>2,073,291</u>	<u>-</u>	<u>76,339,051</u>
Total cost of capital assets	74,524,507	3,944,756	(2,039,240)	76,430,023
Less accumulated depreciation	<u>33,535,692</u>	<u>2,373,176</u>	<u>-</u>	<u>35,908,868</u>
Net capital assets	<u>\$ 40,988,815</u>	<u>\$ 1,571,580</u>	<u>\$ (2,039,240)</u>	<u>\$ 40,521,155</u>

The following estimated useful lives are used to compute depreciation:

<b>Type of Asset</b>	<b>Estimated Useful Life</b>
Buildings	20 to 40 years
Equipment and furniture	5 to 15 years

**4. RETIREMENT PLAN**

All WCA employees are employees of the University and are covered by either the Ohio Public Employees Retirement System ("OPERS"), Ohio State Teachers Retirement System ("STRS Ohio") or the Alternative Retirement Plan ("ARP"). Employees may opt out of OPERS or STRS Ohio and participate in the ARP if they meet certain eligibility requirements.

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



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**Defined Benefit Plans**

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

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

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

**Defined Contribution Plans**

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

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

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

**Combined Plans**

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

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

**The Ohio State University  
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June 30, 2011**

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**Funding Policy**

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

	<b>STRS Ohio</b>	<b>OPERS</b>	<b>ARP</b>
<b>Faculty</b>			
Plan member (entire year)	10.00%		10.00%
WCA (entire year)	14.00%		14.00%
<b>Staff</b>			
Plan member (entire year)		10.00%	10.00%
WCA (entire year)		14.00%	14.00%

\* Employer contributions include 3.5% paid to STRS Ohio.

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

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

WCA's contributions, which represent 100% of required employer contributions, for the year ended June 30, 2011 and for each of the two preceding years are as follows:

<b>Year ended June 30</b>	<b>STRS Ohio Annual Required Contribution</b>	<b>OPERS Annual Required Contribution</b>	<b>Annual Required Contribution</b>
2009	\$ 7,582	\$ 425,932	\$ 176,014
2010	\$ 10,480	\$ 413,168	\$ 189,527
2011	\$ 7,261	\$ 434,543	\$ 180,002

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**5. OTHER POSTEMPLOYMENT BENEFITS**

OPERS also provides post-retirement 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 also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit ("OPEB") as described in GASB Statement No. 12, *Disclosure of Information of Postemployment Benefits other than Pension Benefits by State and Local Government Employers*. A portion of each contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions to OPERS. For OPERS' fiscal year ended December 31, 2010, OPERS allocated 5.5% (January 1 through March 31) and 5.0% (April 1 through December 31) of the employer contribution rate to fund the health care program for retirees in the Traditional Plan. For OPERS' fiscal year ended December 31, 2010, OPERS allocated 4.73% (January 1 through March 31) and 4.23% (April 1 through December 31) of the employer contribution rate to fund the health care program for retirees in the Combined Plan. These rates are the actuarially determined contribution requirement for OPERS. Postemployment health care benefits are not guaranteed by ORC to be covered under OPERS.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan ("HCPP") with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. In 2005, OPERS created a separate investment pool for health care assets. In addition, member and employer contribution rates increased as of January 1, 2006, 2007, 2008 and 2009.

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

OPEB are not available to retirees enrolled in the OPERS member-directed plan or the ARP.

STRS Ohio currently provides access to health care coverage to retirees who participated in the deferred benefit or combined plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to ORC, STRS Ohio has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of monthly premiums. Under ORC, medical costs paid from the funds of STRS Ohio are included in the employer contribution rate. For the fiscal year ended June 30, 2010, STRS Ohio allocated employer contributions equal to 1.0% of covered payroll to a Health Care Stabilization Fund ("HCSF") from which payments for health care benefits are paid.

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

**The Ohio State University  
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**6. ACCRUED COMPENSATION AND COMPENSATED ABSENCES**

The WCA employees earn vacation and sick leave on a monthly basis. Classified civil service employees may accrue vacation benefits up to a maximum of three years credit. Administrative and professional staff and faculty may accrue vacation benefits up to a maximum of 240 hours. For all classes of employees, any earned but unused vacation benefit is payable upon termination. Sick leave may be accrued without limit. However, earned but unused sick leave benefits are payable only upon retirement from the University with ten or more years of state service. The amount of sick leave benefit payable at retirement is one fourth of the accrued but unused sick leave up to a maximum of 240 hours.

WCA follows the University's policy for accruing sick leave liability. WCA accrues a sick leave liability for those employees who are currently eligible to receive termination payments along with other employees who are expected to become eligible to receive such payments. This liability is calculated using the "termination payment method" which is set forth in Appendix C, Example 4 of the GASB Statement No. 16, *Accounting for Compensated Absences*.

Under the termination method, WCA utilizes the University's calculated rate, Sick Leave Termination Cost per Year Worked that is based on the University's actual historical experience of sick leave payouts to terminated employees. This ratio is then applied by WCA to the total year-of-service for WCA current employees.

Accrued salaries were \$42,285 as of June 30, 2011. Accrued vacation and sick leave liabilities were \$359,017 as of June 30, 2011.

Long term liability related to accrued compensated liabilities as of June 30, 2011 is as follows:

Non-current liability activity for the year ended June 30, 2011 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Compensated absences	\$ 340,646	\$ 18,371	\$ -	\$ 359,017	\$ 25,654
	<u>\$ 340,646</u>	<u>\$ 18,371</u>	<u>\$ -</u>	<u>\$ 359,017</u>	<u>\$ 25,654</u>

**7. UNIVERSITY SUPPORT**

The operations of WCA are supported in part by the general revenues of the University. The University provides for the general operating costs of WCA operations. The University's direct support amounted to \$6,199,409 for the year ended June 30, 2011.

**The Ohio State University  
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**8. OPERATING LEASE OBLIGATION**

WCA leases office space under an agreement with a 5 year occupancy term covering the period March 1, 2009 through February 28, 2014. Future minimum rental payments for this lease as of June 30, 2011 are as follows:

Year ending June 30

2012	\$	123,396
2013		123,396
2014		<u>82,264</u>
Total minimum lease payments	\$	<u>329,056</u>

Rental expense charged to operations was \$123,396 for the year ended June 30, 2011.

WCA leases apartment space for visiting artists under an agreement with a 1 year occupancy term covering the period August 21, 2010 through August 20, 2011 and renewed for the period August 21, 2011 through August 12, 2012.

Future minimum rental payments for this lease as of June 30, 2011 are as follows:

Year ending June 30

2012	\$	6,100
2013		<u>510</u>
Total minimum lease payments	\$	<u>6,610</u>

Rental expense charged to operations was \$5,880 for the year ended June 30, 2011.

WCA, as a lessor, leases space used as a café to a tenant under a licensing agreement. The monthly license fee owed to WCA is 5.8% of gross sales. The current lease expires July 3, 2011.

Rental income received to operations was \$6,612 for the year ended June 30, 2011.

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# Supplemental Information

**The Ohio State University  
Wexner Center for the Arts  
Supplemental Schedule of Net Assets  
June 30, 2011**

	<b>Reviewed Balances 2011</b>	<b>Elimination of Building Contributed Capital Investment</b>	<b>Adjusted Valuation 2011</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable	141,368	-	141,368
Contributions receivable	1,484,242	-	1,484,242
Inventories and prepaid expenses	890,088	-	890,088
Total current assets	<u>2,515,698</u>	-	<u>2,515,698</u>
Noncurrent Assets			
Endowments in OSU long-term investment pool	3,471,430	-	3,471,430
Property, plant & equipment, net	40,521,154	(40,238,593)	282,561
Total noncurrent assets	<u>43,992,584</u>	<u>(40,238,593)</u>	<u>3,753,991</u>
Total assets	<u>\$ 46,508,282</u>	<u>\$ (40,238,593)</u>	<u>\$ 6,269,689</u>
<b>Liabilities and Net Assets</b>			
Current liabilities			
Accounts payable	\$ 86,908	\$ -	86,908
Due university	268,687	-	268,687
Accrued salary and wages	42,285	-	42,285
Deposits and deferred revenues	252,542	-	252,542
Accrued vacation and sick leave - current	25,654	-	25,654
Total current liabilities	<u>676,076</u>	-	<u>676,076</u>
Noncurrent liabilities			
Accrued vacation and sick leave - long term	333,363	-	333,363
Deposits and deferred revenues - long term	593,520	-	593,520
Total noncurrent liabilities	<u>926,883</u>	-	<u>926,883</u>
Total liabilities	1,602,959	-	1,602,959
Net assets			
Invested in capital assets	40,521,154	(40,238,593)	282,561
Restricted - nonexpendable	3,471,430	-	3,471,430
Restricted - expendable	1,403,871	-	1,403,871
Unrestricted	(491,132)	-	(491,132)
Total net assets	<u>44,905,323</u>	<u>(40,238,593)</u>	<u>4,666,730</u>
Total liabilities and net assets	<u>\$ 46,508,282</u>	<u>\$ (40,238,593)</u>	<u>\$ 6,269,689</u>

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**The Ohio State University  
Wexner Center for the Arts  
Supplemental Schedule of Revenue, Expenses and Changes in Net Assets  
June 30, 2011**

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	<b>Reviewed Balances 2011</b>	<b>Elimination of Building Contributed Capital Investment</b>	<b>Adjusted Valuation 2011</b>
<b>Operating Revenue</b>			
Sales and services	\$ 1,715,196	\$ -	\$ 1,715,196
Grants and contracts	18,899	-	18,899
Total operating revenue	<u>1,734,095</u>	-	<u>1,734,095</u>
<b>Operating Expenses</b>			
Salaries	4,469,216	-	4,469,216
Employee benefits	1,497,046	-	1,497,046
Fees paid to performers and artists	402,822	-	402,822
Supplies and services	3,657,677	-	3,657,677
University overhead charges	47,118	-	47,118
Depreciation	<u>2,373,176</u>	<u>(2,277,579)</u>	<u>95,597</u>
Total operating expenses	<u>12,447,055</u>	<u>(2,277,579)</u>	<u>10,169,476</u>
Operating loss	(10,712,960)	(2,277,579)	(8,435,381)
<b>Nonoperating Revenue and Expenses</b>			
University appropriations	4,327,944	-	4,327,944
Gifts	4,663,399	-	4,663,399
Endowment income distributions	152,726	-	152,726
Investment income	331,900	-	331,900
Transfers from University for capital projects	<u>1,089,165</u>	<u>(1,986,633)</u>	<u>(897,468)</u>
Increase (decrease) in net assets	<u>(147,826)</u>	<u>290,946</u>	<u>143,120</u>
Net assets, beginning of year	<u>45,053,149</u>	<u>(40,529,539)</u>	<u>4,523,610</u>
Net assets, end of year	<u>\$ 44,905,323</u>	<u>\$ (40,238,593)</u>	<u>\$ 4,666,730</u>

See Report of Independent Accountants





# Dave Yost • Auditor of State

THE OHIO STATE UNIVERSITY

FRANKLIN COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
APRIL 26, 2012